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

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Meeting held on 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.

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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

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

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

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

The next slide is the agenda.

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

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

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

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

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

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

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

And we have Viktoria Mitlyng of Public Affairs. And, that's about it for NRC folks here today.

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

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

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

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

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

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

charge of our support groups.

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

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

And, then out in the audience, we have Bob Saunders. Somewhere -- there is Bob. President of FENOC.

Gary Leidich, the Executive VP.

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

That's it.

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

MR. MYERS: Thank you.

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

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

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

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

MR. ARNDT: Steve Arndt, Ottawa County Commissioner.

MS. LIPA: Steve Arndt.

MR. PAPCUN: John Papcun, Ottawa County Commissioner.

MS. LIPA: Okay, John Papcun.

MR. WITT: Jere Witt, Ottawa County Administrator.

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

Anybody else?

Okay. This meeting is open to the public,

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

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

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

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

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

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

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

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

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

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

follow along and have the numbers.

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

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

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

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

been added as Item 6g.

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

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

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

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

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

before we can close this checklist item.

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

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

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

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

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

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

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

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

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

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

The next item is Quality Audits and Self-Assessments

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

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

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

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

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

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

done during the week of July 14th.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Thanks, Christine.

MS. LIPA: Go ahead.

MR. MYERS: Okay. Our Desired Outcomes today are first to provide you an update on the remaining Mode 4 and 3 activities and operational readiness.

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

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

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

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

AUDIENCE MEMBER: Mr. Myers, this sound systems is atrocious. I think you should take a few minutes here and get it sorted out before we continue.

(Off the record.)

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

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

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

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

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

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

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

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

MR. BEZILLA: Thank you, Lew.

Next slide, please.

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

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

Next slide, please.

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

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

Next slide.

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

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

Next slide.

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

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

Next slide.

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

Next slide.

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

Next slide.

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

Next slide, please.

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

(Off the record/microphone problems.)

MR. BEZILLA: Okay. Next slide, please.

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

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

Next slide.

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

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

Next slide.

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

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

plants, and our processes readiness for the mode change.

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

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

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

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

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

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

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

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

Next slide, please.

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

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

This first Mode 4 evolution will provide us valuable

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

That completes my presentation. Any questions?

MR. GROBE: No. Thank you.

MS. LIPA: No.

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

MR. SCHRAUDER: Thank you, Mark.

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

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

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

Next slide, please.

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

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

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

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

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

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

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

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

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

Next slide, please.

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

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

We have another loop that simulates the discharge wear ring.

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

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

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

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

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

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

Okay. Next slide, please.

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

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

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

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

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

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

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

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

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

Give you the next pictorial, please.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

plugged even faster.

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

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

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

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

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

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

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

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

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

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

Did you have a question?

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

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

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

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

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

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

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

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

MS. LIPA: Okay, thank you.

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

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

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

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

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

MR. SCHRAUDER: That's right.

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

MR. RULAND: Thank you.

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

plugging)." How long was that test?

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

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

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

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

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

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

MR. GROBE: And, the results

of the smaller hole size strainer tests?

MR. SCHRAUDER: They are plugging.

MR. GROBE: They are plugging?

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

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

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

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

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

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

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

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

MR. HOPKINS: Okay.

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

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

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

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

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

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

MR. SCHRAUDER: I will let Bob answer that.

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

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

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

MS. LIPA: Yes.

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

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

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

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

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

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

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

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

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

MR. SCHRAUDER: Yes.

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

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

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

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

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

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

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

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

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

MR. SCHRAUDER: Right.

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

Any other questions before Bob goes on?

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

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

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

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

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

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

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

MR. GROBE: I appreciate that, Bob.

The thing that I would like to see is any empirical

data that supports the validly of these models.

MR. SCHRAUDER: Okay.

MR. GROBE: Not for some clogging, but for through go of debris, because I think you're on some cutting edge work here.

MR. SCHRAUDER: Okay.

Move forward a couple of slides, please.

Okay. Talk a little, just a little about what we've found from the French. I'll go through this rather quickly in the sake of time.

There are differences, more differences than we had originally believed between our pumps and the French pumps, particularly after the French did some modifications to their pumps.

They spin at a faster rate, which we believe helps expel the debris from the hydrostatic bearing. Ours is like I said before at about 600 rotations per minute. The French designs are 4500.

They have hard face in that bearing and the shaft sleeve, I talked about some scoring on the shaft sleeve. That's hard face in the French design. We're looking at that. Those are the two big physical differences.

