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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 Wednesday, July 9, 2003, at
2:00 p.m. at the Oak Harbor High School, 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,
Senior Manager, Region III Office
& Chairman, MC 0350 Panel
William Ruland, Senior Manager NRR
& Vice Chairman, MC 0350 Panel
Christine Lipa, Projects Branch Chief
Christopher Scott Thomas,
Senior Resident Inspector
U.S. NRC Office - Davis-Besse
Jon Hopkins,
NRR Project Manager - Davis-Besse
Jack Rutkowski, NRC Resident Inspector

FIRST ENERGY NUCLEAR OPERATING COMPANY

Lew Myers, FENOC Chief Operating Officer
Robert W. Schrauder,
Director - Support Services
James J. Powers, III
Director - Nuclear Engineering
Michael J. Stevens,
Director - Nuclear Maintenance
Mark Bezilla, Vice President/Plant Manager
Clark Price, Owner - Restart Action Plan
Mike Roder, Manager - Plant Operations

1 MS. LIPA: Okay, good
2 afternoon, and welcome to FirstEnergy and members of the
3 public for accommodating this meeting today. This is a
4 public meeting between the NRC's Davis-Besse Oversight
5 Panel and FirstEnergy Nuclear Operating Company.

6 My name is Christine Lipa. I'm the Branch Chief for
7 the NRC in Region III, which is located near Lisle,
8 Illinois, and I'm responsible for the NRC's inspection
9 program at Davis-Besse.

10 We'll go through the rest of the introductions in a
11 few minutes. I wanted to cover the first slide, which is
12 the purposes of the meeting, are to discuss FirstEnergy's
13 status of activities in their Restart Plan and also to
14 discuss the NRC Oversight Panel activities, focusing on
15 those activities since our last public meeting.

16 The next slide is the agenda.

17 And, let's go ahead and make introductions here.
18 On the NRC table here, we have Jon Hopkins, and Jon is
19 seated to my far left. He is the NRR Project Manager for
20 the Davis-Besse facility.

21 Next to Jon is Bill Ruland. Bill is the Senior
22 Manager in NRR, which is the office of Nuclear Reactor
23 Regulation and he's the Vice Chairman of the Oversight
24 Panel.

25 On my left is Jack Grobe, and he's the Senior

1 Manager in the Region III Office, and he's also the
2 Chairman of the Davis-Besse Oversight Panel.

3 To my right we have Scott Thomas. Scott is the
4 Senior Resident Inspector of the Davis-Besse facility.

5 We also have operating the slides for us today, is
6 Jack Rutkowski. He is the Resident Inspector for the NRC
7 at the Davis-Besse facility.

8 And, in the foyer on the way in, you met Nancy
9 Keller. She is the Office Assistant at the Resident
10 Office.

11 And we have Viktoria Mitlyng of Public Affairs.

12 And, that's about it for NRC folks here today.

13 And, then, if you want to go ahead and introduce
14 your folks, Lew.

15 MR. MYERS: Thank you,
16 Christine. I don't believe this mike is working.

17 Okay, to the far end of the table then, at the end
18 of the table is Clark Price. Clark is our Restart Manager
19 responsible for monitoring our restart performance
20 indicators.

21 Jim Powers next to him, Jim is our Engineering
22 Director.

23 Mark Bezilla. Mark is, this is his second time
24 here, is the Site Vice President of the Davis-Besse plant.

25 Bob Schrauder is to the right of me. Bob is in

1 charge of our support groups.

2 Mike Stevens next to him. Mike is the Director of
3 Maintenance.

4 Mike Roder. One of things we asked about last time
5 was the Operational Readiness, so we brought Mike Roder
6 with us today. Mike is in charge of the Operations group.
7 He's the Operations Manager.

8 And, then out in the audience, we have Bob
9 Saunders. Somewhere -- there is Bob. President of FENOC.
10 Gary Leidich, the Executive VP.

11 And then Bob Conrad is with us -- Coward is with us
12 today from MPR, the people that's working on the
13 modification to the high pressure safety injection pump.
14 That's it.

15 MS. LIPA: Okay. Sounds like
16 your mike is operating better. I'm not sure which one was
17 working, but I'll be talking for a little while and then
18 before we turn it back over to you, you might want to make
19 sure the microphones are working, whichever one started
20 picking up there near the end of your introductions.

21 MR. MYERS: Thank you.

22 MS. LIPA: So, the rest of
23 the agenda we have for today, we'll talk a summary of what
24 we talked about at last months's public meeting, and then
25 we'll talk about some of the NRC activities since the June

1 3rd public meeting, and then we'll turn it over to the
 2 Utility for their presentation on the status of the Return
 3 to Service Plan.

4 And at the end of the presentation, we'll adjourn
 5 the business portion of the meeting, take a break, and then
 6 turn it over for public comments and questions before we
 7 adjourn the meeting completely. And we will be taking a
 8 break after about an hour and 15 minutes or so of the first
 9 part of the meeting.

10 So, I would like to also see, I know that we have
 11 some public officials, or representatives of public
 12 officials in the audience. If you'd stand up and introduce
 13 yourself.

14 MR. ARNDT: Steve Arndt,
 15 Ottawa County Commissioner.

16 MS. LIPA: Steve Arndt.

17 MR. PAPCUN: John Papcun,
 18 Ottawa County Commissioner.

19 MS. LIPA: Okay, John Papcun.

20 MR. WITT: Jere Witt, Ottawa
 21 County Administrator.

22 MS. LIPA: Jere Witt. Okay,
 23 thank you.

24 Anybody else?

25 Okay. This meeting is open to the public,

1 obviously, for observation, and this is a business meeting,
2 so you'll need to save your questions or comments until the
3 end, but we will be available to answer questions at the
4 end.

5 I wanted to point out a few handouts that were
6 available when you came in today. We had copies of our
7 July edition of our monthly newsletter. That's a document
8 we prepare just before each of these public meetings to
9 give like the latest status of issues and NRC activities.
10 And then, the newsletter does provide good background
11 information.

12 And also has some information on how you can reach
13 us, if you want to contact us separately; has the Public
14 Affairs Officers phone numbers and email addresses. It
15 also has the web page address, where we have numerous
16 public documents on Davis-Besse.

17 We also have a public meeting feedback form out in
18 the foyer that you can use to provide comments on today's
19 meeting. I would be interested in any feedback on the
20 facility and how it supports your needs for a hearing and
21 seeing our presentation today. It's been working well at
22 both facilities, I think. And so, if you have any feedback
23 on that, be sure to let us know.

24 We're also having this meeting transcribed today by
25 Marie Fresch. And that will maintain a record of the

1 meeting. The transcription should be available in about
2 three to four weeks. And we do have last month's posted
3 already.

4 Okay. The next slide is the summary of the June 3rd
5 public meeting.

6 Okay. During our last public meeting on June 3rd,
7 we provided a status update on several of our ongoing
8 inspections. We discussed some upcoming activities that
9 are still upcoming, such as the undervessel head
10 inspection, and the other public meetings to discuss
11 engineering issues, and the Licensee's work to assess and
12 improve safety culture at the facility. And later in
13 today's presentation we plan to provide more details on
14 recently completed NRC activities.

15 Also at last month's public meeting, FirstEnergy
16 provided an update on some of their efforts towards
17 restart. They provided an update on several projects and
18 topical areas, such as Management and Human Performance,
19 Engineering Issues, Corrective Action Program and Quality
20 Assessment.

21 The next slide is the Restart Checklist. And what
22 we want to do for today's meeting was to go through the
23 whole Restart Checklist. I have ten slides that will cover
24 this, but also if you look on page 4 and 5 of the monthly
25 newsletter, there is a consolidated list if you want to

1 follow along and have the numbers.

2 So, what I wanted to do was kind of give you an
3 update on each of the checklist items; where we stand,
4 which ones are closed, what we're waiting on. And kind of
5 a status; and after this, we'll just cover the changes each
6 month.

7 First of all, I wanted to let you know on July 2, we
8 revised the Restart Checklist item, added two items to that
9 list. The first is the high pressure injection pumps that
10 are susceptible to debris intrusion that could lead to pump
11 failure following an assumed accident.

12 So, based on the information that was provided to
13 the NRC that is publicly available on the docket, which is
14 in a Licensee Event Report, we call those LERs, that was
15 2003-002, which was issued in May. And based on the
16 information in that LER, the issue of the high pressure
17 injection pumps appears to be greater than very low risk
18 significance. So, it meets the criteria for being added to
19 our restart checklist. We've added it to our Restart
20 Checklist, and that would be Item 2e.

21 The second issue being added, that was added is the
22 license amendment that the Licensee has requested prior to
23 restart. And that's associated with relocating the
24 requirements for certain emergency core cooling system
25 tests from the tech specs to the group USAR. And this has

1 been added as Item 6g.

2 The current ~~division~~ Revision 3 to the Restart Checklist now
3 contains a total of 31 items. To-date, the NRC has
4 concluded that 13 of those 31 items has been closed, and 18
5 remain to be resolved.

6 Okay. First two items, 1a and 1b. These are both
7 complete. The first one is documented Inspection Report
8 2003-04, which was issued on May 9th. That report is
9 available on our website. The second item is complete, and
10 that will be documented in Inspection Report 2002-18.

11 The next slide has Items 2a and 2b. And, 2a is
12 still open. We completed our initial inspections of this
13 item and found the replacement head to be acceptable. That
14 was documented in Inspection Report 2002-07. This item
15 remains open pending some testing, such as the Normal
16 Operating Pressure Test and the Control Rod Drive Testing
17 results that will be coming later.

18 For Item 2b, we've reviewed the test package for
19 this test, and it would be documented in Inspection 03,
20 2003-05.

21 The next slide has a couple of checklist items here;
22 2c and 2c-1. For the first item, we did what we call an
23 Extended Condition Inspection, and Inspection Reports
24 2002-09 and 2002-012, and we identified three unresolved
25 items. So, we have to resolve those three unresolved items

1 before we can close this checklist item.

2 Two of those unresolved items are being reviewed by
3 one of our inspection teams called the Corrective Action
4 Team Inspection, and they are scheduled to be back on site
5 in August. And the third unresolved item would be review
6 during the Normal Operating Pressure Test.

7 The next item is ~~2c1~~ 2.c.1, which is the Emergency Core
8 Cooling System and Containment Spray Sump. We've done our
9 inspection of that. We had one open item, which is still
10 under review by our inspector. And, once that issue is
11 resolved, we'll be able to consider closure for that item.

12 The next slide shows the Extent-of-Condition for
13 Boric Acid, Outside Containment, and the High Pressure
14 Injection Pump issue that was recently added.

15 So, for the Extent-of-Condition of Systems Outside
16 Containment, we've done a lot of our inspection work in
17 that area. We have three separate inspection reports where
18 we've documented our walkdowns of several Systems Outside
19 Containment that the inspectors have walked down. We have
20 no significant issues that we've identified as a result of
21 those, but we're waiting for some closure packages from the
22 Licensee to be able to finish that issue.

23 2e, which is High Pressure Injection Pump Internal
24 Clearance and Debris Resolution. The Licensee is pursuing
25 two options to resolve that. The first is a modification

1 of the pump and the second is replacement of the pumps.
2 Depending on which option the Licensee pursues, we'll gauge
3 our inspection accordingly and then develop our plans to
4 inspect that area.

5 The next slide is the Adequacy of Safety Significant
6 Programs. And what we did for all the programs and what
7 the Licensee did for all the programs was they developed a
8 process to review the programs and to reset the programs in
9 detail and then come up with corrective actions for things
10 that needed to be corrected or enhanced in those programs.

11 So, we had our programs inspections in a couple of
12 phases. The first phase looked at the process and the
13 initial findings that the utility came up with, and then
14 the second phase looked at the final product and how the
15 items that were found to be needing correction were
16 corrected.

17 So, the first item is the Corrective Action Program,
18 and that, we've documented parts of that review in two
19 inspection reports, and we plan to continue the on-site
20 portion of the Corrective Action Team Inspection in August,
21 and assess that program at that point.

22 The next item is the Operating Experience Program,
23 and that one is complete and that's documented in
24 Inspection Report 2003-09.

25 The next item is Quality Audits and Self-Assessments

1 Programs. We've finished part of that review in
2 Inspection Reports 02-11 and 03-09; and we have more
3 inspections to do.

4 The next slide shows three programs; Boric Acid
5 Corrosion Management Program, Reactor Coolant System
6 Unidentified Leakage Program, and In-Service Inspection
7 Program.

8 The first one, Boric Acid Corrosion Program remains
9 open pending NRC follow-up on some engineering evaluations
10 of some identified discrepancies; and when that's
11 completed, that will be considered for closure. And if
12 it's determined to be closed, it would be documented in a
13 Resident Inspection Report.

14 The other two items are closed; and those are
15 documented in Inspection Report 2003-09, which was just
16 issued a couple days ago.

17 The next slide shows the next three or the last
18 three of the programs that we're assessing. For the
19 Modification Control Program, our assessment is complete on
20 that. That is documented in Inspection Report 2003-09.

21 The second item is the Radiation Protection
22 Program. We did a couple of inspections on that already.
23 One of them was the Radiation Protection Special Inspection
24 2003-08, but before we can close the checklist item, we
25 have a couple of other items to review, and that would be

1 done during the week of July 14th.

2 The next item, which is the Process for Ensuring
3 Completeness and Accuracy of Required Records and
4 Submittals to the NRC. The Licensee actions on that so far
5 is they have selected a sample of approximately 70
6 documents to review for completeness and accuracy of
7 information. Some of those include generic letters,
8 bulletins, Licensee event reports and amendment requests.
9 The Licensee estimated approximately four weeks to complete
10 those reviews; and then the NRC is monitoring the
11 Licensee's activities and developing an inspection plan for
12 that area.

13 Okay, the next slide is the Adequacy of the
14 Corrective Action Plan and the Organizational Effectiveness
15 and Human Performance Area. This one is considered
16 complete and will be documented in Inspection Report
17 2002-18.

18 For Restart Checklist Item 4b, which is the
19 Effectiveness of Corrective Actions. The Licensee has
20 indicated that they're partially complete on this and they
21 have some remaining items, such as completing development
22 of Safety Conscious Work Environment Performance
23 Indicators, Long Term Safety Culture Assessment Tools, and
24 a Restart Readiness Review Meeting that will be held next
25 week.

1 The NRC action is that we plan to do a continuing
2 Phase Three Inspection in this area. And the inspection is
3 evaluating the Licensee's process and tools for monitoring
4 the Licensee's improvements in the Safety Culture and
5 Safety Conscious Work Environment area and also the
6 effectiveness of the Employee Concerns Program. Our
7 inspection, our Phase Three Inspection is in progress.

8 The next slide shows Readiness for Restart; and for
9 these items, we'll be, NRC will be reviewing the Licensee's
10 Restart Action Plan and associated findings are being
11 evaluated by the Resident staff. And the results of this
12 review will be documented in the Resident Inspection
13 Report.

14 For the Systems Readiness for Restart, this is
15 actually a continuing inspection. We've documented the
16 results of our inspections last fall in the Inspection
17 Reports 2002-13 and 14. And the System Health Assurance
18 Inspection, which is 2003-03 just continues.

19 So, right now we have -- and they're also doing
20 inspections, the Corrective Action Team Inspections, doing
21 inspections in this area which are planned to be on site
22 for a couple of weeks in July and a couple of weeks in
23 August.

24 The next item is Operations Readiness for Restart.
25 Part of this is being evaluated by the Management and Human

1 Performance Phase Three Inspection, which will be the work
2 next week to evaluate the Restart Readiness Meetings.

3 And also the Resident Inspectors have inspections
4 that they do at the mode changes. And we're also planning
5 a Restart Readiness Assessment Team Inspection when the
6 Utility is ready to go to Mode 4 for the second time. That
7 would be our inspection for that area.

8 Restart Checklist item 5d is Test Program
9 Development and Implementation. And the Licensee is
10 developing certain tests, such as the Normal Operating
11 Pressure Test and Control Rod Drive Tests, and several Post
12 Maintenance and Post Modification Tests. And the NRC
13 actions are to review those tests prior to evaluating this
14 Restart Checklist Item for closure.

15 The next slide shows some Licensing Issues. The
16 first bullet on the ASME Code Relief Requests, we had
17 closed Items 6a through 6f. That was documented in
18 Inspection Report 2003-04.

19 And then the second bullet is our new item that I
20 talked about earlier, which is 6g, which is relocating
21 those test requirements from the tech specs to the USAR.
22 And the NRC has that amendment request under review.

23 And the third bullet is Restart Checklist Item 7,
24 which is the Confirmatory Action Letter Resolution, and a
25 meeting to discuss restart.

