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

Meeting held on Wednesday, October 16, 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.

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PANEL MEMBERS PRESENT:

U. S. NUCLEAR REGULATORY COMMISSION

John Grobe, Chairman, MC 0350 Panel

William Dean, Vice Chairman, MC 0350 Panel

Jon Hopkins, License & Project Manager

Anthony Mendiola, Section Chief PDIII-2, NRR

Christopher (Scott) Thomas,
Senior Resident Inspector - Davis-Besse

MR. GROBE: Good evening. Why don't I begin by asking if we have anybody here this evening that this is the first meeting that they've been to?

THEREUPON, a response was given by a show of hands.

MR. GROBE: All right, great. My name is Jack Grobe. I'm with the Nuclear Regulatory Commission in the Region 3 office, which is in Chicago, Illinois. Region 3 has the responsibility for overseeing the safety of nuclear plants in the Midwest, including Davis-Besse.

I'm the Chairman of the Davis-Besse Oversight Panel. That panel has been established to provide a broad spectrum of NRC resources bringing that broad spectrum to focus on the problems that have been occurring at Davis-Besse.

Let me introduce the folks that are up here this evening, and then I'll talk a little bit about what's happened so far today, then we'll open it for questions.

On my immediate right is Bill Dean. Bill's the Deputy Director of the Division of Engineering in our offices and headquarters in Rockville, Maryland.

And on his right is Jon Hopkins. Jon's the

License & Project Manager in headquarters for the Davis-Besse facility.

On my immediate left is Tony Mendiola. Tony is the Supervisor for the project's organization headquarters for a variety of activities including Davis-Besse.

And on my far left is a very important person, Scott Thomas. Scott is the Senior Resident Inspector. He works for the Region 3 office of the NRC, but he lives in the community here and works at the Davis-Besse plant every day. We have two Resident Inspectors; Scott's the Senior, and then another fellow, Doug Simpkins, who lives right here in Oak Harbor is the resident inspector.

The -- over the past several months, we've been conducting monthly meetings with the Utility, FirstEnergy. These have been public meetings. We conduct them during business hours, during the afternoon, here at the high school, and whenever we do that, we also have a meeting in the evening for those members of the public who are not able to attend an afternoon meeting because we all have to work, right, so we open this up in the evening to share with you what's going on at the plant, and then give an opportunity for you to ask questions or

provide whatever comments you might have.

Today was a little bit more unusual because we had -- this is our third public meeting today. We started this morning with what we call an exit meeting, and that's the meeting that occurs at the end of an inspection. This was actually two special inspections. It's a special kind of inspection that we do. It's not part of our routine inspection program. It's a response to an event type of inspection. It's the lowest level of event response inspection. We call it a special inspection team. An individual named Tom Kozak who lead that inspection team presented the results of his inspection. He was focused in two areas. The first area was the off site release of radioactive materials that occurred earlier this year. There were a number of workers at Davis-Besse who became contaminated with radioactive materials during the course of their work and weren't completely decontaminated before they left the site, and that was discovered when those workers attempted to get into other nuclear plants at other locations around the country. Very slight contamination, but, nonetheless, that was something that concerned us.

In addition, those workers were exposed to

unusual types of radioactive materials at the nuclear plant, Davis-Besse. When I say, unusual, they're types of radioactive materials that emit different kinds of radiation than what you would normally see in a nuclear plant. This radioactive materials actually comes from the fuel itself and it's what's referred to as transuranic isotopes. They're heavy radioact -- heavy isotopes, and they emit the type of radiation that's called an alpha particle. Alpha particles are not dangerous as long as the material is outside the body, because the heavy alpha particles can't penetrate clothing, they can't penetrate your skin, so there is no health risk as long as the materials is outside your body. If you inhale them into your lungs, they are very, very light particles that can become airborne and you inhale them, they can do damage because then the alpha particles would be exposing tissues -- live tissues, so they can be hazardous. These workers who were exposed to alpha particles and -- I'm sorry, radioactive materials that emit alpha particles, and they inhaled some of that material, so there was a number of issues that we wanted to follow up on.

There were three violations that Tom presented this morning. One of them concerned how

the Licensee prepared for and conducted that work specifically focusing on the radiological controls, how they controlled -- prepared for and controlled the work.

The second violation concerned deficiencies in the way the Licensee evaluated the exposures that those individuals received, and the third concern -- or violation concerned the failure of the Licensee to control radioactive materials, and the fact that they let it get off site. Those three violations were the result of Tom's inspection and would be evaluated in the regional office and in headquarters for the significance of the violations, and I expect that report will be issued in 45 days.

The second meeting we had this afternoon was one of our routine meetings with FirstEnergy Corporation discussing the progress that they're making at Davis-Besse. The Licensee went through a number of issues. They're ongoing at the plant. I guess the -- I'll just highlight a couple of those that have been of higher significance.

Back in June, the Licensee identified that there was some boric acid that had been discovered on the bottom of the reactor head -- the bottom head of the reactor. The reactor itself is shaped like a

cylinder and has a semicircular top and a semicircular bottom, and they discovered some material on the bottom of the head. In looking at the sides of the reactor, it appeared that it had washed down the reactor, and that's how it got to the bottom head of the reactor.

The Licensee went further and did some analysis, took some scrapings of material and did some analysis of material and identified some discrepancies between the material that was on the side of reactors -- the reactor and the material that was on the bottom of the head. This caused concern on their part as to where -- whether that material actually did wash down the reactor or if it had come from somewhere else, so that was recorded recently in the newspapers and had gotten some attention. The Licensee is continuing to evaluate that issue and try to identify whether there is a concern with another source of leakage or whether this is just an anomaly in the chemical constituents that are in the boric acid.

Licensee also went through a presentation of a number of their areas. It appears that they're making good progress in some areas. They discussed issues that they're taking in the area of management

performance and also activities that they're -- that they have underway to improve the -- what we call the safety culture of the plant, and there were a number of questions that were asked about that.

(To the Panel) Any other highlights from this afternoon that I should mention?

MR. DEAN: No.

MR. GROBE: Okay. With that said, let me tell you a little bit about information that's available to you. We're now publishing a monthly newsletter that we should have had copies for, but we ran out this afternoon, copies for you tonight. If you desire one, let me introduce Vika Mitlyng -- Viktoria Mitlyng. Stand up, Viktoria.

MS. MITLYNG: (Indicating).

MR. GROBE: She's one of our Public Affairs officers in Region 3, and she'd be glad to get you one if you're interested or if you have access to a computer, you can get to our web site. It's www.nrc.gov -- G-O-V, and the monthly newsletter is posted there as well as a wealth of other information on Davis-Besse and what's been going on at the site.

The one other item that I'd like to bring to your attention is a single page feedback form. You

don't even have to pay 34 cents to send it back to us.

MR. DEAN: 37 cents.

MR. MENDIOLA: 37 cents.

MR. GROBE: 37 cents -- sorry about that.

MR. DEAN: Postage went up.

MR. GROBE: That's right. It's postage paid, but please take a few minutes, pick up one of these, fill it out, fold it up, and send it back to us with your thoughts on the conduct of this meeting and how we can improve. We're always looking for ways to improve in our performance as far as making our activities publicly accessible.

What I'd like to do now is provide an opportunity for folks to ask questions or provide comments to us, and I'd like to do this in somewhat of an orderly fashion. If you could limit your questions or comments to three to five minutes, we'd appreciate that, but I'd like to start with anybody who is from the immediate vicinity of the plant, local residents, give them an opportunity to come forward first.

Is there anybody in the audience who has a question? Please come up to the microphone, and

state your name so that our Court Reporter can get it recorded.

MR. DOUGLAS: My name is James Douglas. I believe you -- you have met me before. I'm an engineer, chemical engineer, and I live on Duff-Washa Road.

MR. GROBE: Great.

MR. DOUGLAS: Okay? I'm very concerned about what I have heard about the engineering at Davis-Besse. I'm sorry the Davis-Besse people are not here 'cause I'll save my tongue-lashing for them when they're here.

MR. GROBE: Thank you.

MR. DOUGLAS: You guys don't deserve it. Okay, enough said on that.

What I'm concerned about here is, have you considered even a decent preventive maintenance program so that this cannot happen again?

How about -- how about photographic preventive maintenance program?

MR. GROBE: Yeah.

MR. DOUGLAS: Have you considered this?

MR. GROBE: The -- actually the adequate maintenance of all of the important systems

is a requirement. It's more than a consideration. We have a requirement in the Code of Federal Regulations that requires Licensees to have adequate maintenance programs, and part of that would be dealing with these kinds of issues, and, obviously, FirstEnergy did not appropriately deal with the --

MR. DOUGLAS: Okay, you're kind of beating around the bush a little bit and --

MR. GROBE: I thought you were --

MR. DOUGLAS: I really don't want that.

