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3                    PUBLIC MEETING  
4                    BETWEEN U.S. NUCLEAR REGULATORY COMMISSION O350 PANEL  
4                    AND FIRST ENERGY NUCLEAR OPERATING COMPANY

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6                    Meeting held on Thursday, February 12, 2004, at  
6:00 p.m. at Camp Perry, Oak Harbor, Ohio, taken by me,  
7                    Marie B. Fresch, Registered Merit Reporter, and Notary  
Public in and for the State of Ohio.

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9                    PANEL MEMBERS PRESENT:

10                  U. S. NUCLEAR REGULATORY COMMISSION

11                  John "Jack" Grobe,  
12                  Senior Manager, Region III Office  
12                  & Chairman, MC 0350 Panel  
13                  William Ruland, Senior Manager NRR  
13                  & Vice Chairman, MC 0350 Panel  
14                  Christine Lipa, Projects Branch Chief  
14                  Christopher Scott Thomas,  
15                  Senior Resident Inspector  
15                  U.S. NRC Office - Davis-Besse  
16                  Jon Hopkins,  
16                  NRR Project Manager - Davis-Besse  
17                  Jack Rutkowski, NRC Resident Inspector  
17                  Anthony Mendiola,  
18                  Section Chief PDIII-2, NRR

19                  FIRST ENERGY NUCLEAR OPERATING COMPANY

20                  Lew Myers, FENOC Chief Operating Officer  
20                  Mark Bezilla, Site Vice President  
21                  Barry Allen, Plant Manager  
21                  Fred von Ahn, Vice President - Oversight  
22                  Gary Leidich,  
22                  FENOC President & Chief Nuclear Officer

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1                   MR. GROBE:         Good evening,  
2   and welcome. My name is Jack Grobe and I'm the Chairman of  
3   the NRC's Davis-Besse Oversight Panel.

4                   This meeting tonight is a business meeting between  
5   FirstEnergy Nuclear Operating Company and the NRC. We're  
6   making this meeting publicly available for observation,  
7   both here at Camp Perry and also available to interested  
8   persons who have called into our teleconference bridge  
9   lines. If everyone can use the microphones, it will ensure  
10   effective communication over the bridge.

11                  After the discovery of the reactor pressure vessel  
12   head degradation of Davis-Besse in March of 2002, the NRC  
13   issued a Confirmatory Action Letter to FirstEnergy Nuclear  
14   Operating Company documenting commitments made by FENOC.  
15   One of those commitments was to meet with the NRC prior to  
16   restart to discuss the cause of the head degradation, the  
17   actions taken to understand the extent of the problems at  
18   Davis-Besse, and the corrective actions taken to address  
19   the problems and to prevent recurrence.

20                  On November 23rd of 2003, FirstEnergy Nuclear  
21   Operating Company provided the NRC their Integrated Report  
22   to Support Restart and Request for Restart Approval. That  
23   report was subsequently updated and supplemented on  
24   February 6th, 2004.

25                  Those documents include the information requested in

1 our Confirmatory Action Letter, and also include  
2 commitments for continuing improvement in FENOC's  
3 Operational Improvement Plan for ~~e~~Operating Cycle 14 should  
4 the NRC authorize restart of the Davis-Besse facility.

5       The purpose of this evening's meeting is for FENOC  
6 to discuss the information ~~on~~ in those reports and provide the  
7 Oversight Panel an opportunity to ask clarifying  
8 questions. The NRC will not be authorizing restart of the  
9 Davis-Besse facility this evening.

10       FirstEnergy has prepared slides for this evening's  
11 meeting, which are available in the foyer as you came in  
12 and on the NRC's website. Also available is a meeting  
13 feedback form, which provides an opportunity for you to  
14 provide information to us on how we can improve our  
15 meetings.

16       In addition, the NRC's monthly newsletter is  
17 available in the foyer and it provides an update on NRC  
18 activities that have been occurring in the last several  
19 weeks.

20       I would now like to take a moment to introduce the  
21 other members of the NRC staff that are here this evening.  
22 There are several additional members of the NRC's  
23 Davis-Besse Oversight Panel here. On my immediate left is  
24 Christine Lipa. Christine is a Branch Chief in the NRC  
25 Region III Office in Chicago, Illinois responsible for

1 inspection programs at Davis-Besse.

2 On her left is Tony Mendiola. Tony is a Supervisor  
3 in our Headquarters Office responsible for licensing  
4 activities at Davis-Besse.

5 Next to Tony is Jon Hopkins. Jon is the Licensing  
6 Project Manager in our NRC Headquarters responsible for  
7 Davis-Besse activities.

8 And next to Jon is Bill Ruland. Bill is a Senior  
9 Manager in our Office of Nuclear Reactor Regulations in  
10 Headquarters and he's the Vice Chairman of the Oversight  
11 Panel.

12 On my right is Scott Thomas. And Scott is the  
13 Senior Resident Inspector working at the Davis-Besse  
14 facility for the NRC every day.

15 In addition in the audience, I believe we have Jack  
16 Rutkowski and Monica Salter-Williams. They're the two  
17 Resident Inspectors at the Davis-Besse facility.

18 We have Viktoria Mitlyng and Jan Strasma, Public  
19 Affairs Officers for the Nuclear Regulatory Commission.

20 Roland Lickus. Roland is the State Government  
21 Affairs Officer.

22 I believe also we have Geoff Wright. Geoff was the  
23 Team Leader for the Management and Human Performance  
24 Inspection Team that had an Exit Meeting with FirstEnergy  
25 this afternoon. And along with Geoff are two individuals

1 from our headquarters offices that were members of those --  
2 of that team, excuse me. And that's Jay Persensky and June  
3 Cai.

4 Also in the audience is Rick Skokowski. Rick was  
5 the Team Leader for our Restart Readiness Assessment Team.  
6 Rick is the Senior Resident Inspector from the Byron  
7 Nuclear Station in Illinois. He also presented his  
8 inspection findings this afternoon.

9 One of the most important people that's here this  
10 evening is Nancy Keller. Nancy is the Resident Office  
11 Assistant at the Davis-Besse Resident Inspectors Office.  
12 She's the young lady who was greeting you at the door and  
13 making sure each of you got copies of the handouts.

14 And, of course, we have Marie Fresch here this  
15 evening transcribing our meeting.

16 We have three NRC executives from the Nuclear  
17 Regulatory Commission here this evening. Sam Collins is  
18 the Deputy Executive Director for Operations of the  
19 agency. He has responsibility for reactor programs.

20 Jim Dyer is the Director of the Office of Nuclear  
21 Reactor Regulation in Headquarters.

22 And Jim Caldwell is the Regional Administrator, NRC  
23 Region III in Chicago. Jim Caldwell is responsible for  
24 making the decision on whether the NRC should authorize  
25 restart of the Davis-Besse facility.

1        In making that decision, he will receive input from  
2    the Oversight Panel, and he is meeting personally with the  
3    leaders of various inspections that have been conducted  
4    since the shutdown of Davis-Besse in February of 2002. Jim  
5    will also consult with Sam Collins and Jim Dyer to gain  
6    their insights.

7        Jim, Sam, and Jim have spent yesterday and today  
8    meeting with the Resident Inspection staff and various  
9    panel members and touring the Davis-Besse facility.

10       I would like to take a moment now to invite any  
11    public officials or representatives of public officials;  
12    give them an opportunity to introduce themselves that are  
13    here this evening.

14            MR. PAPCUN:         John Papcun,  
15    Ottawa County Commissioner.

16            MR. ARNDT:         Steve Arndt,  
17    Ottawa County Commissioner.

18            MR. KOEBEL:         Carl Koebel,  
19    Ottawa County Commissioner.

20            MR. WITT:         Jere Witt, Ottawa  
21    County Administrator.

22            MR. GROBE:         Okay, very good.  
23    Thank you very much and welcome.

24        Gary, I understand that you have some opening  
25    comments and you would like to introduce your staff.

1                   MR. LEIDICH:       Yes, thank you  
2   very much, Jack, and good evening.  
3                   I really appreciate the opportunity to address the  
4   panel this evening. I would like to start with perhaps the  
5   most important introduction. We have several of our  
6   employees, and, in fact, many of your employees here this  
7   evening. I would just like to acknowledge their presence  
8   and, more importantly, acknowledge the fine and hard and  
9   dedicated work that they've accomplished over the past  
10   couple years associated with this restart. Quite frankly,  
11   this Senior Team would not be sitting here, but for your  
12   excellent effort in getting Davis-Besse ready for return to  
13   service. So, we appreciate that very much.

14                  And we do appreciate the opportunity to address the  
15   panel. It's been a challenging couple of years for us at  
16   Davis-Besse, and for the company, but we are looking  
17   forward to the opportunity to run the facility again.

18                  Our purpose here tonight is to summarize the last  
19   two year's worth of activity. We're going to try to cover  
20   two years in about 30 to 40 minutes, but most importantly,  
21   to put that behind us in many respects; to make sure that  
22   we learn from it; to make sure that we acknowledge the  
23   change that we've accomplished at Davis-Besse over the past  
24   year or so; and to represent that as a strong foundation  
25   for going forward in the future.

1        We're also here to make clear our commitment for a  
2    strong safety focus, going forward 24 hours a day, 7 days a  
3    week at the Davis-Besse nuclear facility. Part of that  
4    focus is the strength of the Senior Management team that's  
5    here at this table tonight. I would like to introduce  
6    them.

7        First of all, on my far right is our Plant Manager,  
8    Barry Allen. As discussed at previous meetings, we  
9    recruited Barry from the Entergy System, who had many years  
10   of operating and engineering experience.

11       To his immediate left is Mark Bezilla, our Site Vice  
12   President. Mark was originally licensed at Davis-Besse  
13   years ago, went off to PSE&G Salem ~~Oak~~ Hope Creek and has also  
14   been back at our Beaver Valley Station, and came over to  
15   Davis-Besse several months ago.

16       To my immediate right is Lew Myers. Lew has over 30  
17   years of operating experience in a variety of utility  
18   settings; and as all of you know, Lew has been intimately  
19   involved here at Davis-Besse at the restart. He's our  
20   Chief Operating Officer for FirstEnergy Nuclear Operating  
21   Company.

22       To my immediate left is Fred von Ahn, Vice President  
23   of Oversight. Fred reports directly to me in that role and  
24   also has a dotted line reporting relationship to the  
25   Nuclear Committee Board of Directors.

1       Also in the audience from our Executive Office at  
2   FENOC is Joe Hagan. Joe is our Senior Vice President of  
3   Engineering and Services, and we've also been fortunate to  
4   recruit Joe from Exelon, where he was responsible for the  
5   entire mid Atlantic Regional Operating Group and their  
6   operating facilities.

7       Let's go to the next slide, please.

8       This is our meeting agenda. Without any further  
9   delay, I would like to turn it over to Lew Myers.

10      Lew.

11            MR. MYERS:           Thank you, Gary.

12        "I don't measure a man's success by how he climbs,  
13   but by how high he bounces when he hits the bottom."  
14   That's a quote from George S. Patton. In March of 2002, we  
15   hit the bottom when we found the damage on our reactor  
16   vessel head.

17       We, the FENOC staff, have accomplished a lot since  
18   that time. Accomplishment is defined as the act of  
19   achievement. Today we have bounced back.

20       We have three desired outcomes that I would like to  
21   share with you. First, to provide you and the public with  
22   an overview of the many safety improvements that we've made  
23   over the past two years. Second, to demonstrate that our  
24   people, our plant, and our programs are ready for a safe  
25   return to service and operations. Third, to request NRC's

1 approval tonight for restart.

2 Our Return to Service Plan has been a tool that's  
3 been used to guide us since May of 2002. This plan was  
4 developed to address the root cause, extent of condition,  
5 and the corrective actions needed for restart. I would  
6 like to take a few moments to discuss a few of the many  
7 accomplishments.

8 After we discovered -- next slide.

9 After we discovered the damage on the reactor vessel  
10 head in March, on March 5th of 2002, we began taking strong  
11 actions to resolve the issue. First, and most importantly,  
12 we promptly reported the damage to the industry. Second,  
13 in April of 2002, we submitted what I think is a thorough  
14 Root Cause Report to the NRC. Third, in August of 2002, we  
15 completed a detailed Management/Human Performance Root  
16 Cause and shared that report and the findings with you and  
17 the public, as well as the industry.

18 The issues focused on stress corrosion cracking and  
19 boric acid corrosion, management acceptance of degraded  
20 material condition, deficiencies in several of the  
21 Davis-Besse programs.

22 Finally, between April and June, we placed a strong  
23 management team and a strong Independent Oversight Panel in  
24 place to guide the Return to Service Plan.

25 On May the 21st of 2002, we submitted our

1 Davis-Besse Return to Service Plan, which is provide the  
2 guidance for many of the accomplishments that we have, that  
3 brought us to the implementation of the return to safe and  
4 reliable operation of our unit.

5 As you recall, the Return to Service Plan provided  
6 the basis for Davis-Besse's course of action for both safe  
7 and reliable operations in the future. This plan was  
8 designed to address six sets of commitments in the  
9 Confirmatory Action Letter that we received on May of  
10 2002. Let me tell you, there is a lot of strategic  
11 activities that took place between March 5th of 2002 and  
12 May of 2002.

13 The Return to Service Plan consists of seven  
14 Building Blocks, and a strong experienced Restart Oversight  
15 Panel that once again ensured comprehensive implementation  
16 of our plan.

17 To-date, six of the Building Blocks are complete as  
18 shown. The Restart Oversight Panel has recommended restart  
19 for the Davis-Besse station. The station is implementing  
20 the Restart Action Plan. That plan is the administrative  
21 building block that is used to monitor and drive close both  
22 regulatory issues and our management items and was designed  
23 to stay open until a hundred percent power.

24 Next slide.

25 MR. RUTKOWSKI Ruland: Lew.

1                   MR. MYERS:         Yes?  
2                   MR. RUTKOWSKI:     You mentioned the  
3     Restart Overview Panel. Do you intend to keep that  
4     oversight, the Overview Panel together, disband subsequent,  
5     if in fact we approve restart?

6                   MR. MYERS:         We intend to shift  
7     some of the members of that panel, which we've already  
8     done, to our Independent Oversight Review Board, and keep  
9     that type of interface in place, but not that panel as  
10    such.

11                  MR. RUTKOWSKI:     Thank you.  
12                  MR. GROBE:         Lew, could we go  
13     back to slide 5 just for a moment? Thank you.  
14                  I wanted to make an observation and understand your  
15     thoughts. You indicate you completed a comprehensive root  
16     cause analysis and identified the causes of the head  
17     degradation and the organizational problems. And in the  
18     end, we agreed with you and we concluded that you did  
19     perform a comprehensive root cause.

20                  But the first time that the Management/Human  
21     Performance Inspection Team came in to do their first phase  
22     of the inspection, which was an examination of your root  
23     cause, they found that the work that you had done was done  
24     well, but it wasn't sufficiently broad or deep to address  
25     all of the issues that needed to be addressed. And, you

1 then further expanded that, looking in other areas like  
2 Engineering and Company Nuclear Review Board and corporate  
3 commitment and things like that.

4 Could you talk a little bit about the need for  
5 expanding that and why the first inspection, first time we  
6 came in, it wasn't at the level of breadth and depth it  
7 needed to be?

8 MR. MYERS: The way I would  
9 characterize that, I think because that root cause, we  
10 brought in some very sophisticated, experienced people to  
11 look at the total root cause. We used a combination of, I  
12 think it's MORT and several other root cause type  
13 analysis. We put a team together, they spent months, I  
14 think going back to the 70's looking at items, and  
15 developed what I thought was a very comprehensive Root  
16 Cause Report.

17 Now, after that, we shared that with you, and we  
18 came in and we were willing to go deeper in specific  
19 organizations that affected that root cause. Those  
20 organizations was our Quality Organization, our Engineering  
21 Organization, our Operations Organization.

22 So, we took and did vertical slices of those groups  
23 to try to understand better what was going on in those  
24 areas. We had good examples, like lack of involvement in  
25 some areas of Operations or Engineering rigor. So, we went

1 through those vertical slices to try to understand exactly  
2 what we needed to change, and that global root cause would  
3 not do that for you.

4 MR. GROBE: Okay.

5 MR. MYERS: Okay.

6 The next slide.

7 In our July 2003 Public Meeting, we provided you an  
8 update on the arrival of a new reactor vessel head at our  
9 site. Many people in the industry thought that the head  
10 repair was the simplest method to return our Davis-Besse  
11 station to service.

12 We elected to purchase a new head from the Midland  
13 plant. That reactor head had never been used, but we  
14 completed a comprehensive testing of the head and  
15 radiography inspections to ensure the quality prior to  
16 installation.

17 Finally, on October of 2003 meeting, we provided  
18 both you and the public with the results of an RCS Pressure  
19 Test, Reactor Coolant System Pressure Test, with our new  
20 reactor vessel head installed. That test demonstrated  
21 confidence in our plant, in our equipment, and finally in  
22 our new reactor vessel head.

23 We performed the test at 50 pounds and looked for  
24 leaks, 250 pounds per square inch and looked for leaks, and  
25 finally went on up to normal operating pressure of 2155

1 pounds, we completed a detail and thorough review of the  
2 entire Reactor Coolant System on October the 7th. This  
3 week, we successfully completed the final test; the  
4 Control Rod Drive Insertion Test. That test validates  
5 proper movement of the control rod drives.

6 The reactor is at normal operating pressure  
7 temperature today, and the reactor vessel head fully  
8 supports return to service of our station.

9 Next, our Containment Health is excellent. The  
10 Containment Health Building Block was charted to evaluate  
11 and disposition the extent of condition throughout the  
12 Reactor Coolant System; so, the Reactor Coolant System and  
13 the Containment System. Many accomplishments have been  
14 completed that went far beyond this charter.

15 We now have a Containment Sump that I believe is a  
16 model for the industry. We solved a longstanding issue by  
17 installing a Decay Heat Valve Tank in our Containment. We  
18 refurbished completely two Reactor Coolant Pumps, both pump  
19 and motor. We are the only plant that can now continuously  
20 monitor the reactor vessel bottom head for leakage with our  
21 new FLUS Monitoring Leakage System.

22 We installed a Permanent Reactor Cavity Seal that  
23 will continue to reduce radiation dose and refueling outage  
24 throughout the future and protect the reactor vessel from  
25 possible leakage from the refueling canal.

1        We removed the fibrous insulation from our  
2    Containment. We installed additional upgrades on or  
3    Containment cranes to improve both safety and reliability.  
4        We demonstrated our Containment integrity was good  
5    with a solid Integrated Leak Rate Test. That test was  
6    performed at a slightly higher pressure than normal to once  
7    again gain additional operating margin.  
8        We performed a comprehensive inspection of our fuel,  
9    made some modifications to ensure quality fuel reliability  
10   throughout this site.  
11       We thoroughly addressed the extent of condition of  
12   boric acid which was in our containment. We conducted a  
13   Boric Acid and Alloy 600 Component Inspections and to the  
14   extent of corrective actions.  
15       We repacked over a hundred valves. We completed  
16   2500 restart corrective actions. We installed new coolers  
17   in our Containment Cooling Unit. Then we upgraded the  
18   thermal performance of the units and replaced the duct work  
19   with stainless steel.  
20       Our Reactor Coolant System has demonstrated  
21   excellent integrity. The Containment systems and  
22   structures are in excellent material condition. Our  
23   outside oversight groups have commented on the excellent  
24   material condition of the Containment.  
25       I know that you and your staff toured our

1 Containment last night. This building and the RCS fully  
2 supports restart.

3 MR. RUTKOWSKI: Are there any  
4 work -- I know your presentation really is a high level  
5 presentation about the major things that you've done. Are  
6 there any items that you have left in your work list as we  
7 stand here that you need to work off between now and when  
8 you change modes?

9 MR. MYERS: Not in  
10 containment. We have the restoration of our transformer.  
11 Is there anything else that you have?

12 MR. BEZILLA: No.

13 MR. MYERS: No, that's it.

14 MR. RUTKOWSKI: Other than the  
15 restoration of the transformer, you believe that's the only  
16 work you believe you have remaining?

17 MR. MYERS: That's correct.

18 MR. GROBE: Lew, in the last  
19 three slides, you've covered the Reactor Vessel Head  
20 Replacement and Containment Health and Containment Extent  
21 of Condition. The Reactor Vessel Head Replacement, we did  
22 extensive inspection of the replacement head and the  
23 methods by which you certified that head and had very few  
24 problems, and that was accomplished very well.

25 In a number of these, on your slide 8, a number of

1 these Containment Health issues are clear commitments on  
2 the part of your staff to make improvements; and while we  
3 may have had some inspection findings on some of these  
4 issues, overall that was a positive situation also.

5 But the initial evaluation of Containment Extent of  
6 Condition, as I recall, that activity was initially  
7 conducted in such a way that it would not provide reliable,  
8 consistent results of the evaluation of the extent of  
9 condition of the boric acid corrosion inside Containment  
10 and you needed to stop work and ended up writing new  
11 procedures and training programs and qualifying your staff  
12 to a higher level of capability in accomplishing those  
13 inspections and then you recommenced work. It was about a  
14 30-day stop work, if I recall.

15 MR. MYERS: That's correct.

16 MR. GROBE: Could you give me  
17 some insight from your perspective as to why some of these  
18 activities occurred very well and other activities seem to  
19 have some substantial blips in the process?

20 MR. MYERS: Yes. We have the  
21 qualification program, that's a visual examination program,  
22 VT-2. That's pretty standard in the industry.

23 When we started doing the inspections for boric acid  
24 leakage, when we got to asking some questions, and you all  
25 asked some questions too; that's a visual examination for

1     rust and deterioration of components, but it's not, it's  
2     not a training program that qualifies people to look for  
3     Boron, and boric acid damage.  
4         So, we came back and said "What does that mean?"  
5         There was not an industry program that we found, so we  
6         created our own. And what we wound up doing is developing  
7         our own training program, which includes the VT-2 plus some  
8         additional training that we wanted to qualify people to,  
9         and then we went and did our inspection. I think, I don't  
10       remember, I think we qualified like 20 or 30 people at that  
11       training program.

12       What that did, it gave us, it bounded that question  
13       that was raised about the qualifications of individuals.

14            MR. RUTKOWSKI:       Lew, what was that  
15       program called where you qualified the inspectors; do you  
16       remember?

17            MR. MYERS:         It's physically  
18       call the Boric Acid Inspection Program.

19            MR. RUTKOWSKI:      Thank you.  
20            MS. LIPA:           I have one other  
21       question. On the bottom of page 8, you talked about ensure  
22       fuel integrity and you mentioned modification. Are those  
23       procedure, fuel handling procedure modifications actually  
24       hardware modifications?

