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U.S. NUCLEAR REGULATORY COMMISSION  
FIRST ENERGY NUCLEAR OPERATING COMPANY  
PUBLIC MEETING

Meeting held on Tuesday, September 17, 2002, at  
7:00 p.m. at the Oak Harbor High School, Oak Harbor,  
Ohio, taken by me, Marlene S. Rogers-Lewis, Stenotype  
Reporter, and Notary Public, in and for the State of  
Ohio.

PANEL MEMBERS PRESENT:

U. S. NUCLEAR REGULATORY COMMISSION  
John Grobe, Chairman, MC 0350 Panel  
William Dean, Vice Chairman, MC 0350 Panel  
Christine Lipa, Branch Chief, Region 3  
Anthony Mendiola, Section Chief PDIII-2, NRR  
Christopher (Scott) Thomas,  
Senior Resident Inspector - Davis-Besse

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2

1 MR. GROBE: Good evening. My  
2 name is Jack Grobe. I work for the Nuclear  
3 Regulatory Commission office in Chicago, Illinois.  
4 We have responsibility for the nuclear power plants  
5 and the safety of the nuclear power plants in the  
6 Midwest including, of course, the Davis-Besse  
7 facility.

8 Let me start by introducing the NRC staff  
9 that are here tonight. On my far left is Scott  
10 Thomas. Scott is the Senior Resident Inspector.  
11 He is a member of the staff of Region 3 that works at  
12 the Davis-Besse nuclear power plant every day, lives  
13 in the community.

14 Also is Doug Simpkins -- raise your hand,  
15 Doug.

16 MR. SIMPKINS: (Indicating)

17 MR. GROBE: Doug is the Resident  
18 Inspector at Davis-Besse. Also works here every day.

19 Next to Scott is Tony Mendiola. Tony is a  
20 supervisor in our headquarter's offices in Rockville,  
21 Maryland. Tony has responsibility for licensing  
22 activities associated with Davis-Besse along with a

23 number of other plants.

24 On my immediate left is Bill Dean. Bill is  
25 the Deputy Director of the Division of Engineering

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3

1 and headquarters. He is also the Vice Chairman of  
2 the Davis-Besse oversight panel. It's a panel that  
3 the NRC has chartered. 11m the chairman of that  
4 panel.

5 On my right is Christine Lipa. Christine is  
6 a Supervisor in the Region 3 office. She supervises  
7 Scott and Doug and has responsibility for two other  
8 plants also.

9 In addition to Doug in the audience, we have  
10 Jan Strasma. Jan, raise your hand.

11 MR. STRASMA: (Indicating).

12 MR. GROBE: Jan is our Public  
13 Affairs Officer in the Region 3 office, and Roland  
14 Lickus is State and Govern Affairs officer in the  
15 Region 3 office. I think that's all the NRC staff  
16 that's here tonight.

17 The purpose of the meeting tonight is to give  
18 you a little bit of background on the meeting we had  
19 this afternoon, as well as Christine is going to talk

20 a little bit about the meeting we have tomorrow, and  
21 then we look forward to questions, any questions that  
22 you might have, as well as any comments that you want  
23 to provide us. We're here to receive input and to  
24 answer your questions. We've been doing this for a  
25 number of months now.

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1 Let me first get a -- kind of a lay of the  
2 land; is there anybody that's here this evening that  
3 has not been to any of the prior meetings that we've  
4 had on the Davis-Besse plant?

5 THEREUPON, several members raised their hands  
6 indicating first time attendance.

7 MR. GROBE: Excellent, excellent.  
8 The -- maybe I should go back since we have about a  
9 dozen folks here that haven't been here before. Let  
10 me talk a little bit about the background of what  
11 happened at Davis-Besse and what we're all about, and  
12 then we'll get into it. I appreciate you folks  
13 coming out.

14 Davis-Besse shut down in the middle of  
15 February this year for a routine refueling outage.  
16 In addition to the normal refueling activities that

17 occur during those types of outages, they also were  
18 implementing some special inspection activities that  
19 were issued by the NRC in what we refer to as a  
20 Bulletin. It's a document that we send all  
21 Licensees and ask them to take certain actions, and  
22 the action that we requested was that plants like  
23 Davis-Besse, pressurized water reactors, perform an  
24 inspection of the reactor head because we've  
25 experienced a number of other plants that had some

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1 leakage through some tubes. They are about four inch  
2 diameter pipes that go through the reactor head and  
3 those pipes -- they're referred to as penetrations or  
4 nozzles. The purpose is for equipment to go in and  
5 out of the reactor head. There is about 69 of these  
6 penetrations on top of the reactor. When we refer  
7 to the head, it's a semi-circular, bolted on top to  
8 react to the pressure vessel. The pressure vessel is  
9 the part of the reactor that holds the nuclear fuel,  
10 and that's where heat is generated, and eventually  
11 that heat is converted into electricity through a  
12 steam -- steam cycle.

13 The company identified a number of cracks in

14 the penetrations which was not unexpected. Some of  
15 those cracks went the whole way through the  
16 penetration, and they had leaked out onto the top of  
17 the reactor pressure vessel head.

18 In the process of repairing those cracks, the  
19 company identified that there had been a cavity that  
20 developed next to one of the penetrations. When I  
21 say a cavity, what I mean, it was about four to five  
22 inches wide and about six or seven inches long. It  
23 was kind of an oblong shaped -- and it went the whole  
24 way through the six and a half inches of steel in  
25 that area, and what happened is boric acid corroded

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1 the steel away. Boric acid is an additive to the  
2 reactor coolant. It's added to the reactor coolant  
3 at very mild levels on the orders of hundreds to a  
4 couple of thousands parts per million to control the  
5 nuclear reaction1 the system controllin9 the nuclear  
6 reaction. The element boron is useful in that  
7 regard.

8 When the leakage occurred through the  
9 penetration1 the cracks in the penetration, the boric  
10 acid became more concentrated and corrosive and

11 corroded the steel. The -- the result of the  
12 corrosion was that the liner on the inside of the  
13 normal steel that's referred to as low alloyed steel,  
14 there's a stainless steel liner, and that's the only  
15 material that was left that was retaining the reactor  
16 pressure, the reactor coolant system pressure.

17 The Agency's response, the NRC's response to  
18 these findings at Davis-Besse were to charter this  
19 panel. It's referred to as the -- sometimes you'll  
20 see it referred to as the 0350 panel or the oversight  
21 panel. It's -- 0350 refers to a procedure, an  
22 internal procedure we have. It's a procedure number.  
23 The purpose of this panel is to provide enhanced  
24 oversight by the Agency, by the NRC, to ensure that  
25 we're doing a good job evaluating Licensee's

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7

1 performance and making sure that should this plant  
2 get to a point where it can restart that we've done  
3 our job and provided appropriate inspections and  
4 licensing activities.

5 Situations like the situation Davis-Besse  
finds itself in are fairly complex from our  
7 perspective. It requires a lot of unique

S inspections that are not part of our normal  
9 inspection program. It also requires oftentimes  
10 unique licensing activities. Currently, the Company  
11 has six licensing actions into us for various  
12 different issues, and because of the complexity of  
13 the project, the Agency puts together a multi-faceted  
14 panel with folks from headquarters, as well as the  
15 region office or the resident office, and our goal is  
16 to coordinate activities to make sure that the Agency  
17 does what it needs to do.  
18 As I mentioned, Bill Dean is a Senior Manager  
19 from our headquarter's office. I'm the Senior  
20 Manager from the region office in Chicago, so it has  
21 a high level of management attention both from  
22 regional office as well as headquarters.  
23 We have been conducting meetings now for  
24 several months. Our goal is to make our activities  
25 as available to members of the public as possible so

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1 we conduct the vast majority of our meetings in the  
2 public here in the local area. We've had the need  
3 to conduct a couple meetings -- excuse me, either in  
4 Chicago or in Washington just because of logistical

5 purposes, but the majority of our meetings will be  
6 out here<sup>1</sup> and we'll normally be conducting business  
7 meetings during the business day, but it's my  
8 expectation that whenever you come out, we'll be  
9 conducting an evening meeting for those of you that  
10 can't make it to a meeting during the business day.  
11 You'll have an opportunity to come and ask us  
12 questions and provide us input.  
13 Any other background information -- oh, thank  
14 you.  
15 THEREUPON, the panel brought up the issue of  
16 the handout.  
17 MR. GROBE: When you came in this  
18 evening there was a number of handouts out on the  
19 table. I hope you had an opportunity to pick them  
20 up. One of them is a newsletter we put out on a  
21 monthly basis now. It's got six or seven pages.  
22 Looks like this. It's called NRC Update --  
23 Davis-Besse Reactor Vessel Head Damage<sup>7</sup> NRC Update.  
24 It provides a variety of background information, but  
25 also the last two or three pages are activities that

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1 we currently have undergoing and activities that we  
2 expect to be happening in the next six weeks, and it  
3 will give you a sense for where we have been, where

4 we are now as an Agency and what to expect in the  
5 future.

6 There also is a one page form in the back on  
7 the table out front. It's what we refer to as a  
8 feedback form. You can fill it out, fold it up, put  
9 a staple on it, and drop it in the mailbox, and it  
10 will come to us. We would certainly appreciate your  
11 feedback on the format of these meetings, the  
12 content, what we discussed, suggestions on how we can  
13 improve these types of meetings, so if you'd take a  
14 few minutes, if you can, and fill one of those out,  
15 send it back to us.

16 Anything else?

17 (No response)

18 Okay, very good.

19 What I'd like to do now is ask Christine to  
20 talk about the meeting we're having tomorrow morning.  
21 It's a little bit different situation. We had a  
22 topic we wanted to spend an extended period of time  
23 focused on one topic, so we scheduled a separate  
24 meeting for that. It is a public meeting, and  
25 Christine will talk to you a little bit about that.

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1 MR. STRASMA: Jack<sup>1</sup> you might  
2 mention that it's also available by telephone.

3 MS. LIPA: Right, right, okay.

4 As Jack mentioned, we have been having these  
5 public 0350 panel meetings here every month, and then  
6 when we have a special topic that we want to discuss,  
7 we try to see if we can fit it in that meeting, if a  
8 second meeting is warranted.

