

1
VERBATIM PROCEEDINGS

NUCLEAR ENERGY ADVISORY COUNCIL

FEBRUARY 17, 2000

WATERFORD TOWN HALL
15 ROPE FERRY ROAD
WATERFORD, CONNECTICUT

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1 . . . Verbatim Proceedings of the
2 Meeting of the State of Connecticut Nuclear Energy
3 Advisory Council held February 17, 2000, at 7:00 P.M.,
4 at the Waterford Town Hall, 15 Rope Ferry Road,
5 Waterford, Connecticut. . .

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11 CHAIRPERSON TERRY CONCANNON: It's 7:05.
12 And before we start the program, I just want to get
13 approval of the Minutes from our last meeting. Now, as
14 you know or some of you know, our meeting on January 20
15 had to be cancelled because of a storm that was
16 looming. And I was very thankful today when I heard
17 about tomorrow's storm that it was tomorrow and not
18 today because it seems that whenever we decide to have
19 a meeting, we invite a storm.

20 So we didn't have the meeting on the
21 20th of January. Instead, on the 27th, a week later,
22 we just had a meeting to finalize and approve our
23 annual report, which was held here. But it was a quick
24 meeting. And we didn't have a program.

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1 And tonight we're going to dedicate this
2 meeting to a program on employee concerns.
3 So I would like a motion -- do we have
4 the Minutes?

5 MR. WILLIAM SHEEHAN: Yes.
6 A VOICE: Yes. Pass them out.
7 MR. SHEEHAN: I move approval of the
8 Minutes of the meeting of January 27.

9 A VOICE: Second.

10 MR. DENNY GALLOWAY: Well, actually,
11 they have to have a correction.

12 CHAIRPERSON CONCANNON: Yes.
13 MR. GALLOWAY: I was -- believe it or
14 not, I attended that meeting. And I know I attended
15 the meeting because it says on Page 3 that I seconded
16 John Markowicz's motion to accept the Annual Report.
17 So --

18 CHAIRPERSON CONCANNON: Yes. I remember
19 you being there. So, all right.

20 A VOICE: (Indiscernible)
21 MR. GALLOWAY: That's right.
22 CHAIRPERSON CONCANNON: So can you get
23 that, Denny?

24 A VOICE: Say that again?

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1 CHAIRPERSON CONCANNON: To add Mark
2 Holloway as in attendance.

3 MR. GALLOWAY: As attending, attending
4 the last meeting.

5 CHAIRPERSON CONCANNON: Any other
6 corrections? I -- since my fax is in the hospital, I
7 didn't get this.

8 Okay. All those in favor of the Minutes
9 as received?

10 VOICES: Aye.

11 CHAIRPERSON CONCANNON: Opposed? Okay.
12 The Minutes are accepted as received.

13 Now we'll go into the program. Jim,
14 would you like to say something?

15 MR. JAMES LINVILLE: Yes, I would.

16 CHAIRPERSON CONCANNON: This is Jim
17 Linville.

18 MR. LINVILLE: Good evening. I'm Jim
19 Linville, the Director of the Millstone Inspection
20 Director for the United States Nuclear Regulatory
21 Commission. I'd like to thank the Nuclear Energy
22 Advisory Council for inviting us to participate in this
23 meeting and to discuss the Safety-Conscious Work
24 Environment and Employee Concerns Program at the

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1 Millstone station in its current state.

2 We last met with you in July to discuss
3 the results of our last Corrective Action Program and
4 Employee Concerns/Safety-Conscious Work Environment
5 Program inspection.

6 In April of last year, the Commission
7 met and authorized the restart of Unit 2. The Senior
8 Managers of the agency also met in April and made
9 recommendations to the Commission that the units,
10 Millstone 2 and 3, be considered agency-focus and
11 regional-focus plants. And at the time of Unit 2's
12 restart, both units needed to demonstrate sustained
13 performance before they'd be considered for removal
14 from the status.

15 Consequently, the agency has maintained
16 an increased focus on the plants. As the Director of
17 the Millstone Inspection Director, I report directly to
18 the Regional Administrator, Mr. Hubert Miller, in NRC's
19 Region One office in King of Prussia, Pennsylvania.

20 The purpose of the panel is to assess
21 performance, make recommendations to senior agency
22 management relative to allocation of inspection
23 resources and other agency resources and to assure all
24 our commitments to the Commission are made. The group

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1 includes representation from both the regional office
2 and our headquarters office.

3 In May of last year, Unit 2 restarted as
4 authorized by the Commission. And Unit 3 restarted
5 from their outage last June.

6 At this point, we're in the process of
7 satisfying some of the commitments we made to the
8 Commission. And last January, the Commission lifted
9 the order on Employee Concerns and Safety-Conscious
10 Work Environment with the provision that the utility
11 would continue to have oversight by their consultant,
12 Little Harbor Consultants. And the staff committed to
13 additionally providing oversight of the area, as well
14 as reviewing the evaluations by Little Harbor.

15 We have recently completed our third
16 inspection of this area since last July. And we'll be
17 talking about that for the next hour or so. First,
18 Little Harbor Consultants will present the results of
19 their audit. Then the team leader from the NRC
20 inspection team will present the results of ours. And
21 finally, the utility will have an opportunity to
22 respond to the results of the reviews. And, of course,
23 the members of the Nuclear Energy Advisory Council and
24 members of the public will have an opportunity to ask

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1 us questions relative to our conclusions.

2 Thank you very much.

3 CHAIRPERSON CONCANNON: Okay. Thank
4 you.

5 This one. I'm not used to this. I'm
6 not John McCain or somebody like that.

7 What I -- have made a slight revision to
8 the agenda. Rather than waiting to go through all of
9 the speakers before allowing the public to participate,
10 I might be -- we're going to allow them to ask
11 questions after each presenter. So, for instance,
12 after Little Harbor has presented, we'll invite the
13 public to ask questions. Thank you.

14 Welcome.

15 MR. JOHN BECK: Thank you very much. Is
16 this on?

17 CHAIRPERSON CONCANNON: Yes.
18 MR. BECK: Okay.

19 CHAIRPERSON CONCANNON: I think so.

20 A VOICE: Speak, talk real close.

21 MR. BECK: Okay. I'll just take it out.

22 I'll stick it under my chin, if that will work.

23 CHAIRPERSON CONCANNON: Go ahead.

24 MR. BECK: Thank you, Madam Chairman.

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1 Since our last opportunity to speak to
2 the Nuclear Energy Advisory Council, we spent a total
3 of almost four weeks on site at Millstone assessing the
4 safety-conscious work environment, one week last
5 October, two weeks this past January and from Monday
6 this week until this afternoon.

7 Our report has been made available in
8 the back of the room. I'd like to discuss briefly some
9 of the highlights, along with Billie Garde who is with
10 me this evening. And I will be pleased to answer any
11 questions that the committee or the panel has proposed
12 -- may have.

13 First I'd like to make it clear that it
14 is our view that the safety-conscious work environment
15 is being maintained at Millstone. There are challenges
16 to the safety-conscious work environment which we have
17 identified in our report and which management must
18 continue to address.

19 We spoke directly in our visit with over
20 80 individuals. Over half of them requested to speak
21 with us during our visits. We attended many meetings
22 which gave us the opportunity to observe firsthand how
23 management interacted with each other and with the work
24 force in many areas which bear on the safety-conscious

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1 work environment.

2 We reviewed about half of the Employee
3 Concerns Program files that had been completed since
4 our October visit. And these files included all of
5 those which had harassment, intimidation or retaliation
6 and discrimination, HIRD, or 10 CFR 50.7 allegations.

7 We reviewed essentially all
8 documentation associated with the safety-conscious work
9 environment, such as Employee Concerns Program monthly
10 reports, Employee Concerns Program assessments by
11 others, the Employee Concerns oversight panel quarterly
12 reports for the third and fourth quarter of last year
13 and the culture study results that were conducted in
14 December of 1999.

15 I'd like to ask Billie Garde to discuss
16 some of the specific issues that are contained in the
17 report and give you a better flavor for the kind of
18 non-nuclear safety concerns that have come up at the
19 site, as well as the ECP status and some other aspects
20 associated with training.

21 MS. BILLIE GARDE: Thank you. Following
22 what John said in terms of the description of the
23 duties that we undertook to review, I'd like to point
24 out first of all that in the area of employees'

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1 willingness to raise nuclear safety concerns, the
2 concern that kind of got us here in the first place, I
3 haven't seen any degradation. In fact, I think there's
4 been an improvement in the comfort level of employees'
5 willingness to raise nuclear safety concerns, to have
6 those types of issues heard and addressed, openly
7 discussed within the work/management -- between workers
8 and management in a way that we didn't see several
9 years ago.

10 It's -- you know, I often say that
11 employee concerns start out as questions and
12 suggestions that get ignored. And in this case, I
13 think we're seeing much more normalization of the types
14 of issues that are being raised at a lower -- the lower
15 level that are being handled as questions, that are
16 being accepted as suggestions.

17 And in the context of all the
18 documentation that we looked at and the people that we
19 talked to, there was no hesitancy in raising nuclear
20 safety concerns except with one individual. And that
21 individual had had a bad experience in his work place,
22 was working through that experience, but indicated a
23 willingness to take those concerns to either the ECP or
24 the NRC directly if he did not feel his management was

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1 responding to it.

2 That's a much different flavor than when
3 we started this project several years ago. In the area
4 of non-nuclear safety concerns, concerns that -- and if
5 you recall, when Millstone kind of started thinking
6 through "Are we going to ask employees to bring up all
7 concerns? Are we going to encourage this across the
8 board?", there was a decision that they were going to
9 encourage all issues to be raised. They did. And so
10 that is part of the framework of what Millstone does
11 and does differently than a lot of other sites.

12 In that area, there are more concerns
13 than the last time that we were here. And although we
14 didn't attempt to, and I don't think we're going to try
15 to, say why that is, there have been more concerns
16 raised to us throughout this last quarterly visit on
17 issues that affect an employee's workplace environment,
18 pay issues, schedule issues. The reorganization has
19 affected the stability of a lot of the organizations.
20 And those questions have not been handled as well as
21 they probably could have been and should have been and,
22 therefore, I think resulted in, when we came back, more
23 employees coming to see us about those issues.

24 The report summarizes the kind of issues

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1 that were raised. And I don't want to leave the
2 impression that those issues only came from the
3 Maintenance Department. But, clearly, the issues that
4 have kind of come to a head over the last couple of
5 weeks in the Maintenance Department are reflective of
6 the kind of things that we have seen and that were
7 raised to us throughout the last quarter.

8 And, again -- and I can answer questions
9 about those. But, again, those are issues that affect
10 people's work environment, their work planning, their
11 scheduling, their salaries, kind of an understanding of
12 how work is going to get done.

13 I'd like to talk a little bit about the
14 ECP program and that's also covered in the report. And
15 I think one of the things that I found and one of the
16 kind of points that I have been monitoring has been the
17 reasons that people were going to turn to the Employee
18 Concerns Program instead of using line management.
19 That's one of the things that employees are asked when
20 they turn in a concern to the ECP. "Why did you come
21 here instead of having it taken care of through your
22 line management?"

23 This is the first time -- and this
24 covers the last quarter -- that no employee cited fear

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1 of retaliation as a reason to go to the ECP Program.
2 And that is a major step forward.

3 I asked the ECP to figure out for me
4 kind of what the statistics were. Last year, I think
5 it was 5.7 percent of the time that was the reason
6 cited. Or two years ago, in '98. '99, it was about
7 two percent of the time total, and nothing in the last
8 quarter.

9 The other reason -- other reasons were
10 cited. "I don't think management will do anything. I
11 don't want to -- I don't -- really, mainly, the mainly
12 reason was management -- they didn't have confidence
13 management would be able to resolve the issue or was
14 resolving the issue that had been raised, that it
15 wasn't being timely resolved. But not fear of
16 retaliation.

17 So that was both a good indicator in
18 terms of what's going on on the site as well as
19 indicating confidence in the Employee Concerns Program
20 to address issues that were not being handled by
21 management.

22 Good news also on the front of the
23 staff. Those of you who have been following this know
24 that at some point we had some pretty serious morale

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1 problems within the ECP staff itself. This quarter was
2 the first quarter that the ECP staff was entirely
3 homegrown. That is everyone that now works at the ECP
4 Program is from NU, came up through the ranks. And
5 they've put together a team, a new team and staff of
6 people that is an excellent cross-functional
7 organization. As they went through the reorganization,
8 the ECP Program picked up some very qualified people
9 technically with very good, wide varied backgrounds.
10 So they have a much stronger staff base than having a
11 lot of contract investigators who knew how to do
12 investigations but didn't know much necessarily about a
13 plant or this particular plant.

14 That's worked very well for them.
15 Strong morale, good mix of people. And you can just
16 tell in the time that I spent there they've got a real
17 good work ethic and staff is very strong.

18 I looked at the files. And for the most
19 part -- I'll talk about the exception. But for the
20 most part, the files have gotten increasingly better
21 from -- every time I come to look at these things, they
22 get better. But they're doing some very good
23 analytical work now.

24 And they've -- some of the cases that I

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1 reviewed this quarter were very difficult, complex
2 cases that involved issues that had strung out for a
3 long period of time. They had a lot of different
4 little sub-issues, a lot of sub-text to them. Very
5 difficult work and a very, very professional job done
6 on some of the files that I reviewed. So you've got
7 some people doing some really thoughtful analysis, good
8 investigations, good writeups.

9 That said, there were a couple of files
10 that did not have enough documentation in them. One in
11 particular was an NRC-referred case that there was a
12 lot of attention given to. And it's a case that should
13 have had no mistakes in it at all and it did have a few
14 in terms of the inability of a person to pick up the
15 file, read the entire file and see that everything was
16 verified and accurate.

17 Now, in fact, all of the things that
18 were in the file were accurate. They were able to put
19 the files together and include everything pretty
20 quickly. But that was one flaw.

21 And briefing of that particular file, of
22 the individual who raised that file, was not handled as
23 well as it should be and raised kind of more questions
24 to the concerned employee than it answered, which

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1 required redoing some additional work. And in my view,
2 that could have been avoided by a kind of better
3 handling of the debriefing of the employee.

4 The ECOP I'll mention briefly. If you
5 remember the Employee Concerns Oversight Panel has
6 matured into the type of organization I think that was
7 envisioned at the beginning of the recovery effort and
8 is providing a very strong independent voice, excellent
9 reports. They've really exercised their charter and
10 grown and matured into an organization that is doing
11 essentially the same thing that Little Harbor is doing
12 at this point in terms of looking over the shoulder of
13 various parts of the organization and pointing out --
14 they're doing file reviews. They're doing as stringent
15 a file review as I am.

16 So they -- although they don't look at
17 every file, they are being utilized as an avenue by
18 employees who come through the ECP Program and don't
19 agree with the findings. When they get their closure
20 letter, every employee who goes through the ECP is told
21 "If you are dissatisfied with our findings, you can go
22 to the ECOP and ECOP will review it." Some employees
23 have exercised that option. And I spent some time
24 today looking at a couple of those ECOP oversight files

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1 and they did an excellent job.

2 But what's even better from my
3 perspective is the working relationship between ECP and
4 ECOP is robust. They have strong arguments on their
5 viewpoints, but they respect each other a lot. And it
6 makes for a much better work product. So those things
7 are being voiced and raised and I think is providing
8 management a really good additional check and balance
9 that is a valuable piece for them.

10 I think the only other point I wanted to
11 make, and obviously one we've made to the company, is
12 that when they initiated the special training for
13 supervisors in the area of Safety-Conscious Work
14 Environment expectations. That was a new path for them
15 and it was -- it was a task that was undertaken, was
16 well done and well delivered.

17 The supervisory staff has largely
18 changed. So you have a new group of people. And
19 although they have been doing refresher training, the
20 events or incidents that have come to our attention do
21 seem to have a common thread of new supervisors who
22 either weren't trained or they were trained but they
23 didn't absorb the training well enough to apply it in
24 their work place.

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1 And so as we've said to the company and
2 is included in our report, that Safety-Conscious Work
3 Environment training for supervisors and managers is
4 critical to continue to repeat and repeat and repeat
5 because it provides, and I think provided, a very
6 important prevention piece to avoid situations. And
7 the situations that have occurred seem to have that as
8 a theme.

9 MR. BECK: We will continue to monitor
10 all the changes and actions to ensure that the safety-
11 conscious work environment at Millstone continues. Our
12 next formal visit is scheduled after the Unit 2
13 refueling outage that's coming up within a couple of
14 months. So we will definitely be back following that
15 outage to pulse the organization again and issue a
16 report after that.

17 That's all we have to present this
18 evening. And we're open for questions.

19 CHAIRPERSON CONCANNON: Okay. Thank
20 you.

21 Yes. John Markowicz.

22 MR. JOHN MARKOWICZ: I have two
23 questions. The first is is the Hotline still in use
24 and have there been any Hotline calls?

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1 MS. GARDE: The Hotline is still in use.
2 And we haven't gotten any kind of general calls for
3 about the last month because we were here. But we have
4 gotten I'd say two or three calls a month. And we
5 worked those issues over the phone. We did receive
6 calls -- I don't know if they came in in the Hotline --
7 from people within the maintenance organization when we
8 got back here last month. But there have been a few
9 people that have called. Yes.

10 MR. MARKOWICZ: And would they be in the
11 nature of HIRD or 10 CFR calls or the other non-
12 nuclear? Do you know?

13 MS. GARDE: None of the calls -- okay.
14 I'm thinking of three that I've dealt with.

15 MR. MARKOWICZ: Right.

16 MS. GARDE: And I can't -- I think it's
17 over the fall. All of them dealt with personnel type
18 issues. Two of the three I sent to the ECP. I got the
19 permission of the employee to the ECP. The ECP went to
20 the ECP and they resulted in ECP investigations or
21 handling. I think one just got handled in a rapid
22 resolution forum.

23 One was a personnel matter that he just
24 wanted to seek our opinion, told us the situation,

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1 sought our opinion on. And I didn't hear from him
2 again.

3 MR. MARKOWICZ: The second question then
4 is you kind of gave us a summary of your observations
5 over this period of time. And you were here in October
6 and then January and February. So you've gone through
7 each separate inspection event. Basically, in
8 conclusion, that you often see other trends from those
9 periods, October to January to February, that bear on
10 your conclusions? Are they positive? Negative? Could
11 you share any thoughts on that with us?

12 MS. GARDE: Well, the ECP work I think
13 is continuing to trend upward. I can't say that I've
14 ever seen, you know, a degradation in the ECP's
15 improvement since we've left. That's continued to
16 grow.

17 I think in the context of dealing with -
18 - yes. ECOP has continued to get better, much better,
19 and really grew by leaps and bounds under its current
20 leadership. I think that the HR-related issues were
21 kind of flat when we were here in the summer. I think
22 there's been some slight improvement. But I also think
23 that the issues that are now arising are arising as a
24 result of not having strong focus in that area.

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1 MR. BECK: I agree. The one area that I
2 think has gotten most sensitive and where we've got the
3 most activity with people coming to us in January was
4 in the HR-related area and primarily from the
5 Maintenance organization, but, as Billie said earlier,
6 not exclusively. But that seems to be where most of
7 the activity was.

8 MR. MARKOWICZ: Thank you.
9 MR. BECK: Yes.

10 CHAIRPERSON CONCANNON: Bill Sheehan?

11 MR. WILLIAM SHEEHAN: Just one quick
12 question. I hope you can hear me since the mike's way
13 down there. Here we go.

14 In your interviews and walk of the site
15 and getting a feel, did you see any indication of
16 employee concerns in the area of the restructuring or
17 the pending sale of land and events that would be in
18 that area? What's your take on that particular
19 pressure point?

20 MR. BECK: There has been a lot of
21 anxiety at the site largely because the nature of this
22 business today is one of uncertainty in many respects
23 and uncertainty leads to anxiety in the workplace.
24 Last summer, one of the things we

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1 indicated in our report and to management and to the
2 public was that -- centered around that issue, that as
3 soon as you do know something, find a way to
4 communicate it as fully and completely as you possibly
5 can to begin to chip away at that natural anxiety that
6 exists. And I think management has taken some steps in
7 the interim to begin to do that as best you can as soon
8 as you know the answers. Clearly, they can speak to
9 that issue far better than I.

10 I think the -- I've got a gut feel that
11 that level of concern in the work force as a whole with
12 respect to some of those questions, given the
13 communication that has taken place, has diminished
14 somewhat, especially since last fall. But Billie may
15 have something to add to that.

