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PUBLIC MEETING
BETWEEN U.S. NUCLEAR REGULATORY COMMISSION O350 PANEL
AND FIRST ENERGY NUCLEAR OPERATING COMPANY
OAK HARBOR, OHIO

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Meeting held on Wednesday, December 3, 2003, at
7:00 p.m. at the Oak Harbor High School, Oak Harbor, Ohio,
taken by me, Marie B. Fresch, Registered Merit Reporter and
Notary Public in and for the State of Ohio.

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PANEL MEMBERS PRESENT:

U. S. NUCLEAR REGULATORY COMMISSION

Mr. John "Jack" Grobe,
Senior Manager, Region III Office
& Chairman, MC O350 Panel

Mr. William Ruland, Senior Manager NRR
& Vice Chairman, MC O350 Panel

Mr. Christopher Scott Thomas,
Senior Resident Inspector
U.S. NRC Office - Davis-Besse

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1 MR. GROBE: Good evening. My
2 name is Jack Grobe. I'm a Senior Manager from the NRC's
3 Office in Lisle, Illinois; and also for the past year and a
4 half or so, I've been assigned as the Chairman of the
5 Davis-Besse Oversight Panel.

6 I would like to welcome you all to this meeting this
7 evening.

8 We had a business meeting with FirstEnergy this
9 afternoon, and the purpose of tonight's meeting is to
10 inform members of the public of the information that was
11 discussed this afternoon in the business meeting and then
12 provide you an opportunity to share comments with us and
13 ask us questions.

14 Before we get started, I would like to make you
15 aware that there is several documents out in the foyer that
16 would be of interest to you. One is the December issue of
17 the NRC update. It's a document that we put out monthly,
18 and it provides current information on NRC activities at
19 the Davis-Besse facility.

20 There is some historical inform regarding what
21 happened at Davis-Besse, as well as information on how you
22 can contact us. If you have questions that you don't think
23 of during the meeting and want to get a hold of us, there
24 is contact information for our Public Affairs staff, as
25 well as information regarding the NRC's Web site on

1 Davis-Besse, where there is just a wealth of information of
2 what's happening at Davis-Besse and what the NRC activities
3 has been over the last 18 months or so.

4 In addition, out in the foyer, are slides from this
5 afternoon's presentation and another document that's very
6 important to us; it's a feedback form that you can mail to
7 us, postage paid, and provide us your thoughts on this
8 meeting and any suggestions on how we can improve the
9 meeting.

10 We're having the meeting today, this evening, excuse
11 me, transcribed by Marie Fresch. The purpose of the
12 transcription is to maintain a record of the meeting.
13 Transcriptions of all our meetings are available
14 approximately 3 to 4 weeks after a meeting is completed;
15 again, on our Web site.

16 Before we go any further, I would like to make some
17 introductions of the NRC staff that are here this evening.
18 On my immediate left is Bill Ruland. Bill is a Senior
19 Manager at our Headquarters Office of Nuclear Reactor
20 Regulation. He's also Vice Chairman of the Oversight
21 Panel.

22 Next to Bill is Scott Thomas. Scott is the Senior
23 Resident Inspector at the Davis-Besse facility, works for
24 the Nuclear Regulatory Commission and inspects at
25 Davis-Besse every day.

1 Also, from the Resident Inspectors office is Jack
2 Rutkowski. Jack is one of the two Resident Inspectors that
3 works at the site.

4 Monica Salter-Williams is the third inspector.
5 She's not here this evening.

6 From our Headquarters Office is John Hopkins. Jon
7 is the Licensing Project Manager from the Office of Nuclear
8 Reactor Regulation.

9 We also have here with us this evening Geoff
10 Wright. Geoff is the Team Leader for Management/Human
11 Performance Inspection Team. It's a team of about a half a
12 dozen NRC staff and contractors from Region III, the Office
13 of Research in Headquarters, the Office of Nuclear Reactor
14 Regulation, as well as two contractors who are experts in
15 the area of Safety Culture and Safety Conscious Work
16 Environment; and they're reviewing those areas of
17 FirstEnergy performance.

18 We also have Randy Baker. Randy is the Reactor
19 Engineer from Region III Office.

20 And, Jan Strasma, in the back here, is one of our
21 Public Affairs Officers in Region III.

22 And, Rolland Lickus is our State Government Affairs
23 Officer.

24 I think I've covered everybody, except one of the
25 most important people, which is Nancy Keller. Nancy is out

1 in the foyer. She is the Resident Office Assistant and is
2 an invaluable asset to us to facilitate the day-to-day
3 activities at the Resident Office, as well as these
4 meetings.

5 What I would like to do now is turn over to Scott
6 Thomas for just a brief summary of the information that was
7 presented this afternoon and discussed during our business
8 meeting.

9 MR. THOMAS: Okay. During your
10 three-hour meeting this afternoon with the Licensee a
11 number of issues were discussed. I'll try to briefly
12 summarize those topics.

13 The FENOC Chief Operating Officer discussed several
14 initiatives that the Licensee believes has improved Safety
15 Culture at Davis-Besse.

16 He also talked about the results of their recent
17 Employee Alignment Safety Culture Survey. The results of
18 that survey were characterized as positive and
19 encouraging.

20 He also talked about the results of their recent
21 Safety Culture Assessment. This assessment is graded on a
22 scale of red, yellow, white, green. The three major areas
23 were graded as follows: White for the Individual
24 Commitment Area, white for Plant Management Commitment
25 Area, and white for Policy or Corporate Level Commitment

1 Area.

2 The Licensee Employee Concerns Program Manager
3 discussed the most recent site Safety Conscious Work
4 Environment Survey, which was completed in November. The
5 results, and compared those results to two other Safety
6 Conscious Work Environment Surveys. They were done in
7 March and August. The conclusion was that substantial
8 improvements had occurred since the last survey in August,
9 and that continuous improvements had occurred over time.

10 The Licensee Nuclear Quality Assessment Manager
11 discussed the results of the Safety Culture/Safety
12 Conscious Work Environment interviews conducted by his
13 department with Davis-Besse staff. Their conclusions were
14 that there was worker willingness and responsibility to
15 raise issues, that was very strong; a large majority of the
16 workers believe the Safety Culture at Davis-Besse is ready
17 for a safe restart.

18 The Licensee Site Vice President discussed their
19 Operational Improvement Plan. This plan focused on
20 improvement efforts in the areas of Organizational
21 Effectiveness, Operations, Maintenance, Training Programs,
22 Work Management, Engineering, Safety Culture, Procedure
23 Improvement and Oversight. He also discussed the planned
24 work scope for the Cycle 14 Mid-Cycle Outage.

25 The Licensee Restart Action Plan Owner discussed the

1 remaining activities that Davis-Besse needs to accomplish
2 prior to restart of the facility.

3 And the meeting was closed by the Licensee Chief
4 Operating Officer, again, with just his closing remarks.

5 That's a brief discussion of what we talked about.

6 MR. GROBE: Thank you,
7 Scott.

8 One of the first articles in the December update
9 concerns the Restart Decision-Making Process, and
10 FirstEnergy is getting close to the point where they're
11 going to desire to discuss restart with us in a public
12 meeting.

13 In late November, as required in our Confirmatory
14 Action Letter, FirstEnergy submitted an Integrated Restart
15 Report, which summarized the activities that occurred over
16 the last year and a half and indicated that they believed
17 that they had accomplished the Return to Service Plan
18 successfully and that they were ready to request restart of
19 the facility.

20 The NRC has a number of ongoing inspections. Three
21 of those are particularly critical. One is the ongoing
22 Resident Inspection. The Resident Inspectors day-in and
23 day-out evaluate the adequacy of Facility Operations,
24 Maintenance, Engineering and Testing activities, and are
25 going to be providing critical input into any decisions on

1 closure of the remaining eight Restart Checklist items.

2 In addition, I introduced Geoff Wright earlier this
3 evening. He heads an inspection team whose work is
4 ongoing. That inspection is focused in the area of Safety
5 Culture and Safety Conscious Work Environment, particularly
6 the effectiveness of the corrective actions that the
7 utility has undertaken in improving their organizational
8 effectiveness and human performance. Geoff's inspection
9 continues and he has activities over the next several weeks
10 to complete.

11 In addition, starting Monday, we have a number of
12 Senior Resident Inspectors from across the country that
13 will be coming to the site to conduct round-the-clock
14 observation of operating activities. We have deferred to
15 this as the Restart Readiness Assessment Team Inspection.
16 And they'll be particularly interested in operating
17 performance, operating organization performance during the
18 heatup and mode changes of the plant. The plant will be
19 going from its current cold condition up through what is
20 called Mode 4 and Mode 3 to the point where it's heated up
21 to normal operating temperature and pressure. That is
22 accomplished using simply the heat of running the reactor
23 coolant pumps. It's not done with nuclear generated heat.
24 The facility will not be able to perform nuclear -- or
25 generate nuclear heat in the reactor until after the NRC

1 authorizes restart.

2 Prior to consideration of restart, the Confirmatory
3 Action Letter requires, FirstEnergy is committed to discuss
4 publicly with us the basis for restart; and that meeting
5 will be conducted over the next several weeks. We have a
6 procedure within the NRC to give ten days prior notice of
7 any public meeting, and we will comply with that
8 procedure.

