PUBLIC MEETING

Between U.S. Nuclear Regulatory Commission 0350 Panel and FirstEnergy Nuclear Operating Company

Meeting held on Tuesday, August 12, 2003, at 7:00 p.m. at Oak Harbor High School, Oak Harbor, Ohio, taken by me, Marlene S. Lewis, Stenotype Reporter and Notary Public in and for the State of Ohio.

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PANEL MEMBERS PRESENT:

U.S. NUCLEAR REGULATORY COMMISSION

John (Jack) Grobe, Chairman for 0350 Panel
Davis-Besse facility

Christine Lipa, Branch Chief, NRC

William Ruland, Vice Chairman, MC 0350 Panel

Scott Thomas, Senior Resident Inspector

MS. LIPA: Okay, we're just about ready to get started. Okay, well, good evening, everyone. This is the public meeting for the NRC Davis-Besse Oversight Panel, and what we want to do is recap what we discussed today during the business meeting that we held from two until about six, I think, summarize that meeting for you, and then open it up for public comments and questions from everybody, so -- there was a handout, and I understand we ran out of the handout, but really the agenda, if I can find it here, is simply to discuss what we discovered in the afternoon session and really just to inform anybody who's interested in the NRC activities and answer any questions that you have, so we'll go ahead and introduce some folks up here first, and then we'll go into a summary. Scott Thomas is the Senior Resident at the Davis-Besse facility.

MR. THOMAS: (Indicating).

MS. LIPA: Bill Ruland is from the Office of Nuclear Reactor Regulation. He's the Vice Chairman of the panel.

Jack Grobe is the Chairman of the Panel.

MR. GROBE: (Indicating).

MS. LIPA: He's the Senior

Manager in the Region III office.

I forgot to introduce myself. I'm Christine Lipa. I'm a Branch Chief in the Region.

We also have Jack Rutkowski, the Resident Inspector at the Davis-Besse facility.

MR. RUTKOWSKI: (Indicating).

MS. LIPA: Jon Hopkins --

MR. HOPKINS: (Indicating).

MS. LIPA: -- the NRR Project Manager. He's located out of headquarters.

We have Roland Lickus. He's our State and Government Affairs person.

MR. LICKUS: (Indicating).

MS. LIPA: And then Jan Strasma --

MR. STRASMA: (Indicating).

MS. LIPA: -- is Public Affairs.

Nancy Keller was in the foyer handing out the handouts, and she's the site secretary at the Davis-Besse resident office. I think that's about it for NRC, so I'll go ahead and turn it over to Scott Thomas and he'll summarize what we covered in the 2:00 meeting.

MR. THOMAS: Okay, briefly the licensee updated their progress toward resolution of

the high pressure injection pump design issue. These actions included the completion of the testing for the internal spring and bearing design, the replacement of the existing hydrostatic bearing with a bearing of a more robust design and hard face vital internal components to improve the pump performance and their adverse conditions.

The licensees also updated the status of their ETAP, which stands for Electrical Transient Analysis Program. This evaluation is basically an evaluation of how their electrical distribution system is operating.

They talked about plant readiness for Modes 3 and 4 and the operation start-up plan. This discussion focused on how they will successfully conduct required post-maintenance and modifications testing and how they will conduct the plant start-up safely and event-free.

The licensee also outlined their restart milestones through the normal operating pressure test. These included transitioning from the Return to Service Plan to normal -- a normal type operating status, install high pressure injection pumps, complete the remaining work required to support transitioning to Mode 3 and 4, and to perform the

seven day Full Pressure Test and evaluate the results.

The licensee discussed the results of their recent safety culture assessment and readiness evaluation and focus for Modes 3 and 4. The results in the three major areas were white in the Individual Commitment Area; yellow for Plant Management Commitment Area; and white for the Policy or Corporate Level Area -- excuse me, Commitment area.

Lastly, the quality assessment organization updated their efforts in the following areas of station readiness, quality assessment, organizational readiness and plant oversight activities.

