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

Meeting held on Tuesday, February 11, 2003, at 7:00 p.m. at Camp Perry, Clubhouse #600, Port Clinton, Ohio, taken by me, Marlene S. Rogers-Lewis, Stenotype Reporter and Notary Public in and for the State of Ohio.

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PANEL MEMBERS PRESENT:

U.S. NUCLEAR REGULATORY COMMISSION

Jack Grobe, Chairman for Davis-Besse ~~facility~~ Oversight Panel

Christine Lipa, Branch Chief, NRC's Region III

Anthony Mendiola, Section Chief PDIII-2, NRR

David Passehl, Project Engineer, Region III

Jon Hopkins, Project Manager - Davis-Besse, NRR

Douglas Simpkins,
Resident Inspector - Davis-Besse

Jay Collins, Project Engineer - Davis-Besse

MS. LIPA: It's about 7:00. We're about ready to begin.

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

MS. LIPA: Can you hear me? It's about 7:00, let's go ahead and get ready to begin. I'll try to see if I can get my mike working. Does that sound better? Okay, good.

Well, welcome, and this is the monthly meeting of the 0350 Panel. We had a business meeting during the day, and the purpose of tonight's meeting is to inform members of the public of what we discussed during the business meeting, and then give you an opportunity to ask us questions or provide comments to us.

What I'd like to do is start off with some introductions for some of the NRC folks that are here. I'm Christine Lipa, and I'm a Branch Chief in NRC's Region III office near Chicago, Illinois.

Jack Grobe is a Senior Manager in the Region III office, as well, and he's also the Chairman of the Oversight Panel. We also have some other NRC folks here today.

We have Tony Mendiola, who is the Section Chief at NRR.

We have Jon Hopkins. He's the Project Engineer in NRR, which is in Rockville, Maryland.

We also have Doug Simpkins. He's the Resident Inspector at the Davis-Besse facility.

We have Dave Passehl, and he's the Project Engineer in the Region III office.

We have Jay Collins. He's a General Engineer. He's from headquarters, but he's actually on rotation at the Davis-Besse site.

We also have Ivy ~~Netsell~~ Netzel. She's the Resident Inspector at Cook.

We have Viktoria Mitlyng. She's is the Public Affairs Representative here.

We have Roland Lickus. He's our State Affairs Representative, and we have Nancy Keller. She's the Site Secretary at the Davis-Besse NRC office, and we have a transcriber, Marlene is here today. I think that's about it. Okay. Good.

Well, what I'd like to start off with is Tony Mendiola will give you a summary of what we discussed during the business portion of the meeting, and then we'll go ahead and turn it over to public comments and questions, so go ahead, Tony.

MR. MENDIOLA: Thank you, Christine. The meeting today started about 2:00, and as per all

our other meetings basically began with a summary and a -- a summary from both sides indicating current projects and milestones met and current other highlights that are ongoing, and this one was no different. The NRC began with their Restart Checklist, which is the checklist that we use to determine that we are following our process. Basically the process steps as we follow along when the plant prepares for restart. We did indicate primarily that we are currently in the inspection mode. We have a number of inspections at various degrees of initiation or completion, and we did indicate some of the program findings today on some of our inspections. After that brief opening portion there, FirstEnergy began their presentation, and I do believe that there is still copies of the slides out in the lobby. If anybody wants to get a copy of FirstEnergy slides, they're just basically 14, 15 pages of slides.

The FirstEnergy presentation, first of all, began to discuss the Restart Readiness by discussing various ongoing projects on site. The first project they discussed was the fuel, the actual reactor fuel that is going to be used for refueling the reactor and some of the inspections and corrective actions

have been performed on the fuel. They discussed improving the experience of their operational team to handle that fuel, and, additionally, discussed the training that was ongoing for their fuel handlers and how they were changing some roles and responsibilities with the fuel in order to put, if you will, appropriate amount of experience as the plant prepares to refuel.

They discussed other engineering issues at the plant. They discussed the refurbishment of two of the four reactor coolant pumps, their current status of the redesign and construction of the containment emergency sump. They discussed their current status on the decay heat valve pit, which is now basically called the decay heat valve tank, I think is what they're calling it, and discussed additionally their containment air coolers that were actually in containment and their refurbishment and replacement of those coolers. Then there was a discussion of the completion and refurbishment of the containment dome area basically to repaint the dome and to put it up -- to put the appropriate type paint inside the containment. Then they discussed the process for readiness to restart, how they were going through reviews and management oversight and certain

observations, how they were reacting to observations as they prepare for restart that management determined needed to be discussed prior to actual refueling and to restart. One of the tests which is necessary for restart is the Containment Integrated Leak Rate Test, and it briefly gave us an explanation of what was going to be involved with that test and basically the schedule for that test, hoping to finish the completion of that test in early March 2003.

The discussion then branched off to a topic on System Health Assurance. Basically, System Health Assurance involved the operational readiness and readiness basically of certain systems for operation. They had standard reviews already in the plant, Operational Readiness Reviews, System Health Readiness Reviews, Latent Issues Reviews. Additional reviews have come to pass as part of the 0350 process and basically the process that's been going on at Davis-Besse for the past year or so. Of course, they did -- these additional reviews involved self-assessments, and, of course, the NRC inspections. All these issues, all these plans and reviews developed a list of issues, and, from that point, they discussed the three paths for issue of

resolution. Path A is -- and they named them Path A, B, and C. Path A was basically the Corrective Action Program, the standard Corrective Action Program that you find at most all utilities. They focus instead on Path B, which is entitled the Safety Function Validation Project, and they were coming to closure, coming to conclusion with this project, which in a sense evaluated the safety functions of 15 safety systems to determine that they provide a significant contribution to core damage frequency, and that they were getting, if you will, the right response from the systems. This involved evaluating the methodology, and then based on the calculations that came out of these reviews, determining whether there were any non-conformances and then appropriately entering them into a program that would follow up on these non-conformances. Of the 15 systems they evaluated, they felt several systems were fully validated and additional systems needed -- I'm sorry, and additional system needed additional analysis, and they were using a variety of ways of following through on this additional analysis, including, I believe, a use of a contractor to determine what additional actions needed to be done, what technical evaluations and other actions needed

to be done in order to fully validate these systems. Like I mentioned, there were three paths for issue resolution. Path A, if you will, is a one time project, the Safety Function Validation Project, which, as I say, was nearly complete.

