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PUBLIC MEETING

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

Meeting held on Wednesday, September 10, 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.

PANEL MEMBERS PRESENT:

U.S. NUCLEAR REGULATORY COMMISSION

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

David Passehl, Project Engineer,
NRC, Region III

William Ruland, Vice Chairman, ~~MC~~ IMC 0350 Panel

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1 MR. PASSEHL: Okay, welcome. We
2 want to get started. Welcome to members of the
3 public for coming to our meeting this evening.

4 I'm Dave Passehl, the Project Engineer at the
5 NRC Region III office. I work for Christine Lipa,
6 who is in charge of the Inspection Program for
7 Davis-Besse. She can't be here tonight due to other
8 commitments.

9 We had a business meeting during the day
10 today, and the purpose of tonight's meeting is to
11 inform members of the public what we discussed during
12 the business meeting and also to give you an
13 opportunity to ask questions and for us to hear
14 comments.

15 Before we get started, I want to mention
16 there's copies of the August edition of the monthly
17 newsletter and copies of slides from today's meeting
18 in the foyer. The newsletter provides background
19 information, discusses current findings and NRC
20 activities. One correction to the newsletter, it
21 states that the next 0350 public meeting, two p.m.
22 meeting, will be held here. That's incorrect. It
23 will be held at Camp Perry on October 7th.

24 Also in the foyer, there's public meeting
25 feedback forms which we use to get feedback from

1 people to learn about aspects of the meeting that we
2 can improve on.

3 We're having the meeting transcribed today by
4 Marlene Lewis, and she'll maintain a record of the
5 meeting, and a transcription will be available on our
6 web page usually in about three to four weeks.

7 What I'd like to do is start off with some
8 introductions for the NRC folks that are here. To my
9 left is Jack Grobe --

10 MR. GROBE: (Indicating).

11 MR. PASSEHL: -- Senior Manager in
12 the NRC Region III office in Lisle, Illinois, and
13 he's the Chairman of the Davis-Besse oversight panel.

14 To his left is Bill Ruland. He's a Senior
15 Manager, and he's the Vice Chairman of the Oversight
16 Panel. Bill's position is Director, Project
17 Director at III in a division of Licensing Project
18 Management. Is Jon here?

19 MR. GROBE: (Indicating).

20 MR. PASSEHL: Jon Hopkins.

21 MR. HOPKINS: (Indicating).

22 MR. PASSEHL: He's NRR Project
23 Manager for the Davis-Besse facility.

24 And we have Jan Strasma --

25 MR. STRASMA: (Indicating).

1 MR. PASSEHL: -- our Region III

2 Public Affairs Officer here tonight.

3 MR. GROBE: And Roland,

4 (indicating).

5 MR. PASSEHL: Oh, I'm sorry, and

6 Roland Lickus --

7 MR. LICKUS: (Indicating).

8 MR. PASSEHL: -- our State and

9 Government Liaison Affairs Officer from the Region is

10 also here.

11 Okay, Bill Ruland will present a summary of

12 what was discussed during the business portion of the

13 meeting, and then we'll go ahead and turn it over to

14 hear comments and answer questions.

15 MR. GROBE: Did you introduce

16 Monica?

17 MR. RULAND: Yeah, introduce

18 Monica.

19 MR. PASSEHL: I'm sorry, I wanted to

20 introduce Monica Salter-Williams. She's the third

21 Resident Inspector at Davis-Besse. Most plants in

22 the country have two Resident Inspectors;

23 Davis-Besse, because of a lot of work we're doing and

24 the oversight of the plant, we have a third Resident

25 Inspector and -- did you want to talk a little bit

1 about her background?

2 MR. GROBE: Sure. I'll tell you a
3 little bit about Monica. As Dave indicated, we now
4 have three fully qualified Resident Inspectors at
5 Davis-Besse. She was selected for this job a couple
6 of months ago and just reported on Monday. She and
7 her husband and five-year-old daughter are currently
8 in temporary quarters, but will shortly be moving
9 into a home in the area, and Monica comes to us from
10 our Region I office, which is in Philadelphia,
11 Pennsylvania. She's got a Bachelor's degree in
12 chemistry from an esteemed university in Georgia, and
13 then sought a Master's degree in Nuclear Engineering
14 from Pennsylvania State University, was an engineer
15 at the Three Mile Island plant in Pennsylvania for a
16 couple of years and then took a job as an engineer
17 with the Nuclear Regulatory Commission in Region I
18 and received her training and qualification in Region
19 I, and they were upset to let her go, but we posted
20 our third resident slot, and Monica applied, and is
21 an outstanding candidate. We're really glad to have
22 her on our team at Davis-Besse, so she and Chris
23 Thomas and -- my goodness, Jack Rutkowski, are the
24 three Residents at the site, that they're there every
25 day inspecting the activities at Davis-Besse.

