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

Meeting held on Tuesday, February 11, 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.

PANEL MEMBERS PRESENT:

- U. S. NUCLEAR REGULATORY COMMISSION
- John "Jack" Grobe, Chairman, ~~MC-0350~~ Oversight Panel
- Christine Lipa, Projects Branch Chief
- Douglas Simpkins, NRC Resident Inspector
- Jon Hopkins, Project Manager Davis-Besse
- Anthony Mendiola,
Section Chief PDIII-2, NRR
- Dave Passehl, Project Engineer Davis-Besse
- FIRST ENERGY NUCLEAR OPERATING COMPANY
- Lew Myers, FENOC Chief Operating Officer
- Robert W. Schrauder,
Director - Support Services
- J. Randel Fast, Plant Manager
- James J. Powers, III
Director - Nuclear Engineering
- Michael J. Stevens,
Director - Work Management
- Steve Loehlein,
Manager - Quality Assurance

1 MS. LIPA: Okay. Good
2 afternoon. Can you hear me in the back? Good.
3 Okay. Well, welcome to FirstEnergy and to members
4 of the public. I'm Christine Lipa and I'm in Region III of
5 the NRC's Region III Office, and I have responsibility for
6 the NRC's inspection program at Davis-Besse.

7 And, we'll go through introductions in a moment
8 here, but let me just go to the next slide.

9 This is one of -- we've been having monthly public
10 0350 Meetings with FirstEnergy since last May. And, the
11 purpose of this meeting is to inform the public of the
12 NRC's Oversight Panel activities; and that's what we are up
13 here, the NRC's Oversight Panel; and, then also allow the
14 Licensee to present their status on their progress in
15 implementing their Return to Service Plan. And then, we'll
16 be discussing various parts of that plan.

17 We'll go through the rest of the -- you can go to
18 the next slide, which has the agenda. We'll go through the
19 rest of the introductions in a minute here.

20 Jon Hopkins is on my far left. He is the Project
21 Manager in Headquarters for the Davis-Besse facility.

22 Next to Jon is Tony Mendiola, and he is the Section
23 Chief at NRR.

24 Next to Tony is Jack Grobe. Jack is the Senior
25 Manager in the Region III Office in Lisle, Illinois; and

1 he's the Chairman of the Oversight Panel.

2 Next to me is Dave Passehl, and he's the Project
3 Engineer for the Davis-Besse Project in Region III.

4 And, next to Dave is Doug Simpkins, and Doug is the
5 Resident Inspector at the Davis-Besse facility.

6 Also, in the audience today from NRC we have Ivy
7 Netsell. She's is Resident Inspector at Cook, and she can
8 also get you a handout if you didn't get one when you came
9 in. Raise your hand, and Ivy will hand you one.

10 Also, we have Viktoria Mitlyng. She's our Public
11 Affairs Officer in Region III.

12 Nancy Keller is the Office Assistant for the
13 Resident Inspector Office at Davis-Besse, and she was in
14 foyer with the handouts.

15 We have Jay Collins, who is a General Engineer on
16 rotation from Headquarters.

17 I also saw Rolland Lickus. He's our State Liaison
18 Representative. There he is.

19 And then our transcriber today is Marie Fresch.

20 And I'll turn it over to you, Lew, if you want to
21 introduce your panel, then I have more to say.

22 MR. MYERS: Fine. At the
23 end of table, Steve Loehlein. Steve is our Manager of
24 Quality Assurance. And last time we discussed that we
25 would like to have him here at the next public meeting, so

1 he's prepared to speak today on what quality assurance is
2 seeing at our plant.

3 Bob Schrauder is our Director of Support Services.

4 As you know, he's working in the Systems Area Building
5 Block now.

6 To my right, is Randy Fast. Randy Fast is our Plant
7 Manager.

8 Jim Powers next to him is the Director of
9 Engineering.

10 And then Mike Stevens at the end is the Director of
11 Maintenance; and as you know, he's also the Outage Director
12 at the present time.

13 MS. LIPA: Okay, thank you
14 Lew.

15 Also, before we get started, are there any public
16 officials or representatives of public officials in the
17 room?

18 MR. ARNDT: Steve Arndt,
19 Ottawa County Commissioner.

20 MS. LIPA: Hi, Steve.

21 MR. PAPCIN: John Papcin,
22 Ottawa County Commissioner.

23 MS. LIPA: Hello.

24 MR. WITT: Jere Witt, County
25 Administrator.

1 MS. LIPA: Okay. Anybody
2 else?

3 Okay, good, thank you.

4 Okay, next on the agenda is a summary of the last
5 monthly public meeting we had here on January 14th. I'll
6 turn it over to Tony Mendiola for that.

7 MR. MENDIOLA: Can you all see
8 that slide back there?

9 Basically, to summarize the meeting on January 14th,
10 that we had here, the discussion centered on two main
11 areas; basically, the restart preparations on both the
12 Licensee's part and actions that we have as a panel have
13 performed to date; and, then basically, we broke further
14 down to the bottom of that topics discussed area, Safety
15 Conscious Work Environment.

16 Let me recap for a moment the discussion. The NRC
17 Restart Checklist, which is basically the action matrix
18 that we're working from, we provided the update on that,
19 and then discussed the status of various inspections, most
20 of which are ongoing or will be ongoing soon; and, various
21 meetings that we were going to have in the month of January
22 and early part of February associated with the Safety
23 Culture, and other meetings that we had or supported,
24 commission meetings, and congressional briefings and things
25 like that.

1 The FirstEnergy presentation focused primarily on
2 restart. They discussed the status of the physical
3 plant; basically, the construction work and modification
4 work that was ongoing on the site. And the, their working
5 off of their condition reports and corrective actions.
6 Basically, they use very similar to the charts you see
7 there on the, I guess on your righthand side of the room
8 there, discussing the various aspects of, of their programs
9 to complete these corrective actions.

10 There is a discussion of the, the Reactor Coolant
11 System Integrity Management Program, which you can see
12 about halfway down from the top was discussed there; and,
13 basically, a continued discussion on their readiness to
14 reload the fuel and other issues associated with the fuel
15 and fuel reliability.

16 In the interest of time, we did speed up the agenda
17 and moved right into the topic of the day, which was the
18 Safety Culture, Safety Conscious Work Environment topic.
19 At this meeting, the Licensee introduced Doctor Haber, who
20 is their consultant to help them implement the new safety
21 methodology at FirstEnergy -- at Davis-Besse, excuse me.

22 There was a discussion, detailed discussion of the
23 FirstEnergy model for Safety Culture. And, I don't see a
24 version of it here, but the Licensee provided a
25 four-pillared graphic, which discussed basic principles of

1 Safety Conscious Work Environment, and four pillars that
2 they are focusing on to improve the Safety Conscious Work
3 Environment at the site.

4 Upon completion of that conversation, which lasted I
5 would say about half the meeting, we then moved on to
6 closure.

7 For everybody's interest, the transcripts from that
8 meeting are available on the website. And, if there is any
9 other topic areas you would like to, need more information
10 on, you can see me during one of the breaks or at the
11 conclusion of this meeting. That's all I have.

12 MS. LIPA: Okay, thanks

13 Tony.

14 Then, the next slide was the next meeting we had,
15 which was on January 30th. And we had a pretty lengthy
16 public meeting in the Region III Office, where we discussed
17 with FirstEnergy their plans for assessing the status of
18 Safety Culture and Safety Conscious Work Environment at the
19 facility; and the various methods of surveys, interviews,
20 and attributes that will be evaluated. This included
21 activities that have already taken place at the facility;
22 those that are continuing, and those that are planned over
23 the coming weeks.

24 And the slides for that January 30th meeting are
25 available on our website and the transcript will come out

1 after we finish processing it.

2 I did want to mention, I skipped over a few of my
3 introduction remarks at the beginning, that this meeting is
4 open to the public, and the public will have an opportunity
5 before the end of the meeting to ask questions of the NRC.
6 And this is what we consider to be a Category One Meeting
7 in accordance with the NRC policy in conducting public
8 meetings.

9 We're also having this meeting transcribed today to
10 maintain a record of the meeting. And the transcription
11 will be available on our web page. We usually have it
12 available in about 3 to 4 weeks.

13 The agenda and the handouts are available in the
14 foyer and on the NRC's Web site. We also have the February
15 edition of the NRC monthly newsletter. This is a summary
16 we put together that has background information as well as
17 current activities.

18 We also have a public meeting feedback form. And,
19 this is a really good tool for us to get feedback from
20 people that are here, to let us know aspects of the meeting
21 that we can improve on. And we've been doing that since
22 these started back in May. And we have actually changed a
23 few things, and I think we've made it a better meeting.

24 And then, also our handouts for today and the
25 Licensee's handouts.

1 So, let me go on with the next slide then, which is
2 the Restart Checklist. What I want to do here was give you
3 an update on where we stand on the parts of the Restart
4 Checklist.

5 The first items are the technical and nontechnical
6 aspects of the Root Cause, and those are still under review
7 by the inspectors and technical review of NRR.

8 The next area is the Adequacy of Safety Significant
9 Structures, Systems and Components. And what we've done
10 here is, we had several inspections that have been out, so
11 let me go through a couple of highlights with you.

12 For Item 2A, the main item that is still outstanding
13 for that is the Normal Operating Pressure Test that's
14 scheduled after the first Mode 4. So, we'll be covering
15 that with a special inspection.

16 For Item 2B, which is Containment Vessel
17 Restoration, the remaining activity there is the ILRT,
18 Integrated Leak Rate Test of containment.

19 For Item 2C, we have several unresolved items that
20 came out of the inspection that was done, and exited in
21 November.

22 For Item 2C-1, which is on the emergency sump, that
23 inspection will be performed once the utility has completed
24 their mod package, and we'll also be inspecting the actual
25 sump that has been modified.

1 For Item 2D, the item that's remaining here is
2 inspectors to follow the Licensee's resolution of problems
3 that they've identified on boric acid containing systems
4 that are on-site containment.

5 The next area that we have is the Programs area.
6 And these are all programs that the Licensee is reviewing
7 in detail, and coming up with plans to address deficiencies
8 that they discovered. So, right now the inspectors are
9 planning to come out when the Licensee's reviews have
10 progressed sufficiently that there is something, a
11 completed product that we can inspect.

12 The next area is Section 4, which is the Adequacy
13 Organizational Effectiveness and Human Performance. And we
14 actually have three phases to this inspection. Phase one
15 has already been completed, and Jack will go through that
16 in a few minutes and then we'll be continuing inspections
17 to address those checklist items.

18 Section 5, which is Readiness for Restart, these
19 areas are not really ready for inspection yet.

20 And then Section 6, which are several licensing
21 actions. And for all of you, licensing actions, which is
22 the first bullet there, the NRC has received the
23 information that they were waiting for from the Licensee,
24 and it's under NRC review, but there is no outstanding
25 questions. We do plan to document closure of these many

1 systems in Inspection Report 0302.

2 And then the final item on the Restart Checklist is
3 a meeting at the end of Confirmatory Action Letter Items
4 Resolution to discuss restart when the utility is ready for
5 that part of the process.

6 Okay. The next slide is, I'll turn it over to Jack,
7 and he'll discuss some recent inspection activity and some
8 upcoming inspection activity.

9 MR. GROBE: Thank you
10 Christine.

11 Can you hear me okay? Excellent.

12 We've issued one Routine Resident Report and one
13 Special Inspection Report since the last time we met. The
14 Routine Resident Report covered a broad spectrum of areas
15 as is characteristic of all of our Resident Reports. The
16 Residents are on site every day and they inspect ongoing
17 activities at the plant in the areas of maintenance and
18 operations and testing.

19 The Special Report that was issued concerned the
20 checklist items dealing with the adequacy of the Root
21 Causes in the Human Performance area, as well as the
22 adequacy of the Licensee's Improvement Initiatives. That's
23 Checklist Item 1 and Checklist Item 4.

24 The report documented the results of inspections
25 that covered the first two Root Causes. The very

1 substantive Root Cause that the Licensee submitted last
2 August, that addressed what is commonly referred to as a
3 barrier analysis. It was looking at barriers to failure in
4 all aspects of operation of the plant.

5 And in addition to that, there was an additional
6 analysis that was performed of the Quality Assurance
7 aspects of the plant operations. It was specifically
8 targeted in the QA Program and the implementation of that
9 program.

10 The inspection team found that both those analysis--
11 analyses were comprehensive and the identified corrective
12 actions to address the issues identified in the analysis
13 appeared to be adequate, if they're properly implemented.

14 In addition, the inspectors identified a number of
15 questions regarding the scope of the two remaining analyses
16 that the company was planning, particularly questions
17 regarding the impact of engineering on the problems that
18 were discovered last February, and the impact of corporate
19 support.

20 So, the Licensee has since that inspection completed
21 its analyses in the area of Plant Operations, as well as
22 the Safety Committee's function, and added to that analyses
23 in the area of engineering and corporate support. Those
24 four remaining analyses are now complete and we'll have
25 inspectors that will be coming back to the facility this

1 month to continue that inspection.

2 As Christine mentioned, this inspection is being
3 done in three phases. The first is ensuring that the root
4 causes are sufficient. The second is to make sure that the
5 corrective actions that the company has identified appear
6 appropriate to address those problems that FirstEnergy
7 identified. And third, looking at the implementation of
8 those corrective actions and their effectiveness prior to
9 restart.

10 So the, a portion of the first phase has been
11 completed, and we'll be continuing with the rest of phase
12 one of that inspection and moving into the second phase.

13 In addition on this slide, you'll see the second
14 bullet concerns the System Health Reviews. I believe, I
15 looked ahead in FirstEnergy's presentation and they're
16 planning on having Bob Schrauder address some of those
17 engineering areas in the System Health Reviews.

18 We have ongoing inspections, particularly focusing
19 in the engineering areas, and the company has worked
20 continuously in that area, so our inspections are tracking
21 as they complete work activities, we send folks out to
22 inspect those activities.

23 In the Program Effectiveness area, we had two
24 programs that we need to complete our review of on the
25 short run, and those are the Boric Acid Corrosion

1 Management Program, and the Reactor Coolant System Leakage
2 Program. Then there is a number of other programs that our
3 inspectors are tracking Licensee progress, and we'll be out
4 to inspect when they're ready for inspection.

5 There are, as Christine mentioned, a couple of other
6 inspections that are scheduled in the near term. Those
7 include the Integrated Leak Rate Test and the Pressure Test
8 of the Reactor Coolant System.

9 We expect to see those occurring in the next several
10 weeks, as well as, hopefully, a specific targeted
11 inspection in the radiation protection area. As you may
12 recall at the last monthly meeting, we publicly discussed
13 the results of recent inspections in the area with
14 protection of workers on site as well as controlled
15 materials that, radioactive materials that could
16 potentially get off site. Identified a number of findings
17 in those areas. And shortly our inspectors, our radiation
18 safety inspectors will be back out to look at the
19 corrective actions the company has implemented in the
20 Radiation Protection Program.

21 I think that summarizes continuing inspections,
22 Christine.

23 MS. LIPA: Okay. Thank you.

24 Then, if you could go back to slide 3.

25 This is just the agenda. And next on the item is

1 the fourth bullet, which is the Licensee's presentation,
2 and then following that, we'll take a break, and then we'll
3 have the public comments and questions period.

4 So, I'll turn it over to you, Lew.

5 MR. MYERS: Thank you.

6 We have four Desired Outcomes today. First, we
7 thought we would take some time and update the NRC and the
8 public on our efforts that we made toward restart in the
9 past month. Specifically, Randy Fast will provide you
10 some, a review of where we're at from a fuel load
11 standpoint right now.

12 And then, Jim Powers is going to talk to you about
13 the Integrated Containment Leak Test that's coming up,
14 probably before our next meeting. And that test was
15 designed, since we installed the reactor vessel head, we're
16 going to go back and pressurize the containment and prove
17 it's leak tight, designed pressure. So, Jim will talk to
18 you about that.

19 From a System Health standpoint, Safety Function
20 Validation Project is a project we took on after we did the
21 initial reviews of our systems. We always said, after we
22 did those, that we would increase our scope based on what
23 we found. So, we took on another set of systems that we
24 wanted to go look at. We call that program the Safety
25 Functional Validation Project. Bob Schrauder will talk

1 about that.

2 Then from a Restart Readiness standpoint and Safety
3 Culture, we had a meeting January the 30th, and spent six
4 hours there. I'm going to try to recap that meeting in
5 about six minutes. And then provide a review of what we've
6 done as a Restart Readiness Review at the plant for fuel
7 load.

8 So, we had Restart Readiness Review meetings, and
9 finally at the end of those meetings graded our own Safety
10 Culture, where we think we're at using our model. So, I
11 thought I would spend some time on that today.

12 Then, Quality Assurance, Steve Loehlein, we talked
13 about having him here the next time, this time, to discuss
14 what the Quality Assurance Oversight Group is seeing at our
15 station. They were brought up through Bill Pearce, our VP
16 of Quality Oversight, and provide us an independent
17 assessment.

18 Then, finally, Mike Stevens will spend some time to
19 talk to you about our schedule, where we're at. We thought
20 right now that we'd have fuel load, at the last meeting at
21 this time. We haven't got there yet. Just spend some time
22 on that, where we're going in the next few months, and few
23 weeks, okay.

24 That's it.

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

1 Next slide.

2 MR. FAST: Thank you, Lew.

3 Good afternoon. Today, I would like to update us on
4 our Restart Readiness. I'll provide discussion and focus
5 in four key areas; those are fuel readiness, our plant
6 status, our processes and finally an update on observations
7 and the observation program.

8 Next slide.

9 First on the fuel. We worked with our fuel supplier
10 in identifying why we had indications on fuel assemblies,
11 damage on grid straps. I'll kind of show you right here is
12 what we call a grid strap.