16 MS. GARDE: One of the things that's
17 mentioned in our report are these in-touch sessions
18 that management has been having. And it's pretty new
19 in terms of their communication activities. And I
20 attended one of those sessions and kind of had
21 monitored two others or talked to people who have
22 attended two others. They seem to be going very well.
23 And they maybe should have been started sooner. But,
24 nonetheless, they're being very frank with employees,

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1 including saying "We don't know the answer to that
2 question." But really trying to reach all of the work
3 groups within the plant to tell them what they do know.
4 But there is anxiety and stress. I
5 can't say that that anxiety and stress has driven these
6 issues. I don't think it has. I think these issues
7 are driven by, you know, kind of the day-to-day
8 activities of the plant. And I've asked -- you know, I
9 actually am surprised it's not more than it is. And
10 when I had asked, a lot of employees had said, "You
11 know, we'll probably still be here whoever owns this
12 plant." You know. So I think there is some degree of
13 "Well, yes, it's all going to be different, but I'm
14 still the one that knows how to turn these knobs." So
15 --

16 MR. SHEEHAN: Thank you.

17 CHAIRPERSON CONCANNON: Mark Holloway?

18 MR. MARK HOLLOWAY: A couple of
19 questions. Little Harbor distinguishes a nuclear
20 safety concern from a non-nuclear safety concern. How
21 do they decide which basket those concerns go?

22 MS. GARDE: Well, it really is the way
23 we ask the question. If you had a nuclear safety-
24 related concern, would you raise that concern? And

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1 when someone is bringing up -- we made a point of
2 asking that to everyone we talked to because we wanted
3 to judge -- make judgments about that.

4 I can't tell you what's in the mind of
5 every person or if we all have exactly the same
6 understanding. But I think the common understanding is
7 anything that could affect, you know, the integrity of
8 the plant and the safe operation of the facility. I
9 can't tell you that's -- that my interpretation is what
10 every single person said. But I think that there is a
11 pretty common understanding of that.

12 MR. HOLLOWAY: In reference to Bill's
13 question, you talked about the morale of the ECP --
14 MS. GARDE: Yes.

15 MR. HOLLOWAY: -- team. And what was
16 your impression of the morale of most of the people
17 that you talked with?

18 MS. GARDE: Well, remember that in this
19 visit we only talked to people -- or for the most part
20 we talked to people who sought us out. So they had
21 something they needed to talk about. We didn't have
22 time in the context of the visit to say we're going to
23 interview 80 people and we're going to pick all those
24 80 people. We had a list of people that we wanted to

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1 talk to and we talked to those individuals.

2 I would say Maintenance morale is very
3 low. And that came across loud and clear, although,
4 you know, that -- where we have to look into that more,
5 the company has to look into more what that is.

6 I saw some organizations where people
7 that have in the past been very dissatisfied and I've
8 had two or three people, three people, stop and tell me
9 that their morale is great. Their work department is
10 great. They have the best boss they ever had and it's
11 turned completely around. And so we heard a lot of
12 that in the first week we were there. And we thought,
13 "Boy, this place has really changed." So for some
14 people, their work environments are great. I mean they
15 really have seen a turnaround. And these are -- these
16 are people -- some of the people who you would
17 recognize and have been here at these meetings are
18 having very good experiences. But there are -- it's
19 kind of erratic because there are other groups that I
20 think -- I don't want to make an assessment. But my
21 sense is the morale is not so good.

22 MR. HOLLOWAY: Isn't there some point
23 where some of these non-nuclear issues, safety
24 concerns, might become nuclear safety concerns?

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1 MS. GARDE: Well, I'm not sure if a pay
2 issue could become a nuclear safety concern.

3 MR. HOLLOWAY: Well, that --

4 MS. GARDE: But the morale -- you know,
5 morale can get to the point where it can become a
6 problem. So I don't mean to imply that these are not
7 important issues that need to be addressed --

8 MR. HOLLOWAY: I was talking more about
9 the --

10 MS. GARDE: -- before they become a
11 bigger problem.

12 MR. HOLLOWAY: -- feedback to
13 suggestions type of thing and lack of response.

14 MR. BECK: I think you're exactly right,
15 Mark, in the -- that's why we paid a lot of attention
16 to it. It's how management reacts to concerns. If
17 they're a non-safety concern and the reaction is poor
18 or doesn't happen, if there's no feedback, then that
19 could well escalate into safety space. And that's why
20 you pay so much attention to these non-safety issues
21 and how they're dealt with and how they're treated
22 because they could be a precursor. The response could
23 be.

24 MR. HOLLOWAY: Has there been any

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1 evidence of any chilling effect on the part of people
2 bringing up any sort of concerns?

3 MS. GARDE: Well, that's one of the
4 things that we've been measuring. You know? When you
5 listen to someone and then you ask them, "Based on all
6 of these things that are going on in your department
7 and with you, would it impact your willingness to raise
8 a nuclear safety concern?" No one has ever said, "Yes.
9 I would not -- to us, has ever said, "I would not raise
10 a safety concern. Things are getting so bad I wouldn't
11 raise a safety concern." And that's why I said there's
12 -- you know, there is -- there seems to be a higher
13 degree of respect for that issue. It's like, "Nope.
14 Of course I can deal with that." And we've asked that
15 and that's how we check if there's a chilling effect.

16 The ECP files check on the chilling
17 effect. And that's you check. So that's, at least at
18 this point, is holding firm. I can't tell you if
19 things don't -- let me just use that, the Maintenance
20 Department, has an example. If things don't get under
21 control there, I can't tell you if three months from
22 now people will not say "No. It's not so bad. I won't
23 say anything." They need -- those issues need to be
24 addressed.

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1 MR. HOLLOWAY: Thank you.
2 CHAIRPERSON CONCANNON: I have a couple
3 of questions I'd like to ask. I haven't had time to
4 read the report. But have you made suggestions for
5 improvements to management about -- in handling the
6 non-nuclear issues, such as the pay, the scheduling,
7 the reorganization and so forth? Do you make
8 recommendations there?

9 MR. BECK: Yes. Solve the problem. Our
10 recommendations and feedback come in the context that
11 this is what we're hearing, this is what it sounds
12 like, this is what it looks like. And you need to
13 address it. Many of the concerns we got, although they
14 may have been in different bailiwicks, if you will,
15 reduced down to a lack of good, solid communication and
16 feedback. People didn't feel like they were being
17 heard. And that's what we brought back to management;
18 "If you're listening, you're not feeding back to them.
19 If you're listening in some cases, you're not hearing
20 what they're saying because they feel like they're not
21 being responded to." And that was a very loud drum
22 beat. And we definitely said back, "The solution to
23 that is to listen and respond." And some of the
24 actions that management has taken of recent days are

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1 certainly addressed to get at those kinds of people
2 issues.

3 MS. GARDE: We -- during our first
4 visit, you may recall, we did make recommendations,
5 which were in our report, that people/team activities
6 that had the -- you know, the people/team meetings, the
7 ERB had somewhat diminished in their robustness and
8 that those needed to be enhanced and rejuvenated. And
9 they were.

10 And so when we looked in this quarter,
11 we looked at how that had improved. And those things
12 had improved. So we are still making kind of
13 programmatic observations of things that need to be
14 corrected and fixed. And I think I've spoken loudly
15 where we think it needs to -- they need to hear it
16 loudly.

17 CHAIRPERSON CONCANNON: And as regards
18 the makeup of the ECOP, is that -- you said the ECP is
19 now homegrown, to quote you.

20 MS. GARDE: Mm-hmm.

21 CHAIRPERSON CONCANNON: How about the
22 ECOP?

23 MS. GARDE: ECOP is, too.

24 CHAIRPERSON CONCANNON: Okay. And

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1 finally, my question relates to Millstone 1. Now, when
2 you are here reviewing this, are you doing the station
3 as a whole or are you doing -- focusing on 2 and 3?

4 MS. GARDE: We're doing the station as a
5 whole. And some of the people who did come to talk to
6 us were out of Unit 1 and some of the files and things
7 that we looked at dealt with Unit 1 issues. So we have
8 not excluded Unit 1 from our activities.

9 CHAIRPERSON CONCANNON: And have you
10 encountered any changes there that could be attributed
11 to the concerns related to decommissioning, to changes
12 in work scheduling and assignments, in
13 employee/management issues?

14 MS. GARDE: Well, I think that there was
15 a learning curve that Entergy had to go through when
16 they got here to fully appreciate the differences and
17 extra expectations that Millstone has set for its
18 managers, supervisors and contractors. And it does
19 impose a lot of very different requirements than
20 anywhere else in the country. And I think that it took
21 them a while to kind of absorb those.

22 I think they are now committed to and
23 either have already trained all their supervisors or
24 are in the process of training their supervisors and

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1 actively participating in the various boards and
2 processes that are ongoing as far as I can tell.
3 But it still is different to take
4 someone who has been at a different plant under a whole
5 different, you know, regime and structure and not have
6 been through what all of us have been through at
7 Millstone and expect those managers to be able to walk
8 in here and kind of just by osmosis absorb all of those
9 different expectations. And so there's been some
10 stumbles.

11 CHAIRPERSON CONCANNON: Entergy is here.
12 And at one point I do want to ask them about their
13 makeup of the work force, an up-to-date makeup.
14 Through the -- who -- this is very
15 unstable (moving microphone). Through the grapevine,
16 you know, even though I don't live here I still have
17 had input and there are some rumblings. And I just
18 wondered -- so that's why I wanted to ask you the
19 question. And I'd ask the question of all the
20 speakers, I guess.

21 Are there any more questions from this
22 side? Any others?

23 Now, how about the public? This -- yes,
24 John?

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1 MR. MARKOWICZ: Well, John Beck, in
2 December there was a Millstone meeting at which time
3 (indiscernible) reported some facts that I want stated
4 and I'd ask for your observations. The first was that
5 the -- out of the number of employee concerns reported
6 per month was decreasing from 22 a month to 13 a month,
7 the average age had increased. This was a backlog
8 issue. The first column reflected.

9 The response to the second was that the
10 number of alleged HIRD issues that had been raised
11 through ECP as of December, the total had increased
12 and, in fact, were increasing from two a month to four
13 a month. So would you comment or offer your views on
14 that?

15 MS. GARDE: Sure. The back-- I can't
16 comment very much on the backlog issue. I looked at
17 the backlog and it -- the number had gone up. It had
18 not gone up so much that I was alarmed by it. And I
19 was -- but I did look at the cases and they were
20 particularly difficult cases that required lengthier
21 investigations and were taking some time. So I looked
22 at that, but I don't remember the days well enough to
23 comment one way or another.

24 In terms of the increase in the number

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1 of HIRD issues, that's true. There was, and I think
2 continues to be, an increase in the number of HIRD
3 issues. I think it's important to delineate of those
4 HIRD the issue of retaliation or fear of retaliation
5 has gone down. And when they categorize HIRD issues,
6 things like -- I'm talking about on pay, overtime pay,
7 work environment issues. Those are for the large --
8 for the most part end up getting categorized under the
9 HIRD issues.

10 And so you've got a work force at
11 Millstone that is very enlightened about what their
12 rights are and has a high degree of expectation of
13 fairness at a time when there's a lot happening at
14 Millstone which ends up -- and, you know, one of the
15 things that's happened through de-unitization and
16 maintenance is a good example where you have people
17 that are moving together and they've been kind of paid
18 one way and the other unit's kind of been paid another
19 way and all of a sudden they're working next to one
20 another and they're comparing pay stubs and they are
21 coming to an understanding that they're not being
22 treated the same.

23 Those kinds of things also would fall
24 under that category. So, although there have been more

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1 issues raised and some of those issues are serious
2 issues raised about harassment, intimidation, improper
3 action by a supervisor, yelling or screaming, they're
4 issues that I find -- I actually, you know -- it's the
5 good and the bad side of it.

6 The good side of it is the employees are
7 calling managers on stuff. I mean, you know, somebody
8 acts inappropriately and says something and it's being
9 raised. And if they're -- if it's not being handled,
10 they're raising it to the ECP and saying this is
11 improper behaviors. And that's good. And it's co-
12 rated by their peers and their co-workers.

13 On the other hand, that's the kind of
14 stuff that should be nipped in the bud as it goes up
15 the line of management and not end up in ECP's face.
16 And that's what they've got to work on. They've got to
17 work on driving those behaviors into management to be
18 responsive to employees' concerns so they don't end up
19 at the ECP.

20 CHAIRPERSON CONCANNON: What about the
21 article that -- the information that they read in
22 February about the NRC identifying Millstone as having
23 the largest number of harassment claims in the country?
24 And is -- might this be partially due to this

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1 heightened awareness that you're talking about or --
2 MS. GARDE: I think part of it is due to
3 the heightened awareness. This is a work force that's
4 going to speak up about issues. And I think that, you
5 know, Millstone was on the top of that list for a very
6 long time, years it's been on the top of having them.
7 I don't think it is now at the top of the list with the
8 most number of allegations. I think that's been
9 replaced by, what, Turkey Point, I think. I don't
10 remember. But it's no longer the top of the list for
11 the number of allegations. It still has a larger
12 number of harassment allegations or
13 harassment/intimidation allegations.

14 But, as far as I know, of the number
15 raised I think even only a few were investigated and
16 they were not pursued. Actually, you probably should
17 ask the NRC that because I don't remember those
18 statistics.

19 CHAIRPERSON CONCANNON: Yes. Okay.
20 Thank you very much.

21 I'm trying to figure out how the public
22 could participate. And I think if we put a seat at the
23 end there of this table and we could move down that
24 microphone, we could --

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1 Okay. Susan, did you want to speak at
2 this point?

3 MS. SUSAN PERRY LUXTON: Yes.

4 CHAIRPERSON CONCANNON: Come ahead.

5 MS. PERRY LUXTON: Hi. My name is Susan
6 Perry Luxton. I'm from a citizens group here in
7 Waterford called the Citizens Regulatory Commission.
8 And for you, those of you on the end who don't know me,
9 our group has been actively monitoring Millstone
10 station since 1995. As a matter of fact, it was our
11 group, with the help of Paul Blanch, that encouraged
12 Senator Melodie Peters to form NEAC. So we are kind of
13 closely related, your group and our group.

14 So I'm concerned. I have some concerns
15 because our group from the outset has always been very
16 involved with people that work in the plant and getting
17 information from people that work in the plant. If
18 they felt like they couldn't come forward to ECP or to
19 Little Harbor, they call me. And I haven't heard from
20 people in the plant -- well, I've kind of been
21 incognito for the last year. But in the last several
22 months, I've been receiving some more calls and I've
23 done some extensive interviews with people from inside
24 the plant. And I'm concerned about what they have to

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1 say.

2 And I'd like to question Little Harbor
3 about some of the things in their report because it
4 reaffirms some of the things that I've been hearing
5 from inside the plant, especially having to do with
6 incidents.

7 Now, what concerns me in your report
8 about the safety-conscious work environment is -- w of
9 course, are very concerned about non-nuclear concerns
10 because -- non-safety concerns because with stress and
11 frustration levels, that's when people have -- the
12 accidents can happen.

13 And so what I was upset about on Page 10
14 of your report was that a number of individuals on the
15 work force expressed their frustration about
16 management's response to these types of concerns. The
17 employees described disappointment having to do with
18 frustration about not receiving acknowledgement or
19 feedback to the suggestions that were solicited by
20 management.

21 In one department, they said there were
22 strong resentments that their ideas were being ignored,
23 that changes were being made without any consideration
24 of the impact on the original (indiscernible) and that

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1 a number of individuals -- oh, that management was not
2 listening. That management was not listening. A
3 number of individuals were so frustrated that they were
4 no longer willing to even raise such concerns to their
5 management because they had no confidence that anything
6 would be done about it.

7 That sounds to me a lot like it was in
8 1995 and '96. Why NRC decided to focus on making the
9 problem with safety-conscious work environment and
10 maybe it wasn't all that bad. One of the criteria for
11 shutting down the plant. This is exactly the same
12 thing; management ignoring.

13 Now -- and you say here the bulk of the
14 input came from the Maintenance organization. And then
15 you say, oh, this was not the exclusive source. What
16 was another source besides Maintenance then? What was
17 another department that had this problem?

18 MR. BECK: There was some input from the
19 Engineering organization as well.

20 MS. PERRY LUXTON: Okay. So it was
21 Engineering.

22 MR. BECK: Let me make sure that what we
23 wrote is fully understood. This is what we heard from
24 people and it's accurate insofar as it's summarized in

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1 our report. What we did not do is to follow up on
2 getting that input that we got simply because we did
3 not have time to find out a lot more specifics about
4 exactly what was being talked about.

5 MS. GARDE: We didn't investigate --
6 like if someone came to us and said, "I'm frustrated.
7 I raised this to management a half a dozen times and
8 nothing got done about it", we didn't investigate that.
9 We took that at the person's word that that's what they
10 had done. And our report, which we expect will also be
11 read by those people, we wanted to accurately reflect
12 what we were told. And this is what we were told and
13 this is what we believed they feel.

14 MS. PERRY LUXTON: Well, fine. Well,
15 that's the same thing with me. I don't investigate,
16 either. I can't go and investigate when someone calls
17 me. I take it that they're telling me the truth. I
18 assume they're telling me the truth. And I'm concerned
19 about that. I don't care if you didn't investigate it.
20 The point is they're saying these things. And this is
21 what was said four years ago.

22 Now, another point I'd like to make is -
23 - what gets me in the next paragraph you say here "In
24 each instant, Little Harbor -- several employees

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1 reported specific examples of difficulty in pursuing
2 the matter with concern to them -- pursuing matters of
3 concern to them. Okay? In each instant, Little Harbor
4 pursued the matter with the permission of the involved
5 employee to reach a determination of the cause of the
6 conflict. It is Little Harbor's observation that once
7 identified, NICO management provided appropriate
8 follow-up of these cases, either resolving the issue to
9 the satisfaction of the employee or handling the issue
10 in an appropriate manner.

11 Now, that's fine. But this reminds me
12 of exactly what went on in recovery. Millstone
13 management would not pick up what was going on. They
14 weren't sensitive to what was happening with their
15 employees. Then Little Harbor would come in. They
16 would advocate for the employees. They would go to
17 Millstone management and say, "You've got to do this."
18 Management would do it. And (coughing). That's fine.

19 But the reason that the NRC let them
20 start up again and let you go away was so that we could
21 see if Millstone could handle these problems without
22 you. And this is telling me they still cannot handle
23 these problems without you intervening. And this is
24 Maintenance, which is a big department. There must be

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1 over a hundred -- a hundred people in that department.
2 It's not some little department with ten people.
3 There's 200 people in Maintenance. This is a lot of
4 people we're talking about --

5 MR. BECK: Yes.

6 MS. PERRY LUXTON: -- unsatisfied,
7 upset. It's a mess, as a matter of fact, from what
8 I've heard. And the management who is in charge there,
9 they're new supervisors from the floor cascade, which
10 I'll get to later, floor of the organization cascade.
11 They are not -- whether they were trained or whatever,
12 they don't seem to be doing, you know, the sensitive,
13 caring job that we need in a safety-conscious work
14 environment.

15 Now, another question --

16 CHAIRPERSON CONCANNON: I'm sorry.
17 Susan, can I ask? You said Page 10.

18 A VOICE: Page 3.

19 MS. GARDE: I think you're looking at
20 the fax page number.

21 MS. PERRY LUXTON: Oh. I'm sorry.

22 MR. EVAN WOOLLACOTT: It's Page 3.

23 MS. PERRY LUXTON: It was faxed to me
24 from Little Harbor.

1 CHAIRPERSON CONCANNON: Okay.
2 MS. PERRY LUXTON: It came out 10.
3 MS. GARDE: She's on Page 3.
4 MS. PERRY LUXTON: I got both their
5 reports since I hadn't seen them.

6 Now -- all right. Let's talk about ECOP
7 for a minute. ICOP. If ICOP is doing so well, why
8 didn't they solve the Maintenance problem with the --
9 why didn't they go to the senior management or whoever
10 and say "Maintenance is having this problem. Let's
11 work this out"? Is that their function with you not
12 there?

13 MS. GARDE: ECOP -- that would not be
14 ECOP's function.

15 MS. PERRY LUXTON: Okay. Whose function
16 would it be? Would it be the Safety-Conscious Work
17 Group that they supposedly have?

