PUBLIC MEETING

Between U.S. Nuclear Regulatory Commission 0350 Panel and FirstEnergy Nuclear Operating Company

Meeting held on Wednesday, November 12, 2003, at 7:00 p.m. at Oak Harbor High School, Oak Harbor, Ohio, taken by me, Marlene S. Lewis, Stenotype Reporter and Notary Public in and for the State of Ohio.

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PANEL MEMBERS PRESENT:

U.S. NUCLEAR REGULATORY COMMISSION

John (Jack) Grobe, Chairman for 0350 Panel
Davis-Besse facility

Christine Lipa, Branch Chief, NRC, Region III

William Ruland, Vice Chairman, MC 0350 Panel

Monica Salter-Williams, Resident Inspector at Davis-Besse facility

Scott Thomas, Senior Resident Inspector at Davis-Besse facility

MS. LIPA: Welcome, everyone! My name is Christine Lipa, I work for the Nuclear Regulatory Commission, and I'm a Branch Chief out of Region III office, which is in Lisle, Illinois near Chicago. Thank you all for coming.

This is a public meeting to discuss the results of an afternoon session that we had and also to allow any members of the public -- anybody who has comments or questions for us to share them, so what we're going to do is Monica is going to give us a summary of the afternoon session, and then we're going to open it up for comments and questions, but I wanted to go through a few introductions.

On the way in tonight, there was the NRC Update, and this is a monthly newsletter that we've been preparing, and it provides a lot of updates on things that we've been doing and has the Restart Checklist that we have been following, and we've closed 22 of 31 items and those are all statused in here.

It also on the last page has information for how you can reach our Public Affairs folks in Region III, and the Web site information and phone numbers, so there's a lot of good information in here.

There's also a public meeting feedback form

that you can fill out and mail back to us to let us know how this meeting went, provide any feedback that you have. We tried to incorporate a lot of those feedbacks over the months that we've been holding these meetings, so let me start off with some introductions here. Bill Ruland is the Senior Manager out of NRR.

MR. RULAND: (Indicating).

MS. LIPA: And he's the Vice Chairman of the panel.

Jack Grobe is the Chairman of the panel. He's a Senior Manager in the Region III office.

Monica Saltzer-Williams --

MS. SALTZER-WILLIAMS: (Indicating).

-- is a Resident Inspector at the Davis-Besse office, and Scott Thomas is also --

MR. THOMAS: (Indicating).

MS. LIPA: -- he's the Senior Resident. He's also at the Davis-Besse office.

We've also got Dave Passahl.

MR. PASSAHL: (Indicating).

MS. LIPA: He's a Project Engineer out of the Region III office.

Jack Rutkowski is another Resident Inspector --

MR. RUTKOWSKI: (Indicating).

MS. LIPA: -- at the Davis-Besse facility. We now have three of them that are there full-time, day-to-day. They live in this area.

We also have Jeff Wright, who is a Team Leader for one of the inspection teams, management and human performance, which is ongoing.

MR. WRIGHT: (Indicating).

MS. LIPA: And we have Doug Weaver, who's a Region III Coordinator with the Executive Director for Operations office.

MR. WEAVER: (Indicating).

MS. LIPA: And Jon Hopkins is the Project Manager out of headquarters in NRR.

MR. HOPKINS: (Indicating).

MS. LIPA: Viktoria Mitlyng.

MS. MITLYNG: (Indicating).

MS. LIPA: She's Public Affairs in the back, and there will be some others that are just late getting back from dinner that should be joining us shortly, so that's about all I have for opening comments for now, and I'll turn it over to Monica to summarize the afternoon session.

MS. SALTZER-WILLIAMS: The afternoon session initially began with the NRC discussion of the

corrective action team inspection results, a review of the operation issues and inspection report 2003-018, discussion of the completeness and accuracy of information inspection, and an inspection of the licensee's NOP test, which is the normal operating pressure -- normal -- normal operation temperature test.

On behalf of FENOC, the Chief Operating Officer discussed progress toward restarting the facility. Specifically, he mentioned that there were 22 of the 31 NRC Restart Checklist items that are completed, and he discussed several hardware and software issues that have been resolved.

There was a follow-up by the Director of Engineering, who discussed efforts to improve the quality of engineering calculations, and these efforts included calculation process improvements, results of an independent assessment by architect/engineering -- architect/engineers, their immediate improvement actions and their calculation improvement plan.

The Director of Support Services discussed efforts to improve the corrective action program, specifically, improving apparent cause evaluation quality, improving the quality and rigor of the

documentation associated with corrective actions, increased management involvement, and resuming trending of corrective actions and condition report issues.

The site Vice President discussed the NOP test conclusions; specifically, that there was no leakage discovered or -- an association with the incore nozzles that are located on the bottom of the reactor vessel head, that no leakage was noted on the control rod drive mechanism nozzles and on the upper reactor vessel head and that several issues were identified in terms of operator performance.

The plant Operations Manager discussed the Operations Improvement Action Plan. Specifically, he addressed efforts to improve the Operation Department in five years; operations oversight and leadership, transition from an outage focus to an operations focus, reinforcements of standards and expectations to strengthen the knowledge and skills of the operators, and improvements in the quality of condition report investigation.

That was followed by a presentation by the Restart Action Plan owner, and he discussed several key event dates on their restart schedule.

That was followed by a summary from the Chief

Operating Nuclear officer, and that definitely kind of is a big overview of the items discussed earlier this afternoon.

MR. GROBE: Thanks, Monica. Why don't I start off, while you all are getting warmed up with your questions, just describing a little bit of the process that the NRC will go through from here until the panel's evaluation of whether this plant is ready to be restarted. Currently the utility is completing a number of hardware changes, improvements, including the high pressure injection pumps that we have been discussing for a number of months, electric power distribution, improvements inside the plant.

We've also been discussing those over the last several months and other modifications that still need to be made for the hardware, as Monica indicated. They're also making what we call software improvements and processes, those are primarily driven by the results of the two inspections, recent inspections. During the normal operating pressure tests, as Monica summarized, the condition of the reactor coolant system was very good. There was very, very low leakage from components associated with the reactor coolant

system, so from the standpoint of the condition of the reactor coolant system, the test was a significant success. Unexpected outcomes had to do with the effectiveness of the operating organization, and there were a number of problems that occurred in the implementation of procedures. There were also some deficiencies identified in procedures and training, things of that nature. The outcome of these operational problems was that, on two occasions, safety systems actually that shouldn't have actuated, the equipment was doing things that was not planned by the operators, and that's never a good situation, operators need to have firm control of everything that's going on in the plant at all times, and as a result of those findings, FirstEnergy conducted what they call a collective significance assessment, and that's looking at everything that they learned and pulling it all together and figuring out what happened and what needs to be done, and they've identified a whole series of activities to improve the readiness of the operations organization for restart. Those activities are ongoing, have been for a number of weeks and will continue to be ongoing for a number of weeks. That's the hardware and the software side.

The other part of the software, the side that they discussed this afternoon, was the Corrective Action Program improvements. We completed an extensive Corrective Action Program and inspection and found a number of issues that led us to believe that there were a couple of themes or a couple of areas where there appeared to be opportunities for improvement. One of those had to do with problem solving focus for lack of a better phrase. It was the way in which people were thinking about the problems that they observed, documenting them and evaluating the apparent cause of the problems. FirstEnergy laid out a series of activities that they are undertaking to improve in that area.

The second area had to do with calculations and analyses, what we call engineering work products, and a number of the issues that we looked at -- these are activities which the engineering organization is implementing to correct problems, had errors in the calculations. There were a total of 25 violations identified, and that's a fairly large number of violations for this type of inspection. The -- all of those violations were of very low risk significance. The only thing that was concerning was these trends and several of the violations that

indicated there were some areas of weakness.

As Monica indicated, Jim Hires described a series of activities that they have undertaken to improve in the engineering quality area also, so those activities are going on.

The utility also described in some detail the steps that they're going to go through internally to be ready for restart as far as reviews and approvals, and those include safety culture assessment, safety conscious work environment assessments, reviews by various oversight panels that they have internal to their organization, and those will all culminate in December.

The final inspection -- we have a number of inspections that are ongoing right now today. The final inspection will be on restart readiness assessment team inspection. We call it the RRATI. We probably should have come up with a better name that resulted in a better acronym, but that will be a group of folks that we're going to be flying in from around the country who are experts in plant operations, so it will be led by the Senior Resident Inspector from the Byron Station in Illinois and there will be a number of Resident and Senior Resident Inspectors from other stations around the

country, and that inspection will occur at the time the utility is taking the plant to Mode 4 and Mode 3 for the second time. They did it the first time for the normal operating pressure test. That will be the last significant inspection activity that we have.

