order to do that, we have all the Restart Checklist items. We have the owners we've assigned at the plant for those Restart Checklist items. And then we have the discovery phase and the colored bars, the implementation phase, and then final closure of the Restart Checklist items.

The green identifies those items that we are complete with from a discovery phase. And, as you can see, we have a number of completions. Since our last meeting, we have completed discovery, and Randy Fast talked about this in his presentation. We completed the discovery in the Containment Health Discovery Action Plan area. We've also completed discovery in the Containment, or Containment Emergency Sump items. And we're pursuing now the modifications associated with the Containment Sump.

Also, we've completed, another item was our inspections of our Boric Acid Systems outside of containment. This was another area in our extended condition, and we just recently completed those. So, we're making great progress.

Another one that's a major milestone and a lot of work and effort went into this, was the completion of our System Health Readiness Reviews and Latent Issues Reviews on our systems. Jim talked about those. That was a major effort. A lot of people involved in that on site. And we just finally finished those up. As a matter of fact, Jim

said he was signing some of those this morning and they're all with Lew Myers for final approval, and then they'll be ready for final NRC inspection.

I would like to address just a little bit on the discovery area where we're not complete yet. The blue bar up there is an activity in our Management Organizational and Human Performance area, that we still have a few items that we are working on right now. We talked earlier about our Engineering Assessment that's going on right now at the plant. That's an activity in there.

One of the activities in there that is complete, a number of them is, we talked about those too, was the Management Root Cause, in addition to Corrective Action Root Cause, the Operations Root Cause; there is some items that are complete in that area; however, we still have, like I said, Engineering Assessment, and then we have a collective review of all those assessments and root causes that we'll be doing, pulling all the things together to see if there is anything from a collective significance perspective that we have missed in any of the individual reviews, and that will be the final activity that will close out that particular item.

If you go down further about midway down, you'll see an item that's labeled 3 Charlie 1 or 3 C-1. Yes?

MR. MYERS: We're working the

plan there. That's exactly what we would expect right now. It's not a deviation.

MR. PRICE: That's correct.

MR. MYERS: Okay.

MR. PRICE: Also, we worked in our plan, we just talked about this one, the next blue bar down, which is our Quality Audits Program Review. Now, this was not in the Building Block for Program Reviews; however, we are using a Phase 2 Program Review, our approach for that for this review.

We completed a root cause of the Quality Assessment Organization, and now we're in the process of doing a full Phase 2 Review, utilizing the Phase 2 Program that was designed underneath the Building Block, but it is not necessarily under that particular Building Block. It's underneath the Management/Human Performance Building Block, as Lew stated.

Carrying right down, the two that Neil just spoke about that are still in progress, which are the Modification Program and also the Radiation Protection Program. Those are going to the Program Review Board this week and next for final review. And we will, we're targeting to have those completed before the end of the year.

The last one, down at the bottom that is noted as

5 C 1, or 5 C, or 5 Charlie, is our Functional Area Reviews and those are still ongoing. Those are part of the Management and Human Performance Improvement Plan and a specific activity that we have in that area.

Any questions on that?

MS. LIPA: The column over on the right, not to the far right, but there is a column about four columns over that says, Ready for Inspection. So, that, do you plan to fill in that column so we can use this as a tool?

MR. PRICE: Yeah. One of the things before it's ready for final inspection, it's important to know, Christine, there is a column there that has yes in it or it's blank; if that's the one you're referring to?

MS. LIPA: Right.

MR. PRICE: Bottom, basically, we have a process we go through as part of the Restart Action Plan, which includes a closure package and validation of those closure packages. And until that's completed, which requires Lew Myer's signature, it is not ready for inspection. So, even though we've completed the phases, some of these items Lew has not had the final sign-off on. When he does, which will be very shortly, a number of these, the yes will go in there and we'll be

ready for the final inspection from the NRC.

On the right side we have another -- I'm sorry. Go ahead.

On the righthand side, we have a number of actions that are going on in the implementation phase. Many of our implementation actions are, go on concurrent with discovery. We don't wait until we're completely done with discovery before we start correcting what we found.

And, as you can see, we have a number of actions that are, a number of areas that are progressing quite well, as a matter of fact.

MR. GROBE: Yeah, Clark, I appreciate you bringing this slide forward. As you're aware, we meet once a week on this slide, about a half a dozen or eight pages go behind it that provide a lot more detail, but this is probably very difficult for the folks, the public to consume.

I would suggest that between now and next month, you come up with a way to better portray the same data. I think it's a great way of tracking what's going on, but better portray the same data, but in a more human friendly atmosphere.

MR. PRICE: Okay.

MR. GROBE: So, it can be understood more easily.

MR. DEAN: I guess I would offer in some earlier meetings, we had had some performance matrix, individual performance matrix, individual graphable display; that seems to be pretty reasonable.

MR. MYERS: We've got those too.

MR. PRICE: This is just one of high level overview monitoring tool that we're using. We also have our performance indicators. And, I guess one of the things I would like to say then, I'm going to talk about some performance indicators here shortly, is one of the most significant things I feel with our discovery being essentially complete on what we've completed today, is we have completed a lot of material issues, the discovery and material condition issues of the plant.

As you saw, most of the open items in the discovery phase are in the Management/Human Performance area, Program Reviews. And we pushed through the discovery phase in the system areas so we got the work identified, the issues identified, and now we can go address and resolve those issues. That was a very important phase that we needed to get through in our Restart Plan.

On this next slide here, we're talking about again completion of discovery. We're nearing that completion. We have a number of open restart condition reports and I'm

going to get up in a second and address very briefly those graphs that are hanging on the back wall.