9 There is one point that I want to make sure is clear
10 to everyone, and that is that the restart meeting cannot be
11 conducted until FirstEnergy is in a position of being able
12 to provide us their views on their readiness for restart.
13 They've given us a lot of information in the November 23rd,
14 I think it is, report, but the final information will not
15 be available up until they observe and assess the
16 performance of their organization during the heatup
17 activities and the mode changes from Mode 5 to 4 and Mode 4
18 to 3.

19 So, if for some reason, which is not currently
20 foreseen, the mode changes are delayed because of equipment
21 problems or operating organization problems, then that
22 meeting can't be conducted.

23 So, we will be giving ten days notice, but there
24 could be activities that occur during that period of time
25 which would cause us to delay that meeting. And if that's

1 necessary, then we'll have public notice that the meeting
2 has been delayed.

3 Following that meeting, the process that the agency
4 goes through for evaluating readiness of the plant for
5 restart, first starts with the Oversight Panel. The
6 Oversight Panel has been evaluating facility performance
7 and the results of NRC inspections and licensing
8 assessments for sometime now and has closed 23 of the 31
9 Restart Checklist items. There is 8 items remaining.

10 As the panel receives inspection results and
11 evaluates those inspection results and recommendations from
12 the staff on whether or not the remaining eight items are
13 ready to close, at some point in time, the panel will make
14 a decision that it is ready to say that the plant could be
15 restarted and operated safely.

16 At that time that the panel makes that decision, it
17 will make a recommendation to my boss, the Region
18 Administrator in Region III, Jim Caldwell, that we believe
19 the plant is ready to restart. That won't happen until the
20 panel is convinced that the plant can restart and operate
21 safely.

22 Jim will certainly question the panel on its basis
23 for its conclusions and then he will consult with two
24 individuals at Headquarters; the Director of the Office of
25 Nuclear Reactor Regulation, who has the responsibility for

1 the safe operation of all 103 operating reactors in the
2 United States, as well as the Deputy Executive Director for
3 Reactors. Jim will consult with those two individuals and
4 then make his decision regarding restart of the facility.

5 Once a decision is made, the NRC will issue a
6 document that will describe the basis for the decisions
7 that we make, and communicate those decisions publicly
8 through a press release.

9 Did I miss anything on the process?

10 I wanted to make sure, there is a lot of questions
11 these days on how we go through the process of making our
12 final decisions. I want to emphasize that the NRC is not
13 focused on any sort of schedule. The activities will be
14 ready to close when the performance of the Licensee
15 demonstrates that the activities were successfully
16 accomplished and the plant can be safe. Our only focus is
17 the safe operation of Davis-Besse.

18 So, no decisions will be entertained, no meetings
19 conducted until the NRC has had an opportunity to observe
20 plant performance and the utility has an opportunity to
21 assess it and is ready to give us their assessment.

22 At this point, what I would like to do is open the
23 floor for public questions and comments. We would like
24 folks to limit their questions or comments to five
25 minutes. I would like to start with any local public

1 officials or representatives of local officials.

2 MS. ELLIOTT: Donna Wendt-Elliott.

3 Village Councilwoman.

4 Resolution Number 05-2003.

5 A Resolution in support of the restart of

6 Davis-Besse Nuclear Power Plant.

7 The Nuclear Regulatory Commission 0350 Process to

8 evaluate the readiness for restart has been a good process

9 and will continue to effectively evaluate Davis-Besse after

10 restart.

11 And, Council has been assured that the plant

12 condition is better than it has ever been. Council has

13 been assured that the employees are working hard to make

14 sure this never happens again, and that continued oversight

15 after restart by the Nuclear Regulatory Commission and

16 their willingness to involve and keep the county involved

17 is definitely important.

18 And FENOC agreeing to a closer working relationship

19 of Ottawa County through County Administrator, Jere Witt,

20 being appointed to the Restart Overview Panel and the

21 Company Nuclear Review Board as an independent oversight.

22 And the economic impact of the Davis-Besse Nuclear Power

23 Plant is vital to the community.

24 And, therefore, Council has determined that this

25 resolution shall be an emergency measure and as such it

1 shall take effect immediately upon its adoption and due
2 authentication by the Fiscal Officer.

3 Now, therefore, be it resolved by the Council of the
4 Village of Oak Harbor, Ottawa County, that it supports and
5 encourages the safe restart of Davis-Besse Nuclear Power
6 Plant. That it is found and determined that all formal
7 actions of Council concerning and relating to this
8 resolution were taken in meetings of Council open to the
9 public and all deliberations of this Council and of its
10 committees, if any, which resulted in formal action, were
11 taken in meetings open to the public in full compliance
12 with the applicable legal requirements, including sections
13 121.22 of the Ohio Revised Code.

14 This resolution is declared to be an emergency
15 measure for the reasons stated in the preamble hereto and
16 as such, shall take effect immediately upon its adoption
17 into identification by the Mayor and Fiscal Officer.

18 Adopted December 1st, 2003.

19 MR. GROBE: Thank you very
20 much.

21 Yes, sir.

22 MR. ARNDT: Good evening, my
23 name is Steven Arndt and I represent the Board of Ottawa
24 County Commissioners as President. On behalf of the Board
25 of County Commissioners, as well as a number of other

1 Township Trustees and Councils who could not be here this
2 evening, we have always taken the nuclear power plant as a
3 very serious issue.

4 As I've mentioned several times now, the health,
5 safety, and welfare of our community is paramount for our
6 elected officials and we take that very seriously.

7 One of the benefits of being a local elected
8 official though, is we come to know those employees at the
9 plant, both corporate as well as the front-line employees.
10 They certainly have been committed over this very long
11 shutdown and process for restart.

12 We've also come to know the quality of the
13 individuals that the NRC has put forth to oversee these
14 improvements in the plant as well.

15 And, as Councilwoman Wendt mentioned in the
16 Resolution, the physical side of the plant has never been
17 better. In fact, I believe that FirstEnergy probably has
18 set a newer, higher standard for the nuclear industry that
19 many other plants will have to strive to meet those new
20 high standards.

21 But the safety worker culture we have experienced or
22 seen exemplified from the employees at Davis-Besse in our
23 community, we can certainly assure you they are committed.
24 They may not be there where they want to be, but I can tell
25 you it will be an ongoing. We know these people, they are

1 in our community, we know the character of these people,
2 and they are committed to the safe operation of
3 Davis-Besse.

4 I'm not going to read our Resolution. Our
5 Resolution is somewhat similar to Oak Harbor's, but I would
6 like to point out a couple of key points that I think is
7 quite different from prior to the shutdown of Davis-Besse
8 to correct the situation.

9 I think one of those is the creation of the
10 company's Nuclear Review Board which they have allowed Mr.
11 Witt to sit on, the Nuclear Oversight Board, as well as the
12 Restart Oversight Panel, as well as the continued
13 involvement of the NRC keeping the county informed as to
14 its evaluation.

15 We're certainly not expertise in this particular
16 area, but we certainly have paid close attention; we've
17 asked questions; and we've gotten answers both from the
18 industry as well as from the NRC.

19 With me this evening, I have either resolutions of
20 support, or letters of support; and I have them from
21 Carroll Township, Benton Township, Catawba Township,
22 Portage Township, Put-In-Bay Township, Harris Township,
23 Danbury Township, the Village of Clay Center, and the City
24 of Port Clinton.

25 Not all of these receive financial benefit for

1 having a nuclear power plant located in the county. They
2 don't all receive tax dollars, but they understand the
3 importance that this facility plays in our community. Back
4 in '98 when the tornados struck and took Davis-Besse off
5 line, Northwest Ohio was very close to rolling brown-outs.
6 We also recognize that with Davis-Besse off, we could be
7 very well in the very same situation. They understand the
8 economic impact it could have on our businesses if we do
9 not have reliable sources of power.

10 We've come to recognize that our risks in everything
11 that we are engaged in today, but we believe that both the
12 NRC and FirstEnergy, that they are going to keep those
13 risks as minimal as possible. Thank you.

14 MR. GROBE: Thank you,
15 Steve.

16 The engagement of the Ottawa County Commissioners
17 and also of Jere Witt, Ottawa County Administrator, has
18 been unique in my experience regulating nuclear power. The
19 members of the panel meet monthly with Ottawa County and
20 they have been clearly engaged and inquisitive and
21 challenging of us at appropriate times. And I think that's
22 a tribute to their commitment to the community.

23 In addition, it's also unusual in my experience for
24 a utility to invite a County Administrator to participate
25 in oversight boards, oversight panels at the facility. And

1 FirstEnergy has done that, and Jere Witt has participated
2 actively in those activities. And that, also, I think
3 reflects positively on the commitment of the county
4 government.

5 There was one other mention, and that was the fact
6 that this Oversight Panel doesn't go away if the plant is
7 authorized to restart. Davis-Besse's performance was
8 significantly out of the norm for nuclear power plants for
9 the United States. Our Routine Oversight Program is
10 designed for a plant that is a normal operating plant.

11 The purpose of the -- our manual chapter is called
12 0350. The purpose of that is when we have a plant that is
13 so far outside of the normal operating parameters, that our
14 Routine Oversight Program no longer works effectively, a
15 panel is established to provide oversight.

16 One key attribute of our Routine Oversight Program
17 are a series of performance indicators, I think there is 21
18 of them. In many areas of the plant operation, those
19 performance indicators are still valid and useful; in the
20 areas of radiation protection, emergency planning, and
21 security and safeguards, for example. Those performance
22 indicators are still very useful and provide information
23 with regard to plant performance.

