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, January 14, 2003, 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~~ Oversight Panel
William Dean, Vice Chairman, ~~MC~~ Oversight Panel
Douglas Simpkins, NRC Resident Inspector
Christopher Scott Thomas,
Senior Resident Inspector
U.S. NRC Office - Davis-Besse
Jon Hopkins, Project Manager Davis-Besse
Anthony Mendiola,
Section Chief PDIII-2, NRR

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
Mike Ross,
Manager - Operations Effectiveness

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MR. GROBE: Good afternoon. My name is Jack Grobe. I'm the Chairman of the NRC's Oversight Panel for the Davis-Besse facility.

Our purpose today is to discuss Davis-Besse's progress on the Return to Service Plan, as well as to inform the public of the NRC's activities at the Davis-Besse facility. This meeting is between the NRC and FirstEnergy Nuclear Operating Company; and it's open to public observation.

Before the meeting is adjourned, there will be an opportunity for the public to ask questions of the NRC staff and provide comments. We're having this meeting transcribed to maintain a record of the meeting and also to allowed others who are unable to attend the meeting today in person, the opportunity to review the information presented and discussed today. The transcript of this meeting will be posted on the NRC's Website in approximately three weeks.

Today's agendas and handouts are available in the lobby, as well as our monthly report. I hope you folks had an opportunity to pick that up and look at it. It's a monthly public document that the NRC publishes. And there is one other important document out there and that's what we refer to as a feedback form. It's a one-page form. It gives you an opportunity to provide comments on the format

and content of this meeting and give us your feedback, so that we can improve the meetings.

As evidenced by the risers today, one of the comments last month in this facility was that folks couldn't see us. And now we have to be careful standing up, for fear of hitting our heads on the ceiling. So, hopefully, you can all see us today.

I would like to introduce the NRC staff that's here today. On my immediate left is Bill Dean. Bill is the Deputy Director of the Division of Engineering in our Headquarters Office and he's the Vice Chairman of this panel.

On his left is Tony Mendiola. Tony is the Supervisor in the Licensing Area in our Office of Nuclear Reactor Regulation in Headquarters.

And, on his left is Jon Hopkins. Jon is the Licensing Project Manager and Jon specifically works on Davis-Besse.

On my right is Scott Thomas. Scott raise your hand. Scott is the Senior Resident Inspector at the Davis-Besse facility; reports to work every day at Davis-Besse.

And, on his right is Doug Simpkins. Doug is the Resident Inspector.

Also, in the audience is Jay Collins. Jay is an

engineer out of our Headquarters Offices on rotation at Davis-Besse. He's also working at the site every day.

In the audience is Jan Strasma. There is Jan. Jan is our Public Affairs ~~Office~~Officer in Region III; and is available to help anybody with public information questions.

Rolland Lickus. Where is Rolland? There he is. Rolland is our State Liaison Officer.

We also have Nancy Keller out in the foyer. Nancy is the Resident Office Assistant of the Resident Inspector's Office here at Davis-Besse.

And, of course, we have Marie Fresch again, who is our transcriber.

I would like now if there are any public officials, local public officials, I would like to give them an opportunity to introduce themselves.

STEVE ARNDT: Steve Arndt, County Commissioner.

JOHN PAPCUN: John Papcun, Ottawa County Commissioner.

CARL KOEBEL: Carl Koebel, Ottawa County Commissioner.

JERE WITT: Jere Witt, County Administrator.

TOM BROWN: Tom Brown, Mayor

of Port Clinton.

MR. GROBE: Welcome. Thank you for coming today.

Slide three, please.

During the meeting today, we'll summarize the two recent meetings we had in December, as well as recent inspection activities; and then turn the meeting over and ask FirstEnergy for their presentation.

As I mentioned earlier, we'll take a brief recess and then invite questions and comments from the public.

Lew, at this time would you introduce your staff?

MR. MYERS: Yes, thank you. At the end of our table at the right, we have Bob Saunders -- Bob Schrauder, I'm sorry. Bob is in charge of, he comes from our Perry Plant. He's our Support Director. Bob is now working on, with the engineering staff on our engineering issues.

Next to him is Mike Ross. Mike Ross is filling in for Bob at the present time in his capacity.

Jim Powers next to me. He's our Director of Engineering.

I'm Lew Myers, I'm the site Vice President, and Chief Operating Officer of FirstEnergy Nuclear Operating Company.

Randy Fast next to, on my left here, is our Plant

Manager; and has been with the plant for about a year or so, before that he was at our Beaver Valley Plant.

Mike Stevens next to him. Mike came to us from, from our Perry Plant, been here a couple years, Director of Maintenance.

And then Bill Pearce is next to him. And, Bill is our VP of Oversight.

In the audience also, we have Bob Saunders with us today. Bob is the President of FirstEnergy Nuclear Operating Company.

And also have Fred Giese with us today. Fred is the FENOC Manager in charge of Human Resources.

MR. GROBE: Okay, very good. Thanks.

Let's go to slide 4. At this time, I would ask Bill Dean to briefly summarize the December 10th, 2002 meeting.

MR. PEARCE: Thank you, Jack.

First of all, one of the things that we discussed at that meeting was the status of current NRC activities as they relate to inspections of Davis-Besse activities. In particular, we noted at the meeting that we had released inspection reports related to our inspection of Davis-Besse containment, extended condition efforts, as well as our efforts regarding reactor pressure vessel head replacement. And that those inspection reports were

publicly available.

We also described the status of some of our ongoing activities related to things like Program Effectiveness, System Health Assurance, Organizational Effectiveness and Human Performance and Resident Inspector Activities; and noted that a key aspect of completing those procedures is the fact that they are contingent upon progress that the Licensee makes relative to their own programs in trying to restore those activities.

With respect to information that the Licensee provided to us and that's pretty much conveyed on the slide in terms of the key topics discussed. Under Management and Human Performance, we spent some time talking about the Safety Conscious Work Environment and Organizational Alignment, and efforts that the Licensee has to try and improve and solidify those areas, as well as insights gained from their Management Observation Program to-date, which they are using to determine how well safety standards and expectations are being translated and implemented to the field.

We spent some time talking about their Root Cause Assessment of Operations. The key aspect of that Root Cause Assessment was that Operations did not take a leadership role in assuring plant safety. And they described efforts that were in place to try and embody this

in their site activities; and the greater involvement in things like plant reviews and maintenance work.

We discussed some of the near term goals that the Licensee had identified and need to be completed in terms of supporting potential plant restart; and they described a sequence of events, including reloading the core, performing integrated leak rate test of containment, reaching normal operating pressure and normal operating temperature in order to do a leak test of the Reactor Coolant System, with some particular focus on areas where they had done work in the Reactor Coolant System as well as the bottom of the reactor vessel head.

Under Containment Health area, the Licensee noted that they felt they had completed the discovery activities, though there still was a substantial amount of effort needed to characterize corrective actions for those things that they identified, and that major work was in progress on components, such as the containment air coolers, modification to the sump in containment and paint and coatings activity within containment.

In the System Health area, it was noted that many reviews had been done and were awaiting Senior Management review. That there were, through their assessment, they identified several key design issues, including things like calculational problems, service water temperature issues

and diesel loading. That they were taking these lessons learned and conducting a thorough, more thorough assessment of 15 key safety systems, and that there would be a meeting on the 23rd of December in the Region to discuss these plans, and Jack will summarize that meeting in a few minutes.

Under the area of Plant Programs, they noted much of their review work had been done. A key aspect of that was development of a Integrated Leakage Program, which would be one of the things that we will assess.

Over there on the wall facing the lake are some performance indicators and trends. And at the last meeting, the Licensee utilized the same approach towards showing where they were relative to what we call discovery versus work-off rate. And the Licensee used those matrixes as evidence that they believed that they had reached a key milestone, that being the rate of work-off was now exceeding the rate of work identification.

In other words, they had turned a corner, as you will, in terms of discovery of issues that needed to be assessed and corrected, and that they are now on an increasingly improved trend of effecting corrective actions. And so, that will be something that certainly we'll talk about some more today.

Finally, in the area of realignment of resources to

get operational alignment; fairly soon before a previous meeting, the Licensee had taken some action to reduce the amount of contractor work force that existed on the site. And we discussed it at some length the intent of that.

And, for example, reducing reliance on contractors and bringing plant staff more in line, in terms of what they're trying to do organizationally and operationally; and, the fact that we felt that that change warranted some close attention and monitoring, and that the Quality Assurance Organization had instituted a review of plant activities associated with that effort. And we hope to hear some more about that today.

So, that pretty much summarizes fairly quickly the meeting from last time.

You notice at the bottom of the slide, the transcripts of the meeting, I think -- are they available now? Are available now on that Website and that page address is given there. Thank you.

MR. GROBE: Thanks, Bill.

As Bill indicated, if we could go to the next slide, I'm going to briefly summarize a specialized, a specially focused meeting that we had on December 23rd. That meeting was particularly focused on the engineering and engineering specifically design issues that the company was identifying and how they were going to resolve those issues.

FirstEnergy described three separate activities that they had under way to continue identifying issues and address the issues that they've identified to-date.

To step back a little bit, let me previously summarize the activities that FirstEnergy had previously undertaken. They performed a detailed design review on five risk significant safety systems. And in addition to that, they performed a functional review, a less detailed, less design focused review on 31 additional systems.

They completed those reviews and identified a number of issues. The three activities that they have now undertaken, the first one is simply the fact that they have to address all of the engineering issues that they've identified to-date, determine whether or not those issues affect the functionality of systems, and implement appropriate actions to address those deficiencies.

The second focus area that they have under, have undertaken currently, has to do with the fact that through the course of doing the detailed design reviews, they identified six engineering areas, specific technical issues, that they believe required a broader look across other systems. And, on the 23rd, FirstEnergy described the topical areas and how they're going to accomplish those broad foundational-type reviews in those engineering areas.

And the third focus area was an expansion of the design review. They identified a number of design issues that caused some concern in their minds, regarding whether or not there is additional design issues out there that they had not yet identified. So, they chose to expand the scope to 15 systems. So, they're doing, currently have under way detailed design review of an additional number of systems, so the total of 15 systems will be reviewed.

Throughout this entire process, they'll be continuing to evaluate the findings that they identify, and how those findings might translate into the need for additional evaluation.

Currently, we have two Engineering Design Inspectors out of the Region III Office in Chicago that are in Virginia where that work is ongoing as we speak, performing inspections of those activities.

As indicated at the bottom of this page, the transcript of the 23rd meeting is not yet completed, but it will be shortly posted on the NRC Website.

Can we go to slide 6, please.

I would now like to just briefly go through our Restart Checklist and summarize the recent inspection activities we've accomplished.

The first checklist area is, focuses on root causes; and specifically the root cause of the technical issues

that resulted in the head degradation, and the root cause of the organizational, programmatic, and human performance issues.

The review of the technical root cause is ongoing. I expect it to be completed this month, and we have not identified any significant concerns with respect to restart regarding the technical root cause.

I would like to talk about the organizational, programmatic issues a little bit later when we get into the human performance area of the checklist.

The next slide describes the, what we call the Adequacy of Safety Significant Structures, Systems and Components. There is a number of areas that are captured under this checklist item. As I mentioned earlier, inspection is ongoing in the Systems area, specific design inspection work. There have been no inspections completed in this area since the last time we met publicly.

Adequacy of Safety Significant Programs; when we undertook this inspection in October, several of the programs were completed and we reported out in a previous public meeting on our inspections of those programs. The remainder of the programs, with the exception of the Radiation Protection Program, have been completed by the company, and our inspection is scheduled to examine those programs.

Since the last time we met publicly, we've issued a report regarding Radiation Protection Program. It was actually two special inspection reports that were transmitted to FirstEnergy under one letter. These are the inspections that were precipitated by some release of radioactive materials that occurred last spring.

The inspection focused on two aspects of the events that led up to that release. One was the off-site consequences of the release of radioactive materials that occurred, as well as the organizational deficiencies that allowed that to occur.

We had one violation that we cited in that report. It was characterized as what we call a green finding. What that means is, it's of low safety significance. We concluded that the material that was released to the public, in the public domain, was not of health concern to members of the public.

The second aspect of that inspection focused on the workers and the work control of their radiological protection while they were working in the plant. We had two violations, two findings in that area of the inspection. The first one concerned the company's failure to adequately assess the working conditions prior to commencing work. That was characterized as what we call a white finding. That means it has low to moderate safety

significance.

The reason that finding was elevated above our lowest level of significance was because there was a substantial potential for those workers to experience an overexposure in excess of our limits. In this case, they did not experience that, but the work controls and the assessment of the radiological conditions was such that it was clearly possible for them to have experienced an overexposure.

And those are not good situations to be in, so that violation was characterized as what we call escalated enforcement or white finding. And there will be additional inspecting work in that area.

The third finding, second finding in the area of worker control had to do with the assessment of dose of the workers. These workers were exposed to an unusual type of radiation that you don't often find in nuclear power plants. It's what's referred to as alpha radiation. It comes from certain elements that are found in the fuel, they're call transuranic elements.

When you have a worker exposed to that radiation, there is different type of dose assessment techniques that have to be used, and the company had deficiencies in that aspect of their dose assessment. That was also characterized as a white finding, because it was more

significant.

So, that is, those are the results of the Radiation Protection Special Inspections. As you will recall, we added Radiation Protection to the Restart Checklist in October after we completed those inspections. Those inspection were actually completed in the middle of October. And, because of the findings from those inspections, the panel determined that the Radiation Protection Program should get additional evaluation by the NRC prior to restart.

Go on to the next slide.

This area is the Adequacy of Organizational Effectiveness and Human Performance. There will be a report; hopefully it's on my desk right now; that's issued in the next week or so, addressing these areas. When we completed this inspection, we were able to address approximately one third of the areas that we need to address prior to restart.

At that time, two of the Root Cause Analyses were done. One concerned the Quality Assurance Organization's effectiveness and their contribution to what resulted in the shutdown of Davis-Besse plant. And the second one was a specific analysis of what we call Organizational Barriers. It's a barrier analysis. It looks at all the different things that could have prevented this problem

from occurring at Davis-Besse.

There was a number of other assessments that the company had under way. One in the Engineering area; one in evaluating the Corporate Nuclear Oversight Board. I can't recall all of them right at the moment, but those four were not completed at the time of this inspection. They are completed now. And I believe they've been submitted on the docket, and they're publicly available for interested members of the public. This inspection will be ongoing, and we'll examine those other areas in the future.

The findings to-date evaluating the two assessments that we were able to complete, we found that the assessments were comprehensive; that they identified, we believe, appropriate issues; and appropriate corrective actions were identified to address those issues.

As I said though, the inspection is only approximately a third complete, so there is additional work to do in that area.

On the next slide, we have what we call Readiness for Restart. That's three particular areas that we're going to be focusing prior to restart. These inspections have not yet begun.

The next slide, Licensing Issue Resolution and Resolution of Confirmatory Action Letter. The remaining three American Society Mechanical Engineering code relief

requests have been issued by our Office of Nuclear Reactor Regulation. So, those three issues have been adequately resolved since the last time we met.

And, of course, prior to restart approval, the company needs to meet with us: and in a recent letter that we issued updating the CAL, we described in more detail the letter that the company intends to send to us when they believe that they're ready for restart, and the meeting that will occur at that time, if and when we get there.

We have a number of continuing NRC inspections. As I mentioned a moment ago, the Organizational Effectiveness and Human Performance Inspection is ongoing. As I mentioned a little bit earlier, System Health Reviews, that's the design issues is the principle focus of the inspection work we have ongoing in that area.

Safety Significant Programs, we have a number of programs yet to review. And of course we have ongoing Resident Inspection. Our Residents inspect on a six-week cycle. That inspection cycle completes today. We'll be exiting with the company tomorrow on the inspection findings from the last six weeks and that report will be issued in about 21 days. We'll be discussing the results of that inspection at our next public meeting.

Before we go on, I would like to briefly mention a very important meeting we have coming up at the end of

January. It's scheduled for, currently for January 30th, I believe at 10:00 in the morning. It will be conducted in the Region III office.

We'll make availability to attend that meeting both through video teleconference with our headquarters office for anybody in the Washington area that's interested; also through audio teleconferencing for anybody who is interested in this area to sit in on that meeting, if they're not able to travel to Chicago.

