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

Meeting held on Wednesday, December 3, 2003, at
2:00 p.m. at the Oak Harbor High School, Oak Harbor, Ohio,
taken by me, Marie B. Fresch, Registered Merit Reporter,
and Notary Public in and for the State of Ohio.

PANEL MEMBERS PRESENT:

U. S. NUCLEAR REGULATORY COMMISSION

- John "Jack" Grobe,
Senior Manager, Region III Office
& Chairman, MC 0350 Panel
- William Ruland, Senior Manager NRR
& Vice Chairman, MC 0350 Panel
- Christopher Scott Thomas,
Senior Resident Inspector
U.S. NRC Office - Davis-Besse
- Jon Hopkins,
NRR Project Manager - Davis-Besse
- Jack Rutkowski, NRC Resident Inspector
- Randal Baker, Reactor Engineer
Region III Office
- Geoff Wright, Team Leader
Management/Human Performance Inspection

FIRST ENERGY NUCLEAR OPERATING COMPANY

- Lew Myers, FENOC Chief Operating Officer
- Mark Bezilla, Vice President Davis-Besse
- Clark Price, Owner - Restart Action Plan
- Steve Loehlein,
Manager - Nuclear Quality Assessment
- Linda Griffith,
Employee Concerns Program Manager

1 MR. GROBE: Good afternoon.
2 Welcome to FirstEnergy and to members of the public. Thank
3 you for accommodating this meeting today. This is a public
4 meeting between the NRC's Davis-Besse Oversight Panel and
5 the FirstEnergy Nuclear Operating Company.

6 My name is Jack Grobe. I'm Senior Manager from the
7 NRC's Region III Office in Lisle, Illinois and I'm the
8 Chairman of the NRC's Davis-Besse Oversight Panel.

9 Could I have the next slide, please.

10 The purposes of today's meeting are to discuss the
11 NRC Oversight Panel activities, particularly focusing on
12 those activities that have occurred since our last public
13 meeting on November 12th and to allow FirstEnergy to
14 present the status of activities in their restart plan.

15 Next slide, please.

16 The agenda for today's meeting is similar to our
17 prior meetings. We'll make some introductions and opening
18 remarks. Then, I'll summarize very briefly the information
19 that was discussed at the November 12th public meeting last
20 month. Discuss the current NRC activities that have
21 occurred since November 12th.

22 FirstEnergy has a presentation that they plan on
23 making regarding their Return to Service Plan. Focus today
24 will be on restart activities, the Cycle 14 Operational
25 Improvement Plan and Safety Culture and Safety Conscious

1 Work Environment.

2 After FirstEnergy's presentation, including whatever
3 questions the NRC has, we'll adjourn the business portion
4 of the meeting, take a brief break, and then have an
5 opportunity for public comments and questions for members
6 of the public that we'll attempt to answer.

7 I would like to take a moment and introduce the NRC
8 staff that are here today. On my immediate left is Bill
9 Ruland. Bill is the Senior Manager from our Office of
10 Nuclear Reactor Regulation in our Headquarters Offices in
11 Rockwell, Maryland, and he's Vice Chairman of the Oversight
12 Panel, the NRC Davis-Besse Oversight Panel.

13 On Bill's left is Jon Hopkins. Jon is the Licensing
14 Project Manager for the Davis-Besse facility, also in the
15 office of Nuclear Reactor Regulation.

16 On the far end of the table is Jack Rutkowski. Jack
17 is one of the Resident Inspectors at the Davis-Besse plant,
18 works at Davis-Besse every day.

19 On my immediate right is Scott Thomas. Scott is the
20 Senior Resident Inspector and Scott supervises the
21 inspection program at the Davis-Besse site.

22 On Scott's right is Geoff Wright, and Geoffrey is
23 the Team Leader of the Management and Human Performance
24 Team. That's the team that's looking at Safety Culture,
25 Safety Conscious Work Environment, Employee Concerns

1 Resolution, and other activities that focus on the culture
2 of the Davis-Besse facility.

3 We also have Randy Baker. Randy is running the
4 slides right now. Randy is a Reactor Engineering from the
5 Region III Office in Lisle, Illinois.

6 Jan Strasma is the Public -- one of the Public
7 Affairs Officers in Region III and he's in the audience
8 somewhere.

9 Also in the audience is Rolland Lickus. Rolland is
10 the State and Government Affairs Officer for Region III.

11 And, of course, we couldn't live without Nancy
12 Keller, who is out in the foyer. Nancy is the Resident
13 Office Assistant, and she provides invaluable service in
14 having these meetings run smoothly.

15 Lew, would you take a moment and introduce your
16 staff?

17 MR. MYERS: Sure. Okay.

18 We have a couple people in the audience.
19 Gary Leidich, the President of FENOC, is with us today
20 here.

21 Bob Saunders, our previous President; and his wife,
22 Carol, is with us today. Glad to have Bob back up from
23 Virginia.

24 Joe Hagan, the Vice President of Engineering
25 Services and Oversight, Engineering and Services with us

1 today.

2 Fred von Ahn, VP of Oversight is also with us.

3 And then, at the end of the table, Linda Griffith;

4 she's new at the table, our Employees Concerns Manager.

5 She will be providing some insights today.

6 Clark Price, the Restart Program Manager is to my

7 left.

8 To my right here is Mark Bezilla, our site

9 Vice President.

10 And then, Steve Loehlein, Vice President -- the

11 Manager of Oversight, Manager of Oversight, is also with us

12 today.

13 So, with that, I think we're ready to go forward.

14 MR. GROBE: Thank you very

15 much.

16 I believe we have some public officials here in the

17 audience today. Would you like to stand and identify

18 yourselves, please?

19 MR. ARNDT: Steve Arndt,

20 County Commissioner.

21 MR. PAPCUN: John Papcun,

22 Ottawa County Commissioner.

23 MR. KOEBEL: Carl Koebel,

24 County Commissioner.

25 MR. WITT: Jere Witt, County

1 Administrator.

2 MR. GROBE: Okay. Very good.

3 Thank you very much.

4 As I mentioned before, this meeting is open to
5 public observation. Please note that this is a meeting
6 between the Nuclear Regulatory Commission and FirstEnergy.
7 At the conclusion of the business portion of this meeting,
8 but before the meeting is adjourned, the NRC staff will be
9 available to receive comments from members of the public
10 and answer any questions that members of the public may
11 have.

12 There are copies of our December newsletter in the
13 foyer. This is another edition of our monthly newsletter
14 that provides key information regarding the NRC's
15 activities at the Davis-Besse facility.

16 In addition to current activities, there is several
17 pages of historical background information; and on the very
18 last page is specific information on how you can contact
19 the NRC regarding matter concerning the Davis-Besse
20 facility and also how you can access information easily on
21 Davis-Besse on the NRC's Web site.

22 There is two additional aspects of the monthly
23 update that I wanted to just touch on briefly. As many of
24 you are aware, we've received several thousand letters and
25 emails from concerned citizens regarding the Davis-Besse

1 facility; and attached to the back of the December
2 newsletter is a copy of the letter that we have sent. We
3 have responded to every letter and email that we've
4 received that contained a return address or email address.
5 So, you can feel free to read the letter that we use to
6 respond to those. We will continue responding to letters
7 that we receive expressing concern about the Davis-Besse
8 facility.

9 On the very first page of the NRC update there is a
10 brief description of the process that the NRC goes through
11 in situations like plants that are in the condition
12 Davis-Besse is in, to evaluate the readiness for restart.
13 It describes the process at Davis-Besse includes several
14 steps. The FirstEnergy provided a restart report in late
15 November to the NRC, which documented holistically all of
16 the activities that they have accomplished over the last
17 approximately two years to evaluate the issues at
18 Davis-Besse and address those issues. And that report
19 concluded that they were ready to discuss with the NRC
20 restart authorization.

21 There is several inspections that are ongoing, and
22 I'll talk a little more about those later, that are
23 necessary to complete before restart should be considered.

24 In the process for restart, the NRC intends to
25 conduct a public meeting; and that meeting will be noticed

1 in our normal process, our normal procedures, where we give
2 members of the public ten days prior notice regarding the
3 scheduling of the meeting.

4 I anticipate that that meeting will be sometime in
5 the third week of December. Once we issue a meeting notice
6 identifying the date of that meeting, as I mentioned we'll
7 give ten days notice, that's our best estimate of when the
8 meeting will occur.

9 Of course, there could be activities that occur at
10 Davis-Besse which would result in the postponement of that
11 meeting, but we want to give as early notice as possible
12 when the meeting may happen. It may be delayed, if
13 necessary, based on activities that go on at the plant, but
14 at the time we notice the meeting, that will be our best
15 estimate of when the meeting will occur.

16 At that meeting, FirstEnergy will present their
17 bases for belief that the plant is ready to restart. One
18 of the key items of information in addition to all of the
19 historical information that's occurred to-date will be the
20 assessment of the operating organization; and that doesn't
21 just include the Operations Department, but it includes all
22 of the departments that are necessary to support effective
23 operations of the Davis-Besse plant.

24 The assessment of their performance during the early
25 heatup of the plant and this heatup will be very similar to

1 the heatup that occurred prior to the Normal Operating
2 Pressure Test that occurred a couple of months ago. There
3 were a number of operating challenges that came to the
4 forefront during that heatup process and the transition to
5 what we call Mode 4 and Mode 3 of Operations.

6 Those activities will occur without nuclear heat,
7 the plant will be heated up using the heat that's generated
8 by just simply operating the reactor coolant pumps, but
9 that's a much more challenge operational time at the plant,
10 and we will be interested in FirstEnergy's assessment of
11 how their operators perform during that process.

12 We will also have inspectors observing during that
13 round-the-clock timeframe.

14 So, if for whatever reason that meeting is
15 postponed, it may result in postponement of the restart
16 meeting, but again, we tend as best we can to notice that
17 meeting ten days ahead of time.

18 Following that meeting, there will be no decision
19 made by the NRC at that meeting. Following that meeting,
20 the NRC will evaluate our ongoing activities, inspection
21 activities, and evaluate FirstEnergy performance. And, at
22 an appropriate point in time, if the panel concludes it
23 believes the plant is ready to restart and operate safely,
24 it will make that recommendation to Jim Caldwell, the
25 Region Administrator in Region III. Jim will then

1 certainly question the panel on the basis for its
2 conclusions and recommendations, and consult with two
3 individuals in headquarters, at Headquarters Office; one is
4 Jim Dyer. Jim is the Director of the Office of Nuclear
5 Reactor Regulation, has responsibility for all 103
6 operating reactors in the United States, as well as Sam
7 Collins, the Deputy Executive Director for Reactors. Once
8 Jim consults with those two individuals, and if he's
9 satisfied that the plant can be operated safely, at that
10 point in time the NRC would make a restart decision.

11 We are not focused on schedule; we're focused only
12 on safety, and our responsibility is in that area.

13 Once a restart decision is made, appropriate people
14 will be notified and then a press release will be issued so
15 that the public will have information regarding that
16 decision. In addition, a letter will be issued to
17 FirstEnergy documenting the basis for the restart
18 decision.

19 So, that's described in a little bit more detail in
20 the December newsletter; and, certainly, if you have any
21 questions on that topic, we'll be happy to answer them at
22 the appropriate time during the meeting.

23 Also in the foyer is a copy of the NRC Public
24 Meeting Feedback Form. We appreciate the feedback we get
25 from folks. We get several of these after each meeting.

1 And, please, if you have any suggestions for how we can
2 improve our meetings, we would appreciate getting them,
3 because we're always looking for an opportunity to
4 improve.

5 We are having this meeting transcribed today by
6 Marie Fresch.

7 Welcome back, Marie.

8 The purpose of that transcription is to maintain a
9 record of the meeting. The transcription will be available
10 on our web page in approximately 3 to 4 weeks. It's
11 important, because we're having this meeting transcribed,
12 that the speakers clearly use the microphones to ensure
13 that Marie can hear the speakers and also to ensure that
14 the audience can hear.

15 Next slide, please.

16 Let me just give a very brief summary of the
17 November 12th meeting. The NRC presented the results of a
18 number of inspections during that meeting; including the
19 results of the Normal Operating Pressure Test Inspection
20 and the Corrective Action Team Inspection. And FirstEnergy
21 presented information regarding their progress toward
22 restart; two activities that were a result of the
23 Corrective Action Team Inspection, and that is the
24 Improvement in Engineering Calculation and Improvement
25 Activities in Improvement Program. Those two improvement

1 activity topic areas are contained among eight other topic
2 areas for continued improvement during Cycle 14, contained
3 in the Restart Report that we received in late November.

4 So, if anyone's interested in a more comprehensive listing
5 of the Operations Improvement Plan, it's available on the
6 NRC Web site as an appendix to that report.

7 FirstEnergy also discussed the results of the Normal
8 Operating Pressure Test, and other key events that need to
9 occur prior to restart of the facility.

10 Next slide, please.

11 There is two activities that have occurred on our
12 side of the table since the last public meeting; one of
13 them is the NRC has closed Restart Checklist Item 2.c, the
14 title of that checklist is Structures, Systems, and
15 Components inside Containment.

16 There was a series of inspections that were
17 conducted beginning, I believe, the summer of last year
18 through early this year, that addressed much of the work
19 that we needed to do to have confidence in FirstEnergy's
20 assessment of the safety equipment that was inside
21 containment. There were three outstanding technical
22 issues. I won't go into them. They're documented in our
23 inspection reports that we needed to follow up on.