24 In the area of operations, control of initiating
25 events, and reliability of mitigating systems, safety

1 systems, those performance indicators no longer provide
2 useful insight into the plant because the plant has been
3 shut down for such a long period of time.

4 So, this Oversight Panel will remain in effect for
5 some period of time after restart, a lengthy period of
6 time; providing guidance, assessment of plant performance
7 and guidance on proper implementation of the NRC's
8 inspection programs.

9 We will also continue to have public meetings on a
10 regular basis, to ensure that the public has access to
11 appropriate information regarding plant performance and NRC
12 activities. So, I appreciate those focus attributes,
13 focuses that the two speakers brought forward.

14 Are there other local public officials and
15 representatives of local officials that would like to come
16 forward this evening?

17 Okay. I would now like to open the floor to any
18 local residents who have comments or questions.

19 MR. GRONDIN: Good evening,
20 everybody, my name is Peter Grondin. I live in Sandusky
21 Ohio, on the western side of the city, pretty much downwind
22 of the Davis-Besse Nuclear Power Plant.

23 I'm also an employee at Davis-Besse. I've been with
24 FirstEnergy for 14 1/2 years. I have eight additional
25 years of experience in nuclear power in the United States

1 Navy.

2 The folks that you see around you here who are
3 employed at Davis-Besse have sunk the last 21 1/2 months of
4 their lives into this plant. We have put our heart and
5 soul into refurbishing this plant, putting this plant back
6 into a material condition that we can be proud of.

7 But more importantly, we've learned a hard lesson.
8 We have internalized, we have taken to heart that hard
9 lesson. And I personally will guarantee that this plant
10 will not run unless it is safe to operate and run. I will
11 make sure that, I would challenge our management to shut
12 this plant down if I see a situation where it is going to
13 endanger our employees or the public. And I stand behind
14 that. I know that my fellow employees to a person feel the
15 same way.

16 Thanks very much.

17 MR. GROBE: Thank you.

18 If you would sign your name and appropriate
19 information on the sign-in log, we would appreciate it.

20 MR. FOX: Good evening, my
21 name is Steve Fox. I'm a Davis-Besse employee. Ottawa
22 County has been my home for the past 24 years. I hold a
23 Bachelor Degree in Business and an MBA. I have 29 years of
24 experience in nuclear power; both in construction and
25 operating plants.

1 My role during this extended outage has been one of
2 a Project Manager. During this outage, my completed
3 projects included doubling the capacity of the in-plant
4 spent fuel storage pool, which set a world record for
5 lowest radiological dose for similar projects. I served as
6 one of the Project Managers for the replacement of the
7 reactor vessel head. My project team completed the
8 Containment Emergency Sump Strainer that sets a new safety
9 standard for other pressurized water reactors in the Decay
10 Heat Valve Tank designed and built to enhance the safety
11 and reliability of the equipment the tank protects.

12 These projects were completed as a team effort with
13 the goal of increased safety margin and equipment
14 reliability. These efforts were part of building the new
15 Davis-Besse.

16 My responsibilities have now changed to being a
17 Project Manager with people in the Work Management Group,
18 once again improving people, processes and programs.

19 I am here tonight to attest that I am dedicated to
20 the safe and reliable operation of the Davis-Besse Nuclear
21 Power Station.

22 Thank you.

23 MR. GROBE: Thank you.

24 MR. STEVENS: I'm Mike Stevens.

25 I'm the Director of Maintenance at Davis-Besse. I've been

1 in nuclear power over 19 years. I can tell you there's a
2 great bunch of people working at that power plant. They
3 have real high standards, and real good integrity.

4 I believe Maintenance is ready to support safe
5 operation of Davis-Besse and I'm ready to support safe
6 operation of Davis-Besse. Thank you.

7 MR. GROBE: Thanks, Mike.

8 MR. WHITRIGHT: Hi, my name is
9 Jim Whitright. I've been out at Davis-Besse for 15 years.
10 I work in Plant Engineering. And I can tell you from my
11 perspective, the plant is definitely ready to operate. And
12 I work with people from all different departments;
13 Engineering, Planning, Maintenance, Quality Control, QA;
14 and I can tell you everybody that I know is ready to be
15 sure that the plant is ready to operate and will operate
16 safely.

17 MR. MURPHY: Good evening to
18 the Commissioners, to the local elected officials, to the
19 members of the general public, and my co-workers at
20 Davis-Besse. My name is Earl Murphy.

21 I've been involved in the nuclear power production
22 of nuclear weapons programs for almost 30 years; 22 years
23 the commercial nuclear power industry, and several years in
24 the nuclear weapons program in the United States Army.

25 I'm currently employed at the Davis-Besse station in

1 the Nuclear Quality Assessment area as a Supervisor in
2 Quality Control. I believe and fully recognize the
3 situation in hand. I believe we've learned from the
4 situation. I believe we are now in position to go forward
5 and to reliably and safely operate the Davis-Besse
6 facility.

7 Thank you very much.

8 MR. GROBE: Thank you.

9 MR. REDDINGTON: Good evening. My
10 name is John Reddington and I also work at Davis-Besse.
11 I've worked there for 17 years.

12 During this outage, I've had the unique opportunity
13 to work in Quality Assessment and now I'm working in
14 Training.

15 In Quality Assessment, I was actually paid to assess
16 the organization and to look from a safety culture to try
17 and see and assess where the safety culture is at
18 Davis-Besse.

19 Then, in my new job in Training, I've been part of a
20 board that's been doing interviews with all the licensed
21 operators. And to a person, the level of commitment is
22 really astonishing. We ask very pointed questions to the
23 operators about nuclear safety, the sanctity of the reactor
24 core, and safety culture. And to a person, there is a high
25 level of commitment dedication.

1 And speaking for the Training staff, we are
2 committed also to ensuring that nuclear safety is the
3 number one priority at Davis-Besse. Thanks.

4 MR. GROBE: Thank you.

5 MR. GRIMN: Good evening, my
6 name is John Grimn. I've been with Davis-Besse for a
7 little over a year. I have come here from Perry Nuclear
8 Power Plant and now I'm a resident of Oak Harbor. I'm
9 happy to be on the team.

10 I am just here to say that I've had also a unique
11 experience here. I have served with many projects and I
12 have watched transformations at Davis-Besse. I've watched
13 the plant be refurbished to standards that I haven't seen
14 throughout the industry equaled.

15 I've also seen a transformation of employee
16 attitudes. And, I have a history being outspoken and
17 bringing up safety issues whenever I see them, and find no
18 exception.

19 The Davis-Besse plant is ready to go. I'm ready to
20 go to support safe operation and I'm no exception. The
21 rest of the employees are as well. Thank you.

22 MR. GROBE: Thank you.

23 MR. GEDDES: Hi, my name is
24 Bruce Geddes. I'm here on two roles tonight. First as a
25 local a citizen. I've worked at the plant almost 28

1 years. My chief responsibility is Chemistry. We serve as
2 advisors on environmental welfare of the plant. We're
3 located on the marsh, which is pristine and is the most
4 important thing to myself and my group. Our job is to keep
5 it that way; challenge the plant management whenever and
6 however to make sure that we are the best corporate
7 environmental neighbors we can be. We are ready to
8 continue to do that as we have been doing.

9 My background goes back another ten years before the
10 28 here to another nuclear plant in the nuclear Navy. So,
11 nuclear power is all I've ever done. I'm very proud of
12 it. We're certainly ready to restart.

13 In addition, I'm here as an officer and member of
14 the Board of Directors of the Ohio Radioactive Material
15 Users Group. And I was asked by our Board of Directors to
16 convey their support for the restart and future operation
17 of Davis-Besse Nuclear Power Station.

18 We're an organization of about 20 corporate members
19 and many individual members that promote the safe,
20 responsible, beneficial use of radioactive materials and
21 radiation generating equipment. Our membership includes
22 hospitals, universities, and industrial users all across
23 the State of Ohio. Thank you.

24 MR. GROBE: Thank you.

25 MS. KOVACH: My name is Laura

1 Kovach. I work in Plant Engineering at Davis-Besse. I've
2 been there for 29 years. I work with the engineers. I'm
3 an Admin Assistant, so I don't know the technical side,
4 but I do want to tell you that I've seen a lot over the
5 years I've worked there. And the people, they've got to be
6 some of the best in the industry. They're very
7 intelligent. They're very smart.

8 But as far as safety culture, I've seen a big
9 change. People are not afraid to raise safety concerns.
10 If it appears that someone is asked to do something and
11 they feel like they don't have the time, they have a
12 pressure, people are not afraid to push back anymore. They
13 are not afraid to challenge management.

14 I feel safe there. And, I think we've learned our
15 lesson. And I think we deserve the chance to restart that
16 plant. And, I don't know, I'm just real proud of our
17 people. And safety culture has improved tremendously, and
18 that's what I really wanted to bring out. Thank you.

19 MR. GROBE: Thank you.

20 MR. McDOUGALL: Hi, I'm Terry
21 McDougall and I work in the Design Engineering Department
22 as an Admin Assistant.

23 And I just want to say, I grew up in this area and
24 I've seen that plant come up from the ground. And I really
25 feel that there is a strong issue with the team playing

1 going on out there now. We seem to be one whole now.

2 And I feel that the plant is safe. I've been there
3 for 15 years and worked for the county before that. So, I
4 feel that we're ready to restart and I hope we get that
5 chance. Thank you.