The utility indicated that they planned on sending us their compendium of reasons why the plant is nearing readiness for restart on November 24th. I expect that that will be a lot of history of everything that you've been hearing us talk about for the last 18 months, plus a current assessment of where they are today -- today being November 24th, so there's a lot of activities that are all going to come together at the end, and from the NRC's perspective this will be culminated with the Restart Readiness Assessment Team Inspection. That inspection will occur -- it's currently scheduled for -- to begin December 8th -- is that right?

MS. LIPA: Yes.

MR. THOMAS: Uh huh.

MR. GROBE: And that's to conform with their schedule. It will occur when they change to Mode 4 and 3, so if that occurs that week, then that's when the inspection will start. If it occurs

at a different time, then the inspection will follow whenever that happens, because that's the next opportunity for us to observe the integrated operations -- complex integrated operations and get an understanding of how the operators are performing and how the rest of the organization and maintenance and engineering and other support elements through operations are performing in their supportive role.

Following the results of the Restart Readiness Assessment Team Inspection, the panel will be considering those inspections as well as all of the other inspections, and if the panel finds that the inspection findings support a recommendation for restart, it will document that recommendation and provide it to Jim Caldwell. Jim is the Regional Administrator in Region III, he's my boss, and Jim has the authority to authorize restart.

I'm sure Jim will have lots of questions for us, and he would consult then with the Director of the Office of Nuclear Reactor Regulation. That's Bill's boss, and that's a person that's in Washington. He has responsibility for all of the nuclear power plants in the United States, and the Deputy Executive Director for Reactors, that individual reports to the top official in the agency,

so Jim will consult with those two individuals. They will also receive copies of the panel's recommendation, and Jim will make the final decision on whether or not the NRC is ready to authorize restart.

There will be one more -- at least one more public meeting before restart, but the last public meeting is what we call the restart, and that's not a meeting where we make a decision. That's a meeting when we receive the Company's final presentation -- I apologize, there is a meeting on December 3rd, which is our next routine panel meeting, and then this meeting will occur sometime after that. We will give our normal 10 days' public notice of when that meeting will occur. That notice will likely come out while the licensee is in the midst of these complex operations that I was talking about in Mode 4 and 3, and if everything goes well, the meeting should occur -- notice. If things are not going well, then the meeting will be delayed, so, from our standpoint, this plant won't be restarted until we're convinced that it will be safe, and we've got a number of activities that we have to do between now and then, and one of the most important is the Restart Readiness Assessment Team Inspection.

There's, I think, nine checklist items left. The vast majority of those, most of the work is already done. There's one or two specific items that we still need to follow up on, the utility is working on. The one that will likely be the last one to be closed is checklist item -- is it 5-C, Operations Readiness for Restart, and the RRATI will be the significant contributor to the panel's assessment of that checklist, so that's kind of, in a nutshell, the process from here on.

Again, I want to emphasize that the NRC is not held to any sort of schedule. The plant won't restart until we're convinced it can do so safely and be reliably operated after restart, so at this point why don't we open it up to the floor, and we have a fairly robust crowd this evening, so why don't we start with local officials. If there is any local officials or representatives of local elected officials that are interested in providing a comment or making a comment -- or asking a question, please come forward. Carl?

MR. KOEBEL: Thank you. My name is Carl Koebel, and I wish to speak on behalf of the restart of Davis-Besse this evening. I have been associated with Davis-Besse since its first day of

operation, as Director of Environmental Health at the Ottawa County Health Department for 17 years and now seven years as County Commissioner.

I helped establish the split sampling program conducted between the State and industry to ensure that no off site contamination ever occurred.

I understand the risks involved with the production of nuclear energy, and I also understand the demand for such production. I was probably more shocked by what occurred at that plant last year than any other resident of this County. I actually felt betrayed, and I will admit that I did lose a little trust in their ability to safely operate this facility.

It has been said that the Ottawa County Commissioners only want the tax dollars generated by Davis-Besse. This is not true. Yes, Davis-Besse is our largest employer, and they do generate a sizable income for our County, but it is also an industry that if not operated correctly would destroy this County.

Ottawa County's largest industry is the tourist related business, and even a minuscule release of radioactive material from Davis-Besse would be extremely detrimental to that industry. It

is doubtful that we would ever recover from it.

The financial impact of this County by a failure at Davis-Besse far exceeds the benefits that are generated by its tax dollars. Though our concern is not generated on taxes and jobs, it is centered on the safety for the residents and the visitors to Ottawa County.

Once these hearings began, I saw the determination of FirstEnergy and its employees not only to correct the deficiencies found, but to develop a work ethic that would prevent future safety concerns. I found that the people of Ottawa County believe that, as I do, that Davis-Besse has been a good neighbor in the past, and though it stumbled, it's still a good neighbor now.

We have witnessed the completion of over 100 modifications to the plant. The three County Commissioners were given a tour of the facility several months ago, and we saw firsthand the modifications made within the reactor containment building. Our County Administrator is an active member of the Davis-Besse Restart Overview Panel. We know that FirstEnergy has conducted well over 24,000 corrective actions, completed over 15,000 surveillance tests and made over 2,700 procedure

changes. This type of action is not taken by a company that doesn't care. It proves to me, and it should to you, that FirstEnergy is committed to operating Davis-Besse in the safest manner possible. In connection with the physical changes, emphasis has been placed on teamworking and developing a strong work ethic revolving around safety.

You will hear from a lot of people tonight. Those from this area I am certain will talk about the improvements made, the return of public trust, and the need to get Davis-Besse back on-line once all corrections have been made and tests have been conducted to assure compliance. If you listen, you will hear the pride we have in this plant, in this company, and these employees. Tonight you will also hear from many individuals deeply concerned about nuclear power generation. In their eyes the generation of nuclear power is wrong and nothing can be done to operate it safely. You and I both know that this is not true. You will hear how they fear living in the shadow of the plant, but actually they are from communities many miles outside the 10 mile emergency planning zone and outside the 50 mile ingested zone. Listen to them as you should, but, please, I urge you, do not allow their concerns to be

considered as those of the community of Ottawa County.

Yes, I did lose a little trust, but once this problem was noted, the corrective actions were taken. I have seen what has occurred at Davis-Besse over the past several months. My trust in them is back, and I believe FirstEnergy and Davis-Besse Nuclear Power Station has proven themselves to be dedicated to the safe operation of this plant, and I urge you to continue to work with them to restart. Thank you.

MR. GROBE: Thanks, Carl.

THEREUPON, the audience applauded.

MR. GROBE: Just an observation. In my career, I have been involved in five recoveries of plants that have had problems and at none of those other plants -- this is the fifth one, at none of those other plants has the engagement of the County administration been anywhere near what it is with us in Ottawa County. We meet regularly, usually monthly, with the Ottawa County Administrator and several Board members and sometimes all three of them, and they're deeply engaged in what's going on and, quite frankly, holding us to doing our job well, so I appreciate their involvement.

Does somebody else have a comment or

questions?

Are there any other representatives of elected officials or public officials here tonight?

(NO AUDIBLE RESPONSE).

MR. GROBE: Good. Why don't we take any questions or comments from local residents in the area. Hello, Donna.

MS. LUEKE: Hi, Jack. My name is Donna Lueke -- can you hear me?

MR. GROBE: Yes.

MS. LUEKE: Donna Lueke, and I am a local resident of Ottawa County, and I'm here to present a letter that has been signed by -- at this point, 21 members of the local community. This letter is to the NRC, to FirstEnergy, to PUCO, to the Elected Officials, to Watchdogs, Advocates and Reporters. I think that pretty much takes care of everyone.

"As citizens of Ottawa County who live near the Davis-Besse Nuclear Power Station, we offer thanks and have requests.

Thanks to those with FirstEnergy and the NRC who have had the courage and integrity to report the problems at Davis-Besse and within FirstEnergy and the NRC, and those who are striving to improve the

plant's safety and the safety of all nuclear plants.

Thanks to the media, the watchdog groups and elected officials who have stood up for the public health and safety when the NRC and FirstEnergy failed to do so.

Thanks to those demanding that the Ohio Office of Consumers' Council and PUCO do a better job on behalf of the local ratepayers.

We request:

We request that NRC Chairman Diaz reconvene the Lessons Learned Task Force or a similar panel to monitor how recommendations have been enforced and to study the problems within the NRC that have surfaced this past year, including those in the Inspector General's reports.

We request that the NRC revisit petitions for the addition of a watchdog panel and/or further investigations for the oversight of Davis-Besse, since the oversight of the NRC and FirstEnergy have twice been insufficient to protect the public health and safety.

We request that the NRC revoke Davis-Besse's operating license until the design and all the systems and procedures in the aging plant are reviewed, inspected and scrutinized.

In the light of the information showing how close the stainless steel liner was to rupturing and how key safety systems, the HPI pumps, the containment coatings, the sump, the hydrogen detection valve were ineffective or nonoperational, that the NRC and FirstEnergy let the public know how close Davis-Besse came to a major accident.