25            MR. MYERS:         Hardware

1 modifications. There was several places where the flows  
2 were such in the core, if you look at our vendor,  
3 Framatone, they recommend that we make some minor mods  
4 there in some pins; some pins, in some stainless steel  
5 pins.

6 We also inspected a hundred percent of our fuel, one  
7 hundred percent. And we did, I always call it a fuel  
8 sifting process, one hundred percent fuel.

9 MS. LIPA: Okay, thank you.

10 MR. MYERS: Yes.

11 Once again, our Containment Building, we believe  
12 fully supports restart.

13 Our System Health Review; our System Health Building  
14 Block was chartered to perform the operational review on  
15 our systems and for the safe and reliable operations of the  
16 Davis-Besse station. This comprehensive review consisted  
17 of the following three separate reviews.

18 We did an Operational Readiness Review of the  
19 Maintenance Rule Systems that was performed by the System  
20 Engineers and the Plant Manager.

21 We then performed System Health Reviews on 31 Risk  
22 Significant Systems.

23 And finally, we went back and performed five Latent  
24 Issue Reviews looking for hidden type problems on an  
25 additional five systems.

1        Many actions were taken as a result of those  
2 reviews. Over a 140 modifications have been made on our  
3 systems. Over 7,700 work orders were completed. Once  
4 again we repacked, I think, around 140 work order valves in  
5 the Reactor Coolant System in the Containment area.  
6 Approximately 2,000 Condition Reports were written, and  
7 2,800 associated Corrective Actions have been completed.  
8 15,000 tests were performed; 2200 Preventative Maintenance  
9 Tests.

10      We went beyond the regulatory requirements and  
11 upgraded the air system on our emergency diesel generator  
12 and installed two new air dryers on our emergency diesels,  
13 ensuring good long performance there.

14      All systems with performance issues, Maintenance A-4 Rule (a)(1)  
15 Systems, we call those, were repaired. That's not to say  
16 there is not some new additional A-4 (a)(1) Systems. I think  
17 today there is one, heat trace.

18      We believe our system health is good, and fully  
19 supports the restart of the Davis-Besse station.

20            MR. HOPKINS:        Lew, I have a  
21 question. 1996, NRC issued a 5054 F-liner 10 CFR 50.54f letter on design basis,  
22 which you developed a number of corrective actions in  
23 regard to. Do you still have some corrective actions open  
24 in response to that?

25            MR. MYERS:        I'm familiar with

1 that. Jim Powers, I think, is in the audience. Do you  
2 want him to answer that?

3 MR. POWERS: Sure.

4 MR. MYERS: Jim is our  
5 Director of Engineering.

6 MR. POWERS: Jim Powers,  
7 Director of Engineering at Davis-Besse.

8 We still have several of the calculation updates  
9 that we're working on, Jon. We had, as you know, we had  
10 done a Design Basis Validation Project as part of the  
11 commitment for the 54-F 50.54f letter and there was a large number  
12 of calculations that were reviewed and a number of them  
13 were identified for improvements to be done and they were  
14 categorized based on their importance and safety  
15 significance, and some of the lower level ones remain to be  
16 updated and completed, and that work continues to on go.

17 MR. HOPKINS: Okay, but the  
18 remaining ones are still all in your Corrective Action  
19 Program?

20 MR. POWERS: That's correct.

21 MR. HOPKINS: And determined not  
22 necessary for restart?

23 MR. POWERS: Right, that was an  
24 important improvement that we made as part and course of  
25 this outage was to ensure that all those actions were

1 entered into our Corrective Action Program.

2 MR. HOPKINS: All right, thank  
3 you.

4 MR. MYERS: Our programs meet  
5 both the industry and regulatory standards, and in some  
6 cases set a new benchmark for the industry. The charter  
7 for the Program Building Block was to ensure that listed  
8 programs are fulfilling the required obligations, including  
9 interfaces and handoffs and are sufficient to support safe  
10 and reliable operation. That was the charter of that  
11 building block.

12 65 programs received the Phase One Review to ensure  
13 that they meet industry requirements, they have good  
14 ownership, and then we are implementing the Program program  
15 properly.

16 Six programs received a detail systematic review  
17 looking for latent-type issues. There's a slide we're  
18 missing here.

19 The Boric Acid Control Program is I believe an  
20 industry standard program. The Quality Assurance Program  
21 is now independent and reports to the President of FENOC  
22 and the Nuclear Committee of our Board. The Corrective  
23 Action Program has been benchmarked against industry  
24 standards. The In-Service Inspection Program, Operating  
25 Experience Program and Plant Modification Program have all

1 been strengthened.

2 Finally, at the beginning of this outage, our Health  
3 Physics Program had concerns. We are confident today that  
4 both our people and our program in Health Physics  
5 represents the highest industry standards. We are  
6 ~~competent~~ confident that our plant programs meet and, once again in  
7 many ways, set a new industry standard.

8 MR. RUTKOWSKI: Lew, you stated  
9 the Boric Acid Control Program was an industry standard  
10 program. Can you give me an example of a facet of that  
11 program, why you believe that's the case?

12 MR. MYERS: One of the things,  
13 we think for instance our training program is unique. We  
14 also have an engineer that physically, we have a dedicated  
15 Boric Acid Program and engineer that physically has  
16 ownership of that program and tracks that boric acid leaks  
17 individually. And we think that is unique and the  
18 inspections we do are unique.

19 Jim, do you have anything you want to add to that?

20 MR. POWERS: As you said, Lew,  
21 we do have a dedicated owner for the Boric Acid Corrosion  
22 Control Program that came to us from our Beaver Valley Unit  
23 in Pennsylvania. He volunteered to come and take control  
24 of that program. He's been working with the plant  
25 engineers to make sure we have a strong program in place.

1 Going forward in the future, we think it's one of the  
2 leadership programs in the industry.  
3 And, particularly, one of the important improvements  
4 that we made was to link it to our other related programs,  
5 such as our In-Service Inspection Program and our Leakage  
6 Reduction Program, so that they integrate, and the  
7 observations and findings in one program are communicated  
8 to the other program owners. We can see the synergy  
9 between them, that give a stronger network of programs as a  
10 result.

11 MR. MYERS: Part of that  
12 program is RCS Leakage Procedure that we have. That is  
13 very unique also. That looks for changes, not just the  
14 calculations, but changes in other systems.

15 MR. RUTKOWSKI: Thank you.  
16 MR. GROBE: Lew, before you go  
17 on. Again, a similar question to what I asked before. In  
18 your System Design Reviews, you found by and large, our  
19 inspections found that those were performed very well, and  
20 you continue expanding the scope of reviews until you're  
21 satisfied you understood the full extent of condition,  
22 including boric design, detailed design reviews and  
23 cross-cutting topical area reviews.

24 In many of the programs on slide 11, program reviews  
25 that you conducted were good, but there were two programs

1 that, one is the Radiation Protection Program, which was  
2 added to the Restart Checklist specifically in response to  
3 some risk significant findings regarding the control of  
4 exposure to the contamination, and the control of internal  
5 dose.

6 MR. MYERS: The tiny discrete  
7 particles.

8 MR. GROBE: Right. And,  
9 secondly -- and that was something that found you.

10 MR. MYERS: Right.

11 MR. GROBE: And our inspection  
12 continued to explain and further develop the extent of  
13 those problems. It wasn't something that you found.

14 And then the Corrective Action Program, the  
15 inspection in that area, identified some 20 to 30  
16 violations and identified some fairly substantive concerns  
17 in the quality of engineering work products, which again,  
18 you didn't identify this through your own internal reviews  
19 and assessments.

20 I'm still struggling. I've asked the question three  
21 times on three different topics now and I'm still  
22 struggling to understand why some activities seem to be  
23 performed very well, other activities seem to be not always  
24 hitting the mark.

25 MR. MYERS: Well, the two

1    questions are somewhat different. The question on the  
2    Health Physics Program, you're right, that we did find the  
3    issue with the tiny discrete particles. I think we took  
4    that on well. It took us some time to get our hands around  
5    it. Once again, if I go look today, based on procedure  
6    changes we made, management changes we made, and training  
7    and stuff we've done with our employees, the feedback that  
8    we get now is that our HP programs, you all gave us and the  
9    industry gave us, are some of the best in the nation.

10       That being said, if you go look at our Corrective  
11      Action Program, Corrective Action Program consists of, you  
12      know, identification. You know, I think if you look  
13      throughout this period, no one has ever questioned our  
14      identification threshold is extremely low. Then, it has to  
15      do with analysis. And, then, it has to do with fixing the  
16      problems.

17       Well, the area that we've had some issues in is the  
18      analysis phase or discovery phase, whatever you want to  
19      call it there. We've had none where we had to go back and  
20      follow up, reinstall a pump or anything.

21       One of the things I brought some data with me  
22      tonight, if I can find it. That we're back, we created our  
23      Engineering Review Board to, to strengthen the quality of  
24      products coming out of Engineering, the rigor.

25       Now, that board is part of the process. That's a

1 permanent part of the process. So, that being said, you  
2 know, we think the quality of documents given to that board  
3 has been pretty good. When the [Restart Readiness Assessment Team Inspection] RRATI  
4 Team came in, most of the issues they had were in the calculation area. So, we  
5 took data and calculations, the issue you brought up awhile  
6 ago, Jon.

7 So, we've taken that, we're sending the calculations  
8 through the Engineering Review Board now. What we've done  
9 is created a detailed set of attributes that are like this,  
10 and if you go look at the engineering quality of them as a  
11 board, we're seeing some very good positive trends now.

12 So, we think that was something that was not going  
13 through our Engineering Review Board. We've got them going  
14 through there now. That's having a very good positive  
15 effect on the quality of calculations, which 90 percent of  
16 the issues you're talking about were in, you know.

17 MR. GROBE: I don't think  
18 you're quite hitting the nail on the head. Maybe we can  
19 continue dialoguing this as we go on. The question, I  
20 don't have a question regarding once an issue is clearly  
21 brought to your attention; you address it comprehensively.

22 MR. MYERS: Right.

23 MR. GROBE: And the issues on  
24 the Radiation Protection Program, when we came back and did  
25 our supplemental inspection several months later found that

1 the improvements were substantive; similar to the  
2 discussion we had this afternoon on Operations; between  
3 December and February, there was a step change in  
4 performance.

5 My question is, why is it that we come in and  
6 inspect some programs, some calculations, some engineering  
7 reviews, some inspections, and find them done very well;  
8 and come in and inspect some other areas and find some  
9 problems? And, what is it that's causing that over the  
10 past two years, causing some level of inconsistency?

11 MR. MYERS: I think if you go  
12 look at the past two years, we went through the Building  
13 Blocks. The Discovery Phase, we brought in hundreds of  
14 people in system walkthroughs, all the mods and everything  
15 else. Now that we're at this point with our plant on  
16 standby, we're able to focus. We don't have as many issues  
17 to deal with. And what that's going to allow us to do is  
18 physically implement the FENOC Self-Assessment Process.

19 We have done a lot of self-assessments over the past  
20 two years, have not been systematic based on feedback from  
21 our Corrective Action Program, if you will. One of the  
22 things we typically do -- as you know, we quit trending  
23 Corrective Actions because of all the {Condition Report} CRs put in there.

24 One of the things we do is look at those trends and  
25 then focus self-assessments in place with high level teams

1 of FENOC personnel and outside personnel to go look for  
2 those type of issues. And, we normally have latent type  
3 issue reviews.

4 I think we still have some spotty implementation of  
5 some of our programs that you're talking about. And I  
6 think now that we've got the plant on standby, and we have  
7 all this discovery using our normal processes, we'll  
8 continue to see good strong improvement using our  
9 Self-Assessment Program. In fact, we've already got, I've  
10 got a list of all the self-assessments lined up for next  
11 year already -- this year, I'm sorry.

12 MR. GROBE: I don't want to  
13 leave an incorrect perception, you know, that the head  
14 degradation was the highest level of risk significance that  
15 our agency has, it was a red finding; and some of the other  
16 issues that were identified were less significant  
17 findings.

18 MR. MYERS: Right.

19 MR. GROBE: The containment  
20 sump clogging, containment coatings issues was a yellow  
21 findings, Rad protection issues were white findings.

22 More recently, all of the findings that we, have  
23 been, are lowest category, green or minor issues. So,  
24 there has been a steady improvement as far as the  
25 significance of the findings.

1       What I'm trying to get at, I think we just need to  
2    continue going through the meeting and we'll keep thinking  
3    about this, is why there is this kind of inconsistency.  
4    So, let's go on. It's in the back of my mind and I'll  
5    still think about it and probably ask more questions.

6                    MR. MYERS:           Good.

7       I think I ended though, we're confident that our  
8    programs are effectively implemented to support restart,  
9    and we will set a new standard.

10       The next area, Management and Human Performance  
11    Building Block created both a comprehensive leadership and  
12    comprehensive organizational development actions that we  
13    need to ensure that the Davis-Besse station will safely  
14    operate and reliably operate.

15       The new corporate management at FENOC, as the Chief  
16    Operating Officer, my new job, was created to ensure  
17    consistency of operations in the FENOC plant. We also  
18    created the VP of Quality Assurance that reports directly  
19    to the President of FENOC and Nuclear Committee of the  
20    Board. Our corporate organization and that governance that  
21    we have today, I believe would prevent this type of issue  
22    in the future.

23       We took prompt actions to place a strong management  
24    team at the site. Let me take a moment to describe them.  
25    The Senior Leadership Team at our site has over 125 years

1 of nuclear experience and all have Senior Reactor Operator  
2 experience.

3 The Management Team at the site has over 225 years  
4 of nuclear experience, and 10 of the 13 have Senior Reactor  
5 Operator experience. The jobs that don't, are jobs like  
6 Human Resources, which you wouldn't expect to have that  
7 in.

8 We completed the Root Cause Training for many of our  
9 employees, over a hundred. We enhanced the Corrective  
10 Action Program. We created a new Problem-Solving and  
11 Decision-Making Nuclear Operating Procedure. Standards and  
12 Expectations Training has been completed for all our  
13 employees. We trained each and every employee on our  
14 Safety Culture Model, and had them assess us as a  
15 Management Team. Then we performed Operability Training  
16 for our SROs and engineers.

17 Next slide.

18 Finally, the Restart Test Plan Building Block was  
19 designed to assess the Reactor Coolant System, the  
20 operation -- Operational Programs and the Leakage Control  
21 Program. The NOP Test, being, demonstrated confidence in  
22 our plant systems. That test demonstrated good confidence  
23 in the plant systems.

24 We thoroughly tested the safety equipment, including  
25 the Safety Features Actuation System, the Reactor

1 Protection System, the Steam and Feedwater Line Rupture

2 Control System.

3 We completed numerous inspections on our primary  
4 systems as well and completed hundreds of corrective  
5 actions. These systems include the Reactor Coolant System  
6 and the Makeup and Purification System. We validate the  
7 RCS leakage integrity and the sensitivity, if you will, of  
8 our new FLUS Monitoring System.

9 We have inspected and operated secondary systems,  
10 including the Condensate System, the Circulating Water  
11 System and the Main Steam System. We have demonstrated a  
12 positive Safety Culture at the Davis-Besse station and good  
13 teamwork.

14 We have focused on the industrial safety, nuclear  
15 and radiological safety, and organizational effectiveness.  
16 Our new Problem-Solving and Decision-Making Process has  
17 been effectively exercised. I think you all have monitored  
18 that plan, that process being exercised.

19 Once again, I believe this process alone would have  
20 prevented the reactor vessel head event. I think that we  
21 have demonstrated that the, the Restart Test Plan supports  
22 restart of the unit.

23 In summary, we performed detailed root causes and  
24 demonstrated good integrity when we did that, Jack. We  
25 have completed comprehensive actions from the building

1 blocks and went far beyond the regulatory requirements in  
2 many areas.

3 We have demonstrated our ability to operate the  
4 plant both safely and reliably. We have people with a  
5 strong safety focus. We are now ready to return the plant  
6 to service in a safe and reliable operation. Thank you.

7 MR. THOMAS: Lew, I have a  
8 question. This afternoon, you heard one of our inspection  
9 team leaders tell you that his team had observed a step  
10 increase in performance of your staff over the last they  
11 were, over the first time this team had looked at your  
12 performance.

13 Briefly, what would you attribute that increase in  
14 performance to?

15 MR. MYERS: If you go look at  
16 the performance, what we did is, there is a chart that we  
17 have, it's a root cause chart, which we went back over a  
18 year or so ago and plotted all the issues in Operations.  
19 What you found was when the plant was sitting there with no  
20 fuel or fuel loaded, Mode 5, then, you know, we didn't see  
21 many issues.

22 As we moved forward into the complex evolutions of  
23 the heatup, what I call very complex evolutions, we started  
24 finding deviations between the way we trained, the way we  
25 physically operated the plant. And, we had some issues in

1 the first, the heat up of the plant. We identified  
2 basically the same issues that you did.  
3 We came down, we took what we thought were  
4 corrective actions. Got ready to heat back up again. We  
5 got back into those complex issues, we saw some performance  
6 improvements, but not the level of performance we expected  
7 to see. So, we stopped. We looked at it. And that's when  
8 we pulled the Integrated Root Cause Team together I talked  
9 about.

10 What we found in that area is that many of the  
11 corrective actions that we, many of the issues had  
12 corrective actions that had been properly implemented by  
13 the management team in Operations would have improved the  
14 performance to the standards you're seeing today. Based on  
15 that, we had to make some changes in the Operations  
16 management performance. That's what we did. That's what I  
17 attribute that to; lack of really detailed implementation  
18 of corrective actions.

19 MR. THOMAS: I guess a logical  
20 follow-up question to that would be, to what do you  
21 attribute any confidence going forward? Is the management  
22 team put in place, is that what gives you the confidence  
23 that the performance will continue going forward?

24 MR. ALLEN: Scott, I think  
25 that's part of, we have a good leadership team in place at

1 the station. We've also given a lot of thought to what we  
2 need to do to sustain continued improvement of performance  
3 down the road, because good performance is not just stable  
4 performance, it's improving or trying to achieve  
5 excellence.

6 Part of our Operational Improvement Plan for this  
7 cycle, one of the things we're looking at is the actions we  
8 can put in place to ensure we do maintain our progress.

9 I think Lew talked a little about the focus  
10 self-assessments. As we get out of this phase where we  
11 have so many outside folks in assessing our performance,  
12 returning to the FENOC model of the focus self-assessments,  
13 which still use external forces to FENOC and to people in  
14 FENOC to come help us perform those assessments.

15 Our ongoing assessments, observation cards, and  
16 those type of activities which you routinely see in this  
17 exercise, those will continue. And we've not had a great  
18 deal of opportunity to do benchmarking except in very  
19 limited cases. So, we've laid out benchmarking plans and  
20 we're laying out self-assessments plans to make sure we're  
21 not an isolated station. So, we're out looking at what the  
22 best industry practices are to help us ensure improving our  
23 performance.

24 We're looking at an Operations Staff Plan over the  
25 next five years. We're hiring additional [Senior Reactor Operators] SROs, get some

1 bench training. Allow us to rotate Operations performance  
2 throughout more organizations on the site. That, I  
3 believe, will give us a good operational focus, not just  
4 out of Operations, but from a site perspective, will help  
5 us beef up our training, improve our training everywhere we  
6 can within the Operations Department.

7        We're utilizing FENOC to help leverage Conduct of  
8 Operations standards throughout the fleet, so it will be  
9 standard with FENOC and then we'll go benchmark that  
10 against Institute of Nuclear Power Operations and other  
11 higher performing utilities to ensure we have the highest  
12 standards in relation to quality.

13        We've got our Operations crews where we're working  
14 on our procedures. We looked at our complex integrated  
15 procedures for heating up and cooling down the plant. We  
16 went through and worked very hard on those to ensure those  
17 were verified, validated, run on the simulator. We're  
18 going to take that same experience, which has been very  
19 successful for us, expand that to other aspects of  
20 operational procedures and make sure we can leverage that  
21 going forward also.

22        So, we're looking at a great number of things. All  
23 of which comes back to again the leadership team, the  
24 management team we have in place, setting those activities  
25 in motion; and then utilizing internal forces, FENOC

1 resources, and external resources to help us benchmark,  
2 self-assess, and assure that we are maintaining sustained  
3 improved performance.

4 MR. BEZILLA: Scott, I believe  
5 Barry's presentation will address some of those, address  
6 your question also.

7 MR. THOMAS: Sorry to jump  
8 ahead.

9 MR. MENDIOLA: If I could also,  
10 prior to your presentation, but you gave a lot of different  
11 areas where you're seeking to excel. Have you discovered  
12 or determined any specific area or areas that you, if you  
13 will, your highest priority to work on?

14 MR. ALLEN: That's a good  
15 question, Tony. I think we seen, the area that we felt  
16 like was the most significant to us in the last several  
17 weeks, was the formality in the rigor in which we addressed  
18 technical specification actions. And, so, we have taken  
19 probably the most significant actions in that area, and  
20 we're working very hard to make sure we have that  
21 formalized right on the detail.

22 So, we're ensuring on those type of activities,  
23 where we're interfacing the technical specifications and  
24 [Limiting Condition for Operations] LCOs, that we actually get the tech specs out. We brought  
25 the book over, we read it, be sure we get a peer check.

1        I'll cover this more in my presentation, but we're  
2 involved with the crew in there. We're building in layers  
3 to ensure we do a good job from a Human Performance  
4 perspective and then we're building those expectations into  
5 our log keeping and other tools to ensure that we don't  
6 forget to do some of those things, and we're putting that  
7 structure in our programs, as well as working on the  
8 individual performance.

9                    MR. THOMAS:        I have one  
10      follow-up question.

11                  MR. ALLEN:        Yes, Scott.

12                  MR. THOMAS:        I believe it was  
13 either Mark or Lew stated that they attributed the increase  
14 in performance primarily due to some organizational changes  
15 that had occurred recently. What did these individuals  
16 bring to your, bring to your staff that caused these  
17 changes to occur?

18                  MR. ALLEN:        Scott, a few  
19 things. I think we're looking at some individuals in new  
20 positions, as far as Davis-Besse sees them right now, but  
21 in reality the individuals that we have put in, for  
22 instance, as the Operations Manager and the Operations  
23 Superintendent, those individuals are not new to those  
24 positions; they both have prior experience in those roles,  
25 okay, in those positions.

1        So, we have experienced people with those tasks.  
2    They have been successful in those roles, now back in those  
3    roles to help us be successful. They are doing a good job  
4    of taking standards and applying them and putting forth the  
5    expectation as Plant Manager, and they're holding the shift  
6    managers and the supervisors accountable to that level of  
7    performance, okay, and those individuals are doing the same  
8    with their crews.

