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

Meeting held on Tuesday, July 16, 2002, at 2:00 p.m. at the Oak Harbor High School, Oak Harbor, Ohio, taken by me Marie B. Fresch, Registered Merit Reporter, and Notary Public in and for the State of Ohio.

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PANEL MEMBERS PRESENT:

U. S. NUCLEAR REGULATORY COMMISSION

Mr. John Grobe, Chairman, MC 0350 Panel
William Dean, Vice Chairman, MC 0350 Panel
John Jacobson, Branch Chief,
Mechanical Engineering Branch, DRS
Anthony Mendiola,
Section Chief PDIII-2, NRR
Douglas Pickett, Project Manager, NRR
Christopher (Scott) Thomas,
Senior Resident Inspector - Davis Besse
Christine Lipa, Projects Branch Chief

FIRST ENERGY NUCLEAR OPERATING COMPANY

Lew Myers, FENOC Chief Operating Officer
Robert W. Schrauder,
Director - Support Services
J. Randel Fast, Plant Manager
James J. Powers, III
Director - Nuclear Engineering
Howard Bergendahl, Vice President-Nuclear
Michael J. Ross,
Manager - Operations Effectiveness
Michael J. Stevens, Director - Maintenance
Steve Loehlein

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MR. GROBE: Good afternoon. I was trying to set the tone by taking my coat off. Please feel free to. It's a bit warm today.

My name is Jack Grobe. I'm the Director of Reactor Safety for the Nuclear Regulatory Commission Office for Region 3 in Chicago. We have responsibility to the office for the safety of the nuclear power plants in the midwest.

We're here today for our third meeting, public meeting with the Licensee, First Energy, responsible for operation of Davis-Besse Nuclear Power Station. The focus of this meeting is what we refer to as the Manual Chapter 0350 Restart Oversight Panel. In a minute, I'll introduce the panel members and other NRC staff that are here today.

Our meeting today is being transcribed by Marie Fresch. And Marie was here last time and had some trouble hearing. I think Mr. Stocker has the microphones turned way up, so that should help, but please make sure when you're making comments today, so the public can hear in the audience, as well as Marie transcribing the meeting, that you use the microphone.

Let me start by introducing the NRC staff here today. On my far right, is John Jacobson. John is a Senior Mechanical Engineer in Region 3 Office and a member of the Restart Panel.

Right next to me on my immediate right is Christine

Lipa. Christine is a Projects Branch Chief. She's the Manager of Region 3 responsible for oversight at the Davis-Besse Plant on a day-to-day basis.

On my immediate left is Bill Dean. Bill is the Vice Chair of the Restart Panel and Senior Manager in our office, Nuclear Reactor Regulation, our office headquarters, and it's in the Washington, D. C. area.

Two of the, two other additional staff from the office of Nuclear Reactor Regulation. Tony Mendiola. Tony is the manager responsible for overseeing the licensing activities. And on his left is Doug Pickett. Doug is the Licensing Project Manager specifically for Davis-Besse.

Then at the end of the table is a very important person. That's Scott Thomas, Senior Resident Inspector that works at the Davis-Besse Plant every day. He works for the Region 3 Office of the NRC.

We have a couple of additional NRC staff I want to recognize. Helping out at Davis-Besse is the Resident Inspector from the Perry Plant, east of Cleveland, it's John Elgood; and John is operating the slide machine right now, but he's been inspecting the plant to help us out.

Nancy Keller was out front. Nancy is our Administrative Assistant. She's done an outstanding job. I appreciate her support. Nancy had out front a stack of handouts both from the NRC as well as the Licensee

available for you. If you didn't receive one, please feel free to obtain one of those handouts.

In addition out front, Nancy had what we refer to as feedback forms. They're preaddressed, no postage necessary forms that you can fill out and give us feedback on the quality of our meeting, and other aspects of the conduct of the meeting or content of the meeting; either one.

We would certainly appreciate and encourage you to fill out one of those forms and give us feedback, so we can continually improve the quality of our interface with the public.

At this time, Lew, I would like you to introduce your staff here today.

MR. MYERS: Okay. Thank you very much. We have some people out front of our audience that are our technical, some of our technical experts. We also have our Root Cause Team, that we'll introduce later on.

First with our technical experts, I would like to introduce Tim Chambers. Tim is in charge of the Containment.

Mark McLaughlin, also the Containment.

Dave Baker, Head Resolution.

Dave Eshelman -- is Dave here? Dave is in charge of helping us with Human Performance.

Clark Price is our Restart Action Plan Lead.

Tony Staller, Restart and Post Restart.

Neil Morrison. Neil comes to us from our Beaver Valley Plant, and he's helping us with program reviews.

Bill Rogers. He's doing our System Health Reviews.

So, for each one of these, we have a man at the table that has responsibility, and technical leads with us today.

Would you want me to go on to our desired outcomes now?

MR. GROBE: If you don't mind, introduce your staff at the table.

MR. MYERS: Okay. To my right is Howard Bergendahl.

Steve Loehlein is next. Steve is doing the Management in Human Performance and Root Cause.

Jim Powers is next to him. Jim is the Director of Engineering.

Bob Schrauder next to him. Bob is taking, a new employee taking the job as Service Director, is new with our company, new with that position.

Randy Fast is after him. Randy is our Plant Manager.

And, Mike Stevens is Director of Maintenance.

And, at the very end I think is Mike Ross. I can't

see. So, Mike Ross comes to us from, he's a new addition, comes to us from, from the Three Mile Island Plant. So, the Plant Manager there is really experienced, and is part of our discussions later on.

MR. GROBE: Okay, thank you.

At this time, if there is public officials or representatives of public officials here in the audience, I would like to give you an opportunity to introduce yourself. Please stand and up introduce yourself. Do we have any public officials with us today?

MR. KOEBEL: Carl Koebel, Ottawa County Commissioner.

MR. WITT: Jere Witt, Ottawa County Administrator.

MR. GROBE: Any others?

Okay, very good. Thanks, Carl and Jere.

John has a slide up on the overhead projector right now that describes the agenda, and each of you should have a copy of that.

In a moment, I'm going to allow Lew to make opening remarks, and then I'm going to briefly summarize the last meeting we had on June 12th. We'll then turn the meeting over to First Energy for presentation of the information that they have prepared for today.

Then the NRC is going to discuss the framework that

we're using for, what we refer to as our research checklist. I'll talk about that a little later, and a number of the staff will help describe the framework for our research; that is the NRC research. We'll conclude the business portion of the meeting at that time.

Following the business portion of the meeting between the NRC and First Energy, we'll open the meeting up for public questions and public feedback or inquires to the NRC staff. I certainly hope that we have a good participation by members of the public here today. At that time, we'll adjourn the meeting.

In addition to this afternoon meeting, there is going to be a meeting this evening at 7:00. Bill Dean will chair that meeting. And that meeting is specifically focused on receiving input from the public, as well as answering any questions members of the public have.

So, if you're here this afternoon, and you think of something, any additional questions or comments later this evening, please come back at 7. We're also making it available to other individuals who were unable to be here this afternoon.

I think that concludes the logistics for the meeting.

Oh, I do want to recognize Mr. Stucker. He's been here for each of our meetings. Oak Harbor High School

continues to make this fine facility available for our meetings, and we certainly appreciate that. And, Mr. Stucker works very hard to make sure that the sound system and lighting and everything is just right. And, I certainly appreciate his efforts and I want to thank Oak Harbor High School and Mr. Stucker for that.

Did you have some comments before we begin, Lew?

MR. MYERS: We're ready to get started. Is that okay?

MR. GROBE: Okay. Do you want me to just summarize the June 12th meeting first?

MR. MYERS: Yes.

MR. GROBE: Okay, very good.

Next slide, John.

I wanted to make you aware, particularly members of the public aware, of several documents First Energy has submitted over the past several months, and make you aware of our Web site where those can be obtained.

An Early Risk Assessment was provided by First Energy. That was received by the NRC on April 8th, 2002. We continue in our assessments of the risk plan and we're using the input that we receive from First Energy, evaluating the input and continuing to ask questions and do analyses to support the risk assessment that the NRC is conducting.

A Preliminary Root Cause Analysis Report was submitted on April 18th. That addressed in preliminary fashion both the technical side of root cause, what caused the cracking of the head penetrations, as well as the corrosion; and also to a certain extent addressed the contributing factors to that situation.

The Return to Service Plan; the first revision of that was submitted to us on May 21st, and it was recently revised last week July -- I'm sorry, yes, July 12, 2002.

All of these documents are available on the NRC Web site at www.nrc.gov. And you can get to the Davis-Besse link on that Web site, which contains just a tremendous compendium of information; that would be head degradation issue that occurred at Davis-Besse, NRC activities, Licensee activities in response to that. So, please feel free to gain access to that Web site to obtain that information.

Our last meeting of the Restart Oversight Panel was June 12th.

John, next slide.

The focus of that meeting was the Return to Service Plan that First Energy submitted to the NRC. Return to Service Plan had associated with it a number of what First Energy called Building Blocks. They're listed there on the slide.

We discussed in some detail their plans at that time, with the first five of the Building Blocks, and had a number of questions regarding those various Building Blocks.

First Energy's evaluation of what they were trying to accomplish as well as receiving input from the NRC resulted in a revision to their Restart Plan and Building Blocks, and I anticipate during today's meeting that we're going to get into several Building Blocks in more detail than we talked about last June, as well as get into a substantial amount of detail in the Management and Human Performance area.

So, we're going to continue with these meetings. At this point, to a large extent, we've been addressing and discussing the plans that First Energy is proceeding. And we'll continue to discuss those plans.

During this meeting, get into, I think, more progress that they're making; and, as these meetings continue over the summer months, we will be getting into greater and greater detail in the implementation of those plans, the results that the company is seeing, and corrective actions that they're taking.

We are transcribing this meeting this afternoon. We'll also be transcribing the meeting this evening. Those transcripts will be available on the Web site when they're

completed. As I'm sure you can appreciate, it takes a couple weeks to get a transcript typed up, reviewed and ready for posting on the Web site.

The transcript of the June 12th meeting is available on the Web site. And as I said, these transcripts will also be available within several weeks for those individuals who are unable to attend the meeting.

At this point, Lew, I would like to turn it over to you and your staff for the presentation that you prepared for us today.

MR. MYERS: Okay. Thank you very much.

It's our pleasure to be here today to discuss Return to Service Plan that we discussed last time. Our desired outcome today is to show that we're no longer in the planning phase. Typically, you go through a planning phase, a discovery phase, and implementation phase. Today we want to demonstrate that we're fully in the implementation phase towards safe, reliable and sustained operation for the Davis-Besse Plant.

We want to provide you with a status of several of our Building Blocks. We want to demonstrate the closure of several of the actions that were discussed at our last meeting, and also in our Restart Oversight Plan Meeting the day before.

We also want to introduce you to some of the Management and Human Performance elements in our Management and Human Performance Excellence Plan that we've laid out; some of the things that we know now, and we'll be prepared to discuss that in detail today.

Starting out, you remember the last time, I thought we had really seven Building Blocks, six of which are Building Blocks that feed into the Restart Action Plan.

The Reactor Head Resolution Plan was sponsored by Bob Schrauder, who is at the table. Our Program Compliance Plan was by Jim Powers, the Director of Engineering. The Containment Health Assurance Plan sponsored by Randy Fast, the Maintenance Director. And the System Health Assurance Plan is Jim Powers' responsibility. Restart and Post Restart Test Plan is Randy Fast. And finally, the Management and Human Performance Excellence Plan, I'm responsible for that.

As you see, our plans all feed into the Restart Action Plan, and that feed goes to what we call a Restart Overview Panel. That's a very important ingredient, and people are talking about it independent of oversight.

Let me share with you the Restart Overview Panel, if you will. This panel provides an independent oversight and review of all of our plant activities. You can see this of the FENOC Senior Executive Team.

That team consists of Bob Saunders, President; myself, Gary Leidich, and Bill Pearce. Gary is in charge of the, Executive in charge of Engineering. Bill Pearce is in charge of Oversight.

All of us may or may not be at any one meeting, because of other obligations. The majority of us are at each meeting. Let's talk about the panel members that we asked to give us input.

First, we looked for someone who had extended outage experience, and we picked Chris Bakken from the D.C. Cook Plant. D.C. Cook went through some very tough times a few years ago. And Chris Bakken was the Executive of the Restart Plan, and has good experience.

We wanted somebody from the industry. Somebody that communicates to us and to the industry. That person is Buzz Galbraith. Buzz works the Nuclear Operations, which is an industry oversight review group that has basic building blocks, one of which is, one of the cornerstones is operating experience. So, he shares that with us.

Finally, we wanted somebody on our Nuclear Review Board. We normally have a Nuclear Oversight Review Board, and we wanted somebody to feed into that Nuclear Review Board. That person is Jack Martin. Jack Martin is on our board and he's very involved with this panel and our routine activities going on at the plant.

Finally, we wanted somebody that had real raw based experience from a nuclear regulatory standpoint and a troubled plant standpoint that could help us through this. So, we went and got Joe Callan. Joe was the Executive Officer of the NRC at one time, and he's retired now; provides us raw base experience, many years of experience with other plants, extended shutdowns like this.

We wanted somebody from the community. Jere Witt supplies that for us, a community leader here in Ottawa County.

We wanted somebody that had a good history of the plant, so we brought back one of the previous executives at the Davis-Besse Plant that was here for the previous problems through good performance. We brought in Lou Storz to help us throughout whatever developments, what's changed at the time of good performance.

So, we believe, we believe today that we have an Oversight Review Panel. As that panel is made up today, it provides very good independent input to First Energy's Senior Team to help us ensure that we can not only restart Davis-Besse in a safe and reliable manner, but insure that we have safe performance.

We've also made several changes in our management structure since our last meeting that we'll talk about.

Howard, do you want to continue?

MR. GROBE: Lew, before you go on, who chairs the Restart Oversight Panel, or Restart Overview Panel, who is the chairman of that?

MR. MYERS: Right now, I've been chairing the panel. We've been talking to Joe Callan about the possibility of chairing that panel; and the reason for that is to give us a true balance, has more independence.

MR. GROBE: Okay. Thank you.

MR. MYERS: Okay, Howard.

MR. BERGENDAHL: Okay, I wanted to -- can you hear me?

I wanted to introduce some of the new members of our team. There is an organization chart there, which highlights basically the yellow blocks, are individuals that are new in positions since about the first of the year. So, there has been a lot of change at the site, and many of the oversight individuals, Lew has already mentioned across the top of the organizational chart, but we have some of the key senior managers from Davis-Besse sitting here at the table and I wanted to take an opportunity to introduce them.

We've put together a team of very experienced and qualified nuclear professionals that puts together the senior management team that I know can do a good job at

Davis-Besse.

I'm going to start with Jim Powers, two seats over to my right. Jim is the Director of Engineering. I think we introduced him last time. He joined us from the Perry Plant. He has an excellent reputation and a major asset to our organization.

Next to Jim is a new addition to the Davis-Besse organization. He's been with First Energy, but he's now joined Davis-Besse full time, Bob Schrauder will be our Director of Support Services. Bob has had experience as the Director of Engineering and also as a nuclear plant, Plant Manager. And so, he brings a wealth of experience to the team.

Next to Bob is Randy Fast. We've introduced Randy in the past. He's new to Davis-Besse in January. His background includes Beaver Valley and a long stretch at the South Texas Plant.

Next to Randy is Mike Stevens. Mike is brand new in the position of Director of Maintenance. And Mike has been with First Energy for about two years. He spent most of his career with the Cinergy Plants down in Southeastern United States and most recently he joined First Energy from the Excelon Corporation.

We've also hired in some experience from outside the company, from other power plants in the industry. Mike

Ross at the end of the table comes to us from another Babcocks and Wilcox designed plant at Three Mile Island Station. Mike led the Operations Department at Three Mile Island through their brief start through many years as an Operations Manager and Plant Manager. Mike has joined Davis-Besse to provide oversight to our operations activities to ensure we have high standards that we know Mike accomplished through Three Mile Island.