MR. GROBE: I thought you were going to save your tongue-lashing for FirstEnergy?

(Laughter).

MR. DOUGLAS: You guys are pretty -- pretty experienced at it. What I'm looking for is the pictures that they stuck in the paper of the head --

MR. GROBE: Uh huh.

MR. DOUGLAS: -- show very obviously the great degree of degradation of that head, and a decent preventive maintenance program of pictures available to your inspectors after their annual shutdown will tell them exactly what they have to do to have a good sound head to start the -- start the

process back up again.

MR. GROBE: Absolutely.

MR. DOUGLAS: This is what I'm after, a decent preventive maintenance program, and so far I've heard nothing, and I think that you guys should realize you have a strong moral obligation to the public for our safety to get a program like this established.

MR. GROBE: You're -- you're absolutely correct that the issues that occurred at Davis-Besse should not have occurred, and they should have been discovered through our inspection programs.

MR. DOUGLAS: It's an absolute disgrace that it did occur engineeringly, an absolute disgrace.

MR. DEAN: Mr. Douglas?

MR. DOUGLAS: Yes, I have one more question -- go ahead.

MR. DEAN: Let me help answer your question, at least vessel head specific inspection activities.

MR. DOUGLAS: Yeah.

MR. DEAN: What has transpired over the last couple of years as issues related to this phenomena of cracking of the nozzles has been

more prevalent and more known to the NRC, and as we learn each time a plant shuts down and they do an inspection we learn more. There were some bulletins that we issued over the last year. Bulletins are a device or a communication tool that the NRC uses to transmit information to the industry to tell them these are things because of the urgent nature of the issue that we want you to respond to us on, okay, and there's been several bulletins that have been issued by the NRC over the last two years dealing directly with the degradation mechanisms and cracking phenomena that have occurred.

MR. DOUGLAS: I fully understand the mechanics of what you're talking about, okay?

MR. DEAN: Okay. But what I wanted to share with you is that as a result of those bulletins, we have required Licensees to not only do visual inspections, bare metal visual inspections of the reactor vessel heads, but we're also requiring them now to do non-destructive examinations, which include techniques like using ultrasonic mechanisms or any current testing or liquid dye tenetrant test of those penetrations of those nozzles to get even a better understanding of what is actually existing as opposed to just even doing a bare visual -- so it

goes beyond taking photographs, so we have reacted to that issue to require much more stringent inspections by Licensees.

MR. DOUGLAS: Okay, the pictures that were in the paper show a definite iron oxide degradation and contamination of the boric oxide, very obvious. This to me is the simplest, least expensive, and surest way of finding, do you have a stress crack in the well.

MR. GROBE: And as you --

MR. DOUGLAS: I do not know why you can't insist on an absolute binding photographic preventive maintenance procedure. It's simple. It's inexpensive, and it will do the job.

MR. GROBE: As Bill just mentioned, we've gone beyond that. What you observed in that photograph that was in the newspaper was after a crack had gone through the wall and was leaking.

MR. DOUGLAS: That's right, and I believe you have holes in the walls now to take pictures and that's what they're for.

MR. GROBE: What we have done is gone beyond that, and we're now expecting Licensees to use non-destructive examination to see cracks

before they go through the wall, before there is any leakage. The techniques that Bill was referring to are techniques that are used to look inside the metal to see when a crack is beginning, not once it goes through, so we have gone beyond -- you're absolutely correct. The problems at Davis-Besse are easily seen, and they were known to the Company and should have been addressed.

MR. DOUGLAS: Okay, every time they -- and the last question that I have is every time they get into more inspection of the head and more information is released, it gets to be worse and worse, and the last one said something about a paper-thin piece of stainless steel retaining 2000 pounds.

MR. GROBE: Uh huh.

MR. DOUGLAS: And the nozzle wiggles with very little weld left in it.

Now, when are we going to hear the full details of the inspection and the conclusions that you guys have come to, and how -- definitely, concretely how are we going to prevent this? I don't want a reactor in my living room. Okay?

MR. GROBE: The -- your reading about the thin clad material that was left after the

carbon steel had corroded away has been known, and has been publicly available since last March.

MR. DOUGLAS: Okay, you have said that you have gone to much more than even photographic procedures, fine. That's great.

All right, what I am getting at is you have gone to -- you haven't got it down to a concrete hard regulatory rule if you got color dis -- degradation, you don't start up, fellows, until you repair the vessel. That's it.

MR. GROBE: I think actually those requirements already exist, and they existed at Davis-Besse, and they failed -- they failed to implement those requirements as you've --

MR. DOUGLAS: And who makes all these additional tests, you guys or them?

MR. GROBE: Well, we do inspections, but they're required to do these examinations, and they are required to fix these problems before they restart.

MR. DOUGLAS: And where they deliberately ignored all the evidence in the past, you expect them to come up and say, well, we're in bad shape, we got to go down and spend 50 million dollars on a weld job?

MR. GROBE: I'm not going to speak for the Company, but I would imagine if you ask them that question, they would have much rather fixed it at the time, which would have not cost them much money than doing what they're doing now. The fact of the matter is they didn't follow the requirements, and they didn't do the right things, and that's what caused them to have --

MR. DOUGLAS: Will we hear the full extent of the degradation of the head?

MR. GROBE: Sure. I'd be glad to talk to you after the meeting and tell you it's available on the web site. It's been publicly available.

MR. DOUGLAS: You've already done this?

MR. GROBE: Yes.

MR. DOUGLAS: Okay. But I do -- I certainly do request of you that you consider the photographic procedure and be sure that it gets stuck in the paper publicly, so that we can have some kind of confidence that this place isn't going to go to -- you know where again.

MR. GROBE: Right. We can do that.

MR. DOUGLAS: Okay?

MR. GROBE: Okay. Thank you, sir.

(Applause).

MR. WHITCOMB: Good evening, gentlemen. My name is Howard Whitcomb, and I don't think I could have asked for a better set-up, man. Thank you, Mr. Douglas.

The recent findings of the NRC's Lessons Learned Task Force clearly demonstrate that the Nuclear Regulatory Commission can either -- either can no longer function and safely execute its responsibilities as an enforcement agency on behalf of the public or it refuses to do so. The findings of the Task Force attempt to provide a rationale that the NRC's actions over the last decade rise to the level of excusable neglect. Nothing could be further from the truth. A more apparent conclusion is that the task force has deliberately ignored the realities of the relationship which has existed between the Nuclear Regulatory Commission and FirstEnergy Management over the last 15 years. There have been numerous warning signs that the Davis-Besse nuclear plant was in trouble. The NRC deliberately ignored them. The relevant facts and impressions follow. I invite you to challenge or

take issue with them if they do not represent the truth.

FACT: On June 12th, Mr. Howell, the team leader of the NRC's Lessons Learned Task Force stated that as part of their review, the team would review the allegation history pertaining to the Davis-Besse facility and determine if the NRC had appropriately dispositioned said allegations.

On October 10th, The Blade reported that quote, Managers of the NRC's Midwest regional office allowed themselves to become too distracted by activities at other plants to diagnose Davis-Besse's far-reaching problems.

IMPRESSION: There are only three possible outcomes regarding the Lessons Learned Task Force review of the allegation history at Davis-Besse.

Either,

1. The Lessons Learned Task Force did not conduct a review.

2. The Lessons Learned Task Force members were not qualified or competent enough to determine whether the disposition of the past allegations had been performed in accordance with Federal law, or

3. The Lessons Learned Task Force after its review deliberately ignored the allegation history

and the NCR's prior dispositions at the Davis-Besse Nuclear Plant.

Unfortunately, there are too many facts that exist which point to the probability that this third action is what the NRC has chosen to take.

FACT: On September 30th, The New York Times published an article about the issuance of a certain 1987 Preventive Maintenance Program Assessment Report on June 20th, 1988. The significance of this 1987 Preventive Maintenance Program Report is that it contained very specific information regarding the existence of a serious cultural attitude which fostered an adverse environment unsupportive of nuclear safety values.

In 1987, the PM Program Assessment Report was issued by myself to the Vice President-Nuclear and to the Plant Manager.

Subsequent to the issues -- issuance of the 1987 Preventive Maintenance Program Report, Toledo Edison Management told the NRC during a maintenance team inspection in September 1988 that the report was currently in draft form. This was not the truth. Toledo Edison Management did not accurately convey the truth regarding the issuance of the report and the events leading up to the authors' final days at

the facility. The NRC relied upon these statements as evidenced by its comments as contained in its own Inspection Report issued on December 16th, 1988. The NRC was subsequently notified of the material false statement in a number of allegations when the material false statement was discovered on or about December 1992.