The second path they were using was Path C, which is basically a Collective Significance Review. The purpose of this Path C was to identify those issues which are -- if you will, are cross-cutting issues. Issues, if you will, that are across program areas -- could be found in several program areas and some of these were identified such as Seismic Qualification, Environmental Qualification, Fire Protection. Those issues can be found across several systems, and they took it upon themselves using a corporate operating procedure -- actually, they call it Nuclear Operating Business Procedure to perform, if you will, a Collective Significance Review, to provide a consistent process and format for the evaluation of these cross-cutting issues and determine the corrective actions for these cross-cutting issues and then meet with the Engineering Assessment Board to review the results and then to close these issues out. Like I mentioned, they had these three paths. They felt

fairly comfortable these three paths would resolve the issues that were identified during the System Health Reviews. They summarized the issues basically indicating -- they summarized this portion of their presentation basically indicating there was good correlation among these three paths to complete the issues. However, they did indicate there was more analytical work that was needed, but they had not identified any major modifications which needed to be performed prior to restart, and they felt that they needed to provide some more rigor in their calculations. Then there was another presentation to discuss the safety culture using the FirstEnergy model. I'd really rather prefer to point this to the folks that have the slides. If you still have a copy of it in front of you, it's basically Slide 30 of their presentation, it's easier to see it than for me to describe it, but it basically builds on three levels of commitment, Individuals' Commitment, Managers' Commitment and then Policy Level Commitment and the success of those three commitments helps build, if you will, the safety culture. Using that model rather simplistically described there, they went about and used it to determine their safety culture for fuel load, one of their next major steps.

They went back and looked at each of the indicators to support those commitments and colorized them as necessary, you got the white, green, yellow or red. Green being, of course, the best, and red being an area that does not meet acceptable standards and requires immediate management attention, and each of the groups associated with fuel load were invited to come in and have their areas assessed by a team of managers to determine whether they were ready for fuel load. When the ratings were all issued, these ratings provided feedback to the individual organizations on their readiness for restart, as well as their current safety culture assessments, and then they summarized the entire group, if you will, the entire site-wide findings into a common safety culture assessment and found themselves somewhat ready for fuel load, although they had some areas that needed some additional work. Basically, they summarized this issue as very unique and state of the art for assessing their safety culture assessment, and, if you will, their readiness for fuel load, and they felt it was very innovative, currently still needing some refinement, but it was a tool that was of some value to indicate rather objectively how ready they are to do certain -- how ready their

safety culture is to do certain planning issues.

The next presentation was from the Nuclear Quality Assessments. Basically Nuclear Quality Assessments is an organization that needs to find out things others have not found basically is how that was explained, and they characterized their current activities into three main groups, basically what they've done in the recent past and not for -- the list they have worked, that they were working, you can see in the slides, basically discussed their current and ongoing activities, and then their future observations and assessments they're going to have in the very near future, which included, of course, such things as the Restart Test Plan, Fuel Movement Activities and other activities associated with restart.

At that point we found ourselves rather limited on time. We moved quickly to the closing remarks, Lew Myers made. Basically he summed it up with the four main points; that fuel load would not occur until everyone is ready. Containment testing will occur after that, which is planned in March. System review progress continues, and he was very complimentary about the safety culture evaluation and ~~motto~~ model that was used for determining readiness for

load fuel. At that point we adjourned and took questions. That's all I have.

MS. LIPA: Okay, thank you, Tony. I also wanted to point out that there were some other handouts in the foyer. One of those is a February edition of the NRC Update, and this has recent activities, ongoing activities, and then some background information. We also have a public meeting feedback form that is a one page with both sides, and you can use this to fill out and provide comments to us. A lot of you have done that in the past, and we think it's helped us to improve our meetings, and we also have some of the licensee's slides were still there, and then some of the slides we used during the business portion of today's meeting were still there.

I also wanted to point out the transcript of what we discussed during the business portion of today's meeting will be on our web site in about three to four weeks, so what we would like to do next is go into public question and comment unless you have anything else, Jack?

MR. GROBE: No.

MS. LIPA: We'd like to start with -- thank you, Tony, local members of the public

first, and we want to really hold everybody to three to five minutes. That's one of the feedbacks that we have been getting is how important it is, so, with that, I invite anybody -- local members of the public to come on up and sign your name and speak your name clearly for the transcriber.

MR. HELLE: Yes, my name is Mark Helle, H-E-L-L-E. First of all, I am an employee of FirstEnergy. I have been with the company for 18 years. During that time, I have been at Davis-Besse since 1988. I'm a resident. I have been in the -- actually went to Oak Harbor High School, graduated from Oak Harbor High School. With that said, I've got many family, friends in the area, and every time -- this is my third public meeting I have been to, and every time I come up here, or every time I come, I always want to say something because it's always the same issues that are brought up, so I thought I would jump up here and maybe say a couple things before the others got their chance.

First of all, I mean, when they come up, why -- if they could address why -- why would I work out there if I didn't think it was safe?