1 So, right now, we're tracking the Confirmatory
2 Action Letter items, and we have documented the status of
3 those in a couple of letters that are available on our
4 website. And once all the CAL items are closed, then we'll
5 be able to address this item.

6 So, that provides the NRC's Restart Checklist Item
7 Status, and what I plan to do going forward is just talk
8 about the ones that are open. And then, of course, the
9 records where they're closed will always be available.

10 So, that's all I have on the Restart Checklist
11 Items. Unless there is any other comments from the NRC
12 folks, I'll turn it over to FirstEnergy.

13 MR. GROBE: Thanks,
14 Christine. We haven't done that in awhile. I appreciate
15 your patience going through it. We added, as Christine
16 indicated, in the monthly update, a complete list on the
17 Restart Checklist on which items are closed. This is such
18 a long-term complex project, it might be difficult for
19 folks to find where we addressed various issues.

20 I think what I'm going to ask is Viktoria, our
21 Public Affairs Officer, to do is put the referenced
22 Inspection Reports behind each checklist item and continue
23 providing this in our monthly updates, so that folks can
24 understand what issues are closed and which reports, and if
25 they're particularly interested in a specific item, they

1 can get that report directly off our website or call our
2 Public Affairs Office and they'll provide a copy.

3 Thanks, Christine.

4 MS. LIPA: Go ahead.

5 MR. MYERS: Okay. Our Desired

6 Outcomes today are first to provide you an update on the
7 remaining Mode 4 and 3 activities and operational
8 readiness.

9 Now, what that really is for the public, is our
10 plans that we have in place, how we're progressing to heat
11 the plant up for the first seven-day test; not using
12 reactor heat, but our pump heat that we described in some
13 of the other public meetings. So, to give you an update on
14 that today.

15 We'd also like to provide an understanding, if you
16 would, of the high pressure injection pump modification
17 status that we're making. Then, discuss the quality of the
18 performance of Operations, Engineering, and Maintenance,
19 is on the agenda today. That's one of the, those are the
20 items that we looked at as actions from the last public
21 meetings, so we have, each one of those areas will be
22 discussed.

23 I would like to provide information on numerous
24 actions taken to regain the safety margin. That gets back
25 into the actions we've taken from a people and plant

1 standpoint, design standpoint, from a safety culture
2 standpoint, if you will. What we'll do there is status you
3 on the actions we've taken since the last meeting. And,
4 finally, if time permits, we'll give you a status of our
5 milestones and remaining activities that we see prior to
6 restart.

7 AUDIENCE MEMBER: Mr. Myers, this
8 sound systems is atrocious. I think you should take a few
9 minutes here and get it sorted out before we continue.
10 (Off the record.)

11 MR. MYERS: So, let me go
12 through these again.

13 The Desired Outcome today, Mode 3 and 4, that's the,
14 the heat-up of the plant and the seven-day testing. Our
15 Desired Outcome today is to provide an update on the status
16 our Operational Readiness in this area.

17 The second outcome is to provide an understanding,
18 if you will, of the high pressure safety injection
19 modification that we discussed and the status of that
20 modification in our last meeting.

21 Next was discussed the quality of the performance of
22 Operations, Engineering and Maintenance. Those three areas
23 were discussed in the last public meeting, and the NRC
24 asked us to provide you with an update today, so we're
25 prepared to do that.

1 Finally, to provide information on the numerous
2 actions taken to regain, regain and improve the safety
3 margins of the plant. We talked about Safety Culture last
4 time, and we gave you our plan going forward. We had
5 numerous activities that we've completed since the last
6 meeting and we're going to update you on those activities.

7 And, finally, if time permits, we'll provide you
8 with a status of our milestones and remaining restart
9 activities that we have, as we see them.

10 With that, our first presenter is Mark Bezilla.
11 Mark is going to provide you with Containment and remaining
12 activities for the heat-up using nonnuclear heat pump heat,
13 if you will; and really status you on our plant, the
14 overall plant status now, the way we see it.

15 With that, I'll turn it over to you Mark.

16 MR. BEZILLA: Thank you, Lew.

17 Next slide, please.

18 My Desired Outcome today is to provide you with an
19 update and leave you with a better understanding hopefully
20 with regard to the following; our Containment Activities
21 and our preparations for the first Mode 4 and 3.

22 As Lew said, that's the heat-up and pressurization
23 of the Reactor Coolant System to normal operating pressure
24 and near normal operating temperature using reactor pump
25 heat, and our Desired Outcomes for this first Mode 4/3.

1 Next slide, please.

2 First, I would like to provide you with an update on
3 our Containment Health Activities. In regard to our
4 Discovery Action Plans, 24 of 24 plans are complete. And
5 in regard to our Implementation Action Plans, 4 of 16 plans
6 are complete. The remaining 12 plans are drafted and are
7 expected to be complete within the next two weeks. We
8 continue to make progress on I'll say the closure of these
9 plans.

10 In regard to Containment Work, the major work in
11 Containment is complete. The equipment hatch has been
12 installed and ownership and responsibility for Containment
13 health has also been turned over.

14 Next slide.

15 We installed the equipment hatch on June 25th. This
16 is just a picture of our folks installing the hatch and it
17 being bolted up, if you will. This effectively closed
18 Containment.

19 We do have a few remaining activities to complete in
20 Containment, but they're either in progress and/or
21 scheduled. And these activities should complete in the
22 next few weeks and I believe will support our target for
23 the first Mode 4.

24 Next slide.

25 I'd just like to take an opportunity and reflect on

1 some of the major items that we've accomplished during this
2 outage. This first slide is just a picture of the new
3 reactor vessel head.

4 Next slide.

5 The next one here is a picture of our Containment
6 Sump Strainer. This is looking from almost underneath the
7 vessel towards the strainer, if you will.

8 Next slide.

9 This is a picture of the coatings that we, the
10 painting that we did on the Containment Dome, and this is
11 just a shot looking upwards from the operating deck.

12 Next slide.

13 This picture is a couple of our folks installing
14 additional reactor coolant leak detection equipment. This
15 is our FLUS monitor and this is underneath the vessel.

16 Next slide, please.

17 This is a picture of our new Containment Air
18 Coolers. This is a portrait of some of the piping that's
19 going into the actual cooler section, and additionally, we
20 refurbished and replaced a lot of the duct work and all of
21 the registers associated with the Containment Air Coolers.

22 (Off the record/microphone problems.)

23 MR. BEZILLA: Okay. Next slide,
24 please.

25 This is just a picture of I'll say our improved

1 closure for two of our important decay heat removal system
2 valves located in the basement of Containment. We refer to
3 this as our decay heat valve tank, if you will.

4 Next slide.

5 From a Containment Ownership standpoint, we recently
6 on July 3rd, conducted a ceremony, a ceremonious turnover
7 of Containment Health Ownership. This was from our
8 Containment Health Project Manager, Tim Chambers, to our
9 Operations Manager -- actually it was his second, Scott
10 Rice, who is an Ops Superintendent. Mike was off when we
11 took this picture. This ceremony, I'll say, signified the
12 turnover of Ownership for Containment Health to the
13 Operations Staff, Operations Section.

14 In summary, from a Containment activity standpoint,
15 the activities are coming to a closure. The equipment
16 hatch is installed. Ownership of Containment Health has
17 returned to Operations, and I'll say we're making the final
18 preparations needed to support our first Mode 4 evolution.

19 Next slide.

20 I'd now like to just provide you with an update on
21 the key activities required to support this first Mode 4
22 evolution.

23 We will conduct our Restart Readiness Review
24 Meetings on July 10th and 11th and 14th and 15th. These
25 meetings provide us a forum to review our peoples, the

1 plants, and our processes readiness for the mode change.

2 As an example, on the 10th and part of the 11th,
3 we'll have a number of our system managers come in and
4 report out on System Health and Readiness for this first
5 Mode 4 evolution. Then, we'll move into having our
6 managers report out on their departments readiness to
7 support the first Mode 4 evolution. And then Monday and
8 Tuesday, we'll spend assessing the Safety Culture, and I'll
9 say our Culture Readiness to support this first Mode 4
10 evolution.

11 We have approximately 690 low hold restraints and
12 these things can be anything from a work order to a
13 question, if you will. We have work orders. We have post
14 maintenance tests. We have surveillance tests.

15 I've reviewed these restraints. Actually it was a
16 couple weeks ago when I took a look at them. I believe
17 we'll be able to clear those items to support our target
18 for this first Mode 4 evolution.

19 Key activities remaining. We have our high pressure
20 injection pump installation. We have our high pressure
21 injection pump recirculation line modification; and this is
22 recirculation when we would be in the containment sump
23 supply mode through the LPI pumps to the AVI pumps.

24 We have our electrical transient analysis program
25 related modification, and there is six of those that I will

1 say are pretty well on their way from a development
2 standpoint as well as from a beginning activities in the
3 field.

4 And we have our motor thermal overload protection
5 related modifications, and these are fairly simple mods.
6 There is 53 of these that will be installed at the breakers
7 for various components, and I believe we have a good handle
8 on those and what we need to do to complete that
9 modification, if you will.

10 In summary, I believe we know what needs to be done
11 to be ready for this first Mode 4; and I believe we'll be
12 ready to support our target.

13 Next slide, please.

14 Now, let me just talk briefly about our Desired
15 Outcomes for this first Mode 4. I believe this first Mode
16 4 evolution will provide us valuable insights into our
17 people's ability to perform, their behaviors and attitudes,
18 our plant's health, our equipment performance, our
19 capability, and our processes usability and effectiveness.

20 Through the use of our Corrective Action Program and
21 our Observation Program, we will be able to document
22 problems and opportunities for improvement and then use
23 this information to make changes to improve our people, our
24 plant, and our processes.

25 This first Mode 4 evolution will provide us valuable

1 insights, opportunities for improvement, and confidence in
2 our ability to safely operate the Plant.

3 That completes my presentation. Any questions?

4 MR. GROBE: No. Thank you.

5 MS. LIPA: No.

6 MR. BEZILLA: With that, I'll
7 turn it over to Bob Schrauder and he'll give you an update
8 on our high pressure injection modification.

9 MR. SCHRAUDER: Thank you, Mark.

10 Like Mark said, I'll give a brief update on where we
11 are at with the modification we have planned for the high
12 pressure injection pump. I'll provide the project status,
13 some preliminary findings that we found to-date and how
14 those findings may have deviated from what we expected to
15 find at this point.

16 Give us a little bit of an update and discussion
17 about what we learned. We had an opportunity to visit
18 people in France, the original manufacturer of this pump
19 line, if you will, and what we've learned from them and
20 their activities in modifying their pumps.

21 And then, finally, I'll talk about where do we go
22 from here with what we've learned and how do we bring this
23 to some conclusion.

24 Next slide, please.

25 So, in regard to where we're at; we did have the

1 original modification design concept. We completed that
2 concept, which came as a basic location and the shape of
3 the strainer that we intended to install in the high
4 pressure injection pumps. We've completed the stress and
5 hydraulic design analysis for that design concept. And we
6 have initiated the failure modes and effects analysis, and
7 that analysis in the review and approval cycle as we
8 speak.

9 Now, some of those analyses may in fact have to be
10 adjusted a bit as we finalize and refine our modification
11 in the final modification, then we'll go back into the
12 analyses and make sure they are appropriately covered in
13 these original analyses.

14 We have completed our in test -- our in-plant
15 testing, and that testing was a baseline test to measure
16 the vibrations of the rotor dynamics of the install high
17 pressure injection pump.

18 And then we did a second test that we called the 2X
19 Test, which essentially opened up the internal pump
20 clearances to twice the normal clearance in those, which is
21 actually more than what we would expect to see as a result
22 of debris enacting on those clearances in the internals of
23 the pump.

24 We had to verify that the pump with those expanding
25 clearances would continue to operate appropriately and we

1 confirmed that; that the vibration was good on the pump and
2 the pump continued to deliver the flow required in those
3 scenarios.

4 We did set some initial assumptions for our testing
5 or our mockup. Those things included things like the
6 debris loading we would model, the tank size we would use,
7 reached the decision we needed to agitate, if you will, the
8 debris bend that we were using in order to keep it in
9 suspension so it wouldn't settle out; looked at what flow
10 rate we would model in the pump that we're using to simulate
11 what we expect would be the worse case conditions.

12 And, we have begun our mockup testing at our
13 laboratory facility. And the actual pumps from our
14 facility have been removed, the internals, the pump, the
15 rotating assembly have been removed from the plant and
16 shipped to our modification facility and have been
17 disassembled there and are waiting our final design to be
18 installed in those pumps.

19 Next slide, please.

20 This is a couple of pictures of our test facility.
21 This first one up here shows our, this is our tank back
22 here, and our bank of flow loops that simulate various
23 portions of the pump.

24 We have one loop that simulates a suction wear ring,
25 and how debris might impact that.

1 We have another loop that simulates the discharge
2 wear ring.

3 We have another loop that simulates the center
4 volute pushing in this pump, again for debris wear ring on
5 the internals there.

6 And then a fourth loop which is the loop that we've
7 installed, what I'll call a facsimile pump that has a very
8 close design to the impeller in the volute of our pump
9 where we actually install the various designs for the
10 screen that we were testing at this facility.

11 And when you look down this row, it looks like there
12 is a lot more than four pumps in there, and there are in
13 fact more than four pumps and more than four loops, because
14 we have installed a spare pump for all of these except the
15 pump that has the actual strainer in it.

16 So, each of these has an installed pump in the
17 process, so if something were to happen to the pumps that
18 are there, we have the ability to move on and continue in
19 another loop there.

20 The picture on the left over here is looking down
21 into our tank and it shows the agitators. Of course, you
22 might ask, that doesn't seem like it will agitate very much
23 being the amount of water there, but there is actually
24 another impeller that's down in the water. And this is if
25 the tank volume is higher. So, there is a rotating

1 agitator here, and then there is another one down on this
2 end of the tank that keeps the debris in suspension and
3 makes sure that it's a uniform distribution of the debris.

4 Okay. Next slide, please.

5 This then shows that the pump that I was talking
6 about here on the left, this simulates very closely our
7 volute and impellers in our pumps. And this is where we
8 install our strainer design. And we have the capability of
9 installing two strainers in this thing and running two
10 simultaneously.

11 So, what happens, I have these pictures next to each
12 other. We run this debris water through this pump with the
13 strainers installed, various size of the strainer we've
14 used. And we're testing in this mockup the self-cleaning
15 aspect of our strainer. That is, with the various size,
16 the flow will meet our assumption on being able to keep
17 that strainer self-cleaning.

18 And, then, we take what we would expect to get
19 through the strainer then, that would be able to find its
20 way to the hydrostatic bearing. Would take debris of that
21 characteristic and insert it into this mockup, which is,
22 has a separate tank then that we take suction from, and
23 actually pump it through this rig, which is a mockup of the
24 hydrostatic bearing itself. And this is actually a real
25 hydrostatic bearing that's installed in this. And it is

1 the hydrostatic bearing from the spare rotating assembly
2 that we have at the plant. So, it's kind of the process of
3 how this flow loop and test facility was set up.

4 Next, I want to talk a little about what we found
5 to-date and how that deviates from what we expected to
6 find.

7 Before I go into this, I want to go one slide
8 forward, please, and talk about the -- this is the
9 hydrostatic bearing right here. And the hydrostatic
10 bearing, the purpose of the hydrostatic bearing, is it
11 basically supports the end of the shaft and keeps the shaft
12 rotating smoothly in the pump.

13 So, the shaft, a sleeve on the shaft actually fits
14 inside this; and this view here is just looking down in
15 side it.

16 When I talk about the bearing pads, that's this area
17 here. This is the area that water flows into this to
18 support the shaft. This over here, between these two, is
19 what I'll call a reservoir of water that feeds the pads.
20 And this port here is the outside of that port that comes
21 in.

22 And these columns here is where the water and any
23 debris that would be in the bearing is ejected from the
24 bearing itself.

25 Give you the next pictorial, please.

1 These are the areas of concern that we were looking
2 at from the hydrostatic bearing. Our major area of concern
3 essentially as we went into our testing was that this
4 entryway, if you will, this supply line to the hydrostatic
5 bearing was a smaller diameter than the diameter of our
6 sump screen that we just installed.

7 So, what that means is debris could get through the
8 sump strainer and could make its way to this core and plug
9 that, robbing the hydrostatic bearing of the need of water
10 to support the shaft in the pump.

11 This area here is that area that I showed you that I
12 called the reservoir. So, these two ports feed that
13 reservoir, which in turn feed the five ports around the
14 hydrostatic bearing into, this is the bearing pad.