And, but let me just continue on here with the Operational Performance Indicators. We have a number of indicators in what we call Operational Performance, which are places where we look at workload, backlogs and those types of things. And we're holding steady in those areas, which is good. We're identifying an awful lot of work, but yet we're keeping up with that work.

The Organizational Readiness Performance Indicators are all showing steady to improving. And those performance measures tend to be the areas where we're looking at Quality and Human Performance, and we're seeing steady and improving trends in those areas.

One of the things that's very fundamental in our whole Building Block effort and our Return to Service Plan is the use of our Corrective Action Program. And through that process, we have identified many conditional reports that have documented the issues that we have found during our discovery phases of our activities. And then we also then have corrective actions that come out of that.

If I could, I'll try to speak loud enough for everybody to hear. I'll give everybody an opportunity to stretch a little bit.

We have a number of charts and these are some that

I've shown in previous meetings. One of the things that we saw in previous meetings is we were in the upwards incline here, which meant we were still discovering more than we were fixing. And this is an, all these graphs here represent, or charts represent open condition reports and open corrective actions.

The first two here are the total population condition reports that we have that are open right now that are classified by restart, classified as restart. The Restart Station Review Board, which Bob Schrauder carries, classifies all condition reports and all corrective actions that come out of the condition reporting process, as whether or not they're required for restart.

This is the total population of restart actions. It actually is greater than just the O350 population of work that we have. This is all things that we've identified that we desire to have completed prior to restart also.

As you can see and what's very important, management of the site and employees look at these curves, because what we've seen in the last about a month ago, we finally peaked and now as we completed the discovery phase, our closure of those evaluations on those condition reports are now seen incoming, and we're now in decline, we're working those off, to restart.

What you see basically is, these are, this is a

total, the next three sets are major building block areas for our, that we discussed. First is System Health Reviews. The next is the Program Compliance. And the last is Containment Health.

Those are all the different major Building Blocks that generated the majority of the condition reports and the discovery items that we found prior to executing the plan.

So, this is a good news story. We're now catching up with the, with our workload. We're driving these curves down. We have a lot of effort in this area of focus getting through our evaluations. Because, as probably Jack would tell you, he considers some of that still the discovery phase. And, and it is through true, through those evaluations, we could determine that there are more areas of work that we have to do. That's why we need to get through those quickly, get the corrective actions defined, and get those into the schedule that Mike has to make sure that we got all those, that we can, all those scheduled out for restart.

So, I believe that's all I had to share today. I think one of the things, I think we made significant progress in the last month. We've really been working hard to get some of these discovery activities to closure, and we made good progress in the last few weeks in

accomplishing that.

MR. GROBE: Before you go on, Lew. Clark, I appreciated the way you described the completion. And we would agree that the head resolution area is essentially complete and our inspection was recently issued on that topic and Containment Health is essentially complete and we issued a report recently on that.

You've described today two of the six programs are yet to be completed, and I think the chart accurately depicted that. And Management/Human Performance, you still have the corporate oversight and the engineering function, root causes, as well as collective significance; and I think your chart accurately depicted that.

The thing that I want to make sure is not lost, is this meeting later this month on engineering design issues is critically important. And I view the eight additional reviews and any further activities you determine are necessary to be discovery, and you're going to identify a significant number of issues, as you have already identified in each of your prior design reviews.

So, there is no doubt in my mind that there will be many condition reports coming out of those reviews, and this may not, you know, we have to discuss the extent of that review; and we'll do that hopefully on the 23rd.

MR. MYERS: Right. We would agree with that. You know, I think what we want to show the public, if you go look at our basic Building Blocks right now with the first slide, from a System Walkdown Standpoint, Containment Inspection Standpoint, Management/Human Performance Standpoint, we got a lot of the discovery done. In fact, most all of it is done. But we didn't wait to finish all the discovery, there's actually been a lot of work done in containment stuff.

So, we didn't wait to finish all discovery. You see that turning green, over to the next column is implementation. You see that implementation is well under way also. So, if you walk away with those two things, of that whole chart, that's all that we wanted to demonstrate.

We made good progress on discovery. We also made a lot of implementation progress also. You can see that in our containment, the system walkdowns we've done, the valve repacking program now, and the draindown window, reactor coolant system. So, there is a lot of implementation going on. Okay?

MR. DEAN: Let me offer one observation and perhaps a question.

Having been involved with plants in the past that have gone through a significant discovery phase, I don't

disagree this is kind of an important milestone when you get to the point where your work-off rate starts to exceed your discovery or input. That is a milestone.

But it's easy for us to get captured a little bit about looking at things like corrective actions and your hardware related issues, but we have to go back to the fact that a major factor in this whole issue at Davis-Besse revolves around safety culture related issues. And I think it would be important at future meetings to be able to present performance indicators and things that you are monitoring that indicate in some objective sense progress that you're making in terms of addressing the safety culture related issue.

MR. MYERS: Okay.

Next area we have is, we want to take a few moments to talk about some recent changes we've made at the plant, and from a FENOC alignment standpoint. Bill Pearce and I will talk about that.

In general, if you go look at our Building Blocks, we talked about the discovery phase, you know, coming to an end, and those latent issues areas.

What we want to do now, we're focusing on reloading the core, pressurizing the containment, pressurizing the RCS later on. That's on the near horizon for us. In order to get there, we've got to do is, we've got to make sure

our plant management staff, if you will, is in good stead; and that gets back to that safety culture issue.

So, what we did recently is, we had some significant reductions I think in contrator work force. I've heard a lot about that. In general though, what I want to tell you is, we reduced like 380 contractors at our site, and there is still another 900 there now. So, from a staff standpoint, there is still a lot of people at our site, over and above our normal 800 people that we have.

