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 Tuesday, December 10, 2002, at 2:00 p.m. at the Camp Perry Clubhouse, 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

John "Jack" Grobe, Chairman, MC 0350 Panel
William Dean, Vice Chairman, MC 0350 Panel
Christine Lipa, Projects Branch Chief
Douglas Simpkins, NRC Resident Inspector
Christopher Scott Thomas,
Senior Resident Inspector
U.S. NRC Office - Davis-Besse
Jon Hopkins, Project Manager Davis-Besse
Keith McConnell, Acting Director
Project Directorate Three

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
Michael J. Stevens,
Director - Nuclear Maintenance
L. William Pearce,
Vice President FENOC Oversight
Clark Price, Owner - Restart Action Plan
Neil Morrison,
Program Compliance Plan Owner

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MS. LIPA: Good afternoon. We're just about ready to get started. If everybody was able to get the handouts, I know the FirstEnergy handouts just arrived a few moments ago, so if you weren't able to get one, you might go ahead and grab one before we get started up here.

Also, there is plenty of seats up front, if anyone wants to move a little closer to the front. We won't ask too many questions.

Okay, welcome to FirstEnergy and to members of the public. I'm Christine Lipa, and I'm a member of the NRC's Oversight Panel and I'm also the Branch Chief in NRC's Region III Office. And, my branch has overall responsibility for the NRC's Inspection Program at Davis-Besse.

We'll go through the rest of the introductions in a few moments, but I wanted to go to the next slide and cover the purposes of today's meeting.

One of the purposes is to inform the public of our progress and the Oversight Panel's activities, and then the second part is to give the Licensee an opportunity to discuss with us their efforts on implementing their Return to Service Plan.

This meeting is open to the public. And the public will have an opportunity before the end of the meeting to

ask questions of the NRC. This is considered a Category One Meeting in accordance with the NRC's policy on conducting public meetings. Before the meeting is adjourned, there will be opportunities for members of the public to ask questions or to make comments.

We're also having this meeting transcribed to maintain a record of the meeting. The transcription will be available on our web page several weeks after today's meeting. It usually takes about four weeks to get that posted.

The agendas and handouts are available in the foyer and they're also available on the NRC's Website. You'll see we have a December edition of our public monthly newsletter.

Also, there is a summary of the Lessons Learned Task Force Report, the handout of our part of the presentation, and the FirstEnergy's handouts.

We also have some feedback forms that you can use to fill out and provide feedback to us on how this meeting goes. We're always trying to improve these meetings.

This is the first time we've held the meeting here at Camp Perry, so we'll see how it works, how easy it is for everybody to see and hear what we're discussing. Feel free to give us feedback.

I would like to start off with introductions on our

side of the table here. On the far left is Keith McConnell, and he's the Acting Project Director of PD3 and NRR.

Next to Keith is Jon Hopkins and he's the NRR Project Manager in Headquarters for the Davis-Besse facility.

Next to John is Bill Dean. He's the Deputy Director of the Division of Engineering in NRR. And, they're all located in Rockville, Maryland. Bill is also the Vice Chairman of the Oversight Panel.

On my left is Jack Grobe, and he's the Senior Manager in the Region III office in Lisle, Illinois; and he's also the Chairman of the Oversight Panel.

On my right is Scott Thomas. He's the Senior Resident Inspector at the Davis-Besse facility.

Next to him is Doug Simpkins, and he's the Resident Inspector at the Davis-Besse facility.

We also have several other NRC personnel in the audience today. Viktoria Mitlyng is way in the back. She's the Public Affairs Officer at our Region III Office. Also, next to her is Rolland Lickus.

Greeting you in the foyer was Nancy Keller, and she's the Office Assistant for the Resident Inspector Office at the Davis-Besse facility.

We also have Jay Collins, he is a General Engineer

on rotation from headquarters. And we have Ivy Metzel, she's an Engineer in the NRC Region III Office.

Our transcriber today is Marie Fresch from Norwalk, Ohio.

Are there any representatives or public officials in the room that would like to stand up and introduce yourselves.

MR. KOEBEL: Carl Koebel, Ottawa County Commissioner.

MS. LIPA: Welcome, Carl.

MR. PAPCIN John Papcin, Ottawa County Commissioner.

MS. LIPA: Okay, welcome.

MR. ARNDT: Steve Arndt, County Commissioner.

MS LIPA: Okay, thanks, Steve.

MR. WITT: Jere Witt, County Administrator.

MS. LIPA: Hi, Jere.

Okay, thank you.

Lew, would you like to introduce your staff?

MR. MYERS: Yes, thank you.

We're pleased to be here today. We have several members in the audience. Bob Saunders is with us, the

President of FENOC.

Gary Leidich is also here, is Acting Vice President.

And we have Kitty, Kathryn Dindo here with us. She's one of our corporate officers of DB and FirstEnergy. Kathy is out there.

At our table today, we have Mike Stevens. He's the manager of, the Director of our Maintenance Group.

Bill Pearce, V P of Oversight.

Clark Price is sitting next to me. Clark is going to brief you on the 350 process some.

Neil Morrison. Neil Morrison is on loan with us from our Beaver Valley Plant and he's taking care of our Program Reviews.

Jim Powers, the Director of our, Director of Engineering is with us.

And finally, Randy Fast is down at the end of the table and Randy will be talking on some of our Containment Health.

MS. LIPA: Okay, thank you.

MR. MYERS: Also, Bob Schrauder is with us. I'm sorry. I sort of missed that one.

MR. PEARCE: Welcome, Bob.

MS. LIPA: Okay, next we'll

go to the agenda for today's meeting. As you can see, we will be discussing -- we have these meetings every month, and we'll provide a short summary of last months's meeting; and we'll also discuss the NRC's Restart Checklist and the status of some ongoing NRC inspections.

Then we'll turn it over to FirstEnergy for their presentation on the status of their Return to Service Plan.

Then we'll adjourn the NRC meeting, the business portion of the meeting, and we'll probably do some restructuring of our chairs and then we'll have, take a break and have the public comment and question session. Then we'll be adjourning the meeting for this afternoon.

So, that's the plan. And the next slide is for John to provide a summary of last months public meeting.

MR. HOPKINS: Thank you, Christine.

First item, last month's meeting we discussed quality assessment and value added by the QA. Licensee discussed steps taken along the lines of organizational changes, stop work orders that were issued, and QA's involvement and the case study that they performed.

With regards to Reactor Vessel Bottom Head Plan; for background, rust and Boron were found down the, at the bottom of the reactor vessel head. The Licensee has

cleaned that off now, but the Licensee has a plan to investigate and make sure that that rust and Boron on the bottom of the head did not come from leaking nozzles underneath, and rather just came down from possibly washing down the top.

The Licensee's plan is to go to normal operating pressure and temperature, using reactor coolant pump heat, no critical reaction, hold there for seven days, and then cool back down, remove the insulation that's underneath the head, and go in there for inspection to see if there was any leakage from the nozzles underneath.

There was a meeting about this on November 26th in Headquarters. And, a meeting summary of that meeting should be issued in a few weeks, if not sooner. The slides from that meeting are actually up on the Davis-Besse Website, the NRC -- the NRC has a Website for Davis-Besse. If you go there, there is a lot of information, including the slides from that meeting.

The next item discussed last month was System Health Assurance. The Licensee discussed that they're looking at calculations and analyses and system descriptions. They found that common attributes of interest in their reviews are environmental qualification, high energy line break, fire protection and seismic qualification.

The next item last month was Design Issues

Resolution. The Licensee discussed their process for resolving design basis discrepancies and also the Licensee stated that their system engineers are now leading the Readiness Restart Teams for their respective systems.

With regards to Management and Human Performance actions, the Licensee discussed several actions that they've taken under that. Their Case Study Training has been completed; there is Revised Leadership Training for new supervisory personnel; Townhall Meetings, the Licensee has held with their employees; and they also have a Management Observation Program, and that was discussed.

Finally last month, Operations Leadership Plan was discussed. The purpose of that plan is to strengthen operations and prepare it for restart. The Licensee discussed their vision for operations with regards to that.

One last thing that wasn't discussed at last month's meeting, but also on November 26th, in Washington, besides the meeting that we had on the bottom head, there was also a meeting on what's called the Containment Emergency Sump, and the Licensee is doing a modification for a strainer for that sump. And, basically, they're increasing the strainer size quite substantially. And, again, the slides for that meeting are also up on the NRC Davis-Besse Website and a meeting summary for that meeting will come out in a few

weeks.

MS. LIPA: Okay, thank you Jon.

The next slide and the next series of slides; we've shown the Restart Checklist at other meetings in a table format. This time we've broken it up into several pages, but it's really the same items. The Restart Checklist is a listing of items that the panel has determined necessary to review before restart can be determined. And so, I'll just walk through some of these briefly.

The first one is the Adequacy of Root Cause Determination. There are two parts to that. The first part is the technical root cause on the cracking and corrosion, and the second part is the Licensee determined that there were organizational programmatic and human performance issues that was a contributing root cause also.

The next item is the Adequacy of Safety Significant Structures, Systems and Components. And there are several items under there, and we have specific inspections looking at each of these items.

The next slide shows the Adequacy of Safety Significant Programs. And the Utility is doing reviews of each of these programs to determine if there is changes that need to be made to those programs to make them more

effective, and we have plans to do inspections on each of these programs.

The next item is the Adequacy of Organizational Effectiveness and Human Performance. And this is the second root cause that I mentioned earlier. And we have a team that's looking at the adequacy of the root cause, what the Utility has determined for corrective actions and the adequacy of those, and then the effectiveness of those corrective actions as they're implemented.

The next slide is Readiness For Restart. This will be later on after these other inspections that I've mentioned have been completed, where the NRC staff will perform specific inspections to look at the system, various systems; Readiness for Restart, Operations Readiness for Restart, including Operator Training; and the Test Program Development that the Utility is coming up with to do testing as they begin to start up the plant.

The next item is Licensing Issue and Confirmatory Action Letter Resolution. There are several relief requests that are still under review by NRR. And also the Confirmatory Action Letter, one of the items there is that the Utility will meet with the NRC to obtain restart approval before that approval is granted.

I wanted to just mention a few upcoming and continuing NRC inspections. We have the Organizational

Effectiveness and Human Performance. That one will be continuing.

The second one is the Safety Significant Program Effectiveness. The NRC inspectors have reviewed several programs, but there are several more that we're waiting on Utility to complete portions of that before we can do inspections of the programs.

And the third item that's not up there is the System Health Assurance. This inspection was begun and there are more parts of it that need to be inspected, so that will be continuing.

And then there is also Resident Inspectors, there is two of them that are at the facility, that's where they report to every day, and they do day-to-day observations of operations and ongoing Corrective Action Program items.

Also, we have recently issued a couple of NRC inspection reports, and those should be available on the web page.

I think that's it for our slides, so I'll go ahead and turn it over to you, Lew, for your part of the presentation.

MR. MYERS: Okay, thank you.

We're here today to brief you on our Return to Service Plan. We have several Desired Outcomes we would like to accomplish today. The first one is, we would like

to demonstrate that we're preparing for core reload somewhere in the early part of the year, probably in January. And then operational testing of the Containment and the Reactor Coolant System shortly thereafter. Mike Stevens is going to provide you an update of our basic milestones.

We're going to provide you an update of the November 26th meeting that we discussed earlier, and by the NRC, and where we discussed the Reactor Vessel Bottom Head Issue and also the Containment Emergency Sump Strainer Modification that we're making. I think that's extremely unique. Jim Powers will discuss that.

And finally, provide you with updates on some of our Building Blocks, for example, the Management and Human Performance area, I will discuss that. Randy Fast will discuss the Containment and Neil Morrison will discuss the Programmatic Issues, if you will.

Then, finally, I want to provide you some updates on the status of our work activities, mainly in the 350 area. That's the NRC process they're monitoring us to. I will tell you this; other work activities besides that, way over and above that, that we're doing, that we're not going to discuss.

And finally, we would like to describe some of the recent FENOC and vendor realignments that we've made to

ensure that we're in alignment with our other plants and can sustain operations and some of the QA oversight that we have; and both myself and Bill Pearce will provide that for you.

First area is the Management/Human Performance area. We continue to work hard in this area and we think make good progress. We have a detailed action plan. For example, this month, since our last meeting, we've completed our Safety Conscious Work Environment Training. That's about two hours of training for each and every manager supervisor. Total population of about 257 people at Davis-Besse. It was a pretty aggressive schedule, and we completed that since the last meeting.

Finally, we also did some management team alignment training, or meeting, if you will. We had 126 people in that meeting for about four hours. As you can see, this is a picture of the meeting. Mike Stevens is up on the stage, statusing our organization with our, with our milestone schedule and how we intend to accomplish that at this particular part of the presentation.

Several other significant improvement initiatives. The Root Cause Report for Operations. We completed that and submitted it to the regulatory agency, and I'll discuss that somewhat later on. We completed that on 11-12.

Corrective Action Program Report, we completed on

12-5.

And implementation of the Management Observation Program. We started that program, we talked about it at the last public meeting in October, and then we have data through December. I'll discuss some of that data. So, we'll begin, it's a computerized program; we begin to build up a lot of information from what we're seeing in the field with our employees.

Additionally, we continue forward with the 4-C's Meetings. That's a group of meetings that I have each week with employees for two to four hours, pretty open and candid discussion of compliments and complaints and concerns; and really has been proven, we've completed those meetings and that with 318 employees at the site.

And finally, we brought in a team of Management Assessment Firms that we talked about, who we assessed each and every key supervisor. We committed that at one of the public meetings. I want to tell you, we're way above that. We not only done the supervisors, done the managers, done the senior management team; and even Bob Saunders himself was out, interviewed with his management firm.

And we think what that's going to do for us is help make sure we have the right people in the right job and we have smooth programs going forward to ensure that we have the right standards for those people. And, it was very

fruitful.

MR. GROBE: Lew, I want to ask a question, two quick questions. There's been a number of times where we received inquiries from members of the public on these various root causes. If I remember correctly last August, you submitted a broad root cause for what contributed to the head degradation; how you got yourself into that situation. And you've been supplementing that over the last several months --

MR. MYERS: Right.

MR. GROBE: -- with more specific and focus root cause assessments in the Operations Area, Corrective Action Area you mentioned today, and there has been a number of other ones. Would it be possible to have you submit those to us on the docket, as they're approved, so that the root cause that you submitted in August can be supplemented and updated with more detailed reviews that you're doing?

MR. MYERS: Yeah, we can do that. No problem.

MR. GROBE: Okay, thank you. One other question. The Management Team Alignment Meetings, could you go into a little bit more detail on what the focus of those meetings were?

MR. MYERS: You know, one of

the things that we did is, we're changing our Leadership in Action Program. Our Leadership in Action Program is the Management Supervisory Development Program that we use at FirstEnergy, at FENOC, if you will. We wanted to brief our staff on some of the changes that we're making there.

So, Randy Fast did some time in that area. We're going to go back and do some more training. I think it's a full couple days of training or a day or so, with each, with the supervisors prior to startup. This was sort of a kickoff to that.

Additionally, each and every director came in, and myself, and we went through our various plans; whether it be the schedule of some major activities, reactor coolant pump work we have going on, reactor cavity seal work that we're real pleased with, and some of the restraints that we're finding, if you will. So, we went through those type of issues also.

Also, went through the, some of the various Building Blocks on, how we got here and what we need to do for improvement; for example, in the corrective action areas, we spent some time there. So, it was just, it was basically like a four-hour meeting to make sure that our managers and supervisors and so many activities going on, that we're all vertically aligned and with the same message going out. We asked for their feedback also. Thought it

was an excellent meeting.

MR. GROBE: Okay, very good. Thank you.

MR. MYERS: There is several other activities that we now have in progress. One of the things we told you, the regulators, we would do is an overview of our engineering area and then an assessment at the end to ensure that we could support, sustained operations from an engineering perspective.

That organizational review is going on now. We have four of the top, we think top utility vice-presidents in engineering at our site now and they're helping us with that assessment.

Additionally, we have, we have the Operations Section Review, and the Functional Area Reviews, which and various groups which will be closing out prior to restart. We'll close that out as part of Restart Readiness Review. And, we're using the industry performance criteria in safety focus areas and management areas to help do those assessments.

And, finally, we've done the pilot now for Operability Determination Training that we'll be putting on this next month. We think that's going to help us. That's going to be an Engineering Operations area.

I would like to talk for a moment about the

Management Observation Program. You asked us to discuss that some once we had more data in there.

Right now we're in the deep drain window of our plan. That's sort of a unique place that you can only go to when the fuel is unloaded. That's allowing us to work on a lot of valves and equipment that typically you only get to work on a few times in the life of the plant.

What we did to ensure that we had good management oversight involvement in the containment, we assigned each and every job in that area to one of our managers to provide some oversight. So, that's well underway and doing well.