Also not at the table here today, joining our company July 30th, is Pete Roberts. We hired Pete from the sale of Oak Creek Station, New Jersey, to be our new Manager of Maintenance.

So, we put together quite a team here and I know we've got good things to come.

MR. MYERS: Bob Schrauder would like to take a few moments and discuss the Reactor Head Resolution Oversight Plan, if you will. We're going to the phase now where we're going to present the status of several of our plans.

Go ahead, Bob.

MR. SCHRAUDER: Thank you, Lew.

Thanks, Howard.

First, let me start out by saying, I'm very pleased to join the Davis-Besse team, after what seems like a short nine and a half year hiatus from the plant. I do

believe, as Howard does, that we have a good solid team in place, and that we will lead Davis-Besse back to a safe, reliable plant that shows sustained performance.

Since our last meeting, I have been really pleased on the progress that we have made on obtaining a new head for Davis-Besse. We have accomplished a great deal in a very short 30 days.

One of the things I'm really happy to report is that we've executed in excess of 30,000 person hours at the Midland site retrieving that head, under some significant challenging circumstances there.

As this slide indicates, we are on target with the head replacement to support safe, reliable plant return-to-service sometime during fourth quarter of this year.

I'll talk a little bit about our activities at Midland. We were able to successfully open the containment. We had to chip away about three and a half feet of concrete. We had to remove three layers of rebar, and we had to detension the pre-cement tensioning elements in this containment.

These two pictures up here show us the progress of opening that containment and then in the lower right-hand corner with the team that helped us open that containment. Again, the team worked very safely and very effectively for

us.

The service structure at Midland, service structure on these reactor vessel heads is in three parts. The lower two parts will remain on the Midland head and we will transfer the upper portion from the Davis-Besse head onto this service structure.

We have implemented the modification on the service structure, the lower portion of the service structure at Midland with ten large diameter openings that will allow us clear access to the bare head inspections that we will do on this head going forward in the future. That modification, as I said, is completed.

The last time we got together, we had indicated our inspection plan for this head. We had divided those inspections, and identified they have three purposes. The first was to supplement the original co-data package that went with this head. The second was to baseline this head for ongoing in-service inspection program. And the third was to provide supplementary exams to assure ourselves that no damage had occurred to the head during its storage period at the Midland Plant.

I'm pleased to tell you that all of those inspections have been completed satisfactorily on the Midland, on the replacement head for Davis-Besse, and we know now that we do have a very good compliment for use at

Davis-Besse.

One of the records that we also talked about last time associated with the co-data package was the radiographs; both for the dome, the flange weld on the head, and the radiographs on the flange to nozzle. The records that we were able to retrieve did not have either of those films, nor did they have the records of the inspections of those films, other than a signed-off log entry that indicated that the exams had been completed satisfactorily.

So, in order to resolve that, we reradiographed those major welds on this head, and they did confirm that we had good welds in all those locations. We were able to achieve a hundred percent coverage of the flange-to-nozzle weld and we achieved a 95 percent coverage of the dome-to-flange weld. And, the remaining part of that weld we were unable to get to, due to the lifting devices that were put on the head after the original manufacturing.

Again, though, we confirmed with those that we did have very good welds in all those locations. And that information, coupled with the previous records that we had that identified that the previous owner had accepted this head and had identified that it had all the appropriate records, and the signed off co-data form from the American Nuclear Insurer, we assured ourselves that we did have a

good head and good going forward records.

As a result of the 95 percent coverage, we will be submitting our results to the NRC for their concurrence approval that we do in fact have a high level of assurance and certainty that this weld is good.

MR. JACOBSON: Bob, let me just mention briefly some of the inspection activities we've done in this regard. We've dispatched one of our nondestructive examination experts out to the Midland site and he spent a few days out there observing some of the inspections that, that FENOC was doing on the head; also reviewed all the radiographs that were done on the head. And I did also, I reviewed a good portion of the radiographs. So, that's some of the work that we've done to date.

And the next phase is going to be to review all the documentation of the head that supports the code, code and stamp that needs to be on that head in order to use it.

MR. SCHRAUDER: Thanks, John.

That's a good point. I wanted to say our nuclear inspector was present during all of these examinations also, as well as our code experts and our departmental experts.

The picture you see up there with the lifting glove. That's Lew inspecting that lifting glove and those are the

attachments that are used to lift this head off and on the reactor during service.

MR. GROBE: John, before we go on, could you characterize the results of your inspections to-date?

MR. JACOBSON: Pardon?

MR. GROBE: Could you characterize the results of your inspections to-date?

MR. JACOBSON: The results of the radiographs that we've looked at to-date were, met all code requirements; and, in fact, the weld on the flange to the dome was extremely clean, extremely good. It's one of the best welds that I've personally seen in a long time. And, I've looked at a lot of them. So, we did get that done.

We've also looked at some of the welds up on the control rod drive penetrations, and those also meet all code requirements. So, to-date, all of the nondestructive examination that we've reviewed is acceptable.

MR. SCHRAUDER: Thank you. At Midland right now our activities are centering around final cleaning and preparation for shipment of the head. This picture that you see here, is the, now there is a cover on it. This is a cover on the reactor vessel head, but this is actually the reactor vessel head being lifted off the stand that it was sitting on at Midland.

Next picture, please.

This is our opening, and that is the head stand that we had to pull out in order to be able to retrieve the head.

And in the next picture, again, the head being readied to be lowered onto a temporary transportation system to get it out to its main transport.

This is a picture of the type of transporter that we'll be using to bring the head to Davis-Besse. That head weighs about 80 tons. And this small truck that you see is about 180 feet long. We will be transporting that head for arrival at Davis-Besse prior to the date we set earlier, which is August the 1st, which would be the latest date that we would expect to have that on the site.

Now let's talk about some of the activities under way at Davis-Besse. Our reactor pressure -- our head at Davis-Besse is being repaired for removal from the containment.

This is a picture of the service structure that I spoke of earlier. The upper portion of the service structure, which we will use on the new head when it arrives. We will lift that off, that's a 40,000 pound piece of equipment that's floating through the air to its temporary resting place where it would be repaired for installation on the Davis-Besse head. And, the head now at

Davis-Besse is being properly cleaned and prepared for removal from the containment building.

We have gotten our construction packages from our vendor and we are in the process of reviewing those now. We have got the engineering packages available, and these engineering packages are the packages that we put together to open the containment and subsequently restore the containment to its full design requirements.

We are making preparations for the containment building opening itself. Again, this is a shot of the back side of our containment where we will be making approximately a 20 foot by 20 foot opening into that containment, which happens to coincide with the original construction opening in this building.

The process again for opening this containment will not be the chipping or cutting techniques that we used at Midland. This is a very high pressure water wash system, which essentially separates the cement from the aggregate in the concrete, washes it off the rebar. Then the rebar is tagged, cut and removed and replaced in its original condition when we're ready to restore the container.

We did have to do some leveling of the ground in this area in order to get our transport mechanism that will go through the containment to move the old head out and new head in. We did some ground leveling in there.

And we are in the process of right outside this, just off to the righthand side out of your view on this picture is our start-up transformer at the plant. We will tag that transformer out, disconnect it, and put protection around it so there is no way to injure that transformer during the period of time that we're under construction.

Another item that came up in our last meeting is the restoration of the pressure vessel. Again, the containment at Davis-Besse is a shield building made out of about three feet of concrete and a freestanding pressure vessel with annular space between them. Both of those obviously have to be cut to get access into the containment, moved ahead in and out. Then we have to restore that pressure vessel per code requirements.

We had indicated the last time we were here that we were contemplating doing a localized test around that restoration process, in that we had just completed an integrated test on this pressure vessel at previous outings.

Since that time, we have identified several other things that we'll be doing in containment, and we have reached the conclusion that the best thing to do is to perform an integrated leak grade test on this containment vessel when it is restored.

Those are our current plans that are incorporated

into our plan and process. Unless there are questions, that's all I have on the activities for replacing the head.

MS. LIPA: I do have one question. I walked down the area where this transformer is yesterday. What plans do you have for protection, what kinds of barrier?

MR. SCHRAUDER: The major plans are to disconnect it, and then there are coverings that will go over the bushings and the like on the transformer itself, and I believe there is going to be a scaffolding-type arrangement around it. Basically, we're protecting the major components on getting any kind of water spray or dust or aggregate into it. Make sure that -- we have to put up a large scaffolding and large platform in order to get into that. That opening is about 20 feet off the ground, 18 feet off the ground. We want to make sure that scaffolding we have up there also doesn't have, if it should happen to fall for any reason, it won't impact or harm the transformer.

MS. LIPA: Okay, thank you.

MR. GROBE: Bob, you said that you have construction procedures that have been submitted and engineering packages that are nearing completion. Could you describe in a little more detail the scope of

those construction procedures and engineering packages and what they address?

MR. SCHRAUDER: Well, the construction procedures are the procedures for opening up the containment, the detailed process on how do you go about opening up the containment.

We're looking at things in those packages, and I want to separate the construction package and the engineering package; these are each, have some element of the other.

We look at things, like the travel path for the vehicle that would bring the head in on. As you know, at a lot of nuclear plants or all the nuclear plants, there are underground piping, underground utilities there. We have to go through and assess all of those to make sure that this vehicle won't impact those.

Engineering packages includes things like the NCFR 5059 Evaluation to see if this could be done without formal approval of the NRC or whether it fits within the regulation, allows us basically to do those, if they don't change our updated safety analysis report.

Those are included in those; and the detailed engineering on, for instance, the pressure vessel itself, has equipment hanging on it as part of its design. We have to make sure that taking a 20 foot by 20 foot section out

of that pressure vessel doesn't impact its structural capabilities, and where we would need to put in reinforcing supports or the like for that. Also we analyze things like missle protection, while it's open.

MR. GROBE: Any other questions? Okay, very good. Thank you, Bob.

MR. MYERS: Thank you.

As you can see, we're making good progress on the placement head project, and we're well into the implementation phase. New head is being prepared for shipment. We've opened up our containment and the whole head has been dismounted, making good progress there.

The next area is Containment Health Plan. Jim Powers and Randy Fast would discuss that.

MR. FAST: Good afternoon. I too am excited about our new team. Today I will discuss the status of our Containment Health Plan Building Block. As you can see, the last time we met, we called this containment condition. It was focused principally on boric acid corrosion on mechanisms which encountered with our reactor vessel head; however, it became apparent that we wanted to expand the scope for all of containment to really talk about the health of everything that's within that building.

Part of that plan scope was increased to include

containment vessel, the liner evaluation. And, we have had ongoing work there. We have done an analysis. We have a team undergoing a review, a comprehensive review of the design requirements, but as well we did ultrasonic testing to ensure metal thickness and we have an interim disposition on that. However, we can do more exhaustive testing to ensure with every confidence that it meets design requirements.

We've also included environmental qualification of our equipment.

MR. GROBE: Randy, before you go on, I believe at our last meeting, one of our inspectors Mel Holmberg identified a question regarding a potential for corrosion below the concrete base mat on the inside of the, of the pressure vessel and also around the outside of the annular region. Have you done anything to evaluate that issue?

MR. FAST: That evaluation is ongoing. A team is assembled and we'll be doing comprehensive reviews, which will include all of the containment liner areas.

MR. MYERS: We have taken some action to-date.

MR. FAST: Yes. We did about 1700 ultrasonic examinations for metal thickness in the

areas that were adjacent to those areas that Mel had identified. That was our immediate corrective action; however, we're looking at all of the containment vessel for integrity.

MR. GROBE: Okay. I read in the paper this morning something that I think was already a focus of both the NRC and First Energy, that's the issue of what's referred to as MIC, or microbial induced corrosion. Could you comment on that a little bit?

MR. FAST: Well, that's something that has to be evaluated. Micrologically induced corrosion, MIC, as it's called, is a naturally occurring; and if we've had ground water in-seepage around the vessel area, that would potentially be susceptible. So, we'll have to do some evaluation and analysis to ensure that we do not have any MIC present.

MR. BERGENDAHL: We have, in fact have an individual working on that right now.

MR. POWERS: I'm taking water samples to physically look for that as well as corrosion problems.

MR. GROBE: Okay.

MR. FAST: We're aware as well it is an item that is under investigation and evaluation.

MR. GROBE: I don't believe that Mel has had a chance to come back and look at the results of your ultrasonic tests. Could you briefly summarize the results of what you found?

MR. FAST: What we did was an analysis that looked at minimum wall thickness. That vessel liner is about an inch and a half thick. We didn't see any significant degradation. There is some local surface pitting, which is just expected of a carbon steel component, but no deduction in the overall ability of the areas that we did evaluate; nothing that would require any additional remediation.

MR. GROBE: You indicated, you indicated that you were planning additional inspections. Could you characterize those?

MR. FAST: Well, I try to describe what this vessel liner looks like for our folks out in the public. If you've ever changed out a thermos bottle, the glass liner inside that bottle is effectively what our pressure vessel in the containment is like.

So, you see the concrete structure outside that extends about 240 feet above the grade elevation; 2.4 million cubic feet of volume, but within that is a steel structure much like this thermos bottle. And that's the structural integrity that ensures that under a design basis

accident, that peak pressures that would be held during that event are being contained within the containment; that is the barrier that protects the environment from a design basis accident.

So, that thermos bottle with its steel structure, the integrity of that has to be evaluated to make sure it meets design requirements.

So, part of those inspections is in the annular space. That's about a four foot wide space outside the steel liner, but inside of the concrete, the external concrete structure. We'll be building scaffolding and doing hand-over-hand reviews of the structural integrity, as well as put together some additional ultrasonic tests to make sure we meet the minimum wall requirements for pressure retention. That will extend all the way to the top of the vessel.

MR. GROBE: Okay. And, are you doing similar inspections on the inside of the containment?

MR. FAST: Yes, we are.

MR. GROBE: What sort of inspections are you planning, for lack of a better phrase, for the subterranean section of the vessel?

MR. POWERS: I'll handle that one. We did inspections on the inside where there was a

gap identified between the concrete at the base of this containment thermos bottle Randy described. Concrete was originally poured at the base on the inside and interfaced right up against the steel vessel structure.

With time that concrete has shrunk a bit and there is a narrow gap formed there, and there was concern about whether water could have gotten down into that gap. So, we went in and we did stick feeler gauges down to as much as 42 inches into that gap and found no moisture.

So, that was positive result from those initial tests, and we're going to continue further to characterize all the way down to the bottom areas what the situation is, whether there is any moisture down there, and characterize what the wall thickness is and integrity at the lower elevations.

MR. GROBE: Okay.

MR. FAST: Just to try to clarify the ultrasonic tests that we've done so far. In the area adjacent, in the lower elevation of containment where Mel identified the small annular space where the concrete had shrunk and there is some gap between the concrete and steel liner, where Jim just identified we dip sticked. On the exterior side, there is a section about a couple, three feet on the outside where there is no concrete; and we were able from the annular space to do

ultrasonic testing to be sure we had full integrity.

That would tell us if there were degradation in areas that could not be seen by the naked eye, that you would be able to tell we had full depth and integrity on the steel liner.

MR. GROBE: Okay.

MR. FAST: The other areas that we've incorporated as part of our Containment Health Environmental Qualification is we're concerned about such things as electrical equipment, such as air operated or motor operated valves. We'll be going through a comprehensive review of that equipment and other environmental qualified, to ensure that the conditions in containment, that all of that equipment is operated in or as fine a condition within its design requirements.

One of the areas that we're focusing on, this is really an industry lesson learned is the containment sump; and we're looking from a design perspective at ensuring that the emergency sump is intact and that it meets requirements. As a matter of fact, our vision of success is to improve margin.

We think there is opportunities to actually extend and improve the isolation from around the containment emergency sump. So, we have a team in place that will be looking at that as well. Looking at, where we're moving

fibrous insulation, we could impact clogging that sump. So, that will be removed from containment. We will have all metal insulation.