And, so we had some things that we wanted to accomplish. First, we have certain contractors that are fairly large contractors, engineering groups that we do business with; FirstEnergy Nuclear Operating Company, we want to make sure that we were aligned with those companies.

So, as we took this effort, it was to realign us with the companies that we normally do business with and their management; engineering companies, companies that supply us craft support, companies that supply us health physic support, training support and all that. That was one of our goals.

The next thing we want to do is align us, so we could be more operations focused, if you will, then we could assess our own internal performance. For example, we've had this group together called Restart Senior

Management Team. Well, it's time to quit calling it the Restart Senior Management Team, and really have the senior managers that we brought into this plant take a leadership role in moving the plant forward.

So, sometimes we've had some of our contractor groups reviewing things. We intend to put our managers more in the line organizations; and you'll see us making that shift.

Then finally, you know, we wanted to make sure that we had the contractor level in an area that we could manage effectively. One of the things we've done for each Building Block now is, we've gone through the discovery, we're trying to get the work done for example in the containment.

We've taken our key contractors and aligned the key contractors with the Building Blocks. What that helps us do, what that helps us with is to focus on that key contractor, whether it be an engineering contractor or a maintenance contractor, to ensure, like for instance on these draindown window, that we have one group of people that's focused on that work and we can do the work efficiently and effectively.

So, those are the three objectives that we try to accomplish. We think that aligned us well with our other FENOC stations, and we think that also sets us up to make

the next step in loading the core, pressurizing containment and then finally doing the, the hot operational testing.

If we can do all that well as a management team and error free, then that helps regain public confidence about our ability to effectively manage our plant. So, that worked okay.

While we're doing this, we realized it would cause some management concerns, so we've asked oversight to take a look at the effects of that, and Bill Pearce will discuss that, how we're doing that.

MR. PEARCE: Okay. When we made this change, I guess our concern in the Quality Assurance Organization was that any time you have a change, you're at risk to introduce some things you didn't mean to introduce with it. So, the QA manager and myself decided it would be prudent for us to increase our level of oversight during the period of this change.

So, we decided what we wanted to look at, was to look at the new makeup of the Engineering Assessment Board, the effectiveness and quality of the Engineering Assessment Board review of Latent Issue Reports, and the quality of System Health Readiness Review Reports ~~without~~ with that Engineering Assessment Review Board.

So, that's in addition to what we had been looking to previously. And, some of the things that we did, is for

the Restart Station Review Board, we had an increased quality assurance oversight level and we increased the use of QA Evaluators with operations experience to give them more broader view of what we're looking at.

We revised, we looked at the revised membership on the review boards. There were several review boards put in place initially to get through some of these latent issue reviews. So, we tried to look at the membership of those. We examined them for their background and their credentials. And the activities and results of the board meetings, we are carefully observing to make sure there is no loss of quality as the boards have changed.

What I brought you today, this has gone on over the past few days, so I have some fresh information about what we found in doing these things. We not only made a plan, this is what we seen on the front end of the implementation.

As part of our review, we talked to the EAB members to discuss their qualifications, and found that based on their background they were knowledgeable in the subject areas they were looking at. And, at least two members on the Engineer Assessment Board Review Team for Reactor Coolant System were long time Framatone personnel. One is currently system engineering manager there.

Three, four permanent Engineering Assessment Board

members participated in and observed the review of Aux. Feedwater on the fifth of December. As a recent one that they all participated in, so that was kind of a carry over for them.

Says, probing questions were asked by all members of the EAB team, which demonstrated they had time to review the reports ahead of time so they were knowledgeable about what they were reviewing.

Placed emphasis on operating experience to ensure that the latent issue team members properly captured what was required. That was a comment that was made. And one of the EAB Panel Review members for the Emergency Diesel Generator Team was the plant's station blackout diesel engineer, which it's the same engine; one is emergency diesel, other is blackout. So, it had a lot of information and expertise in the area that they were looking at.

His line of question reflected his own experience, presenting the station blackout diesel generator report previously to the EAB. So, they're utilizing the experience they gain.

I guess one perception we have in the Quality Assurance Organization, is we did a pretty good job of making the transition, and that the people that we have presently doing those assessments, seem to have the proper qualification and background to do them, and that the

quality of the assessments is not going to suffer because of the change. That was what we were really trying to come to the conclusion of.

We increased our oversight because of that. And now, since the change has transpired, we'll go back to our normal plan. But, we just wanted to tell you that we did look harder because we made the change, and we've looked, I think we tried to see if there was going to be any problem associated with that, and it seems like everything went pretty well.

Okay, Lew.

MR. GROBE: Bill, I wasn't associated in this level of detail with Davis-Besse three, four years ago, as I am today, but my sense is that this sensitivity exhibited by the quality organization may not have existed several years ago to being responsive to changes in the station and increasing oversight. And I really appreciate the fact that your organization is functioning in a real time nature to balance your level of confidence with an application of resources in areas where you wanted to make sure that things are going well.

And certainly a time of transition is a time where you could have problems, so I really appreciate that.

We performed a number of inspections over the last several months and reported on them last month. One of

those was in the System Health area. And we likewise would probably be performing some additional work as you go through these additional design reviews to also regain confidence that the, the new people and the new structure are working as good as the prior reviews had worked.

MR. DEAN: Bill, I have a question. In looking at the things, the assessment of the impact in terms of the new makeup of the board, effectiveness in quality, the quality of the System Health Readiness Reviews; you talked about the impact of the Engineering Assessment Board, but what have you done in terms of looking at the quality of the System Health Readiness Review about the EAB review.