24 FirstEnergy addressed those issues and we did
25 follow-up inspection of those three technical issues and

1 found them satisfactorily resolved. Resulted in the panel
2 having comfort that sufficient work had been done regarding
3 Structures, Systems, and Components inside Containment and
4 that we could close that Restart Checklist Item.

5 In addition since the last public meeting, three
6 Senior Reactor Analysts, these are individuals that have
7 extensive experience in nuclear plant operations and
8 inspection, and also have training and experience in the
9 area of probabilistic risk assessment were at the site; and
10 the purpose of their activity was to evaluate the backlog
11 of work that will be remaining at the time of restart.

12 This was a comprehensive review of the risk
13 significant systems. And, the systems were chosen such
14 that over 95 percent of the safety of the plant, what we
15 refer to as risk reduction, was addressed and a review done
16 by the backlog inspection team.

17 The team did a comprehensive review of backlog work,
18 including things like maintenance work orders, engineering
19 work change requests, design changes, temporary
20 modifications, operator workarounds, as well as reviewing
21 procedure change, outstanding procedure change requests,
22 preventative maintenance, and outstanding Condition
23 Reports.

24 The team also reviewed System Health Reports that
25 were conducted by FirstEnergy, and a risk analysis that

1 FirstEnergy had conducted of the backlog inspection.

2 The team concluded that the Licensee had
3 appropriately categorized all of these backlogged issues as
4 post-restart work, meaning that this work was not necessary
5 prior to the restart of the plant to assure safety of the
6 plant operations; however, a significant number of the
7 backlog work items have no target dates for resolution. It
8 was a concern of the team that there was a significant
9 necessary resource commitment to effectively manage the
10 backlogged work, particularly in the area of Design
11 Engineering and System Engineering.

12 So, overall, the team was assured that restart
13 scoping was satisfactorily accomplished and deferred
14 actions would not have a significant impact on the safety
15 of the plant, however continued management attention would
16 be necessary to assure that the appropriate resources are
17 committed to being able to work off that backlog concurrent
18 with safe operation.

19 That's an activity that should the plant be
20 authorized to restart would be a continuing focus of the
21 NRC.

22 Next slide, please.

23 There is several activities that are continuing. I
24 introduced earlier, Geoffrey Wright, the Team Leader on the
25 Management/Human Performance Inspection. He's here today

1 because a number of the topic areas we're going to be
2 discussing directly affect his ongoing inspection in a
3 Safety Culture and Safety Conscious Work Environment area.
4 That inspection is ongoing and will likely be ongoing for a
5 couple of more weeks.

6 In addition, of course, we have the three Resident
7 Inspectors. Scott Thomas and Jack Rutkowski are here at
8 the table, and Monica Salter-Williams who is working. And
9 they are inspecting day-in and day-out routine operator
10 activities, maintenance and testing activities, as well as
11 engineering activities.

12 In addition, the High Pressure Injection Pump
13 Testing began late last week, continued through the
14 weekend, and continues as we speak. And we had a pump
15 specialist from our office at Nuclear Reactor Regulation
16 out through the weekend observing those testing activities
17 and our inspection in that area continues.

18 Next slide, please.

19 There is several activities that have not yet
20 begun. First is a Restart Readiness Assessment Team
21 Inspection. That team has been established and is staffed
22 with Senior Resident Inspectors and Resident Inspectors
23 from across the country. They will be on site beginning
24 next week, December 8th, I believe. The inspection is
25 currently scheduled for two weeks, but will continue as

1 long as necessary, such that the NRC has an opportunity to
2 observe the complex plant operations that occur during the
3 heatup and transition to Mode 4 and Mode 3.

4 The purpose of that inspection is to do the final
5 evaluation of the Licensee's control of returning equipment
6 to an operating status, and then managing that equipment
7 through the transitions of the plant up through normal
8 operating temperature and pressure.

9 We do anticipate later this month a Restart Meeting.
10 And, as I mentioned earlier, we'll be noticing that meeting
11 at least ten days before the meeting is scheduled. And we
12 have our next routine public meeting scheduled for January
13 13th here at the high school. So, we look forward to you
14 being back visiting with us at least on January 13th, if
15 not at the public meeting on restart.

16 Next slide, please. That's the first slide for the
17 evening, so I don't think I'll go into that at this time.

18 Without any other opening comments from the NRC,
19 Lew, I would like to turn the meeting over to you.

20 MR. MYERS: Thank you very
21 much, Jack.

22 I think our opening slide is very interesting
23 shows the major milestones and accomplishments that we've
24 made to-date, and we're at the point, you're correct, where
25 we have submitted our report for NRC review and approval of

1 restart.

2 Next slide, please.

3 Today, our desired outcome is to demonstrate that
4 the plant has a robust Safety Culture and good Safety
5 Conscious Work Environment. We're going to spend a lot of
6 time in that area in our presentation today.

7 Additionally, is to provide you with information on
8 our Cycle 14 Operations Improvement Plan, which will
9 address some of the issues concerning backlogs and all that
10 you brought up.

11 And finally, the proposed work scope that you asked
12 for last time, Mid Cycle 14 Outage. Those are the areas
13 that we're focusing on.

14 The agenda, I'm going to spend quite a bit of time
15 today talking about the Employee Alignment Sessions on
16 Safety Culture. So, a combination of Alignment Session on
17 all the activities that we have to accomplish the next
18 cycle in Safety Culture. And then the Readiness Restart
19 Reviews, which we perform our own Safety Culture Assessment
20 as the Management Team as part of that Restart Readiness
21 Review. I'm going to spend the time there.

22 Then, the Safety Conscious Work Environment Survey
23 Outcomes. We have Linda Griffith with us today. She's new
24 at the table. So, Linda is going to provide us new
25 information on the outcome of that survey.

1 The Nuclear Quality Assessment Overview is something
2 we continue to do. Quality Assessment performed their own
3 interviews to assist Safety Culture and Safety Conscious
4 Work Environment. We look for correlation there.

5 Then Cycle 14, Operational Improvement Plan, Mark
6 Bezilla is scheduled to talk about that. The work scope
7 plans for the Mid-cycle Outage, Mark will take that.

8 And then, if time permits and hopefully does,
9 Schedule for Remaining Activities; Clark Price is with us
10 today and will cover that presentation.

11 With that, move on to the next slide.

12 From a Safety Culture standpoint, Performance Safety
13 and Health Associates Incorporated led by Doctor Sonja
14 Haber performed an independent assessment of the
15 Davis-Besse Safety Culture last February of 2003. Many of
16 the areas at that time demonstrated a positive Safety
17 Culture, were identified in her report.

18 They included; safety is clearly recognized by most
19 of the organization as a value; accountability for our
20 safety was present and clear in most organizations; safety
21 is integrated in most of the activities in the
22 organization; and, a safety leadership process existed at
23 the plant during the time of that review.

24 Several areas, however, needed increased management
25 attention that were identified in the report. Problems

1 still existed in the, in the transition to accomplish
2 implementation of the safety message. Do people really
3 understand the difference between Safety Conscious Work
4 Environment and Safety Culture?

5 Accountability and ownership for safety were not yet
6 visible and it's accepted in some organizations; safety is
7 not yet or was not yet consistently integrated into the key
8 activities of the plant; and, the values and attitudes of
9 the work force were generally positive, but personnel were
10 not aligned, they were not aligned with a common set of
11 values and understanding of safety; and, safety was not a
12 learning driven in the organization.

13 All Restart Actions provided. We'll provide you a
14 Management/Human Performance Excellence Plan, and they're
15 now all complete. In fact, we have overperformed in
16 several areas. For example, we have trained each of our
17 employees on Safety Culture and Safety Conscious Work
18 Environment. I don't know of another utility that's spent
19 the time to train each and every employee under Safety
20 Culture and Safety Conscious Mods.

21 After that, we had each and every employee assess
22 our Safety Culture. So, assess us as a management team,
23 and grade us on a Safety Culture standpoint. We want to
24 know what the employees were thinking.

25 Don't misunderstand what I'm going to tell you

1 then. Safety Culture is learning driven and much work is
2 yet to be accomplished as we move into our long-term
3 operational plan. We have not arrived. I don't think
4 that's a term that you've ever arrived.

5 I am pleased to tell you, however, that we have
6 built an enduring organization rooted in safety practices
7 and consistently aligned at all levels within the
8 organization.

9 We are implementing the vision of performance, the
10 characteristics are present in our management, in our
11 processes, and in our people that ensure daily activities
12 receive a strong safety focus.

13 Our core values are seated in recognition that each
14 and every employee can make a difference. Management must
15 provide the attention warranted to plant activities and we
16 think we're demonstrating that in the field every day.

17 This value is guiding our daily schedule, our plant
18 material conditions, our improvements in safety margin, and
19 our perception of preparation of the daily work activities
20 as we do our risk assessments on each and every activity.

21 Next slide.

22 At one of the public meetings, you asked us about
23 the FENOC values. I remember that well. You know, the
24 Executive Leadership Team internalized that question since
25 that meeting. Under Gary Leidich's, President of FENOC,

1 leadership, we have worked diligently to ensure our vision,
2 our values were built to last, and are clearly communicated
3 and understood within our organizations.

4 Let me share these values with you. First,
5 Teamwork; a cooperative effort by a group or a team. I
6 believe that what doesn't kill you will make you stronger.
7 Davis-Besse's outage has improved not only our teamwork at
8 Davis-Besse, but between the teamwork between our other
9 plants, and most importantly our new corporate
10 organization.

11 Accountability. Accountability and Ownership has to
12 have the power to perform an activity in a quality manner.
13 This value is rooted in individual Safety Culture
14 Assessment.

15 Accomplishment; something done admirably or
16 incredibly. We have many incredible accomplishments during
17 this outage that we're pleased with.

18 We have established a strong senior leadership team
19 and management team at the Davis-Besse plant, and we
20 believe they're walking the talk on a daily basis.

21 I believe we have made great strides in our employee
22 indoctrination through both training and performance.

23 Our goal setting, problem solving, and
24 decision-making practices have been anchored in our
25 procedures and we have demonstrated these practices each

1 and every day as we run into problems in our daily
2 activities.

3 When we attack problems, we now look for long term
4 performance and improvements to safety margin. That's a
5 major difference in justification of the normal regulatory
6 requirements. I believe that we have the standard for
7 safety culture throughout the FENOC organization.

8 Next slide.

9 The concept of Safety Culture was originally defined
10 within the nuclear industry in the International Atomic
11 Energy Agency in ISEG-4, which we reviewed a document
12 published in 1991. The ISEG-4 definition of Safety
13 Culture, "That assembly of characteristics and attitudes in
14 the organization and individuals which establishes that an
15 overriding priority nuclear plant safety issues receive the
16 attention warranted by their significance."

17 We use that as the basis of our definition. At the
18 beginning of this outage, myself included, I believed that
19 most of our people did not know the difference between
20 Safety Culture and Safety Conscious Work Environment, nor
21 their relationship. We've grown a lot since that time. I
22 now believe that most of the employees can clearly respond
23 to these two definitions down to the mechanical effort and
24 the attributes important to these concepts.

25 Let me remind you of the FENOC definition that has

1 been cursive, our cursive process. It is that assembly of
2 characteristics and attitudes, both characteristics and
3 attitudes, in organizations and individuals, an individual
4 rooted in safety, if you will, which establishes an
5 overriding priority towards nuclear safety activities, and
6 we ensure that these activities receive the attention
7 warranted by their significance.

8 Safety Conscious Work Environment is the environment
9 in which people are encouraged; you don't wait for them to
10 come forward, you encourage them to identify problems; are
11 confident that the problems will be effectively evaluated
12 and corrected, corrected and are protected from
13 retaliation.

14 Next slide.

15 The Shine Presentation, presentation of Model Safety
16 Culture, 1992, was recognized as the first assessment
17 concept. In the Shine model, culture is assumed to be a
18 pattern of shared basic assumptions which are invented,
19 discovered, or developed by an organization as it learns to
20 cope with problems of survival and cohesiveness. Shine had
21 three, a three-level model that assessed the organization's
22 artifacts, claim values, and basic assumption. You know,
23 that just really doesn't fit a group of engineers.

24 In our model, which is very similar, and is based on
25 the ISEG-4 model, we have three commitment areas that are

1 assessed. They consist of Policy Level Commitment Area,
2 Local Management Commitment Area, and most importantly, the
3 Individual Commitment Area. Filling these commitment areas
4 are 17 attributes that we have enhanced using about 40
5 pages of criteria that the company has developed over the
6 past year.

7 Our process is multiple methodologies to ensure
8 convergence of the facts. It also has strong line in
9 management ownership that ensures team alignment.

10 A yellow criteria is not necessarily a failure. It
11 indicates that all major criteria are acceptable in our
12 definition, with a few requiring management attention.

13 A red criteria, however, indicates that several
14 major criteria do not meet accepted standards, so they
15 don't meet our accepted standards, and require immediate
16 management attention.

17 Next slide.

18 Many actions have been taken to assess the Safety
19 Culture since we performed our Management/Human Performance
20 Root Cause. This root cause took several months. It was
21 completed in July of 2002, not that long ago.