We request that PUCO personnel be true consumer advocates.

We request that FirstEnergy management seriously consider the serious concerns and proposals from members of the public, members of Congress and consumer advocates in a way that is not demissive and that discusses all possibilities, including closing Davis-Besse or converting it to non-nuclear.

We request that FirstEnergy management forgo raises and bonuses instead of passing along the cost of their mistakes at Davis-Besse to us ratepayers and to the shareholders.

And we request that FirstEnergy refrain from making statements like last week's quote that "nuclear power is far and away the safest form of energy production" -- not when a nuclear power plant comes as close to a disaster as Davis-Besse twice has and not when nuclear power plants are at the top of

terrorist hit lists, and not until there is a better system for the safe storage and transportation of spent fuel, and not when those running and regulating nuclear plants fail to put safety before promotions and profits.

Thank you again for all that you have done and may you have the courage to do what still needs to be done."

THEREUPON, the audience applauded.

MR. GROBE: Thank you, Donna. As always, you've raised a number of very thought provoking questions.

First let me just comment, we've received some 4,000 or more letters and nearly a thousand E-mails regarding the Davis-Besse facility, and it's our intention to reply to every one of those. About a thousand replies have been issued so far and over the next couple weeks we'll complete that task, as I'm sure you can appreciate. Responding to 5,000 correspondences is a rather huge task, and it's taken us a number of weeks to get that done, but you've -- let me try to address your questions that you raised for us. I'm not going to try to respond for FirstEnergy or the Public Utility Commission, and if I don't hit them all, please let me know.

One thing you mentioned was that you requested that Chairman Diaz reconvene the Lessons Learned Task Force or some other type of evaluation and study the problems, including the issues that have been raised by our Inspector General's office. That's already being done, every Inspector General report gets evaluated and responded to, and I have been involved in several dialogues regarding the Inspector General's report.

In a large context, there wasn't a whole lot of new information in the Inspector General's report that wasn't already in the Lessons Learned Task Force report. It's been carefully studied and will be responded to, and we will pass on a copy of your letter to Chairman Diaz.

MS. LUEKE: Well, one of the reasons I brought that up, Jack, was because the previous Chairman had pretty much said that negated the Inspector General's first report, so I feel that the new chairman ought to revisit that.

MR. GROBE: The first Inspector General's report that the -- Chairman Meserve was responding to was a completely different focus and he did respond to that promptly and, quite frankly, disagreed with it. This report is very much in line

with what we already know, and there are some nuance differences between the Lessons Learned Task Force report, and those will be carefully studied and responded to.

You asked that we reconsider the petitions for independent oversight. I can think of no plant that has gotten more independent oversight than this one, and including many hundreds of weeks of NRC inspection, including contractors, independent contractors, where we felt we wanted to augment either our staffing levels or our expertise, for example the corrective action team inspection that I referred to earlier was a team of 10 people on site for five weeks, comprised of five engineers from the NRC and five contractors to get additional expertise and resources.

The possibility of reconsidering a petition can only come through, I guess, another petition. It's a formal written process described in our regulations, 10CFR2-- 206, and if you have the desire to pursue that, that would be the way to do that.

You requested that all systems be reviewed. A significant number of the systems have been reviewed, including all of the systems that have the largest risk -- what we call risk reduction worth. What

that means is they're the most safety significant of the systems, and I believe the number is somewhere over 99% of the risk reduction worth of the safety systems have already been evaluated. We've concluded that that process -- it's what FirstEnergy calls their systems building block, was adequate, and completed our inspection of that already. We don't have any plans at this time to expand that prior to restart as far as systems reviews. We still have a specific number of issues we have to follow up on, but we have no plans of expanding that beyond the current systems that have been evaluated. The work that FirstEnergy did and our inspection of it gives us confidence in the safety systems at Davis-Besse. The utility, however, has committed to continuing what they call their latent issues review, and that's kind of a funny name. It's essentially looking for things that are not immediately obvious. It's why it's called latent issues, and those are detail design reviews in operation of user systems, and I believe the commitment is to do five per year, or something on that order, and that is what they refer to as a business practice that they are planning on doing that on a continuing basis, so it's something that has become part of the culture at Davis-Besse.

MS. LUEKE: Do you feel that that will then encompass the fact that many of the parts are not to original design?

MR. GROBE: I'm sorry?

MS. LUEKE: Many of the replacement parts aren't as originally designed, so is there a comprehensive look at how that impacts the end --

MR. GROBE: Well, I'm not sure I understand your question, but let me take a shot at it. All of the replacement parts, you only have two choices. You either have to return it to its original design -- actually, you have three choices.

The second choice is you replace pumps or valves or components, breakers, whatever it might be, with differently designed components that achieve the same function, and the utility has the opportunity to do that without our review. They don't have to come to us for our approval for that. If they choose to change the design such that it's different than what was originally licensed, then they are required to come to us for approval of that, so there's a rather lengthy document that might be on the order of five to 10 feet of paper, it's called the Final Safety Analysis Report, and it has a fairly detailed

description of all of the important safety systems of the plant, and as long as they stay within the perimeters of that final Safety Analysis Report they can modify the design of given systems. If they get outside of those perimeters and choose to do something more differently, it needs our approval, and the final comment -- I think the final comment that you had for me was to -- for us to let the public know. I can't imagine conducting more public meetings than we have conducted over the last 18 months. I think we're up to about 70 now. We've certainly tried very hard to let the public know as much as we possibly can. There is some ongoing work and there will be ongoing work for quite awhile in our Office of Research to continue to evaluate what happened at Davis-Besse. That takes two perspectives.

One is from a metallurgical perspective, and there is ongoing metallurgical research work into what happened at Davis-Besse to make sure that everything we in the industry could learn has been learned.

The second perspective is an activity that we undertake to ensure that we understand all possible accident sequences as well as we can and that our

regulatory framework appropriately addresses those. It's more of a research activity as contrasted with what we do every day, day in and day out. It's what is referred to as the Accident Sequence Precursor Program, and what it does is looks over a period of a year prior to something that's significant that happened, and it looks at everything that happened during that prior year and integrates all of the things and tries to learn if there's a gap in either our regulatory program or in our knowledge, and that work is also ongoing. I don't anticipate that either one of those activities is going to change what we have been doing at Davis-Besse from a restart perspective. We assigned the highest level risk significance in our program, a red finding to the reactor head degradation, and we have an 0350 panel. What that means is that we -- that Davis-Besse essentially lost our confidence, and we took them out of our routine oversight program -- we commonly refer to that as the ROP -- and established a separate dedicated oversight program just for the Davis-Besse facility because their performance was so inconsistent with what we would expect for a routine operating reactor, so instead of having a routine oversight program at Davis-Besse, we have an

oversight panel, and the function of the panel, which includes many of the people that Christine introduced earlier, is to define the NRC's oversight program for Davis-Besse until such point in time that the panel is comfortable that the plant is ready to return -- if we get to that point in time -- to the routine oversight program, and that would be well after restart if restart occurs. This panel would stay in existence and will be directing the Agency's regulatory activities at Davis-Besse for some time in the future.

I think those were the questions that I garnered from the letter that you asked other than those for Ohio elected officials and FirstEnergy.

There is one other thing I wanted to point out. I complimented the Ottawa County Commissioners for their interest in Davis-Besse. This project, in my experience, has also had an unprecedented interest from your State and Federal elected officials, a variety of us had spent probably 25 or so briefings of the staff of Representative Kaptur, for Senator Voinovich, for the Governor beyond all of the time we spent with the local County officials as well as Representative Latourette, who has the Perry plant in his district, and other elected officials who are

interested in what's going on at Davis-Besse and what's going on in nuclear power in general, so there's been extensive information sharing of dialogue between a variety of elected officials with local, Federal -- local, State and Federal. How did I do? Did I hit --

MS. LUEKE: Thank you.

MR. GROBE: Okay, great!

Who else might have a question?

MR. RULAND: I just have one thing I need to add. We are going to -- kind of a process -- a process perspective from your letter, we are going to take your letter and decide what process this fits in as we do every letter that we get, so we'll examine it and decide, you know, what action the NRC needs to do about this, and, of course, we'll get back to you.

MS. LUEKE: Thank you.

MR. GROBE: Thanks, Bill. Sounds like there is thunder in here. I don't know what I'm doing.

MS. LIPA: No, it's Bill's microphone.

MR. GROBE: Does anybody else have a question for us?

MR. KORFF: (Indicating).

MR. GROBE: Yes, sir.

MR. KORFF: My name is Joseph Korff, and I'm from Vermilion, Ohio.

Before I start, what I was originally standing up to do, I would like to -- appreciate the hard work and perseverance that everybody has had to go through for this -- pretty much gut wrenching experience to find all of the skeletons in your closet and realize that they're not only in someone else's house, but they're in your house and to deal with them forthrightly.