FACT: There were at least nine separate allegations alleging specific improprieties by Davis-Besse personnel during the period of time from January 1993 to present.

In a letter issued by you, Mr. Grobe, on November 3rd, 1997, you attempted to close a certain allegation which you claim had been previously investigated on several occasions and adequately dispositioned by your staff dating all the way back to January of 1993. This was attempted despite the objection of the originator of the allegation.

You made a similar report in a subsequent letter on February 16th, 1999.

IMPRESSION: The conclusions of the NRC staff were obviously incorrect, particularly in light of the recent discovery of the unprecedented degradation of the reactor vessel head at Davis-Besse and the resulting root cause findings. Furthermore, it is

inconceivable that a thorough review of the allegation history at Davis-Besse could possibly overlook the significant dispositional error on the part of the NRC. The failure of the Lessons Learned Task Force to identify and address this very obvious error supports the premise that it was deliberately ignored.

On July 16th in a handout distributed by FirstEnergy at a scheduled meeting, the graphic depicting an organizational chart of the Restart Overview Panel indicates Lou Storz as a member of that panel.

On September 18th, Mr. Eshelman further touted Mr. Storz's significant participation and stated that that's a panel made up of essentially very highly experienced individuals as well as community leaders. . . Lou Storz is on it.

FACT: The NRC had knowledge of the history of Lou Storz at the Davis-Besse facility and the reprimand it issued for his distracting and disruptive behavior in the control room on New Years Eve 1986.

IMPRESSION: The failure of the NRC to forthrightly challenge the participation of Lou Storz on the current Restart Overview Panel is very

alarming and supports the premise that the NRC has deliberately chosen to ignore Mr. Storz's problematic history contrary to the preservation of the fundamental principles of reactor safety responsibilities. Lou Storz's behavior in the control room on New Year's Eve illustrates that he is clearly capable of placing reactor safety issues in a subservient role when production demands dictate.

In conclusion, the NRC is fully aware of the problematic history at Davis-Besse over the last 15 years. It cannot now feign ignorance of the problems or blame events at other facilities as the basis for why aggressive action was not focused at Davis-Besse. The warning signs were either apparent or were presented to the staff through the established process. What the NRC's Lessons Learned Task Force failed to identify is that the established process failed to intervene and prevent the current management and material problems at Davis-Besse. What has again been demonstrated is that when the process fails, reactor safety is compromised.

Over the last several months, FirstEnergy has continued to conduct its affairs as it always has and the NRC has passively watched it occur. Davis-Besse management continues to violate quality assurance

requirements and generally accepted maintenance practices. The O350 Panel has passively watched as FirstEnergy conducts its business as normal. The superficial findings of the NRC's Lessons Learned Task Force clearly indicates that it is time for change, the actions or lack thereof, of the 0350 Panel repeatedly demonstrate that FirstEnergy Management will continue to receive disparate and preferential treatment in comparison to the rest of the industry. FirstEnergy's deleterious actions over the last 15 years clearly deserve more, not less, critical treatment, particularly since FirstEnergy has conceded that at times they have placed production demands over reactor safety.

Unfortunately, it's very obvious that the NRC has accepted, even embraced, FirstEnergy's method of doing business without reservation. The effectiveness of the 0350 Panel is highly suspect. Mr. Grobe, as Chairman, you have very obvious conflict of interest. It is time for change. I demand that you remove yourself from the 0350 Panel. It is time to disband the 0350 Panel and insert an independent review team as envisioned and demanded by the 2-206 petition. As a resident of this community, I hold the public health, safety and

welfare above all else. It is time for change. It is time that the legislative branch of the Federal Government investigate the continued and sustained ability of the NRC to fulfill and execute its responsibilities in an independent and unbiased manner, and without alternative motive other than ensuring the public health, safety and welfare. It is clearly time for change. It is impossible to succeed without it. Thank you.

(Applause).

MR. GROBE: Let me respond in several ways. First, if you have questions or comments regarding the Lessons Learned Task Force report, the Lessons Learned Task Force will be here on November 6th and conduct a public meeting to discuss the results of their report, and it would be very appropriate for you to raise your questions to them.

Secondly, if you have questions or concerns regarding any member of the NRC, including myself, we have an Office of the Inspector General, who does investigations of the NRC staff, and you're more than welcome to contact them and provide whatever allegations you have to them, and they will be investigated.

Are there any other comments or questions?

(Indicating).

MR. GROBE: Yes, sir.

MR. DUSSEL: Yes, my name is Tim Dussel, and I'm just a resident of the area, and I'm not a public speaker. I'm very nervous about even standing up here.

In the last few months I've read different articles in The Blade, Plain Dealer and some of the instances that have gone on here, and I cannot believe what I have read and seen. You people sit up there very educated, very proper, and look down at us. Yeah, go ahead and smirk, that's okay.

MR. GROBE: No, I was just -- I don't --

MR. DUSSEL: I would like to have you read -- you know, I've looked at the Internet and I'm not real Internet literate, but I've seen your web site. I've read your meetings, and you can read by the hour. It's the same thing as coming to the meetings. You stand up there, and you talk, and you talk, and you talk and say nothing. There's questions that should be answered, and there is no answers being given. What happened to all of the upper management that was either supposedly fired or

moved from Davis-Besse?

MR. GROBE: What happened to the individuals?

MR. DUSSEL: Yes.

MR. GROBE: I don't know.

MR. DUSSEL: Are they moved to other nuclear power plants so they can try to blow them up so you people are not watching what they are doing? You guys are so busy supposedly is the reason you didn't inspect this place. Why weren't these people -- these people should be jailed.

(Applause).

MR. GROBE: I don't have an answer for you, but let me tell you what's going on, okay?

The -- and, first off, I wasn't smirking. I don't like this arrangement. I don't want to sit up here on the stage because I -- I feel uncomfortable because I am up higher than you are. If you were here this afternoon, you would have seen that we stood down right where you were. I was here last month as you guys sat here and I heard how -- FirstEnergy sat here and talked about how they changed light fixtures.

MR. GROBE: Can I answer your question?

MR. DUSSEL: Yes, go ahead, please.

MR. GROBE: This is a wonderful facility, and it's the only one we have available. I don't want you to feel like we're looking down on you or anything like that because that's not the case.

Secondly, you asked about the employees; we don't track employees. I'm not aware of any of the individuals that left FirstEnergy being employed at another nuclear plant, but they could be.

The last comment I'd like to provide in response to your first question is that we do have an ongoing investigation. Deliberate violations of regulations are criminal actions, and we have an ongoing investigation into that to determine whether or not these violations were simply oversights, or, if, in fact, they were deliberate violations for some ulterior motive, and if they were, those will be turned over to the Department of Justice and whatever action Department of Justice finds is appropriate, they will take, so you say we're doing nothing, and I appreciate that some of these things take time, and it doesn't appear that anything is happening, but there are several investigators. In fact, they're working today on site that are looking into this,

that aspect of your question. Is there another question I can answer?

MR. DUSSEL: Well, yes, you know, like this has went on for years -- years and years and the same way, you say there is all these investigations going on, but they are going forward right now putting this thing -- excuse me, putting this thing back together and who -- God only knows what they're doing. I read an article somewhere to the fact that the lid that they've got doesn't even have the same seal on it as the lid that they've taken off.

MR. GROBE: Well, I'm not sure -- that's not correct information.

MR. DUSSEL: Okay.

MR. GROBE: The head that they purchased from the Midland -- the consumer's power company in Michigan is identical to the head that was removed from Davis-Besse and has the same type of seal.

MR. DUSSEL: The other question I have is we're sitting here talking about the reactor and of the -- all the nightmares we hear on the reactor. I mean, if you would take and look on the Toledo Blade web site and go backwards and read --

which I will give you. I'd like to have you read these backwards 'cause you tell me -- would you mind handing that to them, sir? I would like to have you read them backwards to the people for me, and you tell me what kind of decision the public should make of what is going on here. You tell me that it wouldn't scare you to death. You say you are nervous sitting up there in front of us. You can't believe how nervous I am of Davis-Besse sitting down away from me.

(Applause).

MR. DUSSEL: That's not nervous, that's down right fear.

MR. GROBE: I'm not sure what your question was. I understand --

MR. DUSSEL: Would you mind reading them articles backwards to the people? That's just out of The Blade. That's not the Cleveland Plain Dealer. These articles here are articles that the common person can read, and this is the information that we are getting. I've been to your web site and all there is -- there's no answers. There's no nothing. It's just a bunch of talk. These are the articles that the people are reading and that's the reason people are scared. You can go backwards on

your -- on those articles, and you'll make one statement that this was safe, we don't believe this was going to happen. You go two articles farther up -- oh, we just discovered this. That reactor has been a complete nightmare. There is so many other things that hasn't been answered on this. The containment room, the filters that was filled with all the rust and so hap, how is the electronics and stuff on all this stuff in the containment room? None of that kind of stuff is talked about. I sat here at the last meeting, and I heard them talk about how they're cutting a hole in the containment building and how they're going to put this cement back together and it's going to be just as good as new. I'm not an engineer here, but I have worked around concrete, and I have done construction work. There is no way that you're going to cut a hole in that, glue a patch back on it and tell me that that's just as strong as it was when it was originally built.

