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PUBLIC MEETING  
BETWEEN U.S. NUCLEAR REGULATORY COMMISSION O350 PANEL  
AND FIRST ENERGY NUCLEAR OPERATING COMPANY  
OAK HARBOR, OHIO

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

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PANEL MEMBERS PRESENT:

U. S. NUCLEAR REGULATORY COMMISSION

- Mr. John Grobe, Chairman, MC 0350 Panel
- William Dean, Vice Chairman, MC 0350 Panel
- Anthony Mendiola,  
Section Chief PDIII-2, NRR
- Christine Lipa, Projects Branch Chief
- Christopher Scott Thomas,  
Senior Resident Inspector  
U.S. NRC Office - Davis-Besse
- Jon Hopkins,  
Project Manager for Davis-Besse

FIRST ENERGY NUCLEAR OPERATING COMPANY

- Lew Myers, FENOC Chief Operating Officer
- Robert W. Schrauder,  
Director - Support Services
- J. Randel Fast, Plant Manager
- James J. Powers, III  
Director - Nuclear Engineering
- L. William Pearce,  
Vice President FENOC Oversight
- Michael Stevens  
Director - Work Management

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1 MS. LIPA: Okay. Good  
2 afternoon, my name is Christine Lipa. I'm with the Nuclear  
3 Regulatory Commission. I would like to welcome everybody  
4 to our public meeting with FirstEnergy.

5 I am a member of the NRC's Davis-Besse Oversight  
6 Panel; and this panel was chartered to provide oversight of  
7 the Davis-Besse facility during this extended shutdown.  
8 And this meeting today is a continuation of regular public  
9 meetings that we've been holding here at the high school.

10 The meetings are open to public observation. And  
11 the purpose of the meeting is to discuss with FirstEnergy  
12 the status of their ongoing plans at Davis-Besse, and also  
13 to provide feedback that we have on their plans.

14 We have an agenda up on the screen today. And I  
15 would also like to introduce the NRC staff up here at the  
16 table.

17 On the far left is Tony Mendiola. He is the Section  
18 Chief in the NRC Section Headquarters Office. He's  
19 Supervisor of licensing activities for the Davis-Besse  
20 project.

21 Next to Tony is Bill Dean. And Bill Dean is the  
22 Deputy Director of the Division of Engineering in our  
23 Headquarters Office, and he's also Vice Chairman of this  
24 panel.

25 Next to Bill is Jack Grobe. Jack is the Senior

1 Manager in the Region 3 Office near Chicago, and Jack is  
2 Chairman of the Oversight Panel.

3 Next to Jack, is Scott Thomas, and he is the Senior  
4 Resident Inspector here at the Davis-Besse site. He  
5 reports to the NRC, but he is stationed here at the site  
6 and reports to the plant each day and does his inspections  
7 there.

8 And then on my right is Jon Hopkins and he's the  
9 Project Manager for Davis-Besse. He's located in  
10 headquarters.

11 We also have Jay Collins on the slides over here  
12 today, and he's an Engineer out of the Headquarters  
13 Office. And, he's at Davis-Besse on a rotational  
14 assignment.

15 Another NRC person in the audience today is Viktoria  
16 Mitlyng, and she's our Public Affairs Officer. There she  
17 is in the back.

18 We also have Nancy Keller. She is, was greeting  
19 everybody out front, making sure they have handouts. And  
20 she's the Site Secretary at the Davis-Besse facility and  
21 she works for the NRC.

22 There are a number of handouts out in the foyer when  
23 you came in. I wanted to walk through those briefly. One  
24 of them is the October issue of a monthly newsletter that  
25 the NRC is putting together to keep everybody informed of

1 the background of the event, and then updates on current  
2 activities and ongoing activities.

3 We also have a press release and the executive  
4 summary that describes the Lessons Learned Task Force  
5 Report that was just issued last week. And that's an NRC  
6 Lessons Learned Task Force that was put together. That  
7 report is available on our website, the full report. There  
8 is a summary in the foyer.

9 Also, we have the, today's agenda, and the other  
10 slides we'll be talking about later today.

11 We also have feedback forms, and we encourage you to  
12 fill out the feedback forms, if you have feedback for us.

13 We're always trying to improve these meetings and we have  
14 incorporated some of the feedback we have received at  
15 earlier meetings to improve.

16 That's it for introductions on our side.

17 Lew, would you like to introduce your staff.

18 MR. MYERS: Yes, I would.

19 Thank you. At the end of the table to my right, we have  
20 Mike Stevens. Mike is our Director of Maintenance  
21 normally, but he's also our Outage Director.

22 Next to him is Bob Schrauder. Bob is in charge of  
23 our targeted support groups and has been the main Project  
24 Manager for the Reactor Vessel Head Recovery.

25 Randy Fast, our Plant Manager. He's the Program

1 Owner for the Containment Health.

2 At the end of the table is Jim Powers. Jim is our  
3 Director of Engineering.

4 And then Bill Pearce, next to him, next to me here.  
5 He's the Vice President of Quality Oversight.

6 MS. LIPA: Okay, thank you.

7 Next, I would like to --

8 MR. MYERS: Christine, two  
9 other people. We have Bob Saunders in the audience, and  
10 Gary Leidich, Executive VP of FENOC; and Bob is the  
11 President of FENOC. They're both in the audience today.

12 MS. LIPA: Okay, thank you.

13 Next, I would like to see if there are any local  
14 representatives or public officials in the audience; if  
15 they would like to stand up and introduce themselves.

16 MR. KOEBEL: Carl Koebel,  
17 County Commissioner.

18 MS. LIPA: Hi, Carl.

19 MR. ARNDT: Steve Arndt,  
20 County Commissioner.

21 MS. LIPA: Welcome, Steve.

22 MR. WITT: Jere Witt, County  
23 Administrator.

24 MS. LIPA: Jere.

25 Okay, anybody else? Great.

1 Back to the agenda for today. This is the same  
2 approach we've been taking at each meeting. I'll provide a  
3 brief summary of some of our recent meetings, and our  
4 Restart Checklist, and then I'll turn it over to the  
5 Licensee for their presentation.

6 And then the way that we run this meeting is, after  
7 we finish the business portion of the meeting, we just  
8 adjourn briefly and get our chairs reoriented and then we  
9 have a question and answer session with members of the  
10 public.

11 So, the next slide I would like to cover is the  
12 summary of the, we held a public meeting on September  
13 17th. That was our last monthly public meeting that was  
14 held here. And we discussed the Licensee's work that they  
15 have accomplished in their Return to Service Plan.

16 And you see there the seven Building Blocks of their  
17 Return to Service Plan; and the Licensee walked us through  
18 the progress of each one of those. And the transcript of  
19 that meeting is on our website.

20 At 7 p.m. that night we held a Q and A session with  
21 the public, and that transcript will be on the website  
22 today or tomorrow.

23 And then the next day, on September 18th, while we  
24 were here, we held a public meeting at the Davis-Besse  
25 Administration Building; and that meeting was to discuss

1 the Utility's improvement plans on their Management Human  
2 Performance Root Cause. And they briefed us on their  
3 improvements in the Corrective Action Program and their  
4 Safety Conscious Work Environment Surveys.

5 Another meeting that was held recently was held this  
6 morning. That was at 9:00 at the Davis-Besse  
7 Administration Building. And that was a public exit of two  
8 special inspections. And we held that meeting with the  
9 Utility. And that inspection report will be prepared and  
10 issued in approximately 45 days, since the team has  
11 exited.

12 And we decided to open that exit to public  
13 observation since there has been high interest in the  
14 worker radiation exposure issue. And the exit today  
15 discussed three preliminary findings. Those will be  
16 considered unresolved items, and we have a process for  
17 determining their significance; and that will be ongoing.

18 The next slide that I have for today is different  
19 than the one you have in our handout. I wanted to talk  
20 about that a little bit. This is the Davis-Besse Restart  
21 Checklist that was issued in August. And this is also  
22 available on our website.

23 And as we, as the Panel has been doing their reviews  
24 and the Licensee has been doing their reviews, we have  
25 decided, the Panel has decided that we're going to add two

1 new items to the Restart Checklist. And right now that's  
2 in the approval process, but the Panel has come up with  
3 this recommendation. And the slides that we have show the  
4 changes.

5 One of them is item 2-C-1, which is like I said  
6 different than your handout. This one is based on  
7 Licensee's efforts to review their systems. They had  
8 identified some issues with the containment emergency sump,  
9 and we discussed this at our previous public meetings. And  
10 modifications to that sump are currently being planned.

11 The sump is an important safety feature of a nuclear  
12 power plant design. And for these reasons, the NRC has  
13 determined that careful review of the past operation of  
14 that sump and a modification itself is warranted. And so,  
15 this will likely be added to the Restart Checklist as item  
16 2-C-1 pending final approval of that checklist.

17 The second item is on the next page of the slide.  
18 And this one is based on the results of the special  
19 inspections that we did on the worker radiation doses. The  
20 panel has determined that a review of the Radiation  
21 Protection Program, certain aspects of that program is  
22 warranted before restart. And so, our plans are to include  
23 that additional item 3-H, the Radiation Protection Program  
24 on the Restart Checklist.

25 Did you have any questions on that, Lew?

1 MR. MYERS: No.

2 MS. LIPA: I know we  
3 discussed this earlier.

4 MR. MYERS: Right.

5 MS. LIPA: So, that's all I  
6 had for discussion right now. I would like to turn it over  
7 to you, to provide your presentation.

8 MR. MYERS: Thank you. We  
9 have several desired outcomes for the audience today, the  
10 public, if you will. We would like to talk, to demonstrate  
11 that the Davis-Besse Plant continues to make good progress  
12 toward restart.

13 In fact, as you go around our plant now, you find a  
14 tremendous amount of work being done. The painting of the  
15 overhead of containment being removed, containment coolers,  
16 containment sump being replaced. We're going to talk about  
17 that all today. The head is in the containment now. And  
18 there is just a lot of activities moving forward.

19 We hope to spend some time today, and Mike Stevens  
20 will do that, to talk about the scheduling. How we're  
21 doing on the schedule. Do you remember the last meeting  
22 when we were here, we talked about being two weeks off. We  
23 spent a lot of time talking about the crane. Now that took  
24 us a couple more weeks. So, we'll status you on our  
25 schedule today and how we think we're doing with that.

1 Finally, there is some outstanding issues that we  
2 want to discuss with each building block. Some of it's  
3 been in the newspaper. The bottom head issue; we intend to  
4 talk somewhat about that, and some of the issues that we  
5 have, that you will see are in the discovery phase and  
6 we're trying to bring forward and continue a resolution, if  
7 you will, a plan of action.

8 And then, we'll talk somewhat about the Management  
9 Human Performance Excellence Plan and the actions we've  
10 taken to-date. The last time we talked, we had the plant  
11 in place, we were taking some actions, but in general since  
12 that time, we've been working on a lot of it.

13 In fact, last week, we actually had a standdown for  
14 a case study for the entire day. Thought that was very  
15 successful.

16 And then provide, provide the public and NRC some of  
17 our thoughts on the Safety Conscious Work Environment. We  
18 showed you the survey. We think that the culture of the  
19 plant, the issues we have, are extremely important. And  
20 Bill Pearce will talk somewhat about that.

21 And with that, I would like to move forward, and  
22 turn it over to Mike Stevens. He will discuss the  
23 schedule.

24 MR. STEVENS: Thank you, Lew.

25 Today, I would like to discuss our progress in three

1 ways. First the major milestones. We have been  
2 established, and as Lew said, we're approximately 35 days  
3 behind our original milestone. The integrated schedule,  
4 which includes all the building block activities, and  
5 potential schedule impact with containment sump  
6 modification, and the bulk work in the containment.

7 Also, I would like to discuss performance  
8 indicators. I would like to pick some selective ones to  
9 help us understand our schedule versus our forecast dates.  
10 The bulk work and the amount of that, and the, as well as  
11 our emergent work that we're keeping track of and its  
12 effect on our schedule.

13 Some of our milestones. Forecast dates have been  
14 included here. And as you can see, we're forecasting  
15 Initial System Reviews to be completed on the 21st of  
16 November. Program Reviews, we're forecasting to be  
17 completed on the 27th. Reactor Head Installation on the  
18 8th. Having the systems ready for heatup on the 22nd,  
19 which will allow normal operating pressure and temperature  
20 inspection and testing on the 24th of December.

21 Next slide.

22 In our Integrated Schedule, the progress we've made  
23 so far is we've completely restored the area containment  
24 for the number 1 containment air cooler. Why that's  
25 important to us now is we can start building the

1 containment air cooler back.

2 The High Pressure Feedwater Heater 1-6 is completely  
3 removed from the plant. We're doing some additional  
4 cleanup work and we're going to start reassembling our new  
5 High Pressure Feedwater Heater to replace it.

6 Since we met last we had containment vessel  
7 restored, as well as the containment shield building.

8 The Containment Dome Project is restoring the  
9 paint. It's really an engineering coating on the inside of  
10 our containment vessel. That's a pretty good size job.  
11 There is 40, approximately 40,000 square feet surface area  
12 that has to be cleaned, prepped, and recovered, so that we  
13 could put a new coating in its place going forward. We  
14 have about 50 percent of that completed.

15 We installed the coating on the inside of the  
16 circulating water site of our main condenser while we've  
17 been down to help us going forward with the erosion in that  
18 area.

19 And we finished refurbishment of our polar crane.  
20 Now we have some more upgrades we would like to make in our  
21 polar crane, and we're integrating those into our schedule  
22 later, but all of the upgrade that we planned on performing  
23 and some of what we discussed last time we met, has been  
24 completed.

25 There is some additional testing we're going to do

1 with our polar crane, and that's coming later in our  
2 schedule.

3 We got a lot of major projects. One of our major  
4 projects is the drain down for Reactor Coolant System,  
5 which will allow us to do the preventative maintenance on  
6 two of our reactor coolant pumps. And those, and I've  
7 included today, so that we know what we're readying for.

8 The reactor coolant pump work is ready. And when we  
9 drain down the Reactor Coolant System, we're going to take  
10 advantage of that time and work on some of the valves  
11 coming off of the Reactor Coolant System. That valve work  
12 starts about four days after the reactor coolant pump drain  
13 down.

14 MR. GROBE: Mike, just a  
15 quick question on your prior slide. I want to make sure  
16 it's clear. These forecast dates are your current  
17 forecasts?

18 MR. STEVENS: That's correct.

19 MR. GROBE: So, whatever  
20 delays have occurred, you've rebooted the schedule and  
21 these are your current dates.

22 MR. STEVENS: That's correct.  
23 We've readjusted the dates and there's two things; one is  
24 performance of the schedule, which is since we've got the  
25 polar crane back in service, we're making pretty good

1 progress and staying pretty close to that schedule; the  
2 other is as we learn and discover more about the system  
3 reviews and equipment in the plant, we're taking those  
4 activities and integrating them to the schedule.

5 So, an example would be the reactor cavity seal  
6 plate that we're going to install permanently. We're  
7 developing that design. The materials are coming this  
8 month. We're working with our contract vendor supplier to  
9 mock that up. And as we go through that, we learn more  
10 about the installation of that, and that ended up being two  
11 to three days more time to get into the schedule and we're  
12 putting that time in.

13 MR. THOMAS: Mike, one other  
14 question. Do these forecast dates include the evaluation  
15 and potentially remedial -- potential for remedial action  
16 for other containment coating issues, has that been  
17 factored into this schedule?

18 MR. STEVENS: It is, but there  
19 is risks to the schedule and we captured that under the  
20 bulk work. That's why I say bulk work is a potential  
21 schedule impact.

22 I have a slide that shows where those condition  
23 reports are and the progress we've made, that may explain  
24 that and help us see that a little clearer.

25 MR. THOMAS: Okay.

1 MR. STEVENS: Could we go to the  
2 next slide.

3 I apologize if this looks busy. There is not very  
4 many performance indicators we have. This one, that is  
5 this important.

6 This performance indicator, the top line shows the  
7 total number of activities that we have so far in the work  
8 schedule. And that's 24,470. Of that, we've completed to  
9 date 14,125. Just have roughly 10,000 more activities to  
10 go. And, to give you a feel for how much work we're doing  
11 at the plant; a typical refueling outage is 6,000  
12 activities.

13 And we have the forecasts. So, the middle line --  
14 the top line is the total. The line in the middle, the  
15 green line, is the progress we're making. And the bottom  
16 line is the completions with the forecasts to go; the  
17 remaining activities with forecasts to go.

18 Yes?

19 MS. LIPA: Mike, is an  
20 activity like a work order or does that include condition  
21 reports?

22 MR. STEVENS: It includes PM's,  
23 condition reports, work orders, it's activities in the  
24 schedule. So, if you pick up our P 3. P 3 is the program  
25 we use to build our schedule when you look at activities,

1 that's what we were showing here. Some are blocks. So,  
2 you have to -- did I answer your question correctly?

3 MS. LIPA: So, it includes  
4 condition reports?

5 MR. STEVENS: It includes  
6 corrective action on condition reports and work orders tied  
7 with those.

8 MS. LIPA: Okay.

9 MR. STEVENS: A condition report  
10 evaluation won't necessarily be in the schedule as a  
11 specific activity.

12 MS. LIPA: Thank you.

13 MR. MYERS: It does include  
14 administrative, like a Management Human Performance  
15 activity. We're trying to do a little of that.

16 MR. STEVENS: That's correct.

17 MS. LIPA: Okay.

18 MR. STEVENS: This is to give us  
19 an idea of the bulk work we have in our outage. These are  
20 the Condition Reports for Containment Health. And you may  
21 not be able to see, the total number is around 560. And  
22 this yellow shaded area is the total to-date.

23 And, the bars at the bottom, the black bar is the  
24 ones that have been added. And the white bar is the ones  
25 that are closed. There is not very many have been closed

1 so far. And that's why that's, the risks are scheduled.

2 As we go through the evaluation process, we'll  
3 formulate corrective actions from those corrective actions.  
4 We'll bundle the work and put it in the work schedule and  
5 then we'll work it off.

6 Now, the approach we're taking while we're  
7 evaluating these condition reports, we've got pictures of  
8 just about every one of those. We've got teams in the  
9 field set up ready to implement. They've taken those  
10 pictures, worked with the folks on the identification team,  
11 have built packages by area, so we have them bundled up.

12 If you recall last time, we had a discussion about  
13 the bulk work. That's our strategy. We're going to put it  
14 by area, for this area with work teams to get that  
15 completed.

16 We also have some of the work activities being  
17 validated by our Fix It Now Team, which is a maintenance  
18 team, cross-disciplined, that takes a look at incoming work  
19 and makes a decision based on their experience where that  
20 best fits and where the best maintenance strategy would  
21 be. Then it goes into our planning organization. We plan  
22 out the work order and then we get it scheduled and  
23 implemented.

24 The emergent work that our FIN Team -- this is one  
25 of the performance indicators we use to gauge that. And

1 emergent work is what's going into our schedule. I took  
2 just the last five weeks, I believe, and gave an average.  
3 It's 150. So, in the last four, five weeks, we have about  
4 150 a week coming in. Our Fix It Now Team is getting about  
5 115 of them a week completed. And that means we've got to  
6 scope increase our schedule to about 35 a week. Okay?

7 So, in summary, I think you'll agree we're making  
8 progress; however, our focus is on quality, not schedule.  
9 And we're taking the time we need to make sure we fix each  
10 and every piece of equipment correctly in accordance with  
11 proper standards.

12 The risks to the schedule are identified. Our plans  
13 are being formulated, and owners are being assigned. And  
14 we're working in teams to come up with the best approach to  
15 tackle some of these work activities.

16 Are there any questions?

17 MR. MENDIOLA: I have a few  
18 questions, just to expand on some of the things you're  
19 talking about. One of them, it was more modifications and  
20 more testing of the polar crane. Can you characterize what  
21 type of modifications are going to be made with that crane?

22 MR. STEVENS: Sure. We want to  
23 have our polar crane have switches on it to limit where it  
24 goes inside of containment for certain times.

25 For example, when we have fuel in the reactor, we

1 don't want to have the polar crane be able to take a heavy  
2 load over the reactor. We want to have a switch to cut it  
3 off. We want to make modifications to the polar crane to  
4 install those switches in the program lodging to back up  
5 the administrative controls we have in place.