9 On August 15th we held a meeting in the  
10 Region 3 office where the Licensee came in and  
11 presented the results of their root cause of the  
12 Management and Human Performance issues that led to  
13 the degradation, and following that meeting, they let  
14 us know just recently that they're ready to come in  
15 and present to us their corrective action plan for  
16 the findings from that root cause, so we've scheduled  
17 a meeting for tomorrow morning at 9:00 a.m., from  
18 nine to noon, and this meeting is actually going to  
19 be held at the Davis-Besse administration building,  
20 which is the building right there on Route 2. It's  
21 pretty obvious what the building is, and you'll be  
22 able to get in and the auditorium is on the second

23 floor, and it will be obvious. There will be signs,  
24 and so we're planning to have this meeting tomorrow  
25 from nine to noon. It will be a public meeting.

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11

1 It will also be -- phone lines will be available for  
2 people who are not able to make the meeting and want  
3 to call in and listen in and ask questions at the  
4 end.  
5 We will also have the Licensee's  
6 presentation, will be posted to our web page 50 that  
7 people can print it out or follow along during the  
8 meeting, and that meeting will also be transcribed  
9 just like we're have this meeting tonight  
10 transcribed. We've got Marlene down here, and we  
11 have our regular business meetings every month  
12 transcribed, and then we try to get those on our  
13 website within about three weeks. We did get some  
14 feedback from our earlier meeting that the  
15 transcribed file was too large, so we've broken that  
16 up into 50 page segments, and that seems to be easier  
17 for users, so that's what I wanted to say about the  
18 meeting tomorrow.  
19 Another thing, when you came in, there might  
20 have been left over handouts from this afternoon's

21 meeting so that will give you a sense of what we  
22 talked about this afternoon, and then Bill will give  
23 us some more details.  
24 UNIDENTIFIED: What is the phone  
25 number, please?

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1 MS. LIPA: The phone number is on  
2 the web page. I don't have it with me.  
3 MR. GROBE: Jan, do you have it?  
4 MR. STRASMA: No, but I'll get it.  
5 MR. GROBE: If somebody needs  
6 information like the phone number for that meeting  
7 tomorrow morning, just let us know what you need, and  
8 we'll get it to you. That's not a problem at all.  
9 The way we set this up is there's a large number of  
10 phone lines available and the sound quality should  
11 be good. I'm not sure how many we set up, 50 or  
12 100, probably, so don't hesitate -- if you're unable  
13 to attend the meeting tomorrow, if you're unable to  
14 attend the meeting tomorrow, and you want to get on  
15 by phone, don't hesitate to call in. If you have  
16 access to a computer, the Licensee's presentation  
17 materials will be on our website.

18 Let me talk a little bit more about our  
19 website for those of you that are -- have access to  
20 computers. The NRC website is very simply  
21 WWW.NRC.GOV, and a home page will come up in the  
22 upper right-hand corner, will be a segment that talks  
23 about current issues. There's an indicator, a link  
24 as it's referred to, for Davis-Besse, and that will  
25 take you right to the Davis-Besse website, which is,

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13

1 I think, very well organized and has an enormous  
2 amount of information on it. It's fairly easy to  
3 navigate through, so if you're interested, you can  
4 get a large amount of information -- access to a  
5 large amount of information through that process, and  
6 you can always call us, myself or Roland or Jan, and  
7 get questions answered.

8 MS. LIPA: (Indicating)

9 MR. GROBE: oh, you have the phone  
10 number?

11 MS. LIPA: The phone number for  
12 tomorrow's meeting is 877-601-4713, and then the pass  
13 code is Davis-Besse, so that's 877-601-4713, and  
14 that's 9:00 a.m. to noon tomorrow.

15 MR. GROBE: Yeah, that phone  
16 number is for an MCI operator and just tell her you  
17 want Davis-Besse, and she'll get you onto the right  
18 conference call.  
19 Let me talk a little more about the meeting  
20 tomorrow because it's a very important meeting.  
21 There is a number of issues that caused the problems  
22 of Davis-Besse. obviously there is some equipment  
23 problems that need to be fixed. The Company is  
24 working on finding all those problems and fixing  
25 them, but the issues at Davis-Besse weren't caused by

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14

1 equipment. They were caused by organizational  
2 problems, management problems, organizational process  
3 problems, and, quite frankly, problems with the  
4 workers.

5 The Davis-Besse organization didn't do what  
6 it needed to do. There were plenty of indicators  
7 that there was a problem going on at the plant.  
8 Their response to those indicators was insufficient.  
9 We conducted what we refer to as an augmented  
10 inspection team. It's an event response type  
11 inspection right after this issue was identified, and  
12 we just completed a follow-up to that inspection  
13 which will document all of the deficiencies that were  
14 identified in April right after the event occurred,  
15 but last August, August 15th, the company presented  
16 to us what they believe are the organizational  
17 problems that contributed to the event at  
18 Davis-Besse, and the meeting tomorrow, the Licensee,  
19 FirstEnergy is going to present to us what they  
20 believe are the corrective actions that will fix  
21 those organizational problems.

22 The key to fixing the issues at Davis-Besse  
23 is not fixing hardware. It's fixing the

24 organizational problems that occurred, so tomorrow  
25 morning's meeting is very important to us in fixing

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1 these issues that resulted in low quality standards  
2 and, quote, communications in the organization that  
3 allowed an issue to go on for years where there were  
4 clearly indicators that something was going wrong.  
5 Those issues are the most important ones to fix, and  
6 that's what I refer to as the root cause.  
7 As Christine mentioned, the meeting is at the  
B DavisBesse administration building. Just pull up  
9 and park. There is only one door in the front, you  
10 can't miss it. In fact, the auditorium is on the  
11 first floor right on the right, and there will be  
12 people to direct you to that meeting if you're  
13 interested.  
14 Bill is going to talk a little bit about the  
15 meeting this afternoon and what we discussed.  
16 MR. DEAN: I don't want to spend  
17 too much time rehashing this afternoon's meeting  
18 'cause the main objective of being here tonight is to  
19 try to establish a dialogue with the community and  
20 receive your feedback and answer any questions you  
21 might have, but for those that were not able to

22 attend the meeting this afternoon we had with the  
23 Licensee, as Christine noted earlier was one of our  
24 monthly meetings we've had with the Licensee to  
25 discuss the status of their Return to Service Plan

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16

1 and give us an opportunity to have a dialogue with  
2 the Licensee to pulse them on some issues that are on  
3 our radar screen and to get a sense of where do they  
4 think they are in terms of finding issues and  
5 resolving them. I would say that today's meeting  
6 given the topic of tomorrow's meeting being on the --  
7 what we believe to be the major focal point in terms  
8 of what the root cause of the problem was.  
9 Tonight's meeting was really more focused on the --  
10 pretty much the hardware issues, the types of things  
11 that the Licensee has found in doing their various  
12 evaluations of systems and equipment at the plant,  
13 the types of things that they are pursuing in terms  
14 of trying to enhance the capability of the plant and  
15 improve its performance from equipment perspective,  
16 and so that's what we spent most of our time on.  
17 Talked about the various statuses of their Building  
18 Blocks, their performance improvement plan, and there

19 was a couple areas where the NRC focused attention  
20 and -- and challenged the Licensee on some of the  
21 issues that we've seen emerge, and one issue that we  
22 spent a particular amount of time on, not so much  
23 because of the issue in and of itself was safety  
24 significant, but that it reveals and indicates some  
25 of the underlying issues that led to the vessel head

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1 degradation that still need to be addressed, and this  
2 is an issue they had with their polar crane, which is  
3 a large crane inside their containment that they use  
4 to move heavy pieces of equipment, like the reactor  
5 vessel head, and some of the concerns that they had  
6 with work that was done on that polar crane and the  
7 standards that existed leaving the polar crane in the  
8 condition that they felt was less than optimum and  
9 the fact that this involves control of contractors,  
10 assuring that the contractors are working to  
11 standards that the Licensee believe that they need to  
12 have.  
13 It's important to note that with all of the  
14 work that's going on at Davis-Besse, it's not all  
15 being done by plant staff. In fact, I think they

16 used the number today of approximately 1,300  
17 contractors are at the site doing various types of  
18 work at the plant, and so that's a large -- that's a  
19 large number of people to try and ensure it has the  
20 same values and standards regarding work performance,  
21 50 we challenged the Licensee quite a bit to various  
22 aspects of the meeting in terms of understanding how  
23 are they going about ensuring contract work is being  
24 done in accordance with their standards, and I think  
25 we need to have further dialogue. I think we left

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18

1 the meeting today with same unanswered questioned and  
2 we're looking for some more information from the  
3 Licensee and a better demonstration of how well they  
4 are managing their contract work force.  
5 A second area that came up, we discussed  
6 briefly mainly because it's still an emerging issue,  
7 and we don't have all of the information, but about a  
8 week or so ago, the piece of the reactor vessel head  
9 that was removed and sent to a -- framatone labs in  
10 Lynchburg, Virginia for analysis it was discovered  
11 that the liner that Jack referred to that was serving  
12 as the pressure retention barrier between the reactor

13 coolant and outside of the containment when the top  
14 of the reactor vessel head corroded, it was  
15 discovered some surface cracks at the top of that  
16 liner, and, you know, that calls in question perhaps,  
17 you know, some of the assumptions we've made  
18 regarding the pressure retention capability of the  
19 liner, and it's an issue that we and the Licensee are  
20 going to have to delve into to understand what does  
21 that cracking mean, what does it represent, you know,  
22 does it represent something of significance, or is it  
23 something to be expected for that type of -- of  
24 material giving its interface with the reactor vessel  
25 head, so there's a lot of unanswered questions that

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1 that issue raises. That will probably take us some  
2 amount of time to understand, and so we really just  
3 touched on that topic, but there is a lot more to  
4 come in terms of what the implications are of that  
5 surface cracking that was identified.  
6 The Licensee updated us on the status of  
7 where they are with the reactor vessel head that they  
8 purchased from Midland. That reactor vessel head  
9 has been moved into containment. The old reactor