My purpose right now is to describe the worst case scenario and remind people in this room what happens in the worst case scenario by again quoting from the 2002 report by the Nuclear Energy Agency, and I'll tie that into a very personal experience. It talks about low doses of radiation. It says lower doses and dose rate do not produce acute affects early because available cellular repair mechanisms are able to compensate for the damage; however, this repair may be incomplete or defective, in which case the cell may be altered so that it may develop into a cancerous cell perhaps many years into the future, or its transformation may lead to

inheritable defects in the long-term. This is speaking about Chernobyl, of course, and it says, since the last report we have a better view of the behavior of ~~radial nuclides~~ radionuclides in the contaminate area, and we know now that the natural decontamination process has reached an equilibrium. The decrease of contamination from now on will be mainly due to radioactive decay, indicating that radioactive ~~ceasing~~ Cesium will be present for approximately 300 years. I mean, we won't be around to worry about that, but someone hopefully will; however, the most important lesson learned is probably the understanding that a major nuclear accident has inevitable transboundary implications, and its consequences could affect directly or indirectly many countries even at large distances from the accident site.

My comment is this is certainly not contained in Ottawa County, and it was concluded that the Chernobyl accident has had significant long-term impact on psychological well-being, health related quality of life and illness in the effective populations.

One statistic they cited was in 1986 children under 15 in Belarus had the occasion of three out of 100,000 had a cancer incident, thyroid cancer. By

1993, it was 87 out of 1,000 that contracted the cancer, and outside the former Soviet Union, no concerns were ever warranted for the levels of radioactivity in drinking water. On the other hand, there were lakes, particularly in Switzerland and the Nordic countries, where restrictions were necessary for the consumption of fish. These restrictions still exist in Sweden, for example, where thousands of lakes contain fish with a radioactive content which is still higher than limits established by the authority for the sale in those markets.

Over 16 years after the accident, exposures of populations are mainly due to the consumption of agricultural food contaminated with ~~ceasing one in 37~~ Cesium 137, a very heavy element.

Talking about the area immediately around the Chernobyl area and it's a 27 -- a 30 kilometer radius, so we're again 20 miles radius from the site of the accident, it is not clear whether return to the 30 kilometer exclusion zone will ever be possible, nor whether it would be feasible, so we're saying there's a whole chunk of the earth that may never be contaminated again for 300 years perhaps, and one of the conclusions they -- on the health impact, it says an important affect of the accident,

which has a bearing on health, is the appearance of the widespread status of psychological stress and the populations affected. The severity of this phenomenon, which is mostly observed in the contaminated regions of the former Soviet Union, appear to reflect public fears about the unknowns of radiation and its affects as well as its mistrust toward public authorities and official experts.

On a personal side, last month when I was here, I said that my wife and I were host of a Chernobyl child for a couple years. Quite surprisingly, we've heard from him for the first time since he left us in the mid '90s, and he sends a letter which is dated October 27th and he wrote it in Russian, and my son happens to be a Russian linguist so he translated it for us, and it reads this.

Now, Sergei Volcolv came to our house when he was, oh, 10 or 11, I think, maybe a little older. For a child, he grew up with my son, Jeff. Sergei is now 21 probably, has a child, and he says, hello to my dear friends, Susan, Joe, and your big family, with a big hello and a lot of the best memories from your old friend Sergei Volcolv and my family, my wife, Olga, and my daughter, Ketrin. You have probably forgotten me and likely don't remember, and

after all this time I still have not forgotten you and often think of you and tell my friends how good it was to stay with you. I probably would not have written to you, but I, well, more precisely, my daughter has suffered a great tragedy. When she was born, a heart defect was discovered and she needs a very expensive operation before her first birthday, and he goes on to ask for the funds. She has a hole in her heart and she's not quite a year old, and he thinks if she doesn't have the operation by the time she's a year old she's going to pass away. He goes on, he says, truthfully, I'm not hopeful that my letter will get to you or, even worse, that you have moved somewhere else for which I don't have the address, but I am strongly counting on you and think that you will understand and help me if you can. I'll be grateful for the rest of my life, and he encloses a picture of himself and he's holding his daughter and his wife, and he says, well, that's probably all. I'll close my letter and wait and hope that this letter reaches you and that you will understand and help me, after all, hope is the last to die. Good-bye, with greetings from you -- to you from the family of Volcolv, and he gives his address in Belarus.

And my point in saying this tonight is that the consequences of not doing absolutely flawless work in a nuclear power plant now that they have age on them is -- the consequences are unthinkable, and you're the ones responsible. You're the public -- you hold the public trust, and I know you take it seriously, and I can only emphasize the consequences of something going wrong. We see it -- we're going to try to help this young man with this operation for his daughter, and we hope that it doesn't happen here.

MR. GROBE: Thank you very much, Joe.

MR. KORFF: You're welcome.

THEREUPON, the audience applauded.

MR. GROBE: A couple comments. The Chernobyl accident involved is referred to as a core melt accident. It's a type of reactor that's not used in the United States. We did have one core melt accident in the United States at a commercial nuclear power plant, that was at Three-Mile Island. The United States has chosen to regulate its nuclear power plants very differently than the former Soviet Union. We require extensive safety systems and ensure -- through regulations and inspections that

those safety systems are maintained. One key difference -- there's many differences, but one key difference between the types of reactors that we have in the United States and the Chernobyl reactor is that it didn't have a containment structure. Three-Mile Island had a containment structure and there were no health affects from Three-Mile Island. A very similar accident in the sense they were core melt accidents, but no health affects, and it's because of that diversity and redundancy in safety systems that we require in the United States that there's no comparison, and it would be inappropriate to even think to compare the potential safety risks from a plant in the United States to the safety risks of a plant in the former Soviet Union.

I wrote down a lot of notes, but I'm not sure how to structure a response to these. The -- what happened -- I don't want anybody to interpret those comments as any kind of diminishment of the importance of what happened at Davis-Besse. Clearly the agency has responded to its strongest actions and has taken the necessary steps to keep Davis-Besse plant shut down, and ~~we'll~~ will keep it shut down until such a point in time that we're confident that it can meet our safety standards, which are very much higher

than the safety standards in the Soviet Union, so I don't believe that there's a reasonable comparison between operating a nuclear power plant in the United States and operating a nuclear power plant in the former Soviet Union.

We try to ask folks to keep their questions and comments to five minutes, so if there is somebody else that would like to come forward.

MR. RULAND: Can I --

MR. GROBE: Sure.

MR. RULAND: Just a few other things, Joe, I think you talked about. One has to do with the large distances involved -- involved in the Chernobyl accident, and as Jack has reiterated on a number of occasions, the design was substantially different, and in large distances that were involved in no way reflect what the NRC's regulations require for emergency planning. Not only does the NRC have a containment, we also, frankly, don't plan on things being flawless. I know you argue that things have to be flawless, but -- well, these machines are designed by people, operated by people and overseen by people, and we know we're not perfect, and, frankly, that's why we have defense ~~and~~ in depth. We have redundant and diverse equipment. We have

operators to take action if the equipment doesn't work. We have containment to take to contain the problem if, in fact, those things don't work, and if all that doesn't work, we have emergency planning and that emergency planning zone goes out for 10 miles for the direct -- any direct affects, and out to 50 miles for ingestion pathway, so -- and don't in any way -- because I'm arguing this, that I'm saying that Chernobyl and Davis-Besse are even like in kind. They both were power reactors. They both produced electricity, and I think from there, I think the comparison breaks down rather rapidly.

In addition, you talked about low doses of radiation, and you described, frankly, a tragic situation that happened to this -- this boy that you took care of and his young daughter -- was it daughter? You know, those things tug at our heart strings. We don't want those things to happen regardless of the cause, and -- so it evokes -- those kind of stories I think invoke in us certain sympathy, as they ought to, but we in the NRC shouldn't be distracted by those stories. We should consider them, in fact, it should spur us to do our jobs even better, and I believe they do, but, we -- you know, we, I think, have taken a number of actions

here at Davis-Besse to make sure that in spite of the fact that Chernobyl is not possible here, that we -- I hope you've seen that both FENOC and the NRC have re-doubled our efforts specifically referring to this plant and industry-wide. One of the beauties of our system is you get to basically challenge us, and, frankly, the tradition of almost the kind of the New England town meeting where the public is, you know, complains, argues, and asks us tough questions, so -- and that's just a general answer to really contrasting the system associated with the Soviet Union, and, frankly, the infrastructure that supported that and really in rather stark contrast to the system that we have, so that's -- that's kind of how I see this.

MR. GROBE: We have a uniquely qualified person here.

MS. MITLYNG: Hi, I'm Viktoria Mitlyng. I'm Public Affairs officer in Region III. If you cannot identify my accent, I'm sure you will hear it. I am from Kiev, which is not too many miles away from Chernobyl. My members of my family are still in Ukraine, so the situation strikes home to me, and one of the reasons that I'm here working for the NRC is because of from where I am and because

of the kind of system from which I come in which at a public meeting is unthinkable.