6 MR. MENDIOLA: I'm sorry. Don't  
7 you already have them, a set of switches to prevent that?

8 MR. STEVENS: No. When we  
9 installed preliminarily those zone controls, we ended up  
10 excluding a big circle. And, that didn't give us what we  
11 want. And I think that we had a communications breakdown  
12 or misunderstanding between us and the supplier of those  
13 switches and that program logic. It's not what we want.

14 So, we're going to go make that modification to the  
15 polar crane. We're going to do that correctly, and then  
16 we'll turn it on, and we'll have that to back up our  
17 administrative controls to exclude that area.

18 MR. MENDIOLA: Okay. You were  
19 talking about administrative controls, I assume you're  
20 talking about designating a load pass, designate the loads,  
21 and rigging, right, condition loads?

22 MR. STEVENS: That's correct.

23 MR. MENDIOLA: Those are already  
24 preset and those are going to stay in place?

25 MR. STEVENS: That's correct.

1           MR. MENDIOLA:     You don't have  
2 plans to change that?

3           MR. STEVENS:     I'm not sure if I  
4 understand you. We have the administrative controls that  
5 do not allow.

6           MR. MENDIOLA:     I guess what I'm  
7 trying to do is characterize the changes you had in mind  
8 with your crane are to back up and maybe reinforce your  
9 administrative controls that you already have.

10          MR. STEVENS:     That's correct.  
11 That's correct.

12          MR. MENDIOLA:     Okay. Moving on  
13 then to the next milestone that you talked about. Your  
14 next major project milestone where you are planning to  
15 drain down the reactor coolant pump, drain down the reactor  
16 coolant maintenance. You mentioned you're going to work on  
17 some valves. Can you characterize what valves and what  
18 work you're going to do? These are Reactor Coolant System  
19 valves.

20          MR. STEVENS:     That's right. And  
21 as part of our containment health inspections, we have some  
22 Reactor Coolant System valves that have some gilt, I would  
23 say degradation to some extent, that goes anywhere from  
24 cleaning boric acid off to repacking the valve. And we're  
25 going to drain the system down.

1           There is currently, the slide shows 734 valves  
2 identified in that drain down. We're working on, settled  
3 on 81 valves. Now, we're going through each valve, each  
4 work activity with the corrective action to making sure we  
5 understand what the best strategy is to perform that  
6 maintenance and then regulating that work, so when we do  
7 drain down, we're making effective corrective repairs.

8           MR. MENDIOLA:       Is this a new  
9 project milestone. I don't recall talking about this  
10 before.

11          MR. STEVENS:       It's not a new  
12 project milestone. It's not a milestone that I've included  
13 in our discussion. And I felt like, when I was coming here  
14 today, the next major activity happening at the plant is  
15 going to be the Reactor Coolant System drain down, and I  
16 was sharing that information.

17          MR. MYERS:        Tony, Bill and I  
18 were just talking; on a complete drain down you have to  
19 unload your core. Our reactor core is unloaded now. And  
20 we have to be able to drain to what we call deep drain  
21 window. And there is only a few times in the plant's life  
22 where you ever get to that point. Pretty major evolution.

23          So, what we're trying to do is make sure while we're  
24 drained down to that mode, that we take advantage of that  
25 condition. So, we want to, if there is something, valves

1 we want to work on or coolant pump motors, and seals, the  
2 pump itself; it's an opportunity for us to get to that  
3 point, because it's called a deep drain window. So, we're  
4 trying to maximize the effects of that drain down.

5 MR. MENDIOLA: I understand.  
6 What I was trying to ascertain was whether this was a new  
7 undertaking or it was planned from previous?

8 MR. MYERS: No, it was in the  
9 plan all the time.

10 MR. MENDIOLA: I'm sorry. I may  
11 have wrote down; which valves are you talking about the  
12 work, what particular systems or subsystems are you going  
13 to work on?

14 MR. STEVENS: They're mostly the  
15 first-off valves off of the Reactor Coolant System or the  
16 KEI's.

17 MR. MYERS: I think we're  
18 going to check; right, Mike?

19 MR. STEVENS: That's correct.  
20 I could provide a whole list of valves that are in that  
21 scope, so you know the list, you can take a look at what  
22 we're doing.

23 MR. DEAN: Mike, relative to  
24 the total activities and the emergent work, I appreciate  
25 your discussion of the fact that you still have a delta

1 between identification rate and completion rates. Would  
2 you say that in terms of either discovery phase or work  
3 characterization phase, you're about at your peak and  
4 getting ready to turn, or now you expect over the next  
5 couple of weeks to see work-off rate exceed identification  
6 rate?

7 MR. STEVENS: I believe we  
8 will. And I think it's going to be key, as we go through  
9 the different portions of the plant in getting the plant  
10 figurations to do that. That's why it's important that we  
11 understand what corrective actions are and get those  
12 bundled correctly, so we don't have to do it more than  
13 once.

14 Again, I believe that we are through almost all of  
15 this. We're now in the evaluation phase. We've got a good  
16 handle on what we're going to do with those pieces of  
17 components. And we're still working through parts  
18 identification, what we can get from our suppliers.

19 So, that's why, if you hear any hesitation in my  
20 voice, yeah, I'm optimistic, but there is some doubt yet  
21 that I know we may not be able to do exactly like we're  
22 planning and have to come up with a different strategy.  
23 (ringing noise)

24 That must be my limit, huh? (laughter)

25 MR. MYERS: Yeah, time's up.

1           MR. GROBE:        Could you go back  
2 to slide 8 just for a moment. I'm not entirely clear on  
3 the definition of total activities. If you have a  
4 condition report, but you haven't yet identified the  
5 corrective actions that you're going to take, whether it's  
6 procedure revision or hardware change, whatever the  
7 specific activities might be necessary to resolve that  
8 condition report, is that captured in this as total  
9 activities?

10           MR. STEVENS:    Some are, some aren't.  
11 If we know the corrective action is going to permit work in  
12 the plant, we've identified that, we've written those work  
13 orders and we've got those blocked into the schedule, and  
14 we're carrying those corrective actions.

15           What exactly that's going to be, if there is more  
16 with them, we don't know; for all of the work that's  
17 identified at this time.

18           MR. GROBE:        Okay. So, this  
19 may continue to grow as far as total activities as you  
20 continue to evaluate condition reports.

21           MR. STEVENS:       That's correct.  
22 And we're projecting, that's what that little gray box is,  
23 projecting 28,000 total, is where we think we'll be, but  
24 that's a crystal ball.

25           MR. GROBE:        Okay.

1           MR. MYERS:           That's a pretty  
2 good projection, based on the number of activities that  
3 came out of CR. Tim Chambers is I think with us today.  
4 He's our Containment Health Manager. One of the things we  
5 want to do is try to turn that curve that we showed you  
6 earlier there.

7           Tim, do you have anything you want to add? I don't  
8 know if you're ready to knock out a lot of work in  
9 containment?

10          MR. CHAMBERS:       Yes, I'd like to.

11          MR. MYERS:        Nothing like  
12 surprise.

13          MR. CHAMBERS:       As you can see,  
14 the curve doesn't look very optimistic, but I can say that  
15 about 200 of them were in supervisory review. And that  
16 means that the corrective actions have been identified and  
17 the evaluations are complete and they're waiting for  
18 supervisory review. We had a change of personnel over the  
19 last few weeks, and the new supervisor is getting up to  
20 speed, so we expect this curve to look a lot better within  
21 a week or so.

22          MR. MYERS:        Do you think that  
23 we're leveled off, it will actually turn, as we turn the  
24 team loose on the areas?

25          MR. CHAMBERS:       And the curve as

1 it shows, you know, adding condition reports has leveled  
2 off, but what we expect is the closed, or the white bars,  
3 to come up and fill up that area and show that the  
4 evaluations are complete and the corrective actions are  
5 identified and turned into work orders.

6 MR. MYERS: Okay.

7 MR. GROBE: I had one other  
8 question on slide 10. I was, could you define for me what  
9 emergent work is?

10 MR. STEVENS: Emergent work is  
11 new work activities identified that isn't currently being  
12 captured in, like new WRs, new work requests.

13 MR. GROBE: Okay, so emergent  
14 work could be new work requests that are coming out of the  
15 corrective action you do?

16 MR. STEVENS: That's correct.

17 MR. GROBE: Okay, I  
18 understand.

19 MR. MYERS: Okay, Bob.

20 MR. SCHRAUDER: I'm Bob Schrauder,  
21 as Lew said before, Director of Support Services, and I  
22 have overall responsibility for restoration of the reactor  
23 vessel head. Continue to be pleased with that project.  
24 We're very near approaching the final testing phase, I  
25 would say, on the reactor vessel head; and that will occur

1 later as we approach startup.

2 But since our last meeting, as Mike indicated, we  
3 have restored both the containment vessel, the 20 foot by  
4 20 foot opening that we put in the containment and the  
5 shield building for bringing the old head out and putting  
6 the new head in; has been restored to its original design  
7 capability. We have done the radiological or the R T of  
8 the weld on that. We know that we have a good weld.

9 Containment; we've done the initial concrete  
10 hardness test on that. There is another one yet that will  
11 come after it cures, about 30 days. We'll go in and do  
12 that. That restoration went well for us. We did have some  
13 on the concrete, when you take the forms off, there was  
14 some voids in the concrete, which you would expect from  
15 that type of pour. And those have all been areas chipped  
16 out, and additional concrete put in there. So, the  
17 restoration of the shield building and containment vessel  
18 is complete.

19 So, we moved on towards restoring the head. With  
20 the head on the stand in the containment, we painted the  
21 service structure. We had that done. We have now  
22 installed the service structure onto the new head. We had  
23 to place it on the head and very carefully align it to make  
24 sure the control rod drives would function properly in the  
25 head when we restore those. We've got good alignment on it

1 and we have welded the service structure onto the lower  
2 service support for that vessel.

3 And we have completed then the touchup painting  
4 around that weld in the service structure. That curing of  
5 that painting is complete now. And tonight, in fact, we  
6 should start reattaching the control rod drive mechanisms  
7 onto reactor vessel head and the reattachment of the cable  
8 for those.

9 That will complete the reactor vessel head work  
10 until we actually place the reactor vessel head on the  
11 reactor vessel and then we'll do some testing from there;  
12 make sure that none of the flanges on the control rod  
13 drives have any leakage on them; and that the flanges of  
14 the heads of the vessel, the sealing mechanisms in that  
15 work properly.

16 So, that job was a major milestone for us in  
17 completing, and would say that went very well for us.

18 We can skip ahead one past this. I'll show you the  
19 pictures first.

20 A couple of pictures up there, is the weld that we  
21 did on the inside of the containment vessel, the steel  
22 pressure vessel. We got a good weld on there.

23 The next picture shows the restoration of the  
24 containment. You can see some dimples, if you will, in  
25 that concrete and that's from the forms that were attached

1 to make the pour. And actually have been filled in, but  
2 they're slightly a different color.

3       Inside the containment, you'll see the service  
4 structure being placed on the reactor vessel head. The  
5 white portion on top is the service structure itself. And  
6 then the next picture will show some of the alignment tools  
7 that are made to precisely align these two structures  
8 within mils of tolerance on that to make sure the control  
9 rod drives can move freely in and out of the vessel when  
10 it's attached.

11       We got that aligned. And then --

12               MR. MYERS:           Hold on a  
13 second. In my mind, that was a major, major  
14 accomplishment. We have this new reactor head, and we're  
15 attaching an old service structure to it. And all along,  
16 you know, we were doing all these measurements and cutting,  
17 and we had talked much about that, but if it didn't fit, we  
18 had a real problem. You know, and if it didn't fit -- if  
19 the glove didn't fit, we had a problem.

20       When we put it on, it fit like a champ. In fact, it  
21 was so close, rather than welding it, we thought we might  
22 have, we considered bolting it in place, because the bolt  
23 holes matched up so well. So, the tolerance is very, that  
24 was an extremely good milestone for us. Is that fairly  
25 accurate?

1           MR. SCHRAUDER:       It's very  
2 accurate.

3           MR. MYERS:           From the last  
4 meeting, we were worried about that, that specific  
5 measurement. And it came out very well.

6           MR. SCHRAUDER:       Then if you would  
7 go back to slide 15. I do want to talk about what I'm  
8 calling an emergent issue that developed over the last  
9 couple of weeks. As you know, or as I think we talked  
10 about in the past, we took all the insulation off the  
11 bottom of the reactor vessel head also, and we're cleaning  
12 the entire reactor vessel.

13         There were two trails of what appeared to be Boron  
14 and some rust coming down the sides of the reactor vessel,  
15 which would not be unexpected given the leakage that  
16 occurred on the head. We took the insulation off the  
17 bottom. It appeared as though that trail had come down and  
18 there were some deposits and some corrosion -- not  
19 corrosion, but rust deposits on the bottom nozzles of the  
20 reactor vessel head.

21         So, we wanted to, we weren't going to assume those  
22 were from the traildown, but we had to do some testing. We  
23 wanted to do some testing to verify that's where the source  
24 came from.

25           MR. THOMAS:         Bob, could you

1 briefly describe the difference between the bottom head  
2 nozzles and the top head nozzles just for clarification.

3 MR. SCHRAUDER: Okay. The top  
4 nozzles and penetrations are for the control rods to come  
5 in. And, those are about a four inch diameter nozzle that  
6 comes into the vessel head. Then there is a flange that  
7 attaches the control rod drive mechanism.

8 On the bottom of the reactor vessel, you have a  
9 series of penetrations that go in also where our in core  
10 instrumentation goes up into the core. Those are the  
11 neutron detectors and the like, that monitor how your core  
12 is behaving during the cycle.

13 And, it's a slightly different arrangement. There  
14 is an annular region where the knob goes up into the head;  
15 and the actual weld of the bottom nozzle into the reactor  
16 vessel are welded into the inside of the reactor vessel, as  
17 opposed to the top nozzles are also welded on the bottom  
18 side of the head, but they're a much tighter fit into the  
19 penetrations that go up in there.

20 MR. THOMAS: Thank you.

21 MR. SCHRAUDER: They're not as  
22 small on the bottom, but they're made of the same material,  
23 same basic material as the control rod drives on the top of  
24 the vessel.

25 So, our game plan there was to take some chemical

1 samples, both of the trail coming down the side of the  
2 reactor vessel and accumulations on the nozzles themselves,  
3 with the expectation if they were from the same source, you  
4 would expect to have the same chemical content on those.

5 Framatone was doing that analysis for us, the  
6 chemical analysis. And the results did not come back  
7 conclusively that you would say that they were definitely  
8 from the same source; that is, that the source on the  
9 nozzles is the same as the source on the side of the  
10 vessel.

11 It didn't conclude one way or the other what the  
12 problem was; that there is analysis that was presented  
13 providing conflicting indications. Some indications would  
14 tell you they were from the same source, other indications  
15 would tell you they were not from the same source.

16 And, of course, should be no surprise that the  
17 concern there, if it's not from coming down the side of the  
18 vessel, there would be some potential that the bottom  
19 nozzles themselves had developed some type of leak. So,  
20 that's what we're trying to confirm for ourselves.

21 Framatone is completing their, they had in their  
22 system similar to our condition reporting system, their  
23 individuals identify what's called preliminary safety  
24 concern over this issue, which they have initiated  
25 in-house, we talked to you about last week. They are

1 continuing their internal technical evaluation on that;  
2 and we expect to get that out either late this week, but  
3 probably next week, their identification and internal  
4 safety concern on that.

5 That concern impacts not just Davis-Besse, but it  
6 involves all of the, most of the B and W plants, in  
7 particular what are called the 177 plants, which are the  
8 Davis-Besse style plants.

9 We did write a CR, conditional report in our process  
10 also, just to identify the fact that we did know that  
11 someone had raised this concern internal to Framatone.

12 And Framatone is also developing for us, given what  
13 we know and what we see, what's our going-forward plan; how  
14 do we further test the nozzles to assure ourselves that  
15 they're not leaking; whether that's, when we repressurize  
16 the vessel with or without fuel in there, pressurize the  
17 system; look, detect any leakage that might occur, whether  
18 there is any additional chemical analysis that we can do,  
19 whether there is any leak detection activity -- devices  
20 that we can put up into the annular region going up to the  
21 nozzles.

22 So, we're pretty much still in discovery on this  
23 issue, and we'll resolve it going forward and identify  
24 where we go from here on that.

25 Then also they're looking at what would be a

1 potential fix, if there were in fact a leak on one of those  
2 nozzles, one of the nozzles down there.

3 That's all I have, unless there are questions.

4 MR. MENDIOLA: I have a couple  
5 questions. Number one, you mentioned the flow was down the  
6 side of the reactor vessel towards the bottom of the head.  
7 Have you determined exactly where the sources of that water  
8 are from?

9 MR. SCHRAUDER: We, yeah, it  
10 came down from the top of the reactor, off the head and  
11 down the side. We cleaned it, verified that it's not  
12 coming from any other source for that, from when we cleaned  
13 around the hot legs and cold legs.

14 MR. MYERS: You could  
15 determine the seal --

16 MR. SCHRAUDER: It most definitely  
17 could have come from cavity seal. We didn't have a good  
18 seal on that cavity ring.

19 MR. MENDIOLA: So, those are more  
20 maintenance activities is what you determined they're from?

21 MR. SCHRAUDER: Yes.

22 MR. MENDIOLA: And second of all,  
23 I do know that other B and W designs of other plants, or  
24 other B and W designed plants have a ring, skirts that  
25 would prevent drippage from coming all the way to the

1 bottom of the vessel.

2 MR. SCHRAUDER: That's a good  
3 point. Ours does not. Ours is not a skirt supportive  
4 vessel; it's a nozzle supportive vessel.

5 MR. MENDIOLA: Is there an  
6 idea possibly to prevent, if you want to call it, from any  
7 leakage in the future coming down the side of the vessel  
8 and ending up on the bottom; putting a seal?

9 MR. FAST: We're putting on a  
10 permanent cavity seal. It will be welded in place around  
11 the vessel, which would ensure that there is no source of  
12 leakage down the vessel.

13 MR. MENDIOLA: But if any does  
14 come down the vessel. What I'm saying is, something like  
15 that ring on the other vessels has a tendency of stopping  
16 the water at that point and allowing it to fall straight  
17 down, rather than coming all the way under. In other  
18 words, it comes down the side, and it hits this ring, then  
19 falls off, rather than coming all the way underneath.

20 MR. SCHRAUDER: We have not at  
21 this point looked at a design to add a skirt support.

22 MR. MENDIOLA: I'm not talking  
23 full support; I'm just talking about a small dam to prevent  
24 that water from getting under.

25 MR. SCHRAUDER: Like I said,

1 Framatone is continuing to develop those recommendations  
2 and whether that is a recommendation there.

3 MR. MENDIOLA: My general view is  
4 that, the future maintenance would not, your best efforts  
5 still can't prevent, if you will, liquid going down the  
6 side of the vessel.

7 MR. MYERS: I guess I don't  
8 understand it. If you put a cavity seal on it, how would  
9 it get down there?

10 MR. MENDIOLA: Something to  
11 capture the moisture before it got to the bottom of the  
12 vessel or remove it from the side of the vessel, so it  
13 drains off or whatever you want to call it, off the bottom  
14 of the vessel.

15 MR. MYERS: But if you put a  
16 permanent cavity seal on the top, it can't get down there,  
17 because the seal is always installed, welded in place.

18 MR. STEVENS: The flange joints  
19 are all --

20 MR. MENDIOLA: I understand,  
21 during maintenance activities, when you have your dams and  
22 so forth, and potential of liquid coming down the side of  
23 the vessel during maintenance activities, what's going to  
24 capture that liquid before it gets to the bottom of your  
25 vessel?

1           MR. STEVENS:       We don't, we'll  
2 take a look at that, Tony, but this annular space isn't  
3 very big, don't hardly ever get in there to do anything,  
4 but we'll take a look at that, to make sure.

5           MR. MYERS:        Let's talk about  
6 that, I don't quite understand what you mean.

7           MR. GROBE:        Let me ask a  
8 different question. Do you anticipate any maintenance  
9 activities that could introduce liquid into that area,  
10 which you have to be concerned about in the future?

11          MR. MYERS:        No.

12          MR. GROBE:        I can't think of  
13 any. The only potential would be a through wall leak of  
14 your primary pipes, which is not something you anticipate.