Then the modifications. They have, our take-off for the supply lines for the hydrostatic bearing is on the suction side of the impeller. They have moved it to the

discharge side of the impeller.

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

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

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

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

We will continue our testing of various strainer

designs, and debris impact on the hydrostatic bearing.

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

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

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

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

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

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

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

MR. HOPKINS: I would like to see that.

MR. SCHRAUDER: Sure.

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

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

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

MR. HOPKINS: Yeah, that's

fine.

MR. SCHRAUDER: Okay.

MR. GROBE: I have one other question. To determine final resolution, do you have a schedule for that, do you have an anticipated time when you're going to determine final resolution?

MR. SCHRAUDER: Not an exact date. We would expect, again, by the end of this week, through the weekend, we continue to run the two strainer designs that we have right now that have no fiber in there, coupled with the decision to go in and remove existing fiber; we might be in a position that we know how successful modification is put into these pumps. I'm going to say within the next week or so, at which point we can make a decision.

What we have, we watch where we're at, at the plant, and based on how long it takes us to get the pumps in, get the modification done, back that up, and know where we have to make that decision.

MR. GROBE: Okay. Any questions?

MR. SCHRAUDER: Thank you.

MR. GROBE: I would like to go backwards, if we could. I thought of a question for Mark. I didn't want you to get off too easy there.

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

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

(Microphone problem)

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

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

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

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

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

the Normal Operating Pressure Test after we get that additional information. Okay. Thank you.

MR. GROBE: Okay, Mike.

MR. RODER: My objective this afternoon is to discuss Operations Performance, Improvements and also Readiness for Modes 4 and 3.

First, I'll give you an overview of our Continuous Improvement Business Practice. Then how we use Performance Indicators.

(Microphone problem.)

MR. RODER: I'll start over.

Thank you. Four items to be discussed. First, I'll give you an overview of our Continuous Improvement Business Practice. Then I'll discuss how we use Performance Indicators to monitor our performance. Some of our improvement plans captured in our 2003 Operational Excellence Plan. And then finally our Readiness for Modes 4 and 3.

Next slide, please.

Our Continuous Improvement Business Practice is the process we use to evaluate existing standards of performance, cost change, and improve those standards of performance.

Inputs in the processes include Condition Report data, Observation Program data, operating experience,

benchmarking, self-assessments and performance indicators.

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

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

Next slide, please.

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

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

Next slide, please.

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

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

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

Next slide please.

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

Next slide, please.

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

We took actions by establishing expectations for

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

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

And next slide, please.

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

Next slide.

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

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

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

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

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

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

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

That is my prepared presentation. Are there any questions?

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

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

Any other questions?

MR. GROBE: Personnel safety.

MR. RODER: Personnel safety?

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

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

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

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

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

Any other questions or comments?

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

MR. GROBE: Okay.

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

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

(Off the record.)

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

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

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

This afternoon I would like to talk about

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

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

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

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

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

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

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

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

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

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

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

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

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

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

but these are some of the principle ones I touched on.

Engineering Principles and Expectations Handbook that we issued to all the engineers, not only at Davis-Besse site, but the other two FENOC sites laying forth the groundwork for the professionalism that we expect from our engineers with the principles and expectations on how they perform their work and how they function as the conscious -- safety conscious of the station.

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

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

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

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

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

Root Cause Training, we brought in TapRoot, that's a company to train us. Not only our root cause evaluators in the Correction Action Program, but also management and senior leadership at the site attended, so we all understood --

(The lights went out.)

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

MR. POWERS: I'll start again.

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

there.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Then, the next one is Corrective Action Reports.

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

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

MR. POWERS: Right.

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

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

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

to department level and myself.

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

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

MR. GROBE: Thanks, Jim.

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

I know it's your intention to continue working on

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

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

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

MR. GROBE: Okay, good.

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

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

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

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

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

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

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

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

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

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

Those are shown over on the indicators on the wall,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

you heard various issues being dealt with there.

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

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

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

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

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

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

Now, we will accept training and certification in

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

MR. HOPKINS: Okay, that's all.

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

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

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

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

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

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

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

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

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

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

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

MR. THOMAS: Okay, thank you.

MR. GROBE: Thanks, Jim.

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

MR. GROBE: Yep.

MR. STEVENS: Okay. Next slide, please.

From analysis of our Performance Indicators,

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

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

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

The next slide, please.

Vision 1. Operations is the number 1 customer.

Vision 2. Maintenance embraces continuous improvement.