In the former Soviet Union and even in Russia today, citizens don't have an opportunity to really understand how nuclear power plants work or how the oversight process works, it's just not possible, and one of the reasons that you're here is to make sure that we are doing our jobs and we feel accountable to you. And. Because of that difference, because of that accountability, Chernobyl is not possible here, and that's what we are trying to ensure. Every single person in the Nuclear Regulatory Commission is dedicated to that, and as I said before, it's one of the reasons that I work in this organization, so I just wanted to share the personal note with you. Thank you.

MR. GROBE: Thanks, Vika. I think -- it almost makes you proud to be an American, doesn't it?

(Laughter).

MR. GROBE: One of the things that Bill said was that we recognize that all of the activities that go on at nuclear power plants could be flawed, and he specifically highlighted the redundancy, diversity. It's an extremely remote

possibility that radioactive material could be released under any series of accident scenarios, but even though that's a remote possibility, we plan for it, and every year we conduct ~~billions of phrase~~ emergency planning drills or exercises called ingestion pathways. Every year we conduct ingestion pathway exercise with one of the utilities in Region III. Each region does this, and the one we're going to be doing this year is coming up next month or actually it's next week, but that's an exercise where the entire Federal family, Department of Energy, Health and Human Services, EPA, Agriculture, Nuclear Regulatory Commission come together and simulate failure of all the safety systems, failure of the containment, failure of the core and what might happen and how we deal with that if that did happen, so even though it's an incredibly remote probability, and it was an incredibly remote probability at Davis-Besse that you could have the reactor vessel breach and all of the safety systems not work, the core melt, the containment fail and have a release of radioactivity and you just add all of that up, it's a very, very low probability, we plan for it just in case it might happen. Nothing like what happened at Chernobyl. I think we have talked about Chernobyl enough.

Who else has a question?

MS. CABRAL: I'm Barb Cabral from Port Clinton, so I'm very local. There were a number of things, pumps, containment coatings, detection systems that weren't working at the plant, so your scenario of worse case scenario, things falling apart, there is quite a list there, and we're not really sure, I mean, how close were we really to an accident and if this stainless steel liner had given way, what really would have happened with those other systems not working? The stainless steel liner, you know, is continually referred to as, it hadn't been eaten away, it was just the other steel, and the insinuation in most of these statements was that the stainless steel liner was designed as part of the containment system, you know, just in general comments, in recent readings it's like, well, that's a liner. That wasn't ever intended for containment, was it?

MR. GROBE: No.

MR. RULAND: Right.

MS. CABRAL: Nor was -- and that's why the steel thickness varied all over the place, right, because it wasn't necessary for it to be a consistent thickness or --

MR. GROBE: Why don't you go ahead and finish your questions, and we'll get them all when you're done?

MS. CABRAL: Okay. I want to know what the real purpose of -- was it just a liner, was it meant for containment, and since it was -- I believe very close to its maximum pressure that it could take being that it wasn't for containment, we were very close to a serious accident.

What would have happened with these other systems not working, so I want to know more about the liner itself and more about what kind of danger we were really in?

MR. GROBE: Sure, I'll take a shot at that and then Bill or Christine, anybody else can pipe in. There is some -- a somewhat lengthy description of this in our monthly update, if you go back about six or eight months, there's even -- there's about a three page description that might help you, but the liner can be thought of as a paint. It's a coating on the inside of the reactor vessel. The reactor vessel is six inches thick of carbon steel, normal steel, and the reactor coolant is at a very high temperature, high temperature ~~wand~~ water is corrosive, but, in addition to that, it has a very

mild solution of boric acid in it, so on the interior surface they apply the same as a house plant to protect it from the sun and water, and it's made out of very thin stainless steel and it's applied to a welding process on the inside of the vessel. It was never intended to have any structural function. Its only intended purpose was to be there to resist the corrosive effects of high temperature water. The con -- consequently, as you have correctly pointed out, the liner was not designed to hold structural strength, to hold high pressures, it was not applied in such a way that you would get such a metal that is a reliable metal to hold high pressures, but, in fact, it did. It had cracks in it, it was bulging a little bit. It's difficult to say how close it was to failure, but that's part of the ongoing research that I was talking about, and I'm sure that when that ~~network~~ research work has come to fruition that will be published, but your other and more important question, what are the consequences; had the reactor vessel ruptured, the ~~calidum~~ cladding ruptured, that would have been what we referred to as a medium break LOCA -- I'm sorry, a medium break loss of coolant ~~to~~ accident, and different accidents -- different types of accidents require different equipment to respond to them, and

that type of an accident would likely have generated little debris, and would have represented a low risk -- certainly not where it should have been, but a low risk of the core failure. The core is the part of the reactor which contains the uranium fuel, and the goal of all of your safety systems is to keep that core intact, such that it doesn't melt. If you lose cooling it will heat itself up and melt, and that's when you could have the release of radioactive material. Should that happen and that's a -- we're now down another magnitude lower in probability, should that happen, you have systems inside containment, and they're referred to as containment spray that are specifically designed to pull the gaseous radio nuclides out of the containment atmosphere and cool the containment atmosphere, so the -- as the gentleman who had the child from Ukraine or Belarus, I guess it was, mentioned, there was a very high incidence of thyroid cancer, that comes from radioiodine. With the containment spray, we pull that out of the containment atmosphere. All of this is still inside the containment building, so nothing would be released unless it failed, and if the containment failed and now we're many, many orders of magnitude lower in probability, then we

have our emergency preparedness requirements. We have things like potassium iodine pills that are ready to be distributed to members of the public in the incredibly unlikely event that all of that would occur. What potassium iodine does specifically for radioiodine is it floods your thyroid with good iodine so any radioiodine that might be in the atmosphere isn't absorbed in your thyroid. We have evacuation plans and sheltering plans and all sorts of things, so the goal of the Nuclear Regulatory Commission is to make sure that the risks are maintained at a reasonable level. The risks at Davis-Besse were not maintained at the level that we require them to be, and that's why we're all here today, but that does not -- I don't think you should equate that to any imminent danger to the people in the Ottawa County area. I don't equate it imminent danger to the people in Ottawa County, but that is not our standard. Our standard is nowhere near imminent danger. Our standard is way down below that, so, I think we've answered your questions.

MS. CABRAL: (Nod indicating yes).

MR. GROBE: Those are for FirstEnergy, right?

MR. DUNN: No, no, they're not.

They're for Jim, Mr. Caldwell.

MR. GROBE: Okay.

MR. DUNN: My name is Brian Dunn, and I represent Ohio Citizen Action -- some 100,000 members, and I would like to thank Mr. Caldwell for responding to the letters from citizens. In the five weeks since the last meeting, we've collected 780 more, and all of them are really good, in fact, we've read each of them ourselves, and there are a couple letters that, with the permission of the citizens that wrote them, I'd just like to read on public record, we'll keep them very short and to the point.

MR. GROBE: Okay, thank you.

MR. DUNN: Dear Mr. Caldwell, we live in the Cleveland area and almost daily we fear the prospect of a catastrophic nuclear accident at Davis-Besse that will almost certainly occur if the plant is restarted under the authority of FirstEnergy. We are writing to ask you to perform the responsibilities of your office and keep the Davis-Besse -- keep Davis-Besse closed indefinitely. The consequences of restart are too grave to leave to the management -- to leave the management of Davis-Besse in the hands of the mediocre functionaries who run FirstEnergy. We are confident

that you will take this step in the name of simple public safety. Please tell us of your position in an immediate reply. Ralph Day and Eileen O'Conner, Sincerely.

The other is Dear Mr. Caldwell, I live in Northeast Ohio and am very concerned about the status of all power plants in this area. Since FirstEnergy took over the electric utility service the safety record has been tainted. The number of power outages has increased significantly. I worked for a public utility and have great concerns about how FirstEnergy is operating and their judgment in regards to the Davis-Besse nuclear reactor, please keep it closed. Thank you, Sherry Hribar.

The other thing to note, and we can get you a copy of it, is that we also have a letter signed by 70 health professionals, one of the groups being the Ohio Nurses' Association, another being -- I want to get this right -- Physicians for Social Responsibility, and that letter asks simply that alternatives be considered rather than restarting Davis-Besse, and we would be happy to get Mr. Caldwell a copy of that letter.

MS. LIPA: I didn't see that in the news articles, but was that addressed to him or

to --

MR. DUNN: I believe it was addressed to FirstEnergy -- Peter Berg, actually.

MS. LIPA: Sure, and we'd appreciate a copy of that.

MR. DUNN: Okay. Thanks.