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1 Bill, why don't you summarize the afternoon
2 meeting a little bit?

3 MR. RULAND: Okay, thank you, Jack.
4 Initially, Dave Passehl started our meeting off and
5 we discussed the last meeting discussions basically.

6 We reviewed significant NRC activities that
7 had gone on this past month. We closed two restart
8 checklist items; one on the emergency sump in
9 containment and a license amendment of high and low
10 pressure injection system where certain surveillance
11 requirements were relocated to the updated safety
12 analysis report.

13 We also discussed a CAL update. We
14 mentioned also that we did two exit interviews on the
15 Corrective Action Team inspections and the System
16 Health Inspections. Those internal exit meetings
17 were conducted yesterday, and after regional
18 management and 0350 panel reviews the results of
19 those exits, the reports will be issued and whatever
20 action that we're going to need to take, if any, will
21 come out of that.

22 In addition, we listed some upcoming NRC
23 activities. As you might be aware, the licensee,
24 FENOC, is pressurizing their reactor coolant system,
25 and we have an upper -- upper under vessel head

1 inspection planned. We have a planned public
2 meeting October 1st in the regional office in Lisle
3 on safety culture. The -- our inspection for
4 following up on what FENOC is doing on incomplete and
5 inaccurate documents, that will be going -- we'll
6 probably do that inspection starting the end of this
7 month, and we're also making plans for the Restart
8 Assessment Team Inspection, and so we basically
9 listed those upcoming NRC activities.

10 FENOC, Lew Myers, listed a number of things
11 that they're planning on doing to make sure that,
12 among other things -- well, excuse me for a second.
13 What they're doing, they described the plant response
14 to the loss of the transmission grid. In that
15 response, they stated that all equipment operated as
16 designed.

17 Later on in the meeting we found out that the
18 containment air coolers, apparently, there might have
19 been some anomalies associated with the containment
20 air coolers, and that was also discussed later in the
21 meeting.

22 We discussed -- the licensee discussed their
23 NOP test, the Normal Operating Pressure Test
24 preparations, and people, plant and processes that
25 they're going to examine during this test.

1 They discussed their expectations for people
2 and division and management responsibilities. They
3 discussed their inspection teams, that they've
4 trained those inspection teams for this NOP test.
5 They have over a thousand visual inspections planned.

6 They -- and they continued to discuss their
7 plans for both contingencies and post-maintenance and
8 modifications testing associated with that test.

9 There's a number of things they listed that
10 the NOP test is to accomplish. It's to test safety
11 equipment with a focus on important -- important
12 components. They're going to examine -- they're
13 going to use cameras stationed underneath the reactor
14 vessel to monitor for leakage, and they're going to
15 specifically monitor, like I said, over a thousand
16 components, or a thousand items, including the
17 reactor coolant pump seals in the reactor vessel
18 head.

19 In addition, they gave a list of what they
20 believe were accomplishments that they have had
21 throughout this outage in this long shutdown, and
22 basically listed mostly hardware corrections and
23 additions that they've made to increase margin during
24 the shutdown.

25 They discussed several technical issues with

1 us. The first one was the HPI pumps where they said
2 that the final qualification testing started
3 basically today, will go on for 21 days.

4 In addition, they finalized the design in the
5 sump, or the debris that this -- the pumps are going
6 to have to pump in containment, and as a result of
7 our learning that, we're planning to have a meeting
8 with them to discuss the results of what their design
9 is and their testing. That meeting will be planned
10 for headquarters, but it has not yet been scheduled.

11 Jim Powers also discussed the electrical
12 distribution system, the activities they've done,
13 that their analysis is complete and that the first
14 mode 4 and 3 Mods were done and the second mode 3
15 and 4 Mods have been at least identified.

16 They further stated that contrary to some
17 previous indications, no license amendment was going
18 to be required for the second ~~mode~~ Mode 3 and 4.

