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

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

PANEL MEMBERS PRESENT:

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

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

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

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

16 MR. SIMPKINS: (Indicating).

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

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

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

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

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

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

11 MR. STRASMA: (Indicating).

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

17 The purpose of the meeting tonight is to give
18 you a little bit of background on the meeting we had
19 this afternoon, as well as Christine is going to talk
20 a little bit about the meeting we have tomorrow, and
21 then we look forward to questions, any questions that
22 you might have, as well as any comments that you want
23 to provide us. We're here to receive input and to
24 answer your questions. We've been doing this for a
25 number of months now.

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

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

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

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

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

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

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

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

8 When the leakage occurred through the
9 penetration, the cracks in the penetration, the boric
10 acid became more concentrated and corrosive and
11 corroded the steel. The -- the result of the
12 corrosion was that the liner on the inside of the
13 normal steel that's referred to as low alloyed steel,
14 there's a stainless steel liner, and that's the only
15 material that was left that was retaining the reactor
16 pressure, the reactor coolant system pressure.

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

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

5 Situations like the situation Davis-Besse
6 finds itself in are fairly complex from our
7 perspective. It requires a lot of unique
8 inspections that are not part of our normal
9 inspection program. It also requires oftentimes
10 unique licensing activities. Currently, the Company
11 has six licensing actions into us for various
12 different issues, and because of the complexity of
13 the project, the Agency puts together a multi-faceted
14 panel with folks from headquarters, as well as the
15 region office or the resident office, and our goal is
16 to coordinate activities to make sure that the Agency
17 does what it needs to do.

18 As I mentioned, Bill Dean is a Senior Manager
19 from our headquarter's office. I'm the Senior
20 Manager from the region office in Chicago, so it has
21 a high level of management attention both from
22 regional office as well as headquarters.

23 We have been conducting meetings now for
24 several months. Our goal is to make our activities
25 as available to members of the public as possible so

1 we conduct the vast majority of our meetings in the
2 public here in the local area. We've had the need
3 to conduct a couple meetings -- excuse me, either in
4 Chicago or in Washington just because of logistical
5 purposes, but the majority of our meetings will be
6 out here, and we'll normally be conducting business
7 meetings during the business day, but it's my
8 expectation that whenever you come out, we'll be
9 conducting an evening meeting for those of you that
10 can't make it to a meeting during the business day.
11 You'll have an opportunity to come and ask us
12 questions and provide us input.

13 Any other background information -- oh, thank
14 you.

15 THEREUPON, the panel brought up the issue of
16 the handout.

17 MR. GROBE: When you came in this
18 evening there was a number of handouts out on the
19 table. I hope you had an opportunity to pick them
20 up. One of them is a newsletter we put out on a
21 monthly basis now. It's got six or seven pages.
22 Looks like this. It's called NRC Update --
23 Davis-Besse Reactor Vessel Head Damage, NRC Update.
24 It provides a variety of background information, but
25 also the last two or three pages are activities that

1 we currently have undergoing and activities that we
2 expect to be happening in the next six weeks, and it
3 will give you a sense for where we have been, where
4 we are now as an Agency and what to expect in the
5 future.

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

16 Anything else?

17 (No response).

18 Okay, very good.

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

1 MR. STRASMA: Jack, you might
2 mention that it's also available by telephone.

3 MS. LIPA: Right, right, okay.

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

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

1 It will also be -- phone lines will be available for
2 people who are not able to make the meeting and want
3 to call in and listen in and ask questions at the
4 end.

5 We will also have the Licensee's
6 presentation, will be posted to our web page so that
7 people can print it out or follow along during the
8 meeting, and that meeting will also be transcribed
9 just like we're have this meeting tonight
10 transcribed. We've got Marlene down here, and we
11 have our regular business meetings every month
12 transcribed, and then we try to get those on our
13 website within about three weeks. We did get some
14 feedback from our earlier meeting that the
15 transcribed file was too large, so we've broken that
16 up into 50 page segments, and that seems to be easier
17 for users, so that's what I wanted to say about the
18 meeting tomorrow.

19 Another thing, when you came in, there might
20 have been left over handouts from this afternoon's
21 meeting so that will give you a sense of what we
22 talked about this afternoon, and then Bill will give
23 us some more details.

24 UNIDENTIFIED: What is the phone
25 number, please?

1 MS. LIPA: The phone number is on
2 the web page. I don't have it with me.

3 MR. GROBE: Jan, do you have it?

4 MR. STRASMA: No, but I'll get it.

5 MR. GROBE: If somebody needs
6 information like the phone number for that meeting
7 tomorrow morning, just let us know what you need, and
8 we'll get it to you. That's not a problem at all.
9 The way we set this up is there's a large number of
10 phone lines available, and the sound quality should
11 be good. I'm not sure how many we set up, 50 or
12 100, probably, so don't hesitate -- if you're unable
13 to attend the meeting tomorrow, if you're unable to
14 attend the meeting tomorrow, and you want to get on
15 by phone, don't hesitate to call in. If you have
16 access to a computer, the Licensee's presentation
17 materials will be on our website.

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

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

8 MS. LIPA: (Indicating).

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

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

15 MR. GROBE: Yeah, that phone
16 number is for an MCI operator and just tell her you
17 want Davis-Besse, and she'll get you onto the right
18 conference call.

19 Let me talk a little more about the meeting
20 tomorrow because it's a very important meeting.
21 There is a number of issues that caused the problems
22 of Davis-Besse. Obviously there is some equipment
23 problems that need to be fixed. The Company is
24 working on finding all those problems and fixing
25 them, but the issues at Davis-Besse weren't caused by

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

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

22 The key to fixing the issues at Davis-Besse
23 is not fixing hardware. It's fixing the
24 organizational problems that occurred, so tomorrow
25 morning's meeting is very important to us in fixing

1 these issues that resulted in low quality standards
2 and, quote, communications in the organization that
3 allowed an issue to go on for years where there were
4 clearly indicators that something was going wrong.
5 Those issues are the most important ones to fix, and
6 that's what I refer to as the root cause.

7 As Christine mentioned, the meeting is at the
8 Davis-Besse administration building. Just pull up
9 and park. There is only o