MR. PEARCE: We reviewed those. I got some information here, although it's -- we think that the quality of the reviews have not changed since the board has not done the final inspection of them any longer and it's being done in the line management. We're looking at the final product now.

There is a lot of them are already done and went through the board, so we've got, there is a template that's kind of been put in place of what acceptable and what is not. And the new ones going through now are the same quality level, fit the same template, got the same types of information in them, and seem to go to the same depth as

they were previously when the board was reviewing them, Bill.

MR. DEAN: Okay. Is your intent, I didn't quite gather from your comments whether you feel like you've completed your assessment efforts to look at this transition or do you still intend to have some enhanced observation in QA activities to monitor?

MR. PEARCE: Well, we were involved all along in the boards that were going on, and did overviews, but in this, for this case, the last five latent issue reviews, wasn't it five, I think it was five that went through; we went through all of them. We had somebody at each one of them, sat through the entire thing. We just didn't do sampling, we sat through the entire thing, and watched that.

So, we'll go now back to our baseline level review where we do sampling, and look at it in that regard.

MR. DEAN: Okay.

MR. PEARCE: The comment you made about looking for change, I remembered a quote, and I got this actually from a quality assurance guy about 15 years ago. He told me that "Change is the mother of trouble and trouble is the mother of change." And I think that that is, you know, you think about that, it is like that. And, we need to be sensitive to change.

MR. MYERS: We need to make it.

MR. PEARCE: We need to make it.

MR. MYERS: Are you ready for conclusion?

MR. GROBE: Absolutely.

Any other questions?

Go for it.

MR. MYERS: Good, thank you.

You know, we talked about our reactor head today. If we go to the next slide. Reactor head is on the stand. It's painted. The electrical lines are on the head. Everything is ready to go. It's our intention to set the head up, fit in the near future. Demonstrate that it fits well and everything. So we made progress there and that's, that's going forward.

Our System Readiness Reviews are complete. They're on my desk. That might take a week or so, because my intention is to sit down with a large group of engineers and eye-to-eye and go through the System Readiness Reviews before I sign them. So, they're basically complete.

Containment Health is good. The emergency sump is moving along. We think that it's going to set an industry standard. Integrated Leak Rate Test Program establishes a

new standard also for this industry. We think we'll have a procedure process and way of identifying leakage and formalize that, so that we'll be a model for other plants to come and look at.

Additionally we're installing the Flus Monitoring System, which is a new piece of technology that no other plants in the United States has. And we think that's going to make us sort of unique too.

So, Containment Health is good. Walk in our containment now, material condition looks very good, we think, compared to other containments I've been in, in the United States.

Preparations are underway for core load in the near future, January. Containment testing. Then operational testing. And it's our intent then not just to bring the plant up and pressurize it, but we have an integrated test procedure we're putting together to go look at our equipment to make sure it's going to function well. A lot of our equipment hasn't run in about a year; steam pumps, steam dumps, things like that.

We intend to give a good baseline so the plant will be ready for restart, during this plateau. Then we'll cool back down and go look for any potential leakage that we might have, and do some more maintenance.

That's a change of the initial plan that we had from

several months ago. So, we think it's a good approach. We find something, we fix it.

Per Management/Human Performance, we talked about safety culture. Let me spend a moment on that. You know, I think that we're well under way of creating a Safety Conscious Work Environment at our plant, where people can bring issues forward. I won't say we're perfect by any means, but we're taking good steps there to make sure that process; that I have an open door policy, my managers have an open door policy. We've been trying to train them, people in safety conscious work environment, so they know how to address problems. We're trying to get them in a more proactive role.

We talk about that at all of our 4-C's meetings. We talk about that at our group meetings. We've done training. So, we feel we're making good progress there.

One of the best things from safety culture standpoint is in my mind, is find and fix problems. We have a whole bunch of routine problems that we probably didn't have to fix at our plant. You look over at our graph, that's way over and above the 350 process. Find and fix problems.

I love the valves and the draindown, the window we went after, because we wanted to as a management team. Nothing in the 350 process told us to go put in a reactor

cavity seal plate. That's a tough model, we did that on our own. That's the right safety culture. And we're driving to make sure that safety culture is in place.

Strong operational leadership. You know, most of the managers we have at our plant now are previous SRO's. Bill Pearce was my shift supervisor when I was a young boy at another plant. So, life is a lot better now.

If you go look, down to our maintenance manager, he's a previous SRO. The quality manager that we have in place, certification. So, our management organization has a very, very high respect for operational issues.

And, for example, a lot of the issues in the Corrective Action Process, I spoke up during this meeting; we write a condition that we think is an operability issue or question, then it's up to us to go back and convince the shift supervisor that we have this bounded. That atmosphere didn't exist, and we're going to make sure it exists when we start the plant back up.

We have CR's generating. The person that's going to make that operability calls is the shift managers, like it should be.

I want to talk about our people for a few moments. We brought in a management assessment firm and they've looked at our people. You know, I've worked at several plants in the United States myself. I've worked at plants

where the population is a 30 mile radius amongst two million people or so. You didn't know each other very well. The community was very large. This is not a large community.

I've worked at plants where we've brought people in from the outside and they became part of the community over the years, but they weren't from the community, they were outsiders.

One of the things as a management firm we brought in told us, I think is a strength, is that the people at our plant, you know, are from this area. Many of them got out of high school and went off to college, and got their degree so they could work at this plant. They're not move-ins, they're people that are from this area. They are the community. They are the community.

And we have meetings scheduled now with our people to go out in the community as we start returning the plant to service, and I think we have like 17 meetings scheduled in the next month or so, to meet with community people. And we've been doing that all along to show to them, demonstrate that we're ready to restart the plant.