And the meeting conclude with a brief video of things that the licensee has accomplished to date, so --

MS. LIPA: Okay, thanks, Scott. I wanted to cover that there is a few handouts that were in the foyer when you came in. The thickest packet was the Davis-Besse licensee handout that they used, so that will give you a sense of some more detail of some of the things we covered.

Also we have this thing called NRC Update, and that's a monthly newsletter that the NRC has been putting out for about a year now, and in this packet

it has background information, current information. It also has a way you can reach our Public Affairs folks, phone number, web site information, E-mail information, and then on Page 4 is the Restart Checklist, and we spent a lot of time at the public meeting at 2:00 today going over the Restart Checklist, the status of the items that are open and what the NRC has planned to review those areas before we make a decision on closing these Restart Checklist items.

Also in the foyer was a public meeting feedback form that you can use to provide information to us on how this meeting went. Of course, you can always provide your comments to us at the podium or come up and talk to us after if anybody has any comments or questions, so that's it for a summary of what we did during the afternoon meeting, and what I'd like to do now is open it up for public comments and questions. What we like to do is have people come up to the podium, sign your name on the sheet, speak your name for the transcriber and ask your question. I'd like to point out this meeting is being transcribed by Marlene, and all these meetings have been transcribed and those transcriptions are available on our web site, so what we'd like to do is

start with local members of the public first or public officials and -- comments or questions, limit your time to five minutes, please, and does anybody have a comment or question for us?

MR. ATWATER: See if this works -- okay, my name is Alan Atwater, and I'm not part of any organization, I'm just a local resident. I am 24 years young. I work as a machine operator and a part-time farmer in Oak Harbor. I have been a resident since 1979. I would like to thank the NRC for getting involved with the corrosion of Davis-Besse's reactor vessel head.

Also, I want to thank and commend the workers, staff and contractors at the Davis-Besse facility by discovering this problem and correcting it. By no means was this an expectable condition; however, I am aware that this was within the safety perimeters of the facility.

I hope that the Ohio Citizen Group will totally understand that nuclear power is the greatest thing to come forth.

I hope everyone that is against my backyard monument had a cold burner, fuel burner, wood burner, refinery or lack of electricity in their backyard.

I thank FirstEnergy for the use of the 0%

emissions fuel and for the largest area of marshland in Ottawa County that you preserve.

I also wanted to state that Amy Ryder only received 450 letters from Northern Ohio residents while asking for the plant to be permanently shut down. How many of these 450 people are my neighbors living within 10 miles of the plant? Who sponsors the Ohio Citizens Group? Do my taxes pay for anyone working for this committee or organization? I believe that 800 people work at Davis-Besse. Do we want to lose 800 more jobs in Ottawa County? This committee should support the NRC and FirstEnergy on being confident that Davis-Besse will continue to operate like it did since 1979 -- or '76. Thank you.

MS. LIPA: Thank you for your comments, Alan.

THEREUPON, the audience applauded.

MS. LIPA: I think you asked a couple questions about Ohio Citizens Action Network. I don't really know too much about them as far as tax dollars and whatnot, but we have received a lot of letters, more than the 400, we received even more and we do plan to respond to those letters.

Does anybody else have any comments or

questions for us?

MR. GATTER: Hi, my name is Shane Gatter. I'm a resident of Oak Harbor and an employee of Davis-Besse. I work in the Corrective Action Program.

As a Davis-Besse employee and a resident of Oak Harbor, I have attended many of these meetings and last month I realize my neighbors do not know what's happening at Davis-Besse; therefore, they must rely on the media and which from the perspective of someone who does know what's happening on the inside is less than desirable.

Davis-Besse tries to inform the public what's happened once a month at these meetings, but is usually taken as defensive and not informative. I'm also to blame. I have not approached my neighbors to relay information and to thank them for their support. Also what my neighbors don't understand and what was apparent in last month's questions and comments is the safety culture work environment at Davis-Besse. I only have been at Davis-Besse for the past 11 months, so I cannot speak to what it was like prior to the extended outage, but I have seen a changing of environment since my stay here.