Second of all, why would hundreds of people work out there if they didn't think it was safe and

why would I allow my family to be in this area if I didn't think it was safe? With that -- it goes back to like being in the area. I know hundreds, if not thousands, of people in this area. If it was not safe, I would not work out there, and just one other point was, I try to think of some other industry where you're paid to find problems at your work area so you can attempt to shut down that line or shut off the reactor. What other industry does that? And that's what we're paid to do out there, so, with that said, thank you.

MS. LIPA: Thank you for your comments.

MR. GROBE: Thank you.

THEREUPON, the audience applauded.

MS. FARIS: My name is Priscilla Faris, and I'm a lifelong resident of Ottawa County and proud to say that I have worked at Davis-Besse for 21 years. I am grateful for the continued support of Davis-Besse by FirstEnergy, our parent company, and I am thankful for the leadership, guidance and perseverance of the FENOC senior management team at Davis-Besse. I am also grateful for the support and assistance we have received from our peers at our sister plants, Beaver Valley and

Perry.

I would also like to voice my thanks to the Ottawa County Commissioners, Steve Arndt, Carl Koebel, and John Papcun, and to County Administrator, Jere Witt, for their continued visible and verbal support of Davis-Besse and for the swift and public stance they took against Dennis Kucinich's demand to pull our operating license. Their letter to Mr. Kucinich questioning his motives and lack of knowledge was right on the money. I have the utmost confidence in the Davis-Besse management team and my fellow workers, and I believe that we will safely and successfully return this plant to service. Thank you.

MR. GROBE: Thank you.

THEREUPON, the audience applauded.

MR. MARTIN: My name is Steve Martin. I, too, am an employee at FirstEnergy. I've worked in the nuclear industry and commercial end for about 22 years. I'm currently an instructor, operations instructor, at the Davis-Besse nuclear facility. I've been involved in this industry, like I said, for 22 years. I started my career in operations, got to Three-Mile Island about a year after the accident happened, and so I have

been through a lot as far as seeing plants that have problems get back in the line. We do find ourselves in an unfortunate state of events right now at Davis-Besse, but I've not seen a group of employees in my 22 years that have really been so safety oriented as the group of employees at Davis-Besse. We've worked hard to ensure safety, and many of us have asked questions about why we had a problem with the hole in the head and how we got there, and I think most of us our supporting our management's efforts to ensure we going forward have a very good safety culture. We've done a lot. Our management has come up with a very, very unique and specific program of what we are going to do to ensure that we are ready to restart the plant.

My question for the 350 committee is, when we've -- I've seen all things in my management steps that we're going to take to ensure that we are safely going to restart the plant, but I've not seen anything from the committee saying that -- what specific measurements they're going to measure to ensure that we're there and at what specific time they're going to allow us to restart, so I guess that would be my question to the committee is, what specific measurements are you going to take to ensure

that we're ready to restart?

MS. LIPA: Well, I would like to start off by answering that we have our Restart Checklist that you've seen, right, and has the specific items that we want to make sure are addressed before we would consider restart, and I think what you're talking about, too, is a sub-set of those is the safety culture efforts that the Utility is taking.

MR. MARTIN: Right, right.

MS. LIPA: Right now we have a plan to do three phase inspection of that area, and we really are waiting to see the plan, see what it's based on that FirstEnergy is putting together and then send our inspectors in and our inspectors are getting some expertise from consultants and then our inspectors are going to assess it, so I don't have any specific criteria that I can share with you today.

MR. MARTIN: Well, I guess a follow-up question would be is, then, are you going to assess whether or not our safety culture program is adequate to allow us to restart, or are you going to come up with your own recommendations, or do you have a specific plan?

MS. LIPA: What our plan is really to tie it back to the root cause of the event, what specific corrective actions have been taken and what corrective actions are planned and how effective are those corrective actions in being implemented, so that's the focus we're going to use.

MR. MARTIN: So if the committee feels that we have adequately addressed those areas then, I assume it will be successfully allowed to restart?

MS. LIPA: That will be what we're doing for that section of it, and then the rest of the restart checklist has to be reviewed also.

MR. MARTIN: Thank you.

MS. RIDLON: My name is Jessica Ridlon, R-I-D-L-O-N. I live in Perrysburg, and my dad, Tim Ridlon, has worked at Davis-Besse for 16 years now. Davis-Besse has served northwest Ohio for many years now, and every day its employees come in to tend to its energy. For years, we have taken its beautiful energy -- or its beautiful plant -- this beautiful plant for granted and nothing is perfect and we know that. We know that the plant is not perfect, nor the people that work there, but one mistake doesn't mean that the people are bad. We

need to learn to trust the workers and -- that give us energy so we can see in the dark and that keep our food cold. We trust our President to make the right decision about war. He makes us -- if he makes the wrong decision, it could be destructive, but we trust him as a person. If we made a mistake -- if he made a mistake, would we try to shut him down as well? We need to trust, forgive, and give second chances to those who are trying to keep us safe and healthy like the workers at Davis-Besse. There are no guarantees in this world, but there are commitments to try. This is why I believe that Davis-Besse should be allowed to continue to run with all support. Thank you.

MS. LIPA: Thank you, Jessica.

THEREUPON, the audience applauded.