We paid all this money for a consultant. I want to tell you who it is. I went to my barber over in Port Clinton the other day. She said, I could have told you that without going to a management consultant. Most people

I went to high school with, two of my best friends went and got their college degrees just so they could work at Davis-Besse. Just so they could work here.

My message again is, I think we have good people at our plant. The issue wasn't a safety culture that's bad with our people, it was that we didn't implement from a management standpoint a strong safety culture. There is no balance between production and safety, it's the gate you go through. And what we're doing is demonstrating that every day at work. Thank you.

MR. GROBE: Any other questions?

Well thanks, Lew.

Each month as we've met, we've seen progress. Sometimes the progress was learning how to do discovery correctly. Sometimes the progress has been much more substantial. And this month is not a change. We continue to see progress.

The three areas where we have the largest amount of inspection work left are in the Systems and Design Area, the Programs Area and Management/Human Performance. Your Programs Area is further along. We'll be probably digging into those areas again in detail in January.

I think we have the dates for our next three meetings. I don't know that we've announced them

publicly. January 14th, we'll be here. That's, these are Tuesdays. February 11th and March 11th. I'm not sure if we'll be in this facility. This is the first time here. We're going to evaluate the adequacy of this facility after we're done, make sure it meets our needs, and see what their schedules are and see whether they can support us in the future. We'll be back here in the local area, January 14th, February 11th and March 11th, and we look forward to those meetings.

Again, I want to emphasize, a very important meeting on the 23rd, tentatively, and we'll be announcing that publicly as soon as it's firmed up. It will be in Region III. That's somewhat unique for us. We try to have as many of our meetings as possible here at the site. Because it's going to be at Region III, we'll be video teleconferencing to our headquarters office where folks can observe it there. Obviously, folks can come to our Region III office, there will be a public meeting there in Chicago. We'll also have telephone hookups, so if anybody is interested wants to patch in by phone, we'll be doing that also.

Why don't we take a very short break. It's 10 after, according to my watch. I'll have to synchronize with Christine here, and take a five minute break and we'll reconvene for the public section of our meeting in five

minutes. Thank you.

(Off the record.)

MR. GROBE: What we would like to do now, I appreciate those who are left, having the staying power for this meeting. I think it was quite informative.

What we're doing now, is entering a time where the NRC is going to meet with the public, and we're interested in your thoughts, your feedback, any questions you have, any suggestions you have for us. We're open to, to anything.

What I would like to do is proceed and ask local elected officials if they have any, or representatives of local elected officials, if they have any questions or comments, they want to come forward first, I would appreciate that.

And if he we could each limit our questions to a 3 to 5 minute time frame, we could get to everybody and have time to get to dinner too.

Hello, Jere.

MR. WITT: Hi, Jack.

Jack, I am older than you, so I have a prepared statement, so I didn't forget to say what I wanted to say.

My name is Jere Witt. I am the Ottawa County Administrator and a member of the Restart Overview Panel.

As a member of the Restart Overview Panel, I have been intimately involved in the process since the beginning and have learned more about nuclear power than I ever intended to know, but I appreciate the opportunity.

I also have been involved with the Davis-Besse nuclear power plant almost since its beginning, because I have been in this position almost 25 years and have worked closely with the plant over the years. I am not a nuclear expert and never will be, but I believe I bring a common sense approach to the panel along with the ability to ask tough questions.

The biggest stake holder in this process is Ottawa County. It affects all of us in many ways, especially the families of the employees. Safe operation of the plant has and always will be my first priority. It is obvious that Davis-Besse and the Nuclear Regulatory Commission both made mistakes as part of this incident; and they have admitted so.

The Restart Overview Panel's function is to provide independent oversight and review of plant activities in regards to restart. This panel is made up of industry experts and myself as a representative from the county.

They probably have asked the toughest questions of anyone in this process and will press on until all issues are resolved satisfactorily.

The Restart Overview Panel has been in containment and will go back, because they are committed to this assignment.

All of the members of the panel have added additional expertise in some manner during this process. It was never intended to be and never will be a rubber stamp.

I believe we must evaluate the value of the continued operation of the Davis-Besse Nuclear Power Station in terms of safety, and value to the community. Mistakes were certainly made in regards to the head incident, but there have been many good things happening at the plant over the years.

We must ensure that this type of incident never happens again, and get back to operating the plant safely and as a benefit to the community.

This has been a monumental task for everyone, and the process to get there is unbelievable, but I believe that the indicators show that we are moving forward. Let there be no mistake, there is a lot of work to do yet, but I believe you are getting there.

The management team and the process is in place to make the right decisions and lead this process to completion. The employees are a dedicated group that live here and want to do what is right. It's been a tough

process and they have worked long and hard to get to where they are today.

I congratulate you on the improvements you have made. Keep up the good work.

Davis-Besse has made many improvements that go above and beyond the required O350 process. Unfortunately, the public will never see all the improvements and changes that have been made. The process has been long and tough, but the end result should be a good one.

There has never been any effort that I am aware of to not address an issue, but to the contrary, they are going above and beyond to address issues.

The plant has also planned for improvements that will continue to be made after restart. I believe it is now time to move forward with the safe restart of Davis-Besse at the time when the plant and the NRC has addressed all of the necessary issues appropriately.

I urge everyone to give the Davis-Besse team and the Nuclear Regulatory Commission the opportunity to make it happen, and work with them to get there.

I believe you can safely operate this plant in the future, but also believe that close scrutiny must continue by Davis-Besse, the NRC, FENOC, FirstEnergy, the County and the public.