The focus of that meeting will be Safety Culture; one of the principal root causes that resulted in the head degradation going undiscovered for a number of years at Davis-Besse was the safety focus or safety culture of the facility. The company has determined that they're going to develop a more clear and focused method to assess the safety culture of the facility, but that assessment will be ongoing. It will start immediately and go on well past restart.

And, on the 30th, they're going to present to us the context of that safety culture assessment, what types of indicators and assessment tools they're going to use. So, that's a very important meeting, and I look forward to that.

Unless there is anything I forgot -- oh, okay. Scott just reminded me that the last inspection site were

completed December 28th. So, I apologize for that.

With that, let me turn it over to you, Lew, for your presentation, with the information you want to share with us today.

MR. MYERS: Thank you very much.

For the public we're going to try to do some things a little different today. Our desired outcome is to demonstrate that we continue to make progress to support the restart of the plant.

We're going to have Randy Fast our director, our Plant Manager talk about that.

The 350 process, Clark Price talked about last month, will discuss the 350 process, and status with you.

The Corrective Action Program, the Corrective Action Program is probably one of the most important management programs that we have at our plant. And it's designed to identify our problems and give management a way to keep them visible, classify them, prioritize them and fix the problems that we find on a daily basis.

That program was one of the major programmatic breakdowns that we had. We've done things to enhance the program since shutdown. We've done things to increase the line management involvement and ownership. Dave Gudger is the owner of that program. He's one of our first line

managers.

We're going to have him present to you today the status of the Corrective Action Program that we've been using since the shutdown, and we've got to make that program work well in order to restart the plant.

The Reactor Coolant System and its integrity is why we're here today. You know, I believe that we've got some, a new program in place, that's different, a different approach than what we've seen at D-B before, and we think in the industry. Jerry Lee, one of our lead engineers and the owner of that program will discuss that today.

Next desired outcome, if you will, is to demonstrate that we're getting ready to reload the reactor core, fuel reload, if you will.

We'll discuss Fuel Reload Readiness. Mike Roder is our Operations Manager. He will come up to the microphone and discuss that.

Fuel Reliability is a really important part of restarting the plant. And when we reload the core, we need to make sure that our fuel is going to be very reliable. We have Dan Kelley with us. Dan is our Director Engineer. His degree is in Nuclear Engineering, from the University of Cincinnati. We think we have him ready to communicate with the public. And he's going to talk about our fuel, and what he's done to ensure that fuel integrity is good

and better than when we initially planned, as a matter of fact.

Greg Dunn is going to talk about the Integrity Assurance, and he will spend some time on that today.

Finally, we want to discuss the Human Performance and Safety Culture. What we're going to try to do here is give you a briefing, if you will, on some of the things we'll discuss at the January 30th meeting. And I'm going to talk a little bit about the Safety Culture.

And what we do at our plant is we tend to separate Safety Culture and Safety Conscious Work Environment. And Safety Conscious Work Environment is a really important part of getting people to be able to identify problems. Corrective Action Program is a key part of that, but we have some other ways that people can bring up issues also. Bill Pearce is going to discuss Safety Conscious Work Environment.

Finally, we're going to provide you an update, if you will, on the integrated schedule, if time permits, and Mike Stevens will talk about that. Okay. That's what our desire is today.

MR. GROBE: Okay.

MR. MYERS: Now, before we get started, I thought I would take a moment and just clarify terms with the public. We're going to use some

terms called Mode 1, 2, 3, 4, 5, and 6.

Mode 6, if you will, is when we load the core or the fuel back into the reactor vessel. The fuel is now in our spent fuel pit, and we move it from the spent fuel pit area over to the reactor vessel. That's an activity we're getting ready to do.

When we do that, we normally do it under at least 21 feet of water. We're having Restart Readiness Review meetings tomorrow to make sure we're ready to reload the core. Not to restart the plant, but to reload the core. And we want to make sure we are ready. That's Mode 6.

Mode 5, now, is a different mode. Now, the only difference between Mode 5 and 6 is we go in and we hook up all the electronics and all the control rod drives that we use to control the reactor with and put the reactor head down and bolt it down. When we do that, the reactor vessel is a, becomes a pressure boundary. It will hold pressure, much like a steam pot in your house, something like that, ready to hold pressure. So that's a changing condition in our plant. We refer to that as Mode 5.

The startup, startup and heatup on reactor coolant pumps is Mode 4. What that is, that's not starting the reactor up. That's starting the reactor coolant pumps up. Randy is going to talk some about the reactor coolant pumps later on.

What you'll see is each one of those, these coolant pumps circulate about 9,000 gallons of water each. And if you circulate all that water, you create what we call pump heat; several megawatts of pump heat. With that pump heat alone, you could heat the reactor up to normal operating temperatures and pressures, which is normally about 2250 pounds, 600 degrees or so.

So, we intend to do that sometime to do a leak check early part of March. And that's where you start to heat up. And, then as you get full system temperature and pressure, it's called Mode 3; that's normal operating temperature and pressure.

Then, finally, you take the reactor to critical. We're going to talk some today about, that is about the reactor fuel assemblies. When we take the reactor critical for the first time, that's called reactor startup, Mode 2.

And then, finally, Mode 1 is power operations, and that's reactor power of 5 percent, a very rigid, licensed nuclear power. Okay.

With that, I'll turn it over to Randy Fast.

MR. FAST: All right, thank you, Lew.

Good afternoon. I'm pleased to update us on our restart preparations. In that vein, we really have three key activities that I want to focus on. Certainly, we're

doing many, many activities, but these three really highlight some of our preparations for restart, and this is our commitment to safety.

So, I'm going to get down from the stage. I have a series of pictures that I want to go through and I want to be able to at least show, show you where we are on these three key areas, and the preparations that we've made.

Those are on the Containment Emergency Sump. Certainly, every meeting we've had a good bit of discussion with that. I've brought a little show and tell. We'll talk that through. We'll talk about the Reactor Safety Seal Plate. Show some pictures, why that's important. And as Lew identified, we'll talk about Reactor Coolant Pumps.

All right, first picture, please.

What we have is, down in containment at the 565 foot elevation, that's down in the bottom of the containment, is a bunker. It's a concrete bunker, and it's called a sump, much like in maybe the basement of your house, you have a sump where water will collect and you can pump it out. This is an area in the lower elevation of containment where water can be collected.

Under design basis accident, water is collected in this area and is recirculated through safety pumps to assure long term cooling. What's important about this is the as-found condition at a sump with a screen square

footage area of around 50 square feet.

Now, what that demonstrates is the ability to be able to strain out any miscellaneous debris that would be in containment and recirculate through these pumps. We found that that did not meet industry standards and we wanted to take a leadership role in improving our sump design.

So, what we see here is one of our iron workers, the craft people that are doing this work. And he's standing on top of what we call W-4, stainless steel I-beams. Those I-beams are providing structural support in that sump.

Sitting there, what we have is two, what we call, kind of affectionately call, top hats. What those are is a strainer; and I've got one up here. I'll just describe a little bit about it.

As I had talked about the original design of the sump had about 50 square feet of sump area. This is a single top hat strainer that has about 15 square feet of surface area per strainer capability. It has an inside and an outside, kind of like an oil filter in your car where you have a dual filter, they had years ago, you know, the auto manufacturers came up with this dual filter arrangement.

That's kind of what this is. You have filtration from the outside, as well, water can come up -- and

certainly at the break or afterwards, come up and take a look at this -- but water can also spill into the inside. So, you have about 9 square feet of surface area on the outside, about 6 square feet on the inside.

Well, that's 15 square feet. That doesn't sound, that's less than 50. There are 27 of these that will be installed as part of that top hat on the upper sump. Now, the upper sump, that's about 400 square feet. The lower sump as well has a series of pipes that are drilled, these are 3/16 holes. So, actually anything less than 3/16 inch would be strained out.

So, this series of top hats are installed; the 27 on top; and there is, there is an end bed here that goes down underneath the reactor vessel, and that contains the additional, about 800 to 900 square feet of sump that will be available.

Next picture, please.

Okay, this is just a series of photographs of the iron workers again welding in the supports associated with that emergency sump.

Next picture.

MR. GROBE: Randy, before you go on. Is the design change completed for the emergency sump modification that you're describing?

MR. FAST: Jack, we have a

series of design changes. What we're doing is working with our primary vendor on this design, and what we've done is work through a series of changes that represent the engineering requirements to advance this project. So, not all of the design work is completed. All of the conceptual design work is completed, but we still have a number of packages that will come.

The most recently I reviewed was about a week ago, and it provides for all of the structural steel down adjacent to the reactor vessel. So, we still have some additional design change work to do.

MR. GROBE: Okay, when will that design work be completed?

MR. FAST: I was going to say, I think --

MR. POWERS: Prior to restart.

MR. FAST: Yeah, prior to reactor startup; and I'm thinking in my head around the end of February.

MR. GROBE: Okay, thank you.

I think the modification you're making to the sump is very important. Certainly, you're going to provide substantial additional design margin for the sump strainer, but because of the importance of the sump, the risk significance of this one piece of passive equipment, it's

just a pit, essentially, to the functioning of all safety systems; we added this to the Restart Checklist.

And we have to perform a detailed inspection, my expectation is our staff will perform a detailed inspection of that design work as well as the installation, the results of the installation work. So, that design package will be ready for our inspection late February?

MR. FAST: That's when all of the physical work will be completed.

MR. GROBE: Okay, when the design, the engineering work be completed, so we can start looking at the design?

MR. POWERS: Jack, we don't have that yet.

MR. FAST: I don't have that, Jack, we'll get back with you on the specific dates.

I was going to identify -- let me go a step further, just to identify from a technical specification requirement standpoint, as you had identified with system, safety related systems that have to be in service, Lew briefed us on modes. Those would be required for Mode 4; however, administratively as part of power defense in depth, we have a requirement that we have functionality on the sump. And we will demonstrate functionality on the top portion of the sump prior to fuel load.

MR. GROBE: I understand that, but design inspections, as you're well aware, are not trivial; they take time. And we're not going to look at it until you're done with it, so as soon as you're done with it, we need to get a hold of that design package and be able to begin our inspection in that area.

MR. MYERS: We're looking at the schedule up here, it looks like the first part of February.

MR. GROBE: First part of February?

MR. MYERS: Yeah, the design work will be done.

MR. GROBE: Okay.

MR. FAST: I may have been thinking about then as well the construction. Obviously, we'll get you the specific information, so that we can schedule those inspections.

MR. GROBE: Okay.

MR. FAST: Okay. The next area that we want to talk about is the seal plate. Now, what's important about the seal plate is there is an annular space, that's a void space between the reactor vessel and the reactor cavity. And for the life of the plant, and as most plants coming on line, you would provide

a temporary seal. That was a stainless steel plate that would be bolted down and sealed, so we could flood up. We flood to 23 feet to ensure that we can move fuel from the spent fuel pool to the reactor vessel.

What we've done is incorporate a permanent design, a permanent cavity seal. And what you'll see here, and I've got some additional detail in pictures, but we have supports. That's these gray square structures, you see three of them here in the picture. That's for structural rigidity.

Then you have, what you have is a cantilevered box that runs in a circle around the reactor vessel. That provides the structural support.

And then this area is the seal membrane. This is all welded in place and it provides a permanent seal, so that as we flood up, there is no leakage path from the reactor cavity down underneath the reactor vessel.

So, this is certainly an improvement. And there is a couple of things I wanted to mention. One is because this is an evolution that we go through each time we go through a refueling operation; by putting this in permanently, it does not require the time, the effort, and the dose that our workers receive each and every refueling outage. This is now permanent and there will be no dose going forward.

Next slide.

MR. MYERS: Maybe from a safety culture standpoint this is a mod our safety culture people have been asking for, for a long time.

MR. FAST: Yeah. Actually, we did this over at our other station, at Beaver Valley on both units. And the work force, they see this and say, why are we, the rest of the industry has gone and put a permanent seal in, and our workers have reached out.

In fact, I talked to a health physics supervisor the other day. I just asked him, because I always want to check for understanding and verify that our folks appreciate the things we're doing and we are developing the right safety culture. I said, is this important? He said, you betcha. Absolutely. That maneuvering heavy steel plates with gaskets, bolting them down, collecting that dose represents a challenge on our folks.

So, putting this in permanently one time, it's, it's a fail-safe design and it really provides the right standard. And our folks appreciate that. So, it's a significant level of effort to put this in, but it has long reaching improvements and benefits to the station.

Here we have one of our boilermakers. I talked before about iron workers. The iron workers work with the steel. Boilermakers -- Lew's a boilermaker.

MR. MYERS: Yeah.

MR. FAST: I think, Jack, you're a boilermaker.

MR. GROBE: Perdue Boilermaker. (laughter)

MR. FAST: As I was a kid, I didn't know what boilermakers were. Boilermakers make water tanks. You go around the country, you see these water tanks. Boilermakers always make them. Well, that's one of their contributions to society. But, boilermakers really work with steel; and in this case, putting that cavity seal is a boilermaker activity.

Here we have a boilermaker actually measuring with an indexing fixture to make sure that the clearances are exactly right, very exact and demanding tolerances on this, because as it goes through heatup and cooldown, we want to make sure we have the proper flexure and rigidity on the system.

Next slide, please.

Here is a, this is a tool that we used for, to keep our dose as low as reasonably achievable; and what it was, is a movable shield platform. Down in this annulus space is lead blankets.

We did two activities to make sure that our folks maintained our dose as low as reasonably achievable; one is

we placed the reactor vessel head on the vessel. That had two-fold functioning. One, verify proper fitup, but additionally to reduce ~~stringing~~ streaming radiation or the dose to our workers.

Additionally, we put in this shield platform. You can see it's on a wheel, right here where it can rotate around, adjustable on this side, kind of like a hand crank like you have on the front of ~~our~~ your boat. That would level it, put the shielding below, and allow then the workers to have that radiation blocked while the guys were welding the seams on that cavity seal.

So, it just shows the level of effort we're going to with our craft and with our engineering staff to keep our dose low and make these, incorporate these design changes.

MR. MYERS: What is that big thing on the righthand side?

MR. FAST: That's the reactor vessel head. So, this thing actually comes right over adjacent to, it's actually, this is the head.

MR. MYERS: Okay.

MR. FAST: Okay. This is part of the, adjacent to the reactor vessel head, the flange area. This is truly just a barrier, in this case the studs, which are bolted down as part of Mode 5 that Lew talked about, would be just on the other side of that

barrier.

So, this will connect. It bridges from the head over to the cavity, and that provides then the ability to flood up to 23 feet for fuel load.

Okay, the next area and the last area we want to talk about are reactor coolant pumps. This whole assembly is a rotating element, rotating assembly. This is a Byron Jackson pump. And as Lew said, it pumps about 90,000 gallons a minute. That's lot of water. That would, probably just a regular swimming pool in your backyard; it would fill five of those in the course of a minute. So, it's a lot of water.

This portion right here is called the impeller. And you see the veins on the impeller. Now, this picture, I have a better picture a little closer up. But this is what is actually rotating as part of the pump. Just like a water pump in your car that's circulating coolant or fluid through your car to keep it cool, this pump is then pumping reactor coolant through our Reactor Coolant System. There are four reactor coolant pumps.

Now, we actually elected to do preventative maintenance early in its cycle. In fact, let me give you the periodicity. It's about 175,000 hours. Every 175,000 hours, we go in, disassemble and do an inspection. We were only at about 103,000 operating hours on this. That's

about 20 years of operating. And we went in to look at these on the 1/1 and the 1/2. So, that's two of the four reactor coolant pumps.

This is a seal cooler, so we circulate water through a seal package, and that seal package actually provides isolation from the Reactor Coolant System then to the environment of containment.

Next slide.

Here we've got really a better picture. I like this one a little better, because it shows a closer up. And you can see the veins of the pump. Here's the bottom of the pump impeller, and the top portion. This bolts down. This is the flange that actually bolts into the casing for the reactor coolant pump.

So, this was elective maintenance that we did. It's part of our preventative maintenance program. We pulled that up early, so we could get a good look and see what the condition of our reactor coolant pumps were.