The other things that we're looking at is, the Decay Heat Valve Pit, which is, I'm going to call it a legacy issue. There are two motor operated valves, which are located in a pit adjacent to the emergency sump. And we have traditionally sealed those plates and done a pressure test, what we call a drop test, to ensure in a design basis condition those valves are not environmentally qualified, so we have to keep them from the flooded conditions when it exists. And we've traditionally gone in and sealed those and verified their integrity from this drop test.

But that's not a standard that we continue to operate to. So, we have a design team looking at that and we have several options under evaluation, which would include extending the operators outside of the flooded region, putting valves outside of containment, or qualifying operators that could operate under the harsh environments that would exist on design basis access.

So, all of those are being evaluated and again, our intent is to improve our margin of safety in this area.

Containment air coolers.

MR. GROBE: Tony is clearing his throat. I wanted to make sure.

MR. MENDIOLA: I did have a question.

MR. GROBE: Okay. Go ahead.

MR. MENDIOLA: I want to retreat a second. Going back to the liner for a second. Two questions I have.

MR. FAST: Yes.

MR. MENDIOLA: When you mentioned that you evaluated the inside gap between, I guess, the concrete and the inside of the liner, going down with a feeler gauge and you found no moisture, but is there any plans on sealing that gap or, or leaving the gap as found?

MR. POWERS: We're still in evaluation on that one, Tony. We're working on an overall plan about surveiling the lower elevations even below that gap area and restoring that as necessary. So, it's a detail we haven't finalized yet, but it's part of our evaluation.

MR. MENDIOLA: Okay. Then similarly, is there a similar gap on the outside of the liner, something like that's on the inside.

MR. POWERS: On the outside, there is ground water that has seeped through the concrete. It's not unusual for this to happen with any type of concrete, has small cracks in it. And what Randy

described earlier with surveiling the outside, yes, there is, there is an area or space where water can migrate alongside of the liner.

In fact, in the past, originally we did modifications in that area injecting the ground to work on sealing that, sealing that gap. And then we're going to be evaluating that as part of the overall integrity assessment of the vessel; that's going to be included.

MR. MENDIOLA: Okay, thank you.

MR. GROBE: Just feel free to clear your throat at any time.

I had just a couple of questions. Some of these activities appear to be directly related to the boric acid issue. Some of these activities appear to be unrelated.

You mentioned that the containment emergency sump, there have been questions in operating experience from other plants as well as you yourself have identified the decay heat valve pit as something that you want to look at.

Why weren't these issues identified and corrected earlier? Why are they being identified and corrected now?

MR. BERGENDAHL: Let me take a shot at that. As we're going to discuss later, the management issues, according to one of the things we're looking at is the standards of the oversight and ownership

of the power plant and programs. And as part of our new initiatives to raise the standards and clarify that we're meeting requirements is not our standard. Our standard is to exceed and do things the best.

The fresh outlook has exposed some areas where we have performed to meet requirements, and that's it. So, although that pit may have met the requirements, it doesn't meet our new standards of robust safety way.

MR. MYERS: I've been on the Davis-Besse Oversight Review Board Meetings several times over the years. We've been looking at those two issues and they're not new issues to us. So, while we're in this extended outage, why not go and take them up. Perfect opportunity to do that. That's what we're going to do. And it will give us an opportunity to gain knowledge.

MR. GROBE: Okay.

MR. FAST: Next item, our containment air coolers, and we're going through complete remediation. This is another example where our intention is to improve margin.

We've investigated the opportunity to get some coolers of higher efficiency, better thermoconductivity and we'll be doing a complete remediation of those containment air coolers. So, they will be brought up to better than as new condition; all three of those containment air coolers.

That's the comprehensive plan. We'll actually start the disassembling of those coolers next week.

MR. MYERS: Where are those?

MR. FAST: Those are the original coolers that were installed at the plant. It's like a radiator in your car, the way I would describe it for the public, obviously. And it has deteriorated over time.

It's a normal phenomenon for equipment and it's time now to go in and replace it and renew it and bring it up to standards. And in this case, we can gain, because of improvements in technology over the years, should have an opportunity to actually improve their thermo performance.

MR. DEAN: Randy, are you talking about replacing them or just refurbishing them by replacing the tubes or innards?

MR. FAST: Primarily, the design of the containment air cooler is a series of heat exchangers. And those heat exchangers were replaceable individually as a maintenance function. However, over the years they degrade, so we're going to be replacing probably 90 plus percent of those coolers. I'm trying to think how many coolers there actually are, but there are a few that have been replaced recently as part of the normal maintenance process, the old coolers were galvanized

steel. The newer ones are stainless steel. They have improved in design and improved thermoconductivity.

So, effectively when you look at it now, there are other elements of the containment air coolers. We did receive notification of motor problems and we have two brand new motors, two of the three will receive brand new motors and as well the register, the duct work have been completely reworked and will be remediated to, to as-new condition, so principally, that heat exchange will be replaced.

MR. GROBE: Okay. So, this wasn't necessarily an artifact of the boric acid situation, this was just an aging, normal aging, equipment aging?

MR. FAST: Well, there are really two factors, Jack. First is the aging, the normal aging process of equipment, but the other is, that through the trailing of boric acid, those would collect on the fins and those have been cleaned numerous times by our staff, that did take their toll, the boric acid that collected on the, on those cooling fins could be cleaned. But, that repetitive action did degrade the equipment.

MR. GROBE: It sounds like modification, not replacement for the component limit. Will there be a substantive test program, heat transfer testing program, following the replacement?

MR. FAST: One of the things we're not going into a lot of detail today is restart, post restart test plan, but all modifications for the plant will undergo an extensive testing prior to restart of the plant. So, that is, when you look at the chart or for the Restart and Post-Restart Test Plan, that comprehensive test or plan extends beyond the reactor coolant system and all the support systems, and in this case that would be tested extensively.

MR. MYERS: Jack, you asked the question, one of the things we can tell you, we could probably go out and clean these coolers up, work on them and meet the minimum requirements. We have, we have an opportunity to replacement and gain on the margin, so that's what we're going to do.

MR. GROBE: Okay.

MR. FAST: Okay, there were questions as we met last time about our inspections for systems that contained borated water outside of the containment. We talked about that, and said, where do we want to do those reviews to ensure that we have a good comprehensive review of systems outside of containment.

I mentioned here that we did roll that into our System Health Assurance Plan to insure that any systems that contain borated water are thoroughly evaluated for

their functional requirements and design capability. So, it's not part of the Containment Health Plan, however that element has been rolled into the System Health Assurance Plan.

Since we met last, we have gone through a review of our Inspector Training Program, and we actually saw opportunities to improve. As we had talked previously about inspection criteria, inspection requirements, we went back and used our systematic approach to training to review, to insure that our engineers were qualified to the right standards for the inspections that had been done.

We saw opportunities to improve it by using the systematic approach to training. Did incorporate it then, lessons learned and being able to then apply inspection techniques to civil, structural, electrical, mechanical and our Alloy 600 reviews.

So, subsequently, we revamped our training program for our engineers, and we have trained them. We have job familiarization guides that are implemented and we are in the process of reestablishing our baseline inspections and verifying inspections that were done previously were, would meet our standards of excellence.

We'll be detailing any differences between the initial inspections and the subsequent inspections. And using condition reports to identify those differences, and

they'll go into the engineering evaluation process.

MR. GROBE: I think I have two things there I want to make sure I understand it. I think I hear that you're going to reperform inspections and if you identify any deficiencies, those deficiencies will go into corrective action guidelines, condition reports, but in addition, I think I heard you say that when you identify deficiencies between your first inspection and the reinspection for the improved training that you're going to identify that difference as something to learn from, from the standpoint of the systematic approach to training. Is that, help me understand?

MR. FAST: We want to make sure that we understand that the inspections that were done, we want to see what differences there are. We see improvements in the training. In fact, the previous training program, we brought some industry experts in and tested them, and we identified shortfalls with even industry experts in their understanding and knowledge of inspection techniques. So, we've incorporated that.

We think we have an excellent training program. And we expect to see that through this reinspection, there will be some differences. And what we want to do is document those differences. Now, if we saw something that were generic in nature, we want to certainly apply that across

the board, but we will be documenting many of those differences and doing evaluation and inspection.

MR. DEAN: Randy, you characterized what it was that drove you to revise the field inspection training program?

MR. FAST: Yeah, I'll try to digress a little bit. As we originally identified our extended condition, we were focused on extended condition principally in the area of boric acid degradation through a threat of Alloy 600 components.

We adopted a standard, which was set by the American Society of Mechanical Engineers called a VT-2 Inspection. We applied that VT-2 Inspection. We had some problems, problematic problems in our inspection program. We went back, rebaseline, redeveloped that program. And as we raised standards, we self-identified that there were shortfalls, that although this would be good for credible Alloy 600 Inspections, it did not meet our inspection in other areas, such as electrical components or other structural components within the containment. So, we took on a more, I would say, full body inspection program with better criteria.

Okay, the other thing that we originally, in our original plan had inspection plans that were developed by engineering. We have subsequently rolled all of our

inspection plans into plant procedures.

Plant procedures are in hand. Have specific criteria requirements for the entry and exit from those procedures. And so part of our training program as well is on these new procedures and the use of these procedures.

As identified the validation of inspections is in progress. As well, we have now a group of independent inspectors that are as well going through, using the same criteria inspection programs that we'll be doing validation of our inspected areas.

MR. GROBE: Help me understand the word independent. Independent of what?

MR. FAST: It's not the same folks we're using principally; our engineers from design engineering and from our performance engineering, plant engineering. These are individuals that we brought into the organization with experience outside of Davis-Besse; and they were trained to our same program and they will be looking independently at the inspections and checking and verifying and validating that we've done a good job on those inspections.

MR. GROBE: I just want to make sure I understand this. When I think of the different kinds of assessments of work that's done on nuclear plants, which is what I refer to as line assessments; those were

assessments by the organization responsible for conducting the work. And then there is independent assessments that we've recently established, Vice President of Oversight, and that's a second level of independence. What kind of independence are we talking about?

MR. FAST: We actually have two pieces of independence. One is our First Energy's quality assessment and that is ongoing. So, our quality organization under Bill Pearce, the Vice President of Quality, has also been training or doing assessments, but we also brought in an external assessment organization. So, we have both internal oversight and external oversight.

MR. GROBE: Okay. The external oversight reports to the containment health team as part of that team's activities?

MR. POWERS: That's correct, yes.

MR. GROBE: Yes.

MR. POWERS: Containment health organization has a new kind of review and oversight organization, and that's part of our engineering assessment board that we've assembled consisting of outside industry experts, you know, providing oversight of all of our activities.

MR. GROBE: Okay.

MR. FAST: Since we met previously, we made significant progress in containment. As an example, we have off-loaded all of our nuclear fuels, 177 bundles have been transferred to spent fuel pool. This has allowed us now to make the record cool system more available for other inspections.

We have installed nozzle dams. We are in the process this week. We will refill the cavity. We will reinsert the import thimbles, then drain down, remove the sealing plate, remove the insulation adjacent to the reactor vessel flange, and we'll be doing thorough inspections of the tops of the nozzles adjacent to the reactor vessel itself.

After that is completed, we will also then be able to do cleaning, and as well, we are going to be installing a permanent cavity seal, which is something many plants across the country have been able to install a permanent, it's a stainless steel plate that joins the liner from the cavity to the vessel to insure that there is no leakage path, which is one of the items.

If you have a temporary seal, then you have some temporary, some minimal amount of leakage, leak path that comes down the vessel. With the permanent cavity seal, there is no leakage. Subsequently, we have no opportunity

then for any additional degradation under the vessel. So, that is part of our going forward plans.

The other things we're doing is we have mobilized a significant number of painters, went through a qualification program. We've got some pictures, some slides here that show. We currently have 20 fully qualified painters, effective in containment right now.

If you go in, you'll see these four foot by four foot squares where each painter actually went through a qualification process. That was the in-field exercise to insure that they met standards of excellence for coating. And you can see their names and Social Security numbers on the wall where we did this. And we go back subsequently and test and verify the paint is applied properly.

We have an additional 20 painters that are in the pipeline in training, and they'll be reporting to the station to help as well, and with coatings in the containment. And another 14 will come this week.

So, we have a significant number of painters, and they'll be painting the entire containment dome, and as well all of the surface areas from 603 elevation, that's the operating deck, up to the polar crane.

So, it's a nice bright white and we are in the process of prepping it right now. As a matter of fact, I was in yesterday and you can see where, you can see over

the years, many years of operation and training, just dirt and normal dust, oils and thing that have collected on the walls. Just like in your home, that can be cleaned and those areas are brighter significantly.

That's part of the preparation for the surface prep. And that's going to brighten the containment significantly, but that will demonstrate our standards and our expectations for the quality of condition of the containment. So, I'm particularly excited about that.

Additionally, we've decontaminated a significant amount of areas in containment. All of the containment air cooler duct work, which we've had people inside doing that work. We do have the containment air recirc fan running, which is redistributing air throughout the containment.

We also have a temporary cooling package, which is connected to our containment purge supply, and that is providing cooler air, so that we get better environmental conditions for the folks working inside containment.

That's made environmental conditions more favorable and really putting a lot better situation for the work that we're doing. So, we have a significant measurable progress in cleaning and housekeeping remediation in our containment.

That concludes my presentation. Any questions?

MR. THOMAS: I have one, Randy.

When they scope the evaluation for the containment air coolers --

(Requested speaker to repeat.)

MR. THOMAS: I asked if the evaluation of the grade containment, potentially degraded air coolers would include a past operability evaluation and scope of their inspection?

MR. FAST: The simple answer, Scott, is we are doing a past operability determination.

MR. THOMAS: Thank you.

MR. DEAN: Randy, I have a question about where, can you give us a sense of where you gauge the percentage of which you have completed, at least, the evaluation phase in terms of impact for the boric acid disposition containment.

MR. FAST: I try to use numbers. I believe these are accurate. Mark, if I'm wrong, you can correct me. But we have about 280 condition reports, which is actually about over 2000 individual line items that have to be dispositioned. About 30 of those have been dispositioned and turned into work orders for work that's going to occur. The rest are in some phase of evaluation and will be forthcoming.

I see a nod there, so it looks like I was pretty close.

MR. GROBE: Let me make sure I understand what you said, Randy. When you said that a certain number of your 2000 or so items of observations have been dispositioned by creating work orders, I want to make sure I understand that.

MR. FAST: Okay. There is 280 condition reports. All of the inspections that were done generated a condition report for any deviations, didn't meet our standards. Each one of those condition reports would have one or many individual items that required disposition.

Of the 280 condition reports that have been written, about 30 of those condition reports, which would be somewheres in the 15, 20 percent range, have been dispositioned. The physical work that needs to be done generates a work order. The work order is the actual maintenance process to complete the work. And those 30 are in progress.

MR. GROBE: Okay. So, you have condition records -- the focus of my question wasn't clear. I apologize.

Have the condition reports been closed out to work order, or condition reports won't be closed out until the work that's specified in the work order is completed?

MR. FAST: The condition

reports will not be closed until the work is completed and verified.

MR. DEAN: Then you would say that those 280 condition reports essentially encompass the results of the inspections. Although, the way I understand it, you still have some validation effort ongoing, but you've completed your initial inspection?

MR. FAST: That is correct, Bill. The 280 are the original inspections. I would expect it will be generating some differences, based on those reinspections.

MR. GROBE: Any other questions on Containment Health? I have a couple more.

I just want to make a couple comments. I think the Containment Health Plan is a substantial improvement from what you showed us last month. For one thing, you have detailed procedures in place for the inspections. The scope of the inspections is much more comprehensive with respect to evaluating the condition of the equipment inside containment.

Based on, again, this is just based on what you've told us, you haven't done extensive inspection in these areas, but based on what you told us, it appears that you're going beyond what, the event, the head corrosion would have caused you to do. And I think that's helpful.