18 MS. GARDE: Yes.

19 MS. PERRY LUXTON: Safety-Conscious Work
20 Group?

21 MS. GARDE: Yes.

22 MS. PERRY LUXTON: Okay. I've been
23 hearing some very serious things about this lack -- the
24 Safety-Conscious Work Group has practically evaporated

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1 at Millstone. Am I right? Safety-Conscious Work Group
2 that they touted was to be so strong with the recovery,
3 people are telling me that the Safety-Conscious --
4 they're not even hear -- they don't hear about it any
5 more, that it's weakened and disintegrated. The
6 Safety-Conscious SCWE group. Can you comment on that?
7 Do you agree with that assessment?

8 MS. GARDE: The Safety-Conscious Work
9 Environment organization is not currently in existence
10 the way it was before. The function of the Safety-
11 Conscious Work Environment was -- group was doing are
12 in the process of being distributed to other
13 organizations. And, frankly, the company has not done
14 a very good job rolling out where those functions are
15 going, who now has responsibilities for them. And I am
16 not surprised that people may have voiced to you a
17 belief that that organization has -- I don't know what
18 the word -- it's gone away. It's not gone away. But
19 it is -- it is not easily accessible the way it used to
20 be even three months ago.

21 Now, in a healthy functioning company,
22 the activities that the Safety-Conscious Work
23 Environment group was doing would be absorbed, for
24 example, within an HR organization or within an

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1 Employee Concerns Program. And that is where they're
2 headed. But there is a vacuum right now. You're
3 right.

4 MS. PERRY LUXTON: Okay. So HR is not
5 being (papers being shuffled) started them off and you
6 were leaving, that it was fragile. And HR was one of
7 the things that they had to work on. I'm hearing once
8 again from you just now that HR is still having
9 problems. Now, what are we going to do about HR? I
10 mean what are they doing about HR?

11 MS. GARDE: It still has problems.

12 MS. PERRY LUXTON: Still has problems.

13 MS. GARDE: If it was as robust as you -
14 - as we would like to see it, the issues in this report
15 would not be here. I mean that's just frank. I mean
16 it -- so there still are problems. They're not -- they
17 are not delivering the results that I think a company
18 expects and that everybody would hope for.

19 That does not mean that they're non-
20 existent. And there's a lot that's been on their
21 plate. But they do need to do some additional work in
22 that area.

23 MS. PERRY LUXTON: Okay. And another
24 question and this is on Page 11, maybe your 4. Okay.

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1 You're talking about while responses have improved
2 since the summer of '99, management did not do an
3 adequate job of anticipating or preventing the issues
4 in the Maintenance organization from developing to the
5 point of requiring significant intervention. While
6 management was aware of the issues and often working to
7 resolve the matters, there have been ineffective
8 communications about these actions to the work force.

9 So what is happening is that management
10 is still not sensitive enough when trouble spots begin
11 or when trouble is brewing, they don't deal with the
12 trouble brewing until somebody calls up Little Harbor
13 and says, "Help." Somebody -- obviously, some of the
14 80 people you talked to or whatever came to advocate
15 for that, which is okay, which is good. I'm glad
16 they're doing that.

17 So we've got -- we've got HR not in
18 office now. We've got -- what was it? The Safety-
19 Conscious Work Group is in transition and is basically
20 disintegrating or whatever it's doing or at least not
21 there. And now we have management. Now -- okay.

22 Okay. And there's one more thing I want
23 to mention and that is this. Little Harbor did not
24 attempt to determine the reason of each of these

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1 incidents but notes that there are many new managers
2 across the site with a lack of experience in addressing
3 employee issues and applying principles of management
4 establishing a recovery. While these managers are
5 being provided additional training, coaching and
6 mentoring, some situations are not being anticipated
7 and prevented as they may have been in the past.

8 Okay. That's another concern we have.
9 For that reason, what it -- it has to do with Mr.
10 Sheehan was saying. Going into -- going forward, as
11 they say -- in this business, they say going forward.
12 Going forward, with who knows what's going to happen,
13 the anxiety and the frustration and the fear what's
14 going to happen with a new buyer. What they've been
15 doing is there were buyouts or whatever they call them,
16 early retirements, people are leaving.

17 I'm concerned about the quality of
18 leadership now. Now, you're saying the leaders are
19 inexperienced. They say they've had training. The
20 training isn't working very well. So they need to be
21 trained again.

22 And, also, I'm wondering what's the
23 quality of leadership as compared to the leadership
24 prior to recovery? Now, there were some bad things

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1 that were going on prior to recovery as far as
2 harassment and intimidation. But basically we had
3 people there who were 38-year-old -- 30 years in the
4 company, 20 years in the company, whatever. They were
5 long-time people in the company. They were working in
6 nuclear for a long time. I don't know --

7 So now we get these new inexperienced
8 leaders. And it's really a concern. I think it should
9 be a concern for the public and it needs to be a
10 concern for NEAC. You know, your reports always come
11 out sounding so sweet when you're talking in the
12 microphone. But when you really read the words, it
13 doesn't come out as sugar-coated as you sometimes make
14 it sound. I just wanted to make sure --

15 A VOICE: Welcome back.

16 MS. PERRY LUXTON: Yes. Anyway, that's
17 enough for Little Harbor. Thank you.

18 CHAIRPERSON CONCANNON: Thank you,
19 Susan.

20 MS. PERRY LUXTON: That was you? I like
21 that one.

22 CHAIRPERSON CONCANNON: That's a non-
23 nuclear issue.

24 Would anybody else like to speak from

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1 the public?

2 Well, I thank you very -- oh. David?

3 MR. DAVID SILK: Yes. David Silk,
4 Stonington. So far, tonight the discussion has been
5 about NU, whether they're improved, whether they're not
6 and, in the report, where they're going.

7 I think the committee should be taking
8 into consideration that we won't have NU to kick around
9 much longer. We've been talking to the Consumer
10 Council, for example, and he assures us that NU is
11 attempting to have the auction moved up to March 1.
12 March 1. That's six days away, something like that.

13 It's an entirely different situation.
14 And I'm -- frankly, the conclusions in the report all
15 deal with the future. We have Year 2000 and beyond at
16 Millstone they're engaging in changes in the philosophy
17 of management. It's going to be now participative and
18 inclusive. Isn't it too late for that? They've only
19 got a couple of days. I'm not saying they will auction
20 it off then, but that's what they're trying to do. And
21 they referred to -- NU people referred to this early
22 day as being crucial to NU to have this auction soon.
23 They are putting all force behind that.

24 And when we talk about Management 21

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1 empowerment training, that's the -- is that realistic
2 for them to institute a program such as that at a time
3 like this?

4 MS. GARDE: Well, a lot of these
5 employees and managers and supervisors are going to
6 continue to run this plant for the licensee regardless
7 of who the owner is. And I think it would be a
8 terrible mistake if NU adopted a policy of stopping,
9 "We're going to just stop advancing our employees
10 working to improve the quality of management and
11 leadership because NU may no longer be the owner."

12 So I think that the things that they're
13 doing in terms of continuing to improve are very both
14 progressive and appropriate.

15 MR. SILK: And you don't find it at all
16 strange that they're changing their philosophy now at
17 this time?

18 MS. GARDE: Well, NU's been changing
19 their philosophy since we got here. I mean they have
20 continued to move from one way of management style and
21 way of doing business toward another, frankly, as most
22 of the, you know, industry in America is continuing to
23 move in that direction. I think if they tried to go
24 backwards, that I would find troubling.

1 MR. SILK: I think we'd be kidding
2 ourselves if we thought that a new -- that a company
3 that was going to -- that is going to take over the
4 Millstone facility is not going to come in with their
5 own philosophy --

6 MS. GARDE: They will.

7 MR. SILK: -- their own management.

8 MS. GARDE: They will.

9 MR. SILK: And I guess I've made my
10 point that I don't think -- I don't think it's
11 realistic to be -- I don't know -- would you call it
12 beating a dead horse or not? But let's think about the
13 future. What are we going to get now?

14 Thank you.

15 CHAIRPERSON CONCANNON: Thank you very
16 much.

17 Yes? Would you like to -- could you --
18 I know I'm meant to know your name. But it's escaping
19 my mind right now.

20 MR. DAVID COLLINS: Oh. My name is
21 David Collins. I'm actually a Millstone employee. I'm
22 not here on behalf of anybody but myself. And I don't
23 know how many people know me. You've probably seen me
24 around and know that I've been extremely critical of

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1 Millstone leadership, management, in the past.
2 But I'd like to say a couple of things
3 on some of the things I heard here. One is the issues
4 in the Maintenance Department. Another one is the --
5 how the leadership is today as opposed to their old
6 leadership. And the third thing is is the Management
7 21 training that's been going on at Millstone trying to
8 improve the way it thinks about the workplace and is it
9 just the way we did before?

10 And the first thing is the Maintenance
11 issues. In fact, I was in this Management training
12 with people of the Maintenance Department who were very
13 upset about not being listened to by supervision. And
14 what they were upset about is in Millstone 2 and 3
15 Maintenance groups have been combined. And
16 particularly, it was a Millstone 2 Maintenance person
17 who said, "Now I'm being asked to walk over to
18 Millstone 3" to get his work order. Then he has to
19 walk all the way back across the site, which can be
20 about a half a mile, to get his tool box and then he
21 has to drag his tool box a half a mile back to
22 Millstone 3 to work.

23 So the point was that the issues are not
24 safety-related issues. They're frustrating. The

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1 workers want to do their job more efficiently. And
2 that's a lot different story than we had in the past
3 from workers grumbling. And what usually happens is we
4 have the Maintenance managers and they're putting
5 together teams to try to resolve these problems.
6 They're not resolved yet. But there's a very different
7 attitude. The attitude now is "Let's fix the
8 problems." And there is an interest in listening to
9 the employees now.

10 I'd like to kind of equate it to a story
11 of values and cynicism. If you can think of your house
12 on fire and you call the Fire Department and it takes
13 20 minutes for them to show up, well, scenario one is
14 you ask the fireman, you say, "How come it took 20
15 minutes to show up?" And he said, "Well, the fire
16 truck ran out of gas." And then you might say, "Well,
17 gee, you know, shouldn't you guys have better values
18 than that or better, you know, procedures?"
19 The second scenario is they show up 20
20 minutes after you call them and you say, "What
21 happened?" and the fireman says, "Well, gee, there was
22 another house on fire at the same time that had people
23 inside and we had to get them out safely. So that's
24 why we're late."

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1 Now, the result is the same. But the
2 values and the culture is that they're protecting -- in
3 the first place, you might be cynical. But in the
4 second instance, you can say, well, gee, this had to
5 happen but you might not be cynical about -- you might
6 feel that the value system is appropriate. And I think
7 that's the difference between the old Millstone 2 and
8 Millstone. And I think it's also the difference
9 between the old Millstone leadership and the new
10 Millstone leadership.

11 And there was something else I was going
12 to talk about.

13 MR. SHEEHAN: Management 21 training.

14 MR. COLLINS: Management 21 training.
15 Thank you.

16 I just went through that and it's
17 different from anything else I've had in the training.
18 Up until now, all the training has been really to
19 program me to be a better employee in my job for the
20 company. And this training is a training that is
21 really strictly a self-development training. It's
22 really separate from the issues of the company. But
23 it's designed to make people think more proactively and
24 more clearly about where they want to go. If they

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1 don't like and want to leave the company in the future
2 -- it's been given to -- I guess the military has
3 extensively used it. It's probably one of the largest
4 training courses of its type in the world. And it's
5 not just the employees, but their spouses are also
6 welcome to be included in the training, which is
7 something I've never seen before.

8 So -- and that's actually where I talked
9 to Maintenance people about their issues. And it's
10 having multiple benefits. One is it's making the
11 employees think more about -- it's actually raising
12 their expectations of the management. It's making
13 their managers' life a little more difficult actually
14 because employees are coming on down and they're
15 saying, "Hey, you know, you want to set up? We want to
16 see some actions. We see the future as being better
17 and better in cost, capacity, safety, environment, all
18 of these things. And we expect you guys to toe the
19 line and walk the talk and get it done."

20 So, yes, the employees are more
21 empowered than they were before and this program is
22 making it even more so. And that's all I wanted to
23 say. Oh, there is one more thing I want to say maybe a
24 little bit later. And that's about Millstone is -- I

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1 mean it just kind of makes sense. Millstone just got
2 beat up pretty bad. Millstone went out and looked for
3 the best they could find. I don't think it should be
4 any surprise it's a whole lot better than it was. They
5 spent a lot of money doing it. They spent a lot of
6 time doing it.

7 And I think, though, that some of the
8 lessons learned, people who are in the NRC, the people
9 who are in the NECOG, the people who are -- I don't
10 know if the people in NEAC, that they have in the
11 industry, the people in the Nuclear Energy Institute,
12 you need to carry forward some of the lessons learned
13 at Millstone. Millstone is probably the least of our
14 problems in the nuclear industry right now. And I
15 think the lessons at Millstone need to be carried
16 across the country to the other plants and they need to
17 learn from this. And I don't really see that happening
18 right now. I may come back a little bit later and talk
19 with you more about that.

20 CHAIRPERSON CONCANNON: Okay. Thank
21 you, David.

22 I don't see any more hands. So thank
23 you very much, John Beck and --

24 MR. WOOLLACOTT: Joe.

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1 CHAIRPERSON CONCANNON: Oh, Joe Besade.
2 Sorry.

3 MR. JOSEPH BESADE: I wasn't going to
4 speak, but I got a call this evening from Tom Massiano,
5 one of the whistleblowers. I've been also in contact
6 with James Plumb, one of the other whistleblowers, and
7 quite a few of the others who are the ones that paid
8 the price of going forward, putting their jobs and
9 livelihood and families on the line, which cost them
10 quite a bit. They haven't been compensated. They're
11 the ones who caused all of this and have them pay the
12 fine of 10 million dollars or a minimum of fine
13 (indiscernible). So these gentlemen told the truth and
14 they paid a very high price, whether it be NU or the
15 NRC who also gave their people work out there for the
16 past 18 years or \$10,000.00 bonus for what they
17 supplied.

18 As far as Employees Concerns, I want to
19 put these questions to Mr. Beck and Billie. Do you
20 think that these people that are still working over
21 there on the Safety Conscious Work Environment are
22 going to come forward when they see what the price is
23 these gentlemen paid?

24 MS. GARDE: Well, a lot of people are

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1 coming forward. I mean there have been a tremendous
2 number of employees who have utilized the Employee
3 Concerns Program over the last three years and raised
4 issues, sometimes very serious issues, that I think in
5 the past they would have brought to the public or they
6 would have taken to the newspaper or they would have
7 taken to the citizens group. And those issues have
8 been resolved. So I think that people are raising it.
9 I do.

10 MR. BESADE: I still feel very upset
11 that when I send whistleblowers to you off-site that
12 were terminated or were off that you didn't meet with
13 you. All you did was meet with the people that are
14 still employed. If you talked to those people that I
15 just mentioned, I do believe I would have much more
16 faith in what Little Harbor -- the final results of
17 what's come out. Right now I have not too much faith.
18 And I'm telling you that right now. I think it's just
19 another way of covering up and smoothing things over to
20 pacify them, shut a few up.

21 Thank you. Unless you have any
22 questions?

23 MS. GARDE: No. Joe, I tried to meet
24 with everybody whose name you gave me and spent a lot

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1 of time with the kind of current and pre-cursor
2 employees when Little Harbor started their work here.
3 I don't think I ever did talk to Tom and I don't think
4 I ever talked to Mr. Plumb.

5 MR. BESADE: How about Pete Reynolds?

6 MS. GARDE: Yes. I spent a lot of time
7 with Pete. Yes.

8 MR. BESADE: Yes. I was hoping he was
9 going to be here today, but he's on the road. He
10 definitely wanted to be here to inform the public of
11 what he's gone through, is still going through.

12 All right. I'll let somebody else have
13 the floor.

14 CHAIRPERSON CONCANNON: Okay. Thank you
15 again very much.

16 And your next one will be Bernie Summer,
17 the next review.

18 MR. LINVILLE: After the outage.

19 MR. WOOLLACOTT: After the outage.

20 CHAIRPERSON CONCANNON: Yes. Okay.

21 We'll proceed now to the NRC segment.

22 MR. RICHARD URBAN: Good evening. I'm
23 going to be working from the slides that you have there
24 in front of you. I'd like to start out -- my name is

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1 Rich Urban. I'm the Senior Project Engineer for the
2 Millstone site and I work out of Region One. And I was
3 the lead Inspector for the inspection of Employee
4 Concerns and the Safety-Conscious Work Environment at
5 Millstone.

6 The majority of our inspection was
7 conducted January 10 through 14, 1999. And we did some
8 additional inspection as part of the 40-500 Corrective
9 Action Team inspection that was conducted January 31
10 through February 4. During this inspection, I was
11 assisted by Mr. Bud Kelman.

12 CHAIRPERSON CONCANNON: I think you
13 probably meant 2000, not 1999.

14 MR. URBAN: Yes. Yes. It was just
15 January of 2000.

16 CHAIRPERSON CONCANNON: Okay.
17 MR. URBAN: Thank you.

18 Our preliminary concerns were that a
19 generally healthy Safety-Conscious Work Environment has
20 been maintained at Millstone and overall performance
21 has been maintained since our previous inspection was
22 done in October of 1999.

23 In the Employee Concerns area, the
24 Employee concerns investigation case files generally

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1 showed good investigative work, logical analysis and
2 sound conclusions. However, we did note some problems
3 with the documentation of corrective actions in a
4 particular case file, including the subsequent
5 communication of these corrective actions with a
6 concerned individual.

7 Several key performance indicators have
8 improved. Some examples would be the number of
9 concerns received by the Employee Concerns Program
10 department declined significantly from an average of 20
11 per month to 12 per month.

12 While on this topic, the number of
13 allegations received by the NRC has also declined
14 significantly the latter part of 1999. It was recently
15 published that harassment/intimidation allegations
16 received by the NRC increased. But we don't believe
17 this is a significant trend and I'll explain why.

18 Several of the allegations that we
19 received were considered duplicates. They were very
20 similar. And another allegation we received was four
21 years old. It was an older concern. So basically, if
22 you look at the concerns, they're about the same number
23 of H&I concerns that we're receiving.

24 Another example of an improved key

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1 performance indicator is that there was only eight
2 cases under investigation by the licensee at the end of
3 1999. Also, 103 case files were closed during the last
4 three months of 1999.

5 One key performance indicator that we
6 did note that was decreasing was the average age of
7 cases under investigation. But it was still under the
8 licensee's goal. So they put some more effort in some
9 other areas and, you know, this area slipped a little
10 bit. But it was still under their performance goal.

11 Corrective actions that the licensee
12 took in response to previous issues that we raised back
13 in October of 1999 were effective. Some examples would
14 be the backlog of corrective actions for the Employee
15 Concern case files was reduced. That's why there was a
16 great number of cases that were closed.

17 They also reviewed a potential chilling
18 effect for a case file and that review was subsequently
19 found to be non (indiscernible).

20 And, lastly, provisions to the Employee
21 Concerns Program processing manual were effective.

22 In the area of Safety-Conscious Work
23 Environment, case files for identified problem areas
24 were comprehensive, well maintained and contained good

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1 corrective action plans.

2 The Safety-Conscious Work Environment
3 Department was proactive when the problem areas were
4 identified. Some of the areas or methods that they
5 used are core group workplace surveys, daily review of
6 condition reports and site culture surveys.

7 Now, speaking to the site culture
8 survey, we noted that the one that was done in December
9 of '99 was -- the participation rate was down and
10 including the overall scores. But the results still
11 indicated that a safety-conscious work environment was
12 being maintained at Millstone.

13 Some employees felt comfortable raising
14 nuclear safety concerns. This conclusion was based on
15 interviews of site employees that were conducted as
16 part of the 40-500 corrective action team that was done
17 by the NRC. And we used a standard set of questions
18 that were asked of various employees.

19 The Employee Concerns Oversight Panel
20 continues to effectively monitor the safety-conscious
21 work environment at Millstone. Of note was a well-
22 written, comprehensive quarterly report that provided
23 good safety-conscious work environment activities at
24 Millstone.

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1 Daily people/team meetings were
2 effective in discussing working issues and coordinating
3 required action. Some examples would be management of
4 the overtime issue for the upcoming Unit 2 outage with
5 the cancellation of the job posting at the site and
6 there were some several disciplinary actions that were
7 discussed.

8 Lastly in this area, the Executive
9 Review Board was effective in reviewing personnel or
10 disciplinary actions to ensure these actions were
11 appropriate.