MR. GROBE: In fact, it is, and we've had inspectors that witness the welding. We've had inspectors --

MR. DUSSEL: We've had inspectors witness all this stuff? We've had inspectors

wondering if there was a crack in the reactor when there was a hole ate through it. You know the inspectors -- your word is not too good.

MR. GROBE: I'm not sure I'm going to be able to answer any of your questions, because I'm not sure that you're giving me a chance to answer any.

MR. DUSSEL: Okay.

MR. GROBE: But which of the questions that I haven't been able to answer because you have interrupted me would you like me to start with?

MR. DUSSEL: I would like you to answer the question on the containment building itself, the electronics and stuff inside.

MR. GROBE: Okay. The -- the activities that FirstEnergy have undertaken go far beyond just the rad monitor that you're referring to. That radiation monitor has been examined, but all the equipment inside containment has also been examined. I've had inspectors that have observing what the Licensee is doing. We've also conducted independent inspections. The reports of those inspections are available on that web site, and you can read them. I would suggest that you take some time and read some

of the reports, and I would call your attention to several that would be helpful. One is from May. It's the Augmented Inspect Routine report. That was our original findings of the inspection that occurred in March and April. The Augmented Inspection Team follow-up report, which was issued maybe about three weeks ago, the Containment Health Inspection report. These reports will provide you a comprehensive understanding of what's been going on at the plant and what the NRC has been doing to inspect those activities and what our findings are, and they'll give you information far beyond what you could read in the newspaper. If you're looking for information, the web site is an excellent place to go. If there's -- if you're not comfortable with the web site, we'll be glad to send you copies of all of these reports, so that you can have a more comprehensive understanding of what's going on than what you might read in The Toledo Blade.

MR. DUSSEL: Well, I would like to thank The Toledo Blade and the Cleveland Plain Dealer because that has basically been about the only place that you can really get any information where they actually say anything, and as far as the inspectors, you can sit and tell me how you're having this

inspected and that inspected, your past practices pretty well show what's going on. Thank you.

(Applause).

MR. GROBE: Yes, sir.

MR. FOWLER: John Fowler is my name. I'm an Oak Harbor resident.

A couple of things have surfaced this evening that leave me kind of wondering about the program and its totality. The inability to track people that may have purposely ignored safety requirements, is there some sort of a personnel reliability program like we have in the Defense Department --

MR. GROBE: No, you misunderstood what I said. We don't track where people work. If one of those individuals that was involved was -- is found to have deliberately violated our requirements we have an enforcement policy that deals with that on two levels. The first is the actions that we would take, which we refer to as civil enforcement. Those would be orders, and it's not uncommon that we issue orders prohibiting people from involvement in nuclear activities, and those people are tracked. More significantly, if they are found to have deliberately violated our requirements, the Department of Justice has the authority to prosecute them, and there is

criminal sanctions which include jail time and fines, so I don't want you to get any impression that deliberate violators of requirements are running willy-nilly around the industry, and we can't find them. That's not what I mean. What I was saying is we don't track where everybody works with the exception of licensed operators. We know where they're working because we license them, but all of the other workers of nuclear plants are free to go work wherever they want. If they are deliberate violators of requirements, then there are sanctions that are levied against them.

MR. FOWLER: If these violations were not deliberate and these individuals have moved on, it would appear they could be working in the nuclear power industry presently while your investigation is yet ongoing. They have not been temporarily decertified until the investigation is complete as would be done in the Defense Department.

MR. GROBE: That's correct.

MR. FOWLER: So they're on the loose out there?

MR. GROBE: Yes. We generally have a principal in the United States that you're innocent until proven guilty, so, yes, they are out

there. There is an investigation ongoing. I don't want to leave the impression that there is any conclusions that people deliberately violated requirements, but if they did, it will be a result of the investigation, and we'll provide the evidence for that.

MR. FOWLER: Or even if it was inadvertent through sheer incompetence as opposed to deliberate intent?

MR. GROBE: If the violations were associated with incompetence, I would expect that any future employer would find that out.

MR. FOWLER: Has Davis-Besse been assessed any civil penalties to date regarding this reactor head incident?

MR. GROBE: No.

MR. FOWLER: And several years ago, there was an issue where above ground casts were approved by the NRC for storage at Davis-Besse.

Initially, I guess there were some local protests. I was relatively new to the area at the time, and there were some concerns, and they said, well, if the stainless steel liners for the casts are -- and correct me if I'm wrong, five-eights of an inch thick, no problem, they're good to go, they're

blessed by the NRC, but the as delivered cast, if I recall correctly, only had liner thicknesses of about a half an inch, and then miraculously, oh, they're good to go, too, go ahead and put them into operation.

What are you doing presently to ensure to us that the casts are safe at this point?

MR. GROBE: You're not going to be real happy with this answer. I have no knowledge of the specific activities with respect to dry casts at Davis-Besse. Those are not the activities we're looking into. I can get you in touch with the people that can answer that question.

MR. FOWLER: Well, I think from a community standpoint we've already found there is some problems with the NRC's activities with the reactor. Tell us about the casts. Are we safe in your opinion or --

MR. HOPKINS: Yes, in my opinion, the casts are safe. I have some knowledge of dry casts. I don't recall the Besse specifically, but if it's a manufacturer, I believe, that, yes, indeed, the manufacturer had approval to make these casts and the thickness was five-eights inches, as I recall, and they were delivered with like one-half an inch,

as you stated, and re-doing engineering calculations to go back over that, the one-half inch was found to be acceptable, and we find them acceptable today. There is no danger from the casts at all, but it is true that some casts were manufactured, it didn't exactly meet what they were supposed to originally, but they are safe and that they are manufactured, they have a sufficient safety margin to perform their job.

MR. FOWLER: It's just from a local community standpoint and being in the downward hazard zone as we are, it wasn't explained early on when they said, okay, thicknesses of half an inch to an inch or inch great. It was five-eights is okay. Half an inch shows up -- and, oh, half an inch is okay, and in the rule making process of the Federal Government there is always a strong bit of influence by the industry as well as legislatures.

Do you generally being seasoned inspectors and employees of the Nuclear Regulatory Commission, do you feel additional legislation is needed?

Do you need additional inspectors to be more efficient on site?

Is the program adequately funded and regulated?

MR. GROBE: You're asking huge questions. Let me --

MR. FOWLER: Something you may not be able to answer, I understand, because it's a public forum and being recorded.

MR. GROBE: Well, certainly we could do more inspections if we had more inspectors. We have two inspectors that are on site all the time. That's their full-time job. Scott's the Senior Resident Inspector at Davis-Besse. You might, in any given year, have about 15 inspections that are performed that range from one week in duration to three or four weeks in duration, and inspectors that come out of the regional office that travel to all the plants in the Midwest, but if we had more inspectors, we could certainly do more inspections. The -- I don't believe there is any further legislation that's necessary. There is no question that this issue should have been detected by the Company and certainly could have been detected by us. There was sufficient information there had we looked at it; we would have come to the conclusion that something inappropriate was going on. The fact of the matter is, we didn't come to that conclusion and that's why we have the Lessons Learned Task Force to

find out why that happened and whether or not we need to change our inspection program, what actions might be appropriate, and that report -- the executive summary of that report was made public through a press release and the entire report is available on the web site, and, like I said earlier, those folks will be out here November 6th to discuss with you the results of their evaluation of our performance, so nobody has taken this lightly. I understand your concern. We're looking at ourselves as hard as Davis-Besse is looking at themselves. We will learn and improve as a result of the Lessons Learned Task Force's activities and the actions we're going to take following that, and Davis-Besse is certainly learned a lot of things, and they are improving. I'm not sure what else I can say to you on that subject.

MR. FOWLER: Lastly, what about liability insurance on the part of FirstEnergy, what sort of -- and how is that even calculated?

Are there any requirements for an operating company such as FirstEnergy to maintain a certain amount of insurance?

MR. GROBE: Are you familiar with the Price-Anderson Act?

MR. FOWLER: No, no, I'm not.

MR. GROBE: Do we have anybody here that's an expert on Price-Anderson?

(No response).