Nuclear plant workers work to procedures. They understand that. Quality assurance program assures that procedures are adequate; they're adequately implemented. So, this context of detail procedures and systematic approach to training, that's a nuclear standard. Those are very good attributes of the program and assure the results of high quality activities.

I'm very encouraged to hear that you're having as part of your inspection program a separate independent look. And that's important from two standpoints. One is it's always better to have two sets of eyes than one, but secondly, quite frankly, there was a question regarding the, the standards of the workers that were making decisions in the plant. And I don't want to infer by that that all the workers at Davis-Besse don't have the right standards. That's not what I'm trying to say. But there was a question. And this will give you insight as to whether or not that is a broad question, a narrow question and what it means as far as the accuracy of your inspections. So, that's good.

I also heard you say, as I was pursuing the question of what independent inspections meant, that completely independent at Davis-Besse organization, the folks in Bill Pearce's organization are going to be doing independent assessments.

And Lew, I think it would be very healthy for us to hear Bill's staff's evaluation next time we meet on the activities that you're presenting. And, I would fully expect, let me say, I would be surprised if his evaluation is completely rosy. Hopefully, he's finding some things that continue to have done.

So, I would hope that next time we meet, not only can we hear from the staff that's doing the work, but I would like to hear from Bill's staff to get on the FENOC corporate independent assessment, the quality of the work that's going on in the field.

MR. MYERS: That would be good. We would do that.

MR. GROBE: Anything else before we move off of Containment Health?

Okay. Good. Thank you, Randy.

Marie, we've been at it for about an hour and 15 minutes; is it time for a five minute break?

MS. FRESCH: Sure.

MR. GROBE: Okay. Let's do that. The last time, we wore out her fingers.

MR. MYERS: Could I just summarize on the Containment Health Plan?

MR. GROBE: Sure.

MR. MYERS: I think once again

we demonstrated at the last meeting we were in the plan phase, doing some discovery, doing implementation or physically doing work. And, you know, we've taken on some value and expanded the program.

We're upgrading our coolers. We're extremely pleased with that. The thermo cavity seal is a major, major effort that would add a lot of value and margin to our plant; and it will produce, or does make our plant a better plant. So, we're moving to good implementation on that.

MR. GROBE: Okay. My watch says 16 after. Let's be prompt at 21 after, five minutes, and that way we can keep things moving.

(Off the record.)

MR. MYERS: The next area we would like to discuss is System Health Assurance Plan and Howard Bergendahl will do that.

MR. BERGENDAHL: Good afternoon. As Lew indicated, we are committed to the safe operation of Davis-Besse, more importantly, sustained safe operation. So, we're examining much more than the reactor vessel head and containment building. I'm going to briefly describe where we are on System Health Issues.

MR. GROBE: Just a minute. Could you please close the doors back there?

Thank you.

MR. BERGENDAHL: There is two Building Blocks we're trying to cover, The System Health Assurance Program Compliance -- and these two Building Blocks, as I indicated, are expansions over what we just described.

The first one is System Health Assurance Plan. Basically, a review of the key systems from three different perspectives. Taking an operational look, basically focusing on the needs of the operator. A second perspective would be the system reliability, and that's the system engineer's view of the system as a whole. And third is the design perspective of a system.

Now, the first one, called the Operational Readiness Review; that was the operating perspective, as I indicated. The plant manager led those reviews and they are complete. That was a team review of some key systems and review of the indicators on how that system is performing and when it's ready for safe operation.

That first cut review by Randy and some of his staff identified some of those issues I mentioned earlier that may have met compliance, but did not meet the standards for future operations. So, that produced some work activities that we had maybe identified for future implementation, pull those up to current, to current outage.

That review is complete. And, then moved on to System Readiness Review, which is a more structured review of the risk significant maintenance rule systems, focusing on material condition of the plant and including some detailed system walkdowns. And walkdowns would be done of course, with procedure.

And the results of these reviews would then be presented to an independent board, which is our Program Review Board, which is a subcommittee of the Engineering Assurance Board, which we mentioned earlier.

MS. LIPA: Howard, I have a question for you.

MR. BERGENDAHL: Yes.

MS. LIPA: On the operational readiness reviews that are complete, is that complete and identifying what needs to be worked or is all the work done?

MR. BERGENDAHL: It's complete in identifying the issues of what needs to be performed; that work has been identified, and it is not all completed.

MS. LIPA: And then are you also looking at operating workarounds as part of that review?

MR. BERGENDAHL: Yes. That was part of the perspective of what systems have operating

workarounds, outstanding modifications, things of that nature.

MS. LIPA: Okay, thank you.

MR. GROBE: That's, that's a new one for me. I wasn't aware that you were specifically looking at operator workarounds. Let me make sure I understand that.

When I think of an operator workaround, I think of things that are embedded into procedures, things are embedded into the culture of operating the system, operational characteristics of a control room of a system, as well as operational characteristics in the field; things our operators are having to work around potentially a design, not deficiency, but lack of optimal design.

Are you looking at those kinds of things, scouring through procedures, the workarounds?

MR. BERGENDAHL: Yeah. The first Operational Readiness Review that Randy chaired, he can describe it in a little more detail, but it was designed to flush out issues like you describe.

MR. FAST: Jack, what we put together in this process, 36 systems, as I recall, and five other systems, like gear operated valves, motor operated valves, breakers, things of that nature. We established criteria. Had the system engineer come to review panel,

which consists of myself, operations and engineering and maintenance folks. And we were focused on the system health.

Brought into view then the performance of the system in the past and its present health. We use criteria like operator; we have a level one, level two, and level three workaround, we track in our operations group. So, as an individual would bring in a system, they would identify any outstanding work orders on the system, modifications that were pending for it, any operator workarounds that have been established, procedures that needed to be revised or written to support system health.

And that board was really, I'm going to say, an advocacy to the system engineer in creating a form where they could bring the issues to the table and get the appropriate level of support to ensure that those items would be complete.

As we did those reviews, some of the legacy issues, I'll call them legacy issues, system engineering; we said if there were longstanding issues with problems of the performance of the system, bring those forward with your recommendations as well.

And, I'll give an example. I'm trying to be specific. Something like the high pressure injection motors. Been there since the life of the plant. Never

been taken out, sent out for complete overhaul and health check.

One of the engineers came forward and said, I would like to talk about the health of the motors and where we are and make proposals to send those out and have complete inspections done. And, we subsequently agreed and are in the process of taking those actions.

So, right now as we speak, their HPI motor is being rigged out of the building to be sent out for complete remediation.

There were other items, like items, diesel start systems. System engineer said, here's one that's pending modification. We need to put some emphasis on it. We agreed. We applied the engineering resources, and that is undergoing design, and that will be implemented as well.

Those are the kinds of things that the Operational Readiness Review did.

MR. GROBE: Let me just ask a little bit more, get into little more depth here.

Something like a motor that hasn't had a comprehensive amount of maintenance in 25 years, would that be consistent with the vendor recommendations for that motor?

MR. FAST: The original design of those motors for life of the plant was 40 years;

however, they're not outside of their design basis, but it's just prudent maintenance activity to take those out and do a health check on them.

So, we were doing the vendor recommended preventative maintenance. Those items that are required; bearings, lubrications and such, were within their period, but it's the unknown, it's the unknowns about that which really require a teardown and review.

So, they don't go through much of a duty cycle, but it is just a prudent maintenance practice. This is above and beyond what the vendor would recommend.

MR. GROBE: Okay. Let me ask a question, you just mentioned a couple specifics. This diesel air start modification; was that something that was a pending modification or was that something that had not been requested?

MR. FAST: That was a pending modification, did not have implementation plan or target date for at least in the near term. And that was an example, we said we're going to pull that forward and complete that work.

MR. GROBE: Okay. So, back to the original question, which was operator workarounds. You included in your Operational Readiness Reviews, operator workarounds that had already been identified. Did you go

through a systematic review with, or was the intent of the scope of this to find out review of the workarounds that were latent?

MR. FAST: That was not really, the focus was on system health. If there were any outstanding operating workarounds, those are tracked by the system engineer. He knows he's got a level one or level two workaround.

Our Return to Service Plan included completion of all the operator workaround activities. So, those came up and when we said, so what are we doing about this level two operator workaround, it might be that we needed to implement a minor change to the design of the system. Then we said, let's progress that, get the work order and get that out.

MR. GROBE: Okay, thank you.

MR. BERGENDAHL: Now, the next level reviewed is System Readiness Review, were more structured comprehensive. That would flush out more of the items, Jack, I think you refer to, which are not tracked as an operator workaround, but procedure aspect.

In that review, we will review the close condition reports for the last few years to see how we dealt with problems. Closed maintenance work on a plant, on a system, open and close modifications, operating experience. It's a

more structured review and it goes through a panel to independently assess the thoroughness of that review.

In addition, on the next slide, we've added a new program called the Latent Issues Review. This is a more detailed look which gets beyond even the areas I just discussed and goes into the System Health Plan design perspective as well.

This program has been used at our Beaver Valley Station. We've adopted this program and identified some systems to go after first. And ones that you see here are systems that we selected to put this thorough team review.

Now, this type of review, very broad detailed review, takes a team of people a couple weeks to perform. This review goes back and looks at the original design basis, the emergency procedures, all kinds of industry operating experience, any operability reviews that were performed, problematic risk assessment; and a very detailed look.

We selected the Reactor Coolant System, Auxiliary Feedwater System, Component Cooling Water System, Emergency Diesel Generators and the Service Water Systems in these reviews.

And we have currently assembled teams. We've put together the guidance and structure for doing these reviews, and the teams are starting reviews now. I believe

as of this week we have all the teams assembled.

MR. GROBE: Before you go on, Howard -- I'm sorry. Go ahead, Dean.

MR. DEAN: I was going to ask you, do you intend to do these design reviews or latent issue reviews in parallel or do maybe one or two and gain any lessons learned and apply that to the other ones?

MR. BERGENDAHL: We started on the Aux. Feedwater System as kind of a pilot to see if there was any process improvements that could be gained. Make sure we got the right scope and expertise.

So, we initiated that one. Did learn some things from that, and modifying our process and using that. We expected this new program would be continued to be used at Davis-Besse. It's proven itself at Beaver Valley, and it really does a good thorough job of examining the systems, going back to the original design.

So, we plan to continue this program.

MR. MYERS: Let me comment on that too. Neil Morrison is with us today. Neil was the person that spear-headed our reviews at our Beaver Valley Station for the past two or three years. How many years now?

MR. MORRISON: Two and a half years.

MR. MYERS: Two and a half years. And so there is, he's got a lot of lessons learned there, so this is not a new program for us. We're just moving it to this plant.

But if you look at where we've been spending our money at other plants, a lot of our money has been spent on a lot of things, finding these latent issue reviews. We found significant ways to improve the quality of our systems at our other plants. So, we're really excited about bringing this program to our plant. We think it's the additional margin for the plant.

MR. GROBE: Howard.

MR. BERGENDAHL: The output of these reviews again goes through the engineering assurance board to get an independent check on thoroughness and rigor on the reviews of the systems.

MR. GROBE: I've got a couple questions. It's an interesting list of systems that you're doing the Latent Issues Review on. Reactor Coolant System is clearly a focus of the shutdown of the plant; recognizing that the head is part of the Reactor Coolant System.

Auxiliary Feedwater System, Component Cooling Water Systems, Emergency Diesel Generators and Service Water Systems are normally four of the five primary systems that

I'm familiar with that comprise almost the entire risk of problems at the plant, but the fifth one is DC Power. Is that a significant risk contributor at your plant? I'm not familiar with PRA.

MR. POWERS: It's a good one. The fifth one is, Jack, the Diesel Center --

(Requested speaker to repeat.)

MR. POWERS: I'm sorry. DC is part of the Reactor Coolant System, for instance, diesel generators. The Aux. Feedwater System, Service Water and Component Cooling Water Systems.

MR. GROBE: Jim, my question was, normally when you look at say 95 percent of the risk contribution, it would come from those four systems plus DC Power. And I'm not that familiar with your risk analysis for Davis-Besse Plant. Does DC Power play a significant role in the risk contributions at Davis-Besse?

MR. MYERS: I don't know if we know the answer to that.

MR. GROBE: I don't expect you to know every answer to every question.

MR. POWERS: No, I have an answer for you. What we've done, is on the preceding level, what we have learned to do on our System Health Reviews, we've included the 1.50 DC Systems as part of

that. Those are the main systems; there were 35 of them that we are going to be going through, Jack. So, we're going to be looking at those in some level detail.

We didn't select those for the deep cut, but we think the deep cut in the five systems that we've listed here is going to tell us generally how, what the health of our systems are.

MR. GROBE: Okay.

MR. BERGENDAHL: The System Health Review will identify further evaluations that are required. We need to do a more thorough evaluation.

These systems were selected, as you indicated, important systems. A couple of them had system health indicators, indicated that we had some issues with the system in the past couple of years. And then we added a couple that our indicators show very reliable performing as well, but since they were high impact systems we added those; and allows us to validate our monitoring programs.

MR. MYERS: We still haven't answered that question; how does it affect PSA that you want us to look at. We'll give you an answer to that shortly.

MR. GROBE: Okay.

MR. BERGENDAHL: Any other questions on the system reviews?

MR. GROBE: Any other questions?

MS. LIPA: Yeah, I have one question. On the, in your plan dated July 12th, you talk about that, through these reviews you're going to identify conditions that need further evaluation that could impact the function of a system. And it sounds like a subset would be restart items. What criteria are you using to decide what items become restart items?

MR. BERGENDAHL: In our Return to Service Plan, we laid out a process. Every condition, any appliance we have will be documented on condition reports. These condition reports go through a station review board that we would send to specifically evaluate all the conditions against restart criteria. Technically, on the restart action plans. Multi-field criteria. Safety. Importance of safety -- I don't have the criteria memorized. I could get that for you, Christine.

MS. LIPA: Okay.

MR. BERGENDAHL: It's, actually we met today and we drafted a procedure for our Return to Service Plan in process -- Let me correct. Our Restart Action Plan process. And that criteria is in the procedure which we reviewed today. It will be used in that.

MS. LIPA: Okay.

MR. BERGENDAHL: It's also in the chart for that station review board, clearly documented.

MR. GROBE: Howard, have you, follow-up on Christine's question; have you done the screenings through your restart criteria and if so, how many have you determined, what's the population restart items to date?

MR. BERGENDAHL: The answer is yes, we've started. Every day, any reviews that are going on generating condition reports immediately upon identification. I'm not sure of the exact number. There is probably four hundred some odd actions that have been identified that we will get resolved prior to restart.

MR. GROBE: I think in the future meetings, Lew, one of the things we would want to do, I know that you're developing some performance indicators, I haven't peeked ahead, so I don't know if you're going to talk about that, but one of the things we want to understand in some detail is flow rates of work; what's coming in and what's going on out, and what's in the business to be worked as far as restart items, and other issues that might go into performance indicators that you developed as far as your approach toward restart.

And, I appreciate we're still very early in this process, but we're going to need to start getting into

somewhat detail in that regard. So, at future meetings, we would possibly get that sort of data and start looking at detailed future work, backlog work, accomplishment of work, things of that nature.

MR. MYERS: What we can do, is Clark is in the audience, he's a building block on our restart action list and we can start putting him up there to tackle that.

MR. GROBE: Whatever you think is necessary.

MR. MYERS: Let's do that next time.

MR. GROBE: Okay. Did you have a question?

MR. MYERS: Clark, get ready.

MR. GROBE: I had one other question regarding the Latent Issue Reviews. I understand you used these at one of your other sites in the FENOC system; really two questions.

This type of activity has been done on a number of plants, several on the east coast and midwest that I'm familiar with, but I'm sure there is others also. Have you tapped into the expertise of what's been occurring at other plants to ensure the comprehensiveness of your Latent

Issues Review?

MR. BERGENDAHL: Absolutely. The D.C. Cook Plant, gone through some pretty good reviews and we've visited that site, and we look for best practices throughout the industry, and we have adopted lessons learned from those.