15          MR. MYERS:        That's right.

16          MR. GROBE:        So, the cavity  
17 seal will cut the liquid off at the source?

18          MR. MYERS:        Right.

19          MR. SCHRAUDER:     Any other  
20 questions?

21          MR. GROBE:        I guess, just an  
22 observation; the issue with the bottom head and the  
23 staining, the materials that's on the bottom head. I  
24 thought your approach on this was very conservative, and an  
25 easy answer, clearly you can see visually along the reactor

1 vessel that some material has come down the head. So, the  
2 easy answer would have been all of the staining material on  
3 the bottom came from that, came down the sides.

4 And, you didn't take that easy answer. You went the  
5 next step and said, well, could this be masking some  
6 leakage of those penetrations. And I think that's a very  
7 healthy approach. I appreciate that.

8 MR. MYERS: Not only that,  
9 working with the vendor, if we need to do a repair, to  
10 understand what that repair would be. I talked to them  
11 last night. We should know something I would think in the  
12 next week, anyway, if we're going there.

13 Is that right, Bob?

14 MR. SCHRAUDER: That's correct.  
15 If there are no other questions, I'll turn it over to Randy  
16 Fast for Containment Health Assurance.

17 MR. FAST: Good afternoon.  
18 Pleased to report that we're really making good progress on  
19 containment. This afternoon, I'll provide a status of the  
20 containment air coolers, containment emergency sump,  
21 containment dome painting, decay heat valve pit, our  
22 walkdowns and inspections for equipment qualification, and  
23 decontamination activities.

24 First on the containment air coolers, we've  
25 completed restoration of the containment air cooler number

1 one. This is important in that one of the things we want  
2 to have in service and available for operation is a  
3 containment air cooler for fuel load.

4 So, although not a technical requirement, it is a  
5 good practice and we've made good progress. We've got the  
6 painting completed. We've got the coils, the replacement  
7 coils in the warehouse. And currently today, we're  
8 installing the motor and the fans associated with that  
9 number one containment air cooler. So, we're pretty much  
10 on track, making good progress; complete remediation, and  
11 I think it will set a very high standard for our staff  
12 going forward.

13 We're continuing to do sponge jet blasts. We're  
14 using a special process. Rather than using a grit or  
15 sandpaper, we're using sponge media. And part of the  
16 reason we're using sponge media, is that it's reusable.  
17 So, we can put it back through the coalescer, and reuse  
18 it. That means less wastage.

19 Where sand is normally not reusable, this is a  
20 reusable product and we can actually run it through several  
21 times as a blast media. It does a pretty good job as  
22 well. I'll show you some pictures as well what that looks  
23 like when we're done.

24 The last item is, we had identified a problem in the  
25 thermal growth as the service water comes in through the

1 weld MIC flanges into the containment air coolers.

2 (ringing noise)

3 We're working with our engineering staff. We have  
4 several conceptual designs that will ensure going forward  
5 that we have the thermal coupling between the service water  
6 inlet piping and those coils. So, that is an area where  
7 we, we're not meeting design expectations in the as-found  
8 condition. This is certainly to be an improvement. Those  
9 will be stainless steel, they will have covers to allow for  
10 inspection activities in accordance with regulatory  
11 requirements.

12 The next picture you can see, you have a side-view.

13 MR. GROBE: Randy, just a  
14 quick question; maybe I didn't hear you. Receipt of  
15 replacement coils in progress.

16 MR. FAST: Yes.

17 MR. GROBE: Does that mean  
18 you received some of the coils?

19 MR. FAST: Yes, we have. In  
20 the last I got count was -- we get them in batches of six.  
21 That was the agreement that we had with the supplier.  
22 We've been meeting that schedule. The last I heard we have  
23 18 max, we have 24. It's a total of 36. There is twelve  
24 per containment air coolers. So, we have enough coolers to  
25 do the complete refurbishment rebuild on the CAC Number 1.

1 And then, so, we're taking regular receipt delivery.

2 That's proceeding on schedule.

3 MR. GROBE: Okay. You  
4 confused me. Receipt in progress. Usually you receive  
5 something.

6 MR. FAST: There is a total  
7 of 36. We've gotten three batches, maybe four, I don't  
8 know if the fourth batch has come in. Certainly, we're  
9 meeting our timetable for restoration.

10 MR. GROBE: Okay, thank you.

11 MR. MYERS: That was another  
12 example of, when we started out, as an issue. We didn't  
13 have a clue if we could get those coolers in. Randy and  
14 his team really worked hard with the vendors, laying that  
15 out. So far, we've been very successful getting all new  
16 coolers in.

17 MR. FAST: Something else I  
18 want to identify, when you're in a situation like this,  
19 you want to make sure that the quality is there. And,  
20 we've had our quality folks overseeing that process, and  
21 we've had very good reports on the quality of those  
22 coolers. So, we feel like we're really in good shape  
23 there.

24 This picture that you see, there is a light bar  
25 laying on the picture to the left. Is a side-view of the

1 structural steel associated with the containment air  
2 cooler. On the right is a top view. You can see down  
3 below the matter of the grit. That's actually the sponge  
4 blast media. What you see, it's the raw steel after it's  
5 been grit blasted. That has subsequently been painted, so  
6 it's in pretty good shape.

7 Bob wants me to tell you what color. Tony was at  
8 the meeting we had with the whole team the other day. It's  
9 Michigan blue. I was in trouble for saying that.

10 MR. GROBE: You're in Ohio.

11 MR. MYERS: We may have to  
12 repaint it.

13 MR. FAST: So, we're just  
14 going to call it blue.

15 This next slide is the Containment Emergency Sump.  
16 That was a big job for us as well. We've reported out on  
17 this every meeting, but we're actually doing physical work  
18 now. We have the demolition of the existing sump. As a  
19 matter of fact, at this morning's outage meeting, we were  
20 talking about the sump. And the project manager said,  
21 well, we don't have it anymore. Effectively, all of the  
22 structural components associated with that sump have been  
23 removed.

24 In fact, this next bullet here, Steve Fox, one of  
25 the project managers who is working on the Containment Head

1 Project was part of the reasons for our success in the  
2 containment shield building and the pressure vessel work  
3 with Bechtel. And he has completed that work, and now has  
4 come over to help us. He has a really good working  
5 relationship with the craft, and was out in the field  
6 working with folks to work through this, so we could make  
7 sure we had a good quality product there.

8 Steve is not with us today. He's in root cause  
9 training, which is good as well. Make sure his skills,  
10 technical skills are up to speed. But we're making good  
11 progress here.

12 The next slide shows a bit more detail in definition  
13 of what that containment sump expansion is.

14 The original sump was about 50 square feet, so it's  
15 minimal in size. And why that's important, is that  
16 provides margin for design basis accident, blow down in  
17 containment; the accumulation of water in the lower  
18 elevations of containment is strained through this filter  
19 or this strainer system; goes back into the recirculation  
20 pumps for long term cooling.

21 This has been expanded to, the actual sump area,  
22 from 50 square feet to 300 square feet up in the upper  
23 section, and then going down through the stairwell, which  
24 you go under vessel, that expands or extends the square  
25 footage up to about 800.

1           We're using a vendor that was recommended based on  
2 the good work that they did for Intergy. That's an  
3 Illinois company. We have oversight of that project and  
4 we're starting on the actual fabrication of those stainless  
5 steel components.

6           MR. GROBE:           All the design  
7 work is done on this?

8           MR. FAST:           All the design  
9 work is not done. We're taking some of the field  
10 measurements to ensure that we've got the assignment  
11 restraints, the Hilton bolts and things that will hold it  
12 in place. That detail is being measured in the field with  
13 Steve Fox and his group, so we can get that information  
14 back in to the design and ensure that's all put together  
15 prior to assembly.

16          MR. GROBE:           Do you have a  
17 projected date, as Christine mentioned earlier, you've  
18 added containment sump onto the checklist; and one of the  
19 issues we're going to want to be doing is detailed review  
20 of your design work on this.

21          MR. FAST:           That's a good  
22 question, Jack. And as Mike identified earlier, the two  
23 major concerns we have in looking at the overall projects,  
24 bulk work as we talked about, but the other is the  
25 containment sump. And as Steve is working in the field

1 with the crews, we've identified what those challenges are  
2 for the actual implementation. And that is challenging the  
3 schedule right now. So, we're continuing to work through  
4 that, so we can get the best possible estimate.

5 So, the reality is, we are not bound right now by  
6 time. We're still evaluating that. And so, I don't have  
7 an actual projection that I can give you.

8 I understand the point. We'll make sure that when  
9 we have a good firm schedule, we'll get that to you.

10 MR. GROBE: Okay.

11 MR. THOMAS: Does this new  
12 design provide any additional access to water that you  
13 didn't have with the old sump design?

14 MR. FAST: I don't really  
15 think so, because based on the blow down and then the  
16 reflood in containment and the amount of water that's put  
17 in, about a half million gallons of water, it will fill up  
18 to a level that's about two feet above that base plate  
19 where the emergency sump used to exist, and everything else  
20 is there or below.

21 MR. THOMAS: Okay.

22 MR. GROBE: It seems to  
23 me, that would give you more. Wouldn't you install that  
24 before you install these pipes?

25 MR. POWERS: As a matter of

1 fact, Jack, the way that we have the concept now, the water  
2 would begin entering the sump at a lower level as the  
3 bottom area fills up below the reactor cavity, so we would  
4 get water in the sump a little earlier than we would with  
5 the current design. So, there is an improvement, but the  
6 operator actions to switch over the pump suction to the  
7 sump will occur at draining points out at two feet of water  
8 level above the floor.

9 MR. MYERS: And the total  
10 water, of water level in containment is the same.

11 MR. FAST: That's right.

12 MR. MYERS: From a design  
13 standpoint, you'll be doing this in phases?

14 MR. POWERS: Right, the plan  
15 is, we're doing it in a phase release, Jack, so in terms of  
16 your inspection of our design that we produce with this  
17 sump, we'll layout a schedule on how we're going to do  
18 that. We're laying out those schedules now for our field  
19 implementation and fabrication, and incremental packages.  
20 So, we'll lay that out to you on schedules we can work out.

21 MR. GROBE: If you could get  
22 that to Christine, I would appreciate it.

23 MR. POWERS: Okay.

24 MR. FAST: Next slide.

25 Unfortunately, this is pretty dark. It really

1 doesn't show the progress that we've made up in the  
2 containment dome.

3       What you actually have is two 70 foot sections of  
4 scaffold that are suspended by a center pin on the very top  
5 of containment. And those are rotating, so if you're in  
6 containment and look straight up, it kind of looks like a  
7 big fan blade. You can see the proportion is gray where  
8 the paint has been removed. And as portions of the paint  
9 are removed, the scaffold is rotated.

10       So, this just doesn't do it justice to be able to  
11 describe it, but it's quite an amazing process, and really  
12 is quite a feat. I did have an opportunity to qualify on  
13 the crane operation, to get up into the dome. And I went  
14 up to the dome to do an inspection to see what the quality  
15 of the work is and see what those challenges are. And  
16 they're making good progress, and I see good quality. I  
17 see that the work force is truly engaged and working well  
18 as a team. So, I feel pretty good about the work that's  
19 going on in the containment dome.

20       And it's important as well, when you get up close  
21 and actually see the condition of the paint, gives you a  
22 better appreciation for why we're doing the work that we're  
23 doing. So, it's important that that corrective action is  
24 completed.

25       And that upper portion is really the most challenge

1 of the work. The painters are actually working with  
2 equipment over their head to remove the paint using special  
3 tools, vacuum assisted, to remove the debris as the paint  
4 is removed.

5 But that top portion is going well. And the sides  
6 would be much easier, more easily accessed. And then as  
7 well, using tools at chest level as opposed to over your  
8 head.

9 So, unfortunately, that picture just doesn't do it  
10 justice up here. I've seen the actual photographs and I've  
11 been there, so, but it's good progress there.

12 MR. MYERS: How many painters  
13 do you have up there?

14 MR. FAST: We have 125  
15 painters. About half on day shift, half on night shift.  
16 There is a total, 140 foot of scaffold at the top, we're  
17 man loaded to 16 people maximum. And the state times are  
18 just about an hour we have to run people up and down,  
19 because of the state time; based on a couple of things;  
20 physical exertion, as well as the conditions there. It's  
21 warm. Hot air rises, so it's hot in the dome. But those  
22 crews are changed out regularly to make sure that they  
23 don't get exhausted and they're replenished and refreshed.

24 And the last item I want to talk about were the  
25 Containment Health Assurance Inspections; and we talked

1 about previously, all the general inspections were  
2 completed. But we do have Equipment Qualification  
3 Inspections, and I do have the report back and I met with  
4 the crew today that are continuing to work on equipment  
5 qualification walkdowns.

6 We have a total population of 181 assets. Those are  
7 the actual individual piece parts components in the  
8 containment that are being evaluated. 76 of those are  
9 completed, so we're about 42 percent done. We've got about  
10 three more weeks yet to go.

11 Here's the question that I asked the team today,  
12 which I think is important. Out of all the inspections we  
13 performed to-date, is any of the equipment determined to be  
14 inoperable, or would it not be able to perform its intended  
15 function. And right now, there is no equipment that has  
16 been identified as being inoperable. The conditions we see  
17 are some light rust, some traces of boric acid, but the  
18 actual functional capability of equipment has not been  
19 impacted.

20 So, we'll have about three more weeks of inspections  
21 to do there, but that's going pretty well.

22 MR. GROBE: This is traces of  
23 boric acid inside of junction boxes or motor housing?

24 MR. FAST: We have not seen  
25 any actual boric acid or degradation inside the

1 components. The sealing mechanisms around the penetration  
2 panels, the motor operated valves themselves, the  
3 instrumentation has not been penetrated, so that's why the  
4 equipment is being able to maintain its qualification.

5 MR. DEAN: Randy, does that  
6 comment on operability also apply to historical reviews of  
7 the containment air coolers and the sump?

8 MR. FAST: No, it does not,  
9 Bill. Those were separate and those have undergone  
10 separate operability determination.

11 MR. DEAN: Where do those  
12 stand?

13 MR. FAST: The containment  
14 air coolers were determined based on the thermal stress to  
15 be inoperable. And, that is in review. That will require  
16 a Licensee Event Report.

17 Additionally, the sump, because of the coatings in  
18 containment that would have clogged the sump; that was  
19 determined to be inoperable. And that is a Licensee Event  
20 Report as well.

21 The last thing I wanted to point out, our Chief  
22 Executive Officer, Pete Berg was here on Monday. And I did  
23 take him for a tour of containment. And we went for that  
24 tour, all elevations, and got a pretty thorough walkdown.  
25 We did that with booties, gloves and lab coats.

1           And, it's really a credit to the teams that are  
2 working to clean up the buildings, general housekeeping.  
3 The radiologic conditions are greatly improved. Through  
4 that about one hour review of containment with Pete, we  
5 received no dose, no contamination. And I think that's a  
6 real tribute to the work we've been able to perform on the  
7 housekeeping and the standards in containment.

8           MR. GROBE:           You didn't see me  
9 in the containment with lab coats and --

10          MR. FAST:           Jack, you didn't  
11 clear that with me.

12          MR. GROBE:           Maybe it's  
13 because I work a little harder to get down on my knees and  
14 things like that.

15          MR. MYERS:           Maybe you should  
16 talk a little about the legacy issue.

17          MR. FAST:           Just a lot of  
18 other work, I didn't include them on the slides, but Lew  
19 had just mentioned one of the items. It's called a legacy  
20 issue. A source in containment was from resistance  
21 temperature detector thermal welds. Those are, those  
22 joints are actually screwed connection. And they had been  
23 a source of leakage in the past.

24          Right now as we speak, Framatone has mobilized the  
25 crew. They've been trained. And we have machines and

1 operations in place, for those old thermal welds are being  
2 cut out, and we have new thermal welds to be welded design  
3 and they will not leak, because they won't have that leak  
4 path. So, that's a corrective action I feel good about.

5 Significant level of work to do there, but it's  
6 important that we stop any potential leak paths in the  
7 plant.

8 MR. MYERS: You were asking  
9 about drainage when we walk around. This is a major scope  
10 of work that is in that drawn down.

11 MR. FAST: With that, I'll  
12 turn it over to Jim Powers.

13 MR. POWERS: Okay, thank you,  
14 Randy.

15 Today, I would like to talk about two topics. First  
16 would be System Health Assurance Inspections and progress  
17 we've been making in this area. With me, I brought one of  
18 our system health reports. This is a Latent Issues Review  
19 Report for our Service Water System.

20 And I brought it, so the public could see the amount  
21 of work that the staff is doing over at the plant to go  
22 through and evaluate the systems and explore past  
23 documentation and current documentation and see what kind  
24 of problems, what we refer to them as latent issues, that  
25 may exist on a system or do not exist.

1        So, this level of documentation is what's being  
2 produced for each of five systems that we're going  
3 through. This is one example.

4        We're at the point now as you can see, where our  
5 reports are drafted and we're doing what's called a  
6 Collective Significance Review of the results that we're  
7 finding. And the inputs to our Collective Significance  
8 Reviews consist of the bulleted items that we have here on  
9 the slide.

10       First, our System Health Readiness Reviews. These  
11 are reviews of 31 systems. Our maintenance rule, Risk  
12 Significant Systems, as we refer to them, and that means  
13 they're important to the safety of the plant. All 31 of  
14 those System Health Reviews are in the final stages of  
15 completion.

16       A number of them have gone to our Engineering  
17 Assessment Board for evaluation and the balance being  
18 completed by the system engineers and their teams; within  
19 the next month, they will all be done. But the results are  
20 largely available to us, as well as the results of Latent  
21 Issues Reviews on the five systems we have listed on the  
22 slide.

23       Also we take comments from our Engineering  
24 Assessment Board as they go through review of engineering  
25 products and the system reports that they review. And

1 finally Self-Assessments that we've done in the area  
2 specific of calculations and technical work.  
3 Findings Summary. These reports have provided us  
4 valuable insight as we've gone through them. There is a  
5 number of issues that we found and discrepancies that have  
6 been identified that we need to evaluate prior to restart,  
7 and resolve as applicable prior to the restart of the  
8 plant.

9 Some of the ones I've listed here that are of  
10 importance to us. Calculation Quality. As you know, may  
11 know, the plant when it was built 25 years ago, a number of  
12 calculations were prepared by the original designers to  
13 support the construction of the plant. And those  
14 calculations need to be maintained as the years go by and  
15 as things change in the plant. And the maintenance of our  
16 calculations and their quality is not where it needs to be  
17 and doesn't meet our current expectations.

18 Also in the area of Environmental Qualification or  
19 programs to maintain equipment, such that it can withstand  
20 the extreme environment that could occur after an accident  
21 in containment, for example. There is questions about  
22 that, that have been documented as part of the reviews and  
23 we'll be evaluating that program, as well as a High Energy  
24 Line Break Program. That's a program that assesses what  
25 environment is created by a break of a pipe containing high

1 energy steam or water.

2 And finally, some material condition issues. We've  
3 talked about those during past meetings. Particularly, we  
4 found a number of things during our walkdown by our  
5 combined teams of operations, maintenance and engineering,  
6 that things need to get fixed; some of which are valve  
7 packing leakage, for example, and I think in the past I  
8 described the tornado missile barriers for the diesel  
9 generator exhaust piping that need to be repaired at the  
10 point that they attach to the structural building.

11 Follow-on Corrective Actions. As we go through the  
12 process of finalizing our report, the condition reports  
13 that we have issued document any concerns that have been  
14 identified going through the process. They will be  
15 resolved prior to restart.

16 Each time we issue a condition report, it goes  
17 through the fixed process of the plant, where it goes  
18 through our Restart Station Review Board, which consists of  
19 the key managers of the plant and maintenance operations,  
20 work control, engineering and licensing, for example. They  
21 review every condition report and categorize it for  
22 procedure that's in place, with set categorization  
23 criteria, in terms of whether it needs to be evaluated  
24 prior to restart or could wait until after restart. So,  
25 those CRs will be resolved and evaluated as necessary.

1 Selected systems will receive Focused Area Latent  
2 Issue Reviews. As we've gone through the process of Latent  
3 Issue Review, the areas we find; and I described some of  
4 them previously, for example, calculation quality; those  
5 have received a more focused area review on a more  
6 horizontal instead of condition basis. And we'll carry  
7 those forward until we are satisfied that the plant is safe  
8 and prepared for restart.

9 Then finally, a functional capability assessment is  
10 ongoing. With the issues that we found in the various  
11 systems, we're evaluating what's that mean to the  
12 capability of a system to perform its mission in a plant.  
13 In many cases, that involves analytical work, and it's  
14 going to take some time to lay out analysis to go through  
15 that process on assessing functional capability.