We've had good management response. Hundred percent of the observations have been completed. We find that we have a lot of, lot better interfacing, interacting with our people, especially across organizational boundaries, we're seeing improvements there. And we're really focusing on standards and intrusive management involvement.

I think that's sort of a change at our plant. If we would have done that maybe a little better, we may have seen some of these head issues a little quicker. So, we think the management observation is a key part of our ongoing program.

The next slide. If you look what we've done, 616 observations in November. 4,195 safety attributes were

evaluated. 91 percent were completed satisfactory. What that means is some things required some coaching. Additionally, there is 3,910 standards verifications, 91 percent of those were completed satisfactory.

And finally, what are we seeing in, well, we're seeing problems, if you go to the next slide, some housekeeping. People leaving tools around, and not leaving the area in as good a shape as they should. The quality of the observation documentation, gives some specific examples of that.

Inconsistent use of the condition reporting system. For example, you would think if you, our standards are not real clear, we're going to fix this. We would think if you marked something unsatisfactory, that it would require a condition report. So, we have to go back and clarify that; so it's telling us that.

Then, finally, preparation of activities. We're seeing a lot of cases where we're not as effective and efficient as we should be making sure we have proper safety gear and proper tools when we get to a job, so that's causing delays and some confusion and keeping some of our work from going as effectively and efficiently as it should.

The next area that I was going to discuss somewhat is the Operations area.

MR. GROBE: Lew, before you get into operations, could you give an example or several examples of what you consider safety attributes that you're evaluating and what are standards that you're evaluating?

MR. MYERS: Let's see if I've got that here. It wasn't a question that I thought you would ask.

MR. GROBE: Predictable is not the goal I'm after.

MR. MYERS: You know, if I go look at the safety type attributes, what we look for there is a good prejob briefing practice. I mean, one of the things we try to do, ensure when you go on a job, you have the right tools, you know what to expect, you know what the backout criteria is when you stop a job, things like that. And, we're, we're probably seeing some procedure usage, some things in that area.

MR. STEVENS: If I could add to that.

MR. MYERS: Yeah, give us a little help.

MR. STEVENS: Some of it is not what we would expect and we're reinforcing that. And the standards, some of the observations I've had and some of the other folks that I know about, we don't have the proper

barricade. We don't have it, we may have the area roped off, we don't have it roped off exactly in accordance like with, there may be a piece of the sign is not labeled correctly, it's not identifying the barrier or we're not removing it when we're done.

I was in the ~~terminal~~ turbine building this weekend. There was a sign that said overhead work. That work was done. There is no overhead work. That sign needs to be removed and it wasn't broken down at the end of the job.

Those kind of observations are being followed up with supervision. This new observation program is really neat. I like it, because you can click on the individuals that maybe you didn't contact, talk to their first line supervisor. But then the superintendent or manager, you can click off and send that observation to them and then follow-up. Also, it goes into a data base; it's easy to find, easy to use and easy to look for common issues. It's really a good data base.

MS. LIPA: You mentioned three part communications; is that an expectation in the maintenance department?

MR. STEVENS: Absolutely. And we defined that clearly so there is no misunderstanding on how we expect to do that and how it relates to the safe operation of the plant.

MR. GROBE: Possibly that's vernacular that members of the public wouldn't be aware of. Could you explain what three-part communication mean?

MR. STEVENS: Yeah, three-part communication is where the message is communicated, the receiver repeats that message back and then the sender confirms that message. So, if I said, you know, we're going to work on core flood one problem. Understand, work is ready to proceed on core flood one problem. That's correct. That would be an exchange of three-part communication, and as well as the phonetic alphabet. It ensures that we understand each other when we're communicating and don't get on a wrong component or don't take an unintended action.

MR. MYERS: One of the things I want to talk about, example of one of the issues we found that was fruitful, was during our deep drain window, Scott Wise, one of our operations shift managers, was monitoring the work activity and repacking the valves, stuff he found. One of the things that he went and did is they changed the tooling out; and he went and got a different type of ~~baroscope~~ boroscope that they could use to do inspections with that's helping the mechanics get their job done a lot better.

We wrote that up in one of our observations, and

it's really a good catch, and helped us improve the efficiency of the job or do stuff, everything else. So, that's the kinds of things we're looking for. So, that worked out well.

MS. LIPA: I had one more question for you, Lew. You mentioned Operability Determination Training; what's the timeline for that training?

MR. MYERS: I think we're going to have that done at the end of this month.

This month?

MR. POWERS: This month, Christine, and going into early January.

MR. MYERS: Can you explain that?

MR. POWERS: Much of that training is going to occur this month and go into early January. We piloted it this past week with a multi-discipline class of both operations and engineering sitting in and going through it and putting the Ops Manager, the Design Manager, myself, and Randy Fast as well were in there, and now roll it out to the balance of the Operations and Engineering staff. So, there is a number of sessions in it, and rather large classes, so it's a major training issue we got.

MS. LIPA: Thank you.

MR. MYERS: The next area I want to touch on just for a moment was the, we did the overall Root Cause we shared with you sometime ago. There were some specific areas we said we would go back and look at; for example, Operations. We completed that root cause, and one of the things, the major issue that we have there is you go look at the senior management support for Operations leadership role. And let me tell you that we believe that Operations leadership role at our sites is extremely important, to ensure we had safety; and that was lacking somewhat.

So, we're going back now, try to ensure that we have the good Operations leadership model at our plant that we need. We think we have some of that pretty well lined up at our other plants.

You know, we brought Mike Ross in. He's been working with the crews. I've been working with the Operations crew myself; and Randy has. We've been meeting with all the crews. We have a standard order that we've drafted, go to the next slide, to discuss what we consider the leadership role of our shift managers. Trying to get that drafted in a manner so it's consistent at all three of our plants. So, I'm probably the holdup on that now.

With our new, with our new Ops Manager, we're

receiving great feedback right now from the Management Team that we brought in, that Operations is very much vertically aligned from myself to Randy, and down through the Ops Manager; and the organization morale seems to be pretty good.

There is a high level of Operations involvement that we're trying to improve, and we're stumbling sometimes, at each one of our plants. For example, the System Readiness Reviews, Operational Reviews, we're involved in operations; Latent Issues Reviews, Outage Modifications and Work Support Center.

And, finally, if you go look at one of the things I think we've done to improve the operational support at our plant, you know, most of the managers we brought in are ex-senior reactor operators or certified individuals. For example, I've had a couple SRO's, you know, the maintenance manager is a previous SRO; Steve Loehlein is a certification that we brought in. So, many of our managers that we brought in are very strong from an operational standpoint. We think that's going to lead us ahead in the future when we restart the plant.

MR. DEAN: Excuse me, Lew, before you go on. As I recall from previous discussions, you had brought in some outside mentors in the Operations area. Are they still on site? What role do they play?

MR. MYERS: Mike Ross is here with us today, yes.

MR. DEAN: What role are they providing? Are they still observing on shift activities?

MR. MYERS: Observing on shift activities, providing some benchmarking, everything --

You want to go ahead, Mike? You went to six plants, I think, right? So, might as well call on him.

MR. ROSS: I'm Mike Ross.

Yes, in the Operations Group, we benchmarked three different facilities with a six-man team. We have a number of activities in the Operations area designed to be totally involved and move forward in the future and sustain performance. I can go through a list.

MR. MYERS: We also have our Ops Manager with us here, Mike Roder. Do you have anything that you want to add in that area?

MR. RODER: I could, I don't have anything specific. Just that Mike Ross is here, and he's been an invaluable resource to me, as well as Randy Fast.

My name is Mike Roder by the way.

But also, the industry peers, we have going out and benchmarking. I have been visiting with my peers at both the Beaver Valley Plant and Perry Station on a monthly

basis; involving our shift managers in that discussion, so we can gain from their experiences. And we have, this week we have industry peers through the Institute of Nuclear Power Operators here on site providing some other feedback.

So, as far as mentors, we're looking for as much input as we can get. We're doing a lot of benchmarking, a lot of gathering of information.

MR. DEAN: Mike, if there were two or three things you could point to as whether they're valuable lessons learned or insights that you've gathered from this benchmarking that you're attempting to apply here at Davis-Besse, what would those be?

MR. RODER: Really, the first and foremost is looking at, you know, Lew had mentioned the Ops leadership role, and our not meeting the mark previously in that role. One of the best benchmarking opportunities we had was to see how that is exactly, or how that's exhibited at other facilities. Where does Operations assert themselves? Where are the decision points where Operations needs to be there?

And we have, like Mike Ross mentioned, we have six-man teams for equipment operators, reactor operators, senior reactor operators and management personnel that went, visited three, actually four different sites; and we

were able to, to instill in ourselves the vision of what Operations leadership means, not only in my eyes, but in all my superintendents and several of my shift managers' eyes, so we can carry that forward.

MR. DEAN: So, you're gathering insights in terms of how Operations can assert itself in a leadership role. I mean, that's a nice platitude. I guess in terms of practical application, what are some of the things you can point to that you are imbedding into your operational flaws that weren't there before.

MR. RODER: I can put one, just moments ago before I came here, we had all of our managers together in a manager meeting; and I am driving as Ops Manager, I am driving several different issues within the manager team to resolution, all directed towards plant restart. So, from my role as the Ops Manager, we have instituted at manager meetings, and we're driving several issues through that team, myself being a lead for that team.

MR. MYERS: Also, I think we have the management operations, you would not have a shift manager out doing management operations of maintenance work activities and documenting it in the past, I don't believe.

MR. RODER: Right. That was very limited, and here we have several indications that our shift managers are leading the way, both performance of work and safety standards and upholding safety standards of the site, not focused on operations necessarily, but the standards of the site.

MR. DEAN: Okay, thanks, Mike.

MR. MYERS: I think that was an interesting comment, rather than Operations looking at the small operations group, you know, they need to be looking at the entire operations of the plant, and broadening that perspective is one of the key things that we have to do.

You know, I think that getting management team we put in place has served as SROs, you know, is going to strengthen that Op, that involvement of the Operations group. For example, the Design Engineering Manager we brought in, and Jim Powers also, they're all SRO's. First thing that happens -- and that's a Senior Reactor Operator License, by the way.

First thing that happens, we want something done, automatically we can ask, can we get Operations involvement in that decision now. We're doing that in the system walkdowns, and these latent issues reviews, we're even

trying to get them involved in that. So, I think you're going to see a lot more operations mentality and ownership when our station is started up.

MR. DEAN: It may be a little premature now in the fact that you're still kind of in analysis-engineering-maintenance type of mode of activity, but I think we would be interested in seeing perhaps a better description later on in terms of how Operations is indeed integrating itself into other plant activities to provide that leadership.

MR. MYERS: Maybe we can bring one of our shift managers to one of the meetings and provide us some feedback.

MR. DEAN: That would be great.

MR. MYERS: Okay. The next area we'll discuss is Mike Stevens. He will provide you with some overview of our restart efforts, if you will.

MR. STEVENS: Thanks, Lew.

I'm really excited about the amount of maintenance that's going on at the Davis-Besse Plant. Our vision is operational excellence. And in the Maintenance Department we've come up with our mission is to provide planning and scheduling and implementation of maintenance modification activities that ensure excellent material conditions, which

we believe yet to have excellent material conditions for operators. And that's what we're doing at the plant right now.

We took a unique opportunity and drained down the Reactor Coolant System to go work 74 valves; walk off the Reactor Coolant System. They're the first off valves. They're the valves Lew just talked about with the management observations. I think that's great. And it will ensure that we have good, tight Reactor Coolant System at those isolation valves. Also, it helps us be able to take other valves out of service and do that vent free and continue our maintenance activities.

We took the Reactor Coolant System cold leg ~~resistant~~ resistance temperature detectors (RTDs) apart. We took them out of the plant. We made a modification and resolved a longstanding problem with very small minute leakage to demonstrate to the folks involved with that, that we're intolerant of even the smallest reactor coolant system leakage; and got that problem behind us. We did that by welding in new thermal welds and installing new RTD's.

We performed an inspection of our high pressure injection thermal sleeves. It was an industry problem out there. We inspected all four. We're going to replace two of them.

Our reactor coolant pumps; we took two of the

reactor coolant pumps apart and we're resolving the longstanding gasket leaks with the casing gaskets on those pumps. We're going to install a new style gasket and put them back together to make sure they're leak tight.

MR. HOPKINS: Question on the thermal sleeves, have you done some sort of evaluation and determined that's Part 21 compatible?

MR. FAST: That's a good question. I don't know if I can answer that. If it's Part 21. It's something that the industry has knowledge of. In fact, it's being treated as maintenance activity because it's a replacement item. We had one in the warehouse. We had done nondestructive examination testing during the 13th refueling outage using radiography, but we took this unique opportunity to go in with ~~baroscope~~ boroscope, and we saw minor cracks on the leading edge of those thermal sleeves.

That has been reported. I don't know if it was reported through the Part 21 requirement. I can take that action and find out. But it is an industry understood issue. It's being replaced with a like for like. We had the spare. We had one spare available and we procured a second spare and that work is in progress to replace those thermal sleeves.

MR. HOPKINS: I think it should just be followed up. I mean, here's the question of

possibly of safety significance; you know, hearing minor cracking, I haven't heard anything that strikes me too much, but yeah, I don't see any reason why you're unique versus other plants in that regard.

MR. FAST: The only question I can't answer is has it been actually recorded under Part 21; and I'll follow up with that.

MR. MYERS: These have been replaced. We replaced one here before. I know of other plants we replaced those also. So, we'll go look into that. That's a good question.

MR. THOMAS: Does your maintenance program account for periodic evaluation of these thermal sleeves? You've identified, this is the second time you've identified issues with these thermal sleeves at this facility. Is there, is something in your maintenance program to look at these periodically?

MR. FAST: It's integrated into our in-service inspection program. It was done as a routine activity during the 13th refueling outage. However, as I said, we used radiography, which was inconclusive. We took this opportunity to actually do a ~~baroscopic~~ boroscopic inspection, so that was more telling in being able to discern minute cracks.

MR. DEAN: I wanted to ask a

question about, Mike, you outlined a number of actions that you have taken and are taking relative to assuring a greater degree of leak tightness at the plant, as you will.

These major issues that you described, are those mostly an outfall of the effort after the plant shut down in March to look at the integrated Reactor Coolant System for leaks or some of these items that have been longstanding issues that you're taking the opportunity to look after now?

MR. STEVENS: I think it's a combination of both. There are some things we did to the plant that have developed into more improvement safety margin, improving the material condition. I think we've gone above and beyond in some areas, like the emergency sump. I think we're demonstrating a model for the industry there. I think we could have, we're doing those kinds of things to the plant that has been a part of the review, as well as longstanding latent issues that we resolved.

MR. DEAN: I guess what I was looking for, you know, in terms of a linkage between efforts for the plant to go into some extensive discovery mode to look for issues. I guess I was trying to get a sense of these things that you've described, how much of that emanated from that activity, and how much of these

things were already on the books as issues that, you know, you were going to get around to at some point?

MR. STEVENS: The reactor coolant pumps were already on the books. We put an extra ring of packing and rechecked the packing in decay heat 12; extra ring of packing. That was something we did new that wasn't out of a review or action, it just, since we were taking the opportunity to drain the system, we drained down and it's one of the three valves that, in the deep drain that we took an opportunity to go do as part of the, over and above, the ensure that we don't have to come back and address another problem later on; we're very comprehensive.

MR. MYERS: Let me add though, we went into this outage, reactor coolant pumps, we knew they had some seal leakage at the bowl, but they were not in the outage. And we made a management decision, myself and my team made a management decision to go replace them. Go into two of these reactor coolant pumps and pull the rotating assembly out.

Anybody in here that's ever done that, this is a major job, the motors on these pumps are probably the size of a normal room in a house. So, we had to pull the motors and impellers and shaft, and go into the pumps. And it was fairly costly, but we made that decision to go in two of

them, and we'll do two the next refueling also.

That's the approach we're taking right now. Once again, we wanted to demonstrate a standard; we knew those seals were leaking and it was an opportunity to go after them. So we did that.

MR. DEAN: Okay.

MR. STEVENS: Next is the completion of what's required for Mode 6. Mode 6 is when we put fuel in the reactor and begin returning the plant back to operations. Our operations, you asked earlier, Dean, where the SRO's and shift managers are setting the standard. I think this is a good example where they're done taking the Mode 6 checklist and are actually driving the rest of the organization for the standard of response for some of the items that are holding going to that mode; not just to close out the paper, but really drive what is the resolution that we're looking for, what do I need from you to be able to close this item out; and they're doing that proactively.

We modified our main fuel handling bridge, so we can move fuel more reliably and safely in the reactor vessel. That was a pretty extensive modification. It's nearing completion. We replaced the electrical components on the bridge as well as the motors.

Emergency sump strainer. We're replacing that

strainer, putting in a whole new design. I think it will be the model for the industry.