And lastly, this is a reactor coolant pump motor. Now, just like with any pump, you have to have a prime mover, something that drives that pump. So, what do you drive that pump with? What do you think it takes to drive 90,000 gallons a minute of fluid? It's a reactor coolant pump motor. This runs at 13,800 volts. This thing is about 9,000 horsepower. This weighs about a hundred

thousand pounds. That's more than 25 average cars in weight. Why? Because there is a lot of copper in this motor.

This is the actual air box. This is the stater. So, that's the outside of the motor. And then inside of the motor running up and down, this is a vertical motor, is the rotor. And that rotor turns at 1800 RPM, and that drives the reactor coolant pump itself.

So, this is actually going back into the, what we call the D-ring. You call it a D-ring, because it's in the shape of a D. Two sides on either side of the reactor is the D-ring, and the two pumps, two motors on each side of the D-ring.

So, this is a significant amount of work for the station. It's been done well. It's been done without injury. And it's been done within the dose budget that we put in place. And we're just about done with this. In fact, we are ready to establish Reactor Coolant System integrity for fuel load; and then, subsequently, we have to couple up the pump to the motor.

So, I just wanted to at least demonstrate some of the work we had been doing in the plant. Folks are working hard and ~~marking~~ making a lot of progress.

MR. MYERS: What do we lift the motor with?

MR. FAST: The question is, what do we lift the motor with? We use the polar crane. The polar crane is rated at 180 tons. So, this is a crane that extends across the periphery of the top of the containment, and reaches down and lifts that motor. So, 180 ton crane it takes to lift 100,000 pound motor.

Other questions?

MR. DEAN: Randy, could you spend, some of the things we discussed in the past as significant work in containment has been the refurbishment of containment air coolers, as well as the substantial effort relative to coatings and painting of containment. Can you update us on where we are with those?

MR. FAST: Sure, Bill. Quickly on the painting project, we have completed both core flood tanks have been, paint has been removed and replaced. We've replaced or repainted all of the containment air cooler supports have been completed, including the fan motors and the fans themselves.

In fact, we're going back in, I was in containment yesterday, we're putting the first of the cooling coils in.

We've removed paint from the majority of the service water piping. We still have a little bit to do yet. And the major part of this project is up in the overhead, is

the dome. It's better than 50 percent done. We've completed down through the lower containment spray ring. And we're continuing to remove that paint from the containment dome with our contractors. So, that work is continuing on.

The containment air coolers, just a quick update on that; the motors are installed on each of the three containment air coolers. As we talked before, those are the large air-handling devices that take air from containment, it draws it in through -- each containment air cooler has twelve cooler assemblies, much like a radiator in your car. However, this radiator weighs 1100 pounds. It's a little bit bigger. Stainless steel. It's built to ASME requirements, because it's a safety piece of equipment.

So, we're installing those. As well, the drop-down dampers. There is a series of dampers that come underneath the containment air coolers. Containment air cooler number one, the drop-down damper is installed. The number 3 is actually rigged up and is probably being lifted today. I haven't been in today, but that was the plan. And then the last is number 2; that one is being delivered to the containment and that will be installed.

Additionally, we have the plenum, which is the outlet where we collect the air that is recirculated

through containment. That's all stainless steel. The floor is not completed, but a lot of the portions are done; and the side walls are starting to go up on that. So, we're making pretty good progress in both painting and the containment air coolers.

Did I miss anything, Bill?

MR. PEARCE: No, thank you.

MR. GROBE: Just a quick follow-up, Randy. I think last time we talked about this subject, but there is some question on what your final approach was going to be on the unqualified coating that was on conduits inside containment. What's your final decision on how you're going to approach that as far as resolution and how do you stand on that?

MR. FAST: Well, engineering has an action to look at a transport analysis that we've contracted. We have to weigh the unqualified coatings in containment against the ability to strain or filter out, as we talked about on the first project, the emergency sump. We need to make sure we're bounded by the amount of unqualified coatings that could get into the sump area and still ensure that we have adequate positive suction for those cooling pumps.

That is still under review. I can't give you specific information on that, but I think by the next

meeting we can give you some very specific information about what that total surface area is and how that will be bounded by our design.

MR. GROBE: Have you decided then to not remove any of the coat-- any of the conduits prior to restart?

MR. FAST: We did the service water piping. We are not doing conduits at this time; however, we have an operations initiative where some of our nonlicensed operators are working with engineering to do some local removal of conduit paint.

MR. POWERS: To add to that, what we're doing, Randy described the ~~nonoperator~~ auxoperator class, so we have containment working with us. This week we're looking at the methodology for removing that unqualified coating of conduit. We want to do it carefully. And the method of cleaning, we don't want to introduce any other problems, for example, stripper chemicals that might be applicable, we're evaluating those; we're also evaluating high pressure spray laser washing to remove it, but we don't want to introduce water into the joints of the conduit system. So, this is some of the consideration we're going through to look at the best way to remove and the most efficient way to remove those coatings. So, these meetings are ongoing this week.

MR. GROBE: Do you expect that you would be initiating coating removal on conduits before restart or is that something you'll be doing in the future?

MR. POWERS: Yes, I would expect we would, Jack. If you look in containment now, as a matter of fact, there is a lot of sponge blasting activity, for example, that we're using to remove coatings on ~~surface~~ service water piping, and we would expect that we would also be removing coatings on conduit. We were just grappling with what the best approach is to do that.

MR. DEAN: Jim, you mentioned localized areas there. Is there some factors or some criteria as far as your focus on some particular areas of removal?

MR. POWERS: Randy described the transport analysis we're preparing, supports our sump design. What that transport analysis means is, in the containment after an accident you have water flow both from sprays above as well as any leaks or water condensation. That water moves through containment down through lower levels. As it does, it may transport along with it paint chips, dust, particulates and such.

And some areas of containment are more susceptible to that water flow than others. For example, some of the

conduit is located in areas where there is no water spray that would affect it. Then, the likelihood of transport of any unqualified coating chips to the sump is minimal.

So, we're focusing on the areas that would have the highest potential for any sort of paint debris to be transported to the sump.

MR. DEAN: Thanks, Jim.

MR. FAST: Any other questions? Okay. With that, I'll turn it over to Clark Price.

MR. MYERS: Jack, I would like to make a couple points.

As we're going through Randy's presentation, we noted that the lifting of the reactor coolant pump motors, the reactor coolant pumps themselves, work inside on the, on the reactor vessel head. The work horse in our containment is our crane, our polar crane. And, Randy kept showing pictures.

That's one of the things that we discussed for about an hour one day in one of our public meetings and that crane now is used on a daily basis. And, in fact, I've been monitoring the use of it. It seems to be, the refurbishments that we've done are working extremely well. We've added a lot of new technology to it.

MR. PRICE: Okay, I guess it's

my turn. My name is Clark Price. As Randy stated, I'm the owner of the Restart Action Process at Davis-Besse.

One of my responsibilities is to coordinate the plant's restart activities associated with the NRC 0350 Restart Checklist; and today, I would like to provide you with an overall status of our progress to-date.

Under our Return to Service Plan, we've developed several Building Blocks to detail our restart plans. Listed on this slide are several significant milestones that we have completed in those actions.

I'm going to do a little movement too. I'm going to go over to the charts and discuss some of these milestones, and looking at the charts at the same time. If I get in your way, please let me know.

One of our Building Blocks is the Containment Health Assurance Plan, which we developed to address the effects the boric acid environment had on our containment structure, systems and components.

We completed all of our discovery restart activities associated with that, including comprehensive walkdowns and inspections of the entire containment building.

We documented everything we found on condition reports, which is what is shown on the first chart here. As you can see, we are making progress. We're working down those condition reports and doing the necessary evaluations

that are necessary to identify the corrective actions that are necessary to complete what we found. And those are identified in the second chart here.

These evaluations generate, well, these corrective actions are then, they go through the Restart Station Review Board for classification to determine what corrective actions are required for restart and which can wait until after restart. And once they are determined to be restart, they're put into our schedule and then implemented by the assigned organizations.

So, what you can see here, and what Bill Dean mentioned earlier, is part of what we discussed last month, is we peaked out in late October and November time frame in a lot of our discovery activities; and you can see that in the chart. What that basically says, is the incoming conditions that we identified, we're working those off now at a greater rate.

As a matter of fact, now as we've gotten through discovery our incoming is almost nil and we're continuing to work off the condition reports. We need to work those off and turn those into corrective actions and get about working on those. And, that's what you see.

In the second set of two charts here are Program Compliance Building Blocks. We've completed both our Phase 1 and Phase 2 Program Reviews. The Phase 2 Program Reviews

are specifically on the NRC's 350 checklist. Again, we generated condition reports out of all those reviews. That's shown in this chart here. And then those condition reports are evaluated and turned into corrective actions, which are shown in the next chart.

Again, you can see in both cases, we're making progress. We did -- the holiday season did have a little bit of a negative effect. You can see we plateaued on some of our efforts, but we're gearing back up and we should be making good progress through January.

The third set of charts here of two, are on our System Health Assurance Building Block. We've really completed actually four major milestones in our System Health Reviews. Early on, actually last year in the spring, we completed our Operational Readiness Reviews, but more recently what we completed is the Boric Acid System Walkdown Outside of Containment.

One of our Restart Checklist items is to evaluate the potential effects of any leakage we may have had on boric acid systems outside of the containment building. And, we went through that process, we did all the inspections and walkdowns. We've completed those, and those are part of the System Health Review Condition Reports that you see here.

Another major effort that was partaken underneath

the System Health Reviews, was the System Health Readiness Reviews, where we reviewed over 31 -- we reviewed 31 systems that, which Jack mentioned earlier, that we reviewed of our safety significant or risk significant systems.

Finally, we've also completed our Latent Issues Reviews on five additional selected systems, and those are also included in there. I guess this will probably be the right time to note too, Jack Grobe mentioned we met with NRC on December 23rd and discussed our plans associated with some of the issues we identified in this process that we have to develop some further plans for; which we have, and we're currently implementing those plans.

Those plans like these will go through the same process of identifying conditions, documenting those condition reports, and then evaluating them and developing the corrective actions that we need to take prior to restart to resolve those issues.

Again, you can see we're making good progress on our condition report evaluations. And corrective actions, we need to bend the curve a little bit. We've got a lot of them out there. There's a lot of work and lot of restart activities identified through the, through these reviews.

Then, finally, the last two graphs are the total population of the condition reports and corrective actions

that we've identified to-date that are all required, that these are the populations required for restart. And you can see these two curves. These include the other Building Blocks we have as well as corrective actions and condition reports from normal day-to-day plant operations.

MR. GROBE: Clark, have you -- I haven't seen those charts with projected closure rates and anticipated completion of those activities. Do you have charts that show where you've man-loaded the work effort that's necessary and projected out when those activities are going to be complete? When I say those activities, I mean completing review of the condition reports so you know what corrective actions have to be done and then completing the corrective actions.

MR. PRICE: Right. Yeah, we have, we have a couple major contractors working on our condition reports and helping us to manage those. And they have charts that they put together that they bring into the senior management team that will identify work-off rates and work-off curves on these condition reports.

In addition, they are scheduling all of those evaluations based on what we've identified as mode restraints associated with each of those condition reports.

MR. GROBE: Would it be

possible to share those work-off reports with us?

MR. PRICE: Yes.

MR. GROBE: Are they meeting the work-off rates as projected?

MR. PRICE: I would say for the last week, we thought we would get a little higher production than we did. Most of them, I believe it's on the performance indicators that we supply; there is some expected completion dates in mid February, mid to late February, for completion of all the condition report evaluations.

MR. MYERS: You have to watch out for those numbers though. In that, one of the, you look at, made you go through these things, some are procedure changes, some are let's repack a valve or clean up a little rust. Then you have another one, let's rebuild a reactor coolant pump. And the reactor coolant pump is probably worth half the others put together.

So, one of the things the management team has done, we scrubbed all the CRs and CAs in the past few weeks, so the top ones there.

Do you want to talk about that effort?

MR. GROBE: What I was going to say, I agree with you, Lew. Just looking at strictly numbers is not a complete --

MR. MYERS: Picture.
MR. GROBE: -- impression of what's going on there. That's why I like to focus on man hours of work activities. One corrective action might take 10,000 man hours to complete; one might take five man hours to complete. You have those type of work-off rates with man worked hours loaded projections on them?
MR. PRICE: Yes, I do.
MR. GROBE: I would like to see those.
MR. PRICE: Okay.
MR. DEAN: Sorry, Clark, before you continue, I just wanted to comment, maybe ask you to expound on a comment you made and maybe I didn't quite understand it.
In discussing the relationship between incoming and work-off rate, you basically noted that incoming work is nil. Can you please expound on that a little bit?
MR. PRICE: Yeah. What we're seeing right now is the restart station where the review board meets each day and goes through the condition reports that were initiated the previous day, there are not too many of those right now that are being classified as required for restart.
It's really the context of the condition reports

that caused that to be. The majority of our condition reports came out of our discovery efforts off our Building Block Plans. So, that, does that answer your question, Bill?

MR. DEAN: So, really what you're saying is those items that are being deemed necessary to support restart is relatively low even though you're still identifying issues that are feeding your Corrective Action Program.

MR. PRICE: Correct.

MR. DEAN: Okay.

MR. PRICE: Okay, this next slide just goes through a little bit of our process. If I sounded a little repetitive before, I really was. The basic process behind all of our restart plans is the same as depicted on this slide.

We perform our discovery activities that are laid out in Building Block Plans, and we document all of our findings on condition reports in our Corrective Action Program. Those condition reports are classified as restart O350, restart with our site criteria and nonrestart.

Mike Roder will talk a little more about the Restart Safety Review Board in a moment, but the 350 means that it's associated directly with our Restart Checklist. Site criteria actually is restart criteria at the site that

is established that go above and beyond the 350 criteria for restart consideration.

And then, nonrestart are items that we determine are not either required for restart or not really associated with restart activities. It could be done any time. Many of those are done right away, but they're not necessarily focused from a restart perspective.

These condition reports all go through an evaluation phase, and then corrective actions come out of those restart -- excuse me. Corrective actions come out of those condition reports. And again, they are classified in the same three categories.

Then, they go on to implementation, and our priority for implementation is based on technical mode restraints, administrative mode restraints, and pretty much logic and schedule and management preference on where we want to schedule those activities.

MR. GROBE: Clark, I know that you've been spending a lot of effort on site to go through the issues that are identified to make sure that they're properly characterized as to what milestone they need to be closed by. Could you give me an idea of how many issues have previously been characterized as restart required items that are now characterized as something that can be delayed to after restart?

MR. PRICE: Where we have actually made a classification change on them? Oh, I don't know, there haven't been too many. What we do is, we go through the condition reports and evaluations, and many of those get classified as restarts. Are you talking kind of percentage-wise how many get classified as required for restart, how many post restart?

MR. GROBE: Actually what I was looking at was more specifically, as you've gone through these reviews and maybe, Randy, this is more a question for you in the Operations area. I think you've been trying to get your arms around from an Operations perspective exactly what's needed in each mode. I was wondering if there were things characterized as restart required, that you've now deferred until after restart; and how many issues like that have been coming up?

MR. RODER: I can address that right now, if you'd like.

Yeah, Jack. One of the things we did -- I'm Mike Roder, The Operations Manager.

One of the things we did in the last several weeks is, we had several work orders and several corrective actions that were coded as Priority 300. What that meant was there a high desire to get those done, however they weren't necessarily required for restart.

So, as we approach our restart dates, we are now looking at those very seriously to which ones we still want to get done and have a strong desire to get done and which ones we're going to defer to a later time.

So, we went through those, and I believe we came up with somewhere in the area of maybe two, three hundred that we deferred until later through our recent review; out of, oh, I don't know how many total. Maybe Mike Stevens has a better idea of the total number, but it was about maybe 20 percent of the electives that we deferred.

MR. GROBE: Just to make sure I understand, Mike. You've eliminated the Category 300, and that was highly desirable prior to restart and made those either restart requirements or you deferred them until after restart?

MR. RODER: That's correct.

MR. GROBE: And none of those items that you deferred are viewed as equipment operability issues or mode change restraints?

MR. RODER: No, none of them.

MR. GROBE: Have you got a sense of what your corrective action backlog is going to be at the time you restart the plant given what you know today?

MR. STEVENS: Yes, it's going to

be less than 250 corrective action work orders. We define our corrective maintenance through 18928, which is the Institute of Nuclear Power Operators definition for corrective maintenance and how the rest of the industry characterizes that. It will be less than 250.