16 One of the issues that we found, for example in  
17 service water, as many of you know, the lake temperature  
18 has been rising in recent years. And we've been tracking  
19 that at the plant. This plant at Davis-Besse and also  
20 Perry Plant and other plants on the lake, generally in the  
21 country this is an issue.

22 The technical staff at the plant in tracking that  
23 change performed an analysis to increase the allowable lake  
24 temperature to the cooling water systems. And in doing so,  
25 there was some calculation quality and extent of condition

1 items that, you know, in terms of completeness in  
2 calculations, we found not all heat exchangers had been  
3 fully evaluated for that.

4 And we also found that the margins available on the  
5 plant, when you raise the temperature of the cooling water,  
6 the margins available to the equipment are reduced  
7 somewhat. So, that makes it difficult and requires some  
8 detail technical work to go in and assess the ramifications  
9 of it. And the calculations that support that change are  
10 going to be evaluated and revised.

11 That's one of the major issues that we're tracking  
12 on right now, is very important to us, and we've got an  
13 action plan being prepared to go through that process.

14 Any questions?

15 MS. LIPA: I did have a  
16 couple questions, yeah, before you go on. You mentioned  
17 that your staff there has completed Latent Issue Review  
18 Report. Is that the final review and improved report?

19 MR. POWERS: No, what I've got  
20 here, Christine, is the draft that's been prepared. And  
21 the other four systems, their drafts are in the preparation  
22 process as well.

23 This will go through a review process now starting  
24 with the team itself that prepared the report, will go to  
25 the Section Manager, the Plant Engineering Manager, then it

1 will head on to Restart Station Review Board for  
2 presentation with them. So, it will get questioning from  
3 all the key managers.

4 After incorporating comments, this also goes through  
5 the Engineering Assessment Board and finally through the  
6 Restart Senior Management Team. So, all the levels of  
7 management will get to see the results of these reports.  
8 So, it's got a gauntlet to run yet before its final  
9 approval.

10 MS. LIPA: Okay, and coming  
11 out of that report will be some actions that need to be  
12 taken in the field perhaps?

13 MR. POWERS: That's right. And  
14 the report consists of any issues that have been documented  
15 already in the condition reports. And so those condition  
16 reports are out there, and under evaluation.

17 One of the key activities going on in the plant  
18 right now is assembling a team of technical staff to  
19 evaluate condition reports and go through the process of  
20 seeing what type of changes may be required.

21 MS. LIPA: Okay. Then I  
22 think I also heard you mentioned that as a result of your  
23 lessons on Latent Issues Reviews, you're doing a selective  
24 system for focused areas. Have you selected which systems  
25 are going to receive the focused areas?

1 MR. POWERS: Not yet, but some  
2 of the thoughts we had on that, we discussed this at  
3 earlier meetings; there are additional systems that  
4 contribute to the probabilistic risk assessment of the  
5 plant; things like the 25 volt DC electrical system or the  
6 4160 volt AC distribution system.

7 And so, we'll be targeting our reviews on some of  
8 these important to safety systems, as well as some  
9 mitigation systems. And we're walking through that process  
10 now to see what is the most effective way for us to get on  
11 and look at additional systems.

12 MS. LIPA: And is that, that  
13 effort expected to be done before restart?

14 MR. POWERS: Yes.

15 MS. LIPA: Has it been folded  
16 in your schedule yet?

17 MR. POWERS: Right. There will  
18 be a combination of efforts done prior to restart and  
19 continuing effort following restart; and what we're working  
20 on right now is the action plan and strategy for the  
21 systems that we'll do prior to restart to ensure ourselves  
22 that the plant is safe and ready to return to service.

23 MS. LIPA: One last  
24 question. You mentioned Environmental Qualification and  
25 High Energy Line Break as a program. Is that something

1 you're adding to program scope?

2 MR. POWERS: They are already  
3 in the program scope, and what we're looking at is, in the  
4 case of Environmental Qualification is questions on  
5 implementation in the field; as the work order process,  
6 actual work in the fields, and we're going to be checking  
7 out, some questions have arisen. And there is a specific  
8 concern in the area of Aux. Feedwater System and Aux.  
9 Feedwater Pump Rooms where an industry issue on High Energy  
10 Line Break of the turbine building created a steam  
11 environment in the Aux. Feedwater Pump Room.

12 So, there is some specific D Q issues isolated to  
13 those pump rooms, computer pumps. We want to be able to  
14 function through that type of environment. And so we have  
15 some, we have some condition reports in that area that  
16 we're going to be addressing.

17 MS. LIPA: Okay. Anybody  
18 else have any questions?

19 MR. DEAN: I just have a  
20 couple questions, Jim, on the Latent Issues Review. If I  
21 remember, one of the elements of the Latent Issues Review  
22 was to try and look to see if some of the things that were  
23 present that resulted in the vessel head degradation also  
24 showed up in other systems, things like control room  
25 modifications, and corrective actions, or previously

1 identified CRs. Have you seen any sort of patterns or  
2 issues like that emerging in any of these other systems?

3 MR. POWERS: I wouldn't say  
4 we've seen in terms of control modification, I hadn't seen  
5 any significant amount of that type of problem, Bill.

6 In the corrective action area, I would say that the,  
7 the areas that we've seen have largely been related to  
8 corrective actions in programs such as improvement of  
9 calculations. Where in the past we had a corrective action  
10 go through and do a count validation process, for example,  
11 which we have at the plant, had undertaken, had begun, but  
12 had not carried through on it as rigorously as we should  
13 have.

14 So, we're seeing from an effectiveness of corrective  
15 action, some areas we need to accelerate and expedite and  
16 get things done. So, we have found some of that, things  
17 that need to get done more rigorously, but I haven't seen a  
18 report of wholesale corrective action.

19 MR. DEAN: That's not a good  
20 second to my next question, which was back in the mid 90s  
21 in the aftermath of Millstone, there was a fairly large  
22 effort spurred by the agency regarding design basis, with  
23 5054 outfooters and all Licensee implemented programs to go  
24 through the design basis of their programs.

25 How would you rate, given the types of things that

1 are emerging from your reports, the efficacy of that  
2 effort?

3 MR. POWERS: In that  
4 assessment, there was done on the site design basis, one of  
5 the activities that we had, had committed to do, was this  
6 design basis validation; go through the calculations. And  
7 the calculations were in the 31 maintenance rule  
8 significant systems.

9 Went through that process. Identified that there  
10 were areas of improvement that needed to be undertaken; and  
11 many of those activities were completed. We have found  
12 that there is still remaining activities and, in fact,  
13 those are in the process of completion right now,  
14 finishing up some enhancements and improvements to  
15 calculations in those systems.

16 We believe there is activities that we want to  
17 undertake beyond that, dialogue that occurred at that time,  
18 but there is, there is activities we're still finishing up  
19 from that assessment.

20 MR. MYERS: I would comment.  
21 I read the response very well. In general, I think we did  
22 a pretty good job at that response. Here's all the things  
23 you need to go do. Talking about the history of how we  
24 developed system documents, if you will; description  
25 documents; talk about the functions of the system and all

1 that. In that document, we recommended that we need to go  
2 back and establish ops to do that.

3 We made a commitment to do that. I don't think we  
4 followed through with that commitment to the degree we  
5 should have. So, that's in line with the, with the same  
6 type of approach that you saw on some of the stuff in the  
7 reactor vessel head.

8 MR. GROBE: I just have a  
9 question, maybe a comment. Christine and Bill both asked  
10 really good questions, and I wanted to emphasize the  
11 importance of something.

12 Slide 30, I think communicated that you're going to  
13 have selected systems that are going to receive these  
14 focused area Latent Issue Reviews. Focus areas include  
15 calculations and environmental qualification, high energy  
16 line break and you're doing a functional capability  
17 assessment.

18 One of the purposes of this panel and these types of  
19 meetings is to make sure there is a clear understanding of  
20 what's necessary for restart. And that too much work isn't  
21 expected by us prior to restart, but sufficient work is  
22 required to ensure the safety of the plant.

23 We're going to be keenly interested in these  
24 functional capability assessments, and what that means with  
25 respect to the scope of the necessary additional review in

1 these focused areas prior to restart.

2 So, that's something I think is very important. As  
3 soon as you begin to crystallize your thoughts on where  
4 this is going, I think we need to meet on that; maybe by  
5 telephone, maybe in person, depending on the situation,  
6 but I don't want to leave that for next month's meeting.  
7 As soon as we're ready to go on that, I think we need to  
8 talk about that.

9 MR. MYERS: We plan to pull  
10 that plan together within the next week or so, and start  
11 having dialogue on that plan as soon as possible.

12 MR. GROBE: Okay.

13 MS. LIPA: Any other  
14 questions? This would be a good time for a break then;  
15 and so, why don't we start back in ten minutes.  
16 (Off the record.)

17 MS. LIPA: Okay. Jim,  
18 whenever you're ready, you can continue.

19 MR. POWERS: Okay, I'll  
20 continue on with the discussion of the Program Compliance  
21 Reviews. We've also been very active in the area of review  
22 of programs. We had a number of them. And, here you can  
23 see the status; 51 of 65 Program Baseline Assessments have  
24 been presented to the Program Review Board. That's a  
25 subcommittee of our Engineering Assessment Board that looks

1 at each one of these programs.

2 These are all of the technical programs, plus some  
3 of the key programs within the restart site that we review.  
4 The owners need to describe the health of their program,  
5 write up topics, such as their qualifications and training  
6 and the continuity of their ownership; issues they may have  
7 with the program; benchmarking they've done to other  
8 utilities with similar programs.

9 And, give a picture of the health to the Program  
10 Review Board. And then, they're questioned by the board  
11 about the aspects of the program; and through that process,  
12 any weaknesses are uncovered and documented in condition  
13 reports in the corrective action process.

14 As you can see, 18 of those programs have been  
15 determined to be ready for restart; and 33 programs that  
16 Davis-Besse imposed restart restraints. And CR's, issues  
17 that we want to get resolved prior to startup of the  
18 plant.

19 So, there is a lot of active work going on in that  
20 area. It's a very good process in terms of what the  
21 personnel and program ownership that's going through this  
22 process to write down the details on the program, get up in  
23 front of the board and explain the program, and then be  
24 able to defend the program's health; and then come away  
25 with comments that they need to go and resolve and improve

1 the process.

2 So, each one of these opportunities, as you alluded  
3 to earlier, Jack, learning moments, as we go through this  
4 process, a large number of technical people; and these are  
5 typically key technical people, because they've been given  
6 responsibility for programs. So, this is a good process of  
7 moving forward and making good progress.

8 In terms of detail program reviews, as we described  
9 previously, the key programs that were involved or  
10 specifically with the head degradation issue are being  
11 given latent issue level program reviews. Two out of six  
12 of those have been completed; that's the Boric Acid  
13 Corrosion Control and the Corrective Action Program  
14 Reviews. And, those have gone through the review boards  
15 and all the way through the Restart Management Team in the  
16 process.

17 Finally on this slide, the Radiation Protection  
18 Program has been added to the Program Review Building  
19 Block, and so we're currently staffing a review team for  
20 that program.

21 MS. LIPA: On that, Jim,  
22 we'll be interested in your schedule for the Radiation  
23 Protection Program when you develop it, so we can plan our  
24 inspection of that activity.

25 MR. POWERS: Okay.

1 MS. LIPA: And also with  
2 those others, you mentioned that two of the six had been  
3 completed. And, as you know, one of the challenges we're  
4 facing with our inspections of those programs is  
5 understanding the progress that you've made and when you're  
6 complete that we can schedule our inspectors to come back  
7 out to the site.

8 So, we'll be waiting to find out when you're ready  
9 for us to inspect the rest of those six programs.

10 MR. POWERS: Very good. We  
11 have scheduled for that and we'll communicate those to you,  
12 current schedules for completion.

13 MR. GROBE: Two quick  
14 questions, Jim. First one, two of the six are completed;  
15 what do you mean when you say completed?

16 MR. POWERS: The Review Report  
17 has been completed. We've taken it through the Program  
18 Review Board. Any comments that have been incorporated,  
19 we've taken it through the Restart Senior Management Team.

20 Now, when I say complete, it doesn't mean that the  
21 corrective actions that need to get done have been  
22 completed yet, Jack. So, that's still a remaining item.  
23 Similar to what we saw on Containment Health on tracking  
24 condition reports and then corrective action that evolves  
25 from that.

1           We have a similar tracking function here; and Al  
2 McCallister, who is one of the owners of our Program  
3 Review, tracks on that. So, we know there is still  
4 activities that need to get done, they're attacking, and  
5 restart required. And those corrective action would be  
6 completed before the program review is entirely done,  
7 before restart.

8           MR. MYERS:           When we say  
9 completed, it means that report should be ready for  
10 restart; is that right?

11          MR. POWERS:         That's right.

12          MR. GROBE:         So, completed  
13 means the assessment is completely done, there is no other  
14 reviews in-house that's being done on the assessment.

15          MR. POWERS:         That's right, the  
16 report is available for inspection.

17          MR. GROBE:         Okay.

18          MS. LIPA:           Now, one more  
19 question. Earlier when we talked about the Latent Issues  
20 Reviews and we talked about the EQ, Environmental  
21 Qualification Program and High Energy Line Break Program;  
22 did you say that those are separate programs that are part  
23 of the 65?

24          MR. POWERS:         Right.

25          MS. LIPA:           Okay.

1           MR. GROBE:        And the Radiation  
2 Protection Program, is that being added to the baseline  
3 assessment?

4           MR. POWERS:       Detailed.

5           MR. GROBE:        The detailed.

6        Let me just make one other comment with the,  
7 regarding the Radiation Protection Program. I hope that  
8 you're going to look at all aspects of your Radiation  
9 Protection Program, but the principle areas that we're  
10 interested in are the ones that resulted in the findings  
11 this morning, and that would primarily be the work control  
12 dose assessment and radioactive control aspects.

13       Other aspects we're looking at; affluence  
14 monitoring, dissymmetry, things like that; may not be doing  
15 the detailed review, but I would think you would be looking  
16 at those areas too.

17       MR. POWERS:        Right.

18       Some of the common issues we found in Program  
19 Reviews; qualifications of the owners. We do not typically  
20 have what's called a Job Familiarization Guideline, JFG  
21 card, sometimes a qual card, that an individual having been  
22 assigned to own a program would fill out and document what  
23 training is required, what experience needs to be brought  
24 to the position and what kind of ongoing continuing  
25 training is associated with the positions.

1        So, we need to develop standards for the program.  
2        This is also an issue, and part of the process we go  
3        through, review with the program owners, is talking about  
4        the standards, and how they impress their program on-site  
5        and working to raise those standards.

6        One of the ways we're going to do that is  
7        performance indicators. We don't have performance  
8        indicators for many of the programs that really have,  
9        applies to the site. How the program is performing; how  
10       healthy it is. And so that's, program indicators are  
11       typically one of the activities that needs to get developed  
12       for them.

13       Interfaces and Handoffs. When you have a program,  
14       it often results in an engineer, for example, owning it and  
15       perhaps maintenance staff implementing it out in the  
16       plant. And those interfaces and handoffs between the  
17       different groups are a key element to the strength and  
18       health of the program, make sure that those are sound.  
19       And, that the ownership through those interfaces and  
20       handoffs exist, that the owner of the program doesn't feel  
21       like he or she loses responsibility or accountability for  
22       the program at that point. So, that's another area we're  
23       reinforcing.

24       Commitment Management. As we go through the  
25       programs, we're evaluating over time; have we done a good

1 job in completing commitments we've made to the NRC over  
2 the years into the programs; and have they been maintained  
3 in the program as it gets revised; are we keeping the  
4 spirit content of commitments that we've made in the  
5 program. There are some areas, as we say, we're doing  
6 further improvements.

7 Another area that the, turn attention to, potential  
8 bypasses to the Condition Report process. And these can  
9 exist in, let's say, for example, a Blue Boil Sampling  
10 Program. You get a certain threshold of blue boil clogging  
11 particulates, chemicals, constituents, that you get the  
12 sampling process and you get threshold levels for alert and  
13 then action and so forth. And, at what point do you issue  
14 a CR; and at what point do you just monitor this within the  
15 program.

16 So, we're working through that process to make sure  
17 we're not circumventing the Corrective Action Program.

18 And finally, training for the program owners and for  
19 the program implementers is an area that needs  
20 improvement. The owners need to be involved in development  
21 and application of the training until they feel satisfied  
22 that everyone who implements the program on site has  
23 appropriate training.

24 So, those are some of the common issues that we've  
25 come across, we're dealing with to improve programs. As we

1 develop these at the Davis-Besse site, we'll be taking  
2 these type of processes to our other FENOC facilities.

3 I think we're making big strides here in program  
4 ownership and procedures we have in place for these program  
5 reviews, will be converted to FENOC-wide procedures and  
6 used at our other sites.

7 Any questions on those?

8 MR. DEAN: Jim, I have a  
9 question relative to the source of these common issues.  
10 Are those common issues that were developed mainly using  
11 baseline assessments or do those also relate to the Detail  
12 Program Reviews?

13 MR. POWERS: They're really  
14 coming from both, Bill, because the baseline assessments,  
15 each one of those programs come before the review board,  
16 and go over a standard format of content that the owners  
17 have to report on. And so, if there is weaknesses there,  
18 they will show up.

19 And the qualifications is one example you find out  
20 right off the bat. What's your training been for this  
21 position? What's the experience level? How long have you  
22 owned this program? Qualifications come right through the  
23 baseline assessments as well as a detail, that will show up  
24 in the detail assessment.

25 Commitment management will show up in one of the

1 detailed assessments, for example. Getting into the real  
2 nuts and bolts of detailed document reviews with  
3 commitments in them. So, it's a mixture of where these  
4 come from.

5 MR. DEAN: And with respect  
6 to the two detailed program reviews that have been  
7 completed, Boric Acid and Corrective Action Program; what  
8 in particular stands out in your mind relative to the  
9 specific issues that have been identified?

10 MR. POWERS: The top items? I  
11 would say standards and ownership, when it comes to  
12 interfaces and handoffs in those programs; particularly in  
13 the Boric Acid Program. That's one of the major ones that  
14 comes to mind.

15 In the Corrective Action Program, the implementation  
16 is an issue that we had, was the principle issue we had in  
17 the program. The elements are there in our Condition  
18 Reporting Process, Corrective Action Program, for it to  
19 work, for issues to be identified, investigated, evaluated  
20 and fixed with corrective actions.

21 And the people that implement it needed to take  
22 advantage of the program that's available there and use it  
23 effectively to fix things at the plant.

24 So, we found a number of areas we can improve the  
25 program, but where the implementation of it is what we're

1 focusing on, to improve that. And that's; as we have been  
2 communicating to the staff at the plant, you can't just  
3 write a condition report.

4 I think we're doing a pretty good job of writing  
5 condition reports at the low threshold, but you can't just  
6 write it and put it in the process and trust that the  
7 process is going to resolve that condition report, evaluate  
8 it, and on a timely basis, and effectively get to the  
9 resolution that perhaps the person who identified the  
10 problem had in mind.

11 There is an element of ownership, not just write a  
12 condition report, throw it into the process and let it take  
13 care of itself. It needs to be a bit more of an ownership  
14 on the condition reports as they go in.

15 So, we've been having a dialogue with the staff on  
16 that aspect of it. So, those are a couple of things that  
17 come to the front line of these programs.

18 MR. DEAN: Okay.

19 MR. POWERS: Okay. If there  
20 are no more questions, I'll turn it back over to Lew  
21 Myers.

22 MR. MYERS: Going back to the  
23 Boric Acid Program, we didn't have the right standards in  
24 the program, didn't even mention the reactor vessel head  
25 specifically. There was some questions with

1 implementation, now ownership in all those areas. I think  
2 we have that fixed now.

3 I've actually reviewed the procedure, processed the  
4 program, feel we have good ownership and we've turned that  
5 into the Nuclear Operating Procedure now, that's consistent  
6 with pressurized water reactors. So, standards was  
7 definitely an issue there.

8 The next area that I would like to talk about,  
9 pleased to talk about is the Management and Human  
10 Performance Actions that we've taken to-date.

11 As you know, the last month, we sat down and talked  
12 about the root cause, and also we talked about the action  
13 plan to go forward.