MR. GROBE: Okay. Can you give me an idea of something that you might have learned from your D.C. Cook evaluation that improved your Latent Issues Review?

MR. POWERS: As a matter of fact, we are previewing not only the procedures D.C. Cook used, also the people that have come over here and are helping us now lay out the strategy. People experiencing what was done at Cook, Millstone, Salem and are using the composite of all that knowledge.

What we learned most specifically, Jack, is the level of detail to go into, we believe, that drive the FENOC Latent Issues Program another step, higher standards as part of this. It's gone quite well for us. And we have used others, past several years, but we think this process is going to go to a higher level of detail. So, we think we're on the right line.

MR. GROBE: I think Cook is a good place to go. A number of the people came from Salem,

Christie River, Oak Creek; most of them that put that program together. So, it's kind of one-stop-shopping, so to speak.

MR. MYERS: It is dependent, you know, on our steam generator -- on our head replacement. We brought people in that just replaced steam generators at the Cook Plant. We have some welders from the, that were over in the --

(Requested speaker repeat.)

MR. MYERS: We brought some craft members. We brought some experienced people, people welding rebar back on containment. So, we're looking for that kind of experience.

We're using, it's Cook is really good. There is some other places you can gain valid experience too. It's a little different for our case, like the steam generator replacement. You have to cut a hole in the containment and put that on, like we're doing to install the reactor head. It's not something that they did at Cook. See what I'm saying?

So, we're trying to get the best everywhere, and are applying some of that information that's necessary for our operation.

MR. GROBE: Okay. I had one other question on Latent Issues Reviews. I think I know

the answer to this question, but I want to make sure.

This is something that was used to some level of success at Beaver Valley and it's going to be used at Davis-Besse. Is this something that's going to become part of, say, the culture of First Energy System?

MR. BERGENDAHL: Absolutely.

MR. GROBE: That you're going to do this type of review at all the plants?

MR. MYERS: The Latent Issues Reviews. One of the operational officers, one of the things I was going to do even if I was running one of the bigger plants in the country would be to take a couple systems a year, and look at them from this latent issues effect, because to make sure that you're maintaining your design, your documentation. It's a good process, and I would use it at all of our plants. So, the answer to that is yes.

MR. GROBE: Okay, thank you.

MR. BERGENDAHL: Okay, the next two slides are just some photographs of the work that Randy indicated we initiated some work on the Decay Heat Pumps, and the next slide is just some, bringing in many additional resources, as Lew indicated, craftsmen from around the midwest to help us with the work we have going on at Davis-Besse; a lot of scaffolding to support the

inspection of containment and work activities.

So, we have a good work force out there and a lot of good work. The items that we identify are being worked off very well.

Next area is Program Compliance Plan. And, this also has two different, we call them phases. They actually parallel. Doing a program readiness review, which is a baseline of our plant programs, we will assess, based on the root cause of reactor head problems.

We identified some issues and standards and ownership and oversight, and we set up some criteria to go back and review our key programs on site, and assess them against this criteria; present those results to our independent review board; and really understand the overall compliance and implementation of health of those programs; to look at things like the qualifications of the individuals involved, the interfaces, the individual program owners have with the other groups. And again, then present those to an outside independent oversight board.

In addition, much like the Latent Issues Review, we developed a phase two or detailed program review, and Lew mentioned Neil Morrison would be working on the System Latent Issue review. We asked Neil to come over to Davis-Besse and apply that same rigor to programs. We designed a program and wrote a procedure and we're using

that procedure to do these detailed program reviews. They're in-depth systematic review of key programs.

Now, the first programs we're starting review on, the next slide shows the implementation of this program. Starts off with using it on the, the programs that were identified in our root cause and we have some issues.

Each of the programs on this list when we did our detailed root cause on the reactor head degradation, there were some issues identified on each one of these systems. So, we selected these systems to initiate our new detailed program and review on.

Now, we started a pilot, we call Probabilistic Safety Assessment Program. Since this had not been used at any of our other facilities, it was new initiative. We piloted it and thought Probabilistic Safety Assessment Program to ensure the process was sound and our assumptions and criteria were right.

We completed that pilot review, and we've moved on to the Boric Acid Corrosion Control Program, and scheduled the rest of these programs all to be put through this thorough review process prior to restart at Davis-Besse, and then we'll continue much like the Latent Issues Review to apply this problematic review to additional areas of the site.

Again, it's a good thorough look at Davis-Besse's

systems and programs. It's under way, it's identifying improvements, issues and we're following off on these issues as well.

Any questions on our Program Compliance Plan?

MR. DEAN: Howard, can you share with us some of the insights you gained from the pilot review that you referred to just a moment ago?

MR. BERGENDAHL: Yes, the pilot on the PSA, I don't have any specifics, but what we did there, is we took a program. The reviews are done by an, independent team members, we bring in from the outside of Davis-Besse. So, what we did with that, is pilot putting together a plan, bringing in the outside members, developing a report and presenting that report to the review board.

I don't know if you have any lessons learned, Jim?

MR. POWERS: I think some of the insights that we found, our pilot program, that's our Probabilistic Safety Assessment, that's one of the strengths that we have. I think at the Davis-Besse site and I think you've seen that with interface with your PSA Supervisor, Ken Berg. So, it's an opportunity to look at what is a fairly healthy program with good ownership.

Now, what we've also found is we've been moving forward with the Boric Acid Control Program and Corrective

Action Program; those are ongoing. We've made substantial progress in both of those.

That Boric Acid Corrosion Control Program, we've got a draft report, final review stages now. So, we can learn from those areas more significant areas of improvement that are required; ownership, corporate industry results; in the case of Boric Acid Corrosion Control Program.

In the Corrective Action Program, we're looking very specifically at, you know, detail regulation and how the program matches the regulation and going through lining those up one by one and every process, and there are areas of improvement there. You'll be seeing those results coming out of those. So, we're finding areas in issues that need improved.

MR. DEAN: Are you incorporating a new benchmarking relative to, for example, best industry practices, for using info to give you?

MR. POWERS: Yes. As a matter of fact, that's a good point. Kind of a key element of this. These reports as we do them are being provided to INPO, and in some cases on the detailed reserve, INPO is participating on the team.

They are set up down in Atlanta to take our reports, as we review all our programs and send them out to industry experts at other sites that they've identified where there

is good industry practices from benchmarking they've conducted, and we'll be getting feedback from those peer sites to help us improve our standards.

MR. MENDIOLA: Are these benchmarking, these lessons learned, these program improvements being reflected back to the other plants at First Energy?

MR. MYERS: Yes.

MR. GROBE: I have a couple thoughts, I guess, on System Health Assurance Plan. The Operation Readiness Reviews, the scope of that activity clearly was something that needed to be done following the situation that occurred with the head.

The System Readiness Reviews, I think some aspects of that also were direct outgrows of the lessons that you learned from the head situation.

The Latent Issues Review clearly goes beyond the depth of what would normally be expected, and I'm glad to see that you've taken these significant systems to do this Latent Issues Review. I have confidence based on your experience at Beaver Valley and the input that you're getting from outside your organization that those reviews should be of good scope.

The programs area, likewise, I think the level review reflects not only what happened during the head

corrosion event, but also some things that you're going beyond the scope of what may have been directly indicated from the initial findings of the head corrosion event. So, I think that likewise is good.

We're still in the phase of, in many of these areas of inspecting all good plants. In a couple of areas, John talked earlier about some inspection work that we've done already on a nondestructive examination we've had.

And Mel has done some early inspection work and provided substantive feedback to you on the containment, early containment health work, or extended issue work, I guess it was called at that time.

There will be substantive inspections that will be coming as you get into these in greater detail, and start completing some of this work. We'll be taking a good hard look at that, and also giving you feedback.

We're going to be working closely with your staff that are implementing these activities to make sure we understand your schedule and what activities will be ready for inspection.

We don't plan on inspecting things before they're done. We're not part of your team. We're not supporting the success of your program. We want to look at what you've accomplished, and we'll achieve our confidence based on the quality of work you do.

You've mentioned a number of occasions assessment boards and review boards. I've watched over the last several weeks as things evolved, and you've got quite a different character of outside influence on these review boards, created more review boards, structured them. In a future meeting, I would like to get some feedback from the value added, a little bit more detail on the structure of those boards, what their function is, what they're accomplishing, and also some feedback value added from those boards. What they're seeing.

Because those boards will give you a direct reflection of the quality of the work, not only that the people are doing in the field, but also the folks that review and approve that work. Because the boards shouldn't see that work until it's been through your review process, you know, in your line organization.

So, I'm hoping to get some insight from that. Hopefully, that can be on the agenda for the next meeting.

MR. MYERS: We can do that.

MR. GROBE: Okay. Any other comments on systems or programs?

Let's move on.

MR. MYERS: Before what you commented, I think the programs review is something that helps us understand that each one of our programs is a

pretty significant list of programs out there that we have best industry implementation, doing the industry implementation. It's not the minimum criteria, it's where we have the margin. And that we have good ownership, and finally that we're implementing that program properly in the field.

So, that's really the structured process to go into this whole latent issues process in and out. I note the long term, I see that as an essential building block.

The next area that we have to talk about is Management and Human Performance Excellence Plan; and particularly the Management Root Cause. I would like to introduce that.

It's hard, as folks say, to call your baby up. But, in the last meeting, I indicated that management, "Management ineffectively implemented processes, and thus failed to detect and address plant problems as opportunities arose"; especially in the forecast approach.

There is four key areas of focus that we're looking at; Ownership, Oversight, Standards, and Decision-making. And, our Boron Program does not have good ownership at the engineering level to insure that we were meeting the standards in industry, and that the requirements in our program were proper.

The oversight groups in our management team were not

properly involved with that program to insure that we have proper implementation. We're not out in the field looking at what we were doing.

When problems were found, we did not have a good questioning attitude in this boric acid issue that lead to the easy conclusions. It was easy to justify that no leaks in the past were the cause of this boron buildup. It was an easy conclusion.

Our initial management reviews have come up with some assessments that we can share, and that's that standards have existed for many years at Black River in problem solving. Our reviews are going back to the 1980's, and have indicated this lack of problem solving at the management level is something we have to work on.

Another thing we can say now is when there has been times at Davis-Besse Plant that we had strong management leadership. In the 1980's and 1990's, the trend was to properly identify problems and resolve them. So, that lack of rigor was not evident and you saw improvements in the performance.

For example, I had a supervisor tell me today that in the early 90's, Davis-Besse was setting the standards that everybody else was coming to look at. That's one of those standards we need now.

As industry hired many of our leaders at the

Davis-Besse Plant, replacements reduced strong daily involvement that resulted in a lax attitude of fixing the problems. Let's just get the problem fixed. And since you have that lack of rigor in decision-making down below, the problem came evident.

Let me say this. The Davis-Besse Plant has operated well for many years and it's still in very, very good material condition. As good as most plants in the country. However, as new problems arose, without strong upper level involvement, and the lax rigor, the decision-making process appeared to be narrowly focused in several cases that we've looked at.

Our approach has been simple. We initially assessed the root cause of the head degradation. What would cause this problem? As we did that, we also looked at some management issues. We did that because we had noted that there was a time performance at our Davis-Besse Plant. So, by going to the technical root cause, we could first give us some time to make some of the overall structure changes that we wanted to make.

For example, we created the job I'm in now, the Chief Operating Officer, to provide additional plant oversight of all three of our plants.

We created a new position, an elevated position of oversight and promoted Bill Pearce. We brought in Harry

Light, an executive from the Institute of Nuclear Power Operations to be our Executive Officer of Engineering. We need that time to make those strong implement changes.

We brought in a new group of executives from the industry to provide us as a management team with some insight on the types of problems we might be encountering. And they gave us a tremendous amount of insight. Several VP's from several top notch utilities came in.

I was personally moved to the Davis-Besse Plant, so we could ensure that we had plans and organization to return Davis-Besse back to service in a safe and reliable manner. And I plan to devote a significant amount of my time until I feel confident that our performance would be sustainable.

I chartered the Root Cause Team to look at the management issues. Steve Loehlein will now discuss with you the methodology we've gone through.

MR. LOEHLEIN: Thank you, Lew.

Lew mentioned to you the AIT's report and our own technical cause report talked about degradation of the head over the years. What we're doing now, is caused now, is looking at the why; why this happened over a period of years, that this was not identified and dealt with.

I would like to say first to you, Jack, this team that we have working on this particular issue really

understands how important the answer to this problem statement is, because we know we can assure that the right solutions are pursued so the plant will be able to sustain safe performance.

Now, Lew mentioned earlier some of the assessments have already been done by various industry leaders. And they do provide a lot of understanding to many of the performance shortcomings. What we're really doing in this process is assuring that we're digging down.

Our objective is to compliment the effort that has been taken on so far by applying the rigorous root cause analysis technique, and that will ensure that they're more subtle nonetheless very important causes for this upcoming overall project.

Next slide.

We have our Root Cause Team in the front row. I would like to ask them to stand. It's a group, I'll tell you who they are. We have from our Perry Plant, we have Mario Destafano and Bill Babiak. In our Quality Assurance Organization there, we have Bill Mugge, Bobby Vallines and Joe Sturdavant, who are all Davis-Besse men.

We have a couple of experts from Conger and Elsea, Lesley Wildfong and Dick Smith. Now Conger and Elsea is the company that developed the Root Cause Analysis Technique that we're using to develop about 20 years ago.

It's been used on a lot of very significant investigations, including the challenge.

Final member we have here is Doctor Spyros Traiforos, who was with us for many months also. We use his analysis technique.

Now, the team -- oh, I'm sorry, I missed my own, my comrade from Beaver Valley is Randy Rossomme. You forget our own. Randy is from Beaver Valley in our Quality Assurance.

And myself, I'm also with Beaver Valley. I was Technical Lead. My title at Beaver Valley is Principal Nuclear Consultant.

MR. GROBE: Steve, if you could get those names to our stenographer, I'm sure that would help her.

MR. LOEHLEIN: I'm sure they can, some of those aren't easy to spell.

It's a balanced team. What we're looking for, a continuity for Technical Root Cause, which is one of the main reasons I'm on the team. We have process expertise from outside consultants. We brought in the objectivity of off-site personnel.

Then, we wanted to make sure we included the ownership factor of on-site personnel. There are people that need to be a part of this team, carry the message

forward to the rest of the team, if you want quality by example. People that really know firsthand, understand what we found, what it means to the organization. More or less be disciples to the rest of the organization.

Now, not members of the team, but also helping us are some oversight folks for us. We had Tony Maschari, who has worked with nuclear power, excellent in human performance. He's not been down to the site. I believe he plans to be down sometime in the future.

Leonard Rone, an organizational effectiveness expert that met last week with us, and he's providing us with insights as well.

Next slide.

We have a few photos here. We don't have all the team members in the upper photo, what we have in the room at this time. Here you see us working on a discussion topic. That's Lesley standing there, I'm sure making a point about the process.

This is approach. Again, Lew mentioned earlier the Technical Root Cause results. The Technical Root Cause pointed us in a couple of specific directions. One is the errors in the decision-making occurred over a lengthy period. We saw that there were opportunities to do various things over about ten years that were missed. And that has caused us to recognize that the timeline is also therefore

lengthening that we need to consider.

The other thing that was important on a Technical Root Cause was we had other plant indications that have allowed earlier detection on a problem. These were not properly understood or acted upon.

So, from those key understandings we're investigating four major areas. One is the head itself. Focus there to why wasn't the significance of the boric acid buildup on the head recognized.

The next item there is pressurizer spray valve. For any of you that read the Technical Root Cause Investigation, there was an issue with boric acid pressure, on the pressurizer spray valve in 1998 for which the plant took a number of significant actions to try to gain an understanding of the site focus, and guard for boric acid. Yet somehow the effectiveness of the actions taken there were not accurate to ensure that we identified the problem on the head in the 2000 time frame.

We wish we had an opportunity at the time we were reviewing that to regard that as significant issue to look into.

The third one is the condition of the Containment Air Coolers. The question asked was why wasn't the significance of the increasing frequency and cleaning of these coolers recognized.