13 That area provides support for the fuel rods
14 themselves. The fuel rods are the array that you see here,
15 the vertical rods. What we found in the movement of fuel
16 on some new assemblies in the spent fuel pool, we had
17 damage on, specifically on the corners of those grid
18 straps.

19 What we identified were three key areas; one of
20 which was the design and material selection. These are a
21 fairly soft metal, and prior to being irradiated, are
22 actually fairly malleable. And that design is one that the
23 industry is well aware of and there are actions being taken
24 by Framatone to improve that grid strap design.

25 Secondly, we looked at our equipment to see, was it

1 operating the way we would expect it to. And we did find
2 in the spent fuel pool the equipment had some alignment.
3 We require vertical indexing over each assembly; and as
4 well the indexing, that's the grid location were off a
5 little bit. So, we did take the action to go back and
6 reindex the spent fuel pool.

7 Lastly, we identified some of our handling
8 techniques. We weren't using industry experience as well
9 as we could, and we went back and evaluated that; got some
10 help from the industry, and best practices for moving
11 fuel. We believe that those corrective actions are
12 effective and they will ensure that we can reliably move
13 the fuel.

14 One of the things I want to point out is, these grid
15 straps are really a structural mechanism and it's not a
16 contributor to fuel failure. Although, we were concerned,
17 and we want to make certain that we're handling the fuel
18 properly, it did not result in the root cause analysis in
19 actual fuel failure.

20 This assembly right here is actually an assembly
21 that had grid strap damage and was sent back to the fuel
22 supplier and remanufactured. This is one of our reactor
23 engineers here performing an inspection of that assembly as
24 it was returned to the site.

25 Additionally, as part of this outage, we've taken on

1 an opportunity to improve our main fuel handling
2 equipment. And we have put in a state of the art fuel
3 bridge modification, which includes improved controls and
4 it will improve our reliability.

5 Now, part of this whole process of moving fuel takes
6 a dedicated team of individuals. And we've partnered with
7 our fuel supplier, Framatone, to move the fuel. And we
8 actually have four senior advisors that are working with
9 our Operations staff as part of that fuel movement. That
10 compares with normally you will have one at a station in
11 that senior advisory capacity. We have four. So, we can
12 ensure that we have round-the-clock coverage and we have
13 the best industry experience to help us in moving that
14 fuel.

15 Lastly, we have completed all the training. So,
16 each position associated with the movement of fuel have
17 gone through an exhaustive training program and we've
18 recertified all of our folks to ensure we can have safe and
19 reliable transfer of fuel.

20 MS. LIPA: Randy, I have a
21 couple of questions for you about the fuel. First of all,
22 did you assess the design issue with the grid straps under
23 part 21; and then second, what was the root cause of the
24 fuel failures?

25 MR. FAST: Okay. Christine,

1 the first question on the part 21, we have not submitted
2 that as a part 21. And, again, what I'll do is take an
3 action to assess that, and see whether or not -- I believe
4 from a reportability standpoint it wouldn't be, but it
5 might be advisable to provide some, a report just to make
6 sure you're on board with what we found.

7 This particular root cause was not in the fuel
8 failures themselves. This was in the grid strap. So, we
9 have another root cause. And I would have to think back,
10 because that's really quite a few months ago that we had
11 completed that review, and actually had a space there --
12 excuse me, grid rod threading, which is high frequency
13 vibration of the fuel rod. And the threading is the actual
14 rubbing of the spacer grid components against the fuel rod
15 and actually wears a hole in the fuel rod.

16 And that's where the root cause was completed
17 earlier. It was not part of this root cause and
18 preparation. And all the corrective actions from that had
19 been completed as well. Some of those are corrective
20 actions where we provided some solid stainless steel rods
21 in place of the actual fuel pelleted rods in locations
22 where we saw that the grid-to-rod threading was more
23 pronounced and that is actually adjacent to LOCA holes
24 inside the core.

25 Those are areas where you have increased flow comes

1 in contact with the fuel rod, sets up a high frequency
2 vibration, allows the fretting to occur. So, we stabilize
3 that by providing some stainless steel rods in those
4 locations.

5 MS. LIPA: Okay. Thank
6 you.

7 MR. GROBE: Randy, before you
8 go on, I understand one of the activities you need to
9 complete prior to commencing fuel reload has to do with
10 reactor vessel cleanliness, and I heard that some of the
11 materials that were identified in the vessel were grid
12 strap materials. Could you go into a little bit on the
13 issue of reactor cleanliness and what you're doing about
14 that?

15 MR. FAST: Certainly. As
16 part of fuel load preparations, we do a thorough inspection
17 of the reactor vessel and the area underneath the vessel.
18 The fuel sits on a, what's called a core barrel. It's
19 really an assembly in the bottom of the core that provides
20 support for the 177 fuel assemblies.

21 During this period of time where the fuel has been
22 offloaded in the spent fuel pool, we want to do a complete
23 and thorough inspection of the reactor internals and of the
24 core barrel and the lower portion of the vessel to ensure
25 there was no foreign material or any debris.

1 What we found through that was a number of
2 indistinguishable piece parts, I'll call it; some of which
3 are most probably pieces of grid strap. We did, I think
4 today, identified a ball bearing. Don't know exactly, it
5 may have come from one of the tools that is used for fuel,
6 but that's something we're going to have to evaluate.

7 As well, saw some foreign material, light debris,
8 some of which was probably some paint, paint chips and the
9 like. And we've gone through and vacuumed that. We
10 redistributed it. We do a video. That's kind of, I'll use
11 the word, Lew likes this, a cursive process. We actually
12 go in, we clean, we go back inspect. We have to meet Class
13 B Cleanliness Requirements for the Reactor Coolant System
14 for stainless steel systems.

15 So, we'll continue to clean the vessel until we meet
16 the Class B Requirements.

17 MR. GROBE: Okay, thank you.

18 MR. MENDIOLA: Randy, if I could
19 ask a question. You mentioned there was an alignment
20 problem in your spent fuel pool. Could you tell us a
21 little more about that?

22 MR. FAST: Tony, what you
23 have is a series of what I'll call X Y axes for each fuel
24 location. And we had gone through in 2001, and then into
25 2002, a rerack project. What that is effectively, is we

1 needed to provide more storage location in our spent fuel
2 pool for expended fuel.

3 As part of that rerack project, we had some of the
4 locations off by as much as about a half an inch. When you
5 look at the very close tolerances of the storage locations
6 and the fuel and the mast, we found that we had an
7 opportunity to set up, an opportunity to have grid strap
8 the corners that come in contact with those storage
9 locations.

10 So, we went through and reindexed the pool. And I
11 know now we're within about an eighth of an inch, .125
12 inches, that's well within the design requirements for fuel
13 identification.

14 Additionally, we had some compensatory measures
15 where we used a camera to verify that we're on index.
16 There was one other issue that is called out in the report,
17 and that was the potential that the fuel mast itself was
18 out of vertical. What we found is that it was in vertical;
19 however, there are some spacer, spacer plates in there that
20 provide very, very close tolerances. What we've asked
21 Framatone to do is review that design and see whether we
22 can open some of those tolerances that will provide a
23 little more flexibility in handling fuel in the spent fuel
24 pool.

25 MR. MENDIOLA: Okay. Basically,

1 it had to do with the position of the rack within the pool;
2 meaning, if you will, in an appropriately indexed
3 position.

4 MR. FAST: Yes, sir.

5 MR. MENDIOLA: Not the fuel in
6 each of the locations, but the rack itself.

7 MR. FAST: Yes, and actually
8 I asked that question. The fuel in the assembly could be
9 at any one of the, it may be pushed over to any one of the
10 north, south, east, west walls, and you should still be on
11 index it at that point. That's where some of those
12 tolerances, those stackup tolerances come from. That's
13 well within the design, but the index in itself was off by
14 as much as a half an inch.

15 MR. MENDIOLA: Thank you.

16 MR. FAST: Next slide,
17 please.

18 We talked last time about reactor coolant pumps.
19 Just to refresh, we did complete refurbishment on the 1-1
20 and 1-2 reactor coolant pump and reactor coolant pump
21 motor. This is one of the reactor coolant pump motors
22 that's being lowered down into the D ring inside of
23 containment.

24 A question came up about, we did two out of the four
25 reactor coolant pumps. You would say, why did you do two

1 and not do the other two. This was what I'll call elective
2 maintenance. We were well within the normal preventative
3 maintenance periodicity. However, we took this as an
4 opportunity to open up and do inspections on the pump and
5 motor.

6 And part of the issue here was, as well, going back
7 to the extended condition, boric acid. We had some legacy
8 issues in boric acid leaking from the flanges for the
9 reactor coolant pumps themselves. That was an industry
10 understood situation.

11 Framatone had come up or Byron Jackson, the supplier
12 of the pump, has a new generation seal that provides better
13 sealing and leak prevention; and it's much like a reactor
14 vessel, it's a dual O-ring seal design. We went with new
15 generation on these two.

16 The other two are well within their periodicity.
17 The other two pumps that we did not go after, and motors,
18 are well within their design for preventative maintenance.
19 We didn't see any extended condition items from the
20 analyses of these two pumps and motors that would drive us
21 to go after the other two.

22 We will continue to monitor those and we'll
23 implement corrective actions in accordance with our
24 Preventative Maintenance Program.

25 Next slide, please.

1 This is about the best picture I can provide to-date
2 on the upper portion of the containment emergency sump.
3 And as we talked last meeting, I had one of the top hats
4 here, which is the cylindrical filter assemblage that
5 allows the 3/16 inch holes that are drilled, water during a
6 design basis accident floods the containment and comes up.

7 And these, I'm going to use a term here that we kind
8 of affectionately call, trash racks. This is a large
9 filter on the outside. You'll see some of the top portions
10 of those racks, which fit around the top of this. That
11 provides a first barrier for the straining of any foreign
12 material.

13 And then, inside this upper portion, about 400
14 square feet, about 15 square feet each of 27 top
15 hats, provide that top level of the strainer.

16 This is now functional, the upper section. And we,
17 after fuel load and recovery of the reactor coolant system
18 fuel and vent we'll complete the lower portion of the
19 containment emergency sump.

20 It's a pretty good picture of the area. It's at the
21 565 elevation of containment against the south wall.

22 MR. HOPKINS: I have a couple
23 questions on that. In the Licensee event report that you
24 submitted to us, especially Revision One dealing with the
25 sump, you talked about part of the reason for the new sump

1 is the old sump had a gap that was too large, and that
2 could potentially affect containment spray systems.

3 You also stated that besides that potential affect
4 on containment spray systems from the too large gap which
5 you had to fix one way or another, and your fix is with the
6 new sump; that the new sump would also provide you extra
7 margin with regards to amount of debris that might get on
8 the screens.

9 Have you made any finding with regard to the amount
10 of debris on the old screens, would have been too much?

11 MR. POWERS: Let me answer that
12 one, Jon. On the old screens, they're about 50 square feet
13 of screen material on the old sump. And, we have been
14 preparing what we call a transport analysis that takes an
15 assessment of the debris that can be generated during an
16 accident in containment.

17 (Microphone problem)

18 Thank you, Mike. Let me start again.

19 The old sump had about 50 square feet of screen,
20 screenage on it to allow water flow-through, and the new
21 sump has about 12, 13 hundred square feet. So, we've
22 improved that substantially.

23 Now, what we have done since we've been comparing
24 this new design is doing a transport analysis, looking at
25 debris sources within containment, and we're following some

1 of the latest industry guidance on that. The industry has
2 learned quite a bit over the years from the original
3 licensing and design basis of the containment emergency
4 sumps up until today.

5 Originally, the sumps were designed back in the late
6 60's and through the mid 70's, to consider a 50 percent
7 blockage. And that was relatively nonmechanistic, if you
8 will. Assume it's 50 percent plugged and determine there's
9 adequate MPSH to the pumps with that blockage.

10 As we gone on with time and incidents have occurred
11 relative to sumps, we've assessed more accurately what
12 kinds of debris can cause problems with the sump, how would
13 debris get down to the sump. And the industry, as well as
14 your organization, has done studies on that, modeling what
15 we call transport debris generation and transport down to
16 the sumps.

17 And we completed that ourselves. We determined that
18 given what we refer to as a design basis condition, we get
19 a large break of a reactor coolant pipe, a lot of steam,
20 and pressure released; there can be, there can be a
21 substantial amount of debris that is transported down to
22 the sump area.

23 Of course, there is smaller type breaks, you would
24 have a condition where not as much debris would get down
25 there, and the sump generally is, is more functional when

1 you have smaller types of breaks.

2 So, what we said in our Licensee Event Report that
3 you were referencing is related to design basis accidents,
4 how much debris can get down there. What we determined is
5 with our new sump, and new screenage, that we would have
6 margin available, even under that condition, extreme
7 conditions to our pumps.

8 MR. HOPKINS: All right. I'll
9 just mention that the NRC is going to issue a draft generic
10 letter on this issue, I think within the month. So, you
11 want to read that, see what it says.

12 MR. POWERS: Okay, thanks.
13 We'll be watching for that.

14 MR. GROBE: Jim, could you go
15 into a little more detail on the transport analysis? Are
16 you analyzing the as-found conditions in February of 2002?

17 MR. POWERS: No, what we really
18 looked at, Jack, was design basis conditions; worst case,
19 large break, LOCA accident conditions. And we're looking
20 at it from the perspective of what was found to give a
21 safety significant assessment. And, we've begun preparing
22 that now.

23 Because, what was found in February with the
24 degradation on the head would constitute a relatively
25 smaller type of break in the reactor coolant pressure

1 boundary, and relatively contained within the service
2 structure on top of the head. So, we wouldn't expect from
3 that type of as-found condition to have a lot of debris
4 generated that would transport down to the sump. It's a
5 very tortuous path to get down to the sump from that
6 location.

7 So, what we've been analyzing for a design basis and
8 reporting in our LER, is large break design basis. We will
9 provide however a safety significant assessment on what was
10 found in February.

11 MR. GROBE: What are the
12 major contributors to the debris that you're talking about?

13 MR. POWERS: Major contributors
14 are insulation, and it can be either metallic, reflective
15 metallic insulation or fibrous insulation that's wrapped
16 around pipes and components; coatings, if they're not fully
17 qualified, the temperature, pressure and radiation within
18 containment that can exist after an accident.

19 Also, when you consider a large break, design basis
20 break, we're talking about very violent discharge of jet,
21 of reactor coolant, that can strip concrete and paint and
22 insulation off adjacent structures; and that's what
23 constitutes the debris. That's what the industry guidance
24 in recent years has defined what the, what's the
25 constituents of the debris. So, that's the type of thing

1 that we look for.

2 MR. GROBE: So, the design
3 basis worse case design break is what you're analyzing.
4 Are you looking at the as-found coatings with that
5 analysis?

6 MR. POWERS: We, yes. And, as
7 we've described over the, some of the last meetings, we've
8 been looking very carefully at our coatings within
9 containment; and as we go through some of the progressive
10 slides here in Randy's presentation, you'll see the
11 recoating project we're doing on the top of the containment
12 dome. Where you can stand up on the refueling floor and
13 look upwards. It's quite a height up there that we're up
14 working with painters, stripping and recoating to assure we
15 maintain a qualified coating system up there.

16 We've also recoated our core flood tanks. We're
17 working on recoating service water piping. We found on a
18 very thorough containment walkdown and assessment of
19 coatings, that our conduit that some of our cable and
20 wiring runs through has a coating system on it that's not
21 fully qualified for the post-accident conditions.

22 So, we're very carefully looking at that to see to
23 what extent that coating needs to be removed and replaced.
24 And we're using our transport analysis to make a
25 determination to what extent that needs to be removed and

1 what extent it can be allowed to stay, and very clearly
2 defining in our inventory of unqualified coatings in
3 containment, you know, what the as-left condition will be.

4 MR. GROBE: In the analysis
5 that you performed, how significant a role did the
6 unqualified coatings play?

7 MR. POWERS: The unqualified
8 coatings is pretty significant overall. If you look at the
9 square feet of coating within the large containment
10 structure, there is quite a bit of coatings. So, to us,
11 that was a significant part of the, the walkdown of
12 containment under Containment Health, looking for coating
13 qualification information, inspecting the condition of the
14 coatings, and looking for repairs on the coatings, because
15 there is a large amount of coatings; a significant
16 contributor to potential debris for the sump.

17 MR. GROBE: Okay. If you
18 could just summarize for me in a few words the conclusions
19 of your analyses to-date with respect to whether or not the
20 sump would have functioned given a design basis accident?

21 MR. POWERS: Given a design
22 basis accident, there is a, there is a concern with the
23 amount of debris that can be generated under design basis
24 conditions, because of what I described as a very large
25 break, a large amount of debris being transported. And, we

1 think the original sump, which was designed in accordance
2 with the design regulation and criteria at that time, could
3 have been blocked to a large extent by debris.

4 When I look though at the conditions that were found
5 in February, with the head degradation, it's really, it's
6 not in the same regime, I guess you would say, as a design
7 basis large break. It's a smaller potential, potential for
8 a smaller break there. So, we think under that case, the
9 sump likely would remain functional.

10 But, the reason we reported our conditions under the
11 LER, was for design basis condition, we did not feel that,
12 that the original sump would have been satisfactory.

13 MR. GROBE: Thank you.

14 MR. FAST: Next slide,
15 please.

16 I wanted to point out, what we have here, what we
17 call the decay heat pit. We've actually renamed this.
18 This is a decay heat tank. This is legacy issue that two
19 decay heat valves that are in a vault in containment which
20 are required to operate post accident any time from
21 immediately following the accident up to about a week after
22 the accident. And, those valves have been sealed
23 traditionally with sealing RTV material.