When we started into this refueling outage, our corrective maintenance backlog was 193. So, we've taken, I don't like to always use numbers, because it really doesn't tell the story, but I can answer your question directly.

We had 160 Mode 6 restraints, that we took all the work orders, all the corrective actions, all the CRs. Each one has an owner. We had the whole team at the station go through all their assignments and identify with the Operations Mode Restraint Team, which are required for Mode 6. The result of that was 522, I believe, mode restraints. So, we went from 160, and ended up with 522.

Came into work after the Christmas holiday, all during the Christmas holiday, work control and work management worked on identifying those restraints, figuring out where they fit into schedule, readjusting our schedule so we had a total integrated picture.

The management team at the station spent two whole days touching each and every one of those owners and the system managers going through each and every one of those issues so they could understand and make recommendations.

The team constituted the Restart Station Review Board, but there were additional managers on that team to ensure that we didn't miss anything.

The result of that, what came out of that, we decided to take train one of the emergency diesel generator out of service; go perform maintenance on that machine. There is some issues with some of the bolting that make up the coupling. We didn't have the documentation to assure ourselves that those coupling bolts were tight. We needed to know that before we called that machine operable.

That came out of the Operations Department. We took that work activity. The bolts we found them at, torqued at the proper value, however we added some additional work to that outage that we normally would not have done and would not have been restrained to start up, but because we were in that condition and we had the materials ready to perform that work, we lumped those together and performed that maintenance.

We're doing those kinds of things. We're taking advantage of the system, the structure, bringing the systems back to support our milestones, as well as implementing the work orders with the resources we have, which includes the materials and the maintenance organization.

And where we can, we're implementing modifications.

For example, we took, on our decay heat system, we have decay heat valve 23. We took that apart for inspection. We wanted to replace a gasket on its bonnet because there was a indication of minor leakage. We got that identified, scheduled.

We talked with the engineering department. We found out we had a stainless steel yoke for that valve. The craftsman, because of the deep drain valve work we did, recognized that the use of the stainless steel yoke would make that valve more robust.

We had our Design Engineering Just In Time Team, which affectionately call the DE-JIT, involved in a work support center. They said they could support the paperwork necessary to put that stainless steel yoke on that valve. So, we added that work order, real time went after that.

So, there is a lot like that, Jack, with examples I can give. It's more than just the numbers. I would say we added more work, in total, as we're going forward meeting these milestones and developing this schedule and getting the work scope clearly defined and integrated.

MR. THOMAS: Does this process also capture engineering projects that are being performed at risk and ensure that the engineering work is completed prior to that equipment, or transitioning to a mode where that equipment is required?

MR. POWERS: Yes, Scott. The process for releasing work to the field; although, we have a built-in mechanism to release, where we call it an at-risk release of a modification package. The operations group cannot return a system to an operable status until work is completed satisfactorily on a modification package; and that means the mod is all complete and turned over. So, that process is built in, those checks and controls. (inaudible)

MR. GROBE: Is that microphone working? No? I think you guys are going to have to share one mike.

And you all don't have to write on the feedback form that the sound system stinks. I've already got that.

MR. POWERS: One of the things that Mike is referring to is when we release work to the field under this mechanism; for example, your earlier question, Jack, on the emergency sump work is ongoing.

We go through a process of assuring that as work is released, it's scrutinized both by the Design Engineering Manager, they're reviewing it. Also our Engineering Assessment Board takes a look at the change packages as they go to the field. And then a summary of the risk associated with that release is prepared by the engineers, for my assessment and signature.

And, when we talk about risk in this context what we're talking about is commercial risk to ourselves. We're releasing work to the field for construction; and we saw the pictures of the iron workers, boilermakers working down in the sump area. If we were to release something that, on the final package issue was, needed to be changed, then it would be at our cost and schedule to go and change it, but ultimately, the final package is issued before the system is returned to service and all the detail is provided there.

As I review the memorandum that summarizes what is required to be completed yet, the formal final package, then I can make a determination on the acceptability of the commercial risk associated with that. And I provide that then to Mike Stevens as the Outage Director. And he provides a review of that, and then releases work to the field if he believes that that's appropriate.

So, we have a number of checks and balances in the process as we go through it that allows us to provide a release of work to the field and get done those improvements that we feel are necessary in the plant. And ultimately through the program, make sure all the paperwork is finalized prior to the system being returned to operable status.

MR. MYERS: Thanks, Jim.

MR. GROBE: I appreciate that, Jim, and the reason I was asking questions, particularly about the sump mod, we went through quite a bit of planning over the last couple of weeks, and have come up with about 80 inspector weeks of effort that we need to put in on Davis-Besse before Mode 2.

And, one of the things we need to do before Mode 4 is confirm that the design of the sump that you're going to have in place at the time you go to Mode 4 is adequate. Now, I understand that you're separating that design package into a couple of pieces, but the sump is an important enough risk significant system, support system, that we want to have confidence that it's adequately addressed before the first time you go to Mode 4.

So, it's absolutely critical that we get that design work. No job is done, especially in the nuclear industry, until the paperwork is done. This job isn't done until the NRC inspects it. So, we're going to have to have time to inspect those activities, and I hope you built that appropriately into your schedule, getting this design work early enough.

We don't have any problem with your at-risk installation work. If you do it wrong, you just have to redo it. We do have a concern regarding the completion of the design and giving us enough time to inspect it.

MR. STEVENS: How many weeks did you say, Jack?

MR. GROBE: 80.

MR. STEVENS: 80 man weeks.

MR. MYERS: A couple comments, I think. We're sitting here asking some technical questions back and forth. From a public standpoint, I think it's important to note that we wound up with a reactor vessel head issue when we built the Building Blocks; and that put us into an outage that's considerably different than what we typically will do.

In a typical refueling outage, we would plan the outage probably starting a year ahead. We would know all the CRs. We would generate the condition reports. We would buy all the parts. And when we come down, we have the work plans in place, we walked all the packages down and we're ready to implement.

In this particular outage, we walked all the systems down. We decided to go over our reactor coolant pumps, once we got in our extended outage. We decided to do a lot more work, like the containment sump work, a lot of the stuff we did in containment.

And we're finding the problems on these curves, or the questions, we're finding the questions. We're generating condition questions. And it's called a CR.

Then out of that comes CAs, and that's a condition we want to go fix. And we divide those up, and there may be four CA's for CR on the average.

Then we're going to separate those things into restart pile. Now once we do that, then we have to build a work package. We have to order parts. We're actually having parts manufactured in the field.

So, we're out looking for parts and going to vendors, and parts are a really important thing with us right now. So, we've built this outage as we're going through it.

So, some of these questions that we're asking about CRs and CAs, and when are we going to have that done. A lot of it is because we're still, we're out of the discovery phase, and now we're into full implementation. We're out building work packages for people to use. We're out building, estimating the job, the times and the parts, and buying parts. So, all that is going on while these meetings are going on.

So, I think that's the reason some of these questions don't seem as clean as they should be. Is that fair?

MR. GROBE: Yep.

MR. MYERS: Okay.

MR. MENDIOLA: If I can ask a

question in a different direction on the same topic. We talked a lot about all these condition reports turning into corrective actions and then being sorted out into restart, if you will, and nonrestart. I can not get out of my head the image that there is a large stack of nonrestart corrective actions that are, that are going to be scheduled to some milestone or some future date, if you will, beyond restart.

MR. MYERS: Yep.

MR. MENDIOLA: And I'm not getting, if you will, a clear understanding of what they're being tied to or what event they're being tied to or that they're actually being scheduled to a date, an opportunity.

MR. MYERS: If they're not, you know, if they're not a restart item, then they're going into our bucket, and that bucket right now looks like, I think it's about three thousand?

MR. PRICE: Yeah, there is seven thousand.

MR. MYERS: Yeah, corrective actions that we'll probably have when we start up, is pretty much in line with what we see. How many?

MR. PRICE: Seven.

MR. MYERS: Seven? Which is,

that's --

MR. RODER: That's total.

MR. MYERS; That's total.

MR. RODER: And there is 1500 restart right now that we've identified. So, there is about 5500 that are undergoing that review process.

MR. MENDIOLA: My view is that 3000 or so of these items are suddenly going to come, for lack of better terminology, due on the plant's restart. That you'll have to suddenly, if you will, have a large crush of resources needed to plan, implement, prep for and, you know, seek an opportunity.

MR. MYERS: That's right.

MR. MENDIOLA: I want to get, if you will, the feeling that these are also being planned. If you will, that the organization, as we go through these condition reports and corrective actions, is looking beyond restart to properly place these items, if you will, in a scheme that will get them complete.

MR. POWERS: I'll give you a picture in the engineering world, Tony, on that one. We completed recently an Engineering Capabilities Assessment, as you know. One of the action items we got there is to prepare a plan, resource allocated plan, to work off the remaining actions that will be in place following the

restart of the plant.

That action plan is going to be created and be in place by June 30th. We already have that action within our Corrective Action Program. It's an item that needs to occur. Chuck Holly, who is my manager, project manager, has that action, put it together.

Dave Eshelman who is our Director of Asset, Complete Asset Management, has the action to divide resources among the FENOC fleet to ensure that resources are applied to work those off.

So, we're already turning an eye to that concern that we start up and have work ahead of us that we will be scheduling and resource we'll be working off.

MR. MENDIOLA: I would almost hope there would be, if you will, more work than you have between now and restart.

MR. POWERS: That may be the case.

MR. MYERS: I don't think that's the case. I think that there may be more activities.

MR. MENDIOLA: That's right; more activities, more, if you will, more tasks.

MR. MYERS: The big work is done. There is no containment sumps or anything like

that.

MR. POWERS: Right.

MR. MYERS: Ready for restart? Go ahead.

MR. GUDGER: I'm Dave Gudger, Manager for Performance Improvement.

We consciously underwent a review of these corrective actions and condition reports you're referring to. Most of these are conditions nonadverse to quality. We knew that we were going to move these out to a later point in time following our restart.

This process is allowing us to focus on the more critical and safety significant work for the power plant.

In doing so, part of our process is, as soon as we restart, we're going to take these items and we are going to take a look at scheduling them out, based on our resources at that time, but we wanted our staff to focus more importantly on the critical items right now. And, these items were getting in the way of that, so we took a proactive approach of this and performed that review.

MR. MENDIOLA: So, I'm sorry, to paraphrase what you said, more or less set aside for now until restart is over, at which time they will be scheduled, and resourced.

MR. GUDGER: That's correct.

MR. PRICE: Tony, one of the other things that the Restart Station Review Board does in reviewing both condition reports and corrective actions that we classify as nonrestart, we identify whether those are needed. A plant outage, refueling outage, system outage or it can be done any time on the line to help us in the future in prioritizing that work and getting it laid out.

MR. MENDIOLA: Not to belabor this more, but it seems that, if you will, what's being set up is a process now to identify those items necessary for restart in order to have them resourced and completed prior to restart; and if you will, a new separate scheme to deal with items after restart; rather than, if you will, one continuous in place process to do all work, whether it be before restart or after restart.

MR. MYERS: That's correct.

MR. MENDIOLA: What I said first, the first part?

MR. MYERS: That's correct, yes.

MR. MENDIOLA: So, the plan is to have one plan, if you will, between now and restart, and a separate plan, if you will, after restart.

MR. MYERS: That's correct.

Once, we've got these items that are on the plate that we know about. We've reviewed all those. We've characterized them for restart. And as soon as we restart, we'll start going through those activities, and we built in a midcycle outage, which will take on a lot of that.

So, we thought about that and planned that out. So, we have a midcycle that we planned in somewhere after about a year of operation. That's what our intent is there.

MR. GROBE: This is not unanticipated for a plant in your condition.

MR. MYERS: No, it's typical.

MR. GROBE: I expected there would be several thousand items that need to be addressed after restart. The number 250 corrective maintenance kind of surprised me, that seemed low, but we'll look at that.

Why don't we get on with Clark's presentation, the last couple of slides, and then we'll take a five minute break.

MR. PRICE: Okay. This last slide, I would like to present today, is a simplified version of a management tool we use on site to monitor our progress towards our Restart Checklist activities.

The first two columns that are colored in that chart, the first column -- I don't know if you can see the

overhead, or you can look on your slides.

The first column is a discovery column. That's where we do all our inspection walkdown and other types of discovery activities, document those, and complete that discovery activity. And, as you can see, most of those activities in that area are complete. Green indicates complete on the chart, and blue indicates work that is still in progress.

The second column is the implementation phase.

And then the last column that's on that, that report, is a restart ready column, which essentially says that we've completed all the discovery and implementation activities associated with the particular Restart Checklist item. And from a site perspective, we've determined it's ready for restart. It will still require NRC inspection prior to it being closed out, and closed the Restart Checklist from an NRC perspective.

So, I think from this chart, you can see we're making good progress. Kind of affectionately call it our Go Green Chart on site.

Now, next meeting when we come in, we expect to see a lot of these progress, considerably more, and many of them nearing completion, if not complete, from the work that we're going to be doing on site, and preparations for the final NRC inspections.

Any questions on this chart?

MR. GROBE: Two questions. The Boric Acid Corrosion Management Program and the Reactor Coolant System Unidentified Leakage Monitoring Program. That's 3 Delta and Echo. Are those going to be complete before the first Mode 4?

MR. PRICE: Yes, they will.

MR. GROBE: Okay. It's my expectation that we will have those two areas, those two programs inspected before you go to Mode 4 the first time. That's not a requirement on our part, but that's my expectation.

Is the Reactor Coolant System -- I think the Boric Acid Corrosion Management Program is now complete. Is the Boric Acid Reactor Coolant System Unidentified Leakage Monitoring Program, what condition is that in right now?

MR. PRICE: We're actually going to talk about that shortly. I'll defer that question, you can defer to later, to Jerry Lee, who will be discussing that program, if you would.

MR. GROBE: Okay, thank you.

MR. PRICE: Okay, if there is no other questions -- well, we're going to take a break.

MR. GROBE: It's, yeah, we've been at it for about an hour and a half, why don't we just

take a ten minute break. I hesitate saying that, because that sometimes stretches into 15, but I expect to start promptly in 10 minutes. Bill says that's a five minute break.

(Off the record.)

MR. GROBE: The number I noted was 79 inspector weeks between now and Mode 2, which is a couple of months from now, several months from now. That is performed by a fairly large number of inspectors. And these are, there is multiple inspections that are going on, on a regular basis.

Apparently, some folks developed some concerns that that was 80 weeks sequentially, or that these two gentlemen on my right are going to be performing the next 40 weeks continuous inspection. This is many inspectors coming from both Region III, other regions and headquarters that will be performing these inspections.

This is not an unusual level of work effort that is necessary to bring one of these types of outages to a closure. So, I didn't mean to cause excitement or concern that the workload was onerous or unattainable. This is something that we've clearly planned for. The NRC will put the necessary staff on this project to get the job done consistent with the schedule that FirstEnergy expects for their restart.

I don't anticipate any delays associated with NRC inspection activities. Of course, unless the inspection findings are not positive, in which case, additional work would have to be done on the part of FirstEnergy to address those issues.

So, the message you should take from those comments is the NRC clearly has its work mapped out, and resource loaded, and that we will perform the inspections that need to be performed to make sure this plant is safe before it would restart. Okay? Thanks.

Go ahead, Dave.

MR. GUDGER: I'm Dave Gudger. I'm the Manager of Performance Improvement.

MR. GROBE: I don't think your microphone is on.

MR. GUDGER: I'm Dave Gudger, Manager of Performance Improvement. Performance Improvement is responsible for the corrective action process, the day-to-day administration of the program, as well as the restart improvements that we're here to share with you today.

First, the Corrective Action Program is first line of defense for identifying and addressing problems in the plant, as Lew has previously stated.

I'm very excited to be here today. We have many

enhancements we'll share with you during the course of this presentation. These enhancements include process improvements, procedure change, oversight and training needs. This presentation provides the status of the progress the Corrective Action Program is making towards restart.

In general, the program works, as evidenced by Clark Price, who was showing you all the work activities that we have that we're working off during the course of this outage.

We performed a comprehensive assessment of the program. We learned the mechanics of the program are acceptable; however, improvement of the program's implementation is needed. The desired outcome today is to show how our action plan drive the necessary improvements for restart.

Next slide.