10 vessel head has been moved outside of containment.  
11 Most of you may be aware that in order to move these  
12 reactor vessel heads they had to cut a large hole in  
13 the shield building and containment vessel itself.  
14 The Licensee is now in the process of rewelding the  
15 large metal plate that was removed from the  
16 containment and re-establish the rebar in concrete  
17 shield building wall, and those are activities that  
18 will be ongoing over the next week or so. We have  
19 inspectors on site that are watching what the  
20 Licensee is doing with respect to that activity, and  
21 so we'll be providing our NRC oversight of that  
22 effort.  
23 I guess the last point to make is that in the  
24 Licensee's efforts to demonstrate that they are  
25 addressing one of the root causes that Jack referred

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1 to, and that is an approach or a mentality towards  
2 operating at a minimum compliance level as opposed to  
3 operating at a level where they try to, you know  
4 have an appropriate more appropriate focus on  
5 safety and enhancing performance of the plant. The  
6 Licensee identified a number of activities that they

7 are undertaking while the plant is shut down in order  
8 to try and improve performance and improve safety  
9 margin, and they described a couple in particular.  
10 One being, the reactor containment sump which  
11 is an area that if there were to be an accident at  
12 the plant where you had a loca, a large break, where  
13 water was going into containment this water would  
14 collect in a sump area. That then could be used at  
15 some point in time to be recirculated back into the  
16 reactor vessel in order to keep the cool fuel and  
17 keep the fuel from melting, so it is a very important  
18 part of the emergency defense and depth layer that  
19 any nuclear power plant has, and so they describe  
20 activities ongoing to a large capacity of that sump,  
21 a significant amount to give them what they believe  
22 to be a large amount of safety margin, so that was  
23 one of the major evolutions that they described.  
24 Somewhat oriented with that is an emerging  
25 issue with components inside containment that have

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1 coatings that the Licensee has noted to be degraded  
2 and potential for these coatings to -- in a very  
3 harsh environment that you might have in an

4 accident to perhaps peel off and collect in the  
5 sump area, and so we have some questions for the  
6 Licensee regarding the aspects of that from a safety  
7 perspective, but we had some discussion on that topic  
8 today. I think the Licensee still has more analysis  
9 to do. That's something we're going to follow very  
10 closely because that does have some implications  
11 about -- or potential implications about safe  
12 operation of a plant in an emergency situation, so  
13 I'm not sure if there is anything else that anyone  
14 feels we ought to touch on.

15 (~o response).

16 MR. GROBE: Thanks, Bill. I  
17 caught myself like most highly technical disciplines,  
18 we have our own language, and we're going to try to  
19 make sure we don't speak in lingo. I've referred to  
20 FirstEnergy or Davis-Besse as the Licensee. That's  
21 what we call them because they have a license that we  
22 issue to operate the plant, so if we talk about a  
23 Licensee, that's Davis-Besse.  
24 Bill used the phrase loca, which is a loss of  
25 coolant to accident. It's one of the more

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1 significant things that we worry about and the plant  
2 is designed to, has safety systems and back up  
3 systems that are designed to deal with that kind of  
4 an accident, but what happens is if a pipe breaks  
5 where you get a hole in the head of the reactor that  
6 actually goes through the head of the reactor you can  
7 loose the coolant that's inside the reactor that  
8 keeps the fuel cool and that coolant ends up going to  
9 the basement of the containment building and this  
10 sump area that Bill was talking about is where the  
11 emergency pumps would suck the water in and pump it  
12 back into the reactor to keep the fuel cool, so it's  
13 a very important component.

14 If we slip up and talk in lingo, just throw  
15 something at us and we'll correct it and make sure  
16 that we communicate effectively.

17 We'd like to try to keep these very  
18 comfortable and informal type meetings, but I would  
19 like to describe just a little bit of structure.

20 Before I do that, I'd like to ask any elected  
21 officials or representatives of public officials to  
22 stand up and introduce themselves. I know Carl is  
23 here.

24 MR. KOEBEL: Carl Koebel, Ottawa  
25 County Commissioner.

1 MR. GROBE: If you didn't hear  
2 that, it's one of your Ottawa County Commissioners.  
3 Are there any other elected officials or  
4 representatives of elected officials here today?

5 (No response)

6 Okay, good.

7 Carl, do you have any questions or comments  
8 that you want to make?

9 MR. KOEBEL: Do you want me to  
10 come up there?

11 MR. GROBE: Yes, please, come up  
12 to the podium. If -- when you come up to the  
13 podium, there's a pad of paper and -- I hope a pen,  
14 are pens disappear. We have to keep stocking them,  
15 sign in and then announce your name and then ask your  
16 question and make your comment. We have the  
17 transcriber down here, so you have to speak clearly  
18 into the microphone.

19 MR. KOEBEL: Thank you, Jack.

20 My name is Carl Koebel, Ottawa County  
21 Commissioner.

22 One thing, I would again like to thank the

23 NRC for establishing the oversight committee. I  
24 believe it's very important and provides us the  
25 assurance that when Davis-Besse restarts that not

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1 only will the material and the hardware be correct,  
2 but that the proper attitude will be established by  
3 the industry, and I think that's extremely important.  
4 One thing I do -- and, as I've said before, I  
5 believe also, and I didn't hear it tonight, but I  
6 have heard some indications of it in the past, I  
7 believe strongly that the NRC's are the overseers of  
8 this plant, have some role and some responsibility in  
9 what occurred in allowing it to occur, and I hope  
10 that as the plant oversees the way it will operate  
11 that NRC also will oversee how it will operate.  
12 Today, I've heard and maybe I was confused  
13 tonight, I heard the plant today talk about doing  
14 some additional recoating and some establishment of  
15 some enlarged sump pump devices, and I thought I  
16 heard in the presentation tonight from Mr. Dean that  
17 it was kind of NRC was indicating that that this  
18 needs to be done and it just seemed to me today it  
19 was something that the plant said they found in their

20 investigation and were looking into it. I just  
21 wanted a clarification on that.  
22 MR. GROBE: You reminded me of a  
23 couple things, Carl, thanks.  
24 I do want to talk about the other activities  
25 we have going on outside of Davis-Besse and I want to

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1 talk a little bit about schedule.  
2 Bill, do you want to give some more  
3 information on -- in response to Carl's question, the  
4 sump and the coatings?  
5 By the way we use the word coatings, it's  
6 paint, but it's a very special kind of paint, so we  
7 call it a coating. The -- let me take a crack at  
8 it.  
9 MR. THOMAS: I'll do it.  
10 MR. GROBE: Go ahead, Scott.  
11 MR. THOMAS: Just a clarification  
12 on the modification that the Licensee is intending to  
13 do. It's not directly with the sump itself. It's  
14 modification to the screens that filter fluids coming  
15 from the containment basement area to the suction of  
16 the pumps that would pump the water back either to

17 the reactor or to -- well, to the reactor  
18 post-accident to further cool the fuel in the  
19 reactor, so the modification itself is an increase in  
20 screen area for the emergency sumps, and it's not an  
21 increase in size to the sumps themselves. Is that  
22 what you were looking for?  
23 MR. GROBE: In addition to that, I  
24 think Carl was pointing out that this is an issue  
25 that the Licensee has taken on. It wasn't an NRC

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1 requirement, but they are substantially expanding the  
2 screens on the top of the containment sump. That  
3 will give additional margin to safety if there is an  
4 accident, and there is some material that get into  
5 the cooling water. There is more screen to filter  
6 it out, so that's an improvement in the plant.  
7 I wanted to -- I mentioned that we have the  
8 0350 panel. We also have a lot of inspections that I  
9 wanted to touch on just briefly, but in addition to  
10 that, other than Davis-Besse, the NRC also missed  
11 this issue for a number of years. We an inspectors  
12 at the site. In addition to that, we have about 40  
13 or 50 inspectors in the regional office that travel  
14 from site to site and do inspections, and this issue  
15 has been going on for a number of years. We  
16 certainly had the opportunity to identify it also.  
17 We only have two inspectors at the site. We do  
18 about 15 inspections a year. Each of those  
19 inspections might last anywhere from a few days to  
20 several weeks, so it's -- we have substantially fewer  
21 resources than the Company does, but we also have to  
22 look at ourselves, and to do that, the head of our  
23 Agency chartered what's referred to as the Lessons  
24 Learned Task Force. It's a group of managers and  
25 technical staff from around the agency. None of them

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1 have been associated with the Davis-Besse plant in  
2 any substantive way, so they are independent of  
3 Region 3, they are independent of the headquarter's  
4 offices that deal with Davis-Besse on a regular  
5 basis, and they are looking very broadly at a number  
6 of the aspects of the Agency's operation; our  
7 inspection program, our oversight program for  
8 operating reactors, how we deal with what we call  
9 generic issues, such issues that affect a number of  
10 plants. Some of the information that was -- came  
11 out in the early 1990's regarding this type of  
12 cracking came from Europe. Reactors in France.  
13 They're looking at how we deal with International  
14 information, so you're looking at a very broad  
15 spectrum of Agency activities and behaviors to make  
16 sure that we're as good as we can be also, so I  
17 appreciate those comments, Carl.

18 MR. DEAN: I have one addition.

19 MR. GROBE: (Indicating).

20 MR. DEAN: I have just one  
21 addition to the feedback regarding the modifications  
22 that the Licensee is making to the screens for their

23 sump.  
24 As Jack noted, the Agency does have what we  
25 call generic issues, issues that are pertinent or

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1 applicable to a number of plants, not just one or  
2 two, and the Agency does have a generic safety issue  
3 in its processes that we're looking at relative to a  
4 capacity of sumps at plants like Davis-Besse and  
5 being able to handle debris and things like that, so  
6 the Licensee's efforts are -- as they have noted are  
7 in anticipation of future guidance from the NRC to --  
8 relative to sumps, so they think they're getting  
9 ahead of the Agency and getting ahead of the industry  
10 in resolving that issue.