My family lives here along with my grandchildren,

and I would never suggest restart if I believe a credible safety risk is involved. It is time to move forward in the process, and restart with safety as the number one and only goal. Thank you.

MR. GROBE: Thank you very much, Jere. I did notice earlier that another member of the Restart Oversight Panel was present at this meeting. He left a bit ago. That is Christopher Bakken. He's Chief Nuclear Officer from ~~Merit~~ American Electric Power Corporation.

And, of course, Bob Saunders, President of FENOC is here.

I attend as well as some of the other NRC staff those meetings each month. And Jere is right, they're a challenging committee and I appreciate their contribution.

Yes, sir.

MR. KOEBEL: Thank you, Jack.

My name is Carl Koebel. I'm President of the Ottawa County Commissioners, and I'm here today to represent the feelings of the Commissioners toward what got us here.

Davis-Besse, as we've seen today through it's management and its staff has worked extremely hard to get to this point. And I think what I heard today and what was stressed today was change. And I know from previous experiences in other departments and with the county staff, change is difficult. Change is always consistent, but it's

difficult.

And, especially when you look at change in an area like Davis-Besse Nuclear Power, where it can affect the people, it can affect the community, and it's from the people that live and work, that work there, live within the community, that stress has to be very, very high on them.

And I commend the staff of Davis-Besse for doing what they're doing. And I commend them for the progress that they've made today, both the staff and the management.

Davis-Besse is very important to Ottawa County. There is no question. And I appreciate that Davis-Besse over the years has kept the county very well informed of what was going on at the plant. And the NRC has been very helpful in keeping us informed of what's been going on during this oversight review.

I also would like to commend Davis-Besse for allowing us the opportunity to have representation on their Restart Overview Panel by allowing us to have Jere Witt sit on that panel. It's been very, very helpful to us.

One thing we know is that our expectations are that that plant must be operated with safety as priority one. We heard that today from Mr. Myers. We heard that at previous meetings. And I really believe that there is a definite commitment from management and employees at

Davis-Besse that priority one is safety, priority one will be safety and that priority one safety will build again the confidence that we've had in the past of Davis-Besse.

We lost some of that confidence. We're gaining it back every meeting, every meeting, every meeting. Today, my confidence gained more than it did the last month. And I think next month it will gain even more, because we're seeing a move toward restart. And we know how important that is.

Why is it important? Think of the contributions that Davis-Besse has made to this county. We just went through a tornado. Because of the Davis-Besse siren, we were able to warn the people. And, although we lost a lot of property, we lost no life and we had no serious harm to anyone. And that was, one of the reasons were the people were able to be notified. Why were they able to be notified? Because of the siren system for Davis-Besse.

We also were able to expand that siren system outside of the ten miles going around Davis-Besse, and to the rest of the county, thanks to the help of Reggie Strauss, one of the employees of Davis-Besse. We were able to get those, and we know there is a hundred percent coverage of every home in the county. We could not have done that without the quality of people that are, were presented to us through Davis-Besse.

One of our, one of our members ran into an individual that worked at Davis-Besse, who informed them that Davis-Besse allowed them off work to work with the Red Cross during this last tornado. Most industries wouldn't do that.

Our funding for our EMA through Davis-Besse has allowed us to have training for things that we have to live with on Davis-Besse because of where we are. Things like floods, many of the other natural disasters. Through the Davis-Besse training, we have been able to handle those disasters much better than we would without Davis-Besse.

Of course Davis-Besse is our largest employer. Not only does it provides jobs for our people, it provides taxes for our government to run and it also provides business opportunities for the other businesses in the county.

One of the examples that nobody thinks about is, small things like funding the radio system for our law enforcement and our fire and our EMS. This is being done by Davis-Besse. And they're not tooting their horn. They're not going out bragging about it. And there is so many other things like this, that we could go on for hours, but I don't have the time and I'm sure that everybody else is as hungry as I am.

So, what I would like to do is say, what do we get

if we don't start Davis-Besse? We get a mortar and brick building that contains radioactive material, and that's good for no one. If we restart Davis-Besse with priority, safety as priority number one, we get jobs, we get dollars, we get a well run plant, we get growth in this county, we just get everything that we need that's positive.

That's where we need to go. That's where I think we're headed, and I commend you all for getting us to this point. Thank you.

MR. GROBE: Thank you, Carl.

The charts over on the wall describe hardware and software issues, program issues, but I thought Bill Dean on my left asked an excellent question, and that is that we need to get a little more into the issues that got Davis-Besse into the situation they were in; and that is the cultural issues.

We heard a little bit today about the cultural changes that are going on in Operations, and we ask that that be expanded on in our next meeting, and that's good. And Bill asked that we get some additional information on the Safety Culture, Safety Conscious Work Environment, any performance indicators that the company is using. And there is several of them, as well as we had talked previously about safety culture, I believe it was the meeting at the Davis-Besse Administration Building.

And Bill Pearce indicated that they had planned an additional survey of the staff to, to evaluate the attitudes and views of the staff. And in meetings last evening with Lew, I understand that FirstEnergy is planning a little bit broader assessment concept of Safety Culture and Safety Conscious Work Environment. And, that will be on our agenda for next month also.

Carl indicated that Davis-Besse folks may have lost some people's confidence in their performance that led up to the discovery last March. He was generous in not focusing too much of his comments on the NRC. The NRC I think also lost some public confidence. And, I hope each of you that's been able to attend these meetings has been able to see how we do our job and get a better perspective and understand the efforts, the self-assessment efforts that we're going through.