15 Now, one of our, I told you that we achieved our,
16 and agreed upon an initial set of assumptions that we were
17 using. One of the assumptions or expectations that we had
18 was that, this was the primary concern; again, blocking
19 this supply line of water. And that any debris, small
20 debris that got into, found its way into the bearing pad
21 area, that this shaft spinning in here at 3600 rotations
22 per minute would simply grind up that debris and expel it
23 through these clearances and out the port with the water.

24 This clearance is a little misleading by way of,
25 it's not to scale. So, the clearance from this pad over to

1 this ejection port is 6 mils. Okay. And that's important
2 to remember that clearance is a clearance that has some
3 findings that we're not expecting to see occur.

4 So, go back the two slides now to the word slide
5 that we have.

6 Our original strainer design concept again was a 90
7 mil strainer, which would provide sufficient straining of
8 the water to those inlet lines of the hydrostatic bearing
9 and would not clog them.

10 We tested that design, and that design tested
11 satisfactorily for us from the aspect of it was a
12 self-cleaning strainer, it stayed clear, it did not plug
13 for the duration of the time that we ran that strainer.

14 However, what we did see that was different than our
15 assumption going in, was that the debris that was in the
16 water that got to the hydrostatic bearing itself was not
17 ejected by the rotation of the shaft inside the bearing.
18 And, in fact, we saw the bearing pads fill up with the soft
19 debris. It was not ejected.

20 So, we had a good design by way of keeping the
21 strainer clean, but it did not get the expected results
22 inside the hydrostatic bearing itself.

23 So, at that point, recognizing that we were going to
24 need to reduce the size of the bearing, or the debris that
25 got into the bearing itself, we began to modify our tests

1 and debris for that, so we would sift the debris down to
2 smaller sizes.

3 What we found is when we got down to about 12 mils
4 for our debris size, the bearing did clear itself as we had
5 expected that it would with the 90 degree, or 90 mils.
6 However, the very hard debris in that loading, the harder
7 debris that we found in there, this would be things like,
8 that would represent small concrete chips or sand particles
9 in there, were actually scoring the shaft sleeve itself
10 more than we had anticipated that it would.

11 So, that kept it clear, but impacted the sleeve in a
12 manner we were not anticipating. So, what did that tell
13 us? One other point, I want to bring up, I guess.

14 The other thing that we saw that surprised us, I'll
15 say, was in testing our strainers, various size strainers
16 that we looked at, 90 mils, 30 mils, 12 mils, we saw a
17 phenomenon that, when you initially loaded debris into our
18 tank, these strainers would remain self-cleaning and did
19 not plug, but after about, in some cases 24 hours, they
20 would plug.

21 And in a couple of instances, they plugged, which we
22 weren't expecting; we took it out, cleaned it off,
23 reinstalled it, ran the loop again, and it plugged much
24 faster the second time. Took it out, looked at the debris
25 that was on it, cleaned it off, and put it back in, and it

1 plugged even faster.

2 What we're seeing, we believe, we don't fully
3 understand it, but we're continuing to look at, is the
4 debris as it wears or ages or goes through our test loop,
5 changes its characteristics and its ability to plug the
6 screen. Like I said, we don't exactly know what that means
7 yet, but we do know that that phenomenon is fundamentally
8 related to fiber in the material, or in the debris.

9 So, we are continuing to look at that, and we're not
10 sure that we're not creating a test-induced issue, that
11 it's not exactly what we would see in our actual
12 containment environment. We're continuing to look at
13 that. That's one of the things that we were not expecting
14 to see in that.

15 This next bullet on the debris fiber. These first
16 few bullets that I was talking about were related to the
17 hydrostatic bearing. This next one relates to the wear
18 ring, suction in and discharge wear rings. And that,
19 again, this was fiber, predominantly fiber in this became
20 lodged part way through those clearances, forming a, what
21 I'll call a debris pad, that wore those clearances in a
22 nonuniform manner different than we expected the wear to
23 occur on that.

24 Again, that seems to be largely due to the fiber,
25 and later in the cycle of that. So, we don't know about

1 that yet either, whether that's, you know, I showed you
2 those agitators. We're agitating this stuff a lot and it's
3 cycling through this loop a lot more frequently than it
4 would cycle through containment, and it is not refiltered
5 as it comes in.

6 So, in the actual containment, as you took suction
7 off the sump, discharge it through your system, and came
8 back out the system; it has to come back around the
9 transport theory and come back in through the stainer now
10 that we have other matting on it, and get back into the
11 pump.

12 Our system simply takes it, pumps it through, dumps
13 it right back into the tank. So, we're continually
14 recycling. So, it's another area that we have to continue
15 looking at, but it's impacting the clearances on the wear
16 rings also.

17 So what does all that tell us? It tells us that
18 our initial findings indicate that conditions more closely
19 modeling what we really expect to see in the containment
20 need to be looked at; and that would include potentially
21 changing the environment that we currently expect to see.
22 That is, again, the issue that we see predominantly is
23 fiber.

24 So, part of our analysis may indeed lead us down the
25 path of removing all remaining fiber and all known fiber

1 from the containment, so that we eliminate that as a source
2 concern while we continue to investigate whether it's a
3 test phenomenon that we see or something that's a real
4 phenomenon.

5 Did you have a question?

6 MS. LIPA: Yeah, when you
7 talk about you want to model truer conditions to what you
8 expect, is that what you're talking about, fiber? Any
9 other conditions that you're looking at?

10 MR. SCHRAUDER: Well, we would
11 relook at the entire setup assumption. We knew going in
12 that we put in a debris loading, let's call it, that was
13 clearly conservative. It's two things with that sump that
14 we have installed. Two separate set of assumptions that we
15 use. One is transport theory, when you're loading that
16 strainer, I'll talk about the sump strainer now.

17 When you're loading that, you make the assumption
18 that nothing really gets through it. You load the entire
19 thing and then you do an analysis that it would stand that
20 load and then you still have sufficient net positive
21 suction head to your pumps.

22 Our assumption is just the opposite, and that is,
23 all of the debris that's transported to the strainer that
24 is of the size smaller than the strainer holes, all of that
25 gets through the strainer and is now available for suction

1 to the pump. And that is clearly the worst case that you
2 can see there. But is it so much worse case as to not be
3 real?

4 That is, and then to continue that hundred percent
5 loading through the system more times than it would really,
6 you know, that the sump volume is quite a bit larger than
7 the actual sump, on the order of five hundred thousand
8 gallons, where our tank is nine thousand gallons. So,
9 we're rotating that same water through the system quite a
10 bit more often.

11 And again, if it goes through containment, through
12 the system out through containment, some of it cycle again,
13 some of it not get through containment. So, we need to
14 make sure we're not setting up a condition in the test that
15 you just can't meet.

16 So, that's what I meant by going back and relooking
17 at those assumptions that we're using, up to and including
18 just removing the fiber from the containment so we don't
19 have that.

20 MS. LIPA: Okay, thank you.

21 MR. SCHRAUDER: And we have run
22 tests at the facility without fiber in it. And we have had
23 very good performance where there is not fiber in the
24 debris. So, we're thinking that it's probably good to go
25 ahead and remove the fiber.

1 MR. RULAND: This question may
2 be premature. Originally, you decided to put the fiber in
3 this, in your test mixture, because of course you saw there
4 could be fiber in containment that would be transported.

5 Can you share with us a little bit about why you
6 think you're going to be able to say why you don't need
7 fiber in the test?

8 MR. SCHRAUDER: I would go into
9 the containment and remove all known fibrous installation
10 out of the containment. Replace it with mirror
11 assumption.

12 MR. RULAND: So, what you would
13 do is basically change your containment assumption?

14 MR. SCHRAUDER: That's right.

15 We had been removing over the years fibrous
16 insulation from containment anyway. We had been removing
17 over the years insulation out of containment and we would
18 just accelerate that process and get as much as we know
19 that's in there out today. We believe we know where all of
20 the fibrous insulation is at in containment. And that
21 we'll be looking at, and likely be doing that.

22 MR. RULAND: Thank you.

23 MR. GROBE: I have a couple
24 questions, Bob. The first bullet on this slide, "Strainer
25 design with 90 mil holes operated satisfactory, (no

1 plugging)." How long was that test?

2 MR. SCHRAUDER: It was in excess
3 of 24 hours, and we disassembled it and there was no sign
4 of debris totally.

5 MR. GROBE: Okay. For the
6 smaller hole size screens that you ran, I think you ran 30
7 mils and then some smaller than that. What other tests
8 have you run so far?

9 MR. SCHRAUDER: Okay, we have
10 run -- that's a good question, Jack. Brings up something
11 else I want to bring up anyway.

12 We have run strainer designs down to 5 mils, so
13 we've run 5 mil strainers, we've run 12 mil strainers,
14 we've run 30 mil strainers and we've run these 90 mil
15 strainers. Hole, okay?

16 We are also looking at and have begun testing of
17 strainers of other designs other than holes. There is
18 slots. There are another type, it's still holes, but it's
19 what we call a volcano strainer where you raise the surface
20 in a microscopic volcano effect, if you will, with holes,
21 then drill in there, which changes the flow velocity in the
22 vicinity of the holes to help keep them clean.

23 We're continuing to look at different strainer
24 designs as we move forward.

25 MR. GROBE: And, the results

1 of the smaller hole size strainer tests?

2 MR. SCHRAUDER: They are
3 plugging.

4 MR. GROBE: They are
5 plugging?

6 MR. SCHRAUDER: With the debris.
7 And they plug in as little as 15 minutes, as we age the
8 debris. So, the one strainer, for instance, we ran it the
9 first time in excess of twelve hours, and if memory serves
10 me right, it was close to 24 hours. And then, it plugged.
11 We cleaned it. Put the same strainer in, same debris
12 loading, without refreshing the debris. It plugged that
13 time, I believe, in like an hour and a half. And then
14 clean it again. And the same debris field, it plugged in
15 15 minutes.

16 MR. GROBE: So, do you
17 believe if you run the 90 mil strainer longer, that it
18 would have plugged?

19 MR. SCHRAUDER: We have been
20 asking that. Bob and I discussed that several times. We
21 ran it for 24 hours, and that other one I just talked
22 about, follow-up, we didn't run it for 24 hours, I think
23 the first one was 8 hours.

24 So, we ran this one for 24 hours. Took it apart and
25 saw no signs of plugging on it.

1 Can I absolutely tell you it will never plug? Not
2 based on what we've seen subsequent. As the debris ages,
3 there may be testing and it caused it to plug, so.

4 We have, again, we're running a test right now as we
5 speak, with no fiber in a, one of our strainer designs,
6 actually it's a 30 mil strainer and a, I think it's a 7 mil
7 or 12 mil lead notched one, and that one has been running
8 now for about 36 hours with no signs of any plugging on it
9 at all. I believe that's the longest we've run one; and
10 again, no fiber in this debris mix.

11 MR. HOPKINS: Let me ask a
12 question here. How big is your tank? What I'm interested
13 in is turnover time.

14 MR. SCHRAUDER: Right. The tank
15 is nine thousand gallons. And the maximum turnover time, I
16 believe, is in the, or minimum is in the range of about 20
17 minutes if all the loops are running, depends of course on
18 how many of these loops are running, but I think we
19 estimated there was around 20 minutes, and I think that's
20 around a third to a fourth turnover time of the, what you
21 would expect in containment with all our pumps running;
22 that's the area.

23 MR. HOPKINS: Okay.

24 MR. GROBE: I would like to
25 ask a couple of questions on how you would define the

1 debris that is in the water that you're circulating. What
 2 you're doing is you're trying to mimic the conditions that
 3 will exist after an accident inside containment. Was that
 4 based on empirical data?

5 MR. SCHRAUDER: It was based on,
 6 I'll ask Bob Coward to help me with this, if I don't get it
 7 quite right.

8 We had a transport analysis performed for us, as a
 9 result of a large break load scenario. And transported it
 10 from the break around the sump, then through the sump.

11 And we took that, that was performed by one
 12 consultant for us. For the purposes of this test, we then
 13 took the transported debris that came to the sump, and then
 14 assumed that all of the debris that got to the sump of a
 15 size smaller than the holes in our strainer got through the
 16 sump and were available to the suction of the AVI pumps.

17 MR. GROBE: So, the
 18 definition of the debris is strictly, is there any data,
 19 any empirical data on tests that have been run?

20 MR. SCHRAUDER: I will let Bob
 21 answer that.

22 MR. GROBE: That can support
 23 that that's actually a valid analysis.

24 MR. SCHRAUDER: I will let Bob
 25 Coward answer this.

1 MR. COWARD: Thank you. Can
2 you hear me?

3 MS. LIPA: Yes.

4 MR. COWARD: What we did,
5 Jack, is last year when FirstEnergy modified and replaced
6 the containment sump at Davis-Besse, a good deal of
7 analysis was done in terms of what I'll call a debris
8 source term, what kind of debris could be generated within
9 containment following an accident and then also transport
10 analyses of what could be transported to the sump.

11 As Bob said earlier, the real focus of those
12 analyses was to maximize the amount of debris that could
13 set up, that could accumulate on the strainers and maximize
14 the BP across the strainer to confirm that the stainer had
15 structural adequacy and you could maintain adequate flow
16 and indicate safe release of disk pumps.

17 Since we wanted a slightly different focus, which
18 was more along the lines of what could get through, we sort
19 of took those analyses, along with the results of all the
20 NRC responsive research from the last 20 years, primarily
21 stuff from the BWR suction screener days. Most of those,
22 were your experts providing results of the NRC testing.

23 And we sort of took all that together, adjusted to
24 some extent the results of the analyses from the sump
25 modification to include the effects, what we call important

1 effects from the NRC research, and then put all that
2 together into a final debris characterization, which
3 considered what could be generated, what could be
4 transported.

5 And we actually, as a confirmatory step, the
6 organization contracted had done the initial debris
7 transport studies for the containment sump strainer
8 modification. We had them review the final
9 characterization we came up with to make sure they
10 concurred based on their studies and their understanding of
11 the NRC's research.

12 MR. GROBE: Has this type of
13 an analysis for this purpose been done before that you're
14 aware of?

15 MR. SCHRAUDER: There are debris
16 transport analyses done for, for instance, the point one
17 reactor sump strainers. There are transport analyses that
18 have been done.

19 MR. GROBE: Those are all
20 done to identify large debris that could clog the strainer?

21 MR. SCHRAUDER: Yes.

22 MR. GROBE: Not to define
23 what might get through the strainer.

24 MR. COWARD: We haven't done
25 what I would consider an exhaustive search and study, but

1 to the best of our knowledge, no, we could not find anyone
2 who had done an equivalent analysis, which was trying to
3 maximize what actually gets through. All the other
4 analyses we could identify were for the other purpose.

5 MR. GROBE: This is an area
6 where we need to focus a little attention on. I'm
7 certainly not an expert in this area, but we do have some
8 folks in Washington that are more expert. One of them is
9 now visiting your test facilities for a period of time and
10 observing your activities.

11 But, when you get into refining this analysis to
12 more closely model suspected containment environment, as
13 you start to take margin out of this design of the test
14 that you're developing, I think we need to become more
15 closely involved in what your basis is for taking that
16 margin out.

17 I know you're defining this, you're doing some
18 pretty impressive work here that I don't believe there is a
19 lot of empirical data to validate these various models. I
20 think we need to look at that.

21 This question on fiber pads. You're developing
22 debris pads. Have you checked with the folks at Three Mile
23 Island? They were in a recirculation mode for quite an
24 extended period of time, to see if they observed any
25 degradation, associated with debris pad formation?

1 MR. SCHRAUDER: No, I have not,
2 but my understanding is they did not disassemble those
3 pumps. They were highly contaminated at the end of that
4 event. So, I don't believe they did any disassembly of
5 those pumps.

6 MR. GROBE: Given the wear
7 rate that you're seeing here though, one would expect after
8 months of recirculation that the pumps would degrade and
9 fail; unlikely hours, that you're running these tests.

10 MR. SCHRAUDER: Right.

11 MR. GROBE: That might be an
12 interesting source of data. I don't know if there is
13 anything valuable or not.

14 Any other questions before Bob goes on?

15 MR. COWARD: If I could add one
16 thing just to follow up on what Bob was explaining.

17 We sort of anticipated a question along the lines of
18 what you just, the comment you just made. When the last
19 bullet up there, part of that is also intended to address
20 is; since going in, there was this presumption on pretty
21 much everyone's part; we're not afraid to acknowledge that;
22 that we were going to be successful. Everyone felt
23 comfortable with our key assumptions.

24 We felt it was okay to include a number of
25 conservatisms, sort of a common effect. And some of the

1 conservatisms we had were that from a debris loading
2 perspective, we went with what I'll call a
3 full-founding bounding-no-one-would-argue-large-break LOCA radar
4 position.