And the last major one listed there is similar. It's the Radiation Monitor Filters, also the Technical Root Cause of the monitors filters for them, were developing clogging, boric acid, iron oxide; and why wasn't the significance of that, that happening recognized.

Next slide, please.

We're using an in-depth approach on this, does take some time, developing event and causal factors chart, and we'll see a piece of that on the overhead here. We're also using a hazard barrier target analysis technique in conjunction with that.

The analysis process that we're using is referred to as MORT. It stands for Management Oversight and Risk Tree Technique. That has a number of sections; one on the right side of the tree analysis chart that's designated as Management Time Issues.

We've identified five key sections of that MORT style analysis that we think are relevant here. One is Technical Information Systems that are listed there. One, I'll speak to for this.

I know the NRC, many of you are probably familiar at NRC, used MORT yourself quite often over the years, many of your trainings referring to it. But for those of you who are unfamiliar with it, if I were to pick one of these out, so management support oversight people understand why this

tree concept works.

If you look at management's role, this process per se, management has three primary branches in our obligations. One is to set policy or establish standards. The next would be their responsibility to implement those standards. And then the third major branch would be the concept of managing risks.

Now, if you took that concept of managing risks and looked at its branches, and set three branches to that, would be information systems. How does management get information it needs to understand what the risks are.

Then there is a process that evaluates called hazard analysis. Now, that's the process you have in place to make sure whatever happens out there you're evaluating correctly, so it can be understood.

And the third branch to that particular process is program monitoring, that the programs you have in place inform you and analyze the risks are effective in doing that for you.

So, it's a very detailed analysis technique, which is designed to see exactly where in these processes the errors occur. As we get down through the conclusions of them, we'll develop recommendations for consideration.

Next slide.

I can't see it very well, but from the copy I have

here, that upper left-hand photo shows really the cause factors chart going down the lefthand side. What it shows there is the information we collected for 1997 up to the present.

We do have data points that go all the way back to the early 80's, but that's because that's when the first industry information came out regarding boric acid and how it may affect the fasteners. So, we don't have a lot of data that far back, but we're being thorough in going down all the trails in relating to these issues and sections that we're investigating.

So far, we have information from 69 interviews, and well over 300 documents that are supplying the information for this. The second photo shows, giving us a little tour of the work chart.

Next slide.

As Lew mentioned earlier, we have from the information we have, the understanding we have been able to work with, at least, we've talked to Lew about other management team, these management attributes, management oversight-type things, been at the site. I pointed out a lot of things, but we've also seen management attribute factors that represent things that the site can work on in terms of prebaseline proper standards and staff. And these are the insights we have clearly from our data.

As we mentioned earlier, we have had standards and for years have lacked rigor. That strong management and leadership has been able to have the right things happen, and performance of the plant has been good in those periods. There has been lack of management oversight that resulted in lax rigor in process implementation, and the questioning attitude in some cases is not evident as well.

So, the actual work analysis is continuing. It's pretty short timeframe, but we're working right along. I can't take too long on getting certain things done. It doesn't work that way, but for now these are our insights.

Lew, I'll go back to you.

MR. MYERS: Thank you.

MR. GROBE: Before we go on, we have a few questions.

Christine.

MS. LIPA: An obvious question, and I'm sure there is no answer yet, you know, the timeline for when you're going to start putting some actions into place, because that will be important that we decide how to do our inspections on those various tasks. What's your estimate at this point?

MR. LOEHLEIN: What we're doing right now, that's why we're working so close with Lew. So much what we're doing now is, represents what we call

baseline proper standards, plus information out there on the performance, can be measured as seen by, in forming plans.

We need to do these conclusions and see what sort of adjustments we have to make to those plans for any other results we may conclude.

MR. MYERS: I think the report will be this month.

MR. LOEHLEIN: We're expecting it. Again, root cause, iron clad prediction on when we're to be done, but we're expecting to be done with our analysis and conclusions at the end of the month, and that's where we are.

MS. LIPA: You plan to submit that to us?

MR. MYERS: Yes.

MR. DEAN: Lew, this question is not for you, but Steve. Clearly, you can take some preliminary insights, and I'm sure they jive pretty well, you know, even with what we do; conclusions you come to just by seeing what transpired and how you get where you've got.

Are there actions being taken now in terms of rebaseline proper standards, but the things that we talked about earlier, your revamped management team in terms of

driving those sort of standards and expectations down?

MR. MYERS: Yes, they are. I'm going to talk about some of those in closing remarks. As you said, we've made management changes, restructured some, brought in people already, created some additional oversight and a few positions; myself and Gary, and Bill Pearce. So, we are taking actions as we move forward. We're very conscious about the actions we're taking not being negative actions, you know. So, yes.

MR. GROBE: I have to say, I'm still frustrated in this area. I have a great deal of confidence that once you apply yourselves, the technical problems and the systems area and reactor head and containment setup condition and all those things, that you can do that work well, but safe restart, and more importantly, safe operations after restart on a continuing basis, is key in this area.

And, these preliminary insights, while I know that you have more data to support them, these insights today, we could have probably sat down a week after the discovery of the cavity and come up with these issues.

And like I said, Steve, I know you have a lot more data to support these issues and will be developing further insights, but this is the key in my mind, to long term improvement of the plant. And it's also the key to

restart, along with all of the mechanical processes that you're going through the systems.

Christine asked a question, and maybe I'm just asking the same question again. When are we going to have a clear understanding of specific actions; what your expectations are as a result of those actions, what your, how you're going to measure progress in those areas, what performance indicators you're going to use on how performance in these areas are changing?

Before you answer that, let me just add one more, one more thought. Some of these issues deal with management, some of them deal with staff. Clearly, you've made a substantial change in your leadership team, your senior leadership team, but day in and day out every individual in the plant has to be a leader for excellence.

And, the first level of oversight doesn't come from management. It comes from first line supervisor, maintenance foreman, the field operator is overseeing implementation work by other operators. I don't see anything in here regarding that level. Could you speak to those issues a little bit?

MR. MYERS: Yes. Let me go through my closing remarks a little bit. I think that will answer these questions.

I think we've demonstrated today that our Building

Blocks have moved from the planning, discovery and into the implementation phase in many areas. Okay.

We have taken strong actions to incorporate the comments from our Restart Overview Panel, the meetings we have had with the NRC and the comments we've heard since the last meeting.

We are taking management actions that are substantial and demonstrative.

Let me explain that. As I said, we created a new position of Chief Operating Officer, so that we would have more day-in day-out involvement in making sure standards between our staffs are fine.

Let me give you an example. At our other two plants, we're running the same process in corrective action. And when we ask for operability determination, inoperability determination; at Davis-Besse it was inoperability justification.

That minor difference sent the wrong message. We created the executive, the position of Executive Vice President in Gary Leidich. And then we created VP of Oversight. Those were all pretty substantial changes at the senior level. New senior management team, and a strong management team is now present with, every day at our Davis-Besse Plant with proven leadership. And we've clearly shown that, when we have the strong leadership at

the plant that's involved with everyday activities, that the performance of the plant is efficient.

We've brought Mike Ross in, just at the end of the table, to focus on the operations area. We've already chartered mine. We evaluate attributes of every operator at our station, until we have the right attributes for each position; from nonlicensed operator, to the licensed operator, to the, to the control advisors, he's charting that activity.

We're providing a case study with all of our employees that sets expectation that change of ownership and standards need to be made. We're sitting down with your boards and spending a lot of time in that effort. We will be going back and evaluating each of our employees to our standards. We're rebaselining our standards; do we have the right standards.

I've seen some cases where I thought some of the leadership action standards, if you will, that we've had in place, have deteriorated. We're going to rebaseline those standards. And they will clearly learn, monitor and reinforce those standards at supervisor and manager levels to make sure they understand and they can comply. It's that simple.

We've created a new engineering standards of excellence already. That will be a model for each of our

groups. We created a new Engineering Assessment Board. We intend to use that board, it's in their charter to provide you the input you need to know about the quality of the work. And, we'll continue to do that in other areas.

The Plant Manager, Randy Fast, is now chairing our Corrective Action Review Board. In my mind, this is the most important program at our plant. And I intend to have Randy provide me detailed performance indicators on the, on the thoroughness of corrective action from that board.

How many comments do they have to make for our standards and how many outages have they checked. But Randy is going to charter that board. That's not short term. I consider that permanent.

The new operations of leadership to ensure the plant operational focus is absolutely necessary. It was missing in this, this whole issue over the years. It was ours. And if you look, we brought in Mike Ross, and we chartered him to provide us indications that we have the right performance modeling tools in assessing the office of the organization. That's his charge.

We need, have to build teamwork between our managers, supervisors, and line workers. If we can't get that done, then we probably won't be ready to restart; not ever for restart. So, we have to be all on the same page.

At our next meetings, we intend to provide you

performance indicators on how each one of these actions are taking place. What's the effects. What are we seeing from the Corrective Action Program, Engineering Assessment Board, and what are we seeing out of the Oversight Review Boards that we put in place, some on a temporary basis.

But we consider Engineering Overview Board a permanent fixture. I don't see those ever going away. Who continue to be committed to comprehensive approach to ensure the Davis-Besse Plant is safe and reliable, and once again, we will make sure that we will have sustainable performance. We want to let you know that.

That's what I have to say.

MR. GROBE: Okay. Any questions?

Okay. Before we go on to the next session of the agenda, which is discussing the framework for restart checklist, I think it's appropriate for a couple comments right now.

This has been a very comprehensive presentation on the status of a variety of activities. I think over the past month we've seen a substantive change in the focus and scope on a number of the activities. And that's been the result of your assessments of what you're doing and how you're going to accomplish it. It's been the result of some input from our staff, as well as some input from

outside influences. And, I think that's very healthy.

The area as I mentioned a moment ago; many of these activities in the management performance area were clearly future tense activities. I'm eager to get into some more detail in this area, to understand specifics of what these activities look like, how you measuring them, what your expected outcomes are on specific activities, and what your personal restart criteria are going to be in these areas. And, I think this is very important.

At this time, John?

He's good. Let's move on.

I wanted to provide framework, clearly comprehensive framework for the NRC Restart Checklist. Obviously, you've got your, one of your Building Blocks here at your restart plan, specific criteria for whatever items that need to be resolved from restart, whatever items that possibly can be deferred until restart. I suspect before you're done, you already have a, many hundreds of items identified that you're going to screen, and probably several hundreds that you've probably already identified that are a result of restart.

Our research in this has to be much simpler. And it's going to have a framework that covers a number of areas. Obviously, we have to see root cause, is very important. The adequacy of structured systems and

components hardware in the plant. We've added some programs.

This is, our restart checklist is to a large extent going to mirror your restart plan. Adequacy of organizational effectiveness in performance.

As I mentioned a few moments ago. I personally strongly believe that the first line supervisor is the key to the long term exceptional performance. And this is written a little bit different than what yours is, management effective. We've structured this more I think broadly organizational factors. And, sub items we're going to get into in a little detail.

Readiness for restart, what we're going to be looking at in several areas, both the hardware as well as the people, and licensing issues. And, as this restart checklist involves, and I'm going to talk about a couple of these sections in more detail; Christine is going to talk about one or two; Bill is going to be talking about one of the sections.

But as the checklist gets formulated, and is issued by the NRC, it's important that we have a clear understanding of the specific items. And I think as you've gone through your structuring and restart plan, you can find a very close alignment. We can provide you with a lot of feedback. And I think it's going to naturally meld

together, because the issues that are important to us, we've been identifying the issues that you've identified or reports have been good.

So, I expect there will be a clear alignment. One of the purposes of publishing the restart checklist. There is actually two purposes. One is a very clear communication between us of what the expectations are. I would say minimum expectations on prior to restart. We would like to go far beyond these specific activities in a number of areas. And secondly, to clearly indicate to the public what the NRC expectations are prior to restart.

Let me talk a little about bit root cause. We've received documents from you regarding what I'll call technical recalls. And Steve, you mentioned that earlier. It was called something different. I think it was actually called root cause analysis, but didn't go into the level of detail that Steve's team is using today, more to his industry recognized processes at this point, which many of our staff do.

It's very solid approach to identifying all the organizational factors in the problem, so I'm certainly looking forward to that. The technical response is specifically focused in two areas, that's cracking, penetration, corrosion, what caused that, what contributed to it. That was presented, I believe, on May 7th at

headquarters, public meeting to the NRC staff and other folks. I think that's very well understood and we were completing our evaluation of that part of the root cause and that would be published and when we complete our review, we will provide that to you.

The second area of the reconnaissance, what I refer to as the software side, that's the organizational programmatic and people, and obviously, you haven't had your review yet, so we haven't performed our formal review of the facility; and we'll be doing that.

Christine, I think, has some scope of the advocates of the systems out, to go over there.

MS. LIPA: Sure, let me just talk a little bit in general about the checklist we have. I don't know if you guys got a copy of it. It was in our handouts and we can't see the projector.

But this is, we're calling this a framework for the checklist. This is not the checklist. And the panel is working to develop the checklist based on some of the things Jack referred to in root cause, AIT Inspection results and other items.

Then, once the checklist is developed and approved by the panel, it would be reviewed and approved by agents and management. So, this is the framework for today. We'll get you a handout.

The first item that I have on here, 2 A, is the Reactor Pressure Vessel Head Replacement. John gave you some details earlier on some of the inspections that have already been started. The inspections will continue.

The second item is Containment Vessel Restoration Following The RPV Head Replacement and obviously opening the containment and reclosing and testing as part of that inspection that we'll be doing.

The third one are Structures, Systems and Components Inside Containment; and it's really similar to the presentation you gave earlier. The things that we're interested in are some of the things you're interested in. What damage might have been done to various components within the containment head as a result of the boric acid.

That includes equipment, electrical equipment, mechanical equipment, environmental qualification for some of that equipment, the containment air coolers and the radiation monitors. We'll also be taking look at the monitor plan on the sump and fibrous insulation issue.

And then the final supplement in this area, our Systems Outside Containment. Specifically systems that contain borated water and also some of your important systems determined by your managerial criteria.

That's how we intend to approach this area.

Jack?

MR. GROBE: I just wanted to comment. These are broad categories. When we describe as framework; specific inspection, the scope of inspection in each of these areas will be different. They will be dependent upon the root causes of what resulted in the head degradation issue at Davis-Besse.

The reason we haven't presented this checklist earlier is that I didn't want to be in a position to find what was necessary. You've been working through a number of these areas. You've evolved over the last month, month and a half, and I want to be sure there was, you had a clear vision of what you thought was important.

We've provided feedback already in a number of these areas. Also done a variety of inspection activities; Mel Holmberg on the structure systems and components; John and, Don Jones have done a number of inspections regarding vessel head replacement in the area, nondestructive examination; and we've already laid out the inspection plan for the, what we're planning on looking at with respect to the, the code records for the necessary vessel head.

Shortly after we finalized this checklist, which I expect in the next week or two, we'll be finalizing our inspection plans, and get that schedule to you as well as some detail on the scope of the inspection.

Schedule obviously is dictated by you. We can't

inspect anything until you've completed work. And, we may be able to do some, or some inspections have to be done in process. For example, nondestructive examination inspection had to be done in process and that's already been completed.

So, as we begin to develop the inspection scopes at least, we will be clearly communicating that to you. The leaders in each of these areas will be working closely with your staff. I understand your schedule and my staff's, watch the progress in those areas and be able to step in and do our inspection at the appropriate times.

I think Bill was next going to talk about problematic areas.

MR. DEAN: Very briefly. I think it would probably seem a pretty good matchup here in terms of programs that we're interested in looking at are relative to the ones that you identified yourself here today. Clearly, the basis of looking at these is that we need to assure ourselves that the Licensee are assessing your programs and they are in a self-critical manner; and putting in place effective corrective actions which would ensure those programs are effective in the future.