11 MR. GROBE: The other thing I  
12 wanted to mention this afternoon, the Licensee --  
13 excuse me, FirstEnergy provided a schedule publicly  
14 that they believe is attainable. It has the plant  
15 regime for our evaluation for restart in the middle  
16 of November and then restarting in December. I want  
17 to emphasize that the NRC is not driven by or bound to  
18 any sort of schedule. If and when this plant is  
19 ready for restart, based on our inspections and

20 evaluations, then we'll give it permission to  
21 restart. If it's not, it won't. It's important that  
22 the Licensee have a schedule, that based on all the  
23 work they've identified to date, they have laid all  
24 that out and they believe late this year is an  
25 attainable schedule, and if they can attain that and

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1 do it well, that's fine. If it takes longer, that's  
2 fine with us, too. Our focus is safety, making sure  
3 that this plant doesn't restart 'til it can clearly  
4 restart in a safe manner and operate safely into the  
5 future.  
6 We have a number of inspections. There's  
7 been a lot of interest in NRC observations and  
8 findings. We've had some inspections up to now, but  
9 not a lot, quite frankly, because there wasn't a lot  
10 to inspect yet. The Company is getting to the point  
11 now where they have a lot of activities that are  
12 completed. We don't want to become part of their  
13 process where we inspect while they're doing things.  
14 They need to complete work before we inspect it.  
15 Currently, we have five inspections going on with  
16 about, I'll estimate, 15 to 20 inspectors looking at

17 various areas, systems, the adequacy of systems, the  
18 adequacy of the equipment inside containment, the  
19 adequacy of the Licensee's programs for making sure  
20 that work is done well, the adequacy of their root  
21 cause for human factors and organizational behaviors  
22 and their corrective actions for those activities,  
23 so -- and, oh, the fifth one is -- actually is  
24 happening this evening. We have some inspectors that  
25 are looking at the preparation for welding the

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1 containment vessel and that will be going on for the  
2 next several days, so we're just now getting to the  
3 point where there is things for us to inspect. We  
4 have had a lot of inspectors out here that are going  
5 to be in and out every week looking at various  
6 activities. As we have results from those  
7 inspections, we provide them to the company, and  
8 we'll discuss them publicly during our routine  
9 meetings.  
10 At this time, what I'd like to do is invite  
11 anyone that has a question or comment that's from the  
12 local community, and when I say local community, I'm  
13 talking within the emergency planning zone, within

14 about 10 miles of the plant, so if there is any local  
15 residents or folks that live in this area, I'd  
16 encourage you if you have a question or comment to  
17 come to microphone, and we'd be glad to answer your  
18 questions.

19 If you don't feel comfortable coming forward,  
20 you can jot a question down on a piece of paper and  
21 slide it over to either Roland or Jan1 and they can  
22 bring it up and we can answer it that way, too.

23 Are there any questions or comments from  
24 members of the local community around the plant?

25 MR. LENZ: My name is Tom Lenz.

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1 I live close to the plant and been here most of my  
2 life. I've been reading the paper and coming to the  
3 meetings and there was talk about fines against  
4 Davis-Besse, and according to the news media and so  
5 forth, this could equal up to a million dollars in  
6 fines. Is this correct?

7 MR. GROBE: It's a -- it'S a  
8 actually very complicated question.  
9 Bill, do you want to talk a little bit about  
10 the ROP?

11 MR. DEAN: A number of years ago,  
12 about three -- three or so years ago, the Agency  
13 changed to some degree its approach in terms of how  
14 it enforced its regulations relative to things like  
15 civil penalties to Licensees. It was determined  
16 looking at the history of enforcement and the types  
17 of civil penalties that we levied that the civil  
18 penalties in and of themselves do not serve as much  
19 of a public deterrent as did the fact that the issues  
20 were made public, that they were discussed in public  
21 forum and the impact that that had on the Licensee in  
22 other venues, financial market impacts and things  
23 like that, and so in the assessment of how to go  
24 about assessing Licensee performance and levying  
25 fines and things like that, the Agency has taken an

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1 approach that tries to focus on the safety  
2 significance of the issue and give that a  
3 characterization. Those of you that might have gone  
4 to our website to look at individual plant  
5 performance and go to Davis-Besse, we have a scheme  
6 that takes inspection findings and characterizes  
7 those inspection findings according to their safety

8 significance and assigns a color -- green1 white,  
9 yellow or red, depending on significance, and thatvs  
10 an escalating scale, and depending on what the  
11 significance of those findings are, that determines  
12 what sort of regulatory response we might have.  
13 Additional inspection is one thing, an order that  
14 could be issued to the Licensee to do something  
15 specific is a higher order type of enforcement  
16 action, but the use of civil penalties is being  
17 preserved for special circumstances. For example,  
18 something that might be extremely egregious on the  
19 part of the Licensee involving things like perhaps  
20 willful behavior, and, for example, here at  
21 Davis-Besse, you all may be aware that there are  
22 certain investigations that are ongoing both on the  
23 part of the NRC, as well as Congress has sponsored  
24 some investigations. The Licensee has done their own  
25 internal investigation that would be looking for

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1 elements like that that might involve what we would  
2 call wrongdoing, and those types of activities still  
3 have the capacity to have civil penalties assigned  
4 depending on, for example, level of management that  
5 might be involved, the degree of the willfulness, so  
6 if you were to see a civil penalty or fine levied, it  
7 would generally be within that context.  
8 MR. GROBE: Bet you didn't think  
9 you asked that kind of a complicated question, did

10 you?  
11 MR. LENZ: Who ends up paying the  
12 fine if there is one?  
13 MR. GROBE: The Company pays the  
14 fine. Of course, they are a company that is publicly  
15 traded. They have stockholders and profits and  
16 things like that, so it comes out of the Company.  
17 As Bill indicated, it's unusual anymore for  
18 us to issue fines. The only situation we would do  
19 it would be if we do find that the behavior was  
20 deliberate in violation of requirements, it wasn't  
21 just simply an oversight or an error. We have  
22 investigation ongoing to determine whether or not  
23 there were behaviors on the part of individuals  
24 involved in this that was not appropriate, and if we  
25 do conclude that, then we will proceed in the process

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1 of civil fines and different sorts of actions in --  
2 MR. DEAN: Actual safety --  
3 MR. GROBE: For deliberate  
4 situations, oftentimes we also will take action  
5 against the individual, and we're not a criminal  
6 prosecutorial type organization, but we have the  
7 capability and have in the past issued orders to  
8 individuals barring them from working in the  
9 industry, so those are the types of actions that we  
10 would consider both for the Company and for any  
11 individuals that may have behaved inappropriately, if  
12 that were the case here at Davis-Besse.  
13 If we do have a situation where there's a  
14 deliberate violation for our requirements, we also

15 refer that matter to the Department of Justice who  
16 does have criminal prosecutorial authority, and  
17 deliberately violating our regulations is a crime and  
18 has sanctions associated with it that include  
19 potential fines, personal fines, so that's a very  
20 serious matter. We don't get into that kind of  
21 situation likely. We have investigators that do  
22 thorough investigations, and that kind of thing is  
23 ongoing right now.  
24 TOM LE~Z: I understand it helps  
25 the news media sell their product when they can talk

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1 about a million dollars worth of fines, but if it  
2 does come down to that<sup>1</sup> the Company has to pay the  
3 fine, why isn't the people that created the problem  
4 pay the fine rather than the Company who is going to  
5 end up passing it off to me and the majority of the  
6 people here, the consumer? We didn't make the  
7 mistake. Why should we have to pay a fine?

8 MR. GROBE: That's an excellent  
9 question. As I mentioned, if we had a situation that  
10 involved deliberate violations, we would hold the  
11 people accountable, but we also hold the Company  
12 accountable. They're responsible for making sure  
13 their people behavior appropriately, and I appreciate

14 your point of view. I don't believe there's a  
15 direct connection between fining a company and  
16 electric rates. I think there's a direct relation  
17 between fines and profits. That's, you know, that's  
18 business that's outside of my area --

19 MR. STRASMA: Jack, I think the case  
20 is that the fines are not --

21 MR. GROBE: Stand up to the  
22 microphone. This is Jan Strasma.

23 MR. STRASMA: The fines are not put  
24 in a rate base, but rather it's taken out of  
25 stockholder's equity. I think that's pretty much

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1 uniform state to state, and that is fines or  
2 penalties are not passed onto the rate payer, but  
3 rather are taken out of stockholder's equity.  
4 MR. GROBE: Okay. Thanks, Jan.  
5 MR. LE~Z: One other question,  
6 you're talking for the safety of the plant; what  
7 about the workers and the hours they're putting in?  
8 I'm friends with quite a few people that work  
9 out there, and I know some of them have been on 12  
10 hour shifts or more and six and seven days a week  
11 since September 11th of last year. That cannot be a  
12 safe working environment to have these people working  
13 those kind of hours for that length of time.  
14 MR. GROBE: I'm not sure what  
15 areas your friends work in, but for any work that's  
16 related to safety activities, whether it's a  
17 maintenance work or a guard or an operator, we have  
18 restrictions on the number of hours that they can  
19 work in a day, the number of hours they can work over  
20 several days, the number of hours they can work over

21 a week, and those are specifically designed to ensure  
22 that the workers are fresh and not fatigued, and I  
23 know the Company is also sensitive to that, and I  
24 think just recently provided several days off for  
25 everybody, but it is a difficult situation for the

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1 Company, and it's going to take a lot of work to get  
2 out of it, and that's why they have so many entry  
3 workers on site.

4 MR. LENZ: Thank you.

5 MR. GROBE: Thank you. I'm eager  
6 to have somebody else step up to the microphone.  
7 Well -- Howard?

8 MR. WHITCOMB: I won't disappoint  
9 you, Jack.

10 MR. GROBE: I missed your shirt  
11 and tie, though.

12 MR. WHITCOMB: Good evening, members  
13 of the panel. My name is Howard Whitcomb.

14 In follow-up to something you said earlier,  
15 Mr. Grobe, as well as the gentleman who spoke before  
16 me and the concerns being, perhaps, a little  
17 different focus in his mind at least with the fines

18 and the passing on of the fines to the consumer.  
19 I've been to a number of these meetings, I  
20 don't know if I have been to every one, but nearly  
21 every one if I haven't been to every one over the  
22 last four months. The plant has been down for six  
23 months.  
24 Early on, there was an effort to produce  
25 identification by the Licensee, by FirstEnergy, to

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38

1 determine the problem areas, both hardware-wise as  
2 well as management-wise, and then set forth an  
3 implementation plan to correct those problems, and I  
4 believe they're involved or have been involved with  
5 the implementation plan now for about two months.  
6 Last month, Mel Holmberg of your organization  
7 reported to us that he had completed an investigation  
8 during the month of essentially July and that he  
9 identified two violations. As I recall the  
10 violations of the Federal law, one of them was -- I  
11 think they both had to do with a violation of a  
12 pending speed criterion, which is quality related  
13 violations, but, essentially, the first one was lack  
14 of adequate acceptance criteria in the documents that

15 dictated the work performed at Davis-Besse,  
16 specifically, the VT-2 inspection, visual  
17 inspections, and, secondly, the second violation had  
18 to do with use of unqualified personnel.  
19 Now, the things that's troubling about that  
20 is it took an NRC inspector to find that, and that  
21 came at a time when the public would have expected  
22 the Licensee to be a little more cautious and careful  
23 about who was doing the work in the field and what  
24 procedures were being used. Mr. Holmberg, because of  
25 his experience, identified the problems.