5 And then we turned around and when it came to, how
6 would we operate the pumps, what would the conditions be
7 within the pump, within these loops as it relates to how
8 this debris could degrade a pump; it turns out that the
9 limiting operating condition for the pump is actually on
10 midflow, essentially a small break LOCA operating
11 condition.

12 And since there was a presumption of everything
13 would work out okay, we actually set our initial test up
14 where we had a small break LOCA pump operating condition
15 with a large break LOCA debris loading.

16 Now, you know, we did that knowing it was bounding,
17 knowing it was conservative, but what we're, our concern is
18 whether we create a test that was overly conservative. So,
19 when we talk about more closely modeling what was actually
20 going on in the plan, it's not our intent to eliminate
21 conservatisms, it's our intent to come up with the more
22 appropriate conservative test.

23 MR. GROBE: I appreciate
24 that, Bob.

25 The thing that I would like to see is any empirical

1 data that supports the validity of these models.

2 MR. SCHRAUDER: Okay.

3 MR. GROBE: Not for some

4 clogging, but for through go of debris, because I think

5 you're on some cutting edge work here.

6 MR. SCHRAUDER: Okay.

7 Move forward a couple of slides, please.

8 Okay. Talk a little, just a little about what we've

9 found from the French. I'll go through this rather quickly

10 in the sake of time.

11 There are differences, more differences than we had

12 originally believed between our pumps and the French pumps,

13 particularly after the French did some modifications to

14 their pumps.

15 They spin at a faster rate, which we believe helps

16 expel the debris from the hydrostatic bearing. Ours is

17 like I said before at about 600 rotations per minute. The

18 French designs are 4500.

19 They have hard face in that bearing and the shaft

20 sleeve, I talked about some scoring on the shaft sleeve.

21 That's hard face in the French design. We're looking at

22 that. Those are the two big physical differences.

23 Then the modifications. They have, our take-off for

24 the supply lines for the hydrostatic bearing is on the

25 suction side of the impeller. They have moved it to the

1 discharge side of the impeller.

2 And they actually, the center volute bushing in our
3 pumps were replaced in the French pump with a second
4 hydrostatic bearing. They also did a modification to their
5 hydrostatic bearing that assists that bearing in the event
6 of no flow to it, being able to continue to support the
7 pump shaft.

8 So, that's the fundamentals of what we learned from
9 the French. We'll particularly be looking at two of those
10 things; that is the hard facing of the, particularly the
11 shaft sleeve. We believe that the bearing itself is quite
12 hard, but then the sleeve is a softer material. We'll be
13 looking at potentially hardening that. We're also looking
14 closely at this location of the take-off, whether it might
15 be more beneficial to have it on the discharge side of the
16 impeller.

17 So, where do we go from here is the next discussion?
18 We believe strongly yet that pump modification remains our
19 primary success path. We believe we will be successful,
20 particularly if we combine the modification with the
21 removal of the remaining known fiber in our containment.

22 We will look at revising our initial assumption
23 again to more closely model actual containment
24 environment.

25 We will continue our testing of various strainer

1 designs, and debris impact on the hydrostatic bearing.

2 We will refine the modifications to the strainer as
3 we see coming out of the test are necessary.

4 And then, we will make a final resolution decision
5 on this issue, whether we have a success on the
6 modification as we've planned for the pumps or whether we
7 need to go back to our original replacement option. But,
8 our preferred path and our expected success path remains on
9 modification to our existing pumps.

10 MR. HOPKINS: I have another
11 question here. Just back to tolerance and about break
12 size. Are you running tests for certain break size, like
13 .05 square feet, because then I'm left with wouldn't you
14 need multiple tests of a spectrum of break sizes?

15 MR. SCHRAUDER: Well, actually, I
16 think what Bob says is we have maximized the conservatism
17 by taking a pump running under small break LOCA scenarios,
18 which is the worst for keeping the strainer clean, because
19 it's the smallest flow across the stainer. We've coupled
20 that with the worse case debris loading, which is the large
21 debris loading. In a small break loading, you don't get
22 nearly the debris generation as you get in a large break
23 loading.

24 So, we believe we have overmaximized, if you will,
25 the, the duty of the pump.

1 MR. HOPKINS: Okay. I would be
2 interested in what the flow differences are, if you're
3 trying to pick the smallest break to essentially bound
4 larger breaks that you have larger flow with larger
5 breaks.

6 MR. SCHRAUDER: We'll get to that,
7 but the smallest break, actually the smallest flow is when
8 the pump is on midrecirc.

9 MR. HOPKINS: I would like to
10 see that.

11 MR. SCHRAUDER: Sure.

12 MR. GROBE: John, when is the
13 last time we had a briefing of the NRR staff on this
14 testing?

15 MR. SCHRAUDER: Between our last
16 meeting and this meeting. So, it's been within the last
17 couple of weeks; June, shortly after our last meeting here,
18 Jack.

19 MR. GROBE: Maybe it's a good
20 time now to talk to you folks with the reactor regulation,
21 and give them a brief update on what we've heard today, and
22 determine whether or not we want a more detailed briefing,
23 and get back with Kevin Straus and set that up if it's
24 necessary.

25 MR. HOPKINS: Yeah, that's

1 fine.

2 MR. SCHRAUDER: Okay.

3 MR. GROBE: I have one other

4 question. To determine final resolution, do you have a

5 schedule for that, do you have an anticipated time when

6 you're going to determine final resolution?

7 MR. SCHRAUDER: Not an exact

8 date. We would expect, again, by the end of this week,

9 through the weekend, we continue to run the two strainer

10 designs that we have right now that have no fiber in there,

11 coupled with the decision to go in and remove existing

12 fiber; we might be in a position that we know how

13 successful modification is put into these pumps. I'm going

14 to say within the next week or so, at which point we can

15 make a decision.

16 What we have, we watch where we're at, at the plant,

17 and based on how long it takes us to get the pumps in, get

18 the modification done, back that up, and know where we have

19 to make that decision.

20 MR. GROBE: Okay. Any

21 questions?

22 MR. SCHRAUDER: Thank you.

23 MR. GROBE: I would like to go

24 backwards, if we could. I thought of a question for Mark.

25 I didn't want you to get off too easy there.

1 On slide 15, it talks about conducting normal
2 operating pressure check of the upper head and lower head.
3 And, I know that we had a meeting last November on the
4 Normal Operating Pressure Test and we had another meeting
5 in April I believe on that test, and then there is a
6 conference call or two on some details of that testing.

7 I believe the outcome of that conference call --
8 I'm sorry.

9 (Microphone problem)

10 MR. GROBE: What I was saying
11 was, the normal operating pressure tests, we've had two
12 public meetings on that test, last November and April. And
13 then we had a conference call or two to discuss some
14 details of that test. And I believe that you folks owe us
15 a letter that answers a number of questions, provide some
16 additional information on the test parameters and
17 acceptance criteria; is that correct?

18 MR. SCHRAUDER: Yes, Jack, that
19 letter is under development and will be submitted.

20 MR. GROBE: When will we
21 expect to get that?

22 MR. SCHRAUDER: I suspect we'll
23 get that out this week or next week.

24 MR. GROBE: Okay. And we may
25 have a need for another discussion on that test, yes, on

1 the Normal Operating Pressure Test after we get that

2 additional information. Okay. Thank you.

3 MR. GROBE: Okay, Mike.

4 MR. RODER: My objective this

5 afternoon is to discuss Operations Performance,

6 Improvements and also Readiness for Modes 4 and 3.

7 First, I'll give you an overview of our Continuous

8 Improvement Business Practice. Then how we use Performance

9 Indicators.

10 (Microphone problem.)

11 MR. RODER: I'll start over.

12 Thank you. Four items to be discussed. First, I'll

13 give you an overview of our Continuous Improvement Business

14 Practice. Then I'll discuss how we use Performance

15 Indicators to monitor our performance. Some of our

16 improvement plans captured in our 2003 Operational

17 Excellence Plan. And then finally our Readiness for Modes

18 4 and 3.

19 Next slide, please.

20 Our Continuous Improvement Business Practice is the

21 process we use to evaluate existing standards of

22 performance, cost change, and improve those standards of

23 performance.

24 Inputs in the processes include Condition Report

25 data, Observation Program data, operating experience,

1 benchmarking, self-assessments and performance indicators.

2 Outputs from this business practice include
3 training, operating crew, and individual development plans
4 and monthly focus centers.

5 The Assessment Process includes an aggregate review
6 of all the inputs and management process to determine the
7 actions necessary to effect improvement on a quarterly
8 basis.

9 Next slide, please.

10 At Davis-Besse, we use a Windows format for
11 performance indicators. The colors represent the relative
12 health of the indicator. You see four colors. There is
13 green, white, yellow and red. And they indicate the
14 relevant strength; green being strength, white being
15 satisfactory result, yellow indicating improvement is
16 needed, and red indicating a weakness.

17 For the month of June, Operations has four improving
18 windows, seven stable and three declining areas.

19 Next slide, please.

20 The clearance process is the key process for FENOC.
21 This is a process we use to remove equipment from service
22 and set up safe maintenance conditions and then reestablish
23 the condition back to service.

24 Here's the result of personnel injury, equipment
25 damage or plant practices. Therefore this process is zero

1 tolerance process, we have low thresholds. The trend of
2 this indicator in 2002 was a slow decline. Actions were
3 taken earlier this year to improve the procedure,
4 strengthen the clearance preparation activities, and
5 increase field observations and improve prejob briefs prior
6 to hanging clearances. Although recently inadequate
7 clearance in June, the overall performance has improved.

8 Next slide please.

9 Configure Control Indicator is our way of monitoring
10 how well we're maintaining plant configurations. This is
11 another key process of FENOC to ensure equipment
12 readiness. This particular indicator was used for early
13 identification of the negative trend. The plan has been
14 developed and implemented to improve performance through
15 the use of our self-check simulator, increased field
16 observations, and additional verification of components in
17 the field. Improvements of the implementation of these
18 actions has already prevented one configuration control
19 issue.

20 Next slide, please.

21 Operations Self-Identification Rate is used to
22 monitor our level of being self-critical in the initiation
23 of Condition Reports. Again, at the end of last year, we
24 showed a steady decline in this performance indicator.

25 We took actions by establishing expectations for

1 initiating these reports, trained all the operators in
2 these expectations, and we continue to reenforce positive
3 behaviors.

4 And as you see, results have been steadily increased
5 that has exceeded the previously established goal. And, in
6 fact, last month we increased our goal to make sure we
7 challenge ourselves for continued performance.

8 And next slide, please.

9 The last three indicators I'd like to talk about are
10 control room deficiencies, operator workarounds, and
11 temporary modifications. Each one of these, we set
12 challenge goals for startup and all these equipment issues
13 are scheduled and on track resolution.

14 Next slide.

15 Let me briefly talk about Operations Readiness for
16 Modes 4 and 3. We've recently completed our Just-In-Time
17 Simulator Training, which included Reactor Coolant System
18 heatup and preparation modes, as well as equipment
19 malfunctions and use of abnormal and emergency procedures.

20 We're up-to-date on modification training of
21 installed equipment. We're currently performing our crew
22 evaluations on the simulator to ensure crew readiness. As
23 we observed these evaluations, we find opportunities to
24 improve, those are discussed, and we recheck on the
25 simulator.

1 We've also been performing several plant
2 activities. Numerous system alignments have been
3 performed. We've had some challenges with alignments and
4 we're addressing those on a case by case basis; however, I
5 would characterize overall performance as being good.

6 Containment has been turned over to Operations after
7 we have steps of proper housekeeping. And we're continuing
8 to monitor housekeeping of maintenance after activities are
9 completed.

10 Reactor Coolant System was pressurized at 50 pounds
11 and then 250 pounds performance of testing. This required
12 multiple systems to be placed in service and operated.
13 These evolutions were done safely and successfully.

14 Currently, we're performing startup of the secondary
15 plant for testing and assessing of our personnel. Again,
16 this evolution has been performed safely and successfully.

17 Finally, we will be completing the Restart Readiness
18 Review Meetings to ensure our readiness. Based on my
19 preparation for these meetings, I believe Operations is
20 ready for restart.

21 That is my prepared presentation. Are there any
22 questions?

23 MR. THOMAS: Mike, one of the
24 indicators, and I believe it was in the area of safety was
25 red. I can't read the handout. What --

1 MR. RODER: There were two
2 areas there were red. One was safety, one was budget. In
3 the area of safety, it has been green for numerous months.
4 We just recently had an operator that had a back screen
5 after attempting to operate a valve. And that immediately,
6 it was an OSHA recordable event. Immediately turned the
7 window over to a red color.

8 Any other questions?

9 MR. GROBE: Personnel safety.

10 MR. RODER: Personnel safety?

11 MR. GROBE: First off, I want
12 to thank you for this. This is very helpful. I believe
13 we've requested copies of these monthly indicators. I
14 haven't been in the office a whole lot lately, but I'm not
15 sure we received them yet. Is that in process?

16 MR. PRICE: We sent you the
17 May, but June are just being updated right now.

18 MR. GROBE: So, it's just in
19 my mailbox then. Okay, great.

20 I appreciate you sharing these with us, and sharing
21 with us both the positive and the negative, you know.
22 It's, you've clearly chosen very important topics. And, I
23 believe Operations was one of the very earliest departments
24 to establish expectations, and to communicate those with
25 their staff.

1 And, through the observations we've seen, although
2 you are having some continuing challenges, there appears to
3 be an appreciation, maybe even a passion for achieving
4 those expectations. And nobody is expecting you to be
5 perfect, but I appreciate both the additional information
6 we're getting from these kinds of indicators as well as
7 what we've been observing in Operations.

8 Any other questions or comments?

9 MR. MYERS: There are some of
10 us that are expecting it to be perfect.

11 MR. GROBE: Okay.

12 MR. RODER: After that, I
13 would like to turn it over to Jim Powers.

14 MS. LIPA: Before we take
15 your turn, Jim, I would like to take a quick break for
16 everybody. So, ten minutes. I show 3:31, so that's 3:41.
17 Thank you.

18 (Off the record.)

19 MR. GROBE: Why don't we go
20 ahead and get started. We have Jim Powers next.

21 Today is a special day for Jim Powers. He's nearly
22 half a century. Happy Birthday, Jim.

23 MR. POWERS: Thank you. I have
24 a lot of activities today on my birthday.

25 This afternoon I would like to talk about

1 Engineering Performance, and my desired outcome is to
2 provide a focus on three of the major areas that we've been
3 working at; that is our people, the quality of our
4 products, and our processes that we do with engineering
5 activities.

6 Some of the actions that we've taken over the course
7 of the outage include Design Reviews that we've conducted
8 and we talked about these in past meetings, but a quick
9 summary of them.

10 Our System Health Assurance Plan Reviews, Latent
11 Issues Reviews; both of those focused on our safety systems
12 at the plant and were very in depth. We had a lot of
13 outside expert help going through our systems.

14 We also did a Safety Function Validation Project
15 looking in more detail at design attributes of our safety
16 systems. These reviews resulted in topical areas, which we
17 collectively looked at, things like high energy line break,
18 seismic design of the plant, our fire protection system
19 program at the plant.

20 And, all in all, a quick count that I asked for this
21 week from our safety analysis engineers to summarize how
22 many calculations did we look at, and assess during the
23 course of an outage. It's approximately 1500. In fact,
24 it's likely much more than that when you talk about all the
25 ones we evaluated.

1 There were over 1100 of those calculations actually
2 issued either as revisions or new calculations, so those
3 form the backbone of our design basis of the plant for
4 safety significant systems and so a major effort out
5 there, major actions on improving the health of our design
6 basis.

7 In the program area, we've talked in the past about
8 the programs that we reviewed as a building block
9 activity. There were more than 60 of our key programs that
10 we put through a process of having the owners defined,
11 having them give a statement of the health of their
12 program, and including the benchmarking of other industry
13 programs that was similar, what kind of self-assessments
14 they had done, what their qualifications were to be the
15 program owner, and what sort of support they were getting
16 for their program from management.

17 All those programs were reviewed by a subcommittee
18 of our Engineering Assessment Board, and we think this puts
19 us on the cutting edge of program health at the site and
20 we'll be carrying that forward in our quarterly reports for
21 System Health and Design Basis Health. We'll include the
22 programs that support those and indicators for those.

23 From an oversight perspective, we had an Engineering
24 Assessment Board assembled at the site during the outage to
25 review our engineering work, and they reviewed over 700

1 engineering products over the course of the outage, looking
2 for quality, particularly looking that we got appropriately
3 into the design basis of the questions that we were
4 answering, both in modifications as well as the 50.59's
5 that go with those and programs as I've mentioned.