22 The Root Cause Analysis Team used the event and
23 cause factor analysis, hazard barrier analysis, management
24 oversight and the risk free, MORT, if you will, process,
25 change analysis to determine the root cause of the failure

1 to identify, to grade reactor vessel head issue.

2 The Root Cause Analysis Team consisted of
3 FirstEnergy Nuclear Operating Company employees from Perry
4 and our Beaver Valley Plant, who were very experienced in
5 assessing and performing root causes. The team was
6 augmented by an independent contractor who specialized in
7 conducting root cause analysis and assessments of nuclear
8 power plants. Additionally, members of the Institute of
9 Nuclear Power Operations provided input as well as industry
10 oversight of the team's activities.

11 The team established a system that captured over 69
12 personnel interviews and 229 documents, with a causal
13 factor chart that was approximately one hundred feet long.
14 We found that a production focus established by management
15 existed that resulted in taking the minimum actions to meet
16 regulatory requirements, and accepted the degradation of
17 plant equipment.

18 We developed a strong Management Action Plan and the
19 Management/Human Performance Improvement Plan to correct
20 these problems and ensure sustained performance. We
21 presented that plan to you at one of these meetings.

22 To ensure continued improvement after startup, the
23 plan included development of a Long-Term Improvement Plan
24 for actions that we present to you in our Restart Return to
25 Service Report. We have submitted that plan with our

1 Integrated Restart Plan in November.

2 Many actions have been taken that would prevent
3 similar issues in the future. Let me share some of these
4 with you.

5 A new corporate organization with corporate
6 governors now exists that did not exist before.

7 We created a Safety Culture and Safety Conscious
8 Work Environment that I truly believe is unique to the
9 industry.

10 We chartered an Independent Assessment Team by
11 recognized experts. We shared the results of our
12 assessment with you in a public meeting. We compared their
13 attributes and the model with our process on Safety Culture
14 to ensure consistency. We anchored our process in a
15 procedure and performed internal assessments at every
16 critical evolution as we've returned the plant to service.

17 We had to make sure that we were ready to perform
18 each and every step. We have completed our Restart
19 Assessment. That will be shared with you today.

20 We went beyond our plans by training each and every
21 employee on Safety Culture and Safety Conscious Work
22 Environment. We then had each employee rate our Safety
23 Culture. No names were used in these ratings.

24 We have developed a comprehensive Long-Term Business
25 Practice that routinely will assess Safety Culture

1 throughout the FENOC organization, not just at
2 Davis-Besse. The results show good alignment between the
3 management team and our employees.

4 I am extremely pleased, extremely pleased with the
5 correlation of the areas of strength and the areas needing
6 continued improvement between our management assessment and
7 the employees' reviews.

8 Next slide.

9 There are some very important areas showing positive
10 results from our employees. 99 percent of our employees
11 indicate that our policies on Safety Culture and Safety
12 Conscious Work Environment is now a core value, and most
13 importantly we are walking the talk. This core value is a
14 normal way of doing business at our plants.

15 Being a nuclear worker has certain requirements that
16 each of us must accept as part of our legal
17 responsibilities. 99 percent of our employees understand
18 this unique responsibility to raise either a nuclear safety
19 question or a quality concern.

20 Several areas require management long-term
21 attention. 66 percent of our employees believe that
22 management values training and the development of our
23 employees. This is a basic part of accomplishment of our
24 accomplishment value that we must continue to focus on.
25 This is understandable considering the effects of this long

1 extended outage.

2 We now have a new operator licensing class and we'll
3 start another next year to ensure we address the operator
4 problem. We have many new engineers that need to complete
5 the FENOC specific qualifications. We'll be working on
6 that next year. There is a strong focus next year for
7 training.

8 Another area of focus is cross-functional
9 communications. We believe that as an, as we implement our
10 normal schedule, which is now scheduled to start any day,
11 that we will see improvement in this area. We will
12 continue to focus at the 4-C's meetings; Mark will be
13 taking those meeting over; and the organizational team to
14 look for areas of improvements in this functional area.

15 I am very pleased with the alignment of our
16 employees on their survey compared to the management
17 survey. Not necessarily the scores, but the alignment of
18 the specific areas. I believe the alignment sessions were
19 a positive experience by both our management team and our
20 employees.

21 With that, I brought with me today a short tape that
22 I would like to share with you on that process.

23 (Tape played as follows)

24 Title: FENOC, A New Beginning

25 RANDY FAST: I'm really excited about

1 today, truly an opportunity to get all of our employees
2 together and walk through some learning maps. The current
3 realities map. That map uses the Nuclear Energy
4 Institute's common process for operating the plant,
5 maintaining the plant, our engineering reliability to
6 support elements. As we walk through the current
7 realities, we will we look at our current performance
8 against industry standards.

9 LYNN HARDER: My responsibility will
10 change significantly with respect to going forward and the
11 Adventures Map Training we've gone to the last couple of
12 weeks, focusing on our new strategic objectives with fleet
13 alignment of top performance in our new shared applicance
14 of the safety operation of the facility. It will be
15 incumbent upon the leadership of the organization of all
16 people to ensure we're properly focused on our Safety
17 Culture and Safety Conscious Work Environment for safe
18 operation of the facility.

19 ANDREW MINGAS: We keep the map in
20 line, in line of what we're doing, it will help us to focus
21 on what we need to get done in order to do our job better
22 and how much we are integral to the whole plant. We're not
23 just a person or someone working on our own little project,
24 but what we do impacts on others in the way they get their
25 job done.

1 LEE MITCHELL: I can see where
2 everybody now is taking more of an ownership accountability
3 aspect of things and we've learned through the 18 months
4 that it starts with the individuals. The company and
5 management can stress things over and over again, but each
6 individual has to take that personal accountability and
7 that ownership and I have to apply myself and we can do all
8 the pretty maps and all the pretty learns that we want to
9 do, but unless each individual takes it upon theirself and
10 say, I make a difference, I, it has to start with me, then
11 things are really as they were. That's what we want to get
12 away from. Things are not as they were. We can not do
13 business as we've done it.

14 COREY HAMILTON: The meeting today
15 was rather enlightening. I got to see a lot of the
16 different plant interrelations, with the different part,
17 departments how they work together.

18 TODD PLEUNE: I think the
19 important thing I want to take back from this is when I see
20 an opportunity for process improvement in another group, to
21 find a way to bring it up, maybe that group's manager or
22 through the Corrective Action Process, but some of those
23 ideas I have let go in passing, maybe there is someone else
24 who might be able to run with them.

25 ANONYMOUS: All of us need to

1 take a little bit more time to understand each other,
2 listen more closely at what's being said, and again have an
3 empathy for who we were and how we fit together as a team.
4 I think all of us can be stronger and safer for our future.

5 AL DAWSON: I can take this back
6 and say this is what I believe in and behave like it and
7 make it important to me and encourage others around me to
8 behave like it.

9 MR. GRABNER: We're on the right
10 track in these sessions and I'm very pleased with the way
11 we're going. The way we've improved, getting the different
12 groups together, is an excellent method of really driving
13 home the point that we all depend on each other, we all
14 have to work together. It's not someone else's problem, or
15 some other group has to solve it, it's every one of us
16 doing our jobs, and cooperating with all the rest of the
17 people here on our site, get the plant restarted, and more
18 importantly, get a sustained good operation once we
19 restart.

20 WENDY ROBY: I think this team
21 building effort right now is really good and strong, the
22 different methods of different groups. And how we're
23 working together and working with other people from the
24 organizations that usually we don't work with, and
25 understanding what their jobs, who they interact with, and

1 what complaints they might have or positives that they
2 have, that they see, that I didn't see.

3 ANONYMOUS: The invigorating
4 part of the meeting was to see all the different
5 departments, all the different controls that were a part of
6 our tables. And that way, it had more of an understanding
7 of how an order comes to play when I receive it and it goes
8 to the field, and the word process in between each other.

9 ANONYMOUS: What we're doing
10 is a very good step in the right direction of trying to
11 make us work as a team. I think that's key to us getting
12 back to a normal plant.

13 POLLY BOISSONEAULT: It's about the
14 team, I think. Communication is very important. We have
15 to make sure the other department or individual understands
16 our expectations, and through communication, that improves
17 teamwork.

18 RANDY FAST: What you'll see as
19 you monitor the folks that are in this process, they're
20 very engaged; they're talking, you see various smiles and
21 very pensive looks. The facilitator really is not drawing
22 any conclusions. They're only driving the process and the
23 individuals are coming to their own conclusions.

24 ANONYMOUS: It's a tug of war,
25 but it can't be management on one end and employees on the

1 other end. We're all in this together and we all need to
2 pull the same way.

3 ANONYMOUS: It's like we're at
4 halftime right now. The ball is going to be on our side of
5 the field. It's our turn to do something with the ball,
6 start trying to run with it. And to be strong and to take
7 over that second half. You know, focus that part of our
8 restart, to let us move on with the plant and let
9 Davis-Besse run strongly and come back as a full, strong,
10 number one running again in the nation plant.

11 (End of tape).

12 MR. MYERS: That was a much
13 better presentation that I could ever do.

14 Both Mark and I attended each and every one of these
15 sessions. We found them extremely valuable and exciting.

16 I would like to take a few moments now to go to the
17 next slide, share some of the data with you. This slide is
18 very busy, difficult to use, so let me just sort of walk
19 through it.

20 This slide, if you will, is sorted by departments.
21 Then, up above, by questions that were part of the survey
22 that the employees completed. And then as you look down,
23 it shows on a grade of 1 to 6 how we fared in each one of
24 the areas.

25 If you take a few moments and look at this slide,

1 this slide then demonstrates the results by area. So, we
2 got the three basic areas, you know, management level,
3 policy level of commitment, management level and individual
4 level of commitment and then by group.

5 In the policy, in the policy area, the average
6 rating was 4.9 out of 6, indicating good agreement with the
7 implementation of each of the Safety Culture criteria.

8 Our employees strongly agreed that safety was a core
9 value. The quality oversight area is a concern that, the
10 concern is self-assessment is used for improvement. The
11 Quality Assurance Organization, if you will, there is a
12 number here of about 2.7, and that number is the largest
13 deviation that we saw in any of the groups to that
14 particular question.

15 And it came from our Quality Assurance area, and
16 Steve is trying to understand that now.

17 In the plant management area, the center area here;
18 the plant management commitment area; the average rating
19 indicated agreement to somewhat agreement. In the
20 criteria, visible commitment to raise safety, we were
21 extremely happy with a 97 -- or rather an 87 percent
22 agreement rating. In the criteria of management value and
23 training, we need to apply additional management focus in
24 that area. And if you go back and look at the assessment
25 that we did as a management team, the same two issues are

1 there.

2 In the individual commitment area, which is this
3 area here, individual commitment area, 80 percent of the
4 people agree that Safety Culture attributes are in place.
5 What we are most happy with is the understanding that it is
6 my personal responsibility to raise a safety or quality
7 concern was, our employees gave a rating of 97 percent.
8 We're extremely pleased with that number; however, not
9 satisfied. We won't be satisfied until that number is a
10 hundred percent.

11 Next slide, please.

12 This slide, if you will, has the data that, and the
13 next few slides show the distribution of how each of the
14 776 employees that assess the Safety Culture rated a
15 specific area. The slide shows the distribution and
16 policy -- this slide shows the distribution and policy
17 level commitment. I'm not going to go through all that.

18 In questions 1.d and 1.g, there are high numbers of
19 disagreement, numbers of disagree, higher numbers than we
20 would like to see. We're rolling out our new business plan
21 at the present time with specific performance criteria and
22 the budget to support the performance goals as we speak.
23 We will focus on the communications of this product in the
24 Townhall Meetings and the 4-C Meetings and expect to see
25 some improvements of the, this area of questions 1.d

1 through 1.g.

2 Once again, in those areas, even though we're not
3 satisfied with the overall rating, the rating was still
4 high, above 70 percent.

5 Next area, next slide.

6 Once again, shows the distribution of the 776
7 employees in our plant to the management commitment area.
8 So, here's the questions, here's the organizations, and
9 there is the various scores.

10 The overall rating was 88 percent of our employees
11 either strongly agrees or somewhat agrees with each of the
12 criteria. None of the criteria had a rating below 74
13 percent.

14 Two areas of focus would be in teamwork and training
15 qualifications. Once again, in alignment with what we
16 believe as a management team. We are already, already
17 working to implement our online scheduling process that we
18 believe will help with the teamwork. We will also focus
19 our folks on our operator pipeline, we started that, and
20 the maintenance training and our new engineering
21 qualification as we move into the next year. And that was
22 addressed in the areas of concern in this section.

23 The last and most important section, next slide, is
24 the individual area. And once again, that shows the
25 distribution of the questions for the 776 employees that

1 rated this commitment area. And what I like about all the
2 questions here, the lowest, all the, all of the questions
3 were somewhat agreed to or higher, at least 87 percent of
4 our employees. So, we were really pleased with that data.

5 MR. GROBE: Lew, before you
6 go on. Some of the numbers you just quoted don't exactly
7 match with the slides I'm looking at. Could you go back to
8 slide 11 for a moment?

9 MR. MYERS: Which one?

10 MR. GROBE: Slide 11. Have
11 you done these surveys at all three of the FirstEnergy
12 sites?

13 MR. MYERS: No.

14 MR. GROBE: This slide on the
15 very left slide under departments, first department listed
16 is Beaver Valley. Is that, you kept using numbers.