We have Reactor Coolant 46 and 47. We're not satisfied with just replacing this drain piping, but we're actually going to modify it and change its design a little bit, so we have good leakage, this line goes between our reactor head seals; the inner and outer seal for the reactor head; and that will give us good monitoring should that seal start to leak.

We're installing the permanent reactor cavity seal plate and setting a standard for excellence, and we won't have Boron running down the walls should the seal plate leak. We're going to remove that altogether.

Going onto Operational Testing. Currently, our plans are to reload the core in mid January. We're going to install the reactor head and enter Mode 5. Fill and vent the Reactor Coolant System. That will be our first opportunity to look for leakage on components, reactor coolant pumps, some of these valves. Then we'll perform an integrated leak rate test of the containment latter part of January.

In between core reload and now, we're looking at fitting our reactor head up to the reactor vessel and ensure that it will fit and our alignment blocks and all of our measurements do in fact match, and reactor head is

good. And have it support some shielding for us while we work in the reactor cavity and in and around these drain lines.

MR. MYERS: Let me interrupt for a second. One of the things we talked about is reactor cavity seal mod that we're making now. What that is, during every refueling, you have your reactor vessel and you need to flood the reactor vessel area or the reactor cavity and canal, so you can refuel. You put about 30 feet of water above the reactor flange or 21 feet to do that.

Well, you know, to do that, you typically go down and put a temporary seal plate and you bolt that down in place, it's probably 14, 18 foot diameter, just guessing, but it's a pretty deep plate. Comes in section. You have to put that in place. And it's an obvious path for some minor leakage during the refueling outage. That may have been where some of the Boron on the undervessel where water dripped down and went on the side of the vessel, during the refueling.

You know, as Chief Operating Officer of the company, and VP, one of the things I always said in my life when I was a young ~~help~~ health physics technician and operator, if I ever had the chance to get rid of this problem, I would do it. So, install a temporary seal in the area, and it's just, there's just got to be a better mouse trap.

Several plants have installed what's called a permanent cavity seal over the past few years. It's a permanent seal that's in place, so that you don't have to install this every outage, which is a pretty expensive seal to install, in the millions of dollars.

What we've done at our FENOC ~~plans~~ plants, all three of our pressurized water reactors have permanent cavity seals in them. This will be the final one. So, you know, I think that puts us in good stead from a leakage standpoint, and also, now that these questions are coming up about Boron under the vessel, you know, will help us out.

So, I'm pleased to sit here today and say that we will start this plant up. And, if you look at all three of our pressurized water reactors, all three have permanent cavity seals when we start up. I think that puts us in good stead as a company.

I'm sorry.

MR. STEVENS: No, that's okay. Thanks.

MR. MYERS: I'm passionate about these things.

MR. STEVENS: That's okay. Next slide.

Reactor Coolant System. Mode 4 and Mode 3. This is where we'll heat the plant up without nuclear heat, and

perform our inspections. This is under decay heat pit modification, will be completed. This is a good activity in that. In the past we've had this pit, has a cover over the top of it, bolted it up and checked it for leaks, and we put sealant around it.

It's a very intensive task, time consuming, doesn't look very good. And we've decided to take advantage of this time and go put a modification in that will actually seal that pit and protect the components inside of it. That entails installing some quarter inch stainless steel plate. We have about a quarter of a mile of welds to make. We borrowed some procedures from Davis-Besse, running them through our process. They're taking and mocking that up with plexiglass sheets to ensure that, because it's easier to cut, and make sure that we have the pieces fit correctly, and then we're making it in the shop and we'll take it into the pit and install it.

Emergency sump, Steve and them are doing a really good job implementing the modification for the strainer. We're putting W-4 beams across the top of the sump. There is 9 of them. We have one installed. After the beams are in place, we'll bring the strainer media in, complete out the top piece. Jim is going to talk a little more about the emergency sump.

I talked about the reactor coolant pumps and the

maintenance that's ongoing there. And the mechanics are going to replace the reactor coolant pump seals; we have them being rebuilt.

Containment air coolers, we're pretty much rebuilding that from the ground up. We've got the motors reworked. We've got duct work out refabbed and going back in. We've got new cooling coil. We're going to start fabricating the service water connection in the shop next week. And, then we'll have everything we need to go through that normal operating pressure and temperature check. And to do that we'll have to complete our Safety Functionality Reviews.

Next slide.

MS. LIPA: Before you go on, Mike, you mentioned the Safety Functionality Review. I see later in the presentation there will be some discussion of System Health, so we can wait until later, but my question is, how are you going to be addressing the safety, the safety system health assurance problem on 3 and 4, what's the plan for that?

MR. STEVENS: Well, any -- do you want to answer that?

MR. POWERS: All of the issues that we've uncovered as part of our discovery activities that are related to modes 3 and 4 have mode change

restraints on them that have been applied by our licensed operators. Each time we find an issue at the plant and identify a potential concern, we document it in our Corrective Action Program. Those CR's, as we refer to them, go through the control room as far as routing process, and the control room will take out a restraint on a mode change if there is any question about the equipment performing, its capability to perform its safety function.

So, we've got a rigorous process in place where we know the list of things that need to be done and resolved to clear Mode 3 and 4. Part of that is the Safety Functionality Review that the systems will perform the safety function.

MS. LIPA: You going to get into that Safety Functionality Review in more detail later today?

MR. POWERS: Yes, I will.

MS. LIPA: Okay, thank you.

MR. STEVENS: Thanks.

Next slide.

To do that test, we'll have to have a secondary system back and be able to support pulling a vacuum in our main condenser. We've done that once already since we've been down. You remember we talked about the leakage and the way we put the new coating on the main condenser.

Operations will complete the simulator training just in time, and then we'll do our heat up. And this will be a good opportunity for us to test all of our systems. We're going to do that. And we'll cool down and do, and perform any other necessary maintenance.

MR. GROBE: Mike, hang on for a second. Is there something controlling the volume on the microphones?

(off the record.)

MR. STEVENS: What I want to close out with, before I turn it over to Randy is, when we go to heat up, we'll have to have most if not almost all of the plant systems required. And, we've been down for a year. We're going to take the opportunity to run those systems, make sure we understand how they're operating and that they do meet expectations and are in good operating order. And if they're not, we'll go perform required maintenance that's necessary to get them to that point.

So, it's a series of testing that will go on with bringing this plant back, as well as, we talked, the seven day duration of holding that pressure and doing the inspections on the Reactor Coolant System primary.

MR. GROBE: Could you give us a sense of how many mode restrictions there are in each mode?

MR. STEVENS: I know there is 189 -- well, I have to change that up, because we have some down. There is 160 some for Mode 6. 400, well, about 400 and some for Mode 5 -- 4. I just saw, Jack, I just saw that performance indicator this morning; and the relative peaks, there is more for Mode 4 and 3 than there are for the others. And that's really where we're going to bring the systems back.

MR. COLLINS: Jay Collins. If you could speak closer to the microphones on both sides, there are some problems hearing in the back and that might help with the distortion. Thank you.

MR. GROBE: Thanks, Jay.

MR. STEVENS: I could say this, there is about a hundred and a half Mode 6. About three times that for the next mode change to Mode 4. Mode 5, there is a handful associated with the reactor head. And Mode 2, there is about a couple hundred. And I'm trying to --

MR. MYERS: If you want the exact numbers, we can get you the exact.

MR. GROBE: No, that's fine, I just wanted to get a sense.

MR. STEVENS: That's misleading, because each one of the mode restraints condition reports

have an issue in and of itself that needs to be addressed; and those, one of the guys that was pulling, pulling them through report this morning, there is like 50 some odd systems touched by this one mode restraint, and a hundred actions. So, there is a significant amount of work.

But I think we can, I know we're up to, we're up to it. We've got the right logistics in the schedule. The schedule is driven off these milestones. We're bringing the systems back to the plant and we'll just have to go through that.

MR. MYERS: Okay?

MR. STEVENS: With that, I'll turn it over to Randy.

MR. FAST: Just looking for those mode changes. I have them somewhere as well. We'll have to find those for you.

Thank you, Mike.

Good afternoon. Pleased to meet with you today and bring us current with our status of Containment Health. And, since we met last, we have completed all of our scheduled inspections as part of the Containment Health Plan, including the boric acid extent of condition, the equipment qualification inspections, containment and liner inspections and the containment coatings inspection.

The results of those inspections. 511 condition

reports were initiated by the inspection program.

941 of those were directly related to the boric acid extent of condition. Now out of those items, no significant material conditions existed, other than really I think the most significant component or system that was impacted were the containment air coolers. And the containment air coolers is a ventilation system that distributes air throughout containment, and so there was degradation of that system.

But, if you look at some of the other, of the evaluations, or excuse me, the significance, things like the qualified equipment, equipment qualified components, I think we target 159 inspections. All of the equipment inspected would have met its design requirements. There were no operability concerns for that.

Now, out of this population of inspections, we have about 250 evaluations that are currently in progress by our engineering staff. We have 478 of these evaluations that are undergoing supervisory and management review. And we've shored that up; we have several of our folks, in fact, we had some of our senior reactor operators involved with this process to ensure the corrective actions we're taking are appropriate. 181 of the evaluations have been completed and 32 are closed.

So, as you see that last bullet -- I'm a little

challenged with not being able to see the screen here -- but we did not have any equipment qualification that was impacted as a result of these inspections.

Next slide, please.

MR. GROBE: Randy, before you go on. Can everybody hear me? Is that okay? I saw a nod in the back row there.

I'm having a little trouble understanding the first two bullets. 511 condition reports were initiated through your inspection program and there is an additional 400 and some condition reports that were initiated from some other activity; is that my understanding?

MR. FAST: Jack, we go back to the actual Containment Health Program had key elements of it; one of which was look at extended condition, degradation or impact on equipment, structures, systems and components because of boric acid. As part of the inspection additionally we did Alloy 600. So, any connections. We did the upper head, the lower head, and as well, general inspections, looking for any degradation or any issues associated with material condition. So, those were categorized a little bit differently, so the population that you see, the 941, are directly related to boric acid inspections.

MR. CHAMBERS: Randy, those

also -- my name is Tim Chambers. I just want to clarify, those also include the inspections that we did outside containment in the 941. So, those boric acid inspections were outside containment, that's why that number looks higher.

MR. FAST: Thank you, Jim. Is that clear?

MR. GROBE: Yes, I have a question regarding your next bullet. Help me understand the level of activity remaining. Once you complete a condition report evaluation, you identify what corrective actions are necessary for that condition report; is that right?

MR. FAST: That's correct.

MR. GROBE: So, there is two thirds of the these 941 that you have not yet completed the evaluation on to identify the corrective actions.

MR. FAST: That's correct.

MR. GROBE: Okay.

MR. FAST: As part of our Containment Health Assurance Program, the ongoing work that we have, the emergency sump screen. And I have photographs. I'm going to get into a little bit of detail about what these items are, but as well Jim will brief us on the design change process. The decay heat valve pit

Mike was talking about, and just in the way of correcting, we actually got a welding procedures from Beaver Valley, it was a mig process, which will really be a little quicker for us and give us good results. So, we are mocking that up with plexiglass, but we'll line that with stainless steel.

The containment air coolers, as Mike had said, effectively totally rebuilt. The ~~outlook plant~~ output plenum on the dropdown dampers, the cooling coils, new motors and the things have been completely reworked. We have pictures that I think will help in that way as well.

Engineered coatings. As I said, our inspections are complete. I don't have a good picture of the containment dome, but if you can picture looking straight up in the containment, there is an upper and a lower spray ring header and from the lower header all the way to the peak of containment is completed. In fact, that second coat has been evaluated and dispositioned by our quality organization and we're moving on to the side walls or the upper dome above the support platform for the polar crane. So, that work is going well.

As well, we've done complete remediation on the core, both core flood tanks. One is completed, the other is completely tank removed, it's been prepped and we'll start painting on that tomorrow.

The other thing that Mike talked about, the deep drain valve work, the reactor coolant pump work is ongoing.

I'm just going to walk through, I think for maybe the purposes of demonstrating, going through these pictures and I'll point some items out.

Okay, we talk a lot about this emergency sump. This is a pit right here. And under design basis accident, you're flowing water into the containment building. And it fills up from under vessel, and all of the water then, from this elevation right here, which is actually the 565 foot elevation of containment; it floods up about 18 inches above that. That's under design basis, the amount of water, about a half million gallons or so that go into containment.

This was covered with a screen, kind of a chicken wire affair, if you will, that was not very substantial and only forwarded us about 50 square feet of screenage. Why that's important is that this water as it fills up then comes through these two valves. They're what's called vortex breakers, cruciform breakers, that allow antivortexing of water that's going back into the cooling system for redistribution back into containment.

This area was covered over. That has been completely removed. This is a stainless steel backing

plate. There are structural beams. In fact, I walked this down yesterday. Two of those beams that Mike is talking about have been installed. Quite a substantial configuration here.

This area, it will be called the top head. Now we're looking at a kind of 45 degree angle here, so this top hat area has about three hundred square feet area of screen that will allow at 18 inches above that elevation, that will allow water to flow into that area and be redistributed.

Now, on the far side of this sump is a cutout area. We've started that, that cutout now. It's about 18 inches wide, about 30 inches long, and that will allow some extension pipes, which are drilled pipes to go down under the vessel, and we'll see another conceptual design. But actually, when I was walking it down yesterday, one of the pipe sections had been mocked up with a piece of insulation, so the guys could actually figure out, will it fit in there properly. That will add another several hundred, about up to a total of 1200 square feet of screen.

So, you maybe can't get a lot of picture. These covers here, that's plastic. It's a foreign material exclusion cover, so we don't want to get any grit or debris in this pipe. So, they're covered over.

You see a chainfall here for lowering and raising equipment into that sump.

MR. SCHRAUDER: Randy, I walked it down this morning and they've got four beams done.

MR. FAST: Oh. So, we got two beams done since yesterday. Excellent. Thank you, Bob.

Okay. This is the decay heat valve pit. Now, it's very difficult to get the concept here, but in this recirculation mode, there are two valves here; Decay Heat 11 and Decay Heat 12. And they will redistribute water, so these have to be able to be open after a design basis event.

This pit or sump is 19 feet long, 7 feet deep and about 7 feet wide. So, the walls of this sump will be lined with stainless steel and sealed to allow proper environmental controls after a design basis accident. So, that's what Mike was briefing us on a little bit earlier.

This is the fan blades for containment air coolers. Now, containment air coolers are basically like an air conditioner for your house in that it redistributes air to ensure proper environmental controls. In a design basis accident, we recirculate air for making sure that the temperature and the pressure in containment is minimized. So, this is one of the fan blades.

I'm trying to give you a concept of how, they're about, I would say, 8 feet in diameter. So, these are pretty significant.

These, this is the structural platform for the cooling coils. You can see just, kind of see, you don't get the whole piece of it. This would be one, like a radiator from your car, so that's one cooling coil. There is one, two, three, four sides of the box, so a total of twelve.

Coming down and distributing service water, which is the cooling medium for the containment air coolers are the inlet and outlet piping. That's what we have redesigned and we'll be reinstalling this stainless steel improved to ensure proper flow distribution through the containment air coolers. This is at 585 foot elevation. This spans basically from the 585 down to the 565 foot elevation.

Next slide. This is just looking up into the fan. So, we're down at 565 foot and you're looking up into the fan. So, air is distributed from containment at 585 feet through the cooling coil, down through the fan, down into an outlet plenum and then back and ~~redescribed~~ redistributed back inside of the D rings where the steam generators are located.

Not a lot to see here, but we're using a sponge blast process to remove paint from equipment in containment. This happens to be core flood tank number

one. It's tinted. We use a sponge blast media. It's pretty nonintrusive. It does remove paint. It preps the surface, and we have pictures of what it looks like when we're done.

There is the tank painted bright white and completely remediated. This is an engineered coating. Now, why do I use the term, engineered coating? It's because in reality this will sustain under design basis accident, so it's an approved long term, won't remove from jet steam impingement or any conditions that would exist post-accident.

MR. MYERS: Would it be fair to say from a coating standpoint, we understand our coatings better than at any plant you worked at now?

MR. FAST: We know a lot about paint. We've certainly, we've partnered with the industry best and brightest and I feel good about the condition that we're leaving the condition in.

Okay. With that, I'm going to turn it over to Jim Powers.

MS. LIPA: I did have a question for you, Randy.

MR. FAST: Yes.

MS. LIPA: Several meetings back, we talked about the coatings on the conduits. Has

that issue been resolved?

MR. FAST: The coatings on the conduit is unqualified. And let me go into a little detail on that. When the plant was originally built, one of the things that was done, you have galvanized, which is a normal coatings process, on the conduit, but somehow we elected to go back and paint it. And, that paint is not qualified. So under design basis, some of that paint will be removed.