Vision 3. Maintenance has ownership of equipment deficiencies.

Vision 4. Maintenance values performance feedback.

Vision 5. Maintenance leadership is consistent.

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

This will continue to be our primary focus

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

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

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

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

Here we have a summary of the Maintenance

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

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

Next slide, please.

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

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

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

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

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

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

Next slide, please.

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

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

within the work force in Maintenance.

Next slide, please.

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

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

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

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

Next slide.

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

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

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

Next slide.

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

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

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

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

Next slide.

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

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

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

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

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

Next slide, please.

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

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

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

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

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

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

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

MR. GROBE: Okay.

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

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

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

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

Next slide.

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

MR. THOMAS: Mike, I have a question.

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

MR. STEVENS: That's correct.

MR. THOMAS: How will you

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

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

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

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

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

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

MR. STEVENS: That's correct.

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

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

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

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

individuals.

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

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

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

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

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

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

MR. THOMAS: Okay.

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

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

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

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

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

MR. GROBE: Okay, thank you.

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

MR. MYERS: Thank you.

We're ready to go forward?

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

I have a good microphone now.

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

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

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

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

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

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

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

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

strategic objectives, if you will.

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

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

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

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

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

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

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

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

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

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

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

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

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

And stand up, Kevin.

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

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

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

have, what it looks like over the next couple of years. Where are we going?

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Go ahead, Christine.

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

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

MR. POWERS: I would agree with that. We have the industry calculations prepared now, so we have a firm design basis for it. We're doing modifications to the valves at the plant that require more margin, and those modifications will be effective.

We've had to work through some technical issues in that process, but the bottom line is we're going to have hardware changes upgrade to give us the margin we need and program requires for the valves, and so I think we're making good progress on this. I think we're being effective in effectively going after change work

requirements.

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

MR. POWERS: Yes.

MS. LIPA: Thank you.

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

MR. HOPKINS: I have a question.

(microphone problem.)

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

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

really gain an operational margin if we leave it that way. We were testing at a lower test pressure before. Did that intentionally.

MR. HOPKINS: All right, thank you.

MR. GROBE: Okay. Clark.

MR. PRICE: Thank you, Lew.

MR. GROBE: He's surprised. He's not used to be being able to speak at these meetings.

MR. PRICE: Okay, I would like to conclude our presentation today with a recap of the final activities that we need to complete to support moving to our next milestones of Mode 4 and Mode 3 and full pressure test of the Reactor Coolant System.

Then, I'll provide a summary status of our progress on the 0350 Restart Checklist, and I'll try not to be redundant to Christine's excellent presentation earlier.

Finally, I'll go over two of our management indicators that we look at for monitoring overall restart for our actions.

On this slide here, we're currently focused at the activities required to place the plant in a condition for the full pressure test of the reactor coolant system. And we have four activities that are currently sharing critical path for Modes 4 and 3; those being the high pressure

injection pump installation that Bob Schrauder addressed earlier.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Move on to the next slide.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

MR. GROBE: Okay, thanks.

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

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

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

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

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

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

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

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

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

in the industry, but the trend is definitely correct.

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

MS. LIPA: Okay. Thank you.

Any comments or questions at the table here?

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

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

MR. MYERS: Okay.

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

(Off the record.)

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

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

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

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

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

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

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

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

tech specs.

MS. RYDER: Okay.

MS. LIPA: Before they can do the pressure test. That's correct.

MS. RYDER: And I have some letters that I want to give to you.

MS. LIPA: We need to clarify.

MR. GROBE: Yeah, let's add a little more detail to that.

MS. RYDER: Okay.

MR. GROBE: There is a license amendment request in-house with the NRC. It was posted last month, I believe, to the Federal Register. That would authorize a one time kind of exception to the tech specs as they exist today, to permit the performance of the high pressure -- or the Normal Operating Pressure Test with the high pressure injection pumps as they are today, but not permit the plant to go to Modes 2 or 1.

So, there is several different options that the Licensee has. They can reinstall the old pumps and use that license amendment request, which is in the process of being reviewed, or they can have a successful modification of the pumps, or they can successfully replace the pumps. But the pumps have to be operable in accordance with the

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

MS. RYDER: Okay. All right.

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

So, if someone could go get these.

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

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

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

try to catch one of us.

Thank you all for coming. Good night.

(Off the record.)

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CERTIFICATE

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal of office at Norwalk, Ohio, on this 19th day of July, 2003.

Marie B. Fresch, RMR

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