This slide is an overview of our program. For simplification purposes, it is comprised of four functional areas. To your left, there is rectangular boxes. It requires interactive monitoring and management feedback, which is represented by the center double areas of the program.

We utilized performance indicators to communicate this need of the program and to accomplish this. Our

enhanced performance indicators are giving us feedback on our implementation activities as well as they'll be utilized for continued plant operation.

The program's effectiveness on the interim was maintained with immediate actions that we took.

Next slide.

This slide presents some of the key actions that we took. It's not all inclusive, but these are important actions for which not only do these maintain the programs effectiveness, but also we've strengthened the program at the same time.

The first item is, we provided feedback to the initiator of condition reports, as well as their supervisors through ~~he mail~~ e-mail. This is automated and this ensures that the initiators of conditions have an understanding of how we've dispositioned them and corrected them. This is an important part of our program.

Enhanced performance indicators have been developed, as you will see, as well as we've increased our performance monitoring over the program. This is what gives us the feedback to give our management the input to make the necessary adjustments.

Supervisor awareness training of leadership behavior expectations was conducted. The supervisors are the most important part of our program. These individuals start on

the initiation of a condition report with communications up through management. They provide the leadership and direction for oversight on the evaluation process, as well as they're at the closure of the process to make the corrective actions implement in the proper way.

Operations has enhanced the senior reactor operator review standards. Operation's focus is on plant equipment and systems reviews; the impact, the way the plant operates. They are more rigorously evaluated and documented providing adequate basis for the site to understand the decision and the determination made.

The independent validation reviews have been conducted by the performance improvement organization, as well as there were other reviews during the course of the process by other review groups. This ensures the program is in compliance with the following procedure. Individuals get feedback from the various program reviews, as we've provided them in our performance indicators.

Next slide.

This slide as on overview of improvement actions that we're taking for restart. I've simplified it. It's not all inclusive again; however, it brings the major points for you to understand.

There will be process changes in the areas of communication. We're establishing routine feedback

mechanisms, as I suggested with the initiator and supervisor feedback; a newsletter and a website, as well as we have a planned case study coming up.

The database user aids provide process checklists for individuals using the program. So, we ensure that we're complying to procedures; as well as electronic forms to ease the burden and make it more efficient on the users.

Performance appraisals now include a Corrective Action Program expectation, as well as we've raised it to the highest level, it's a nuclear safety competency for our organization.

In the area of procedure enhancements, we're reformating the procedure in a work flow layout, as well as ensuring that the user has input where we are able to accept it. This increases user efficiency and ownership by the organization.

We've also included a responsibility section. Each individual that interfaces with the program up through the management ranks has responsibilities. They're ~~delineating~~ delineated in the procedure now.

We've incorporated effectiveness and collected ~~significant~~ significance reviews. Effectiveness reviews are where we evaluate corrective actions to ensure that they're addressing the causes. Collective ~~significant~~ significance reviews, we

evaluate similar issues and we look for or identify our cost-cutting causes that we can address across the organization.

In the oversight changes, we've provided the Corrective Action Review Board Charter. It now includes quorum requirements. We have specific section level managers participation, as well as we have a director chairing the board. And, lastly, we also include root cause quorum requirements of these managers.

We have root cause approval levels that have been raised. The Vice President reviews all root causes, as well as selected significant conditions adverse to quality reports will be reviewed by the Chief Operating Officer, as well as the Nuclear Group Council, which is comprised of our executive level management.

Training needs have also been addressed. We have provided root cause and evaluator training to our people. We have over 180 qualified individuals, as well as training now controls the qualifications of all of our evaluators.

We have annual, we are proposing annual site training, like plant access training and radiologic worker training which each of our folks receive each year, we are also going to have a module for the Corrective Action Program. This will bring the Corrective Action Program to the forefront of our operation.

We will also have refresher evaluator requirements. This will be conducted on a periodic basis, and it will include computer based training.

These particular improvement actions that I've described will bring the Corrective Action Program to the forefront of our operation.

Next slide.

This slide provides an overview of our top level performance indicators. As the process owner, Performance Improvement monitors the program's effectiveness. These are the top level performance indicators by which we do so. Performance indicators indicate the actions taken are effective so far, as you can see from the status here. We see positive results from these actions taken.

If there is no question on performance indicators, I'll move right on. Jack, you may have had a question earlier --

MR. GROBE: I have one question.

MR. GUDGER: -- on some of the numbers here.

MR. GROBE: The Condition Report Category, Accuracy; you call it CR Category Accuracy in your chart.

MR. GUDGER: That's correct.

MR. GROBE: That indicator kind of bounces all around, doesn't appear to be trending in any particular direction. That indicator, if I understand it correctly, is an indicator that judges how your field folk and first line supervisors assess the significance of conditions that are identified in the plant, and whether they do that accurately or not. Is that correct?

MR. GUDGER: Yes, that's correct.

MR. GROBE: Why is it that you don't have -- I interpret that as one of the many indicators that you can use to look at Safety Culture. Why is it that you're not having a positive trend in that area?

MR. GUDGER: If you look at the data that you're referring to, we have had a couple points of which it dropped, that's probably overly influenced the indicator. We consistently stayed high in the range of categorization. There is going to be some deviation, but when the supervisor makes a recommendation to the manager, we gauge the difference between when the MRB or the Management Review Board, in the morning managers meeting, determines a categorization difference.

MR. GROBE: I'm not sure you answered my question. Maybe you can, I expect that on the

30th, you're probably going to be talking about some performance indicators that you're going to be using to assess Safety Culture. Maybe you could look at this one and determine whether or not this is something that is, provides some indication of Safety Culture and whether you're comfortable that it's a valid indicator in what it's telling you.

MR. GUDGER: Okay, we'll consider that. It was not developed for Safety Culture in mind.

MR. GROBE: I understand. You're just now developing Safety Culture assessment methodology, but this seems to me to be one that goes to the appreciation of the people in the field, the staff and the first line supervisors of the relative significance of the various issues that come up. Okay. I'm going to be interested in further dialogue on that.

MR. GUDGER: Okay. These indicators show that we are improving and we're on track for restart.

Next slide.

In summary, we have an approved action plan in place that addresses the necessary improvements for the program. We are scheduled, we are scheduled for implementation of the enhanced program by the end of February, 2003.

That's all I have.

MR. DEAN: Dave, I have a question for you. It kind of ties a little bit where Jack was heading, so maybe we're foreshadowing a little bit the meeting on the 30th.

In looking ahead to the discussion later on, talking about Safety Conscious Work Environment and Safety Culture, it addresses the importance of having an effective Corrective Action Program as being an indicator that employees feel problems are being identified, that they are being resolved.

I guess what I want to ask you was, how were you tying or are you ~~typing~~ tying things that come out of the Employee Concerns Program into your Corrective Action Program in monitoring and measuring those?

MR. GUDGER: Bill Pearce will speak more toward that at the end of the presentation. We do have a strategy for how we allowed for our different programs to be integrated under the Safety Conscious Work Environment. The Corrective Action Program is one element of that; however, it is only one element of several ways for people to express their concerns.

MR. DEAN: Okay, thanks. We'll get to it later.

MR. GUDGER: Okay, any other

questions? If not, I'll turn it over to Jerry Lee.

MR. MYERS: We start out -- let me see if I can save some of the discussion we had earlier.

Question was asked earlier about backlogs, after startup. Now our backlogs after startup, I'm not going to use numbers, but let's just say we're estimating right now in the 7000 CA range. That's relatively low, you know, compared to some operating plants and also low compared to a plant that's been in an extended shutdown. So, we feel like that's in line.

The other question was asked is, are we prepared to deal with that. I thought we answered it earlier. We've already looked ahead. We know that backlog is there. And as soon as we start up, we intend to put a team together and go after that backlog and that resource. So, that workload we do anticipate and we think it's easily managed.

MR. GROBE: I hope our questions in that area were not interpreted as criticisms. It's expected that there will be a substantive amount of work that is not necessary to assure the safety of the plant, but are issues that you've identified. You've spent a lot of effort going through the plant and essentially turning over every rock, so to speak, to find what issues

might be there.

And some of them are very low level issues as far as significance, and those are going to be part of your backlog. There may be some that are more important that are part of your backlog, but don't affect safety systems or the safety of the plant in an immediate sense.

We plan on taking a pretty good look at your backlog just prior to restart, to get a sense of the, the integrated effect of that backlog; both from an impact on any safety systems. Sometimes individual issues look like they're not particularly important, but when you put it together with another 20 individual issues that didn't look pretty important, sometimes it tells a different story.

So, part of our inspection activities prior to restart, the readiness for restart, will be an integrated look at the backlog and whether or not there is some embedded safety strands there that need attention.

MR. MYERS: I understand.

MR. LEE: Good afternoon, my name is Jerry Lee, and I'm a plant engineer and I'm the owner of the Reactor Coolant Integrity Management Program or the Reactor Coolant Integrated Leakage Program.

My desire today is to provide a structural overview of this new and comprehensive program. The Reactor Coolant Leakage Program will challenge, evaluate, identify and

repair low level leakage, reinforcing a strong reactor coolant system inventory balance. The program is designed with two fundamental values of safe plant operation.

The first is to provide assurance of zero pressure, additional assurance of zero pressure boundary leakage. The second is to provide early detection and resolution of low level reactor coolant system leakage. Additionally, this program was designed to set industry standards for the identification and resolution of leakage.

This really starts by the plant employees. Their sensitivity to the reactor coolant system leak indicators, particularly the changes in the reactor coolant leakage system.

Part of this was with the reactor coolant head case study presented to the employees. This clearly identified the results of low level reactor coolant leakage.

Reactor coolant leakage trends will be made visible to plant employees using BBTB, and other media sources to ensure that leakage is clearly presented daily.

The program action triggers for adverse trends for unidentified leakage and for indirect leakage, such as containment activity, radiation elements, filter plugging, primary and secondary leaks; will be documented in corrective action programs and will be evaluated for plant impact.

Adverse trends will be, are going to be very low. The trigger for these trends are very low to provide for ample time for training and implementation for any actions required for a safe, documented and controlled function. That's up to and including a shutdown.

The improvements in the leakage rate calculation algorithm and reactor coolant system inventory balance is to insure that we have the best possible measurement and analysis results.

The Boric Acid Corrosion Control and the In-service Inspection Programs link with the Reactor Coolant System Integrated Leakage Program to form an inclusive reactor coolant system integrity management program, thus providing assurance of the reactor coolant system boundary.

Three different reactor coolant system leakage evaluation trends will be obtained from the water inconventory balance requiring, that's required to be performed at least every 72 hours. Typically, we do this daily.

These evaluation trends are cumulative. This is a summation of all the leakage that has come out from the reactor coolant system over a period of time.

We also have a rate of change, which is the actual change in the rate of leakage. This is calculated over a seven day period and extrapolated to a 13 -- or a 30-day

period.

Then we have a step change. Now, this is a sustained change in the leakage level, and it has to be stained for greater than three days. These evaluation trends were used to analyze the 1996 to 2002 leakage data from Davis-Besse. And the triggers or action levels provided in the program would have prompted the plant to take safe, or take actions to resolve leakage in the summer of 1998.

The plant will have a 7-day hold coming up. We'll do a nonnuclear heatup to normal operating power, normal operating temperature. At this point, we're really going to validate our new algorithm, and our new methodology, and make sure that we can achieve the lowest possible measured leak rate.

This is an unusual time for us, because we normally do not have steady state conditions at normal operating power and temperature -- or normal operating pressure and temperature.

Typically, we would go through Mode 3, Mode 2 and then to Mode 1, so we would not have steady state conditions. This will allow us an opportunity to fine tune this program, but it will also provide us with information for a baseline during Mode 3 testing, which can be compared to the hundred percent power data we would obtain later.

During the 7-day hold period, we will also have Engineering, Operations, Radiation Protection and In-service Inspectors, along with Boric Acid Corrosion Control Inspectors throughout Containment walking down the systems. We would do this at a pressure of approximately 250 pounds prior to the heatup. And we would do another inspection at normal operating pressure and temperature.

We'll come back down from normal operating pressure and temperature after about a 7-day hold; and we'll come back in and do another inspection of the Reactor Coolant System.

Now, each of the these evaluation trend types has three different Action Levels. The Action Levels are very low, but Action Level I, we want to provide added management oversight. We're going to bring this up to the attention of the management in the morning meeting as soon as we find an indicator. We'll increase the walkdowns and readily assessable areas throughout the plant, and we'll monitor all the indirect leakage indicators.

Action Level II, we'll come back and do again all the readily available walkdowns, accessible areas. We're doing the same actions as in Level I, but we're going to extend it. The walkdown will include some of the not readily accessible areas, such as in containment that can be accessed during power operation.

And we're going to add a containment walkdown and inspection to a forced outage list. Action Level III, we're going to repeat everything again, and evaluate and schedule a plant shutdown to find and repair the leakage.

Are there any questions?

MR. POWERS: There is a question on, with the program here, one of the things that's you designed into it is consideration for how this program enhancement would have helped us find the head degradation issue. Can you describe the sensitivity of this program?

MR. LEE: Well, the sensitivity of this program is such that had we had this program in place prior to the head degradation, we would have had about 13 opportunities -- I'm sorry, about 21 opportunities to enter Action Level III, which would mean we would look at a shutdown, schedule a shutdown to go in and inspect for leakage.

During cycle 13, that would have been eleven times of entering Action Level III, so eleven different opportunities. So, that's the sensitivity of this program.

MR. GROBE: Okay, thank you very much, Jerry. I just have one question. Maybe you're not the right guy to answer this, but I understand that

prior to restart, you're going to be installing the Flus system, the new leakage monitoring system. Are your, is your leakage management program written to address the traditional leakage monitoring tools that you have in containment, or is it also going to incorporate the input that you're going to get from the Flus Monitoring System?

MR. LEE: The program, this program is really designed for the low level leakage, that's what we're going after. The Flus Program will be incorporated into this, any new modifications in the future to give us higher detectability levels on whether it's activity or whatever, will be added into this. This is an ongoing program.

The completion of this program, it will be complete prior to entering Mode 4. We'll have some enhancement steps to come out of Mode 4, or out of the Mode 3, 7-day. We want to verify our Action Levels. We want to make them as low as possible. But the program will be in place prior to Mode 4 -- yeah, prior to Mode 4. And then we will make those enhancements prior to starting up.

MR. MYERS: So, the answer to the question is yes.

MR. LEE: Yes, sir.

MR. MYERS: It also includes the radiation monitors, stuff like that, right?

MR. LEE: It includes everything that's coming down the pike.

MR. DEAN: To build on Jack's question, I think the last time we met, there was still some, some doubt as to whether the Flus System would be installed in time for the NOT/NOP Test. Where is the status of that?

MR. SCHRAUDER: It is expected that the Flus System will be able to be installed prior to the NOP/NOT.

MR. DEAN: Okay. Thanks, Bob.

MR. HOPKINS: Yeah, I have a question. Are you going to do a similar type system at Beaver Valley or any of your other plants?

MR. MYERS: We haven't made that decision yet. I'm unable to answer that now.

MR. HOPKINS: And the improvements of the program, you say, is setting an industry standard; right? This isn't bringing you up to what the other industry has, this is going above?

MR. MYERS: This is very unique, we're excited about this program. This was something we added based on going back and reviewing the entire history over several years of the head degradation,

and saying, what could we have done different. So, what we're trying to do is take those lessons learned and anchor them using one of our processes and a procedure, so that in the future that won't be there. It will send the red flag and set the Actions Levels that management will have to look at. So, we're really excited about this program. It's unique.

MR. HOPKINS: The number of times you indicated that you had opportunities to enter Level Action III, that's just based on leakage, correct, and not the indirect indicators of one containment cooler fouling?

MR. MYERS: I think it's related on indirect --

MR. LEE: This is based on the direct.

MR. MYERS: Direct indicators.

MR. LEE: Direct indicators. Indirect indicators that we could also use to narrow down the leakage or provide us information, yes.

MR. HOPKINS: Okay.

MR. GROBE: I would like to follow-up with Jon's question with just a little more -- I get confused when you talk about operating cycles. You indicated that there were more than ten

opportunities that this program would have presented in a formal way for management to consider reactor coolant system leakage questions during Operating Cycle 13. That was from 2000 to 2002; is that correct?