MS. LIPA: Okay, thank you. Just to let you know a couple things, thank you for the letters, and, like we stated before, we do plan to read every letter, and we do plan to respond, and I did want to let you know, in case you weren't here earlier, we talked about that Jim Caldwell did make a site visit on Sunday, and he toured the facility with Scott Thomas and went all through the facility, and then he also attended an all day session that the utility had with their off site Reactor Restart Oversight Panel, so he has been at the facility recently, does plan to come when there is a restart meeting. When there is a restart meeting held, he will be coming out for that and we do brief him regularly, so he's up to speed on Davis-Besse.

MS. WEIR: Hi. I'm Shari Weir. I have just a couple of quick things to raise.

One deals with the margin of safety, and I appreciate Mr. Grobe's description of the various

safety reinforcements, but, you know, since -- since your last public meeting here, which was, oh, a little more than a month ago, there has been a report that the NRC's own research has determined that the -- that the liner at Davis-Besse would likely have ruptured at much lower pressure than either the company or the NRC had previously thought, and actually at levels that may be below the normal operating pressure at Davis-Besse, so it looks like the margin of safety is gone, and that rather than a margin of safety, we were protected by only luck.

That leads me to another -- my second point, and that is that FirstEnergy admitted that they put production ahead of safety, and that they said that they had learned an important lesson because of that, and, yet, they are hustling to get this plant back on-line by the end of the year and attempting to convince the NRC to move quickly to approve the restart. The reason, 'cause that's what the financial community wants to happen. This plant is costing FirstEnergy a lot of money, and so being cash strapped, they are doing all they can to get it back on-line by the end of the year, and with the -- with the continual screw-ups that we heard about this afternoon, it seems that, once again, they are

looking at profits ahead of safety.

The third point is an -- I know that rumors are a dime a dozen, but I want to say this because there is a rumor that FirstEnergy is interested in selling Davis-Besse. I bring that up not because it has anything to do with the NRC's oversight of the current problems, I bring it up to say only that we in Ohio have been lucky with two Davis-Besse near mishaps. We don't want it -- we don't want to put our luck on the line a third time and so, if, in fact, a reliable seller would take on the plant, that would solve a lot of problems. Thanks.

MR. GROBE: I think you had three points, which I will try to address and ask for help appropriately.

The last one, nobody can operate the Davis-Besse plant except FirstEnergy unless we approve it, so whether or not FirstEnergy does or does not want to sell Davis-Besse, they are the only people licensed to operate Davis-Besse.

Your middle set of questions really weren't for us, they were for FirstEnergy with respect to how they evaluate business decisions and whether to proceed with operating Davis-Besse or whether to shut it down permanently, those are strictly business

decisions. What I can assure you of is that Davis-Besse won't operate unless we're confident it can be operated safely and meet our regulations and operate it in the future safely and reliably.

Your first set of questions concerned what I was talking about earlier, which was some ongoing research activities. The tests that were recently discussed in the newspapers were conducted in an attempt to calibrate some engineering models that we used to predict metal failures, and they were done in close replication to the situation at Davis-Besse, but certainly not an identical replication and they are giving us -- this is part of the research program I was talking about in conjunction with the accident sequence precursor. That work will be going on quite awhile, and, as I mentioned, that goal in that type of work is for us to learn as much as we can about what happened here. It really has nothing to do with the restart of Davis-Besse in the context of those conditions are not going to be replicated or this plant wouldn't be permitted to restart, so it's related to ongoing for work looking, learning and growing in our knowledge, in both our knowledge and metallurgic respect and knowledge in our regulatory effectiveness. We assign the highest level

significance problem at Davis-Besse so whatever research comes out with it will simply reinforce what we have already decided and we've been providing oversight at the highest level, so it's -- it's interesting research, it will help us learn for the future, but it really has little to do with the ongoing activities here at Davis-Besse.

MR. RULAND: You described what you felt was FENOC's hustling to get the plant on-line by the end of the year, I don't want to speak to that, but what I would speak to is what the NRC is doing, and we are continuing to observe the criteria that we established when we established the 0350 plan. We have restart -- we have a Restart Checklist, and those things need to be completed and need to receive our approval prior to restart and not before, and we still need to get Mr. Caldwell's permission to -- that we're going to have to do that, and, frankly, there is no hustling about it. We're working at the normal -- the NRC is working at our normal pace, and we'll continue to do that.

MR. GROBE: I don't know if I can keep up this normal pace much longer.

(Laughter).

MR. RULAND: Yeah, well, normal is

in parentheses, Jack.

So, you know, hustling -- from your perspective, they might be hustling. I don't see it. I mean, I'm not going to mince words. Nuclear plants are money making ventures, and, you know, but that's not our business. It's our business not to -- is to avoid and, in fact, not be bothered by that, and, frankly, that's the beauty of our system is -- it doesn't make any difference to me whether they make money or not, and we'll continue with that approach.

MR. GROBE: Bill's absolutely right. The pace of our activities actually get greater towards the end of a project like this because we can't inspect anything until the utility finishes the work, so a lot of the work is now coming to completion, and we have folks like Jeff Wright sitting here in the fifth row, a team leader for one of our inspections, and a number of other folks that are on site inspecting this week, and our activities are going to be intense because we have a responsibility to perform inspections at the time that they're ready to be performed, and now is the time when many of those inspections are being performed, but, as Bill indicated, our only focus is

safety, and the plant won't be restarted unless it's safe.

MS. MUSSER: Hi, Mary Musser from Cleveland, Ohio. I have a few questions and just a quick observation.

Had the lid burst, how would a core melt have been prevented given the fact that the emergency cooling system, lack of cooling system has never worked in the 25 plus years that that plant was operating, according to an engineer that worked there, and you mentioned the evacuation plan, how about the people who live on the islands in Lake Erie, we're about 15 miles away from the plant where there is no evacuation plan, and what about the drinking water? Had the worst case scenario happened, how would iodine pills have saved Lake Erie?

And this is just an observance. You mentioned there were no ill health effects from Three-Mile Island -- a personal friend of mine spoke to Three-Mile Island survivors, did research on it. A lot of them didn't want to come forward publicly. It was too painful for them. A lot of them sent photographs, and I dare to tell you I saw some pretty scary photographs of two-headed animals, plant

mutations, animal mutations, and, in fact, some of the photographs that were handed over to us, the person who took some of these photographs has since died of thyroid cancer himself, so I kind of think that maybe you should meet with those people and talk to them directly before you publicly say that.

THEREUPON, the audience applauded.

MR. GROBE: I was actually referring to accepted research and evaluation research data. My sister has thyroid cancer, and she doesn't live anywhere near a nuclear plant. The way we analyze situations like this is probabilistic, and I know that's sometimes hard to understand simply because 40,000 square feet of coatings, or something like that was not properly qualified, doesn't mean the coating failed. It has a probability of failing. Because the high pressure injection pumps have a design defect doesn't necessarily mean they're going to fail, it means they have an increased likelihood of failing. Each of these is a probabilistic concept. There was one valve that had been shut which is a reasonably consequential valve, had been shut for a number of years, had to do with a cooling line to a heat exchanger on a hydrogen analyzer, and, in fact, the instrument overresponds to that cooling

line, is not operating properly, so it would have operated conservatively. The -- I know of no information that says that the safety systems would not have functioned for 25 years. The fact of the matter, though, is that several of the safety systems had either design defects or, in the case of the sump, it wasn't the sump that had the defect necessarily, it was the containment coatings, which are like paints applied inside containment. One type of coating was used which that was not properly qualified which would have caused the sump to misperform. Each of those has an increased likelihood that is outside of our requirements, and that's why it's being fixed. It results in the increased likelihood that the core may have melted, that was -- at an unacceptable level, and we categorized it at a red level simply based on the head degradation, not adding in these other issues, so that's why we're here. That's why we're providing this additional oversight. That's why we're going to make sure these issues are not only fixed at oversight, but fixed in such a way that there's confidence in the future that they won't recur. Other comments?

MR. RULAND: I think this is the

second month in a row that the question of -- is it Catawba Island that you're referring to?

MS. CABRAL: Kelley's Island.

MR. RULAND: That's about 15 miles from the plant?

MS. CABRAL: Yeah.

MR. RULAND: That is outside the 10 miles EPZ, emergency planning zone, where our regulations require folks to -- require licensees to have evacuation plans. The Commission has decided that those folks outside that 10 mile zone aren't -- won't need to evacuate because we have containment; however, it would be within the 50 mile ingestion pathway planning zone, and we would take actions -- rather the licensee would take actions in concert with the State officials, with the FEMA emergency plan to ensure that those folks don't ingest liquids or solid foods that possibly they could ingest radioactive material, and that has been our emergency planning approach for, gee, at least 20 years, probably in excess of that, and we've deemed that to be acceptable, and we've -- those plans have undergone a lot of scrutiny, and the NRC is comfortable with that amount of evacuation, and -- Jack, do you have anything to add?