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1 Today, FirstEnergy presented to us a  
2 different scenario having to do with the polar crane,  
3 and while I acknowledge and share with you, Mr.  
4 Grobe, that the safety significance of the polar  
5 crane perhaps is minimal in this particular  
6 situation, the problem areas identified by the  
7 Licensee, specifically the director of maintenance,  
8 was a lack of post-maintenance testing -- adequate  
9 post-maintenance testing criteria and the use of  
10 questionably qualified personnel to perform the work.  
11 Now, that comes about as a result of a senior level

12 manager in the plant finding a kind of a problem like  
13 that, and he was not happy with what he saw and  
14 stopped the work or made the polar crane unavailable.  
15 Now, those actions are certainly good. The  
16 problem with it is, five months into this shutdown,  
17 we're still -- or FirstEnergy is still experiencing  
18 problems that they shouldn't be experiencing.  
19 More concerning to me, though, is that today  
20 we heard the managers on stage from FirstEnergy  
21 acknowledge that they were having -- experiencing  
22 problems with contractor control; in other words,  
23 there was approximately 1,300 contractors currently  
24 on site, which were helping and assisting in the  
25 activities there, but they were having trouble

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1 controlling these people, and they cited a number of  
2 different types of problems. They should not be  
3 having those problems. They control who comes  
4 through those gates. If those people who come  
5 through those gates call themselves specialty  
6 contractors, it is up to the Licensee to verify and  
7 confirm that, in fact, they have those qualifications  
8 and are competent to do the work. It's unacceptable

9 to let them through the gates, go out and do work and  
10 later find out, well, gee, maybe -- maybe they aren't  
11 qualified. Maybe the procedures that they're using  
12 don't conform to what we expect the procedures to  
13 conform to, or, I also heard that they had examples  
14 of the contractors weren't even using site  
15 procedures.  
16 Now, in the nuclear industry, that's  
17 unacceptable, and, certainly, in light of what has  
18 happened at Davis-Besse with the degraded reactor  
19 vessel head, it would appear that due prudence would  
20 dictate a more cautious approach to current work  
21 activities at the site. This blind reliance on  
22 specialty contractors, this inability to control the  
23 contractor work force is troubling, and when the  
24 lowest levels of the work force and the lowest level  
25 of supervisors are not there to provide the checks

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41

1 and balances, which are expected, and we're relying  
2 on senior level managers to find the problems, both  
3 from the NRC, as well as FirstEnergy, it gives one  
4 pause to consider that maybe the root cause of what  
5 had transpired in the time frame up until March of

6 this year has not been identified, has not been  
7 addressed and the same superficial maintenance  
8 practices that existed prior to March of this year  
9 still exist today.

10 Now, I understand there's a meeting tomorrow  
11 that's going to address the management issues, but  
12 what we saw today was a very aggressive, hardware  
13 related fix to a problem, and we're talking Mode 1 in  
14 early December and there has been absolutely no  
15 demonstration whatsoever that these people have  
16 corrected the issues that brought the plant down in  
17 the first place.

18 What is the NRC's position in view of what  
19 has transpired over the last six weeks?

20 MS. LIPA: Well, let me try to tackle  
21 that. You made a lot of comments, and I agree with  
22 most of them. Let me just point out a couple if  
23 things to put them in perspective.

24 The things you talked about with the  
25 contractors and Mel's findings, those are all true,

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42

1 and then we talked a lot about the polar crane today,  
2 and I think you understand exactly why we're asking

3 so many questions about the polar crane to find out  
4 what they did, what they knew about it1 why it was  
5 occurring and why it wasn't detected by somebody  
6 else.  
7 I'm not sure, though, that I heard the same  
8 thing about examples of contractors not using site  
9 procedures, I'm not sure I heard that.  
10 The other thing I wanted to put in  
11 perspective, the inability to control contractors.  
12 There's a way of saying that that can be  
13 misconstrued, and what we're talking about here is  
14 they bring contractors in, they go through a training  
15 program, they have levels of oversight and  
16 supervision, and what we talked about today was in  
17 one case, specifically the polar crane, and also the  
18 example you used of Mel Holmberg's, there were some  
19 examples where the contractors were not doing exactly  
20 what Licensee management wanted them to do, so it's  
21 not like the contractors are out of control. They do  
22 have to get to this issue of supervising some of the  
23 contractors.  
24 The other thing about a blind reliance on  
25 specialty contractors, again, the Licensee brings in

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1 contractors for specific purposes. They go through  
2 training, and they are also supposed to have  
3/4> 3 oversight, so there is an oversight problem that the  
4 Licensee needs to address.

5 I did want to point out to you that we have  
6 an inspection that started last week. It's called a  
7 Management and Human Performance Inspection, and that  
8 inspection is looking closely at the Licensee's root  
9 cause assessment, what they came up with for all  
10 those root causes that we talked about at the August  
11 15th meeting and what their plans are to do about it,  
12 so we've addressed it in these meetings, but the  
13 Panel's ability to fully assess what the Licensee is  
14 doing is a combination of what we talked about in  
15 meetings and what the inspectors find out in the  
16 field looking at the data, so I wanted to make sure  
17 you were aware of that, and that's all I have on that  
18 issue unless you had any other --

19 MR. GROBE: Let me -- Howard,  
20 just let me provide a little bit more perspective.

21 This may not sound like it and I'm certainly  
22 not trying to defend the Licensee, but this is an  
23 improvement. It's very clear based on this one  
24 example that the root cause that contributed to the

25 head degradation also contributed to what happened

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44

1 with the polar crane, and those issues are worker's  
2 standards, supervision, priorities, and focus on  
3 safety. Those issues were missing from the work on  
4 the polar crane, and that's why I chose to dwell on  
5 that a little bit this afternoon and dive into that  
6 because I wanted to make sure that I fully understood  
7 it, that the company fully understood our view of  
8 that, and I think you took many of your remarks from  
9 the remarks we made this afternoon. This one issue,  
10 this activity was a clear indicator that they haven't  
11 fixed all the problems and all the nooks and crannies  
12 of the organization. You see that Mel's inspection  
13 report which was issued this past week and if you  
14 read that report closely, you'll find that many of  
15 the activities that he inspected were well performed.  
16 Some of the inspectors that didn't meet the  
17 qualification and training requirements that the  
18 Licensee had put into their procedures had performed  
19 inspections of readequate inspections. The  
20 company's response to that was not the same response  
21 that you may have seen a few years ago based on what

22 we know now about Company priorities. The company's  
23 response was to stop that entire job, to bring in a  
24 whole new set of inspectors, to raise their training  
25 standards, not only do the new inspectors meet the

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45

1 standards that existed before, but they were even  
2 higher standards and to make sure that that work was  
3 all completely reperf ormed, and they1re just now  
4 completing the re-inspections of those areas, so I  
5 don't want to leave the impression that all the work  
6 that's being done at Davis-Besse is being done  
7 poorly. I also don't want to leave the impression  
8 that we have any belief that the problems have been  
9 fixed. The corrective action program that the  
10 Company is going to present to us tomorrow are the  
11 actions that they believe are going to address these  
12 issues. The difference now is the senior managers  
13 are out in the plant reinforcing standards, stopping  
14 work when it doesn't meet their standards, and they  
15 have a set of standards that are much higher than  
16 what existed prior to the shutdown, so it's kind of a  
17 good news/bad news situation. It's clear that there  
18 is still a lot of work to be done.

19 Did you have another question?  
20 MR. WHITCOMB: Well, yes, a  
21 follow-up. I heard Mr. Mendiola ask today, and I  
22 think he asked Mr. Stevens whether the crane was  
23 acceptable or met minimum standards, and what I heard  
24 today was "I think" or "I believe" that it would, and  
25 I'm troubled by that because here we have a major

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46

1 evolution where we're moving the old reactor vessel  
2 head out and the new reactor vessel head in, and I  
3 would have thought that the director of maintenance  
4 would have made absolutely sure that that crane was  
5 minimally acceptable, and to use words like "I  
6 believe" or "I think", I find troubling.  
7 You have mentioned, Mr. Grobe, first line  
B supervision and paying attention to the problems at  
9 the lowest grass roots level. I haven't seen any  
10 effort on the part of the Licensee to address that  
11 specific issue and that is troubling. We're still  
12 finding levels at the highest organizational  
13 management and that is that is not the way that  
14 these plants are going to be successful. We're  
15 talking about safety of the public. We're talking in

16 addition to financial obligations. obviously this is  
17 a very expensive endeavor for FirstEnergy and a lot  
18 of that will be passed on in terms of rate increases  
19 eventually, so the consumers are going to pay down  
20 the road, but what we want is to ensure and you've  
21 asked for public confidence, and we want you to  
22 ensure you're asking the tough and the right  
23 questions and ensuring that they're doing what they  
24 need to be doing.