MR. GROBE: There's a liability fund that was established under the Price-Anderson Act, and I have a very simplistic understanding of it, but if you have more questions, we can certainly get somebody in touch with you, but the way it works is that every Utility contributes to that fund, and that fund is available if there is a nuclear accident to deal with liability concerns, and that's about the extent of my knowledge. I don't get into the financial side of the business.

MR. FOWLER: Would you have some way to find out how much money is in that fund? I'm just kind of wondering.

MR. GROBE: I don't know.

MR. FOWLER: After the events of 9/11, the airline industry basically said, hey, we're out of money, and the Federal Government said, gee whiz, the taxpayers will take care of it, and you're good to go, and I'd hate to see FirstEnergy get off the hook if something does happen.

MR. HOPKINS: As Jack said, there is

a law that requires insurance for all nuclear power plant operators called the Price-Anderson Act, and Davis-Besse pays a certain amount each year to belong to that, to be covered by the law, and we checked that they said -- checks in to be members of the law and everything else, and the coverage under Price-Anderson, I'm not sure of the exact amount, but I believe it's around one hundred million dollars that's available to pay in the case of a nuclear accident, I think it is.

MR. FOWLER: Total?

MR. HOPKINS: Total.

MR. FOWLER: But we already know from 9/11 that we place the dollar value of human life at 1.8 million dollars --

MR. HOPKINS: Well --

MR. FOWLER: -- plus the clean up cost for all this valuable farmland in Ottawa County, one hundred million dollars would be a drop in the bucket, gentlemen.

MR. HOPKINS: There has been much discussion over is that an appropriate amount or not. That is above me as far as what the Act covers, but that is what the Act covers, and, again, I believe that's an approximate amount. I'm not positive on

the total amount, but that rings true to me as to how much that is.

MR. FOWLER: So as a rhetorical question my earlier question may then be correct, perhaps some additional legislation should be considered by our elected representatives to better protect us in the event of this hundred million dollar check which seems like it has fallen short to me. Thank you.

(Applause).

MR. ARNOLD: Paul Gunther of the Nuclear Information and Resource Service was dismayed --

MR. DEAN: Would you please state your name first for our Reporter. Thank you.

MR. ARNOLD: Sam Arnold. Paul Gunther of the Nuclear Information and Resource Service was dismayed the Task Force didn't focus attention on Samuel Collins because he overlooked his own staff recommendation to shutdown Davis-Besse by December 31st.

My question is why Mr. Collins' actions were not investigated and what were his reasons for overruling his own staff?

MR. GROBE: The -- first I want to

thank you for coming forward. The Lessons Learned Task Force conducted a review of NRC activities and one of the activities they reviewed was the decision that was made last fall. Sam Collins was part of that decision-making process. We have a group of people that investigate us if we do something wrong, and they are called the Office of the Inspector General. They report to Congress, and the Office of the Inspector General is conducting an investigation of the NRC staff activities that led up to the decision that allowed Davis-Besse to operate for an additional month and a half last year, so it is under investigation. The Lessons Learned Task Force report was provided to them and that's something that they are considering as part of their investigation, so the answer to your question is, it is under investigation.

MR. ARNOLD: Okay. My last question is --

MR. DEAN: Yeah, the other thing, Sam, I wanted to mention was that, I think it's a misrepresentation to say that Mr. Collins overruled the staff. The decision that was made by the Agency was an agency decision that was made with full consideration of all of the individuals that had

knowledge of what was going on, the technical issue, a very complex technical issue, and there was a large number of staff and managers involved in the decision that made a recommendation to Mr. Collins. He did not overrule his staff.

MR. ARNOLD: Okay. The reason one of the inspections was not made was lack of equipment and personnel.

Why was there a lack of this -- of these things?

MR. GROBE: The reason that we didn't find this problem that occurred over the last four years, I don't want to give you a misimpression, it wasn't the lack of personnel. It was the fact that we didn't choose that activity to look at. The Utility has upwards of a thousand people working at the plant every day. We certainly don't have enough people, and I don't think you would want to pay enough to have so we would have enough people to be able to watch everything that's going on, so we have to choose what activities we're going to look at. We choose the activities based on what we think are the most important things that are going on.

Prior to Davis-Besse, no corrosion like what occurred at Davis-Besse had ever occurred before in

the nuclear industry, so we didn't understand that that type of thing could occur. Had we understood that, we may have spent more time looking at activities regarding the reactor head. We didn't do that. It's -- as I said earlier in response to another gentleman's comment, if we had more inspectors, we could do more inspections. We may or may not have chosen that specific activity to look at and part of the Lessons Learned Task Force is to -- part of their charter was to look at how we do our inspections, how we choose which activities we look at and provide us their thoughts on how we can improve in that area. Okay? Thank you.

(Applause).

MR. GROBE: Other questions or comments?

MR. LOCHBAUM: Dave Lochbaum with the Union of Concerned Scientists.

Jack, I don't want to take issue or debate the point, but I guess I would disagree with your conclusion that the Agency is not taking this issue lightly. The first time I met Mr. Dean was when he was on the EDO Staff back when the Commission was holding hearings on the problems at Millstone. The first time I met you was prior to a series of

Commission meetings on how D.C. Cook was going to be restarted. There hasn't been any Commission interest or hearings into Davis-Besse.

Kind of curious as to what's distracting those five that are keeping them from looking into what's going on at Davis-Besse?

MR. GROBE: There certainly has been a lot of interest among the commissioners. There hasn't been a Commission meeting, and you would have to ask the question of the Chairman why the Commission has chosen to not have a meeting on Davis-Besse yet. I don't have that answer. I have been responding to questions from the Commission and staff on a fairly regular basis. There is no lack of interest on the part of the Commissioners.

MR. LOCHBAUM: I guess from an observation point they held a lot of meetings on Millstone, held a lot of meetings on D.C. Cook, held zero meetings on Davis-Besse. I think that's consistent with what we saw in the Lessons Learned Task Force where the Agency just didn't give Davis-Besse a lot of attention and still does not give Davis-Besse a lot of attention.

MR. GROBE: Well, again, I don't want to speculate on what might be the reason that

they haven't had a meeting, a formal Commission meeting. As you recall, we had two meetings, two Commission meetings, on D.C. Cook. I don't know why they haven't chosen to schedule a meeting on Davis-Besse. Again, I'm not the right person to ask that question to.

MR. LOCHBAUM: Yeah, I was just pointing it out --

MR. GROBE: I don't think it's a lack of interest because I have been responding to a lot of questions.

MR. LOCHBAUM: Well, I think you probably responded to a lot of questions on D.C. Cook as well and still had Commission meetings where the public could understand what the Commission was doing.

MR. GROBE: David, you're asking the wrong guy.

MR. LOCHBAUM: The other guys aren't here.

MR. GROBE: Well, I'm sorry, I can't speak for --

MR. LOCHBAUM: I can't find these people, so you're the only people that show up, so I'm sorry that you have to take the question, but if

I can find any of the other ones, I would ask them, too.

As far as another point, it's the Lessons Learned Task Force, I know it's not directly related to the 0350 Panel, but in some ways it is. I looked at this Lessons Learned Task Force report, which is very thorough and very come complete and it's much better than the Lessons Learned Task Force report from 2000 on Indian Point, which in itself was better than the Lessons Learned Task Force in 1997 at Millstone, which was better than the Lessons Learned Task Force report on South Texas, so this Agency is getting very, very good at the Lessons Learned Task Force production, not so good at fixing the things that these Lessons Learned Task Force reports document. I think the goal should be not to become the best Agency in the world at producing a Lessons Learned Task Force report, but reducing the frequency from two years to let's start with four years at least at the front end. How that relates to you guys is that you're looking at 0350, you're looking at how the Company fixes things. Part of what the task that you have is they're not going to be able to fix everything. They're going to defer some thing until after restart, and you're going to audit that

to ensure that they make the right calls and what they do now and what they defer. The question from the Lessons Learned Task Force point of view is who's looking at those 50 odd recommendations to ensure that the ones that need to be done that affect the work that you're doing are done before Davis-Besse restarts?

MR. GROBE: I can -- I don't know exactly who's on the Senior Management Team that's looking at it, but it's being chaired by Carl Paperiello. Carl is one of the Deputy Executive Directors, and there's a number of other Senior Managers that are on the group that has 30 days from the date the Lessons Learned Task Force report to develop the action plan to address the recommendations, so I would expect mid November or so would be the -- will be when they publish their action plan for the Agency.

MR. LOCHBAUM: So there won't be any changes before this action plan gets developed in mid November then?

MR. GROBE: Well, that's -- I think -- I think you know that's a little bit of an exaggeration. There's been a lot of activity, and Bill just described a little bit of it with respect

to two bulletins that have been issued since Davis-Besse and there's been three or four --

MR. LOCHBAUM: No, that's on things that you're asking the industry to do differently. The Lessons Learned Task Force report was mainly focused on how the Agency does things differently.