You will participate in assessment of the accuracy of some of the programs. The one there that is a bit of a delta is items received as audit and self-assessment

programs. And our intent there is that, we believe that we can look at organizationally how do you put in place, say, a process by which you have independent and organization itself critical process, and that the results that emanated from that process are treated appropriately.

So, that's one that's a bit of a delta that you have to provide us here today.

MR. GROBE: Thanks. I think that's a real good point. We view corrective action program, an operating experience program, a self-assessment program as really part of the corrective action program; and, to be completely effective, it requires a number of components, and we've separated that out in our checklist.

You're taking actions in all of these areas. It's just that you haven't specifically defined in your programmatic reviews things quite the same way as we have here.

I was going to talk a little bit about organizational effectiveness. This is the area you probably won't get a lot of specificity from our checklist at this point, but there are no NRC requirements in this area. The organizational effectiveness and human performance are actually critical safe operations. The detailed look at this is going to be driven by, to a large extent, by what you choose to do in this area.

The results of this activity, of your effectiveness in this area would be directly reflected in all of the other inspections. And, organizational effectiveness, human performance, will be measured by your performance in all these other areas.

So, I will be closely monitoring activities, as well as the outcomes of those, as the organization performs during its approach to the restart.

The next area is Readiness for Restart, and I would expect that the Systems Readiness for Restart is different than your System Reviews. That's more akin to what you may call a checklist. It's part of the systems in an operational configuration for operations.

Operations Readiness for Restart is an operational organization of people. Operations, are they ready to make the transition from shutdown plant to operating plant. And obviously, test program, a number of activities that are going to be accomplished both prior to restart as well as during restart process, accomplish testing.

So, those are the three focus areas or the framework for the restart.

I'm going to ask Doug Pickett to talk a little about the licensing issues, and I'll wrap it up.

Doug.

MR. PICKETT: Okay, regarding the new

reactor vessel head, there is a number of licensing issues. This is where we require approval prior to restart. And all the issues under item 6 are basically documentation issues of paperwork, if you will. They shouldn't require any modifications or plant repairs.

The first four items are basically requests from the NRC code. The next are the spec requirements, and they allow us --

(Requested speaker to repeat)

MR. PICKETT: The regulations allow the staff to accept alternatives to the ASME Code, providing the staff is convinced there is an equivalent level of safety. Staff makes at times findings on all plants.

The item 6e, is documentation of the reconciliation between ASME Code, the new Midland Reactor Pressure Vessel Head.

And the final item is additional documentation provided on Verification of Technical Specification Pressure/Temperature Curves for New Vesssel Head.

And, your staff is aware of these issues, and it's my understanding that you're preparing letters for the staff's review, and we should see those shortly.

MR. SCHRAUDER: That's correct.

MR. GROBE: Okay.
Thanks, Doug.
I believe that -- well, all of these areas are fluid. We're going to shortly tie down what we believe to be the restart checklist in the NRC perspective.
As Christine mentioned a few moments ago, once the panel finalizes what it thinks should be on the restart checklist, that will be by Jim Dyer, Regional Administrator in Region 3 in Chicago, as well as Sam Collins, the Director of the Office of Nuclear Reactor Regulations. And, not until they approve it will we issue it to you and to the public.
I wanted to go into some detail today just to give you a scope and framework for what we're looking at from the restart checklist perspective.
One area that may have the most validity is the Licensing Issues Resolution. There may be other activities that come up that require either substantial safety regulations, or licensing actions as you go through all your system reviews. And certainly licensing actions are something we would have to take a significant safety evaluation, and complex safety evaluations, we'd likely take a look at also.
So, that area is going to be somewhat fluid as things evolve over the last couple of months. The other

areas likewise can also have issues added to them. It depends on the significance of the issue. We're going to be identifying a lot of things. I wouldn't expect many of them to appear on this checklist, but if it's something of particularly significance, the checklist would be updated and they would be added to the checklist.

This is the first time I've shown this to you. I wanted to get it out on the table and make sure you had a clear understanding and respond to any questions you may have regarding this framework.

Any questions from your side?

MR. BERGENDAHL: Give an example, like something that is systems outside containment.

MR. GROBE: Sure. The one specific issue, again restart checklist should be driven from issues that result in the shutdown. So, clearly systems containing boric acid. Water has boric acid in it. I want you to focus for those constant factors.

But in addition, many of these areas; the organizational effectiveness on human performance characteristics that were, that resulted in head degradation, may have resulted in other system degradation. And so, we're going to have to see in that area also.

I can't give you scope of the inspection at this

point, but I can tell you that we would be scanning a variety of the work that you're doing in the area of your system reviews, as well as some independent work. Areas that you may not have done to benchmark the quality of work that you have completed.

So, does that help out?

MR. BERGENDAHL: Yeah, I understand that.

MR. GROBE: Other questions?

Okay. Very good.

Lew, do you have any concluding remarks before we finish the business portion of the meeting?

MR. MYERS: Well, I thought this was a productive meeting. I think we accomplished our desired items. What I heard was next time we will have Bill Pearce here to talk about oversight; Clark Ross will give us performance indicators and work off curves and what we're doing and what we're identifying, have that at the next meeting. And finally, on a management issue, focus on the actions we're going to take and how we're going to, the amount of the effectiveness of the actions. Okay?

MR. GROBE: Sure.

MR. MYERS: Okay.

MR. GROBE: Let me add one or two things to that, just to make sure you have a complete

list.

MR. MYERS: Okay.

MR. GROBE: I think we talked about the oversight boards. And, did you mention that, value, they're adding what their function is?

MR. MYERS: Right.

MR. GROBE: And also, I would like to hear specifically about some of the more substantive issues that your activities have identified. So, that's more of a specific finding focus discussion. So, not only the performance indicators, or how many things that you're finding and how many things you're working on, that sort of thing, but also some specifics on more specific issues.

And, as we go through and inspect those activities, we'll also be presenting these meetings on special findings. So, we'll be discussing results of our inspections.

So, I think that's kind of a healthy going-forward spectrum for these meetings. Performance indicators, work progress, specific findings that you have, value added oversight boards, value added from Bill Pearce's staff and oversight, and then we'll give you our feedback as we have from the results of our inspections.

MR. MYERS: You know, I think

if you look at the event, and we had our first meeting, this is our third; I think we made good progress for the last meeting, and this meeting I think, I believe we've moved into implementation, and now we're going to go into really good monitoring of some of these things we're talking about. We'll be ready to do that the next time. I don't see any problem.

MR. GROBE: Just a final thought. I've, over the last couple of months, I've seen an evolution in your approach towards this project. Clearly, what you've articulated here today is a more comprehensive and more thorough evaluation than what might be the minimum mandated by the, the issues contributed to the head degradation. And I think also clearly what you've articulated today is commitment to go beyond those issues as far as improving not only the reliability of the plant, but safety of the plant and margins to safety.

So I think those are good, good indicators. And, you also presented today some, in the area of the head, specifically head replacement and substantive problems. And we've been inspecting those activities and found good results from your work, as far as the work that you've done.

So, I think this meeting has been helpful to us. It's been fairly comprehensive. It's been giving us a good

benchmark where you're at, and going. And we look forward to our next meeting, which I expect would be around the middle of the month, next month. And we'll work out that schedule with your staff.

MR. MYERS: Thank you.

MR. GROBE: At this point, why don't we take a eight minute break, which I expect will be ten by the time everybody gets back in their seats; give Marie a break; and then we'll convene the public portion of this meeting where we can receive questions from the public; NRC staff can receive questions from the public, as well as any feedback that you may have that you want to share with us.

So, we will be convened. I have five minutes until. Let's convene at three minutes after. Thank you.

(Off the record.)

MR. GROBE: This portion of the meeting is particularly focused on the NRC staff receiving input and feedback from the public. And there is a pad of paper on the podium up here, as well as the microphone.

And I would like to begin with any local members of the community in the Oak Harbor area, in the areas surrounding the Davis-Besse Plant as well as any local officials that have thoughts or questions that they want to ask, and then move into any other individuals that have

thoughts or questions.

So, anybody that's interested in providing us some thoughts or comments or has a question, please come up to the podium, and we're available to answer those.

I didn't think you'd miss a chance at this.

HOWARD WHITCOMB: I guess I have to lead it off, Jack.

In follow-up to your comment that you made about first-line supervision, I would offer the following observation. This afternoon, I've heard essentially two prongs, if you will. One is a technical fix to the corroded reactor vessel head and then the other is the software fix or management fix involving the root cause analysis determination, so forth.

What's been provided by First Energy this afternoon is a time frame for the technical fix. What has not been provided is a time frame for the management fix. Clearly, the technical issue is probably the least significant, but I haven't this afternoon, Mr. Grobe, heard First Energy's first prioritization of the management issues.

In other words, what are the root cause determinations? Why did they occur? And how is First Energy going to address them to prevent recurrence? And this afternoon, we haven't heard anything with respect to what priority First Energy has attached to that aspect and

how that's going to essentially factor into restart of the Davis-Besse Plant.

MR. GROBE: Okay. Excellent question. I think I heard two parts. I think both Christine and I had asked very similar questions today.

You're correct that the root cause analysis is not complete. The specific structure of what activities need to be taken by the plant has not yet been decided by the plant. And, we're here to get those also and look forward to those more detailed specifics at our next meeting next month.

The other question I think is also a fair question, and it's not one for me to answer, but I would ask Lew or Howard if they want to comment on what priority you place on the, addressing the causal factors of more on the human performance organization effectiveness as contrasted with the priority placed on the hardware fixes?

MR. MYERS: Well, in my mind, the management issues, I'm sponsor to the management issues, is pretty high priority. That's the reason I am the sponsor, because we realize we've had, we've made some pretty significant organizational changes already at the upper levels. We've improved the senior team at the station, has changed considerably.

As we go through finish up with the work processes,

we'll probably find some additional insights of training and standards that we need to take. And then finally the programs reviews.

As you go through these program reviews, we've got to make sure we've got good industry standards on our programs, that we have good ownership of our programs, and we have to go on to monitor implementation of each and every program. We're going to do that. I don't know that every one of those is required before restart, but we're certainly going to look at our programs very hard for restart.

And the final thing is our independent review board that I talked about. We won't restart the plant until that board thinks we're ready to go.

MR. GROBE: Okay. Anything else, Howard?

HOWARD WHITCOMB: No, that should do it.

MR. GROBE: Okay, thank you.

I did realize that I had forgotten to introduce one NRC staff member that is here today. And, I thought he had left. So, I was really feeling badly, but I just noticed that he came back in the room. So, let me take this opportunity to introduce Marty Farber.

Marty, where did you go? There he is over in the

back.

Marty is a very experienced inspector in the Region 3 office. Outstanding performer for us. And he has taken on the responsibility to be a leader on the, what we call, the AIT follow-up inspection. He's been working in Regional office for several weeks and is on-site this week bringing focus on the AIT findings, as far as the, whether those findings or which of those findings represent regulatory violations and what the significance of those violations are.

So, over the next couple of weeks, I expect Marty and possibly some other staff from Region 3 support will be completing the AIT follow-up inspection.

I didn't want to miss the opportunities to introduce Marty. So, I apologize Marty for not catching you earlier. You were on my list and I missed you.

Are there other members of the Oak Harbor community that have questions or comments?

Any elected officials that have questions or public officials that have questions?

Okay. Very good.

Are there other members in the audience today that have questions for us or comments that they want us to consider?

Yes, sir?

JOHN MILLER: My name is John Miller. I'm a reporter.

Mr. Grobe, if you were king, what would you do about the notion of the safety culture of the emphasis you put today on first line supervisors having the kind of safety attitude so that they catch problems as they arise rather than pinning the safety of the plant only on the senior management in some kind of bureaucratic process of CRs that would, that would find problems?

In other words, what do you think ought to be happening, not only at this plant, but around the industry in this matter of training or evaluating safety culture?

MR. GROBE: That's a big question. First off, let me take a step back. Our inspection program is built upon a number of fundamentals.

And, Bill, maybe you can, as I go through a couple things, maybe you can think through this and provide some additional thoughts.

We have characteristics in our inspection program, which we call cross-cutting issues. And what cross-cutting issue means is, it's something that affects safety performance across the plant in any of the various safety cornerstones, is what we're calling them.

One of the cross-cutting issues is Human Performance, and it's the focus of our inspection program.

Second cross-cutting issue is the Corrective Action Program, and safety culture of the plant. What we sometimes refer to as the safety conscious work environment.

These issues are underpinning issues for our entire inspection program, and we have a number of activities that we conduct that focus on those. One of them has to do with periodic, what we refer to as problem identification and resolution inspection. And, that is specifically, focuses on the activities it takes to evaluate problems, identify problems, evaluate them, resolve them. It's a risk-focused inspection, meaning take the highest risk significant issues and ensure that those issues are being identified and resolved.

We also have periodic activity where we go into depth. Some people refer to it as drilling down into an issue. Where an issue of particular, what appears on the surface to be more significant than other issues that come up on a day-by-day basis, we will drill down into the issue; not at the same extent, but similar to what Steve Loehlein has done with respect to this issue, and make sure that the Licensee is going to do a good job identifying the causal factors and correct it.

The last aspect of what we do currently focusing on safety, but I think you used the word safety culture, is

each of our inspectors when they go out to a site, whether they're health physicists, security inspectors, engineering inspectors, whatever different flavor of technical expertise they have, spends a certain period of their inspection time on site looking at the effectiveness of the Licensee's programs to identify problems and fix problems.

Bill, do you have, any thoughts that you have?

JOHN MILLER: Maybe if I could rephrase the question, because I think, I think I did confuse you. You said to Mr. Myers; Mr. Myers, you know, I'm frustrated, I don't believe you have done enough in telling me about how anybody at the plant below high level management is going to be operating in a sufficiently safety-minded mode; and you told him you want to see next time what he's going to do about that.

So, I'm asking you, what do you think he ought to do?

MR. GROBE: I appreciate, maybe I misunderstood your question. I apologize.

JOHN MILLER: It wasn't clear, I'm sorry.

MR. GROBE: It's certainly not my place to tell Mr. Myers how to fix his problems, it's my place to evaluate how effectively he does it. And there are many ways to choose to address these kinds of issues.

And they've been addressed at a number of plants around the country. And, outside of nuclear power, there are organizational effectiveness experts, and they're applied in big corporations, small companies across the country.

So, it's, Mr. Myers and his team's responsibility to bring to the table what they plan, and we make sure that to our satisfaction that it is comprehensive, and then we'll make sure from a planning prospective and make sure to our satisfaction that, that it's been effectively implemented.

And, we'll be presenting to you the results of our inspections at these types of meetings in the future.

JOHN MILLER: Okay. If you would humor me just one more time.

Back to the first question. If you were king, if you were the NRC Commission, you would be safe to saying something more generic than I would just let all of the utility managers around the country find their own way to a program that ensures that first level supervisors are all safety minded enough. What would those generic requirements be?

MR. GROBE: Again, it's, in the organization, as well as any other organization, there is all kinds of different ways. Each organization has, has a character to it; and one solution in one organization might not apply. Different parts of the country have

different characteristics of people and how they, what motivates them. What brings focus to their work. There is no cookie cutter solution to this kind of a problem.

And, what's important is for Mr. Myers to define what it is that he thinks is going to fix the issue here at Davis-Besse, and then we'll evaluate his implementation.

And, as I mentioned earlier, the results are going to be in the performance in the other areas of the restart checklist. Whether his activities are successful or not would be clearly evident, not only in the performance indicators that he develops to evaluate human performance and organizational effectiveness, but also the results of the specific activities that are undertaken to improve the plant, to accomplish the work.

Randy Fast talked about replacing the air coolers. That's a fairly large work activity that involves engineering, involves maintenance workers, involves maybe construction workers, depending on the scope of the work. And, you know, we'll be inspecting those sorts of activities in the plant.

And so, there is a number of ways that we're going to be evaluating the effectiveness, not only through the specific limitation actions under that cornerstone -- I'm sorry, building block, but also in looking at the performance of the staff and the organization.

JOHN MILLER: Could I ask one more question on a different point?