Some of what we're doing with the emergency sump screenage will allow for some of that paint, as it's removed, will be trapped by that screen. So, we'll have sufficient margin that right now, based on our engineering analysis, we can have some coatings, unqualified coatings, and still maintain margin for the sump.

So, the target areas we had was containment dome, the core flood tanks, service water piping, and we do have some other selected areas. We do have an initiative where our Operations staff is taking a leadership role in removing some of the coatings using other processes; not sponge blasting, but just to remove some of those unqualified coatings inside the D rings. But not all of it will be remediated.

MS. LIPA: Okay. I think that this is probably a good time for a break. I know

you're all ready, Jim, but we'll take a ten minute break unless you had any questions.

MR. GROBE: I just wanted to make sure I was clear on this. So, it's your intention to not removed the unqualified coatings from the conduit based on the design margin sump?

MR. POWERS: Not entirely, Jack. That's correct. I'll talk a bit about the sump after the break, but it adds a good deal of margin and we're factoring in whatever unqualified coatings remain in containment will be factored into the design basis of the sump, and in the last meeting we discussed making sure the license basis reflects that as well.

MR. MYERS: Let me answer that question. I met with a coating engineer last week, and our intention, we're going to buy some, we're going to try to sponge blast the stuff. We're going to buy some stuff, I hate to say like you see on TV, where you put it on and it takes the paint off.

The operators are going to do that. We're going to get as much of that coating off that conduit as we can before we start up. That will give us excessive margin. From a design standpoint, it's not a problem, but it just doesn't do anything but gain margin, so we're going to remove as much of it as we can. Okay?

MR. DEAN: Let me ask, Jim, are you going to get in a discussion of, you know, there has been operability concerns about the containment air coolers and the coatings; is that something you will have an opportunity to discuss?

MR. POWERS: Sure, I can give you an update on that. We're not entirely finished with that, but I can give you an in-process update.

MR. MYERS: Now we have eight minutes?

MS. LIPA: Okay, let's start our ten minutes now. It's 3:23, be back at 3:33. Thank you.

(Off the record.)

MS. LIPA: Okay, go ahead.

MR. POWERS: Okay. There is two things I would like to update us on this afternoon; one is the status of the System Health Assurance Building Block and the other is an update on the NRC public meetings we had at headquarters in Rockville on November 26th, both about the emergency containment sump and the undervessel incore nozzles.

The first issue I want to touch on is Containment Emergency Sump. You heard quite a bit on it today by Mike and Randy. This gives another perspective of the sump and

where it's located in the containment, and what we're going to do to significantly expand our sump.

The normal sump, as shown up in the upper righthand corner of the picture, there is a sump access area. Up in that corner is where the existing sump pit is that Randy pointed out in the photo graph. That's where the construction is ongoing.

Now we're to go work from that sump and we're going to go down the stairwell. You can see there is a stairwell tunnel that leads down to under the reactor vessel, and you can see the bottom of the reactor vessel there on the left hand portion of this three-dimensional figure.

Down along that stairwell is where the incore nozzle guide tubes run. And they run down there. There is 52 of them; very small diameter steel tubes that run down through the tunnel, along the side of it and up into the bottom of the reactor vessel. And we'll see those in more detail just following this.

But there is room down there that we can use to expand our containment sump strainer screen. And you can see the lower strainer pointed out in the, in the picture here as it runs down the stairwell.

Right now, we have 50 squares feet of screen in the original design. That was removed. And we're moving towards expanding that up to 1200 square feet of a

perforated plate strainer structure. And most of what you see here in terms of the strainer itself, all the piping and manifold boxing that's shown will be perforated, so it all contributes to straining out any sort of debris that may be generated and providing plenty of flow to the emergency core cooling system suction.

So, we're going to place it as shown here. We believe this is a model for the industry. And, that's what we presented to the participants at the NRC. The desired outcome of that meeting was to solicit any comments or questions from the Nuclear Regulatory Commission staff, the Technical Reviewer staff. And they were very curious about this development. We intend to resolve the generic safety issue 191, as it's referred to in the industry, relative to containment emergency sump functionality.

It's an issue that's the industry has been grappling with over several of the last years. It's been resolved at the BWR's and we resolved it pretty effectively over at the Perry Plant several years ago. And we brought many of the same people that participated in that resolution to bear on this resolution at Davis-Besse Plant.

So, we look at this as a model for the industry. And our intent is to provide a demonstration for some of our peer utilities to come and see how to effectively resolve this issue.

In the next slide, we show the reactor vessel bottom nozzles. On the left you can see a photograph of the bottom head of the vessel and where I talk about the incore guide tubes leading up into the bottom of the vessel. Here we can see them coming up into the bottom. There is a metallic insulation layer that's been removed, so that we can see them.

During normal plant operation, the reactor is enclosed in metallic ~~installation~~ insulation, as you can see on the righthand depiction here, that keeps the heat. The reactor vessel is 500 degrees in temperature when we are in full power operation. And to keep the concrete around it cool and minimize the heat loads in containment, it's all encapsulated.

We stripped off all that insulation as part of our discovery proceedings in containment to do a full inspection of the bottom head. We've conducted what we believe is the most thorough bare metal inspection of the bottom reactor head that's been done to-date in the industry. And we inspected thoroughly with a crawler remote robot, so we could look very closely and not expose our staff to undue radiation. And we went and we cleaned very thoroughly the head.

There you can see its post clean state. And once we go up to do our pressure test, pressure and temperature

test, at full pressure and temperature for 7 days and come back down, we'll be able to go in there, and if there is any indication of leakage, it will show up by white Boron residuals.

And, our plan is to do that test. Go in and examine to see if there is any leakage. We don't believe that there is any, based on all the work that's been done to-date. But if there is, we have a repair concept that, that is ready to go; repair that's been done on pressurizer vessels very similar to these type of penetrations. So, that's in the wings and ready to go should we need it.

One of the other firsts that we're doing, as far as this project, first U.S. installation of what we call our Flus Monitoring System. This is a moisture monitoring system that was developed in Europe and used in reactor systems over there to monitor for any sort of leakage. It's picked up as a change of moisture content in the air.

And we'll install the small sampling tubes within the metallic insulation package. And you can see that, it's shown in the righthand side here in this figure. Small tubes laid out in insulation. They will be continuously sampling the air to determine if there is any change in moisture. If there is, we'll then take the actions that will be prescribed in the operating procedures for this monitoring system.

So, this is another first that we'll be installing. When we spoke to you last month at the public meeting, we weren't sure at that time whether we would be able to get this installed by the end of this outage. Now, based on the work we've done with Framatone, our supplier, our reactor supplier and the supplier of this monitoring system, we believe we can get this installed prior to the end of this outage. And, we're working towards that goal.

MR. GROBE: Jim, before you go to your next slide. I wanted to make sure I was speaking into the microphone, and for a moment I forgot my question. It will come back.

MR. POWERS: I'm sure it's a good one.

MR. GROBE: But everybody can hear that I forgot my question.

MR. POWERS: I'll move on to System Health, and I'm sure it will come to you.

MS. LIPA: I did have a question before you go on, Jim. When we had the meeting on November 26th, I think we talked at that meeting about some tape that was on some of these lower nozzles. What did you find about those?

MR. POWERS: What we found, there was a few more pieces of evidence we wanted to take

to see if they could help us characterize the Boron stains that were found at the bottom of the vessel. There were a couple pieces of tape that were remaining, apparently from original construction completion. And the tape was enclosed in the portion of tubing that was hidden by the insulation panels. And those are typically not removed, those insulation panels. So, it really hadn't been found until we did this complete removal and thorough cleaning and inspection.

So, we took the tape samples off and sent them to the lab. We also took some scrapings of the paint that was on the side of the vessel, and sent that off to see if that would help us characterize the results of the lab analysis, the chemical analysis of the Boron samples we had taken.

And, in fact, they did the analysis. It didn't really help us. It didn't clarify anything further, Christine, in terms of knowing where the Boron, you know confidently stating where the Boron originated from.

We believe it came from above, from washdowns of the Boron that was on the head, and also from leakage through our temporary refueling cavity seal.

One of the reasons Lew talks about so emphatically enthusiastically about putting this cavity seal in, is that it's going to prevent leakage and prevent these types of questions from occurring. And many of the stains we saw on

the side of the vessel were Boron deposits likely from that type of leakage source.

The cavity seal, for your information, will go up at the top of the sketch, where you see the concrete; there is a gap between the concrete and reactor vessel at the top level there. That's the flange where the head comes off the vessel during refueling. And, then you take the head of the vessel off, then you put a seal plate around that gap. That seals the cavity, the reactor annulus cavity. Then you can flood up with water in a refueling canal and pull your fuel out of the vessel and handle it for refueling.

So, that's an important function; and once we put in a permanent seal, then we'll have a high integrity water tight barrier there, and we don't expect to have any more leakage questions.

MR. GROBE: Jim, were there any chlorides concerns that arose from discovery of this tape?

MR. POWERS: No, there wasn't, none that was reported, Jack.

MR. GROBE: Interesting.

I remembered my question earlier. I think you've answered it to some extent, but you indicated a belief that the bottom head penetrations are not cracked and not

leaking. Could you go into some detail on the basis for that belief?

MR. POWERS: Well, the basis really is that if you look at the flow trails, as we refer to them, that came down the side of the vessel, there was two different flow trails; one was a reddish colored, rust colored flow trail on the one side of the vessel and the other one was a white colored flow trail.

The reddish colored flow trail corresponded to a location where the deconers, technical deconers staff at the station had reported that when they were cleaning the head, that some of the, some of the deposit had washed down the side of the vessel, over the flange and down the side of the vessel before they put in their cavity seal as part of the initial stages of refueling when they were cleaning the bolts to undo the reactor head bolts.

And the other trail came down from what looks like on the other side of the vessel what would potentially either be from the reactor cavity seal leakage, and we also found as part of our inspections of this outage that there is a couple of pressure detection lines that are associated with the head and they're used to detect the integrity of O ring seals. And we found that those had been cracked at some time in the past.

So, when the, when the refueling canal is filled

with water, they may have been drippings and some leakage as well. And so, we believe that there is evidence that these flow trails came from those sources.

Now, the chemical analysis that we did showed higher levels of lithium and Boron in some of the nozzle locations, which is interesting there is a higher concentration of Boron and lithium, but the interesting thing was that there is no constituents, activation product constituents from reactor coolant that you would expect to see if we had an actual leak from inside the vessel.

So, there was some contradictory information there. Although it was, it was interesting that some of these nozzles at higher levels of Boron, it didn't show activation products that we would have expected had it been reactor coolant leakage.

And, when you look at the size of the samples that were able to be taken, how they were taken, you know, the amount of material that the chemists had to work with for their analysis and how it may have been, it may have been affected by, for example, the paint that was on the side of the vessel; that's one of the reasons we sampled it; Scotch Bright pads that were used to remove, scrape off the sample, the very small amounts we were able to obtain, led to questions on whether, you know, the quality of the samples, the conclusiveness of the chemical analysis.

MR. GROBE: Have there been any observed bottom head nozzle cracking in other plants in the United States or in Europe?

MR. POWERS: No, not so far. The French plants have surveilled, I think it's 17 plants have been surveilled since 1993. And, although their bottom nozzles are a bit different than ours, they still have the similar type of pressure boundary weld associated with them. And they still have temperatures in the range of the temperatures that we have.

These nozzles have been believed for a long time to be less susceptible to cracking than many other nozzles in higher temperature portions of the Reactor Coolant System. The French have never seen any cracks. Domestic plants have also done some inspections in recent outages looking for any evidence of leakage from these nozzles and have reported none observed.

So, no, there is no evidence thus far of cracked nozzles.

MR. GROBE: One more question before we get away from the bottom head. Did you observe any apparent contaminants on penetrations that weren't part of the flow path that appeared to be coming down the side of the vessel?

MR. POWERS: I believe every

one of the nozzles that we sampled was, was engaged or involved in one of the flow paths. And we picked the samples, the nozzles, there were twelve of them, based on, largely on the appearance and, you know, tracking attention of an area that should be sampled to see if there was any conclusive evidence that would be available from a chemical sample.

And, Bob, was that the case?

MR. SCHRAUDER: Jack, I don't have a microphone, but there were some nozzles that had deposits on them that were not evidently in a flow path.

MR. GROBE: Okay.

MR. SCHRAUDER: We did take samples from those also.

MR. GROBE: Okay, interesting.

MR. POWERS: Thanks, Bob.

Lew was asking me to talk about susceptibility. This whole issues revolves around what's called primary water stress corrosion cracking. That's what started the issue on the head. That's been found in the industry that the alloy was referred to as Alloy 600 metal that's used for these nozzles is susceptible to cracking, given the right set of circumstances, and it's related to chemistry and stresses that are in the material, and temperature is

one of the major factors.

And so, that's why we look pretty carefully when we talk about susceptibility ranking and go through the reactor system. The bottom head operates at a lower temperature than the top of the reactor. The bottom head operates at about 566 degrees; and the top head at our plant operates about 604 degrees, for example.

The pressurizer also operates at a relatively high temperature. And we took some, did some NDE on one of the lines coming out of our pressurizer, a vent line, to see whether it had showed any signs of potential cracking, and it did not, as a matter of fact.

And, those are some of the reasons why we believe these lower heads penetrations are not currently affected.

MR. GROBE: Okay, thank you.

MR. POWERS: Okay. Let me go on to the System Health Assurance Plan update.

We completed our discovery for the initial scope of the review of our systems. We've been talking about this in past public meetings. This morning in my office, I had all of the reports completed by the engineers, reviewed by our various reviewers, management reviewers, oversight reviewers. And, we're prepared to be delivered to Lew Myers for his sign-out as completion for inspection, and they're all in his office now for his review and final

sign-out.

This really constitutes a milestone for us, although, all along we've been identifying issues as we found them within our Corrective Action Program. Finishing these reports really turns a corner for us in terms of completing a major portion of discovery looking through the health of our systems.

What we found as a result of all the reviews that have been done is there is a number of issues, particularly in the design calculation area, that we're going to be following up on. Corrective action documents have been written, based on potential issues. We need to determine the validity of the issues, the questions that are asked.

And we know that there are some good issues here for us to tackle. I have listed a few of them out here that we're currently working on. Instrument tolerances in calculations, for example. We have instrument set point drift and calibration accuracies, for example. Instrumentation accuracy, built into calculations that form the bases for our tech spec trip set point, set points.

But for other set points, we have not incorporated this level of detail similar to other older plants the vintage of Davis-Besse. And, we're evaluating that now in terms of what, the significance of that to our other systems, and that's ongoing.

The emergency diesel generator loading sequence is being studied. We need to prepare a detailed calculation on the diesel generator performance as it's loaded with step loads. You know, in a case where we lose our offsite power from the gridlines, our emergency diesel generators automatically start and automatically load in the plant to drive our safety systems.

Those safety systems have some rather large motors, rather large loads. And, how those sequence onto the diesel generator is something the engineers study to make sure that the frequency output of the diesel generator is maintained during that loading transient and that the equipment functions acceptably through it.

This type of analysis has been done at many other nuclear plants with engines just like ours. So, the engineers now are comparing how our plant compares design-wise to them. It's a very common diesel generator that's in use. And the diesels have been tested a number of times and the analysis has been done at many other sites, so we're following through to prepare that analysis for the Davis-Besse site.

Service water temperature, we talked about that a lot before. There had been work in the past to address the rising lake temperature in this region, and their affect on the plant. As part of that work, we lost some margin on

our systems. As the temperature goes up from the lake, the heat exchangers don't cool quite as well. So, in addressing that issue, we did not address it in a manner that we would preserve margins, and that's what we're going to go about now. We're doing a lot of reanalysis of the capability of the system with some more recent tools, analytical tools, to demonstrate we have margins we need for safe operation.

The bullet here I have talks about high pressure injection minimum flow, was an issue that came up as part of the NRC inspection portion of the external oversight of our system reviews. This issue concerns very, very small leak in the reactor system and high pressure injection system responding to it and injecting. In the very long term, about 23 hours after that type of situation would develop.

If we would empty out our reserve water tank, and switched over our suction to the emergency sump at that point, there is a prescribed action to close the min flow valve, the minimum flow valve that goes back to our reserve water tank. And, there is a question on the table in terms of whether the high pressure injection pump is protected adequately for minimum flow.

And, for those of you that aren't pump engineers, the pumps need to have a certain amount of small flow going

through them, so that the pump doesn't vibrate and so the water doesn't ultimately overheat. Just from the energy of the pump turning will heat the water to where it boils and forms voids and that can damage a pump.

So, in the industry we try to ensure the minimum flow protection is provided. So, that's a comment we received and we're working on that issue now.

Then the last bullet is an issue that came up in our service water review on heat exchanger code relief protection. These are relief valves. Normally heat exchanger vessels designed for the ASME Code are provided with what's called code thermal overpressure protection. Particularly, if it's, for example, a fired boiler, where the pressure increases, just as it would on your stove on a teapot, there is a way for the steam, the pressure to get out; there's small relief valves that do that.