24 We wanted to take a proactive approach at resolving
25 that legacy issue by providing in this case the stainless

1 steel vault or tank. And this photograph is probably
2 difficult for you to see, but what you see is a curved
3 section right here, which actually is installed to allow
4 for thermal expansion of that tank.

5 So, this design will ensure that integrity is
6 maintained for these two important valves in containment.
7 It will be completely sealed prior to our going to Mode 4,
8 and that work is proceeding well, but I thought of interest
9 would be this design feature that includes for thermal
10 expansion within that tank.

11 Next, please.

12 Here we have the containment air coolers. We've
13 talked about that quite a bit. There are three in a row.
14 Again, it may be difficult for you to see, but there is the
15 third one back here; the one most pronounced in the middle
16 here; and then there is one in the foreground.

17 What I wanted to be able to point out is we're
18 making excellent progress in returning these. These are
19 completely refurbished. New cooling coils; as well, all
20 the structural steel has been blasted and recoated. What
21 you see right here is a foreign material exclusion cover on
22 a service waterline. This is the line, the blue line
23 that's coming in. You have an inlet pipe and an outlet
24 pipe. Those distribute water into and then out of these
25 heat exchangers.

1 What we have is a brand new design that again allows
2 for thermal expansion under design basis accident
3 conditions. It's actually conduit and stainless steel
4 bellows assembly, and that will allow for some thermal
5 growth. So, these are not installed yet. That's one of
6 the last things that we have yet to do. And those are in
7 fabrication.

8 So, that supply and return header will be attached
9 to, in this case, the, there are three heat exchangers
10 here, and three heat exchangers here. On the opposite
11 corner you have as well the other, so there is a total of
12 twelve heat exchangers, you have the other inlets and
13 outlets. So, you can see that these have been completely
14 refurbished.

15 The fan motors inside are all new and completely
16 refurbished. We have brand new what's called dropdown
17 dampers. The air flow comes from the area here in the
18 general vicinity is pulled through the heat exchanger,
19 comes down through a fan, and is exhausted through a
20 plenum, which is our next picture. But under design basis
21 accident, there is a drop down register. I'll point it out
22 in the next photograph, but those actually open up to short
23 cycle the redistribution of air within containment.

24 Here is, what's really like a boxcar or
25 tractor/trailer. It's about 40 feet wide, and this is just

1 about completed. The drop down damper, difficult to see,
2 but it's a damper that's right in this area here. And that
3 damper would close, and there is an upper portion that
4 opens. It's got fusible lengths that under heated
5 conditions allows the damper to open and short cycle the
6 air under design basis accident.

7 On the far side, on either end of this plenum, this
8 is a common plenum for all three containment air coolers,
9 you have some turning veins. It's a 90 degree turning vein
10 comes exhausted out, has two separate sections of 90 degree
11 turning vein; and then brings the air under normal
12 recirculation back into the D ring.

13 So, that's a stainless steel, half inch stainless
14 steel plate floor; stainless steel walls that have been
15 bolted together; and we're working on the overhead in
16 connecting everything together. So, making very good
17 progress on our containment air coolers that will greatly
18 improve environmental conditions and ensure reliability for
19 basis design accident.

20 Next slide.

21 MR. GROBE: Randy, before you
22 go on, could you or Jim or Bob, discuss a little bit of
23 your analysis of the as-found condition of the containment
24 air coolers and the, as far as whether or not they would
25 have functioned as designed?

1 MR. POWERS: Yeah, we've been
2 analyzing the containment air coolers. And, for those of
3 you who haven't attended previous meetings, a description
4 of those air coolers Randy described the air being drawn
5 through them. Well, the air in the containment had boron
6 mist in it, and those cooling coils were fouled somewhat
7 with that boron precipitating out.

8 So, we needed to do an assessment on how that would
9 affect our heat transfer capability. And we've also
10 disassembled the cooling coils as we completely rebuilt
11 them, and inspected them as part of that process; and found
12 when we opened them up, there was some, inside some
13 deposits from the water system that had built up over
14 time. So, we took into consideration all of those factors
15 in the performance of the containment air coolers.

16 Now, we did a thermal performance calculation, and
17 from the design basis, licensing basis conditions of the
18 plant, the containment air coolers work in conjunction with
19 containment spray system to control the containment
20 pressure and temperature conditions in a post accident
21 environment. And, what we found is that working in
22 conjunction with containment spray, the containment air
23 coolers would be operable and perform their function to
24 control containment conditions.

25 What we're going through now in the details is

1 assessing the functionality of the sump, which I just
2 described; and on an integrated basis, if we had a, an
3 accident in the containment, the function of containment
4 spray, which takes suction on the sump, and the containment
5 air coolers; and what the likelihood is, that the, you
6 know, the performance and functionality of the sump would
7 be affected.

8 And so what we're doing, what I refer to safety
9 significance assessment, that's taking into consideration
10 the total picture. Debris being generated during an
11 accident. What's the likelihood that it would get down to
12 the sump and block it, you know, from a design basis
13 perspective. We consider by design rules that it might,
14 practicality of it getting down there; functionality is
15 probable.

16 And so, looking at containment spray, and the
17 performance of the containment air coolers on an integrated
18 basis is what we're working through now, Jack. I know
19 there is still work to be done to answer your question
20 completely, but our intention is to provide a report of
21 that assessment to you for review.

22 MR. GROBE: Do you have an
23 idea what the schedule will be for completing that?

24 MR. POWERS: We've just
25 completed the assessment of the containment air coolers, so

1 now we're beginning the process of doing an integrated look
2 at the plant response. And I would expect it's going to be
3 in the range of two to four weeks to put that together.

4 MR. GROBE: And again, each
5 of these analysis is looking at -- analyses are looking at
6 a design basis worst case accident; is that right?

7 MR. POWERS: Well, in the case
8 of the -- that's right. Containment air coolers, the
9 answer is yes. We're also looking at it from the
10 perspective of what is the more likely condition, both from
11 a design basis condition, and then from a safety
12 significance perspective.

13 MR. MYERS: I think there is
14 a couple of interesting points. You know, one of the
15 things is we went back, if you look at this thing as a
16 whole. We think we'll be able to demonstrate
17 functionality. For the first 30 minutes or so of an event,
18 you really don't need the containment sump, because we're
19 ejecting water from the boric acid tank, you know.

20 And then, the other thing that I think you mentioned
21 is important, the technology has changed over the years.
22 And we've talked about that in here a lot, in the analysis,
23 like transport analysis. When we originally designed the
24 plant, the design basis of the plant that was approved by
25 the NRC and us, you know, that we assumed, we just

1 automatically assumed 50 percent of it got plugged up.

2 We met that design basis. We always have. Coming
3 out where it is now, with some of the new models, we can
4 theorize things that we haven't in the past, you know. We
5 can keep theorizing, you know. But some of these theories,
6 on the paint being blown off and things like that; we'll
7 probably see something like that.

8 But we met the design basis of the plant initially.
9 And functionality of the plant, we believe, right now we
10 believe would still be intact based on that design basis.
11 And, and then we're going back to this transport analysis,
12 and looking at some other assumptions. Those assumptions
13 weren't in the original design.

14 MR. GROBE: Okay, thanks
15 Lew.

16 You brought a question up and I think you answered
17 it already, Jim, but let me make sure I clearly
18 understand. You're doing both a design basis analysis, but
19 also probabilistic analysis; is that correct?

20 MR. POWERS: That's right,
21 Jack. The design basis analysis would be reported in a
22 Licensee event report related to the containment air cooler
23 conditions, and capabilities. And then the safety
24 significance assessment will be a separate assessment based
25 on as-found conditions and significance.

1 MR. GROBE: Okay.

2 MR. FAST: Okay. Moving

3 along. What we see here is the containment dome. Just to

4 get a vantage point of where we are, we're at the 603

5 elevation looking straight up into the containment dome.

6 And this is the polar crane, which has provided very good

7 reliability after we have gone through our modification

8 there. That rests on an outside ring, support ring here.

9 And I'll point out a couple of things. One is the

10 spray headers. So, you see a circular header here. That's

11 in the uppermost portion of the containment dome. And then

12 a lower containment spray header, the circle that I'm

13 identifying here.

14 What we've done, we've completed, as you can see, a

15 significant amount of the containment dome in the

16 refurbishment. You see the gray areas here where we

17 actually removed the paint.

18 That's a pretty arduous process. Used what's called

19 a rotopine; we also use needle guns. This is an air

20 operated and vacuum drag the debris back into the

21 containment system. And, that's where the paint's been

22 removed. You can see then the line where the old paint --

23 here's the new paint, the white fresh paint. You can see

24 the gray where the paint has been removed. And then on the

25 outer ring, the paint that has yet to be removed here.

1 So, you can see the actual rigs, the spider rigs
2 that the paint crews are working out of. You can see how
3 they will actually rotate around to remove that paint, and
4 then another crew will come back and reapply coatings to
5 that surface area.

6 So, that's quite an effort, and continues to go
7 pretty well. The surface area associated with that dome is
8 about an acre, and all of that paint is hand removed. And
9 so, you want to get an update of where we are, we're making
10 good progress. We expect from a coating standpoint -- kind
11 of back to this sump. This paint needs to be recovered in
12 this area. Anyways, we do not have to remove the rest of
13 the paint on the walls.

14 Now you see here below that support. That's a
15 different style of paint. That's both a carboline, but a
16 different type of paint and that paint is good. It meets
17 design requirements.

18 MR. GROBE: Randy, there
19 could be folks in the audience that, for those of us that
20 stood there that actually makes sense; could you give
21 dimensions?

22 MR. FAST: The building
23 itself is about 2.8 million cubic feet and overall almost
24 300 feet tall. So, from the 603 elevation, which is the
25 operating deck of containment, as we've talked about some

1 of these other areas; the sump, the top portion of the sump
2 is at 565 feet. That's also where the plenum is. I showed
3 the pictures of the containment air coolers. So, that's
4 the lowest elevation of containment, 565 foot elevation.

5 The next is 585 feet. That's where the containment
6 air coolers with the actual heat exchangers are located.
7 The operating deck is at 603. The top of the D rings is
8 653 feet. That's 50 feet above that. It's about another
9 30 or so feet until you get to the support ring for the
10 polar crane. And then it's about another 50 or 60 feet to
11 get to the crown of the dome. So, overall, 300 feet from
12 top to bottom.

13 MR. GROBE: So, from where
14 that photograph is taken to the top of the dome, it sounds
15 like it's about 130 feet up?

16 MR. FAST: Yes, sir. That's
17 approximate. I would have to figure out the math. Don't
18 hold me to the 130. It's pretty close though.

19 MR. POWERS: It's pretty
20 special people that go up there and do that painting, I can
21 tell you that. Randy, did you go up and experience that?

22 MR. FAST: It's kind of an
23 interesting story. I really wanted to understand what was
24 going on in the containment dome. A lot of hype and I
25 wanted to see it up close and personal. We have a

1 qualification process that qualifies, just like a window
2 washer on a building. These rigs have some specialized
3 safety features for running the rigs up and down. I went
4 through that training program; was qualified as a rig
5 operator. Went up to the dome, and I actually removed
6 paint for about an hour up in the top of the dome. It was
7 quite exciting. I'll tell you.

8 MR. MYERS: Plus, it's an
9 area we spend a lot of hours of inspection time, from that
10 standpoint.

11 MR. FAST: So, really, my
12 hat's off to the paint crew. It sounds kind of like, well,
13 paint is not a big deal. I can tell you, these are
14 engineered coatings. This is a very dedicated crew that
15 are working this at heights.

16 And in fact, just an item, from an interest
17 standpoint, you can say, well is that safe. Actually
18 brought in a specialist in the industry, a Professional
19 Registered Engineering to look at the design of these rigs
20 and the application, and we got a good bill of health.
21 And, we continue to work safely in this area.

22 MR. MYERS: But to go into
23 the containment, to go up there; what's it take, like 30
24 minutes?

25 MR. FAST: It takes about 30

1 minutes, by the time you brief, you get in the basket. I
2 went up with three other people. By the time you get up
3 there, you have a series, actually had three tie-off
4 lanyards to ensure that you're safe. You're tied off by
5 double point at any one time. Then, you transition one
6 lanyard to your next position, and go through a series to
7 go from the basket to -- then we had, while we were doing
8 that uppermost portion, we had two 35-foot sections that
9 were in the very top and they were suspended by a central
10 pivot point at the very top of the containment dome.

11 Interesting project and really quite a tribute to
12 the folks that are doing this work.

13 MR. FAST: Next slide,
14 please.

15 Next area I wanted to talk to you about is some of
16 the processes we went through. Certainly, we looked at the
17 plant and the plant's readiness to move fuel. But, one of
18 the things that is very difficult to assess, but we
19 actually use a business practice, this is much like a
20 procedure, was developed at our other stations.

21 We went through and refined it specifically for our
22 recovery here at Davis-Besse; and that involves a collegial
23 review by about 40 key organizational folks, including
24 supervisors, superintendents, managers, directors, and our
25 more senior people. Lew was personally involved with

1 this. We brought over our Vice President from the Beaver
2 Valley Station, and as well our Executive Vice President of
3 Engineering attended the majority of these discussions.

4 This went through a very detailed review of our
5 readiness. And we got started probably a little early, but
6 we invested between 50 and 60 hours of discussion in going
7 through this very detailed review.

8 It included the seven Building Blocks, and then as
9 well, we went through each organization and looked at
10 things like, do we have the proper staffing; are our folks
11 qualified; have we completed corrective actions associated
12 with problems in their areas; do we understand what their
13 back logs and procedures were.

14 So, that review was a very intrusive review. And it
15 added a significant amount of value, I would say, in our
16 ability to assess our readiness to move forward.

17 One of the specific actions that came from this were
18 the Refuel Director roles and responsibility here. The
19 Refuel Director is a Senior Reactor Operator licensed
20 individual that is overseeing the actual movement of the
21 fuel to ensure that it's reliable and done safely.

22 What we found out, as we queried. This is really a
23 tribute to having some new folks, use to maybe doing things
24 a little differently. Being intrusive, asking questions
25 about how do we do that. What we found out is the Senior

1 Reactor Operator was a little bit different than what we
2 would say the traditional role of the Refuel Director was.

3 We had what was called a tag board which keeps track
4 of the fuel itself, involved with some of the
5 administrative processes. They did not meet our
6 expectations. We subsequently changed that role and
7 responsibility to provide direct oversight, no
8 administrative duties, to ensure that we can safely move
9 fuel. That was a direct output from this Readiness
10 Review.

11 Another one, we put in place the Management
12 Oversight. When I talk about Management Oversight,
13 certainly myself and other senior managers have been
14 involved in looking at our readiness and the support. I've
15 made tours. I know Lew and myself and others made tours of
16 containment most recently within the last few days in
17 seeing how ready we are.

18 But we did put in place, a seven-day-a-week,
19 24-hour-a-day Oversight Management Team, which includes
20 folks that were previously licensed and have refueling
21 experience. And, they're sitting there with the sole
22 purpose of overseeing the process of moving fuel.

23 Lastly, I want to talk about and we've had a lot of
24 discussions about our Observation Program. And we've
25 already gotten some good feedback on the observations that

1 have been conducted as part of our fuel readiness. One I
2 would mention is foreign material exclusion. We put in
3 place a housekeeping zone in the containment for the
4 movement of fuel, and we have a single point of access to
5 those areas to establish housekeeping boundaries.

6 We saw that we had some opportunities for
7 improvement there. Those were documented on a Condition
8 Report as well as an observation, so we have corrective
9 actions to ensure that the role and responsibility of that
10 foreign material exclusion monitor is, will meet our
11 expectations.

12 Just a recap, and not to bore you with a lot of
13 facts, but we did our totalization of management
14 observation for the month of January. We did a total of
15 468; 364 included fuel observations, 46 a training. I
16 think it's important, because training continues. We still
17 have a lot of training that's going on, particularly in the
18 operations area. And, then 58 that were specific to
19 operations processes. 21 Condition Reports were generated
20 based on those observations.

21 We had 90 percent schedule adherence, I'll call it.
22 You know, Lew has talked to us about, it's not just a
23 matter of just run out there when the time is right, we
24 want to preschedule those important evolutions and make
25 sure the people are scheduled to monitor it.

1 I was scheduled this last week to look at personal
2 protective equipment. Part of the reason I was scheduled
3 to do that is that was one of the shortfalls we saw as we
4 pulled together the information from the January
5 observations. We saw that there were opportunities in
6 areas for room for improvement.

7 I made an observation. I actually took some
8 specific action to get some additional safety equipment
9 that was identified from my observation about personal
10 protective equipment.

11 We feel like we've made some pretty good progress.
12 We benchmarked and compared ourselves against our other
13 FirstEnergy Nuclear Operating Company Stations and we are
14 doing more observations. And, although, sometimes our
15 staff say, we don't see our managers enough; we have
16 assembled a pretty impressive amount of observations.

17 About 72 percent of the field observations focused
18 on some element of safety, whether it be radiological,
19 nuclear or industrial safety; and 28 percent of those field
20 observations focused on improvements and standards and
21 being able to coach our folks to new standards of
22 excellence.

23 As part of the observation program, we have specific
24 attributes that we look at. We had a total of 656 checks
25 on procedures. That's verifications of procedures that are

1 in use, that they're being followed, that they're being
2 place marked; and so we have 650 total checks on
3 procedures. No alarming or no trends that we saw that
4 would require us to take any immediate action in that
5 area.