12 In closing, this (shuffling of papers)
13 future issue. Although the licensee has effectively
14 handled previous changes at Millstone and reporting to
15 industry outage that is concurrent with the Unit 2
16 restart, the supervisory cascade and the union vote,
17 future planned changes -- and I'm referring here to the
18 reorganization through downsizing and the plant
19 auction. They require continued management attention
20 to minimize impacts on the safety-conscious work
21 environment at Millstone.

22 And that basically concludes my
23 presentation. And I'll address any questions.
24 CHAIRPERSON CONCANNON: Okay. Thank

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1 you.

2 Questions? John? Oh, the mike. While
3 you're passing the mike, I just would like to ask how
4 would you respond to the statements made by Ms. Perry
5 Luxton about the lack of organization presently with
6 the SCWE or the Safety-Conscious Work Environment and
7 the response from Little Harbor that it's so operating
8 in a vacuum?

9 MR. URBAN: Well, the licensee is, you
10 know, trying to get back to some neutral ground. And,
11 you know, they are providing some of the resources in
12 the Human Relations and other departments. And we're
13 keeping an eye on that. We haven't seen any direct
14 effect on our end at this point. But we're going to
15 continue to monitor that area.

16 CHAIRPERSON CONCANNON: How closely will
17 you be monitoring it?

18 MR. URBAN: Well, we're going to -- any
19 time Little Harbor comes on-site here, we're going to
20 be aware of what they're doing. And we have to go
21 through our senior management as to what type of
22 inspections we'll be doing in the future. But we're
23 going to maintain some sort of oversight of what is
24 going on here and what Little Harbor is doing.

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1 CHAIRPERSON CONCANNON: Okay. Thank
2 you.

3 Okay. John?

4 MR. MARKOWICZ: Two question. And the
5 first is you're talking again of NRC allegations.
6 Could you be more specific and give us some
7 quantitative feels for the number of allegations per
8 month that the NRC is currently receiving from them
9 versus a year ago or totals for the year versus a year
10 ago? You haven't mentioned --

11 MR. URBAN: Yes. In the first six
12 months of 1999, we received 16 allegations. And in the
13 last six months, we received six. And if you break the
14 first six months down into three-month periods, it was
15 like ten in the first three months, six in the next
16 three and then six in the last six. So you can see
17 it's a large trend.

18 And basically what we've seen for the
19 last several months -- and I want to say four, five,
20 six months -- it's about one, sometimes two, per month.

21 MR. MARKOWICZ: And is there any thread
22 of commonality between those and what ECP sees or are
23 the specific allegations significant safety issues?
24 Are they (talking over each other) talk about at all?

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1 MR. URBAN: Well, I can't talk in
2 specifics, but I can say that there are some that ECP
3 sees and some that we see that are the same or very
4 similar. The utility obviously gets a lot more than we
5 do. If we're getting one a month, then they're getting
6 twelve.

7 MR. MARKOWICZ: Does Little Harbor know
8 the substance of those allegations or did they just see
9 the --

10 MR. URBAN: Of our allegations? No.

11 MR. MARKOWICZ: The second question has
12 to do with something a year ago. And you may not know
13 the answer. Maybe Jim does. But when the hearing was
14 held back in January, there were a number of things
15 that then-Chairman Jackson directed, 4500 inspections,
16 4,000 line inspections and those kind of things. And
17 she also directed staff to provide her with triggering
18 -- triggers, triggers that would indicate that there
19 would be a requirement for more NRC oversight if
20 something happened. And I wonder whether anybody knows
21 what the triggers are. Were those ever quantified or
22 distributed to anybody so that the public kind of has a
23 feel of what you get -- you get six allegations a
24 month, that would (indiscernible) ask it at some point

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1 in the future.

2 MR. URBAN: Well, the triggers were put
3 out in a staff requirement memorandum. And I don't
4 know whether that was public or not. But the
5 triggering mechanism is in there.

6 MR. LINVILLE: They were put out in the
7 staff requirements memorandum which we provided copies
8 with the transcript of the last NEAC meeting that we
9 attended, which was in last July. So those were --
10 have been made public. And somewhere here I've got
11 them.

12 MR. MARKOWICZ: I'll take you to -- I
13 don't remember getting them. So --

14 MR. WOOLLACOTT: No. You had the whole
15 transcript.

16 MR. LINVILLE: It was -- we published
17 this September 10 memo which forwarded the transcript
18 and the staff requirements memo, which you had
19 requested last July, to the Chairpersons.

20 MR. MARKOWICZ: Were there a lot of
21 them? I mean were a lot of triggers -- you talk about
22 it in general here.

23 MR. LINVILLE: Oh, that's public
24 information. Sure.

1 CHAIRPERSON CONCANNON: I'm sorry. I do
2 have a couple.

3 (Interruption in taping - changing from
4 Tape 1-B to Tape 2-A.)

5 CHAIRPERSON CONCANNON: -- have to be
6 more careful of to transmit material.

7 MR. LINVILLE: We indicated we would
8 consider increased oversight if there was a
9 substantiated case of harassment/intimidation not
10 appropriately addressed by the licensee. A significant
11 increase occurs in Employee Concerns receipt and
12 significant -- and substantiation rate increases.
13 Significant increase occurs in NRC allegation receipt
14 and significance. Significant adverse findings are
15 identified as a result of our Corrective Action
16 Program, our Employee Concerns Program inspections.
17 However, there's a significant decline
18 in NECO's Employee Concerns Program, Safety-Conscious
19 Work Environment key performance indicators.

20 MR. MARKOWICZ: Thank you.

21 MR. LINVILLE: And there's a
22 corresponding list for which we would consider
23 returning to normal oversight.

24 MR. MARKOWICZ: Thank you.

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1 CHAIRPERSON CONCANNON: I'm sorry.
2 You're done with your two questions.

3 Okay. Any more questions? Mark?
4 MR. HOLLOWAY: Could you tell me how
5 many Millstone allegations are currently being
6 investigated by the NRC? In other words, how many open
7 allegations are at present?

8 MR. URBAN: We have eleven open
9 allegations at this time.

10 MR. HOLLOWAY: That's the total case
11 load at this point?

12 MR. URBAN: That's it.

13 MR. HOLLOWAY: And how long is the --
14 how far back is the oldest one? Do you know?

15 MR. URBAN: One is from '97.

16 MR. HOLLOWAY: That's all I had.

17 CHAIRPERSON CONCANNON: These are the 11
18 that were mentioned in early February?

19 MR. URBAN: No. These are -- the 11
20 that were mentioned I believe in the article you may
21 have read were the number of H&I concerns received in
22 fiscal year 1999. Some of those have been closed. So
23 the 11 we're talking about are the ones that are
24 currently open at Millstone.

1 CHAIRPERSON CONCANNON: Now, you say
2 fiscal year or calendar year?

3 MR. URBAN: Fiscal year.

4 CHAIRPERSON CONCANNON: So that would be
5 September 30?

6 MR. URBAN: It would have ended October
7 -- September 30 of last year.

8 CHAIRPERSON CONCANNON: Okay.
9 MR. WOOLLACOTT: Could I ask one
10 question?

11 CHAIRPERSON CONCANNON: Yes. (Dropped
12 microphone). I'm sorry. Whoops. Just a minute.

13 MR. WOOLLACOTT: I'm Evan Woollacott.
14 Just following up on Mark's question before, does the
15 NRC have any internal requirement to clear these cases
16 up in a specific period of time? I think 1997 is an
17 awful long time ago. In fact --

18 A VOICE: Three years.

19 MR. WOOLLACOTT: -- three years. And
20 the reaction of people to the NRC is not good to be
21 holding them on for two years.

22 MR. URBAN: Okay. I can address that.
23 We have a requirement to close allegations in 180 days,
24 assuming that there is no Office of Investigations

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1 involvement. And that is one of our requirements and
2 we pretty much kept to that 180 days. Once OI gets
3 involved, the cases can run for a very long time. As
4 you can see, there's one that's, you know, three years
5 old. And at that point, there is no requirement by the
6 agency to close it in any particular time. Although,
7 there is a statute of limitations, typically five
8 years.

9 MR. HOLLOWAY: That's ridiculous. I
10 mean you're saying that the statute of limitations can
11 expire while these things are being investigated. And
12 obviously, if it's turned over to OI, it has some real
13 significance.

14 MR. WOOLLACOTT: Careful of the other
15 one now, Terry. Be careful.

16 CHAIRPERSON CONCANNON: I'll try.
17 MR. LINVILLE: I've worked for the NRC
18 for 20 years. I'm not aware of a statute of
19 limitations expiring before we resolve -- we completed
20 any OI investigations. It's possible, but I don't
21 believe that's the case.

22 And these -- the investigation process
23 becomes much more legal when Office of Investigations
24 gets involved and there's a -- just it's a legal

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1 process just like any other that we have in this
2 country; you know, time-consuming things.
3 MR. WOOLLACOTT: Maybe we should ask OI
4 to revamp its review process. It doesn't seem to be
5 working. And it's a real concern, the immediacy of
6 action and so forth.

7 CHAIRPERSON CONCANNON: Okay. I think
8 we've -- is there any comment from the public at this
9 juncture?

10 Okay. Susan?

11 MS. PERRY LUXTON: Hi.

12 MR. URBAN: Rich Urban.

13 MS. PERRY LUXTON: I would like to ask
14 you about -- you're involved with the Safety-Conscious
15 Work Environment. All right. I'd like to ask you
16 about the leadership cascade that's within the
17 organization that's gone in the last year at Millstone.

18 Did you monitor that? Did NRC monitor
19 that, the matrix -- the way they conducted interviews
20 and all that kind of stuff? Were you at all involved
21 in that, overseeing that?

22 MR. URBAN: No, we were not.

23 MS. PERRY LUXTON: You were not. Okay.

24 MR. LINVILLE: I think -- we weren't

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1 reviewing it at each step of the way. But certainly
2 our Resident Inspectors at the site were well aware of
3 what was going on as it was occurring. We knew that it
4 was in progress and --

5 MS. PERRY LUXTON: Okay.

6 MR. LINVILLE: I believe we were being
7 briefed on the steps and the results as they proceeded.

8 MS. PERRY LUXTON: Okay. So should I
9 ask Mr. Cerne the question instead of Mr. Urban?

10 MR. LINVILLE: I don't know what the
11 question is. I'll --

12 MS. PERRY LUXTON: Okay. I'll get to
13 the question.

14 MR. LINVILLE: Okay.

15 MS. PERRY LUXTON: The question is there
16 are certain minimum qualifications that -- what do they
17 call them? -- a leader or a manager or a supervisor or
18 whatever meets when the jobs are posted. It's called
19 minimum qualification of the ANSI standard. ANSI.
20 Industry standard, A-N-S-I?

21 MR. LINVILLE: Yes.

22 MS. PERRY LUXTON: What does that mean?

23 MR. LINVILLE: American National
24 Standards Institute.

1 MS. PERRY LUXTON: Okay. Now, and
2 that's an NRC commitment that NU made?

3 MR. LINVILLE: Well --

4 MS. PERRY LUXTON: That their leadership
5 meets the ANSI standards?

6 MR. LINVILLE: Not exactly. They have a
7 quality assurance program manual that is what they meet
8 and that's based on the ANSI standards but may take
9 some exceptions to them. And that document has been
10 reviewed and approved by the NRC.

11 MS. PERRY LUXTON: Okay. So you did
12 check and make sure that present leadership in
13 positions of leadership right now all have met the ANSI
14 standards? That's the question. You have checked
15 that? You've approved that? You didn't check it?

16 MR. LINVILLE: We have not checked each
17 individual one necessarily, no.

18 MS. PERRY LUXTON: Then how do you know
19 they meet the standards?

20 MR. LINVILLE: The licensee is required
21 to do that review. Our whole inspection program is
22 based on sampling and periodically checking. And so we
23 don't review every thing that they do.

24 MS. PERRY LUXTON: Okay. So we're

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1 assuming that they do meet the qualifications -- we're
2 assuming that the NRC is telling you that they do meet
3 the questions. But you don't know for sure if they do.

4 MR. LINVILLE: We have not verified each
5 one, no.

6 MS. PERRY LUXTON: Okay. Has -- do you
7 know if management -- if your oversight of Northeast
8 Utilities evaluated the cascade, evaluated that,
9 interviewed the cascade? Do you know if NU's own
10 oversight did that? Did you --

11 MR. LINVILLE: No.

12 MS. PERRY LUXTON: You don't know if
13 they reviewed it. Right? The Oversight Department,
14 NU's Oversight Department.

15 MR. LINVILLE: Well, I believe they
16 probably did. But I can't state that for a fact. We
17 know that they normally conduct a review for each of
18 those -- each of those assignments that are specified
19 in the ANSI standard.

20 MS. PERRY LUXTON: Sir, may I ask you
21 something about oversight? Can I ask about NU
22 oversight now or that doesn't really fit in here?

23 MR. LINVILLE: It's appropriate.

24 MS. PERRY LUXTON: Okay. Now, I've been

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1 getting a lot of calls about oversight, that they feel
2 that oversight has been diminished since the restart
3 because during the -- it was a VP position. And since
4 oversight was one of the criteria for restart prior to
5 1995, it wasn't a Vice President position. It wasn't
6 on equal footing with the rest of the VP's. Right? So
7 then they boosted it up to VP position. And now, since
8 within the last year or whatever, it's back down to a
9 Director position.

10 MR. LINVILLE: That's a recent change
11 within the last few months. That's correct.

12 MS. PERRY LUXTON: Okay. Fine. So --

13 MR. LINVILLE: I would say, though, that
14 they've -- it's a Director position who also reports to
15 the Senior Vice President as opposed to another Vice
16 President. So the organizations that Oversight is
17 overseeing, that Director does not report to one of the
18 line Vice President.

19 MS. PERRY LUXTON: Oh, he's --

20 MR. LINVILLE: He's independent of those
21 organizations. That's what the real requirement is.
22 And it's not unusual for a Director of QA to be
23 reporting -- have a different title perhaps than the
24 line Vice Presidents but still report to a higher level

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1 of management.

2 MS. PERRY LUXTON: Okay. So Oversight
3 has no collateral duties. They're the Director of
4 Oversight now. It has to do regulatory affairs and
5 oversight, not just oversight.

6 MR. LINVILLE: Yes. That's correct.

7 MS. PERRY LUXTON: Okay. Now, have your
8 NRC renderings reviewed the quality of the products,
9 the oversight products, since start-up? Because I
10 heard from someone, several people, that the quality of
11 oversight products, which during the recovery were
12 actually considered industry standards, have diminished
13 in quality.

14 MR. LINVILLE: Not only have the
15 Residents reviewed that, we have had two Corrective
16 Action Program Team inspections at the site since
17 start-up, one just the -- concluded today, actually.
18 So -- and our conclusions have not been in general that
19 the quality of the oversight organization activities
20 has diminished, no.

21 MS. PERRY LUXTON: Okay. And their
22 products haven't diminished more now? You don't -- you
23 haven't found that?

24 MR. LINVILLE: Not in our review. I'd

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1 invite the Residents who have a more --

2 MS. PERRY LUXTON: Do you have a
3 comment? Okay. Interesting. Okay. Let me just --
4 bear with me a minute. Okay. I think that's it.
5 Thank you.

6 MR. LINVILLE: Thank you.

7 MR. MARKOWICZ: Could I follow up just -
8 -

9 CHAIRPERSON CONCANNON: Yes.

10 MR. MARKOWICZ: The question Susan
11 didn't quite get to ask is for those fellas that you
12 did look at for compliance with ANSI standards, has the
13 QA manual (indiscernible) did you find compliance?

14 MR. ANTONE CERNE: The recent review in
15 all cases has found compliance. Going back a few
16 years, there were some organizational difficulties and
17 some violations that were actually written. And our
18 follow-ups in a lot of cases were in response to that
19 problem. But the recent situations and the recent
20 changes that have been referred to, we've found
21 compliance.

22 MR. MARKOWICZ: So the cascade,
23 according to spot checks, is in compliance with the QA
24 manual and the ANSI standards as they --

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1 MR. CERNE: The cascade positions that
2 we have reviewed have been in compliance with their
3 commitments to the ANSI standards.

4 MR. HOLLOWAY: How many positions have
5 you reviewed?

6 MR. CERNE: It depends on the
7 individual. I can say that I personally have reviewed
8 probably four.

9 MR. HOLLOWAY: I'm talking about this
10 Resident staff as a whole. Do you have any feel for
11 that?

12 MR. CERNE: Besides the other Resident
13 Inspectors, we also have team inspections. And I could
14 characterize that in general. But I think that -- the
15 point being that Mr. Linville made is that our
16 inspections are not 100 percent. It's an audit
17 function.

18 MR. HOLLOWAY: I understand.

19 MR. CERNE: And the key there, also, is
20 corrective actions from prior to violation were
21 significant to us to assure to us that the licensee had
22 a handle. And when they make the statement to us that,
23 in fact, there is compliance with the ANSI standard, we
24 expect that to be true.

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1 CHAIRPERSON CONCANNON: Okay. I think -
2 - yes, David?

3 MR. COLLINS: I just wanted to say
4 something. Could I say a few words?

5 CHAIRPERSON CONCANNON: Yes. Come up to
6 the microphone please.

7 MR. COLLINS: There's some questions
8 about the -- taking a look at the leadership. What
9 does the NRC do? I think the main question was what
10 does the NRC do to assure that we have a leadership?
11 Would that be a fair characterization of what was some
12 of the questions just recently were? And, yes, there
13 are ANSI standards and I think they talk about perhaps
14 what your organization structure is, how many Vice
15 Presidents you have and kind of different departments
16 you have and maybe some of their basic qualifications.

17 But I would suggest that a lot of these
18 things are not very relevant, that if we look at what
19 happened at Millstone, one of the big problems with
20 leadership was that the employees didn't trust their
21 leadership. That was the fundamental root cause of a
22 lot of things that happened. It kind of boiled down to
23 can we trust the people who are there?

24 And I think that there's some kind of a

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1 review of management, that it would be nice if it was
2 based more on questions like "Can we trust you? Are
3 you committed to the environment? Do you care about
4 nuclear safety? Do you care about the employees and
5 the community?"

6 And I don't think it's unreasonable to
7 have perhaps some type of survey vehicle that would ask
8 these questions to the employees. "Do you trust the
9 (indiscernible). Do you trust your Vice Presidents?
10 Do you trust your Director, your manager, your
11 supervisor?"

12 I saw something on a bulletin board a
13 while ago which was a little story where they were
14 talking about values. And he said if you want to test
15 the values of a leader, you can ask three questions.
16 The first question is "Can I trust you?" The second
17 question is "Are you committed to excellence?" And
18 the third question is "Do you care about me?"

19 And I think if we ask Millstone
20 employees to ask those three questions of each of the
21 levels of management across the organization that it
22 would be an interesting thing to see how it came out.
23 I would feel it would come out very good for Millstone
24 right now. But I also have a feeling -- this is

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1 something I was talking about before. There's a plant
2 on the other side of the country called Diablo Canyon
3 which has very high INPO ratings. I guess it must be,
4 what, Institute of Nuclear Power Operations. And
5 that's going to be the highest or the most important
6 rating that -- to nuclear plants. And Diablo Canyon
7 had a 5 INPO 1, the highest INPO ratings in a row, but
8 they also just terminated one of their employees for
9 raising safety concerns and dragging through some
10 mental, psychological evaluations where they stored the
11 evidence and made it look like he was crazy. He went
12 to some independent review and found out that he's
13 totally sane. The Department of Labor said you have to
14 take him back, give him back pay, respond to his
15 original position.

16 And I think if you were to send a survey
17 to the employees of -- by the way, he was an operator.
18 And there was a petition signed by 20 operators, his
19 fellow operators, that this guy was not crazy and that
20 his safety concerns should have been looked at and
21 addressed.

22 If you were to ask the employees of
23 Diablo Canyon, "Do you trust your leadership?", I think
24 the answer would probably be no. If you were to ask

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1 the employees of Millstone several years ago "Do you
2 trust your leadership?", I think the answer would
3 overwhelmingly have been no. I think if you ask them
4 today "Do you trust your leadership?", I think the
5 answer would overwhelmingly be Yes.

6 So that's just something that I know the
7 NRC doesn't get into. It's really not in their purview
8 or bailiwick or whatever you want to call it to really
9 get their fingers into the management and talk to you
10 here about this today. And I think you would agree
11 that maybe somebody should look at that, but it's not
12 really the NRC's area. And it's something we ought to
13 suggest to INPO and something on the topic of nuclear
14 energy. But it's something also I talked to Millstone
15 about and I talked to ECOP and I talked to their Safety
16 Engineering. And they're both willing to give it a
17 try. So I think that says something for the new
18 attitude at Millstone. And I'm hoping that we do get a
19 little sample at Millstone and maybe it will become
20 something real. But I think Millstone is the least of
21 our worries. And what I really hope is that this gets
22 done in the industry because I think that's where it's
23 needed most.