MR. GROBE: Yeah, just a comment. This is an interesting area where different local, State and Federal jurisdictions apply, and I just wanted to comment and make sure you understand our responsibility. The Federal Emergency Management Agency has responsibility for overseeing the State plans and County plans for off site emergency planning. We require that those plans be in place and be approved by those folks, the County, the State, and FEMA, but we actually don't require off site emergency planning. We set guidelines for what the expectations that they need to accomplish for, and FEMA's responsibility is to make sure those are being accomplished. For a person outside the 10 mile EPZ, which is what we require, that doesn't mean there is no emergency planning for you. What that means is it's not mandated by the Nuclear Regulatory Commission. You have a State emergency management agency and local County emergency management department -- I'm not quite sure what it's called, and they're responsible for the health of the citizens in Ottawa County and the State of Ohio day in and day out for all types of emergencies, so those are the folks you need to talk to with respect to emergency planning for Kelleys Island or Marblehead.

MS. MUSSER: We talked to a lot of people, and the bottom line is they are ineffective, if at all.

MR. GROBE: Yeah, I can't help you a lot with that because we have our guidelines, and they are very clearly articulated and well supported by the radiological or potentially radiological hazards, and FEMA is required to make sure that the State and local officials have good plans, and that's really a double benefit, not only is it a good plan to respond to a nuclear problem, but it's also a plan that's used for any type of emergency.

MR. RULAND: There is something else to add here. Our plant requires a certain infrastructure and organization, and that infrastructure and organization, while it might not have the specific evacuation that you're supposing would happen, we have this organization in place and the extremely unlikely situation where maybe that evacuation would be required -- and I'm not saying it is, under no circumstances am I saying that, you have an organization in place that will be able to make decisions to protect the health and safety of the public and that is that organization that would be able to respond.

MS. MUSSER: (Nod indicating).

MR. GROBE: Yes, ma'am?

MS. BAUMGARTNER: Yes, good evening. I'm Doctor Elizabeth Baumgartner. I'm a pharmaceutical scientist by training as well as a member of the Bar of the United States District Court for the Northern District of Ohio. I'm a resident here in Oak Harbor, and I apologize, I came in late, so there may be some concerns I have that were addressed earlier, but I'd like to follow up on the concern with some local safety.

The gentleman said that, you know, the Government will protect us, and I'd like to point out on September 11, 2001 we had the mass -- greatest intelligence failure in this country in terms of national security. I'm presently a complainant in United States District Court asking for an investigation of our local law enforcement and Court system here in Ottawa County in regards to legal corruption. I'm intrigued with your --

MR. GROBE: Dr. Baumgartner, do you have a specific comment regarding Davis-Besse?

MS. BAUMGARTNER: Yes, my concern is that the culture of safety that your group was supposed to ensure that whistle-blowers would not be

retaliated against, I'm interested in what steps are being taken there integrating with the United Stated Department of Justice, perhaps the EEOC to ensure that people here in this community and the workers out there are not retaliated against and that the system in effect, that there is integrity in the system. That's a huge concern that I have in view of the fact that a local attorney has filed a lawsuit, a local judge is now involved in that lawsuit, and I have complaints against both of them for legal misconduct, so I'm concerned that there is no integrity in the process and that we as local citizens have nowhere to go, that's my concern.

MR. GROBE: I would be glad to try to answer your question. There are two jurisdictions that are concerned with the protection of whistle-blowers at nuclear power plants. They have different purposes. The Department of Labor has the purpose of making sure that the individuals must hold, meaning that if an individual is discriminated against for raising safety concerns that appropriate remunerations are provided to address the affects on the individual. We have a regulation which prohibits that from the standpoint in a way in which a utility is operated. We have no

outstanding concerns that have occurred in the last year and a half -- well, since it has been shut down, I guess it's getting closer to two years at the Davis-Besse plant with respect to discrimination -- confirmed discrimination complaints. There was one case that went to the Department of Labor for investigation and adjudication, and the Department of Labor found that the company did not discriminate against the individual. There have been other issues that have come up, and none of them have been -- have resulted in findings of discrimination against the company. None of this has to do with State and local officials. This is all Federal officials, and I hope you have confidence in us, but even if you don't, that's the process and those are the involved folks, and we will investigate any valid allegations of discrimination and find the facts.

MS. BAUMGARTNER: May I follow up? I appreciate what you're saying, but what's happening here locally is firms like FirstEnergy or Brush Berrillum deliberately locate in remote rural counties because of the lack of -- for lack of a better word, sophisticated local citizenry --

THEREUPON, the audience sighed.

MS. BAUMGARTNER: And there's a

situation here in this part of the State where citizens are quite frankly being threatened and receiving death threats.

MR. GROBE: I appreciate that. If this has to do with nuclear power, it's our responsibility, and I think you just insulted a bunch of people in the room, so --

MS. BAUMGARTNER: No, I don't think I did. I'm a resident here.

(Laughter).

MS. BAUMGARTNER: I'm not saying -- I know a lot of people at the plant, and I think the workers out there are fabulous people. My concern is that there's a culture or lack of integrity among local leadership in this County that's enabling bribery and things like that to go on, and I have an enormous concern that officials of FirstEnergy are engaged in that type of behavior.

MR. GROBE: Well --

MS. BAUMGARTNER: And that's what I'd like to have addressed.

Where do you go to have that type of behavior addressed?

MR. GROBE: If you have a specific allegation regarding financial malfeasance, I'm sure

the Securities Exchange Commission would be an appropriate place. I'm not sure. I'm not a lawyer nor a finance person, so I would recommend you pursue it through that --

MS. BAUMGARTNER: Well, the concern I have is it's just all these overlapping agencies, and everybody has their one little turf, but nobody is looking out to the overall integrity of the process.

MR. GROBE: Appreciate your comments.

MS. BAUMGARTNER: And then you pass the buck, you know?

MR. GROBE: I don't think I'm passing the buck on nuclear safety. Thank you.

MR. GREVE: Good evening. My name is Eric Greve. I have two questions, both of which center on the failure of the two NRC Resident Inspectors to act when presented with information about the boric acid deposits on the vessel head back in the year 2000. I guess some new information has been -- has come to light, at least come to public knowledge recently in the newspapers.

First of all, the Senior Resident Inspector, I believe his name is Kevin Zeller, when given the information, for example, the infamous red photo by

the FirstEnergy employee, he took no action on it. I believe the quote in the paper said it was because he assumed the company would fix the problem. The other resident inspector, when he was given this information about the boric acid deposit, he was quoted saying that he didn't -- he quote, did not have sufficient training to recognize the significance of boric acid deposits, end quote. And then also on October 22nd, excerpts from the NRC's own Inspector General report were printed in The Plain Dealer and I believe some other papers. This report characterized those inspectors' failure pretty succinctly. The reports cited flawed communication, inept assessments, wrong assumptions, poor follow up and an over-reliance on the utility that the NRC is supposed to regulate, so, with all due respect to the current three Resident Inspectors, who I'm sure are very nice people, by giving the incompetence of those two past inspectors, what faith should the public have that these current three inspectors are going to do a better job? That's my first question. I have another one, too.

MR. GROBE: Go ahead. Why don't you ask the other one?

MR. GREVE: Okay. My second

question concerns accountability, there was a brief mention of that a few minutes ago because the second inspector that I mentioned -- the one that did not realize the significance of the acid deposits, becoming -- he received a promotion within the NRC, becoming the Senior Resident Inspector at another plant. Then Kevin Zeller, the other Resident Inspector, he now holds a position at Davis-Besse.

What can this do but further shake the public confidence when the failure of these two inspectors is rewarded by the Nuclear Regulatory Commission and FirstEnergy? Bluntly put, why weren't these inspectors held accountable?