MR. LEE: That would be correct, yes.

MR. GROBE: Okay. The Boric Acid Management Program, the Corrective Action Program, in this topical area, while previously it was not a specific program. I don't think there was a lack of awareness necessarily of reactor coolant system leakage at the plant. I think the Corrective Action Program itself was in fairly good shape as far as a procedure document.

I think the Boric Acid Management Program also is in fairly good shape. You've made enhancements to both of those programs, but really what was going on at the station wasn't the programs themselves, it was the people monitoring the program.

And, I appreciate this initiative. As you mentioned, Lew, this is a first in the industry. It provides an additional barrier.

MR. MYERS: Right.

MR. GROBE: And gives you additional insight that you might not have readily available to you, so I think that's positive.

But really, in all three of those areas, it's really the safety culture that resulted in failures. It wasn't the programs per se. So, I'm keenly interested, and I'm giving Mike Roder a preamble of a question I'm going to have for his discussion; I'm keenly interested in how you're considering safety culture improvements in your mode change decisions.

MR. MYERS: Let me comment on what you said too. Many of our programs like the, this is written similar to the Action Level Program that you see that works every day for chemistry control. All right?

MR. GROBE: Right.

MR. MYERS: This program is sort of molded like that. And that works, because it has trigger points where it forces you to make management decisions. What we had before did not force you to make those decisions. And it also has requirements like that, if you see these type, a Level III, you got to start scheduling within the next 30 days a shutdown, to go look for it. So, it's got management requirements.

So, that is a fundamental difference in safety culture, of anchoring a safety culture change different than what we had before. Okay?

MR. GROBE: Yep.

Any other questions?

MR. MENDIOLA: I'm sorry, you probably said it sometime in there. What's your schedule for implementation of this?

MR. LEE: We're putting together an implementation schedule today. We're getting ready to put one together, but the schedule for the actual program, the program will be implemented prior to entering Mode 4. During the 7-day hold period, the nonnuclear heatup, we will be doing some verification and some enhancements, possibly, and making sure that we have the lowest minimum detected level that we can achieve.

After we come back down from that 7-day hold, we may very well do some enhancements to the program, but the program will be complete prior to entering Mode 4.

MR. MENDIOLA: Okay. I would feel from that statement alone that there is feeling that there is no changes to any of our ~~text~~ tech. specs or your ~~text~~ tech. spec bases associated with this program?

MR. LEE: No, this is much lower than those numbers.

MR. GROBE: Okay, thank you.

MR. LEE: Now, I would like to introduce Mike Roder.

MR. RODER: Thank you, Jerry.

My name is Mike Roder, again, I am the Manager of Plant Operations. And I'm pleased to be here today to report on a couple different things.

First of all, our personnel readiness for Mode 6, and also I would like to spend a little more time on what Clark started us off on; and that's the Station Review Board, Restart Station Review Board, and how that process of reviewing the condition reports and corrective actions lead to our departmental reviews of items for Mode 6.

And also independent of that, totally independent and redundant, the Operations organization did our reviews for Mode 6, and then finally, the Multi-discipline Review that we had, spoke of earlier, about a two-day process of finding exactly what was required for our mode stations.

Next slide, please.

First of all, from personnel readiness, we spent a lot of time benchmarking over the last couple months, and developing our revised standards and expectations for operators. That was also reviewed by the Institute of Nuclear Power Operators; and they, we had some individuals on site that spent some time, spent some time with our operators and discussed our new standards and expectations.

But more importantly we take these expectations and we discuss them daily at our operator turnover, and we also

perform observations of selected expectations on a daily basis. That served to reinforce our different expectations, and also to make sure we've communicated them accurately and consistently.

To assure our team has consistent expectations, we place different Senior Reactor Operators in key decision making roles within the other organizations. And I have a couple examples up here.

First of all, we placed two Senior Reactor Operators, experienced individuals, on the Fix It Now Team. That's our rapid maintenance team.

We've also placed two senior SRO's and two staff members on our Containment Health Organization; and that served to specifically target and identify what containment health corrective actions need to be done and are required to be done prior to starting up and prior, more specifically prior to Mode 6.

We also had for about a year now an SRO with previous radiation protection experience. We have put him back on loan in the Radiation Protection Organization. That's also served to foster some additional teamwork between Operations and the other organizations.

With regard to the Senior Reactor Operator role, not only have we placed several people in our organizations, but I have spent many opportunities and time discussing the

Senior Operator's role with the Senior Operators and have, I guess -- that's a long dramatic pause. Explaining to them my reaffirmation to them as their role as an agent to the public. And that has been echoed, and I certainly appreciate the reinforcement of that by members of the NRC, both Region III Administrator and others. And I have gotten good feedback and a full understanding of that role, and more importantly too the understanding of how they have not fulfilled that role to the maximum ability.

So, from those items from both standards and expectations, placing SRO's in different organizations, and also the continued advocacy of their unique role as a licensed operator, there has been tremendous ownership displayed by the Operations organization.

MR. SIMPKINS: Mike, question for you there. This is for the Fuel Reload Readiness. Now, under the standards and expectation, would it be safe to assume that will continue after restart?

MR. RODER: My discussion about daily coverage?

MR. SIMPKINS: Yes.

MR. RODER: Oh, yes, that has become an expectation that will continue well past restart, yes.

MR. SIMPKINS: Okay. Then, the

two additional SRO's for the Fix It Now Team -- well, not necessarily containment health, but Fix It Now and the Rate Detection. Do you view that as a weakness before this issue, that you did not have Operation's representation on this?

MR. RODER: Yes, in today's world, I view that as a weakness. We did not have Operation's representation on the Fix It Now Team.

MR. SIMPKINS: Will it continue then after restart?

MR. RODER: Yes, right now we have --

MR. MYERS: Let me answer this question, as the site Vice President. I consider it a weakness in any organization that doesn't have Operation's expertise in that organization. I'll show you an Org. chart in a little while on my presentation that will demonstrate that.

MR. SIMPKINS: Okay, will this result in additional personnel coming, additional staffing, or is this just collateral duty and representation from the current SRO's?

MR. MYERS: It may result in more people getting SRO's or maybe not maintaining an SRO, but having an SRO. My belief is you should have active

SRO's in places like emergency repairs, maintenance, work scheduling, outage, all those organizations; operations, ownership should be involved in all the organizations in the plant; design changes, all those organizations.

You don't have the SROs involved, that's going to operate your plant, how can you make a design change and say it fulfills their needs? So, the expectation is we're going to need more SRO's.

MR. SIMPKINS: So, you may reactivate some SRO's?

MR. MYERS: Yes, and may get some new ones. We have two classes going on now. Two classes going now. That's consistent with our other plants too. We just finished a class of 26 people, I believe it is, at our Beaver Valley Plant, but it was sort of the same way, we have a good SRO ownership and good technical knowledge from our previous SRO experience and all of our management positions at our other plants. So, those are my expectations. There are some exceptions; there are not many.

MR. SIMPKINS: Okay. What I'm trying to narrow it down to then is, is it a licensed individual or an Operations staff person? I guess the reason why I'm asking this is I see a distinct difference between formerly licensed people perhaps regaining their

license and those actively involved in the Operations staff.

MR. MYERS: I guess the way I would answer that is, you know, what I'm accustomed to, is physically having some Operations staff people in the organizations like training and emergency preparedness that are on rotational assignments; physically in those organizations. Does that answer your question?

MR. SIMPKINS: It's starting to, yes.

MR. RODER: The answer, I believe, would be a blend. We would have some rotation of assignment. We would have some that were previously licensed, that had gained experience and then moved on to other organizations.

MR. SIMPKINS: That's fine.

MR. MYERS: If that didn't answer it, let's -- this is important.

MR. SIMPKINS: Well, my point that I was trying to get to is that, I know that during the operations cycle, at times the Operations staff was very, I don't want to say --

MR. MYERS: Strapped?

MR. SIMPKINS: Yes, pretty much so.

MR. MYERS: We'll fix that problem.

MR. SIMPKINS: Okay. Bringing in additional personnel or just reactivation of?

MR. MYERS: Right now we have two classes going on. We'll make sure that our Davis-Besse Plant is above industry standards or at industry standards for SRO's. We'll make sure we have active SRO's in departments like work control, emergency repair and training, things like that.

For example, at our Beaver Valley Plant, we keep five RO's by design in our training department, that are part of Operations at all times. That's sort of the way that we operated over at our Perry Plant when I was there and that's sort of my expectation as Chief Operating Officer, you know, that we will have active SRO's. That may mean that we need more SRO's, so I'll develop those.

MR. PEARCE: Doug, let me see if I can add something to what he's saying here.

What we did at Beaver Valley, I'm sure what we're going to do here, is we took people out of the existing organization and got them SRO's and put them on shift for a period of time and then rotated them into different parts of the organization in order to achieve that. That's really what we intend to do.

When you say bringing in more people, it's not necessarily more people, but upgrading the people we have available in the organization, that we feel like have upper mobility over time. And it's important to get that credential in a lot of places in your organization, but we're going to utilize the people that we have, that we think are the best people that we have in the organization. Get them the SRO, put them back out in different parts of the organization after they have some Operations experience. That's kind of the philosophy.

MR. MYERS: Both of those things are true. At other plants, what we do, we got people that we went and got SRO's and that are in engineering, stuff like that. That is true. However, we have specific organizations and we had a chart that we used for like training, work control, outage management, quality assurance, where we had people physically out of the Operations group working in those groups at all times.

MR. SIMPKINS: Okay, that answers my question. I didn't mean to have such a subtle difference, but if you're going to be an Operations lead organization, it's not somebody just having a license from engineering on the Fix It Now Team, but somebody right from the beginning that has the input back into the Operations staff. So, okay, thank you.

MR. MYERS: Good.

MR. RODER: Thanks, Doug.

All right. Now, Restart Station Review Board, we have developed a procedure that's been in place for quite sometime now that does establish quorum requirements. Those quorum requirements focus on Operations members, Maintenance and Engineering. I am a Chairman for the Station Review Board.

And our charter is essentially to take the condition reports and corrective actions that Clark talked about, and review every corrective action, every condition report, all work orders, all modifications, and others. And we categorize those again as required for restart or post restart. There is a lot more categorizations in there, but those are the two main categories.

We have used that list then and assigned owners as the different departments. Those departments have used the list that the Restart Station Review Board has generated, and then they categorize all their condition reports and corrective actions to a mode. That's established world population of activities required for Mode 6 at this point.

Independent of that, we have established a Mode Restraint Manager. We have an experienced SRO and a team put together the Operations Review for Mode 6. We

additionally have reviewed all condition reports, corrective actions, work activities, surveillance tests, and plant configuration documents to assure ourselves we have met the requirements for Mode 6.

Currently, we're conducting plant walkdowns to assure configuration control, equipment readiness and housekeeping.

In fact, Jeff Cuff is here today. Jeff is my Mode Restraint Manager. Jeff, you have a couple of things you want to say?

MR. CUFF: Sure. I'm a little nervous. I've taught a lot before, but I've not spoken before committees. My name is Jeff Cuff. I'm Mode Restraint Manager. I was assigned to this position in early December, and I have eleven Operations personnel working underneath me.

For the entire month of December, we had all eleven people working on identifying Mode 6 restraints; anything that would stop us from our judgment of loading fuel into the reactor in a safe manner.

We came up with some 500 restraints in reviewing condition reports, corrective actions, work orders, and other documents, and we've gone to the level of detail we acknowledged. In midDecember, we found surveillance testing on our diesel generators that wasn't current.

That's led us the need to do special testing on our diesel generators, so we'll have those available to us when we go into Mode 6, put fuel inside the reactor.

Additionally with the diesel generators, we identified a few days ago a condition report that stated the floor drains in the room were not flowing the adequate amount of water that we would expect. And our team pushed, and yesterday they went down and cleaned out those drains to ensure that if the fire deluge system were to actuate in that room, all the water would be drained out through the floor system, floor drain systems, and wouldn't affect diesel operability.

So, we've been working with Mode 6, and once we completed our checklist, we sat down; Mike said it was two days; it was a grueling 20 hours that we spent going line item by line item through that checklist. And through the five hundred restraints we identified, we came up with two additional items to add to the list; one was a radiation element that failed to surveillance test the night before; and the other one was another condition report the team felt needed to be added to the list.

So, we've worked extensively on this list. Now we are working to bring that list to completion and to close each of those items to an operations standard that is acceptable.

Questions?

MR. THOMAS: Quick question, if you're done. In the last 4, 5 days, you've closed out approximately 150 Mode 6 restraints. Could you briefly characterize the significance of those mode restraints that you closed down?

MR. CUFF: A lot of mode restraints we closed out in the last two days have been engineering evaluations. And we have had, Intercon has been working extensively with us in the plant engineering and in the design basis engineering.

They have been doing studies and evaluations for us. They document those evaluations on what's called a mode restraint form and then it is only one of three operations superintendent level people that review those mode restraint forms.

Then, that's some of the issues we've cleared off the list. The other issues that were cleared off the list were work orders that were in process of being worked. And when those work orders are completed, so, for instance, a valve was torn apart to repack that valve. You can not refuel the reactor with that valve torn apart. Once that valve has been ~~resembled~~ re-assembled and is in a condition where it will hold water, my team has gone out and looked at those valves, verified their integrity, and then we signed off

that work order as no longer being a restraint. That has been the majority.

We did a walkdown last week of the main steam line rooms to verify integrity of the main steam system and utilized that to sign off a number of work orders revolving around steam generator integrity for containment closure issues.

MR. THOMAS: Of the remaining 150, 200, I know it may not be precise numbers.

MR. MYERS; Pretty close.

MR. THOMAS: But how many of those would you characterize as significant issues?

MR. CUFF: There is currently 96 condition reports. Significant in those condition reports, I would say there is, personal judgment on my part; I would say there is probably about 30 to 40 -- 30 of those condition reports that are significant, and the majority of those condition reports are being closed out by the outage that we're currently having on decay heat train one and diesel generator number one. That's ongoing today and through the next 3, 4 days.

MR. THOMAS: Thank you.

MR. CUFF: Any other questions?

MR. RODER: Thanks, Jeff.

So, what we've created so far, I want to describe so far, is two lists, if you will, or independent lists of Mode 6 issues. And what Jeff described was the grueling 20 hours of review. The final Multi-discipline Team is what we put together to review that. I was the chairman for that team. We had Design Engineering Manager, Outage Director, Maintenance Manager, myself, Mode Restraint Manager, as well as several others that established or that met for two days straight.

And we had plant engineer walk in with all of the restraints on both lists and discuss those. So, we had a collaborative effort with the plant engineer as the lead to allow -- allowed the plant engineer to advocate positions and describe the actual situation.

So, we also, we also met to understand clear ownership, clear due dates, and exactly what was needed to clear that restraint. So, we felt that was a very good and thorough review; and we intend to, like the last bullet says, we intend to have the same process for all of our mode changes.

Even, in addition to that though, as a manager, and as part of the manager team, I spent significant time on the Restart Station Review Board, these different multi-disciplined panels. And, that opportunity has served to bring our manager team together and start to gel. And I

think that's one of the things that's going to put us in a position to be an industry leader as we go forward.

And, what Bill is going to talk about is Safety Culture, because that's extremely important point to, for Safety Culture, that we are as a team really stepping up and making sure we have thorough reviews and we're working as a team to look at things from a diversity standpoint.

That's all of my presentation. Are there any other questions?

MR. DEAN: Can I interpret that last comment to mean that, Bill, you're going to discuss what QA's observations have been over this process, because I consider this to be a pretty key activity at the site, that would be a good indicator of conservative decision-making safety culture.

MR. PEARCE: We weren't prepared, Bill, to address that particular issue today, but we have watched -- in fact, the first morning they started out, I watched it myself and sat in for a couple hours of the reviews; and I thought it was very thorough.

We can get, we have been observing those issues as QA Organization. And Steve, we don't have a report yet on that, right?

MR. LOEHLEIN: No, we don't have a report yet, but we have been monitoring that.

MR. PEARCE: For those of you can't hear, Steve Loehlein is the QA Manager, and he said that we do not have the report ready yet, but we have been monitoring those issues and we will come to some conclusion on the adequacy of the review.

MR. DEAN: It may be worth while at our next meeting, maybe Steve can give us some ad hoc comments now, but I would certainly be interested in getting perhaps a more detailed assessment of observations and insights the QA Organization has gathered in looking at key evolutions like this.