24 MR. HOLLOWAY: I have a question for Mr.

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1 Collins.

2 CHAIRPERSON CONCANNON: Thank you.
3 Okay. Go ahead. You need a microphone.
4 Do you?

5 A VOICE: Do you want this one?
6 MR. HOLLOWAY: I got this one here.
7 MR. WOOLLACOTT: That's not a mike.
8 MR. HOLLOWAY: Well --

9 A VOICE: That records the --
10 MR. HOLLOWAY: Oh. Okay. I'll --
11 CHAIRPERSON CONCANNON: Yes. It goes to
12 the tape.

13 MR. HOLLOWAY: What message does it send
14 to you as an employee when you have a senior manager
15 who is reprimanded by the NRC for harassment and
16 intimidation and since that incident occurred this
17 person has been promoted twice? Does that send any
18 message to you?

19 MR. COLLINS: Well, I think
20 (indiscernible) who's our Chief Nuclear officer out
21 there probably going cold right now because
22 (indiscernible) about that issue. And I wasn't too
23 happy with the results. The NRC sent two letters of
24 reprimand to two of our managers and one of them was

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1 made a Vice President. And I thought that what should
2 have happened was -- we have actually one of the Vice
3 Presidents out there who had -- who made a mistake and
4 they felt he was chilling employees. Actually, two
5 managers in the past -- two other managers in the past.
6 And what they did is they said, "Hey, we screwed up.
7 We admitted that we created a chilling effect. But
8 we're going to do better in the future." Now, I
9 thought that was a really good way in. And that's the
10 way the old Millstone handles it.

11 But I have to tell you. I know the
12 person who the reprimand -- who got improperly
13 terminated. And I know the managers who -- or
14 actually, I know one of the managers who was involved.
15 I know the one who is now the Vice President. And I've
16 got to tell you. He is a real good man. And I don't
17 have a problem at all with him. In fact, I was really
18 happy to see him put in that position.

19 What I do have a slight problem with is
20 with not just coming out and saying -- what happened
21 was the way the person was terminated, the reason for
22 his termination being in error was attributed to a
23 Human Resource error, not because they screwed up
24 terminating. But what happened to him was he was told

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1 "Either you meet the schedule or you're going to be
2 terminated." He was unable to meet the schedule. He
3 was terminated. I went to see William about that and I
4 said, "Do you think this is appropriate?" And I
5 believe what he said was what the managers did was not
6 really inappropriate according to HR procedures but
7 what was inappropriate was you don't tell somebody meet
8 a schedule or you're terminated. And what he felt was
9 -- I shouldn't put words in Lee's mouth. He can talk
10 about it if he wants. But I know that he feels that
11 what we do now -- and I don't think you're going to see
12 it happening again. But you go to the person and you
13 say, "Do you need help? We all want to get the job
14 done." And I don't see something like that happening
15 in -- under the leadership we have today at Millstone.

16 But I have to tell you, it can change
17 like the weather. If you get another Chief Nuclear
18 Officer in, he has another agenda and the whole picture
19 of the organization can change. So that's why I said
20 something to the NRC about some kind of a vehicle,
21 maybe a survey vehicle. I don't know. We need
22 something to check and test the value of the
23 leadership, the values and ethics and morals of the
24 leadership that's in place because that has a direct

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1 connection to the perception of nuclear safety.
2 Did that answer your question?
3 MR. HOLLOWAY: It answered my question
4 from your perspective. Unfortunately, the perspective
5 that I'm frequently getting is that there seems to be
6 another message also sent. And that is "Do as I do,
7 not as I say."

8 MR. COLLINS: I -- once again, I won't
9 really speak for leadership. But I think maybe -- I
10 don't know if it will be handled differently in the
11 future. I kind of like to say "Okay. We screwed up.
12 We're going to do better." But I think some of the
13 thought process behind -- we have is, let's focus on
14 the positive. Let's try not to focus on the negative
15 unless it looks like it's a perennial problem. And I
16 don't see it as being a problem. I don't think we have
17 a lingering problem as a result of that.

18 I know I've talked to the employees --
19 and he doesn't have any complaints. He satisfied with
20 (indiscernible) and we respect that and just that
21 that's been my attitude of it. But like I say, I did
22 talk to him about it just to get his feelings and I was
23 satisfied with his answer.

24 MR. HOLLOWAY: Thank you.

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1 CHAIRPERSON CONCANNON: Paul Blanch?
2 Then David Silk.

3 MR. PAUL BLANCH: I'm going to be very
4 quick, as usual. I just think -- my name is Paul
5 Blanch from West Hartford. I'm a consultant at
6 Millstone. But I think some clarification is possibly
7 required as a result of Mark Holloway's question. And
8 his question related to had a statute of limitations
9 ever expired before the NRC was able to take
10 enforcement action. And Mr. Linville said that in his
11 20 years he's not aware of any.

12 I'm aware of a few. It has happened.
13 And I can't cite a specific case with 100-percent
14 certainty right now. But I think that possibly Mr.
15 Linville needs to go back and see have there been any
16 that have expired and have there been any at Millstone
17 that have expired. And I think that with a little
18 research, the answer might be different.

19 MR. LINVILLE: We'll check on that.

20 MR. BLANCH: Thank you. I just wanted
21 to provide that clarification because I've met with
22 your Director, previous Director of Enforcement, and
23 we've had this discussion in the past. And I felt the
24 clarification would be appropriate.

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1 MR. LINVILLE: Thank you.

2 MR. BLANCH: Thank you.

3 CHAIRPERSON CONCANNON: Okay. David
4 Silk.

5 MR. SILK: I wanted to follow up on that
6 question of Mark's to the NU employee concerning the
7 letter of reprimand. I'd like to have the comments of
8 the NRC regarding that matter. In 1999, the NRC issues
9 a rather rare letter of reprimand. NU promotes the
10 people involved. And what's the reaction of the NRC to
11 that? What did they do about it?

12 MR. LINVILLE: The NRC, I believe,
13 issued the letter of reprimand after the promotion
14 occurred. But, nonetheless, the NRC has a range of
15 options with respect to enforcement sanctions. And we
16 apply those sanctions. They can range from an order
17 that would exclude someone from licensed activities,
18 which we have done in the past. I know that for
19 certain. They include issuing of violations, letters
20 of reprimand or findings that there was no concern.
21 We use the best judgment of the people
22 involved in the issue as to what the appropriate
23 sanction is. In this case, the sanctions that were
24 applied were the ones we thought were appropriate. And

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1 we require the licensee and the individuals to respond
2 to those. They indicated that they had taken
3 appropriate corrective action, even though in some
4 cases they didn't agree with them. And we found that
5 acceptable.

6 I think that in making that decision, we
7 certainly looked at the whole history of the situation
8 at Millstone where we had pervasive problems a number
9 of years ago and many actions have been taken,
10 including issuing of orders to require the facility to
11 take extensive corrective action before they resumed
12 power operation, civil penalties and a number of other
13 actions. And that was the judgment as to what the
14 action should be and the response.

15 MR. SILK: So the response of the NRC to
16 NU ignoring, practically, these letters of allegation
17 is nothing. That's the way it looks.

18 MR. LINVILLE: The NRC -- they did not
19 ignore the -- they responded to them. And believe me,
20 the individuals didn't take them lightly.

21 MR. SILK: Well, it looks to a lot of us
22 like they may have responded, but they're still in high
23 positions despite --

24 MR. LINVILLE: And we -- we did not

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1 require that they not be permitted to be in those
2 positions based on the facts of the case.

3 MR. SILK: This has been a constant in
4 our experience with the NRC.

5 MS. PERRY LUXTON: Did you get an
6 answer, David?

7 MR. SILK: Pardon?

8 MS. PERRY LUXTON: Did you get an
9 answer?

10 CHAIRPERSON CONCANNON: No. We really
11 have to go on, David.

12 MR. COLLINS: It's just like a 10-second
13 --

14 MR. SILK: Okay.

15 CHAIRPERSON CONCANNON: Yes. No. We
16 really do have to go on.

17 I don't see any new hands. So I just
18 want to thank you, Rick, for telling us, reporting on
19 the inspection. Will you be doing -- do you know ahead
20 of time who will be doing the next one? Do you have
21 different team leaders for each inspection?

22 MR. LINVILLE: Rick has been involved in
23 all the last three. We haven't made a determination as
24 to what our next evaluation will entail.

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1 CHAIRPERSON CONCANNON: Okay. Thank
2 you.

3 MR. LINVILLE: Thanks.

4 A VOICE: Mike.

5 CHAIRPERSON CONCANNON: Mike?

6 A VOICE: Yes.

7 CHAIRPERSON CONCANNON: For what?

8 A VOICE: A question.

9 CHAIRPERSON CONCANNON: I want to go to
10 Lee Olivier. We're going to talk about Millstone 2 and
11 the situation there after we finish this employee
12 segment.

13 MR. LEE OLIVIER: Good evening.

14 CHAIRPERSON CONCANNON: Good evening.

15 MR. OLIVIER: My name is Lee Olivier.

16 I'm the Chief Nuclear Officer at Millstone. And with
17 me is Tom Burns who is the Director of Maintenance.
18 Tom Burns was previously the Director of Employee
19 Concerns at Millstone. He's not the Director of
20 Maintenance.

21 It's a pleasure to be here tonight. I'd
22 just like to go through and update you on the
23 activities that are taking place at Millstone station.
24 The first thing I'd like to do -- and I think you have

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1 a handout -- is to go through the presentation, just
2 kind of a recap of where we've been and where we're
3 going, some of the major initiatives at NRC. I believe
4 you have that. It starts on Page 2.

5 Well, certainly 1999 was a year of many,
6 many challenges for Millstone and certainly with the
7 recovery of Millstone Unit 2 and restart in May, as
8 well as performing the refueling outage on Unit 3. And
9 it was a year that we closed out a lot of the legacy
10 issues in terms of the various orders that we had with
11 ICAVP, the SCWE order and closed out the orders that we
12 had on training.

13 We also got our training programs
14 renewed, both the operator and maintenance training
15 programs. We started to move forward to improve our
16 overall performance. We had significant improvement on
17 our radiation exposure on the site. We had a goal, as
18 an example, of 310 person-REM and reduced that down to
19 246 person-REM.

20 The overall operating performance of the
21 plants improved dramatically. If you remember, in 1998
22 we had a series of shutdowns in our Unit 3. And our
23 Unit 3 has really operated extremely well. It's
24 operated at 100-percent power essentially outside of

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1 the outage since January of 1999. So we made a number
2 of improvements on Unit 3 and we've seen the results of
3 those.

4 Where we're going now as we look forward
5 at Millstone station is we're really trying to position
6 Millstone station to be successful across the board.
7 Last year was a year of recovery. The year 2000, our
8 focus is on overall improvements in every key area.

9 And if you go to the next slide, the
10 next slide really looks at our overall strategic plan.
11 What we've said we're going to do and we will do at
12 Millstone is move Millstone 2 best of best performance
13 in four key areas. And best of best is really kind of
14 the north star. That's us looking at Millstone's
15 performance and the terms of our safety performance,
16 capacity, our cost and our environment, benchmarking
17 against the best plants, the top decile plants in the
18 country, and moving Millstone 3 initiatives to achieve
19 that performance.

20 And the first one as an example -- let
21 me just go through this. The first one, Safety, we
22 have a number of key performance indicators we have
23 tied to safety. Similar with capacity and cost. And
24 under each one of these, we have set stakes in the

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1 ground of performance, target level performance that we
2 must achieve. And in terms of safety, it is both
3 certainly Safety-Conscious Work Environment, as well as
4 other industrial safety and nuclear safety.

5 We've had a number of business
6 initiatives that we're going to use to fulfill
7 achieving this best of best performance. The first one
8 is our investment in people. And we'll talk more about
9 that later. The second one is a major initiative in
10 process improvement. And the third is moving to a more
11 efficient organizational structure and design later in
12 this year called asset management.

13 We measure those -- we measure those
14 through effective measures both through the INPO
15 evaluation, through a system called EPS, which is this
16 Enhanced Performance System which is a windows-based
17 system that looks at those four key areas of safety,
18 capacity, cost and environment, and as well as
19 conducting our culture surveys which we've just
20 completed and our leadership surveys which we're going
21 to complete next month.

22 The first stake in the ground and key
23 result here is safety. And certainly, everybody at the
24 Millstone site is very aware of the previous issues

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1 that had taken place at Millstone that impacted safety.
2 And we have set very aggressive initiatives in terms of
3 improving our overall safety.

4 One of the things that we conveyed to
5 all of our people at Millstone is safety is not just
6 nuclear safety. It's not just purely industrial safety
7 statistics. It's an attitude. It's about people being
8 able to speak openly and freely. It's about people
9 being open to put issues on the table at any time with
10 their supervision, with management, and treated
11 respectfully and honestly and getting answers back in a
12 timely manner.

13 It's the number one priority at
14 Millstone. And, of course, safety is the gatekeeper.
15 If you don't operate the plant safely, you don't get to
16 go forward. You don't operate the plant in a
17 competitive environment. So, essentially, it's good
18 business. And safety is first and foremost in my
19 personal commitment to Millstone and its employees.

20 I'm not going to cover the areas of
21 capacity and cost. We have targets set for those. But
22 those are more in the business realm. The last one is
23 really -- we call it focus on environment. And when I
24 say environment, I don't just mean the environment such

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1 as our permits for releases and so forth. It's really
2 about the whole atmosphere at Millstone station.
3 And I like to say it all starts as you
4 go down the access road. It's how we maintain the
5 site, starting from the access road in. It's the
6 programs that we have. It's the material condition of
7 the plant. It's things like the levels of
8 contamination, radiation exposure. It's the level of
9 team work, safety-conscious work environment. It's how
10 our people feel about working at Millstone station. So
11 it's very, very complex. And we measure that through
12 basically an evaluation that we get through the
13 Institute of Nuclear Power Operations.

14 And the best plants in the country are
15 what they call in the INPO-1 category. That is
16 excellent. So our goal is to move Millstone to best of
17 best performance in each of those four key areas.

18 The initiatives that we have started
19 this year, the first one is this investment in people.
20 And, of course, although the site is a large, massive
21 site, very complex, it's really all about people. And
22 if you look at the very best plants, what you find is
23 they have the highest levels of safety. They have the
24 lowest cost, highest levels of reliability, shortest

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1 refueling outages and they have a heavy investment in
2 people.

3 We have started the program at Millstone
4 called Imagine 21. This is a five-day training program
5 that you heard I referred to here before. What that
6 training program is all about is giving people the
7 tools and skills that they need to make change, to go
8 through change, and not only survive but to thrive as
9 they go through the change process.

10 It builds a higher self-efficacy in the
11 individuals and it's the type of training that we're
12 doing because where we're going with Millstone is
13 moving Millstone to a much more collaborative,
14 inclusive environment, using teams, moving away from
15 the previous traditional hierarchy of top-down
16 management. So we're having all of our people go
17 through this training.

18 And it's about a five-day training
19 program. There's three days of training up front and
20 there's about a month in between the next two days
21 whereby the individuals have a series of cassettes, 22
22 cassettes, where they go through. And at the end of
23 this five-day training program, what this allows us to
24 do is to start positioning the people to really run the

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1 site, to have the workers have a significant say in how
2 that site is run.

3 This is a program that I have used
4 previously at another nuclear power plant that I had
5 managed. And we had tremendous success with going to a
6 team-based and inclusive organization.

7 The other issue is continuous
8 improvement. One of the issues at Millstone that we
9 get constant feedback from from our work force is it's
10 still very hard to do work. There's a lot of energy
11 put into doing work, more so than is needed. Our
12 processes are effective, but they're not always
13 efficient. So we need to do extensive rework in our
14 processes.

15 And what we've done with that is we put
16 together teams of people that will basically use and
17 operate the process. So these are teams of workers
18 that were brought in, a company, an outside company to
19 work with them in restructuring the processes. And we
20 have four teams, process teams, up and running right
21 now. And we're going to start additional teams.

22 We also -- you heard earlier about some
23 of the issues that we have talked about in the
24 Maintenance area. We have a series of teams there made

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1 up of workers looking at all of the key issues in
2 Maintenance that need to be resolved.

3 Now, historically, Millstone operated as
4 three independent units. Well, we only have two units
5 now. And the best sites, the most efficient sites,
6 have a combined organization, a combined Maintenance
7 organization/Engineering organization. So we are
8 moving towards a combined Maintenance organization, as
9 we call a single site, you know, one site, one team.

10 As we go through that, you know, we are
11 finding issues of pay discrepancies and different
12 policies that were different from one year to another.
13 What we have to do is go through and resolve those. As
14 an example, the issue on pay and differences in pay, we
15 have a team of workers put together with management to
16 resolve all of the pay policy issues. And they will
17 roll out a new pay policy procedure in the first
18 quarter.

19 So the key issues here in terms of
20 getting the workers involved, although we want to go
21 faster, this is a new process that we're using here in
22 terms of broad worker involvement. It's going to take
23 some time. We're going to have to work our way through
24 some of the bumps in the road, so to speak. But this

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1 management team from the leadership from Bruce Kenyon
2 down is committed to have extensive involvement of the
3 work force in all aspects of operating Millstone
4 station.

5 We are going to go over to a different
6 design structure -- it's called a master process or
7 asset management structure -- later in the year. And
8 it really centers around, as the slide shows, nine key
9 areas. The core of the business is to manage the
10 business -- the core processes, rather, manage the
11 business, manage the asset, procure assets, which is
12 this whole parts and procurement, maintain and operate
13 the asset, and has four support areas.

14 So, later this year we'll be going over
15 to this design which really moves us into more of a
16 process enterprise which has natural flows of work
17 coming together through processes using worker teams to
18 do the work. So it moves away from a functional-based
19 organization where you end up having lots of so-called
20 silos and uses more teams.

21 So we'll moving towards that in the
22 third quarter of this year. We will have a selection
23 of officers and directors and managers. And this
24 particular reorganization will differ from the previous

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1 one because fundamentally until we do the process,
2 until we re-engineer the process, we will not select
3 all the way down through.

4 Now, realizing that as you do this, this
5 creates some amount of anxiety in terms of any time you
6 do a reorganization in anybody's business it creates
7 anxiety. We have made a decision that we will not do
8 layoffs at Millstone. No one will lose their job. If
9 we have employees that decide that they would like to
10 leave as a result of being displaced for business
11 needs, they will be allowed to take an enhanced
12 severance type package and leave the company. But we
13 are not going to do layoffs.

14 As a result of the early retirement that
15 we've just completed and other attrition, we feel that
16 the numbers of people at Millstone are consistent with
17 where we are at this point in terms of improving our
18 overall performance.

19 So what's important for us to do is to
20 get over into a more effective and efficient
21 organization. And to do so, we want to make sure that
22 we have all of our people that come in to Millstone
23 focused on that initiative and focused and not worrying
24 about -- not worrying about being laid off. So that's

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1 a decision that was made to do that throughout the
2 remainder of 2000.

3 We're going to measure ourselves on a
4 routine basis. Now, obviously, you have our oversight
5 organization. But we also developed this new tool,
6 this enhanced performance system, this windows-based
7 system, that allows you to look at each of the four key
8 areas, look at the sub-areas that make them up and also
9 evaluate the key performance indicators that make up
10 each of these areas. This is a program that's
11 available on our Net, our internal Net. And we
12 reviewed that and the outputs of that once a month,
13 once a month with the entire leadership team. But it's
14 also available for all of the workers on-site who can
15 access that through computer.

16 We have an INPO evaluation that will be
17 coming up in July of this year. It will be a site
18 evaluation where INPO will evaluate both Unit 2 and
19 Unit 3. And, of course, the Millstone culture survey,
20 which we just completed, the culture survey basically
21 said that safety-conscious work environment is still
22 strong, that we need to get on with improving our
23 processes and that also the Millstone workers are
24 looking for more involvement in day-to-day operations

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1 of the site, more involvement in changing our processes
2 and more involvement in changing processes -- not
3 processes, but policies and procedures.

4 We also plan to conduct the Millstone
5 leadership assessment in March. And we're committed to
6 conduct the culture surveys and the leadership
7 assessments. And we will continue to do that.