Earlier today in response to Amy Ryder's question about what the NRC is doing, you said your inspections -- your inspectors are going to go in, look at the plant, and if it's not ready to restart, the inspection reports are going to require that those things get fixed, but your inspectors are going to be using the same inspection procedures they used last year.

MR. GROBE: No.

MR. LOCHBAUM: Yeah, you are.

MR. GROBE: The inspections that are done under 0350 are very unique and specialized inspections. Each one has a specifically tailored inspection plan for the specific activities that we're inspecting. It's -- it's not like a routine inspection program at all. Our routine inspection program might generate 2000 hours of inspection a year, something on that order. We've probably already expended in excess of that in the last few

months at Davis-Besse. This panel approves each inspection plan for each inspection that goes on at Davis-Besse today, so it's a very different and unique program specifically tailored for problems at Davis-Besse. It's not part of the routine inspection program at all.

MR. LOCHBAUM: I guess the question -- the follow-up question is why don't you use it all the time then? If this is foolproof why didn't you use it to avoid these situations rather than those inspection procedures that don't seem to work very well?

MR. GROBE: Well, as I'm sure you can appreciate this is very resource intense and very costly for us. As several people have asked about resources, we don't have enough resources to do this kind of inspection at every plant every day so we have to try to create a routine inspection program as best we can to cover all the bases and obviously we missed this one.

MR. LOCHBAUM: Speaking of resources, I had a meeting with Commissioner Merrifield recently. He invited me into his office.

MR. GROBE: I thought you couldn't find them. Come on, Dave.

MR. DEAN: Yeah, why didn't you ask him that question?

MR. LOCHBAUM: I did ask him that questions. He said it would be in the Lessons Learned Task Force report, so I guess he lied to me. I asked him the question about resources because we said you thought you didn't have enough resources and if you had more resources that would help you out. His answer was you have -- NRR has too many resources. You don't need more resources, so we're trying to help you out and get you more people to do those inspections you like and you got the people at the top saying there's probably too many of you, so who is right in that situation?

MR. GROBE: Well, my answer is always the Commissioner is right.

MR. LOCHBAUM: It was a trick question with a transcript, yes, and, lastly, if I understood some of the comments this evening, one of the NRC's goals, one of the NRC's only four goals is to improve public confidence, and, I guess, for the record, we'd like to add that the Union of Concerned Scientists has lost confidence in this Agency. As I heard some of the other people kind of express today, the decision that was made by whoever last year, and

I think it was Sam Collins, but whoever, was the worst decision I've ever seen you guys make -- ever. I don't see any excuse for what you did, and I -- I had a lot of confidence prior to that -- that decision. In the last year, it's gone, and I don't know what you can to restore that, but something needs to happen because these people deserve it. Whether -- my group doesn't matter or not, but the people living near the plant need to have confidence in you as the regulator. Thanks.

(Applause).

MR. GROBE: Any other questions? Oh, excellent.

MS. SHAW: Hi, I'm Lori Shaw, and I'm the coach of the Circuit Breakers, the young gentleman who came down here, and they have sort of brought me in to all this. My question is, I heard you say about the welding that that was safe when the other gentleman -- and my question is, if the kids come back to me and ask, well, why is that safe, how did you decide that was safe? Has that been tested? Has that repair ever been done in another nuclear facility, and has there been any long-term follow-up with repairing a hole of the same magnitude with a plug?

MR. GROBE: Yes, yes, no, yes, and no. You asked a lot of questions. Let me answer the last one first.

It is not uncommon to have to cut holes in containments, and it's been done at a number of plants. The containment has two access ports; one's a personal access port which is the size of a person, and the other one is called the equipment hatch, and it's about 20 feet in diameter roughly. There are times during the course of a plant's life when they may have to move a piece of equipment into containment that's bigger than that. This has occurred at a number of plants where they have to replace steam generators, and they cut a hole inside containment and move it in and then weld it up, and, specifically, about your questions on welding, welding is a very common process. Through the process of welding, it's not like gluing something together where -- it's a different kind of material between two pieces of material to glue it together with adhesive. Welding is actually creating the same kind of metal, so, in essence, you have a single piece of metal when you're done. Each welding procedure is developed specific for that welding job and these are tested and reviewed and approved. The

process that the welders go through is tested and reviewed and approved, and then after the weld is done, the weld is examined using what I refer to as non-destructive examination techniques. Essentially for this weld, it was like an x-ray. It's called a radiograph, and they actually look at the weld, the entire weld, using x-rays to make sure that the metal is good metal that they've put in, so the answer to your question is it's a carefully controlled process. It's reviewed and approved ahead of time. It results in a single piece of metal and it's radiographed to make sure it was done correctly, and I have inspectors that witnessed the radiography as well as reviewed the results of the radiography. These are people that are experts in doing that kind of thing.

MS. SHAW: Were the repairs done from damage similar as --

MR. GROBE: I'm sorry?

MS. SHAW: Were the hole plugs used in cases of damage similar to this that there was leaks and a hole and welding was used in that same case scenario?

MR. GROBE: Are you now talking about the reactor head?

MS. SHAW: Yes.

MR. GROBE: That sort of damage has never occurred before. The Company originally was thinking about repairing the hole in the head instead of replacing the head, and that's a fairly complicated weld, and they decided not to do that. They decided to purchase a new one.

MS. SHAW: Okay.

MR. GROBE: There is one more thing, these guys are whispering in my ear while I was talking. After the -- all of the work is done at Davis-Besse just prior to restart, there's a special test that's called Integrated Leak Rate Test where they pressurize containment. They actually pump it up in inside and look for leaks, so that's an additional barrier margin of safety test that provides additional confidence that the containment is in good shape.

MS. SHAW: Thank you.

MR. GROBE: Yes, sir.

MR. YOUNG: Richard Young. Good evening. We have the question of whether Mr. Strasma's comment earlier on the civil portion of the penalty phase will be awaiting all the violations to all be added up before an assessment is granted?

MR. GROBE: The -- I'll talk a

little bit about our enforcement policy, and then I'll turn it over to Bill and he can talk about our normal routine oversight process. They're only very unusual circumstances when we use civil penalties, monetary fines. If a company is involved in discrimination or willful violations, or if there's a very significant event, like a significant overexposure, something like that, those activities are handled under our traditional enforcement or if there is deliberate violations, under our traditional enforcement policy which can result in fines. Other types of violations, normal violations, aren't handled under that enforcement policy, and Bill's an expert in that. I'll let him answer that.

MR. DEAN: And if you have our monthly newsletter, there's actually a pretty good -- is that what you're referring to, our monthly newsletter?

MR. YOUNG: Well, because of the recent developments of the radiation findings that -- I know it's a different characterization, a different problem entirely, but I didn't know if you intended to do the NCV notice at the end of the month.

MR. GROBE: Okay.

MR. DEAN: Yeah. If you get our

monthly newsletter and Vika will --

MR. YOUNG: I haven't got the latest one.

MR. DEAN: Okay, it has a description there, matter of fact, about of our enforcement policy, which will probably do better than what Jack and I are trying to do here tonight, but with respect to -- you're talking about the radiological issue?

MR. YOUNG: Yes.

MR. DEAN: First of all, when we have an inspection finding, we look to characterize the inspection finding in terms of its significance. In the case of a radiological event, we will be looking at exposure, did somebody receive exposure in excess of limits? If that were the case that results in the termination of a particular significance which then derives the Agency's response, additional inspection, perhaps confirmatory action letters, orders, violations will be issued. We reserve the right for civil penalties for, as Jack said, significant -- if there was a significant overexposure of an individual, so if that happens to be the case, this would maybe be something that we would consider not only for a violation, but may also

consider for civil penalty, if we do have a significant overexposure. That would be an example of where we would consider civil penalties.

MR. YOUNG: Okay. And my last question I have is a violation being the non-tolerance portion of the earlier violations, is that an automatic category one or again category is only for willful?

MR. DEAN: You mean severity level one?

MR. YOUNG: Severity level, I'm sorry, yes.

MR. DEAN: If you're talking about our prior enforcement policy --

MR. YOUNG: Of penalties, yes.