MR. PEARCE: Certainly we can provide that, Bill.

MR. LOEHLEIN: Steve Loehlein, QA Manager.

I heard a lot about the Safety Culture, so I thought I would put it a little bit in context. We have been observing the mode restraint. In terms of Safety Culture, there is a couple things that we observed so far. First of all, when the station decided to start to get assembled and talk about, well, what is it we've got to do for Mode 6; there was a lot of the natural pressure that you see. Okay, who's got what, and what do we got to do to get them cleared.

So, I took that opportunity to ask the management

team, hey, who is covering these mode restraints, who is the authority here. And Operations stood up, said, hey, we control the mode restraints. So, it was clear from a Safety Culture standpoint, the site was focused on managing, getting and assembling the issues, but Operations was in control of the decisions. So I thought that was a good indication of some of the Safety Culture things we were looking for.

MR. PEARCE: Can you give us some not so good examples?

MR. LOEHLEIN: Some of the not so good. I thought the not so good was I was the one who brought that out rather than having the organization recognize it on their own, but it's good to see that they were aware that that was their role relationship.

MR. PEARCE: Okay.

MR. RODER: Thanks, Steve.

Other questions?

MR. GROBE: I don't think so, Mike. Thanks.

MR. RODER: I would like to introduce Dan Kelley.

MR. GROBE: Before we do that, I think we need to do a time check. It's about 17 minutes to 5. I was trying to be complete by 5. I think

the most important of the remaining sections is the one on Safety Culture. And I was wondering if you might consider, we have the slides on the other topic areas, if we might consider reading those and reviewing them, and if there is additional information, next month we could pick that up, but I would like to get into yours and Bill's.

MR. MYERS: That's fine.

MR. GROBE: Okay.

MR. MYERS: All that work you did. (laughter)

MR. KELLEY: That's okay.

MR. GROBE: They are good looking slides.

MR. MYERS: Moving on to Safety Culture, one of the things we want to talk about today a little bit is both Safety Culture and Safety Conscious Work Environment. You notice we separated those. So, I'll talk some about Safety Culture. Then, Bill is going to take over on Safety Conscious Work Environment.

Our desire, I wanted to talk about Safety Culture and Safety Conscious Work Environment and the many actions we've taken to-date; and then finally, we would like to give you some of the taste, if you will, some of the activities we are going to be talking about at the January

30th meeting with NRC, which is more of an in-depth detailed meeting of where we're looking at and how we're going to report back on Safety Culture.

There is a new methodology we just decided to use. I don't want to call it new methodology, but it's new for us. Performance Safety and Health Assurance has been contracted, that's a company, to implement a new safety methodology.

With us today, we have Sonja Haber, who is a Ph.D. She's specialized in Safety Culture throughout the last 15 years. I have a couple notes here. Doctor Haber has been consulting in nuclear performance for over 25 years. She has worked extensively with the Nuclear Regulatory Agency for one. We won't hold that against her. She's worked with several of the utilities. That's good. She's worked with the U. S. Department of Energy, the Canadian Nuclear Safety Commission and the International Atomic Energy Agency.

For the last 15 years, she specialized in Safety Culture, and she has a methodology that we're going to use as an independent process at our plant to provide our management team some feedback on other activities we might take from a Safety Culture standpoint.

With that, I would like to have Doctor Haber step up.

DR. HABER: Thank you.

Good afternoon, I'm Sonja Haber.

As Mr. Myers said to you, I've been working in the area of Safety Culture for some time. In particular, I have worked with the US NRC. I have worked with Department of Energy, and probably most recently with the International Atomic Energy Agency in Vienna, which is doing a lot of the recent work in this area.

The methodology that we're proposing to use here at Davis-Besse; I want to tell you a little bit about the development of that and why we think it's the appropriate one.

The research behind that methodology was actually funded by the US NRC for almost ten years, in the late 1980's and through the mid 90's. It was then adopted by the Canadian Nuclear Safety Commission that benchmarked all of their facilities, their nuclear facilities, using the methodology. It's also been utilized in several European plants and it's been used in former Soviet Union countries with Soviet designed reactors as well.

And the concepts that are promoted by the International Atomic Energy Agency are those that are really a lot of apprentices of the methodology. So, I think it meets a lot of characteristics that everybody is looking for in trying to instill Safety Culture.

Basically, without going into too much detail, I just want to point out that one of the strengths of the methodology we receive feedback on and we believe is true is that we use multiple methods to look at the different behaviors that influence Safety Culture. And what I mean by that, is that we have what's called convergent validity. We don't just use one tool or one instrument to measure or observe a behavior, but rather usually a minimum of four.

I'll just give you a little example. If you think that decision-making is an important behavior for Safety Culture, and I think we would all agree to that, then we will use things that involve interviews, observations, survey techniques, to look at decision-making. We won't just rely on one particular tool, but we'll get information from several tools. Then, the results that we can present, we feel, will be much more reliable and valid with respect to that behavior.

I don't really want to spend too much time on the details, other than to say that there are safety characteristic that really the international community and the nuclear industry do agree upon, and those are the ones we'll be using and we would be looking at the behaviors that influence those characteristics.

So, we will report back with respect to the absence

or presence of those characteristics here at Davis-Besse. We'll look at the areas of strengths, where things are moving on, where programs are in place, and the areas still in need of improvement with respect to the Safety Culture characteristics. And we'll try to get some idea of the progression or the trending of those characteristics, perhaps from where things were to where things are today.

MR. MYERS: Thank you. Sonja will be reporting to Fred Giese, the Human Resources Manager. The reason for that, as we finish this, we want to take any lessons learned and fold that back into the process for, for personal development, which is our Leadership in Action Program. So, that was a natural place to put that.

I would comment once again, the report that you will be writing will be from her, their company, it will be used by our management team and it will be completely independent. We look forward to getting that report, ~~to further~~ convergent validity. That's a new term for me, I want to try to figure out how to use that more often.

Since our last meeting, we have taken some actions in FirstEnergy. First thing that we did is we've, we've approved a policy with Bob Saunders. And that policy defines what we at FENOC are going to use a definition for Safety Culture. It's in the slide.

Safety codes. We're defining that assembly of characteristics and attitudes. It's a group of characteristics and attitudes. This is pretty hard for a bunch of engineers; characteristics and attitudes in the organization and the individuals.

So, it's how we as managers, myself as Chief Operating Officer, VP of the site, we affect the organization. And then, how do the individuals' behaviors and attitudes, how do they respond, which establishes as overriding priority toward nuclear safety activities. And that these issues receive the attention warranted by their significance.

Because every activity we do is not real safety significant. Some of them have low significance as far as safety and some of them have very high. So, it's important that we understand the difference.

The next thing we did was, we defined Safety Conscious Work Environment as employees willingness to raise safety, raise issues and management's response to those issues. Key definitions in my mind.

Next thing we have is a Safety Culture model that we're using. Starts out with very basics, with a corporate level, that we call Policy Level Commitment. That's in the management organization of Bob Saunders, myself, and Gary Leidich. And it starts out with a statement of policy; we

have completed that.

Management values at Davis-Besse are clearly understood now. And the FENOC values are in all the meeting rooms, at all of our plants. And we've shared those values with all of our employees. We're making sure that they're consistently understood.

Next level is the management commitment. That has to do with the managers sitting at this table and the managers at our plant. And, if you go look at the management commitment, there is things that you look for, now that you have the value and policy statement; for example, clear responsibilities and cohesiveness of the organization, and a daily emphasis on safety based on that policy.

Then you go up and reflect on the individual commitment, and you go out and monitor the drive for excellence by the employees. They clearly understand we want this polar crane meeting the highest industry standards, you know, or do we have questioning attitudes when we find degradation and material condition like Boron on the reactor vessel head.

All of those things and characteristics are in place, and it's possible to say that you have a good Safety Culture. So, we'll be monitoring those types of characteristics. So, that's sort of the model that we're

using.

We talked about some of the actions that we've completed. We've completed our policy on Safety Culture. That's done now. I've shared some of that with you.

The FENOC vision, mission and values are clearly visible at our plant now. You all asked that question at one of the meetings, and I articulated the values, and then I went back and looked. At our other plants, it's a lot more visible than it is at this one, so I think you see good improvement there.

The Business Plan. We've gone back and revisited our Business Plan a couple of months ago, our senior team, and made sure the plan is focused properly on safety, and it was very clear and crisp.

Our Incentive Program. Bob has looked at our Incentive Program. I was with him not long ago. We revamped our Incentive Program somewhat to make sure we're focusing properly not only on safety, but reliability on people. And we have those incentive programs, I think, properly balanced. I'm pretty excited about some of the things we did.

FENOC Corporate Organizational Structure. When we started out here at the Davis-Besse event, there was not a Chief Operating Officer and there was not a corporate organization. We didn't have a corporate organization in

place with good program and process owners. That alone could probably have prevented this issue.

Additionally, we created the Executive VP of Quality Oversight that now reports to our board. You know, one of the problems we had was our quality organization folding up into our plants from a Safety Culture standpoint, became a part of the Safety Culture. This independence we have now we think is a long term improvement in Safety Culture that will help us out in our plants.

And finally, the dedication of our CEO. Let me talk about that. We're the fourth largest utility in the United States and our CEO has been in our plant four times since this shutdown. You know, that's I think pretty unique. And, each time he came there, he came one night and had two meeting with our employees and spoke to our employees for about four hours, until 7, 8:00 at night, emphasizing, emphasizing his commitment to the plant and to nuclear safety. And to me, that's the basis.

From a management standpoint, I want to talk about that for a moment. I think management technical competence is important. We talked somewhat about Operations involvement in the organizations. Let's go to the slide for a second. I have an Org. chart over here I put together.

One of the things we have done, we have a number of

managers in the Org. chart. We rotated and promoted some people to management positions. One of the things I would say, if you look on our Org. chart now, there is 22 managers at our site, that's including the directors and myself. All but three of those people are previous SRO's, have certifications. So, that shows you our commitment, the technical competence of our managers.

Not only are all but three that have SRO's, or certifications; if you go look now, the top management team across the board has 160 years of significant good operating experience. And down below us, is another 160 years or so. I haven't added that up.

So, we think now that we not only have a senior management team that we talked about in place, that we feel good about, but the management team at our site, we begin to feel real good about that too. And you heard them talk about some of the teamwork. I want to tell you, in the last month or so, I've seen this management team come together to do some pretty unique things that I'm pleased with.

From a management involvement standpoint, we got strong management involvement now. In our restart activities, monitoring program that we have in place is serving us well, management observation program down below; and, finally, the standards that we set for our management

ownership.

You know, we've anchored some of those standards. One of the things you have to do with management standards, it's okay to just go out and talk, but you have to anchor them in your business, the way you do business, very specific. And one of the things we've done, for example, is the Corrective Action Review Board. You know, that was a very low level review board. It's now got a director that runs the review board and assigns managers. We talked about that earlier, it's on the review board, rather than just low level people.

So, it's impossible for us to sit here and say we don't know what's in the Corrective Action Program. I mean, we're reviewing those things every day at the management level. So, we have that ownership and responsibility.

From an individual commitment standpoint, we've taken several actions also. We evaluate our supervisors. We told you that we would evaluate key supervisors in our plant. We brought in an industrial psychologist to help us with that, and we've completed it. Not only did we do that, we went a step higher to evaluate our managers. Then we went a step higher to evaluate our directors. Then they evaluated me, and I survived.

Then we went a step higher than that. Bob said, you know, we should also do that at our other plants and at his

level also. So, now we think we have a very good baseline of data on ways to improve our management team based on their feedback.

The new safety consciousness has been added in our yearly appraisal process with all of our people. That's part of our Leadership in Action Program. We've added two new competencies based on this event, each person's yearly appraisal that will affect how they're rated.

Town Hall Meetings continue, and meeting with, 4-C's Meetings continue. We think we're, I'm taking good corrective actions there, I think, and getting good feedback. Monthly All-hands Meetings have been, I think, positive.

Also it strengthened the questioning attitude, we think, of our employees with our Management Monitoring Program. We've got several examples of, we've watched prejob briefs that weren't as thorough as we thought they should be, procedures not being used properly. We think we have greatly strengthened the prejob briefs, the improved ownership in the plant, and demonstrated the willingness to drive work activities to meet industry standards.

I think the polar crane, the cavity seal, the containment when we had the standdowns there; those were

tough. They cost us weeks in scheduled time, but we've proved we would take those weeks if needed to get the job done correctly. To me, that's Safety Culture.

With that, I would like to let Bill talk a few moments about the Safety Conscious Work Environment.

MR. PEARCE: Okay. Thank you.

MR. GROBE: Bill, what I want to do is defer my questions. The information, I agree with you, Lew, that you initiated a large number of actions to address the Safety Culture issues at the plant. The Management and Human Performance Action Plan, I think I got the title right, had a lot more activities in that you have due dates between now and let's say the end of April. Those due dates don't seem to be aligned with restart decisions on your part.

So, one of the things I'm interested in, maybe for the, either prior to or at the January 30 meeting is trying to get confidence that we understand what actions you plan on completing before restart, what actions you're not going to accomplish until after restart.

Then, also, how do you plan on measuring your success in these areas, and how you're going to factor those measurement tools into your restart decision-making.

MR. MYERS: One of the things that was interesting in this new methodology is, it doesn't

tell you, you have the best Safety Culture, it tells you that you're in line with what they've seen elsewhere. So, that's going to be one of the tools we're going to have, use to help the manager monitor our success; is it working or not. Also gives us some trends. Additionally we have some performance indicators. So, we'll be glad to talk about that January 30th.

MR. GROBE: The two brief statements I made about one minute is probably a two-hour conversation, so we'll defer that to the 30th.

MR. MYERS: That would be good.

MR. PEARCE: Okay, my name is Bill Pearce. I'm the Vice President of Oversight for FENOC. Let me reiterate first of all the definition of Safety Conscious Work Environment, which is the subject I'm going to speak on.

That part --

MR. GROBE: Bill, I think your microphone is not working.

MR. PEARCE: I'll start over again. My name is Bill Pearce. I'm Vice President of Oversight for FENOC. I'm going to talk about Safety Conscious Work Environment.

Let me start that out by reiterating the

definition. "That part of a Safety Culture addressing employee willingness to raise issues and management's response to these issues."

I think you'll see that in what we're doing here. First of all, we've got, somewhere we've got a picture. There we go. We've got a picture, and we put this picture together to try to depict what Safety Conscious Work Environment is about. It's a piece of Safety Culture, but it's only a part.

And first of all, let me talk about the foundation; and the foundation, you can't read it there, but it says basic principles. And there is a list of basic principles. What that's about is, in Leadership in Action, when we train our supervisors, there is a standard set of basic principles that are taught and reinforced throughout their supervisor career. These are kind of the foundation of how we treat people and how, how we expect people to act in some regard.

Let me read those to you, because they are the basis of what goes on above. "Focus on the situation, issue or behavior, not on the person." "Maintain self-confidence and self-esteem of others." "Maintain constructive relationships." "Take initiatives to make things better." "Lead by example."

And that's the foundation of, actually of a Safety

Conscious Work Environment, because treating people in that manner is, you know, kind of the basic peaks.

Then, there is four pillars. And I'm going to describe each of these pillars individually, but these four pillars support a strong Safety Conscious Work Environment. The first pillar is Management Support, and Worker Confidence. And what we've done in that regard is we issued a FENOC policy, signed by Bob Saunders, on Safety Conscious Work Environment; what our expectations are for the organization about Safety Conscious Work Environment. And it's important to have a policy level, high level policy statement on what we expect from people.

Next, very important I think, is Lew, the site Vice President has been met with approximately four hundred employees in groups of about 15 people each to reinforce the management support of Safety Conscious Work Environment. Each one of those, he discusses Safety Conscious Work Environment with groups and employees along with other issues. And, the main thing that we should get out of that is establishing a relationship between the highest level in the organization at the plant and the working level of people and telling them that he really, he wants to have issues raised and that he values those issues when they are raised.

I think that was a very important thing to do.

Believe me, Lew is a busy guy, and to take four hours a week of his time to do that, you can see the level of importance that he gives to that.

MR. DEAN: Excuse me, Bill. In that area, when you talk about meeting with employees, given the large contingent of contractor employees still at the site; does that include contractor employees in that?