19 They also discussed the containment air
20 coolers and the damage that the valves assemblies had
21 incurred as a result of the loss of offsite power
22 that happened at -- well, I think that all of you
23 know that it happened, so we discussed that and that
24 probably got the most lively exchange that we had,
25 trying to understand, you know, exactly what the

1 licensee, FENOC, was going to do going forward. I
2 don't think we -- we didn't get any real big issues
3 associated with that, but just an increased
4 understanding of where FENOC was headed on that.

5 Rick Dame discussed the Operational Readiness
6 Assessment Plan, and he pointed out, as we knew that
7 this was part of the restart checklist. They're
8 going to do a number of assessments during this NOP
9 test during these upcoming seven days.

10 In addition, if -- and those assessments are
11 basically focused on examining what operators and
12 plant management and staff, how they respond to
13 emerging issues, how they handle the plant
14 evolutions, and we also learned that if they don't
15 have enough evolutions, don't have enough emerging
16 issues, they plan on conducting exercises to test the
17 plant and test plant management of how they deal with
18 those issues. We also discussed how they're going
19 to manage those -- manage those exercises to minimize
20 any potential negative impact on the actual
21 operations of the plant.

22 Along those lines, they also discussed that
23 the -- they're going to have a number of assessments,
24 several assessment teams, one an internal assessment
25 team with FENOC folks, both line management, people

1 from Perry, Beaver Valley.

2 In addition, they were going to have external
3 independent assessors on site during that week in
4 addition to quality assurance, the quality assessment
5 organization was also -- all these three groups are
6 going to be performing assessments of the approach to
7 and the conduct of the NOP test.

8 During that -- after that particular
9 presentation on the NOP test, Jack remarked that it
10 sounded like they had a solid plan.

11 Steve Loehlein discussed the QA Oversight and
12 what they're doing both to examine the corrective
13 action review, the corrective action review they're
14 doing, and discussed how they plan on doing
15 assessment of restart activities.

16 Finally, Lew Myers discussed the actions that
17 he believed his company was putting in place to
18 anchor long-term improvements and a number of things
19 he listed was the new organization, improvements in
20 the safety margin that have been made by equipment
21 addition or reconditioning, new objectives and
22 measures that have been established, improvements in
23 personal performance and several other -- several
24 other items, and that's basically my summary of what
25 happened at the meeting.

1 MR. GROBE: Okay, very good.
2 Thanks, Bill. At this point we'd like to open it up
3 to any questions or comments. I know that it's
4 sometimes difficult to keep a broad perspective on
5 what's going on, so we're eager to help you
6 understand what's going on from the standpoint of the
7 NRC oversight at Davis-Besse, as well as clarify for
8 you activities that are going on that the utility has
9 underway and respond to any concerns or questions you
10 have, so, please, come forward, sign your name and
11 ask us your question. Who has a question?
12 MR. DUSSEL: (Indicating).
13 MR. GROBE: Yes, sir.
14 MR. DUSSEL: Maybe you could touch
15 base on --
16 MR. GROBE: Why don't you come up
17 to the microphone, tell us your name, and sign in,
18 and then go ahead.
19 MR. DUSSEL: My name is Tim Dussel.
20 I'm a local citizen, and I would like to know if
21 there's been any information brought out on how
22 FirstEnergy is coming with the outside consultants
23 that they've hired to see how the safety culture is
24 coming? There's been very little said on any of
25 that, and that was supposed to have been like an

1 independent group that came in that was supposed to
2 be looking at how things were going.

3 MR. GROBE: Yeah, that's an
4 excellent question. FirstEnergy conducted both
5 internal and external assessments of safety culture,
6 and they're continuing to conduct internal
7 assessments as they continue to address areas of
8 weakness. The external assessment was conducted
9 under Dr. Sonia Haber, which we've -- she's appeared
10 at some of our meetings and provided insights into
11 what she is doing. The results of her assessment
12 are available publicly. They're on our Web site.
13 If you don't have access, we'd be glad to get you a
14 copy of that report if you're interested. She
15 identified several areas of strength and several
16 opportunities for continued improvement at
17 FirstEnergy, and they're proceeding with their
18 management human performance improvement plan to
19 address issues that they have identified as well as
20 issues that Dr. Haber's team identified. We have a
21 public meeting scheduled for October 1st, and I
22 appreciate you asking this question because it gives
23 me an opportunity to share with you that we don't
24 like having meetings away from the immediate vicinity
25 of the plant here, at the high school or over at Camp