MR. GROBE: You've got a good tag team here because I'm pretty much an expert in our routine enforcement policy. If you have a deliberate violation, which I think was your question, there's a number of different considerations that go into the categorization of that violation. If it's a very low level individual, there may not be any fines, but there may be just action against that individual. At the other end of the spectrum, if it's a very high level

individual that was involved in that, there would not only be action against the individual, but there would likely be fines and possibly orders against the company, so there's a number of factors. The egregiousness of the violation, and I know it's difficult to think of different levels of egregiousness of willful violation, but one category of a willful violation is what we call careless disregard. If the individual was trained well to do their job and all of the information was there before them and they just didn't do it, we call that careless disregard, and that's a willful violation. That's the lowest level of types of willful violations and it goes up through a deliberate violation, which would be somebody did something for personal gain or for corporate profit where they deliberately, cognitively made a decision to violate requirements, so there is different levels of willfulness, and there is also different levels of individual as far as their responsibility in the organization and all of those factors go into consideration of how you apply the enforcement sanctions.

MR. YOUNG: And NCV notice is only after everything's done in totality, right? There's

no piecemeal in NCV letter -- not NCV. What's your regulatory violation letter called?

MR. GROBE: It won't be until after the investigation is complete --

MR. YOUNG: Okay.

MR. GROBE: -- that a decision is made on what sort of sanctions might be associated with the violations of Davis-Besse.

MR. YOUNG: Thank you very much.

MR. GROBE: Okay? Other questions?

MS. BARBOUR: Hi. My name is Emily Barbour, and I got here late, so you may have addressed this earlier, and I'm sorry if you have did.

Since I have been here I have heard a lot of talk about -- earlier a woman asked a question about safety, and what safe meant, and it was responded to with a lot of comments on how common processes were or how controlled the process was, and that doesn't necessarily mean safe to me, so I was wondering what safe actually means in terms of a nuclear power plant, and I was also wondering what guarantees you can give to the people here that the nuclear power plant will be safe, not just that the processes

involved will be done to the best that they can be, but that actually there is no threat anymore nor ever will be?

MR. GROBE: That's a pretty high standard. I think the question had to do with welding, is that the earlier --

MS. BARBOUR: Yeah, that was the earlier question.

MR. GROBE: You don't want me to go into that, do you?

MS. BARBOUR: Okay.

MR. GROBE: Yes?

MS. BARBOUR: I was just wondering what safe means in -- I mean, nuclear power is a big complex process, so --

MR. GROBE: I'm going to answer this with a couple generalities and then some specific technical information, and you can tell me when to stop. Each of us define safe differently in day to day life. You know, we all drive down the street and there's a risk associated with that. We all do things day in and day out which have risks associated with them, and we make those judgments all the time. Some of us talk on a cell phone when we drive. Well, that's more risky than two hands on the

wheel, and we make that judgment that we feel that that's safe, and somebody else may feel that that's unsafe. Someone else may feel that you talking on the cell phone makes me unsafe, so, I mean, each of us define safe differently. Within the context of nuclear power we talk about safety in terms of core damage frequency, and let me tell you what that means. It's the probability of an accident occurring that could damage the reactor core, and that doesn't mean release radioactive materials because there is many barriers to releasing radioactive materials. The first barrier is the nuclear fuel itself, so we talk about safety in terms of what is the probability that the first barrier to the release of radioactive materials could be damaged, and generally we're talking about probabilities in the range of 1 in 100,000 to 1 in a million per year, so that means if a reactor operates for a whole year, the risk of having that first barrier breached is on the order of 1 in a million. That's how we talk about safety. A normal operating reactor in the United States has a core damage probability of somewhere between 10 to the minus five which is one in 100,000 to 10 to the minus 6th which is one in a million, and some violations increase

that risk and as the risk increases our response to the violation increases, so we're right now trying to determine what this risk significance is or was of what happened at Davis-Besse, and that's a very complicated problem because it's a very unusual situation to have a roughly six inch diameter hole 99% of the way through the reactor head, so it's a very difficult thing to do, but we're in the process of trying to calculate what that risk significance was.

Now, like I said, I first answered your question -- was kind of general; second answer was very technical. I'm not sure I'm answering your question fully, but if -- do you have additional questions? Have I hit it -- the mark?

MS. BARBOUR: All right. You're doing an all right job.

MR. GROBE: Okay. Okay. Do you have other questions?

MS. BARBOUR: Not at the moment.

MR. GROBE: Okay. Thanks.

MS. LUEKE: Hello, Donna Lueke.

I had a couple of questions about what happens to the information from these public meetings?

MR. GROBE: What happens to the transcript?

MS. LUEKE: Yeah.

MR. GROBE: It takes us about three or four weeks, but -- in about three or four weeks it will show up on our web site, so it will be available for anybody who's interested that wasn't able to attend the meeting, they can review the transcript.

MS. LUEKE: I guess last time we checked was about a month ago, but at that time the notes from August were still not on the web site.

MR. GROBE: Well, I'm certain they are now.

MS. LUEKE: Okay.

MR. GROBE: Our last meetings -- this is October, our last meetings in September, the afternoon meeting is up on the web site. The evening meeting was supposed to go up today.

MS. LUEKE: Okay.

MR. GROBE: So it takes us about a month and -- you know, most of it is the skin wearing off the fingertips of the transcriber to put it on paper.

MS. LUEKE: Who reviews those

minutes?

MR. GROBE: We review them to make sure that they are reasonably accurate before we put them up on the web site, and then whoever wants to review them, reviews them.

MS. LUEKE: As far as the content of those, do you come to some sort of report about that or just read them over or --

MR. GROBE: We're making --

MS. LUEKE: What happens with the information that we discuss here is what I want to know.

MR. GROBE: We're making the transcripts available as a service to the public --

MS. LUEKE: Uh huh.

MR. GROBE: -- for those people that aren't able to come to the meetings. There was a lot of concern, for example, whether we should conduct all these meetings -- the afternoon meetings in the evening and decided that that wasn't the best way to proceed from a business prospective, but there were people that wanted to see what was going on in the afternoon, so we decided to transcribe all of the meetings so that somebody who's interested in the contents of the afternoon meetings but couldn't

attend could actually find out, so the slides from those meetings are available on the web site. That's generally before the meeting happens, and the transcripts are available about three or four weeks after the meeting happens.

MS. LUEKE: Okay. I just wondered because it took so long to get those minutes up and then also I filled out the comment card from last time and asked for someone to contact me and that never happened, and I went on the web site, and, you know, that -- there wasn't a response there, either, so my personal experience as just a local citizen has been that --

MR. GROBE: It hasn't been that good, it sounds.

MS. LUEKE: No.

MR. GROBE: Well, talk to Viktoria.

MS. LUEKE: Okay.

MR. GROBE: And any one us will call you with whatever questions you have. I don't believe -- somehow we didn't get that comment card, and they might be in somebody's office and just didn't get to us yet, and I apologize for that.

MS. LUEKE: 'cause I think that

from what I've seen, you are fairly good at communicating with what happens in the meetings with FirstEnergy. We're getting that information, that's being delivered, and your web site seems and your newsletter -- so those kinds of -- the information flow to the community seems to be reasonably good; however, I'm not sure about the feedback from the community to you, how that's happening, and if it's being taken in in any way.

MR. GROBE: Oh, absolutely. We're getting tremendous feedback, and we have gotten tremendous feedback tonight from the community. I have seen a lot of the feedback forms that people send in, so I know that they are eventually getting to my desk. I don't know why yours got misplaced.

MS. LUEKE: Well, I'm not too concerned about that one thing, but I guess most of your time is spent talking with the Licensees, right?

MR. GROBE: (Nod indicating).

MS. LUEKE: And amongst each other with your own management teams and inspectors and all.

MR. GROBE: Uh huh.

MS. LUEKE: Is -- outside of the problem-solving area, is there any regular system

where people like citizens groups or the Union of Concerned Scientists or Ohio Citizens Actions or news media or those kind of forces are a part of your decision-making is what concerns me --

MR. GROBE: Sure.

MS. LUEKE: -- because otherwise the loop is too closed just between the -- and naturally if you're spending all your time with the people that are, you know, operating the power plants, those are the people that you're going to listen to.

MR. GROBE: Sure.

MS. LUEKE: So I just think that there's a structural problem with the communications as I've seen it.

MR. GROBE: Let me just tell you what we do have, and it seems to work pretty good, but we could always improve it. You talk about the Union of Concerned Scientists, we're talking to Dave Lochbaum all the time. I mean, he's very actively engaged with us both electronically as well as face-to-face, I receive E-mails from David all the time, so there is a lot of interface between us and the national level of public interest groups. All of our routine inspection reports for every reactor

is available on the web site.

In addition to that, for each reactor there's a specific spot on the NRC web site that gives you information regarding the current performance indicators for that plant, the current inspection findings and then you can delve into that, if you can click onto various windows and it will get you back into various documents as well as you can search -- we have an electronic database for all of our documents. It's called ADAMS, Agency Document Management System, ADAMS -- I think that's what it is, and you can search and find all the inspection reports for whatever plants you're interested in.