8 So what does it really mean this year
9 for Millstone, for employees? Well, first of all,
10 there will be no involuntary separations in 2000. The
11 work force will be much more involved in creating
12 success of the future, which is what they want. They
13 want to move on with it. They want to improve
14 processes. They want broad-based process improvement
15 and they want to be involved in that process
16 improvement. So we will have a significant effort
17 under way this year on process improvement.

18 So we are going to change. We are into
19 deregulation, into competition. But the environment
20 that we're creating at Millstone we believe will be one
21 that's very rewarding, one where there's openness,
22 collaboration, inclusion and where all the people that
23 work at Millstone will be owners. They will be
24 custodies (sic) of Millstone's future and it will be a

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1 rewarding atmosphere as we move forward. And this is
2 consistent with what you find in plants that are best
3 of best performance.

4 MR. WOOLLACOTT: Lee, thank you for your
5 presentation. I think you generally covered one of my
6 concerns. But I want to open up the book just a little
7 bit more.

8 MR. OLIVIER: Sure.

9 MR. WOOLLACOTT: As you know, someone's
10 been working on the auction process. And we read or
11 looked at NIA, the British equivalent of NRC looking at
12 British Energy, and expressed a concern that maybe the
13 cutback in people was such that maybe the safety could
14 have been violated and raised some questions on that to
15 British Energy. How do you balance? What do you do
16 with the balance of safety consideration with cost in a
17 competitive environment?

18 MR. OLIVIER: Well, the first thing we
19 do -- what are doing now? What do we plan to do in the
20 future?

21 MR. WOOLLACOTT: Well, I know we are now
22 -- you have to do some work.

23 MR. OLIVIER: Okay. Well, you know,
24 clearly, we have a number of mechanisms that we look on

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1 a routine basis, many of which I just mentioned here.
2 You know, this enhanced performance system looks at a
3 number of key performance indicators, including safety.
4 We have our safety culture index that we do every month
5 and that's made up of a number of areas that look at
6 safety.

7 We need to obviously maintain a strong
8 Employee Safety Concerns Program, a very strong
9 oversight program and managers need to be out there
10 communicating with their people and listening to the
11 issues that people bring up.

12 Now, we are going to benchmark all of
13 our areas against the very best plants. And what we
14 know when you do that, they have numbers that are less
15 than us. And if you look at their overall performance,
16 it's consistently superior. There are several
17 utilities out there that for year in, year out have
18 very strong safety culture, low cost and an excellent
19 overall upgrading performance. So those are the plants
20 that we're going to benchmark against. Those are the
21 plants that we're going to emulate.

22 And we're starting to see in some of our
23 areas the results of that type of benchmarking, that
24 type of overall improved performance. As I mentioned,

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1 our Unit 3 continues to get better. But overall, the
2 culture at Millstone from the worker right up through
3 the officer ranks clearly understands that, you know,
4 strong competitive performance, profitable performance
5 comes through excellence and not cutting budgets. I
6 think it's a mistake to just cut budgets arbitrarily.
7 We're not going to do that.

8 We're going to improve our performance,
9 improve our processes, work with our people. And as we
10 become more effective and efficient, then we'll reduce
11 our budgets.

12 CHAIRPERSON CONCANNON: Yes, John?

13 MR. MARKOWICZ: Getting back to my two
14 questions. The first one is (people talking over
15 speaker) question which is the pending sale to Con Ed,
16 the pending auctioning of the site or plant. And the
17 programs that you briefed us on this evening are very
18 interesting and very challenging and offer great
19 promise. But how can you assure us or what kind of
20 consideration can you give us they will continue or
21 that new management will keep in place whatever the
22 changes are that come will continue with the vision
23 that you presented this evening?

24 MR. OLIVIER: Well, certainly the fact

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1 that Northeast Utilities will not be bidding on the
2 plant, this allows some flexibility in terms of
3 speaking to the DPUC and the third-party auctioneer,
4 J.P. Morgan.

5 One of the things that Northeast
6 Utilities wants to do is to leave a legacy. The
7 current leadership of Northeast Utilities from Bruce
8 Kenyon, Mike Morris and myself have invested heavily in
9 turning Millstone around. We do not want to see any
10 type of relapse.

11 When we look at the perspective of
12 bidders, the DPUC as well as the agent, J.P. Morgan,
13 will look at their present performance, their
14 performance in terms of safety, nuclear safety, safety-
15 conscious work environment. And clearly, there needs
16 to be a fit. We need to have the new owner that is
17 also dedicated to the types of programs and initiatives
18 that we have started now.

19 So we will do our best to make sure that
20 they all meet the qualifications. And, of course, the
21 DPUC has that similar responsibility.

22 MR. MARKOWICZ: The second question is a
23 little bit off the subject of what we've talked about
24 so far. But it is a concern of 100 percent power. We

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1 talked about it in the shutdown. There's certainly a
2 transient condition associated with (indiscernible)
3 from my experience in smaller -- could you talk about
4 that event and give us a briefing as to where we stand
5 and what the position of Millstone 2 is?

6 MR. OLIVIER: Well, we did have a
7 dropped rod while we conducting the 401 (coughing)
8 testing, which is a test that we do on a monthly basis.
9 And when we have that dropped rod, the procedures
10 require us to do a power reduction to less than 70-
11 percent power, at which point you can restore the loss
12 of service. During that reduction, we had another rod
13 that blew a fuse and dropped, which required the
14 operators to manually shut the reactor down, which they
15 did. They followed their procedures. The plant was
16 stabilized and that shut down.

17 We had previously done some
18 troubleshooting on this particular rod and we have
19 found the ground and made a repair. And we don't know
20 what the root cause of this present failure is right
21 now. We're still evaluating that. We believe it's in
22 a component called the coil stack that controls the
23 voltage and current to the drive.

24 We will do further testing on that. But

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1 we have replaced the parts. We did post-work testing
2 on it. The post-work testing proved satisfactory. And
3 we will restart the -- restart the reactor starting
4 tomorrow. So we have made repairs there. We're not
5 satisfied with the performance of Unit 2. It's similar
6 to the problems we had with Unit 3 back in the '98 time
7 frame. And we made a number of repairs and
8 modifications there back in 1998 and again during the
9 refueling outage in May and in June of last year.

10 And we will go over Unit 2 with a
11 similar fine-toothed comb and make whatever repairs
12 and/or modifications going forward so that we achieve
13 similar high performance that Unit 3 is giving us right
14 now.

15 MR. MARKOWICZ: And the change in
16 condition, that was -- occurred when they were off,
17 there was no adverse effect or anything?

18 MR. OLIVIER: No. No. There was no
19 adverse effect. And the rods are designed to failsafe
20 to drop into the core, which they did.

21 MR. MARKOWICZ: Thank you.

22 MR. OLIVIER: Yes.

23 MR. WOOLLACOTT: Lee, I'm back again. I
24 listened to, John, your first question, not your second

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1 one. Okay. Your first one. And your answer. And
2 I've been living at the DPUC, listening to all the
3 hearings. And throughout that process, neither DPUC
4 nor the Consumer Council nor Connecticut Light & Power
5 in this case mentioned safety one time. And one time
6 when safety was brought up, the lawyers declared it out
7 of order.

8 NEAC has recommended that safety be a
9 criteria, all of the criteria in the selection process.
10 The Office of Consumer Council agreed with us.
11 Connecticut Light & Power said, "No. That is not the
12 proper venue to consider safety." And I think you
13 people spurt me from your fountains (sic). Now, you
14 have the past. You need to take a look at that a
15 little bit. And maybe let the management make the
16 decision and not the lawyers make the decision on
17 safety at the DPUC.

18 MR. LINVILLE: Can I make a comment on
19 that?

20 MR. WOOLLACOTT: Yes. Sure.

21 MR. LINVILLE: While we don't get
22 involved in the auction process per se, when it occurs,
23 there will be a requirement for a transfer of the
24 license. And when that occurs, we will do a technical

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1 review as well as a financial review, as well as number
2 of other reviews to assure that the new prospective
3 owner is qualified to transfer the license to them.
4 And even if that auctions occurs on March 6 or whatever
5 it is, that that process of making that transfer is
6 going to take some time. And I think that recent
7 transfers that have occurred in the industry would bear
8 that out. So --

9 MR. WOOLLACOTT: I recognize the very
10 clear role of the NRC. But I guess I'm coming from the
11 point that safety is everybody's business. And it
12 seems kind of foolish to go through an auction process
13 when the NRC will say "That group cannot operate
14 safely" without having looked at that beforehand to
15 make sure the group was clearly qualified. I recognize
16 your ultimate responsibility. But I just think safety
17 should be a part of that auction process. And I know
18 it hasn't been in others. But they didn't have an
19 NEAC.

20 MR. OLIVIER: Okay.

21 MR. MARKOWICZ: Can I make a comment?

22 CHAIRPERSON CONCANNON: Sure.

23 MR. MARKOWICZ: Just one last question.

24 There's a unique safety-conscious work environment in

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1 operation at Millstone, will you require that the
2 successor there maintain the same safety-conscious work
3 environment? In other words, they have a system where
4 everything is an employee concern, including on safety
5 and with the safety issues. How will you --

6 MR. LINVILLE: I guess at this point I
7 can't really respond to that. I mean we have to get
8 the application and see what it entails. And that
9 review would be done in our headquarters. So it's not
10 really -- it's too early to tell.

11 MR. MARKOWICZ: Thank you.

12 CHAIRPERSON CONCANNON: While this is
13 going back and forth in front of me, I'm going to ask a
14 question at this time. Has the auctioneer, J.P.
15 Morgan, got anybody on board, anybody advising the
16 company, the firm, about safety issues or about nuclear
17 matters?

18 MR. OLIVIER: I really can't comment on
19 that, Terry, at this time. I know the agent is in
20 place. There have been some meetings. I cannot
21 comment on the context of those meetings.

22 CHAIRPERSON CONCANNON: Okay.
23 Bill and then Mark.

24 MR. OLIVIER: And if I could just say

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1 one thing? And that is anybody that's going to come in
2 and purchase Millstone station, whoever it may be --
3 and there's a number of major nuclear companies that
4 will be interested in purchasing Millstone. They will
5 have to invest a significant amount of money to
6 purchase it. They will be in an environment where
7 there will not be the traditional rate of return from a
8 customer. In other words, if you don't have revenue,
9 there is no earnings. And the costs are all fixed.

10 I believe what you'll find -- and my
11 experience in the private asset sale in a previous
12 plant is that they will maintain a very strong safety-
13 conscious work environment because if they don't, the
14 consequences of not doing that, of having this type of
15 long regulatory shutdowns or labor unrest makes it a
16 really untenable investment.

17 So the major companies that are out
18 there looking at these types of purchases by and large
19 all have very strong records in terms of both nuclear
20 safety and safety-conscious work environment. It's not
21 to say that they're perfect. But I think they're
22 certainly all acceptable.

23 CHAIRPERSON CONCANNON: Okay. Go ahead,
24 Bill.

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1 MR. SHEEHAN: I want to go to Question
2 2, a follow-up to the one I asked you -- and that is
3 can I clarify what additional checks were run on other
4 control rod mechanisms and their support equipment to
5 ensure that there isn't another weak coil stack out
6 there so that when you go critical and get to producing
7 power and -- decide to shut down?

8 MR. OLIVIER: Well, we did a series of
9 diagnostics in all of the control rods. We actually
10 did a modification. And one of the features we found
11 is that the fuses that supply power to these control
12 rods were somewhat underrated in size. They were 15-
13 amp fuses and that makes it easier to blow. So it
14 makes it safer rather than unsafer. But the industry
15 has gone to a 30-amp fuse. So you have less
16 inadvertent type fuse failures.

17 We also did diagnostics looking at the
18 various coil voltages on the stacks and adjusted those
19 appropriately in accordance with the technical manuals.
20 And there's also been diagnostics done on what's called
21 an NCR circuit, firing circuit.

22 So we believe that we have significantly
23 improved the reliability of the control rod system at
24 Millstone Unit 2.

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1 MR. SHEEHAN: This may sound like a dumb
2 question, but I'm going to ask an even dumber question.
3 Since the industry has gone to 30-amp fuse sizes, I
4 assume that all the wiring is going as capable of
5 supporting the 30-amp load as opposed to the 15-amp
6 load?

7 MR. OLIVIER: Yes. That was reviewed as
8 part of the modification, reviewed by Engineering and
9 found to be acceptable.

10 MR. SHEEHAN: Thank you.

11 CHAIRPERSON CONCANNON: Okay. Mark?

12 MR. HOLLOWAY: You made a statement
13 earlier that there would be no layoffs in the year
14 2000.

15 MR. OLIVIER: That's correct.

16 MR. HOLLOWAY: Obviously, this is from
17 Northeast Utilities' perspective. And now that the
18 units are -- might be auctioned in the very near
19 future, are you anticipating that the actual physical
20 transfer of NU will go into 2001? Is that how you can
21 make that determination for the year 2000?

22 MR. OLIVIER: Yes. The present time
23 frame of the divestiture schedule would have us select
24 the new owner probably in the August time frame of this

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1 year. But, as Mr. Linville said, the actual license
2 transfer process is quite long, complicated. You need
3 to have approval from NRC, SEC, FERC, as well as DPUC.
4 So you're looking at probably about eight-month license
5 transfer process. So we right now estimate it would be
6 about the end of the first quarter of 2001.

7 MR. HOLLOWAY: At the earliest.

8 MR. OLIVIER: At the earliest.

9 CHAIRPERSON CONCANNON: Mr. Burns has
10 been sitting there, hasn't said a word.

11 Now, you were Director of ECP. Does the
12 Director of ECP have another -- is that a full-time
13 job?

14 MR. THOMAS BURNS: Yes, it is.

15 CHAIRPERSON CONCANNON: Who is the
16 present Director?

17 MR. BURNS: A gentleman named Andy
18 Vomastek, who was announced as the Director yesterday.
19 He was the Corrective Actions Manager addressing
20 Employee Concerns.

21 CHAIRPERSON CONCANNON: Can you say his
22 name again?

23 MR. BURNS: Andy Vomastek.

24 CHAIRPERSON CONCANNON: And you are now

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1 Director of Maintenance?

2 MR. BURNS: Yes.

3 CHAIRPERSON CONCANNON: Was that the
4 area you were in before you became Director of ECP?

5 MR. BURNS: No. I was in Oversight for
6 two years during the recovery period from '96 to '98
7 prior to going to the Employee Concerns group.

8 CHAIRPERSON CONCANNON: How long have
9 you been with NU?

10 MR. BURNS: 20 years with NU, 27 years
11 at the station.

12 CHAIRPERSON CONCANNON: And what is the
13 purpose of combining Millstone 2 and 3 Maintenance?

14 MR. BURNS: Well, we're moving the
15 Maintenance organizations together to really get the
16 best of both worlds. If you look at the teams that we
17 talked about, we're working on putting pump crews
18 together, valve crews together. So you really have a
19 work force that can work on either unit at any time.
20 And when you get that type of expertise where you've
21 cross-trained the people so they can go back and forth,
22 you've really got the best of both worlds in an
23 organization.

24 But, also, trying to move people into

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1 different locations so they're closer to where they
2 need to be. And you're talking about an organization
3 of about 450 people. And we had separate time, two
4 time organizations, two instrumentation control
5 organizations, two mechanical organizations. So, you
6 know, it was a process of trying to get those people
7 into facilities. It's just a difficult initiative in
8 itself. So that has caused some unrest.

9 CHAIRPERSON CONCANNON: Does that mean
10 there will be a decreased need for manpower/womanpower?

11 MR. BURNS: Right now we don't see any
12 decreased need. As Lee mentioned before, you know, our
13 processes are a challenge. They're effective, but we
14 need to work on making them better. And right now, a
15 big task of mine will be working on really the people
16 skills, working with the -- people that haven't worked
17 together before are now put into the same organization.
18 And we had separate planning procedures. We need to
19 come up with one set of procedures, how we're going to
20 do our work. So that's really the biggest focus right
21 now is getting the best of both organizations into one
22 organization.

23 CHAIRPERSON CONCANNON: When Mr. Collins
24 was talking earlier, he mentioned about the logistical

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1 problems with distance and so forth. Can you overcome
2 those?

3 MR. BURNS: Well, we can overcome almost
4 anything. I think we proved that by restart of the
5 units. So I think it's just getting really -- what
6 we're looking right now is employee involvement.

7 We proposed the other day putting
8 together a partnership in business with the employees
9 to start sorting out some of these issues. One of my
10 tasks right away will be to set up that panel. We'll
11 be working on that next week and selecting people from
12 both management and the work force to work together on
13 sorting out, you know, things such as starting hours,
14 pay discrepancies between the units, location issues.

15 CHAIRPERSON CONCANNON: Okay. Thank
16 you.

17 MR. BURNS: Thank you.

18 CHAIRPERSON CONCANNON: Pearl?

19 MS. PEARL RATHBUN: Hi. Pearl Rathbun
20 here. I just have a couple of questions, two
21 questions. I'm unfamiliar with INPO is. Could you
22 explain?

23 MR. OLIVIER: Yes. INPO is the
24 Institute of Nuclear Power Operations, which all U.S.

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1 nuclear power plants belong to. And it conducts an
2 evaluation at every nuclear site approximately every 18
3 months. And it brings in a team of usually 20 to 25
4 people in each of the key functional areas, such as
5 operations, maintenance, engineering. It's made up of,
6 to some degree, industry peers.

7 So these will be people coming in from
8 the various other nuclear power plants. They have a
9 very prescribed evaluation tool which they evaluate
10 each of the areas in. They look at all aspects of
11 safety, the basic program, such as maintenance,
12 training and so forth.

13 They spend extensive time inside the
14 plant, in the field interviewing people, monitoring and
15 observing of what being conducted. They perform
16 interviews. And they basically -- this is a three-week
17 process. So there's a sequester week that takes place
18 in Atlanta which is where the headquarters for INPO is,
19 at which case they look at all of the plant's
20 performance. INPO keeps a comprehensive set of key
21 performance indicators on all the plants in the U.S.
22 Those are reviewed for a week by the team. And then
23 the team comes out and performs a two-week evaluation,
24 which takes place usually seven days a week, and then

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1 debriefs with the management organization and also
2 debriefs with the CEO of the company.

3 MS. RATHBUN: Thank you. Also, under
4 the safety slide, I noticed you had a program called
5 the Human Event Clock. What is that?

6 MR. OLIVIER: The Human Event Clock is a
7 program that our Human Performance Group has whereby we
8 monitor the human performance, in other words, events
9 that would happen on each of the three units. And
10 ideally, you don't have any human events. And that
11 each day would tick off another day on the clock. And
12 I think the highest was with Unit 1, which was
13 somewhere around 153 days at one point in time.

14 So we have a challenge to the work force
15 to obviously have the highest numbers we can without
16 any type of human performance events.

17 CHAIRPERSON CONCANNON: Where does the
18 funding for INPO come from?

19 MR. OLIVIER: The funding for INPO comes
20 from all of the member utilities. So each plant would
21 have to -- each plant has an assessment. So it's based
22 on the units. So for a two-unit site such as
23 Millstone, they would pay a higher fee than a single-
24 unit site. That's paid annually to INPO.

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1 CHAIRPERSON CONCANNON: Getting to an
2 old subject about the independence of such an
3 organization that's being funded by the utilities, can
4 it be objective in its assessment of the utilities?

5 MR. OLIVIER: I -- you know, the
6 experience with INPO being objective, I think they're a
7 lot more objective, certainly, since the Millstone
8 event. And basically if INPO feels that the utility is
9 not listening to the -- or take prompt action on the
10 assessment, often what happens is the President of INPO
11 will come up, along with the senior officers of INPO,
12 and talk to the Board of Trustees and executive
13 management of the host utility. So that they are very
14 aggressive.

15 And they also monitor the key
16 performance indicators on a real-time basis so that if
17 a plant starts to have degrading performance, as an
18 example, then they will act immediately. They will
19 assign what's called a senior representative that will
20 work directly with the plant. And that opens up a
21 whole host of remedies to improve performance. So they
22 are very aggressive. They realize that if any nuclear
23 power plant in the U.S. gets in trouble again, that
24 impacts all the other nuclear power plants.

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1 CHAIRPERSON CONCANNON: Okay. Thank
2 you.

3 MR. HOLLOWAY: Will those reports be
4 available to us here at NEAC?

5 MR. OLIVIER: The INPO reports are
6 confidential as part of the charter of INPO. So
7 they're not made publicly available. We do share those
8 reports with NRC.