In this case, our heat exchangers are not fired, it's not a large source of heat, so there is a question of whether they need to have code relief protection; something that many of them haven't had since the original construction of the plant.

So, we're wrestling some issues here that are both new in the case of service water temperature, for example, and very old in the case of high pressure injection or heat exchanger code relief protection.

MR. GROBE: Jim, I just thought of something on that last issue. Are you interfacing with the state code pressure injection board on that last issue?

MR POWERS: Have we communicated with them? We haven't drawn them into discussion yet, Jack. We've been looking at the licensing basis and the code itself, but I think that's, that's a good point of something we do need to engage them, because they're very active at the site and they're one of our additional oversight resource that we can use to bounce this off of.

MS. LIPA: Jim, where do you stand in your review of these issues for reportability, past operability?

MR. POWERS: Well, all the CRs that go through the process, as I mentioned earlier, are checked off in terms of whether they involve past reportability. And there are two of them that you asked me to talk about; one was the containment air coolers and emergency sump. We had talked about those before the break.

And the, the containment air coolers, we're in the process of submitting a voluntary LER reporting the condition of the containment air coolers that was found in

containment subsequent to the Boron effects on them, but we've looked at the structural capabilities of those containment air coolers, both the piping to them and the coils, and the coil supports and the registers and such, and believe that the structural integrity is good.

We have not taken the analysis through all the thermal capability of them. There was some Boron fouling of them when we took them apart, dismantled them for replacement, we found that there was some fouling on the water side, sludge and so forth in there. And so there is additional issues we were assessing on the performance of the CACs. So, we're going to provide an LER reporting of that situation to you. That's in preparation now.

We're also providing a supplement to the report that we made on the containment emergency sump. We had reported the potential inoperability of that sump, based on the qualified coatings in containment, unqualified coatings that we found.

And, also based on an opening that we found in the screenage of the sump, a relatively small opening, but bigger than the quarter inch design opening. And we had reported that to you in a relatively brief abstract last month, and based on these facts, we're providing an expanded response that gives much more detail on what we're doing and what we found.

MS. LIPA: What about these five bullets that you have here; are those still under review?

MR. POWERS: Yes, still under review. They're potential issues, and as we review them to determine, to determine the significance of them, then they will be going through reportability assessment. Christine, if they're reportable, we'll report them.

And so, another point that goes with our, our completion of the discovery for System Health is that we're moving into our extended condition reviews. We found some issues here on the Systems Review. We want to make sure that the balance of our, of our important risk significant systems are healthy as well. So, from an extended condition standpoint, we're moving off as part of our implementation plan, moving forward into building block to go through additional systems, and we'll be communicating that list of systems to you.

That's moving forward as well. There is a total of 15 of our important systems that we'll be evaluating to make sure they don't have similar issues in the design calculation area, as well as several other topical engineering design areas. Of those 15, 7 are already done, so there is 8 additional systems that we're going to be working on over approximately the next month and a half to

determine their safety function capability.

MR. GROBE: Jim, before you go on, you and I had a rather lengthy meeting this morning discussing these issues. I just want to make sure I understand a couple of things.

You've identified issues regarding calculations as well as a number of specific technical areas, like high energy line break analysis, and seismic capability analysis and several others, where you believe that you don't yet have the extent of the problem identified. And if I understand what you just said correctly, you were going to broaden the scope of your review of the systems to address some of those issues and further understand what kind of problems might exist in the plant; and that will take roughly a month and a half, is that what you said?

MR. POWERS: Right. We expect in the range of approximately six weeks to do the initial cut through the systems.

MR. GROBE: Okay. And, a number of these deficiencies you've identified, either you've concluded are operability issues or could be system operability issues; and these are technical specification systems that are required to be operable during plant operation.

MR. POWERS: What we're looking

at for the starters here, Jack, is the systems that contribute greater than one percent of risk significance to our core damage frequency value. And the 15 systems that we have selected compose 99 percent of the value of our core damage frequency code.

So, from a probabilistic safety assessment perspective, we have, we've got the vast majority of the important systems composed in a set of 15 important systems at the plant. They also compose 98 percent of our large early release frequency value. So, these are truly systems that are important to safety at the plant.

MR. GROBE: I understand that. The technical specifications however require all systems to be operable; and, if you wanted to choose to modify your technical specifications and remove some of the specifications for other systems that are less risk significant, I suppose you could go down that avenue.

But we talked about meeting in the regional office later this month. I think we tentatively set the 23rd, for you to go through in much more detail the logic path that you've developed, where you've got some engineering issues that you've identified that could effect the operability of the systems, and how you chose the extent of the additional reviews you're going to be, and how you are justifying the need to not review all tech spec, technical specification

systems.

So, this is a very important area, and I'm looking forward to that dialogue. And, hopefully, by the time we meet on the 23rd, if that's the final date, I think that's firming up, you can have a much more clear understanding of the operability impacts of these design deficiencies, and we can get into a little more detail on that subject.

MR. POWERS: Okay.

MR. MYERS: Jack, I think it's fair to say too --

MR. GROBE: You need a microphone, Lew.

MR. MYERS: I think it's fair to say, you know, a lot of these issues are just calcs that 25 years ago we may not have or may not completely understand, so we don't know that any of them really affect operability this time. What we wind up doing is generate a CR on any issues we find as we do these slices and then doing an operability assessment of each one of those, you know, as we find the issue; similar to what we do at other stations.

Just because you may not have a calc; when you get through you may have a calc and find out everything is okay. So, that's where we're at.

MR. GROBE: Appreciate your

comments, Lew. I wanted to make sure it's not, I'm not being misunderstood.

I'm not suggesting that you're required to do reviews of all of your systems. What's important to me is to understand which of these engineering deficiencies had a more safety significant impact on system operation, and if there are engineering areas where you had a significant impact on safety, what is your justification for the scope you have chosen, and making sure that we clearly understand that the standard that we need to come to, to approach restart, is a reasonable assurance that the systems are going to be performing correctly. And I want to start developing that foundation for an understanding of how you came to a conclusion that this plan will give you reasonable assurance, and we need to understand that before we can make any sort of a recommendation to our management on going forward.

MR. MYERS: I understand that. Thank you.

MR. GROBE: Could we go back to slide 18 a bit? Actually 17.

I think, Mike, this was part of your presentation. I wanted to get into a little more detail on the approach to Mode 3; and particularly in the area of system function. But first, I would like to talk, the third

bullet down on this slide has to do with the emergency sump strainer. What is your expectation for completion of that modification?

MR. POWERS: Mike, go ahead.

MR. STEVENS: Okay, the emergency sump strainer modification was broken into two pieces. We expect that the top piece will be installed to support moving fuel. That's what we're working towards.

MR. GROBE: Okay. So, I understand now. So, you're planning on doing the modification which will increase the top strainer from approximately 50 square feet, I think you said the number earlier today was 300 square feet. That part of the modification will be done, but the bottom section of the strainer that goes down the stairs and around the corner, that part of the modification won't be done at this point in time?

MR. STEVENS: That's correct.

MR. THOMAS: So, do you stop doing the bore through the sump walls going down into the undervessel?

MR. STEVENS: No, we haven't.

MR. GROBE: Could you go into a little bit more detail on how you're going to sequence these things?

MR. STEVENS: I'm not sure I understand the question. We're going, the tech spec and requirement for moving fuel is to have the emergency sump. And we have a safe shutdown procedure that goes through contingency plans and alternatives for having the flow path through the, what is storage tank, and then back into the vessel.

We intend to install the top piece. We're not going to leave the hole there. We have to do something with that. We're working through those contingencies.

Part of what is prohibiting us from moving forward and finishing it will be the dose rates in the area and we'll have to sequence that so that we can get in and back out without getting into lock high rad areas.

MR. GROBE: Let me restate that to make sure. I think I understand, I think I understand what you said. You're going to continue with the modification work for the bottom section of the strainer, but at the point in time that the plant is ready to proceed with fuel load, you'll somehow blank off those strainer sections such that the sump has an integrity.

MR. STEVENS: That's correct.

MR. GROBE: Is there going to be some sort of post maintenance or modification test that will be done at that point to ensure the integrity of the

sump? It's kind of an undefined situation.

MR. STEVENS: That's why we broke it into two pieces, so we could better define it. We will do the operability reviews required to partially close that portion of the modification, and all in accordance with. Do I understand the question?

MR. GROBE: Did that answer your question, Scott?

MR. THOMAS: Yes.

MR. GROBE: Okay.

MR. MYERS: I think one thing that is important here, we have our plans right now to stop somewhere along the way, but what we have to do is, and blank it out; but what we're going to have to do is we have a condition report on that. We'll have to do an engineering evaluation. Once again, the people that declare operability is our shift supervisors. We all need to understand that very clearly.

So, what we have to do is go over to our shift supervisors and convince our shift supervisors that this sump for the conditions we're at, that the straining module will meet its intended function, you know, and that being the support system for the sump. The shift supervisors, shift managers will make that determination.

MR. GROBE: Okay, and that's

where it should be. I appreciate that.

I don't have your valve numbers memorized, but I think a couple things came together for me as you were giving your presentation, Jim.

This RC 46 and RC 47 drain piping cracking, those are the valves that are on the lines that come from between the O rings on the reactor head. Okay. And the crack in the drain piping is a potential source of material that might have flowed down the side of the reactor vessel?

MR. POWERS: That's right, because it's down below the cavity seal.

MR. GROBE: Okay. Thank you.

Could we go to the next slide?

MR. MYERS: The answer to that question was yes, for people who couldn't hear in the back.

MR. GROBE: Right, you need to use the microphone, Jim.

The next slide, on slide 18, you indicate core reload in mid January. Are some of the systems that you're going to be reviewing for extended condition design issues, systems that are required to be operable for core reload?

MR. MYERS: Yes.

MR. GROBE: Okay. So, it seems like there is kind of a convergence of activities

here. About six weeks of design reviews, which will discover additional problems likely, and so, that's a tentative date based on knowledge of what deficiencies might be identified in these continuing design reviews?

MR. MYERS: I don't want to peek for our operators, but what we know right now, if you go through the operational check sheets, we have a requirement that containment sump have some degree of operability to, to support core reload. That's not a tech spec out, that's an administrative item we have in our house.

We will look at that item based on having the containment, the permanent cavity seal in place and make a determination what we need to have in effect for core reload. Then the next step is, you know, putting the head on, going to Mode 5 and then Mode 4, and so on. And each one of those plateaus requires different conditions.

Here for the ECCS system to be a systems, that's where you get into the core of mitigation system, the ECCS systems, Emergency Core Cooling Systems; that's usually in Mode 4 runs with them, and I think that's 280 degrees here.

So, at that point, you know, we'll have to have a large portion of our systems operable. And, at that point, right now we're looking at mid February there. So, it's

not as convergent as one might think.

MR. GROBE: Okay, I see. So, Mode 3, you're looking at, and that's the next slide, slide 19, your target there is mid February?

MR. MYERS: That's correct.

MR. GROBE: Okay. And then after, at the time you get to Mode 3 is when you're going to be doing that reactor cooling system normal operating temperature and pressure test.

MR. MYERS: That's right.

MR. GROBE: I understand. Okay. I appreciate you bearing with me. A number of these issues came together as you went through that presentation.

I apologize. There is one more thing. Bob Schrauder, you indicated that you had some contaminants on bottom head penetrations that were not associated clearly or easily visually associated with leakage coming down the side of the vessel.

Did you have any digital photographs that were generated of those penetrations prior to the cleaning? I was down there, but it's all been cleaned up.

MR. SCHRAUDER: I would have to go back and check the database of the pictures we have. Some pictures --

MR. GROBE: Yeah, if you have digital pictures of those penetrations, I would be interested in seeing them if you could email them to me.

MR. SCHRAUDER: Okay.

MR. POWERS: Okay, next slide.

Just wanted to briefly talk about one of the engineering focuses then on restart. Mike talked about Mode 6 at the time we took out this number of our CRs, we were at 189 Mode 6 condition reports that provide restraints going to Mode 6. So, there are issues that need to be dealt with. Those are actively being worked on.

We're prioritizing work at the site by mode change. So, Mode 6 being the first one. We're focusing a lot of attention on bearing down. And then the ongoing modifications that support fuel reload and containment health. I listed a few of them here. Although, there is a lot of work going on to improve the plant, as I'm sure a lot of the people there would tell you all.

So, that's it for the engineering update. Unless there is any questions, I'll turn it over to Neil Morrison.

MR. MORRISON: Thanks a lot.

For those of you who don't know me, my name is Neil Morrison and I'm the Owner of the Program Compliance Plan

Building Block. As Lew mentioned, I am on loan from Beaver Valley.

Today I'm going to provide you a brief update on the current status of my building block and also some future actions that FENOC is going to take in the area of program reviews.

As many of you -- well, as the board members may know that the Program Compliance Plan Building Block consists of two parts. The first part, which we would characterize as a Phase 1 Program Review, is for programs that were not associated with the degradation of the reactor vessel head. And we do a program review that is similar to a coached self-assessment that gets some independent oversight actions on the back end of it.

The second review that we do is a Systematic Detailed Review; and that's primarily focused on programs that were associated in some manner with the degradation of the reactor vessel head or programs that management has asked to have a detailed review on.

Currently, we have completed 65 Phase 1 Program Reviews, which is our intended target population. Of those 65, 19 are complete, paperwork is all signed off, approved. And the remaining 46, we're working through to close those out.

For Phase 2, which is our Systematic Detailed

Review, we had six programs that we intended to complete that are on the Restart Checklist. Four of those six are complete. You'll see them listed there; the Boric Acid Corrosion Control Program, the Corrective Action Program, the In-Service Inspection Program and the Operating Experience Program.

In addition to that, we had a pilot that we had performed prior to starting this activity, and it was Probabilistic Safety Assessment Program. And that report is in draft status. We will complete that action in January.

MR. HOPKINS: When you say complete; what does that really mean? I'm interested in how many actions you may still have coming out of it or what?

MR. MORRISON: My Building Block is a primary focus type of building block. We will go in and evaluate a program and document concerns or issues that we may have in a program using a Corrective Action Process; and out of that, then the program owners take those Condition Reports and resolve those issues and they develop an Implementation Action Plan to pull those issues together and manage them and resolve them and put the programs in a condition to support the restart of the facility.

MR. HOPKINS: Okay.

MR. DEAN: Neil, do you identify any of those actions as, in a manner of mode restraints as we've heard discussed with other?

MR. MORRISON: My building block does not do that. We provided initial characterization whether we think the issue might be considered as a restart, but then the Restart Station Review Board would take that condition report and confirm that evaluation one way or another.

Those issues that may affect operability of a component would get run through the control room and they would assign a mode restraint if appropriate.

MR. DEAN: You talking restart, you're talking overall recovery of the plant, not just the core?

MR. MORRISON: That's correct.

So, currently we have two additional programs that are under review right now at this time and they're near completion. We expect to complete them before Christmas. That's the Modification Program and Radiation Protection Program.

In addition to that, under my Building Block, I know this is one that I think the NRC has a lot of interest in, we are developing a Reactor Coolant System Integrated Leakage Program, which does include unidentified leakage.

And, while the program is under development, really aren't in a position at this time to go into great detail. I can give you a couple of features we have under consideration for that program.

One of the unique things that we're looking at doing is, when a plant heats up into Mode 3, which is normal operating temperature and pressure, but no nuclear heat, as mentioned earlier, we intend to do a baseline plant leakage. What's good about that is, you'll do this leakage calculation to determine what your baseline value is. In conjunction with that, you do a VT-2 walkdown, which is a normal activity coming out of refueling, which would confirm that you have no pressure boundary leakage.

Another thing we're looking at doing later on this, in 2003, we're going to heating the plant up and we'll be sitting in normal operating temperature and pressure for approximately 7 days. And at that time, this program that we have under development, we're going to pilot that. We're going to do some calculations at that time, and we're going to instill through some normal piping systems a known inventory loss in the cooling system and see how sensitive our methodology is to that, looking at small numbers. Make sure that we will be able to identify leakage at low numbers.

MS. LIPA: Question that I

have is, I guess I thought that one of Phase 2 Programs Reviews was the QA Program. Did that change?

MR. MORRISON: The QA Program, there is a detailed review going on and that's not really being managed under my Building Block. That's being done independent of my Building Block. And that is in fact ongoing right now.

MS. LIPA: What Building Block is that associated with?

MR. MORRISON: I don't think it's associated with any specific Building Block. It's being done through QA themselves.

MR. MYERS: Management/Human Performance.

MR. MORRISON: I stand corrected.

MS. LIPA: Trying to keep it all straight. Thank you.