25 MR. GROBE: I think that's what

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47

1 you heard this afternoon. I want to tell you that  
2 it's very clear that the problems aren't fixed yet.  
3 That doesn't mean that actions haven't been initiated  
4 and things aren't moving in the right direction. We  
5 are finding that there's work that's being done very  
6 well. We're also finding problems, and we have a  
7 number of inspectors that are on site now, and we'll  
8 be getting additional insights into that. The  
9 company is also finding problems, and they're  
10 addressing them as they find them, and I think this  
11 is a bit uncomfortable because I don't work for  
12 FirstEnergy by any stretch of the imagination, but

13 since you're asking questions regarding what they're  
14 doing and what in response to our questions this  
15 afternoon, what they indicated was that they stopped  
16 the job, that they had what was referred to as a  
17 stand down. What that means is they stop all work.  
18 They brought all their project managers together and  
19 explained to them this is what happened on this one  
20 job, there is why it's unacceptable, this is why it  
21 doesn't meet their standards, their management  
22 standards, and I want to make sure all the project  
23 managers that are supervising all these different  
24 jobs on site understand that this wasn't acceptable,  
25 and we have to do better across the board, so those

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48

1 are the kinds of actions that we give the change, the  
2 organization, make sure that the work is done  
3 correctly.  
4 In addition to that, there1s a number of  
5 checks and balances. In the case of the polar crane,  
6 many of them didn't work, but we're going to be out  
7 there inspecting and with people just like Mel  
8 Holmberg, and we had a lot from the regional office  
9 in areas where we don't have expertise, we're getting

10 contractors to help us, and we'll do a good job, and  
11 I appreciate you coming to all these meetings because  
12 you always give good perspective. You can continue  
13 watching and listening to our findings.

14 MR. WHITCOMB: Well, I have --

15 MR. GROBE: The plant won't  
16 restart until these issues are addressed to our  
17 satisfaction.

18 MR. WHITCOMB: I have one quick  
19 question. This afternoon Mr. Price alluded to the  
20 hiring of an outside person, expert, to be part of  
21 the restart committee.

22 Do you know the name of that individual?

23 MR. GROBE: I'm not sure which  
24 committee and which person -- there's several  
25 different oversight activities that they have.

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49

1 MR. WHITCOMB: It's a restart  
2 committee that mentioned specifically.

3 MR. GROBE: Let me just talk  
4 about the different committees. There is one that's  
5 called the Restart Oversight Panel, and that reports  
6 to the President of FirstEnergy, Bob Saunders, and

7 that is comprised almost entirely of outside  
B individuals. The -- including a former NRC senior  
9 managers, former industry senior managers, your  
10 County Administrator is on that committee, Jere Witt,  
11 so it's a very broad spectrum of having capable  
12 people.  
13 There's another oversight board. It called  
14 the Engineering Assurance Board<sup>1</sup> and that includes a  
15 number of outside individuals.  
16 There's a Corrective Actions Review Board.  
17 There's a number of different boards that  
18 have been put in place and they've utilized both  
19 inside expertise, FirstEnergy expertise from  
20 Davis-Besse and from their other facilities, Perry,  
21 Beaver Valley, as well as outside expertise to  
22 provide balance and breath to the reviews that are  
23 being done, so I'm not sure exactly which Board  
24 you're talking about, so I don't know what person it  
25 might have been, but --

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1 MR. WHITCOMB: It's a restart  
2 committee --  
3 MR. GROBE: Well, the Restart

4 Oversight Panel is always entirely outside. It's  
5 people from -- instituted nuclear power operations,  
6 private contractors, people from other utilities, so  
7 it's -- with the exception of Bob Saunders, who's the  
8 President; Gary Leidich, who is the Executive Vice  
9 President; Bill Pearce, who is Vice President of  
10 Quality and Lew Myers, they also have attended all of  
11 these meetings for us. The rest of the panel is  
12 from outside, so I'm not sure --

13 MR. WHITCOMB: The discussion this  
14 afternoon then was with Clark Price, then you don't  
15 know who he was referring to?

16 MR. GROBE: I just don't recall  
17 which panel he was talking about.  
18 Do you have any other questions?

19 MR. WHITCOMB: The second question  
20 was, it was the Reactor Restart Committee Panel?  
21 The oversight committee, Restart Oversight Committee  
22 Panel, so you don't know the answer?

23 MR. GROBE: That's correct.

24 MR. WHITCOMB: All right. Thank you.

25 MR. GROBE: Thank you.

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1 Any other members of the local community here  
2 that have questions or comments?

3 (No response).

4 Okay, I'd like to now move onto anybody else  
5 from the public, and if you're from the local  
6 community, you can still come up, but if there are  
7 any other members of the public that have a question  
8 or comment, I'd be glad to entertain those.

9 MR. LOCHBAUM: Good evening. My name  
10 is Dave Lochbaum. I'm with the Union of Concerned  
11 Scientist in Washington, D.C. I want to follow-up  
12 on some of the issues that Howard raised.  
13 Jack, as you said we're here today because of  
14 some organizational problems that FirstEnergy had  
15 that manifested themselves with some equipment  
16 problems of an unprecedented nature.  
17 I spent a good portion of last week looking  
18 at the inspection reports that the NRC issued prior  
19 to March of this year and some self-assessments that  
20 the Company had done in about three years prior to  
21 this year, and both of those -- both sets of  
22 documents basically looked at how the plant was  
23 doing, including some of the equipment conditions  
24 that we're talking about tonight and basically gave  
25 the Company very high marks and concluded that they

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52

1 had a good safety focus. I think that shows among  
2 other things the benefit of hindsight. Now that the  
3 event occurred, you go back and look at the same  
4 data, in hindsight, and the conclusion is a little  
5 bit different in that the Company put production  
6 ahead of safety.  
7 With that in mind, you're now looking at how  
8 the organization is changing to address some of these  
9 organizational problems to evaluate whether they are  
10 effective or not. I guess the concern we have is  
11 that we know the Lessons Learned Task Force is doing  
12 work and at some point will make recommendations --  
13 potentially make some recommendations of how the NRC  
14 needs to change what it does, how it does it, but  
15 until that point, the NRC is going to use the same  
16 processes and the same methods that weren't  
17 successful in the past.  
18 Why would you think they would be successful  
19 now if they didn't work in the past?  
20 We would think that it's pivotal to have the  
21 Lessons Learned Task Force make recommendations, the  
22 NRC change its processes so when it goes in and

23 evaluates these organizational changes, you don't  
24 simply recognize that this is not what was there  
25 before, but this is actually effective and it looks

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53

1 like without having made any changes to what you do  
2 or how you do it, you don't have much of a chance of  
3 doing that.

4 Would you agree or disagree with any of that?

5 MR.D~AN: Yeah1 let me --

6 MR.GROBE: Let Bill start.

7 MR.DEAN: Let me take the first

8 shot at that. If what you're referring to is the  
9 routine oversight process that we use to monitor  
10 performance at Davis-Besse, clearly what we're doing  
11 now is not routine oversight, so I would offer to you  
12 that since that day in March when the issue emerged  
13 and we sent an augmented inspection team and elevated  
14 the regulatory approach at Davis-Besse, put the 0350  
15 panel in place, so on, so forth, we're not operating  
16 the same operational mode that we did in the prior  
17 years, so we're not the same process.  
18 Your question about lessons learned, what  
19 lessons learned will we have and will we implement,  
20 if you're talking about oversight at over nuclear

21 power plants, I'm not sure if that's the drift that  
22 your getting at to --  
23 MR. LQCHBAUM: No. It takes a  
24 portion of Davis-Besse restarts, and a problem  
25 develops, you know, they haven't fixed the

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54

1 organizational problems that caused this one, you're  
2 the public's guardian.

3 MR. DEAN: Right.

4 MR. LOCHEAUM: And if you don't  
5 change your processes before the plant restarts,  
6 we're going to have deja vue all over again, and  
7 that's not fair to anybody.

8 MR. DEAN: Yeah. Looking at the  
9 Lessons Learned Task Force and the recommendations  
10 that they're going to make, and it's our expectation  
11 within the next week or two, that they'll have the  
12 report and share it with us and provide the lessons  
13 learned and their recommendations. I'm pretty sure  
14 that you will see the NRC respond pretty promptly in  
15 terms of taking those lessons learned and making  
16 appropriate adjustments to our process as warranted.  
17 I would offer from my own perspective if

18 there's an area where we as an Agency might have  
19 failed or dropped the ball relative to what  
20 transpired at Davis-Besse, I think you might find it  
21 in the world of operational experience and taking  
22 insights that we gain from operational experience,  
23 either from other countries or past history and  
24 insuring somehow that we continue to monitor Licensee  
25 activities put in place as a result of operating

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55

1 experience<sup>7</sup> for example, in the past we issued a  
2 generic letter back in 1988 about boric acid  
<sup>1/2</sup><sub>1/2</sub>  
3 corrosion, and how virulent that can be as a  
4 corrosive mechanism, and a Licensee should put in  
5 place a boric acid corrosion control programs, and,  
6 shortly thereafter, we went and did inspections at a  
7 number of plants to see what Licensees were doing in  
8 response to that generic letter and assured ourselves  
9 that, in general, Licensees were taking the  
10 appropriate corrective actions and putting in a  
11 process in place that give us some confidence and in  
12 the future that would continue to monitor their  
13 systems for evidence of boric acid corrosion and make  
14 sure that it didn't get to the point that it did here

15 at Davis-Besse.  
16 clearly, we didn't maintain our eye on the  
17 ball over this ensuing one or two decades and an  
18 important element of the NRC regulatory oversight  
19 regime is that we rely on the Licensees to operate  
20 their plant safely. We can't be everywhere at all  
21 times and we have to pick and choose where it is we  
22 devote our resources. I think maybe the lesson  
23 learned here is that we have to be cautious in making  
24 the determination that once we do some additional  
25 evaluation -- okay, the industry has this under

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56

1 control, let's move onto the next issue as opposed to  
2 coming back periodically to assure ourselves, and,  
3 you know, my own personal perspective, I think that's  
4 probably the major lesson learned from an oversight  
5 perspective.

6 I don't know, Jack, do you have any --

7 MR. GROBE: We're just  
8 speculating on what might be the findings of the  
9 Lessons Learned Task Force, but that was the one I  
10 was going to bring up also. That really doesn't  
11 have anything to do with Davis-Besse.