6 I thought it was interesting, got a couple of facts
7 here. The least observed focused area were observations,
8 field observations of office safety. I think that's, that
9 tells you that we're going where the action is. We're
10 going out to the plant and seeing the activities that are
11 actually ongoing. I think that's good, because sometimes
12 in an observation program, we'll allow observations of
13 something like office safety. While certainly that's
14 important, it's not our focus area. And, when you do the
15 rack up of information, it substantiated that.

16 So, that's really all I had to identify. Well, we
17 did have some strengths, I just identified. We saw some
18 good teamwork. That's good. As we're building this team,
19 we want to be able to look at teamwork; we want to look at
20 communications, some of our human performance tools, like a
21 questioning attitude and peer checks were identified as
22 commonly seen strengths as part of observation.

23 But as I mentioned, areas that we need to focus on,
24 personal protective equipment; that's why I was personally
25 scheduled and other managers last week to do those; tool

1 control, checks for hazards, and as identified foreign
2 material exclusion.

3 MR. MENDIOLA: Can I ask a
4 question about your observations? You said 460 management
5 observation in the month of January. How many managers are
6 involved, or better yet, how often does a specific manager
7 make an observation?

8 MR. FAST: Tony, let me try
9 to answer your question. The total population of folks
10 that are involved in the observation program is somewhere
11 around 125; includes from our First Line Supervisor to our
12 Chief Operating Officer. So, if you kind of figure out,
13 you say 125, that would represent about three per. We have
14 some specific targets on how many people, but as well, as
15 far as managers, we're actually scheduled approximately
16 once per month. So, that's a scheduled observation. Our
17 expectation is that we exceed the minimum.

18 So, I think the numbers are pretty defensive. They
19 will illuminate at least the fact that you schedule each
20 person for one, you might end up with 125. We end up with
21 468, pretty much demonstrates that we're exceeding the
22 minimum expectations.

23 MR. MENDIOLA: That's almost
24 three or four a month, I would say.

25 MR. FAST: That's correct.

1 MR. MENDIOLA: You say most of
2 the observations are in the plant. Are you doing any
3 observations, if you will, of meetings or, you know,
4 engineers get together and discuss system characteristic?

5 MR. FAST: Yes, we do.

6 MR. MENDIOLA: Basically the soft
7 stuff.

8 MR. FAST: Absolutely. When
9 we developed this program, I worked with a team of folks
10 from FirstEnergy Nuclear Operating Company. This is a
11 common process we use at all our stations. We didn't want
12 to put this, didn't want to put any over burdensome
13 constraints on it, so we actually provide some examples. In
14 a meeting, are personally done observations of operations
15 turnover, maybe in observations, but I've also done
16 observations of where I'm not directly involved with a
17 meeting; sit back, walk it, watch the interaction, see what
18 the communications are, and we have some specific
19 attributes to that.

20 So, the answer is, yes we do.

21 MR. MENDIOLA: Okay, thank you.

22 MR. SCHRAUDER: I can tell you
23 when NPR was doing the Safety Function Validation Project
24 for us, I spent two days, two different Fridays, where I
25 went down to Virginia and did some observations of their

1 process as they were going through it also.

2 MR. MYERS: Same thing

3 closer.

4 MR. FAST: We would maybe

5 provide an observation of a vendor out in the field or at

6 their factory or their support headquarters.

7 Any other questions? With that, I'll turn it over

8 to Jim Powers.

9 MR. POWERS: Okay, what I would

10 like to talk about today is looking forward in Restart

11 Readiness, the committee meeting that Randy described in

12 the past slide was talking about Mode 6 readiness for

13 reloading fuel into the reactor.

14 The next mode that we'll come upon as a milestone is

15 Mode 5. We'll replace the replacement head that we have in

16 containment on the reactor vessel with fuel in it. So, we

17 will again assure that we're ready for that mode 5, and be

18 prepared for that.

19 Then following that, we're going to do a containment

20 integrated leak rate test. This is a test that's done

21 periodically at nuclear plants, typically every ten years,

22 where the containment building is pressurized up to the

23 post accident pressure in containment, and leak tested to

24 verify that it meets regulation and requirement per leak

25 tight integrity.

1 We last did this test in 2000, and the results of
2 that test were very good. We were very leak tight, two and
3 a half percent of the allowed exceptions criteria. So, the
4 engineers are quite proud of the containment systems
5 performance. And we've got the same group preparing the
6 test again.

7 Because it's such a large building, we pressurize it
8 with seven large compressors, and that takes about ten
9 hours to pressurize the building. We pressurize it a bit
10 higher than 38 pounds to provide a demonstration that there
11 is additional margin in the capability of containment.
12 And, so we pressurize it up. We have a stabilization
13 period that we hold pressure about 6 to 10 hours, let
14 conditions stabilize in there.

15 Then, we do a drop test is what we refer to it;
16 watching pressure instrumentation is very accurate, and
17 temperature instrumentation is laid out throughout the
18 containment to see any changes that would indicate that the
19 pressure is dropping and that any leakage exists.

20 Following that first phase of the test, the second
21 phase is to introduce a known leak out of the containment
22 with a flow meter, so we know precisely how much air is
23 coming out. Then, we watch our instruments to see if they
24 would detect that, how accurately they detect that. And
25 that validates phase one of the test, showing that the

1 instruments do pick up and read any small leaks.

2 We're looking at this test schedule now to be tested
3 and complete in the early part of March, and it's a major
4 milestone for us. It will demonstrate the robust
5 containment. And the real intent of this is to demonstrate
6 that the access openings that we created in the containment
7 to bring in our replacement reactor head, which we have
8 closed up and we did testing, for example, on the
9 containment metallic vessel itself. We did radiography
10 x-rays of all the welds to verify they met all acceptance
11 criteria, which they did. This will be a substantial test
12 of robustness of the containment for completion of that
13 project.

14 MR. HOPKINS: I have a question,
15 Jim. One of those lines up there says, local leak grade
16 test to repair containment. Why do you have the word local
17 there?

18 MR. POWERS: At the time we did
19 that repair itself, we were looking at locally, the actual
20 weld on the vessel to assure that it itself had high
21 integrity. But, one of the questions is when you do such a
22 large construction project on a structure like this, is to
23 demonstrate overall structural integrity. That's one of
24 the reasons why we're undertaking this integrated test.

25 When you do containment testing, you can do

1 integrated type tests, which is the whole building; or you
2 can do local tests, which is individual valves or in this
3 case welds, to demonstrate each one, one by one, that it
4 has leak tight integrity. So, there is a couple different
5 ways it's done.

6 Typically, every ten years you do an integrated test
7 of the whole building, but each refueling outage, you'll do
8 local leak rate tests of individual valves. Particularly
9 if you do maintenance on a valve, you need to demonstrate
10 as a post maintenance test that its leak tight integrity
11 has been maintained.

12 MR. HOPKINS: So, in reality,
13 the word local is an error though on the slide.

14 MR. SCHRAUDER: No, it's not an
15 error, Jon, we've done both. When we completed that
16 repair, we did a local test of that repair. We will now do
17 an integrated test of the entire containment. We'll do
18 both.

19 MR. HOPKINS: Okay. That's what
20 I didn't understand.

21 MR. POWERS: Any other
22 questions? Okay, if not, I will turn it over to
23 Mr. Schrauder, and he'll talk about --

24 MS. LIPA: Well, actually, I
25 was going to interrupt and suggest a 10 minute break at

1 this point. Okay? So, it's 2:19 by my clock, so 2:29.

2 (Off the record.)

3 MS. LIPA: Let's go ahead

4 and get started. I'm sure Tony will join us shortly.

5 Go ahead, Bob.

6 MR. SCHRAUDER: Thank you,

7 Christine.

8 As Lew said, for the last several months, I've been
9 working with Jim, looking at some of the engineering issues
10 that we're trying to resolve. In particular, over the last
11 couple of months, I've been involved in the Safety Function
12 Validation Project and that's the project I'm going to
13 spend most of my time discussing the status of the results
14 of that today.

15 Before I get to that, I want to very briefly build
16 the background up to that and why we have the Safety
17 Function Validation Project. So, by way of background, the
18 System Health Assurance Plan is what this falls under and
19 that plan consisted of the Readiness Operational Reviews
20 that were done early in the outage; then the System Health
21 Readiness Reviews, which were part of the Building Block;
22 and then the Latent Issues Reviews.

23 We did a couple of other reviews that we looked at
24 in this. We had done a couple of self-assessments on a
25 couple of other systems; the High Pressure Injection System

1 and the 4160 Volt Electric Alternating Current System. And
2 then we also looked at the results of the NRC inspections
3 on several of the systems that we had also looked at.

4 As we went through that, all of the issues,
5 potential issues that were documented, that came out of
6 that were documented in our Corrective Action Program.

7 This next slide is kind of a mini version of an
8 issue that we introduced I believe at the last meeting;
9 then we had a more detailed discussion in Lisle regarding
10 our path for resolution of the issues that Condition
11 Reports that came up.

12 We described a three-path process, where Path A is,
13 is our Corrective Action Program. And each individual CR
14 that's written is evaluated through Path A, where we
15 determine its impact on operability, where the RSRV
16 identifies whether it's a restart issue or can be resolved
17 post restart, look at whether we need to do an extent of
18 condition for those. So, those are kind of the individual
19 issue resolutions.

20 Then over on the far right you see Path C, which the
21 topical issues, some of the, what the collective reviews
22 looked at is there were certain issues that came up that we
23 lumped together in topical issues. Those were the High
24 Energy Line Break, Environmental Qualification, Seismic
25 Qualification of Equipment, Plugging, Appendix R Issues.

1 And, I'll talk very briefly about how we're resolving those
2 at the end of this.

3 Then Path B is where I want to spend most of my time
4 is the Safety Function Validation Project. We've completed
5 that project now, and we want to discuss the results of
6 that.

7 Next slide shows how we got to the Safety Function
8 Validation Project. As we worked through the System Health
9 Readiness Reviews, Latent Issues Reviews, obviously, we
10 generated quite a few condition reports out of that.

11 So, we did a Safety Consequence Review. Actually,
12 we had NPR associates do that for us. They looked at the
13 body of Condition Reports that had been identified by our
14 Restart Station Review Board as required for restart.
15 Looked at those, binned them together, tried to draw some
16 conclusions from that, and recommend a plan for looking at
17 the extent of condition from those.

18 You can see, we looked at about 600 Condition
19 Reports in that process. Eight percent of them or about 51
20 Condition Reports identified a, it did have potential
21 impact on the plant design basis. And again, this is on,
22 I'm going to say, five systems in detail, and two systems
23 that were not as detailed evaluated.

24 So, we had about 28 individual issues, when you bin
25 them together. And again, had the potential for impact on

1 plant design bases. And, a lot of those potential issues
2 did relate to our calculations supporting the design
3 basis.

4 So what-- the project that we came up with or the
5 extent of condition process, we named the Safety Function
6 Validation Project.

7 MR. GROBE: Bob, before you
8 get into that project, could you status us with where you
9 are with resolving those 28 issues?

10 MR. SCHRAUDER: Those 28 issues
11 are encompassed in the Safety Function Validation Project.
12 I don't have the exact where each one is resolved, but they
13 are working through those in the Corrective Action
14 Program. And, I can status you the next time exactly where
15 each of those are.

16 Some of them I know have been fundamentally
17 resolved, and some of those are the issues I'll talk about
18 in the results of the Safety Function Validation Project.

19 MR. GROBE: Actually, Lew,
20 you and I had talked about possibly having another separate
21 meeting just focusing on design engineering.

22 MR. MYERS: That's right.

23 MR. GROBE: I think that
24 would be a good idea. I'm not sure when would be the best
25 time for that, but maybe sometime over the next 4 to 6

1 weeks would be appropriate to have that second type of
2 meeting.

3 MR. SCHRAUDER: That would work
4 out well. I'll be going into detail in all those issues
5 and where we are in resolving them.

6 MR. GROBE: Okay, thank you.

7 MR. SCHRAUDER: Again, NPR worked
8 with us, and we developed the Safety Function Validation
9 Project, whose purpose was to provide assurance given what
10 we seen in the safety functions that provide a significant
11 contribution to the core damage frequency as determined by
12 our plant safety analysis, probabilistic safety analysis
13 could be performed.

14 We looked at all those safety functions that
15 contribute greater than one percent of the core damage
16 frequency. Said another way, all those functions added up
17 to covering 99 percent of the core damage frequency. And
18 approximately 99 percent of what's known as the large early
19 release also.

20 Those safety functions identified were comprised
21 within 15 Safety Related Systems. Five of those, we had
22 already evaluated in great detail in the Latent Issue
23 Reviews. Two of them; the High Pressure Injection, and the
24 4160 Volt AC System, we had done a partial assessment of,
25 but not as deep as the Latent Issues Reviews.

1 So, we took those two systems we'd done partially
2 and added 8 additional systems we were going to look at in
3 the Safety Function Validation Project for a total of, all
4 total that would be 15 of our safety systems that again
5 cover 99 percent of the core damage frequency for the
6 plant.

7 The methodology that was used by NPR was to first
8 find the safety functions and what attributes would be
9 validated. So, the group went off, identified what the
10 safety functions were, what attributes there were. They
11 identified the available calculations and testing that
12 demonstrate the system's capability to perform those
13 functions, and then reviewed the calculations and testing
14 to validate, to attempt to validate whether or not in fact
15 that safety function or attribute could be fulfilled.

16 It was a two-step process that NPR employed; that
17 is, they first had their groups go off the, the individual
18 groups go off and identify the safety functions, the
19 boundary of the system that they were going to look at.
20 That then came into the board, and the board looked, an
21 Oversight Panel, looked at and reviewed the level, the
22 depth that they were going into and confirmed that, yes,
23 that would capture all the safety functions that we intend
24 to look at.

25 Then, the review teams went off, did their reviews,

1 did their looks at safety functions, calculations, testing
2 that had been performed, all the design basis information
3 that they could get. They then brought that back to the
4 board, and then the board probed them, dug at the issues,
5 did their review to make sure that they had done a
6 comprehensive review of the safety functions that they were
7 attempting to validate.

8 In line with that process, or as part of that
9 process, there were oversight provided by FirstEnergy. I
10 spent a couple of days down there, sat through several of
11 the board presentations at the beginning -- well, actually
12 toward the middle of the project and then at the end of the
13 project.

14 Steve had his Quality Assurance Oversight people
15 were down there for much of the time. Marty Farber from
16 the NRC observed a large part of that. We also had at
17 least one member of our Engineering Assessment Board
18 present at nearly all of the Oversight Panel Reviews of
19 those. So, we got a lot of review while that was in
20 process.

21 I would tell you that I believe that it was a very
22 thorough and comprehensive review. I think they did a good
23 job. I think Marty and the inspector that he brought down
24 with him felt like it was a pretty high quality review that
25 was done.

1 So, that's all well and good. What's the results of
2 it? Four of those systems -- I'm sorry. The additional
3 thing that NPR was doing for us in that review was for
4 functions that could not be fully validated, they did
5 perform some of the preliminary technical evaluation to see
6 the impact of that; to determine the effect on systems
7 capability, and they helped us in operability
8 determinations if required, if the systems were found to be
9 degraded.

10 Then, of course, all the nonconformances that were
11 identified during the course of that project were also
12 entered into the Corrective Action Program, and they would
13 then go back over to Path A and come down through the
14 Corrective Action Program.

15 MR. GROBE: Bob, let me
16 make sure I understand that. Oftentimes in engineering
17 reviews, you come up with a lot of questions. And, it's a
18 period of time until those questions are revolved to the
19 point where you can conclude they're actually nonconforming
20 conditions.

21 Do you still have a batch of questions that are
22 still being evaluated, or have all of the issues been
23 evaluated and dispositioned as either nonconforming
24 conditions or adequately resolved?

25 MR. SCHRAUDER: All of the

1 evaluations have not been completed yet, Jack, out of the
2 Safety Function Validation Project. In some cases, they
3 were not able to, with the information they had available
4 to them, validate for instance a safety function. That
5 then comes back to us and we have to do further analysis,
6 in some cases, and further research.

7 So, not all of those Condition Reports that came out
8 of this are complete yet; and we have not yet completed the
9 effort of attempting to validate those systems which NPR
10 was not able to validate their safety function.

11 MR. GROBE: Okay. So,
12 all of the questions have been turned into Condition
13 Reports and you're continuing the evaluation under the
14 Condition Reporting Process?

15 MR. SCHRAUDER: That's
16 correct.

17 MR. GROBE: Thank you.

18 MR. MENDIOLA: I'm not sure
19 I understand. This is a one-time project? In other
20 words, you know, now that you finished it, now that you
21 looked at these 15 systems, and you've come up with either
22 being fully validated or those that need additional
23 analysis; that's it, basically, everything gets handed over
24 to the Corrective Action Program?

25 MR. SCHRAUDER: I'm not sure

1 I understand your question, but basically the answer is
2 yes. It's a one-time project that covered 99 percent of
3 the core damage frequency, but those issues that were
4 identified need to be resolved and they are categorized as
5 either needing to be resolved prior to restart, or whether
6 they can be resolved post restart. Because every
7 discrepancy that they found, we identified and put into the
8 Corrective Action Program.

9 The ongoing process is, as we've talked about in the
10 past for assuring continued system health and maintaining
11 design basis, are the latent issue reviews, which we will
12 incorporate into our ongoing processes.

13 MR. MENDIOLA: So, that, if
14 you will, is the long term result of this project, is to
15 institutionalize that kind of material into a constant
16 everyday process that you have at the site?

17 MR. SCHRAUDER: Yes.

18 MR. MENDIOLA: So, it would
19 show itself in a latent issue?

20 MR. SCHRAUDER: The Latent
21 Issue Review Program will be the institutionalization of
22 systematic reviews of systems to assure ourselves that we
23 maintain them in full stead.