6 MR. GROBE: Okay, thank you.

7 MR. BOLES: Hi, my name is
8 Brian Boles. I'm the Plant Engineering Manager at the
9 Davis-Besse Nuclear Power Station. I have 18 1/2 years of
10 commercial experience, six years of Navy nuclear
11 experience. I was previously the Plant Engineering
12 Manager, the Operations Manager and the Outage Management
13 Manager at the Perry Nuclear Power Plant about two and a
14 half hours to the east.

15 I transferred to Davis-Besse four months ago
16 willingly to fill a need, to help assist the Davis-Besse
17 team in restarting this power plant. I've moved my wife
18 and my two children to Perrysburg, Ohio, where I
19 established new residency there.

20 And I wanted to say that I personally am ready to
21 restart this power plant and I think I can speak on behalf
22 of the 60 plus engineers that work in the Plant Engineering
23 Section, some of which you heard from already, that we are
24 all committed to operating this power plant safely and
25 efficiently. Thank you.

1 MR. GROBE: Thank you.

2 MR. DOMINY: My name is John
3 Dominy. I'm the NC Superintendent of Maintenance at
4 Davis-Besse. I've been there for 16 years. I believe the
5 plant is ready to restart. And I'm committed to the safe
6 operation of the plant. Thanks.

7 MR. GROBE: Thanks.

8 MR. LAIRD: Hi, my name is
9 Greg Laird. And I'm a resident of Port Clinton, Ohio. I'm
10 also an employee of Davis-Besse Nuclear Power Station. I'm
11 a Supervisor of the Components and Engineering Group.

12 Our group has worked hard to improve our programs of
13 our areas. We maintain the reliability of the equipment
14 throughout the plant. We are dedicated to ensure that we
15 return the plant to a safe, reliable operation.

16 Thank you.

17 MR. GROBE: Thank you very
18 much.

19 MR. STEAGALL: Hi, my name is
20 Steve Steagall. I'm the Mechanical Maintenance
21 Superintendent at Davis-Besse. I've worked there for 13
22 years. I have worked for Quality Control, Quality
23 Assurance.

24 And Davis-Besse is ready for restart and the
25 personnel are dedicated for the safe operation of this

1 plant. Thank you.

2 MR. GROBE: Thank you.

3 MR. POWERS: My name is Jim

4 Powers. And Jack, I certainly had many dialogues with you,
5 but tonight I want to speak.

6 I'm the Director of Engineering at Davis-Besse.

7 And, as such, I'm a member of the Senior Management that
8 the employees speak of when they talk about management,
9 that they can raise issues, they can feel comfortable
10 raising issues, and that they can push back effectively
11 when they feel there are concerns with the plant.

12 My pledge to you and most importantly to the
13 employees and the citizens of the community is, I will
14 maintain that environment where the employees can push
15 back, and can do so comfortably. Thank you.

16 MR. GROBE: Thanks, Jim.

17 MS. IHNAT: Hi, I'm Sue

18 Ihnat. I've worked in, at Davis-Besse for almost 22
19 years. I've worked in Environmental, Engineering,
20 Operations, Radiation Protection, Plant Manager's Office,
21 Vice President's Office, and Performance Improvement. I'm
22 not technically knowledgeable, but I am people
23 knowledgeable, and I've seen a wide spectrum of people come
24 and go at Davis-Besse.

25 And, my personal opinion is we have top notch people

1 at the top now. I've seen people experience an open door
2 policy, and utilize it. And, I feel very strongly that
3 we're in a right place now to go forward and start again.
4 Thanks.

5 MR. GROBE: Thank you.

6 MR. BROWNING: Hello. My name is
7 Kevin Browning. I have lived in this area all my life. In
8 fact, as I was telling my co-workers tonight, when I was
9 going to high school, we watched Davis-Besse being built
10 with a telescope on top of the school.

11 I have worked at Davis-Besse for 22 years in
12 January. I always desire to work at Davis-Besse and I'm
13 very proud to work at Davis-Besse today, and throughout my
14 tenure. I think currently we have the best management team
15 we've ever assembled. They work well together. And the
16 employees support the management team.

17 I am very comfortable working at Davis-Besse. I
18 feel it's extremely safe. And I wouldn't have my family
19 living in this area if I didn't believe in that. Thank
20 you.

21 MR. GROBE: Thank you.

22 MR. DeMAISON: Good evening.

23 I'm Brad DeMaison. I'm with the Project Management Team
24 out at Davis-Besse. Along with the other Project Managers,
25 I want to say that we are committed to the safe operation

1 of the plant.

2 I also want to thank the other employees that
3 attended this evening and attended the past meetings. And
4 certainly, one of the things I would like to note that has
5 gone much unnoticed at many of these meetings, is the
6 courage that our company has shown in supporting the plant,
7 getting it on line and doing it in a manner that we're
8 restoring the plant back to a condition that's better than
9 when the plant I believe ever came on line.

10 So, I want to thank you for being here tonight, and
11 again, thank the employees who attended this evening.

12 MR. GROBE: Thanks.

13 MR. WARREN: Good evening. My
14 name is Richard Warren. I'm a local business owner and
15 resident in the area. I do not work at Davis-Besse, but
16 I'm a financial advisor and work with a lot of the
17 employees and people.

18 Over the years, I've seen much dedication. I think
19 it's stronger than it's ever been. The talks that I've had
20 with people, they're all very dedicated.

21 Living in the community, buying property in the
22 community, settling in, in the last five years more so. I
23 lived next to an old reactor, for many years, in Erie
24 County over at Plum Brook. It's no comparison. They used
25 to come out and check our water every week in the early

1 60's, right next to my house, with all concerns.

2 I'm very happy with everything going on and I look
3 forward to the plant restarting. Thank you.

4 MR. GROBE: Thank you.

5 I would like to open the floor to anybody else that
6 has any questions or comments.

7 MR. FOX: Hi, my name is Ben

8 Fox. I'm a college student actually and a former resident
9 of Port Clinton. And I would just like to say that on
10 behalf of the dedication of this corporation, I feel that
11 just the dedication is a true testament to how ready this
12 plant is starting -- is ready to go. And I feel that it
13 would be a wise decision on your behalf as the NRC to let
14 Davis-Besse restart.

15 MR. GROBE: Thank you very
16 much.

17 MR. GREVE: Good evening. My
18 name is Eric Greve. I have a few questions related to the
19 fact that FirstEnergy is now under Grand Jury
20 investigation, which just came to light a couple weeks
21 ago. It was made public a couple weeks ago.

22 They're under investigation to find out whether some
23 managers at Davis-Besse broke the law by intentionally
24 submitting reports to the NRC that either withheld or
25 underestimated the worsening condition of the reactor

1 head.

2 Gary Leidich, who I believe is the Vice President at
3 FirstEnergy, has said in the papers that the Grand Jury
4 investigation is separate from the NRC's restart, restart
5 decision. Is that true or will you guys be monitoring the
6 Grand Jury investigation?

7 MR. GROBE: The answer to
8 your question is, yes, the Grand Jury investigation is a
9 separate activity, and is not related to the Davis-Besse
10 restart.

11 MR. GREVE: So, you guys will
12 not be monitoring that investigation at all?

13 MR. GROBE: No, that's not
14 true. The agency has assigned a Senior Manager from
15 Headquarters, from the Office of Nuclear Reactor Regulation
16 to monitor the ongoing investigation and evaluate any
17 information that comes forward that has safety
18 significance, and as appropriate, recommend actions that
19 might be necessary based on information that comes
20 forward.

21 MR. GREVE: So, theoretically,
22 restart could be granted, then information can come to
23 light afterwards and --

24 MR. GROBE: I can't speculate
25 on what kind of information may or may not come forward.

1 What I can tell you is that having investigation results
2 get referred to the Department of Justice is not uncommon.
3 In those kinds of situations, the agency in our enforcement
4 procedures has a process that we go through in evaluating
5 the results of the NRC investigation that is forwarded to
6 the Department of Justice; and we evaluate the
7 investigation results to determine whether or not there is
8 any need for immediate action to ameliorate a significant
9 safety issue.

10 And we have completed that review and concluded that
11 there is no immediate safety concern reflected in the
12 results of the investigation and there is no need for
13 immediate action.

14 MR. GREVE: Okay. I just
15 wanted to be sure I understand that. So, the NRC found
16 that there were, there was reasonable suspicion that there
17 was criminal activity at FirstEnergy, enough reasonable
18 suspicion to turn it over to the Justice Department, but
19 that doesn't equal immediate safety concerns?

20 MR. GROBE: The NRC doesn't do
21 criminal investigations.

22 MR. GREVE: Right.

23 MR. GROBE: What we provide to
24 the Department of Justice is the results of investigations
25 where our internal investigation concludes that violation

1 of our requirements may have occurred based on reasons that
2 are more than just an oversight or an error. And the
3 Department of Justice evaluates that evidence and
4 determines whether or not it needs to evaluate further the
5 information that was gained.

6 The decision that the Department of Justice has made
7 is that there is basis to warrant further investigation.
8 That investigation is led by a U.S. Attorney in Cleveland
9 and is being supported by the Department of Justice in
10 Washington and the NRC's Office of Investigations.

11 I can't provide you any more detail regarding the
12 ongoing investigation. You have to contact the U.S.
13 Attorney in Cleveland for that, but what we do is evaluate
14 the results of the investigation, and make a determination
15 as to whether or not there is a need for immediate action
16 based on an eminent safety problem.