9        So, what we're seeing is increased ownership and  
10   accountability on the part of the organization, and we're  
11   seeing good follow-up and checking to make sure that we're  
12   getting the results we desire. So, it's, I think it's  
13   taking the proper actions.

14       And then the oversight, not only from the external  
15   folks who we have help from, but just from our management  
16   leadership team, going out and checking and making sure we  
17   are getting the changes we want forward; and if we're not  
18   getting those cases, you know, on individual cases, we're  
19   correcting those promptly and in a timely fashion to ensure  
20   that we resolve issues, you know, as they, as they arise  
21   before they become more generic behavior or problematic  
22   issues throughout the Operations group.

23            MR. MYERS:        I've finished my  
24   presentation. I was going to turn my presentation over to  
25   Barry Allen now.

1                   MR. GROBE:         I apologize for  
2   that. This has been very helpful, because it's, it's  
3   brought into focus, rather lengthy period of time  
4   activities, a lengthy period of time. On your slide 13,  
5   you highlighted Containment Integrated Leak Rate Test;  
6   that was done extremely well.

7                   MR. MYERS:         Right.

8                   MR. GROBE:         Some of our best  
9   inspectors were evaluating your performance in the  
10 preparation of those procedures, and preparation for the  
11 conduct of the test, the actual conduct of the test. And,  
12 in particular, her comment was, it was very, very  
13 adequate. And that's about as good as it gets.

14                  MR. MYERS:         You don't give  
15 excellents?

16                  MR. GROBE:         Very, very  
17 adequate. (laughter)

18                  And the Normal Operating Pressure Test, the fact  
19 that you committed to that test, that commitment was far  
20 beyond the ASME code requirements, and we're going to be  
21 getting into operational performance in a little bit, but  
22 during the conduct of the test, there was a variety of  
23 operational problems.

24                  And, again, one of the very difficult challenges  
25 that I feel and I face as a panel member, and I'm sure the

1 rest of the panel feels this same way, you don't have to be  
2 perfect to be authorized for restart. Nobody is perfect.  
3 But the panel needs to have confidence that the actions  
4 you've taken are going to produce consistent, safe  
5 performance.

6 And what I'm trying to get at is, there has been a  
7 steady improvement in performance, but there's also been  
8 these blips, and I'm trying to fully understand why we  
9 should have confidence in consistency of the performance  
10 and that it will stay at least at that level if not  
11 continue going up.

12 MR. MYERS: You know, I think  
13 one of the things we're trying to do is strive for  
14 consistency ourselves. Barry was talking awhile ago, Barry  
15 is one of the new, the new Plant Manager we brought in.  
16 About the time we were doing the heatup, he was really just  
17 getting settled into his job. And we brought Kevin  
18 Ostrowski over some time ago. We've made him the Ops  
19 Manager now; and Dave Imlay the Ops Superintendent.

20 I think the Management Team we put in place is the  
21 Management Team here that will continue to strive for  
22 consistency. They have good experience. And I think that  
23 as we move forward utilizing the FENOC fleet approach,  
24 you'll see in the corporate governance we have, you'll see  
25 an improved consistency.

1                   MR. BEZILLA:         Jack, just one  
2    thing to add to that. Our Ops Manager's Charter, the  
3    safety focus of plant operations through consistent  
4    implementation of our rigorous Conduct of Ops. So, Dave  
5    and Kevin's focus is on consistent and rigorous  
6    implementation of Conduct of Operations and they're driving  
7    that down through the shift managers into the crews, and  
8    the shift managers in turn are driving that through the  
9    organization. So, from being able to sustain it, it's  
10   having the shift managers drive it through their crews and  
11   through the organization. We're seeing that happen today.

12                  MR. GROBE:         When was that  
13    charter drafted?

14                  MR. BEZILLA:         That was early  
15    January.

16                  MR. GROBE:         So, that's  
17    something new?

18                  MR. BEZILLA:         That's correct.

19                  MR. ALLEN:         Okay, thank you  
20    and good evening. My desired outcome for this evening is  
21    to share with you how our recent operational performance  
22    supports safe plant restart.

23                  Next slide, please.

24                  Davis-Besse operations continues to demonstrate  
25    continuing positive improvement. Visible example of this

1 positive trend include the very critical behavior of  
2 Operations leadership driving the station.  
3 As a recent example of this, where we had a  
4 situation where the shift manager observed an indication  
5 issue in the control room. Shift manager ensured the unit  
6 was in a stable condition. He then activated the duty  
7 team. Got the duty team to perform a Problem-Solving  
8 Decision-Making Team to assess and understand the issue.  
9 Shift manager engaged the senior leadership team to make  
10 sure the problems was found and understood and make sure we  
11 had proper oversight. And the team went off and resolved  
12 the issue. And then only after the issue was resolved from  
13 a safety perspective did the shift manager then resume  
14 activities.

15 That was a very critical behavior of leadership in  
16 the shift managers that we're now seeing daily. So, that's  
17 a very key, that's a very key visible improvement for the  
18 station.

19 Our Operations management and our other line  
20 managers are also out visible in the plant enforcing  
21 standards. And a very key change also is our shift  
22 managers are now focused on spending their time in an  
23 oversight role. We had some issues with distractions and  
24 we had been involved in other activities that eliminated  
25 those kinds of things. So, we now have those folks focused

1 in the control room, spend more time in the control room  
2 and maintain the oversight perspective of the activities  
3 occurring on their crews.

4 Our prejob briefings. We now have consistency and  
5 quality in our prejob briefings, such that our field  
6 execution has improved. And another very key point that I  
7 really want to stress, is that the role of our reactor  
8 operators has been expanded to capitalize on their  
9 ownership knowledge and expertise.

10 So, our reactor operators are now utilizing a peer  
11 check entry and exit from tech spec action statements.  
12 They were not doing that before. They are also tracking  
13 with electronic timers, a short duration technical  
14 specification action timers. They were not doing that  
15 before.

16 They're also, if we have maintenance on a safety  
17 related implementation plan, before the senior reactor  
18 operator signs off and operates that maintenance, the  
19 reactor operator co-authorizes that to get the RO buying  
20 and understanding the activity that's taking place. That's  
21 a very key change in our Conduct of Operations.

22 We have seen just across the board significant  
23 improved ownership and accountability for performance  
24 within Operations. And we have resolved our enunciator  
25 response issues where we had some inconsistency before. We

1 now have consistent and correct enunciator response in the  
2 control room.

3 We have formalized our guidance for station log  
4 keeping. It's significantly improved now. It's  
5 significantly more thorough, more detailed, and more  
6 consistent amongst all the Operations crews. And we have  
7 formalized very prescriptive technical specification  
8 implementation requirements.

9 And, lastly, from a demonstrated performance  
10 perspective --

11 MR. THOMAS: Before you move  
12 on, Barry, can I ask you a question?

13 MR. ALLEN: Yes, sir.

14 MR. THOMAS: If you ask the  
15 same question to a nonlicensed operator, and a mechanic, an  
16 RP tech; and the question being, what organization leads at  
17 Davis-Besse; do you believe you would get a consistent  
18 answer?

19 MR. ALLEN: I believe I would  
20 get a consistent answer of Operations.

21 Now, from a demonstrated performance perspective, I  
22 think it's very critical to note that Operations has  
23 recently conducted its safe and eventless plant heatups and  
24 cooldowns. Demonstrated performance. Examples I've given  
25 are visible improvements which demonstrate significant

1 improvements in Operations.

2 Next slide, please.

3 As you recall on the January 21st public meeting, we  
4 provided you with the assessment criteria that we would use  
5 to assess our most recent plant heatup. During our most  
6 recent plant heatup, our Operations performance fully  
7 satisfied all eight of the NOP assessment period criteria.

8 The criteria list includes some very key items, such  
9 as no inadvertent safety system actuations; no significant  
10 events due to operator errors, no unplanned technical  
11 specification injuries due to operator errors, a work  
12 schedule adherence rate of 90 percent or greater, and  
13 consistent implementation of Conduct of Operations  
14 standards and requirements.

15 In summary, Davis-Besse Operations fully satisfied  
16 the NOP assessment criteria. They have demonstrated their  
17 readiness for restart, but most importantly are  
18 demonstrating continuous improvement. Thank you.

19 MR. MENDIOLA: If I could ask a  
20 question, Barry. The improvement to the staff, the  
21 on-shift crews, if you will, was performed, to summarize  
22 basically some of the topics on page 13. It sounds like  
23 you just removed certain functions from certain people to  
24 other folks. And, I guess my question is, did you augment,  
25 did you have to rely on augmenting staffs or did you do

1 this with the currently existing shift staffs, or some  
2 other way?

3 MR. ALLEN: Tony, we used our  
4 existing Operations staff. Okay. We got a little more  
5 intrusive on some checking that we did as we tried, as I  
6 told you, we were most concerned about implementation of  
7 technical specification departments. We wanted to make  
8 sure we had to do that flawless. We're looking for  
9 perfection or near perfection on that.

10 So, we took our Operations Oversight Manager  
11 Program. We worked that. We wrote that into a different  
12 charter and made that a Shift Manager Peer Verifier  
13 Program. And so the individuals we put in place for the  
14 Shift Manager Peer Verifier Program, we put them in place  
15 to be more intrusive.

16 So, if I'm getting ready to enter a technical  
17 specification, I get the books out and look at it, turn to  
18 my peer here, I get a peer check from a reactor operator  
19 now and another SRO, people available in the control room.  
20 Then we get the shift manager peer verifier, who is not  
21 part of the chain of command and does not make decisions  
22 for the crew, but that individual is there, just an  
23 observer, peer checking that. And then if there is any  
24 questions, ensuring that they're clarified.

25 So, we've been more intrusive in our checking and

1 then we don't ask those folks to sign our procedures,  
2 because they're not qualified to do that. We do have them  
3 document that in their observation cards. So, at the end  
4 of every shift, we have that feedback from those Shift  
5 Manager Peer Verifiers that says; did a good job with this,  
6 understood this, this is well communicated, this entry,  
7 this exit, this tech spec was good clean, you know, good  
8 discussions for an entry, so we have graded visible  
9 anecdotal evidence, if you will, how we performed that  
10 activity by the way we redirected those Shift Manager Peer  
11 Verifiers.

12 MR. MENDIOLA: So, you've  
13 removed, if I understand you right, you removed a certain  
14 amount of solidarity that an operator would have by  
15 themselves by having them interact intrusively, the word  
16 you used, with each other more often?

17 MR. ALLEN: That's correct.

18 MR. MENDIOLA: Would that account  
19 for them to have more responsibility, but no need to  
20 augment the staff, per se, with extra folks to handle the  
21 extra tasks, because the others are checking on each  
22 other.

23 MR. ALLEN: I think, if you  
24 want to look at it from an increased staff, that is a good  
25 question, I hadn't thought of this before, but prior to

1 some of the changes we had instituted recently, we may have  
2 had, say, one individual read technical specifications and  
3 say, "We're entering technical specification whatever,  
4 whatever." Now, we have built in the formality and the  
5 rigor and structure, okay, of getting the peer checks, not  
6 only at the SRO level, but make sure that the reactor  
7 operators who are watching the panels understand what's  
8 going on and getting peer check from them and authorizing  
9 those activities.

10 So, do we put more people in the control room, no.  
11 Did we involve all the people in the control room now with  
12 that process, yes. They're now all part of that team, and  
13 so we're ensuring that that team is functioning. Since  
14 that's kind of new for us, kind of a new change, very  
15 positive, seeing extremely good results on Operations  
16 behaviors, we still put the Shift Manager Peer Verifier  
17 there just to watch that process. Being new to us, we want  
18 to make sure it rolls out of the box 4-0 as opposed to  
19 missing some parts. So, we made some changes, tried to  
20 strengthen the crew's ability to work together and  
21 strengthen our oversight there to make sure we monitor that  
22 change.

23 MR. MENDIOLA: Thank you.

24 MR. BEZILLA: Okay. Good

25 evening.

1                   MR. GROBE:         Mark, before we,  
2 before we go on, we've been going for about an hour and 15  
3 minutes; I think it might be a good time for a brief  
4 break. It's now 11 minutes after 7. Why don't we resume  
5 at 20 after.

6 (Off the record.)

7                   MR. GROBE:         Okay, Mark, thank  
8 you.

9                   MR. BEZILLA:         Okay, thank you,  
10 Jack.

11                  Good evening. My desired outcome for this evening  
12 is to communicate the effectiveness of our corrective  
13 actions in ensuring the site readiness for restart.

14                  Next slide.

15                  Lew and Barry went into details. I would like to  
16 summarize. We are ready to safely and eventlessly restart  
17 Davis-Besse. We have trained, qualified, competent  
18 individuals. We have strong programs in place. We have a  
19 new effective management team. And we have an intrusive  
20 Quality Oversight Organization. We have the barriers in  
21 place that are ensuring safe eventless operation at  
22 Davis-Besse.

23                  Next slide, please.

24                  Let me spend a minute and detail our remaining  
25 Return to Service items. We are currently in Mode 3 at

1 normal operating pressure. We will be conducted our Mode 2  
2 Restart Readiness Reviews next week.

3 Following NRC approval for restart, we will complete  
4 our mode change checklist procedure. This ensures that  
5 everything is in order prior to proceeding to Mode 2.

6 We will then enter Mode 2 and perform the required  
7 testing. This is mostly zero power physics testing.

8 Upon safely completion of Mode 2 testing, we will  
9 raise reactor power and enter Mode 1. Prior to  
10 synchronization of the main turbine generator to the grid,  
11 we will conduct an effectiveness assessment, "How have we  
12 done?" and a readiness review, "Are we ready to proceed?"

13 When we are satisfied we can proceed, we will  
14 synchronize to the grid and continue with plant startup.

15 When we place the second main feedwater pump in  
16 service and stabilize the plant at about 50 percent power,  
17 we will again perform an effectiveness assessment; again,  
18 "How did we do?" and a readiness review, "Are we ready to  
19 proceed?" When we are satisfied we can proceed, we will  
20 complete our startup to full power.

21 When at full power, for about two weeks, we will  
22 perform a critique. And then after about four weeks, we  
23 will conduct another effectiveness assessment.

24 MR. HOPKINS: Question, Mark.

25 MR. BEZILLA: Yes.

1                   MR. HOPKINS:     You referred  
2   earlier to work that you were doing on a large transformer  
3   on site. For the other large transformers on site, could  
4   you tell me what immediate actions are reviewed for?

5                   MR. BEZILLA:     Jon, I believe the  
6   question is, are we taking any other actions in regard to  
7   the transformers on site?

8                   MR. HOPKINS:     Yes.

9                   MR. BEZILLA:     Okay. We have,  
10 I'll say, three other main important transformers to us.  
11 The number two startup transformer, which is currently in  
12 service and is available for service, we've checked that  
13 out thoroughly, meaning looked at the observable  
14 indications. I don't see any issues. And during this  
15 outage, we refurbished that transformer, so we believe that  
16 transformer is in good stead.

17                 And we are currently in back feed condition, using  
18 our main transformer, having power flow backwards through  
19 it into an Aux transformer and that's currently powering up  
20 our in-house power supplies. We see no issues with those  
21 other two transformers.

22                 So, we believe the three transformers are currently  
23 available and in service, don't have any issues. And we  
24 are completing the restoration to service of our number one  
25 startup transformer, and essentially what we did there was

1 we overhauled that transformer. Since we had to replace  
2 the bushing and drain the oil, we just did the overhaul  
3 that we had planned, I believe, for the next refuel  
4 outage. So, we believe we're going to have a good set of  
5 transformers here in a few days.

6 MR. HOPKINS: Okay, thank you.

7 MR. THOMAS: Mark, would you  
8 please tell me more about these effectiveness and readiness  
9 assessments that you have on the transition of power?

10 MR. BEZILLA: Yes, Scott.

11 Barry talked about the NOP criteria where we did  
12 assessment of our performance and effectiveness. We have  
13 similar hold points, if you will, in the process. And what  
14 we'll do is, when we do one of those hold points, we'll  
15 take a look at the Condition Reports that were written,  
16 take a look at our management observations. We have some  
17 criteria established. We'll meet as a collegial body of  
18 the management team, and we'll review our performance and  
19 determine if there is any adjustments that we need to make  
20 in our people, our plant, and our programs before we  
21 proceed.

22 MR. THOMAS: Are you using your  
23 current, I guess what process, is this a proceduralized  
24 process you're using?

25 MR. BEZILLA: This is in our

1 Integrated Restart Test Plan, and we have that documented  
2 in that plan.

3 MR. THOMAS: Okay.

4 MS. LIPA: Mark, before you  
5 talked about barriers to ensure success, and previously  
6 Barry talked about how you met your criteria for the NOP.  
7 And you also talked earlier about the shift management  
8 observers. And I wonder how much you rely on that as a  
9 barrier and how long you'll have that in place and how  
10 you'll know when that's no longer needed as a barrier.

11 MR. BEZILLA: Christine, we  
12 talked about the barriers. We have the individuals, like  
13 the operators or the mechanics, those are a barrier. We  
14 have programs and processes which Lew detailed in his talk,  
15 right, we have those in place. We have management, which  
16 Lew and Barry both talked about. Then we have oversight,  
17 which is a fourth barrier. So, we have a four barrier  
18 concept that we use.

19 Our Shift Manager Peer Verifiers, I'll say are part  
20 of the oversight barrier. They're an asset to us today.  
21 As we bring the plant to full power, when we do our  
22 critique and effectiveness reviews, we'll make a  
23 determination at that point if we believe we need to  
24 continue that program or if we would want to adjust or  
25 shift, I'll say, some of the function again or things that

1 they're currently doing for us or if we believe that we're  
2 strong enough to not need the Shift Manager Peer  
3 Verifiers.

4 MS. LIPA: Okay, thank you.  
5 MR. GROBE: Mark, there was  
6 one thing you said that confused me, maybe I didn't just  
7 hear correctly. These post restart effectiveness critiques  
8 at two weeks and one month. Are those two weeks and one  
9 month after you achieve full power or two weeks -- okay, so  
10 they're post restart, but they're not post to the point in  
11 time you get to Mode 2.

12 MR. BEZILLA: That's correct,  
13 Jack. Once we get to hundred percent power, after about  
14 two weeks, and then after about four weeks.

15 MR. GROBE: And those will be  
16 done similar to your Restart Readiness Assessments where  
17 you bring your team together?

18 MR. BEZILLA: That's correct.  
19 MR. GROBE: Maybe you said  
20 this already, and I just wasn't listening carefully. I'm  
21 not sure what you call them. The peer to the shift  
22 managers on shift.

23 MR. BEZILLA: Shift Manager Peer  
24 Verifiers.  
25 MR. GROBE: Shift Manager Peer

1      Verifiers. How long after restart do you anticipate that  
2      being in place?

3                MR. BEZILLA:         Could be a month,  
4      or maybe longer, based on our assessment of the  
5      effectiveness of our shift managers, our crews. Right now,  
6      like I said, they're a valuable asset to us, and we'll see  
7      how we perform. It's going to be based on our performance  
8      and our assessment of the need to continue that function.

9                MR. GROBE:         Okay. I don't  
10     want anybody to get the wrong impression. We're now  
11     talking about things that happen after NRC approval for  
12     restart, that's your bullet "Following NRC Approval For  
13     Restart." The reason this is important to us is this issue  
14     on consistency and performance.

15               MR. MYERS:         That's correct.  
16               MR. GROBE:         And even though  
17     these would be the activities that would occur after NRC  
18     approval for restart, it's important that we clearly  
19     understand them before we can get to a point of authorizing  
20     this startup. It could be somewhat confusing that we're  
21     focusing on this area, but that's why it's important to  
22     us.

23               MR. BEZILLA:         Jack, the reason I  
24     wanted to talk about this is a number of your questions had  
25     centered around consistency or inconsistency in the

1 self-assessments. We wanted to show you that we have  
2 built-in hold points where we are going to do effectiveness  
3 reviews and readiness reviews prior to proceeding, because  
4 we want to make sure that we know how we had performed and  
5 want to make sure we make any adjustments prior to  
6 proceeding, so that we have safe and eventless  
7 performance.

8 MR. GROBE: Okay.

9 MR. MENDIOLA: Just a quick  
10 question on this, Mark. Where is turbine roll on this, is  
11 it before or after that management hold on Mode 1?

12 MR. BEZILLA: The  
13 synchronization, the turbine roll could be occurring while  
14 we're doing our effectiveness and readiness assessment.  
15 Prior to synchronization, we would hold, we will do an  
16 effectiveness assessment in a readiness review. And we  
17 have to bring the turbine up, we have to do an over speed  
18 trip, et cetera, prior to synchronization; so, there may be  
19 turbine activities occurring while we're pausing to do the  
20 assessment or they may be completed prior to the  
21 assessment.

22 MR. GROBE: How long is this  
23 management hold? Is this a matter of a couple hours?

24 MR. BEZILLA: We put in a shift,  
25 Jack, as a hold spot. It may take less, it may take more,

1 depending on what we see.

2 MR. MENDIOLA: That's the shift  
3 you'll be working the turbine?

4 MR. BEZILLA: Not necessarily.

5 MR. MENDIOLA: I guess my concern  
6 is the turbine has been in its current state for the last  
7 couple of years. First time you start spinning it a lot  
8 faster than it's been going, how it will react, and just  
9 whether that will hold was to assess the turbine's reaction  
10 or perform the turbine reaction. From what I understand,  
11 it's during the turbine preparation.

12 I think that's what I heard you say. That's the  
13 point where you're going to stop, you're going to see what  
14 the turbine does and use that as part of your effectiveness  
15 and readiness assessment, how well it reacts to steam.

16 MR. BEZILLA: That's correct.

17 MR. MYERS: We'll be doing  
18 assessment. We have a team looking at how effective the  
19 turbine will roll. That's a major activity, rolling that  
20 turbine the first time.

21 MR. BEZILLA: Tony and Jack,  
22 just I didn't mention it here, but what we've done is we  
23 commissioned a team to go look for opportunities that might  
24 present themselves in Mode 2 and in Mode 1. And I believe  
25 the team came up with about 25, I'll say, topic areas or

1 systems that either haven't been in service or that we see  
2 as potential problem points or where issues could arise.

3 Those individuals and teams are currently working on  
4 contingency plans. Okay, what if this happens, do we need  
5 a work order, do we have parts available, do we need to  
6 have some additional vendors in or industry experts on  
7 site. An example would be like our physics testing,  
8 rolling the main turbine, synchronizing the generator,  
9 putting the main feedwater pumps in service.