14 Let's go to the next slide.

15 We put a team together shortly after we got here in  
16 May. It was an independent team to look at the management  
17 problems associated with the reactor head event. We  
18 focused that on the head event, knowing in our mind that,  
19 that by doing that, it might tell us some broad base areas  
20 that we need to go look at.

21 We also said, look at the technical issues  
22 associated with the head event, the part that operations  
23 plays, the operations group played in the head event. And  
24 then finally, if all the other barriers fail, why didn't  
25 the quality oversight programs that we have prevent this

1 issue from happening?

2 So, in each one of these areas, we've taken actions  
3 to perform a root cause or an assessment of what went  
4 wrong. To ensure that we're, we're taking actions that are  
5 consistent, we're not taking, everybody is not taking their  
6 own actions, we put together a Management/Human Performance  
7 Improvement Plan that we presented last month.

8 That plan is an integrated approach of actions that  
9 we're taking at the site to ensure that we have standards  
10 in place to prevent this type of issue from happening  
11 again.

12 Go to the next slide.

13 If you go ask, what are those actions that we're  
14 taking? What did we learn out of all these root causes  
15 that we took?

16 Well, first of all, nuclear safety focus was an  
17 issue that we talked about; make sure that we have a proper  
18 nuclear safety focus, and that's number one. That's number  
19 one in our plant every day. And that the work environment  
20 supports that safety culture. So, we have actions in place  
21 to address the, the employees and the culture of the  
22 plant.

23 Standards and Decision-Making is another area that's  
24 sort of popped out. And if you go look at the head, we  
25 have talked about leadership standards that we have,

1 departmental standards, the way we conduct business each  
2 and every day; in saying, we're not only meeting the  
3 regulatory requirements, not just meeting the regulatory  
4 requirements, but meeting industry accepted standards and  
5 approaches.

6 Oversight and Assessments. We need to look at our  
7 external groups and make some changes there to assure that  
8 our independent oversight areas are truly independent. One  
9 of the main issues we found there is, in the past, the  
10 Independent Oversight Assessment Group or the Quality  
11 Group, if you will, reported to the site vice president.  
12 That's no longer true. Bill Pearce sitting beside me  
13 reports directly to Bob Saunders and on up to the board.  
14 So, if they report to the site vice president, they become  
15 part of the culture sooner or later. So, we tried to fix  
16 that.

17 The Oversight Review Boards that we have, why didn't  
18 they fix this problem, why didn't they catch the problems?  
19 So, we're addressing that.

20 And finally, the Programs, if you will, and the  
21 Procedure Compliance at issue in this.

22 So, if you look at this Management/Human Performance  
23 Improvement Plan, it basically touches those five areas, if  
24 you will.

25 Next slide.

1 Today, we have several initiatives that we've  
2 completed. The first to do is Baseline of Safety Conscious  
3 Work Environment. So, we established a couple months ago  
4 the results of our survey, and we'll be performing some  
5 additional type surveys in the future to make sure that we,  
6 we have the right safety culture on site; and people will  
7 feel free to bring forward information.

8 From a FirstEnergy standpoint, we created a new  
9 Chief Operating Officer position. Gary Leidich, Executive  
10 Vice President is with us now. We're really pleased to  
11 have him here. And, then the Vice President of FENOC  
12 Oversight has been created. If you go look at our  
13 organization before, the only corporate person that we had  
14 was Mr. Saunders, our President.

15 So now, from a corporate standpoint, we have more  
16 oversight of our plants. And what we're finding is that  
17 things will not be, that we thought were being consistently  
18 performed at our plants, weren't, but we didn't have the  
19 oversight processes in place to assure that was happening.  
20 So, it's strengthened that.

21 We've added a new Davis-Besse Site Leadership Team,  
22 and new directors. In fact, if you'll look now, there has  
23 been many, many changes; over 50 percent of the people in  
24 FENOC are in new jobs from a management standpoint.

25 We've strengthened the weekend duty coverage. The

1 Corrective Action Program was a significant issue as we  
2 went through this process. We've taken actions in the  
3 Corrective Action Program to create an Oversight Review  
4 Board. That is monitoring now the effectiveness of the  
5 actions that were taken. And we're grading those actions.  
6 We intend that to be a permanent part of the way we do  
7 business.

8 Next slide.

9 New Management Observation Program is a program we  
10 brought in. That's in place now. I watched Randy use that  
11 this past, I think it was yesterday. And that's a really  
12 good program that allows us to enter our data on our  
13 management observations, and monitor for trends.

14 Additionally, we're scheduling our management  
15 reviews, Restart Oversight Overview Panel. Employees  
16 meetings are in place, where our Restart Oversight Panel is  
17 physically meeting with our employees to, rather than being  
18 reactive on employee concerns, we're trying to be  
19 proactive. And they're providing us some interesting  
20 oversight.

21 From an event standpoint, this past week, we took  
22 the whole day and just stopped work at our site,  
23 basically. And we feel, we call it a case study. We call  
24 it a case study with our employees. That case study was  
25 designed to talk about this issue with each and every

1 employee group. So, we did it by groups.

2 It was designed to look at each group and determine  
3 and discuss how that group could have prevented this event  
4 from happening. How you were personally involved. You can  
5 set a review of standards. And one of the directors, Bob,  
6 or Gary, visited each one of these groups to assure that  
7 people had a clear understanding of the vision, mission and  
8 the values of our FENOC organization.

9 We thought that was extremely positive. Bob gave  
10 great feedback on that.

11 Then at the end of the day, we gave a test to each  
12 and every employee to make sure that they understood the  
13 requirements.

14 We completed the Quality Assessment Group Root  
15 Cause.

16 MR. THOMAS: Lew, can I ask you  
17 a question real quick? What did you learn as a result of  
18 holding those case studies with your staff, and I would be  
19 interested in a couple of prospectives.

20 MR. MYERS: Do you have  
21 anything you want to share? Randy?

22 MR. FAST: The one that I  
23 attended in the morning was the Operations one. And I'll  
24 tell you, I think something that I learned is, I didn't get  
25 as much push back from our folks as I might have expected;

1 however, I got feedback about other organizations where  
2 there was some internal push back.

3 When I say push back, the employees were taking full  
4 responsibility, accountability and recognizing the role  
5 that they play or did not play in the events. And that was  
6 different for different organizations. As an example to be  
7 very specific, I felt that Operations stood up and took  
8 responsibility. I know that the feedback that I got from  
9 folks was very positive. It was a facilitated session,  
10 where folks had an opportunity to get involved in teams,  
11 and work through issues, and then present the results of  
12 that.

13 And I saw full participation and I saw excellent  
14 accountability by the folks in Operations. However, I did  
15 not attend and I'm counter, provide a little counter  
16 perspective on that; because at the same time the Health  
17 Physics and Chemistry Organization was going through  
18 theirs; I think there was a lot more push back. Folks were  
19 not as engaged, didn't recognize their role or  
20 responsibility as adamantly. So, that tells us that there  
21 is certainly room or margin for improvement in that  
22 organization.

23 I'm trying to be very blunt, very candid of the kind  
24 of feedback. In fact, I talked to some of the Health  
25 Physics Organization folks, and they, they didn't embrace,

1 I think, the outcomes in a clear understanding as much.

2 Now, that delta there tells us that some  
3 organizations have been doing a pretty good job of  
4 communicating new standards and getting volumes from the  
5 folks, but there is some other organizations that have  
6 not.

7 I did attend the Training Organization in the  
8 afternoon, and I still, I can provide a grade, if you  
9 would, but I didn't see the amount of push back that I saw  
10 in Health Physics or Chemistry; however, I didn't see the  
11 level of engagement that I saw in Operations. So, I can  
12 give you the three that I had some participation activity  
13 in.

14 But that would be expected, I would say as well,  
15 that not every organization is on the same page.

16 MR. MYERS: How they effected  
17 this issue; Bob, do you have anything you want to add  
18 there?

19 MS. FRESCH: Your name,  
20 please.

21 MR. SAUNDERS: Bob Saunders. I  
22 participated in about four of the sessions. The common  
23 thread that I saw, is that the employees for the most part  
24 are very aligned with this, and very much want to return to  
25 a safety operation. That was a common theme I saw. And, I

1 also saw a very high quality work force too.

2 MR. MYERS: I agree with  
3 that. We had an all-hands meeting yesterday. Not only an  
4 all-hands meeting, we had a meeting with a bunch of  
5 employees before we had the meeting with the public here,  
6 so we can tell them what we're going to tell you all.

7 And, what I sensed out of that, I asked the  
8 question, what they thought about the training that we did,  
9 if there was clear understanding of the, of the  
10 involvement, where we're at from an organization  
11 standpoint. I would say 90 percent of the people I asked  
12 questions, raised their hand in that area, 150 or so.

13 They thought the training was good quality, to  
14 provide additional input on what happened, and they better  
15 understood, understood the event and the lack of standards  
16 that led into this event, if you will.

17 So, I think it was productive from a benchmarking  
18 initially in setting the right standards and getting our  
19 management team aligned with the organization. I think it  
20 was a very, very productive day that we spent there. So, I  
21 felt good about that.

22 Does that answer your question though?

23 MR. THOMAS: Oh, yeah, thank  
24 you.

25 MR. MYERS: From a senior

1 management standpoint, I don't know if you've seen around  
2 the plant or not, but we have clearly got together as a  
3 senior team and posted our standards and agreements of  
4 working together in all the meeting rooms at our site.

5 The Quality Assessment Group Root Causes are  
6 complete; and the company review, Independent Review Board  
7 Assessment is complete.

8 Operations Leadership and Development Plan is well  
9 under way. In fact, I have Mike over here today. I would  
10 ask Mike if he would like to comment on that. Mike is our  
11 Operations Manager and is responsible for the Operations  
12 Leadership Plan.

13 MR. RODER: Mike Roder. We,  
14 we just went over the circles there, and the overall plan.  
15 The Operations Leadership Plan is really a compilation of  
16 actions designed to guide operations through the needed  
17 improvements to assure a nuclear site safety focus.

18 It includes benchmarking, training, improving  
19 standards, improving ownership, improving behaviors to  
20 assure that site safety focus. It's really called the  
21 Operations Leadership Plan, because its design positions  
22 Operations as the leading organization at Davis-Besse.

23 MR. MYERS: Do you feel that  
24 Operations clearly understands how they take a different  
25 leadership role to prevent this type of event from

1 happening again?

2 MR. RODER: Yes, clearly Randy  
3 kind of pointed that out through the case study, the  
4 receptiveness, the ownership and the accountability that I  
5 observed at that training was, is clear to me, that the  
6 Operations is taking a leadership role.

7 MR. MYERS: Next slide, 4.  
8 Since our last meeting, we've probably had, I don't  
9 know how many Town Hall Meetings. Additionally, I've been  
10 having what I call the 4-C's Meetings with about 20  
11 employees weekly. What I do there is, 4-C's is designed to  
12 look for compliments, complaints and criticisms from our  
13 employees, you know, and concerns.

14 And, at those meetings, what you're seeing is a real  
15 change in the compliments. First there was none. Now  
16 there is about a page full. In the number of complaints  
17 and concerns, rather than be big broad base complaints and  
18 concerns, now they're very specific, down to the procedure  
19 is not working well for us. So, you've seen a real change  
20 in the kind of concern and complaints that the employees  
21 have.

22 Each one of those meetings are designed for the  
23 employee group who come to consensus on that, to go back  
24 and communicate the actions we're taking for each one of  
25 the 4-C's meeting. So, at the end of the meeting, we agree

1 on a group of actions we'll go take.

2 The complaint last week was do you have the  
3 procedure level, on the procedure change process. So, it's  
4 not the big general complaints that I used to get. So, I  
5 feel very good about it. Now we're getting into the nuts  
6 and bolts, we can go out and fix things. So, we're taking  
7 on the procedure change process.

8 Told you about the Operations Leadership Plan.

9 And then Supervisory Evaluations. We now have RHR  
10 here, and they're involved not only, we would need to  
11 change that, not only with the Supervisory Evaluation, but  
12 they're going to evaluate each and every manager, director,  
13 myself, and my boss. So, what's good for one is good for  
14 all of us.

15 There are several activities that are also in  
16 progress. The Leadership Development Program changes,  
17 that's Leadership in Action. We had a class of that going  
18 on this past week.

19 Engineering Assessment Board is grading all the  
20 engineering products now. And we have performance  
21 indicators to start looking at the quality of documents.  
22 Now, we make an assumption right up front that the  
23 Engineering Assessment Board, it's designed to assure good  
24 quality products are coming out of engineering, you know.  
25 So, before it gets out, it's part of our approval process.

1 We strengthened our weekend duty coverage.

2 The plant standards improvements on labeling,  
3 housekeeping, and equipment upgrades, we think is taking  
4 hold.

5 We talked about our Program and System Reviews.

6 They will become a part of the way we do business.

7 The Safety Conscious Work Environment. Now, Bill is  
8 going to talk about that, but basically we've taken that  
9 program from a reactive program to proactive program.

10 We're out looking for employee issues and at least tell the  
11 employee that we will try to understand what the issue is  
12 rather than justifying them away.

13 Next slide.

14 Some activities are pending, Engineering  
15 Organization Assessment and Restart Readiness Assessment.

16 From a regulatory perspective, we have a review on our, on  
17 our plan, a few weeks ago; a question came up. When we  
18 looked at the root cause, how did we, we could tell that  
19 the quality of documents that we had did not, did not meet,  
20 have a rigor in it that communicates what we're looking  
21 for. So, how can we tell that we're ready to restart the  
22 plant?

23 What we decided to do was, we'll do a restart  
24 assessment in engineering prior to restart to assure that  
25 we're ready and have a team in place to restart the plant

1 from an engineering standpoint.

2 Additionally, we're doing functional area reviews of  
3 each organization, using the IMPO model on our organization  
4 ready for restart. Then, a collective review on the  
5 integration causal factors. We'll do, as a management  
6 team, the causes issue.

7 You know, I've showed a lot, talked a lot about the  
8 actions we're taking. I would like to move forward and  
9 show you some of the pictures. So, we'll do that after  
10 Safety Conscious Work Environment.

11 With that, I'll turn it over to Bill Pearce for  
12 Safety Conscious Work Environment.

13 Any questions on what we have done to-date?

14 MR. PEARCE: Good afternoon,  
15 I'm Bill Pearce, I'm the Vice President for Oversight at  
16 FENOC.

17 MR. GROBE: Bill, quickly I  
18 have a couple questions. I was being patient looking for  
19 all the other questions to come forward first.

20 Lew, you mentioned that the Company Nuclear Review  
21 Board Assessment has been completed?

22 MR. MYERS: Right.

23 MR. GROBE: Do we have that  
24 yet? I don't think we've seen it.

25 MR. PEARCE: We did pass it on

1 to the Program Review guy.

2 MR. GROBE: That is just  
3 recently?

4 MR. PEARCE: That is just  
5 recently.

6 MR. GROBE: And the  
7 Operations role in the situation, I understand that you  
8 pulled that, that Root Cause you did? What is the schedule  
9 for getting that done?

10 MR. FAST: Right. It's in  
11 progress.

12 MR. GROBE: Okay.

13 MR. MYERS: We should have  
14 that the end of the month.

15 MR. GROBE: Okay, I think  
16 that's it now. Thank you.

17 MR. PEARCE: Okay. My name is  
18 Bill Pearce, I'm the Vice President of Oversight of FENOC.  
19 What I'm going to talk about this afternoon is Safety  
20 Conscious Work Environment.

21 Really the question that we want to answer this  
22 afternoon is what have we done for corrective action for  
23 the survey results we presented a few weeks back; in fact,  
24 a couple months back. And, I'm going to do this, and I'm  
25 going to give you something that's going to be fairly

1 complex, so I'm going to take some time before I get into  
2 it.

3 First of all, let me state the basic premise that  
4 because we're humans, that changing our behaviors takes  
5 repetitive reinforcement. I think that's a basic premise  
6 that we can state for all humans. What we're working on  
7 here is the behaviors of our employees. So, that is the  
8 reason I put this together like I did, to show you that  
9 we're taking multiple actions and repetitive actions in the  
10 same areas to change behaviors.

11 And, how I'm going to show you this is by  
12 relationship diagram. On this diagram, when I show it, the  
13 red dots will show areas of high relationship; the yellow  
14 dots are medium relationship; and the low relationship are  
15 the white dots. And on yours, we made them black, gray and  
16 white, if you would like to look at them more closely, so  
17 you can see them.

18 All right, Linda.

19 Now, across the top of this relation diagram are the  
20 issues that we came upon in the survey that we did. The  
21 first issue is Management Trust. The second issue is the  
22 Worker Willingness to Raise Concerns. The third issue is  
23 the Effectiveness of the Employee Concern Program. The  
24 fourth issue is Effectiveness in Resolving Issues Through  
25 Normal Process. And the fifth is Effectiveness in

1 Detecting and Preventing Retaliation and Chilling Effect in  
2 the Workplace.

3 Then, down the side are the actions we're taking.  
4 Safe Conscious Work Environment Training for our management  
5 folks. That, by the way, is complete for the upper level  
6 management; we've done that training now.

7 We've got plans for the next block, which is the  
8 Training for the Contractors; and the third one is  
9 Development and Implementation of a Communication Plan.  
10 The fourth one is the People Team, which is a team of  
11 people out of different groups in the plant that we're  
12 forming to assess any issues of discipline, or lower level  
13 events that have not, that have not risen to the point of  
14 an employee concern, but we would still like to go deal  
15 with.

16 Issue Management Process, that's in progress.  
17 Create an Employee Concern Program. What that's about, we  
18 now have a manager on site, is not our employee, but a  
19 person that is well experienced in employee concerns  
20 programs. And we have several investigators associated  
21 with that, so we've converted from doing a management level  
22 investigation to an independent investigation.

23 Monitor and Communicate Performance to Employees.  
24 Lew talked about a lot of pieces of that when he just spoke  
25 on some of the actions we're taking.

1 Review and Revise Policies and Charters. Designate  
2 and Train the Safe Conscious Work Environment  
3 Investigators. New Senior Leadership Team; Lew talked  
4 about that. Communicate Management Team Standards; we  
5 talked about that issue.

6 4-C's Meetings.

7 MR. GROBE: Before you go on,  
8 let me make sure I understand what relationship means.

9 MR. PEARCE: Okay.

10 MR. GROBE: Maybe you can  
11 just pick one of those line items and go across.

12 MR. PEARCE: Let's take the one  
13 I just said, 4-C's Meetings. And, that is as Lew  
14 described, it is a meeting of about 20 employees, with  
15 Lew. They meet with Lew. They come up with the 4-C's.  
16 Lew meets with them again a week later and goes through the  
17 issues that they brought up, and what each of them do with  
18 them.

19 And here is what we're trying to accomplish by  
20 that. We think that will have a high impact on Management  
21 Trust area. We think that will have a high impact on  
22 Worker Willingness to Raise Concerns. That's one of the  
23 things we're emphasizing to them in that meeting.

24 We think it will have a low impact on the  
25 Effectiveness of Employee Concern Program, because it

1 really doesn't do anything in that regard. And then it has  
2 a medium impact on Effectiveness in resolving issues  
3 through the normal process, because we demonstrate when  
4 they raise concerns, Lew goes and deals with them; and we  
5 think because of the relationship or the management trust  
6 issue, that's effective in detecting and preventing  
7 retaliation and chilling effect.

8 That's some of the things we talk about in there.  
9 Encourage them to bring issues that they have forward. So,  
10 that's how you look at this, is how effective are the  
11 actions that Lew described earlier in the Management and  
12 Human Performance area; how effective are those actions  
13 going to be at fixing the Safety Conscious Work Environment  
14 issue.

15 So, like I said, I know it is complex. And you have  
16 to spend some time looking at it, but this is how we came  
17 up with a lot of actions that we've taken thus far, is to  
18 try to do the things that cause, that will cause a lot of  
19 impact with employees, and do different things repetitively  
20 to give them the same message to reinforce a behavior  
21 change.

22 Probably more than you wanted to know about that.

23 MR. GROBE: No, actually that  
24 was very good. So, if I went vertically down Management  
25 Trust, and looked at all of the black or red dots, those

1 would be the activities that you would hope to have the  
2 most significant influence on improving management trust.