24 MR. MENDIOLA: Okay, thank
25 you.

1 MR. SCHRAUDER: Okay, the
2 results of the project. Four of the systems that were
3 looked at, NPR was able to fully validate their safety
4 functions; that's the High Pressure Injection System, the
5 Main Steam System -- Steam Generators and the Safety
6 Features Actuation System.

7 You see there are additional systems that we still
8 require, as Jack asked about before, additional analysis to
9 confirm or identify that the safety system could not be,
10 the safety function could not be validated. Those systems
11 are listed there.

12 We have a fairly high competence level that when
13 we're through with all the analysis, that we will be able
14 to demonstrate that each of these systems was capable of
15 performing its safety function. We have just not yet
16 completed all those reviews, and some cases may have to do
17 some recalculation, some reanalysis to show that.

18 Do you have a question, Jack?

19 MR. GROBE: I wanted to make
20 sure I understood the totality of the results. These
21 results on this slide, called Project Results; those are
22 the results of the Validation Project. You had seven
23 additional systems that you looked at under Latent Issue
24 Review and Self-Assessments. How many of the systems from
25 those additional seven fell into the fully validated

1 category and are requiring additional analysis category?

2 MR. SCHRAUDER: I would tell
3 you from the Latent Issue Reviews, that none of those
4 systems were fully validated when they went through their
5 Latent Issue Reviews, and they would fall into the same
6 category of some of those. Again, they were questions that
7 were asked that the individuals could not either find the
8 documentation, or in some cases there was conflicting
9 information. I will tell you, none of the Latent Issue
10 Reviews would result in what we would say their safety
11 function was validated.

12 Many of those issues we have resolved along the way;
13 have not yet reached the point where we have declared any
14 one of those systems completely validated yet.

15 MR. GROBE: And the two
16 systems that you did Self-Assessments on, those also were
17 not fully validated?

18 MR. SCHRAUDER: Right. The
19 ones that we did Self-Assessments on are included in the
20 Safety Function Validation Project.

21 MR. GROBE: I see. So,
22 the total then is 13 systems.

23 MR. SCHRAUDER: The total is
24 15 systems; 5 Latent Issues, 2 Self-Assessments that were
25 redone in the Safety Function Validation Project, and then

1 8 additional systems. So, the total amount of systems we
2 looked at in this level of detail was 15.

3 MR. GROBE: I think I
4 understand. Thank you.

5 MR. SCHRAUDER: So, each of
6 those additional analysis required, again are entered into
7 the Corrective Action Program. And in many cases or
8 several of the cases, for instance, Low Pressure Injection
9 System, there is one function of that system that yet has
10 to be validated. Then, we're working through those
11 issues.

12 Any other questions on the Safety Function
13 Validation Project?

14 MR. PASSEHL: So, I guess
15 on your slide 22, you don't have all 15 systems listed on
16 here; you have 8. And there is an extra 7?

17 MR. SCHRAUDER: Actually, all
18 of them that were comprised within the Safety Function
19 Validation Project are here. Where it's the Electrical
20 Distribution Systems, that includes 125 Volt/250 Volt DC
21 System, the 4160 Volt AC System and 480 Volt AC System.

22 One of the good things, I would say, that came out
23 of it or one of the encouraging things, is we looked at the
24 electrical distribution systems, we were not able to fully
25 validate that, but all but one I believe of the issues that

1 came out of the Safety Function Validation Project had been
2 previously identified in the System Health Readiness
3 Reviews that we had done.

4 The process that NPR did, they didn't look at what
5 had already been identified for those systems. They merely
6 identified the safety function they were trying to
7 validate, find what documentation they could have, created
8 their questions or their issues, and then they looked to
9 see if that issue was already addressed in the Corrective
10 Action System.

11 And, for the Electrical Distribution System, like I
12 said, with the exception of the battery issue that was
13 raised, all of those conditions had been identified under
14 the System Health Readiness Reviews, even though those
15 reviews were not really targeted at a detailed analysis of
16 the calculations and the design basis information for those
17 systems.

18 So, I think it just, in my mind it adds some
19 credibility, I would say, to the System Health Readiness
20 Reviews. And, that was a comment that NPR made to us
21 also.

22 MS. LIPA: The question I
23 have -- excuse me, Jack. Maybe you're going to get to it
24 later. At what point will you be at or where are you in
25 the process of determining if any of these are passed

1 operability, past reportability, LER-type issues?

2 MR. SCHRAUDER: All of those
3 issues still have to be evaluated and it will depend,
4 obviously, that's what the evaluation is doing. Can we
5 determine or demonstrate operability from a going forward
6 prospective, and also we will have to look back and
7 determine its past operability if, the function is in fact
8 found to be not able to be validated.

9 That's all part of the normal condition reporting
10 process. And we're working through those Condition
11 Reports.

12 MS. LIPA: So, you haven't
13 even gotten to the point where you've determined that it
14 would be reportable to start the 60 day clock from any of
15 these issues?

16 MR. SCHRAUDER: That's correct.
17 The other thing that we did find -- sorry, Jack -- in this
18 process, both in the Safety Function Validation Project and
19 the, what I'll get to in just a minute, as we're looking at
20 the topical issues; we did confirm what we suspected; that
21 is, we have a lot of help in looking at these reviews and
22 going through documentation for the plant calculation, with
23 a lot of people that are not familiar with our design or
24 licensing basis; they're not familiar with the
25 calculational structures and where to find information.

1 And they, as we told them, don't spend a whole lot
2 of time. If you can't find the information, generate the
3 CR, get it into the system, and we'll turn people loose on
4 going down it.

5 We did in fact, have in fact found numerous examples
6 of where the information was in fact contained in
7 calculations if you knew your way around it, could find
8 it. You know, there are certain aspects of those Condition
9 Reports that are attributed directly to what we are
10 licensed to and what our design basis is. So, a lot of the
11 issues are not issues. They're simply questions that were
12 raised and are easily answered once you get the
13 calculations out and can demonstrate it.

14 I have a percentage for you on that, but there are a
15 lot of them in there that-- and that was done by intent.
16 We wanted them to get the reviews done. If they had
17 questions, don't stop the review, get them into the
18 process, and we'll get to those as we can.

19 MR. GROBE: Just a comment,
20 Bob, so that you and your licensing folks can anticipate
21 our needs. Recognizing the number of design questions
22 you're still in the process of resolving. We discussed
23 this, this morning, and internally in a panel meeting;
24 determined that it might be appropriate now to start weekly
25 calls with your Regulatory Affairs Group to track the

1 resolution of these questions. I anticipate that there is
2 a possibility there may be some licensing questions that
3 come up in the course of resolution of these issues. And,
4 early dialogue will help us be prepared to understand those
5 issues, and help you understand our perspectives on them.

6 So, I've asked Tony and Jon to set up with your
7 staff, your licensing staff, some weekly dialogues to go
8 through the status of these issues and identify the ones
9 that have the greatest risk of needing licensing work, so
10 that we can be prepared to do that.

11 MR. SCHRAUDER: I think
12 that's a good idea, Jack. I can tell you that there is one
13 that came out of the Safety Function Validation Project
14 that I know of, and that's on the differential pressure
15 trip set point that the steam feedwater control system,
16 where the tech spec value is nonconservative relative to
17 the design basis calculations. In that case, we will have
18 the procedure for that, looks like it was also
19 nonconservative relative to the calculational base behind
20 it.

21 What we have to do now is look at where do we
22 actually have the trip set point set. And, also make sure
23 that the procedure now aligns with the design basis, and
24 then we'll have you come in with a license amendment
25 request, to change the tech spec, because the tech spec

1 value is a nonconservative tech spec and follow NRC
2 guidelines on how you handle those issues also.

3 There are some licensing issues that will come out
4 of it.

5 MR. MENDIOLA: Bob, I'm going to
6 ask the stupid question here. You started out on slide 20
7 with 15 safety systems. Okay. Slide 22 only has 8
8 listed. I can only assume from your response earlier that
9 all the Electrical Distribution System systems, if you
10 will, the 15, are listed at the bottom there. They're all
11 compressed into one bullet?

12 MR. SCHRAUDER: Let me go
13 through the 15 systems for you clearly.

14 MR. MENDIOLA: Basically,
15 the very simple question is, where is the other 7?

16 MR. SCHRAUDER: Let me go
17 walk through it for you. There were 15 total systems.
18 Five of them were completed under the Latent Issue Review.
19 They were not looked at in the Safety Function Validation
20 Project. Okay. That leaves 10 systems.

21 If you look at the slide you're looking at, there
22 are eight bullets there. The last bullet, the Electrical
23 Distribution System is actually three systems; 125 Volt
24 DC-- 125/250 Volt DC, the 4160 Volt AC, and 480 Volt AC.

25 So, that should be ten systems there and the five

1 from the Latent Issues Review.

2 MR. MENDIOLA: Okay. Thank
3 you.

4 From the systems requiring additional analysis, was
5 there any, for lack of better terminology, red flags or
6 anything to cause, anything that we should, if you will,
7 start focusing on?

8 MR. SCHRAUDER: The one that
9 I don't have a very clear path to how it's going to be
10 resolved yet I'll talk about; and that's the Low Pressure
11 Injection System of the Decay Heat System. The safety
12 function there that we're trying to validate yet or need to
13 relook at is the, we have two methods of Boron
14 precipitation control post LOCA.

15 Our secondary method for Boron precipitation control
16 post LOCA is through the decay heat drop line, where you
17 have one low pressure injection system taking suction from
18 that for the purposes of precipitation control; you have
19 the other LPI system injecting into the vessel.

20 Early tests for the plant identified that the net,
21 to satisfy the net positive suction head requirements for
22 that pump for Boron precipitation control required eleven
23 inch height in the drop leg.

24 This review identified that the calculational basis
25 identified that if you're injecting an LPI pump, were

1 running at runout, it could only supply seven inches of
2 head in that drop line.

3 So, the analysis that we're going through right now
4 is there is some questions on the validity of the test,
5 because it was not really run, Boron precipitation control
6 wasn't considered at the time the plant was licensed. It
7 was a later addition. So, the test that was done was
8 really not for the purposes of establishing precipitation
9 control. So, once they got to a certain level, eleven
10 inches, ran it there for a certain time; they said, okay,
11 end the test, we'll draw a curve from that.

12 During the course of that test and looking at the
13 data now, and the reason they stopped at eleven inches, was
14 testers believed that they heard cavitation in the pump at
15 that level. Going back and looking at the test data now,
16 what's believed is what they were hearing was air entrapped
17 in the system from the previous test; and that they're
18 looking at pressure gauges and discharge pressure from the
19 pump, you know, being able to show the pump couldn't have
20 been cavitating with the kind of pressure indications that
21 you had there.

22 And so, Framatone was working with us in resolving
23 this. When I say I don't have a clear path to solution on
24 this, we're either going to have to demonstrate
25 analytically with the data we have available that the

1 required height is much less than eleven inches and you
2 could have met that safety function; or we're going to have
3 to take, we're going to have to test that under, in a
4 mockup facility and reestablish what the actual height is.

5 So, that's one of them I would say, yeah, we don't
6 have a clear answer on that one yet, but I believe there is
7 two paths to pursue on that one.

8 MR. MENDIOLA: Okay, thank you.
9 I'm just curious on the timetable for when this information
10 might be more readily available to us? Will be a while
11 off?

12 MR. SCHRAUDER: Which information,
13 Tony?

14 MR. MENDIOLA: Well, things like
15 you just brought up; your response and your reaction to how
16 you're going to conclude that analysis, and conclude this
17 issue?

18 MR. SCHRAUDER: It will be
19 available to you as soon as we know which way we're going
20 with it. Some of these issues just are being evaluated.

21 MR. MENDIOLA: Okay, I
22 understand.

23 MR. SCHRAUDER: Okay, emergency
24 core cooling system, HVAC system, that's another one that
25 relates back to the ultimate heat sink temperature. That's

1 really an environmental qualification issue, where the room
2 was originally, max temperatures was expected to be 125
3 degrees in that.

4 When you include two issues in there; the high
5 pressure injection pump running in the room was not
6 considered as a heat addition to the room, and it needed to
7 be; also, when you looked at the impact of raising the
8 temperature to 90 degrees, and the potential for separation
9 from the lake, if you will, and the heatup of the forebay,
10 the bottom line conclusion was that the actual maximum
11 temperature in that room would rise above 125, and would
12 peak somewhere around 133 degrees.

13 So, we had to go relook at all the equipment in the
14 room and see, will it withstand 133 degrees. We have
15 looked at that, and we have one relay that was qualified
16 for 125. We don't have, I don't believe we have right now
17 sufficient information to say it works at 133. So, we
18 still have some more analysis to do with; if there is other
19 facilities that have tested it higher, we'll probably take
20 that relay out and qualify it to a higher temperature to
21 verify that it would have functioned at 140 degrees. And
22 we may have to go out and buy a replacement relay for
23 that.

24 That's the type of issues that we're dealing with,
25 on those unvalidated systems yet.

1 MR. MENDIOLA: Okay, thank you.

2 MR. PASSEHL: I would have an
3 additional question. You mentioned on slide 18, your
4 Safety Function Validation Project, you stated that you're
5 completed with that. Yet on slide 22, you got all these
6 systems requiring additional analysis. What did you mean
7 by completed with that?

8 MR. SCHRAUDER: The Safety
9 Function Validation Project was a defined scope of work
10 that NPR did for us. They performed that issue for us.
11 They have turned over the results of that and said, here
12 are the things that we could not validate. So we then put
13 them into the Corrective Action Program where we will have
14 to resolve those, but the project itself is completed.

15 MR. PASSEHL: I understand.
16 And, then your five systems you did on the Latent Issue
17 Reviews; Reactor Coolant System, Aux. Feedwater --

18 MR. SCHRAUDER: Service Water.

19 MR. PASSEHL: Are those fully
20 validated?

21 MR. SCHRAUDER: No, that's the
22 question Jack asked before. None of those systems were
23 fully validated in the Latent Issue Reviews either. So,
24 the same process is ongoing for them; further analysis,
25 further research.

1 MR. PASSEHL: Okay, thank you.

2 MR. SCHRAUDER: Okay. The other
3 thing, Path C was the Topical Issues. And the Topical
4 Issue Reviews are not done yet, not completed yet. Those,
5 again, I have identified before is Seismic Qualification,
6 High Energy Line Break, Environmental Qualification,
7 Appendix R Safe Shutdown Analysis and the Station
8 Flooding.

9 Described briefly here, the process we're going
10 through to review those. We're doing Collective
11 Significance Reviews on those topical areas. We're
12 looking, we're using a Nuclear Operating Business Procedure
13 that, it's a relatively new procedure that we've developed,
14 across FENOC. It's specifically aimed at Collective
15 Significance Reviews. It provides us with a consistent
16 process and consistent format for the analysis of those
17 systems.

18 We'll use the Condition Report Data Base to pull all
19 the issues that have been identified relative to those. We
20 would bin those Condition Reports, much like we did in the
21 Safety Function Validation Project, into specific topical
22 areas within that topic. And then, we'll look at those to
23 see whether they have implication, problematic implications
24 to those topical areas, and we'll also conduct an extended
25 condition evaluation for the area where that's warranted.

1 Then, we'll determine, schedule again the Corrective
2 Actions that come out of that, go into the system to
3 determine whether they need to be done prior to or post
4 restart and we'll schedule those Corrective Actions.

5 Then, when the report is written, it will go through
6 our Engineering Assessment Board to review the results of
7 that process also.

8 Those things, I'm going to say they're probably 75
9 to 80 percent complete right now, some in a more of a state
10 of completion than others. I expect that they will be, the
11 reviewers should be completed with their work this week and
12 then they will be scheduled for AP Review within the next
13 week or so.

14 MR. GROBE: Bob, are the
15 reviews completed sufficiently that you can give us some
16 insight on how many of the areas warranted further extended
17 condition review?

18 MR. SCHRAUDER: I can speak to
19 one, Jack, that I've looked at pretty much. That's the
20 Seismic Category.

21 Seismic Category had identified several things. Two
22 over one criteria. Much of that was a, restraints of some
23 temporary equipment. We also looked at the impact of the
24 Boron deposits that were in the containment. Did they
25 impact the seismic capability of the systems they were on?

1 We found that they did not.

2 We had one issue that came out of this, was a
3 relatively old issue though. Early in the plant's life, we
4 got some of these relays, HFA relays that were identified
5 under GE SIL. I can't recall what SIL stands for.
6 Notification to industry from a vendor.

7 MR. POWERS: Service
8 Information Letter.

9 MR. SCHRAUDER: Service
10 Information Letter. Thanks, Jim.

11 We had bought these relays by way of a third party.
12 We didn't get them directly from GE. We were not on their
13 vendor list for them. So, we did not get the information
14 in when they put it out, that these relays needed to have
15 certain adjustments or checks to see if they needed
16 adjustments periodically.

17 I think we had about five of those. We identified a
18 few of those and we did do an extended condition to find
19 out how many of these HFA relays do we have. We'll go out
20 and perform the set point checks on that.

21 And then we did confirm that we plugged that gap in
22 the process, a third party vendor, we would get information
23 on their products. And this was, was found to be isolated
24 in this case, with GE. I think we had gone through
25 Westinghouse that that had been corrected in the past.

1 Another one we did find that we had to do an
2 extended condition on the seismic was, our process a couple
3 of years ago has had some discrepancies in the seismic and
4 safety classification, where you might in the safety,
5 safety/nonsafety boundary at say an open root valve,
6 downstream up there, you might have a transmitter or
7 something that needed to be qualified for seismic
8 purposes.

9 Either was not reflected properly on the PNID's, or
10 the data base that we use to track that; had it confusing
11 to modification, if you're putting it in.