10 Those components that we've done as much testing as  
11 we can, but we can't put them in service until we get the  
12 proper plant conditions, and I don't have those right now  
13 to do the testing or put the pieces of equipment in  
14 service. So, we've got a team, that's a look-ahead team,  
15 that's identifying those pinch points that we might run  
16 into as we proceed up once we get permission.

17 Okay. The purpose of going through this, the  
18 overall picture that I wanted to share with you is that the  
19 startup is very prescriptive, very controlled, and we'll be  
20 assessing and adjusting as needed to ensure a safe and  
21 eventless startup.

22 Next slide.

23 To ensure continuous improvement, we've created an  
24 Operational Improvement Plan for Cycle 14. I believe Lew  
25 had mentioned that and Barry also had mentioned that. This

1 plan will take us, I'll say, through the next two years.  
2 This plan encompasses areas identified on this slide. And  
3 you can see it's pretty encompassing as to the areas that  
4 we're going to be focusing on over the next couple of  
5 years.

6 This plan will build upon a foundation built over  
7 the past two years, and will ensure our continued  
8 improvement as we continue on our journey to excellence.  
9 And consistent performance is really what our goal is.

10 Jack, any questions? You were looking?

11 MR. GROBE: The plan that  
12 you're talking about is available on our website.  
13 Actually, there ~~is~~ are three versions of it; ~~Rev~~ Rev 0, 1 and 2.  
14 They're all on the website.

15 I've been struggling with the same question that  
16 I've been asking myself all evening and I think I know the  
17 answer. I think it's summarized in one word and that's  
18 alignment. And I jotted down a whole bunch of preachy  
19 things on what alignment should entail, but I notice, I  
20 think it's important, the first bullet there,  
21 "Organizational Effectiveness."

22 In your Improvement Plan under that heading, you  
23 have quite a few specific activities that should be  
24 ongoing, some of them now, and should be completed  
25 shortly.

1        "Improved individual organizational performance and  
2 alignment and development utilization of alignment ~~mass~~ maps.

3 Second quarter '04."

4        "Implement FENOC business practices, but focus  
5 self-assessments, ongoing self-assessments, benchmark" and  
6 those are all first quarter.

7        There is quite a few activities in here. I think  
8 that we've done enough inspection to realize that when you  
9 folks get alignment top to bottom, things happen; and good  
10 things. And when you get that laser light pinpoint focus  
11 on safety and that disciplined approached to operations, or  
12 all safety activities, the effective corrective actions,  
13 disciplined effective corrective actions, things happen.

14 As evidenced by what's happened in the last two months in  
15 Operations. I think that's key.

16        Tell me a little bit more. You're talking about  
17 alignment. Tell me a little bit more what you're talking  
18 about as far as what are you trying to align? What is it  
19 that you're trying to gain alignment on?

20            MR. BEZILLA:        Jack, that's a  
21 good question. All right. Our vision is people with a  
22 strong safety focus delivering top fleet performance. All  
23 right? And it's people with a strong safety focus. That's  
24 the first key piece of the alignment that you're talking  
25 about. And that's my job, my senior leadership team's job,

1 my managers' job, and my employees' job. I'll say it  
2 right, because we have to be focused on safety first and  
3 foremost.

4 We've talked about that, we've preached that. As  
5 you said, it's about getting the laser point on that. That  
6 is, I'll say the gate that we have to go through before we  
7 worry about anything else. All right?

8 So, people with a strong safety focus, delivering  
9 top fleet operating performance. And in our business plan,  
10 Jack, we have various pieces; we have a people piece, we  
11 have a safety piece, we have an outage performance piece,  
12 we have a material condition piece. And within those  
13 various pieces, a business plan. And then we have, I'll  
14 say, sub items. We have performance indicators. So, it's  
15 getting focused around safe, reliable operations.

16 And if you remember, Jack, I think we showed you  
17 some of the AEdventures things we did with our folks a few  
18 months ago. That was the first step in having all the  
19 employees understand their role and how important it is for  
20 them to do their tasks correct the first time, each and  
21 every time.

22 And also when we went through those AEdventure maps,  
23 we laid out and had them identify what their interfaces  
24 were, and how important they were to make sure that, I'll  
25 say, all the machinery works to make sure we can be safe

1 and reliable at what we do.

2 Does that help?

3 MR. GROBE: Yeah. The very  
4 first Regional Administrator many years ago, I won't tell  
5 you how many, said to me one time he's never seen a program  
6 he didn't like. And I tell you, the way I interpret this  
7 program, it has all the right pieces in it. The challenge,  
8 though, is putting it into action, making it alive, making  
9 the organization respond to these issues.

10 You haven't always found your own problems. We've  
11 helped you in that regard. Could you talk a little bit  
12 about how you're going to be confident, what kind of  
13 assessments -- I think it's the last one down there. What  
14 kind of external assessments you're going to be doing that  
15 are going to give you confidence that you'll always find  
16 your own problems?

17 MR. BEZILLA: We want to always  
18 find our problems, but we have guys like Scott, and I know  
19 he's going to find some things that we don't, okay, as much  
20 as we may try. Jack, what we may do --

21 MR. GROBE: He better.

22 MR. BEZILLA: I understand.

23 What we have planned is we have ongoing assessments,  
24 okay, ongoing self-assessments; and those are things like  
25 management observations, off hour tours, those types of

1 things. We have also focused self-assessments that Lew  
2 talked about. These will be corporate, I'll say, driven,  
3 corporate sponsored. And they may look at a single site,  
4 but they're going to look at the FENOC organizations in  
5 total. So, we'll have focused self-assessments.

6       We're going to use the INPO, the Institute of  
7 Nuclear Power Operations organization, to provide us assist  
8 visits. As an example, we have one scheduled in March for  
9 our Aux. Feedwater System. We're going to get INPO help  
10 and industry expertise to come in and help us take a look  
11 at that and make sure we have been thorough and we haven't  
12 missed something in our Aux. Feedwater System, because it's  
13 so critical to our safety profile, if you will.

14       Those are the types of things, Jack, we will use  
15 moving forward from a self-assessment standpoint.

16       The other thing in our Operational Improvement Plan  
17 here, we are going to provide training to, I'll say, our  
18 managers and supervisors on things like observation skills,  
19 all right, to improve their toolbox, so that they can do a  
20 better job when they go out at being critical, identifying  
21 issues, and raising them, I'll say, the minor items, so  
22 they don't become larger items.

23           MR. GROBE:       Again, I'm  
24 looking at some of the details in this plan.

25       Under item 10, which is internal and external

1 oversight. The very last item in that section says,  
2 "Conduct assessment activities in Corrective Action Program  
3 to evaluate effectiveness of corrective actions taken to  
4 improve implementation and improve trend evaluation."  
5 That's a long sentence.

6 But, who, it says the owner is Steve Loehlein. Is  
7 that an internal assessment or is that one that's going to  
8 be conducted by people from outside of the FirstEnergy  
9 family?

10 MR. MYERS: If you go look at  
11 our, I've some process here in my hand for  
12 self-assessments. Fred is going to cover a lot of that in  
13 his presentation. You want to hold that question and bring  
14 it back up so Fred can answer it?

15 MR. GROBE: Okay.

16 I noticed in section 7, which is safety culture, you  
17 have a number of different types of monitoring activities  
18 going for monthly performance indicators, things that are  
19 more easy to measure quantifiably, to you have your  
20 quarterly elective significance reviews, and then a whole  
21 bunch of annual activities, independent assessments by QA,  
22 surveys in a Safety Conscious Work Environment, Safety  
23 Culture, and then outside completely within assessments  
24 similar to, I'm sure similar to the one that Doctor Haber  
25 did a year and a half ago.

1        That's an area where you've laid out fairly  
2    comprehensive assessment activities to ensure that you're  
3    continuing on track. I'm not sure the assessments in the  
4    other areas are quite as comprehensive.

5        What other areas do you have independent assessments  
6    planned, other than having INPO come, which happens  
7    anyways. What other areas do you have independent  
8    assessments planned?

9            MR. BEZILLA:        Jack, I briefly  
10   looked at the focus self-assessments for the year. There  
11   is things in there about, I'll say, like fuel, fuel  
12   performance, outage preparedness, and preparations. As you  
13   said, the corrective action process is in there.

14            MR. VON AHN:        Jack, you touched  
15   on three of the self-assessments. With regard to  
16   corrective actions, there will be two self-assessments.  
17   The first one being in March and it will be a D-B specific  
18   self-assessment on corrective action on significant  
19   conditions adverse to quality. The second self-assessment  
20   will be a fleet focus self-assessment on root and apparent  
21   causes. That's scheduled for August and will be a fleet,  
22   fleet assessment, basically team made up of fleets with an  
23   external representative.

24            As well, there will be an engineering  
25   self-assessment. That will be conducted in July, is the

1 tentative time frame right now for this assessment. This  
2 will have three industry peer managers, as well it will  
3 have an INPO representative, as well as FENOC peer  
4 managers. This will cover calculation quality,  
5 modification quality, system engineering effectiveness, and  
6 engineering corrective action, and cause analysis and  
7 quality.

8 As well, we have a safety culture, self-assessment  
9 follow-up.

10 MR. GROBE: Fred, I think I  
11 should have listened more carefully to Lew. Sounds like I  
12 was getting a little bit ahead. Why don't I let Mark  
13 finish his presentation and then we'll get into yours. I  
14 apologize.

15 MR. BEZILLA: Okay, next slide,  
16 Kevin.

17 Jack, in conclusion, our people, our plant, and our  
18 programs are ready to support safe and eventless restart at  
19 Davis-Besse. We are ready. That's all I have, Jack.

20 Okay, Fred.

21 MR. VON AHN: Okay, thanks  
22 Mark.

23 And good evening. I'm going to discuss the  
24 conclusions of independent internal and external oversight  
25 regarding Davis-Besse's Restart Readiness.

1       Next slide.  
2       Quality Assurance has provided independent internal  
3       oversight of the Davis-Besse Return to Service Plan. The  
4       Return to Service Plan defined the activities required for  
5       Davis-Besse to return to safe and reliable operation.  
6       Quality Assurance is determined that the plan has been  
7       adequately implemented and Davis-Besse is ready for  
8       restart.

9       In addition to Quality Assurance, two other bodies  
10      have been providing independent external oversight of  
11      Davis-Besse activities in addition to the NRC. First, the  
12      Company Nuclear Review Board or CNRB. This board consists  
13      of external consultants, a local government representative,  
14      as well as FENOC executive management. Each of the four  
15      subcommittees of the CNRB determined that there were no  
16      safety issues preventing restart of the Davis-Besse plant.

17      Second, the Restart Overview Panel. This is a panel  
18      of utility senior executives, past nuclear regulatory  
19      commission executives, as well as a local government and  
20      Institute of Nuclear Power Operation's representative. The  
21      collective experience of this panel exceeds two hundred  
22      person years of nuclear power experience.

23      The Restart Overview Panel was commissioned to  
24      provide a separate independent oversight and review of both  
25      internal and external plant activities associated with the

1 return to service Building Blocks. This panel has been  
2 meeting monthly for the past twenty months assessing  
3 Davis-Besse activities and the ROP has also determined that  
4 Davis-Besse is ready for restart.

5       Multiple groups of experienced personnel, both  
6 internal and external, have thoroughly, objectively, and  
7 intrusively looked at Davis-Besse activities and determined  
8 that Davis-Besse is ready for restart.

9       Next slide.

10       Going forward. Oversight will continue to  
11 independently monitor and assess station performance  
12 throughout Cycle 14. Both Quality Assurance and the  
13 Company Nuclear Review Board will continue their oversight  
14 activities.

15       Additionally, a corporate collective significant  
16 function will be established reporting to the line.

17            MR. THOMAS:       Fred, before you  
18 go on, a quick question. In your opinion, how receptive is  
19 Davis-Besse Senior Management to observations from your  
20 staff?

21            MR. VON AHN:      Senior Management  
22 takes some convincing, but once they get behind the  
23 observation, they carry through the line, quite a bit.

24       For example, it took some convincing with one of the  
25 activities we had on the NOP/NOT testing with some breaker

1 testing, but once senior management saw that activity,  
2 there was a Significant Condition Adverse to Quality  
3 Condition Report written. It was reviewed by senior  
4 management and they recognized the issue associated  
5 that Quality Assurance was bringing up.

6 MR. THOMAS: Okay.

7 MR. VON AHN: This, back to the  
8 corporate collective significance function. This function  
9 will monitor and assess the collective significance of  
10 diverse internal and external inputs to look for  
11 performance trends and they continue to drive improved  
12 performance.

13 This may get to your point, Jack, about  
14 self-criticality and the hit or miss aspects of that with  
15 this function.

16 MS. LIPA: Fred, it sounds  
17 like that's not fully set up yet. Is that in the Cycle 14?

18 MR. VON AHN: That's in its  
19 infancy right now. We have an experienced individual  
20 that's come back from the Institute of Nuclear Power  
21 Operations that has significant multi-plan experience  
22 that's setting this function up for us.

23 MS. LIPA: So, it's being set  
24 up, but is the concept contained in your Cycle 14  
25 commitment listing?

1                   MR. MYERS:       Yes.

2                   MR. BEZILLA:      It's page 7.

3                   MR. MYERS:       Page 7.

4                   MS. LIPA:         Thank you.

5                   MR. VON AHN:      Further, there are

6    external focus assessments in Safety Culture, Engineering

7    Quality and Corrective Actions planned for Cycle 14.

8                   As the station moves forward, multiple methods of

9    independent assessment, both internal and external, will

10   continue to be used to monitor and improve performance.

11                  MS. LIPA:         Fred, when you say

12   external focused assessment, is that completely independent

13   of FENOC?

14                  MR. VON AHN:      When I say

15   external, it will be made up of external members. We also

16   want to have a peer member to learn from that on the team,

17   so we would have internal membership as well.

18                  MS. LIPA:         Is it mostly

19   external or is it kind of mixed?

20                  MR. VON AHN:      It depends.

21                  MR. MYERS:        Mixed, it depends

22   on the assessment.

23                  MR. VON AHN:      Safety Culture

24   will be strictly external. The Engineering probably 60/40;

25   60 percent being external, 40 percent being internal. And

1 if you count strictly Davis-Besse, it will probably be 80  
2 percent external, and the other facilities being considered  
3 external, Beaver and Perry.

4 MS. LIPA: I was just trying  
5 to get an understanding of external, what it would mean.  
6 Thank you.

7 MR. VON AHN: Other questions?  
8 Well, now, I would like to turn the presentation  
9 over to Gary Leidich for concluding remarks.

10 MR. LEIDICH: I think Jack has a  
11 question.

12 MR. VON AHN: I'm sorry, Jack.  
13 MR. GROBE: It was a little  
14 quick. The Safety Culture assessment in your Cycle 14  
15 Plan, the independent one, says it will be done in the  
16 forth quarter of '04. Corrective Action Program is the  
17 second quarter of '04.

18 The Engineering Quality Cycle 14, what does that  
19 mean? Does that mean by the end of Cycle 14, or regularly  
20 every quarter during Cycle 14?

21 MR. VON AHN: The Engineering  
22 self-assessment is tentatively scheduled for late July time  
23 frame.

24 MR. GROBE: Late July, so  
25 that would be third quarter.

1                   MR. MYERS:         Jack, once again,  
2   this is a different plan now. We planned, when we built  
3   this, we thought the plant would be running in December,  
4   so some of these things may move somewhat.

5                   MR. VON AHN:         And some of the  
6   dependencies is on getting those external resources. You  
7   know, if they can't make it.

8                   MR. MYERS:         Right.

9   We'll schedule it. The plans will be very visible.

10                  MR. GROBE:         Okay. Other  
11   questions?

12                  MR. RUTKOWSKI:     Just a little  
13   background on I think Jack's request. As you heard  
14   earlier, one of the things we're doing is, as we evaluate  
15   whether to recommend to our management whether to approve  
16   restart, is to try to decide what other regulatory  
17   vehicles, if any, we need to incorporate some of the things  
18   that you're telling us. And so we're asking questions  
19   about what are you doing, what's your schedule.

20                  Try to put that in context, so when we deliberate,  
21   when we ask questions about, what should we recommend to  
22   our management, we need this information. So, that's just  
23   a little background.

24                  MR. MYERS:         Okay.

25                  MR. GROBE:         Another question.

1 In the Operations area, it says one of your activities is  
2 to benchmark the Conduct of Operations. What exactly does  
3 that mean in your vernacular?

4 MR. ALLEN: As far as Conduct  
5 of Operations benchmark, is that your question, Jack?

6 MR. GROBE: Right.

7 MR. ALLEN: If you look at  
8 Conduct of Operations, that could be defined pretty  
9 broadly. That's log keeping, rounds, how you do certain  
10 activities looking forward. What I've seen since I've been  
11 here at Davis-Besse is we're very good at the what. We  
12 understand what we're supposed to do. I think we  
13 understand that very clearly.

14 I think that how to accomplish that in the best  
15 fashion is what we need to go benchmark, so we can find  
16 some better ways to perform some activities. It's just to  
17 help us be consistent with, how do I verbalize a peer check  
18 with a peer in the control room. We do that consistently,  
19 as far as performing the peer check, but exactly how do we  
20 verbalize that, express that, is not as consistent as we  
21 would like it to be. So, those are the kinds of things we  
22 want to bench mark.

23 So, one of the things we have already done is gone  
24 up to INPO and taken their Conduct of Operations criteria.  
25 We laid it out, and how does our Conduct of Operations

1 compare with what the industry puts out as what you ought  
2 to have for Conduct of Operations.

3 We went through and did that delta assessment and we  
4 found some enhancements we could make. Again, kind of more  
5 in the "how would you implement this?" Because I think we  
6 have pretty good guidance as far as overall, but some  
7 detail, we found some detail.

8 We also got some, I'm sure, the insights on the  
9 reactor operators with you earlier, that was one of the  
10 things we saw on that benchmark, which was with the Conduct  
11 of Operations, we needed to define those roles more  
12 explicitly to ensure those licensed folks are involved.

13 So, we've already done some of that benchmarking and  
14 we've got quite a bit more.

15 We also -- I forgot that, Lew reminded me. One of  
16 things we're doing is taking our licensed folks and we're  
17 sending them over to either Perry or to Beaver Valley  
18 station and spending about three days in control room at  
19 power, and just benchmarking a crew that's in the control  
20 room in a power plant at hundred percent power, doing  
21 normal daily operations activities in a run situation.

22 So, we're taking care of that. Got some pretty  
23 positive feedback from the individuals who have done that,  
24 that benchmarking also.

25 MR. GROBE: One more question

1 in the Operations area, Barry. One of the items, that 3D  
2 in your plan, says "strengthening independent oversight of  
3 Operations." That's pretty broad statement. Would you  
4 give me a sense of what that means, what your plans are,  
5 specific plans on strengthening oversight of Operations?

6 MR. ALLEN: Jack, I think,  
7 there's probably several things we're going to have to look  
8 at. Independent oversight of Operations is, I think it's  
9 going to go back to, I think taking advantage of some of  
10 the things we talked about earlier. For instance, we  
11 talked about expectations from Scott. He goes out and sees  
12 some things that we don't pick up on.

13 We intend to go take some observation training and  
14 give that to the people at our station to improve our  
15 observation skills, so we're out doing activities and  
16 performing observations. We're more self-critical and can  
17 see things that perhaps we had blinders on to right now.

18 So, we'll take those type of activities and we'll  
19 look at how we can utilize those then to come up with  
20 strengthening independent oversight of Operations.

21 Now, we also have the shift folks and other folks  
22 in training who are in the Operations Department that might  
23 not be on the crew. We're looking what we can do to  
24 strengthen their ability to give us independent oversight.  
25 And then we have the leadership team within Operations.

1    We're trying to utilize those individuals for oversight.

2    Talk over how we're taking action. We're doing follow-ups

3    to see how effective we are.

4       We're continuing those efforts. And, I think

5       since -- one of the keys for us is our shift managers and

6       unit supervisors. Our supervisors provide good leadership

7       for crews and we can look at what we can do to help them in

8       their oversight role. It may not be particularly

9       independent, but again you put them in an oversight role,

10      they back up from activity.

11       So, I'm very interested in what we can do to train

12      those individuals then in better broader understanding and

13      positive impact they can have from an oversight

14      perspective.

15       So, we have some work to do and play that out, but

16      oversight is a pretty broad, pretty broad concept.

17       MR. GROBE:           I think I

18      understand better what you meant by that. Did you have a

19      question, Christine?

20       MS. LIPA:           No.

21       MR. GROBE:           Any other

22      questions? Okay.

23       MR. LEIDICH:        Okay, thank you,

24      Jack. Let's go to the next slide.

25       Well, obviously, we're here to respectfully request

1 your approval for restart. I would just like to quickly  
2 summarize what we tried to cover here tonight.

3 First of all, I think we demonstrated that  
4 management team not only at Davis-Besse, but FirstEnergy  
5 Nuclear Operating Company has been strengthened. Any  
6 message about where a facility has gone or what an  
7 organization is all about starts at the top, and we fixed  
8 that at FirstEnergy.

9 We've also demonstrated that our people have gone  
10 through a tremendous learning curve, a relearning curve on  
11 the importance of nuclear safety. We have a good solid  
12 quest in terms of their behaviors on a day-to-day basis in  
13 being relentless on their safety focus. We've measured  
14 that. We've assessed it. We've surveyed it. We've done  
15 some very innovative things to try to understand where our  
16 work force is. Our work force is clearly positioned to be  
17 ready for restart.

18 We've talked about the plant, the changes we've made  
19 to the plant, extensive modifications, many of those  
20 leading edge modifications in the industry. The plant is  
21 clearly ready for restart.

22 And we've talked about our programs. We've done a  
23 complete overhaul of most of our programs. We've talked  
24 here tonight about corrective action, the importance of  
25 corrective action. We have a very low threshold. Okay,

1 we've got that part. Now, we've got to ensure on a  
2 day-to-day basis we execute strong, corrective action and  
3 effective corrective action that we find and fix our  
4 problems.

5 And we're in that learning curve and we understand  
6 that. We think we're in a good spot on that curve for  
7 restart. We recognize we talked a lot tonight about the  
8 importance of getting additional and further external  
9 assessments, and then continuing to strengthen our internal  
10 assessment program.

11 The key to any strong safety culture in any one of  
12 these facilities, and we at this table clearly understand  
13 this, is that the station identifies and solves its own  
14 problems. We're going to continue to progress towards that  
15 and I think it's clear that at any nuclear plant that job  
16 is never done. That job always needs perfecting. We'll  
17 continue to work on that.

18 We think we've established a strong foundation here  
19 at Davis-Besse, but the important word is foundation. It's  
20 a building process, in many respects it's a rebuilding  
21 process.