MR. GROBE: Certainly. That's what we're here for.

JOHN MILLER: One could make a case that this is an example of something, that Davis-Besse's situation is an example of something that the NRC hopes never to see.

MR. GROBE: I'm sorry, what?

JOHN MILLER: NRC hopes never to see. What's that, given that you don't have enough resources to inspect everything, you have a kind of sampling inspection program; you inspect some things, not others. You have a risk base analysis. Hopefully, it's what appears to be the most important things.

But we now have a plant that by your annual inspection performed quite adequately, but under new management you say, it's clear over perhaps a decade or more, numbers of individuals missed what in hindsight would seem to be very simple indications of problems.

And the last time on June 12th at the public meeting, at least, I think you and your assistant both agreed that, that the local inspectors priorities on what to inspect would not have this kind of a situation, boric acid on the reactor head, anywhere near the top of the

list; it would be way down on that person's radar screen.

Given that, what would you say to the argument that maybe this inspection team doesn't work; and, if NRC wants to be able to prove to its own satisfaction and to the satisfaction of the public that such a thing is never going to happen again, given that it was such a near miss to a LOCA, that the only solution would be a much larger inspection program, inspecting many more things than are required, many more financial on the human resources.

MR. GROBE: I apologize, I've forgotten your name.

JOHN MILLER: John Miller.

MR. GROBE: John, there is a number of things that are ongoing. You ask very good questions, and Bill is itching to add to my response. I'll pass the microphone to him in a moment.

I'm sure you've heard the old adage, don't throw the baby out with the bath water. I'm certainly not willing to condemn the entire inspection approach or other, any of the other broad statements that you've made, but what the NRC has undertaken, is ongoing right now, here last month, if you had an opportunity to hear Art Howell and Ed Hackett present publicly what we refer to as a Lesson Learned Task Force.

And the Executive Director, the head guy of the

Regulatory Commission has chartered a group of people completely independent of anybody that's involved at Davis-Besse to take a real hard look at inspection programs; how we handled generic safety issues, our interrelationship with the international community, and lessons to learn. And I think there were a couple other items on the charter for Lessons Learned Task Force.

I can't remember all of them off the top of my head, but that task force is working. They have spent a good deal of time at the Davis-Besse site talking to Licensee. They've talked to an incredible amount of NRC staff. They've collected a wealth of documents.

The task force is fairly broad, and as far as numbers and scope or perspective individuals that come from a variety of parts of our organization, technically as well as geographically. So, I'm looking forward to the results of their assessment, things that we can follow on a inspection program.

Bill, did you have additional comments?

MR. DEAN: John, I just want to point out two things. One is, that if you looked at nuclear industry as a whole, and where performance was ten, fifteen years ago, and where performance is today as an industry, there has been a lot of benefit gained from the collective experience, and our inspection program has been

designed relative to that collective experience.

And, what we have here at Davis-Besse is a new experience. And I would offer that our inspection program has the flexibility to be able to be modified, if appropriate, to address new phenomenon and new issues that might emerge.

And, relative to your comment about boric acid on the vessel head not being important. I guess I would like to point out that over the past couple of years, as we have learned more as an agency and as an industry about issues associated with CRDM nozzle cracking and learning about the different types of phenomenon and so on and so forth, I think there is a fairly significant track record over the last couple of years that indicates the significance and the seriousness with which the agency has considered and asked and required Licensees to take specific action, quote, for the vessel head degradation which occurred at Davis-Besse as well as on the aftermath of that.

So, I think that, that provides an example of the fact that any, any industry is not a static situation. That things change. That we continue to learn. That's one of the important things that we have to have that comes out of this, that we as an agency, Davis-Besse as the Licensee, and the nuclear industry as a whole, learns from this, so that the factors that led to this don't repeat themselves

in the future.

JOHN MILLER: One follow-up, if I could. Accepting that your comment that performance is better now we have experience; and accepting Mr. Grobe's comment that in general, throwing the baby out with the bath water is not a good idea. But we have the convenience of not having had the LOCA that we avoided only by what is fair to say, dumb luck, because stainless steel is put in there only for corrosion resistance, not for structure.

If we were now having this meeting in front of a congressional committee examining why there was this LOCA; do you really believe they would be convinced by the argument don't throw the baby out with the bath water?

MR. GROBE: I apologize. There was so many premises to that question, I'm not sure I can answer it effectively.

What I would suggest is that you and I have a chance to talk and go privately after this meeting, and we can get into a bit more detail on this, because I think it is important for you to understand in a little more detail the scope of our programs, the activities that occurred prior to Davis-Besse, the activities that have occurred after Davis-Besse.

And, I think I don't want to give you the impression that I feel any differently than this. I think a number of

managers, the agency, including myself, has stated this should never happen. And it's the Licensee's responsibility to make sure these types of issues don't happen.

It's our responsibility to have an inspection program that provides a high level assurance that what they're doing is the right thing. And, our inspection program did not disclose this as early as it should have, and certainly the Licensee did not perform in a manner that was appropriate, and it resulted in the head degradation.

So, with that said, let's get into this separately after the meeting, because I don't want to tie everybody else up with an extended discussion of this topic. Okay.

MR. MYERS: Can I make a comment?

MR. GROBE: Sure, Lew.

MR. MYERS: Let me make a comment; a couple. Most likely, from an engineering standpoint the situation we had would have caused leakage that would have shut us down before it broke. One gallon would shut it down. So, that was really first in there. It shouldn't have happened. We should have found this.

But what I do think is healthy, I never thought I would say this, but I've been in this industry for over 30 years, and the performance improvements that we see are due

to some of our oversight reviews and nuclear power operations and processes that we go through like we're going through here when we find something new.

I think they're right. We've learned something new that we need to share with the industry about this particular program. And I think that this is not, this is not a fun process, but it's healthy. And these processes that plants have gone through over the years to improve the material condition of our plants, the air operated valve, the leak rate programs; boric acid program, we should have had in place better, have made this industry perform well over the years.

And that's the reason for these type of things that we go through with the institute of nuclear power, because assessments of those every 18 months. And you're own internal self-assessments; if we do find a problem, there is going to be problems with any industry, that it gets to this level of detail, has really improved the performances of our plants; not only from an operation standpoint, but from a safety standpoint, that the NRC monitors.

You know, I really do believe that. This is not a fun process sitting up here on this stage, talking about this issue, but it's probably healthy.

MR. GROBE: Are there any other members of the public that have a question or

comment?

Let me ask, before we get started, Mr. Stucker, can you turn on the house lights?

BEATRICE MIRINGU: My name is Beatrice, B E A T R I C E, and Miringu, M I R I N G U.

I just want to get an indication from First Energy. You said that you have an independent panel that select people different experiences for different knowledge and from different areas, but you also said that you have brought in somebody who will help in facilitating communication between you and First Energy.

It's my understanding that you have, NRC has two staff members at every nuclear department. And indeed, the problem that you would be having with Davis-Besse especially with the boric acid problem has nothing do did with communication between you and NRC.

So, if you could elaborate on what you mean by some real facilitating or making it easier for you to communicate to First Energy, to NRC, or NRC communicating to you?

MR. GROBE: Ma'am, the portion of this meeting is to help the NRC with questions for us and comments for us. I would suggest if you have a specific question with First Energy, visit with those folks after the meeting and you can get feedback from them

directly, okay?

BEATRICE MIRINGU: Well, I thought since it was mentioned at this meeting that probably they could bring it like that.

MR. GROBE: I understand it. Outside of the context of the specific portion of the meeting, this section of the meeting is for us to hear from the public, us meaning the NRC staff. So, please feel free to direct your question to them after we complete this part of the meeting.

MR. BERGENDAHL: We'll gladly be available.

BEATRICE MIRINGU: Okay.

MR. GROBE: Thank you.

BEATRICE MIRINGU: Then the question I have also for, First Energy. You say at this meeting that you have moved from the planning phase and going into the implementation phase. And I understand that inspection is an ongoing process, but from what you presented today, there seems to be more inspections that need to be done; and therefore, I think that you really are not in a implementation state, and you're in the planning state. Thank you.

MR. GROBE: Okay, thank you. Are there any other members of the public that have

a question or comment for the NRC staff?

By the way, if it's reporters that have questions; myself, the staff, and First Energy staff will be available to discuss specific questions. So, we can do that in a more informal way, after the meeting, if you prefer that.

Yes, sir?

WILLIAM BRUML: Yeah. My name is William Bruml, B R U M L.

First, I was going to comment that I am rather relieved to see at this meeting that management is the major cause issue here. Clearly, when you have a ten year train wreck, the question isn't why didn't the brakes work; it's a question of why didn't someone set the brakes. I'm glad to see that, seeing you here, and I hope it continues to, to be there.

Also in response to one remark Lew made about, that he expected that if the situation had continued, they would have had leakage rather than, rather than a LOCA.

Does the NRC have any intention to publish the results of the inspections that it's been doing on the sections of the reactor head, so other members of the general public might kind of have more of a sense of what you guys are seeing?

MR. GROBE: That's an interesting question. I think you're talking about the

detailed analysis of the materials head; is that correct?

WILLIAM BRUML: Yes. Something as simple as a cross section of what, you know, of how the condition of the hole in the head; and, how the degradation that was going on in the stainless steel. So, that the rest of us can understand what people are talking about. Someone from either side here says, well, gee, this doesn't look like it's going to perform a full blown LOCA effect. And I hear about all this steel that's corroded away. I don't have a whole lot of confidence in that until at least I see something that talks about it.

MR. GROBE: Sure. I just want to make sure I understand the question before I answer it. I think there is going to be two areas of documentation may be of interest to you. The first is NRC is going to complete a risk assessment which will get into some of those issues, from a risk perspective. What was the risk, loss of contacts, rupture of the liner that remained, things of that nature. And that will be published as part of our inspection activities.

The second area of documentation may be of interest to you is the results of some detailed analysis that is being done by our research organization, the Office of Nuclear Reactor Research -- Regulatory Research, excuse me. And, there is a number of what we refer to as user

needs. I'm a user, so I sign a user need research and I respond to that. And they're in the process of responding to that. And they'll be published from that.

I don't have the time frames on either of those, but I'm fairly confident that the inspection documentation would precede formal publication report from research, and that should be out in the next month or two. And certainly, call at least with specific questions and we do have a response team.

WILLIAM BRUML: I have a second question.

MR. GROBE: Sure.

WILLIAM BRUML: I heard Christine mention in passing the issues of other in containment equipment, electrical equipment, and I wonder if we could hear a little more detail of what that means? One issue that you folks are close to this more often, often think, oh yeah, this is obvious, but to me it was a hole. Gee, what do you do about this? Is the issue here you have a building, you know, containment building that has a lot of electrical equipment, much of which is safety related; and, some of which has been opened up while inspection or service for some reason, during the course of this long period of boric acid on the containment vessel, containment building.

Which leads to the question of, gee, is this more severe than what the equipment is qualified for, since most of it is like, do you mean boric acid on the site? So, I guess my question is, is there a process ongoing to identify the equipment that might have that problem, how, you know, what is the general tone of that issue?

MS. LIPA: Let me tell you what I know so far. That was the one of the items that's on our foremat framework for the checklist. There is a plan to have an inspector develop a detailed inspection plan, and then go out and look at very specific things. That inspection plan is likely to contain looking at a number of things, such as cables, cable trays, junction boxes, things, you know, all types of things within containment pretty much top to bottom. What could have been affected by the boric acid. That's the scope of that particular line item.

MR. GROBE: I want to make sure, you understand that our inspection will be the sample. We won't be looking at everything. But the Licensee's activities, they have the components of their containment health review, which includes environmental health equipment and they'll be looking much more comprehensively.

We'll be sampling the activities they do as well as

some other activities or some other equipment that we may want to look at in a different way to both evaluate what they're doing as well as independently assess the depth and adequacy of what they're doing. Okay? Thank you very much.

Looking for other comments or questions.

I thought you were going to come forward. You stood up, now you're required to come forward. Just kidding.

Other questions and comments? Yes, ma'am?

VICKY HEIDEL: My name is Vicky Heidel and I have a question. Understanding that you're about ready to transport the Midland nuclear head, you said prior to August 1st, does that mean the NRC has given its stamp of approval that this is in excellent condition even though it's an old or new old nuclear head?

MR. GROBE: John, you want to briefly discuss our scope of the inspection activities for the head, and explain what sort of certification goes along with component base like this.

MR. JACOBSON: Right, there is a couple of components to the inspection that we're going to do regarding the head replacement, and one of them we've already done; and that is look at some of the nondestructive examination that was done, that the Licensee did to supplement some of the documentation that they did

have for the head. Some of it was missing. It's gone over the years. And they did some supplemental inspections.

And we've looked at those inspections as to how good inspections were done, as well as the results of those inspections. And so far, that part of it, we have no problem with. What we saw was done well, and the results were acceptable.

The next part of the inspection that's going to be done is looking at a sample, a good sample of the documentation; both the new work that was done, as well as documentation that exists from when the head was originally manufactured. And we need to do that so that we can verify for ourselves that this head in its condition today meets all the requirements of the American Society of Mechanical Engineers Boiler and Pressure Vessel Code.

And in that code, there is requirements, for example, for the radiographs. There is requirements as to how those radiographs will be taken and there is requirements as to what the acceptance criteria is for any flaws or discontinuities that are found during the nondestructive examination.

And that's just an example of the kinds of things that we will be looking at. And then the last part of the head replacement that we're going to be looking at is the actual opening and then restoration of the containment to

place the head in the Davis-Besse containment.

VICKY HEIDEL: So, this inspection will be done prior to its being transported here, the total inspection?

MR. JACOBSON: Part of it has been done already, part of it is about to start. Whether the Licensee decides to transport this head now or they decide to transport it six months from now, is really not our concern.

VICKY HEIDEL: Okay.

MR. JACOBSON: And if they want to move the head, it's their head, and they can move it, but ultimately, restart of the facility, that decision will be made by the NRC.

VICKY HEIDEL: Is there any danger in transporting it that we should be concerned about that?

MR. JACOBSON: Any danger?

VICKY HEIDEL: Any danger of transporting the actual head.

MR. JACOBSON: With respect to what, radiation, radioactive?

VICKY HEIDEL: Yes, exactly.

MR. JACOBSON: No, the head has never been used and there's no radioactivity associated

with it at this time.

VICKY HEIDEL: Lastly what do you do with the old reactor head?

MR. JACOBSON: That's a question that the Licensee would have to answer at this point.

MR. GROBE: Let me respond to that in a little bit of detail. And if you, if you want to respond or ask your question to First Energy after the meeting, that's fine.

The Licensee has performed an analysis of the existing head to characterize what sort of waste it is. There is different categories of waste within our regulations and we're expecting to perform an inspection of that assessment that they've done, how they made the measurements and the validity of the assessment.

In addition to that, we have a routine aspect of our inspection program that deals with package and transportation of waste and we'll be performing those routine inspections on this very nonroutine type activity.

So, we will have a thorough inspection of what Licensee is planning. It's my understanding that they are currently not planning on transporting the head to a waste facility. They've currently characterized it, based on my information, of what's referred to as class A waste, which is low specitivity waste. And we will be performing

inspections and reporting the results of those inspections during future meetings like this one.

VICKY HEIDEL: All right, last but not least, I have understand that a brand new head has been ordered, and will that ever be installed at Davis-Besse?

MR. GROBE: That's really not the scope of our activities.

Lew, do you want to respond to that?

MR. MYERS: The answer is yes.

MR. GROBE: Okay, thank you very much.

I didn't realize what time it had gotten to be. Why don't I ask if there is any one additional question, and then we need to move on since we have another meeting at 7:00. Any additional questions?

Okay. I thank you very much for attending. I appreciate the questions we received. If per chance you think of something or felt that you didn't get a chance to ask a question, feel free to come back at 7:00.

Thank you very much.

(Off the record.)

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CERTIFICATE

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal of office at Norwalk, Ohio, on this 27th day of July, 2002.

Marie B. Fresch, RMR

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