3 MR. PEARCE: That's correct.

4 MR. GROBE: The yellow or gray  
5 would have the next level of significance.

6 MR. PEARCE: Decreasing levels  
7 of effect, right.

8 MR. GROBE: Okay.

9 MR. MYERS: This goes very  
10 much in line with our, you know, our Management/Human  
11 Performance.

12 MR. PEARCE: Well, it is the  
13 Management/Human Performance Plan. It is the things that  
14 we're doing and how we think they fit in with the Safety  
15 Conscious Work Environment.

16 MR. HOPKINS: Let me ask a  
17 question.

18 MR. PEARCE: Please.

19 MR. HOPKINS: Have you had any  
20 consultant to management oversight go over this matrix?

21 MR. PEARCE: We do have some  
22 consultants in management issues here, and they help us  
23 with all those issues. They had some questions, yes, and  
24 that's, we're doing that, we've done that and we're  
25 continuing to do that.

1           MR. MYERS:           Oh, yeah. When  
2 we completed the root cause evaluation, we brought in  
3 consultants and we also brought in many industry experts  
4 along the way from an organization standpoint. We have  
5 RHR at the present time. We have Morgan and Lewis here  
6 that's helping some with us. And the Lincoln Consulting,  
7 which is a group of people that helped build the  
8 organization structure, if you will, and teamwork.

9           So, we have quite a few people with us that's  
10 involved with each one of these activities.

11           MR. HOPKINS:        Okay.

12           MR. MENDIOLA:       Going back to  
13 Jack's question for a minute. Going horizontally then,  
14 across these lists indicates which, if you will, of your  
15 actions have the most significance. For example,  
16 obviously, the Monitor and Communicate Performance, it's  
17 four red dots. It's one of the keys, if not most important  
18 action. I think it's the only one on the list that I see  
19 has four red dots.

20           Is there anything special being done to separate  
21 that issue from the others because of its relative  
22 importance or, or is there any significance attached to  
23 that?

24           MR. PEARCE:        Well, I will tell  
25 you that that issue, the Monitor and Communicate

1 Performance, the individuals, the coaching, it's well known  
2 in all management that that's a very powerful way to change  
3 behavior. And that's why I asked for it, yes, from that  
4 aspect, in a lot of the things that we're doing. The  
5 Management Observation Program, for instance, is around  
6 that. The Leadership in Action Program, that's a strong  
7 component in that.

8 So, that's a special thing, but there is pieces of  
9 it in the other ones too. And that's why, I was trying to  
10 figure out how to show all the things we're doing in this  
11 area. This is a relation diagram, is the only way I could  
12 come up with, really tried to demonstrate that.

13 I know it's hard in this kind of meeting, because  
14 it's complex. And it's interrelated some, even on top, the  
15 actions down the left column, do have some  
16 interrelationship, because some of the things like the  
17 Leadership in Action, it has components of it that are  
18 Monitoring and Communicate Performance. That's some of the  
19 things that supervisors are taught in the Leadership in  
20 Action Program.

21 But humans are complex beings, and it's difficult to  
22 change behaviors in people, especially large  
23 organizations. I think that's a well known fact.

24 MR. MENDIOLA: My purpose for  
25 asking the question, obviously, is now you've created the

1 matrix and seen some results, what significance do you  
2 attach, for example, to Monitor and Communicate Performance  
3 with four red dot actions versus maybe one of the others  
4 where there is hardly any red dots or maybe a white dot.

5 MR. PEARCE: I understand your  
6 question, and concern, Tony, but you know, it's back to  
7 something that may affect me as an individual, might be one  
8 of the white dots, but it gives me the thing that makes up  
9 my mind that, you know, is important to me. And it's when  
10 you get down to individual people, it's hard, we're not  
11 going to be able to go back and say what was the thing that  
12 we did exactly that made any specific employee change their  
13 behavior, because it's a hard issue.

14 MR. MYERS: Let me say from a  
15 management standpoint, that's where I have to spend a lot  
16 of time. I have to make sure the computer is put in place,  
17 is visible, people are using it, people are monitoring the  
18 data we're getting out of it and taking corrective  
19 actions. So, that's where you've got to spend a lot of  
20 your time to get the most effect. So, that's the reason we  
21 try to do this. Okay.

22 MR. PEARCE: Any more  
23 questions?

24 MR. GROBE: I apologize. I'm  
25 a little slow at pulling this together.

1 MR. PEARCE: Go ahead.

2 MR. GROBE: One significant  
3 contributor that you've identified to what happened over  
4 the last several years was a focus on production over  
5 safety. And that seems to be a key component of Safety  
6 Conscious Work Environment. Had you considered making that  
7 one of the issues and how your actions are going to  
8 influence that perception and focus in the organization?

9 MR. PEARCE: I believe, this is  
10 just a Safety Conscious Work Environment survey.

11 Is Dave Eshelman here? He's not here.

12 We're discussing that. This is a piece of it. This  
13 is about the survey we did, Jack. In addition to that, we  
14 have the Root Cause and the things that Lew talked about  
15 earlier then. We're going to put together, I think this is  
16 how we're going to do it, put together a similar relations  
17 diagram that covers all those issues and that would be a  
18 column at that time.

19 MR. GROBE: That would be  
20 very helpful. I was going to talk about this a little  
21 later, but one of our inspections that's ongoing is in this  
22 area of Management/Human Performance, which covers Safety  
23 Conscious Work Environment as well.

24 One of the observations of the team was a lack of a  
25 clear alignment between the various different root cause

1 reports you've done, integration of those and alignment  
2 with corrective actions. So, you're going to create  
3 something similar to that?

4 MR. PEARCE: That's how we  
5 intended to demonstrate that also. And the problem is some  
6 of the actions we take cover several problems with several  
7 programs, you know. This is about the only way I can  
8 demonstrate that.

9 MR. MYERS: When we put the  
10 plan together, we came up with the basic criterias that we  
11 were addressing and then we put our corrective actions on  
12 to that. And the team, the problem that we're seeing now  
13 went from each report to those actions.

14 So, if we lay that out on the same kind of approach,  
15 I call it more sticky, if you want to, they should show how  
16 that all ties together. So, we're doing that at each  
17 stage. Okay?

18 MR. GROBE: Okay.

19 MR. DEAN: In terms of  
20 talking about this issue and the preceding one, you gave us  
21 some goal information regarding, for example, the results  
22 of Root Case Study Management; you talked about several  
23 different, you talked about your 4-C's Meetings and  
24 different changes you've seen there, which is good  
25 anecdotal information, but relative to this in terms of

1 measuring the effectiveness, going beyond anecdotal  
2 information, what are some of the things you have planned?

3 MR. PEARCE: Well, we're going  
4 to do another survey, the same type of, this same survey  
5 that we've done previously; however, we want to get through  
6 some of the corrective actions before we do it. We don't  
7 want to do it before we think that we've done the things  
8 that we're going to effect. So, I expect it will be at  
9 least another month or so before we do another survey.

10 In addition, I know that it's subjective, and the  
11 whole subject in my mind is subjective; but the feedback  
12 and the relationship between management and employees is, I  
13 think, something that we can gauge, and we can get some  
14 perspective of, although it's hard to get it down to  
15 numbers.

16 I believe that I feel that we are getting greater  
17 and greater alignment with the, from the top of the  
18 organization down to the bottom of the organization. I  
19 sense that in the meetings that I went to. And, I went to  
20 a lot of the case, different case studies. I mean, I spent  
21 a lot of time in the Operations ones in the morning, then I  
22 hit a lot of them that afternoon.

23 I concur with Randy's explanation of who seems to  
24 buy in, who didn't. It was a very different feeling, I  
25 guess. My perspective is, that with a couple exceptions,

1 we're really starting to gain alignment.

2 And we had people watching those, and we identified  
3 the ones we didn't think we got the employee alignment or  
4 buy in that we desired out of that. And, then we talked  
5 about what are we going to do with those specific areas and  
6 try to do something more.

7 So, and I know that's not a measurable criteria,  
8 Bill, but.

9 MR. MYERS: Like in our  
10 Oversight Boards Randy runs, and Bob Schrauder runs the  
11 Corrective Action Review Board -- Randy runs that. Okay.  
12 And we're grading each and every one of those, those  
13 corrective actions; how thorough are they. And, we've got  
14 performance indicators.

15 So, one of the things that we have problems with due  
16 to the head problems is not following corrective action.  
17 So, we're grading them not thorough on corrective action.  
18 We're grading those, and we're making sure we're properly  
19 classifying the CRs.

20 The other thing on the Engineering Review Board,  
21 we're grading each and every engineering product, looking  
22 for quality and rigor from our engineers. And we're seeing  
23 some improvement there. In fact, we know we're raising the  
24 standards, I guess the best way to say it, and we're seeing  
25 our engineers respond to that. So, we think we're making

1 progress with that.

2 MR. DEAN: I wasn't trying to  
3 intimate that you can instill a sense of Safety Conscious  
4 Work Environment through a set of performance indicators.  
5 I was trying to get a sense of what do you have in terms of  
6 plans to try to get going, and define some sort of  
7 assessment beyond just a survey result or beyond the  
8 standard bulletin.

9 MR. MYERS: What we do there  
10 is a couple things. We're having, we're having the RRP  
11 group meet with our employees. They're independent, so  
12 they can give us valuable insight and assessment back of  
13 the alignment we had within our organization, as well as  
14 people bring things forward.

15 You know, I told you some of our performance  
16 indicators we have in place. We'll be able to do some  
17 assessment prior to startup to make sure that we feel  
18 comfortable that we're ready to operate the plant. We'll  
19 do that from a management standpoint. I have that in the  
20 plan right now.

21 So, we'll assess our readiness for start. We'll  
22 bring in some outside expertise to help us there. Then we  
23 have various consulting groups like RHR, they will be  
24 giving us help.

25 You look puzzled.

1           MR. GROBE:           No, not puzzled.  
2    It would seem like the best indicator in all of this is  
3    subjective; would be that once you have alignment, once you  
4    complete your supervisory evaluations, your director  
5    evaluations, your manager evaluations, and you begin to  
6    give alignment through the supervisory and management  
7    organization, it would seem that your -- I can't remember  
8    what you call it, your management observation or supervisor  
9    observation.

10           MR. MYERS:           Management  
11    observation role.

12           MR. GROBE:           What attributes,  
13    maybe this is next months's meeting, but I would think that  
14    you would be looking at those attributes that are critical  
15    to many of these areas.

16           MR. MYERS:           I've already got  
17    those identified and am working on those things. I'll  
18    bring that in next meeting.

19           MR. GROBE:           I think that  
20    would be, those are, I was writing down topics that I  
21    wanted to hear about next month on a note pad here. I  
22    think those are two that I would like to hear about. One  
23    is, what characteristic and attributes are you focusing on  
24    for your evaluations that you're conducting of your  
25    supervisors, managers, directors, and whoever else you're

1 evaluating; and what's your finding as a result of those  
2 evaluations.

3 And secondly, your management observations of people  
4 in the field, what attributes you're looking at and what  
5 you're doing with that.

6 MR. MYERS: We'll bring that  
7 in and show some slides of the program and what we're  
8 learning from it next time. We will have that in place.

9 MR. GROBE: That's good.  
10 Okay.

11 MR. MYERS: We talked, Bill  
12 and I talked a lot about management actions. We thought we  
13 would show some pictures of some of our Town Hall  
14 Meetings. They're very interesting with our employees;  
15 and I think we gained as much from them as they did, but  
16 the key to the Town Hall Meetings and reactions we take is  
17 all the input. We think that's going well.

18 Next slide.

19 Here is some pictures of the Case Study Training.  
20 Once again, we spent the entire day, 24 hours, night and  
21 day, sitting down with each of our employees, and going  
22 over the case study. And this was a case, at least we can  
23 document that every one understands what caused this event,  
24 the standards of the organization and how we contributed to  
25 that. Okay?

1           MR. GROBE:           Do you have a  
2 syllabus for that case study? Some sort of syllabus or  
3 presentation material?

4           MR. PEARCE:           Yes. We'll share  
5 that with you.

6           MR. MYERS:           We can give that  
7 to you.

8           MR. GROBE:           Even a  
9 videotape.

10          MR. MYERS:           We have  
11 videotape.

12          MR. GROBE:           No, I don't want  
13 to see a videotape.

14          MR. MYERS:           Then, here's some  
15 of our team meetings, if you will, that we had, All Hands  
16 Meeting with our employees. Yesterday, prior to this  
17 meeting, and I have a lot of feedback on that meeting, even  
18 though I thought I was less prepared.

19          And with that, I'm pretty much ready to close.

20          I think the desired outcome today, which we brought  
21 the community, and the Regulator, some evidence of the  
22 progress we're making. We're pleased to have the head in  
23 containment. And the upper structure on the head and  
24 painted. We assembled the control rod drives. That's a  
25 really good feeling.

1       The system reviews are completed. That's a good  
2 feeling also.

3       We're preparing for the drain down now. You know,  
4 there is an opportunity here, the drain down. We only do  
5 that a few times in the plant's life, to go after and  
6 repatch valves and go after the decay heat valves, stuff  
7 like that.

8       Our key is right now on the schedule. We're going  
9 to try to take, we're breaking down the CRs by milestones,  
10 if you will. So, we can try to take full advantage of  
11 those type of opportunities.

12       We feel the containment is getting in extremely good  
13 health, very good health. We can do a walkaround of our  
14 containment, it's looking pretty good. We know we have a  
15 lot of work to do yet, but the painting efforts are  
16 exciting to watch, or painters. The containment cooler is  
17 going back together, is good. Just a lot of work in our  
18 containment right now. And, what's really good is having  
19 containment, the concrete liner back up, and the steel  
20 liner back, welded back in place. So, the containment is  
21 going well.

22       You know, we talk a lot about schedules. And  
23 schedules are important. The reason schedules are so  
24 important, is simply it is the basic Building Block, the  
25 communication tools that you have in place to make sure

1 you're doing the right things at the right time.

2 You know, typically, I don't, I'm getting things  
3 done in a prompt manner, effectively, and good quality,  
4 safe manner is important. But what's more important is,  
5 applies to safety, having some kind of logic. You just  
6 can't turn two thousand people loose at a nuclear power  
7 site and go do what you want. So, you have to have some  
8 kind of logic.

9 At the drain down, you only do it one time, you do  
10 it one time only, and you get all the work done. So, we  
11 believe our schedule provides that logic.

12 Can I tell you right now that we're 31 days off or  
13 32 days off, and be one hundred percent exact? There is  
14 some risk with our schedule. The risk is the bulk work and  
15 some of the unknowns that we still don't have, but we think  
16 we're making good progress there.

17 We have some new issues that we talked about today.  
18 The expanded scope of the System Reviews. We've learned of  
19 the Latent Issues Reviews. System Reviews are going to be  
20 very trying for our startup.

21 The lower vessel penetrations, something we've got  
22 to come to grips with, we will come to grips with, take  
23 actions where we need to. And we should know that within  
24 the next week or so.

25 And finally, you know, we talked a lot about the,

1 all the actions we've taken from the management,  
2 Management/Human Performance Excellence Plan. Those  
3 actions are extremely timely. They're hard, and those are  
4 soft issues that are very difficult to measure, but we're  
5 committed to have actions in place and implement and assure  
6 that we have the right standards at our plant, you know,  
7 and that's important that we're looking for best industry  
8 practices, rather than justifying meeting industry  
9 standards.

10 I think we're aligned with our employees. That's  
11 also important. And what's more important is we have a  
12 safety culture in place that identifies problems and is not  
13 afraid to bring those problems forward. We're committed to  
14 that prior to start up.

15 Thank you very much.

16 MS. LIPA: Thank you, Lew.

17 Do we have any closing remark from our side?

18 MR. GROBE: Sure. Any

19 questions though? Okay.

20 A member of the media approached me before the  
21 meeting and wanted to know how the meeting went. No, they  
22 wanted to know if in fact on a certain date, December 24th,  
23 whatever, FirstEnergy says that they're ready to restart,  
24 how long after that it would take the NRC to say that's a  
25 good conclusion. And I told them, it won't take much time

1 at all. And that's the whole purpose of having an  
2 oversight panel, is to double up convergence, to provide  
3 continuous feedback to you on our observations and the  
4 results of our inspections and that you would be adjusting,  
5 responding to that, and adjusting to it as appropriate, and  
6 that there would be convergence.

7       During the course of these meetings, I believe that  
8 we're no longer just kind of going along like this, but  
9 we're beginning to see some convergence. There is more  
10 clarity in what you're doing, clear understanding on our  
11 part what you're doing, and more appreciation for the  
12 value, the outcome of what you're doing.

13       There is two inspections that we're nearing  
14 completion on, where I don't believe there is going to be  
15 significant findings. That's the Containment Health  
16 Inspection. You've done a lot of work in that area. We're  
17 evaluating the results of that inspection. There may be  
18 some additional work to be done.

19       The Reactor Head. That includes the containment  
20 structure itself, as well as the shield. We evaluate the  
21 welding and rewelding of the containment. We observed the  
22 pouring of the concrete, and there were a lot of questions  
23 that came up with that, but I don't see any significant,  
24 what I see, show-stoppers come out of that either.

25       There is three other inspections that we had ongoing

1 over the last several weeks; System Health, Program  
2 Assessments and Management/Human Performance area. Those  
3 inspections were not able to complete at this time. I  
4 think there were some early miscommunications between the  
5 team leaders and their staff; what done meant, what  
6 complete meant, and some work that we thought was complete,  
7 wasn't. Where we thought it was for us to evaluate.

8 We were able to get some reviews completed. There  
9 are some findings in those areas, we're evaluating those  
10 and we will be communicating those to you. The team  
11 leaders have been communicating on a regular basis what  
12 they have been finding. I anticipate we'll be able to  
13 report at our next month's public meeting a significant  
14 number of inspection outcomes, results of inspection  
15 activities.

16 In the Management/Human Performance area, that's an  
17 area that gives me a little bit of concern. The team was  
18 not as productive as I expected them to be. I was out of  
19 communication last week, so I wasn't aware that you  
20 completed the Company Nuclear Review Board Review. During  
21 the course of that inspection, you pulled back the  
22 operations.

23 So, there is several components that, there was  
24 during the course of that inspection, several components of  
25 the root cause that weren't complete, and it was very

1 difficult to understand the integration of those root  
2 causes and how your corrective actions were going to be  
3 addressing them.

4 I fully recognize that in a situation like this,  
5 much of your work is going to be done at risk. Meaning,  
6 you have to begin doing work before you're sure that that's  
7 an exact right thing you need to do. You need to adjust as  
8 you learn. You can't do everything in series. But those  
9 three areas, we still have some in-line inspection to do.  
10 And obviously, you still have a substantial amount of work  
11 to do in those three areas.

12 There is one other thing that I wanted to see if we  
13 could get some input during the next meeting; that was to  
14 get a clearer understanding what value Quality Assurance is  
15 at. I would like to get presentation, along with progress  
16 and matrix and any other Building Block performance that  
17 you've been giving us every month, I would like to get an  
18 understanding what type of work QA has been doing and what  
19 value has been added.

20 Any other comments?

21 MR. MYERS: I would comment  
22 on the health of the Management/Human Performance team.  
23 That's the toughest area. I thought that was an extremely  
24 healthy review. They asked a good question on relation;  
25 how we're going to do that relationship-type approach.

1           If you look at all the issues, you come up with how  
2 do you attack, make sure they fit in these areas. We did  
3 that and put the areas together, but I don't think we laid  
4 anything out where it's easy to follow. We're doing that  
5 as we speak.

6           MR. GROBE:           Okay. I did  
7 remember while I'm speaking, there was one issue on System  
8 Health that I wanted to bring up. We're struggling right  
9 now with the same issues that you're struggling with.

10          In addition to examining your activities, in each of  
11 our inspections, we're conducting complete independent  
12 evaluations in the same area as a balance. And we  
13 completed a fairly detailed independent design review of  
14 three systems as part of the System Health Inspection, and  
15 came up with a number of issues.

16          We're in the process of distilling those issues and  
17 evaluating what they mean, similar to what you're doing  
18 right now as to the impact on functioning of the system and  
19 relationship between our findings and what you've been  
20 finding in our System Health Reviews and Latent Issues  
21 Reviews, and trying to determine what those findings mean.

22          And we'll be dialoging with you on it. So, it goes  
23 hand in hand, the same activities that you have.

24          MR. MYERS:           As we stand,  
25 we're still hitting the right targets.

1           MR. GROBE:           Any other  
2 questions?

3           MR. PEARCE:           That was the area  
4 we wanted more information on the next time, if we get to  
5 it.