1 Perry, because it makes it more difficult for you
2 folks to get involved in those meetings. So what we
3 would do is we put together both a telephone as well
4 as a video teleconferencing link and free of
5 charge -- free to you, you can dial in and be
6 connected to that meeting and listen to the business
7 portion of the meeting if you're interested and also
8 participate in the question and answer session
9 afterwards, and that's been very effective for past
10 meetings that we've had to conduct either in Chicago,
11 the Region III office, or in Washington at the
12 headquarter's offices, so those meetings that we're
13 going to be conducting outside of the immediate area
14 here, we'll have those kinds of access via the
15 telephone link if you're unable to travel to the
16 Windy City or down to our nation's Capitol, but Dr.
17 Haber's report is complete. It's publicly available
18 and FirstEnergy is addressing those issues, and they
19 will be discussing not only the actions they've taken
20 to date, and the assessments they're doing to date,
21 also the assessments they're going to continue to do
22 between now and the time they request restart, but
23 also their long-term improvement initiatives in
24 safety culture and their long-term plans for
25 assessing those improvements, and by long-term, I

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1 mean over the next several years, including how
2 they're going to share the results of those
3 assessments publicly, so that's the purpose of the
4 October 1st meeting. It's a continuing dialogue of
5 the dialogue we've been having over several of our
6 meetings in the safety culture area. Today's
7 presentation, this afternoon, the last section of
8 that presentation -- and I'm not sure, were there
9 additional copies of the licensee's slides out on the
10 table?

11 MS. KELLER: Yes.

12 MR. GROBE: There were?

13 MS. KELLER: Yes.

14 MR. GROBE: If there are, it's the
15 last four or five pages of their presentation.

16 They're kind of an indicator of those activities that
17 they have done. As Bill articulated, Lew described
18 actions that they've taken to anchor -- the
19 phraseology he used was to anchor the improvements
20 going forward and allow continued improvement so you
21 can get a snapshot of the kinds of things we're going
22 to be talking about in much more detail on October
23 1st.

24 MR. DUSSEL: Also, I read an
25 article and have heard on the news and other things,

1 the 1986 incident where, I forget what the amount
2 FirstEnergy was fined, but it was dropped by almost
3 50% because FirstEnergy was doing such a good job on
4 their corrosion program, and here we are 14 years
5 later, same circumstance basically. I'd like to
6 know what the NRC, how they feel they handled the '86
7 and what they plan on doing with this incident as far
8 as fines or people being held accountable.

9 MR. GROBE: Right.

10 MR. DUSSEL: It seems like we
11 should learn from history, and I don't think someone
12 is doing a real good job of it.

13 MR. GROBE: The situation that
14 occurred in the mid '80s didn't have anything to do
15 with boric acid corrosion, and there was a protracted
16 shutdown of the plant, and the plant restarted after
17 that, but the -- the area that you started asking
18 questions about is really what I view as the area
19 that will ensure that there is no recurrence of this
20 kind of a situation.

21 The NRC oversight panel for Davis-Besse has
22 two responsibilities. One is to define what is
23 necessary prior to restart, to evaluate the
24 licensee's accomplishments of those activities that
25 are required and to share all that information

1 publicly.

2 In addition to that, we're responsible prior
3 to recommending restart of the plant -- the panel
4 doesn't actually approve restart, we make a
5 recommendation to our bosses, Jim Caldwell in Region
6 III and Jim Dyer in NRR and Bill Travers, who is the
7 head of the Agency and the final decision rests with
8 Jim Caldwell, on the advice of Jim Dyer and Bill
9 Travers, but the other half of our responsibility is
10 to assess not only will the plant be able to restart
11 safely, but will it be able to operate into the
12 future safely, and the key to that is the management
13 human performance area, and that is establishing the
14 right expectations of the standards in the safety
15 culture area as well as management organizational
16 effectiveness, setting clear expectations for staff
17 and holding people accountable to those.

18 With respect to the past, the boric acid
19 corrosion with the reactor head -- excuse me, the
20 Company did comprehensive investigation of that and
21 took a large number of personal actions including
22 terminations and demotions and reassignments of those
23 people who they believe didn't meet their
24 expectations.

25 The NRC likewise has an investigation ongoing

1 looking into those issues. No enforcement action
2 will likely be taken until the completion of all
3 those investigative activities we have underway.
4 Our office of investigation has regular briefing, the
5 oversight panel as well as Senior Management with the
6 Region in headquarters on their progress on the
7 investigation. And as that investigation evolves, if
8 it appears that there's a need for immediate
9 enforcement action, we would take that. Otherwise,
10 we'll wait until the completion of that investigation
11 before enforcement action will be taken.