17 MR. MYERS: We had Beaver
18 Valley people in the sessions.

19 MR. GROBE: I see.

20 MR. MYERS: Of the 776
21 employees, some were from corporate, some were from Beaver
22 Valley that were surveyed. We have people from all of our
23 organizations, some people are on loan at our plant, so it
24 included them.

25 MR. GROBE: You keep saying a

1 number in the high 700s. There is a number that N equals
2 833, number of site population, in the upper left-hand
3 corner of that slide.

4 MR. MYERS: Yeah, if you go
5 look at that number, let me go back to that.

6 MR. GROBE: I wanted to make
7 sure.

8 MR. MYERS: The number I'm
9 using is the number of our employees at the site.

10 MR. GROBE: So this could
11 include contractors?

12 MR. MYERS: Yeah, there may be
13 some also.

14 MR. GROBE: And then slide
15 13, if you go with that slide for a moment. I think I
16 heard you state that there were no numbers below 70 percent
17 where there was agreement, some level of agreement, but at
18 2.h, which is management values training, I read that as 66
19 percent. Am I not reading this correctly?

20 MR. MYERS: That's correct,
21 Jack. I'm sorry.

22 MR. GROBE: I just wanted to
23 make sure I had the right data, because I was having a
24 little trouble following the numbers.

25 MR. MYERS: Sorry, I didn't

1 see that number. Okay?

2 MR. GROBE: Okay.

3 MR. MYERS: Okay, but the

4 numbers were very good in those areas.

5 The next area I would like to discuss are the Safety
6 Culture Assessments that we have performed. I discussed
7 that Doctor Sonja Haber performed a Safety Culture
8 Assessment earlier.

9 Prior to fuel load in March of 2003, we,
10 FirstEnergy, FENOC, performed the first Safety Culture
11 Assessment. At that time we shared the results in a
12 meeting similar to this, where all three areas, commitment
13 areas, these are criteria, all three commitment areas were
14 rated as yellow at that time. Eight of the seven criteria
15 were rated as yellow -- 17 criteria, I'm sorry.

16 We shared those results previously, so I won't go
17 into it. A yellow rating does not mean by our definition
18 that the commitment area of the criteria is broken. Yellow
19 is defined in our process as all major criteria and
20 attributes are acceptable with several requiring prompt
21 management attention.

22 We look, we took strong actions as provided to you
23 as part of that Management/Human Performance Action Plan to
24 address these issues at that time.

25 Then in July, the next slide, we performed another

1 assessment prior to performing the Near Operating Pressure
2 Temperature Test. We were performing these assessments as
3 we return the plant to service and every minute lost. We
4 found in our second assessment, showed very good
5 improvement. In fact, the policy level and the individual
6 level commitment areas were rated at that time and we
7 shared that with you as white. We still had some concerns
8 in the plant management commitment area, and there were a
9 couple of the criteria that also had some concerns, and we
10 shared that with you at that time. Those were areas still
11 needing improvement.

12 Next slide, please.

13 We just completed in November, our Restart Readiness
14 Safety Culture Assessment between November 13th and 19th.
15 And Mark led that meeting, it lasted four days. When I did
16 it, it only lasted two days.

17 The assessment over that four-day period was, we
18 think, comprehensive and thorough. This assessment showed
19 substantial improvement in all commitment areas. This
20 would indicate that all major criteria and attributes are
21 acceptable with a few criteria requiring management
22 attention. So, that's what the white indicates. And there
23 is a few criteria that require management attention.

24 I believe that this performance is very noteworthy,
25 since the criteria was revised between those assessments to

1 be significantly more stringent than it was in the first
2 two. In other words, we took, as you guys know, we took
3 some of the criteria, the specific criteria, and what would
4 have been rated probably a, a white in the past, would now
5 maybe be a red. Not in every case, but some cases. The
6 criteria was much more stringent.

7 So, this overall improvement with that changing
8 criteria being more stringent, we're pleased with.

9 In the policy commitment area, all criteria was
10 assessed as either white or green.

11 In the plant management commitment area, two
12 criteria were rated as yellow, needing management
13 attention. So, that's the plant management area and there
14 is the two criteria.

15 Commitment to Safety was assessed as a yellow,
16 because of the -- yellow, because of the actions and
17 operational events during the NOP/NOT Test.

18 Problem-solving criteria was assessed as yellow as
19 management prerogative. In other words, it really did not
20 grade out as a yellow, but we just, we thought that it
21 should be, so as a management prerogative, we made that
22 yellow.

23 Management observations were assessed as yellow, due
24 to the lack of our intrusiveness to allow these issues to
25 happen; that were discussed at the last meeting. Even

1 though they were not, Jack, as you said, extremely
2 significant to safety, we should have found and prevented
3 the issue.

4 In the commitment to continuous improvement area, we
5 assessed that as yellow. That's the one here, because of
6 the need to complete several of the activities in the work
7 schedule, such as operator workarounds, control room
8 deficiencies, maintenance rule systems needing attention.

9 What did you say the numbers were?

10 MR. BEZILLA: At the end of the
11 week, the control room deficiencies should be at two;
12 operator workarounds should be three or four; and
13 maintenance R1 systems prior to restart should be one in
14 red, A1. And that's actually a new one, I believe it's
15 heat trace, what will be one A1 at restart.

16 MR. MYERS: In summary, most
17 of these activities were scheduled, many are completed
18 now. And we would expect that as we come to you for
19 restart, that area should be at least white.

20 In the individual commitment area here, the drive
21 for excellence was assessed as yellow because of the need
22 to complete scheduled activities also. Sometimes the
23 criteria hits you in both of the areas. So, the need to
24 complete scheduled activities, drove that yellow. And the
25 management decision to extend several open restart --

1 Nonrestart Condition Reports.

2 Our process has you complete a Condition Report
3 after 60 days or something like that. We've made a lot of
4 management extensions during the outage just because of the
5 massive number of Condition Reports we created. And, as
6 you know, we have a workload that we have to address of
7 Nonrestart Condition Reports after restart. So, that's the
8 reason we assess that yellow.

9 We made that management decision, thinking it was a
10 good decision, but it still did not, we wouldn't make it a
11 visible. That decision was made, and we need to continue
12 to work on it, on the non-workload after restart.

13 In summary though, we are confident that the Safety
14 Culture at Davis-Besse Station fully supports restart. I
15 believe that the film demonstrated many of our values. We
16 will continue to monitor the effectiveness at various
17 plateaus during the startup and power ascension.

18 Thank you very much.

19 MR. RUTKOWSKI: Lew, I just have
20 one or two questions about comparing your recent survey
21 results with the roll-up, which I believe is the roll-up, I
22 believe has to do, rolls up to the Restart Safety Culture
23 Assessment, so basically slide 13 rolls up into slide 17.

24 MR. MYERS: They were
25 different assessments.

1 MR. RULAND: Okay. I
2 understand that, but the most, well, two thirds of your
3 folks said, that when answering the management values
4 training development, two thirds said they essentially
5 agreed to some degree.

6 MR. MYERS: That's correct.

7 MR. RULAND: And about a third
8 disagreed with that.

9 MR. MYERS: That's correct.

10 MR. RULAND: I then asked
11 myself, well, how does that reflected in your Restart
12 Safety Culture Assessment; just trying to look for
13 consistency.

14 MR. MYERS: If you went down
15 and looked at the specific criteria, we had training. I
16 have to pull the report out. In fact, we sent you the
17 report. You'll find the need for training was one of the
18 specific questions in the attributes area that we've rated
19 very, very hard. In fact, we may have rated it red; I'm
20 not sure. I have to look through the report. It was in
21 line with the safety concern that the employees have.

22 Now, we've taken action. Our subcommittees are
23 meeting. We started our Restart Operations License class.
24 We have another license class starting next year. We're
25 also looking for some additional help in the Operations

1 area. The Engineering Qualification Program will be a
2 focus for us next year, and we're restarting all our
3 maintenance training too. So, that is an area of concern
4 and we consider it an area of concern also.

5 MR. RULAND: I understand
6 that. I guess I'm just looking to make, the results should
7 be relatively consistent.

8 MR. MYERS: You won't see it
9 on this particular slide. If you look at the report we
10 sent you, you will find it's very, very, it's covered very
11 well. Okay?

12 MR. GROBE: Other questions?

13 Okay, very good.

14 MS. GRIFFITH: I am Linda
15 Griffith. I'm the Employee Concerns Program Manager at
16 Davis-Besse. I am an 18-year employee at Davis-Besse and a
17 lifelong resident of Northwest Ohio.

18 I am personally committed to ensuring that we
19 maintain a healthy Safety Conscious Work Environment where
20 employees are willing to raise concerns without fear of
21 retaliation. I am proud to be here today to discuss the
22 results of the survey which was conducted in November.

23 I have a vested interest in the success of
24 Davis-Besse and will do everything in my power to ensure
25 that the health of the site's Safety Conscious Work

1 Environment is maintained.

2 Next slide, please.

3 My desired outcomes today are to provide you with a
4 summary of the Safety Conscious Work Environment Survey
5 results and compare them to the surveys that were conducted
6 in March of this year and August of 2002.

7 I am also going to discuss the analysis of the
8 results and the opportunities for improvement based on the
9 results of analysis.

10 The purpose of the survey is to ensure the Safety
11 Conscious Work Environment is maintained and to provide
12 insight for those opportunities for improvement.

13 The questions from all three surveys were aligned
14 and all respondents were anonymous. Respondents to the
15 November survey included 780 company and contract employees
16 which equates to a 75 percent response rate, which we were
17 very pleased with.

18 This slide indicates the overall comparison of the
19 data of the three surveys. The three sets of bars there
20 are on the slide depict the results from the August 2002
21 data which is the top bar; the March data which is the
22 middle bar, and the November data which is the third bar.
23 And they are split out into the four areas that we assessed
24 with the survey questions.

25 The green bars indicate agreement with a question

1 that was asked; the red bars indicate disagreement with a
2 question that was asked; and the white bars indicate the
3 respondents identified a don't know response.

4 The surveys assess the four pillars of our Safety
5 Conscious Work Environment. Pillar 1 is willingness to
6 raise concerns. These questions included whether the
7 employees are encouraged and willing to raise concerns
8 without fear of retaliation through their chain of
9 command.

10 The normal problem resolution is Pillar 2. These
11 questions are in connection with Corrective Action Program,
12 initiation of Condition Reports and the effectiveness of
13 the resolution.

14 The third pillar is the Employee Concerns Program.
15 Questions here referenced the willingness of employees to
16 raise concerns through the Employee Concerns Program if
17 they did not feel comfortable with their management or the
18 Condition Report process. Questions in this category also
19 assessed the support by management of the Employee Concerns
20 Program.

21 Preventing and detecting retaliation is the fourth
22 pillar, and these questions refer to training individuals
23 and their management have received and whether or not the
24 employees have been subjected to retaliation or know others
25 who have been subjected to retaliation for raising nuclear

1 safety or quality concerns.

2 As you can see, based on this overall analysis page,
3 both the March and the November surveys show a significant
4 improvement over the August results. Even more
5 encouraging, the November results indicate continuous
6 improvement in all areas.

7 If we go on and discuss in detail willingness to
8 raise concern which is pillar 1 --

9 MR. GROBE: Linda, before you
10 go on, just a couple of contextual questions, if you don't
11 mind.

12 MS. GRIFFITH: Okay.

13 MR. GROBE: Was the population
14 surveyed in August, March, and November the same?

15 MS. GRIFFITH: We surveyed
16 contract and company employees in all three surveys, yes.

17 MR. GROBE: Okay, second
18 question. You've got three bars, green, white and red
19 here. Did you only ask three levels of question or were
20 there multiple graded options for the individuals to select
21 in the survey?

22 MS. GRIFFITH: There are a
23 number of questions, and as you go along, you will see the
24 question and the individual response.

25 MR. GROBE: I didn't ask my

1 question clearly. For example, in the survey that Lew
2 presented, there were six different options for an
3 individual to choose from strongly disagree to strongly
4 agree. Did you have a similar type of survey where you bin
5 these into three colors or more than three choices?

6 MS. GRIFFITH: No, there were
7 five choices total. The choices were strongly agree,
8 somewhat agree, don't know, disagree, somewhat disagree, or
9 strongly disagree. So, there were five options.

10 MR. GROBE: Okay, very good.

11 MR. RULAND: One more
12 question, textual question. The distribution of the
13 nonresponders, was there any pattern discernible about, you
14 said 75 percent of the folks didn't respond. Do you have
15 information about, were they concentrated in a specific
16 area?

17 MS. GRIFFITH: There was no
18 common theme to those individuals who chose not to respond
19 to the survey.

20 MR. THOMAS: Linda, you had
21 characterized March and November, the comparison between
22 the March and November results as continuous improvement,
23 but at least looking at the culmination of the data that's
24 presented here, looks like it's pretty much plateaued and
25 in one case, in Pillar 3, it's actually, there is more

1 disagree, disagreed in March. So, what piece am I not
2 seeing in your characterization of the results?