6 So, many products are being graded. Overall what
7 we'll show on the indicators, that we're driving a pretty
8 good level of quality of engineering incisiveness in
9 getting to the design issues and the reviews.

10 Then, finally, on the slide, we had an INPO
11 sponsored senior review team look at engineering for
12 capabilities. This was a team that was assembled of vice
13 president level, peer engineering leadership from several
14 major other utilities that were in the nuclear industry, as
15 well as INPO Engineering and what we refer to as architect
16 engineer companies, which are large engineering companies
17 which design and constructed the plants and now service
18 them.

19 We had representatives from all those on the team in
20 the December timeframe to give us insights in improvement
21 areas, which we're carrying forward through our Corrective
22 Action Program and the change in management plans.

23 All of those actions were geared towards improving
24 engineering rigor. On the next slide, we have some of the
25 improvements just listed briefly. There has been many,

1 but these are some of the principle ones I touched on.
2 Engineering Principles and Expectations Handbook
3 that we issued to all the engineers, not only at
4 Davis-Besse site, but the other two FENOC sites laying
5 forth the groundwork for the professionalism that we expect
6 from our engineers with the principles and expectations on
7 how they perform their work and how they function as the
8 conscious -- safety conscious of the station.

9 It's our job as engineers to interpret and work with
10 our design basis of the site and the programs, technical
11 programs of the site; how it works, how we maintain it for
12 operations, how we give information to maintenance to
13 maintain it. So, that was an important step forward for
14 us. And there is a lot of industry experience in those
15 principles and expectations.

16 The 50.59 Program, when we changed things at the
17 site, how we go through our review of the license basis and
18 our Operability Determination Program, both had
19 enhancements. Our 50.59 going through the Engineering
20 Assessment Board. We see continued improvement there.

21 And, a large improvement in Operability
22 Determinations. When we started out at the beginning of
23 this outage last year, this was an area that was identified
24 as a weakness in Engineering. Engineering not having a lot
25 of rigor in the Operability Determinations and Operations

1 not having a questioning attitude. I can tell you that has
2 turned around.

3 We have driven the quality of Op Determinations up
4 through very focused training. We brought in a training
5 specialist, two-day training classes for combined groups of
6 operators and engineers to work together to understand what
7 the expectations were for technical rigor and questioning
8 of Op Determinations.

9 Root Cause Training, we brought in TapRoot, that's a
10 company to train us. Not only our root cause evaluators in
11 the Correction Action Program, but also management and
12 senior leadership at the site attended, so we all
13 understood --
14 (The lights went out.)

15 MS. LIPA: Okay, we're ready
16 to continue, Jim.

17 MR. POWERS: I'll start again.

18 Program Ownership, clarification of Program
19 Ownership, and I talked about that as part of our actions
20 with review of our program owners. I think we made some
21 real strides forward there with ownership or things like
22 Corrosion Control Program and Eyesight Program, which are
23 principle in this outage. The Corrective Action Program
24 was part of it as well. We prompted many, many engineering
25 programs in the process as well, so good improvement

1 there.

2 Our Engineering Assessment Board that we created is
3 going to be transitioning into an ongoing employee-based
4 program. And, one of the major accomplishments that we've
5 done is one of our external senior consultants that had
6 been chairing our Program Review Board, has joined our
7 organization, effective this week, is going to continue as
8 Chairman of our Engineering Assessment Board and that
9 ensures continuity of the oversight and the standards
10 enforced by that board, as well as mentoring for our staff
11 going into the future.

12 Contractor Oversight has been strengthened. We have
13 had many, many contractors and consultants helping us
14 during the outage to do all the engineering activities that
15 needed to get down. And we created procedural steps for
16 our employee engineers to oversight and check all their
17 work, what we call owners acceptance.

18 Everything that's done for us needs to be accepted
19 by us, reviewed in detail, and the expectations for what we
20 review is provided now in detail checklists that are
21 proceduralized. And that provides us with good
22 expectations and guidance for our engineers to do that
23 oversight.

24 And, finally, modification to recapture/gain safety
25 margins at the plant. Mark showed photographs of some

1 of the major ones in the containment. Lew is going to talk
2 about some of the other ones later in the presentation.

3 The Performance Indicators that we're showing in
4 Engineering are shown on the screen here. And again,
5 they're formatted similar to the Operations in the areas of
6 Safety, People, Reliability and Costs.

7 And the selected ones that I'm going to talk about
8 follow on the next slide with Quality of Engineering Work
9 Products. This is a gauge by our Engineering Assessment
10 Board reviewing the products that we perform. I think
11 that's ongoing basis as products are prepared. They get
12 involved and review it and score it and they report the
13 scores out.

14 In this case, the good score is a lower score. I
15 think they score a number of significant comments or issues
16 with the Engineering products. You prefer to have zero
17 issues. So, our threshold goal is a score of one.

18 And, as you can see from the, the scoring, fluctuate
19 around that, a bit below that, which is good; and currently
20 on an improving trend down with a number of comments,
21 slightly.

22 The next slide is a subset of that review. This is
23 the Engineering Vendor Performance. As you can see on this
24 one, we have a slight up tick there, we've been trending
25 for the past three months. Slightly above our desired goal

1 one. And it emphasizes the need for our engineers to do
2 thorough owners acceptance reviews of contract repaired
3 engineering products, and emphasizes that need.

4 So, we track it and trend it. Of course, the
5 contract people who do these get feedback as well on our
6 expectations.

7 The next Performance Indicator is Condition Report
8 Workload. This is the one, this is an assessment of the
9 timeliness of completion of our Condition Reports. When a
10 question is asked on a Condition Report, then we go and
11 investigate it and answer that question.

12 And, as you know, from watching the Performance
13 Indicators, during the course of the outage, we had quite a
14 few Condition Reports to evaluate, and the organization was
15 challenged to do those as quickly as we would normally
16 like. We've been working through that, with some process
17 changes, resource applications.

18 We're still showing a yellow in this area in terms
19 of our timeliness of completing. This is a measurement of
20 Latent Condition Report Evaluations versus the number that
21 were scheduled to get done in a month. So, this is in the
22 approximately 93 percent range of completion. To get out
23 of the yellow, you need to improve into the mid 90's.
24 Green is 98 percent. So, we have some improvement to do
25 there. And, that's important to us.

1 Then, the next one is Corrective Action Reports.

2 MR. GROBE: Jim, before you go on
3 from this slide; the last time I looked at the indicators,
4 you folks had been focusing to a large extent on activities
5 necessary for restart, but also working off as you can post
6 restart activities.

7 I think there was on the order of 1500 Condition
8 Reports between Plant Engineering and Design Engineering;
9 about 1500 Condition Reports that need to be evaluated for
10 post restart activities.

11 MR. POWERS: Right.

12 MR. GROBE: Have you looked at
13 that workload and focused on it and assessed the impact on
14 your organization?

15 MR. POWERS: What we're doing
16 there is, a major tool that's going to respond to the
17 workload is what we're calling, what we refer to our
18 Engineering Work Management System or ~~BWMS~~ EWMS. It's an
19 electronic work management system that gives each engineer
20 on their desktop computer their assigned workload, both for
21 corrective actions as well as modifications or
22 calculations.

23 This is all the activities that are assigned to
24 individual engineers. And, it scrolls up those activities
25 through the supervisors level and the managers level and up

1 to department level and myself.

2 We have been in the process of employing that work
3 management system at the site over the past month. Mark
4 Pearson, who is a Director from our Beaver Valley Station
5 has been assigned to Davis-Besse to assist with that.
6 That's how important it is to us for work management.

7 And, as we come out of the, out of the outage and
8 move forward to the online and resolving the remaining
9 nonrestart CR's, that tool is going to help us a lot with
10 resource, organization, making sure we schedule things.
11 And we understand when things are not getting done, that's
12 flagged. So, that's a major initiative. It's very
13 important to our workload effective organization.

14 MR. GROBE: Thanks, Jim.

15 Lew, this is an area, the panel has to make a
16 decision at whatever point in time you believe the plant is
17 ready to restart, not only whether the plant can restart
18 safely, but whether it can be operated safely. And, part
19 of our deliberation in that regard would be evaluating post
20 restart workload. And, obviously, the Engineering
21 Organization is going to be needed to support restart and
22 operation, plus there will be some level of backlog. So,
23 we'll probably want to talk about this over the next couple
24 months.

25 I know it's your intention to continue working on

1 post restart activities, but it's an area of focus we're
2 going to be looking at.

3 MR. MYERS: That's a good
4 point, Jack. One of the things we mentioned before was,
5 we've never stopped working our normal workload. In fact,
6 if you'll look, about 60 percent of the CRs that we work on
7 every day are routine. They're not just restart.

8 So, you know it's our intention, we have goals
9 already set up for the number of CRs and CAs, the work
10 order process. I think Mike Stevens will cover that in a
11 few minutes. But, you know, I really believe based on the
12 history of the extended outages that we'll probably have
13 lower workloads when we start up, if not the lowest of any
14 of the plants that we know of; if we meet our goals, which
15 we intend to meet our goals. So, we don't anticipate a
16 large backlog of work after restart.

17 MR. GROBE: Okay, good.

18 MR. POWERS: This next slide
19 talks about the Corrective Actions which result from
20 Condition Reports. Here you can see the current rate for
21 the June performances, white. We made some progress over
22 the past three months through our, having an 8:00 meeting
23 at the site every day that is Chaired by Mark Bezilla.

24 That goes over the status of Corrective Actions as
25 well as Condition Reports, but particularly Corrective

1 Actions, working those off the schedule. We've made
2 improvements in that area, and intend to continue making
3 improvement in timeliness.

4 The next indicator is our Operability Evaluation
5 Tracking Performance Indicator; and this measures the
6 number of outstanding items or actions that are related to
7 operability evaluations.

8 When we provide an operability evaluation to
9 Operations, there may be actions that are required
10 associated with it, such as a calculation engineering
11 needs to be finalized, modification of the plant may need
12 to be done, or a procedure may need to be changed, for
13 example. And, that work needs to get done before the
14 operability evaluation can be closed out and taken off the
15 books.

16 So, this tracks the number of activities currently
17 in the 29 range. We expect that at the time of startup, we
18 will have much less than that. Our goal is to minimize the
19 number of operability evaluations outstanding. We're
20 currently talking in the range of about four would be in
21 place at that time.

22 I show it as yellow, because one of the grading
23 criteria is we want to make continuing progress on reducing
24 the number of outstanding actions. In this case, there has
25 been three months without substantial reduction. Many of

1 these are geared towards completing Mode 4 and Mode 3
2 activities, and some are related to Mode 2. So, we will be
3 expecting we'll be working those off in the coming months.

4 Next one is Design Change Development. This one
5 tracks all the design changes that are being processed
6 through the Engineering organization. And, that could be a
7 range of very small things, what we call equivalent
8 changes, you're changing out one part for a slightly
9 different one. It's not a substantial design change up to
10 major modifications like our containment emergency sump
11 modification, or containment air cooler refurbishment
12 modification.

13 This tracks them all through the process and shows
14 what we have for workload in those areas. It's currently
15 showing red, largely, well, for two reasons. One is
16 timeliness, stick to schedules delivering our packages to
17 the field for implementation, so the Maintenance
18 organization can implement them; and the number of
19 modifications that are currently on the books at the site,
20 which we run all our modifications through our Restart
21 Station Review Board Process during the course of the
22 outage to determine those that need to get done during the
23 outage, which currently we're tracking 139 headed towards
24 completion.

25 Those are shown over on the indicators on the wall,

1 what we refer to as Go Green Chart, or that subset. But
2 others of these need to be evaluated as post restart
3 actions to determine the need for the modification, the
4 reasoning for it, and get those that are required to be
5 done. So, that's, that's a major process indicator for
6 Engineering.

7 The next one is Human Performance and Process
8 Program Errors that we track. This is our Performance
9 Improvement Unit, tracks CRs every day looking for issues
10 that come out that are individual errors or program in
11 process problems which result in errors, and track these on
12 an ongoing basis.

13 And, as you can see from this one, our results in
14 the current month are white, April and May were green. And
15 something we track on an ongoing basis for individual
16 errors.

17 These are an important subset of our performance
18 indicators that I wanted to display.

19 Next slide. The Actions to Sustain Improved
20 Performance. The major one is Organizational Development.
21 This is the people part of the equation that I started
22 with.

23 The FENOC Organization, we reorganized Engineering,
24 to be the same structure common at all three sites. And it
25 will strengthen that and it's been selected as the best

1 process we could find in the industry, and we implemented
2 it at FENOC and it will be the same at every site.

3 The roles of responsibilities have been definitized
4 in a procedure, a nuclear operating policy. So, such that
5 we do the same roles and responsibilities at each site, and
6 understand those roles and responsibilities clearly.

7 And also, New Hires. I mentioned Chairman of our
8 Engineering Assessment Board being brought in from the
9 outside. We've also brought in outside engineering
10 expertise in the supervisory area, both in the Design
11 Engineering Section and the Plant Engineering Section, as
12 well as the project, Projects Management Section. So,
13 we've made strides there, as well as new hire engineers,
14 and we're continuing to recruit, actively recruiting to
15 bring fresh blood into Engineering, is ongoing now.

16 Opportunities for improvement are captured in the
17 Corrective Action Program. That's the quality part of the
18 calculation. We do that every day. There will be
19 Condition Reports issued where things do not meet
20 expectations with the process or performance of our own
21 staff, the quality of products. We write that down;
22 capture image report to correct it.

23 And Engineering Management System that I mentioned,
24 this is a major part of our process improvements. So, we
25 track our work and make sure we understand which work is

1 getting done, when is it getting done, is it meeting all
2 our customers' expectations. And specifically if work is
3 not getting done, what is it, and what's the significance
4 of that. And this tool provides the basis for dialogue
5 between the engineers and the supervision to be sure the
6 right things get done at the right time.

7 In summary, Engineering continues to improve and
8 we're ready to support the Mode 4 and 3 upcoming
9 milestones.

10 MR. HOPKINS: I have a couple of
11 questions. Back where you talked about the Engineering
12 Principles Expectations Handbook; is that in all FENOC
13 plants?

14 MR. POWERS: Yes, it is. That
15 handbook, which here's a copy of it. It is utilized at all
16 three plants, and it really forms a basis of the
17 professionalism that we expect for engineering.

18 It covers just briefly such things as safety,
19 nuclear safety knowledge of the design basis and
20 maintenance of it, how important that is; and tolerance for
21 critical -- for failures of critical equipment. We have
22 equipment reliability aspect built in.

23 Corrective actions. Rigorous approach to problem
24 solving. We prepared a procedure we use for problem
25 solving at the plant. You may have heard that discussed as

1 you heard various issues being dealt with there.

2 Rigorous application of engineering procedures and
3 methods. We do our work in writing. We check our work.
4 Independent check it.

5 Strict compliance with technical programs and
6 procedures. One of the things that got us into the mess to
7 begin with. Strict compliance with our expectation.

8 Ownership for engineering programs. Result
9 orientation. Fix what's broke. Our intention is to
10 effectively fix problems at the site. And demonstrate
11 professionalism.

12 And, one may think some of these things, you know,
13 it's like the Hippocratic Oath for doctors. Engineers,
14 it's, some of them will say, yeah, it's understood, you
15 don't really need to write it down. But for others, it's
16 been a real benefit to get these principles written down on
17 paper and have a continuing dialogue and use them in the
18 course.

19 MR. HOPKINS: Along that line,
20 Root Cause Training. Again, is that, is that root cause
21 process the same at all FirstEnergy plants?

22 MR. POWERS: Yes, we are going
23 to use the TapRoot approach to Corrective Action Problem,
24 root, root cause analysis.

25 Now, we will accept training and certification in

1 other types of root cause analysis, like Kepner-Tregor or
2 MORT, for example, because there are several different
3 approaches available in the industry, but we selected
4 TapRoot, is what we believe is the best application and
5 common for our Corrective Action Programs.

6 MR. HOPKINS: Okay, that's all.

7 MR. THOMAS: Jim, recently
8 you've had a number of challenges in getting, I guess,
9 workable engineering change documentation into the field.
10 Has anything been done specifically to address that, short
11 term, to correct that?

12 MR. POWERS: Yes. One of the,
13 one of the issues we dealt with in the past weeks
14 particularly concern the engineering packages that are
15 assembled and as they process through the organization, go
16 through a document control and records management process,
17 and ensuring administratively that all the I's are dotted
18 and the T's are crossed. That means page numbers are
19 correct, drawing numbers and revisions are correct, work
20 order numbers, account numbers. It's just a lot of
21 information.