MR. WAGNER: My name is Terry Wagner. I'm an electrical engineer at the Davis-Besse Nuclear Power Station. I have worked in the nuclear industry all my life. From my six years in the U.S. Navy Nuclear Power Program, to my 24 years at Davis-Besse, I have seen the many positive effects nuclear power has had on the country. I believe -- I live near Davis-Besse. My family and friends live near Davis-Besse. We would not live

here if we thought that Davis-Besse were unsafe. I attend these meetings quietly listening while half the nuclear activists come from far-flung regions to seize the opportunity to grandstand for their single minded goal of eliminating nuclear power. To those individuals, I say it won't happen in this lifetime. There are too many rational people in the United States who understand the important role nuclear power plays in our country's energy future to let that happen. There are too many people who support our nuclear plants across the country that provide more than 20% of the nation's electrical power to allow the wishes of a few to negatively impact the benefits to the many. To our elected officials who count themselves in the camp of the anti-nuclear activists, I say stop using the problems at Davis-Besse to grab at the headlines. Focus your energies on issues that will actually benefit the people you were elected to serve. Concentrate on helping us to win the war on terrorism. I have heard the anti-nuclear activists compare Davis-Besse to Three-Mile Island. The only comparison that could honestly be drawn is that like Three-Mile Island the lessons learned at Davis-Besse will be used to improve programs and systems throughout the

nuclear industry. Let me put Three-Mile Island in perspective. The accident there was the worst case scenario for a nuclear power plant, a core meltdown. Yet no one died and no one was injured as a result of TMI. What other industry could experience its worst calamity and not result in the loss of human life? Not many. The reason is because nuclear power plants are built on the concept of defense and depth, redundant backup systems to ensure public safety is maintained even in the event of a design basis accident. Yes, Davis-Besse has had problems lately, but remember these problems come on the heels of a decade where Davis-Besse was ranked high in the worldwide nuclear industry in terms of safety and performance. We are working through these problems, and we will correct them. More importantly, we will learn from them. One of the things that the nuclear industry does better than nearly every other industry is to utilize lessons learned to raise the bar. To the anti-nuclear community I say, go ahead and kick us while we are down, but we will not be down much longer. We will be back, and we will be better than before. Thank you.

THEREUPON, the audience applauded.

SHERIFF EMAHISER: My name is Craig

Emahiser, and, as you can tell, I'm the Ottawa County Sheriff. As the Sheriff of this County, it's my sworn duty, amongst others, to preserve the peace and to protect the citizens of this County. During the over 10 years that I have had the honor to serve as the Sheriff and to work with the employees at Davis-Besse to ensure the security of the facility, I've gotten to know the employees of the power station and consider many of them to be my friends, and they have earned my respect. Many of these employees make their homes here in our County. Their families, their homes are here. Their children attend our schools. I have gotten to know these citizens as highly educated, trained professionals, who I personally trust to know what is happening at that power station. They certainly know what the consequences are if there was a serious problem at the nuclear power station and the results if it was not run safely. I believe that the safe operation of the plant is certainly in the best interest of all the employees at Davis-Besse, their families, their relatives and their friends. It makes absolutely no sense to me to suggest in any regard these professionals would put their families and our community at risk certainly not just for the

sake of a paycheck. Some have suggested that we should convert Davis-Besse to be a coal fire plant or use some other fossil fuel. Coal would result in an endless line of trains bringing in coal and hauling out by-ash by-products. In my over 30 years of law enforcement experience, I have responded to far too many car/train accidents resulting in the needless loss of many lives. Do you know how many nuclear power accidents I responded to in that same period of time? Zero. Not even the first minor injury.

Gas pipelines create their own set of problems and dangers that would extend for miles past the boundary of the plant and pass through our lands and through our communities.

The radioactive material that's currently on site would not magically disappear if the plant were to close today and would still have to abide by all the regulations associated with the nuclear power plants that produce power.

Davis-Besse has produced power for over 25 years, but most important is the fact that -- excluding with the damage of the reactor head, the power station has had an excellent operating and safety record during that time. Davis-Besse's generation of electricity is a vital part of our

economy and our communities and the entire region. It generates approximately half of the electricity that is needed for northwest Ohio. It also provides more than 850 local jobs and has provided over 200 million dollars in taxes over the past 25 years. Our community has greatly benefited by having Davis-Besse Nuclear Power Station here in our County.

Ever since September 11, 2001, Ottawa County Sheriff Deputies have stood shoulder to shoulder with the men and women of the Davis-Besse Nuclear Power Station to protect the station from the new dangers that exist in the changed world that we live in today, and we are proud to do so.

THEREUPON, Ms. Lipa exited the room.

SHERIFF EMAHISER: We are confident that these professionals can run this plant safely, and when they have done their jobs as they can do to make sure the plant is safe, we have the highest confidence in their ability and their commitment to that high level of safety that nuclear power requires. It is my strong belief that Davis-Besse Nuclear Power Station should be allowed to restart without unnecessary delay. Thank you.

MR. GROBE: Thank you, sir.

THEREUPON, the audience applauded.

MR. HIRT: Dave Hirt, Danbury Township Trustee, Ottawa County. We've certainly heard from the employees tonight, and it's good that they could be committed to be here and speak so well for themselves, but Davis-Besse is a life blood of Ottawa County, and, more than that, it is one of the life blood industries of the State of Ohio. All of its employees, all of them who work there are our residents. They're our neighbors. They're our friends. They're the familiar faces who have a great number of years of seniority here. They are the people who have so safely operated this plant in the past and have the ability to run this plant again in a very safe manner. They're good, frontline employees with commitments securely rooted in Ottawa County, commitment to safety as they have the knowledge and the experience to securely and safely run this plant. They have a commitment to the community. Just look where they live, and they have a commitment to the company. Look at their seniority records. Management can change, but frontline, dedicated employees have the commitment for safety. Please don't let this restart become politically motivated by congressmen posturing themselves for their own political agendas, but concentrate upon the

reason, the logic, and the science of safety. We hope that you're moving forward with the restart, but do so with safety. Thank you very much.

MR. GROBE: Thank you, David.

THEREUPON, the audience applauded.