3 MS. GRIFFITH: Well, as we're
4 characterizing these results, we are looking at, for
5 example, we looked at the number who agreed versus the
6 number who disagreed. And there was an improvement in all
7 the areas. Granted in the particular area that you pointed
8 out, Scott, number three, there was only one percent that
9 agreed. As far as the don't knows, you can't really
10 factors those in as agreeing to the question or not
11 agreeing to the question, so.

12 MR. THOMAS: I'm just looking
13 at the extremes; the red and the greens; especially the
14 reds, I guess I was focused on. It seems like the data has
15 pretty much plateaued within a percent of give or take.
16 So, I was just interested in your characterization of it,
17 it's a continuous improvement. I'm trying to understand
18 the piece that I'm missing that would lead you to
19 characterize it that way.

20 MS. GRIFFITH: Looking at the
21 agrees mostly; however, as you go through it, there is
22 definite room for improvement in the areas that we do see a
23 larger number of completely disagree with that statement.

24 MR. BEZILLA: Scott, I think
25 Linda, as she goes through here, I think when she gets in

1 the next couple of slides, that will help answer your
2 question. Okay?

3 MR. THOMAS: Okay.

4 MS. GRIFFITH: Pillar 1, which
5 is Willingness to Raise Concerns, there is an additional
6 item on here; and that's the arrows. The arrows depict
7 whether the trend is noted as steady trend or improving
8 trend.

9 As you can see on this slide, all the arrows are
10 horizontal, indicating that is a steady trend. The
11 specific questions for each pillar and their trend is
12 comparing them to the March data.

13 This is the first six questions for Pillar 1, which
14 Pillar 1 had the majority of the questions on the survey.
15 There are 13 that were similar between the three surveys.

16 This slide indicates that employees understand their
17 responsibility to raise concerns and that they feel they
18 can approach management with their concerns without fear of
19 retaliation. This is encouraging; however, the challenge
20 will be to ensure that these results do remain strong.

21 Continuing on the next slide, the results from four
22 of the seven questions on this particular slide, still with
23 Willingness to Raise Concerns, show an improving trend.
24 The other three show a steady trend. This is indicating,
25 based on the questions that were asked, that employees

1 agree management wants workers to raise concerns and that
2 their supervision will address those concerns.

3 Overall there is a noted willingness of employees to
4 raise concerns without fear of retaliation; however, this
5 is an area that requires continued management attention to
6 ensure that all levels of the organization are aligned with
7 the various methods utilized to address issues.

8 MR. HOPKINS: Linda, let me ask
9 a question for the improving trends, how much difference
10 relatively did you need to be able to call them improving
11 trend versus a neutral trend?

12 MS. GRIFFITH: I use a factor of
13 two percent. If it was two percent or less difference, it
14 stayed at a steady trend. If it was greater than two
15 percent, it was noted as an improving trend.

16 MR. HOPKINS: Okay, thank you.

17 MS. GRIFFITH: Next slide
18 identifies Pillar 2, the normal probable resolution
19 process.

20 MR. GROBE: Just one more
21 question before you get off Pillar 1. And you can answer
22 this question as we go through each of the pillars.

23 Last time we received this data, I believe, I'm not
24 sure who presented it, but Randy Huey had a, I think it was
25 Randy, had a breakout of data by department and a rather

1 detailed analysis of the data that showed that there were
2 certain departments that seemed to show possibly some
3 trends. And I'm certain that you've done similar data
4 analysis and you're just presenting us the summaries of the
5 data today.

6 In Pillar 1, were there any particular departments
7 that showed a unique trend or an area of concern that
8 you're applying a particular focus on?

9 MS. GRIFFITH: As far as
10 Pillar 1 goes, the areas that have been identified that
11 need improvement include -- and this is just general,
12 management expectation on safety and quality, and their
13 reflection and appraisals were more discipline for that
14 particular question, as well as management caring more
15 about safety than cost and schedule. Those are two areas
16 of an improvement site-wide that we need to focus on.

17 MR. GROBE: Okay. When you
18 break it down into individual departments, were there any
19 particular areas of concern or focus?

20 MS. GRIFFITH: There is
21 Engineering, there is Operations, Quality Assessment, and
22 Chemistry seemed to be the pocket areas that need to focus
23 on that, but as a site, that's an issue that needs to be
24 addressed.

25 MR. GROBE: Okay, I would be

1 interested in getting the data breakdown, and just to get a
2 little bit more depth in the analysis, so if you could
3 provide that to us, I would appreciate it.

4 MS. GRIFFITH: I would be happy
5 to.

6 MR. GROBE: As you go through
7 the other pillars, if you could provide similar
8 information, I appreciate it.

9 MS. GRIFFITH: Okay, I will do
10 that.

11 MR. LOEHLEIN: Jack, I would like
12 to take a look at some of this data in our department, and
13 one of the things you have to be careful about is hard to
14 deal with when you're talking about departments on this
15 data.

16 (microphone problem)

17 MR. LOEHLEIN: When you look at
18 the broad range of how the questions are presented, some of
19 them are asking about the departments or the people,
20 individual's supervision for their department, others are
21 worded for the organization at large, so to catch us, get a
22 clear understanding of this by saying a department has a
23 certain vent or lean in a pillar, it's, it does take time
24 to look at the data and say, well, is this an area that
25 this department feels is weak for the organization or is it

1 weak for their department and/or their supervision. So, it
2 does take time to look through that data and get some sense
3 out of it.

4 MR. GROBE: Okay, I
5 appreciate that, Steve. Let me make sure I understand what
6 you said. It's very important, if I understand correctly,
7 to carefully look at the question as asked in which you're
8 putting the data down to a department level, make sure you
9 understand whether the question was asking about a
10 department's perception of a site-wide activity or
11 department's perception of that department's activity. Do
12 I understand you?

13 MR. LOEHLEIN: Right.

14 MR. GROBE: Okay, great.

15 MR. LOEHLEIN: A clear example
16 would be questions that clearly reflect whether the people
17 in your organization feel free to raise issues, but there
18 is, there is another question that maybe asks about the
19 Davis-Besse culture at large. Well, that would not be the
20 same context in terms of who, who is being rated on that
21 answer, by that department.

22 MR. GROBE: Appreciate that,
23 thank you.

24 MS. GRIFFITH: Okay. We are at
25 Pillar 2. The Normal Problem Resolution, which as I

1 mentioned before, includes a Condition Report Process,
2 Corrective Action Program.

3 All of the indicators are showing an upward trend;
4 however, that was a site-wide trend that we need to focus
5 on as far as employee confidence in the Condition Report
6 Process. Some of the questions that were asked in this
7 particular, for this particular pillar, included items like
8 prioritization and timeliness and effectivity of the
9 program.

10 I think what is important to note here, that
11 although the trend is improving, there is still definitely
12 room for improvement. I think part of negative responses
13 to these particular questions associated with this pillar,
14 are more than likely committed to the large number of
15 Condition Reports that have been initiated, and the time
16 that it has taken to work that down.

17 We can not let our guard down as far as continuing
18 to strengthen this program, and that will be the going
19 forward plan for the site. Employee confidence in the
20 Condition Report Process is getting better; however,
21 continued management focus is warranted to ensure that the
22 issues are resolved effectively and within a timely
23 manner.

24 As far as the Condition Report Process, Pillar 2,
25 those areas that rated that significantly low, I did

1 identify that that was a site trend that we need to focus
2 on; however, the areas include Plant Engineering,
3 Operations, Maintenance, and Security, are the areas that
4 stood out more than the others.

5 The next slide indicates Pillar 3, which is the
6 Employee Concerns Program. One of the three questions
7 that's indicated here shows an upward improving trend while
8 the other two remain steady. This indicates that employees
9 agree they can use the Employee Concerns Program without
10 fear of retaliation. There is room for improvement in this
11 area as well, and a focus will be to increase employee
12 awareness and improve employee confidence in the program.

13 Those organizations that rated this lower in
14 relationship to the overall site, include Regulatory
15 Affairs, Chemistry, and Operations.

16 Pillar 4 on the next slide is Preventing and
17 Detecting Retaliation. All four questions associated with
18 this pillar show an improving trend. This indicates that
19 supervisors have the training and the knowledge to prevent
20 and detect retaliation and employees have not been
21 subjected to retaliation nor are they aware of others who
22 have been subjected to retaliation for bringing up nuclear
23 safety and quality concerns. A challenge to this as well,
24 being to ensure that this positive trending continues.

25 Those organizations that rated this pillar higher

1 negative responses than the others, include Security and
2 the Maintenance Organization.

3 I might point out that the red bar on this
4 particular slide is, indicates, although it was a
5 disagreement with statement, the statement is; I have been
6 retaliated against; and employees disagreed with that. And
7 next question was, I'm aware of others who have been
8 retaliated against; and employees disagreed with that
9 statement too, which is why we have an improving trend in
10 that area.

11 MR. GROBE: So, on those last
12 two questions, red is good.

13 MS. GRIFFITH: Red is good.
14 That's right.

15 As I have discussed today, there is improvement in
16 the health of our Safety Conscious Work Environment. There
17 is a strong commitment of plant site management to ensure
18 there is continuous improvement, which is vital to a long
19 term success as a site.

20 I would be happy to answer any additional questions
21 you might have.

22 MR. GROBE: I have one
23 question. It's not actually on the subject matter you
24 presented today; it's since I have you, I have a question.

25 In addition to the Safety Conscious Work Environment

1 focus area, you also have a Safety Conscious Work
2 Environment Review Team?

3 MS. GRIFFITH: Yes, I do.

4 MR. GROBE: Affectionately
5 called SCWERT.

6 MS. GRIFFITH: Yes.

7 MR. GROBE: And that review
8 team has a number of purposes and functions, that one of
9 those is to ensure that when the company is going to be
10 pursuing anything that can be perceived as a personnel
11 action from the most inconsequential activities of moving
12 people to different jobs to the most consequential of
13 termination, something of that nature, that there is no
14 risk that that personnel action is based on retaliation for
15 raising safety concerns.

16 I was wondering if you could help us understand,
17 it's my appreciation that that committee only works at
18 actions against FirstEnergy or FirstEnergy Nuclear
19 Operating Company employees, does not look at contractor
20 employees in situations where actions are taken against
21 contractors.

22 Could you help me understand how the committee or
23 review team fulfills its charter of trying to assure a
24 Safety Conscious Work Environment if you're not looking at
25 all workers and employment actions taken against all

1 workers at the site?

2 MS. GRIFFITH: Yes, I can

3 address that.

4 The Safety Conscious Work Environment Review Team in
5 September reviewed the layoff criteria that each contractor
6 that we do business with has. We also have in the purchase
7 order documentation itself, the agreement we have between
8 FirstEnergy, as well as the contracting company, that they
9 will maintain the Safety Conscious Work Environment.

10 Now, as part of the exit process with our contract
11 employees, each employee is offered the opportunity to have
12 an exit interview with the Employee Concerns Program
13 representative. We receive each and every one of those
14 forms. If there are any issues that the employee does not
15 wish to discuss with us at that particular time, they may
16 write it down or request a call. We call every single one
17 of those employees back to see what the issue was, get
18 initial information, and investigate it, if it is really an
19 employee concerns issue. And, at that point in time, we'll
20 relay those results.

21 MR. GROBE: Okay. So, while
22 you wouldn't necessarily -- to make sure I understand what
23 you said -- while you wouldn't necessarily evaluate any
24 kind of employment actions taken at the time of the action,
25 you feel that through your exit survey opportunities, you

1 would become aware of any retaliatory actions at that time?

2 MS. GRIFFITH: That's correct.

3 And the Employee Concerns Program is also available to all
4 employees on site, including contract employees. And if
5 contract employees feel that they have been retaliated
6 against, they come through our program and we investigate
7 those issues.

8 MR. GROBE: Okay.

9 There is clearly no requirements to these kinds of
10 activities. This is something that you've taken upon
11 yourself to provide increased confidence in these areas.
12 So, there is nothing that defines what the best way to do
13 this is. So, I appreciate, one, that you do have SCWERT,
14 and that we have no requirements in the area, but it is
15 important many times in contract organizations can be a
16 source of Safety Conscious Work Environment and retaliation
17 fears among employees, because it's easier to hire and fire
18 contractors than it is employees.

19 And it's certainly an area that we need to pay
20 attention to. So, I understand that you feel that you're
21 getting sufficient information from the exit interviews.
22 This is an area of continuing inspection by Geoff's team,
23 and we will continue to look at this, and the panel will
24 certainly receive feedback from Geoff and his team
25 members.

1 Any other questions?

2 MR. WRIGHT: Just one follow up

3 in that area, Jack.

4 Jack mentioned that one item, that the SCWERT is to
5 look at. The other one is to anticipate, because a Safety
6 Conscious Work Environment is oftentimes what people think
7 and believe as opposed to what might actually be. The
8 other action for a SCWERT team usually is to look and say,
9 if this action is taken, what effect might it have on the
10 organization.

11 Along Jack's line, I'm going to have more
12 information on what you do with contractors now, which is
13 an after-the-fact, if a person wants to talk to you. Do
14 you have anything in place or do the contractors that
15 address the other piece; when they've already taken the
16 action, is someone looking at what effect that may have on
17 the organization?