22 You see the sign on the back. The word beginning.  
23 This is a beginning of a new era at Davis-Besse. It's a  
24 beginning of a group of people with a strong safety focus,  
25 strongly associated with the FirstEnergy Nuclear Operating

1 Company, which is clearly capable and will deliver top  
2 operating performance.

3 And part of that is the recognition that no nuclear  
4 plant, whether it's Davis-Besse or any other, is an island  
5 unto itself. And we've already put in place a strong  
6 corporate governance and a strong corporate oversight  
7 organization, so that we, whether it's Lew or Joe or  
8 myself, or the others in the corporate office, monitor on a  
9 routine day-to-day basis the safe operation of this  
10 facility. We're already doing it across the fleet;  
11 maintaining that constant vigilance, so that no plant is by  
12 themselves.

13 And, that Fred and his organization, then again, up  
14 to and including the Board of Directors, provides  
15 independent and strong oversight of that operation.

16 We believe that we're the only utility in the  
17 country that has a strong reporting relationship right to  
18 the nuclear committee with its oversight organization.

19 So, that governance and oversight is part of our  
20 checks and balances to ensure that programs are in place  
21 here at Davis-Besse and at FirstEnergy to put this  
22 community never in a position where anything like this ever  
23 happens again.

24 We've established that strong safety focus; and,  
25 once again, that starts at the top of the shop. Our Board

1 of Directors last year passed a new resolution on nuclear  
2 safety. The board continuously focuses on nuclear safety  
3 and our board reports. The nuclear committee of the board  
4 does the same.

5 At the very top of our shop now, our Chief Executive  
6 Officer, Henry Alexander, is strongly committed to nuclear  
7 safety. And I've already discussed the FENOC corporate  
8 organization and the organization of the employees here at  
9 Davis-Besse. The bottom line is, we're ready to run this  
10 plant.

11 That completes our presentation.

12 MR. GROBE: Questions?  
13 MR. HOPKINS: Yeah, one question  
14 for Mark. You mentioned you have a final Mode 2 Readiness  
15 Review that you're going to do, after you, if you get  
16 restart approval.

17 You sent us a February 6th letter, which is  
18 a supplement to your Integrated Report to Support Restart.  
19 In there you have an Attachment 3, which is remaining major  
20 actions for restart; it's called Appendix C Update; as of  
21 January 30th. There are several actions that this list has  
22 not complete as of January 30th, which again is almost two  
23 weeks ago. I just want to make sure that this table is one  
24 of the items that you'll go over in your Mode 2 Readiness  
25 Review.

1           MR. BEZILLA: Yes, Jon, all these  
2 items are in our Mode Hold Restraint Checklist, if you  
3 will, and I believe the latest date on any of these items  
4 is February the 19th.

5           MR. HOPKINS: Okay, thank you.

6           MR. GROBE: Any questions?

7       Gary, I appreciate your remarks at the end, and I  
8 was thinking about what I might have heard in March of  
9 2002. And I don't think I would have heard many of the  
10 things you said today in March of 2002.

11     It's clear that there is a difference in the  
12 performance at Davis-Besse. There has been steady  
13 improvement over the past two years. The challenge for us  
14 as a panel, I think each panel member feels this  
15 responsibility as a weighty responsibility, is trying to  
16 make sure that we make a decision at the right time, that  
17 our recommendation to Jim Caldwell has a sound foundation,  
18 and that we have confidence not only that you meet minimum  
19 safety standards, but that your performance going forward  
20 will not degrade. And, that's a difficult issue to wrestle  
21 with. We are wrestling with it.

22     Under the cover page, it says "The quest to get our  
23 plant back, better, and beyond." Right now we're working  
24 on back, and that's a challenge for us.

25     I think this presentation has been helpful. There

1 is a lot more detail in the documents that you've sent us.  
2 I appreciate that you've done a good job summarizing that  
3 this evening. Appreciate you answering all of our  
4 questions.

5 We've all been studying these documents carefully,  
6 along with reviewing the results of the inspections that  
7 have been performed in trying to make our judgments.

8 I may have not communicated as effectively this  
9 afternoon as I intended when we were talking about the  
10 improvements in the Management and Human Performance area.  
11 We have seen steady improvement in that area. There has  
12 been, there was a difference in the character of the way in  
13 which people responded during the interviews that we  
14 conducted in May and the interviews we conducted in  
15 December and January.

16 That indicated that there was somewhat of a less  
17 strong focus on the confidence in your staff in the  
18 management of the organization. That's another alignment  
19 issue. I don't think the management of the organization  
20 has changed, but the perceptions of the people have changed  
21 somewhat.

22 And again, the overall safety culture, as you assess  
23 it, has continued to improve in your organization, but  
24 again, there are these blips, and I think that's all related  
25 to, to alignment; making sure that people understand your

1 expectations, which you clearly and consistently  
2 communicate those; and I think performance, consistent  
3 performance, safety performance will follow that.

4 So, we need, we need to think about everything  
5 you've told us tonight and we need to consider you  
6 considering the four remaining checklist items that we have  
7 to evaluate, and determine what, if any, further actions  
8 are necessary. And that will take some time. And we'll be  
9 getting back to you if we have additional questions and  
10 need further information.

11 Of course, Scott and his team are here every day,  
12 so our inspections will continue. And we continue to have  
13 regional inspectors visit the site on a periodic basis to  
14 perform specialist activities and those activities will  
15 continue.

16 So, with that, let us take a short break, and then  
17 convene the second half of this evening's activities, which  
18 is a question and answer session from members of the  
19 public. So, it's 10 after 8. Why don't we start at 20  
20 after 8. Thank you.

21 (Off the record.)

22 MR. GROBE: Thank you very  
23 much for coming to order so quickly. The second half of  
24 this meeting is a meeting between the NRC staff and the  
25 public. And, this evening, this portion of the meeting is

1 complicated a little bit because of the fact that some of  
2 the members of the public that are going to be  
3 participating in this meeting are on the telephone.

4 We had some challenges with that this afternoon.

5 There was some feedback problems, but hopefully those will  
6 all be worked out.

7 What I would like to do is start with questions or  
8 comments from members of the public here in the Camp Perry  
9 Meeting Room, and after a period of time move to any  
10 questions or comments from members of the public that are  
11 on the phone lines, and then as necessary go back and  
12 forth.

13 I always like to afford an opportunity to elected  
14 officials or representatives of elected officials to make  
15 comments first. So, I would first like to invite any  
16 elected officials or representatives of elected officials  
17 to the podium. Please sign in. And if you can limit your  
18 comments to 3 to 5 minutes, we would appreciate it, because  
19 we have a lot of people here this evening.

20 MR. KOEBEL: Thank you. My  
21 name is Carl Koebel. I'm President of the Ottawa County  
22 Commissioners and I'm speaking tonight on behalf of my  
23 fellow commissioners, John Papcun and Steve Arndt.

24 I wish to stress that our number one concern is for  
25 the health and safety of our 40,000 Ottawa County residents

1 and the two hundred and so thousand visitors to our county  
2 on any given weekend.

3 We have attended every one of the public meetings  
4 held with the NRC, both the afternoon and the evening  
5 sessions, and we have personally taken a tour of the  
6 physical plant at Davis-Besse.

7 And, from what we've seen, I would like to read the  
8 following resolution into record:

9 Whereas, the Nuclear Regulatory Commission 0350  
10 Process to evaluate the Readiness for Restart has been a  
11 good process, and will continue to effectively evaluate  
12 Davis-Besse after restart.

13 And, whereas, the plant condition is better than it  
14 ever has been.

15 And, whereas, the employees are working hard to make  
16 sure that similar problems never happen again.

17 And, whereas, continued oversight after restart by  
18 the Nuclear Regulatory Commission and their willingness to  
19 involve and keep the county involved in it is definitely  
20 important.

21 And, whereas, FENOC agreeing to a closer working  
22 relationship with Ottawa County through County  
23 Administrator, Jere Witt, being appointed to the Restart  
24 Overview Panel and the Company Nuclear Regulatory Board --  
25 or Review Board as an independent oversight.

1       Now, therefore, be it resolved by the Ottawa County  
2   Commissioners that we support and encourage the safe  
3   restart of Davis-Besse Nuclear Power Station.

4       Witnessed this 12th day of February; signed by the  
5   three County Commissioners.

6       We have similar petitions that we have already  
7   submitted to Mr. Caldwell from the City of Port Clinton,  
8   Bay Township, Erie Township, Benton Township, Carroll  
9   Township, Catawba Township, Danbury Township, Harris  
10   Township, Portage Township and Put-In-Bay Township. We  
11   also have resolutions from the Village of Oak Harbor, the  
12   Village of Clay Center and the Village of Rocky Ridge.

13      We look forward to your approval of the restart of  
14   Davis-Besse. We thank you. We thank the employees of  
15   Davis-Besse and the management of Davis-Besse for the hard  
16   work they have put into the restart over the past two  
17   years.

18      Thank you.

19            MR. GROBE:            Thanks, Carl.  
20   I've been involved in a number of recovery efforts of  
21   challenged plants, and I've never had one where the county  
22   has been so earnestly involved in staying abreast of what's  
23   going on and insisting on being kept informed. The panel  
24   has met almost monthly with the County Commissioners and  
25   Jere Witt has been involved, actively involved in the

1 oversight assessment of the restart process and has been  
2 put on the Company Nuclear Review Board.

3 That's a very unusual situation. I have not seen  
4 that elsewhere in the midwest. So, I appreciate the  
5 county's involvement and interest in what's going on, and  
6 in what the NRC is doing. I also appreciate the fact that  
7 they've asked us a lot of tough questions about our  
8 responsibilities and our oversight and how we're doing our  
9 job. So, thank you for your comments Carl.

10 Yes, ma'am.

11 MS. BURRIL: My name is  
12 Jennifer Burril. I'm here on behalf of Congressman Dennis  
13 Kucinich, who gives his apologies that he could not be here  
14 tonight, but because this has been an important issue for  
15 him and our staff we're here on his behalf. I would like  
16 to read a statement that he has prepared.

17 We are here today because two years ago we got  
18 lucky. The Nuclear Regulatory Commission coaxed  
19 Davis-Besse to shut down and soon thereafter workers found  
20 a hole in the top of the reactor. A major nuclear accident  
21 it was averted. We got lucky because the NRC was concerned  
22 about a separate safety issue and FirstEnergy just happened  
23 to find the hole.

24 Much has been learned about how this happened. It  
25 is clear that FirstEnergy failed to safely operate the

1 Davis-Besse power plant. The NRC failed to effectively  
2 regulate the nuclear power plant. And both entities failed  
3 to place the health and safety of those living near this  
4 power plant above the profits of FirstEnergy.

5 Investigations into this incident have revealed that  
6 FirstEnergy possessed the empirical data that suggested a  
7 problem existed. For example, air monitoring filters were  
8 consistently clogged with rust suggesting a serious  
9 problem.

10 FirstEnergy chose to ignore the problems to protect  
11 its profits. The NRC Inspector General has found that the  
12 NRC chose to protect the financial impact on FENOC rather  
13 than force compliance with safety regulations.

14 After the shutdown of Davis-Besse, the NRC released  
15 a report that documented its Lessons Learned. The report  
16 made a few recommendations as to how the NRC might avoid  
17 future incidents, like the corrosion problems at  
18 Davis-Besse.

19 Since the release of the final report, a draft  
20 Lessons Learned Report surfaced that contained several  
21 far-reaching recommendations that would in fact make a real  
22 difference in nuclear power plant safety, but to avoid  
23 costly regulations, those recommendations did not make it  
24 into the final report.

25 My topical is public safety and I can not ask my

1 constituents to trust the word of FirstEnergy or the  
2 Nuclear Regulatory Commission if they can not place safety  
3 ahead of economic interest.

4 To-date the NRC has denied all efforts to push for  
5 greater inspections of Davis-Besse. I personally petition  
6 the NRC and several public interest groups also petition  
7 the NRC to force a more complete review of Davis-Besse.

8 It is well known that the NRC forwarded a criminal  
9 investigation to the Department of Justice for review. As  
10 it seems clear that FirstEnergy is at least suspected of  
11 criminal conduct, it only makes sense to wait for the  
12 conclusion of that investigation before Davis-Besse is  
13 permitted to restart.

14 Confidence in FirstEnergy's operation of this  
15 nuclear power plant cannot be determined with an ongoing  
16 criminal investigation. The public has the right to hear  
17 about FirstEnergy's wrongdoing before FirstEnergy is  
18 rewarded with a restart at this reactor.

19 I continue to oppose the restart at Davis-Besse,  
20 because I do not have confidence in FirstEnergy or NRC to  
21 place safety ahead of profits. Thank you.

22 MR. GROBE: Thank you very  
23 much for your comments, or for the comments of  
24 Representative Kucinich.

25 I have several issues that I would like to address

1 and if you would carry this message back to Representative  
2 Kucinich, I'd appreciate it.

3 The first has to do with the NRC's placing profits,  
4 FirstEnergy profits ahead of safety. That has not  
5 occurred. And that is not a correct inference from the  
6 facts that the Representative has. The NRC never placed  
7 profits ahead of safety.

8 Secondly, with respect to the ongoing federal  
9 investigation; our enforcement policy and our enforcement  
10 manual provide guidance on when and how the NRC would take  
11 immediate enforcement action concurrent with an ongoing  
12 criminal investigation; and, the focus of that  
13 decision-making process is whether or not there is a safety  
14 concern.

15 We have carefully implemented our enforcement manual  
16 and carefully evaluated the evidence that has been  
17 developed to-date in the various investigative activities,  
18 and concluded that there is not a safety concern with  
19 respect to the results of those ongoing investigations.

20 In addition, the agency took the step of assigning a  
21 Senior Manager to continue to monitor the ongoing federal  
22 investigation, such that if there were a development or a  
23 revelation of something that could be a safety concern,  
24 that that would promptly be dealt with.

25 So, the agency is taking timely and appropriate

1 actions with respect to the ongoing federal investigation  
2 to ensure that safety is not at all compromised by the  
3 facts and circumstances surrounding that investigation.

4 Thank you very much.

5 Jere.

6 MR. WITT: Thank you, Jack.

7 My name is Jere Witt, I'm the County Administrator  
8 for Ottawa County and I'm also, as stated earlier, a member  
9 of the Restart Overview Panel, and the Company Nuclear  
10 Review Board. I've been closely involved with this process  
11 for the past two years, and watched the evolution of the  
12 0350 Process.

13 Tonight we are at the goal which is to request  
14 restart. To the NRC, you have done your job well, and we  
15 appreciate that. To the Davis-Besse employees, you have  
16 done your job well. It is now time to restart the plant  
17 safely.

18 As a member of the Restart Overview Panel, I am  
19 convinced the plant, the employees, and the NRC is ready  
20 for restart. I support and urge the NRC to allow a safe  
21 restart of Davis-Besse as soon as appropriate, but I  
22 caution, we, as a community, will be watching closely to  
23 make sure that FENOC operates the plant safely and the NRC  
24 provides a proper oversight and regulation.

25 Thank you.

1                   MR. GROBE:         Thank you, Jere.

2       Are there any other -- Donna -- are there any other  
3   local public officials?

4       Darrell?

5                   MR. OPFER:         Thank you, Jack,  
6   and members of the panel.

7       The time has come -- my name is Darrell Opfer. I  
8   live within the ten mile EPZ [Emergency Planning Zone]. I'm a former County  
9   Commissioner and was very involved with the Emergency  
10   Operations Program at the County, and then as a State  
11   Representative, worked on the deregulation issue.

12      The time has come for the Nuclear Regulatory  
13   Commission to decide whether after two years of extremely  
14   hard work on everyone's part, that Davis-Besse Nuclear  
15   Power Station is ready for restart.

16      FirstEnergy Nuclear Operating Corporation has  
17   submitted the official request. The final testing is being  
18   completed and thousands of emails, letters, and signatures  
19   on petitions have been sent to the NRC both opposing and  
20   supporting restart.

21      Nonresidents and those who use fear of the unknown  
22   to generate support for their own causes and to inflate  
23   their membership numbers find it difficult to understand  
24   the local prevailing attitude of support for the plant and  
25   for its workers.

1        It is true that this plant is the largest employer  
2    and taxpayer in the county; however, our support is not  
3    based on jobs and taxes. We live here, and we know the  
4    consequences that a nuclear release would have on our  
5    tourism industry, our agriculture, and our standards of  
6    living and the way of life that we have all grown to  
7    enjoy.

8        Our children and our grandchildren are important, as  
9    important to us as they are to those who live in any other  
10   area of the State of Ohio. The differences that a great  
11   majority of local residents know other residents and  
12   friends who work at the plant and who are proud of their  
13   contributions to the community and the safe production of  
14   energy.

15       We are also proud of the hard work, the technical  
16   skills, and the dedication shown, and the difficult task of  
17   building new systems and rebuilding the old. Because we  
18   know the people who work there, we are confident that this  
19   plant will become the most efficient, and the safest  
20   nuclear power plant in the United States, if not the world,  
21   and an example for other nuclear plants and other  
22   industries.

23       Another difference between supporters and opponents  
24   is that our elected and appointed officials, as Jack has  
25   referred to, have played a vital and a persistent role in

1 working with the NRC and the company to ensure that safety  
2 is in fact the first priority.

3 No other officials have been as intimately involved  
4 in the oversight of this plant or understand the nuclear  
5 industry and its regulation as well.

6 While testimony and opinions are important, the most  
7 important thing is whether the skills and dedications of  
8 plant workers have produced significant changes at the  
9 plant, and whether those changes will be sustained over a  
10 period of time.

11 I believe those changes are in place, and request  
12 that the Nuclear Regulatory Commission give approval for a  
13 restart. Thank you very much.

14 MR. GROBE: Thanks, Darrell.

15 Are there other local officials or representatives  
16 of elected officials?

17 MR. ELUM: My name is Charles  
18 Elum, E L U M, and I'm Chairman of the Board of Directors  
19 of the Port Clinton Area Chamber of Commerce.

20 We, like everybody else in Ottawa County, have been  
21 following this with great interest, this situation at  
22 Davis-Besse. It's our feeling that Davis-Besse has always  
23 been a good neighbor and supporter of our community.

24 We recognize that the workers at Davis-Besse are not  
25 apart from the community, but in fact a very vital part of

1 the community. We see the 800 member Davis-Besse family in  
2 our schools, our churches, our voting booths, restaurants,  
3 stores, at civic events, and as volunteers in many  
4 charitable organizations around Ottawa County. Many of  
5 them serve in our civic, fraternal, service and religious  
6 and fraternal organizations and among the first ones to  
7 support our schools, cities and communities.

8 We would like to thank everyone for the hard work  
9 they've put in to correct the problems here. And, it is  
10 for these reasons that the Board of Directors of the Port  
11 Clinton Area Chamber of Commerce has put forth the  
12 following resolution.

13 Whereas, the businesses in our community need a  
14 safe, affordable, and reliable source of electricity.

15 And, whereas, the Davis-Besse physical plant has had  
16 considerable improvement in its systems to ensure safe  
17 operation.

18 And, whereas, both the corporation and its employees  
19 have demonstrated a commitment to creating and maintaining  
20 a Safety Conscious Work Environment.

21 And, whereas, a provision for continued oversight  
22 after restart by the Nuclear Regulatory Commission is in  
23 place to maintain the County's involvement.

24 And, whereas, FENOC is agreeing to maintain an  
25 independent corporate oversight board with representation

1 from the county.

2 Now, therefore, be it resolved that the Port Clinton  
3 Area Chamber of Commerce of Ottawa County, hereby supports  
4 the restart of the Davis-Besse Nuclear Power Plant.

5 This resolution was unanimously passed by the Board  
6 of Directors of the Port Clinton Area Chamber of Commerce  
7 this 8th day of December, 2003. Signed by myself as  
8 Chairman of the Board, and Richard Spicer, Executive  
9 Director.

10 Thank you.

11 MR. GROBE: Thank you.

12 Other local officials, or elected representatives?

13 Donna.

14 MS. LUEKE: My name is Donna  
15 Lueke, and I'm unofficial and unelected. My opinions do  
16 however represent those of many people in the area, but  
17 these words are my own and it's a prepared statement for  
18 the NRC, for FirstEnergy, for watch-dog groups, elected  
19 officials, media, and local citizens, which I think pretty  
20 much covers most everybody here.

21 In 2002, we nearly experienced a great loss at  
22 Davis-Besse. Opinions differ as to how close we came to  
23 losing the plant and incurring catastrophic damage to our  
24 health and our safety and economy and environment. Since  
25 so much damage was found to the reactor head and since so

1 many other problems have been uncovered in the past two  
2 years, one thing seems very clear; many people did not do  
3 their jobs.

4 As Davis-Besse prepares for restart, we ask all  
5 concerned to do their jobs, to put safety ahead of profits  
6 and promotions, and to be responsible conscientious and  
7 courageous.

8 To the NRC personnel:

9 Number 1, put safety first, ahead of internal and  
10 external politics.

11 Number 2, implement in a timely manner the changes  
12 recommended by the Lessons Learned Task Force and the  
13 Inspector General.

14 Number 3, continue to improve policies and  
15 procedures, so that situations like Davis-Besse, 1985; and  
16 Davis-Besse, 2002, do not happen again here or anywhere.

17 Number 4, proactively seek input from employees and  
18 critics for ideas and to increase objectivity.

19 Number 5, provide real answers to real concerns.

20 To FirstEnergy Executives:

21 Number 1, put safety ahead of production and  
22 profits; make safety performance the primary criteria for  
23 raises, for promotions, for bonuses.

24 Number 2, do a better job of providing rate payers  
25 with reliable, cost-efficient, safe electricity.

1        Number 3, proactively seek input from employees and  
2    customers and critics for ideas and to increase your  
3    objectivity.

4        Number 4, provide real answers to real concerns.

5        And, Number 5, be good, moral, corporate citizens by  
6    three things; take initiative and responsibility instead of  
7    waiting for the NRC, or P.U.C.O., or the EPA or the Justice  
8    Department to force changes.

9        Next, absorb the costs of your Davis-Besse mistakes  
10   internally. Do not punish the rate payers again.

11       And, the next point, dedicate substantial effort and  
12   funds to safe and renewable energy sources, now less than  
13   one percent of your generation sources. Be a leader.

14       To many of those in this room tonight, the FENOC  
15   employees, managers, and executives:

16       Number 1, put safety ahead of raises and  
17   promotions.

18       Number 2, immediately let supervisors know of safety  
19   problems and ideas. If they won't listen, tell the NRC.  
20   If they don't listen, tell the media or consumers groups.

21       Number 3, if you're fatigued, working too many hours  
22   in the push to restart or in the future, tell your  
23   supervisor and/or the NRC inspector. Put your and our  
24   safety ahead of pressure from your boss or the extra pay.