I would also like to take this time to be

informative and be the eyes for my neighbors. When I look at safety conscious work environment, I first see the definition -- an environment in which personnel are encouraged to identify, are confident that problems will be effectively evaluated and corrected, and are protected from any form of retaliation as a result of having raised issues, a safety culture goes hand in hand. The assembly of characteristics and attributes in organizations and individuals which established an overriding priority to nuclear safety activities and ensures the issues receive the attention warranted by their significance.

Now, that -- that can be a mouthful and when I first seen this, I thought, why are they telling me this, shouldn't it -- doesn't everyone already live by these definitions? If they did, we probably wouldn't be here today talking about it. This is not a test and we need -- we do not need to remember this verbatim, this is the lifestyle we should all live by. I have seen progress with the establishment of a safety conscious work environment colors and the four C's meetings and just by the employees who live by that definition is above. Again, this is something that has to be witnessed and

not read in the paper. From what I could gather there were two ways of reporting issues prior to the 13th, the refueling outage. One was through the corrective -- condition report process and the other was directly reporting to the NRC. Now, we have the four pillars and graphics are hanging around the plant as a constant reminder to employees.

The four pillars are report the issue to management without fear of retaliation; the condition report process; the employee concerns program; and the safety conscious work environment review team. As an employee, an employee is allowed -- I'm sorry, encouraged using any and all of these at any time. The employee concerns program even loves confidentiality. To re-enforce the use of the condition report process, employees are recognized for addressing issues through a good catch program. This program is currently evolving to include employee of the month and many other related programs that identify issues around the plant. This process will be influenced by all levels of management and all stages of the condition report process. Along with the safety conscious work environment, Mr. Myers and -- Mr. Myers has established the four C's meetings, compliments, communications, concerns and

changes. Two meetings with a small group of employees are held, the first meeting allowing the small group of employees to establish questions they would like to ask Mr. Myers or Mr. Bezilla, and the second meeting allowing Mr. Myers or Mr. Bezilla to address those questions and allow the employees to meet with them face-to-face. I think this -- the four C's meeting was a wonderful idea because I like to talk to my COO or my VP face-to-face, and I know that my issues and questions are directly -- are directly getting to him. Thank you.

MS. LIPA: Thank you, Shane.

THEREUPON, the audience applauded.

MS. LIPA: I appreciate your comments and, you know, one of the reasons that we have the public meetings every month is to try to reach as many people that are interested in understanding the NRC's role in regulating the Davis-Besse plant, so we're trying to reach out to folks, too, and I think the news coverage, there's been a lot of it and it's been pretty good, it might be hard for somebody to understand the whole story, though, just by reading what's in the paper, that's why the newsletters we put out try to explain more about what we're doing, and hopefully everybody can

understand. Thank you. Hi.

MR. HOOK: Hi. Good evening. My name is John Hook, and I'm the Supervisor in Design Engineering Structural Mechanics Unit. I have worked at Davis-Besse in Design Engineering for over 16 years.

In my capacity, I have reviewed hundreds of condition reports, but tonight I would like to share with you a recent example that occurred in my unit. Last week one of my engineers had a question from the field concerning the installation of a water tight seal used in the containment.

Upon further investigation of this issue, it was identified that the documentation for the water tight seal did not support the application, and a condition report was identified and written. There were several items associated with this condition report and is typical of many other condition reports that I have reviewed that I would like to share with you tonight. It represents a strong safety culture, which is our primary responsibility. It displays a strong questioning attitude which is a need to understand our design basis. It is very self-critical of our work. It has the potential to adversely affect the Mode 4 restart schedule.

Schedule pressures do not deter the individual from identifying this condition. There is a focus on resolving this issue and not on the messenger. We are working together to resolve this issue in a timely fashion.