17 There is a number of considerations that go into
18 that type of evaluation. The first one is the position of
19 responsibility of any individual who is implicated in the
20 investigation, and whether or not that individual occupies
21 a position that could influence the safety of a plant.

22 The second consideration is the level of culpability
23 of that individual. And the third consideration is any
24 action that has been taken regarding the individual.

25 And the NRC evaluates those factors and develops a

1 position regarding whether or not there is a need for
2 immediate action. And in this case, we've concluded there
3 is no need for immediate action with respect to those
4 investigation results.

5 MR. GREVE: Thank you. Just
6 as a side note, I don't believe, as of yesterday maybe, the
7 October transcripts or the transcripts for the October
8 meeting are still not up or available on the Internet.

9 MR. GROBE: Okay. I'm sure if
10 you give Jan Strasma your name, he can check into that and
11 get back to you.

12 MR. WITT: Good evening. I
13 am Jere Witt. I am County Administrator, also a member of
14 the Restart Overview Panel, and also, as mentioned earlier,
15 a member of the Company Nuclear Review Board.

16 When I started in this process 20 months ago, one of
17 the first things that myself and another member of the ROP
18 did was to meet with the employees. And over the period of
19 the 20 months, I have seen the programs and improvements
20 made in the programs. I've seen the plant improvements
21 that have been made. And if there was one concern that is
22 always in the back of my mind was the alignment of the
23 employees.

24 And as I watch the number of people that come up
25 here today, and their testament of how they felt at this

1 point about the plant is not where they were in many cases
2 20 months ago. And some of those same people have
3 challenged me to challenge management back then to do the
4 right thing.

5 I think management has done the right thing. I
6 think they're listening to the employees. And I can tell
7 you from some of the people that came up here, they
8 wouldn't be up here today doing that, if, in fact, they
9 didn't feel that way.

10 It's been a process that I've enjoyed. I've learned
11 a lot. And I have a vote this Friday as a member of the
12 Restart Overview Panel as to whether they recommend restart
13 to the company. As I watched the alignment of the
14 employees tonight, and as I've watched it grow over the
15 past 20 years -- or 20 years, yeah, seems that long -- last
16 20 months, they make my vote real easy, because that's the
17 determining factor.

18 It's not ultimately what FENOC does, or what
19 management does, but it is really what the employees do who
20 are out there on the line, and I'm confident in what they
21 do. Thank you.

22 MR. GROBE: Thanks, Jere.

23 MR. JANSSEN: My name is Ken
24 Janssen. I have to say after listening to everyone speak,
25 I'm also confident in the dedication of the employees, but

1 I have to disagree --

2 MR. GROBE: Kevin, could you
3 move the microphone?

4 MR. JANSSEN: I said, after
5 listening to everyone tonight, I am also confident of the
6 dedication and knowledge of the workers at Davis-Besse.
7 Unfortunately, I have to disagree. I think that it is
8 ultimately what FENOC and the Senior Management does.

9 With regard to Gary Leidich, Vice President, the
10 meeting in New York this morning with the financial
11 analysts who talked about the numbers with regard to the
12 safety culture that we've talked about.

13 Sorry, I'm speaking a little quickly.

14 He said, that employees who had willingness to raise
15 concerns without fear of retaliation had risen from 67
16 percent in August to 85 percent in March of '03 to 87
17 percent in November of '03; and similarly employees who
18 responded that the company was effectively preventing and
19 detecting retaliation reportedly rose from 67 percent to 84
20 percent to 88 percent.

21 I think there are three fatal problems with these
22 numbers. First, the employees were surveyed by the same
23 management that has for years maintained the climate of
24 intimidation at the plant. How can anyone expect employees
25 to give straight answers under these circumstances?

1 In fact, last spring after one worker was fired for
2 raising safety problems and then attacked publicly by
3 FirstEnergy, utility expert Ulrich Witt, said the message
4 is out there that the utility is persecuting whistle
5 blowers. I guaranteed there will never be a credible
6 witness who will step forward and speak honestly.

7 Number two, FirstEnergy wants the NRC and the public
8 to accept these numbers as true, even though it's routinely
9 deceived both of us in the past, such that a Federal Grand
10 Jury is now meeting in Cleveland to consider criminal
11 charges.

12 And finally, the new numbers doesn't show a safe
13 plant. For example, FirstEnergy now says, last spring's
14 survey showed 85 percent of employees said they were
15 willing to raise concerns about fear of retaliation. At
16 the time, however, the survey was reported to show that 89
17 Davis-Besse employees or contractors said they had been
18 subjected to some kind of retaliation or harassment for
19 raising nuclear safety, excuse me, or compliance concerns
20 in the previous six months.

21 And 165 said they knew of other workers who were
22 harassed or retaliated against. So, unless FirstEnergy is
23 changing the survey results, then apparently there can't be
24 an 85 percent response to the survey and a rise in
25 harassment and retaliation going into the plant.

1 Excuse me -- I guess my questions are, how heavily
2 does the NRC rely on FirstEnergy's survey; are there any
3 plans for an independent survey; and given their history of
4 gross neglect and mismanagement and their continued lack of
5 understanding with regard to the human element, how can it
6 be justified if FirstEnergy ever has anything or any
7 involvement again with Davis-Besse?

8 Thank you.

9 MR. RULAND: Let me see if I
10 got these questions straight. The first question,
11 basically, you're suggesting that employees that were
12 surveyed by the same management and how could they be
13 relied upon to give credible answers.

14 Well, the same management I think gave, they gave
15 the same answers were, they were surveyed by the same
16 folks; and one would assume if they were being intimidated
17 or swayed by the surveyors, those results wouldn't change,
18 but the results have changed. And --

19 MR. JANSSEN: Excuse me, I would
20 suggest, couldn't that also suggest that the intimidation
21 has risen?

22 MR. RULAND: Let me finish. We
23 don't take these survey results in isolation. This is not
24 something we just assume. The survey results, while we
25 understand them, and we, the NRC, are doing our own

1 independent evaluation. Geoff Wright is here, and his
2 inspection is ongoing on Safety Culture. We conduct
3 independent interviews with the NRC, and our interviews,
4 and that inspection is ongoing. So that's one element that
5 we're using to independently corroborate or possibly
6 challenge what FirstEnergy is claiming.

7 Secondly, while these survey results, I think, are
8 something where we're closely watching; ultimately, it is
9 the Licensee's performance regarding their compliance with
10 rules and regulations and our safety rules and regulations
11 that ultimately we're going to have to determine is
12 acceptable.

13 You know that we have an extensive Restart Checklist
14 and that Restart Checklist is based not just on
15 FirstEnergy's claims that those items were complete, but
16 each and every one of those Restart Checklist items were
17 independently inspected by the NRC and been closed so far,
18 and independently evaluated and, frankly, sometimes
19 cross-examined by Jack, myself, and the 0350 Panel about
20 the basis of why, why those items were ready for closure.

21 So, based on a host of things that we are doing
22 independently, I'm comfortable with the numbers that we've
23 seen. We don't take it as gospel. As we ought not to.
24 And, like most things that the NRC does, we trust, but then
25 verify.

1 So, that's -- and while that's not a specific answer
2 to each individual item, I think it addresses our overall
3 approach; and that's basically been our approach in this.

4 Jack, do you have anything to add?

5 MR. GROBE: Just one
6 observation. The first premise of your question indicated
7 your belief that there was an individual who was terminated
8 for, the basis of his termination was for raising safety
9 concerns.

10 MR. JANSSEN: Yes.

11 MR. GROBE: And that specific
12 case, I believe, has been adjudicated by the Department of
13 Labor; and the Department of Labor found, in fact, that he
14 was not terminated for raising safety concerns. So, I
15 don't want that --

16 MR. JANSSEN: That's still
17 being disputed, sir.

18 MR. GROBE: All I'm doing is
19 providing you the results of the Department of Labor review
20 of the matter. And if it's appealed, then the appeal will
21 also be adjudicated. I just didn't want anybody to be
22 confused by the information provided.

23 Thank you.

24 MR. JANSSEN: Again, just real
25 quick, you said, you were talking about the Licensee

1 needing to have respect for the rules and the regulations.
2 I just want to point out that, again, this is the same,
3 this is the same company that is under a criminal
4 investigation, and I guess I still don't understand the
5 answer to the previous question.

6 MR. RULAND: As I think has
7 been relayed on a number of occasions, virtually the entire
8 management of Davis-Besse and FENOC, the FENOC officials
9 have been replaced. It is the same company, at least in
10 name. And we're not frankly swayed one way or the other
11 whether it's the same or whether it's different.

12 Again, our focus is on performance. Is the
13 equipment operable? Will it perform its safety function?
14 And, as far as their reliability, you might be aware that
15 FENOC did an extensive Completeness and Accuracy
16 Information Review that, where they looked at over, about
17 two thousand plus statements of fact and documents they
18 submitted to the NRC.

19 The results of that review showed that there was
20 very few examples, I think it's less than a handful of
21 examples, that were, that those documents were, a handful
22 of errors that were provided to the NRC.

23 The NRC has done an independent inspection of that,
24 and we just didn't do a data search, we went out and talked
25 to folks, again, independently. And that, our

1 independence, frankly, we take pride in that. That's the
2 way we do business, and that's the way we're going to
3 continue to do business.