25       Number 4, be grateful to those who caught the

1 problems at Davis-Besse and had the courage to act. Your  
2 health and your job would have been the first casualties of  
3 an accident.

4 To the elected officials:

5 Put first the safety and health of your  
6 constituents. Your constituents also include the children,  
7 the voters of the future. Discuss and plan for the  
8 eventual decommission of Davis-Besse, the disposal of its  
9 nuclear waste, and future use of the land.

10 Next, maintain high vigilance with Davis-Besse, the  
11 NRC, and FirstEnergy. Restart was achieved after the 1985  
12 incident and we still had 2002.

13 3, explore aggregation and other ways to lower the  
14 high electric rates that burden your constituents and  
15 discourage new businesses.

16 And, Number 4, explore and demand increased use of  
17 renewable sources of energy in our environmentally  
18 sensitive area. Learn more about what's being done in  
19 Bowling Green, for example.

20 To the media and watch-dog groups:

21 Continue to investigate and report on Davis-Besse,  
22 on the NRC, on nuclear power, on FirstEnergy; even when  
23 it's not headline material. You are the eyes and ears that  
24 protect and inform the citizens.

25 And, lastly, to the local citizens, and to all

1 citizens:

2 Number 1, put safety concerns over economic

3 concerns, for the sake of our children.

4 Number 2, conserve energy, so we are less dependent

5 on foreign oil and nuclear power and polluting fuels, so we

6 produce less damage to our environment.

7 Number 3, reduce, reuse, recycle.

8 Number 4, vote, communicate with elected officials,

9 attend public meetings. And lastly, let's do our jobs as

10 citizens of a democracy.

11 In filmmaker Akira Kurasawa's "Dreams", a young

12 mother clutches her children as they are engulfed by

13 radiation from a nuclear plant explosion and she cries,

14 "But they told us nuclear plants were safe." And then

15 realizes that human accident is the danger, not the nuclear

16 plant itself.

17 Let's all do our jobs better this time and thank you

18 for the opportunity to be heard.

19 MR. GROBE: Donna, as

20 always, your comments are very well made. You had several

21 items for the NRC, and I think I can say with confidence

22 that the NRC is completely aligned with the four items,

23 first four items you mentioned. The fifth item only you

24 can judge, and that is whether we're providing real answers

25 to the hard questions. We aspire to the position of having

1 each of the people that come to our public meetings to be  
2 able to say, yes, they gave us a real answer to each of our  
3 questions. So, I hope we meet your standards in that  
4 regard.

5 Yes, sir.

6 MR. LODGE: Thank you. My  
7 name is Terry Lodge. I'm from Toledo, so I don't live in  
8 the ten mile radius, but I live occasionally downwind of  
9 Davis-Besse. I have a number of questions.

10 Mr. Grobe, at the end of December, Paul ~~Gunder~~ Gunter of  
11 the Nuclear Information Resource Service and I sent a  
12 letter to you pointing out what we believe is an unresolved  
13 safety issue that actually dates back to the early 1990's.  
14 It's contemporaneous with the problems that have brought us  
15 all here tonight; that is that the so-called complete  
16 manual actions per 10CFR50 Appendix R Section 3G2 at  
17 Davis-Besse do not conform to license requirements.

18 A man named Phillip ~~Qualls~~ Qualls, who is a lead Fire  
19 Protection Engineer at NRC Headquarters identified in 2003  
20 that the Davis-Besse operator had substituted manual  
21 actions, which as you know are circumstances where the  
22 licensee rather than providing the required physical  
23 protection to control room operated electrical systems for  
24 remote shutdown of the reactor in the event of fire,  
25 instead substitutes the sending of licensed or unlicensed

1 operators into the reactor complex potentially exposing  
2 them to areas involved in a fire to manually operate safe  
3 shutdown equipment.

4 Manual actions in and of themselves are not approved  
5 long-term alternatives for the protection of safe shutdown  
6 electrical systems as required by the 10CFR regs, and  
7 moreover, Mr. Qualls pointed out that the reference manual  
8 actions plant specific to Davis-Besse did not complete nor  
9 were they branded license amendments or exemptions before  
10 the operator implemented them as substitutes for required  
11 physical separation of electrical systems or alternatively  
12 protection with fire barrier suppression and detection  
13 equipment.

14 We believe these manual actions are therefore  
15 illegal and are an unresolved public safety risk pertaining  
16 to the restart of Davis-Besse.

17 In 1998, the NRC ordered the utility to basically  
18 fix and revise its fire protection, fire suppression plans  
19 to restore functionality to inoperable fire barriers. To  
20 our knowledge, that has not been accomplished even today.

21 There were a number of questions that we stated in  
22 the letter. Most salient to me are, has the 0350 Panel  
23 inspection of the 1991 Safety Evaluation Report that was  
24 referenced by Mr. Qualls in a 2003 email, established that  
25 the Licensee is not in compliance with fire protection

1 requirements per the federal regs?  
2 It would appear that to grant a restart request  
3 without analyzing and addressing fire protection issues,  
4 that the Licensee would be, effectively illegally starting  
5 up outside of its licensing agreement. How does the 0350  
6 Panel plan to visit these fundamental fire protection  
7 issues and the lack of analysis that was identified by the  
8 NRC Headquarters prior to any proposed restart?

9 Finally, has the panel inspection process determined  
10 that the Davis-Besse operator has fulfilled its legal  
11 obligations per the agreement dated May 4th, 1998, and the  
12 accompanying NRC order dated June 22nd, 1998, to come into  
13 compliance with the federal regs?

14 Mr. Grobe, I differ distinctly with your earlier  
15 comment. The public record documents that were discovered  
16 by the Union of Concerned Scientists showed that indeed the  
17 NRC did take economic hardship considerations into account  
18 in extending the operating permission to Davis-Besse in  
19 2001. And if you haven't seen those documents, I'll be  
20 happy to provide them to you.

21 I am concerned not just that the management culture  
22 and the lack of change of that, that we believe continues  
23 to persist at Davis-Besse; I'm concerned that there doesn't  
24 appear to be any significant change in the culture of the  
25 management of the Nuclear Regulatory Commission.

1        We, the public have not heard of the disciplinings,  
2    of the sanctioning of any NRC staff members for the 75 day  
3    operating extension. The public has seen and heard nothing  
4    of any fines or other sanctions other than public shaming  
5    imposed on the utility after 26 or 27 months.

6        It is entirely inappropriate to commence the restart  
7    without seriously and publicly visiting the issues of  
8    imposing sanctions, of imposing punishment.

9        It is wonderful that the utility and its  
10   hard-working staff is here telling you that they want their  
11   future back, that they want their plant back, but a  
12   generation into operation for what happened to have  
13   happened, is abominable. It is astounding.

14       I would even submit that the NRC arguably looks as  
15   though it continues to protect the utility through the  
16   Grand Jury inquiry that we understand to be ongoing, by not  
17   imposing civil fines and other sanctions.

18       Respectfully request that you answers the questions.

19   Thank you.

20            MR. GROBE:         I'll give it a  
21   try. Maybe it would be easiest to do it in reverse order.

22            MR. RUTKOWSKI:     Jack, why don't  
23   you answer all, all questions that are non Appendix R  
24   related. I'll take those Appendix R questions.

25            MR. GROBE:         I was actually

1 going to do that.

2 You indicated Terry that the NRC continues to  
3 protect the interests of FirstEnergy by not imposing civil  
4 penalties while there is an ongoing federal investigation.  
5 In fact, the relationship that the NRC has with the  
6 Department of Justice is specifically crafted to ensure  
7 that the safety of the public is the first priority of both  
8 organizations, and then the next priority is to protect the  
9 integrity of the investigation.

10 And we're working carefully and closely with the  
11 Department of Justice consistent with our Memorandum of  
12 Understanding to make sure that the safety of the public is  
13 protected and the veracity of the ongoing investigation is  
14 not compromised.

15 I wish you had had the opportunity to come to more  
16 of these public panel meetings over the last two years. I  
17 think I've seen you here twice. But I can tell you, you  
18 would have observed, had you been able to come to more  
19 meetings, that the safety culture of this panel has clearly  
20 been demonstrated to the public and the safety focus of  
21 this panel is its paramount focus and priority.

22 Let me just talk broadly about technical issues  
23 raised by the staff. I'll turn it over to Bill to  
24 specifically talk about the Appendix R issue.

25 We are continually soliciting our staff to ensure

1 that any particular issues that come up are brought to the  
2 attention of the panel and properly dealt with. And when  
3 Mr. ~~Qualls~~ Qualls brought his issue forward, he was reacting to  
4 some conversations that he had with inspectors that were  
5 out doing Appendix R or fire protection inspections.

6 We entered it into our process, and we attempt to  
7 work very methodically and carefully with a primary focus  
8 on safety to work through all the issues we have on our  
9 plate.

10 Your letter to us was not news. Phil's email was  
11 provided to us many months ago, and it's an issue we have  
12 been pursuing. Just like we regularly solicit all of the  
13 staff who have an opinion on Davis-Besse on any particular  
14 issues they are a technical expert in, and make sure that  
15 we get all those thoughts captured, so we can adequately  
16 resolve them.

17 And Bill's staff is in the midst of finishing a  
18 review on the issue that Phil raised. It has to do with a  
19 very unique set of circumstances and a post fire  
20 situation.

21 Bill, do you want to comment on the status of that  
22 review?

23 MR. ~~RUTKOWSKI~~ RULAND: Yes, thank you  
24 Jack.

25 Mr. Lodge, essentially the questions you asked were

1 contained in a letter that we, that I think was addressed  
2 to you, wasn't it, Jack?

3 MR. GROBE: Yes.

4 MR. RUTKOWSKI RULAND: A letter that was  
5 addressed to Mr. Grobe about this very issue. As Jack has  
6 said, we put this into our system and we are actively  
7 working the issue.

8 If you notice, one of our Restart Checklist Items,  
9 5B, is systems ready -- excuse me, Systems Readiness for  
10 Restart. So, for us to say that that Restart Checklist  
11 item is closed, we, the 0350 Panel, have to have confidence  
12 that this particular issue that is contained in your letter  
13 regarding the use of manual actions that Davis-Besse would  
14 have to take post fire, that issue would have to be  
15 resolved.

16 The way this particular issue is working right now,  
17 and we're not done yet, and we will be done. We will have  
18 to come to closure one way or another on this item before  
19 the panel recommends restart. And that's been our  
20 intention all along.

21 What we're doing now is, there is a document that  
22 the Region sends Headquarters. It's called a Task  
23 Interface Agreement. And, basically, it lays out the  
24 questions that Headquarters' technical staff needs to  
25 answer, specifically regarding the issue that you're

1 raising. We're working through that process as we speak.

2 We're not done yet. And the 0350 Panel has not made a  
3 final resolution on this matter.

4 However, our preliminary judgments containing the  
5 specific technical requirements is that the plant in this  
6 particular area is as the safety evaluation has described,  
7 and that safety evaluation was issued about 1991. The  
8 plant is designed in accordance and operated in accordance  
9 with that safety evaluation. And, through a number of  
10 inspections that the staff has performed, we continue to  
11 review that.

12 So, this item is strictly, it's on our front burner,  
13 and we're looking at it, and we will have this issue  
14 documented to you shortly.

15 MR. GROBE: Thanks, Bill.

16 MR. RUTKOWSKI RULAND: One more thing.  
17 One of the things that I think a number of the questions  
18 that Mr. Lodge had concerning, about the legal  
19 requirements, you know, whether it's legal, what  
20 Davis-Besse did; and that's also something we are examining  
21 and we're going to disposition.

22 MR. GROBE: Just to give you a  
23 broader prospective of what we've been doing for the last  
24 two years. We have a document we call our Restart Action  
25 Matrix. And you can think of it as a rather large To-Do

1 List. It contains a total of several hundred issues, just  
2 like this one. Issues that come from technical staff,  
3 issues that are raised by inspectors, issues that come from  
4 members of the public that warrant follow-up.

5 Along with the Restart Checklist, there is things  
6 like the Restart Action Matrix that underpins it. And, as  
7 Bill clearly articulated, the Systems Readiness for  
8 Restart; there is multiple issues we're still working  
9 before we can draw a conclusion on that checklist item.  
10 And the one that Phil Qualls raised to us a number of months  
11 ago is just one of those.

12 All of those are in process, and we're making very  
13 good progress on that, but there are a number of issues  
14 remaining. I think there is roughly 40 Restart Action  
15 Matrix items that are left to be closed by the panel. Each  
16 one is carefully evaluated, closure is documented, the  
17 basis for closure. And if there is a violation involved,  
18 that's taken care of. If the issue is determined to be  
19 adequate, then that's fine too.

20 So, there is a lot of work that goes into what we've  
21 been doing, and I appreciate you bringing that one to our  
22 attention.

23 One other comment. We did do a fairly complete Fire  
24 Protection Inspection during the course of this long-term  
25 shutdown, and that's what generated the question from

1 Phil. We plan on doing our normal, what's referred to as a  
2 Triennial, once every three years, Detailed Fire Inspection  
3 Protection. I believe that's scheduled for the very early  
4 parts of 2005.

5 So, fire protection is a regular focus area of  
6 Nuclear Regulatory Commission, and we will be meeting all  
7 of the agency's expectations in that area.

8 Yes, sir?

9 MR. RUTKOWSKI RULAND: Jack, one more  
10 thing I would like to add. As part of this process of  
11 resolving this technical issue just to give you an  
12 example. Mr. Qualls, an NRC employee, as we resolve this,  
13 we talked specifically to Mr. Qualls about, you know, how we  
14 see this; how we see the resolution of this issue. So,  
15 it's, essentially, we're doing this completely above board,  
16 and we'll continue to do it that way.

17 MR. GROBE: Yes, sir.

18 MR. GATTER: Good evening. I'm  
19 Shane Gatter, Corrective Action Program at Davis-Besse.

20 I would like to say that I believe we are ready for  
21 restart, just as my management team has been up here for  
22 the last couple of hours explaining. And I believe I can  
23 speak for the rest of the team at Davis-Besse when I say,  
24 we are people currently and will be people with a strong  
25 safety focus. Thank you.

1           MR. GROBE:       Thank you.

2           MR. MILLER:       My name is Steve

3   Miller, and I live in the west end of Toledo, Ohio, and

4   like Mr. Lodge, I'm occasionally in the downwind of what

5   happened at Davis-Besse as well.

6       I would like to say, I appreciate you allowing me to

7   speak. I also appreciate the fact that you are trying to

8   reassure us that the plant is ready to start.

9       I unfortunately am not reassured. I think in light

10   of what happened a couple years ago and the fact that we

11   have a patched reactor head still gives me serious doubts

12   and reservations.

13       I would like to be, as I said, reassured that this

14   is something that is ready to be restarted. I am not. I

15   am unequivocally opposed to the restart of Davis-Besse.

16   And I would like to say that it is my sense, my

17   inclination, that this plant will be in fact restarted.

18   And, if it is, I'm going to ask that we all do better,

19   because of what happened two years ago, or what almost

20   happened two years, can't happen again.

21       Thank you.

22       MR. GROBE:       Steve, I

23   appreciate your comments. I just want to clarify one

24   thing, and maybe it's a good time to talk a little about

25   about the process.

1        I'm not trying to reassure you that this plant is  
2 ready to restart, because I haven't come to that  
3 conclusion. That's what FirstEnergy was trying to convince  
4 us of this evening, and we're not convinced yet. So, this  
5 panel has not yet come to a conclusion that this plant is  
6 ready to restart. I want it very clear that you understand  
7 that.

8        Just one more, I think you probably just misspoke,  
9 but you indicated that the reactor head was patched. In  
10 fact, there is a whole new reactor head that was installed  
11 in the plant.

12       I hope you can continue coming to our public  
13 meetings. And, you know, you expressed that you have  
14 serious doubts. And you didn't provide much detail on  
15 those, but hopefully we can have a dialogue in the future  
16 of what those doubts are and we can make sure that we're  
17 addressing them.

18       Yes, sir.

19       MR. HASANAT:           NRC, FirstEnergy  
20 employees, various officials and guests, good afternoon.  
21 My name is Abul Hasanat. I have a Ph.D. in Nuclear  
22 Engineering, and several years of Nuclear Engineering  
23 experience from several nuclear power plants in U. S. and  
24 abroad. I'm a new employee to Davis-Besse. I joined  
25 Davis-Besse around five months ago. I came from another

1 nuclear power plant.

2        Before joining Davis-Besse, I had one thing in mind  
3 about Davis-Besse; that this plant once was the number one  
4 best plant in the U. S., and second best plant in the  
5 world. That keeping in mind, I was closely watching the  
6 progress of reactor replacement activities, and I was  
7 regularly contacting with the Director of Nuclear  
8 Engineering, Mr. Jim Powers, and with many other people.  
9 And I was convinced that this plant has the capability to  
10 become again the number one best plant in U. S. and in the  
11 world.

12       Based on that, I joined Davis-Besse. I joined, I  
13 moved with my two-years-old daughter, and eleven-years-old  
14 daughter. My family also, they are in the back. They came  
15 here to suffer this Davis-Besse restart.

16       This plant has done a tremendous amount of work, as  
17 you have seen. Davis-Besse last two years have done over  
18 140 modifications, 24,000 corrective actions, 15,000  
19 distinct surveillances, and many, many others.

20       I mean, well done, in the Containment Building, in  
21 the Auxiliary Building, into the other buildings. It's  
22 very clean, and very good condition, and looks new.

23       If you compare this Davis-Besse plant and the plant,  
24 those were built in 1977, you will see that this plant is  
25 much, much, much better condition. Even the plant, those

1 are built in 1987, still this plant is better than those  
2 plants. Why I'm saying so? Because I have been in those  
3 plants. I know I can testify it.

4 I am pretty much confident that this plant is in  
5 excellent condition. As a engineering professional, I am  
6 confident that this plant is safe and ready for restart. I  
7 am requesting NRC to grant permission for restart.

8 Thank you for your attention.

9 MR. GROBE: Thank you very  
10 much.

11 It's about quarter after 9, what I would like to do  
12 is take one more comment from here at Camp Perry and then  
13 go to any comments on the phone line, and allow them a few  
14 minutes to provide comments.

15 MR. TRAHARNE: Good evening. My  
16 name is Larry Traharne. I'm the Business Manager of IBEW  
17 Local 245. I'm pleased to speak to you tonight on behalf  
18 of over 900 men and women of Local Union 245 as you  
19 contemplate the restart of Davis-Besse.

20 My message tonight is brief. We're for it. This  
21 isn't just an academic discussion for us. We're uniquely  
22 well qualified to address this issue. Fully over two  
23 hundred of our members work at Davis-Besse. We believe the  
24 NRC inspection regime performed as it was truly intended.

25 The serious issues it revealed have been properly,

1 thoughtfully and safely addressed. Additionally, my  
2 international union, the International Brotherhood of  
3 Electrical Workers is also firmly committed to the safe  
4 operation of America's 103 nuclear power plants.

5 Not only do we have an insider's view of the  
6 retrofits and the improvements, we also live in Oak Harbor  
7 and the surrounding communities. Many of our families live  
8 here; grandparents, mom's, dad's and the kids.

9 We've looked our loved ones in the eyes and we've  
10 assured them that Davis-Besse is safer, stronger, and more  
11 secure than ever before.

12 Tonight, I am here to convey our confidence to the  
13 Commission and especially to our friends and neighbors. We  
14 understand that they're looking for our assurance that this  
15 will be fine; and it will be.

16 We've been there. We've seen the progress. We know  
17 Davis-Besse is ready. We also know that our community  
18 needs the energy that drives Ohio's economic engine. And  
19 now that Davis-Besse is safer than ever before, we're ready  
20 to restart the plant. Thank you.

21 MR. GROBE: Thanks, Larry.  
22 At this point, what I would like to do is see if we can  
23 take a few comments and questions from folks on the phone  
24 line. I understand that we may still be having the same  
25 feedback problem that we experienced earlier today. I hope

1 not, but we'll give it a try and see if we can get some  
2 comments and questions from those on the phone.

3 OPERATOR: Our first caller  
4 is Michael Keagan.

5 MR. KEAGAN: Michael Keagan.

6 Am I getting feedback on audio? Are you able to hear me?

7 MR. GROBE: Yes, I think so.

8 Keep going.

9 MR. KEAGAN: Okay. The fact  
10 that Davis-Besse since '77, TMI accident, the actions of  
11 tonight, 1985, where it came down to some 31 seconds of the  
12 plant shutdown. And now the hole in the head, a hole in  
13 the core. There is a hole in the core and there is a hole  
14 in the core of the NRC which has been pointed out before.  
15 It's not been a regulatory agency that's been regulating.

16 The reactor boric acid was raised in the generic  
17 letters, the bulletin. Davis-Besse signed off on that  
18 bulletin saying it was taken care of. And the NRC signed  
19 off on that. Early at that time, the deception began.

20 The hole in the head on the reactor is merely a  
21 symptom of a larger problem. That plant, that system,  
22 the NRC, are systematically flawed. You have failed to be  
23 a regulator. You have been captive by the regulation  
24 industry.

25 Now, continuing problems going on, but they are not

1 resolved. I would like to know how many standing  
2 maintenance back logs exist at this time? Would you  
3 respond to me?

4 MR. GROBE: I'm not sure if I  
5 can give you the exact number of preventative maintenance  
6 activities that are in process at this time. I believe the  
7 number of corrective maintenance activities is on the order  
8 of two hundred or so, but I just don't have those specific  
9 numbers at my fingertips.

10 MR. KEAGAN: On preventative  
11 maintenance backlog, I want to know that we're watching  
12 you, every one of those regulators in that room, and this  
13 company, we're going to be tracking.

14 What occurred was a Chernobyl situation, and we'll  
15 perhaps be looking at it again. We need our time for  
16 humanity. And regardless, the NRC, we're going to be  
17 tracking you, to make those decisions. We'll be tracking  
18 your careers. We'll be following you.

19 MR. GROBE: Thank you very  
20 much. Let me respond a little bit more broadly to what I  
21 think you're comment and question was, just to make sure  
22 that I hit the nail on the head.

23 As is the situation in a plant that's in a long-term  
24 shutdown, there is many issues identified that are put into  
25 the Corrective Action Program. Some of those are not

1 safety significant to the point where they need to be  
2 completed prior to restart, and end up in what is referred  
3 to as a backlog. And there will be some engineering  
4 activities and some maintenance activities; there is a  
5 whole variety of activities, procedural changes that enter  
6 into the backlog. That backlog currently contains more  
7 than five thousand items.