9 MR. HOLLOWAY: So you wouldn't classify
10 NEAC as having a need to know?

11 MR. OLIVIER: We would give you an
12 overview of the report. And certainly, in order for
13 you to have the report, you would have to get
14 permission from INPO. We do not control the
15 dissemination of the report.

16 CHAIRPERSON CONCANNON: Do you want to
17 write them a letter, Mark?

18 MR. LINVILLE: I'd just clarify that NRC
19 there -- we review the reports at the station. We
20 don't take possession of copies of the reports. So --

21 CHAIRPERSON CONCANNON: Are there
22 questions from the public?

23 MR. BURNS: I would like to just talk a
24 little bit about the Little Harbor assessment. You

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1 know, each one of these assessments provides us with a
2 lot of insight. Little Harbor does go on when they
3 leave us and go and look at other facilities, other
4 nuclear power facilities. And when they come back,
5 each time they break us great ideas about continuous
6 improvements to our program. So between Little
7 Harbor's assessments and our department initiatives,
8 you know, I think that's why you're seeing this
9 constant improvement in the Employee Concerns Program.
10 We are very pleased with the report. But certainly
11 they point out some areas for us to work on.

12 Now, one of the questions that came up
13 was about the safety-conscious work environment group.
14 That group has not gone away. It still is in
15 existence, the SCWE group. But it is -- it is in
16 transition. What we've put in place -- we have a lot
17 of transitions to go through. What we've put in place
18 is a transition manager. That gentleman reports to
19 Lee.

20 Each one of the groups have been
21 proposing transition to a normal environment has to put
22 a transition time line which goes through the
23 transition manager. And that's where the SCWE
24 organization is right now. They're planning.

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1 The functions of the SCWE, facilitation
2 of conflict, tracking of what we call SCWE case files,
3 culture surveys, leadership surveys, they'll all
4 continue to exist. If you -- even in Little Harbor's
5 report, they note the strength that ECOP has in
6 assessing the safety-conscious work environment on the
7 station. But we're looking at as part of this
8 transition combining the SCWE oversight function with
9 what ECOP is doing for us now so that you basically
10 have ECOP, which is already providing oversight
11 function, picking up some of the SCWE oversight
12 functions.

13 So the organization will exist, does
14 exist today. I just wanted to go on to clarify that.
15 And if anybody has any questions about the Little
16 Harbor report --

17 CHAIRPERSON CONCANNON: I know that --
18 Joe Besade?

19 MR. BESADE: I'll pass right now. I saw
20 some other hands up.

21 CHAIRPERSON CONCANNON: Mr. MacNiece?

22 MR. MacNIECE: I have a quick question
23 for Mr. Linville. Is it common practice for the NRC to
24 refer concerns to the licensee for investigation and

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1 disposition?

2 CHAIRPERSON CONCANNON: Can you ask that
3 through the microphone?

4 MR. MacNIECE: Is it common practice for
5 the NRC to refer concerns to the licensee for
6 investigation and disposition?

7 MR. LINVILLE: Yes, it is. It is common
8 for us to refer concerns to the licensee for
9 investigation and disposition. We do that typically in
10 conjunction with discussion with the individual to make
11 sure that that's acceptable to them.

12 MR. MacNIECE: And if the licensee
13 substantiates that an individual is getting harassed,
14 should not the NRC adopt that as a finding?

15 MR. LINVILLE: Hypothetically, yes. But
16 I guess you'd have to look at the particulars of the
17 case, I guess. I can't say absolutely yes.

18 MR. MacNIECE: And is --

19 MR. LINVILLE: We may not agree with the
20 analysis that supports the finding. So --

21 MR. MacNIECE: So you'd warrant a
22 further investigation then.

23 MR. LINVILLE: Absolutely.

24 MR. MacNIECE: Is that not a trigger

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1 value that was discussed earlier as part of augmented
2 inspection team from Shirley Jackson's substantiated
3 harassment claim?

4 MR. LINVILLE: I don't recall if it
5 would specifically fit. But --

6 MR. MacNIECE: They don't talk about the
7 trigger values --

8 MR. LINVILLE: Yes, we did. But I don't
9 -- I'm trying to correlate that with -- it's not
10 computing. It doesn't seem to equate exactly. I guess
11 we'd have to have the specifics of the case to make
12 that determination.

13 MR. MacNIECE: Okay. Thank you very
14 much.

15 MR. LINVILLE: You're welcome.

16 MR. HOLLOWAY: Could I ask a question
17 about what just happened here? Maybe I'm not following
18 this correct, Mr. Linville, and you can -- what I
19 believe he was saying, Mr. MacNiece, was that if
20 there's an allegation that goes back to the utility --
21 in this case, the NRC's referred it back to them. And
22 the utility has said, "Yes, there was an incident of
23 harassment/intimidation." Then the NRC might not
24 accept that as a res--

1 MR. LINVILLE: That's correct. I think
2 you have to look at the way the licensee's program is
3 set up and the thresholds are much different and the
4 definitions of the terms are more conservative in their
5 case. If you recall Ms. Garde's presentation, she
6 talked about harassment and intimidation cases in the
7 area of Human Relations issue. Harassment and
8 intimidation as far as the NRC is concerned has very
9 specific definition. You have to have a person who
10 raised a nuclear safety concern and have an adverse
11 action taken as a result of that.

12 MR. HOLLOWAY: So what you're --
13 MR. LINVILLE: A nexus between the two
14 to constitute harassment and intimidation within the
15 context of our regulations.

16 MR. HOLLOWAY: So what you're
17 essentially saying is that this might very well be, but
18 it doesn't fall within the particular jurisdiction of
19 the NRC.

20 MR. LINVILLE: Well, within our purview
21 it may not be harassment/intimidation from a nuclear
22 safety standpoint. Whereas, certainly it's appropriate
23 for them to conclude that it -- that it is from their
24 definition.

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1 MR. HOLLOWAY: It might be --
2 MR. LINVILLE: And they might take
3 appropriate action.

4 MR. HOLLOWAY: The Labor Department --
5 MR. LINVILLE: And we wouldn't -- well,
6 they might take appropriate action. And we certainly
7 wouldn't contradict that or anything. But it may not
8 meet the definition that is laid out in our
9 regulations.

10 MR. HOLLOWAY: Gotcha. Thank you.
11 CHAIRPERSON CONCANNON: Once you have
12 passed it back to the utility, do you ever check up to
13 see what happens with it?

14 MR. LINVILLE: Yes. Whenever we refer a
15 case to the utility with the agreement of the
16 individual who raised it, we typically require a
17 response from the utility and then we evaluate that as
18 to the extent to which we would follow up on it on-site
19 with inspection or investigation.

20 CHAIRPERSON CONCANNON: Okay.
21 Susan?

22 MS. PERRY LUXTON: Mr. Olivier, hi.
23 MR. OLIVIER: Hi. How are you doing?
24 MS. PERRY LUXTON: Fine. I'd like to

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1 ask you a few questions regarding -- and I realize we
2 in the Citizens Regulatory Commission representing a
3 lot of the public are not as excited about the Little
4 Harbor survey as you may be and we have serious
5 concerns about their findings.

6 And one of the questions I'd like to ask
7 you is since a lot of the findings that (people
8 speaking over each other) and the -- you know, the
9 source is not still functioning optimally. And the
10 safety-conscious work environment group in
11 transition/limbo, maybe -- I'm not sure -- but in
12 transition, as you said. I heard this limbo/transition
13 period was sending a message to workers that it wasn't
14 that important.

15 But, anyway -- and, also, the doubts we
16 have about the inexperienced supervisors that came out
17 in the report. These are all we would say culture
18 problems because they don't really deal with safety
19 concerns, but they are culture problems which we know
20 are vitally important.

21 Have you done a recent culture survey
22 and did you supply that survey to Little Harbor?

23 MR. OLIVIER: Yes. We did do a recent
24 culture survey. And that survey was made available to

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1 Little Harbor.

2 MS. PERRY LUXTON: Okay. Good. I want
3 to just make sure they saw it. Okay. Now, Question
4 No. 2, since I'm telling you that we have these doubts,
5 would you be willing to have Little Harbor do another
6 survey at this time? I feel that we need -- the public
7 needs to know more about what's going on overall on the
8 site. Now, we've heard pockets of problems in
9 Maintenance and Engineering. And we really don't know
10 what other problem areas there could be. Would you be
11 averse to having Little Harbor or someone else do a
12 survey at this time?

13 MR. BURNS: Based on what Little Harbor
14 found -- and they were here before when the questions
15 came up on Maintenance -- we asked them to do another
16 survey. And we had a full department meeting of the
17 two sections, all 450 people. And Little Harbor handed
18 out -- they presented some of their issues that they
19 found and talked to the Maintenance Department about
20 those. And they also handed out another survey. And
21 they're in the process of collecting those results
22 right now.

23 MS. PERRY LUXTON: Okay. Good. All
24 right. Now --

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1 MR. OLIVIER: So, yes.

2 MS. PERRY LUXTON: Yes. Now, the next
3 question. What about a leadership survey? Has there
4 been a leadership survey done on the new supervisors
5 and new management since the cascade? And did Little
6 Harbor have access to this new leadership? That means
7 -- it's kind of like what Mr. Collins was mentioning;
8 you know, workers rating their supervisors.

9 MR. OLIVIER: We have not -- we have not
10 completed one since the cascade. We will be completing
11 one in March. In fact, that will go out at the end of
12 this month. And we'll have the results some time I
13 think in the April time frame. I think it's the April
14 time frame. And we'll make that available. We'll make
15 those results available to Little Harbor.

16 MS. PERRY LUXTON: Okay. Will Little
17 Harbor make it available to the public?

18 A VOICE: A report.

19 MS. PERRY LUXTON: Okay. Will we get a
20 copy of the report, the next report? Yes?

21 MR. OLIVIER: You will -- we will give
22 Little Harbor, you know, a copy of -- compile the
23 report. Now, inside that report, we will not release,
24 for instance, the rating of each supervisor or manager

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1 because that's proprietary. And what we use that for
2 is to -- is a developmental tool with respect to the
3 supervisors, managers and directors.

4 MS. PERRY LUXTON: Okay. That's okay.
5 I mean you -- I don't necessarily have to see all that
6 specific stuff. Basically. Okay. Now, let me --
7 would you define this term for me, operating capacity
8 factor?

9 MR. OLIVIER: Well, the operating
10 capacity factor is the -- if you took the actual output
11 at the plant in a percentage -- in megawatts, rather,
12 and you divided it by the ideal, you would get a
13 capacity factor that's measured in a percent. So if
14 the plant --

15 MS. PERRY LUXTON: Ideal output? Ideal
16 output --

17 MR. OLIVIER: Ideal output.
18 MS. PERRY LUXTON: Okay.

19 MR. OLIVIER: So you would get a
20 capacity factor percentage. So if the plant operated,
21 for instance, its peak output, its license output,
22 during this particular period of time, worked against
23 the ideal, for instance, you would get 100 percent.
24 But, generally speaking, you would have to power a

1 plant down to do testing and maintenance and so forth.
2 So it's the actual divided by the ideal, which gives
3 you a percentage.

4 MS. PERRY LUXTON: And so is there --
5 there is a certain percentage that you are striving
6 for?

7 MR. OLIVIER: Well, the world-class
8 plants have a capacity factor, a cycle capacity factor,
9 of greater than 90 percent.

10 MS. PERRY LUXTON: Greater than 90
11 percent? And what are we running? What are you
12 running?

13 MR. OLIVIER: The combined capacity,
14 operating capacity factor for Millstone 2 and 3 last
15 year was about 95 percent. That's operating capacity
16 factor. So that does not include the time that you
17 would need, for instance, on the recent outage. That
18 is cycle capacity factor.

19 MS. PERRY LUXTON: Thank you.

20 MR. WOOLLACOTT: Any other member of the
21 public? Way in the back.

22 MS. NANCY BURTON: Good evening. I'll
23 try to be brief. My name is Nancy Burton, and I'm here
24 with the Connecticut Coalition Against Millstone. Back

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1 to the question on the operating capacity factor, can
2 you tell us -- you've given us the figure for last year
3 for Units 2 and 3. Do you have the figure for Unit 2
4 for the past four months of November, December of '99
5 and January and February so far in 2000?

6 MR. OLIVIER: It's -- the capacity
7 factor is slightly under 90. It's about -- at last --
8 approximately 88 percent.

9 MS. BURTON: Excuse me?

10 MR. OLIVIER: Approximately 88 percent.

11 MS. BURTON: And how many days has Unit
12 2 been shut down during that four-month period of time?

13 MR. OLIVIER: I don't have the exact
14 figure right now.

15 MS. BURTON: What is the loss to the
16 company for each day it was shut down during this
17 period as a result of the dropped rod?

18 MR. OLIVIER: You know, that's a
19 confidential, proprietary number which I will not
20 disclose.

21 MS. BURTON: Well, I think you gave a
22 figure for the number representative of what your
23 company did in this report last spring, if I'm not
24 mistaken. And, in fact, you used that figure to try to

1 explain why an injunction should be issued.
2 MR. OLIVIER: That was under a very
3 different structure. That was under a regulated
4 structure. That plant is deregulated now and it sells
5 its output to major companies outside of the regulated
6 marketplace.

7 MS. BURTON: So the number would be
8 different?

9 MR. OLIVIER: Potentially.

10 MS. BURTON: Do you know if it would be
11 different?

12 MR. OLIVIER: I'm not prepared to answer
13 that.

14 MS. BURTON: Now, on the question of the
15 safety-conscious work environment, it is correct, is it
16 not, that the U.S. Department of Justice is continuing
17 their criminal investigation into the activities at
18 Millstone?

19 MR. OLIVIER: You would have to inquire
20 with the Department of Justice to find that out.

21 MS. BURTON: You're not aware of that?

22 MR. OLIVIER: You would have to inquire
23 with them. I don't speak for them.

24 MS. BURTON: Well, I'm inquiring of you

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1 this evening. I don't think they're here. If they're
2 here, maybe they'll come forward and answer that for
3 us.

4 MR. OLIVIER: Well, I would recommend
5 you speak to them. I'm not going to answer that
6 tonight.

7 MS. BURTON: Well, I'd like to ask the
8 Chairwoman of NEAC to assist at this point. I think
9 it's a critical question, that the issue here of a
10 safety-conscious work environment --

11 CHAIRPERSON CONCANNON: I'm sorry. I'm
12 just wondering whether you really are on the subject.

13 MS. BURTON: Well, I'm really only
14 directing on the subject because the criminal
15 investigation to which the company pleaded Guilty did
16 involve in part violations of the Clean Water Act. In
17 fact, serious violations of the Clean Water Act. And I
18 understand from other testimony in another proceeding
19 recently, I believe it was Mr. Morris who did testify
20 that there was some aspect of the criminal
21 investigation that was ongoing with respect to the
22 Clean Water Act violations. The question having to do
23 with -- in relation to the issue of safety-conscious
24 work environment. There have been other questions

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1 raised this evening with respect to potential chilling
2 effect. For instance, in the issue of the reprimands
3 that were issued to individuals who had assumed high
4 positions of management, that those have been put out
5 this evening as to whether or not they are making a
6 potential chilling on workers as a result of that.

7 CHAIRPERSON CONCANNON: I think --
8 MS. BURTON: I believe on this issue the
9 criminal investigation in part, I believe, arose from
10 charges that were made by whistleblowers at the
11 Millstone nuclear power station and it has to do with
12 the question as to whether or not the pendency of the
13 criminal investigation has potentially a chilling
14 effect on others, given that whistleblowers such as Mr.
15 Joe Plumb, whose name came up earlier, have suffered
16 deeply and greatly --

17 CHAIRPERSON CONCANNON: Well, I don't --
18 may I say something? I don't think we're here to
19 discuss Mr. Mastrianni or Mr. Plumb and the issues that
20 they have had and the issue to do that was adjudicated
21 in Hartford about the water, the fines that were
22 imposed. And I think that we are -- I think we might
23 agree with you or disagree the issues to do with some
24 of the decisions that have been made. But I don't

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1 think we're here tonight to -- our purpose here isn't
2 to dwell on these. We're not going to be able to cause
3 a change in those decisions at this juncture.

4 MS. BURTON: Well, we're not trying to
5 dwell on it.

6 CHAIRPERSON CONCANNON: But I would like
7 to go ahead because we're getting after 10:00 and we
8 really came to find out the status of the ECP and the
9 SCWE here at Millstone and the review that has just
10 taken place in January of this year. It's getting --
11 you could draw some connection. However, it's -- the
12 scope is getting too wide for this evening.

13 MS. BURTON: Well, let me just ask this.
14 At the time that Mr. Plumb made his allegations for
15 work that was being done in violation of the Clean
16 Water Act, the individual who was supervising the
17 Chemistry Department at that time at the unit where he
18 worked was subsequently elevated. Can you please tell
19 us, Mr. Olivier, who is the present Director of
20 Chemistry for the Millstone station?

21 MR. OLIVIER: Mr. Robert Griffin.

22 MS. BURTON: And he will be --

23 MR. OLIVIER: He is the manager of
24 Chemistry.

1 MS. BURTON: So, in fact, he was
2 promoted, was he not, after Mr. Plumb's allegations
3 came out, including specific allegations as to his
4 direction to Mr. Plumb to violate the law?

5 MR. OLIVIER: I am not here to talk
6 about Mr. Plumb's case. Mr. Plumb's case is closed.
7 And it would be inappropriate for me to discuss that
8 case in any detail.

9 MS. BURTON: I'm asking, though --

10 MR. WOOLLACOTT: Ms. Burton --

11 MS. BURTON: Mr. Griffin is presently --

12 MR. WOOLLACOTT: Hello?

13 MS. BURTON: -- the head of Chemistry
14 for Millstone.

15 MR. WOOLLACOTT: Can I interrupt you one
16 minute, if I may? I think you had a ruling from the
17 Chair and you were asked to confine your remarks to the
18 merits of the question we are considering tonight. I
19 think you're going too far. We have a lot of things to
20 do. Other people want to do. So if you'd get off the
21 criminal investigation and onto something else, we'd
22 appreciate it.

23 MS. BURTON: Thank you. On to Mr.
24 Griffin, who is presently the head of Chemistry at

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1 Millstone -- correct?

2 MR. OLIVIER: That is correct.

3 MS. BURTON: And I'm just wondering to
4 what extent, if any, Little Harbor directed itself in
5 its most recent analysis of the status of the safety-
6 conscious work environment at Millstone considered that
7 issue, the issue of the promotion of Mr. Griffin and
8 his continuing occupation of that position at Millstone
9 while there is a pending U.S. criminal investigation
10 into the conduct of Millstone concerning allegations of
11 persistent violations of the Clean Water Act.

12 MR. OLIVIER: You would have to address
13 that question to Little Harbor.

14 MS. BURTON: So you have no knowledge as
15 to whether or not that was one of the issues that was
16 encompassed by the recent work by Little Harbor?

17 MR. OLIVIER: That is correct.

18 MS. BURTON: Well, if that was an issue
19 that was not encompassed by Little Harbor, isn't that
20 an issue that would be properly of concern to you as
21 Chief Nuclear Operator of the Millstone station?

22 MR. OLIVIER: No, not at all. Mr.
23 Griffin's performance is exemplary both in his
24 technical ability and safety-conscious work

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1 environment.

2 MS. BURTON: Are you or are you not
3 aware of a pending criminal investigation involving
4 allegations of the Clean Water Act?

5 CHAIRPERSON CONCANNON: This is really -
6 - please, Ms. Burton. I think we need to draw this to
7 a conclusion. It isn't germane to what we are here for
8 tonight.

9 MS. BURTON: I think your limitations
10 are somewhat narrow because what we're trying to
11 establish is what's happening in true life and not what
12 is happening based on the same questions get asked and
13 answered of the same people that don't ever get to the
14 point of scratching the surface of what's meaningful to
15 the public.

16 MR. LINVILLE: Could I just respond in
17 general to your comment about criminal investigations?
18 And we have worked with the Department of Justice on --

19 MS. BURTON: My question was specific,
20 not general.

21 MR. LINVILLE: Well, I'm only going to
22 respond generally. And that is that the investigations
23 are a very secretive process for a reason. It has to
24 do with the legal process. And we don't act until they

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1 reach a conclusion. And as in the case in Hartford
2 where the civil penalty was administered, we have to
3 wait for the conclusion before we can act, unless we're
4 aware of some nuclear safety issue that we would deal
5 with promptly as appropriate.