4 MR. JANSSEN: Thank you.

5 MR. GROBE: Thank you.

6 MR. DUNN: Some letters

7 (indicating).

8 Hi, my name is Brian Dunn. And, I want to first
9 address the point of the independent Oversight Review Panel
10 of which Jere Witt is a member, and ask the nature of
11 that. I think that's recently come --

12 MR. RULAND: The Restart

13 Oversight Panel.

14 MR. DUNN: Okay, the Restart

15 Oversight Panel.

16 MR. RULAND: It's FENOC's

17 organization. What's your question about it?

18 MR. DUNN: Well, the nature

19 of the panel and if it has anything to do with the Nuclear
20 Regulatory Commission, really what its role in the whole
21 restart process is?

22 MR. RULAND: I wasn't there for

23 the restart, essentially what started that off, Jack.

24 Maybe you can talk about that.

25 MR. GROBE: Absolutely.

1 There is no requirement to have such a panel. It
2 was an initiative on the part of FirstEnergy to establish
3 an independent review panel. It is comprised of a number
4 of individuals with a variety of backgrounds. Of course,
5 Jere Witt is a member of the panel, the Ottawa County
6 Administrator. There is two former senior executives from
7 the Nuclear Regulatory Commission. There is several former
8 executives from nuclear utilities from across the country.
9 There is one current senior executive from a utility on the
10 east coast. There is a senior manager from the Institute
11 of Nuclear Power Operations. I think I've pretty much
12 captured the breadth of the panel.

13 The purpose of the panel is to provide independent
14 advice to FENOC management, based on their experience and
15 lack of direct involvement in what's going on, for them to
16 assess what FENOC is doing, and give feedback.

17 And I have attended the vast majority of those
18 meetings. They meet at least once a month. And, quite
19 frankly, they're extremely challenging and critical of
20 activities as they proceed. And my observation is that
21 FENOC executives listen closely to what they say and have
22 made multiple adjustments to how they're approaching the
23 various activities. And I think the Restart Oversight
24 Panel has added value to the oversight of the return to
25 service activities that FENOC has undertaken.

1 Again, it has nothing to do with anything that we
2 require. It's an initiative, independent initiative of
3 FENOC to establish that panel, and seek that advice; and
4 they've been responsive to it.

5 MR. DUNN: It's just, clearly
6 some of the comments from Mr. Witt don't seem independent.
7 They seem more, you know, sort of cheerleading the restart
8 at Davis-Besse; and that's a concern. I guess my one
9 wonder was whether or not the NRC was involved in that
10 Oversight Panel.

11 MR. GROBE: That's an
12 incorrect perception. I've watched Jere Witt, as well as
13 the other members of that panel. I think what Jere showed
14 earlier is he has been out among the people, evaluating
15 their attitudes and behavior and performance. And, what I
16 think he shared earlier was that he had seen a change. He
17 was, reported back to the Oversight Panel on his earlier
18 assessments, and they were critical. And what I heard him
19 share earlier was that he has seen a change over his period
20 of time on that panel.

21 MR. DUNN: Well, I think, you
22 know, sitting and listening to a lot of the comments, I
23 would like to say too, I can certainly tell the dedication
24 of the workers, and I don't think anyone would dispute the
25 hard work they've put into revamping the plant. And, I

1 just, you know, in listening to it, I hope the plant's
2 condition is better, and better than ever, because this is
3 twice now that they've had major accidents on Lake Erie.

4 And, that's continually been the concern of citizens
5 all over Ohio. You know, many times I think, you know, not
6 directly by the Nuclear Regulatory Commission, but the fact
7 that folks that are not necessarily from Ottawa County have
8 written letters to the Nuclear Regulatory Commission, has
9 been almost mocked.

10 And I think that's, that's an incorrect assessment
11 of what's going on, because these are folks from, I mean
12 counties, Mahoning County, Wayne County, Ashtabula,
13 Trumbull, Geauga, Lake, Stark, Summit, Portage, Lorain,
14 Medina, Cuyahoga, Wood, Lucas, Erie, and even Ottawa
15 County. And, you know, today I brought 365 more letters
16 from concerned citizens.

17 And really the message is that they do not trust
18 FirstEnergy to run this plant safely. That's the bottom
19 line, is that people have had enough of mismanagement and a
20 culture that seems to deny accountability for many of the
21 problems that we've all seen at Davis-Besse.

22 In addition to that, we've collected a hundred
23 thousand signatures from residents of these same counties.
24 And these are folks that also many of them are FirstEnergy
25 customers, so they do through their rates every month pay

1 for even the construction of these nuclear plants, and they
2 are certainly concerned that in the event of an accident at
3 Davis-Besse, all of Northern Ohio would be affected.

4 I know there are safety margins in place, but the
5 fact is we've had two major problems, and I can't help but
6 feel that we're being stampeded into a restart. Maybe
7 that's not true.

8 MR. GROBE: I can assure you
9 it's not true. And, I want to make sure that a couple
10 points are very clear.

11 First off, I don't think there is any question that
12 this panel has demonstrated the value that it places on
13 receiving public input. We have now conducted well over 70
14 public meetings. We've received many thousand letters and
15 emails and we responded to all of them. We appreciate that
16 input. We consider the content of every one of those
17 letters. Just like we consider the statements made by the
18 FirstEnergy employees tonight.

19 But that is not the basis, neither the letters you
20 provide us nor the statements by FirstEnergy employees
21 comprise any sort of basis on which we make a decision.
22 The decision is made based on our independent assessment,
23 our technical capabilities, the results of many hundreds of
24 weeks of inspection that has gone on over the last 20
25 months, by well over 50 different NRC staff from around the

1 country, and the considerable amount of talent that's on
2 this restart -- excuse me, this Oversight Panel in
3 evaluating those.

4 And Bill used the word cross-examined a few minutes
5 ago. I'm sure many of the inspectors after they finish
6 completing their presentation to the panel feel like
7 they've been cross-examined.

8 So, we value the input we receive from you and your
9 organization, and the folks, not only in Ohio, but we've
10 received letters from multiple different states regarding
11 the situation at Davis-Besse, as well as the input that we
12 receive from the local citizens here and the employees.

13 So, we're eager to get your letters.

14 MR. DUNN: Sure, of course.

15 MR. GROBE: And --

16 MR. DUNN: I did have one
17 more just question. In what, what kind of situation would
18 require the NRC revoking the license of an operator? I
19 mean, with what we've seen from FirstEnergy, I guess we
20 don't know yet whether or not the NRC will revoke that
21 license from FirstEnergy, but what would be the grounds for
22 doing something like that?

23 MR. RULAND: You might be
24 aware, well, if I could, let me circle back to a couple
25 other statements you made before I address that

1 specifically.

2 You talked about stampeded, and I'd just like to
3 reiterate something Jack said.

4 MR. DUNN: Just a word
5 choice.

6 MR. RULAND: I'll accept that,
7 if you accept some of my poor choices of words on
8 occasion.

9 MR. DUNN: You already call
10 them poor?

11 MR. RULAND: You talked about
12 trust, and trust is a very difficult thing. It's extremely
13 easy to lose, and extremely hard to get back.

14 I'll personalize this for a minute. If -- I'll
15 project that you personally don't trust FirstEnergy. I'll
16 pose it that way for awhile. And possibly you don't trust
17 us, the NRC. We take that personal. And for us to restore
18 trust, we don't expect it to happen instantaneously. It's
19 something that is going to take time.

20 I'm not going to speak for FirstEnergy, but, you
21 know, the NRC lost some trust when this happened,
22 regardless of what you think of FirstEnergy. And, frankly,
23 the penance that we've been doing for the last 20 plus
24 months, I think it's putting us on the road to hopefully
25 restore some of that trust, but we're not there yet, and

1 it's going to take time. And it's time that's going to
2 ultimately prove trust, to completely regain that, if we
3 can.

4 I acknowledge that, and it's nothing I can press a
5 button to make happen, but we're working the problem. And
6 like good engineers that we are, you know, we're not going
7 to give up.

8 You talked about revoking a license, what would it
9 take. The NRC has a regulation, it's called 2., Code of
10 Federal Regulations 2.206, it's where citizens can petition
11 the agency to take enforcement action and provide a basis
12 for us, and we have a whole process around that. We get
13 the petition in. We examine it. We evaluate whether the
14 enforcement action is warranted, and we subject that to not
15 only our technical staff's review, but legal reviews about
16 whether that, whether that action that's being requested is
17 appropriate.

18 And, as you probably are aware, Congressman
19 Kucinich, or Representative Kucinich, submitted one of
20 those petitions and basically asked the same thing, revoke
21 the Davis-Besse license. And in that final director's
22 decision, we assigned out by essentially the Acting Office
23 Director that it didn't warrant; what Davis-Besse did, did
24 not warrant a revocation of a license, but in fact what was
25 open to the NRC was a whole host of things we could do.

1 MR. DUNN: Has the NRC ever
2 revoked a license?

3 MR. RULAND: They have revoked
4 material licenses, and I've been involved with at least one
5 of those cases.

6 MR. DUNN: Can you clarify
7 how the material license is different than the --

8 MR. RULAND: Usually, people
9 that use nuclear materials, you know, doctors that have,
10 cardiologists that use cardiolyte to treat when they do
11 stress tests; those folks typically in certain states in
12 the country have materials licenses. They have material
13 licenses to use that material, and on occasion, you know,
14 we could revoke a license under that circumstance. We've
15 considered that.