MS. LUEKE: Donna Lueke, L-U-E-K-E. I'm a citizen of Marblehead in Ottawa County, and I'm proud to live in this area and know lots of people at the plant, and I think that community loyalty and company loyalty is a wonderful thing. I also think it can be a liability, and that's why we're counting on the NRC to see through that, to see through economic concerns, loyalties, concerns about jobs, and I just want to reinforce that point of view, that in spite of all the good intentions something did go wrong here and more and more it's becoming evident how serious it went wrong, and it did not happen -- and, correct me if I'm wrong, but it did not happen in one month or one week, it was an accumulation, and there must have been signals to the employees that worked there. There must have been signs that something was wrong, and I'd just like to ask, Mr. Grobe, did you find that to be true in your investigations so far?

MR. GROBE: Absolutely, Donna.

I appreciate all your comments. I also appreciate the forbore and dedication that a number of employees have expressed tonight, but, as you know, you have been to many of our meetings, our only focus is safety and the plant will not be restarted until we're comfortable it can be restarted safely and will be operated safely. There was a number of indicators that the damage to the head was progressing over a series of years. Those indicators were not properly assessed and responded to. FirstEnergy has articulated clearly, I think, on a number of occasions, that the principal -- or cause of what happened over a period of years was a reduced focus on safety at the management level and an increased emphasis on production, and that contributed to operating the plant at a level of minimum standards and contributed to missing indicators of what was going on.

MS. LUEKE: When do you think you'll be comfortable that the safety culture has enough -- the new safety culture, which is very impressive from everything I've seen, and the efforts that they're putting into it seem to be really genuine and thorough, when do you feel that there's enough of a track record from that that you'll be

able to assess whether it's working?

MR. GROBE: Well, the first thing that has to happen is FirstEnergy has presented to us on January 30th in a public meeting in Chicago, presented to us their plans for how they're going to measure safety culture at Davis-Besse, and, as Tony articulated earlier, it's got three levels of assessment. The first level is the Policy Level or the corporate level. The second level is the Management level, and the third level is the Individual Worker Level, and in each of those levels there's a series of indicators that feed into assessment of the adequacy of those levels. We have not seen the details of how those assessments are going to be completed. We've heard in public meetings the articulation of that information, but until we see it on paper and have a chance to really look at it, it's difficult to express a judgment on its adequacy. Safety culture is a difficult area to measure. There are some quantitative or objective indicators that can be used. Other indicators are less quantitative and more subjective than qualitative. The outcome of a good safety culture is easy to see. It affects not only decision making and operations and engineering and maintenance, but

the way in which workers accomplish their jobs, the way in which managers make decisions. Our inspectors are observing those types of activities every day, so it's going to be a process of melting together our inspection observations for a variety of activities and our assessment of the method by which FirstEnergy is choosing to measure safety culture and bringing that all together. Did I answer your question, Donna?

MS. LUEKE: Yes, I think I saw March as one of the deadlines, I looked at those slides, and they said that would be when they're finished with their first level of assessment.

MR. GROBE: They presented today an assessment. It was the first assessment they'd done of this nature of the organizational culture. They did that assessment in their evaluation of readiness to load fuel back into the reactor, and they, as Tony articulated earlier, they colorized their assessment in the various areas. I don't know what date you were specifically referring to, but there are no deadlines from my perspective. We need to receive their plans in detail on paper so that we can evaluate them. We need to observe how they're implementing those plans, and, as I said, it will all

come together as far as a collective judgment of all the observations the NRC has.

MS. LUEKE: Okay. One thing I would suggest would be that when a safety culture has been achieved, one of the things that will be evident is welcoming questions and challenges from those who are asking the tough questions about what happened.

MR. GROBE: Uh huh.

MS. LUEKE: And not to diminish the loyalty and the team work -- I think that's a wonderful thing, but when each employee at Davis-Besse who was there while this was happening can take an honest look and say, what could I have done differently, when did I see those signs, and whether it's a role play or whatever, come to some answers with that, and also be able to say and answer anybody who asks questions from the outsider, who brings challenges about the safety culture and welcome those because they know that their safety culture is so solid that it can answer any challenges, so I would offer that as a guideline.

MR. GROBE: Okay. We're probably over our five minutes.

MS. LUEKE: Pardon?

MR. GROBE: I said --

MS. LUEKE: All right. Thank you.

MR. GROBE: Thank you, Donna.

MR. ARNDT: Steve Arndt, President of the Board of Ottawa County Commissioners. Good evening. Last month I talked about my 23 years as an elected official, my primary responsibility, I believe, is the health, safety and welfare of the general public, and I sort of broke my questions down into two particular areas; one on the physical side of the plant, as well as on the soft side or the safety culture type activities that both the industry is putting in place as well as the observations from the NRC's perspective. I certainly recognize that from the mechanical side this plant has probably gone under more review and more analysis than at any other time in its particular life which is really a very good thing as far as being able to identify any future problems. I have one particular question as far as on the soft side of the NRC. I truly believe with the management staff that we have at Davis-Besse, the dedication and commitment from the employees at this particular time we'll be able to get the mechanical side, as well as the soft issues, addressed to the

point that we will be considering the restart of Davis-Besse, but what happens beyond that? How do we assure the citizens of Ottawa County the plant will continue to operate in a safe environment? Has the NRC come up with a way that they're going to evaluate to make sure the safety culture programs that the industry has spent a lot of time on incorporating continue on once restart has been achieved?

MR. GROBE: That's an excellent question, Steve, thank you. The process that we're under, it's named in accordance with the procedure that we have. It's called the Manual Chapter O350. The 0350 procedure has criteria by which -- by which we're supposed to evaluate plant operations, and it has termination criteria for the panel. The panel will be in existence long after restart. We'll still be here conducting public meetings, discussing performance. If and when the plant gets to the point of restart, we'll be talking about different types of issues. We'll be talking about continuing assessments that they're conducting, we'll be talking about the continuing evaluation of the safety culture. We'll be talking about operational safety issues, performance of plant systems, things of that nature in the process of operations, so the panel

will be here for a period of time after the restart, continuing to evaluate the ongoing safety of the plant.