I would like for you to know that the condition report process is working and that it is being used by the employees to identify and resolve issues at Davis-Besse. I am particularly proud of the fact that even though we have been in a long outage, we are not afraid to raise questions even though they could impact the restart at the very end. This is another example of the strong safety culture at Davis-Besse and why our plant will be a lot safer when we start up. Thank you.

THEREUPON, the audience applauded.

MS. LIPA: Thank you for your comments, John.

Anybody else have any questions or comments for us?

MR. WITT: I'm Jere Witt, I'm County Administrator, also a member of the Restart Overview Panel and also a member of the Company Nuclear Review Board. I just want everyone to understand that this process, as my boss, Mr. Arndt,

explained in the afternoon meeting, is what I believe to be a good one. I have watched it for the past almost year and a half now. I think that the NRC is doing the right things and asking the right questions, and I believe that the utility is giving honest answers.

I think there's a lot of processes that have been put in place through this that will be the industry standard in the future, and I truly believe that when we reach that point, which we aren't at today, but when we reach that point of recommending the restart of the plant, that I can say I did that knowing that it would be safe, which is our foremost concern and foremost concern of the County residents, and we will not only feel that way at that point in time, but the County will stay involved as part of that Company Nuclear Review Board and also stay involved with some requests that we have made of the NRC to make sure we're informed and this type of thing never happens again. Thank you.

THEREUPON, the audience applauded.

MS. LIPA: Thank you, Jere.

Anybody else?

MR. OPFER: My name is Darrell Opfer. I live within the 10 mile EPZ of the plant,

former County Commissioner and former State Representative, currently Director of the Ottawa County Improvement Corporation.

I was mailed a message this past Saturday, which I would like to enter into the record. The letter indicates it is from Ken Benjamin.

Hello, Darrell,

Please add our name to the list of local people and companies who approve the start-up of Davis-Besse as soon as possible.

We believe the commitment made to not only correct past unknown problems, but also upgrade to the latest technology safety standards will serve this area for years to come.

No one wants the nuclear industry to fail, except those without vision of future long-term electrical requirements.

Power Generation, like so many modern inventions, are a work in progress and not without risk.

On the 100th Anniversary of Flight, many prominent people of that period tried to convince both the Wright brothers and the general public powered manned flight was both unsafe, impractical, and, frankly, impossible, and that was just 100 years

ago.

Do I need to remind anyone that since 1903 we have a manned space station circling earth and have been to the moon?

We vote in the strongest terms to get on with the start-up program at the nearby Davis-Besse Power Generation Plant.

Respectfully submitted, Ken Benjamin, President, the Benjamin Company located in Put-in-Bay, Ohio and currently President of the Erie/Ottawa Airport Authority.

Thank you very much for having the opportunity to have this read into the record.

MS. LIPA: Thank you.

THEREUPON, the audience applauded.

MS. LIPA: Anybody else have any comments or questions for us?

MR. DUSSEL: Hi, my name is Tim Dussel, I'm a local resident, and I would like to know if the NRC has said anything to the local public on this valve in the hydrogen detection equipment, why there hasn't been anymore said what was going on, what its purpose is?

MS. LIPA: Okay. Scott, do you want to answer that? There was an LER on that topic.

MR. THOMAS: Okay, these valves were, it appears that these valves were part of original construction, they have been -- these valves isolate cooling water through a heat exchanger in the gas analyzer. Apparently they have been shut since original construction. What that does is it renders the -- the heat exchanger obviously inoperable. What the function of a heat exchanger is, its function is it cools air coming from -- or air that has a high vapor content coming from containment in the post-accident condition. It cools it so the gas analyzer can perform its function, so the impact of not having the heat exchanger would be that the analyzer wouldn't provide an accurate reading.

Did that answer your question?

MR. DUSSEL: Yes, somewhat, but I don't understand why, you know, the news media kind of gets beat up because they say that information is given -- I don't understand why the NRC or FirstEnergy hasn't let the public know a little more on what's going on with this. They knew about it at the last meeting and nothing was ever brought up about it.