16 But a power reactor, I don't know the answer to
17 that. I don't think so. Jack, do you know?

18 MR. GROBE: No, I'm not aware
19 of any power reactor licenses that have been revoked, in
20 layman's terms, and that's what I am, I'm not a lawyer.
21 The concept of license revocation is when the NRC concludes
22 that the Licensee has demonstrated that it is not willing
23 to comply.

24 And, again, I'm not a lawyer, and this is a legal
25 concept, the question you've asked, but I think in layman's

1 terms that's pretty close to an answer to your question.

2 MR. DUNN: So, the plant or a
3 power reactor or the operator, I'm sorry, would actually
4 have to, you know, say that they do not want to comply?

5 MR. GROBE: They have to
6 demonstrate they're not willing to comply and we have had
7 situations like that; and mostly has been, as Bill
8 indicated, on the other side of our position, not nuclear
9 power, but users of nuclear materials. There is probably
10 close to 20,000 Licensee's using materials in their
11 business; industrial users, medical users, research
12 companies, things of that nature.

13 MR. RULAND: And each case
14 would have to be evaluated on its own merits. And if you
15 would like, we can get you a copy, I think that 2.06 is on
16 the Web site. I think we let out -- we have a rather much
17 more coherent argument than I could speak here about the
18 basis of why revocation is not necessary in this case.

19 MR. GROBE: Part two of 10-CFR
20 is our Administrative Regulations and there is guidance in
21 there on license revocation.

22 MR. DUNN: Thank you for your
23 time. I'll drop these --

24 MR. GROBE: If you could drop
25 them with that fine looking gentleman in the last row back

1 there.

2 MR. DUNN: Actually, I'll
3 also drop a sample of our support statement, although we're
4 going to protect our members identities. Thank you.

5 MR. GROBE: Thank you.

6 MR. KOEBEL: My name is Ottawa
7 County Commissioner Carl Koebel. I'm not here as a
8 commissioner. I'm not here to give you a thousand
9 petitions or hundred thousand petitions or tell you I
10 represent 40,000 people from Ottawa County. I'm here to
11 tell you I represent three of the most beautiful little
12 girls that live on Schoolhouse Road here in Ottawa County,
13 truly downwind and in the shadow of Davis-Besse.

14 And if I didn't believe that these employees had the
15 best interest of the health and welfare of those three
16 little girls, I wouldn't be standing here saying, continue
17 to work with them for the restart of this plant.

18 I believe that is their concern. I believe it is
19 your concern. And, Jack, I am going to give you their
20 picture. And, I want you to look at that at restart and
21 remember that what you do is for them, and I appreciate
22 it. Thank you very much.

23 MR. GROBE: Thank you. I'll
24 have to say they're cute as a button.

25 MR. GATTER: Hi, my name is

1 Shane Gatter, and I've been working with Davis-Besse for
2 just over a year now. I work in the Corrective Action
3 Program. I've been tracking corrective actions, mainly
4 restarts, and nonrestarts as well.

5 What I mean by that is, we have been coding
6 corrective actions and CRs that require restart, and I'm
7 happy to announce that a lot of those are due this week;
8 and I believe most, if not all, of those will be done this
9 week. The people here have been working very hard to get
10 these done. I have a meeting every day to watch these,
11 and they're on track.

12 And I also want to praise the independent oversight
13 panels that we do have. I'm not sure how many different
14 ones we have, but we do have a few. And like Jere Witt, I
15 don't know him personally; I have met him a couple times;
16 and he does provide independence, because he's there
17 watching us, but he's not part of us, which is great. He's
18 not outside the fence; he's inside the fence. And, I don't
19 know if you want to say that it's not independent or
20 independent, but I feel that's a great independence, but he
21 does interact with us. Thank you.

22 MR. GROBE: Thank you.

23 Double dipper.

24 MR. GREVE: Yeah. Eric Greve,
25 again. A little while ago you guys mentioned that what you

1 guys are really concerned about is the performance at the
2 plant. That's what you guys are making your decision based
3 upon. I guess I had a question.

4 Is any consideration given to FirstEnergy outside of
5 Davis-Besse? Here's where I'm going with this. A couple
6 weeks ago the U.S./Canadian Task Force released its
7 findings that FirstEnergy was largely to blame for the
8 August 14th Blackout. They cited computer malfunctions,
9 poor communications, inadequate training, human error, and
10 a little lack of routine tree trimming. You cut off the
11 tree trimming there, it sounds incredibly similar to what
12 happened here at Davis-Besse.

13 So, I guess my point is, safety culture problems
14 seem to be a company-wide phenomenon at FirstEnergy. So,
15 even if improvements have been or were to be made at
16 Davis-Besse and the Safety Culture Department, you know,
17 wouldn't there be a very real risk that it would be a
18 temporary phenomenon, the larger company problem would once
19 again seep into here into Davis-Besse?

20 MR. GROBE: That's an
21 excellent question. I think I'm going to take it in two
22 parts. We are concerned with things that are outside
23 Davis-Besse, within the FirstEnergy system. Primarily,
24 it's the corporate organization and support structure
25 that's necessary to support Davis-Besse.

1 There is a Corporate Office of Support. I don't
2 know the exact title. There is a fellow named Joe Hagan,
3 that is the Vice President over that organization. And
4 they provide a variety of support services, primarily in
5 technical disciplines, for all three of the FirstEnergy
6 sites. And we are concerned about that.

7 There is a Corporate Office of Independent
8 Assessment and we're concerned about that. I have nearly
9 no knowledge of the details of the blackout. I've been
10 rather busy with other things, but that's only a concern
11 from my perspective or from the perspective of Davis-Besse
12 that electrical power is important to the operation of the
13 nuclear power plant. And, that's a concern to make sure
14 that the electrical systems within the plant are capable of
15 dealing with a loss of offsite power. And, in fact, those
16 electrical systems performed well during the blackout.

17 So, that was an interesting insight that would not
18 have been gained otherwise. Not that I was looking forward
19 to a blackout, but that was useful information.

20 There was a second part to your question I wanted to
21 get to; I've lost it.

22 Oh, the other thing is that not us particularly,
23 with respect to the Davis-Besse Oversight Panel, but the
24 NRC is equally concerned with the performance of the Perry
25 Plant, Beaver Valley Plant. Beaver Valley is in Region I

1 Office in Philadelphia and Perry is, of course, in Region
2 Ill Office. And, we're paying particular attention and
3 have to say augmented attention to those two sites, because
4 of the number of resources that have been applied to the
5 Davis-Besse facility to ensure that performance at those
6 sites is not inappropriately affected.

7 So, I think that gets the context of our perspective
8 on FirstEnergy and a little bit about the blackout.

9 MR. RULAND: Let me just add,
10 one of our colleagues back in NRR in Headquarters was on
11 the task force that investigated the blackout. There were
12 three phases of it. The third phase was the nuclear power
13 part of, like a subcommittee is part of this. And, I think
14 he was going around, I think virtually as we speak. He was
15 in Cleveland today. Tomorrow? Okay.

16 MR. GREVE: Yeah, it's
17 tomorrow.

18 MR. RULAND: Thank you. And
19 so, while it does not directly affect Davis-Besse, we're
20 continuing to stay abreast of what's going on. Because, as
21 Jack has alluded to, reliable offsite power is part of our
22 general design criteria, and we stay informed of that and
23 as our electrical folks do.

24 And just to make sure we know what's going on, and
25 if there was some regulatory action that we needed to a

1 take at some stage, we would be prepared to take it. But
2 right now, we're in the monitoring mode of, we're
3 monitoring that situation at this stage.

4 MR. GREVE: Thanks.

5 MR. GROBE: I apologize, I
6 remember the second point I wanted to make. You made a
7 very valid point and raised an important issue and that has
8 to do with the longevity of improvements at Davis-Besse.
9 One of the decisions the panel has to make is whether or
10 not the plant is ready to return to operations safely, but
11 also the panel is concerned that improvement initiatives
12 are lasting; that there is no atrophication of the
13 activities and processes and attitudes that have been put
14 in place at Davis-Besse.

15 And to that end, part of the restart report that
16 FirstEnergy submitted at the end of November, one of
17 appendices is a Continuing Improvement Plan, that's
18 referred to I think as the Cycle 14 Operations Improvement
19 Initiative. It addresses ten different areas of plant
20 operation and the continuing activities that are to be
21 undertaken.

22 That was one of the focuses of the discussion this
23 afternoon, and there is materials on the slides, but also
24 more importantly, the complete report is available on the
25 Website. And it's rather a substantive document.

1 I have a copy of it right here, if I could put my
2 hands on it. This is their Return to Service Plan and
3 Appendix D, I believe, of this, towards the end, is the
4 Operational Improvement Plan for operating Cycle 14. And
5 it addresses a variety of continuing improvement issues;
6 organizational effectiveness, operation, training, work
7 management, engineering, continuous safety culture,
8 improvement procedure, corrective action and internal and
9 external oversight to ensure that these activities not only
10 achieve a level of safety and restart, but go beyond that.

11 So, that's a very valid point that you raise and one
12 we're focused on. Thank you for raising it.

13 MR. ATTWATER: Hi, I'm Allen
14 Attwater. I'm 24 years old. I gave a speech in October.

15 I just wanted to say that as a citizen in Ottawa
16 County, I want nuclear power in Ottawa County. I think the
17 citizens of Ottawa County want nuclear power. I don't see
18 very many neighbors and friends here, because I believe
19 they feel safe.