6           MR. GROBE:           Okay. Very  
7 good. Thank you very much.

8           MR. MYERS:           Thank you. Thank  
9 all very much.

10          MS. LIPA:           Okay. Thank  
11 you. What we'll do is take a ten minute break and  
12 reconfigure the stage and be ready for the question and  
13 answer period.  
14 (Off the record.)

15          MR. GROBE:           Let's get  
16 started. Bill and I are going to do this a little bit even  
17 more informally; and if we need help from our staff, which  
18 we usually do. I don't like sitting up on stage. I really  
19 appreciate the school making this facility available to us,  
20 but the downside is that we're up on a stage. And it kind  
21 of gives the sense or appearance that we're above, looking  
22 down. I don't like that.

23          So, we're going to be a little less formal. I would  
24 invite members of the local community around the plant,  
25 anybody who is interested, including, I think we have some

1 public officials and representatives of public officials  
2 here. Please come down to the microphone, and ask any  
3 questions you may have.

4 MR. MYERS: Would it be  
5 better if we change locations?

6 MR. GROBE: No, am I too  
7 close to you?

8 MR. MYERS: No.

9 MR. GROBE: Bill said I did  
10 have onions for lunch.

11 Any questions? Please, members of the local  
12 community.

13 Howard.

14 HOWARD WHITCOMB: I was going to  
15 defer to any county commissioners or public officials, but  
16 since they haven't come forward, I'll jump in here.

17 In the spirit of the words I think that Mr. Powers  
18 used this afternoon, I'm going to take advantage of a  
19 learning moment opportunity. And I'm going to test the  
20 waters with my comments.

21 I prepared some comments. I provided a copy of it  
22 to the court reporter, and I have a limited number of  
23 copies. If anyone wants a copy at the end, on request, I  
24 will try to accommodate any requests; and if I don't have  
25 enough copies, I'll see that you get one.

1 FirstEnergy's recent actions demonstrate that the  
2 company is not yet committed to regard reactor safety as  
3 its number one priority. FirstEnergy continues to mislead  
4 and deceive the public about matters of significant general  
5 interest regarding the Davis-Besse Nuclear Plant. Their  
6 historical pattern of "shading the truth" with ambiguous  
7 explanations relative to their position on certain matters  
8 raises the question whether they are genuinely prepared to  
9 resolve the numerous management and cultural problems at  
10 the Davis-Besse site.

11 The relevant facts and impressions follow. I invite  
12 you to challenge or take issue with them if they do not  
13 represent the truth.

14 Fact: September 30th, the New York Times published  
15 an article about the issuance of a certain 1987 Preventive  
16 Maintenance Program Assessment Report on June 20th, 1988.

17 Fact: 1987 Preventive Maintenance Program  
18 Assessment Report was issued by myself to the  
19 Vice-President-Nuclear, who at the time was Donald Shelton,  
20 and the Plant Manager, who at the time was Lou Storz.

21 Fact: Subsequent to the issuance of the 1987  
22 Preventive Maintenance Program Report, Lou Storz without  
23 legitimate basis directed me to change the contents of the  
24 report.

25 Impression: Lou Storz' direction to modify the

1 contents of the report without any stated legitimate basis  
2 clearly exemplifies a lack of reactor safety consciousness  
3 and an unwillingness to forthrightly address potential  
4 safety and regulatory compliance issues.

5 Fact: On September 9th, 1988, Mr. Robert Schrauder,  
6 who at the time was the Nuclear Licensing Manager, issued a  
7 site-wide memorandum which reported the results of an NRC  
8 inspection exit meeting, including the unwarranted and  
9 illegal termination, that is employment discrimination, of  
10 a site contract worker, because he had raised certain  
11 safety concerns with his immediate management. The  
12 contractor worked in the Quality Control Department.

13 Fact: On September 23rd, 1988, the President of  
14 Toledo Edison, issued a memorandum to "all Davis-Besse  
15 personnel" reporting that Toledo Edison was attending an  
16 enforcement conference regarding the employment  
17 discrimination citation recently identified by the NRC. In  
18 that memorandum the President urged each employee "to take  
19 those steps necessary to assure Toledo Edison management  
20 never attends another one."

21 Impression: The directive issued by Lou Storz to  
22 modify the 1987 Preventive Maintenance Program Assessment  
23 Report occurred concurrent to the finding by the NRC of  
24 employment discrimination and willfully violated the  
25 mandates contained in the Toledo Edison president's

1 memorandum.

2 Fact: On July 16th, 2002, in a handout distributed  
3 by FirstEnergy at a scheduled public meeting, the graphic  
4 depicting an organizational chart of the Restart Overview  
5 Panel on page 5 of the handout, clearly indicates that Lou  
6 Storz is a member of that panel.

7 Fact: On September 18th, 2002, Mr. David Eshelman  
8 further touted Mr. Storz' significant participation in that  
9 he stated; that's the Restart Overview Panel, that's the  
10 panel made up of essentially very highly experienced  
11 individuals, as well as community leaders. Lou Storz is on  
12 it.

13 Fact: In the September 30th, 2002, New York Times  
14 article, FirstEnergy was quoted as stating that, "the two  
15 executives to whom Mr. Whitcomb had made his report 14  
16 years ago were no longer with the company."

17 Impression: FirstEnergy's statement is not  
18 accurate, and is misleading because it fails to address the  
19 fact that Mr. Lou Storz is currently a member of  
20 FirstEnergy's Davis-Besse Restart Overview Panel.

21 Fact: On December 16th, 1988, the NRC reported in a  
22 certain Maintenance Team Inspection Report, that the team,  
23 that the then existing Toledo Edison management at  
24 Davis-Besse had reported to them that, "The 1987 annual PM  
25 trend report had not been issued. Licensee personnel

1 stated that the report was in draft form and would be  
2 issued in the near future." Mr. Storz was the Plant  
3 Manager at the time.

4 Fact: In the September 30, 2002, New York Times  
5 article, FirstEnergy was further quoted as stating that the  
6 report "was not up to our requirements."

7 Impression: FirstEnergy's statement as reported in  
8 the New York Times is not accurate and is misleading  
9 because it represents a significant departure from Toledo  
10 Edison's prior position as reported to the NRC in the fall  
11 of 1988. The statement additionally fails to identify the  
12 specific requirements that the report failed to meet.

13 Fact: On August 17th, 1988, it was reported that on  
14 New Year's Eve, 1986, Lou Storz left the party after  
15 consuming an unspecified number of alcoholic drinks,  
16 entered the Davis-Besse control room and directed the  
17 immediate restart of the reactor plant over the objections  
18 of senior control room operations personnel. Mr. Storz was  
19 described as being disruptive to control room operations as  
20 he continued to direct the restart of the plant despite  
21 being told that it was not yet safe to do so.

22 MR. GROBE: Howard, our  
23 practice has been in the past to limit comments to 3 to 5  
24 minutes. Do you have a lot more?

25 MR. WHITCOMB: No, I should be

1 done in a minute.

2 MR. GROBE: Okay.

3 MR. WHITCOMB: Fact: On August  
4 17th, 1988, it was also reported that the  
5 Vice President-Nuclear performed an investigation into the  
6 December 31st, 1986, event and reported the results of its  
7 findings to the NRC. The NRC subsequently challenged the  
8 Vice President's investigation stating that he "failed to  
9 conduct an adequate investigation and withheld that fact  
10 from the NRC by crafting his conclusions in such a manner  
11 as to leave the impression that a thorough investigation  
12 had been completed." The Vice President responded by  
13 stating, "If the Senior Vice President says that the wall  
14 is brown, why should I ask the cleaning lady what color the  
15 wall is."

16 Fact: It was reported on December 21st, 1989, that  
17 the NRC reprimanded Mr. Storz for engaging in distracting  
18 and disruptive behavior in the control room on New Year's  
19 Eve, 1986.

20 Impression: Mr. Storz' behavior in the control room  
21 December of 1986 illustrates that he is clearly capable of  
22 placing reactor safety issues in a subservient role when  
23 production demands dictate.

24 The inclusion of Lou Storz in the Restart Overview  
25 Panel violates the public trust. In light of his

1 tumultuous history regarding safety issues at the  
2 Davis-Besse facility, the value of his input regarding  
3 restart issues is highly questionable. Mr. Storz has no  
4 credibility. Current operations personnel at Davis-Besse  
5 will tell you so.

6 FirstEnergy cannot hope to regain the public's  
7 confidence that Davis-Besse will be operating in a safe and  
8 reliable manner if it relies on recommendations made by  
9 individuals such as Lou Storz with proven problematic  
10 backgrounds. It's time for the immediate and permanent  
11 removal of Lou Storz from the Davis-Besse site.

12 As a citizen residing in the shadows of Davis-Besse  
13 facility, I demand it.

14 MR. GROBE: Thank you for  
15 your comments.

16 I'll make one observation, and then, hopefully, you  
17 can provide your comments to FirstEnergy. A number of the  
18 NRC staff have observed the functioning of the Restart  
19 Oversight Panel, and we will continue to observe that. I  
20 personally have observed two meetings.

21 As far as Mr. Storz' background 15 years ago, I  
22 think that's information that you should provide to  
23 FirstEnergy and they can take it under consideration for  
24 whatever action they think is appropriate.

25 We will be evaluating the function of that oversight

1 panel as it is, in performing its role in evaluating the  
2 plant's readiness for restart.

3 Okay. Thank you.

4 Any other members of the local community who would  
5 like to make a comment or have a question?

6 Any other members of the public here tonight -- this  
7 afternoon, I guess it's not night yet, that have a question  
8 or comment.

9 Paul?

10 Could you state your name?

11 PAUL GUNTER: Paul Gunter, I'm  
12 with Nuclear Information and Resource Service in  
13 Washington, D. C.

14 Jack, I appreciate the opportunity to speak both  
15 informally and on a transcript. And, I would like to start  
16 by sharing your concern about the Management and Human  
17 Performance Improvement Plan for Davis-Besse. And, I would  
18 like to start with a simple question. Does the Nuclear  
19 Regulatory Commission have the authority to revoke the  
20 license if they can not find adequate assurance that a  
21 significant culture change has occurred at Davis-Besse with  
22 regard to Management and Human Performance?

23 I think that, we're aware that not only was the  
24 vessel head destroyed, but the credibility of the  
25 management at FirstEnergy was destroyed as well. And in,

1 and to a degree, the credibility of the Nuclear Regulatory  
2 Commission to effectively regulate was also destroyed.

3 And, the puzzle for the public is how the repair  
4 will be implemented for the hole that's now in the  
5 credibility of the utility and of the regulatory  
6 commission. And I know this is a recurring question, and I  
7 think that's it is the critical question.

8 The standard, for example, we talk about the issue  
9 here that standards play a big role; and FirstEnergy talked  
10 today, Mr. Myers spoke to the issue that they didn't have  
11 standards with Boric Acid Control Program. That was part  
12 of the problem. Yet, we've looked at work orders that were  
13 clear, crystal clear in terms of what, that made it clear  
14 that Davis-Besse knew its responsibilities and the safety  
15 significance of its responsibilities to clean the boric  
16 acid accumulation off the vessel head. And the work orders  
17 were prepared and signed off, work completed without  
18 deviation. Yet they were never cleaned and they were never  
19 inspected; and as a result, that damage brought us very  
20 close to a nuclear accident; and an unforgiving situation.

21 So, again, my question, and I'm asking you to look  
22 deep, and speak informally on this, but where do you, where  
23 will you find confidence that the, the Human Performance  
24 and Management has improved to a degree that the material  
25 that was presented to you today has any veracity that can

1 give you and public confidence that this plant can start,  
2 start and run safely?

3 Because frankly, we don't have it. And with the  
4 many investigations that are open right now, it is hard to  
5 judge where that confidence will come from until those  
6 investigations are complete.

7 MR. GROBE: It would be  
8 easier if you let me answer them as you asked it. Let me  
9 try, and if I don't hit them all, go ahead and reask the  
10 question.

11 First question you asked, does the NRC have the  
12 authority to revoke a license. We have the authority and  
13 responsibility to grant licenses and have the authority and  
14 responsibility if those licenses can't be administered  
15 appropriately to issue orders to modify, suspend or revoke  
16 licenses. That's within the authority of the NRC.

17 I think the next question you asked was toward the  
18 question of how can a member of the public regain  
19 confidence. And I think you put it in the context of both  
20 the company and the NRC. I believe November 6th, there  
21 will be a public meeting here, I believe it's November 6th,  
22 in the evening, to Art Howell, Lessons Learned Task Force  
23 Team to present results of the NRC Self-assessment.

24 And I think that will help you gain confidence that  
25 we're looking critically at our own performance in

1 initiating actions to improve our performance. You can  
2 observe the NRC's performance here in a month, and that  
3 might help you gain confidence in the NRC's performance.  
4 Likewise, you can observe the company's performance and  
5 certainly read a tremendous amount of information regarding  
6 our assessment of the company's performance. So, that can  
7 assist you in making your own evaluation of the company.

8 I can't remember your other questions.

9 MR. GUNTER: Well, basically,  
10 how, what's your measure, what would be your measure for  
11 determining the veracity of the material that was presented  
12 to you today.

13 MR. GROBE: That's right, you  
14 specifically asked of the Management and Human Performance,  
15 that's an excellent question. All of our inspections are  
16 structured in such a way that we review the causes in the  
17 various areas. We have inspections in all of the  
18 Licensee's Building Block areas. We've reviewed the causes  
19 of what contributed to the problems in that area, and we  
20 review the Licensee's activities, including observation of  
21 their activities.

22 For example, in the area of Containment Health. The  
23 Licensee's activities included extensive walkdowns,  
24 training of people, extensive walkdown of containment. We  
25 reviewed their plans, made sure their plans made sense, met

1 requirements. We reviewed, observed their people doing  
2 those plans, implementing those plans and assessed the  
3 adequacy of those activities. And then in all areas, we do  
4 independent reviews, where we go out and make our own  
5 observations independent of what the licensing is doing.  
6 In each of the various areas we do the same type of  
7 activities.

8 In the Management and Human Performance area, it's  
9 one of the most difficult areas to assess. We're taking  
10 the same approach, and that is that the first thing is  
11 reviewing the root causes. And as I expressed on stage,  
12 we're having some difficulty doing that, because some of  
13 the root cause reports are just now being finalized. One  
14 of them is not yet done. So, we can't fully evaluate their  
15 root cause assessment to make our assessment of what we  
16 think of that.

17 When we review the alignment between those root  
18 causes and the corrective action plans to make sure the  
19 plans address all the causal factors, and then observe the  
20 company's implementation of those plans, and conduct  
21 independent assessments.

22 Part of the observation in this area will be  
23 evaluating the matrix that the company is using and in how  
24 they're monitoring human performance and improvement of  
25 human performance, validating those matrixes and we will be

1 using those matrixes once we're comfortable that there is  
2 validity to them, as well as performing independent  
3 assessments.

4 And, we have not fully mapped out how we're going to  
5 do that independent assessment. The first stage of that  
6 inspection is looking at the root cause and the alignment  
7 of the root cause of corrective actions. And we utilized  
8 some folks with extensive experience in that area in the  
9 regional office, as well as consultant support, an expert  
10 in that area, and two folks from our headquarters offices  
11 are specialists in human factors, human performance.

12 So, we're reaching out to all areas of expertise to  
13 make sure we're bringing the right expertise to the  
14 question, and then answering the question. We don't have  
15 fully mapped out how we're going to do our own independent  
16 assessment yet, but that's part of our plan.

17 MR. GUNTER: Well, let me just  
18 close by saying that right now I don't see how the  
19 pressures of production that overrode safety, how those  
20 have been ameliorated. In fact, further delay is a  
21 barometer for more pressure to create the same kind of  
22 culture, the same kind of atmosphere that led to the damage  
23 of the vessel head.

24 So, that's a bit of a predicament in terms of how  
25 you get to that root cause, but more particularly, the

1 Human Performance and Management Issues that arose out of  
2 that same pressure that, for example, would bring into  
3 question materials presented to you by FirstEnergy, I noted  
4 you had, you made a light remark with regard to the  
5 videotapes, but that raises a very serious question in  
6 terms of this whole very real and serious concern about the  
7 reliability of material that's being provided to you.

8 MR. GROBE: Let me just  
9 respond to the comment there. My comment regarding the  
10 videotapes was, I didn't want to sit through and watch a  
11 videotape, I just wanted to read the context and content of  
12 the information that was presented. We did have people  
13 observing several of those case studies.

14 MR. DEAN: And Paul, the  
15 only thing I wanted to really offer, and it is really more  
16 anecdotal. Your question about, how will we know that  
17 we're at a point that we feel that the licensee has made a  
18 turn in safety culture and we feel confident in them  
19 operating the plant safely on a continuous basis.

20 I think one of the points Jack made during the  
21 presentation in terms of how the Licensee is looking at the  
22 boric acid accumulation on the lower portion of the reactor  
23 vessel, doing that in a self-critical and proactive manner,  
24 and looking to get to the ultimate root cause as opposed to  
25 accepting superficial symptomatic discussions over

1 otherwise what may happen.

2 Those are the types of behaviors we need to see on  
3 an ongoing basis, and you know, be able to get confidence  
4 in the management team and the staff's embracing, as you  
5 will, safety over production. So, we have to see a lot of  
6 evidence of that.

7 MR. GUNTER: I would only hope  
8 that if the evidence is not there, with sufficient  
9 confidence, that you would exercise your authority, because  
10 it would have a broader impact on public health and safety  
11 than merely going along with the status quo. Thank you.

12 MR. GROBE: Other members of  
13 the public have a further comment?

14 TERRY LODGE: Gentlemen, my  
15 name is Terry Lodge. I believe we've met in an indirect  
16 way before. I have a few questions I am curious to know.

17 I would preface them with the observation that the  
18 discovery of boric acid accumulation on the lower part of  
19 the reactor head, as I understand it, the press was noted  
20 in June of this year. So, it doesn't exactly build a lot  
21 of public confidence when we see the first mention of it  
22 publicly in October.

23 MR. GROBE: Say that again,  
24 Terry I missed that.

25 MR. LODGE: My understanding

1 of the press accounts of this new, newly discovered boric  
2 acid accumulation on the lower part of the reactor vessel,  
3 is that it was noted by the utility in June, and it just  
4 emerged in the public domain a couple of weeks ago, well  
5 even a week ago.

6 Do you want to respond to that?

7 MR. GROBE: Absolutely. It  
8 was identified first in June by the company. And, there  
9 has been a significant amount of work that's been done to  
10 evaluate what it means, and just recently that the company  
11 has begun to bring closure to those evaluations.

12 I can't remember the exact number of condition  
13 reports. It's well over several thousand that have been  
14 written since February. And, many, many issues have been  
15 raised during this outage. I'm not sure what significance  
16 you would attach to which ones get discussed publicly and  
17 which ones don't. Many of them are resolved simply. This  
18 is more complicated and that's why it came up.

19 MR. LODGE: Well, seeing as  
20 how it is in some sense I would expect causally related to  
21 the boric acid leakage, it's a little surprising to me that  
22 it isn't mentioned in the public context for a long time.

23 MR. GROBE: Okay.

24 MR. LODGE: And I think that  
25 that, if nothing else, goes to the public's perception that

1 there is some sort of joint concealment going on of major  
2 issues between, as between the NRC and the utility.

3 My questions are, another not very high profile  
4 issue, which I think may be a high profile issue is,  
5 FirstEnergy is quietly replacing reactor coolant pump  
6 motors. I believe that was mentioned in the last four or  
7 five weeks. I'm curious to know why.

8 MR. GROBE: They're not  
9 replacing the motors. What they're doing is taking the  
10 opportunity of having the plant shut down for an extended  
11 period of time, they're doing refurbishment work on the  
12 seals and the motors, and it's not unusual work. And they  
13 had the opportunity to do it at this point in time. It's a  
14 large job.

15 MR. MYERS: And the  
16 impellers.

17 MR. GROBE: And the  
18 impellers. So, it's the window of opportunity more than it  
19 is anything else.

20 MR. LODGE: Is there corrosion  
21 damage?

22 MR. GROBE: Oh, no. It's not  
23 related to boric acid. This is just maintenance type  
24 work.

25 MR. LODGE: Are they replacing

1 the shafts?

2 MR. GROBE: I don't believe  
3 that's part of the plan. It's refurbishing the seals and  
4 working on the motors, and replacing the impellers.