Last month, Art Howell, who is my counterpart in Region IV in Texas, presented our own self-assessment and corrective actions were taken. There will be a commission meeting I believe sometime in January where the commissioners are going to hear the results of that self-assessment, what corrective actions we're implementing to improve our performance.

Are there any other local elected officials or representatives of elected officials that want to come to

the microphone? Yes, sir?

MR. OPFER: Good afternoon. I appreciate the opportunity to testify today. My name is Darrell Opfer. For ten years, I was a County Commissioner during what I call the middle period at Davis-Besse. For nine years, I was a State Representative, and the point person of my caucus on the discussion and eventual adoption of deregulation. Currently, I've been for two and a half years the Director of the Ottawa County Improvement Corporation, which is the Economic Development Agency for Ottawa County and its various subdivisions.

A couple of comments that I would like to make today with regard to the importance of Davis-Besse to our community. And I do this, because when I was in the Legislature, a number of my fellow Legislators found it difficult to understand why I was supportive of nuclear power, and the Davis-Besse Plant in particular.

One of the things that you need to understand is that within a few miles of where you're sitting, actually a few thousand feet, Ottawa County for a number of years had a major employer; and that was the Erie Ordinance Depot and the Erie Army Depot which employed thousands of people and brought thousands into the county during, especially during and after World War II. That no longer exists, and we're still struggling to try to increase the amount of

employment at that site to a portion of what we previously had.

Next door, we have the Uniroyal building, which used to have four to five hundred employees. That's now sitting vacant. We had the Standard Products in Port Clinton, which had four to five hundred. Now vacant. We had the Celotex Quarry, which closed up last year, 150 employees. Last Friday, the Metaldyne Company, which is in the Erie Industrial Park closed, laying off approximately 80 to a hundred people.

This county has been consistently declared by the State of Ohio and the federal government to be a labor surplus county, entitling us to certain benefits in terms of tax credits and so on, but nevertheless, we are one of the few counties in the State of Ohio outside of Appalachia to be considered a labor surplus county.

Besides being the major employer in Ottawa County, one of the things that is fairly easy to understand is the taxes that the Davis-Besse pays to the school, the township, the county, and also we shouldn't forget the State of Ohio. It is also a major attraction of folks to utilize our seasonal or particularly especially when they have the, refueling in the nonsummer season, attracting people to utilize our hotels, motels, restaurants and other facilities.

It has, Carl has mentioned our EMA. It also provided, when I was County Commissioner, a facility in the courthouse, which although it's not the highest cost facility, it certainly represents an excellent facility that does us proud, not only with regard to Davis-Besse, with floods and tornados as well.

The radio system was mentioned. It was not mentioned that we, we have some roads in the area that because of flooding were built up by Davis-Besse, so that employees and emergency personnel could get to and from the plant, and the area.

It has not been mentioned that Davis-Besse has provided a great deal of environmental support for the area. That the wildlife is important to our area as a contributor of habitat to our bird migrations, the eagles and so on. This county relies very heavily upon the wildlife, the other things to bring folks in.

One of the concerns that some of my fellow Legislators had on occasion was, well, you know, why don't you go to wind power, why don't you go to coal, and so on. I'm not sure how many acres are in Ottawa County, but the estimate is that it would take 140,000 acres of windmills to replace Davis-Besse. And I'm not sure that we have that, that much acreage to spare in Ottawa County.

The obvious concern about coal is the other

pollutants that it produces, and we're spending considerable time, energy and expense now to try to mitigate that.

I'm also concerned about the cost of electricity and the capacity of our electric generation for the future. When I was in the Legislature, we were very careful not to duplicate California and its problems, which we had anticipated, but I am concerned about the year 2006, which will be the end of the market phase of deregulation in this area, and what this will do when we go to the marketplace and have true competition, as to what will be the price of electricity and whether there will be adequate supplies to take care of our needs.

Some of my fellow Legislators thought that gas peaking plants were the solution. They are not a long-term solution. The use of gas during already high consumption periods concerns me, especially since my gas bill is five times what my electric bill is, and we haven't had any peaking plants put on line in the area yet.

I'm also concerned and wondering about the national emergency. Those who oppose nuclear power constantly talk about terrorists attacking a nuclear power station. My concern after knowing the type of security that there is at the Davis-Besse Plant is not about terrorist activities there, as much as what happens if there is a terrorist

activity in one of our surrounding cities, and do we have the transmission line or transmission capability to provide electricity in that kind of situation.

My concern is that -- and I do want to commend the NRC, commend FirstEnergy, and other folks that are working on this particular issue. My concern is that we not get into a finger pointing issue, or an argument of a did too or did not, and that the plant closure not be delayed as a result of that type of activity.

I followed the progress of the various committees, and am certainly impressed with what has happened.

A question that I have is, we have a number of local business people and political leaders who were not able to be here today. For example, the Mayor of Port Clinton called and said that he had a council meeting this evening. My question is, can the meeting feedback form be used by folks to make comments to the NRC without necessarily being present at the meeting?

MR. GROBE: Absolutely. Thank you. You're an excellent segue. In addition to these cards, if you have a comment, we also have meeting feedback forms. You don't even have to put a stamp on them. Just fill them out and send them back to us and they get right back to my desk.

MR. OPFER: Thank you.

MR. GROBE: As well as a number of other people.

MR. OPFER: I appreciate that, Jack, and I do have some emails, copies of emails that I've received from local business and political leaders, and will present those this evening, if that is acceptable.

MR. GROBE: That would be very good. Thank you.

MR. OPFER: Thank you.

MS. LIPA: The other thing I would like to offer too, Jack, is on the back page of the NRC newsletter is the email address and phone numbers and names of our Public Affairs Officer. So, you can also email questions to us at this email address on the back page.