20 And I feel that the three people that were up here
21 that had some negative points about FirstEnergy or
22 Davis-Besse or the NRC, that they need to live within ten
23 miles of the plant and realize what I go through every
24 day. There is no concern. Davis-Besse is built to
25 withstand any, how can I say it, I don't know the technical

1 terms, but this isn't the Ukraine. Chernobyl is not going
2 to happen here at home.

3 We have a very safe facility out there. I'd like to
4 see Davis-Besse out there. I don't want a coal burner
5 here. I don't want anything except nuclear power, because
6 it's zero percent emissions. It's great power. It's
7 cheap. And we need Davis-Besse to run. And I believe
8 that, I believe it to be a great thing to see it back up
9 and running. And it's my weather station for the wind.

10 MR. GROBE: Thank you very
11 much.

12 MR. ATTWATER: Thank you.

13 MR. JANSSEN: Ken Janssen.

14 Just real quick, you talked about the lack of trust, on
15 rebuilding that lack of trust over the, the past 20 months,
16 and you also brought up an NRC regulation. I believe there
17 is also another NRC regulation that says, when a hole is
18 suspected, the plant must be shut down immediately. And I
19 also believe that the first photos of documentation of the
20 hole were turned over in 2000. Although, hold on, the
21 plant continued to run for two years after that.

22 Just recently, I believe, I might get this wrong,
23 the INRS, the Nuclear Research Service, they did a mockup
24 of the nuclear reactor head recreating the hole and the
25 cracks. They increased the pressure to find out how soon

1 it would have been before Davis-Besse blew. And I'm sure
2 you know about this. It blew at 1800 PSI and normal
3 operating pressure for Davis-Besse is 2200 PSI. So, it
4 blew before.

5 The response was that Toledo must have a guardian
6 angel and that Ohio should thank its lucky stars. And,
7 now, while guardian angels and lucky stars are great, I
8 think we should have a little accountability on earth here
9 first. And I think, I will never trust FirstEnergy again
10 after what they've done over the past two years, and there
11 is only one way that I will trust the NRC again.

12 And I just wanted to know if you did hear about that
13 report and how do you respond to those two things?

14 MR. GROBE: It was our
15 research.

16 MR. JANSSEN: Oh, it was.

17 MR. GROBE: You have a couple
18 things a bit mixed up here. We did a Significance
19 Assessment of the head degradation of Davis-Besse and
20 concluded that it was our highest level of significance,
21 that we call it a red finding, which is the highest of four
22 levels. That was based on some data that came from
23 testing, metallurgic testing that was done on plate
24 stainless steel, the liner material is stainless steel.

25 The reason there was no data available on cladding

1 is it was never intended to be a pressure retaining
2 component. In fact, it became one at Davis-Besse, it did
3 retain pressure.

4 We have been continuing to evaluate what can be
5 learned from Davis-Besse; and to that end, one of the
6 activities that was undertaken through our Office of
7 Research was to conduct research on cladding material. And
8 we happen to own an old reactor vessel, that we cut a
9 number of samples out of and ground away the base metal,
10 the low carbon steel, and inserted cracks of various sizes
11 and depths into the cladding material and burst tested.

12 And the purpose of this research, the cracks and the
13 thickness of the cladding was varied and was to gain some
14 insights into how you might model from an engineering
15 perspective behavior of cladding. And some of the results,
16 early results of that research somehow became known and
17 were reported in the news media. That research is not
18 complete. It's ongoing. In fact, there was one of the
19 burst tests that was low pressure. I don't remember the
20 exact number.

21 MR. JANSSEN: 1800.

22 MR. GROBE: And there is
23 continuing evaluation. These tests were being done
24 essentially to calibrate an engineering model to try to
25 predict cladding behavior. There is no direct relationship

1 necessarily to what happened at Davis-Besse.

2 And, whether Nuclear Information Resource Services
3 thinks you have guardian angels really has no relationship
4 to that research.

5 MR. JANSSEN: Absolutely. I
6 wanted to make sure that there was research for everybody
7 here that missed the point. This isn't a nuclear power
8 issue. I'm not for or against nuclear power, and I don't
9 think these were in a position or a stance against nuclear
10 power.

11 This is a stance against FirstEnergy and its
12 management of a nuclear reactor. And you talked about
13 getting a second chance, and things of that nature. Can
14 you really get a second chance when you're operating a
15 nuclear reactor? But thank you.

16 MR. RULAND: You mentioned
17 accountability. Let's see, the entire management was
18 changed virtually, the Licensee has not been able to
19 operate for what, now, it's 22 months about now, you know,
20 a facility that's probably in excess of a billion dollars.
21 Basically, it's been a money sink instead of a money
22 source.

23 Basically, they're waiting on us. Sounds like to me
24 that's accountability. Now, it might not be the
25 accountability that maybe you want, but I think it's

1 accountability. And we continue to hold them accountable,
2 in fact, after restart. And our license frankly holds them
3 accountable for their entire duration of their operation.
4 And I, I'm arguing here that this is just an additional set
5 of accountability that we're holding them to. And, you
6 know, we're not letting them off the hook now and we're not
7 letting them off the hook later.

8 So, I don't agree with your statement that we're not
9 holding these folks accountable. If I was them, I would be
10 feeling accountable.

11 MR. GROBE: The other thing
12 is that we regulate based on performance. And Bill's using
13 the word accountability, and we hold people accountable to
14 their performance. And the decision on restart of this
15 plant will only be made based on performance, not based on
16 perceptions or attitudes, but based on performance. And
17 that's performance as validated by our independent
18 assessment. So, the decision will be made once we conclude
19 that they can perform safely.

20 Anybody else have any questions or comments?

21 MR. RULAND: One more comment.
22 Allen Attwater, if you're still here, you talked a little
23 bit about, you know, I think the number you used was three
24 folks that were anti-nuclear. I heard something, something
25 to the effect that they shouldn't be able to comment or

1 they shouldn't comment.

2 I think it takes a lot of courage to come up here
3 and talk to us. We're quote the experts on this matter.
4 So, these are folks that feel strongly about their
5 positions. They take the time to come out here and talk to
6 us, and I think that shows some courage; particularly with
7 an audience that is mostly FirstEnergy folks here.

8 So, you know, in a long tradition of dissent in this
9 country, I think we try to afford them every bit of respect
10 for their opinion, as the people of FirstEnergy folks. So,
11 you know, I've heard folks say that they've done us a
12 disservice and I don't believe they have. They've come up
13 here and ask us questions to make us squirm.

14 So, let's, you know, we ought to keep the debate
15 going and keep the questions coming.

16 One final comment about the letters that we get, the
17 thousands, we call them the thousands of letters. You
18 know, we have, we ship some to Headquarters, process them,
19 and I've read them; and they're in crayons and there is all
20 sorts of letters. It's kind of a personal way, kind of a
21 touchstone for me to, these are real folks, real American
22 citizens that have concerns about the plant. Maybe they
23 don't, aren't completely informed, but, you know, they're
24 real folks; they've got concerns. And it brings to my job
25 a certain reality.

1 So, while not holding a referendum on whether the
2 plant should restart, but it helps inform us and keep us, I
3 think, grounded a little bit, so anyway.

4 MR. GROBE: And, frankly,
5 it's what our country is all about. Right. And we
6 appreciate it.

7 MR. ATTWATER: I just wanted to
8 apologize. I didn't mean to make it sound like it was a
9 bad thing that them three gentlemen give their opinion. I
10 just did not want, and I think I can speak for a lot of
11 citizens in Ottawa County, we do not want people out there
12 with petitions in hand coming on our front doorstep trying
13 to shut down Davis-Besse or Brush Wellman, and especially
14 Davis-Besse on the grounds of, with nuclear power.

15 Amy Ryder made a comment that she thinks they should
16 convert Davis-Besse to a coal burner or other source of
17 energy. I think the only source is nuclear power. And
18 that's what I was trying to comment on. I was not prepared
19 to comment today, so I do apologize to them three
20 gentlemen.

21 MR. GROBE: Okay, thank you
22 very much.

23 If there is no additional, if there is no additional
24 comments, let me remind you that our next routine public
25 meeting is January 13th, right here in Oak Harbor High

1 School at 2:00 and 7:00.

2 And, it's possible that we'll be having a meeting in
3 the Ottawa County area later this month to consider the
4 restart at Davis-Besse. At that meeting, the purpose of
5 the meeting would be for FirstEnergy to present their views
6 on why the plant is ready. It would not be a meeting where
7 we would make a decision. The NRC would be in the mode of
8 listening to the perspectives and challenging the
9 perspectives of Davis-Besse. Any decision would be made
10 after that meeting.

11 Thank you all for coming this evening, and we look
12 forward to seeing you again.

13 (Off the record.)

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1 CERTIFICATE

2 I, Marie B. Fresch, Registered Merit Reporter and
3 Notary Public in and for the State of Ohio, duly
4 commissioned and qualified therein, do hereby certify that
5 the foregoing is a true and correct transcript of the
6 proceedings as taken by me and that I was present during
7 all of said proceedings.

8 IN WITNESS WHEREOF, I have hereunto set my hand and
9 affixed my seal of office at Norwalk, Ohio, on this
10 13th day of December, 2003.

11

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Marie B. Fresch, RMR

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NOTARY PUBLIC, STATE OF OHIO
My Commission Expires 10-10-08.

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