12 We went back and did an extended condition on that,
13 to see. We looked back to the point that that confusion
14 was introduced into the system and looked back at all the
15 mods done since that time. And I believe that resulted in
16 identification of five transmitters that needed to be
17 looked at. Two of those were original purchases, and they
18 were, did have the proper qualification to them. We had to
19 replace three transmitters. That's an example of an
20 extended condition that came out.

21 One final one was a, I don't know if you recall this
22 or not, but there was an issue again on the seismic
23 classification in the service water pump bay, if you will.
24 And the cooling tower makeup line went through there. And,
25 it was supposed to be seismic. And it was not seismic. It

1 was not installed seismically.

2 So, we had to do an analysis to show. We used a
3 methodology to determine the line would have withstood the
4 frequency, the resonance frequency for the earthquake. We
5 used that method to show it would have withstood the
6 earthquake effects, but we are also going back and making
7 that seismic now.

8 That resulted in an extended condition, so we had to
9 go out and look at other systems where there were multiple
10 trains or multiple systems in a single area that could be
11 impacted by that event. And, by that situation, we found
12 four or five other areas that we had to go look at. All of
13 those turned out to be acceptable.

14 That's the kinds of things we're finding in the
15 extended conditions that we're doing as a result of.

16 MR. GROBE: Okay, thank
17 you.

18 MR. SCHRAUDER: That
19 concludes my discussion, unless there's -- well, there is a
20 summary slide here that says, as I said before, we did show
21 good correlation with the System Health Readiness Reviews.
22 We do have more analytical work ahead of us to be able to
23 fully validate some of the safety functions. We have yet,
24 we have not identified any major modifications necessary as
25 a result of the Safety Function Validation; or so far, the

1 Topical Area Reviews.

2 And we did confirm, I think what we had already
3 said, that there was some rigor in the calculations,
4 clerical calculations that was lacking.

5 MR. GROBE: Thank you.

6 MR. SCHRAUDER: With that, I turn
7 it over to --

8 MR. MYERS: Me.

9 MR. SCHRAUDER: Lew Myers.

10 MR. MYERS: Thank you.

11 I have to sort of shift gears now, talk about
12 providing you some information in a few areas first, give
13 you a snapshot of the January the 30th meeting that we had
14 with the Nuclear Regulatory Commission in Chicago to
15 discuss Safety Culture and Safety Conscious Work
16 Environment.

17 Second, to status our Restart Readiness Review
18 Meeting that we had, where we looked at -- once again, I
19 want to make this clear, we only looked at fuel, because
20 Restart Readiness Review Meeting was not prepared, designed
21 to look at restart. We do various Restart Readiness Review
22 Meetings as we change operating modes of the plant, so I'll
23 provide you some observations of the one we did for fuel
24 load.

25 And, finally, I'll provide you status of how we

1 addressed the safety, Safety Culture readiness for fuel
2 load. That will be the first time we've done that.

3 First, I would like to give you a little background.

4 The Root Cause Report for the Reactor Vessel Head was
5 presented last August. In that report, there were
6 basically five overall conclusions that we had.

7 First, we found that there was a production focus
8 established by management combined with taking minimum
9 actions to meet regulatory requirements and in some cases
10 we did meet the minimum action, and that resulted in
11 acceptance of degraded conditions. Item number one.

12 Second, we found that Davis-Besse had been operating
13 a long time as basically an isolated plant. As you
14 remember, FirstEnergy is a fairly new company. And then we
15 took over the Beaver Valley Station. So, if you look at
16 our Davis-Besse station, all our performance indicators
17 were running along pretty well. So, from a FirstEnergy
18 standpoint, it was still being operated sort of as a
19 stand-alone plant.

20 Third, a large number of Condition Reports were
21 identified by our employees. There was like over twenty
22 Condition Reports written, but they weren't properly
23 classified or evaluated. If they had been, we wouldn't be
24 sitting here today. So, the employees were writing and
25 identifying problems.

1 Fourth, our Quality Organization reported to the
2 site staff for many years, and as a result their
3 effectiveness was limited. In fact, they became part of
4 the same culture, if you will. And when you read back on
5 the reports, some of the conclusions that they drew based
6 on the findings, it's hard to correlate those conclusions
7 as being accurate.

8 Fifth, Operations was not actively involved in the
9 role of improving the plant conditions. Somewhere along
10 the line, over a long length of time, sort of have a
11 different role with Randy and I, than others have seen
12 traditionally in other nuclear stations.

13 With that, those are the areas that our Root Cause
14 sort of focused on, and I would like to provide you with
15 now the next slide. The definitions of what we've given
16 our employees, as Safety Culture and Safety Conscious Work
17 Environment.

18 We divide those things into two areas, and
19 basically, two different definitions. Let me tell you
20 why. From a Safety Culture standpoint, we define that as
21 the "assembly of characteristics and attitudes", so both
22 characteristics and attitudes, "in the organization", which
23 is organization, you're looking at the organization; "and
24 individuals", so, what they see from, "which establishes an
25 overriding priority towards nuclear safety activities and

1 ensures that issues received the attention warranted by
2 their significance."

3 Write a CR, properly classified. If you're out
4 doing a job in the field, you get the right management
5 oversight. That's what we're talking about here.

6 From a Safety Conscious Work Environment standpoint,
7 it's "That part of a Safety Culture", if you will,
8 "addressing employee willingness to raise issues and
9 management's response to these issues." So, they have an
10 environment that encourages them to identify problems.

11 Next slide.

12 At that meeting, we provided the NRC a management
13 model. Once again, I want to stress this. This is a
14 management model. It's not an employee model. And this,
15 it's not designed to establish the perfect employee.

16 It can and should be used to help management and
17 ensure that the correct standards are present in the
18 organization, and that our standards are properly being
19 understood by our employees, and then be implemented into
20 the field. Are we sending the right message to our
21 employees? That's the real question.

22 There are three commitment areas that we discussed
23 with the NRC at that meeting, and 14 individual commitments
24 that we also discussed that we monitor effectiveness in.

25 Now, let me go through those.

1 First is the policy level commitment. That policy
2 level commitment has to do with the message that we send
3 from our corporate organization. Are our policies correct
4 from a safety standpoint? The management value structure
5 that we have. Do we understand our value and vision and
6 are they being properly implemented in the field. The
7 resources that we provide; the same thing from time, money
8 to people.

9 And then, finally, the oversight that we provide,
10 from not only a quality oversight point-- standpoint, but
11 from a self-assessment standpoint. Those are the type of
12 things we're talking about there.

13 Then you move on into the management commitment
14 area, if you will. The commitments under there are
15 emphasis on safety. Do we send the right messages daily,
16 when we find issues? That we understand the
17 responsibilities of the managers and the organizations and
18 are we cohesive as a team. And that was an area that we
19 really want to start focusing on. I would tell you that we
20 were sort of in isolationism in our group.

21 Then finally, accountability of responsibility. Do
22 we understand who is responsible? That accountability is
23 clear. Qualifications in training is more than just
24 maintenance or operator training; it's leadership training,
25 it's management training, and supervisor skills training

1 also. Then, high organizational commitment to safety. Are
2 we really committed to it? Do we send those messages?

3 And then, finally under the individual area, you can
4 focus on the nuclear professionalism. You know, what do
5 people, what do they understand technically when they're in
6 the field. I mean, do you understand what you're dealing
7 with and do you have the right sensitivity to those issues?

8 Open communications. That's the vertical
9 communications within our organization. And then rigorous
10 work control. That's more than just going out working a
11 work package. Are the engineering documents that we
12 prepare quality documents? And one that I know is close to
13 our heart right now are the RWP's that we prepared,
14 radiologic standpoint, thorough and accurate. So, it's
15 across the board from a work control standpoint.

16 Questioning attitudes and overall drive for
17 excellence, and maintain our plant, and improving safety
18 margins from cycle to cycle, both from a personnel
19 standpoint, but also from a material standpoint.

20 With that being said, let me go through some of the
21 actions we're taking very quickly. These are just, you
22 know, just a snapshot of the actions that we shared with
23 you all guys in the January 30th meeting.

24 First from a policy standpoint, we started taking
25 many of our actions back in the May time frame in 2002,

1 after we finished our Technical Review. The first action
2 we took was create a management structure for oversight,
3 and took the action to sponsor the Management/Human
4 Performance Report that we shared with you in August.

5 And then, after that, our FirstEnergy Board of
6 Directors issued a resolution on nuclear safety. That's
7 what we think should be the genesis of the standing in our
8 company. From that point on, Bob Saunders provided two new
9 policies; one on Safety Culture and one on Safety Conscious
10 Work Environment.

11 We've now met with all of our employees and trained
12 all employees at FirstEnergy Nuclear Operating Company on
13 those policies. We strengthened our Incentive Program,
14 which we talked about with the root cause to focus on
15 safety.

16 We've established and implemented an executive level
17 organization, if you will. We now have the Quality
18 Assurance Manager, the Executive VP of Engineering and
19 Chief Operating Officer position at our corporation -- at
20 our corporate offices. And if you go look at this alone,
21 it would have prevented some of the isolationism and
22 assured standardization of our processes, and it would have
23 probably improved the quality, the quality of the oversight
24 documents that we looked at and may have resulted in us not
25 being here today.

1 We strengthened our Employee Concerns Program. We
2 work hard to make sure that's an anonymous program and
3 people feel free to come forward with that, into that
4 program and address issues. And, we're seeing good
5 improvement there.

6 From a management standpoint, you know, I talked at
7 that meeting about our management team. Today up here, you
8 know, I think it's our senior team. We're technically
9 involved with things going on at the plant. Before we came
10 here today, we took time looking at the videotape of our
11 reactor vessel, so we could understand the cleanliness
12 requirement, you know.

13 We talked somewhat about that, but the management
14 team we have in place at our station has over 460 years of
15 nuclear experience. Most of them are SRO, most of them are
16 degreed individuals with advanced degrees. And what's more
17 important than that, they're proven leaders in industry. A
18 lot of us have worked other places, worked at our other
19 plants and we're a pretty well known commodity. So, we
20 really believe that we really strengthen the leadership
21 team for the plant.

22 Additionally from a, a standpoint of what failed;
23 Tony, you asked a question awhile ago about the Corrective
24 Action Program. If we're going to restart our plant, we
25 have to make sure that our Corrective Action Program is

1 working properly. I mean, it is the backbone of how we
2 identify problems, where we put things. Once we stick them
3 in there, they can't get lost. They might not get worked
4 on, but they can't get lost.

5 So, it's imperative that we properly classify and
6 then evaluate issues. And, what we've done to strengthen
7 that is our Corrective Action Review Board. Now it's
8 chaired by Randy Fast. On there we also have engineering
9 managers and the Operations Manager. So, we really, really
10 escalate the duties and responsibilities of that board,
11 their performance indicators, and tried to strengthen the
12 Corrective Action Program.

13 Additionally now, once we solve our problem that our
14 employees had given us, we send each and every employee
15 back an email telling them how we solved their problem.
16 So, we think we're improving that program a lot.

17 We improved our leadership conferences. You know,
18 one of the things we now have, we evaluate each and every
19 one of our managers, supervisor yearly; and we're in the
20 process of doing that right now. We've added two new
21 conferences that focus on safety. So, that's new for us.

22 We've strengthened our problem solving and
23 decision-making nuclear operating procedure. As I think
24 Christine knows, we have a procedure that we used at Perry
25 for decision-making; stop, analyze the problem, get the

1 right people involved, use the right techniques.

2 You know, we did not have that at the Davis-Besse
3 Plant, so we've turned that into a nuclear operating
4 procedure that's now used every day at all of our plants,
5 called morning phone call. We have a morning phone call
6 7:30, just about every day you can hear somebody talking
7 about an action plan they developed for one of the nuclear
8 operating decision-making models. So, we think that's
9 really strengthened the way we -- when we find problems,
10 that we deal with them.

11 Then, Engineering Assessment Board is now in place
12 at this station to look at the engineering products. And
13 probably if they looked at some of the engineering products
14 that were sent out in the past, we wouldn't be here today.
15 So, we think we're seeing good improvement there.

16 Now let's move on to the individual. We've talked
17 about the Reactor Vessel Head Group Training that we've
18 done, if you will, where we sit down each and every group
19 individually, and went through, in depth training on this
20 event and how your particular group was involved with this
21 event; how we should have found it earlier. Then we went
22 through the group standards and we tested each and every
23 person on site. So, that's complete.

24 The Town Hall Meetings are basically weekly. We may
25 miss a week every now and then, but usually weekly. Randy

1 says we have a hundred people. Jim says we have 40. So,
2 we typically have somewhere between 100, 140 people.

3 I don't know how I came up with that math, but
4 sometimes they're very large groups and sometimes there are
5 groups where I've attended meetings of about 40 people.

6 If you go look, I talked about our 4-C's Meetings.
7 I try to have one of those meetings basically weekly with
8 our employees. I've now met with over 500 of our
9 employees. And, you know, it's really interesting. I
10 think it's time for maybe one of you all to come in and sit
11 in on one of those meetings. Our employees are brutally
12 honest. That's one thing I'll say about them. I think
13 those meetings are good.

14 The one thing that I see coming out of that, is a
15 willingness of the employees. When we do these meetings,
16 we have, we have the team meet together to identify their
17 concerns and their compliments and everything. So, I want
18 to know who wrote the question out. Then, when I come into
19 the meeting and go over all those things, I prepare and try
20 to be able to give them good responsive answers.

21 And what I'm finding now more and more at those
22 meetings, as I bring up the questions, the employees will
23 say, well, this was my question, which shows me it's the
24 environment I'm looking for. So, I think those meetings
25 have been very valuable.

1 There is something that I believe, they tell me in
2 the years that they've been at Davis-Besse, they've never
3 had an opportunity to sit down with a VP and be able to
4 talk with him. I don't quite understand that, but that's
5 something we should keep a permanent part of our system in
6 the future; and we intend to.

7 Finally, we created -- we had operability training,
8 as you know. And our Root Cause Report, our Operations
9 Group was lax on, prove to me this is operable; come to me,
10 engineering, show me why it's operable. And, we were doing
11 some things by telephone that we shouldn't have. So, we
12 reevaluated the operability process, provided training to
13 all of our engineers, all of our operators. I think you'll
14 find that very challenging, operability issues now.

15 And then finally, we went back and we requalified
16 each and every one of our root cause evaluators. Those are
17 just some of the actions we have taken. There may be
18 more.

19 The next area, I want to talk about is --

20 MR. GROBE: Before you go on,
21 I have a question on slide 30. I wanted to hear this slide
22 31 material before I asked it.

23 In the 3 areas; policy, management and individual,
24 you have four to five assessment attributes, I guess.

25 MR. MYERS: Right.

1 MR. GROBE: In each of those
2 assessment attributes, there is a number of data sources
3 that goes into your assessment in that area. Have you
4 developed that sufficiently that it's on paper, it's
5 something that's ready for us?

6 MR. MYERS: We used it, Jack.

7 MR. GROBE: Pardon me?

8 MR. MYERS: We used it during
9 the Restart Assessment. Now that we've used it, we're
10 going back and modifying it some, but it's actually been
11 used. I'm going to talk about that, as a matter of fact.

12 MR. GROBE: Okay, good.

13 MR. MYERS: In our Restart
14 Readiness Review, let me tell you, the purpose of that
15 meeting is not to justify why we should load fuel, the
16 purpose of that meeting is to determine why we should load
17 fuel. You know, do we have a consensus around the table
18 that loading fuel, we're ready to load fuel. And, we'll do
19 that for Mode 4 and other times.

20 As Randy said, the meetings, this meeting went on
21 for five and a half days over a several week period. If
22 nothing else, it was a good team building session. Start
23 off not doing as well as I would have expected on
24 presenting their areas, but ended up I thought fairly
25 well.

1 What we do there is we bring each and every group in
2 our station in, and the groups come in and explain why
3 their organization is ready to load fuel. Do you have
4 the -- and we have a list of questions that we go through;
5 3 or 4 page list that they need to be able to answer.

6 Do you have the people in place that you need? From
7 a health physics standpoint, do we have all the areas
8 locked that we need to go lock up now to load fuel? Do we
9 have the organization in place? What is different now
10 than it was before, you know? So, they need to be able to
11 answer those questions.

12 We also have a group of questions they have to ask
13 about Safety Culture in those areas. So, each and every
14 group, we grade those groups on their Safety Culture,
15 their readiness to move forward. And they would go through
16 this question list on a group basis.

17 Additionally, we look and make sure that we feel the
18 whole plant staff, at the end of the meeting, we sit around
19 the table and go through those questions again. That's
20 where we sit down and grade each of the areas as a total.

21 For example, suppose we have a manning problem in
22 one group, which we did. But as a site, do we think we
23 have a manning problem, we're working excessive hours or
24 something. So, we analyze that and then grade that
25 particular area based on what all we've heard.

1 The other thing we do is we look at several key
2 programs. For now, we've looked at the groups; what are
3 the key programs? Some of the programs we went through are
4 Corrective Action Program, what's it tell us; the
5 Management Observation Program, the Radiological Control
6 Program, the Reactor Coolant System Leakage Program and the
7 Employee Concerns Program, which is, what does the Employee
8 Concerns Program tell us now? Are our people willing to
9 bring issues forward?

10 Also, from an engineering standpoint, let's talk
11 about the systems we need for, for fuel load. We actually
12 bring the System Engineers in and go through the systems
13 and let them convince us that their system is ready to
14 support fuel load. And out of that we found a lot of
15 interesting things. Also, at the end of the meeting then,
16 we're ready to grade the overall assessment of Safety
17 Culture, if you will.