18 MS. GRIFFITH: We have not taken
19 a look at that particular item.

20 MR. WRIGHT: Okay.

21 MR. GROBE: Okay. Other
22 questions?

23 It's about 20 to 4. Why don't we take a brief
24 break.

25 MR. MYERS: Jack, I have one

1 thing real quick. The question was asked about the
2 training. If you go look at the report on the 16th that we
3 sent you on Safety Culture; when it comes to training, our
4 requalification training, the overall training here is
5 rated as white. If you go down to requalification
6 training, that's rated pretty well. In the areas of
7 continuing training by the review commitment, we rated that
8 is as yellow. And then, restart training we rated as
9 yellow, which is the correlation we have on that.

10 MR. GROBE: Okay, thanks,
11 Lew.

12 Why don't we take a ten minute break, and reconvene
13 at ten minutes to four. Thank you.

14 (Off the record.)

15 MR. GROBE: Okay, Steve, why
16 don't we get started.

17 MR. MYERS: Jack, could we
18 clarify a couple things?

19 MR. GROBE: Pull the
20 microphone a little closer.

21 MR. MYERS: Okay. The total
22 number of employees was 833. That was correct. It was 98
23 percent of the population. Some of the people were out on
24 leave and stuff like that. The total number of FENOC
25 employees, like some of our, a lot of our permanent

1 employees are not FENOC employees, like 70 something. So,
2 the total population is 833; there is no contractors.

3 And then one other slip I made this morning I found
4 out is Joe Hagan is Senior Vice President.

5 That's all I have.

6 MR. GROBE: Thank you.

7 (microphone problem)

8 MR. LOEHLEIN: Thank you, Jack.

9 My presentation today is going to provide the
10 results of the Nuclear Quality Assessment Interviews that
11 we conducted a few weeks ago. The purpose of our interview
12 approach is to independently assess Safety Culture and the
13 Safety Conscious Work Environment by using an alternative
14 method for written surveys. This provides us an additional
15 opportunity to confirm the accuracy of these measurement
16 methods.

17 Next slide, please.

18 We conducted an interview, a set of interviews like
19 this early in 2003, and the methodology we applied this
20 time is very similar, shows approximately ten percent of
21 the staff, of which 40 percent of them were repeat members
22 from the sample we took early in the year.

23 We conducted them as face-to-face-interviews. They
24 were all of supervisors and below in the organization. And
25 the questions were focused on Safety Conscious Work

1 Environment, Safety Culture, and organizational
2 effectiveness. My presentation will include data from the
3 key questions in these areas.

4 Next slide, please.

5 The first of these questions asks our people, "Do
6 you believe that management wants employees to report
7 problems adverse conditions?" We got a 93 percent
8 affirmative yes to that question.

9 Next slide, please.

10 The next question we asked folks, "That since last
11 February of 2003, when we did the earlier interview, have
12 they themselves via the Corrective Action Program, where an
13 issue they themselves addressed, adequately addressed?"
14 So, it's a two-part question. 78 percent stated that they
15 had identified an issue, which was quite an increase from
16 the February results. At that time, only 61 percent had
17 indicated that they themselves had identified an issue.
18 And more than four out of five agreed that in the interim,
19 the six month period, their issue had been adequately
20 addressed by the Corrective Action Program.

21 Next slide, please.

22 Now, the next three questions need to be considered
23 together. That's because in the first two questions, we're
24 asking people about their perceptions concerning inhibitors
25 to Safety Conscious Work Environment. And in both cases

1 some people indicated a perception that things had happened
2 that might hinder identification of issues. Yet in the
3 third question, you'll see that this has not affected their
4 confidence, their personal confidence, and their own
5 ability to raise issues without fear of retaliation.

6 So, if we look at this first question, "Are you
7 aware of instances where another individual raised an issue
8 and considered the response incomplete or unacceptable or
9 was retaliated against?" Again, a two-part question. 23
10 percent indicated they had heard of responses they thought
11 were incomplete or unacceptable, and 9 percent said they
12 had heard of an instance of retaliation.

13 You look at the next question. "Are you aware of
14 any specific events in which would discourage employees
15 from raising concerns?" Once again their perception of
16 having heard of such a thing occurring, 14 percent said
17 yes.

18 And, the third question in the series though, when
19 asked, "Do you believe you can raise any nuclear safety or
20 quality concern without fear of retaliation?" We had an
21 over 95 percent yes response.

22 So, one of the benefits of doing interviews instead
23 of just taking surveys is you get some intelligence, how do
24 you deal with data that seems to conflict that way. And
25 this is a case of perceptions. What we got from these

1 interviews, people had heard things secondhand, what have
2 you, that they may feel may hinder people's willingness to
3 raise issues, yet in terms of their own personal space and
4 their own confidence and their own management to be able to
5 raise issues about fear of retaliation is very high
6 positive response.

7 MR. HOPKINS: Steve, any of
8 these negative responses about fear of retaliation, were
9 they grouped in any department?

10 MR. LOEHLEIN: No, as a matter of
11 fact, because of what that might reflect, John, I had my
12 staff keep those things confidential, obviously, but I had
13 the people doing the brief follow-up and make sure, are
14 there any issues that they're aware of that are not being
15 properly addressed, safety or quality or otherwise, based
16 on those feelings. And in every case, they told us, no,
17 the safety quality concern that they had heard of had been
18 resolved since they had heard about it.

19 So, there was no, we had no pattern. I would say
20 the only pattern was, is a pattern of secondhand
21 experiences is probably the most, the best way to put it;
22 things they had heard rather than things they had
23 experienced.

24 MR. HOPKINS: Thank you.

25 MR. WRIGHT: Steve.

1 MR. LOEHLEIN: Yes?

2 MR. WRIGHT: With the
3 information that you have gathered from here, though, was
4 there anything that you felt should be passed on to either
5 Linda's group for an independent look or put into the
6 Corrective Action Program? I mean, you had 23 percent
7 consider responses to be incomplete or unacceptable. Did,
8 were you able to gather enough information to feed that
9 back into the system to have some sort of assessment done
10 saying is this good or bad?

11 MR. LOEHLEIN: As I mentioned to John
12 a few minutes ago, that was the reason for the follow-up
13 action with those people that have made those statements to
14 see if anything deserved follow-up; and in every case they
15 told us no.

16 When you get to the slide that talks about the,
17 there is a later one, talks about timeliness and
18 effectiveness of corrective actions, we had similar
19 follow-up. We wanted to make sure if there was anything
20 that needed to be followed up on, was it being followed up
21 on. And the response basically we got, Geoff, was the
22 safety and quality issues had been addressed. They didn't
23 always agree with maybe the method somebody used to arrive
24 at a conclusion or the surrounding corrective actions, but
25 they felt that the safety and quality issues had been

1 addressed.

2 MR. WRIGHT: Okay, thanks,

3 Steve.

4 MR. LOEHLEIN: I think we're on

5 slide 34 now.

6 This question, this reflects proceed level of
7 organizational effectiveness, it asks, "Do we apply the
8 right level of effort for timely and effective corrective
9 actions according to the level of significance of the
10 issue?" This is organizational effectiveness, sort of a
11 safety culture. 74 percent said, "yes" or "most of the
12 time."

13 And this is where the no answer, the reasons for the
14 no answers, I think, provide some enlightenment. Got some
15 examples.

16 People that said no, said they felt some Condition
17 Reports are overcategorized; in other words, they feel they
18 got too high priority.

19 There is some concern about the volume of Condition
20 Reports that the organization needs to take on.

21 Some concern people expressed on a focus of the
22 competing goals of trying to address back logs as opposed
23 to addressing issues that deserve priority right now.

24 A few people mentioned they felt the threshold for
25 Condition Reports were too low. We had issues in the

1 process that were so minor that they shouldn't be in the
2 process. And that's sort of an example.

3 What we found was, again, the pattern in that
4 example, if you look at 86 respondents of interviewees; 13
5 percent, what I saw here, at least five or six different
6 reasons given for a no answer. So, there is no definitive
7 pattern for what constituted a no.

8 Next slide, please.

9 This one, in an earlier slide that I think Lew
10 presented, we presented a Safety Culture Model. That
11 Safety Culture Model was presented as part of the Adventure
12 slide. So, we asked this question soon after the, the
13 employees were all exposed to the whole Safety Culture
14 concept at different levels of accountability. So we asked
15 it from the three perspectives; the individual commitment,
16 plant management, policy level commitment.

17 And, see here, that the breakdown on the numbers,
18 individuals ready for restart, based on Safety Culture, 93
19 percent; plant management, the opinion was 91 percent; and
20 that the policy or corporate level, 87 percent. I think
21 the numbers indicate that individuals had the highest
22 confidence in themselves.

23 That's probably human nature. I know I would feel
24 that way. If anybody asked me how I felt about myself, I
25 sure would score myself well.

1 Next slide, please.

2 Our summary conclusions are that overall worker
3 willingness and responsibility to raise issues is very
4 strong. That was the over 95 percent number, and they said
5 they would do that without fear of retaliation.

6 And, also there is a large majority believe that the
7 Safety Culture at the station is ready for safe restart.

8 And, in these key areas, the results clearly are consistent
9 with the other methods we reported on earlier today.

10 Do you have any specific questions?

11 MR. GROBE: I have one
12 question. In your Operational Improvement Plan for Cycle
13 14, there is a commitment that Nuclear Quality Assessment
14 would perform two Safety Culture Assessments during the
15 calendar year 2004. Is it going to be similar to this
16 assessment?

17 MR. LOEHLEIN: I heard the
18 question, you're asking if we are going to do follow-up
19 Safety Culture Assessments?

20 MR. GROBE: Right.

21 MR. LOEHLEIN: I thought we were
22 doing one per year.

23 MR. GROBE: Actually, you're
24 correct, it's fourth quarter of 2004, and fourth quarter of
25 2005.

1 MR. LOEHLEIN: That's what we
2 would do a year from now, similar approach.

3 MR. GROBE: All right.

4 Linda, you're also committed in this report to do
5 an Employee Concerns Program Survey. It will be a similar
6 structure to the one you did this year?

7 MS. GRIFFITH: Yes.

8 MR. GROBE: Good, thank you.

9 Any other questions? Okay. Thank you.

10 MR. BEZILLA: Okay. Next slide,
11 please.

12 My desired outcome today, Jack, this portion of the
13 presentation is to provide you information in regard to our
14 Cycle 14 Operational Improvement Plan.

15 Next slide.

16 Our Cycle 14 Operational Improvement Plan is
17 developed and we have begun implementation in a number of
18 areas. The purpose of the plan is to first provide a
19 transition path from our Return to Service Plan to normal
20 plant operations. Second to anchor the changes and
21 improvements that we have made in our plant, our people,
22 and our processes. And third, to ensure continued
23 improvement through Cycle 14.

24 Next slide.

25 The plan was put together with a focus on the four

1 primary safety barriers, that being Individual, our
2 Programs, Management, and our Oversight Function.

3 Next slide.

4 This picture illustrates how when posed with a
5 challenge there are multiple barriers present to prevent an
6 event from occurring, and to have the event the barriers
7 must fail.

8 Next slide.

9 The next picture illustrates our approach in regard
10 to keeping challenges from becoming events. That being to
11 ensure that we have Competent Individuals, Strong Programs,
12 Experienced and Engaged Management, and Intrusive
13 Oversight. We believe by focusing on the above, we will
14 prevent events.

15 Next slide.

16 As you can see, our Cycle 14 Operational Improvement
17 Plan has ten initiatives. Each initiative has an executive
18 sponsor. And to the right of the slide, depicts the
19 barriers that we believe will be positively influenced by
20 the actions taken to improve our performance in these
21 initiative areas.

22 Next slide.

23 The next three slides depict some of the focus areas
24 and items from the plan, and I'm just going to run through
25 a few of those.

1 For example, in regard to Improving Organizational
2 Effectiveness, we will provide additional training to our
3 managers in the areas of leadership, what is it, what does
4 it look like, and how to perform observations to get the
5 most out of time spent preparing for and conducting
6 observations.

7 In regard to Operations Improvement, we will
8 continue implementation of our Operations Excellence Plan,
9 which includes the benchmarking of top performing plants
10 and stressing Operations' leadership of our site, and
11 improvement in operator training, just to mention a few.

12 In regard to Maintenance Improvement, we will focus
13 on improving the quality of maintenance through
14 self-assessment, benchmarking, training, and constant
15 reinforcement of craft ownership of plant equipment.

16 Next slide.

17 In the area of Training, we will provide additional
18 training to our staff on design and configuration control
19 and our planning improvements to the qualification training
20 of our engineers.

21 In regard to Work Management, we are implementing
22 the FENOC common process to Work Management and we have a
23 workload reduction plan for Cycle 14.

24 In regard to Engineering Improvements, our focus
25 will be on improving safety margins through design

1 assessment and plant hardware changes. We will continue
2 our Latent Issues Review efforts and we will implement
3 actions to strengthen our Calculation Process
4 Implementation.

5 MR. HOPKINS: Mark, I have a few
6 questions or comments here. These sort of touch both
7 Engineering, Operations, and Maintenance.

8 There is a couple of license amendments that are
9 being prepared that will be submitted to us, I believe in
10 December; one sites set points for change set points in
11 tech specs and one sites diesel generators for frequency.

12 My understanding is we will be starting up using
13 guidance from the NRC with regards to Administrative Letter
14 on one of them and our engineering letter in operability on
15 the other one.

16 What I want to get to is, it would be good to get
17 those done, you know. I mean, it's nice to not be
18 operating in, under generic letter, or under the added
19 letter, or anything like that. The changes are complete
20 and sent in and we review them promptly. And that's in
21 operational improvement that you show your operators or
22 your engineers that idea.