MR. PEARCE: We have not gotten to the contractor employees yet. Although, we did train in the next area, we did train the contractor supervisors on Safety Conscious Work Environment. And that's what I'm going to talk about next, as a matter of fact.

We trained managers and supervisors on Safety Conscious Work Environment. Let me talk a minute about that. We used expert legal counsel to do that.

We brought some people in that have dealt a lot with the issue of Safety Conscious Work Environment and the legal issues around that, and let them train our supervisors and managers. They did it through a set of case studies where they discussed what had happened at other facilities and what is the rights and wrongs about how to deal with that issue.

And there is, we had discussion of our legal obligation, but more importantly, there was a lot of discussion about what are the right things to do and how to

deal with that issue. So, all our managers and supervisors had training in that issue.

In addition, we've started training our operators by the same folks. As they're going through ~~recall~~ requal cycle, we're starting to catch them and train all the operators in Safety Conscious Work Environment. And that's the first pillar.

The second pillar is the Corrective Action Program process. And, Dave Gudger talked about that at length. I'm not going to go through all the actions we have taken, but there is two key aspects I want to reinforce.

One, is it's extremely important to have problems identified by people and have them effectively resolved. The important aspect of that is, the second thing about it is, it's important that employees feel that when they identify problems, that management is going to care enough about the problem to get them resolved. And if the management doesn't get problems resolved, then they're not going to bring problems up very long, if they feel like it's a futile effort. So, those two aspects are key in the Corrective Action Program.

That's why I personally am so pleased to see the management team getting together and looking at the corrective actions, that are being taken on an individual basis in the Corrective Action Program, and ensuring

themselves that we're doing the right things. So, I think that's a good thing.

The third pillar is Employee Concerns Program. What the Employee Concerns Program, for those of you that might not be familiar with it, it's a program that we have in place, so that if an employee has a concern and the normal line management hasn't resolved his concern or her concern, they can take it to an independent group and give that concern to the group; and hopefully, we'll get it resolved with that program.

We revamped the program. We had a program in place prior to this within FENOC, but we've revamped the program the latter part of last year, actually. We got the new program in place. We brought in a new experienced manager that's had experience getting this program off the ground at other sites. We've got him now getting ours off the ground.

He reports directly to me, the Vice President of Oversight. And we did that to have that program be independent of site management. That's been one of the issues we had previously here is, when we only had the site management was responsible for employee concern problem. If a concern was brought up, it was investigated by someone out of site management. And it kind of made people feel or not trust the program, because you know, if you have people

out of management trying to review what it may even be about, some of the concern may be about those individuals, so it caused some distrust. So, we tried to remove that.

Under the Confidentiality. Confidentiality is an important feature of an Employee Concern Program; and it is because sometimes the concerns that we may have as individuals might be about our supervisor or manager. And, that's kind of hard to go get them resolved for you sometimes.

So, Sometimes employees ask, they want their concern to be kept confidential. They have reasons to do that and we want to make sure that we respect that, and we maintain that confidentiality.

Then I got a mistake here. It says, four full-time independent investigators, it should just say just four independent investigators, because we don't keep them here full time. They're contractors, and that's the advantage of them at the moment is we can bring them in and out as we need to do investigations. They're not part of our normal staff. They maintained independence and they can do an investigation for us and give us some feedback.

And Bill, it's under this area, that you asked earlier, about the CR process, and how the CR process might be related to the Employee Concern Program; is that correct?

MR. DEAN: Correct.

MR. PEARCE: The way I would see that, is the Program Manager for the Employee Concern Program reviews the condition reports and so does the Quality Assurance Manager. And, they look for evidence of things that have been brought up previously in the Employee Concern Program. And, that's kind of the process that we use to make sure that we're seeing repetitive issues that are coming out of the system.

I think at least partially answers your question; doesn't it?

MR. DEAN: Yeah. I guess the other part I was looking for, relationship between those types of issues that emanate through the Employee Concerns Program, how do those translate back then into Corrective Action Program or is it an independent program?

MR. PEARCE: Actually, I have some data, but I don't want to go into that, in the interest of time.

MR. DEAN: No, I don't need to get into a lot of detail on that.

MR. PEARCE: There is pretty good congruence between that. In fact, a lot of the condition reports, or a lot of the things we end up in the Employee Concern Program have already surfaced at some

level in the condition reports system. And, in fact, some of those issues that go on to the NRC have shown up in both of those before they ended up at the NRC.

So, there is a pretty good congruence in that regard. The issues that are being brought forward are being put in the Corrective Action Program.

MR. DEAN: I guess I would be interested, and maybe part of this discussion would be better to wait until we get together on the 30th of January, but I would be interested, you said you revamped your program. I guess I would be interested if there was a particular model that you used? I know there has been some plants in the past that have been at the cutting edge in terms of designing and implementing employee concerns programs.

MR. PEARCE: Well, we did look at a lot of models and we didn't pick any particular one. I think we used the buffet method. We chose the ones we thought were the best aspects of models that were out there, and we got advice from who we considered to be the experts in those areas to make those decisions.

The next --

MR. DEAN: Not to interrupt, but if you could be prepared on the 30th, I would be interested in at least having some discussion on the 30th,

in terms of what was it that you felt was inadequate or needed improvement out of your preexisting and what have you done to enhance the program.

MR. PEARCE: I certainly can do that. I'll be prepared to do that.

MR. DEAN: Okay.

MR. PEARCE: And the last pillar is kind of unique thing, or something that has been at a couple other plants at different levels. We're using it, and we put it in place here. It's called the Safety Conscious Work Environment Review Team.

What we did there, was we put a charter together. We wanted a group of people to review any action that we're taking at the site dealing with any type of discipline issue or something that we're doing with someone like a demotion or some negative behavior toward individuals. And, we put this team together to review all those actions, and to make sure that there are not issues going on where we're taking inappropriate action or even that there might, the person might receive an inappropriate action, because of some safety issue or some issue that they brought forward.

The team's made up of top level managers at the site, Human Resources and the Legal Department. And the team, one of the examples I was going to talk about is;

recently, when we were getting ready to do, you know, we did, as you talk about earlier, we did quite a large contract reduction at the site. Well, this review team, before we did the contract reduction, actually got together.

We reviewed the contracts that were out there, and how our contractors who were going to reduce their people; what was the methodology that they used to make sure there would be, you know, we reviewed that to see that there would be no discrimination or retaliation, or no perception of discrimination or retaliation.

In addition, this team recommended that we do exit interviews. And we exit interviewed every person that left. We asked each one of them, did they have any safety concerns that they wished to give to us. And actually, we got out of several hundred people, we got four issues that we brought into the Employee Concerns Program to look at.

So, I think this team did a good job at looking how we did that and gave us feedback. So, this team actually -- actively looks for issues which may even give the perception of discrimination that's going on within the organization.

They look at promotions, transfers, you know, a lot of different things, trying to glean anything that might be going on at the site that we might ought to intervene in,

to make sure that we're not having something that would keep people from, or make people feel like we didn't value them finding problems and bringing them forward.

That's it, unless you have some questions. I think Lew wanted to conclude.

MR. DEAN: Just a quick question. In terms of this review team's activities, you mentioned the contractor reduction effort. Prior to that, there was some, a number of personnel actions that were taken. Were they involved in anything with those, or was this team formed subsequent to that?

MR. PEARCE: It was formed subsequent to that.

MR. GROBE: Okay, Lew, could you wrap up?

MR. MYERS: First I would like to wrap up on Safety Culture. I think this Safety Conscious Work Environment is an extremely important area. We think we've seen improved performance. Our senior team has 160 years of successful operation under our belt. We sort of know what good plants look like; and we've seen some signs that we think are good, especially in the management areas. That's not to say we don't know what we're doing. We're not the PhD's, so we went and got us one. But we feel good about where we're going. We're

going to continue our employee meetings. We're going to continue with our oversight of our employees. We're going to continue with the management assessments. And then finally we have the independent assessments we're going to do. We know this is an important effort for restart, and we're going to make it good for all of us there.

Finally, are you ready for me to just close the meeting?

MR. GROBE: That would be great.

MR. MYERS: That would be good. Our desired outcomes today, we're showing we're making progress.

I would like to talk just a second, I'll talk a little about Dan's presentation. We brought our fuel assembly with us. It's a very important part of fuel load. So, with the public here, we took the reactor core out, put it in the spent fuel pit. We sift all the fuel assemblies to make sure they're leak free. We looked at, as you move fuel assemblies around, there is structures designed to take wear. We visually inspected our fuel assemblies. We looked for debris. We cleaned debris. We put in a lot of efforts. We sent one fuel assembly back for reconstruction. We have it back now as a new assembly, where we found a grid damage on.

We brought this demo up here with us, so anybody that wants to look at this afterwards, I guess Dan would spend some time with them.

MR. KELLEY: Sure.

MR. MYERS: Sure, that would be good. And with that, I did that presentation.

Once again, we think we're making good progress with restart. I think we demonstrated that today. We try.

Our plan for core reload I think is good. We've had a lot of Ops. involvement. We don't want to make a mistake and find something that we missed that causes us to reload the core any more than you all want to see us do that or public wants to see us do that.

So, we've had thousands of activities, thousands of contractors and thousands of questions. We've gone through those pretty well.

We tried to show some unique things today. The Leak Rate Program is going to be unique to the industry. We think it's going to set a new standard.

We think the upgrade that we're making on the cavities, the sumps, all the unique things. And, I think what that will demonstrate is the right Safety Culture for our plant, and for our employees. And we'll also ensure that the public has a plant in here, that it's not only a good plant, but meets, it's excellent from an industry

standpoint. Thank you.

MR. GROBE: Thanks a lot, Lew.

Instead of taking a break, I think Bill and I will just step down in the front and entertain any questions or comments from the public. Okay? So, don't get out of your seats. Thank you.

(Off the record.)

MR. GROBE: Okay, excellent.

The way we usually conduct this, is first I invite any representatives of local public officials, or in this case we had some public officials here today, so that's great. I think we lost the Mayor of Port Clinton, so that's unfortunate, but I appreciate your patience. It was a bit of a long meeting.

We normally try to limit comments to a couple of minutes, so that other people can have an opportunity. So, please come forward, state your name, and we're eager to hear your comments or answer your questions.

MR. ARNDT: My name is Steve Arndt, President of the Board of Ottawa County Commissioners. And, I've been a County Commissioner now for 14 years. And, I have had a few observations I would like to share with both the NRC as well as management from FirstEnergy.

D-B has been able to enjoy a very fine reputation, being one of the best run nuclear plants, not only in the nation, but also rated right up there in the top tier in the world. One of the downfalls of that particular -- is it not on?

(microphone)

Is everyone able to hear me back there or should I restart? Start over?

(audience responded - no.)

MR. ARNDT: Good. In order to hold to the two minutes, I should probably just pick up where I left off.

One of the observations that I have seen is that the downfall of having that reputation, I know the employees were quite concerned of falling into what they call complacency. Well, we also raised the issue a number of times with management, one of the successes of D-B was, a lot of talent we found leaving D-B and joining forces in other facilities. That was a downfall. And unfortunately, we ended up just exactly where fear was, many of the employees was, that we had fallen into that complacency.

I'm glad to see Mr. Saunders here. I'm glad to see the management team that FENOC has represented or has recognized is necessary to put back in place at D-B. I can tell you one of the things as a County Commissioner and as

an elected official, you get a very strong sense of where the community is at. They don't hesitate to seek out local officials. We can not hide. We live in that community.

And I can tell you the confidence in the community, the confidence in those frontline employees, and those supervisors is still there, they will meet this challenge. They have the management team there at D-B now. They are willing to, and ready to step up to the challenge of getting Davis-Besse back into the forefront of not only national, but as a world example. And we look forward to seeing that come, in a not too distant future. Thank you.

MR. GROBE: Thanks for your comments, Steve.

MR. WITT: I'm Jere Witt, County Administrator, and also a member of the Restart Oversight Panel. I have one question and one comment.

The one question is, Jack, and I have been fortunate enough to have been part of that Restart Oversight Panel to see many of the things that have happened over the past six months. And, my one question is, if you could characterize maybe for the public that's here, the meaning of that new head, and the other improvements that have been made over and above what would possibly even have been required from a mechanical standpoint for the plant?

MR. GROBE: Sure. Why don't

you make your comment while I think about that.

MR. WITT: Okay, fair enough. My comment would be, also as part of that Oversight Panel, I've been closely involved with this issue of Safety Conscious Work Environment and Safety Culture; and was involved from day one and given free reign by Mr. Myer to go in and talk to employees to help determine what some of the problems were. And there certainly were problems to start.

But I've also been able to glean information of how that's improving, from my perspective. And I know that you can talk until the cows come home about benchmarking and all those good things, but the proof in the pudding, I believe, comes from what you're seeing happening at the plant. And what I believe will happen in the future from a Safety Culture standpoint.

And, I've seen great improvements, and not just from a management standpoint, but all the away from the top to the bottom. I think those improvements will continue. And, I think as a representative of Ottawa County, I want to be there to ask those questions to make sure they continue in the future.

And, I frankly have confidence in this group of employees, and I think the public has confidence in this group of employees that is there now, and will continue to

only get better.

MR. GROBE: Okay, thanks Jere.

The question you asked, was the, for me to put a context on the hardware changes, I think, that have been made at the plant. Let me talk first just a little bit about the reactor head.

It's entirely possible that FirstEnergy could have pursued the option of repair of the old head. I'm not sure if the technical challenges were such that it would have been overwhelming. It certainly was a technical challenge. But FirstEnergy chose, and quite frankly, Lew Myers drove this issue, chose to replace the head. And, I think when you look at Safety Culture, that clearly was going above and beyond.

You all have heard Lew talk for the last several months. It seems like a long time. But, and I think there is no question that Lew has the right Safety Culture. And, he and the current management team drove other issues, like the sump, not only repairing the damage and deficiencies in the old sump screen, but just taking it out and putting in a new one that should be substantially better.

We can talk about a lot of other issues that Lew and the team have taken on. The important aspect of that for me is not only Lew's Safety Culture and the Senior

Management Team's Safety Culture, but I've talked previously about alignment down to the firstline supervisors. Those are the folks that are in the field every day, day in and day out; supervising the work that's going on, inculcating it to the workers, ensuring that they have the proper safety focus, that they're doing work at high quality level; coaching them, training them to continuous improvement.

And, those are the issues that are a little bit harder to understand and measure. And those are the things that we're looking forward to how FirstEnergy is going to in some more reproducible way get a sense of the culture at that level, such that it's not driven from the top, but it's an endemic part of the organization.

Bill, do you have any other thoughts?

MR. DEAN: No.

MR. GROBE: Did I answer your question?

MR. WITT: Yes, thank you. And I would only add to that, Jack is, I believe that culture is there, and I believe that you have a group of employees that have worked under tough conditions for a year now, that have worked hard. I think, you know, I have some idea of what they put into this, but probably not close to what they really have. And I want to say from

Ottawa County's standpoint, we appreciate that, and look forward to many future years.

MR. GROBE: Okay, thanks, Jere.

Any other local officials? Yes, sir?

MR. ANDERSON: My name is Bart Anderson. I'm the School Superintendent here in Port Clinton.

Ladies and gentlemen, I speak today upon our good neighbors, Davis-Besse Nuclear Power Station. Today, I want to speak to several points, but I want to stress just one; that's peace of mind. And as a neighbor and a partner in our community, Davis-Besse has never thrown caution to the wind of the students that I represent.

I want to have a very clear issue right now, that I believe there is maintenance plan that's scheduled to restart the plant, that I have comfort, confidence and no reservations but to support. And I shall continue to support FENOC's efforts to bring this plant on line.

Ladies and gentlemen, I believe that there is complete and total peace of mind in your public school system with regards to our good neighbors at the Davis-Besse Nuclear Power Station. I want that to be absolutely clear. Thank you.

MR. GROBE: Okay, thank you

very much.

Okay. Open it up to any other comments or questions from members of the public.

We do have a follow-up meeting at 7:00, which I anticipate there may be a number of members of the public which will choose to come back to that meeting and ask questions or comments.

Last chance. Okay, very good.

Thank you very much. We'll see you at 7.

(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 24th day of January, 2003.

Marie B. Fresch, RMR

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