12 The 0350 panel, this oversight panel, has two  
13 responsibilities; one is to make sure that before we  
14 bring forward a recommendation for restart, that the  
15 plant is ready to restart in a safe manner, and the  
16 second one is that after restart, that the Licensee  
17 demonstrates that the issues are fixed for the  
18 long-term. This panel doesn't disappear at restart.  
19 We will provide oversight of licensing inspection  
20 activities to make sure that appropriate actions are  
21 taken, that if the plant gets to a performance level  
22 where it's safe to restart, then we would recommend  
23 to our management that the plant be allowed to  
24 restart. After restart, we will continue with an  
25 enhanced inspection program at Davis-Besse and the

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57

1 panel will continue to meet and will continue to meet  
2 out here publicly reviewing performance, and so you  
3 make very good points, David, about the importance of  
4 the Lessons Learned Task Force, but it really has  
5 limited relevance to restart at Davis-Besse because  
6 we're going to be here well after restart and until  
7 we're convinced that the Licensee is demonstrating  
B safe performance and that the problems are not

9 recurring, then we'll make recommendation to our  
10 management that the panel be disbanded, and that this  
11 plant be put back under the routine oversight  
12 program, so we're looking forward -- we haven't heard  
13 what the Lessons Learned Task Force has come up with,  
14 and we're looking forward to getting their results  
15 late this month, and we'll respond to those with  
16 respect to the inspection programs. We use them at  
17 other facilities.

18 MR. LOCHBAUM: I appreciate that  
19 answer, but I guess I would, I'm not I don't take  
20 much comfort in it, in that I think there is a direct  
21 link between that activity and the 0350 panel, and if  
22 you look at the NRC's scoreboard for Davis-Besse on  
23 February 15th of this year, it was all green. You  
24 were comfortable with the safety level, the safety  
25 performance of this plant on February 15th. Using

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58

1 the inspection program and the inspection procedures  
2 that you're now using to determine whether they fixed  
3 those problems, the problems that you didn't have any  
4 clue were there, and it just seems a little bit faith  
5 rather than fact, or that you can prove that the

6 problems that you didn't know existed have been  
7 fixed.

8 MR. GROBE: I guess the message I  
9 would like to leave with you and others here  
10 listening is that the oversight program at  
11 Davis-Besse is nowhere near routine, and I think Bill  
12 emphasized that. We're going to be here, both Bill  
13 and I have extensive experience, as well as the rest  
14 of the team, and we're going to keep our eye on the  
15 ball. I think he's coached baseball once or twice  
16 lately.

17 MR. DEAN: Softball.

18 MR. GROBE: And we won't --  
19 airballs, how's that? We'll make sure that the NRC's  
20 oversight program at Davis-Besse is robust and  
21 sufficient to make sure that the plant has fixed  
22 these problems completely, and I am confident that  
23 the Agency will respond to any issues brought forward  
24 by the Lessons Learned Task Force and address those  
25 as well. I expect a lot of findings from the

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59

1 Lessons Learned Task Force and a lot of opportunities  
2 to improve.

3 The other thing I'd like to point out is that  
4 our routine inspection programs -- well, let me step  
5 back.  
6 It was not a good day the day that I had the  
7 AITites in the morning and explained to the public  
8 and to the Company the extent and nature of our  
9 findings -- from our Augmented Inspection Team, I  
10 apologize for talking in acronyms -- and then in the  
11 afternoon we had our annual meeting to present to the  
12 public the results of our inspections over the last  
13 year and those inspections indicated that things were  
14 going well. That was not a good day for me and --  
15 nor for anybody in the Agency, and the Lessons  
16 Learned Task Force is going to help us from having  
17 repeat that kind of situation.  
18 The other thing I'd comment on is the  
19 inspection programs, focus of the industry over the  
20 past 10 to 15 years has resulted in substantially  
21 improved performance obviously not at Davis-Besse,  
22 but across the Board, and so I don't want to be  
23 condemning the inspection program necessarily for  
24 activities that we haven't fully reviewed yet. We  
25 still have our investigation ongoing, so it's not

1 clear yet completely what went on here, and we'll fix  
2 the inspection program.

3 MR. DEAN: I'm sorry, can I offer  
4 one other insight, though, David, because I think you  
5 make a valid point, and I have -- I mean, I have been  
6 involved with a number of plants, and I know you have  
7 observed and been involved, too, in plants that have  
8 had degraded performance, and, you know, the  
9 interesting thing about Davis-Besse is it doesn't fit  
10 the pattern that we've seen in the past like at  
11 Millstone or Indian Point or D.C. Cook, you know,  
12 where you have examples that occur over time with  
13 problems with equipment or problems with performance  
14 or issues of harassment or intimidation! things like  
15 that. The issue here at Davis-Besse, you know,  
16 really, you're on February 15th, we wouldn't have  
17 predicted that. We wouldn't have predicted all of  
18 the underlying things that have emerged from root  
19 caught analyses, and augmented inspection team,  
20 inspections, and things like that. An issue like  
21 safety culture, which I think everybody kind of  
22 points to as a root cause, is something that doesn't  
23 cause changes overnight in performance. Just like  
24 addressing safety culture, you're not going to see a

25 dramatic change in performance like an on/off switch,

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61

1 and it's my expectation we're going to continue to  
2 come up with issues much like the polar crane issue  
3 that we talked to Howard about and talked to the  
4 Licensee about, and so we have to look at things in  
5 terms of how does the Licensee react to issues like  
6 that when they are discovered, and is the Licensee  
7 discovering those issues themselves and not the NRC  
8 discovering those issues, so one of the perspectives  
9 that I have on this in terms of Davis-Besse and why  
10 was the program up to February 16th indicating this  
11 was a plant that was operating pretty well, and, you  
12 know, in some respects, you know, this vessel head  
13 degradation may very well be the tip of the iceberg.  
14 It may have been the beginning of a series of issues  
15 much like we had at Millstone or Salem where you had  
16 ongoing performance issues and maybe this was the  
17 first one.

18 MR. LOCHBAUM: Other than the one in  
19 1999 and 2000, this was the first one?

20 MR. DEAN: Well, I mean --

21 MR. LOCHBAUM: There were plenty in

22 the past that were overlooked, so that you can't say  
23 this was the first one, unless you ignore all the  
24 ones that happened in the past that are documented in  
25 the root cause report, so I don't think we can say

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62

1 this is the first one unless a very liberal  
2 interpretation of what counts and what doesn't count.  
3 MR. DEAN: Well, I'm talking  
4 about the first one that had had --  
5 MR. LCCHBAUM: This year?  
6 MR. DEAN: Well, that had this  
7 level --  
8 MR. GROBE: Let's be clear.  
9 MR. LQCHBAUM: Since nothing has ever  
10 approached this level --  
11 MR. GROBE: Sure.  
12 MR. LOCHBAUM: -- so this is the  
13 first one, I'll stipulate to that.  
14 MR. GROBE: It's important --  
15 there's a lot of people here that don't appreciate  
16 maybe that we work together all the time and  
17 MR. LOCHBAUM: All too often.  
18 MR. GROBE: -- we talk about  
19 these issues all the time, and they don't understand  
20 what you're talking about.  
21 The company had a boric acid corrosion  
22 problem in 1999, okay, it had to do with the valve,  
23 and the NRC was under its old enforcement policy and  
24 they issued a finding and the company took extensive  
25 corrective actions, and those corrective actions

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63

1 clearly were ineffective. Those corrective actions  
2 included extensive training on the effects of boric

3 acid, how to inspect for it, and the people that were  
4 involved in inspecting the head attended that  
5 training. We're still trying to figure out through  
6 our investigation process how it came to be that  
7 there is boric acid corrosion in the head, so those  
8 issues, the Company responded to, the NRC responded  
9 to. The Company's response was ineffective.

10 Possibly that's another lesson learned that the  
11 Lessons Learned Task Force will come up with and that  
12 is an additional focus, accurate significant  
13 enforcement action like that on follow-up inspection.  
14 I don't know what the LLTF is going to come up with.

15 MR. LOCHBAUM: Also, I don't want  
16 to leave the impression -- Jack, you and I have  
17 worked together on the 350 panel -- 0350 panel for  
18 D.C. Cook. I'm glad the 0350 panel is there. I  
19 think it's a very positive thing, so I don't mean to  
20 say that this is a waste of effort. I don't mean to  
21 imply that 'cause I don't think that, and I'm glad  
22 it's there.

23 I guess the only point I was trying to make  
24 is, you know, I sat here this afternoon and listened  
25 as the Company listed or reviewed literally hundreds

1 of things they're going to do before this plant  
2 restarts.

3 There is not a single thing that you've  
4 identified that you're going to do before this plant  
5 restarts to fix the problems that led to you not  
6 discovering them earlier? That just --

7 MR. GROBE: Well, if you wait two  
8 more weeks for these things --

9 MR. LOCHBAUM: -- if you balance  
10 these things --

11 MR. GROBE: If you wait two more  
12 weeksf the Lessons Learned Task Force report is  
13 supposed to be issued at the end of the month, so  
14 we'll find out what we're going to do.

15 MR. LQCHBAUM: Those would be just  
16 recommendations. There is no guarantee that those  
17 will be done before this plant restarts or not.

18 MR. GROBE: I can assure you that  
19 those recommendations will go to the person that  
20 heads our agency. He's called the Executive  
21 Director, and he will take them very seriously, and  
22 I'm certain that there will be recommendations and  
23 many aspects of the Agency operation that will be  
24 acted upon.

25 MR. LOCHBAUM: As I recall the draft

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65

1 order shut down Davis-Besse to do the inspection last  
2 year also with the same individual, and it didn't  
3 happen. Is that not correct?

4 MR. GROBE: I'm not sure I  
5 understood your question. There was

6 MR. LOCHBAUM: The draft order that  
7 was issued last year to shut this plant down by  
8 December 31st of last year went to that same  
9 individual and no action was taken, so are we going  
10 to get a little different response this time, do you  
11 think?

12 MR. GROBE: You can watch.

13 MR. LOCHBAUM: We will.

14 MR. GROBE: There will be a public  
15 presentation.

16 MR. LOCHBAUM: I guess the last  
17 question I had, had to do with one of the reasons why  
18 this problem may have gone on for as long as it did.  
19 Federal safety regulations and the plant's  
20 operating license don't allow any reactor coolant  
21 pressure boundary leakage and yet this plant operated

22 for many months, if not years, in that very  
23 condition.

24 The plant's operating license required once  
25 that condition existed -- or was detected

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1 technically, required it to be shut down within six  
2 hours, and that never happened, at least not in time.