MR. GROBE: There's a number of answers to your questions, you have asked a number of different questions. Let me try to get at some of them and I'll ask for help. First off, the agency concluded as a result of the last Inspector General report that what occurred at Davis-Besse with respect to our performance was unacceptable, and it was, as Chairman Meserve characterized, an institutional failure. It had to do with a number of things and, specific with these Resident Inspectors, the resident inspection program is a very interesting and challenging assignment. We have three residents at

Davis-Besse, that's one more -- 50% more than we have at most other nuclear power plants, and they're charged with the responsibility to implement the inspection program. That is based on gaining insights into licensee performance from a small sample of activities. Davis-Besse has somewhere near a thousand people working at the facility, and we have three inspectors. That's the realities of where we are today. We have a structural program that involves maintaining an awareness of what's going on at the plant and sampling what activities to look at, and, unfortunately, we did not sample the condition report, which the Inspector General concluded one of our inspectors sought. The Senior Resident Inspector I don't believe saw the specific condition report you're referring to, but was aware that there was boric acid on the head, was aware that the utility believed it was coming from leaking flanges. That had been a challenge the utility had been facing for a number of years and was working on replacing all of the gaskets on those flanges with updated gaskets, was aware based on what he was told that the utility was replacing the gaskets on the affected control rod drive mechanisms, was cleaning the head, and was aware, based on what he was told,

that the head had been cleaned and inspected and there was no problems. Because this was an issue that had been dealt with for a number of years at Davis-Besse, the individual made the decision that he would monitor the activity through the regular meetings and conversation, and he did not choose that as one of the samples, and had he chosen possibly this issue would have been identified two years earlier. The issue was identified as a result of an agency activity. That is what we call a generic correspondence, that was a bulletin, and when we develop safety concern with a class of reactors, Davis-Besse is a pressurized water reactor, that we need the utility to look into, we send out what's called a bulletin or a generic letter, depending on the nature of the activity, and they're required to evaluate it, look into it and respond to us in writing and we evaluate those responses. It's -- it's endemic in our structure that we have to trust that the utility is telling us the truth. ~~At~~ As a matter of fact, they're required to tell us the truth, and if they don't tell us the truth, then that's a violation of our requirements, which carries sanctions. The -- in this case, we issued a bulletin. It required a response and a shutdown and

inspection and Davis-Besse shut down, inspected and found the problem, so while -- while late -- and I'm certainly not making any excuses, this issue was identified as a result of NRC activities monitoring the safety of power plants not only in the United States, but also nationally. The Lessons Learned Task Force report identified many shortcomings. Some of those are relative to activities going on in Washington, some are relative to activities going on in the field. While we were aware of things going on internationally and things that were going on in other power plants in the United States, we could have been better connected, and there are specific actions in the Lessons Learned Task Force activities, the findings to improve in these areas. There were weaknesses in some of the other aspects of our regulations, there were activities to develop rules and things like that. In addition to that, there were identified weaknesses and how we inspect these kinds of generic issues. Quite frankly, because of budget cuts over the years we have spent less time inspecting these because we receive letters from the utilities saying what's going on, they're inspecting them. There's 103 operating nuclear power plants in the United States, and if you look at the safety and

performance record over the last 20 years, it's steadily improved, and it's better by none of any nuclear power plant on an average basis. Davis-Besse clearly was not an average plant. Its performance clearly was substandard, and that's why we're here today. So the regulatory framework generally has worked well for the United States. Nuclear energy is part of our energy mix, and that's worked well for us. There's going to be a lot of differing views on that, but nuclear power provides over 20% of our electricity in the United States and that's less dependence on oil and coal, which also have interesting environmental and international issues.

The Lessons Learned Task Force, though, identified that there are opportunities to ensure that Davis-Besse doesn't happen again, and we're implementing those opportunities. The IG report will be evaluated. It will be responded to. If there's a response that is different than what we've already responded to in the Lessons Learned Task Force, then that will happen.

The -- as we mentioned earlier, the research activities are ongoing. If those research activities identify something that we need to learn,

we'll learn it, and we'll get better and we'll try to make sure that this reduction in the safety margin at Davis-Besse doesn't happen again.

Other comments? Questions?

THEREUPON, Ms. Lipa conferred with Mr. Grobe.

MR. GROBE: Oh, the NRC concluded that the inspectors performed correctly within the context of the tools that they were given, and it's unfortunate that we did not select that specific activity as a sample. It's unfortunate that we didn't find this in 2000 instead of 2002. We're taking actions to address that, but we did not find that these inspectors performed in a substandard manner. Next?

MR. KOZIEL: Yes, my name is Mark Koziel. I work for the Nuclear Quality Assessment Organization. It's part of FirstEnergy, and I would like to get this meeting back to reality.

We've heard a lot of horror stories from anti-nuclear people, and I want to make sure that local residents have no concerns that there's going to be two-headed dogs in the area or we're going to have babies with flippers or anything like that. It's very upsetting for me to hear those kind of stories because I think it's just fear ~~monitors~~ mongering among

people, and certainly our organization has done everything we can to make this plant safe and to bring it back on-line safely.

I would like to remind people that the head is replaced. We have a new head in place. We don't have a liner that's ready to burst right now. That liner, that head is now radioactive ~~strapped~~ scrap. It is no longer at Davis-Besse. We have a new head in place, a fully functional head is in place at the Davis-Besse Nuclear Power Station.

Additionally, it's very difficult for me to understand how a profit motive was available to FirstEnergy employees and FirstEnergy executives. I can tell you right now that there is not a single executive that made money off the damage and degradation to the reactor head. Money was lost. Money was lost due to the degradation of that head, and everyone at FirstEnergy understands that if you don't have nuclear safety, you can't have production and you can't make money. There was no profit motive involved with people overseeing safety for profit. There was no profit involved with the degradation of this head. The plant has learned, we replaced the head. We improved our organizations. We've improved our safety systems. We've improved

the safety margin. This plant will be ready to restart hopefully by the end of this year, and we have done everything we can to make it safe, and certainly FirstEnergy has afforded us money, and the anti-nuclears act like that's a bad thing. That's a good thing that they support us with all this money. They put a hell of a lot of money into this plant to make it safe. We didn't want any doubt in anyone's mind that we have done everything we can to make this plant safe. Thank you very much.

THEREUPON, the audience applauded.

MR. GROBE: Thank you. Other comments and questions?

MR. DUSSEL: Yes, my name is Tim Dussel, and I have been to a lot of the meetings, almost all of the meetings.

The thing that still stands out, all the things that's happened, the NRC has promoted people for not doing their job.

The other thing that I find really amazing is the fact that you've set up here and you say it is highly unlikely that this could happen, that could happen, all the failures of the backup systems and poor engineering and the backup systems -- two years ago if I would have stood up here and asked you what

the chances are off a hole being rusted through a six inch nuclear reactor lid, what would you have told us? You would have probably said I was out of my mind. I think we better look at what has happened and look at the past. Thank you.

MR. GROBE: Tim, I appreciate your comments, and I think as we've already discussed this evening, not only is FirstEnergy looking hard at it, but the NRC is also equally looking hard at it, and you folks are here holding us accountable and asking good questions, and what we refer to as our oversight committee and the house side are keenly involved and making sure that we work very hard at this and learn from it, so I hope we're doing that. Thank you.

Who else has a question? Good.

MR. OSTROWSKI: Good evening. My name is Kevin Ostrowski, Manager of Regulatory Affairs at the Davis-Besse Station. I have a collective total of 23 years of nuclear power experience. I really started out life as a high school math, physics, and chemistry teacher.

In 23 years I have been a Senior Reactor Operator, at Beaver Valley for 12 years, at Perry for three years, and at Davis-Besse now for four months. I say that because I understand the science, the

technology and the engineering behind the plant.

We have always, always put safety before production. We work with a group of trained, experienced nuclear professionals. I have never, ever considered anyone I worked with to be mediocre. I don't see anyone hustling to go get this plant on-line by the end of the year. What I do see is a daily discussion of nuclear radiological and industrial safety, and we talk about it daily. Every day we talk about the health and safety of the public, the health and safety of the people that we work with, and the health and safety of the people in the community.

I am personally committed to the safe operation of Davis-Besse, the management team I work with is committed to the safe operation of Davis-Besse. Our entire population of plant staff is committed to the safe operation of Davis-Besse. Our company is committed to the safe operation of Davis-Besse. My CEO, my President, Chief Operating Officer, my plant manager have always come to the meetings and told us personally, we want the job done right, we want it done safely. It will take us as long as it takes. Before too long, I would expect sometime soon, I will be asked to sign my name

stating that it's okay for Davis-Besse to restart. I will not do that and nor will any of the other managers that work on our team sign their name saying it's okay for Davis-Besse to restart until we have the assurance it's 100% safe to restart and we do not anticipate -- we will not come to the NRC and ask you for permission to restart our plant until we know it's safe and ready to operate. Have a good evening.

THEREUPON, the audience applauded.

MR. GROBE: Thank you, Kevin.

Other questions or comments?

(NO AUDIBLE RESPONSE).

MR. GROBE: Okay, very good. Thank you very much.

Our next pair of public meetings is December 3rd here in the auditorium of Oak Harbor High School, at 2:00 and 7:00. Thank you.

CERTIFICATE

STATE OF OHIO )
) ss.
COUNTY OF HURON )

I, Marlene S. Lewis, Stenotype Reporter and Notary Public within and for the State aforesaid, duly commissioned and qualified, do hereby certify that the foregoing, consisting of 78 pages, was taken by me in stenotype and was reduced to writing by me by means of Computer-Aided Transcription; that the foregoing is a true and complete transcript of the proceedings held in that room on the 12th day of November, 2003 before the U.S. Nuclear Regulatory Commission.

I also further certify that I was present in the room during all of the proceedings.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office at Wakeman, Ohio this day of , 2003.

Marlene S. Lewis
Notary Public
3922 Court Road
Wakeman, OH 44889

My commission expires 4/29/04