MR. GROBE: Neil, before you go on, Jim had talked earlier about the installation of the Flus Monitoring System. And, I have two questions. One concerns experience on installation testing, preoperational testing of such a system, and calibration of such a system, and whether you're going to use this time frame, whether this Flus System will be in operation at the time of this

first NOP/NOT test, such that you can baseline that and perform the preoperational testing at that time?

MR. POWERS: Our thoughts on that, Jack, is that we know that the insulation package has to be tight in order for that Flus Monitor to work well. And, our initial concept is, we would want to provide some sort of test to see if we could detect very small amounts of moisture with the Flus, but it's not linked at this point into the Integrated Leak Testing Program tests that Neil is describing here, which would be more, the Flus is very, it's localized to the lower reactor vessel area, where what Neil is talking about, we're really surveilling the entire Reactor Coolant System and we need to be able to detect leakage in steam generator cubicles, for example, and pressurized cubicles, beyond just the bottom head.

MR. GROBE: Is the Flus System going to be part of the RCS Integrated Leakage Program?

MR. MORRISON: Yes, it will be.

MR. GROBE: Okay.

MR. MORRISON: Overall, the Integrated Leakage Program, we are trying, we are in the process of putting together, we want it to be a model for the industry, something that they can take, you know, after we got it in place, and pattern their own programs after

it.

MR. GROBE: One other question is, is there, where these Flus systems are used, I have no experience with these systems at all; are you able to use those on top head installations also?

MR. MORRISON: Yes, we can use them on top heads also.

MR. GROBE: But you're not planning on doing that at this time?

MR. POWERS: Not at this time, since we got essentially an unused new head installed, we're not planning that at this time, Jack, we're mostly focused at the bottom head region.

MR. MORRISON: The last thing I wanted to talk about this afternoon has to do with Program Reviews. I'm sorry.

MR. GROBE: One more question, Neil, I apologize.

MR. MORRISON: That's quite all right.

MR. GROBE: I'm very interested in the section of your RCS Leakage Procedure that deals with VT-2 Testing and Inspections. I've seen quite a variety over the years of approaches to those types of inspections; some are comprehensive inspections, some

are less effective. Is there going to be guidance in this leakage procedure on VT-2 Inspection Procedures, or is that in your ISI Inspection Procedures?

MR. MORRISON: That's an interface with the ISI Program, but we will be looking at that interface pretty hard and make sure that the inspections are appropriate for what our goals are.

MR. GROBE: Good, because it's a particular area of interest of mine.

MR. MORRISON: Okay.

Moving on. The Program Reviews that we've been working on, we've seen a lot of benefit from those. One of our intentions is, an outcome of my building block is to make this an ongoing effort for Davis-Besse.

So, we're in the process of developing a procedure that's more attuned to doing this for an operating plant, and we're going to pilot that here doing program reviews. And, once we've got this working well for us, our intentions are to make this a FENOC-wide initiative.

And, to do that, we'll take this piloted program procedure that we're developing right now, turn it into a NOP, which for FENOC is FENOC-wide procedure. And, we will initiate program reviews through the Nuclear Services Department, which is based in Akron.

And to help support that activity, we're going to be

developing a list of what we characterize as Priority Plan Programs across the FENOC fleet. And, we will select several of these programs and evaluate them every year FENOC-wide.

And the goal here is to look at these programs and look at them on a regulatory compliance perspective, how we've addressed industry guidance, interfaces and hand-offs, and we want to look at the implementation and verify it is being implemented successfully.

And, really, this whole thing all ties back to the root cause effort that occurred back in March. If you think back to the technical root cause effort that we had at Davis-Besse, one of the things that we identified was there were a number of barriers that had not provided the level of protection that we had expected. Those barriers were really plant programs. And, there was a population had let us down.

So, with this FENOC-wide effort, we want to go back and look at what we think are important plant programs, use as process to make sure they are actually providing the level of protection that we are expecting of them.

So, unless there is some other questions, I'm going to turn this over to Clark Price. I think Clark is going to talk about the O350 progress.

MR. MYERS: We already have a self-assessment process. In that self-assessment process, we lay out a yearly schedule of, say, what we're going to do. I would see this rolling in from a corporate standpoint into a program reviews yearly to improve the year before, for each side, and we'll do that across the sites.

And for some sites, you know, like we do have one boiler, boiling water reactor, we have a few pressurized water reactors. So, look at it on a site specific basis. So, Boron evaluation probably will not be a concern too much at the boiler.

But what I anticipate, a yearly group of programs that we would look at, and we've identified 65 programs or so now. We'll pick those and make sure they're giving us the performance they think, we think they should be. So, that's sort of the way we see this plan now. Okay.

MR. PRICE: If there is no other questions, I'll continue.

I'm Clark Price. I'm the owner of the Restart Action Plan.

One of the things I would like to talk about today is our overall progress on our 350 Restart Actions that we have at Davis-Besse, and how we're accomplishing those in our Return to Service Plan.

Starting off with that, I would like to go back to our basic Building Blocks for a moment and talk about those Building Blocks. There are seven Building Blocks that we started off with in our Return to Service Plan, that were designed to address all the areas, the causal factors that we identified in our original root cause on the head degradation.

This Building Block Plan, these Building Blocks have served us very well and continue to serve us very well; however, as you saw, and Christine talked about it earlier, the NRC 0350 Panel developed a set of Restart Checklist items that really, that is what we need to focus and address for restart.

Next slide. So, we started off with Building Blocks. Then we go to the Checklist items, and I'll be talking about a chart here shortly that we've designed to monitor both of those.

We developed a number of Davis-Besse O350 Restart Actions to address each of the 0350 Panel Restart Checklist Items. And, primarily those were derived from our Building Block activities. Although, as you heard here today, there are a few items that are outside the Building Blocks that are on the Checklist.

We've also developed performance indicators and monitoring tools also to help us monitor the progress of

our plans and also help to schedule the inspections with the NRC. We want to make sure that we're ready for their inspections when they send out the inspection teams, and we continue to monitor that as we go.

One of the things we also did -- you can go to the next slide. One of the other things we did, was in our plans, we have, we took our plans and divided those into basically a discovery phase and an implementation phase. The Building Blocks were primarily designed to be discovery phase building block items, but our overall plan not only has to address the discovery phase, but also the implementation of anything we find during that discovery. And that's where we kind of combine all of that effort into the overall restart checklist and our restart actions to support that.

What you have in front of you right now on the screen is a monitoring tool that we use both on site with our senior management team and our owners of all the Restart Checklist Items and we also use this as a communication tool with the NRC to communicate our overall progress.

This report is designed, the lefthand column, the colored bars is our discovery phase activities. The far left -- and it's very difficult to read. We tried to get all of this on one page and it gets kind of small. But in

order to do that, we have all the Restart Checklist items. We have the owners we've assigned at the plant for those Restart Checklist items. And then we have the discovery phase and the colored bars, the implementation phase, and then final closure of the Restart Checklist items.

The green identifies those items that we are complete with from a discovery phase. And, as you can see, we have a number of completions. Since our last meeting, we have completed discovery, and Randy Fast talked about this in his presentation. We completed the discovery in the Containment Health Discovery Action Plan area. We've also completed discovery in the Containment, or Containment Emergency Sump items. And we're pursuing now the modifications associated with the Containment Sump.

Also, we've completed, another item was our inspections of our Boric Acid Systems outside of containment. This was another area in our extended condition, and we just recently completed those. So, we're making great progress.

Another one that's a major milestone and a lot of work and effort went into this, was the completion of our System Health Readiness Reviews and Latent Issues Reviews on our systems. Jim talked about those. That was a major effort. A lot of people involved in that on site. And we just finally finished those up. As a matter of fact, Jim

said he was signing some of those this morning and they're all with Lew Myers for final approval, and then they'll be ready for final NRC inspection.

I would like to address just a little bit on the discovery area where we're not complete yet. The blue bar up there is an activity in our Management Organizational and Human Performance area, that we still have a few items that we are working on right now. We talked earlier about our Engineering Assessment that's going on right now at the plant. That's an activity in there.

One of the activities in there that is complete, a number of them is, we talked about those too, was the Management Root Cause, in addition to Corrective Action Root Cause, the Operations Root Cause; there is some items that are complete in that area; however, we still have, like I said, Engineering Assessment, and then we have a collective review of all those assessments and root causes that we'll be doing, pulling all the things together to see if there is anything from a collective significance perspective that we have missed in any of the individual reviews, and that will be the final activity that will close out that particular item.

If you go down further about midway down, you'll see an item that's labeled 3 Charlie 1 or 3 C-1. Yes?

MR. MYERS: We're working the

plan there. That's exactly what we would expect right now. It's not a deviation.

MR. PRICE: That's correct.

MR. MYERS: Okay.

MR. PRICE: Also, we worked in our plan, we just talked about this one, the next blue bar down, which is our Quality Audits Program Review. Now, this was not in the Building Block for Program Reviews; however, we are using a Phase 2 Program Review, our approach for that for this review.

We completed a root cause of the Quality Assessment Organization, and now we're in the process of doing a full Phase 2 Review, utilizing the Phase 2 Program that was designed underneath the Building Block, but it is not necessarily under that particular Building Block. It's underneath the Management/Human Performance Building Block, as Lew stated.

Carrying right down, the two that Neil just spoke about that are still in progress, which are the Modification Program and also the Radiation Protection Program. Those are going to the Program Review Board this week and next for final review. And we will, we're targeting to have those completed before the end of the year.

The last one, down at the bottom that is noted as

5 C 1, or 5 C, or 5 Charlie, is our Functional Area Reviews and those are still ongoing. Those are part of the Management and Human Performance Improvement Plan and a specific activity that we have in that area.

Any questions on that?

MS. LIPA: The column over on the right, not to the far right, but there is a column about four columns over that says, Ready for Inspection. So, that, do you plan to fill in that column so we can use this as a tool?

MR. PRICE: Yeah. One of the things before it's ready for final inspection, it's important to know, Christine, there is a column there that has yes in it or it's blank; if that's the one you're referring to?

MS. LIPA: Right.

MR. PRICE: Bottom, basically, we have a process we go through as part of the Restart Action Plan, which includes a closure package and validation of those closure packages. And until that's completed, which requires Lew Myer's signature, it is not ready for inspection. So, even though we've completed the phases, some of these items Lew has not had the final sign-off on. When he does, which will be very shortly, a number of these, the yes will go in there and we'll be

ready for the final inspection from the NRC.

On the right side we have another -- I'm sorry. Go ahead.

On the righthand side, we have a number of actions that are going on in the implementation phase. Many of our implementation actions are, go on concurrent with discovery. We don't wait until we're completely done with discovery before we start correcting what we found.

And, as you can see, we have a number of actions that are, a number of areas that are progressing quite well, as a matter of fact.

MR. GROBE: Yeah, Clark, I appreciate you bringing this slide forward. As you're aware, we meet once a week on this slide, about a half a dozen or eight pages go behind it that provide a lot more detail, but this is probably very difficult for the folks, the public to consume.

I would suggest that between now and next month, you come up with a way to better portray the same data. I think it's a great way of tracking what's going on, but better portray the same data, but in a more human friendly atmosphere.

MR. PRICE: Okay.

MR. GROBE: So, it can be understood more easily.

MR. DEAN: I guess I would offer in some earlier meetings, we had had some performance matrix, individual performance matrix, individual graphable display; that seems to be pretty reasonable.

MR. MYERS: We've got those too.

MR. PRICE: This is just one of high level overview monitoring tool that we're using. We also have our performance indicators. And, I guess one of the things I would like to say then, I'm going to talk about some performance indicators here shortly, is one of the most significant things I feel with our discovery being essentially complete on what we've completed today, is we have completed a lot of material issues, the discovery and material condition issues of the plant.

As you saw, most of the open items in the discovery phase are in the Management/Human Performance area, Program Reviews. And we pushed through the discovery phase in the system areas so we got the work identified, the issues identified, and now we can go address and resolve those issues. That was a very important phase that we needed to get through in our Restart Plan.

On this next slide here, we're talking about again completion of discovery. We're nearing that completion. We have a number of open restart condition reports and I'm

going to get up in a second and address very briefly those graphs that are hanging on the back wall.

And, but let me just continue on here with the Operational Performance Indicators. We have a number of indicators in what we call Operational Performance, which are places where we look at workload, backlogs and those types of things. And we're holding steady in those areas, which is good. We're identifying an awful lot of work, but yet we're keeping up with that work.

The Organizational Readiness Performance Indicators are all showing steady to improving. And those performance measures tend to be the areas where we're looking at Quality and Human Performance, and we're seeing steady and improving trends in those areas.

One of the things that's very fundamental in our whole Building Block effort and our Return to Service Plan is the use of our Corrective Action Program. And through that process, we have identified many conditional reports that have documented the issues that we have found during our discovery phases of our activities. And then we also then have corrective actions that come out of that.

If I could, I'll try to speak loud enough for everybody to hear. I'll give everybody an opportunity to stretch a little bit.

We have a number of charts and these are some that

I've shown in previous meetings. One of the things that we saw in previous meetings is we were in the upwards incline here, which meant we were still discovering more than we were fixing. And this is an, all these graphs here represent, or charts represent open condition reports and open corrective actions.

The first two here are the total population condition reports that we have that are open right now that are classified by restart, classified as restart. The Restart Station Review Board, which Bob Schrauder carries, classifies all condition reports and all corrective actions that come out of the condition reporting process, as whether or not they're required for restart.

This is the total population of restart actions. It actually is greater than just the O350 population of work that we have. This is all things that we've identified that we desire to have completed prior to restart also.

As you can see and what's very important, management of the site and employees look at these curves, because what we've seen in the last about a month ago, we finally peaked and now as we completed the discovery phase, our closure of those evaluations on those condition reports are now seen incoming, and we're now in decline, we're working those off, to restart.

What you see basically is, these are, this is a

total, the next three sets are major building block areas for our, that we discussed. First is System Health Reviews. The next is the Program Compliance. And the last is Containment Health.

Those are all the different major Building Blocks that generated the majority of the condition reports and the discovery items that we found prior to executing the plan.

So, this is a good news story. We're now catching up with the, with our workload. We're driving these curves down. We have a lot of effort in this area of focus getting through our evaluations. Because, as probably Jack would tell you, he considers some of that still the discovery phase. And, and it is through true, through those evaluations, we could determine that there are more areas of work that we have to do. That's why we need to get through those quickly, get the corrective actions defined, and get those into the schedule that Mike has to make sure that we got all those, that we can, all those scheduled out for restart.

So, I believe that's all I had to share today. I think one of the things, I think we made significant progress in the last month. We've really been working hard to get some of these discovery activities to closure, and we made good progress in the last few weeks in

accomplishing that.

MR. GROBE: Before you go on, Lew. Clark, I appreciated the way you described the completion. And we would agree that the head resolution area is essentially complete and our inspection was recently issued on that topic and Containment Health is essentially complete and we issued a report recently on that.

You've described today two of the six programs are yet to be completed, and I think the chart accurately depicted that. And Management/Human Performance, you still have the corporate oversight and the engineering function, root causes, as well as collective significance; and I think your chart accurately depicted that.

The thing that I want to make sure is not lost, is this meeting later this month on engineering design issues is critically important. And I view the eight additional reviews and any further activities you determine are necessary to be discovery, and you're going to identify a significant number of issues, as you have already identified in each of your prior design reviews.

So, there is no doubt in my mind that there will be many condition reports coming out of those reviews, and this may not, you know, we have to discuss the extent of that review; and we'll do that hopefully on the 23rd.

MR. MYERS: Right. We would agree with that. You know, I think what we want to show the public, if you go look at our basic Building Blocks right now with the first slide, from a System Walkdown Standpoint, Containment Inspection Standpoint, Management/Human Performance Standpoint, we got a lot of the discovery done. In fact, most all of it is done. But we didn't wait to finish all the discovery, there's actually been a lot of work done in containment stuff.

So, we didn't wait to finish all discovery. You see that turning green, over to the next column is implementation. You see that implementation is well under way also. So, if you walk away with those two things, of that whole chart, that's all that we wanted to demonstrate.

We made good progress on discovery. We also made a lot of implementation progress also. You can see that in our containment, the system walkdowns we've done, the valve repacking program now, and the draindown window, reactor coolant system. So, there is a lot of implementation going on. Okay?

MR. DEAN: Let me offer one observation and perhaps a question.

Having been involved with plants in the past that have gone through a significant discovery phase, I don't

disagree this is kind of an important milestone when you get to the point where your work-off rate starts to exceed your discovery or input. That is a milestone.

But it's easy for us to get captured a little bit about looking at things like corrective actions and your hardware related issues, but we have to go back to the fact that a major factor in this whole issue at Davis-Besse revolves around safety culture related issues. And I think it would be important at future meetings to be able to present performance indicators and things that you are monitoring that indicate in some objective sense progress that you're making in terms of addressing the safety culture related issue.