3 What's going to be done to ensure that if  
4 there is reactor coolant pressure boundary after  
5 restart that the plant complies with safety  
6 regulations rather than wait 'til its next refuelin9  
7 outage when it might -- might just be discovered?

8 MR. GROBE: It's an interesting  
9 and complicating question which you knew when you  
10 asked it --

11 MR. LQCHBAUM: That's not lawyer  
12 quest. I don't know the answer.

13 MR. GROBE: There's a number of  
14 different ways in which the reactor is operating  
15 there could be leakage, and leakage is permitted at  
16 certain levels. What's referred to as identified  
17 leakage, which means there might be a valve leaking,  
18 the company doesn't know it's leaking, but they  
19 detect some leakage. They go in and do some

20 inspections and see that it's a valve that's leaking.  
21 Identified leakage could be permitted up to, I  
22 believe it's 10 gallons per minute at Davis-Besse's  
23 license.  
24 There is another category, which is known as  
25 unidentified leakage, which is you can't identify the

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67

1 source of the leakage, that that is permitted to  
2 occur up to one gallon per minute.  
3 There is another category of leakage.  
4 Normally all of that types of leakage is through  
5 bolted connections where a flange is bolted on or a  
6 valve is bolted to a pipe, or a seal in a pump, or  
7 what is referred to as a packing, which is a seal on  
8 a valve stem.  
9 There's another kind of leakage, which is  
10 called pressure boundary leakage, and that's leakage  
11 through cracks and metal. That's not permitted at  
12 all as David correctly indicated. If there is any  
13 pressure boundary leakage identified, that the plant  
14 has to be shut down within six hours. The problem  
15 here is that the Company did inspections inside  
16 containment. When the unidentified leakage rate went

17 up, could not identify the source of the leakage.  
18 There is many areas of the plant when the plant is  
19 operating that cannot be inspected, and that's  
20 somewhat of a dilemma. Unidentified leakage is  
21 permitted up to one gallon per minute. The Company  
22 never exceeded that. Pressure boundary leakage is  
23 not permitted. The Catch-22 here is that  
24 unidentified leakage could be pressure boundary  
25 leakage. In this case it was, and I'm sure the

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68

1 Lessons Learned Task Force is looking at that also.  
2 MR. LOCHBAUM: I guess the point  
3 would be --  
4 MR. GROBE: Whether or not how our  
5 different technical specifications mesh with each  
6 other and whether or not there is sufficient guidance  
7 in that area.  
8 MR. LOCHBAUM: Well, how does that  
9 affect the restart of Davis-Besse if that tech  
10 spec -- had it been enforced and complied wouldn't  
11 have allowed this condition to get as bad as it was,  
12 50 how --  
13 MR. GROBE: I'm confident that had

14 the Licensee known that this was pressure boundary  
15 leakage that they would have shut down the plant in  
16 accordance with their tech specs. They were  
17 operating in accordance with their tech specs as they  
18 knew with the information they had, and we were aware  
19 of the leakage.

20 MR. LOCHBAUM: Not exactly because  
21 GDC -- General Design Criteria 30 of the Federal  
22 Regulations require monitoring of reactor coolant  
23 pressure boundary leakage. This Company was not  
24 doing any monitoring. To say it's to the extent  
25 practical, they didn't put a camera in. They didn't

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69

1 put leak detection devices in. They didn't do  
2 anything. To say that they were complying with tech  
3 spec is a little bit gratuitous.

4 MR. GROBE: We could debate this  
5 for quite a while, and I'm not sure that that's  
6 benefitting other folks in the audience. I'd be glad  
7 to talk to you afterwards about this. It is somewhat  
8 of a challenge with respect to interpreting the  
9 technical specifications when you haven't identified  
10 leakage, and I think we'll leave it there. It's --

11 unidentified leakage is permitted, and as much as  
12 Davis-Besse knew, and we were aware of the  
13 unidentified leakage rate, they were complying with  
14 their technical specifications for operating  
15 requirements.

16 MR. LOCHBAUM: They thought they  
17 were.

18 MR. GROBE: Yeah.

19 MR. LOCHBAUM: Both you and they were  
20 wrong.

21 MR. GROBE: That's correct.

22 MR. LOCHBAUM: And these people were  
23 placed at undue risk because you and they were wrong,  
24 50 all we're asking is try not to be wrong in the  
25 future, take some actions to prevent that wrong.

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70

1 That's all. Thanks.

2 MR. GROBE: Thank you, David.

3 Any there any other questions or comments?

4 (Indicating)

5 MR. GROBE: Yes, ma'am.

6 MISS RYDER: My name is Amy Ryder,  
7 I'm with Ohio Citizen Action. I have a question.

8 How confident are each of you that  
9 FirstEnergy will reach their goal of restarting the  
10 plant by December 7th?  
11 MR. GROBE: I think I already  
12 answered that. We're not bound by schedules.  
13 One of the milestones that FirstEnergy has on  
14 their schedule is at what point in time they think  
15 the NRC will be approving restart.  
16 MISS RYDER: Right.  
17 MR. GROBE: And that's necessary  
18 for them to have a schedule because we have to  
19 approve restart, but we're not bound by schedule, and  
20 I have no basis to express confidence or lack of  
21 confidence in their schedule. They believe it's  
22 attainable, and we'll do our inspections, and they  
23 will do their work<sup>1</sup> and we'll see.  
24 MISS RYDER: Well, here's what  
25 worries me is that the Utility thinks that they will

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71

1be ready in a few months to restart the plant, and,  
2you know, you keep saying that the problems clearly

1/2;

3 are not fixed, and we're not going to let them  
4 restart until those problems are fixed, but I don't  
5 necessarily see it that the problems aren't fixed

6 that they continue to make the same problems -- or  
7 the same mistakes over and over again, and at a time  
8 when the eyes of the country are on this country you  
9 would expect that they would be on their best  
10 behavior and if what we're seeing now is their best  
11 behavior, I don't see how this Company is qualified  
12 to continue to operate this plant. I'm not  
13 comfortable with the phrase, "when they restart the  
14 plant." I don't think we've gotten past whether or  
15 not they should be allowed to restart this plant.

16 MR. GROBE: Well, I don't think  
17 you've heard anybody in the NRC talk about when they  
18 are going to restart. They won't restart until  
19 we're satisfied that they have met corrective actions  
20 to fix the problems, and there have still been  
21 examples of situations where those same causal  
22 factors have resulted in additional problem as we  
23 discussed this afternoon.

24 As Bill indicated -- I think it was Bill a  
25 few minutes ago, the kinds of issues that Davis-Besse

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72

1 is dealing with are not the easy, straightforward  
2 kinds of issues. We have a piece of equipment

3 that's broken, and we need to replace it and fix it.

4 MISS RYDER: Right.

5 MR. GROBE: They are changing the  
6 organizations, they are changing the way people do  
7 work, and those are difficult things to change, and  
8 they take time, so -- how much time it takes, I can't  
9 project.

10 What I can tell you is that we'll be  
11 monitoring what they're doing and make sure that they  
12 have these issues fixed before they reschedule.

13 MISS RYDER: But the very fact that  
14 they think they will be ready in three months tells  
15 me that they are not thinking realistically about  
16 solving the problem.

17 MR. GROBE: You'll have to take  
18 that up with them, and come to our meetings<sup>1</sup> which I  
19 know you do.

20 MISS RYDER: You should invite them  
21 up on the stage during public comment, and I would  
22 take it up with them.

23 MR. GROBE: I'm sorry, I couldn't  
24 hear you.

25 MISS RYDER: If you invite them up

1 on the stage during public comment, I would take it  
2 up with them.

3 MR. GROBE: The purpose of these  
4 interfaces are for you to ask us questions. We work  
5 for you. We represent you, and for you to provide  
6 your comments and thoughts to us. You certainly can  
7 write to the Company --

8 MISS RYDER: I know.

9 MR. GROBE: -- call the Company,  
10 and suspect you do, and they will answer your  
11 questions as they see fit.

12 MISS RYDER: Thank you.

13 MR. GROBE: Interested in other  
14 questions or comments?

15 (No response)

16 Okay, well, I thank you for coming this  
17 evening. I would ask you to fill out the feedback  
18 forms, especially those of you that have come for the  
19 first time.

20 The -- we get fresh insights from you, so  
21 please take a few moments to fill out a feedback  
22 form, fold it up, drop it in the mail, and you'll  
23 help us get better.

24 I also want to recognize Oak Harbor High

25 School, and, particularly, Mr. Stucker.

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74

1 Waive your hand up there, Mr. Stucker.

2 MR. STUCKER: (Indicating).

3 MR. GROBE: He's just an

4 incredible guy to prepare this school --

5 THEREUPON, the audience applauded.

6 MR. GROBE: -- and does an

7 outstanding job supporting these meetings, and it's a

8 real commitment to the community that the school is

9 willing to open up their doors for us, and we really

10 appreciate it. It's, I think~ a very comfortable

11 setting.

12 MR. DEAN: (Indicating)1

13 Christine's got a comment.

14 MR. GROBE: Any other questions or

15 comments before Christine's got a comment?

16 (No response)

17 MS. LIPA: Yeah, I just wanted to

18 remind everybody that we print a monthly newsletter

19 that Jack referred to, and in the last paragraph it

20 has the phone numbers for our Public Affairs Officer,

21 so if you read this and have questions, feel free to

22 use those phone numbers and give us a call, and, you  
23 know, we try to answer your questions. That's what  
24 we're all about here, so take us up on it. Thank  
25 you.

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75

1 MR. GROBE: Thank you very much  
2 for coming.

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6 THEREUPON, the hearing was adjourned.

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76

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I, Marlene S. Rogers-Lewis, Stenotype Reporter and Notary Public, within and for the State aforesaid, duly commissioned and qualified, do hereby certify that the foregoing, consisting of 75 pages, was taken by me in stenotype and was reduced to writing by me by means of Computer-Aided Transcription; that the foregoing is a true and complete transcript of the proceedings held in that room on the 17th day of September, 2002 before the Nuclear Regulatory Commission.

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

IN WITNESS WHEREOF, I have hereunto set my hand and \_\_\_\_\_ of Wakeman, Ohio this \_\_\_\_\_ day of \_\_\_\_\_ 2002.

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

My commission expires 4/29/04