MS. LIPA: Okay, well, what -- I guess what I would like to say about that is we have

a regulation in 10CFR50.73 that requires for certain conditions that the utility finds, they need to submit these written reports, and this is one of those, and it's a 60 day report, so they sent that report in, and there have been others. They are called Licensee Event Reports. This particular one came in and like all the Licensee Event Reports that we get in, we do an assessment of the current condition and we do -- this system is not needed for the mode that the plant is in now, so then we know that before they restart, they have to come up with a plan to resolve the problem -- they are going to solve the problem going forward, and also we do an assessment of the risk significance in the as found condition for how significant that was looking back, and so we do have plans like we do with all Licensee Event Reports to do an inspection of it, to do an assessment of the as found risk significance and to check what corrective actions the utility is planning to correct the condition, so we don't necessarily talk about every single one. It's not that we, you know, if we knew that it was of interest, we would. I mean, that's what we try to do in preparing for each of our monthly meetings. It's what's happened recently that might be important to folks, so this

one was of interest to you, and we just didn't have -- discuss that.

MR. DUSSEL: It seems to me that valves that's been left closed since the plant has been opened, I just wonder what kind of inspections and other valves have been left closed and have not been opened? There's got to be thousands and thousands and thousands of valves and to go since '77 and not know they don't work is pretty frightening. Thank you.

MR. GROBE: I would just like to add a comment or two to what Christine said and the questions you've asked are very good ones, and they are questions that the utility is asking themselves and we will be looking at in following up on in this Licensee Event Report. Two things to add.

This issue is not uniquely significant, and one of the reasons for that is the lack of cooling, this cooling that Scott described for the gas that's going into the hydrogen analyzer. The loss of cooling would cause the instrument to over respond, so the operators, while it wouldn't be an accurate response, the operators would have information that would cause them to go check something out if, in fact, the situation existed in an accident condition,

so it would not be a situation where a function was lost and the operators wouldn't have the information they needed. It would be a situation where the instrument would over respond and indicate that there was hydrogen present in greater concentrations than actually may have existed inside containment. In that kind of a situation, the operators have other means to sample the containment atmosphere which they would have pursued.

MR. THOMAS: Just one other thing is that this issue didn't impact the actual mitigation equipment. It just impacted their ability to analyze the functionality of the hydrogen analyzer, so they still have the mitigation equipment available, it was just the loss of the analyzer that this impacted.

MS. LIPA: Okay. Thank you.

Anybody else have any questions for us?

MR. RODER: My name is Mike Roder, I'm the Operations Manager at Davis-Besse. I have been a lifelong resident of Ottawa County. I also became Operations Manager a little over a year ago in June of 2002. I genuinely care about the local community. I'm also raising my family here as I was raised here. I assure you the Operations Department

and the rest at Davis-Besse have taken the lessons learned from a reactor vessel head event and internalized that event. We have worked hard to make sure our standards and expectations are the best practices in the industry. The Operations Department and myself, and the rest of Davis-Besse, recognize and fully accept the responsibility we have not only to the company, to the NRC, but also to our community.

I ask that the NRC and the community take into consideration what Davis-Besse has done, and what we are now doing and the positive changes we have made and use that as they consider our decision on restart. Thank you.

MS. LIPA: Thank you, Mike.

THEREUPON, the audience applauded.

MS. LIPA: Anybody else have any comments or questions for us?

MRS. RODER: I'm Peggy Roder, neither of us knew the other one was going to talk tonight, but I have a few comments coming from the perspective of somebody that's been on the inside and the outside sort of for the last 20 years married to an operator.

I have been sitting -- I have been coming to

all of these meetings and listening to all the comments that everybody has for and against, and one of the things that isn't brought up very often is the environmental impact. You know, the people that don't want this plant to open up, I would think would be the same ones that would be worried about the environmental impact of the other forms of electricity we have out there. As soon as Davis-Besse opened, Toledo Edison was able to cut back or even close some coal plants. Coal, of course, that, you know, meant it was, they could -- the amount of pollutants is drastically reduced. I have a perfect example of that because I live straight across from the plant, so we get to see work every day, and on certain days -- on a clear day you look across and you see the plant putting out this water vapor, white and pretty, just pure water vapor, and over the top up in the air, the jet stream will carry a band of yellow, ugly, horrible looking smoke that comes from Monroe, Michigan that I can see going right over the top of the water vapor, and I always wondered why the environmentalists aren't more concerned about that than they are nuclear power.