22 And we had a, collectively an issue with the
23 attention to detail in that level of administration with
24 engineering packages. We made a business policy change
25 over the past week to raise the expectation, both with the

1 engineers to get the quality into that level of their
2 packages to the administrative packages, as well as
3 engaging our engineering records, document control staff
4 reviews those packages, earlier in the process to make sure
5 we work together effectively as a team to improve all the,
6 right off the start.

7 Because, you're right, we don't have the quality
8 there. That's a delay of a package getting reviewed. And
9 potentially problems, if you reference the wrong document,
10 that is, could be a human error. So, we don't have that
11 level of detail.

12 So, that's something we had all the engineers to get
13 up Monday morning, as a matter of fact, a department
14 meeting and reinforce the expectation that we've got to
15 have our documentation right, right down to the spelling of
16 words. It needs to be correct. That's what our
17 expectation is.

18 MR. THOMAS: I was more curious
19 about issues that some engineering change packages require
20 multiple revisions, you know, whether it's due to
21 communication between the Maintenance folks and Engineering
22 folks or whatever the cause. That was more I guess what I
23 was interested in those types of issues.

24 MR. POWERS: Right, that is an
25 issue that we've worked on as well. Be sure that when we

1 issue a package, and the field gets it, that we don't find
2 problems with, let's say, interference between a tube
3 that's being routed, pipe support that's nearby. One of
4 the major processes that we have in place to prevent that
5 is walkdown packages. And, we reinforced it.

6 The Engineering Team needs to go out with
7 Maintenance and both the crafts that are doing the
8 installation as well as supervision. And the engineer,
9 Plant Engineer needs to get out there as well. And with
10 that, possibly get Operations involved too from an
11 operability perspective of changes to components.

12 But the expectation is to get out there, walk it
13 down, and make sure we get the comments early, part of the
14 original package, so we don't have to go through a revision
15 process. So, that's an area that we have improved,
16 increased our expectation on walkdown packages to improve
17 quality.

18 MR. THOMAS: Okay, thank you.

19 MR. GROBE: Thanks, Jim.

20 MR. STEVENS: Can you hear me
21 okay with this microphone?

22 MR. GROBE: Yep.

23 MR. STEVENS: Okay. Next
24 slide, please.

25 From analysis of our Performance Indicators,

1 industry feedback from INPO, our corporate input review
2 board member and self-assessments, Maintenance is improving
3 in three areas; work preparations, field implementation and
4 plant equipment return-to-service condition.

5 We developed a comprehensive plan. The plan was
6 reviewed by industry peers as well as Operations
7 Department.

8 The plan contains more than 50 actions designed to
9 strategically lead the Maintenance section to improve in
10 five visions.

11 The next slide, please.

12 Vision 1. Operations is the number 1 customer.

13 Vision 2. Maintenance embraces continuous
14 improvement.

15 Vision 3. Maintenance has ownership of equipment
16 deficiencies.

17 Vision 4. Maintenance values performance feedback.

18 Vision 5. Maintenance leadership is consistent.

19 First, we recognize the need to focus on
20 fundamentals. By this I mean, safety, job briefings,
21 procedure use and adherence, verbal and written
22 communication, quality of parts use, tool usage, walkdowns,
23 schedule adherence and human performance, Event Free
24 Tools.

25 This will continue to be our primary focus

1 throughout 2003. We benchmarked the industry and captured
2 24, approximately 24 distinct fundamentals that are common
3 to every technician performing maintenance in the nuclear
4 industry.

5 We assembled a team comprised of craftsmen,
6 supervisors, superintendents, and work control personnel to
7 review these fundamental and develop our conduct of
8 excellence handling, which delineates the Maintenance
9 Standard for excellence, and standards and expectations for
10 performance.

11 I'll be discussing how we monitor our performance by
12 reviewing the overall maintenance Performance Indicators.
13 Additionally, I have these indicators broken down in each
14 of the disciplines; Mechanical, Electrical, INC and
15 Maintenance Services, and I'll have them available for you
16 at your review if you wish. But today, I'll be presenting
17 the overall Department Performance Indicators.

18 Earlier this year, I can tell you that most of the
19 Performance Indicators in Maintenance were green. And
20 performance has improved. That's primarily the result of
21 changing some of the goals to be more in line with where
22 we're headed to operational excellence in Maintenance, as
23 well we lowered the threshold for identification of some of
24 our issues.

25 Here we have a summary of the Maintenance

1 Performance Indicators, and they're depicted in enunciated
2 window format, as well across the top of each of the
3 windows, you can see last month and year-end project. So,
4 the big window is the current month.

5 Each of these Performance Indicators areas align to
6 our format to improve in the area of safety, people,
7 reliability, and cost. And, this way, each employee of
8 Maintenance can see how his contribution contributes to the
9 overall station performance.

10 Next slide, please.

11 This is our Performance Indicator for Industrial
12 Safety. It depicts the number of first aid injuries, as
13 well as OSHA reportable injuries. The objective is to
14 prevent industrial accidents by careful work planning,
15 supervisory involvement, and employee attention to detail,
16 and helpful work practices. We're proud of achieving eight
17 million man hours without a lost time accident at
18 Davis-Besse.

19 If you look at the left graph, this is the number of
20 minor first aid injuries. The graph on the right are the
21 OSHA reportables. The difference between the two is an
22 OSHA reportable injury is one that requires medical
23 attention.

24 If we have two first aid injuries, our performance
25 is red. And, that, you can't see it very well on the

1 slide, but this is the performance goals from green to
2 white to yellow to red performance. And we can see in the
3 month of June, we had two first aid incidents. And you can
4 tell that they're in the Maintenance Services Section,
5 because Maintenance Services is blue. And if this was
6 larger, you could see that. Okay.

7 We report all injuries, no matter how minor they
8 seem. And we use the OSHA reportable injury rate for two
9 hundred thousand man hours worked. That's a standard we
10 use in the industry, and we can then compare our
11 performance to industry performance.

12 Each of the indicators I had are in this format,
13 but because it's so hard to see them, I've just shown the
14 graph on the rest of my presentation.

15 Next slide, please.

16 This is a Performance Indicator we use to identify
17 the raw number of Condition Reports that are being
18 generated by Maintenance personnel. We can see that by
19 looking at the graph, each color represents a different
20 discipline in Maintenance, and we can see that more people
21 are writing Condition Reports as well. More Condition
22 Reports are being written.

23 This allows me to determine how willing my people
24 are in raising issues and getting them documented. And
25 goes to one indication of safety consciousness in the,

1 within the work force in Maintenance.

2 Next slide, please.

3 This Performance Indicator identifies the number of
4 human performance errors we've had in Maintenance. A human
5 performance error is defined as inappropriate action
6 specific to an individual or group of individuals due to
7 the failure in using our Event Free Tools.

8 Our Event Free Tools are training, application,
9 stop, think, act, review, peer checking, and as such. The
10 objective is to minimize human performance errors, and
11 errors aggravated by programs and processes.

12 We've lowered the threshold in Maintenance and
13 raised the standard for identifying errors, and we're
14 identifying more opportunities for improvement as a
15 result. That's one of the primary reasons that there is
16 such a step change between April and May -- or March and
17 April.

18 We use this in our Corrective Action Program to
19 analyze the situation, make recommendations for training
20 improvement, communication opportunities, and as well, any
21 procedure process changes we need to make.

22 Next slide.

23 Additionally, we track in Maintenance the percent of
24 Condition Reports that we self-identify. It's our desire
25 to find and fix our own problems in Maintenance prior to

1 them being identified by others. The objective is to have
2 a rolling average goal of greater than 60 percent, which we
3 have 63 percent.

4 You can see here the performance is mixed. It's
5 some -- like last month, we're at 63 percent. We're not
6 quite to our goal of 90 percent. So, our focus is to find
7 and fix the problems and get them identified on Condition
8 Reports; and that's a current focus of Maintenance, this
9 month.

10 Next slide.

11 This Performance Indicator tracks the number of
12 training observations that are performed by second line
13 management, and that's the superintendent level that
14 reports to me. The objective is to ensure that section
15 management is engaged and directs our training programs.

16 And, for an example in June, we focused training on
17 poor material exclusion. We had identified a knowledge
18 deficiency there and put a training program together. That
19 training was given by a maintenance supervisor with the
20 guidance of training instructor. We received very positive
21 feedback. And additionally, the program owner who
22 performed material exclusion participated in addressing any
23 additional questions.

24 As we move forward, we'll be moving the training
25 instructors into the shops, partnered with our training

1 organization, so that we could more effectively provide
2 Just-In-Time Training for some of the equipment that we
3 have coming to work on, and as well, roll in some of the
4 actions we are learning from some of the Condition Reports
5 directed at improving some of our people performance.

6 Next slide.

7 This indicator identifies the number of reworks they
8 have in Maintenance. A rework is defined as any
9 reperformance of any maintenance task which results in a
10 loss of time or money prior to returning the equipment to
11 service. This includes, but is not limited to failure
12 during testing, or a corrective action for identical
13 problem that occurred within the last twelve months.

14 Our goal is to be less than two and a half percent.
15 Recently, we changed the indicator on rework. We would
16 take a Condition Report, evaluate it, and based on that
17 evaluation, we would code it whether it was reworked or
18 not.

19 We've changed that. And in my staff meeting every
20 Friday, the superintendents and I go through the Condition
21 Reports that have been generated for that week. And we
22 code them; human performance, rework, and
23 organizational-type errors or communication error. So,
24 we're front-end coding them to give us a more real time
25 indication of performance. We think we're about 90 percent

1 accurate with that. And we would rather have the
2 Performance Indicator be more timely than waiting for the
3 exact accuracy.

4 So you can see, we had a pretty high, higher than
5 normal rework in mechanical here, here and here. And as a
6 result of the actions that we took, have turned that
7 around. Now, I'll tell you, that's good, but I'm skeptical
8 and there is more actions we need to take to maintain that
9 level of performance. That's what we're looking for, going
10 forward.

11 Next slide, please.

12 On this Performance Indicator, we keep and monitor
13 our Corrective Action Work Orders that are nonoutage, so to
14 speak. Currently, we have a goal for 200, to be less than
15 250; and to be less than 175 by year end. I've
16 communicated the stretch goal to be less than 150 by year
17 end as a challenge to the organization.

18 I believe that this positions us to achieve a
19 corrective maintenance workload that will be commensurate
20 with top core, top performance at Davis-Besse by the year
21 2005.

22 Currently, top core, top performing plant single
23 unit has about 125.

24 MR. GROBE: I'm not quite
25 sure I understand this indicator. The last time I looked

1 at your post restart Corrective Actions and Condition
2 Reports, I think you had somewhere on the order of 3000
3 Condition Reports and about 8000 Corrective Actions. And I
4 got to have a significant number of those corrective
5 actions, some percentage are Maintenance work, field work;
6 and there is 8000 of them.

7 So, it doesn't seem consistent. There must be
8 something I'm missing where you say you only have 250
9 roughly nonoutage work orders in the backlog, if there is
10 8000 corrective actions out there. Could you help me
11 understand that?

12 MR. STEVENS: Yeah, we've got
13 all of the work orders identified as part of Corrective
14 Actions in the schedule that supports the startup. If
15 they're not there and they're corrective maintenance,
16 they're here. So, they're either in the schedule and we're
17 working them or they're here.

18 MR. GROBE: Okay.

19 MR. STEVENS: Since the first of
20 the year, we talked about a schedule and projecting where
21 we were going with the plan. We had 20, it was like 23, 24
22 thousand activities in our schedule. And since January, we
23 added and completed another 10,000. And we weren't quite
24 projecting that many, but we've been, we've been steadily
25 working them off. It's part of our plans going forward.

1 I don't intend to start up with a whole pile of
 2 corrective work orders in backlog. And, as I communicated,
 3 I know, and my team knows, where we need to be to position
 4 ourselves for top performance.

5 MS. LIPA: Mike, are
 6 nonoutage engineering change requests, are those a separate
 7 category or do those become part of the work order backlog?

8 MR. STEVENS: They could become
 9 a part of these work orders, if for example a component is
 10 broken and fixed, which changes its design, that would be
 11 part of this. It's a modification issue. It wouldn't
 12 necessarily be coded a Corrective Action, or corrective
 13 work order.

14 Next slide.

15 In summary, I believe we have improved alignment in
 16 Maintenance. We've improved identification of issues.
 17 Morale is improved as well as teamwork. My team and I
 18 believe we are ready to support Operations to Mode 4/3
 19 testing. And I guess that's the end of my presentation.

20 MR. THOMAS: Mike, I have a
 21 question.

22 We discussed three Maintenance/Workmanship issues at
 23 the resident exit this morning.

24 MR. STEVENS: That's correct.

25 MR. THOMAS: How will you

1 assess what these performance deficiencies mean with regard
2 to that end score, 4/3 testing?

3 MR. STEVENS: The performance
4 deficiencies and the use of procedure expectations, I think
5 that's what we were talking about this morning, Scott.
6 That performance, that level of performance is
7 unacceptable. There is accountability for that level of
8 performance, and I wouldn't say that all of the
9 Maintenance, or I would say, that is not representative of
10 the majority of the Maintenance Organization at this point
11 in time.

12 But I will, I do recognize we've got performance
13 shortfalls and we are taking demonstrative and real action
14 when they occur. As well, we're stepping back and looking
15 at why they're occurring and what is leading up to them.
16 And that's why we have the three focus areas, primarily,
17 and I discussed this a couple times in here, and be happy
18 to go through the ownership plan with you back at the
19 plant. That's why we're focusing on work preparation,
20 field execution and the quality of the equipment return
21 back to operation.

22 There is things that in our effort to take the work
23 on, for example, I found that the Maintenance Department
24 needed a part, had it identified, for example, and then for
25 one reason or another, the part wasn't available, so we

1 decided to go into the maintenance activity without it.
2 That's led to some additional decisions being made while we
3 were in that maintenance activity, and that's caused,
4 that's caused some events.

5 MR. THOMAS: So, your
6 assessment, well, you have an upcoming restart assessment
7 for Mode 4/3, I believe starting tomorrow; am I right?

8 MR. STEVENS: That's correct.

9 MR. THOMAS: How will you, will
10 these issues be characterized as outliers individual type
11 anomalies in that assessment, or will they be characterized
12 as a broader perspective?

13 MR. STEVENS: I'll take these
14 events, along with the other events, and aggregate a
15 performance of Maintenance and I'll try and articulate it
16 as clearly and correctly as I can with my, the rest of my
17 management team, using our business.

18 Where they're sitting right now, Scott, I don't
19 expect that level of performance, most of the folks in
20 Maintenance doesn't expect that level of performance. It
21 occurs. We're understanding why that occurred, and we're
22 taking actions to correct it.

23 I don't know what else to tell you about that
24 without going into more specific detail that I really don't
25 want to do in a public forum because it involves some

1 individuals.

2 MR. THOMAS: I'm not asking for
3 your, how you're dealing with the personnel individually.
4 My question stems from a lot of, the three issues deal with
5 fundamental-type concepts, practices and procedure
6 compliance, those sort of issues. And I want to make sure
7 that you're confident in the Maintenance Department, the
8 performance of the folks in your Maintenance Department,
9 that they're, they're aware of the importance of adhering
10 to those basic safe operating principles that these three
11 issues showed some weakness.

12 So that's, that's the, I guess where my question is
13 coming from, is how you're going to show your confidence.

14 MR. STEVENS: In my opinion, if
15 you'd asked me that question four or five months ago, I
16 would say I'm not probably very confident or even sure, but
17 from the actions I've taken in Maintenance and the focus
18 areas and the number of issues and the kinds of issues that
19 are being identified, I think my confidence is much
20 increased and my folks in Maintenance understand and are
21 identifying issues when it's not in accordance with the
22 standards and expectations.

23 We're writing more Condition Reports, we're
24 addressing more issues, bringing more issues forward, more
25 technical.

1 That's the most real time indicator I have of
2 whether or not we're aligned in Maintenance, do we
3 understand the level of performance.

4 MR. MYERS: I think the way to
5 answer your question, we do look at that aggregate as a
6 whole. If you look at performance of Maintenance as a
7 whole, do we think that our, our use of procedures is up?
8 We would say no. But we have to look at the whole
9 organization to make sure that we, we improve our standards
10 in that area, across the board.

11 MR. THOMAS: Okay.

12 MR. GROBE: Mark, you just
13 came from, you just came from Beaver Valley. In the past
14 12 months, do you have a sense of how many plant
15 performance situations occur where you needed to have a
16 stand-down, talk to an entire organization?

17 MR. BEZILLA: Looking back over
18 the last year at Beaver Valley before I came here, what
19 I'll do is, I'll look into clock resets, all right. From a
20 clock reset standpoint, Davis-Besse is not out of line with
21 Beaver Valley and some other plants that I've been with
22 prior to that.