MR. MYERS: Okay.

Next area we have is, we want to take a few moments to talk about some recent changes we've made at the plant, and from a FENOC alignment standpoint. Bill Pearce and I will talk about that.

In general, if you go look at our Building Blocks, we talked about the discovery phase, you know, coming to an end, and those latent issues areas.

What we want to do now, we're focusing on reloading the core, pressurizing the containment, pressurizing the RCS later on. That's on the near horizon for us. In order to get there, we've got to do is, we've got to make sure

our plant management staff, if you will, is in good stead; and that gets back to that safety culture issue.

So, what we did recently is, we had some significant reductions I think in contrator work force. I've heard a lot about that. In general though, what I want to tell you is, we reduced like 380 contractors at our site, and there is still another 900 there now. So, from a staff standpoint, there is still a lot of people at our site, over and above our normal 800 people that we have.

And, so we had some things that we wanted to accomplish. First, we have certain contractors that are fairly large contractors, engineering groups that we do business with; FirstEnergy Nuclear Operating Company, we want to make sure that we were aligned with those companies.

So, as we took this effort, it was to realign us with the companies that we normally do business with and their management; engineering companies, companies that supply us craft support, companies that supply us health physic support, training support and all that. That was one of our goals.

The next thing we want to do is align us, so we could be more operations focused, if you will, then we could assess our own internal performance. For example, we've had this group together called Restart Senior

Management Team. Well, it's time to quit calling it the Restart Senior Management Team, and really have the senior managers that we brought into this plant take a leadership role in moving the plant forward.

So, sometimes we've had some of our contractor groups reviewing things. We intend to put our managers more in the line organizations; and you'll see us making that shift.

Then finally, you know, we wanted to make sure that we had the contractor level in an area that we could manage effectively. One of the things we've done for each Building Block now is, we've gone through the discovery, we're trying to get the work done for example in the containment.

We've taken our key contractors and aligned the key contractors with the Building Blocks. What that helps us do, what that helps us with is to focus on that key contractor, whether it be an engineering contractor or a maintenance contractor, to ensure, like for instance on these draindown window, that we have one group of people that's focused on that work and we can do the work efficiently and effectively.

So, those are the three objectives that we try to accomplish. We think that aligned us well with our other FENOC stations, and we think that also sets us up to make

the next step in loading the core, pressurizing containment and then finally doing the, the hot operational testing.

If we can do all that well as a management team and error free, then that helps regain public confidence about our ability to effectively manage our plant. So, that worked okay.

While we're doing this, we realized it would cause some management concerns, so we've asked oversight to take a look at the effects of that, and Bill Pearce will discuss that, how we're doing that.

MR. PEARCE: Okay. When we made this change, I guess our concern in the Quality Assurance Organization was that any time you have a change, you're at risk to introduce some things you didn't mean to introduce with it. So, the QA manager and myself decided it would be prudent for us to increase our level of oversight during the period of this change.

So, we decided what we wanted to look at, was to look at the new makeup of the Engineering Assessment Board, the effectiveness and quality of the Engineering Assessment Board review of Latent Issue Reports, and the quality of System Health Readiness Review Reports ~~without~~ with that Engineering Assessment Review Board.

So, that's in addition to what we had been looking to previously. And, some of the things that we did, is for

the Restart Station Review Board, we had an increased quality assurance oversight level and we increased the use of QA Evaluators with operations experience to give them more broader view of what we're looking at.

We revised, we looked at the revised membership on the review boards. There were several review boards put in place initially to get through some of these latent issue reviews. So, we tried to look at the membership of those. We examined them for their background and their credentials. And the activities and results of the board meetings, we are carefully observing to make sure there is no loss of quality as the boards have changed.

What I brought you today, this has gone on over the past few days, so I have some fresh information about what we found in doing these things. We not only made a plan, this is what we seen on the front end of the implementation.

As part of our review, we talked to the EAB members to discuss their qualifications, and found that based on their background they were knowledgeable in the subject areas they were looking at. And, at least two members on the Engineer Assessment Board Review Team for Reactor Coolant System were long time Framatone personnel. One is currently system engineering manager there.

Three, four permanent Engineering Assessment Board

members participated in and observed the review of Aux. Feedwater on the fifth of December. As a recent one that they all participated in, so that was kind of a carry over for them.

Says, probing questions were asked by all members of the EAB team, which demonstrated they had time to review the reports ahead of time so they were knowledgeable about what they were reviewing.

Placed emphasis on operating experience to ensure that the latent issue team members properly captured what was required. That was a comment that was made. And one of the EAB Panel Review members for the Emergency Diesel Generator Team was the plant's station blackout diesel engineer, which it's the same engine; one is emergency diesel, other is blackout. So, it had a lot of information and expertise in the area that they were looking at.

His line of question reflected his own experience, presenting the station blackout diesel generator report previously to the EAB. So, they're utilizing the experience they gain.

I guess one perception we have in the Quality Assurance Organization, is we did a pretty good job of making the transition, and that the people that we have presently doing those assessments, seem to have the proper qualification and background to do them, and that the

quality of the assessments is not going to suffer because of the change. That was what we were really trying to come to the conclusion of.

We increased our oversight because of that. And now, since the change has transpired, we'll go back to our normal plan. But, we just wanted to tell you that we did look harder because we made the change, and we've looked, I think we tried to see if there was going to be any problem associated with that, and it seems like everything went pretty well.

Okay, Lew.

MR. GROBE: Bill, I wasn't associated in this level of detail with Davis-Besse three, four years ago, as I am today, but my sense is that this sensitivity exhibited by the quality organization may not have existed several years ago to being responsive to changes in the station and increasing oversight. And I really appreciate the fact that your organization is functioning in a real time nature to balance your level of confidence with an application of resources in areas where you wanted to make sure that things are going well.

And certainly a time of transition is a time where you could have problems, so I really appreciate that.

We performed a number of inspections over the last several months and reported on them last month. One of

those was in the System Health area. And we likewise would probably be performing some additional work as you go through these additional design reviews to also regain confidence that the, the new people and the new structure are working as good as the prior reviews had worked.

MR. DEAN: Bill, I have a question. In looking at the things, the assessment of the impact in terms of the new makeup of the board, effectiveness in quality, the quality of the System Health Readiness Reviews; you talked about the impact of the Engineering Assessment Board, but what have you done in terms of looking at the quality of the System Health Readiness Review about the EAB review.

MR. PEARCE: We reviewed those. I got some information here, although it's -- we think that the quality of the reviews have not changed since the board has not done the final inspection of them any longer and it's being done in the line management. We're looking at the final product now.

There is a lot of them are already done and went through the board, so we've got, there is a template that's kind of been put in place of what acceptable and what is not. And the new ones going through now are the same quality level, fit the same template, got the same types of information in them, and seem to go to the same depth as

they were previously when the board was reviewing them, Bill.

MR. DEAN: Okay. Is your intent, I didn't quite gather from your comments whether you feel like you've completed your assessment efforts to look at this transition or do you still intend to have some enhanced observation in QA activities to monitor?

MR. PEARCE: Well, we were involved all along in the boards that were going on, and did overviews, but in this, for this case, the last five latent issue reviews, wasn't it five, I think it was five that went through; we went through all of them. We had somebody at each one of them, sat through the entire thing. We just didn't do sampling, we sat through the entire thing, and watched that.

So, we'll go now back to our baseline level review where we do sampling, and look at it in that regard.

MR. DEAN: Okay.

MR. PEARCE: The comment you made about looking for change, I remembered a quote, and I got this actually from a quality assurance guy about 15 years ago. He told me that "Change is the mother of trouble and trouble is the mother of change." And I think that that is, you know, you think about that, it is like that. And, we need to be sensitive to change.

MR. MYERS: We need to make it.

MR. PEARCE: We need to make it.

MR. MYERS: Are you ready for conclusion?

MR. GROBE: Absolutely.

Any other questions?

Go for it.

MR. MYERS: Good, thank you.

You know, we talked about our reactor head today. If we go to the next slide. Reactor head is on the stand. It's painted. The electrical lines are on the head. Everything is ready to go. It's our intention to set the head up, fit in the near future. Demonstrate that it fits well and everything. So we made progress there and that's, that's going forward.

Our System Readiness Reviews are complete. They're on my desk. That might take a week or so, because my intention is to sit down with a large group of engineers and eye-to-eye and go through the System Readiness Reviews before I sign them. So, they're basically complete.

Containment Health is good. The emergency sump is moving along. We think that it's going to set an industry standard. Integrated Leak Rate Test Program establishes a

new standard also for this industry. We think we'll have a procedure process and way of identifying leakage and formalize that, so that we'll be a model for other plants to come and look at.

Additionally we're installing the Flus Monitoring System, which is a new piece of technology that no other plants in the United States has. And we think that's going to make us sort of unique too.

So, Containment Health is good. Walk in our containment now, material condition looks very good, we think, compared to other containments I've been in, in the United States.

Preparations are underway for core load in the near future, January. Containment testing. Then operational testing. And it's our intent then not just to bring the plant up and pressurize it, but we have an integrated test procedure we're putting together to go look at our equipment to make sure it's going to function well. A lot of our equipment hasn't run in about a year; steam pumps, steam dumps, things like that.

We intend to give a good baseline so the plant will be ready for restart, during this plateau. Then we'll cool back down and go look for any potential leakage that we might have, and do some more maintenance.

That's a change of the initial plan that we had from

several months ago. So, we think it's a good approach. We find something, we fix it.

Per Management/Human Performance, we talked about safety culture. Let me spend a moment on that. You know, I think that we're well under way of creating a Safety Conscious Work Environment at our plant, where people can bring issues forward. I won't say we're perfect by any means, but we're taking good steps there to make sure that process; that I have an open door policy, my managers have an open door policy. We've been trying to train them, people in safety conscious work environment, so they know how to address problems. We're trying to get them in a more proactive role.

We talk about that at all of our 4-C's meetings. We talk about that at our group meetings. We've done training. So, we feel we're making good progress there.

One of the best things from safety culture standpoint is in my mind, is find and fix problems. We have a whole bunch of routine problems that we probably didn't have to fix at our plant. You look over at our graph, that's way over and above the 350 process. Find and fix problems.

I love the valves and the draindown, the window we went after, because we wanted to as a management team. Nothing in the 350 process told us to go put in a reactor

cavity seal plate. That's a tough model, we did that on our own. That's the right safety culture. And we're driving to make sure that safety culture is in place.

Strong operational leadership. You know, most of the managers we have at our plant now are previous SRO's. Bill Pearce was my shift supervisor when I was a young boy at another plant. So, life is a lot better now.

If you go look, down to our maintenance manager, he's a previous SRO. The quality manager that we have in place, certification. So, our management organization has a very, very high respect for operational issues.

And, for example, a lot of the issues in the Corrective Action Process, I spoke up during this meeting; we write a condition that we think is an operability issue or question, then it's up to us to go back and convince the shift supervisor that we have this bounded. That atmosphere didn't exist, and we're going to make sure it exists when we start the plant back up.

We have CR's generating. The person that's going to make that operability calls is the shift managers, like it should be.

I want to talk about our people for a few moments. We brought in a management assessment firm and they've looked at our people. You know, I've worked at several plants in the United States myself. I've worked at plants

where the population is a 30 mile radius amongst two million people or so. You didn't know each other very well. The community was very large. This is not a large community.

I've worked at plants where we've brought people in from the outside and they became part of the community over the years, but they weren't from the community, they were outsiders.

One of the things as a management firm we brought in told us, I think is a strength, is that the people at our plant, you know, are from this area. Many of them got out of high school and went off to college, and got their degree so they could work at this plant. They're not move-ins, they're people that are from this area. They are the community. They are the community.

And we have meetings scheduled now with our people to go out in the community as we start returning the plant to service, and I think we have like 17 meetings scheduled in the next month or so, to meet with community people. And we've been doing that all along to show to them, demonstrate that we're ready to restart the plant.

We paid all this money for a consultant. I want to tell you who it is. I went to my barber over in Port Clinton the other day. She said, I could have told you that without going to a management consultant. Most people

I went to high school with, two of my best friends went and got their college degrees just so they could work at Davis-Besse. Just so they could work here.

My message again is, I think we have good people at our plant. The issue wasn't a safety culture that's bad with our people, it was that we didn't implement from a management standpoint a strong safety culture. There is no balance between production and safety, it's the gate you go through. And what we're doing is demonstrating that every day at work. Thank you.

MR. GROBE: Any other questions?

Well thanks, Lew.

Each month as we've met, we've seen progress. Sometimes the progress was learning how to do discovery correctly. Sometimes the progress has been much more substantial. And this month is not a change. We continue to see progress.

The three areas where we have the largest amount of inspection work left are in the Systems and Design Area, the Programs Area and Management/Human Performance. Your Programs Area is further along. We'll be probably digging into those areas again in detail in January.

I think we have the dates for our next three meetings. I don't know that we've announced them

publicly. January 14th, we'll be here. That's, these are Tuesdays. February 11th and March 11th. I'm not sure if we'll be in this facility. This is the first time here. We're going to evaluate the adequacy of this facility after we're done, make sure it meets our needs, and see what their schedules are and see whether they can support us in the future. We'll be back here in the local area, January 14th, February 11th and March 11th, and we look forward to those meetings.

Again, I want to emphasize, a very important meeting on the 23rd, tentatively, and we'll be announcing that publicly as soon as it's firmed up. It will be in Region III. That's somewhat unique for us. We try to have as many of our meetings as possible here at the site. Because it's going to be at Region III, we'll be video teleconferencing to our headquarters office where folks can observe it there. Obviously, folks can come to our Region III office, there will be a public meeting there in Chicago. We'll also have telephone hookups, so if anybody is interested wants to patch in by phone, we'll be doing that also.

Why don't we take a very short break. It's 10 after, according to my watch. I'll have to synchronize with Christine here, and take a five minute break and we'll reconvene for the public section of our meeting in five

minutes. Thank you.

(Off the record.)

MR. GROBE: What we would like to do now, I appreciate those who are left, having the staying power for this meeting. I think it was quite informative.

What we're doing now, is entering a time where the NRC is going to meet with the public, and we're interested in your thoughts, your feedback, any questions you have, any suggestions you have for us. We're open to, to anything.

What I would like to do is proceed and ask local elected officials if they have any, or representatives of local elected officials, if they have any questions or comments, they want to come forward first, I would appreciate that.

And if he we could each limit our questions to a 3 to 5 minute time frame, we could get to everybody and have time to get to dinner too.

Hello, Jere.

MR. WITT: Hi, Jack.

Jack, I am older than you, so I have a prepared statement, so I didn't forget to say what I wanted to say.

My name is Jere Witt. I am the Ottawa County Administrator and a member of the Restart Overview Panel.

As a member of the Restart Overview Panel, I have been intimately involved in the process since the beginning and have learned more about nuclear power than I ever intended to know, but I appreciate the opportunity.

I also have been involved with the Davis-Besse nuclear power plant almost since its beginning, because I have been in this position almost 25 years and have worked closely with the plant over the years. I am not a nuclear expert and never will be, but I believe I bring a common sense approach to the panel along with the ability to ask tough questions.

The biggest stake holder in this process is Ottawa County. It affects all of us in many ways, especially the families of the employees. Safe operation of the plant has and always will be my first priority. It is obvious that Davis-Besse and the Nuclear Regulatory Commission both made mistakes as part of this incident; and they have admitted so.

The Restart Overview Panel's function is to provide independent oversight and review of plant activities in regards to restart. This panel is made up of industry experts and myself as a representative from the county.

They probably have asked the toughest questions of anyone in this process and will press on until all issues are resolved satisfactorily.

The Restart Overview Panel has been in containment and will go back, because they are committed to this assignment.

All of the members of the panel have added additional expertise in some manner during this process. It was never intended to be and never will be a rubber stamp.

I believe we must evaluate the value of the continued operation of the Davis-Besse Nuclear Power Station in terms of safety, and value to the community. Mistakes were certainly made in regards to the head incident, but there have been many good things happening at the plant over the years.

We must ensure that this type of incident never happens again, and get back to operating the plant safely and as a benefit to the community.

This has been a monumental task for everyone, and the process to get there is unbelievable, but I believe that the indicators show that we are moving forward. Let there be no mistake, there is a lot of work to do yet, but I believe you are getting there.

The management team and the process is in place to make the right decisions and lead this process to completion. The employees are a dedicated group that live here and want to do what is right. It's been a tough

process and they have worked long and hard to get to where they are today.

I congratulate you on the improvements you have made. Keep up the good work.

Davis-Besse has made many improvements that go above and beyond the required O350 process. Unfortunately, the public will never see all the improvements and changes that have been made. The process has been long and tough, but the end result should be a good one.

There has never been any effort that I am aware of to not address an issue, but to the contrary, they are going above and beyond to address issues.