12 MR. DUSSEL: Well, like I say, it's
13 been well over a year since all this took place, and
14 I don't understand -- I realize you want to change
15 the rules and have different inspections and you have
16 oversight committees and all this, but all the stuff
17 that was put in place before any of this happened,
18 all the checks and balances, I still am completely
19 amazed at how this could happen. I'm totally
20 amazed, and I don't care how many more rules and how
21 much more paperwork you make, that's not going to
22 change anything if no one is held responsible and no
23 one is doing their job. That really bothers me, and
24 I don't see anything that's really being changed on
25 that. I see a lot of different ideas, different

1 rules and different titles and different
2 classifications, but nothing's really has been
3 addressed on how this all took place to begin with.
4 It amazes me because there was so many checks and
5 balances that was put in place before and how did
6 this all take place?

7 MR. GROBE: I'm not sure I have
8 articulated it clearly enough, but the Company has
9 taken action which resulted in termination or
10 separation of a number of individuals ranging from
11 front level engineers up through vice presidents,
12 and, in addition to that, there's a number of
13 additional individuals who were given opportunities
14 for other jobs at other locations or were demoted or
15 were counselled, so there are individuals at the
16 plant that have been held accountable by FirstEnergy,
17 and they have discussed that during these public
18 meetings. In addition to that, once we complete our
19 investigations we will hold FirstEnergy, and as
20 appropriate, individuals accountable pursuant to our
21 enforcement action.

22 MR. DUSSEL: Well, I just think it
23 would be nice if the public was informed more of what
24 was going on. Like I say, it's been well over a year
25 since this has all taken place, and it just seems

1 like you just keep having more meetings and more
2 meetings, and it will all slide off the back burner
3 sooner or later.

4 MR. GROBE: Okay, appreciate your
5 comments. While the next person is approaching the
6 podium, I'd just like to share a perspective with
7 you, and I would appreciate if you have a different
8 perspective that you share it either personally today
9 or you can certainly fill out a feedback form, you
10 don't even have to put a stamp on it, we'll receive
11 it, just drop it in the mail.

12 I have been involved in five plant recoveries
13 and restart efforts over my career, and this activity
14 has been conducted with an unprecedented amount of
15 public access to information. We publish a monthly
16 newsletter that we bring to the meeting here. We
17 also send it to Congress. We send it to State and
18 local officials and all of your media outlets,
19 newspapers and radios and things of that. We also
20 make it available on the Web site, and I think we're
21 in our 13th issue this month. There's just a
22 compendium of information in there that talks about
23 all of these subjects as well as many others.

24 In addition to that, we've conducted -- if
25 you total public meetings, briefings of State,

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1 Federal and local officials, nearly a hundred
2 meetings to keep people informed on what's going on.
3 I meet with your County Administrator, and usually
4 several of your County board members on a monthly
5 basis to talk through what's going on, receive their
6 perspective and they're able to ask me questions.

7 We meet with the State of Ohio on a quarterly
8 basis. We've briefed the Governor. I meet with the
9 staff of your Federal elected officials,
10 representatives and the senators in Washington on a
11 regular basis, so we have attempted to be as
12 transparent as we can and provide as much public
13 information as we can, and if there is other ways
14 that we can provide -- can be more effective in
15 providing information, we're all ears, because that's
16 why we're here, so I look forward to any additional
17 comments on how we can do better in that regard.

18 Who would like to ask a question?

19 MR. KHAN: (Indicating).

20 MR. GROBE: Come on forward.

21 MR. KHAN: Just going back. If I
22 can just follow-up --

23 MR. GROBE: Could you tell us your
24 name and sign in, please?

25 MR. KHAN: Yes, it's Ashar Khan.

1 Just following up on that, when is your
2 investigation likely to be -- to get some report on
3 it, just going back to the previous guy's -- the
4 critical time is coming for the start up. Can I just
5 ask, where is the investigation reporting in terms of
6 its readiness?

7 MR. GROBE: Investigations are a
8 lot like fine wine. They're not ready until they
9 are ready. The investigations have been ongoing for
10 quite awhile. It was initiated, I believe, last
11 April -- not last April, April of ~~2000~~ 2002, and there has
12 been an extraordinary amount of evidence evaluated
13 and reviewed. The investigation is in its final
14 stages. I can't project when it will be completed,
15 but what I can tell you is that the Oversight Panel
16 has received regular briefings from the
17 investigators. The folks that are working for the
18 Oversight Panel, accomplishing reviews and activities
19 for us have been reviewing the evidence and receiving
20 briefings from the investigative team to ensure that
21 if there is any immediate safety issues that are
22 evolving from that investigation, that they will be
23 addressed before restart.