The other part of the question I think you asked is, what changes are -- is the agency making in its routine inspection programs to ensure that these kinds of issues don't happen again, and, as you're aware there was a Lessons Learned Task Force that identified some 50 recommendations and the Commission approved a prioritization of those recommendations. Our Executive Director in Washington has requested six month performance reports on how we're improving, and I'm confident that he will keep us to task of reevaluating our programs and improving our programs, so I think I have answered both sides of your question.

MR. ARNDT: Yes, you did. I have two other requests; one, I believe on behalf of Ottawa County and its residents. I understand that your Resident Inspectors are on site. They do quarterly reports based on those inspections, share those with the Utility. I'm not aware of ever having the opportunity to have direct contact and dialogue with the NRC's Resident Inspectors and the basis of those reports. I understand that

potentially those could be considered not a public hearing, and, of course, with elected officials, public meetings, the like, but, certainly, once those reports are finalized I think I would like to see a commitment from the NRC to sit down with the local elected officials to go over those findings and those quarter reports and have that continued dialogue, not only from the physical standpoint of the plant, but as well as because of the soft issues that remain.

MR. GROBE: As you're aware, the Commission just conducted a meeting in the Washington area regarding Davis-Besse, and they invited three groups of folks to speak to them about Davis-Besse. The first was FirstEnergy, the second was the NRC staff, and the third group was a panel of stakeholders, and, Jere Witt, Ottawa County Administrator, was one of the people that the Commission invited to Washington to speak to them and a similar recommendation was made by Jere at that meeting.

MR. ARNDT: Our message is consistent.

MR. GROBE: That's right. I like it. Among other recommendations, Jere had maybe half a dozen or so recommendations going forward.

We're evaluating all those recommendations. I've had the opportunity to meet with you on several occasions, and I plan on continuing my interface with Ottawa County officials while the panel continues in its performance function, and we're evaluating Jere's recommendations as well going forward also.

MR. ARNDT: I think it will go a long way for the residents of Ottawa County of reestablishing trust from the NRC that we have a direct dialogue, and we understand what is going on at the facility. We have the ability to answer questions or ask questions, and maybe get some answers to some of the things that we're hearing, and I think it would be a great opportunity for some good dialogue.

MR. GROBE: I appreciate that.

MR. ARNDT: The other request that I have is, I really believe that the reorganization or restructuring of FENOC's -- especially with the creation of Bill Pearce's position is very well -- something that maybe might have helped us avert the situation had that position been in place before, but I guess I have a request of the Utility that the Commissioners and especially in light of what happened now, we think we can do one

step further that would be valuable, that is the -- they created the Restart Oversight Panel. We really, truly believe that panel should continue on. I think it's a great opportunity for the peers of the industry to take a look at independent eyes, I think is one that benefits the entire industry, not just FirstEnergy or FENOC, and I think having local representation on that -- certainly we're not the experts, that's why I believe to have the dialogue between the NRC as well as a peer review would be invaluable for elected officials of making sure that we're all looking at it objectively as to what's going on in our community, so I would lay that challenge to -- I see a number of representatives here from FirstEnergy and FENOC, if they would take that back to corporate, that is certainly a request that we would like to see that request being honored.

MR. GROBE: Thank you.

MR. ARNDT: Thank you.

THEREUPON, the audience applauded.

MR. WHITCOMB: Good evening. What is the status of the NRC's criminal investigation?

MR. GROBE: The NRC doesn't do criminal investigations, but our Office of Investigations is conducting an inquiry into the root

cause of violations that occurred at Davis-Besse and that investigation is ongoing.

MR. WHITCOMB: Thank you.

MR. GROBE: That was Howard Whitcomb.

MR. WHITCOMB: Thank you, sorry.

MR. GROBE: That's all right.

MS. THOMAS: My name is Lisa Thomas, and I'm an employee at Davis-Besse. I am a wife, and I'm a mother, and growing up as a child, my father died when I was very young, and as a result, for many years I only had one parent. As a parent myself now, I would do anything to make certain that my child doesn't have to go through that. As a result, I wouldn't work at a facility that I didn't feel was safe. I have an MBA. I have strong work ethics. My parents came from Europe. We work very hard. I know I can get another job. I don't have to work there. I work at Davis-Besse because I choose to work at Davis-Besse. I feel confident that the employees focus on safety, and that is their priority. I am confident that the management is focused on safety and that's their priority, and I'm confident that our President's focus is on safety, and I'm confident with your support we will run again

as a safe plant. Thanks.

MR. GROBE: Thank you.

THEREUPON, the audience applauded.

MR. GROBE: You folks are more timid that you usually are.

(BRIEF PAUSE).

Is there anybody else that would like to come forward and speak or ask a question?

MR. LOCHBAUM: Hi, my name is Dave Lochbaum, I'm with the Union of Concerned Scientists in Washington, D.C. I just have three observations.

First, I monitored the restarts of the Salem plant, and the D.C. Cook plant, Millstone and several other plants that went through the 0350, 0350 like process, and, in doing so, each of those plants by the end of the day had reported dozens of Licensee Event Reports that were found during the discovery phase of their restart. I did a search on Davis-Besse, and there have been only five Licensee Event Reports submitted to date that had to do with discovery during the current outage, which is actually less than the plant reported in the year 2000 when it was operating. I understand from the presentation this afternoon there's a number of issues that might ultimately become LER's, but it's

our observations that we would hope the NRC would ensure the scrubbing that was done during the system reviews in discovery was as thorough as the other plants and that the operability of the more than 2,500 problems that had been found has been thorough and all those that need to be reported have been reported or will be reported.