23 And from a stand-down of the organization, I'll say
24 department standpoint, all right, we strive to improve. We
25 have a pretty low threshold. And we will have stand-downs

1 for, I'll say not real significant issues, we absolutely
2 have stand-downs for significant issues.

3 But, as Mike said, we try to capture all our lessons
4 learned, and what we do is we share that with the
5 organization, with the desired outcome, so it doesn't get
6 repeated by someone else's department. So, we're pretty
7 free about sharing our mistakes and the lessons learned
8 from those performance errors or miscues.

9 MR. GROBE: Okay, thank you.

10 MR. STEVENS: Since there no
11 other questions, I turn it over to Lew.

12 MR. MYERS: Thank you.

13 We're ready to go forward?

14 I would like to take a few moments and discuss from
15 our last meeting, we talked about the Safety Culture,
16 Safety Conscious Work Environment.

17 I have a good microphone now.

18 And, at that meeting, I shared with you our
19 definition and our plan on Safety Culture. Today, I would
20 like to take a few moments and just continue to go over how
21 we're updating that plan on some of the key activities
22 we've taken since the last meeting.

23 As you recall, we have a definition of Safety
24 Cultures. That assembly, if you will, of characteristics
25 and attitudes, both characters and attitudes, both in the

1 organization and individuals, which establishes an
2 overriding priority towards nuclear safety activities and
3 that we give the attention warranted to their
4 significance.

5 Looking at that, since last month, I've discussed
6 Safety Culture, had the opportunity to discuss Safety
7 Culture. You were there, Jack, at the Advisory Committee
8 on Nuclear Safety, the committee that advises the
9 commissioners.

10 At that meeting, I indicated that our only assets in
11 our plant are people and our plant itself. You know,
12 that's the only two assets that we have.

13 With that being said, I would like to spend some
14 time discussing some of the actions we've taken recently in
15 the area of people, plant, and design improvement, as all
16 part of the plant.

17 If you go look at our Safety Culture model, the
18 first area is policy level commitment. We've had what I
19 think was maybe the best executive leadership team strategy
20 meeting that I've been involved with since I've been in
21 FirstEnergy ever, in the past few weeks since the last
22 meeting.

23 At that meeting, we sat down with Bob Saunders and
24 the Executive Leadership Team. And, we decided it was time
25 to go back and refocus on our vision and missions, and our

1 strategic objectives, if you will.

2 If you go look at the outcome, we are changing our
3 vision as we speak. You know, you used to hear operational
4 excellence. I think that needed some clarification, based
5 on some of the performance we've had in the recent years.

6 We've changed that to be people with a strong safety
7 focus delivering tough lead operative performance. So, we
8 went back to work at our vision. We also worked on the
9 strategic objectives, where the first objective is safe
10 plant operation, and we've got that indicator up here.
11 Improve safety is an area we're focusing on.

12 Excellence of material condition is something that
13 we need to look at across our plant. Not only do we think
14 that we need to make some changes at our Davis-Besse plant,
15 but some of the things we've learned here, we need to take
16 over to our other two plants.

17 And then finally, fleet efficiency and effectiveness
18 is an area we're looking at. And each one of these areas
19 we have specific monitoring tools and goals that we
20 developed during that off-site meeting.

21 Once again, I thought that was the, one of the most
22 productive executive leadership meetings that I've been
23 involved with since I've been with FirstEnergy.

24 From a management standpoint, Davis-Besse management
25 standpoint, we've had several Saturdays. We all had off a

1 few days a month, seems like, so the only time we had was
2 Saturday. So, we took our Saturdays and we sat down as a
3 senior team, with a facilitator, if you will, and looked at
4 our management commitment at the Davis-Besse plant.

5 We think we've -- what are we doing from a Safety
6 Culture standpoint? I shared with you before some of the
7 key changes we've made in the senior team, that senior
8 leadership team; directives, if you will.

9 You know, we just recently brought Mark Bezilla
10 over. Mark has got a strong backgrounds in Operations, and
11 brings a lot to this team. He was an SRO at this plant.
12 He worked at our Perry Plant. Worked at Salem. Has a BS
13 in Nuclear Technology and about 26 years of experience.

14 If you go down another level now, we've also made
15 some organizational changes in that area. If you look
16 today from a management standpoint, we have a total of 19
17 managers, all but three are SROs or SRO certs. All have
18 broad based experience. All have technical degrees, except
19 our Human Performance Manager, our HR man, Human Resources
20 man, he probably doesn't need a technical degree. But all
21 the others have a good engineering technical degree,
22 chemistry degree, etc.

23 We recently made some changes since our last
24 meeting. Pat McCloskey has moved over to Chemistry. Pat
25 was our Licensing Manager. Pat's real background, he has a

1 Master Degree in Environmental Engineering, Certification
2 at Davis-Besse. He's a certified wastewater operator. Has
3 18 years of experience. We think he'll do us a great job
4 in the chemistry area.

5 Since we moved him out of Licensing, we had to fill
6 our Regulatory Affairs Manager. I think Kevin Strausky is
7 sitting back in the back. There he is. Kevin is there.

8 And stand up, Kevin.

9 Kevin is new in our management team at Davis-Besse.
10 Kevin has a Bachelor of Science Degree in Engineering and
11 Physics also. So, he has a very strong technical
12 background. He also has Senior Reactor Operator License,
13 and has over 23 years experience. We think Kevin's broad
14 based experience will bring us a lot in the Licensing
15 area.

16 So, and the message, these are a couple moves we've
17 made, but the message is we're continuing to focus on the
18 technical competence, the strong line ownership-type people
19 that we need to put in not only the senior levels, but in
20 the manager levels to improve the overall safety culture of
21 our Davis-Besse plant.

22 Another thing we did as a senior manage team, we met
23 for a couple days. We developed a, a set of behaviors and
24 also a set of activities. What we hear from our people is
25 that they're really concerned about the workload that we

1 have, what it looks like over the next couple of years.

2 Where are we going?

3 So, we need to develop and we have developed a list
4 of activities, a picture, if you will, of now to 2004, the
5 summer of 2004, that we're getting ready to roll out to our
6 employees in the alignment meetings that we discussed with
7 you.

8 So, our intention is to sit down with each and every
9 employee for a couple days and, and we're using a vendor
10 that helps us with some root learning, if you will. It's a
11 process that several large companies like Pepsi-Cola has
12 used to help align people. We're utilizing that process.

13 And after we did that as a senior team, we had to
14 meet with the management team and make sure we were aligned
15 with them. Alignment, we learned a new definition of
16 alignment also. The definition we're using of alignment is
17 it means you own something as if it were your own.

18 So, when we walk away with the word alignment, that
19 means we are aligned that these are the things that we need
20 to get done over the next two years.

21 We've accomplished that. Now we have pretty much
22 the census of alignment of all our managers, and we'll be
23 rolling that out at the end of this month, through the
24 group learning process through our employees, before we
25 start on that.

1 In the next area, people. Go look at people. You
2 know, we talked awhile ago about, we've just talked about a
3 meeting, one of the people from FirstEnergy, how they
4 thought industrial safety was really important from a
5 Safety Culture standpoint. We've just crossed eight
6 million man hours worked without a lost time. That's not
7 only our best course, but probably the best in the
8 industry.

9 We continue to communicate alignment at our Town
10 Hall Meetings, Stand Down Meetings. Those are, those
11 meetings continue on. I would like to stop and give you
12 some results. To-date in the 4C's Meetings, I first had
13 and Mark conducted one for me, and with over 700 employees,
14 at our plant.

15 And at the end of each meeting I have a survey I
16 pass out. There is no names on the survey. I walk out of
17 the room. They fill it out. I just collect the data.

18 If you go look and ask the question, "Would you
19 write a CR to identify a plant problem?" We're getting
20 approximately a hundred percent positive responses if you
21 ask.

22 "Do you believe that our Employee Concerns Program
23 is confidential?" We're up to a response of 86 percent.
24 That was not so positive a year or so ago. So, that's a
25 pretty good turn.

1 "Would you bring a concern to the Employees Concern
2 Program?" We got fairly low marks on that. And then marks
3 I'm getting now is like 93 percent.

4 "Is communications from employees to management
5 good, fair, or poor?" 93 percent of our people now are
6 saying fair to good, you know. So, that's -- used to be
7 poor. So, we think it's improved in that area.

8 And here's a key thing that I'm really pleased with
9 it. "Do you believe that management wants work done
10 correctly the first time?" 97 percent of our people are
11 saying yes now.

12 And, "Do you believe that management wants you to
13 stop if you find problems during the work process?" 97
14 percent of those people are also saying yes in that area.

15 So, you know, I don't know how scientific this
16 survey is, but at least I can tell you, you know, that a
17 couple hundred people. I did it -- when I first started
18 the 4-C's, I didn't have a survey. So, I can't tell you
19 all 700 have taken it, but there is a large population of
20 people that supplied that end of the survey.

21 Also from a people standpoint, you heard Mike talk
22 about the Operations Leadership Plan. We think it's
23 working well for us. We just, even though we're in this
24 outage, you know, one of the hard things we have to make a
25 decision on is our future. And we, it would have been easy

1 for us to defer license operator training, but we didn't do
2 that.

3 We went ahead and reinstated the license, the Senior
4 Operator License Class and we're back in class now. We've,
5 we think we're strengthened in ownership and
6 accountability.

7 One of the thing we were just very pleased with
8 recently, I'm going to ask Jim Powers to talk about that,
9 is this chart over here. We took our engineers off site
10 and, and had a retreat to talk about what we've learned
11 with the Davis-Besse event. And the results of it is so
12 shown on this pictorial chart that we've developed over
13 time. So, we'll talk about that one moment.

14 MR. POWERS: We took all the
15 engineers and some of our customer representatives from
16 Operations and Maintenance, Regulatory Affairs, for
17 example, to the Maumee Bay State Park Conference Facility
18 for a full day's activities, away from the site, to get
19 together and reflect on where we came from with the issues
20 at the site.

21 One of the transformational changes that we made as
22 a consequence of that, with the new tools we created and
23 what do we do about it, and where will we see ourselves
24 going, how will our customers see us in the future.

25 So, I encourage you and ask you to take a look at

1 the data scroll, is what we refer to it as, over on the
2 wall. These are the thoughts of the engineers drawn out by
3 a caricaturist for us capturing what we've done, what got
4 us into the situation, what we've done to improve, where
5 we're going to continue with improvement, etc.

6 Just another tool that we use beyond the regular
7 procedures, training, the hard day-to-day type things we do
8 at the site. Inside look at the people aspects of things,
9 and a different tool for learning; everybody to pause and
10 reflect on what we've done and where we're going.

11 MR. MYERS: The comment I want
12 to make on that; when they rolled this out and saw it, the
13 question is always, did all the staff in stand downs, do
14 they understand. And the way they developed this and you
15 look at, it's obvious they understand. You know, so,
16 that's what I see when I saw this.

17 That being said, I can move on to the plant area.
18 From a plant standpoint, we've done a lot of things to
19 improve the safety margin or regain the margins, you know.
20 I want to cover just a few of those.

21 Everybody knows we replaced our head. We installed
22 a permanent cavity seal, you know that. Reworked our
23 Containment sump. Containment dome, we talked about.

24 What I'm really pleased with is this FLUS Monitoring
25 System. I think it sets the standard that no one else in

1 the country has right now. We'll be able to identify leaks
2 very early. It's a, I think it's going to be a good tool.
3 And also our Leak Rate Program that we put in place. That,
4 it's combined with that, I think certainly will make us a
5 leader of the industry when we start back up.

6 We replaced our containment coolers, we worked the
7 decay heat tank, a long problem. Not quite sure on that
8 leak check yet, but we'll get there. It's been a good
9 effort.

10 The fuel inspection and cleaning was a major
11 effort. We have a, we completed our integrated testing of
12 our containment. ETAP, you know, if you go, that's been a
13 major improvement that we'll have at that plant. There is
14 a lot of things out there. In fact, I was talking to some
15 very good plants the other day about ETAP and they're just
16 beginning now to start the ETAP process at their plants.
17 That's a pretty big piece of technology that we'll have in
18 place.

19 The diesel air start system is something I know
20 you're interested in, not only the air start, but to fix
21 the leaks too. So, we're going to our diesel room, so I
22 think our diesels, when we come out of this outage, will
23 be, at least meet the standards of the industry, you know.
24 In my mind, they didn't the first time I saw them.

25 So, that's been a major effort. And, finally, this

1 high pressure safety injection pump mod. I believe when we
2 finish, we'll know more about debris and wear rings. And, I
3 was down looking at the documentation that we're keeping
4 and the pictures and all, make sure that when we come out
5 of this, I think we'll have something maybe we can submit
6 for another Tip award next year.

7 So, I believe we'll have some data maybe too that
8 nobody else in our industry has. I really do think that's
9 a good effort.

10 From a Design Improvement standpoint, go back and
11 look at the Building Blocks and then the Design Reviews in
12 System Health, Latent Issues, Function Validation, Topical
13 Area Reviews, and Calculations.

14 You know, as Jim said, we've touched 1500 of our
15 calculations. And we redid over 250 of them, just based on
16 the Latent Issues Review. So, our calculations would
17 probably be in pretty good stead. Jim was already, came in
18 this week, and putting a task operation together to bring
19 the Atlas Process over here.

20 You know, we walked the six systems down, so we're
21 going to capture that data while it's good and make sure
22 that we upgrade that into the Atlas Process, which is a
23 database that we use to make it very easy for engineers to
24 find design information. We think it's a very good data
25 base.

1 Plan on implementing that on these six systems and
2 then as we do Latent Reviews in the future, we can add
3 those on. When we get, I think it's 15 systems, we have
4 about 99 percent of the core damage in the system, in that
5 process. So, that won't take us too long. So, I think
6 that's a good effort also.

7 You go look at our procedures and programs. Our air
8 operated valve program basically didn't exist. People
9 would say, but we didn't have the design calcs. Well, now
10 we have the design calcs.

11 Boric acid control program is new. Reactor Coolant
12 Leak Rate Program is new. Once again will make us a leader
13 in the industry. And Operating Experience Program, I think
14 that's closed out. We have an excellent effort, in our
15 Operating Experience Program.

16 And, as Jim said earlier, if you go back and you
17 look through this, he discussed engineering standards and
18 where we're going. If you go back and look at this effort,
19 we generated since we've been shut down, over 15,000 CRs.
20 And, where we're at today, that's quite a work-off.

21 In my mind, all this put together, go back and look
22 at the definition of Safety Culture; are we improving our
23 assets and gaining safety margin? And the answer is,
24 people, and plant, and design; all three areas, I think the
25 answer is yes.

1 Go ahead, Christine.

2 MS. LIPA: Lew,
3 under procedures and programs, you have four bullets. The
4 bottom three, we are on our Restart Checklist. So, we're
5 looking at those in detail. The first one, Air Operated
6 Valve Program. You talk about how it's improved, but
7 what's your assessment of the current state of that
8 program?

9 MR. MYERS: My assessment --
10 probably the best person to give the assessment would be
11 Jim, but my assessment is that program is making good
12 progress. We've looked at all the valves. We have design
13 calcs. We didn't have the design calcs, which is the
14 backup. I don't know how that starts back up, but Jim.

15 MR. POWERS: I would agree with
16 that. We have the industry calculations prepared now, so
17 we have a firm design basis for it. We're doing
18 modifications to the valves at the plant that require more
19 margin, and those modifications will be effective.
20 We've had to work through some technical issues in
21 that process, but the bottom line is we're going to have
22 hardware changes upgrade to give us the margin we need and
23 program requires for the valves, and so I think we're
24 making good progress on this. I think we're being
25 effective in effectively going after change work

1 requirements.

2 MS. LIPA: So, from a program
3 as far as program ownership, and goals, and state of the
4 program, you have a good feeling about that?

5 MR. POWERS: Yes.

6 MS. LIPA: Thank you.

7 MR. MYERS: Once again in
8 summary, I've been through a couple of the extended
9 shutdown plants myself. I know several of you all have,
10 but if I go look at the amount of improvement and people
11 issues, management issues, management teams, strengthen the
12 management team, the overall improvement in the plant
13 design margin, material condition. You know, this has been
14 a pretty, pretty impressive step change. That's all I
15 have.

16 MR. HOPKINS: I have a question.
17 (microphone problem.)

18 MR. HOPKINS: One of the
19 improvements that you mentioned, higher containment nuclear
20 leak rate tests. I don't understand what the higher means?