18 Now, as we do that, what we've done, is the way
19 we've done that at this meeting, we took each individual
20 group and we graded either green, white, yellow or red.
21 You can read the definitions, I won't read each one.

22 To be green, all major areas are acceptable with a
23 few minor deviations. From a white standpoint, all the
24 major areas are acceptable with a few indicators requiring
25 management attention. Then, you get down in the red area,

1 and you would say it's just not acceptable. We have to
2 take immediate management attention. So, that's sort of
3 the grading process we went through.

4 Next slide.

5 Once again, what I tried to do here is to indicate
6 that we just don't take one, one issue like, all the
7 groups, do they feel like they have the right man. What we
8 try to do is take our performance indicators, went and
9 looked at our backlogs, we looked at our risk indicators,
10 our management observation programs. What are they telling
11 us?

12 For instance, we went through our management
13 observations. We could tell that we had a high number of
14 management observations requiring coaching, more than we
15 typically see at our other plant.

16 We looked at how we've demonstrated our performance
17 during recent plant critical evolutions. For example, one
18 of the things we looked at in this issue was when we filled
19 the reactor cavity for the first time. Then, feedback from
20 our Independent Safety Culture Review Process, which is --
21 and Quality Assessments; they also provide us some input.
22 And, then Doctor Haber will look at that process too. How
23 do we need to use that process to help strengthen the one
24 we have in place.

25 Now, let me go through what we found. You go look

1 at the way we graded ourselves for fuel load, and it sort
2 of makes sense; from a policy level of commitment that area
3 is graded white. From a management area commitment the
4 grade is white. And then, from an individual commitment,
5 we graded it yellow.

6 Now, what's interesting there is, this is a
7 management model once again. It's used to help us monitor
8 our standards, their implementation, and allow us to take
9 corrective action to assure that we are in line with our
10 employees.

11 It's not to say that our employees are yellow.
12 Okay? So, but we think there is areas that we need to go
13 focus on.

14 Let me go down to the policy level area. In that
15 area, we graded the management value structures as yellow.
16 Why did we do that? Well, when we go around and ask our
17 employees and survey about our, we don't get a consistent
18 reply from our employees when we talk about mission,
19 vision, our values; we don't quite feel like they're
20 clearly understood, even though we got them out there and
21 everything else; we're not where we want to be.

22 We have worked on our business plan to ensure that
23 we really focused our business plan on safety now, but we
24 haven't wrote our business plan out to our employees. So,
25 that was a hit that we took there from the policy level.

1 Then, we categorized the management value structure
2 as yellow. And once again, it's just we don't get a
3 consistent message. That was the area that we made yellow
4 under policy levels.

5 Now, if you move on up into the management area of
6 commitment, that's where you talk about the management
7 staff at the plant. If you go look at the acceptance of
8 responsibility, responsibilities commitment was classified
9 as yellow in that area.

10 You know, one of the things we looked at there is
11 our appraisal process. We then have these new competencies
12 that we've installed and we're going through our appraisal
13 process now. We won't finish it until next month. So,
14 because we haven't finished it, we classified ourselves as
15 yellow. That's only one of about 50 questions. But
16 because we have not finished it, we classified ourselves as
17 yellow.

18 And, there is a large number of management
19 observations, once again, that I mentioned awhile ago,
20 larger than what I want to see, that's requiring coaching.
21 So, those two issues cause us to classify that, that
22 indicator as yellow.

23 If you move up in the individual area, we talked
24 about a drive for excellence. We classified that as
25 yellow. We have a number of systems that still have

1 performance problems, you know. They're classified as A-1
2 systems, if you will. Now, each and every one of those
3 have a plan to get them off the A-1 plan before startup,
4 but we haven't had them implemented yet. So, because we
5 haven't had them implemented we classified that as yellow.

6 Then, there is a large number of issues that's
7 facing us from a corrective action standpoint. There is
8 about three thousand issues facing us right now. That's a
9 lot, and we know that's a big battle. So, we classified
10 that as yellow.

11 Then, the number of Condition Reports in the
12 engineering area, we actually classified that as red,
13 because there is just answers, there is questions that you
14 mentioned a while ago, that we just don't have the answer
15 to right now. We made that red.

16 So, the overall area, the overall commitment was
17 classified as yellow.

18 Now, under rigorous work control, we also classified
19 that as yellow. The reason we classified that as yellow
20 is, as we fill the reactor cavity, that's, this is only one
21 example, but we didn't have a contingency plan in place to
22 go look for leakage. You know, and we thought that should
23 have been there. Then, once we got into the reactor cavity
24 issue, we didn't pull the decision-making knob out and use
25 it as effectively as we should have initially. It took us

1 several hours to do that. So, based on that performance,
2 we classified that area as yellow also.

3 Then under nuclear professionalism, once again,
4 we're taking a double hit here, but we haven't finished our
5 ownership for excellence evaluations, and we've had several
6 minor radiation protection CR's written, issues that we
7 found recently. I think you all know some of those where
8 the people didn't, they worked in areas maybe they
9 shouldn't have, but those issues that we came up with
10 there, we thought were enough to classify the nuclear
11 professionalism area also as yellow.

12 So, if you look at us overall, we said, we're ready
13 to load fuel. There is some actions we want to go take.
14 We've already taken some of those actions.

15 But in the policy area, the overall area was white.
16 Management area we classified as white. And then the
17 individual commitment area was yellow; individual
18 commitment areas.

19 MS. LIPA: Let me ask you a
20 question before we go on. I'm looking at slide 33 with the
21 definitions and trying to make sure I understand. If we
22 use the individual's commitment area, for example, there
23 are five attributes that fit into that. Your definition
24 page, it would say yellow, all major areas are acceptable
25 with several indicators requiring management attention.

1 What's an area and what's an indicator?

2 MR. MYERS: The area would be
3 the individual commitment area, and then those indicators
4 are the various blocks on the righthand side, which are --
5 so there is a commitment area and then individual
6 commitments.

7 MS. LIPA: So, the page 33
8 then, when it defines yellow, it's talking about all three
9 major areas, you only have three major areas.

10 MR. MYERS: That's correct.

11 MS. LIPA: Okay. Thank you.

12 Oh, let me do a time check too, real quick, because
13 it's about 4:36, and we wanted to finish the presentation
14 part by around 5. So, that will help you plan the rest of
15 your discussions.

16 MR. MYERS: We're right on
17 target.

18 In summary, this is a pretty new concept. We think
19 this concept is pretty unique. We've never seen anybody as
20 a management team spending days trying to evaluate their
21 Safety Culture. I think it's pretty state-of-the-art, you
22 know, the process that we went through.

23 The Safety Culture assessment is innovative, in that
24 we think it's, once again, it's under refinement. You
25 know, we think gave us good messages. Provides a fair

1 assessment of our status. I think some of your guys said
2 in our meeting, it was fairly, it was very, very
3 objective.

4 It contains areas that are both qualitative and
5 quantitative for us to measure. We can go measure rework.
6 We can go measure performance in the field. We can measure
7 items rejected. But, you know, things that are hard to
8 measure, or a little harder to measure is, do our employees
9 understand and believe in our value system. You have to do
10 that by ad hoc surveys and stuff, and just questioning our
11 abilities. And, we found it to be a useful tool for us to
12 focus on, to go take management actions that we need to, to
13 correct the behaviors.

14 We think the assessment is a fair representation of
15 where we're at right now and our results show it. For
16 that, I thank you.

17 Steve.

18 MR. GROBE: Before you go
19 on, Lew.

20 MR. MYERS: I knew I wouldn't
21 get by with that.

22 MR. GROBE: The question I
23 asked earlier, is this assessment process written down in a
24 station procedure policy, so that we can take a look at it
25 at the NRC?

1 MR. MYERS: We're doing that,
2 as we said, we're turning it into a business policy,
3 business guideline. It will be, you know how we do
4 readiness restart reviews, we're adding to that process,
5 then we're adding to our business plan, and it will be an
6 area we assess every month in our business plan.

7 MR. GROBE: When do you think
8 it will be in a final company document?

9 MR. MYERS: I believe before
10 the next meeting.

11 MR. GROBE: Okay, the sooner
12 the better.

13 MR. MYERS: It's going to be
14 very soon.

15 MR. GROBE: Okay.

16 MR. MENDIOLA: I have a simple
17 question. You indicated each group was interviewed for the
18 readiness to load fuel I guess individually. I would
19 assume then that each group has their own Safety Culture
20 Assessment chart, if you would, at a group level.

21 MR. MYERS: What they have is
22 a group of questions that they answered. Then, as they
23 came in, we challenged them on those questions.

24 MR. MENDIOLA: I would assume
25 that the answers, their answers to each of those, I think

1 you said 50 questions, right?

2 MR. MYERS: I don't know.

3 MR. MENDIOLA: Would be, if you
4 will, pulled into each of these individual elements and
5 then into each of the individual commitments. So, I would
6 assume there would be a culture assessment on a group
7 basis, at a group level, that would then roll up into this
8 final overall culture assessment.

9 MR. MYERS: I think the
10 answer, I don't know if the answer to that is exactly yes
11 or not, but close to it. They came in with their charts
12 filled out. And, to be real on he is with you, there were
13 some people that came in and called things red, but after a
14 lot of discussion, they were made yellow. There were some
15 things people brought in they said were green, and by the
16 time we got through with them, they ended up being yellow.

17 There were a lot of areas -- I've got the complete
18 list here with me. There is a lot of individual areas that
19 we classified as red, as a matter of fact, and some areas
20 yellow. If you want to look at the overall results of the
21 report, the questions we asked and everything else; what we
22 do is, we took good notes for the entire meeting. We can
23 share that with you.

24 I think the answer to your question is overall yes,
25 but I'm not sure that we evaluated each and every area on a

1 Safety Culture standpoint.

2 MR. MENDIOLA: Okay, the interest
3 in feedback obviously, that each individual group, if you
4 will, has their grades, so to speak, their self-assessment
5 policies.

6 MR. MYERS: Yes.

7 MR. MENDIOLA: And they take them
8 back to see, to improve themselves.

9 MR. MYERS: If it requires
10 management attention; for instance, there was one area, one
11 group, that the overtime was in question right now. So,
12 we've already met with that group, and gave some direction
13 on where we want to see them reduce the overtime. So, a
14 lot of things, we're already beginning to take action on
15 those things. So, each group, you're right, walked away
16 with feedback and actions.

17 MR. MENDIOLA: Okay, thank you.

18 MR. MYERS: Okay. Steve.

19 MR. LOEHLEIN: Thank you, Lew.

20 I'll try to be brief.

21 As you know, on the NRC Nuclear Quality Assessment,
22 or NQA, it's our job to find problems, basically to find
23 the problems that no one else in the organization has, and
24 get them corrected. It's also our job, our value really is
25 measured in the types of things we can find. If we can't

1 or don't find issues of value, then we can't be effective
2 in improving the safety performance of the plant. So,
3 that's our mission.

4 What I'm going to share with you today are some
5 examples of activities that we do that really fall into two
6 simple categories; one is observations. Now, on
7 observations this is where we are trying to ensure that
8 actions and decisions that are being made are appropriate.
9 And if they're not, then we intervene if necessary to
10 ensure the proper outcome. Examples of this would be
11 participating in meeting settings, review boards,
12 briefings, that sort of thing.

13 We also have the audit and assessment portion of our
14 activities, which deals with measuring against the standard
15 or acceptance criteria for a plant activity. And in those
16 cases, we provide feedback, usually via conditional reports
17 and audit records.

18 So, what I've done is I've separated slides into
19 three parts, results from recent activities on the first
20 slide that I'll go through, then the other two deal with
21 ongoing assessments, and the last one for our plans for the
22 future here, near future.

23 So, there's a number of items listed there. I'll
24 try to pick some of the high points. First, fuel spacer
25 grid damage and the associated stop work. I'm sure the NRC

1 is aware of the stop work that NQA imposed on us a few
2 months ago on the movement of fuel.

3 Randy Fast talked to you about different types of
4 grid strap damage that was being found. That had occurred
5 in the past. Corrective actions had been taken, which when
6 found new damage now, NQA was not satisfied that we had in
7 place the necessary controls to make sure we would not have
8 future damage, so that's why we imposed the stop work.

9 There was ultimately a formal Root Cause Evaluation
10 done. And we have, we are satisfied here in the last few
11 days that the compensatory measures and corrective actions
12 necessary to make fuel movement safe was achieved.

13 I think that was a case, one of the cases where NQA
14 didn't have to, thought they needed to impose stop work
15 authority.

16 Restart Station Review Board Decision-making. This
17 is an interesting area. It's a meeting that we observed
18 with quite a bit of regularity, because this team, this
19 review board team is evaluating which activities or which
20 Condition Reports and Corrective Actions need to be
21 performed prior to restart versus post restart.

22 So, naturally NQA, our main vision is to make sure
23 that the decisions made there are made conservative. But,
24 while in the process of observing that, or any activity,
25 sometimes we find issues in related areas. And in one, in

1 a case that we're looking at, one of these review boards,
2 the Restart Station Review Board, came to light that one of
3 the Condition Reports that had been evaluated for post
4 restart was done on the basis that an issue, the only issue
5 that might be restarted was going to be handled on a
6 different Condition Report.

7 Well, under the charter of the Restart Station
8 Review Board, they don't question whether that translation
9 actually happens. It's not part of their scope. In a
10 particular case, we found that that transference of that
11 issue to the other Condition Report had not actually
12 occurred. So, we identified that on a Condition Report and
13 aligned the evaluation to make sure we don't have more
14 cases of that type of situation.

15 In other related type of looks, we found a few cases
16 where Work Orders were deferred to post outage; whereas,
17 the Corrective Actions that were associated were still
18 properly shown as preresart. So, the organization had not
19 lost track of the item from a Corrective Action standpoint.
20 There was this concern that perhaps something could, would
21 be found in the way a work order had been retargeted post
22 restart. This again, we identified on a Condition Report
23 and underlined as to looking to what that means in terms of
24 scope and we will monitor that.

25 Since we are on a time bind, there is a number of

1 them up there, I think there's a couple of key ones. If
2 you have any questions on any of those in particular,
3 please say so; otherwise, I'll move on to some of the
4 ongoing things we're doing.

5 On the next slide, there is a list of the things
6 that I have both past assessment activities and things
7 we're doing right now.

8 In the System Health Readiness Review, that's an
9 area that's been discussed at some length here. We know
10 from past meetings with you, with the NRC and others here,
11 that we had done five independent reviews of systems
12 ourselves, and to do a comparison.

13 We had concluded that the System Health Readiness
14 Reviews were successfully done. We did find some
15 differences, and overall in that whole process, I had
16 written about 60 Condition Reports identifying the
17 differences in other enhancements that we at NQA
18 recommended. None of those resulted in us identifying a
19 significant condition or that we felt that the process had
20 not worked properly.

21 Program Reviews is ongoing right now, because we
22 have, in a similar fashion, we performed six independent
23 program reviews, and we're right now gathering our delta
24 comparison on these programs, what we found compared to
25 what the line found.

1 The Program areas are the In-service Test Program,
2 The TEP ODP, which is the Test Equipment Procurement
3 Operability Determinations Process, Reliability Program,
4 and Classification Process, which takes a look at how the
5 organization decides whether something is or is not a
6 safety related item, either materials area or in the work
7 function area. And, we're compiling our data right now and
8 we'll be initiating Condition Reports as appropriate for
9 that.

10 We also reviewed six Phase I Reviews, or we observed
11 six Phase I Reviews and looked at five Phase II Reviews
12 that were performed by the line.

13 Another area here that's ongoing is the area that's
14 probably of interest is Safety Culture and Safety Conscious
15 Work Environment and Independent Survey. What we did in QA
16 is we just last week completed a ten percent survey of the
17 plant staff, face-to-face interview style survey.

18 Now, we're still digesting what all those results
19 are telling us, but I thought I would share with you some
20 of the initial impressions of the results.

21 First, in all the interviews we conducted, none of
22 the individuals stated that they had personally experienced
23 retaliation in response to identifying a concern. We had
24 all but one individual indicate that they would personally
25 use the Corrective Action Program to identify concerns as

1 their first, that's the first place they would go.

2 After those two items, the next few bullets I have
3 for you have to do with their perceptions. A lot of these
4 questions we asked them, and we have this in Safety
5 Conscious Work Environment, is really about how do they
6 feel about what they hear, and you know, even if they have
7 not been personally involved in a situation.

8 Over 95 percent of the sampling told us that they
9 believe that management wants employees to report
10 problems. About 90 percent did not feel that the
11 possibility -- I'm sorry. I'm trying to characterize this
12 right.

13 The way we asked the question was, had they heard of
14 issues with retaliation. They themselves had already told
15 us they didn't experience. We asked them, do you believe
16 retaliation is a possibility or an issue that you've heard
17 of in the last three months, was not properly dealt with.
18 From that perspective, there were 90 percent of those
19 people identified that they felt this concern had been
20 properly addressed. Ten percent of them felt they had
21 heard something somewhere that it had not gone right.

22 And about 80 percent felt that the identified
23 concerns had been completely and effectively resolved.

24 So, these numbers, we think, are improvements over
25 the numbers that Bill Pearce had presented some months

1 back, but it's the kind of thing we're continuing to look
2 at. These are just our early, the early data we've got
3 based on what we completed late last week.

4 MS. LIPA: Steve, was that
5 ten percent a random ten percent? I might have missed that
6 part?

7 MR. LOEHLEIN: Yeah, the way we
8 actually did it, Christine, is we took the organization
9 chart of supervisors and below, so no one above supervisor
10 was included in the sampling. Then, we went through the
11 Org. charts and picked up, like every so many we picked a
12 name, whoever that happened to be, and that's how we
13 established the randomness of it.