The plant has also planned for improvements that will continue to be made after restart. I believe it is now time to move forward with the safe restart of Davis-Besse at the time when the plant and the NRC has addressed all of the necessary issues appropriately.

I urge everyone to give the Davis-Besse team and the Nuclear Regulatory Commission the opportunity to make it happen, and work with them to get there.

I believe you can safely operate this plant in the future, but also believe that close scrutiny must continue by Davis-Besse, the NRC, FENOC, FirstEnergy, the County and the public.

My family lives here along with my grandchildren,

and I would never suggest restart if I believe a credible safety risk is involved. It is time to move forward in the process, and restart with safety as the number one and only goal. Thank you.

MR. GROBE: Thank you very much, Jere. I did notice earlier that another member of the Restart Oversight Panel was present at this meeting. He left a bit ago. That is Christopher Bakken. He's Chief Nuclear Officer from ~~Merit~~ American Electric Power Corporation.

And, of course, Bob Saunders, President of FENOC is here.

I attend as well as some of the other NRC staff those meetings each month. And Jere is right, they're a challenging committee and I appreciate their contribution.

Yes, sir.

MR. KOEBEL: Thank you, Jack.

My name is Carl Koebel. I'm President of the Ottawa County Commissioners, and I'm here today to represent the feelings of the Commissioners toward what got us here.

Davis-Besse, as we've seen today through it's management and its staff has worked extremely hard to get to this point. And I think what I heard today and what was stressed today was change. And I know from previous experiences in other departments and with the county staff, change is difficult. Change is always consistent, but it's

difficult.

And, especially when you look at change in an area like Davis-Besse Nuclear Power, where it can affect the people, it can affect the community, and it's from the people that live and work, that work there, live within the community, that stress has to be very, very high on them.

And I commend the staff of Davis-Besse for doing what they're doing. And I commend them for the progress that they've made today, both the staff and the management.

Davis-Besse is very important to Ottawa County. There is no question. And I appreciate that Davis-Besse over the years has kept the county very well informed of what was going on at the plant. And the NRC has been very helpful in keeping us informed of what's been going on during this oversight review.

I also would like to commend Davis-Besse for allowing us the opportunity to have representation on their Restart Overview Panel by allowing us to have Jere Witt sit on that panel. It's been very, very helpful to us.

One thing we know is that our expectations are that that plant must be operated with safety as priority one. We heard that today from Mr. Myers. We heard that at previous meetings. And I really believe that there is a definite commitment from management and employees at

Davis-Besse that priority one is safety, priority one will be safety and that priority one safety will build again the confidence that we've had in the past of Davis-Besse.

We lost some of that confidence. We're gaining it back every meeting, every meeting, every meeting. Today, my confidence gained more than it did the last month. And I think next month it will gain even more, because we're seeing a move toward restart. And we know how important that is.

Why is it important? Think of the contributions that Davis-Besse has made to this county. We just went through a tornado. Because of the Davis-Besse siren, we were able to warn the people. And, although we lost a lot of property, we lost no life and we had no serious harm to anyone. And that was, one of the reasons were the people were able to be notified. Why were they able to be notified? Because of the siren system for Davis-Besse.

We also were able to expand that siren system outside of the ten miles going around Davis-Besse, and to the rest of the county, thanks to the help of Reggie Strauss, one of the employees of Davis-Besse. We were able to get those, and we know there is a hundred percent coverage of every home in the county. We could not have done that without the quality of people that are, were presented to us through Davis-Besse.

One of our, one of our members ran into an individual that worked at Davis-Besse, who informed them that Davis-Besse allowed them off work to work with the Red Cross during this last tornado. Most industries wouldn't do that.

Our funding for our EMA through Davis-Besse has allowed us to have training for things that we have to live with on Davis-Besse because of where we are. Things like floods, many of the other natural disasters. Through the Davis-Besse training, we have been able to handle those disasters much better than we would without Davis-Besse.

Of course Davis-Besse is our largest employer. Not only does it provides jobs for our people, it provides taxes for our government to run and it also provides business opportunities for the other businesses in the county.

One of the examples that nobody thinks about is, small things like funding the radio system for our law enforcement and our fire and our EMS. This is being done by Davis-Besse. And they're not tooting their horn. They're not going out bragging about it. And there is so many other things like this, that we could go on for hours, but I don't have the time and I'm sure that everybody else is as hungry as I am.

So, what I would like to do is say, what do we get

if we don't start Davis-Besse? We get a mortar and brick building that contains radioactive material, and that's good for no one. If we restart Davis-Besse with priority, safety as priority number one, we get jobs, we get dollars, we get a well run plant, we get growth in this county, we just get everything that we need that's positive.

That's where we need to go. That's where I think we're headed, and I commend you all for getting us to this point. Thank you.

MR. GROBE: Thank you, Carl.

The charts over on the wall describe hardware and software issues, program issues, but I thought Bill Dean on my left asked an excellent question, and that is that we need to get a little more into the issues that got Davis-Besse into the situation they were in; and that is the cultural issues.

We heard a little bit today about the cultural changes that are going on in Operations, and we ask that that be expanded on in our next meeting, and that's good. And Bill asked that we get some additional information on the Safety Culture, Safety Conscious Work Environment, any performance indicators that the company is using. And there is several of them, as well as we had talked previously about safety culture, I believe it was the meeting at the Davis-Besse Administration Building.

And Bill Pearce indicated that they had planned an additional survey of the staff to, to evaluate the attitudes and views of the staff. And in meetings last evening with Lew, I understand that FirstEnergy is planning a little bit broader assessment concept of Safety Culture and Safety Conscious Work Environment. And, that will be on our agenda for next month also.

Carl indicated that Davis-Besse folks may have lost some people's confidence in their performance that led up to the discovery last March. He was generous in not focusing too much of his comments on the NRC. The NRC I think also lost some public confidence. And, I hope each of you that's been able to attend these meetings has been able to see how we do our job and get a better perspective and understand the efforts, the self-assessment efforts that we're going through.

Last month, Art Howell, who is my counterpart in Region IV in Texas, presented our own self-assessment and corrective actions were taken. There will be a commission meeting I believe sometime in January where the commissioners are going to hear the results of that self-assessment, what corrective actions we're implementing to improve our performance.

Are there any other local elected officials or representatives of elected officials that want to come to

the microphone? Yes, sir?

MR. OPFER: Good afternoon. I appreciate the opportunity to testify today. My name is Darrell Opfer. For ten years, I was a County Commissioner during what I call the middle period at Davis-Besse. For nine years, I was a State Representative, and the point person of my caucus on the discussion and eventual adoption of deregulation. Currently, I've been for two and a half years the Director of the Ottawa County Improvement Corporation, which is the Economic Development Agency for Ottawa County and its various subdivisions.

A couple of comments that I would like to make today with regard to the importance of Davis-Besse to our community. And I do this, because when I was in the Legislature, a number of my fellow Legislators found it difficult to understand why I was supportive of nuclear power, and the Davis-Besse Plant in particular.

One of the things that you need to understand is that within a few miles of where you're sitting, actually a few thousand feet, Ottawa County for a number of years had a major employer; and that was the Erie Ordinance Depot and the Erie Army Depot which employed thousands of people and brought thousands into the county during, especially during and after World War II. That no longer exists, and we're still struggling to try to increase the amount of

employment at that site to a portion of what we previously had.

Next door, we have the Uniroyal building, which used to have four to five hundred employees. That's now sitting vacant. We had the Standard Products in Port Clinton, which had four to five hundred. Now vacant. We had the Celotex Quarry, which closed up last year, 150 employees. Last Friday, the Metaldyne Company, which is in the Erie Industrial Park closed, laying off approximately 80 to a hundred people.

This county has been consistently declared by the State of Ohio and the federal government to be a labor surplus county, entitling us to certain benefits in terms of tax credits and so on, but nevertheless, we are one of the few counties in the State of Ohio outside of Appalachia to be considered a labor surplus county.

Besides being the major employer in Ottawa County, one of the things that is fairly easy to understand is the taxes that the Davis-Besse pays to the school, the township, the county, and also we shouldn't forget the State of Ohio. It is also a major attraction of folks to utilize our seasonal or particularly especially when they have the, refueling in the nonsummer season, attracting people to utilize our hotels, motels, restaurants and other facilities.

It has, Carl has mentioned our EMA. It also provided, when I was County Commissioner, a facility in the courthouse, which although it's not the highest cost facility, it certainly represents an excellent facility that does us proud, not only with regard to Davis-Besse, with floods and tornados as well.

The radio system was mentioned. It was not mentioned that we, we have some roads in the area that because of flooding were built up by Davis-Besse, so that employees and emergency personnel could get to and from the plant, and the area.

It has not been mentioned that Davis-Besse has provided a great deal of environmental support for the area. That the wildlife is important to our area as a contributor of habitat to our bird migrations, the eagles and so on. This county relies very heavily upon the wildlife, the other things to bring folks in.

One of the concerns that some of my fellow Legislators had on occasion was, well, you know, why don't you go to wind power, why don't you go to coal, and so on. I'm not sure how many acres are in Ottawa County, but the estimate is that it would take 140,000 acres of windmills to replace Davis-Besse. And I'm not sure that we have that, that much acreage to spare in Ottawa County.

The obvious concern about coal is the other

pollutants that it produces, and we're spending considerable time, energy and expense now to try to mitigate that.

I'm also concerned about the cost of electricity and the capacity of our electric generation for the future. When I was in the Legislature, we were very careful not to duplicate California and its problems, which we had anticipated, but I am concerned about the year 2006, which will be the end of the market phase of deregulation in this area, and what this will do when we go to the marketplace and have true competition, as to what will be the price of electricity and whether there will be adequate supplies to take care of our needs.

Some of my fellow Legislators thought that gas peaking plants were the solution. They are not a long-term solution. The use of gas during already high consumption periods concerns me, especially since my gas bill is five times what my electric bill is, and we haven't had any peaking plants put on line in the area yet.

I'm also concerned and wondering about the national emergency. Those who oppose nuclear power constantly talk about terrorists attacking a nuclear power station. My concern after knowing the type of security that there is at the Davis-Besse Plant is not about terrorist activities there, as much as what happens if there is a terrorist

activity in one of our surrounding cities, and do we have the transmission line or transmission capability to provide electricity in that kind of situation.

My concern is that -- and I do want to commend the NRC, commend FirstEnergy, and other folks that are working on this particular issue. My concern is that we not get into a finger pointing issue, or an argument of a did too or did not, and that the plant closure not be delayed as a result of that type of activity.

I followed the progress of the various committees, and am certainly impressed with what has happened.

A question that I have is, we have a number of local business people and political leaders who were not able to be here today. For example, the Mayor of Port Clinton called and said that he had a council meeting this evening. My question is, can the meeting feedback form be used by folks to make comments to the NRC without necessarily being present at the meeting?

MR. GROBE: Absolutely. Thank you. You're an excellent segue. In addition to these cards, if you have a comment, we also have meeting feedback forms. You don't even have to put a stamp on them. Just fill them out and send them back to us and they get right back to my desk.

MR. OPFER: Thank you.

MR. GROBE: As well as a number of other people.

MR. OPFER: I appreciate that, Jack, and I do have some emails, copies of emails that I've received from local business and political leaders, and will present those this evening, if that is acceptable.

MR. GROBE: That would be very good. Thank you.

MR. OPFER: Thank you.

MS. LIPA: The other thing I would like to offer too, Jack, is on the back page of the NRC newsletter is the email address and phone numbers and names of our Public Affairs Officer. So, you can also email questions to us at this email address on the back page.

MR. GROBE: Very good. Are there any other local elected officials or representatives that are here this afternoon?

I would now like to open the floor to any local residents, members of the public from the local area. The rest of you are just dedicated listeners?

Yes, ma'am.

MS. LINCOLN: My name is Connie Lincoln and I'm a contractor at Davis-Besse. And I have a question. I think what, I've gone to all the hearings and

heard different things and you clearly see today that we're really on the road to recovery, and people are feeling pretty enthusiastic, feeling good about where we are. You can see the curves are turning down. We're getting the work done. So, we're sort of at a pivotal point.

So, I think about it, and I think in your shoes, you have the keys to the plant. And you also are taking a look at it, hopefully from a bigger look and a strategic viewpoint on what has happened.

So, in sitting back and looking at it from the bigger picture, what I ask you is what haven't you heard that you want to hear from Davis-Besse, and is there any showstoppers that you see that we need to be thinking about?

MR. GROBE: Excellent questions. I'll make a couple of comments and I'll let Bill think and see if he has some thoughts that he wants to add.

First off, we don't have the keys to the plant. Lew Myers has the keys to the plant. And they've always been with him.

We're observing, we're your representatives, making sure when this plant restarts, it can restart safely, and also that safe operation could be sustained for the long run.

I think there is two areas that are of continuing concern, but before I say that, let me step back. The tenor of the meeting and nature of the comments this evening has been interesting to me, because I haven't seen a whole lot of difference in this meeting than I've seen over the last several meetings. Each meeting there has been steady progress. Each meeting there has been demonstration of what I call the right stuff, over the last three or four months.

Just because those curves have peaked. Those of you who go over and study those curves closely will notice that some of those curves feed other curves, so as one goes down the other goes up. That's good news. It means discovery is beginning to come to an end and resources can be shifted to fixing the problems that have been identified.

There is still a substantial amount of work to be done. Just bulk work. That's one area of focus that I have.

Second area of focus is the design issues. That's an important outstanding question. Discovery is not done in that area.

And the third area is the one that Bill mentioned earlier, and that's the Safety Culture and Safety Conscious Work Environment at the plant. It wasn't any of these hardware issues that caused the head to corrode for four to

six years and not be identified. The indicators were clear. It was the safety culture of the plant that caused that to happen. And we need to make sure that we get our arms firmly around understanding FirstEnergy's view of that safety culture and how it's been changed.

There is a lot of expertise out there that can provide assistance in measuring the safety culture. And lots of times people think that that's not something you can measure because it's, it's not, as most of us engineers relate to, it's not something I can put a calculator on or use a micrometer on or anything like that, but there are indicators that you can develop and monitor safety performance.

So, those are my thoughts.

Did you have anything you wanted to add?

MR. DEAN: Yeah, what I wanted to add, two things I guess. One is, plants that find themselves in this situation where they're in an extended outage due to notable performance issues and a significant type of event that occurred here, there is a definitive life cycle.

Both Jack and I have had experience with other plants that have gone through similar sort of evolutions. And I don't disagree with you. I think I made the point during the presentation, that looking at those curves, that

is a milestone along the way. But I think as you heard Jack say, there is a lot of work that needs to be done.

First of all, you know, we have to get a sense for, you know, you asked, what are the things we need to see. Okay. We've got to get a sense for, in toto, what is the significance of the issues that are on the plate now in terms of, you know, is there a collective significance to that and what has to be done to ameliorate that collective significance, so we have a comfort level that the plant has addressed those issues at least from a hardware perspective that support safe restart.

I applaud the Licensee for taking on some mobile modifications and, that are not associated with the vessel head degradation. I think you heard Lew talk about some today. We talked about others in the past, you know. And so that's the type of indications that we want to see that maybe get towards more the safety culture. Okay. What is the approach that the plant is going to take relative to the application of its resources, the use of its capital investments, in terms of making the plant safe or making it robust and making it capable of being able to operate on an ongoing basis safely.

Okay. Those are the things, the demonstrations we have to see. We are only seeing, what have they done to identify issues. Now we have to see them resolve these

issues, we've got to see them more importantly resolve those issues related to, I want to get this place, in its place to begin with, which gets to the safety culture issue.

And that's going to be a challenge area. It's going to take some sort of qualitative assessment. And, to be honest with you, those issues are not going to be resolved if and when the plant restarts. Okay. Those are going to be long term issues that going to need to be addressed and monitored for a period of time.

MS. LINCOLN: Thanks.

MR. GROBE: Okay, thank you very much. Excellent question.

Floor is open. Anyone here that's not a local resident or worker at the plant that has a question or comment?

MR. DEAN: We have another floor show at 7.

MR. GROBE: I don't know if you heard that. Bill said, we have another floor show at 7. And we do. Those of you that have additional questions that you think of over dinner are welcome back at 7:00.

I just want to make one final observation. As Bill indicated, he was associated with the Millstone facility and the restart effort there, and I've been associated with

a number of restart efforts. And most of those took years.

And, one of the differences that I see at Davis-Besse is that they brought in a strong management team with a good focus. And that doesn't solve the problem, but that allows the problem to be, problem resolution to begin. And, that was done very early on.

We're eight months into this, nine months into this, something like that. And, as I said, you've seen steady progress over the last several months. I think that's noble. Restart is not going to be next month. But there is steady progress being made, and I guess I'll close with that.

Thank you very much.

(Off the record.)

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CERTIFICATE

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal of office at Norwalk, Ohio, on this 16th day of December, 2002.

Marie B. Fresch, RMR

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