23 I just wanted to ask, as far as you know, do you
24 still intend to submit those license amendments in
25 December, or?

1 MR. BEZILLA: Yes, I believe

2 that's true.

3 MR. MYERS: Yes. One is being

4 prepared now.

5 MR. BEZILLA: I'm checking out

6 there with my Engineering Director, and he says yes.

7 MR. HOPKINS: Okay. I'll talk

8 about another license amendment later, but go ahead, that's

9 fine for right now.

10 MR. BEZILLA: Okay. Next

11 slide.

12 In the area of Safety Culture, we will continue to
13 assess our performance and refresh our knowledge on what it
14 takes to ensure Safety Conscious Work Environment at
15 Davis-Besse.

16 Jack, you mentioned a few of the assessments that
17 we'll be doing on an ongoing basis.

18 In regard to Procedure Improvement, we'll continue
19 to train on, observe, and provide feedback for our people,
20 on procedure use and adherence.

21 On Corrective Action Program Improvement, we will
22 implement our Apparent Cause Improvement Plan and we will
23 focus on reducing our Condition Report and Corrective
24 Action Workload.

25 In regard to Oversight Improvements, we are

1 supplementing our internal quality assessors with external
2 people. This helps provide for a broader, different
3 perspective. And we are also taking more of a
4 cross-functional look at activities and evolutions.

5 These are some of the highlights from our plan.

6 Next slide.

7 We will periodically review our plan, our
8 performance, and we'll use performance indicators designed
9 to measure effectiveness, and through the use of external
10 assessment of our implementation and effectiveness.

11 Next slide.

12 Our External Assessments will focus on our Safety
13 Culture, the quality of our engineering products, and the
14 effectiveness of our Corrective Action Program.

15 Next slide.

16 MR. RULAND: Just
17 clarification for me. When you say effectiveness of the
18 Corrective Action Program, just elaborate a little on what
19 you mean by effectiveness in this case.

20 MR. BEZILLA: Yes, Bill. From
21 the CATI, you guys provided us feedback that our Apparent
22 Cause Assessments and Evaluations could be improved. So,
23 we put a plan together. We're taking action. We're going
24 to get some external help to check us periodically and make
25 sure we are being more effective. And if we have to

1 adjust, we will make another adjustments from those
2 observations that we have.

3 MR. RULAND: Thank you.

4 MR. BEZILLA: Okay.

5 In conclusion, I believe our Cycle 14 Operational
6 Improvement Plan will anchor the changes that have been
7 made in our plant, our people, and our processes, and will
8 cause continuous improvement in these areas through Cycle
9 14.

10 Additionally, we have external assessments planned
11 to provide us feedback and allow us the opportunity to
12 check and adjust our focus through the Cycle.

13 Any questions?

14 MR. GROBE: Yeah. I have a
15 couple. You touched on a little with respect to the CATI,
16 Corrective Action Team Inspection findings. And, also, I
17 have some questions in the area of Safety Culture.

18 The details of this plan are included as Appendix D
19 to your Integrated Report to Support Restart dated November
20 23rd, and this is on our Web site.

21 As you briefly highlighted, there is ten areas of
22 initiative. In the Safety Culture area, which is section
23 seven, called Continuous Safety Culture Improvement
24 Initiative. With the exception of some Safety Conscious
25 Work Environment training, all of the activities under this

1 improvement initiative are monitoring, and assessing
2 activities.

3 Could you talk a little bit more about what actions
4 you're taking to improve the Safety Culture?

5 MR. BEZILLA: Okay. Jack, I
6 understand your question is what actions are we taking to
7 improve Safety Culture?

8 MR. GROBE: Your microphone
9 is cutting in and out.

10 MR. BEZILLA: Is that okay?

11 Okay. If you look at our --

12 MR. GROBE: Works fine when
13 you don't talk. (laughter)

14 MR. BEZILLA: Right. If you
15 look at our plan, most of these actions are monitoring and
16 assessments, all right. As we and others have said, we
17 believe we have a pretty strong Safety Culture, Safety
18 Conscious Work Environment, and we've worked hard over the
19 last year plus to, I'll say, to reign those things into our
20 everyday processes.

21 As an example, our morning meetings that we go over
22 Safety, Safety Culture, we have Safety Conscious Work
23 Environment reminders throughout the plant, in our work
24 scheduling documents, those type of things.

25 What our plan was, we are going to continue to

1 refresh our people on what Safety Culture means, what
2 Safety Conscious Work Environment means, and then through
3 our monitoring and/or assessments, if we notice areas of
4 degradation or areas of concern, then we will take
5 additional management attention.

6 So, it's pretty much a continuing, continue feeding
7 what we have started from a Safety Culture, Safety
8 Conscious Work Environment perspective.

9 Lew reminded me, through our Safety Culture
10 Restart Readiness Review, there were some areas that had
11 graded out like yellow. We had specific Condition Reports,
12 we'll have actions that we'll go attack those specific
13 items, but from a plan perspective it is monitoring and
14 assessing; and based on the feedback, if we have to make an
15 adjustments for additional things, we'll do those.

16 MR. GROBE: Okay. That's an
17 interesting observation. I appreciate that. I had
18 forgotten that your procedure, business practice, that you
19 call it, includes an expectation at certain levels to
20 generate a Condition Report and then an opportunity at
21 other levels to generate a Condition Report.

22 Is it possible that you would generate Condition
23 Reports from the results of these periodic surveys and
24 assessments, say monthly assessments and periodic
25 assessments throughout the year of 2004 and 2005?

1 I'm trying to figure out how -- I don't believe what
2 you're telling me is that you're satisfied with Safety
3 Conscious Work Environment, Safety Culture, because in a
4 number of those areas more than ten percent of your people
5 weren't aligned with your expectations in some areas, but
6 I'm trying to understand what actions you're going to be
7 taking to continue the improving trend that Lew and Linda
8 and Steve had talked about.

9 MR. BEZILLA: Let me first say, we're
10 never satisfied with the Safety Culture, Safety Conscious
11 Work Environment. As an example of an action taken, you
12 had asked Linda earlier in her presentation, were there
13 deltas around, I'll say, from the site results in specific
14 areas. Just yesterday, Linda came into the Senior
15 Leadership Team, had talked to us through her assessment;
16 had talked about providing each of the managers with their
17 picture as compared to the site.

18 And then what we had asked Linda to do was, based on
19 her assessment, anyone that appeared to have, to have a
20 delta from the site perspective, we're going to have those
21 managers come in and have discussion with them on their
22 results and on the action they need to take. Based on
23 those discussions and the managers review, Jack, I would
24 see some Condition Reports being written to document that
25 and be able to track their actions to improve Safety

1 Culture, Safety Conscious Work Environment in their
2 specific areas. Does that --

3 MR. GROBE: Yeah, it's, these
4 are difficult questions. Safety Culture is a difficult
5 issue to deal with.

6 Would your Trending Program within the Corrective
7 Action Program, would that give you any insights in the
8 areas that culture may be declining?

9 MR. BEZILLA: Yes. An example of
10 that would be, part of our department performance
11 indicators, various sections have like one percentage of
12 the employees are actually generating condition reports.
13 If we would see a drop off on the percent of people in this
14 section preparing Condition Reports, that could be
15 something that would trigger a CR that says, hey, let's go
16 look at how come we're having a down-turn on the percent of
17 people creating or generating CRs within a specific
18 department.

19 MR. MYERS: Jack, some of the
20 data we'll be using basically comes out of the --
21 physically comes out of the Corrective Action Program. The
22 Corrective Action Program is the program.

23 MR. GROBE: Lew, once upon a
24 time you described to me a practice that you had of kind of
25 every once in awhile, I think it was quarterly, you kind of

1 take time out and pull your Senior Management Team aside
2 and spend a day or two looking at performance overall.

3 MR. MYERS: Right.

4 MR. GROBE: Is that something
5 that is a business practice?

6 MR. MYERS: It's in the
7 self-assessment. It's a section of the Self-Assessment
8 Business Practice. It's called Collective Significance
9 Review.

10 MR. GROBE: I'm trying to
11 figure out how all this pulls together to result in actions
12 to move forward and identification of areas to move forward
13 in. I see lots of assessments, but I don't see how it's
14 all pulled together.

15 MR. MYERS: Assessments roll
16 into individual Condition Reports. Condition Reports, you
17 know, we look at trends through Collective Significance.
18 If we see a negative trend, then that, that would cause us
19 in Collective Significance to take a senior level action,
20 you know. So, I think it does tie together fairly well.

21 In the Collective Significance Reviews, we look at
22 not only the CRs that are generated, but industry issues
23 that we see, issues from the NRC. We also trend ourselves
24 using the Institute of Nuclear Power Operations data. We
25 can go right into that data.

1 So, if we see negative reviews, once again, those
2 things always generate a CR. We will generate a CR each
3 and every time we see negative reviews that we document in
4 our corrective action.

5 MR. GROBE: What procedure is
6 it again that describes that?

7 MR. MYERS: Self-Assessment
8 Procedure.

9 MR. GROBE: Self-Assessment.

10 MR. MYERS: It's a NOP. I
11 worked on that section.

12 MR. GROBE: It's a corporate
13 level procedure that applies to all three sites. Okay. I
14 think I need to get a copy of that procedure.

15 MR. MYERS: It's 2004.

16 MR. GROBE: Okay. One of your
17 slides here, you talk about Independent External Focus
18 Assessments. When you say, Independent External, does that
19 mean independent of Davis-Besse or independent of
20 FirstEnergy?

21 MR. BEZILLA: It could be both,
22 Jack. What we've been doing is bringing folks from both
23 corporate, Beaver Valley, and also filtering in beyond the
24 FENOC industry individuals and/or like INPO individuals to
25 help us with assessments.

1 MR. GROBE: Okay. When we
2 presented the Corrective Action Team Inspection results
3 last month, we highlighted a couple of areas of concern;
4 one being Apparent Cause Assessments and we characterized
5 that as a thinking problem on how people think about
6 observations, issues, and evaluate them, and also expressed
7 a concern about the engineering correct -- or engineering
8 work products that corrected deficiencies.

9 You focused in Engineering Quality and Corrective
10 Action Program. Those were broad trends, but there were 30
11 violations or 28 violations. I can't remember the exact
12 number that were identified by that inspection, which is a
13 fairly significant number of violations. I can't remember
14 an inspection in the last five years that had somewhere
15 approaching 30 violations.

16 So, I don't want to give the impression because we
17 identified a couple of trend areas that those were the only
18 areas of concern in the Corrective Action Program and
19 Engineering Program Implementation. I highlighted earlier
20 today the results of the Backlog Inspection, which had
21 particular focus concern in the area of System Engineering,
22 Design Engineering and the ability to manage those back
23 logs.

24 So, I think it's very important that you have
25 external assessments. I think it's also important that

1 that external focus include individuals and organizations
2 external to FirstEnergy, but I would urge you to broadly
3 look in these two areas, Engineering and Corrective Action,
4 because I think the overall trends that you saw were not
5 necessarily all of the issues that you need to be focused
6 on.

7 We may have additional questions regarding your
8 Operational Improvement Plan. What's essential, if
9 Davis-Besse restarts, the types of behaviors that resulted
10 in, for lack of a better term, bereft, that resulted in the
11 head degradation don't occur; and if a decision is made
12 that the plant can restart, that may be based on a belief
13 at this point in time that it can be restarted and operated
14 safely, but this Operation Improvement plan not only takes
15 you from where you are today, which would be a decision, if
16 that were to occur, that you're safe today, to ensuring
17 that it doesn't become unsafe in the future.

18 So, I think this is critically important to the
19 long-term sustained performance at Davis-Besse. So, we
20 will likely have additional questions on this, and I
21 appreciate you submitting it to us.

22 Any other questions at this time?

23 Okay. Go ahead.

24 MR. BEZILLA: Okay. Now let me
25 switch topics. What I would like to do is briefly talk

1 about the Work Scope and Mid-Cycle Outage.

2 Next slide, please.

3 We would perform or have to perform our Mid-Cycle
4 Outage in March, 2004, if we're not successful in obtaining
5 permission to extend ours through steam generator
6 inspection interval. We're preparing a License Amendment
7 Request to request an extension on the surveillance
8 interval that would enable us to perform our Mid-Cycle
9 Outage about January 2005. That would provide us with
10 about a year of operation prior to our Mid-Cycle Outage.
11 And the outage is currently scheduled to last approximately
12 21 days.

13 And Jon, you may ask when. I believe the 12th,
14 December 12th, is the date we're shooting to get that to
15 you.

16 MR. MYERS: That's correct.

17 MR. HOPKINS: I have a few
18 comments. You don't have a whole lot of review time for us
19 on this one. And it's, we have your, the report you
20 submitted to the NRC over the last two inspections, 2002.
21 We're looking at that. We have looked at that. We'll look
22 at that. We'll look at your amendment application.

23 It's likely that we would develop some questions.

24 So, in the time it takes you to respond to those questions
25 and our review and everything, it really isn't much time

1 left for the license amendment.

2 And the other thing I could say, what time, what
3 time there is, we will probably take all of it in
4 reviewing; and, for a positive finding.