8 That's a concern to us. And because of that, we  
9 conducted a specific focused inspection on two particular  
10 activities with regard to the backlog. One was the,  
11 whether or not issues were properly prioritized from the  
12 standpoint of whether they need to be completed prior to  
13 restart or after restart. And, we found that FirstEnergy  
14 had done an adequate job segregating those specific items  
15 as prerestart and post restart.

16 The second thing is once you have a backlog of items  
17 to be accomplished post restart, it's possible that there  
18 maybe a synergy between those issues. While an individual  
19 issue did not rise to the level of being something that  
20 needed to be completed prior to restart, there may be a  
21 relationship between multiple issues that caused them,  
22 while not individually significant, but collectively to be  
23 more significant.

24 We utilize three individuals who are qualified in  
25 our organization as, what we call a Senior Reactor

1 Analyst. It's an individual who's got extensive experience  
2 in nuclear operations and all of them have been prior  
3 Senior Resident Inspectors, and then they receive two years  
4 of training in risk analysis. And, so they're experts not  
5 only in reactor operations, but also in probabilistic risk  
6 analysis.

7 And those three individuals came out to the plant  
8 and spent a considerable period of time evaluating from a  
9 risk perspective the backlog of activities, and concluded  
10 that there was no imbedded safety concerns or reason to be  
11 concerned about the backlog.

12 Our continuing inspections, we'll make sure that  
13 those issues that are safety significant get worked off in  
14 an appropriate time frame, but from a restart perspective  
15 none of those issues rise to the level of concern that  
16 would cause us to move them into a prerestart category.

17 Is there, we had some difficulty hearing on the  
18 phone, but let us try one more comment or question from the  
19 phone lines and see.

20 MR. RUTKOWSKI RULAND: Jack, can I?

21 There is a couple other issues I think the question  
22 raised. I would like to link two of those issues.

23 One, the question I believe talked about the  
24 Chernobyl plant and talked about tracking the NRC. And  
25 it's interesting that he links those, because had he been

1 near Chernobyl, he wouldn't have been able to track it.  
2 Chernobyl was built in basically a closed society.  
3 And, that kind of plant, of course, wouldn't have been  
4 permitted to be built in the United States. And, in fact,  
5 the people near that plant couldn't have tracked it. So, I  
6 welcome the callers assertions that he's going to be  
7 tracking us. And, as a matter of fact, this very meeting,  
8 the phone call that the caller is on, is part and parcel of  
9 our commitment to foster that tracking. We want him to  
10 track, not only him, but all the citizens both nearby and  
11 far away from Davis-Besse.

12 As you might, as anybody who has visited our website  
13 in the near, or recently, it continues to have more and  
14 more information to help people track the progress and to  
15 hold us accountable. Frankly, I welcome that. So, I  
16 encourage the caller to not only track what we're doing,  
17 but like Donna Lueke was urging us to do, was to give real  
18 answers to real questions. We look forward to doing that.

19 Thank you.

20 MR. GROBE: Well stated,

21 Bill. Thank you.

22 Is there another question or comment on the phone  
23 lines?

24 OPERATOR: Michael Keagan is  
25 still on the line.

1                   MR. KEAGAN:         Thank you.

2   Michael Keagan. I couldn't tell whether you heard my  
3 comments or not. I just wasn't sure. You, in fact, did  
4 hear them, and I'll be tracking you and the documents as  
5 well.

6   And, this plant has a track record, they have a  
7 track record of looking downwind of this plant. And the  
8 NRC is on the line more so than Davis-Besse. And it's  
9 really their career is on the line here. So, you better  
10 know what you're handling here.

11   So, those are my comments. And again, I am opposed  
12 to the restart of the plant. It's foolish to have spent  
13 five hundred million dollars when you're going to be  
14 replaced by solar and wind. It's a shame, it's a shame,  
15 It's a shame. That's it.

16                   MR. GROBE:         Okay, thank you  
17 very much.

18                   OPERATOR:         We have a question  
19 from Tom ~~Gurta~~ Gurdziel. Your line is open.

20                   MR. ~~GURTA~~ GURDZIEL:         Good evening, Tom  
21 ~~Gurta~~ Gurdziel here in New York State. First off, I want to thank  
22 you for the telephone system tonight. It's working since  
23 about 7:20 at about 85 percent, which is quite an  
24 improvement for me for the transcript.

25   Secondly, I guess I want to say thank you to the

1 present and the past members of the 350 Panel. I'm very  
2 confident in the fact of your work, and thank you for the  
3 work you've been doing.

4 So, I have two questions and a statement. First  
5 question is, are security and programs found to be  
6 satisfactory at Davis-Besse Plant?

7 MR. GROBE: The answers to  
8 that question, Tom, is yes. And I can't really go into  
9 more detail than that.

10 MR. GURTA GURDZIEL: I have another  
11 question on the backlog, and actually I want to ask it this  
12 way. Has anybody put the backlog into hours and determined  
13 that they can be worked off before the end of the plant's  
14 20-year life?

15 MR. GROBE: The Licensee put  
16 the backlog into work hours, and then costed that out. And  
17 I can't remember the number, but I think it was around 20  
18 million dollars worth of effort that they gained commitment  
19 from the corporate FirstEnergy office to have that  
20 additional money available to work the backlog. So, that's  
21 an issue that has already been dealt with.

22 Is that it, Tom?

23 MR. GURTA GURDZIEL: I can't hear you.  
24 Would you repeat that last part, I couldn't hear you?

25 MR. GROBE: I said that the

1 FirstEnergy Nuclear Operating Company has person loaded the  
2 backlogged activities and costed them out, and it came to  
3 approximately 20 million dollars of effort; and they  
4 secured approval from the corporate office to have  
5 additional funds for that amount, over I think it was a  
6 couple years, to be able to resolve the backlogged items.

7 MR. GURTA GURDZIEL: Okay. Finally, I  
8 have to say, I have concluded that FirstEnergy cannot run  
9 Davis-Besse safely. So, therefore, I request that if you  
10 do decide to give them approval to start, that it requires  
11 a change of ownership to occur first.

12 Okay, thanks for this opportunity to talk.

13 MR. GROBE: Okay, thank you  
14 very much.

15 MR. GURTA GURDZIEL: All right, bye.

16 MR. GROBE: I think what I  
17 would like to do is ask other people that are on the phone,  
18 we're having a great deal of difficulty understanding the  
19 callers.

20 What I would like to do is ask them to email their  
21 questions to us, and use the email address OPA, that stands  
22 for Office of Public Affairs. OPA, the number 3, at NRC  
23 dot gov. If you didn't hear that clearly, that email  
24 address is all over our website. And, just email that, and  
25 we'll get back to you with the answer to your question.

1        I would like to, and also the phone number, our  
2    phone number is on the website and available on our public  
3    newsletter. So, if you can't email, you can call us.

4        I would like to return to folks here in the  
5    audience. If there is any other members of the audience  
6    here at Camp Perry that have a question or comment, please  
7    step forward.

8        Yes, sir?

9            MR. KHAN:            My name is Ashar  
10   Khan with Foresight. I just wanted to get a sense, Jack, we  
11   heard issue of consistency, if you could wrap it up; are  
12   you happy with the consistency that you have seen over, if  
13   I mention your words, two months as you sit over here in  
14   terms of making a decision?

15            MR. GROBE:            I'm not going to  
16   provide a time frame for a decision, because there is many  
17   things that are outside my control in that decision-making  
18   process. What I can tell you is that we have four  
19   checklist items that are remaining open. We need to  
20   resolve those issues. And underpinning that is what I  
21   called earlier Restart Action Matrix. There is a number of  
22   issues there that we need to address. And we also have a  
23   document we called Process Plan, and those lay out a number  
24   of activities that we need to accomplish.

25        So, there is a lot of work to do yet. I can't

1 speculate on, on when we would be completing that work. I  
2 appreciate your question, because it gives me an  
3 opportunity to go into a little more detail on the process  
4 going forward.

5 The first step is for the panel to continue in its  
6 evaluation of the inspection findings. Our meeting  
7 tonight -- the meetings this afternoon and the meeting  
8 tonight are helpful in that process of gaining  
9 information. If we have additional needs for information  
10 from the company, we will be getting back to them.

11 If in that course, the panel concludes that it needs  
12 to perform additional inspections, it will schedule and  
13 perform those inspections.

14 If the panel decides that at some point, that it  
15 feels comfortable that the plant can be restarted safely  
16 and will operate safely into the future, then it would make  
17 that recommendation. The panel doesn't make a decision, it  
18 makes a recommendation to Jim Caldwell, and he has a number  
19 of activities that he will accomplish. And I'm sure one of  
20 them will be carefully questioning us on the basis for our  
21 conclusions, so that he can gain confidence. And then  
22 consulting the various folks in headquarters.

23 So, it's a bit of a process. It involves a lot of  
24 people. There is certainly the potential that there could  
25 be additional questions that come up. And, so, I can't

1 speculate on how long it would take.

2 MR. KHAN: Could you tell us  
3 if the remaining open items are pretty low significance or  
4 is anything which is of any high significance which could  
5 delay things?

6 MR. GROBE: The only -- let me  
7 think for a minute, make sure I give you a correct answer.

8 The only remaining open issue that has a  
9 significance greater than green, and green is our lowest  
10 risk level, is the, well, potentially greater than green is  
11 the high pressure injection pump Restart Checklist item.

12 We have done most of the work and our review of that issue  
13 is complete. The reason it was called out specifically as a  
14 separate checklist item was because of its risk  
15 significance.

16 We still have some additional analysis to do to be  
17 fully satisfied that we agree with FirstEnergy's  
18 conclusions regarding the adequacy of that pump, and that  
19 work is ongoing right now.

20 I don't believe there are any other risk significant  
21 outstanding issues. There is a number of lower level  
22 significance issues. And, as I mentioned before, in the  
23 questioning of FirstEnergy, there is two things that we  
24 need to be confident of as a panel before we would  
25 recommend to Jim Caldwell that the plant is ready to

1 restart; one is that the plant meets our safety  
2 requirements at the time of restart, and the second is that  
3 we have confidence in going forward, that it will continue  
4 to meet our safety requirements and it will not, there will  
5 be a very low likelihood of any recurrence of the kinds of  
6 situations that occurred in the past at Davis-Besse.

7 We may conclude that we need additional information  
8 or additional commitments or we need to impose additional  
9 requirements on FirstEnergy. It's difficult to speculate  
10 on that at this point.

11 We need to go through our process. We're in our  
12 process. We need to complete that. I can assure you that  
13 it's not focused on meeting anybody's schedule. It's  
14 focused on making sure the plant is safe and will remain  
15 safe if it's allowed to restart.

16 MR. KHAN: But if I could  
17 just end by asking the next thing we'll hear in the public  
18 will be whether a decision for restart has been granted by  
19 Jim; is that correct; or we won't hear anything else other  
20 than that?

21 MR. GROBE: I don't  
22 anticipate additional public meetings, but there could be  
23 additional public dialogue in the sense of press releases  
24 or additional letters going back and forth between  
25 FirstEnergy and the NRC.

1        So, I don't anticipate further public meetings  
2    before restart, but that could change. I mean, that's not  
3    a guarantee.

4                    MR. KHAN:              Thank you very  
5    much.

6                    MR. GROBE:              Okay, thank you.

7                    MS. WEIR:              Hi, I'm Shari  
8    Weir, and tonight we have to deliver for Mr. Caldwell  
9    letters and messages from 1,100 Northern Ohio residents  
10   urging that the NRC follow its mandate to protect public  
11   safety by not allowing FirstEnergy to restart the  
12   Davis-Besse Nuclear Power Plant.

13                  I also want to just quickly say that we fully  
14   understand that the problems at Davis-Besse were caused by,  
15   by management at the plant, and management of FirstEnergy  
16   and that future problems would also be the result of  
17   management at the plant and management at FirstEnergy and  
18   not the workers.

19                  Thank you.

20                  MR. GROBE:              Thank you very  
21   much. We have been carefully reading the letters that you  
22   have provided to us in the past, and have responded to most  
23   of them. In reading those letters, our most, our highest  
24   level of interest is on anything that is a potential safety  
25   issue that we need to deal with.

1        We appreciate your perspective and concerns, but we  
2    screen them for any potential safety issues or equipment  
3    deficiencies or specific concerns that are important for us  
4    to follow-up on.

5        I don't believe we've identified any specific safety  
6    concerns or specific issues with respect to the plant. We  
7    appreciate the perspectives, the general perspectives that  
8    your folks have been providing us. We may not be able to  
9    respond to all of these letters on a timely basis. And,  
10   what I mean by that is before restart. It takes a long  
11   time to read a thousand letters and respond to them.

12       But we will read them and we anticipate responding  
13   to them. We appreciate the fact that you are providing  
14   them to us and there is a number of concerned people out  
15   there.

16       I won't make Jim Caldwell carry them back to the  
17   Region office though, I think we'll do that for him.

18            MS. WEIR:            That's good of you  
19   and you basically just said the plant is going to restart.  
20   Thank you.

21            MR. GROBE:           I don't believe I  
22   said that. What I said was that we're very busy right now,  
23   and we haven't identified any specific safety issues in the  
24   prior four or five thousand letters that you've given us.  
25   What I would like to do is, if you know of any specific

1 safety issues at the plant or specific technical issues  
2 that you think need to be brought to our attention, please  
3 bring them to our attention.

4 And we will read the letters and we will get to  
5 them, I just can't assure you that that will happen before  
6 a restart decision is processed. We're very busy at the  
7 moment and we need to continue our focus.

8 So, I would ask you to bring any specific issues to  
9 our attention if there are specific issues there;  
10 otherwise, we plan on responding to each of those letters.

11 Thank you.

12 MS. BUCHANON: My name is Sandy  
13 Buchanon. I'm the Executive Director of Ohio Citizen  
14 Action. We're the state's largest environmental  
15 organization, with a hundred thousand members state-wide,  
16 many of them in the Northern Ohio area and in this  
17 community.

18 I have written information which I've already  
19 submitted, so I will not read that out loud. We do have  
20 three points why we believe FirstEnergy should not be given  
21 permission to restart Davis-Besse. I want to zero in on  
22 one of them though, I'll quickly mention the first two.

23 The first two are that the company cannot have  
24 turned around its corporate safety culture in this quick of  
25 a time period. As recently as December, there were very

1 serious violations found, and as Jack said earlier, yes,  
2 there are some ideas and programs in place, but it is not  
3 possible or, give the public any confidence that it's  
4 anything other than promises at this point, particularly  
5 given the decision of the Board of Directors quite recently  
6 not to change direction, but to appoint Mr. Alexander who  
7 has been Chief of Operations during this entire time period  
8 as Chief Executive Officer.

9 The second point is that FirstEnergy's financial  
10 situation which has driven the production over safety  
11 mentality which we've heard so much about in the past has  
12 gotten only worse in the last two years.

13 There has been a series of blows to the company,  
14 everything from losing cases on failing to upgrade its coal  
15 fired plants, not being able to sell the coal fired plants,  
16 the blackout, and the huge investment needed in  
17 transmission; of course, the safety problems at Davis-Besse  
18 and the recent down grading of its debt.

19 As you know, the company requested a three billion  
20 dollar rate case which is currently being discussed in  
21 Columbus. They numerous times promise that they need that  
22 for their financial operations and there is certainly no  
23 guarantee they will get that. So, we do not see that as a  
24 sign of confidence or as a sign that they will be able to  
25 slow down this production over safety mentality.

1        But what I would like to zero in on tonight is the  
2    fact that FirstEnergy and individuals who may have been  
3    responsible for the conditions which led us here tonight  
4    have not been punished for the negligence and the possible  
5    criminal activity in allowing Davis-Besse to come within  
6    three inches, 3/8 of an inch of a nuclear disaster.

7        As has been mentioned earlier, the Grand Jury  
8    investigation while under way as a secret process, it has  
9    not been completed. We do not believe that this company  
10   should be given restart permission until the Grand Jury and  
11   any other criminal investigations and procedures and trials  
12   are complete. It sends absolutely the wrong message out to  
13   the rest of the industry; that action of this seriousness  
14   could be allowed to kind of skate by and the plant allowed  
15   to restart before consequences have been levied.

16       I have some new information, which we just put  
17   together this afternoon from looking at Freedom of  
18   Information Act information available through the Freedom  
19   of Information Act, and this is where my question lies.

20       According to the Root Cause Analysis and other  
21   things done by both FirstEnergy and the Nuclear Regulatory  
22   Commission, the problems with the hole in the head began  
23   around 1994, 1996. The situation continued on through  
24   1998, where there was some decisions made, documents signed  
25   by key people at the plant. Again, more things going on in

1 2000, and finally the discovery in 2002.  
2 When we, and I will provide this in writing, but I  
3 just have a list here to read. When we looked through  
4 those documents and look at the key individuals who signed  
5 many of the reports that covered up the corrosion or said  
6 no action was needed or contradicted other reports, none of  
7 the names are people that, to, as far as we know, although  
8 we would like to request information about this, are still  
9 employed within FENOC, some may even be at Davis-Besse,  
10 some may be in decision-making roles in FENOC.

11 Given Mr. Leidich's earlier comments about the  
12 critical relationship between the three plants and sharing  
13 information and the corporate culture, if any of those  
14 individuals are eventually found to be through a proper  
15 legal process responsible and prosecuted, we do not believe  
16 that they should be allowed to be operating nuclear  
17 plants. And, again, it sends the wrong message.

18 I will just read some of the names and I will  
19 provide them as well. These are names that we are curious  
20 as to whether they are still involved in FENOC: Robert  
21 ~~Donald~~ Donnellon, Don Shelton, Lonnie Worley, Jim Lasch, Robert Hod,  
22 Dave Eshelman, Michael Stevens, Theo Swim, David Lockwood,  
23 Joseph Rogers, Dale ~~Wee~~ Wuokko, Phillip Schultz, Henry Stevens,  
24 Robert Schrauder, Patrick ~~McGlauskey~~ McCloskey, Robert Pell and John  
25 ~~Mesina~~ Messina.

1        Those are all questions we think the public has a  
2        right to know whether those individuals are under  
3        investigation, whether we may at some point find out if  
4        they played a critical role in what led us here today.

5        Thank you.

6            MR. GROBE:        I can give you a  
7        preliminary response. Some of those names are familiar to  
8        me, and I am confident that they're still involved in  
9        activities at Davis-Besse or other FirstEnergy plants.

10      Some of those names are not familiar to me.

11        I'm uncomfortable with your inference that all of  
12        those names or individuals who had some signature on  
13        various documents that you've obtained has any relationship  
14        with the ongoing federal investigation. I don't think  
15        there is a nexus there and I think it's inappropriate to  
16        make that connection.

17            MS. BUCHANON:     The problem is,  
18        Jack, we don't know. It's a secret process. So, I'm  
19        saying the public is in the dark about exactly what's being  
20        investigated, because we're not allowed privy to the Grand  
21        Jury and you're saying we're not going to see the results  
22        of the Grand Jury before you make the decision. So, that's  
23        why I'm asking.

24            MR. GROBE:        That's correct,  
25        and we've talked about this in the past. And I mentioned

1 it somewhat in response to Mr. Lodge's questions earlier  
2 this evening. I don't think any of us would want Grand  
3 Jury proceedings to be public. They're private for a  
4 reason, and that's to protect the innocent.

5 We have a very clear and carefully crafted  
6 relationship with the Department of Justice to ensure that  
7 the safety of the public is paramount in the proceedings of  
8 any investigation, that that takes precedent over any other  
9 standards.

10 If necessary, and as I mentioned earlier, a member  
11 of Jim Dyer's staff from NRC Headquarters, a senior  
12 executive on his staff has been made what's referred to as  
13 an agent, and he works with the Department of Justice, and  
14 he maintains an awareness of what's going on in Grand  
15 Jury.

16 He can't tell us anything he knows, because that's a  
17 secret process that's protected by law, but what he can do  
18 is a continual assessment of the ongoing federal  
19 investigation; and if there is a need, he can get the  
20 Department of Justice to seek permission through court  
21 order to release information to us, if there is a safety  
22 need, because safety is the number one priority in our  
23 relationship with the Department of Justice.

24 We have evaluated all the evidence generated to-date  
25 through this investigation and concluded that there is no

1 immediate safety issues or concerns associated with the  
2 individuals that are involved in that investigation.

3 So, I guess what I have to say is, you're going to  
4 have to trust us, because those are the laws of our  
5 country. We don't release Grand Jury information. We have  
6 the permission -- or the relationship that if there is a  
7 safety issue, they will proceed and support us in dealing  
8 with that safety issue whatever is necessary. We're  
9 monitoring that, and if there is a safety issue, we'll deal  
10 with it. As of right now, there is not.

11 MS. BUCHANON: I appreciate  
12 that's a judgment call at this point, but my major point  
13 is, that we believe the Grand Jury process should be  
14 allowed to make its way through criminal investigations,  
15 criminal trials, whatever they are, before you would allow  
16 this plant permission to restart.

17 MR. GROBE: I appreciate  
18 that's what you believe, but absent a safety reason to  
19 prevent this plant from restarting, it would not make sense  
20 to, it would not be consistent with our rules and  
21 regulations to prohibit this plant from restarting simply  
22 because there is an ongoing investigation, something that  
23 happened years ago, by people that can't have an impact on  
24 safety.

25 MS. BUCHANON: Well, that becomes

1 the question now that's valid.

2 MR. GROBE: It's a question  
3 that you're going to have to trust us on. We have done  
4 those evaluations consistent with our procedures and we  
5 will continue to monitor the ongoing federal  
6 investigation.

7 I don't know if you wanted me to respond to those  
8 other comments?

9 MS. BUCHANON: No, that's all  
10 right. I know we're short on time.

11 MR. GROBE: Okay. Thank you.

12 I have to tell you, I appreciate your involvement in  
13 the Davis-Besse situation, and I appreciate the opportunity  
14 that Jim and I have had to meet with you once in the summer  
15 and again this morning, I guess. Seemed like a long time  
16 ago.

17 Thank you.

18 MS. BUCHANON: Thank you.

19 MS. BOWSER: Hi, thank you for  
20 the opportunity. My name is Erin Bowser and I'm the State  
21 Director of Ohio Public Interest Research Group. Ohio  
22 Public is a nonprofit consumer and environmental advocacy  
23 organization and I've been State Director for roughly six  
24 months. I just have a few questions. They'll be brief.

25 As recently as last November, the NRC reported that

1 one fourth of all control room and equipment operators  
2 indicated that they believe FirstEnergy puts profits ahead  
3 of safety. What number of control room and equipment  
4 operators now believe that FirstEnergy puts profit ahead of  
5 safety?