The second observation is, I read in today's Plain Dealer of Bill Dean's comment to the effect that it would take the resources of the Homeland Security Department to fully inspect every inch of the plant, and clearly our expectation isn't that the NRC inspect every inch of the plant. We think that's unrealistic, but I think it is our expectation that the NRC inspectors would be able to find one or two of the more than 2,500 problems that are listed on that wall over there. Again, we're not expecting every inch to be found, but some were in the past -- I mean, some of those problems should have been found by the NRC, and we're concerned that that didn't happen.

In the meeting last month at NRC headquarters, Art Howell, the Chair of the NRC's Lessons Learned Task Force, said that that Task Force consumed over 7,000 hours in that effort, which is

about the same, if not more, than the total amount of NRC inspection efforts spent at Davis-Besse in the years 1999, 2000 and 2001 combined.

As, Jack, you said earlier, that the NRC has embraced 49 of those recommendations that came out of that effort. I guess our recommendation would be that the 0350 Panel should remain in place until the NRC resolves all 49 of those lessons learned because that would help assure this community that future lapses in the NRC are less likely to occur.

And, lastly, the NRC last week issued a special inspection of organizational effectiveness or operational effectiveness, and, as was presented this afternoon, that effort identified some areas, some possible root causes that the company had not evaluated, engineering, and the input it had in decision making and corporate support in terms of casual and other issues. I guess what this suggests to us, what this inspection suggests to us, is that FirstEnergy isn't doing a very good job of root cause because it required NRC effort to come in and help and encourage them along. You know, if I was in class -- if I had multiple choice questions and if I said, D, and they said, no, you know, ultimately, I'm going to get the right answer. It looks like

FirstEnergy is not getting to the first answer by itself. The NRC is still having to help them in root cause, so we're of concern that that inspection didn't demonstrate to us that the root cause evaluation by the company's thorough and exhaustive efforts still relies on a crutch from the NRC to get to that answer. It was good that the NRC is there, but it would be better if the company got there first by itself. Thank you.

MR. GROBE: Thank you. Couple of comments, Dave.

MR. LOCHBAUM: I'll stay here.

MR. GROBE: Good. You and I have been together on some of those other plant restarts. There's a unique characteristic to the effort that I have seen at Davis-Besse. One aspect that was unique was a very rapid simulation of all of the learnings from the other plants into their activities here at the plant. They brought in a lot of folks who had experience at Cook and Salem and Millstone and Crystal River and other plants in doing these kinds of efforts, so the activity while there were some initial bumps and bruises, but the activity got off to a fairly strong start.

As you observed from this afternoon's

meeting, there was a number of engineering issues that are still under evaluation. My overall assessment is that the engineering evaluations that are done here were as rigorous as the ones done at D.C. Cook. They were done with essentially the same process and with many of the same people. I don't believe that there was as many findings. If you recall Cook, there were some 150 modifications that were necessary with plant equipment. The majority of the modifications that are going on at Davis-Besse are modifications that they chose to make, not because of design basis concerns or deficiencies, but to upgrade the plant, so I don't believe the design of the systems was as challenged as some of those other ones. I don't have experience at Millstone or Salem, but I do at Cook.

The other thing is this discovery effort proceeded much more rapidly, and, as you're aware, engineering issues take time to evaluate, so because of the rapid progress that they made in discovery, the engineering issues resolution of those as far as looking at past operability, which would be what we have reported in the ~~NER~~ LER has taken over that time, so I think those observations might help explain your sense of the difference between Davis-Besse and other

plants.

The schedule for implementation of Lessons Learned Task Force is laid out and there's no alignment or connection between Davis-Besse and restart and the resolution of those issues. The high priority issues that the Commission identified for implementation are happening on a very rapid time line, but there is no connection between Davis-Besse and the program improvements that are going on as a result of the Lessons Learned Task Force. I think I responded to the major issues that you talked about.

MR. LOCHBAUM: Can I just ask for one follow-up for clarification?

MR. GROBE: Sure.

MR. LOCHBAUM: I take it from your response that the NRC is looking at the operability or reportability process to ensure that they're at the right point?

MR. GROBE: Absolutely, absolutely.

MR. LOCHBAUM: Okay.

MR. GROBE: Thank you. Thank you very much.

THEREUPON, the audience applauded.

MR. OPFER: Jack, and

members of the panel, I -- my name is Darrell Opfer, I'm currently Director of the Ottawa County Improvement Corporation, former Commissioner and State Representative, schoolteacher and long time resident of Ottawa County, and, in fact, born here.

One of the things that I appreciate your commenting on is the positive attitude of the Davis-Besse folks and their ability and interest in putting together the collective engineering and learning from other plants.

As a County Commissioner and State Representative, I've always found the folks at Davis-Besse, whether its management or workers, to be very helpful and answer questions and to help people learn and understand what's going on at the plant. I do want to leave a copy of a Letter to the Editor that I sent to our local papers, and just excerpting a couple of points from that. While hundreds of Davis-Besse power plant folks have been spending a great deal of time and hours working on the plant, and now that things are becoming -- are beginning to come together very obviously, it's clear that outside interest such as Congressman Kucinich, programs like the Bill Moyers Program and reportedly 60 Minutes and now the Cleveland Plain Dealer seek to use the plant

shutdown to advance their own agendas to influence process under a decision about which they know so little. It is interesting that the television "news" commentators and the political "leaders" opposed to restart have done so little investigation into the causes of the current shutdown and what is being done to operate the plant safely in the future. Unfortunately, these opportunists are using the current problems to advance their agendas, whether it is to oppose nuclear power philosophically, build their own membership or organization's membership by appealing to public fears, increasing their listener or reader base or even running for President. They have little real concern for our area residents, workers or our community and services. Why should uninformed individuals who have not taken the time to research the issues determine the fate of the largest employer, taxpayer and environmental advocate in Ottawa County and those of us who work, produce goods and services and enjoy living in a wonderful area?