24 With respect to public access to the
25 investigation, the NRC doesn't have the authority to

1 prosecute individuals. We have a relationship with
2 the Department of Justice, so before anything can be
3 released publicly, the process would have to go
4 through its entire set of paces, which would include
5 completion of the investigation. If there is any
6 indication of wrongdoing, deliberate or willful
7 violations of our requirements, it has criminal
8 sanctions as well as civil sanctions associated with
9 them, so an individual could be held criminally
10 responsible for acts of deliberate violation
11 requirements. Our Office of Investigation has a
12 relationship with the Department of Justice. If that
13 were the case, if that was the conclusion of the
14 investigation, they would brief the Department of
15 Justice, the Department of Justice would evaluate the
16 case and determine whether it's appropriate to
17 proceed to a Grand Jury. Because, I'm sure you can
18 appreciate -- because of all of that, the release of
19 any information is completely inappropriate, and so
20 what -- the message you need to take away from this
21 is that we are actively engaged in evaluating the
22 ongoing investigation and the information they're
23 developing, and if there is anything relevant to the
24 safe restart of this plant, we will address that
25 prior to the restart of the plant.

1 MR. KHAN: I guess just judging
2 from your tone and the way you answered the question,
3 you've already taken, you know, changes in management
4 and terminating people and everything and from where
5 the investigation report might be in terms of, you
6 know, the data gathering and assessment, I think,
7 there is -- it seems like there is nothing in the
8 investigation report, it seems like 'til this present
9 time, which would be in any way be more harmful or in
10 any way stop the process of the restart, otherwise
11 you would have addressed it with current management.

12 MR. GROBE: I think what you need
13 to appreciate is that before we would make a restart
14 decision, those issues, if they exist, would be
15 addressed. I don't want you to draw any conclusions
16 from what I'm saying because that's not appropriate.
17 Prior to any kind of restart decision, which isn't
18 happening today or tomorrow or next week, these
19 issues will be appropriately addressed if there are
20 any.

21 MR. KHAN: Second, if I can go to
22 your safety culture test, and we appreciate the NRC
23 being focused on it, but I wanted to get a view,
24 'cause safety culture, you know, I guess the method
25 and methodology being inculcated in towards the

1 workers and management can only be witnessed as seen
2 over a period of time to assess whether it is working
3 or not, and as these reports just came out about,
4 what was it, two months ago or three months ago when
5 the independent assessment report came out in May, if
6 I'm right, May or June time period, what is the
7 thesis or what is the working analysis by you guys?
8 What period do you have to observe that those things
9 have been inculcated within the work force and
10 management and it is working in a manner that you
11 would feel comfortable with and -- because it's
12 basically a timing issue, the way I look at it,
13 because observations and timing of each particular
14 worker is really appreciated. If we can get a little
15 bit more feedback from you guys as to what time frame
16 you look at. You must have time frame to look over
17 assessment and observations.

18 MR. GROBE: It's an excellent
19 question. The NRC does not have any requirements,
20 any direct requirements, that address safety culture.
21 We have performance expectations that we expect our
22 licensees to meet. Some of those performance
23 expectations include not retaliating against
24 individuals for raising concerns. We have a
25 specific requirement in that area. There's other

1 requirements in our regulations that address the need
2 for an effective Corrective Action Program.

3 In addition, the Commission has established
4 some policy statements with respect to safety
5 culture, but we don't have an inspection program per
6 se on safety culture. The way the NRC has
7 approached regulatory oversight of nuclear power
8 plants in the United States is what we call
9 performance based. We look at the safety of the
10 plant, and then if there's a significant performance
11 deficiency in the safety of the plant we make sure
12 that the root causes of that issue are addressed and
13 ensure that significant issues don't recur, and
14 that's what this panel is all about. What happened
15 at Davis-Besse is very rare in the nuclear industry
16 in the United States, and this is -- in the last five
17 years, this is the only plant that has gotten into a
18 situation where it has needed an oversight panel of
19 this nature, so the first assessment -- you've asked
20 a number of really good questions, the first
21 assessment that was done was completed, I believe,
22 was in August of 2002. That assessment in that
23 particular area of safety culture has been repeated
24 and corrective actions were initiated. You're
25 absolutely right, cultural issues take time to

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1 change, and that same assessment approach was
2 repeated in the spring of this year, and this was all
3 reported in our public meetings, and you can find it
4 on the Web site, and there were significant
5 improvements in all areas of that specific activity.

