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Oswego, NY 13126  
October 5, 2002

Mr. John A. Grobe, Director  
Division of Reactor Safety  
US Nuclear Regulatory Commission  
801 Warrenville Road  
Lisle, IL 60532-4351

Dear Mr. John A. Grobe:

Who is in charge of fines? It is about 8 months already. How long does it take before the USNRC makes a decision on this Region 3 plant?

One purpose of this letter is to let you know my ideas on action needed RIGHT NOW by the USNRC to show the US commercial nuclear industry that they can't afford Davis-Besse performance. The second purpose is to introduce the PILOS program, which is designed to allow a mis-performing power plant to rehabilitate its reputation.

Let's go to the NRC actions first.

- 1 Immediate lump sum \$50,000,000 fine of the operating organization.
- 2 Choice of Davis-Besse licensed power. Either 0% for next 4 years or 50% for next eight years at option of their nuclear operating company.
- 3 Action against all who served as plant manager or higher up to and including the head of the operating organization since 2 refueling outages ago: personal fine of 6 months pay each (but not less than \$60,000) and suspended from nuclear employment for 6 months. The fine and suspension apply to all former employees as well.
- 4 Action against all of lower level, (no time limit), that disapproved inspection port modification or surreptitiously delayed it: personal fine of 3 months pay each (but not less than \$30,000) and suspended from nuclear employment for 3 months. The fine and suspension apply to all former employees as well.
- 5 Action against all who participated in changing Independent Safety Evaluation group into something else: banned from nuclear employment for life.
- 6 Action against all who did not provide a viable Quality Assurance organization, or diluted its strength: banned from nuclear employment for life.
- 7 Action against all found to have been dishonest with the USNRC: any and all above actions plus banned from nuclear employment for life.

8. Action against the nuclear operating company that manages Davis-Besse: immediate special inspection of ALL plants they run with emphasis on management reporting honesty and a viable Quality Assurance function.

The actions above are predicated on the assumption that the Davis-Besse plant was run 4 years that it should not have been, (since its primary coolant leakage was not zero), and made a net profit of \$50,000,000 for those 4 years.

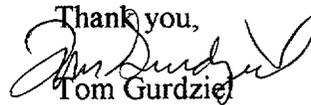
Now let's talk about the PILOS program. (In my area, we also have PILOT: payment in lieu of taxes. It is not the same thing.)

The PILOS program is actually very simple, and is voluntary as well for confirmatory action plants. (PILOS stands for Payment In Lieu Of Safety.) As you know, these plants have been discovered with significant management/maintenance deficiencies to the point that they cannot start up without USNRC approval. In short, they have saved maintenance money by eroding the margin of safety. The lump sum payment to local and state governments is an attempt to reacquire good will.

The PILOS is calculated this way. From the total cost of the present outage, including replacement power cost, subtract the original expected cost. Presently, for Davis Besse, you would subtract the planned outage cost (I don't know what it is, say it was 35 million dollars.) The most recent estimated total cost that I saw is 281 million dollars. Do the subtraction and the amount is 246 million.

This payment is an estimate of the value of the safety margin lost while the plant was being put into its deteriorated condition.

This is my ninth letter. It needs no reply.

Thank you,  
  
Tom Gurdziej

Copy: D. Lochbaum