In addition to that, we conduct -- I'll say routine public meetings on each plant. For a very good performing plant that has no events, no problem, that routine public meeting might only be once a year, and we might get three or four people that come to those types of meetings. Obviously, for a plant like Davis-Besse we're conducting multiple public meetings per month, and we're getting a lot of interest and a lot of feedback, so depending on where the plant is, we provide what we hope is good access to the public to what we're doing, and if it's not enough, you know, we're willing to do more, but

that's why we're here. We're trying to do that, to provide the public access to us and to what we're doing.

MS. LUEKE: I guess it still concerns me because there aren't many Mr. Lochbaum's out there. Not too many of us have that kind of an understanding, and I have devoted a lot of effort to try and understand what's happening to us around here since -- but like with most of the residents around here, it only came to my attention when there was a problem.

I guess I'd submit that there -- just as there was a root cause, you found one of the root causes of FirstEnergy's Davis-Besse problems to be their corporate culture, and the problems of communication that were caused by that -- that's correct, right? One of the root causes was --

MR. GROBE: Yes.

MS. LUEKE: I'd submit that maybe that there is a similar root cause in the NRC structure because you spend the majority of your time amongst each other and with the Licensees of the plant, and I guess -- and I am sure that at times it seems like you're under assault from all those other factors from the citizens groups and for those of us

that are upset so that your contact with the public maybe is too limited to crisis situations. In order for you to have a -- a meeting once a year, the three or four people, I don't think is enough to balance the natural prejudice that you're going to have by spending all your time, and I'm just throwing that out there. I don't have an answer for it.

MR. GROBE: Well, let me -- I think your comment is very good, and let me respond to it a little bit and see if anybody else has any comments. We refer to that as a loss of objectivity.

MS. LUEKE: Yeah.

MR. GROBE: And we specifically --

MS. LUEKE: That's what I've heard.

MR. GROBE: It's something that's of great concern to us. For example, once upon a time many years ago I was a Resident Inspector, and for the Resident Inspector Program, we're very concerned about that because they're literally working at the plant every day.

MS. LUEKE: Yeah.

MR. GROBE: So we have specific procedures in place that we move Resident Inspectors

every -- not more than seven years and oftentimes it's much more frequent than that, but we don't allow an individual to stay at one plant longer than seven years. Most of the Resident Inspectors move much more often than that. That's because of that exact concern.

In addition to that, in each of our performance appraisals, our objectivity is evaluated every year by our supervisor, and so this is not an issue that's lost from us. I can understand your perception that maybe there was a loss of objectivity and the decision that was made, but, you know, that that's something that was evaluated by Lessons Learned Task Force and will be evaluated to much greater detail by the Office of the Inspector General. Vika, did you have something?

MS. MITLYNG: Yeah, I want to --

MR. GROBE: Come to the microphone, please.

MS. MITLYNG: I'm the Public Affairs Officer --

MR. GROBE: You got to get closer, Vika.

MS. MITLYNG: I'm the Public Affairs Officer with the Nuclear Regulatory Commission, and I

think that your comments are really important. The Public Affairs Office is the interface, supposed to be the interface, between you and these factors, the staff, the management of the Commission, and I personally sit in my office eight, nine, ten hours a day. I talk to the media. I talk to citizens, local citizens, who call me and say, hey, you know, we're thinking of buying a condo near Davis-Besse, should I? And I try to provide as much information as I have, and I'm not a nuclear scientist. I'm not an engineer. I'm a Reporter, and so I really try to understand the issues that the Commission deal with and bring them to people who have interests, and we have put together the monthly newsletter where we try as much as we can to describe what we are doing to address the concerns of people who live in this area which are very understandable to me. I have two kids myself and I, you know, I really know where you're coming from, so if you have any suggestions or questions, any of you out here, please call the Public Affairs office in Region 3. You can talk to me any time. Take down my number, it's 630-829-9662. My colleague is Jan Strasma. His number is 829-9663, and we will try to answer whatever questions and provide you with information

that you need.

MS. LUEKE: Thank you. I think that was very helpful to me because I know that for myself and for many of the people that have come here to make comments that it takes a certain leap to get here because to become even informed about all this is quite complicated and takes a commitment of time and most of us have other -- other things that we do, and also because our neighbors, our friends work at Davis-Besse, and it's an important part of the area, and so for us to ask these difficult questions, I think for every person that asks a tough question, I think you have to realize that there are an awful lot of people that aren't asking questions. I'm sure Communications 101, that's a known thing, but I think in this case, it's even more so because people are afraid, and they'd much rather believe that everything is okay, and that's why it's been so hard to lose faith in those that we thought were protecting us, and I just have one more question, if I may.

MR. GROBE: Sure.

MS. LUEKE: When I was here a couple months ago, we were talking and -- about how bad this was, and we still don't know how bad this

was. I'm assuming there are still things to be found out, but at that time you said that this wasn't really that bad as far as nuclear power plant occurrences were concerned, that there were worse out there, and with the facts that have come up since that time in the last few months, have you changed your perception of how bad it was here, and how serious this case is?

MR. GROBE: I really can't recall what you're talking about, but it could have been the context of the fact that we described multiple barriers to release and even this one barrier wasn't breached, it was very seriously degraded. Was that maybe the context of the prior conversation?

MS. LUEKE: That's why I wished I had the --

MR. GROBE: Yeah.

MS. LUEKE: -- meetings' notes, but I don't know for sure.

MR. GROBE: Let me just start off with a different kind of comment on a different tack.

As David has indicated he's known me for quite a few years. It's very difficult for me to be associated with an organization that people don't trust. I have been working in this business for a

long time. I think I do a good job of it, and I think you should be able to trust us. I think the work that we're doing at Davis-Besse deserves your trust under this 0350 Panel, and I think if the plant is returned to operation, it will only be returned to operation if it's safe. The situation occurred at Davis-Besse, the specific situation of the reactor head was a symptom of a much broader problem at Davis-Besse. The Company described it as a focus on production over safety, and it had ramifications in many areas of the plant. The Company's found a number of problems with a variety of systems at the plant that they were not aware of, so I'm not sure if -- you asked a question; is this problem bigger than with we originally thought? Yes. The head itself was a significant issue because a very great amount of margin -- whenever you design a piece of equipment, when an engineer designs it, he says I need this much, so I'm going to design it to have this much -- excuse me, this much, and that way I have all this design margin. Well, all of that margin was eaten up literally in the corrosion and that's very significant. An accident didn't occur, so that's the good news. The bad news is the situation existed, and the Company is getting their

arms around the full significance of this as far as other problems and other areas of the plant. If you have the opportunity to review the slides or transcripts of the afternoon meetings, or if you can come to one of them, I think they're upwards of 24,000 specific work activities that they have to accomplish to fix the problems that they've identified prior to restart, so that just gives you a sense of the number of issues. Many of those problems are very small problems, so there's a bunch of them, so that I think just to give you a context of the number of things that they're finding that aren't what they expected to find.

MS. LUEKE: That's not very comforting, I'm sure you know.

MR. GROBE: Well, it's not very comforting looking back. I guess the -- somebody earlier, the young lady in the back row asked what safe was. Well, there wasn't an accident, that's the good news. The risk of plant is much higher than what it should have been. We haven't finished calculating that. I'm not sure we're going to be able to precisely calculate what the risk was by the time we get done, but we're going to be able to get a context of what the increased risk was, so the plant

was less safe than what it should have been. Was it unsafe? Well, there wasn't an accident, so -- it's difficult to, you know, put that all into context. It certainly is not acceptable, performance of the plant was not acceptable.

MS. LUEKE: Okay. Thank you.

MR. GROBE: Uh huh.

(Brief pause).

MR. GROBE: Well, it looks like we have run out of energy.

I certainly appreciate all the comments that we've received tonight, and I encourage you to come again. If you can come in the afternoon, you can hear FirstEnergy give their presentation. If you can't come, that information is available on the web site. Avail yourself of that, call Vika at any time or her counterpart, Jan Strasma, and if she can't answer your question, she'll certainly get to me and between the two of us, we should be able to answer any questions you might have. Thank you very much. Oh, fill out the feedback forms, please. Thank you.

THEREUPON, the hearing was adjourned.

CERTIFICATE

STATE OF OHIO )
) ss.
COUNTY OF HURON )

I, Marlene S. Rogers-Lewis, Stenotype Reporter and Notary Public, within and for the State aforesaid, duly commissioned and qualified, do hereby certify that the foregoing, consisting of 80 pages, was taken by me in stenotype and was reduced to writing by me by means of Computer-Aided Transcription; that the foregoing is a true and complete transcript of the proceedings held in that room on the 16th day of October, 2002 before the Nuclear Regulatory Commission.

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

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office at Wakeman, Ohio this day of , 2002.

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

My commission expires 4/29/04