6 In addition to that, the external safety
7 culture assessment was conducted in February of this
8 year, so that was about seven months ago, and that
9 was after the Company had initiated -- they have a
10 return to service plan, they call it a return to
11 service plan which has seven building blocks. One
12 of those building blocks is management human
13 performance, so it was clear from the Company's
14 perspective right at the beginning that they had some
15 management organizational problems and they had some
16 human performance problems both at the employee
17 level, the supervisor level and management level.
18 They've -- that was part of their building blocks and
19 return to service plan right from the start, and they
20 performed a number of root cause assessments, so this
21 has been an ongoing activity for the better part of
22 probably 15 or 16 months. I do not expect that this
23 is going to be a -- what's commonly referred to in a
24 business vernacular as a high performing organization
25 at the time of restart. Our standard is that it's

1 good enough that we believe it will operate safely,
2 but we also believe that there will need to be
3 continuing improvements after restart in this area to
4 ensure -- you used the word inculcate, that's a good
5 word. Lew Myers used the word anchored changes, and
6 that's also another good word, but the goal is to
7 ensure that these issues are addressed and not only
8 addressed at the time of restart, but continuing on
9 in the future, so there's two parts of the meeting on
10 October 1st. The first part is dealing with
11 activities that have occurred in the past, their
12 assessments in the past and what they're planning on
13 doing prior to requesting a restart authorization
14 from us, and then going in the future, what they plan
15 on doing continuing into the future, how they're
16 going to assess activities going into the future,
17 using inside assessments on their quality assurance
18 organization, as well as external assessments, and
19 then how they're going to communicate those
20 assessments and their progress publicly. The panel
21 will stay in existence long after restart and will
22 continue to monitor performance in areas just like
23 this one and will continue to have public meetings to
24 discuss this. That was kind of a long-winded
25 answer. Did I --

1 MR. KHAN: So I guess what I'm
2 getting is that there have been improvements made,
3 seems like those improvements are satisfactory. You
4 expect to continue to monitor safety culture even
5 after the start date going forward?

6 MR. GROBE: Yeah, and you took
7 that a little further I think than what I said. We
8 have an inspection team that's ongoing right now.
9 We call it our management human performance
10 inspection, and it includes experts from our
11 headquarters office in safety culture, as well as
12 safety conscious work environment.

13 In addition, they are experts from outside
14 the industry who have years of experience of
15 successful operation of nuclear power plants, as well
16 as specific experience in recovering plants that had
17 safety culture problems. These are two retired
18 senior executives from the nuclear industry that are
19 experts in this area. That inspection team is
20 ongoing, and we have not yet concluded that they have
21 made sufficient progress, so that's -- at the October
22 1 meeting we're going to receive FirstEnergy's
23 assessment of where they think they are and that
24 inspection will continue beyond October 1.

25 MR. KHAN: So these two

1 individuals, they wouldn't be there at the October
2 1st meeting, will they, to present any of their
3 analysis --

4 MR. GROBE: No.

5 MR. KHAN: -- or when can we
6 expect --

7 MR. GROBE: No, we will not be
8 discussing inspection results at that meeting.
9 That's a meeting for FirstEnergy to tell us what they
10 think.

11 MR. KHAN: Okay.

12 MR. GROBE: And for us to question
13 them.

14 MR. KHAN: When can we get some
15 views from those two guys that you mentioned?

16 MR. GROBE: Well, it's not just
17 those two guys. Let me give you a little more
18 detail. I mean, they are two very important people
19 'cause they give the inspection team breath and depth
20 of experience. We have an individual from our
21 Office of Research who has a Ph.D. in Industrial
22 Psychology and has about 25 years of experience in
23 the safety culture area.

24 We have two other individuals from the Office
25 of Nuclear Reactor Regulation who are experts in

1 human performance and in organizational
2 effectiveness.

3 In addition, we have an individual from the
4 Office of Nuclear Reactor Regulation who has both NRC
5 and industry experience in safety conscious work
6 environment, and she's back with us again, and she's
7 on this team. The team is being led by the Senior
8 Engineer from our Region III office who has 30 years
9 of experience in nuclear plant operations and
10 regulatory oversight.