6 Number two, the Lessons Learned Task Force made 49  
7 recommendations that the NRC accepted to proof -- to  
8 improve your oversight of nuclear power plants. Can you  
9 tell me how many of those 49 recommendations have been  
10 implemented, what they are, and if the NRC is committed to  
11 implementing all of the recommendations before making a  
12 decision on FirstEnergy application?

13 MR. GROBE: Is that it?

14 MS. BOWSER: Yes.

15 MR. GROBE: Excellent. I  
16 think I'm able to give good answers to both those  
17 questions.

18 The first question you asked, I think is a little  
19 bit, not fully contextualized. The survey results, I'm not  
20 sure about the numbers, but the survey results weren't as  
21 clear as what you articulated, that a certain percentage of  
22 the operators believe that management placed profits ahead  
23 of safety.

24 The basis for our conclusions today are the  
25 inspection we presented the results of this afternoon, and

1 that involved a thorough review after the identification of  
2 those trends in a couple of departments at FirstEnergy that  
3 were not positive trends; they were trends in the negative  
4 direction.

5 Overall, the plant was on a positive course, but  
6 there were a couple of departments that had some downturns  
7 under certain of the attributes, and FirstEnergy did a  
8 comprehensive review of that. We had a very large team, I  
9 think it was 8 or 10 folks here, for a week and a half or  
10 so, maybe two weeks, doing an evaluation of FirstEnergy's  
11 review after they completed it, but more importantly doing  
12 dozens and dozens of independent interviews and dialogues  
13 with people in those critical departments. And, to make  
14 sure that we understood what was doing on and what the  
15 current perceptions were.

16 And our conclusion was that the issues were  
17 adequately addressed. And we've closed that Checklist  
18 item. That was Checklist Item 4b, in other words, the  
19 Effectiveness of Corrective Actions in Management and Human  
20 Performance Area.

21 So, we had a comprehensive inspection and reported  
22 on it this afternoon. And, while there are still  
23 opportunities to improve and will continue to be  
24 opportunities to improve in the future, that specific area,  
25 the panel concluded, was adequately resolved for restart.

1       The Lessons Learned Task Force, I'm going to ask Jim  
2   Dyer, because that's, I think it's out of his shop, and I  
3   believe there is a semi-annual Commission Report that we  
4   provide and that's a public document. And I believe that  
5   he just recently did -- no, recently getting ready to do  
6   that.

7       Jim, could you give us more details on that?

8            MR. DYER:       Yes.

9       I'm Jim Dyer, Director of Nuclear -- NRR, Nuclear  
10   Reactor Regulation at the NRC. And, you're correct, Jack.  
11   The, we are still implementing all 49 of the  
12   recommendations. At the end of this month, we owe a  
13   semi-annual report to the Commission, which will have the  
14   current status of those. In fact, on the 26th of this  
15   month of February, there will be a Public Commission  
16   Meeting where we will be reporting out on the status of  
17   the, of the Lessons Learned Task Force recommendation in  
18   the four key areas.

19       I think of most import is in December, the  
20   Commission finished an extensive Operating Experience Task  
21   Force Review, where they made a large number of  
22   recommendations for how to improve the way we get our,  
23   share experience from both overseas to, operating  
24   experience overseas as well as internally within the United  
25   States plants and how we implement those into our

1 regulations and our inspection programs.  
2 So, we're expecting a lot of work in that area right  
3 now, in a more detailed flushed out set of milestones and  
4 activities coming, if not at the end of this month, then  
5 certainly to the next report as to how we are exactly going  
6 to go through this rather significant change in the way we  
7 do business.

8 MS. BOWSER: May I follow-up  
9 quickly on that question, please?

10 MR. GROBE: Absolutely. The  
11 rest of your question was, are all 49 going to be done  
12 before this panel considers restart of Davis-Besse. And,  
13 the answer to that question is there is not a relationship  
14 between the Lessons Learned Task Force actions and the  
15 restart of Davis-Besse. That's not part of our checklist.  
16 It's not part of our consideration.

17 We're not shutting down other operating nuclear  
18 power plants because of those recommendations, so it would  
19 not be appropriate to hold Davis-Besse if the plant could  
20 be restarted safely.

21 That doesn't mean we don't take these improvement  
22 issues seriously, and many of them are largely implemented  
23 already. And, as Jim said, you'll be able to get access to  
24 that information, most recent information on the 26th.

25 MS. BOWSER: My follow-up is,

1 as of the time of the last public report, how many of the  
2 recommendations had been implemented out of the 49 that the  
3 NRC had accepted?

4 MR. GROBE: Go ahead, Sam,  
5 thank you.

6 MR. COLLINS: Thank you for the  
7 question. I'm Sam Collins. The answer is 13, on the  
8 recommendation that have been implemented and that includes  
9 the follow-up to the bulletin that required inspections of  
10 the reactor vessel heads, including inspection follow-up of  
11 the completion of those activities.

12 MS. BOWSER: Thank you.

13 MR. DeMAISON: Good evening, I'm  
14 Brad DeMaison. I'm Project Manager at Davis-Besse.

15 First, I would like to address a comment that was  
16 addressed, made earlier regarding the lady that read the  
17 names of the individuals off. Those individuals I know  
18 personally. I would work with them anywhere, any time,  
19 they are true fine nuclear professionals.

20 The lady also referred to we cannot, how was it that  
21 we are able to turn around our safety culture in two  
22 years. She obviously is not familiar with the standard  
23 Davis-Besse employee who is honest, hard working,  
24 tenacious; and with our strong management team, we work  
25 together as a team to turn around our safety culture. And

1 that is how we are able to accomplish it in two years.  
2       Also, when the individual caller referred to  
3 Davis-Besse having a track record. It is true we have a  
4 track record. Something that we obviously are working hard  
5 to overcome, but I can assure you our track record going  
6 forward will be one of excellence.

7       Again, I'm Brad DeMaison, and I'm here also to tell  
8 you personally that I am committed to the safe and reliable  
9 return to service at Davis-Besse. Thank you.

10           MR. GROBE:       Thanks, Brad.

11           MS. RUST:       Hello I am --

12           MR. GROBE:       Before you start,  
13 it's about four minutes to ten, so I think what we'll do is  
14 we'll take these four folks here and then call it an  
15 evening.

16           MS. RUST:       Okay, thank you.

17       I am Beverly Rust of Oak Harbor. I am a native  
18 Toussaint<sup>er</sup>. I grew up on a small family farm about three  
19 miles from Davis-Besse. My husband Dave and I chose to  
20 build our home and raise our four children on that same  
21 family farm along the Toussaint River.

22       I can tell you that the residents of Carroll  
23 Township and the Oak Harbor area never asked for a nuke  
24 plant to be built in our backyard, but after 30 some years  
25 together, I think we could not have asked for a better

1 industrial neighbor.

2 We have fresh air to breathe and clean water in our  
3 river and lake. Our wildlife agencies have worked with the  
4 owners of Davis-Besse to maintain a large portion of the  
5 plant property as a nature preserve.

6 The plant has provided jobs to our community, a good  
7 tax base, and of course, all that electricity that we love  
8 to use.

9 Three years ago, I was hired as a contractor at  
10 Davis-Besse to help write the maintenance procedures. I  
11 remember being very impressed with the level of detail, all  
12 the rules and regulations, and the high regard for nuclear  
13 safety that are just normal business, everyday life in the  
14 nuclear industry.

15 Two years ago, like most workers at Davis-Besse, I  
16 was shocked to learn about the hole in the reactor head,  
17 and then to find out that a lax safety culture was identify  
18 as a Root Cause. However, over the past two years, workers  
19 at Davis-Besse have come to realize that each of us has a  
20 responsibility to be vigilant and to identify any and all  
21 potential concerns.

22 Everyone knows that they have a duty to write a  
23 Condition Report any time they think there may be a problem  
24 or even a minor concern, to ensure that every problem is  
25 properly addressed.

1       Workers have developed questioning attitudes and  
2   will not accept inadequate answers. We have learned a hard  
3   lesson.

4       Our equipment has been upgraded and many processes  
5   have been improved. The plant is ready and so are we.

6       Like many people in this room, I signed that big  
7   banner back there to show my personal commitment to nuclear  
8   safety. Our Site Vice President, Mark Bezilla, tells us  
9   "We have all the time we need to do each job right the  
10   first time, but not a moment to waste."

11       I stand behind Mark and FirstEnergy in supporting  
12   the safe restart of Davis-Besse.

13            MR. GROBE:         Thank you.

14            MR. NONEMAKER:     Hello, my name is  
15   Kenny Nonemaker. I'm Site Superintendent for Kennis Line  
16   Paint Contractor.

17            MR. GROBE:         Turn the mike down  
18   if you want to.

19            MR. NONEMAKER:     Paint contractor.  
20   I've been at Davis-Besse for about 22 months.

21       When I first came to Davis-Besse -- first, let me  
22   say this. Davis-Besse done, the personnel out there have  
23   done a great job. They have refurbished this plant, made  
24   it better than it's ever been before. The material  
25   conditions are excellent. They've done lots of

1 modifications to make sure this place can run safe.  
2        22 months ago when I first came out here, I saw the  
3 makings of a team, but a team with the wrong concept. In  
4 the 22-month period that I've been there, through the  
5 management realignment, the change in the personnel, and  
6 reassigning people, I feel that Davis-Besse hasn't only  
7 built this plant to be safe, they have taken and built a  
8 team that has focused theirself solely on the safety in  
9 operating the plant and reliability of operating this  
10 plant.

11        I would like to commend them for all their efforts,  
12 and I ask that you allow them to restart Davis-Besse.  
13 Thank you.

14            MR. GROBE:        Thank you very  
15 much.

16            MR. KENDALL:      Good evening. My  
17 name is Joseph Kendall, and I'm an electrical engineer in  
18 the Design Unit at Davis-Besse.

19        I believe Davis-Besse is ready for restart. I not  
20 only work at Davis-Besse, but I live next to Davis-Besse.  
21 I go to work each day knowing that the manner in which I do  
22 my job affects the safety of not only my family, but my  
23 friends and my neighbors. That is why as a nuclear  
24 professional, I give you my oath, as I'm sure all of my  
25 colleagues would, as is proven by the sign which we all

1 signed back there saying that we're ready for restart, to  
2 put safety first every day and ensure that I will do my  
3 part to keep safety at the forefront of my management's  
4 priorities.

5 Thank you.

6 MR. GROBE: Thank you.

7 MR. RITTER: Hi, my name is  
8 Dave Ritter. I work with Public Citizen, the Critical Mass  
9 Energy and Environment Program, Washington, D.C.

10 Overall, I hope to address the concept I've heard  
11 about that we should trust the NRC. Trust us.

12 For nearly two full years, the Davis-Besse nuclear  
13 reactor has been little more than an electricity and money  
14 consuming reminder of the inherent problems and extreme  
15 risks to nuclear power. The bright side of that scenario  
16 is that the community has been marginally safer with the  
17 reactor shut down.

18 From the first deal NRC struck with FENOC to  
19 postpone a critical inspection to the discovery of the  
20 football size hole in the vital vessel head component, and  
21 on through to the recent errors during testing, Davis-Besse  
22 has a striking example of how not to run a nuclear  
23 reactor. And the risks involved and regulators

24 act primarily as promoters for the industry.

25 FirstEnergy has demonstrated it has little or no

1 safety culture. FirstEnergy, the owner/operator licensed  
2 by the NRC to run Davis-Besse has finally admitted that  
3 emphasis was placed on production over safety and that  
4 financial considerations were behind their resistance to  
5 shutting down the reactor by a deadline originally put  
6 forth by the NRC to allow for conducting safety  
7 inspections.

8 Some evidence does suggest that FirstEnergy had  
9 knowledge and photographs of leaks and corrosion on the  
10 reactor's vessel head and did not previously disclose these  
11 to the NRC. In the two years since Davis-Besse was shut  
12 down, FirstEnergy has had massive, has fed massive  
13 quantities of money into the reactor. It will inevitably  
14 be attempting for FENOC to recoup these costs in creative  
15 ways that could compromise safety or security.

16 NRC risked public health and safety by striking a  
17 deal with Davis-Besse's owners. As the situation at  
18 Davis-Besse unfolded in late 2001, NRC had every reason to  
19 force FirstEnergy to shut down the reactor immediately.

20 According to the technical specifications that Davis-Besse  
21 is required to operate by, leakage from the reactor vessel  
22 requires that the vessel be shut down within 30 hours.

23 NRC knew that cracks and leaks had occurred at other  
24 reactors of the same type as Davis-Besse, pressurized water  
25 reactors, PWR's and they knew that Davis-Besse was highly

1 susceptible to those cracks and leaks.

2       The NRC, considering costs and convenience of the  
3 reactor operators, established an arbitrary deadline of  
4 December 31, 2001, for full shutdown of the plants that it  
5 believed were at highest risk, of which Davis-Besse was  
6 one. FirstEnergy protested that deadline and indicated a  
7 preference for a March 30th, 2002, shutdown, for which the  
8 reactor was already scheduled to shut down for routine  
9 refueling.

10      In the end, the shutdown order for Davis-Besse was  
11 not issued to FirstEnergy and a compromise was made upon  
12 compromise as NRC agreed to a February 16 shutdown date.

13      NRC's own office of the Inspector General judged  
14 NRC's actions as improper. The OIG is the Nuclear  
15 Regulatory Commission's internal investigative agency. An  
16 event inquiry report from the OIG released on December  
17 30th, 2002, entitled NRC's Regulation of Davis-Besse  
18 Regarding Damage to the Reactor Vessel Head, raised many  
19 troubling questions pertaining to NRC's ability to  
20 effectively safeguard public health and safety.

21      In short, the internal investigative body of NRC  
22 found that the agency knowingly permitted a reactor to  
23 operate with reduced safety margins for the sake of the  
24 industry's practical convenience. And the agency could not  
25 assure protection of the public's safety and health due to

1 these decisions.

2       A survey of NRC's employees has found NRC's own  
3 safety culture to be deficient. A recent report puts the  
4 Davis-Besse incident and the NRC's response in sharp  
5 relief. The OIG Commission, an outside independent firm to  
6 conduct the 2002 survey of NRC's safety culture and  
7 climate. The Inspector General's issuance of the survey  
8 included a number of disturbing revelations, all of which  
9 have relevance to the Davis-Besse incident.

10       In regard to safety and security, the IG determined  
11 that quote "Many NRC employees perceive a compromise in the  
12 safety culture" and that quote "Safety training is  
13 considerably based on outdated scenarios that lead the  
14 security of the nuclear site and the U.S. vulnerable to  
15 sabotage." Only slightly more than half, 53 of percent of  
16 employees feel it is quote "Safe to speak up in the NRC."

17       Compared to the same survey performed in 1998,  
18 there was a quote "Significant decrease in the percentage  
19 of employees who felt that NRC's commitment to public  
20 safety is apparent in what we do on a day-to-day basis."  
21 Broader critical findings revealed in the report, included  
22 the fact that quote, "Employees tend to be confused  
23 regarding overall agency mission" end quote.

24       Dovetailing this confusion in our own longstanding  
25 critique that the agency acts more as promoter of nuclear

1 power than as a regulator, the report also found quote  
2 "Concern that NRC is becoming influenced by private  
3 industry and its power to regulate is diminishing" end  
4 quote, within the ranks of the NRC itself.

5 One must ask, if the NRC's own employees feel  
6 confused about the agency's mission, feel that the safety  
7 culture is compromised, and are concerned with the nuclear  
8 industry's influence over its own regulatory agency, how  
9 safe can the public possibly feel about any recommendations  
10 from the NRC regarding FENOC's safety culture and the  
11 approval for Davis-Besse to restart.

12 Wrapping up. FirstEnergy's violation in the  
13 operation of the Davis-Besse reactor have been egregious  
14 and extremely significant in their potential impact on  
15 public health and safety. The NRC failed to act as the  
16 strict regulator the public expects it to be.

17 FirstEnergy has been given numerous second chances  
18 to prove that it can operate Davis-Besse safely. It has  
19 failed. Now the NRC is being given a second chance to  
20 prove that it is a serious regulator of the nuclear power  
21 industry, working to safeguard public health and safety.

22 To demonstrate this, it is most appropriate that NRC  
23 not permit FENOC to restart Davis-Besse. Our organization  
24 does not trust NRC.

25 That's it. Thanks.

1                   MR. GROBE:         Thanks for your  
2 comments. Just a couple of things. As Bill so aptly  
3 stated, we're here at least every month, and we'll continue  
4 to be here on a regular basis into the future. You don't  
5 need to trust us. You can come here and you can listen.  
6 You can question us and we'll answer your questions.

7                   My comments to Sandy Buchanon were strictly related  
8 to the specific issue of review of the ongoing federal  
9 investigation.

10                  The Chairman very clearly replied to the Inspector  
11 General's December 2002 Report, and I think that reply was  
12 within days of the report being issued. And that's  
13 certainly a matter of public record.

14                  We have many different levels of oversight in the  
15 agency. One is NRR, the Office of Nuclear Reactor  
16 Regulation, providing oversight and audit and assessment of  
17 the Region performance. We have our Inspector General, who  
18 performs regular evaluations of our performance. The  
19 General Accounting Office performs evaluations of our  
20 performance on a regular basis. We have oversight  
21 committees on the House and Senate side that regularly  
22 conduct hearings on our performance.

23                  So, there is certainly many opportunities, and as I  
24 said, we're out here all the time putting ourselves in  
25 front of you and having you critique our performance.

1 There is many opportunities for folks to get information to  
2 the NRC and be able to question us, and we look forward to  
3 seeing you again in the future. Thank you.

4 This will be the last question. Thank you.

5 MS. GORDON: I appreciate it  
6 very much. Good evening. My name is Mary Gordon. I  
7 reside in Port Clinton, Ohio. My husband, Bill, and I own  
8 and operate a successful portrait studio. We have been in  
9 business in Port Clinton for 20 years. This community has  
10 been very supportive of us.

11 You might ask the question, what would a small  
12 portrait studio and this magnificent nuclear facility have  
13 in common? The answer is the employment of about 850  
14 people. The 850 employees of this facility are our  
15 customers, past customers, present customers, and future  
16 customers. They are also our friends and neighbors.  
17 Without their support, the economic activity of the  
18 business community would be greatly compromised to the tune  
19 of approximately 15 to 30 million dollars annually.

20 If my customers, friends, and neighbors lose their  
21 jobs, they will have to seek jobs elsewhere. Eventually  
22 they will be forced to leave this community. Our portrait  
23 studio and other businesses might have to close their doors  
24 permanently. This downhill slide cannot be stopped if the  
25 Davis-Besse Nuclear Power Station is not allowed to

1 restart.

2 I have been reading a very interesting article in  
3 the National Geographic issue of February 2004. The  
4 article skillfully deals with carbon dioxide put into our  
5 atmosphere primarily from our use of fossil fuels. Quote.  
6 "Each year humanity dumps 8 billion tons of carbon into the  
7 atmosphere; 6.5 billion tons from fossil fuels and 1.5  
8 billion tons from deforestation.

9 The conversion of fossil fuels into energy accounts  
10 for 80 percent of the annual contribution to CO2 emissions,  
11 with 60 percent of that coming from industrial emissions.  
12 Carbon dioxide is foremost in a rate of gasses from human  
13 activity that increase the atmosphere's ability to trap  
14 heat. Few scientists doubt that this greenhouse warming of  
15 the atmosphere is already taking hold." Unquote.

16 The Davis-Besse Nuclear Power Station produces no  
17 emissions similar to the fossil fuel electric generators.  
18 The 25 years of electricity generated at Davis-Besse has  
19 averted more than one hundred million tons of by-products,  
20 such as carbon dioxide, sulfur dioxide, and nitrogen oxide  
21 from the atmosphere.

22 An important fact is that Davis-Besse has had an  
23 excellent safety record for the past 25 years also. I am  
24 not a scientist, but I believe that nuclear energy is a  
25 natural way of producing energy established by the creator

1 of the universe. It is part of the natural order of  
2 things. Is not the sun a nuclear reaction?  
3 I thank all the employees here who are trying to get  
4 this plant started by putting our safety foremost, and I  
5 thank you for your attention.

6 MR. GROBE: Thank you very  
7 much.

8 MR. REDFERN: I apologize for  
9 being a little over the 10:00 deadline. My name is Chris  
10 Redfern and I represent 125,000 residents that live along  
11 the south shore of Lake Erie from Vermilion to the City of  
12 Northwood. I'm a State Representative in the Ohio General  
13 Assembly. I also serve in the capacity as Democratic  
14 Leader in the House of Representatives. I have a very  
15 brief three paragraph letter that I would like to read and  
16 submit for the record.

17 "Dear Mr. Grobe, The Nuclear Regulatory Commission  
18 was forced to close the Davis-Besse Nuclear Power Station  
19 when the plant failed to meet certain safety standards.  
20 During the intervening two years, the NRC, as well as the  
21 operator, have addressed safety and design issues to such a  
22 level, that I would recommend reactivating the plant.

23 In light of the progress that has been made toward  
24 creating a strong safety culture at every level of  
25 operation within the plant, and the acceptance, apparent

1 acceptance by the Nuclear Regulatory Commission that  
2 on-site inspectors share a certain amount of responsibility  
3 for their failure to aggressively react to corrosion  
4 issues, I believe the operator meets and exceeds standards  
5 set by the NRC for reactivation.

6 While safety standard at Davis-Besse may have deemed  
7 deficient in the past, the current management is conscious  
8 of its responsibility to ensure the safety of both  
9 employees and local residents. Furthermore, increased  
10 vigilance and oversight by the NRC will prevent management  
11 from making the errors of the previous administration.

12 Finally, the local community is strongly in favor of  
13 reactivating Davis-Besse. The plant, and its employees,  
14 which I represent in the Statehouse, provides over 900 jobs  
15 directly and indirectly, and its operation is vital to  
16 maintaining a strong economy. The Davis-Besse Nuclear  
17 Power Station can and should be operated. Reactivating the  
18 plant immediately will increase the prosperity of the  
19 community without compromising the safety of employees or  
20 residents that I represent. I appreciate your efforts to  
21 address this situation as soon as possible.

22 Sincerely yours,

23 Chris Redfern"

24 Thank you, sir.

25 MR. GROBE:           Thank you.

1        I realize it's getting late. If there is anyone  
2 here who did not have a question responded to, and wants to  
3 approach us, we'll be here for a few minutes. You can also  
4 contact us; there is phone numbers, email addresses in the  
5 monthly newsletter that's out on the table.

6        Thank you very much for coming.

7 (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 23rd  
10      day of February, 2004.

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14                   Marie B. Fresch, RMR  
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16                   NOTARY PUBLIC, STATE OF OHIO  
17                   My Commission Expires 10-10-08.

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