I encourage the NRC to continue to constructively review the hard work and the plans of hundreds of employees here at the plant to assure a safe restart and plant operation and not be diverted by the misguided political attacks and the agenda of

Presidential candidates and others.

I've also included for you a comment by John Schaffner, who is the editor of the local Beacon, in a story that he is -- will be publishing in the next issue of the Beacon. He takes a very critical view of the Cleveland Plain Dealer and the so-called journalism that they have exhibited of late, and one of the things -- the last paragraph of his yet to be printed story suggests that since the Columbia disaster, so many family, friends of the victims have stated along with NASA officials that the space program must go on; that NASA must determine the problem of the shuttle program and move forward. Local officials here in Ottawa County are adamant that the NRC should work closely with FirstEnergy to accomplish the same objectives and leave the topic of safety at Davis-Besse out of the hands of self-serving politicians and keep it within the realm of the technical experts who actually have knowledge of nuclear power, and I would also like to encourage as a former County Commissioner that you consider the suggestions of Commissioner Arndt with regard to continuing a relationship after the restart of the plant. Our County Commissioners have a long history of meeting with the local plant officials to discuss

what issues are on everyone's agenda and to try to maintain the safety of all plants for the health and safety of citizens of Ottawa County, so I certainly encourage you to consider Mr. Arndt's recommendations. Thank you.

MR. GROBE: Okay, thank you very much, sir.

MR. COLLINS: Sir, could you sign in?

THE REPORTER: Could you sign in?

MR. GROBE: Any other questions or comments?

(BRIEF PAUSE).

MR. WARREN: Good evening, my name is Richard Warren. I'm a financial advisor in the area, so I don't work at Davis-Besse, but I have a lot of clients that work there. I've got residence in the County, I have offices in the County, and I commend you for all the work you're doing. I think safety is very important, but I see 850 families that thrive and live in the area, and I've also seen areas where industry has left, and the devastation on all the individuals, so it's very important for me, my clients, and all the people in the area, all the other industry, not only

Davis-Besse, but everything that this program see that everything is safe, but see that this industry continues in the area so the whole area can thrive. Thank you.

MR. GROBE: Thank you, sir.

THEREUPON, the audience applauded.

MR. ELUM: Good evening. Just a few words about me and why I'm here.

MR. GROBE: Could you introduce yourself?

MR. ELUM: Yes, I'm Charles Elum. I go by Chic, Chic Elum, E-L-U-M.

MR. GROBE: Thank you.

MR. ELUM: I'm the President and CEO of Scrabble Brand, Incorporated, a 35 year old family business that creates word puzzles and features and books for major publications and newspapers across the country. We also operate Park Press, a commercial printing and mailing company. Both are located in Port Clinton. My wife and I built our home in Ottawa County about 20 years ago, planning at that time to some day retire here. Well, we got some kids in the business, so we didn't retire, and we decided to move the company up here to Ottawa County. We did that five years ago, and

we've never regretted it. We live on Catawba Island, as do our two daughters and their families. We have five grandchildren, all of us living within the sight of the Davis-Besse tower, and, by the way, I fish around there a lot, too.

As a retired police chief of more than 25 years in law enforcement, I am also very sensitive to public safety issues and have followed the Davis-Besse matter very closely.

Although mistakes were made, I believe it's important to recognize the fact that Davis-Besse has operated safely for more than 25 years without any radiological related injury to employees or the public, and with no adverse impact on the local environment. Even with the damaged reactor head, the plant operated normally. It's been reported that FirstEnergy has spent hundreds of millions of dollars on safety equipment, training and procedures that have made the chance of a deadly accident practically nil. Most of the 850 people who work at Davis-Besse live in this area, have families and relatives here, and it would seem logical that the safety of the plant is in their own self-interest. It just doesn't make any sense to imply that they would put themselves or their families at risk in any

case. Davis-Besse, I think, is a good neighbor, always has been. They have certainly done wonders for Ottawa County school systems. They have helped install the safety alert, siren alerts throughout the County, which probably can be credited with saving some lives in the tornado that hit Port Clinton not long ago. It's been said here before this evening, it's a good neighbor, and it's paid more than two million bucks in taxes over the last 25 years. It creates another 20 to 30 million dollars in business state-wide annually.

I, too, believe the regulators are to be commended for their efforts and thoroughness, and I encourage them to constructively review the hard work and plans of the company and hundreds of its employees and to remain aware of the agendas of some detractors. Davis-Besse has a long and well-known record of safety and service to the community. After the expenditure of hundreds of millions of dollars to assure the repaired reactor is safe to operate, I and many others are hoping that following a successful test of its reactor in March, Davis-Besse will run again. Thank you.

MR. GROBE: Thank you very much, sir.

THEREUPON, the audience applauded.

(BRIEF PAUSE).

MR. GROBE: Any other questions or comments?

(NO AUDIBLE RESPONSE).

MR. GROBE: Okay, well, thank you very much for coming this evening. We'll be back -- Christine, do you have the date of our next meeting?

MS. LIPA: March 11th.

MR. GROBE: March 11th is our next series of public meetings. Thank you.

THEREUPON, the hearing was adjourned.

CERTIFICATE

STATE OF OHIO )
) ss.
COUNTY OF HURON )

I, Marlene S. Rogers-Lewis, Stenotype Reporter and Notary Public within and for the State aforesaid, duly commissioned and qualified, do hereby certify that the foregoing, consisting of 51 pages, was taken by me in stenotype and was reduced to writing by me by means of Computer-Aided Transcription; that the foregoing is a true and complete transcript of the proceedings held in that room on the 11th day of February, 2003 before the U.S. Nuclear Regulatory Commission.

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

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office at Wakeman, Ohio this day of , 2003.

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

My commission expires 4/29/04