5 MR. LODGE: The Lessons  
6 Learned Task Force is stating that the, at least the  
7 executive summary that I've read, states that the  
8 Davis-Besse problems went undetected by the NRC because of  
9 Region 3's attention being diverted towards concerns at  
10 other plants. I'm curious to know what plants were  
11 preoccupying the NRC?

12 MR. GROBE: I haven't yet had  
13 an opportunity to read that report in total, and probably  
14 the better folks to answer that question would be Art  
15 Howell and his people who will be here on the 6th, but I  
16 can tell you there were a number of reactors through the  
17 mid to late 90's, that were having performance problems in  
18 Region 3.

19 MR. LODGE: Is there a way I  
20 can get that information before November 6th?

21 MR. GROBE: I don't know if  
22 it's in the detailed report. The detailed report is a  
23 better part of a hundred pages, that's on the website, but  
24 I can tell you what plants had oversight panels. It was  
25 D.C. Cook, Clinton, LaSalle, and Point Beach. And there

1 were some performance problems at other facilities.

2 I'm not sure how connected you are, but there was  
3 what was referred to as C-Pop, ConEdison Performance  
4 Oversight Panel for the entire company system. The only  
5 specific plant that kind of, it was under a specific panel,  
6 was LaSalle, and it was assigned prior to shutting down.

7 So, those are the plants in Region 3 over the course  
8 of the 90's that had oversight panels.

9 MR. LODGE: O350?

10 MR. GROBE: Um-hmm.

11 MR. LODGE: Finally, I have

12 seen one line at the Union of Concerned Science Website,  
13 the memos from last November, wherein it appears that the  
14 NRC Staff Director took into account the economic hardship  
15 it would wreak on FirstEnergy for the shutdown that was  
16 strongly being advocated by the staff to have occurred  
17 along the staff's timetable.

18 I'm curious to know whether economic considerations  
19 are allowed to play a part in a regulatory decision such as  
20 the NRC was contemplating?

21 MR. GROBE: Specifically on  
22 that issue, that's not within my knowledge or purview to  
23 comment. We do have, one of our performance goals is  
24 making sure that we balance regulatory burden with safety.  
25 We refer to it specifically as minimizing unnecessary

1 regulatory. Only necessary regulatory burden is imposed on  
2 our licensees. And we carefully make sure that that's one  
3 of the things that we keep in our mind.

4 MR. PEARCE: The Rule 50.109 is  
5 a good example where we've taken into account cost of a  
6 potential regulatory action versus the benefits to safety.  
7 So, there you have a specific regulatory guideline that  
8 takes that into consideration.

9 MR. LODGE: Was there a  
10 specific regulatory guideline that you know of that was  
11 pointed to by the NRC in making the decision last November?

12 MR. PEARCE: Are you talking  
13 with respect to this decision?

14 MR. LODGE: Yes.

15 MR. PEARCE: No, not that I'm  
16 aware of.

17 MR. GROBE: Again, we're the  
18 people that are specifically focusing on Davis-Besse.  
19 We're the wrong people to ask. There is a number of  
20 investigations and reviews going on, and the first place  
21 you should start is on Lessons Learned Task Force, and if  
22 they have any insights on that area.

23 Thanks, Bill.

24 Another area, we have a committee, it's called the  
25 Committee to Review Generic Requirements; and any time we

1 issue a bulletin or a new regulation or anything of that  
2 nature, it goes through that committee. And they look at  
3 the need, the safety need for the regulation or bulletin or  
4 what it might be as contrasted with the impact. So, that's  
5 another area along with tendency of Rule 50.109.

6 So, there is a number of specific agency activities  
7 that are mandated in our regulations and our processes.

8 MR. LODGE: None of which were  
9 in play --

10 MR. GROBE: Again, Terry, the  
11 point, issues that went on last fall, the decision on  
12 extending the December 31st deadline is not something we  
13 should be discussing because we don't have any review nor  
14 have we looked at that; that's not our focus. Our focus is  
15 Davis-Besse.

16 MR. LODGE: Well, it seems to  
17 me that the focus of that decision was on Davis-Besse also,  
18 and it seems to me that it is certainly a very significant  
19 error.

20 MR. GROBE: Again, there is,  
21 the Office of Inspector General has an inquiry into how the  
22 agency performed, the Lessons Learned Task Force looked at  
23 it as well, and there has been a number of Congressional  
24 inquiries into that arena. Those are the folks you should  
25 be addressing the question to.

1 MR. LODGE: Okay, thanks.

2 MR. GROBE: Any other members  
3 of the public? Excellent.

4 AMY RYDER: Good evening. My  
5 name is Amy Ryder. I'm with Ohio Citizen Action.

6 I have, I have two questions, now I have three.  
7 This would be a follow-up to Terry Lodge's question.

8 Based on these NRC documents or these, this  
9 information that came out about what happened last fall,  
10 and I realize you can't comment on that, but knowing that  
11 that happened, if this panel came to the conclusion that  
12 FENOC was not able to resolve these human performance  
13 issues and decided to revoke or suspend FENOC's license to  
14 operate Davis-Besse, how confident are you that your  
15 supervisors would allow that to happen?

16 MR. GROBE: Maybe I should  
17 clarify something, because I didn't mean to infer that this  
18 committee would be in the position of recommending  
19 revocation of the license. What we will do is perform  
20 inspections. Make sure that activities are performed  
21 correctly. If they're not, bring that to the company's  
22 attention. And the plant won't restart until we're  
23 satisfied that it's safe.

24 I don't anticipate that any outcome of this panel's  
25 activities will be a revocation of a license. So, I didn't

1 want to give that impression. I indicated earlier that it  
2 is within the authority of the agency to take that sort of  
3 an action, but I anticipate that this will be an  
4 integrative process. If the company does work well, our  
5 inspection, our inspections will disclose that, and we will  
6 provide that feedback. If the company does work poorly,  
7 our inspections will disclose that also and we will provide  
8 that feedback.

9 MS. RYDER: You'll delay  
10 restart?

11 MR. GROBE: Again, I've  
12 stated earlier, schedule is not something that is a focus  
13 of us, of our activities. Our focus is making sure that if  
14 and when the plant is ready to restart, it can restart  
15 safely.

16 MS. RYDER: Okay. I wanted to  
17 comment on some of the information that Howard Whitcomb  
18 brought up tonight regarding the Restart Oversight Panel.  
19 I think that's what it's called. It seems that part of  
20 your role in this restart plan, the panel's role has been  
21 to ensure that FirstEnergy personnel are qualified to do  
22 walkdowns and inspections and repair and that kind of,  
23 those types of activities; is that correct? That those  
24 employees have to meet minimum standards in training?

25 MR. GROBE: There are certain

1 areas where there are requirements for qualifications and  
2 competencies. Restart Oversight Panel, it's not anything  
3 that's required by the NRC. That's a company created  
4 panel. We will observe their performance, but there are no  
5 requirements for qualifications or anything of that  
6 nature.

7 MS. RYDER: Okay. My  
8 observation of the fact that Lou Storz is on this Restart  
9 Panel, is that we've just heard of two instances where  
10 Mr. Storz had showed incredibly poor judgment that could  
11 have put public safety at risk; and it certainly raises a  
12 big flag as to why FirstEnergy invited him back to sit on a  
13 panel to oversee the restart of this crippled plant. And I  
14 think that should reflect in your oversight of this  
15 process, is to what they consider to be experienced,  
16 qualified personnel to oversee this restart, happens to be,  
17 you know, at least one individual that we know of who  
18 showed such incredibly poor judgment in the past.

19 MR. GROBE: Again, our focus  
20 is performance today. I don't know what might or might not  
21 have happened 15 years ago with Mr. Storz, but as I  
22 mentioned, we've probably had four or five different staff  
23 members observing the Restart Oversight Panel over the last  
24 several months, and my personal observations is that that  
25 panel is adding value. It's providing a very critical

1 review and we'll continue to monitor their activities.

2 MS. RYDER: My other question  
3 was also in regards to the, you had earlier this evening or  
4 earlier today mentioned some concerns that you had about  
5 this Management/Human Performance and you answered already  
6 some of my concerns as far as what specifically your panel  
7 is going to be looking at as far as Human Performance.

8 But here's one area I'm still very confused on.  
9 Will the NRC permit FirstEnergy to restart this plant  
10 before the Human Performance issues or problems are solved?  
11 Does that have to be done before they can flip the switch?

12 MR. GROBE: Yeah, solved is an  
13 interesting word. We will have to be convinced this plant  
14 can operate safely before it restarts; and part of that is  
15 going to be in the areas of what I refer to as soft  
16 issues. It's Human Performance, Supervision, Oversight,  
17 Management, Decision-making, Safety Focus. We're going to  
18 be doing inspections and assessments in those areas.

19 My expectation is that the company will be doing  
20 inspections and assessments in those areas or evaluations  
21 and assessments in those areas. My expectation is they be  
22 able to articulate their assessment in those areas to us  
23 publicly. And we will certainly be articulating our  
24 assessments to them publicly.

25 So, the panel needs to be convinced that the plant

1 can operate safely. That will be part of it. That goes  
2 into that decision.

3 MS. RYDER: Okay. It appeared by  
4 their, by the presentation today, the way they're  
5 addressing the Human Performance issue seems to lack an  
6 objective end structure, or objective structure that will  
7 ensure that these problems don't happen again.

8 It really seems more like they're building a  
9 relationship between management and the employees, which is  
10 based on I'm your boss, you can trust me. And we know from  
11 history, that that does not work. We've seen it both at  
12 Davis-Besse, 17 years ago after the last accident. We've  
13 seen it in the NRC. And that really seems to be an issue  
14 that they need to address before they're allowed to go back  
15 on line.

16 I don't see, or at least I haven't seen any evidence  
17 where they're making progress on the Human Performance  
18 issue and I think it's misleading both to consumers or  
19 citizens who could be affected by an accident at that plant  
20 and to stockholders who own the company that the problems  
21 are being solved or that they're even solvable.

22 I mean, one of the, huge red flag for me was when I  
23 read in the paper that, I can't remember who said it from  
24 FirstEnergy said, well, we discovered these problems three  
25 years ago. Well, these were problems that were going on 17

1 years ago. And a 17 year old behavioral problem is much  
2 more challenging to deal with than a three year old  
3 behavioral problem.

4 MR. GROBE: The issues are  
5 significant. They need to be dealt with. And I know that  
6 the Licensee's Management and Human Performance Improvement  
7 Plan, at least I think it is on the Web site; is that  
8 correct?

9 MR. JOHNSON: No, not every  
10 single item.

11 MR. MENDIOLA: Not the entire  
12 plan.

13 MR. GROBE: We'll check. But  
14 the Management/Human Performance Plan is one of the their  
15 Building Blocks, should be available publicly, along with  
16 the other components of the Return to Service Plan. It  
17 was, I don't keep track of all these things in detail, Amy,  
18 I apologize, but it was my understanding a couple of weeks  
19 ago, we were supposed to receive those documents and post  
20 them on the website. That would give you additional  
21 knowledge to be able to understand what's going on. And,  
22 I'll follow up on that and make sure those are available  
23 publicly.

24 These meetings each month, as you heard tonight,  
25 this afternoon, it's getting close to night; as you heard

1 this afternoon, this is going to be a focus of some of the  
2 issues that we're going to be discussing next month, and  
3 it's also going to be a focus of our inspection in the  
4 Management/Human Performance areas. So, you'll be getting  
5 a lot of information regarding this as we do our  
6 assessments.

7 MS. RYDER: I just have one  
8 last question. I know my time is up, but I know that  
9 FirstEnergy referred that they were consulting with some  
10 outside consultants or on this Human Performance issues.  
11 Are these consultants companies that are experts in running  
12 nuclear power plants, or are they referring to other plants  
13 that have better performance in Human Performance issues?

14 MR. GROBE: They have quite a  
15 variety of consultants in this area that are supporting  
16 them. I'm not going to comment on my view as to whether or  
17 not they're experts, but they have consultant support --

18 MS. RYDER: Consultants.

19 MR. GROBE: -- in the areas of  
20 evaluating their supervisors and managers. They have  
21 consultant support in doing their 4-C's Meetings with their  
22 staff. Consultant support in formulating these various  
23 programs. As Lew indicated today, they have consultant  
24 support in the Safety Conscious Work Environment area. So,  
25 there is a number of consultants; some of them have worked

1 in the nuclear industry. I think some of them have not  
2 previously, but they're management consultants.

3 MS. RYDER: Okay. All right,  
4 thank you.

5 MR. DEAN: Amy, I just  
6 wanted to discuss -- you can sit down -- the first issue  
7 that you raised, the bridge from the previous question  
8 about financial impacts and the consideration of that. One  
9 of the things that the Lessons Learned Task Force  
10 determined, and if you come to the meeting on November 6th  
11 you'll read the report.

12 One of the things they criticize the agency on, we  
13 didn't do a very good job of providing our safety bases or  
14 safety evaluation or decision-making process for how it is  
15 that we came to allow Davis-Besse to go to February 16th.  
16 We're in the process of developing that now, so I would  
17 hope that within the next several weeks you'll have an  
18 official document from the NRC that does a better job of  
19 explaining the process and explaining the rationale in  
20 terms of the decision that was made relative to that.

21 I just wanted to give you a heads-up that there is  
22 some information coming out on this.

23 MS. RYDER: In response to  
24 that, I've seen emails that are from, to and from NRC  
25 employees. I mean, I have one in my lap right here that

1 specifically says that, you know, Collins has talked to  
2 President Bob Saunders. Licensee has confidence can run to  
3 end of March, however Licensee does not want an order  
4 because of perception, replacement fuel on financial  
5 markets. That's pretty explanatory, I think to the  
6 public.

7 MR. DEAN: And I guess I  
8 would offer, not in defense or whatever, you can take one  
9 thing out of context, out of what was a very complex  
10 decision-making process that spans a number of months and  
11 involved a number of people. So, to distill it down to one  
12 email I think is really unfair.

13 So, we have to do a better job of explaining to the  
14 public what was the process that took place. And I was  
15 just trying to give you an idea that's going to be  
16 hopefully coming out in the next couple of weeks.

17 MR. GROBE: Okay. Thank  
18 you.

19 Any other questions or comments.

20 DAVE LOCHBAUM: Dave Lochbaum,  
21 with Concerned Scientists. That NRC report on how the  
22 decision was made, you say it's going to come out in a few  
23 weeks? So, that would be like a determination of what  
24 happened in February, or because we've been waiting for  
25 that and been hearing several week frames that haven't been

1 met yet. How good are these dates?

2 MR. GROBE: Well, the Lessons  
3 Learned Task Force Report is out. Do you have something  
4 specific?

5 MR. DEAN: No, I was trying  
6 to think of some witty repartee, but I couldn't come up  
7 with anything, Dave.

8 MR. LOCHBAUM: I'll be back next  
9 month, that's okay.

10 MR. DEAN: Hopefully, it will  
11 be out next month.

12 MR. GROBE: Not your witty  
13 repartee.

14 MR. DEAN: Give me a month,  
15 maybe I'll come up with something.

16 My understanding is -- let's deal with the first  
17 issue. The goal is to get that out within the next couple  
18 weeks. That's all I can say. I'm not developing it, but I  
19 know the individuals that are preparing that, and actually  
20 been working on that for several weeks.

21 With respect to the risk assessment, my  
22 understanding is that NRR is just about ready to send that  
23 to Region 3 for their processing of that through the  
24 significance determination process.

25 We've had a number of discussions internally about

1 what do we do once we get that. And I think, to be honest  
2 with you, in that term of process in how we're going to  
3 deal with it is pretty well defined. So, once it gets in  
4 Region 3 hands, I think it will move pretty quickly. I  
5 have a pretty well defined strategy, and in completing the  
6 risk assessment to the degree that it has a, enough of a  
7 public veracity component to it, I think has challenge for  
8 us.

9 MR. LOCHBAUM: Getting back to  
10 the report on or the paper on the NRC's decision process.

11 MR. GROBE: Hang on for a  
12 second, Dave. That might be, let me put a little broader  
13 text on the risk assessment. Obviously, this is a very  
14 complex situation to analyze from a risk perspective; and  
15 there is two pieces of that Region 3 requested assistance  
16 from NRR and Research in supporting us with a specific  
17 technical analysis, failure analysis; and that's the piece  
18 that Bill is referring to. And once we receive that at  
19 Region 3, we need to put that in the context of ROP.

20 And Bill just set a pretty high bar and I appreciate  
21 that, Bill, thank you. We'll have that done quickly, as  
22 soon as NRR gets us a risk or failure analysis.

23 MR. LOCHBAUM: Getting back to  
24 the report on the decision-making process; you say that  
25 it's been worked on for several weeks, and will be done in

1 two or three more weeks?

2 MR. DEAN: Hopefully.

3 MR. LOCHBAUM: To document a  
4 decision made November of last year? Why does it take six  
5 weeks to come up with a story of what happened last  
6 November 30th?

7 MR. GROBE: Not the  
8 decision-making process, but the components that went into  
9 the risk. You know, risk informed decision making, the  
10 factors that were considered, the pro and cons, how things  
11 were weighed in terms of the ultimate decision; that's what  
12 I'm referring to.

13 MR. LOCHBAUM: And that takes six  
14 weeks to come up with?

15 MR. DEAN: Well, looks like  
16 it's taken about a year for us to come up with that.  
17 Right?

18 MR. LOCHBAUM: Didn't take us  
19 that long though.

20 MR. DEAN: Anyway, hopefully,  
21 that should be out in a few weeks.

22 MR. GROBE: Additional  
23 questions?

24 MR. GUNTER: Could I ask one  
25 quick question?

1 MR. GROBE: Sure.

2 MR. GUNTER: And I apologize  
3 for extending this. Paul Gunter, Nuclear Information  
4 Research Service.

5 I would like to go back to the emergency sump  
6 diagram that was presented today, on slide 24; and it  
7 indicates that Davis-Besse has increased the size of its  
8 emergency sump system a factor of 6 plus?

9 MR. GROBE: No. Let me just  
10 make sure it's clear. What they're increasing is the  
11 square footage of surface area of screen that's available  
12 to filter water as it goes into the sump, and I believe  
13 they're increasing it from 50 square feet to 1100  
14 square feet.

15 MR. GUNTER: So it's even  
16 more. Now that directly relates back to Generic Issue,  
17 Safety Issue Number 191?

18 MR. GROBE: That's correct.

19 MR. GUNTER: So, I guess my  
20 question is, does this hold implications for Davis-Besse's  
21 other reactors; and perhaps the other 68 other pressurized  
22 water reactors that have been in limbo now for ten years  
23 with regard to Generic Issue, Generic Safety Issue 191?

24 MR. GROBE: That's why I  
25 hesitated when you said it was related to 191. I didn't

1 want an inference developed that Davis-Besse was doing this  
2 because of some decision has been made regarding 191,  
3 Generic Safety Issue 191. This was their initiative to do,  
4 to make these modifications to the sump.

5 When the Generic Issue is resolved and the agency  
6 takes action is when other utilities will be expected to  
7 take action. If they choose to take action earlier, that's  
8 up to them. FirstEnergy chose to take this opportunity  
9 during this shutdown to modify the sump.

10 MR. GUNTER: Well, actually to  
11 the credit of FirstEnergy.

12 MR. GROBE: Right.

13 MR. GUNTER: I think that it  
14 demonstrates that there is a resolution to an issue that's  
15 been lingering now for nearly a decade.

16 MR. GROBE: That's an  
17 interesting design. That's why we want to look at it very  
18 carefully.

19 MR. GUNTER: Thank you.

20 MR. DEAN: And Paul, in the  
21 Lessons Learned Tasks Force, there is quite a bit of  
22 discussion about NCR's performance in terms of generic  
23 safety issues, I think you'll find an interesting read.  
24 It's pretty critical about what the agency has done with  
25 generic safety issues. So, clearly, we'll be focusing on

1 that aspect of the report process as a result.

2 MR. GROBE: Okay. Thanks,

3 Paul.

4 Any other questions? Okay. Very good.

5 We will be back here at 7:00 for those members of

6 the public that didn't have an opportunity to attend this

7 afternoon or any of you are certainly welcome to come back,

8 and thank you very much.

9 (Off the record.)

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1 CERTIFICATE

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

8 IN WITNESS WHEREOF, I have hereunto set my hand and  
9 affixed my seal of office at Norwalk, Ohio, on this  
10 25th day of October, 2002.

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Marie B. Fresch, RMR

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