6 MS. BURTON: Well, I think the
7 interlapping or the overlapping between the criminal
8 investigation and the threat that it poses to the
9 ability of workers to come forward in what they
10 perceive what happened to people like Mr. Plumb raises
11 issues that are important, you know, central to your
12 consideration of this issue this evening. And I would
13 urge you to gather all the appropriate information that
14 would help you fully assess that matter.

15 Thank you very much.

16 CHAIRPERSON CONCANNON: Are there any
17 more comments, questions from the public? Yes?

18 A VOICE: I really had one for NEAC.

19 CHAIRPERSON CONCANNON: Yes.

20 A VOICE: Is that permissible?

21 CHAIRPERSON CONCANNON: Yes. We're
22 here.

23 A VOICE: Okay. I hope to be brief.

24 And I think I was a little bit dismayed by Little

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1 Harbor's problems - I mean of the problems that they
2 found, some of which were significant, because I
3 listened to them many times and I know that they always
4 put NU in the best possible light so that any concerns
5 I have I do get concerned about. And they have a lot
6 of confidence in their interviews and their
7 interviewing skills so that they think everything is
8 totally honest and, you know, they ask questions about
9 the chilling effect.

10 And I think it's tricky because I think
11 the whole business of safety is kind of complicated. I
12 was thinking about Indian Point and the problems there.
13 And it was a very, very serious problem. But we find -
14 - the people in Long Island found out that they really
15 knew about it for two weeks beforehand but they had
16 just done nothing about it. They were just sitting
17 with it. And I think if we asked them, they would
18 think that well, we think it was unsafe to wait. But
19 they think at the time, you know, well, this isn't a
20 safety issue. We'll just wait and see. So under
21 pressure, serious safety issues get diminished.

22 Of course, Indian Point I believe is
23 owned by Con Edison. Now, is this the same Con Edison
24 that owns CL&P now?

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1 CHAIRPERSON CONCANNON: They didn't
2 purchase the nuclear. They bought --

3 A VOICE: Yes. The CL&P point.

4 A VOICE: The distribution.

5 CHAIRPERSON CONCANNON: Distribution --
6 no, not the distribution. Yes, the distribution.

7 A VOICE: Because that may be, too -- I
8 guess you know that the people of Long Island are
9 absolutely furious because they were not given any kind
10 of information about this until very late. You know,
11 they weren't -- they weren't told that there was a
12 problem until something very serious happened. And
13 then, of course, they all headed for the highways and
14 there was a big traffic jam.

15 But at any rate, I guess what I'm
16 wondering about is that I have similar concerns about,
17 you know, Con Edison if this is the way they operate.
18 And I was wondering if any investigation was done of
19 them with regard to their safety record in terms of NU
20 selling them the CL&P portion. And, also, you know,
21 what can be done really? You know, NU says that
22 they're going to do their best to get a safe buyer.
23 But, you know, what can be done really?

24 And I think as a citizen this is what

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1 I'm asking you because we have felt at the local level,
2 at the State level, DPUC, NRC, Congress, you know, that
3 we really haven't had anybody to go to bat for us, the
4 residents. You know, they all seem to -- well, they
5 all seem to get along very well with the utility.
6 Let's put it that way.

7 And, you know, what I'm wondering is
8 what can you folks do for us? Because I don't really
9 know of any other way, really, to investigate the
10 safety record and to examine it and to guarantee us
11 because, you know, it's really our right to have a safe
12 plant and not just, you know -- all sympathy for NU and
13 their intentions, but the sooner they sell they plant,
14 they stand to make a ton of money, extra, you know, a
15 bonus of some sort that I've heard about.

16 And so I'm just wondering what can you
17 folks do and what would you advise us to do?

18 CHAIRPERSON CONCANNON: We are
19 advocating for safety in the process. And we have
20 filed a brief with -- and if you would like a copy of
21 it, we would be happy to send it to you, about our
22 concerns and how we would like them to be addressed in
23 the auction process. Con Ed will be involved in the
24 distribution, not in the generation of power in

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1 Connecticut.

2 A VOICE: Yes. Yes.

3 MR. WOOLLACOTT: Transmission and
4 distribution. Yes. Transmission.

5 CHAIRPERSON CONCANNON: Right. But not
6 generation. This was a generation issue that happened
7 at Indian Point.

8 A VOICE: Right.

9 CHAIRPERSON CONCANNON: I think -- so if
10 you -- by just coming here and speaking out, you have
11 and the citizens have had the opportunity to have a
12 voice. And I think it has made a difference in the
13 last number of years. I think that the utility
14 listens. I think the regulatory agents listen. I hope
15 we make a difference. But I do think that we've had
16 the opportunity and it hasn't gone unnoticed.

17 A VOICE: Well, I just wanted to thank
18 you. I just wanted to make you aware of how desperate
19 I feel. I feel, you know, very, very concerned about
20 this sale and very, very concerned about what's going
21 to happen. And anything that you can do with the
22 legislature, you know. Beat them over the head with a
23 club or whatever you have to do to make it a safe
24 situation, I would appreciate. And I wish to say also

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1 that I appreciate everybody coming and listening and
2 staying so late and being so patient.

3 MR. WOOLLACOTT: In our brief we mention
4 that if the DPUC does not take our recommendations
5 regarding safety and require that the consultant use
6 them and other people, we will go to the legislature
7 and say we don't want it to be sold to them until such
8 time as safety is considered. That was in our brief.

9 A VOICE: Oh. Okay. Well, that's very
10 reassuring. I would love to have a copy of that.

11 CHAIRPERSON CONCANNON: Okay. Could you
12 leave your address please?

13 A VOICE: I will.

14 CHAIRPERSON CONCANNON: Okay. Thanks,
15 Mary.

16 A VOICE: Thank you.

17 CHAIRPERSON CONCANNON: Joe? This is
18 the last one.

19 MR. WOOLLACOTT: I've got to get home.

20 CHAIRPERSON CONCANNON: We all have to
21 get home before the next storm.

22 MR. WOOLLACOTT: I've got a long way to
23 travel.

24 MR. BESADE: Our attorney has to go all

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1 the way back to Redding. That's another two hours from
2 here. So you're not the only one.

3 What I have here is the article today
4 from the Associated Press of Kim Fitzgerald (shuffling
5 of papers) plant safety. I'm not going to read the
6 whole thing. But the last paragraph is the one that
7 really touches my heart. "Mark Jacobs, an Executive
8 Director of the Winchester People's Action Coalition,
9 said the Indian Point plants are old and failing and
10 should be investigated independent of the NRC."
11 Gentlemen, James (indiscernible) what I just said?

12 MR. LINVILLE: Yes.

13 MR. BESADE: Okay. So we people that
14 are the watchdogs of you fellas who are supposed to be
15 doing your job, it's not just here in Waterford. It's
16 nationwide. So I understand that you're losing 25
17 percent of your funding. True?

18 A VOICE: Yes.

19 MR. LINVILLE: I'm not aware of any 25 -
20 -

21 MR. BESADE: You're not? The NRC hasn't
22 been cut back 25 percent?

23 A VOICE: No.

24 MR. BESADE: Is there anybody else that

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1 would like to come forward with that answer?

2 CHAIRPERSON CONCANNON: I think it's
3 threatened nearly every year. And it doesn't happen.
4 Sometimes there is a cutback, but nothing like 25
5 percent.

6 MR. BESADE: Well, this one here I'm
7 told was already taking place (indiscernible) correct
8 me on that, I'll be more than happy to apologize.

9 I know you're all anxious to go. And
10 it's been a very informative evening. But, like I say,
11 I have to keep an eye on the NRC because they're paid
12 by the utilities and I still remember the old saying
13 they never bite the hand that feeds them.

14 Thank you.

15 CHAIRPERSON CONCANNON: Thank you.
16 Thank you, Lee. Thank you, Tom.

17 MR. OLIVIER: Thank you very much.

18 CHAIRPERSON CONCANNON: And keep in
19 touch. We'll be in --

20 MR. OLIVIER: We will. We look forward
21 to coming back here again and updating you on the
22 performance. Thank you.

23 CHAIRPERSON CONCANNON: Thank you.
24 Now, I did ask -- did you want to say

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1 something now or is there anything to be said?
2 MR. LINVILLE: Well, I'd just also like
3 to thank you for this opportunity to appear with you
4 again. And you've heard Little Harbor review and our
5 review. There continue to be things to work on, but we
6 also see continued improvement with respect to the
7 Employee Concerns, Safety-Conscious Work Environment.
8 And we'll continue to monitor it. And as Little Harbor
9 indicated, they will. And we'll be making those
10 reports available as we have in the past to the public.
11 CHAIRPERSON CONCANNON: Okay. Thank
12 you.

13 I think -- I didn't know whether you
14 wanted to take a break or just keep on going.
15 I did ask Bechtel and Entergy to be
16 here. I want to very briefly -- pardon? Did somebody
17 say something to me? I just wanted to ask some very
18 quick questions on employee statistics and so forth and
19 issues at Millstone 1 and Connecticut Yankee. About
20 five minutes?

21 MS. MARJORIE DeBOLD: Who are you
22 asking? Speak into the microphone.

23 CHAIRPERSON CONCANNON: Oh, I'm sorry.
24 I forgot that I don't have this appendage. I need --

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1 well, who is here from Bechtel? Oh, you are Bechtel.
2 Okay.

3 I wanted to ask some questions about the
4 employee -- the status with employees at the plants
5 that are being -- undergoing decommissioning so that we
6 can get a handle on the number of employees versus the
7 number of contractors at the -- and so on.

8 Have you got -- did you come with those
9 facts or not?

10 MR. RUSS MILLER: (Inaudible response.)

11 CHAIRPERSON CONCANNON: Pardon me? Do
12 you have anything? Okay.

13 MR. MILLER: (Inaudible response.)

14 CHAIRPERSON CONCANNON: Can you come to
15 microphone so we can get you on record, Russ?

16 Whoever is responsible for us having
17 food, I do want to thank you very much. I have no idea
18 how it happened. Manna from Heaven maybe. It's very
19 welcome for those of us who are here for --

20 MR. MILLER: My name is Russ Miller.
21 I'm Vice President of Operations in decommissioning at
22 Connecticut Yankee. From my perspective of the
23 utility, there are approximately 100 people involved in
24 the oversight of decommissioning at Connecticut Yankee.

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1 Right now, about 75 of those people are Connecticut
2 Yankee employees. The rest are sub-contracted to us.
3 They are not Bechtel employees, however. They are
4 various contractors from various organizations.
5 CHAIRPERSON CONCANNON: So that's the CY
6 aspect.

7 MR. MILLER: That's the CY aspect of the
8 decommissioning force.

9 CHAIRPERSON CONCANNON: Okay. And are
10 these employees who have been with you for a while, the
11 75?

12 MR. MILLER: Many of them are and have
13 been with us for 20, 30 years. Others are new. Like
14 myself, for instance, who has only been with CY for
15 about three years.

16 But in general, it's an established work
17 force. It's very competent in decommissioning
18 activities. And it has a very strong oversight
19 presence.

20 CHAIRPERSON CONCANNON: Have you an
21 active ECP program?

22 MR. MILLER: Very. Very active. And we
23 have a Connecticut Yankee program which is very, very
24 structured, very process-oriented, very, very similar

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1 to what you've heard about here this evening. Bechtel
2 -- and I'll let Sarah Snider speak to that -- has a
3 companion program, virtually a mirror image of the
4 Connecticut Yankee program also active and well
5 established.

6 CHAIRPERSON CONCANNON: Have you -- do
7 you keep separate statistics regarding -- well, you
8 would because it's a single -- about any complaints?
9 Do you have --

10 MR. MILLER: Yes, we do.

11 CHAIRPERSON CONCANNON: And how is your
12 -- what's the trending of the complaints that you are
13 having?

14 MR. MILLER: In 1999, we had about 46
15 internal complaints. There were 11 NRC allegations.

16 CHAIRPERSON CONCANNON: How many? 11?

17 MR. MILLER: 11.

18 CHAIRPERSON CONCANNON: That number
19 keeps on coming up. That's the third time tonight.

20 And how many of those -- how many open
21 cases do you have right now?

22 MR. MILLER: There are right now three
23 open cases.

24 CHAIRPERSON CONCANNON: And are these

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1 harassment or intimidation, HIRD, or --

2 MR. MILLER: Of the 46 cases that
3 occurred in 1999, there were 15 allegations of HIRD.
4 None were substantiated.

5 CHAIRPERSON CONCANNON: Okay. Okay.
6 Does anybody -- Marj or -- you don't
7 have any questions to ask of CY as regards employee
8 concerns?

9 MS. DeBOLD: No.

10 CHAIRPERSON CONCANNON: And Bechtel, you
11 have your statistics then. Right? Now, are those,
12 those 46, common or are they just CY's?

13 MR. MILLER: For the majority of 1999,
14 it was a CY program. The Bechtel program came into
15 existence during the period of transition. And it
16 really came into play at the end of November. I think
17 there was one case related to Bechtel's interaction.

18 CHAIRPERSON CONCANNON: Okay. When was
19 the date that you officially took over? What --
20 Bechtel?

21 MR. MILLER: The actual official date of
22 transition from CY to Bechtel for much of the site
23 activities was November 19. We do, however, run a --
24 not a common program, but separate ECP programs.

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1 CHAIRPERSON CONCANNON: Okay. Common
2 but separate.

3 MR. MILLER: No. I said we don't run
4 common programs.

5 CHAIRPERSON CONCANNON: Okay.
6 MR. MILLER: But separate --
7 CHAIRPERSON CONCANNON: But separate
8 ones.

9 MR. MILLER: -- and distinct programs.
10 CHAIRPERSON CONCANNON: Okay.
11 MR. MILLER: But anyone on site can go
12 to either program.

13 CHAIRPERSON CONCANNON: Oh. Now,
14 Bechtel, what's your staffing in terms of numbers?

15 MS. SARAH SNIDER: We have about 449
16 people on staff. That includes the management team,
17 which we consider non-manuals, is 93. We have 197 sub-
18 contractors. And the rest are craft/laborers.

19 CHAIRPERSON CONCANNON: 197 is part of
20 the 449?

21 MS. SNIDER: Yes, it is.

22 CHAIRPERSON CONCANNON: How many people
23 have you got that are long-time employees with CY?

24 MS. SNIDER: We worked with CY and held

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1 some job fairs and made sure that positions were
2 advertised for the CY staff that were going to be
3 released or take early retirement. We also used
4 vendors and suppliers. For direct hire, we picked up
5 all told close to 30 people who had at least two years
6 of CY experience.

7 CHAIRPERSON CONCANNON: 30 people. How
8 many -- did you bring people -- how many people did you
9 bring in with you?

10 MS. SNIDER: Most of the management team
11 were brought in, with the exception of some critical
12 areas, health physics and operations. The managers of
13 both those programs for Bechtel were with CY.

14 CHAIRPERSON CONCANNON: So would that be
15 a dozen people or more that came in?

16 MS. SNIDER: The operations staff
17 numbers about 13.

18 CHAIRPERSON CONCANNON: 13.

19 MS. SNIDER: All but I think two had CY
20 experience. The health physics staff, the manager that
21 we have for our program has CY experience. And we used
22 the same sub-contractor that CY uses for health physics
23 and they all have CY experience for the most part.

24 CHAIRPERSON CONCANNON: Because your --

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1 you're just taking statistics from the time that you
2 took over in transmission? Is that the term that's
3 used?

4 MR. MILLER: Transition.

5 CHAIRPERSON CONCANNON: Transition.
6 What am I doing here? It's late. Yes. It's late.

7 MR. MILLER: Yes.

8 MS. SNIDER: Actually, our staffing
9 fluctuates. That figure is good as of yesterday.

10 CHAIRPERSON CONCANNON: Do you have --
11 what's the general feeling from your perspective of the
12 employee morale on-site?

13 MS. SNIDER: Within Bechtel? Within the
14 decommissioning operation?

15 CHAIRPERSON CONCANNON: Yes. I can only
16 ask from your perspective at this juncture.

17 MS. SNIDER: We've made great progress.
18 I think it's relatively good. We've made a lot of
19 progress with CY. We've had a lot of team-building and
20 partnering sessions. The transition process was the
21 key to all of that because it forced counterparts to
22 sit down and talk through essentially how you're going
23 to be handing over tasks and responsibilities, how
24 oversight would be accomplished. And those meetings

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1 and those series of review of procedures gave us all a
2 chance to talk through how work was going to proceed
3 safely.

4 CHAIRPERSON CONCANNON: Okay. I didn't
5 catch your name.

6 MS. SNIDER: My name is Sarah Snider.
7 I'm the Community Relations Manager and also the
8 Employee Concerns Coordinator for Bechtel.

9 CHAIRPERSON CONCANNON: So you're a
10 little bit like Mike Cavanaugh, but you're Bechtel. Is
11 that right?

12 MS. SNIDER: Kind of a combination.

13 CHAIRPERSON CONCANNON: Okay.
14 Does anybody -- Marj? No?

15 Okay. Thank you very much. And I
16 appreciate you waiting all this length of time.

17 MR. MILLER: Thank you.

18 A VOICE: Who is this?

19 CHAIRPERSON CONCANNON: This is Bob
20 Frazier from Entergy.

21 MR. FRAZIER: Good evening.

22 CHAIRPERSON CONCANNON: And probably
23 could you just -- could you give us more or less the
24 same type of information that I just asked?

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1 MR. FRAZIER: Certainly. I'll start
2 right off top with the numbers. Presently we're at
3 about 300 folks. The organization is made up of
4 approximately 100 Northeast Utilities employees,
5 approximately 100 contract engineering/project
6 management type folks and approximately 100 manuals as
7 I heard them called, the labor in the field. Those
8 numbers are fluctuating daily as projects start up, as
9 projects finish off, as we continue to go through the
10 transition. So right now it's about 100/100 breakdown.

11 CHAIRPERSON CONCANNON: Is it -- Tom
12 Burns, he -- no. The new person.

13 MR. FRAZIER: Andy Vomastek.

14 CHAIRPERSON CONCANNON: Andy Vomastek.
15 Yes. He has oversight of the program for three plants?

16 MR. FRAZIER: Yes. Unit 1 is under the
17 site Employee Concerns Program.

18 CHAIRPERSON CONCANNON: It is.

19 MR. FRAZIER: Yes.

20 CHAIRPERSON CONCANNON: Do you have a
21 separate person there that works for -- sort of under
22 him or a subsidiary role but in ECP for the
23 decommissioning?

24 MR. FRAZIER: There is not a specific

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1 person from the ECP group. We do use Brian Ford from
2 the Entergy group as a liaison with those folks to work
3 on issues, if necessary. But, typically, everything
4 goes right to Andy's group.

5 CHAIRPERSON CONCANNON: Were you
6 familiar with the style of the ECP when you came here?
7 That is Entergy, not you personally.

8 MR. FRAZIER: Were we familiar with the
9 what?

10 CHAIRPERSON CONCANNON: The style of the
11 SCWE or SCWE in the --

12 MR. FRAZIER: We had, I guess, from a
13 distance it is totally different than what you see in
14 person. And we definitely had to, say, check and
15 adjust our management styles in some cases. And I
16 think we have gone through the training on-site. In
17 fact, the entire management team on Unit 1 has gone
18 through a refresher course of the training and that has
19 helped substantially.

20 CHAIRPERSON CONCANNON: Anybody? Any --
21 you haven't got two questions, John?

22 MR. MARKOWICZ: No.

23 MR. WOOLLACOTT: He's ready to go to
24 bed.

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1 CHAIRPERSON CONCANNON: Yes. I know
2 that we'll be seeing you as part -- at the NIDAC
3 meetings.

4 MR. FRAZIER: Yes.

5 CHAIRPERSON CONCANNON: So the next one
6 is on the second of March?

7 MR. FRAZIER: Yes.

8 CHAIRPERSON CONCANNON: Did you get a
9 copy of the Minutes?

10 MR. FRAZIER: Yes, I did.

11 CHAIRPERSON CONCANNON: You did. Okay.
12 Thank you. I know there are more
13 questions. There are a lot more questions. But I
14 think it will evolve as time goes on. Basically, it's
15 NIDAC's oversight, anyhow, to be concerned about the
16 employee issues. But we also need to -- okay. Thank
17 you very much.

18 MR. FRAZIER: Thank you.

19 CHAIRPERSON CONCANNON: That concludes
20 everything except our business. That's -- yes. Your
21 job is over.

22 (Whereupon, the meeting was concluded at
23 11:45 P.M.)

24