Over the last several years -- 10 years ago maybe when the economy was such that everyone was

cutting back, everyone was cutting back on expenditures, cutting back, you know, laying off people, there was fewer -- there was less capital improvements and so forth and the whole theme was cut back, cut back, and middle management was starting to get very frustrated. They had to just prioritize their work, do only what was totally necessary, and cut back all the other stuff, and the staff -- they were frustrated, too, because they were working with inferior equipment, they became somewhat complacent maybe in their work, that feeling of camaraderie and almost a family feeling that was there at Davis-Besse was no longer there, and that led us to February of 2002, then came in the new management team, and they started to shift focus of what they do. It used to be more like, okay, just push it along, and it's okay, we can get by with that, just keep going, and that led us to where we got.

Now, it's more of everything has to be right the first time, if it's not done right the first time, you do it right the second time, and it's got to be done safely. It's a totally different atmosphere. It's coming back to that. There was a poor group -- a group of middle management, and so forth that has been there all along that cares about

the plant that has been there forever. The families live there. They work there, my goodness, they wouldn't want to do anything that's going to impact their own lives, by, you know, letting things go that shouldn't be let go. I think that now they're starting to get excited because they see they can talk to their management, they can -- there's money being put in where it needs to be put in. They're excited here -- it's just a different feeling, and I get this feedback on a nightly basis. I hear what's going on. Even though I don't work there, I get quite a bit of feedback, so I know the whole -- just talking to several people, the whole atmosphere is beginning to change.

I get a lot of people asking me, oh, gosh, aren't you worried living right across from Davis-Besse like that? I'm 12 miles as the crow flies from it, just straight across east, so prevailing winds would come right by my house, and I just simply say, no, I'm not worried. That's what the safety systems are for and they have always worked. If one doesn't work, there's a back-up to that and there's a back-up to that, and I know all the different generators and all these things to back it up, and because I know about it, I'm not worried

about it, and, no, I don't have Potassium Iodine pills, I just don't worry about it, so I think everybody has learned a lot of lessons, the management team and hopefully the NRC, too, oversight, seeing this whole thing happened while there were NRC inspectors on site why there weren't questions about the filter changes and all that before, I don't know. I think everybody has learned their lessons, and I'm convinced it's going to be a safety long run now for Davis-Besse, and I'm anxious to get things moving. Thank you.

MS. LIPA: Thank you for your comments.

THEREUPON, the audience applauded.

MS. LIPA: Anybody else have any comments for us or questions? When we started, we opened it up to local residents, but we'll open it up to anybody who has a comment or a question for us.

(NO AUDIBLE RESPONSE).

MS. LIPA: I'd like to point out that next month our meeting will be on Wednesday for a change. We had to do that for schedule reasons. It will be September 10th back here at the same facility, 2:00 business meeting and 7:00 meeting with the public.

Anybody else have any comments or questions?

(NO AUDIBLE RESPONSE).

MS. LIPA: Okay, well, then, thank you for coming. Good night.

THEREUPON, the meeting was adjourned.

CERTIFICATE

STATE OF OHIO )
) ss.
COUNTY OF HURON )

I, Marlene S. Lewis, Stenotype Reporter and Notary Public within and for the State aforesaid, duly commissioned and qualified, do hereby certify that the foregoing, consisting of 27 pages, was taken by me in stenotype and was reduced to writing by me by means of Computer-Aided Transcription; that the foregoing is a true and complete transcript of the proceedings held in that room on the 12th day of August, 2003 before The U.S. Nuclear Regulatory Commission.

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

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

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

My commission expires 4/29/04