11 In addition to that, these two individuals
12 broaden the team with the industry executive
13 experience, so I don't want you to look at this as a
14 two person inspection.

15 MR. KHAN: Okay.

16 MR. GROBE: It's a very broad and
17 balanced inspection team with a wealth of experience.
18 I anticipate that we'll be having a public dialogue
19 on the results of that inspection when it's
20 completed, and that will be prior to restart.

21 MR. KHAN: Okay. So that we
22 should expect sometime in October?

23 MR. GROBE: No, you should expect
24 it before restart.

25 MR. KHAN: Before restart.

1 Okay. I appreciate that.

2 MR. GROBE: Thank you. You folks
3 are asking excellent questions. I know there is
4 another question out there.

5 (BRIEF PAUSE).

6 Let me make a couple of comments about some
7 upcoming activities that Bill highlighted but just
8 reinforce those. We have talked a lot about safety
9 culture tonight, and we have that meeting on October
10 1st. You're certainly welcome to participate in that
11 meeting by telephone or in person. Chicago is a
12 lovely place.

13 The -- in addition to that, Bill mentioned
14 that we had exit meetings on two very important
15 inspections; one is the System Health inspection.
16 That's looking at the equipment, the hardware in the
17 plant, and the other one was the Corrective Action
18 Team inspection, that's looking at the effectiveness
19 of the Corrective Action Program. We already
20 inspected the improvements that the Company was
21 making to their Corrective Action Program and
22 concluded that those improvements on paper looked
23 fine. This inspection team -- just to give you a
24 sense, it was 10 inspectors, well over 200 years of
25 experience, assessing this kind of an area of nuclear

1 plant operations. Their goal was to look at the
2 implementation and effectiveness of the Corrective
3 Action Program. Those exits -- we call it an exit,
4 that's the end of the inspection when the inspectors
5 give a final debrief of the utility on their
6 inspection findings. Those findings are
7 pre-decisional. They need to be reviewed, as Bill
8 indicated, by Regional Management, as well as
9 reviewed by the panel. I anticipate a public
10 meeting sometime in the next several weeks to discuss
11 the results of those two inspections.

12 In addition, the high pressure injection
13 pumps are a very unique problem that Davis-Besse has,
14 and they've developed some solutions to that problem.
15 They're far enough along in those solutions to have
16 an effective meeting with us, and we're planning a
17 public meeting to specifically discuss the details of
18 that rather unique equipment problem and how they're
19 solving it, and we have an assessment ongoing in that
20 area also.

21 In that regard, we've had people from the
22 office that Bill works in to Alabama, the test
23 facility, where they're testing the high pressure
24 injection pump and the modications set pump, as well
25 as an engineer and engineering supervisor from the

1 organization that Bill works for in the Washington
2 area, to the licensee's contracted engineering firm
3 that's evaluating the design of those high pressure
4 injection pumps, and, so far, those evaluations are
5 going forward without any significant issues being
6 identified, but that's an activity that's also
7 ongoing, and we plan to have more trips to Alabama to
8 witness this testing as it's going on over the next
9 several weeks, so there's a lot of things happening.

10 It's an exciting time.

11 Who else has questions?

12 (NO AUDIBLE RESPONSE).

13 (BRIEF PAUSE).

14 Well, we will be up here after the meeting,
15 and if you want to come up and ask us a question
16 personally, that's fine. We also have the feedback
17 forms in the outside vestibule here, which, if you
18 want to jot us a note, that's a freebee, just take a
19 few minutes, write us a note.

20 In addition to that, we have our monthly
21 newsletter which has some egregiously bad information
22 in it. The next public meeting is October 7th at
23 2:00 and 7:00, but it's not at Oak Harbor like the
24 newsletter says. It's at Camp Perry, so join us next
25 month at Camp Perry.

1 Also in that newsletter are included the
2 phone number and E-mail address for our Public
3 Affairs Officer, Jan Strasma, and his assistant, Vika
4 Mitlyng, and they always have access to me and the
5 staff in Region III in NRR if they can't answer your
6 question, so you have a lot of opportunities to gain
7 additional information and get your questions
8 answered if you're not one of those that likes to
9 come forward to the podium, so, with that, our last
10 call for questions.

11 (NO AUDIBLE RESPONSE).

12 Thank you very much for coming out this
13 evening, and, like I said, we'll be here for awhile
14 if you have any questions.

15

16

17 THEREUPON, the meeting was adjourned.

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CERTIFICATE

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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 35 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 10th day of September, 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