MR. GROBE: Very good. Are there any other local elected officials or representatives that are here this afternoon?

I would now like to open the floor to any local residents, members of the public from the local area. The rest of you are just dedicated listeners?

Yes, ma'am.

MS. LINCOLN: My name is Connie Lincoln and I'm a contractor at Davis-Besse. And I have a question. I think what, I've gone to all the hearings and

heard different things and you clearly see today that we're really on the road to recovery, and people are feeling pretty enthusiastic, feeling good about where we are. You can see the curves are turning down. We're getting the work done. So, we're sort of at a pivotal point.

So, I think about it, and I think in your shoes, you have the keys to the plant. And you also are taking a look at it, hopefully from a bigger look and a strategic viewpoint on what has happened.

So, in sitting back and looking at it from the bigger picture, what I ask you is what haven't you heard that you want to hear from Davis-Besse, and is there any showstoppers that you see that we need to be thinking about?

MR. GROBE: Excellent questions. I'll make a couple of comments and I'll let Bill think and see if he has some thoughts that he wants to add.

First off, we don't have the keys to the plant. Lew Myers has the keys to the plant. And they've always been with him.

We're observing, we're your representatives, making sure when this plant restarts, it can restart safely, and also that safe operation could be sustained for the long run.

I think there is two areas that are of continuing concern, but before I say that, let me step back. The tenor of the meeting and nature of the comments this evening has been interesting to me, because I haven't seen a whole lot of difference in this meeting than I've seen over the last several meetings. Each meeting there has been steady progress. Each meeting there has been demonstration of what I call the right stuff, over the last three or four months.

Just because those curves have peaked. Those of you who go over and study those curves closely will notice that some of those curves feed other curves, so as one goes down the other goes up. That's good news. It means discovery is beginning to come to an end and resources can be shifted to fixing the problems that have been identified.

There is still a substantial amount of work to be done. Just bulk work. That's one area of focus that I have.

Second area of focus is the design issues. That's an important outstanding question. Discovery is not done in that area.

And the third area is the one that Bill mentioned earlier, and that's the Safety Culture and Safety Conscious Work Environment at the plant. It wasn't any of these hardware issues that caused the head to corrode for four to

six years and not be identified. The indicators were clear. It was the safety culture of the plant that caused that to happen. And we need to make sure that we get our arms firmly around understanding FirstEnergy's view of that safety culture and how it's been changed.

There is a lot of expertise out there that can provide assistance in measuring the safety culture. And lots of times people think that that's not something you can measure because it's, it's not, as most of us engineers relate to, it's not something I can put a calculator on or use a micrometer on or anything like that, but there are indicators that you can develop and monitor safety performance.

So, those are my thoughts.

Did you have anything you wanted to add?

MR. DEAN: Yeah, what I wanted to add, two things I guess. One is, plants that find themselves in this situation where they're in an extended outage due to notable performance issues and a significant type of event that occurred here, there is a definitive life cycle.

Both Jack and I have had experience with other plants that have gone through similar sort of evolutions. And I don't disagree with you. I think I made the point during the presentation, that looking at those curves, that

is a milestone along the way. But I think as you heard Jack say, there is a lot of work that needs to be done.

First of all, you know, we have to get a sense for, you know, you asked, what are the things we need to see. Okay. We've got to get a sense for, in toto, what is the significance of the issues that are on the plate now in terms of, you know, is there a collective significance to that and what has to be done to ameliorate that collective significance, so we have a comfort level that the plant has addressed those issues at least from a hardware perspective that support safe restart.

I applaud the Licensee for taking on some mobile modifications and, that are not associated with the vessel head degradation. I think you heard Lew talk about some today. We talked about others in the past, you know. And so that's the type of indications that we want to see that maybe get towards more the safety culture. Okay. What is the approach that the plant is going to take relative to the application of its resources, the use of its capital investments, in terms of making the plant safe or making it robust and making it capable of being able to operate on an ongoing basis safely.

Okay. Those are the things, the demonstrations we have to see. We are only seeing, what have they done to identify issues. Now we have to see them resolve these

issues, we've got to see them more importantly resolve those issues related to, I want to get this place, in its place to begin with, which gets to the safety culture issue.

And that's going to be a challenge area. It's going to take some sort of qualitative assessment. And, to be honest with you, those issues are not going to be resolved if and when the plant restarts. Okay. Those are going to be long term issues that going to need to be addressed and monitored for a period of time.

MS. LINCOLN: Thanks.

MR. GROBE: Okay, thank you very much. Excellent question.

Floor is open. Anyone here that's not a local resident or worker at the plant that has a question or comment?

MR. DEAN: We have another floor show at 7.

MR. GROBE: I don't know if you heard that. Bill said, we have another floor show at 7. And we do. Those of you that have additional questions that you think of over dinner are welcome back at 7:00.

I just want to make one final observation. As Bill indicated, he was associated with the Millstone facility and the restart effort there, and I've been associated with

a number of restart efforts. And most of those took years.

And, one of the differences that I see at Davis-Besse is that they brought in a strong management team with a good focus. And that doesn't solve the problem, but that allows the problem to be, problem resolution to begin. And, that was done very early on.

We're eight months into this, nine months into this, something like that. And, as I said, you've seen steady progress over the last several months. I think that's noble. Restart is not going to be next month. But there is steady progress being made, and I guess I'll close with that.

Thank you very much.

(Off the record.)

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CERTIFICATE

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal of office at Norwalk, Ohio, on this 16th day of December, 2002.

Marie B. Fresch, RMR

NOTARY PUBLIC, STATE OF OHIO
My Commission Expires 10-9-03.