21 MR. MYERS: We tested the
22 containment, and I don't remember the number. If you go
23 look though, containment margin, each tenth of a pound is
24 worth about 24 degrees in RCS. So, we actually moved the
25 test pressure up a couple tenths of a pound, so that we

1 really gain an operational margin if we leave it that way.
 2 We were testing at a lower test pressure before. Did that
 3 intentionally.
 4 MR. HOPKINS: All right, thank
 5 you.
 6 MR. GROBE: Okay. Clark.
 7 MR. PRICE: Thank you, Lew.
 8 MR. GROBE: He's surprised.
 9 He's not used to being able to speak at these meetings.
 10 MR. PRICE: Okay, I would like
 11 to conclude our presentation today with a recap of the
 12 final activities that we need to complete to support moving
 13 to our next milestones of Mode 4 and Mode 3 and full
 14 pressure test of the Reactor Coolant System.
 15 Then, I'll provide a summary status of our progress
 16 on the 0350 Restart Checklist, and I'll try not to be
 17 redundant to Christine's excellent presentation earlier.
 18 Finally, I'll go over two of our management
 19 indicators that we look at for monitoring overall restart
 20 for our actions.
 21 On this slide here, we're currently focused at the
 22 activities required to place the plant in a condition for
 23 the full pressure test of the reactor coolant system. And
 24 we have four activities that are currently sharing critical
 25 path for Modes 4 and 3; those being the high pressure

1 injection pump installation that Bob Schrauder addressed
2 earlier.

3 We have a plant modification to install minimum
4 recirculation of the high pressure injection pumps. We
5 have six modifications to make the plant, to make to the
6 plant as a result of the electrical transient assessment
7 program that Mark also addressed earlier. And we're also
8 installing thermal overload heaters to a number of motors
9 in the plant. All four of these projects are within days
10 of each other as far as critical path.

11 In addition to these projects, we are completing
12 modification to several air operated valves that we just
13 discussed from the Air Operated Valve Program reviews that
14 we did. We will be testing our Safety Features Actuation
15 System. And be holding our Restart Readiness Review
16 Meetings to affirm that we are ready to proceed to Mode 4,
17 which we'll be starting tomorrow.

18 The next three slides provide a summary of our
19 status on the 350 Checklist Items. Davis-Besse established
20 Building Blocks through the Return to Service Plan that
21 produce discovery implementation action plans, where
22 applicable to address the 350 checklist items. And these
23 charts here are color-coded to show our progress in those
24 plans for each of the checklist items.

25 Now, again I'm going to try not to be overredundant

1 with Christine's presentation on the status, but there are
2 some things I want to address here.

3 Overall, there is 31 Restart Checklist Items, as
4 Christine mentioned. We do have 33 that would show on
5 here. We actually break out two of them in a little bit
6 further detail for tracking. And, I'll address those real
7 briefly.

8 We have a couple items, and I'll also try to focus
9 on the ones where the, where we're showing complete on
10 here, and the NRC has not yet closed the checklist item.

11 So, as we go through here, first two items, as
12 mentioned before, are complete. We move on to Checklist
13 Item 2a and 2b, which is our reactor vessel replacement and
14 restoration containment vessel. We're waiting on Mode 3
15 full pressure test for final test on the reactor vessel
16 head.

17 And our containment restoration is complete. That's
18 shown in green on this chart. And we are currently working
19 with the NRC inspector to resolve a couple issues, and the
20 exit is planned I believe for July 18th for the containment
21 vessel restoration checklist item.

22 The Checklist Item 2c deals with restoration of
23 Containment Systems and Structures. And, as Mark Bezilla
24 talked about earlier in his presentation, we closed
25 Containment, and turned, the Containment Building Block

1 Owner turned over the Containment building to Operations.
2 We have a few corrective actions in this area, so we're not
3 completely done, and we have about 50 Corrective Actions
4 that actually require Mode 4 conditions to complete.

5 In the area of Containment Emergency Sump, on the
6 chart we're showing that is complete. Again, that is not a
7 close-out yet by the 0350 Panel, but we are working on the
8 final closure of that checklist and addressing a few
9 follow-up questions with the NRC inspector, and hopefully
10 we'll have that complete by next week; or at least our
11 resolution of those questions.

12 On 2d, again, we're showing we're 98 percent
13 complete. That's for the systems containing boric acid
14 outside of containment building. Again, in that area,
15 we're working on Corrective Actions as we speak, but we
16 have 30 Corrective Actions approximately that should
17 require Mode 4 conditions also to complete in that area.

18 And, as we discussed, perhaps as Christine
19 discussed earlier, then we have our 2e, our high pressure
20 injection pump is a new issue that is now on the
21 checklist. And we currently are not reporting percent
22 complete, as we're working to try to develop how we're
23 going to progress that particular checklist item.

24 If we move to the next slide, the next slide shows
25 our Safety Significant Programs. And as you can see, we've

1 completed the first eight of those programs. The first
2 one, the Corrective Action Program, is not closed yet by
3 the NRC. We currently have the Corrective Action Team
4 Inspections going on, reviewing the implementation side of
5 our Corrective Action Program, and we're waiting for the
6 results of those inspections. They'll be occurring in both
7 July and August.

8 And, another area, an area where we have actually
9 broken out a Checklist Item, the 3c and 3c1 items, which is
10 Quality Audits and Self-Assessment Programs. We're showing
11 both a hundred percent complete in that, in both of those.
12 Quality Audits is actually complete. The inspection is
13 complete. But the Self-Assessment Program still has an
14 inspection or two that needs to occur on that, and because
15 that is one checklist item for the NRC, that Quality Audits
16 or Self-Assessment Program is still an open checklist
17 item.

18 Radiation Protection Program, which is the first one
19 that showed blue, down towards the bottom, is currently
20 working to finish the final corrective actions on that
21 program. And there is an inspection starting next Monday
22 that will hopefully close out that checklist, that
23 inspection checklist item.

24 And then we have 3i, which is our completeness and
25 accuracy of required records and submittals to the NRC. We

1 have a number of activities that are ongoing with that
2 right now. We've completed our validation of procedures,
3 or completed -- excuse me. Completed procedures that are
4 established for validation of NRC correspondence going
5 forward.

6 We're currently having ~~slight~~ site training on 50.9
7 training for all site employees. I should say all down to
8 the supervisor level is currently going on. And we have an
9 extensive Extent of Condition Review going on looking at
10 past documents that is submitted to the NRC and ensuring
11 that they are complete and accurate. And we're about 48
12 percent complete overall. I think we're just a little over
13 30 percent complete on the Extent of Condition Review, and
14 then the other two activities I mentioned earlier, make the
15 total of 48 percent complete right now.

16 Move on to the next slide.

17 The 4a and 4b, this is in our Management and Human
18 Performance and Corrective Actions Plan we have, the 4a;
19 and the effectiveness of those corrective actions; in the
20 4b side.

21 The NRC has actually closed Checklist Item 4a, but
22 we do have a couple Corrective Actions that we're still
23 working on in that area, so we are not showing it one
24 hundred percent complete at this time.

25 And, in the area of 4b we're continuing to work on

1 items that Christine mentioned earlier. We have some
2 longer term actions to establish how we're going to measure
3 safety assessment or safety culture assessments, restart
4 readiness review meetings. We have established that the
5 NRC wants to observe and some other actions in that area
6 that we still have yet to complete.

7 In the Readiness for Restart area, again, we're
8 making progress, good progress there. We have 90 percent
9 of the Condition Reports/Corrective Actions that came out
10 of the System Health Readiness Reviews. And the Latent
11 Issue Reviews are, I think we're 95 percent complete on
12 that right now.

13 On the Design Calculation Resolution, this is
14 another checklist item, that if you look on the NRC's list
15 is just one item. We break it out here for tracking. In
16 the Design Calculation Resolution, we actually have
17 completed the, all the Corrective Actions -- Condition
18 Reports and Corrective Actions that came out of the
19 Collective Significance Reviews and Safety Function
20 Validation Projects, so we're showing that a hundred
21 percent complete; and the remaining activities we still
22 have to complete in the System Health area.

23 And then Christine mentioned what we have going on
24 with the two -- or excuse me the 5c Operations Readiness
25 for Restart, which is primarily made up for us of the

1 Restart Readiness Reviews, but also we have a couple NRC
2 inspections that will be monitoring operations as we move
3 through modes for restart.

4 And then our test program, 5d, we're currently right
5 now showing 72 percent complete after our 250 pound test
6 that we ran. And that checklist item is also waiting for
7 the full pressure test to continue its progress.

8 In the licensing issue resolution area, we've added
9 now on here, the 6g, which is the license amendment
10 requests that was mentioned earlier. It's a new checklist
11 item, which is for the emergency core cooling system flow
12 balance testing that we need to do with the high pressure
13 injection pumps once they're modified.

14 And then we have our confirmatory action letter
15 resolution, which we are continuing to make progress on in
16 the areas applicable for that. And, as a matter of fact,
17 we do have one of the items that deals with the, providing
18 the specimens for, of the full reactor vessel head to the
19 NRC. And that project is currently going on, on the site,
20 removing those specimens to be shipped off to our
21 laboratories.

22 That's, that's the status on the checklist items.

23 The last two charts are how we really monitor our,
24 kind of our overall bulk restart actions, and this is the
25 total chart for Condition Reports. The next one is the

1 Corrective Actions. And these charts are also, show in
2 more detail on the wall over here, broken down by the
3 Building Blocks.

4 But, as you can see, we're working off our Condition
5 Report Evaluations. The Restart Station Review Board
6 continues to review on a daily basis Condition Reports that
7 are being generated; however, the number of restart
8 conditions are dropping off now. We're making good
9 progress. We're down to 163 Condition Reports that remain
10 open, or that have been classified as restart. And we're
11 down to less than 60 of those that are required now for
12 Mode 4 and 3 of that population.

13 And the next chart is on Corrective Actions. Again,
14 also this shows what's open and what we closed. We've had
15 over 7,000 Corrective Actions that have been identified for
16 restart. There are 737 remaining. That's the number at
17 the end of Sunday.

18 And, again the incoming here, we do get, as we're
19 working off these Condition Reports and they're producing
20 Corrective Actions, they do continue to come into this
21 Performance Indicator, as required for restart. But we are
22 now down to a little over 300 of these Corrective Actions
23 that are required for Mode 4 and 3.

24 So, we were getting down, all these Corrective
25 Actions and the Condition Reports are scheduled. They're

1 monitored every day at the 8:00 meeting. And, we're making
2 good progress. And they all meet the milestones. We're
3 making good progress towards meeting the necessary dates
4 that we need to do this support of Mode 4 through Milestone
5 3.

6 If there is no questions, I guess I would like to
7 say in conclusion, I would like to say we're continuing to
8 make good progress, and we have confidence in both our 350
9 restart actions and our remaining restart actions that are
10 not 350 complete, and we'll support the next restart
11 milestones.

12 With that, I'll turn it back over to Lew for final
13 comments.

14 MR. GROBE: Okay, thanks.

15 MR. MYERS: Well, I started
16 talking about the near, the Normal Operating Pressure Test
17 and Near Temperature Test. I think that's very imminent.
18 You can look at all the issues that we have, and count on
19 your hands almost.

20 We have some ETAP miles to get through, and we've
21 got HPI Mod to get through, and Some AOV we need to
22 install, stuff like that. But that's, we know that we're
23 going very well on management.

24 The HPI pump was another area we wanted to talk
25 about. I'm not pleased with the progress that we've made;

1 however, I am extremely pleased with the questioning
2 attitude that we had on that. And whenever you get one of
3 these tests that are at issue, you're going to find
4 questions. And we found some of those. We had to go back,
5 and I think Bob characterized our situation very well.

6 I believe this Mod still will be very successful.
7 At the end, I think we have some data, like no one else has
8 got, on the effects of our material on some of the rotating
9 parts in the pumps.

10 We look forward to the, to the NOP test, once again,
11 from an Operations standpoint, Engineering and Maintenance
12 standpoint. We're going to be doing our readiness reviews
13 for Mode 4 starting tomorrow.

14 We shared some of the thoughts with you today, but
15 we'll be doing that assessment as a management team. We
16 look forward to that.

17 And then, once again, if I go back, I look at the
18 plant, and I think it's good to look at the people progress
19 you've made, the material condition progress and the
20 design. That margin, if you're not gaining margins in the
21 plant, and improve the material condition, then, and
22 working on your people, you're probably going backward from
23 a safety culture standpoint.

24 And if I looked at each and every one of those right
25 now, I would give us a check mark. Not that we're the best

1 in the industry, but the trend is definitely correct.

2 That's all we had to share with you today. Thank
3 you for letting us discuss this, these issues. Thank you.

4 MS. LIPA: Okay. Thank you.

5 Any comments or questions at the table here?

6 MR. GROBE: Lew, I appreciate
7 your presentation today. I think it was very helpful. You
8 gave us a very broad perspective of where you're at, where
9 you're going.

10 I think we need to contemplate what the focus of
11 next month's meeting, and I'm not quite sure how we want
12 to focus. We'll be discussing that over the next couple of
13 weeks.

14 MR. MYERS: Okay.

15 MS. LIPA: Okay. So, what
16 we're going to do is take a ten minute break and we'll be
17 ready for our questions and answer period. And, I just
18 want to remind everybody that next month's meeting is
19 August 12th. Thank you.

20 (Off the record.)

21 MS. LIPA: Okay, if everybody
22 would find their seats. What we're going to do is open up
23 the microphone for anybody who has a question or comment or
24 the NRC. And we'll start with local members of the public,
25 and what we have is a sign in sheet at the podium and

1 Mr. Steckel has assured me that that microphone will work.
 2 And we would limit each person to five minutes for comments
 3 or questions. And, then just state your name clearly for
 4 the transcriber.

5 And also we have, there is a block on the form where
 6 you can fill in your phone number in case you want, have
 7 any questions you have and we can contact you.

8 So, let's go ahead. Who is first? Who has a
 9 comment or question for us?

10 Anybody have any comments or questions about some of
 11 the items we talked about today, or about the information
 12 in our newsletter?

13 MS. RYDER: Hi, my name is Amy
 14 Ryder. I'm with Ohio Citizens Action. I have a quick
 15 question, just as far as scheduling goes.

16 Does the, do the HPI pumps have to be fixed and in
 17 place before the pressure test is done, or can that be done
 18 first?

19 MS. LIPA: The answer to
 20 that, Amy, is the tech specs require that the high pressure
 21 injection system be operable for Mode 4 or 3 -- for Mode
 22 3. So, the Licensee plans before they plan to do the NOP
 23 test, they need to go to Mode 3 for that test. Before they
 24 go to Mode 4, they need to get ready for Mode 3. They need
 25 to have the high pressure injection system operable for

1 tech specs.

2 MS. RYDER: Okay.

3 MS. LIPA: Before they can do

4 the pressure test. That's correct.

5 MS. RYDER: And I have some

6 letters that I want to give to you.

7 MS. LIPA: We need to

8 clarify.

9 MR. GROBE: Yeah, let's add a

10 little more detail to that.

11 MS. RYDER: Okay.

12 MR. GROBE: There is a license

13 amendment request in-house with the NRC. It was posted

14 last month, I believe, to the Federal Register. That would

15 authorize a one time kind of exception to the tech specs as

16 they exist today, to permit the performance of the high

17 pressure -- or the Normal Operating Pressure Test with the

18 high pressure injection pumps as they are today, but not

19 permit the plant to go to Modes 2 or 1.

20 So, there is several different options that the

21 Licensee has. They can reinstall the old pumps and use

22 that license amendment request, which is in the process of

23 being reviewed, or they can have a successful modification

24 of the pumps, or they can successfully replace the pumps.

25 But the pumps have to be operable in accordance with the

1 tech specs. Currently, they're not operable in accordance
2 to the tech specs.

3 MS. RYDER: Okay. All right.

4 Also, I wanted to deliver to you today, I have 450
5 letters written from residents across the northern part of
6 the state who are asking the NRC to keep this reactor
7 closed permanently. This reflects the large number of
8 people that we've talked to when we go door to door, who
9 are very concerned about their safety and believe that
10 their safety would be jeopardized if this plant were
11 returned to service.

12 So, if someone could go get these.

13 MR. GROBE: I appreciate you
14 bringing them. We appreciate it. We've also received
15 about a hundred emails over about the last several days,
16 that we appreciate receiving, because that's why we're
17 here. We're here to receive and hear from the public, and
18 understand concerns and respond to those. So, thank you
19 very much, Amy.

20 MS. LIPA: Okay. Does
21 anybody else have comments or questions for us? Are you
22 sure?

23 Okay. Well, we'll resume again at 7. And, so, if
24 you want to come back then, and ask your question then, or
25 you can come up after the meeting is over if you want to

1 try to catch one of us.

2 Thank you all for coming. Good night.

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 19th
10 day of July, 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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