14 MS. LIPA: Thank you.

15 MR. LOEHLEIN: Are there any more
16 questions on the examples I put up here?

17 In terms of upcoming observations which are on the
18 next slide, probably a good one to mention was the fuel
19 movement activities. Assume that the plant conditions
20 support fuel movement. That will be the next really
21 important thing for QA to observe.

22 And we will be providing coverage on every shift to
23 look at fuel movement activities. And, we're real
24 interested in things like the preevolution briefs, command
25 and control in the field, and proper application of the

1 compensatory measures that are being taken to prevent fuel
2 damage.

3 Another important one that is taking place now is
4 radiation protection activities, because now the plant will
5 be moving fuel. We'll have changes in RWP Requirements,
6 Radiation Worker Requirements, and that sort of thing.

7 We have already taken a look at the high red areas
8 and having all those, were properly established.

9 MR. PASSEHL: Just a question.
10 How do you, or what's your mechanism for capturing your
11 observations in writing? Do you submit reports or?

12 MR. LOEHLEIN: Yeah, we had a
13 data base known as the QFO, Quality Field Observation.
14 It's a data base that's really not too dissimilar from what
15 the management team uses for management observations to
16 capture what we see in observations there. But, of course,
17 it doesn't mean that we also don't have Condition Reports,
18 quite of number of them actually, in areas that we write as
19 we do observations and assessments. That's where we
20 capture all our information and we share with line
21 management and they result in the basis for our quarterly
22 audits.

23 MR. PASSEHL: So, I guess, do
24 you roll up your observations, say Program Reviews, System
25 Health Readiness Reviews with a separate assessment report;

1 or, it sounds like you don't do that?

2 MR. LOEHLEIN: Well, we, in terms
3 of, it's probably going to depend on what you're talking
4 about. On System Health Readiness Reviews, we have talked
5 about how we are going to do rollups when that whole
6 process is completed, but in the interim we're using our
7 Continuous Assessment Process, the parts of it that fit our
8 Standard Master Assessment Plan, as we call it, get
9 reported as part of the quarterly assessment. But you're
10 right, there are some areas like that, that we are planning
11 to write individual reports on the results at the end.

12 MR. PASSEHL: I see. And have
13 you mapped out your assessment activities beyond fuel
14 movement?

15 MR. LOEHLEIN: Well, what we do
16 most of our, we have a plan we set up, we produce a
17 quarterly assessment plan. And the whole thing is we have
18 a number of things that we see or look at periodically.
19 And what we do is we look ahead to what the station's
20 schedule of activities is planned to be.

21 We look for those areas that, you know, key areas of
22 perhaps vulnerability in terms of safety and that sort of
23 thing, and we ensure that those elements and attributes
24 that apply to those kinds of activities are included in our
25 plans for that quarter. That's how we do it.

1 MR. PASSEHL: Okay, thank you.

2 MR. LOEHLEIN: I think the
3 Resident receives a copy of our Quarterly Assessment Plan
4 to share them with you. If you need a copy, we can get you
5 one.

6 Overall, I think I would like to make a concluding
7 statement really about how we feel at NQA in what we're
8 seeing, and that is overall we're observing a lot of good
9 performances in many areas, but we continue to provide the
10 feedback that's necessary to ensure that improvements and
11 corrections are made when appropriate.

12 MR. GROBE: Thanks, Steve. I
13 appreciate that briefing. I actually have a question for
14 Bill Pearce, and I was wondering if you might come up. I
15 saw you back there.

16 One of the changes in the organizational structure,
17 one of the Corrective Actions for the Root Cause was to
18 separate Quality Assessment from the Line Organization at
19 the site. You have a very unique reporting relationship in
20 that new structure. You report both to the President of
21 FirstEnergy as well as to the Nuclear Subcommittee Board of
22 Directors.

23 I was wondering if you could talk a little bit about
24 what sort of interface you have with the President of
25 FirstEnergy, and the Subcommittee of the Board.

1 (Off the record.)

2 MR. MYERS: Can I ask a
3 question real quick? Right now, I think, the charts are on
4 the wall for the schedule part. I feel comfortable
5 deleting that.

6 MR. GROBE: That would be
7 great.

8 MR. MYERS: Okay.

9 MR. PEARCE: First part about
10 meeting with the President, I actually talked with Bob
11 Damon on the telephone, and we talked about what's going on
12 at the three sites, and how I perceive it. And of course,
13 we talked to the line organization also.

14 If I see something, and I've had several times where
15 I did, where I called Bob about something that I saw going
16 on, to give him what I thought was a different perspective
17 of what we're doing, and provide some information or
18 insight into what I think is going on. So, I think that
19 demonstrates some amount of independence.

20 And I pretty well watch, I spent most of my time at
21 Davis-Besse, and the majority of my time; and both working
22 with the Quality Assurance Organization and Employee
23 Concern Program, in trying to assess, get some feel of how
24 things are going, and where the Quality Assurance Program
25 may need some assistance or help.

1 In fact, every day when I'm there, which is like I
2 said about 90 percent of the time, I go down in the
3 mornings and get some update on what they're doing, what
4 they're seeing, you know, what they're interaction with the
5 staff is, and how they're feeling about things.

6 So, I guess that's really what I'm doing, Jack.

7 In regard to the Nuclear Committee of the Board,
8 they meet monthly. I meet with them monthly, as does the
9 Line Organization. And, I try to give some independent
10 view as to, from a safety perspective of where we're going,
11 not just how we're doing it, you know, getting work done,
12 or how we're doing in the outage, but from a safety
13 perspective; focus on issues that are relevant to, like
14 fuel integrity, RCS integrity, containment integrity,
15 health of the safety systems and provide some insight from
16 a safety perspective to the board, to the different
17 committees of the board.

18 So, that's some independence I think I provided.
19 Other than the Line Organization, they of course give their
20 reports and I give mine. And they don't always match
21 exactly, but at least the Line, I think they know what the
22 issues that I have are.

23 MR. GROBE: Could you just
24 give one example of a situation where you had a differing
25 perspective than what the Line Organization had on a

1 specific activity?

2 MR. PEARCE: Sure. I just
3 gave, I think the last time I think it was, the Line
4 reported about what was going on at Beaver Valley on the
5 steam generators. And, I had some concern whether, whether
6 the Nuclear Committee of the Board fully appreciated the
7 condition of the steam generators at Beaver Valley. So, I
8 tried to give some definition, technical definition of
9 that, that they could understand, and to make them
10 understand where we were.

11 It's, I think that's something, that level in the
12 organization needs to understand, that they need to support
13 what we're doing over there with those generators.

14 MR. GROBE: Okay. Let me
15 just characterize what I think I understood you to say.
16 You provided some additional context from your perspective,
17 so that there would be a complete understanding of the
18 situation in that one example. Is that correct?

19 MR. PEARCE: That's correct. I
20 can give you some other examples, if you let me think of
21 them.

22 MR. GROBE: No, I just wanted
23 one, just to make sure I understood.

24 MR. PEARCE: Right.

25 MR. GROBE: Okay, thanks.

1 MR. PEARCE: You're welcome.

2 MR. GROBE: Any other
3 questions?

4 At this point, Lew, do you have any closing remarks
5 that you want to give?

6 MR. MYERS: Yes, I do. I
7 would like to take a moment for that.

8 You know, backing up, before I get started, I can
9 tell you there has been times from a schedule standpoint
10 and all, that Bill give, or cost standpoint, that Bill give
11 the board a different perspective than I did. I'm always
12 giving the most aggressive perspective. So, I know there's
13 been some differences there. So, I can assure you, he's
14 brutally honest from his perspective. There is another
15 example.

16 In closing, you know, I want to talk about fuel
17 movement. We're not, we're not going to move fuel until
18 we're comfortable with the clearance of the vessel. That
19 may take longer than we expect, especially if we wind up
20 having to review internals or something, but we'll do that
21 if we need to.

22 We're sitting here today. We looked at the tapes
23 before we came here. We're going to work it for the next
24 twelve hours or so, but we're looking at other options
25 also. So, fuel movement is eminent and we feel like we're

1 very ready for that when the time comes.

2 Containment testing will be completed in early
3 March. We're looking forward to that. We already have the
4 air compressors lined up, good owner of the program, and we
5 feel of that project, feel like we're closing in on being
6 ready to pressurize that containment.

7 System reviews showed good, good progress. We don't
8 have all the questions answered. We know that. But we've
9 got them in our data base, and we have people working on
10 all of them. So, we're pleased with the progress we made
11 there so far.

12 The one thing, I think it served us well that we
13 haven't, we talked a lot about, is Safety Culture
14 evaluation, that the Readiness Restart Review for fuel load
15 that we did. We identified over a 170 issues that we took
16 on as a management team before fuel load. One of them was
17 to ensure that we wanted to have the other decay heat train
18 functional. And that wasn't a requirement. We thought it
19 gave us added value. So, we've got both decay heat trains
20 available.

21 Additionally, once again, we think that serves us
22 well. We think that Safety Culture did serve us well.
23 Eventually, I have a prepared statement though that I
24 wanted to provide you. And I'll do that now. I prepared
25 this today.

1 At our January 30th meeting with NRC in Lisle,
2 Illinois, we reported that we had recently, it was reported
3 that we had recently been informed that several persons
4 have been subject to retaliation for raising safety
5 concerns at Davis-Besse.

6 The person claimed that within the past two weeks at
7 least two employees who have raised safety concerns to
8 their immediate supervisors or stopped work for safety
9 reasons received letters of reprimand, verbal threats of
10 harm by co-workers and/or experienced damage to their
11 personal property while on site, specifically that tires
12 were slashed.

13 When I got back, I requested our attorney to contact
14 the individual, and obtain a more, obtain more specifically
15 information, so that we could perform a meaningful
16 investigation of these allegations. Our attorney called
17 the individual on two occasions and left detailed messages
18 requesting information. Neither call was returned.

19 We conducted a review of our records and concluded
20 the allegations most likely corresponded to two separate
21 events that we know of. One occurred more than six months
22 ago, and the other within the last month. Our
23 investigation of both events did not substantiate
24 retaliation to raising safety concerns.

25 We are in the progress on actions for the second

1 event. Management received, management received the
2 discipline for the employee in question and has retracted
3 the issue at the time of the meeting on January the 30th.
4 This issue had to do with the practice at Davis-Besse of
5 employees leaving early without supervisor notification,
6 not a safety issue.

7 Our message is clear. Bring us the allegation.
8 We'll address that. We can not solve problems unless we
9 have all the relevant information. We all share the
10 responsibility to maintain a Safety Conscious Work
11 Environment at Davis-Besse. I'm firmly committed to that.

12 We encourage interested members of the public to
13 share in that responsibility with us. I thank you very
14 much.

15 MR. GROBE: Okay. Thanks,
16 Lew.

17 I think what we'll do right now is just move right
18 into the question and answer session without taking a
19 break. That way we'll get folks to dinner at a reasonable
20 hour, if that's okay. Christine and I will just step down
21 in front.

22 MS. LIPA: What we would
23 like to do is have everybody sign in and state your name
24 clearly. Just make sure we have a sheet up here.

25 Sign in, state your name clearly for the

1 transcriber, and then we're really going to keep people to
2 3 to 5 minutes. This is one of the feedbacks that we've
3 gotten in the past is we haven't kept people to the time
4 limit. So, we're going to be policing that a little bit
5 better this time.

6 MR. GROBE: Before we get
7 started, I just wanted to make two observations. One was
8 we also received a lot of feedback regarding the quality of
9 our sound system. I think this is an improvement. I think
10 that the microphones have been working much better than
11 they have in the past.

12 If you do have feedback though, we are continuing to
13 respond. We have made several revisions to the sound
14 system in the last couple of months, and this one seems to
15 be effective. So, I want to thank the folks here at Camp
16 Perry for this sound system.

17 I also wanted to comment on an action that the
18 Agency took today that some of you may have heard about.
19 In the continuing Agency response with all pressurized
20 water reactors in the United States, the Agency has issued
21 orders to each operating pressurized water reactor in the
22 United States, specifying NRC expectations for future
23 examinations of reactor head penetrations.

24 After the discovery of the situation at Davis-Besse,
25 actually preceded Davis-Besse, the Agency had initiated a

1 number of what we call generic activities; that's
2 activities that affect more than one Licensee. The
3 inspections that Davis-Besse was doing during the outage in
4 February of 2002 was in response to an NRC bulletin
5 requesting certain examinations and inspections of head
6 penetrations.

7 After Davis-Besse, that continued. There were two
8 more bulletins issued. And, just today there were orders
9 issued to every operating PWR in the United States. So,
10 those are activities that really have little to do with
11 what we're doing here; that is, assessing Davis-Besse's
12 progress toward approaching restart, but I just wanted to
13 make sure everybody was aware of that.

14 So, are there any, I think first local officials
15 that have a question or a comment?

16 Okay, are there any members of the local area around
17 the plant that have a question? Quiet, satisfied group or
18 a very hungry group; one or the other.

19 Okay, are there any other members of the public that
20 have a question or comment?

21 Excellent.

22 MR. RIDZON: Paul Ridzon with
23 McDonald Investors.

24 Jack, at the close of every meeting, you always give
25 an overview of the meeting, and your take on progress

1 made. That's what I always thought was the valuable part
2 of the meetings. I wonder if you could provide that to us
3 now.

4 MR. GROBE: I was afraid you
5 were going to say a benediction.

6 I think my perspective and the panel's perspective
7 hasn't changed over the last several months; that the plant
8 continues to make progress in running their Return to
9 Service Plan. We continue to have inspections and our
10 inspections have not disclosed any significant issues in
11 their activities.

12 Last month was a busy month. The meeting on January
13 30th was very meaningful. FirstEnergy has clearly
14 articulated their plans for assessing Safety Culture, going
15 forward, and the proof is in the pudding, of course. We
16 need to see those plans fleshed out in paper, so that we
17 can understand them and evaluate them; and then we need to
18 see them implemented. So, progress is being made, and I
19 think it's being made on every front.

20 MR. RIDZON: Could you give a
21 sense as to what level of implementation is required for
22 restart? Obviously, you can't get a hundred percent of the
23 way, I guess Sonya at one point said that it takes three
24 years for this to kick in. I expect we're not going to --

25 MR. GROBE: Oh, I understand

1 your question. Let me articulate it to make sure I
2 understand it. Your question has to do with the level of
3 Safety Culture that is necessary for restart.

4 What we're waiting for is for FirstEnergy's
5 definition, so we can clearly understand the threshold that
6 they've set. In broad terms, the threshold is that none of
7 their areas of performance will be in the red category.

8 They've established colored categories for their
9 performance. We need to see what's behind that. What goes
10 into those assessments.

11 Lew presented in broad terms the assessment they did
12 for fuel loading. Again, we need to see the details that's
13 behind that before we can make a judgment as to whether or
14 not we agree with their assessment scheme; and we'll do
15 that as soon as they have it for us.

16 MR. RIDZON: Thank you.

17 MR. GROBE: Hello, Amy.

18 MS. RYDER: How are you?

19 My name is Amy Ryder. I'm with Ohio Citizen
20 Action.

21 I have a question about this infamous red photo that
22 was taken back in April of 2000. Apparently, this was
23 reported in the Cleveland Plain Dealer, that a Condition
24 Report was written about this photo in April of 2000; was
25 given to a FirstEnergy supervisor, and then was turned over

1 to an NRC inspector. Now that it's clear that both the NRC
2 and FirstEnergy knew that the condition of the reactor
3 was -- or that it was corroding, that there was a
4 significant amount of rust; does the NRC still stand by its
5 decision that they should not have issued the immediate
6 shutdown order?

7 MR. GROBE: I'm not sure --

8 MS. RYDER: Your agency --

9 MR. GROBE: I'm not sure what
10 your question is, but let me step back and make sure that I
11 understand it.

12 The photograph you're talking about is the one that
13 showed rust materials coming out of the, what are called
14 weep holes on the side of the reactor vessel.

15 First, to the best of my knowledge, the NRC did not
16 see that photograph until the Augmented Inspection Team
17 received that photograph as part of the background
18 information that they reviewed. That was in March and
19 April, early April of 2002.

20 This specific question is under review within the
21 NRC, and I don't know the results of that review, but I
22 think the second question that you asked was whether we're
23 revisiting the issue of issuing -- or not issuing an order
24 near the end of 2001. And I think the Chairman fairly
25 clearly articulated the agency's position on that in his

1 letter to the Inspector General in response to the
2 Inspector General's investigation of that matter.

3 So, I don't have anything more to add beyond what
4 the Chairman stated.

5 MS. RYDER: My understanding
6 was that Condition Report was turned over to an NRC
7 inspector long before April of 2002.

8 MR. GROBE: That was
9 information that I believe the Union of Concerned
10 Scientists put out and I don't know what the foundation of
11 that is, and it's under review. To the best of my
12 knowledge, the first time we saw that photograph was March,
13 middle of March, between the middle of March of 2002 and
14 the first week in April of 2002.

15 MS. RYDER: So, their
16 information is wrong?

17 MR. GROBE: That's, to my
18 understanding it is. That's correct, but it's under
19 review, and I'm not part of that review. So, it's being
20 looked at.

21 MS. RYDER: Okay.

22 MR. GROBE: Other questions?

23 Okay, very good. I guess the rest of you are
24 waiting for our meeting at 7:00 this evening, when we're
25 going to have a general public meeting and receive

1 questions and comments from the public at that time.

2 Thank you very much.

3 (Off the record.)

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1 CERTIFICATE

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

8 IN WITNESS WHEREOF, I have hereunto set my hand and
9 affixed my seal of office at Norwalk, Ohio, on this 21st
10 day of February, 2003.

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Marie B. Fresch, RMR

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

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