5 But as far as your planning for possibly an outage
6 in 2004, first quarter, I think you probably are already
7 there or probably winding up contract workers or whoever
8 else.

9 MR. BEZILLA: Okay.

10 MR. HOPKINS: That's the point I
11 wanted to make. There is no way I could get this review
12 done by January 15th or anything like that, you know, for
13 you to line up contract workers to do something.

14 MR. BEZILLA: We appreciate
15 that. We understand we need to get that to you in
16 expeditious fashion. We used the owners group. We've
17 scoured the industry. We've had previous submittals.
18 We're making sure we have quality documents. We have some
19 additional information from B and W for the care that would
20 provide the generators through the extended shutdown here.
21 So, we believe we have a new document for you.

22 Additionally, we have contracts in place, if we have
23 to do the inspections in March, we will be ready to do the
24 inspections in March.

25 MR. HOPKINS: Okay.

1 MR. BEZILLA: Okay, next slide.

2 This slide depicts the major work planned for the
3 Mid-Cycle Outage, and that being Steam Generator Eddy
4 Current Inspections, Incore Nozzle Inspections, the
5 Undervessel Inspections; Control Rod Drive Nozzle
6 Inspections, Reactor Vessel Bare Head Inspection, Boric
7 Acid Leak Inspection of Reactor Coolant System itself; and
8 then various surveillance testing that would be needed to
9 support operations through the spring of 2006, which would
10 be the next refueling outage for Davis-Besse.

11 And we also have Contingency Plans for the Loop 2
12 Reactor Coolant Pump Gasket Replacement, if that would
13 dictate that that would be needed to be done.

14 MR. THOMAS: Mark, so assuming
15 there is no outer gasket leakage indications on Loop 2
16 Pumps, is it your intention to do the pump refurbishment
17 during the 14 Opero, or is it too soon to tell?

18 MR. BEZILLA: Scott, if we would get
19 the extension, to the -- surveillance requirement. We're
20 taking a look at that mid-cycle and/or the next refueling
21 outage. We have to determine where it makes the most sense
22 to do it, okay, from an efficiency standpoint as well as a
23 resource standpoint to accomplish that task.

24 We've ordered the material. If we would do the
25 inspection in March and have a problem, we can change the

1 gaskets. There is other work we would like to do to the
2 Reactor Coolant Pump that we won't have all those parts and
3 pieces on hand until probably 2005; late 2004, 2005.

4 MR. THOMAS: Okay.

5 MR. GROBE: Couple of
6 questions on this slide -- some clarifications
7 actually.

8 You specifically mentioned a Reactor Vessel Bare
9 Head Inspection, and then talked about Control Rod Drive
10 Nozzle Inspection. Those are the same activity.

11 MR. BEZILLA: We'll look at the
12 nozzle and my intent was to look at the flanges.

13 MR. GROBE: Okay, that was my
14 next question. Not only are you looking at the nozzle head
15 interface, but you're also looking at the flanges.

16 MR. BEZILLA: That's correct.

17 MR. GROBE: Okay, good. And
18 then the Incore Nozzle Inspection, that will be a bare head
19 on the bottom head?

20 MR. BEZILLA: Correct.

21 MR. GROBE: I was confused,
22 because you specifically said reactor vessel bare head. I
23 wasn't sure which head.

24 MR. BEZILLA: Both.

25 MR. GROBE: Okay. So, that's

1 a Bare Head Inspection of both the upper and lower Reactor
2 Vessel Heads, Control Rod Drive Nozzle and Flange
3 Inspections and Incore Nozzle Inspections, as well as Boric
4 Acid Corrosion Inspection of the entire Reactor Coolant
5 System. That's the detailed inspection of the Reactor
6 Coolant System to look for indications of leakage, and then
7 any follow-up activities are appropriate.

8 MR. BEZILLA: That's correct.

9 MR. GROBE: I don't think I
10 have any other questions.

11 Bill?

12 MR. RULAND: Mark, should I
13 interpret this, that if you do, in fact, have to shut down
14 to do the first quarter 2004 contingent inspection, that's
15 essentially really a misnomer to call it a Mid-cycle; it's
16 an early cycle outage, for lack of a different, lack of a
17 better term; so, that you would be operating essentially,
18 assuming that you have permission to restart, you would
19 operate for three months, do the inspections, and then
20 there would be whatever remainder of that fuel cycle until
21 you did another inspection.

22 MR. BEZILLA: 20 some months
23 probably, 21 months.

24 MR. MYERS: We think it makes
25 more sense to run a year, twelve months, and then look at

1 it; gives more of a reliance of the other two inspections.

2 MR. RULAND: I think we agree.

3 MR. MYERS: Okay.

4 MR. GROBE: When we had talked
5 last month, we had specifically talked about you submitting
6 a letter describing this. Is that still your plan or is
7 this the description of your Mid-Cycle that you have
8 planned?

9 MR. BEZILLA: We have a letter
10 drafted, and it may have went out yesterday. It was
11 planned to go out yesterday, but Lew was gone.

12 MR. GROBE: I was probably
13 here yesterday.

14 MR. BEZILLA: If it's not, Jack,
15 it will be this week.

16 MR. GROBE: Great.

17 MR. BEZILLA: It's on the way.

18 MR. GROBE: Okay. Any other
19 questions?

20 Okay. Thank you very much.

21 MR. BEZILLA: With that, I will
22 turn it over to Clark.

23 MR. RULAND: Mark, before you
24 go ahead, I would like to circle back to the previous
25 presentation you had about the Engineering Quality External

1 Focused Assessments, you discussed.

2 As I think you folks have already admitted that your
3 Engineering Organizations minus a number of contractors at
4 this stage, that folks that help you through the extended
5 outage, so your Engineering Organization is essentially
6 substantially different than when, during this whole
7 outage.

8 I'm interested in the scope of that External Focused
9 Assessment. One could postulate that problems you're going
10 to face might not in fact, if you do have problems, might
11 not in fact be the same problems or the same areas that you
12 need to focus ongoing forward, as you might have had
13 previously. So, I'm interested in what the scope of that
14 External Assessment is going to be, if you know at this
15 stage.

16 MR. BEZILLA: Just a couple pieces,
17 Bill. The Engineering Organization, we still have a number
18 of contractors, they're helping us. We've hired a few of
19 them, so all that knowledge and experience has stayed with
20 us. All right?

21 As far as the engineering assessments for next year,
22 I don't have the specifics on that. There will be a few of
23 them. We have a Nuclear Operating Procedure that dictates
24 what areas we'll look at, and what I would expect is that
25 Jim Powers and his team, they know where some of their

1 weaknesses are, and through the Quality Organization, they
2 take a broad perspective and they'll help us if they think
3 there is areas that need special attention or could benefit
4 from an external assessment. And then our Trending Program
5 through the Corrective Action Process, may point out
6 initial areas where we have also External Assessment. I
7 just don't have the specifics with me today.

8 MR. RULAND: Thank you. But
9 another way maybe of me understanding what you would have
10 told me, is that you're not going to focus just on those
11 areas that the CATI team pointed out, weaknesses of
12 Engineering Products, rather you're going to look at the
13 Engineering Organization more broadly. Is that a fair
14 statement?

15 MR. BEZILLA: That is correct.
16 We may look at an area that we think is solid, because it
17 may not be solid, it may be solid on the surface.

18 MR. MYERS: If you go look at
19 our Self-Assessment Procedure we talked about, it drives
20 that broad base. We drive Self-Assessments, Corrective
21 Action.

22 MR. RULAND: Thank you.

23 MR. BEZILLA: Okay, with that,
24 I'll turn it over to Clark.

25 MR. PRICE: Thanks, Mark.

1 Okay, today I would like to provide everyone with a
2 status and update of where we're at with our Restart
3 Activities.

4 I'll first discuss some of the key items that we
5 completed since the November meeting and then describe some
6 of the key activities we have remaining and then walk
7 through our finer key milestones that we have for restart.

8 Even though it's only been three weeks since our
9 last meeting, we've completed some significant milestones
10 and activities; and four of them we have listed here.

11 We've completed our Restart Readiness Safety Culture
12 Assessment, that Lew Myers described earlier, and yesterday
13 we issued the final report as described in our business
14 practice for that assessment. That was a major milestone
15 in our, in our moving forward for restart.

16 On November 24th, Jack, you referred to this
17 earlier, in accordance with Confirmatory Action Letter, we
18 submitted the Integrated Restart Report to request NRC
19 approval to restart the plant. That report also included
20 the Operational Improvement Plan we discussed today and,
21 again, another major milestone, restart milestone.

22 We have completed the installation of both the newly
23 modified HPI pumps and have completed testing of pump
24 number 1, and will begin testing pump number 2 later this
25 evening. Successful testing of these two pumps, again,

1 that we've been discussing over the last several months is
2 another major milestone in our plant restart.

3 And last night we completed the replacement of 24
4 breakers with fuse disconnect switches to achieve breaker
5 coordination in our plant Electrical Distribution System,
6 an issue we discussed at the last two public meetings that
7 was emerging over the last few months. We completed those
8 breakers. We do have seven additional breakers that we
9 have identified that we also want to change out prior to
10 restart that are related to Appendix R. Those new fuse
11 disconnect switches will be in Friday, and we're currently
12 developing the schedule for those replacements.

13 Next slide, please.

14 This slide identifies some of our remaining key
15 activities that we have for restart. The first item is
16 Completion of the Operations Improvement Action Plan
17 described by Mike Roder, our Operations Manager, at the
18 last public meeting. The primary restart actions under
19 this plan conclude this week with the successful
20 requalification of our Operations crews.

21 In several of the past public meetings we have
22 discussed our continued efforts to address issues within
23 the Electrical Distribution System of the plant. They were
24 identified through our new highly enhanced Electrical
25 Transient Assessment Program, that we referred to as ETAP,

1 and we expect to come to closure on those issues this
2 weekend or early next week.

3 We will be completing our Service Water Pump Number
4 2 Baseline Testing this week. Again, another significant
5 major activity for us in the last few weeks, and another
6 major activity for restart.

7 We are also replacing two coolers in our Emergency
8 Core Cooling System Room Coolers. These coolers have
9 developed small leaks over the past several months, and we
10 have decided not to repair them, but to replace them with
11 new improved stainless steel coolers.

12 Then, also, at the end of the week, we plan to be
13 completed with the restart required activities associated
14 with Containment Air Cooler Transcient Resolution, that
15 were issues that came up as a result of the August 14th
16 loss of grid that the plant experienced, and we're going
17 through those actions now, through analytical resolution,
18 and a final modification to be done at the plant this
19 week.

20 And, finally last, but not least, is our remaining
21 open NRC 0350 Panel Restart Checklist Items. We currently
22 have eight that remain open. We need to get our activities
23 completed and the inspections completed and do what's
24 necessary to support the panel's decision for closure on
25 those Restart Checklist items.

1 Next slide, please.

2 Okay. This final slide is our final key milestones

3 for restart which will be --

4 (wrong slide/changed slide)

5 On December 5th, we will be having our final planned

6 meeting with our Restart Overview Panel to gain concurrence

7 for Restart. It's a major meeting for us. We have a

8 number of action items that we discussed at the last public

9 meeting that came out of the Restart Overview Panel. Most

10 of those action items are similar to things we've discussed

11 today; things looking forward in our Operational

12 Improvement Plan and things that they've asked us to give

13 them some additional feedback in, meeting on Friday. So,

14 we're preparing to do that.

15 On Monday, December 8th, we'll be transitioning to

16 our Online Work Control Process. This is a major

17 transition for us out of the Outage Work Support Center and

18 Outage Processes we've been in for the last, well, for the

19 entire outage, which has been led by our Outage Director;

20 and moving to an Operations Work Support Center that will

21 be led by the Operations Shift Manager. Another key

22 milestone in our transition for restart.

23 On Monday also, we as discussed earlier, expect to

24 have the NRC Restart Readiness Inspection Team arrive on

25 site with a plan that this meeting is 11:00 on Monday, and

1 expect that team to be there for the duration of our plant
2 heatup and mode ascension.

3 Then, on December 9th, next Tuesday, we're going to
4 be having another management meeting, our continued
5 activities to readdress our Restart Readiness. This will
6 be looking at the department and section, its readiness for
7 restart. We have had our Mode 4 and 3 meetings for our
8 Restart Readiness and Safety Culture. A week ago we had
9 our plant systems that we reviewed, and now these will be
10 the Organizational Readiness for Restart Meetings that will
11 occur on Tuesday.

12 Then on December 11th, we plan to be in a position
13 to go to Mode 4. Then follow, the following day by Mode 3,
14 and be at full temperature and pressure by the weekend, by
15 next weekend.

16 The following Monday, December 15th, we're scheduled
17 to have our Management Restart Readiness Review Meeting
18 that will then be for Mode 2. And there we will go to
19 assess things we've gone through in Mode 4 and 3. We will
20 be re-reviewing our Safety Culture Assessment, some of the
21 things Mark talked about. We'll be looking at where we now
22 stand on some of our different attributes that we had in
23 that Safety Culture Assessment relative to plant
24 readiness. We'll be looking at the plant systems and any
25 existing mode restraints, and we'll be looking again at the

1 organization readiness to proceed to Mode 2 and plant
2 breakout.

3 Then, the last slide lists out the final restart
4 milestones that we have, which will be, as we discussed, as
5 Jack, we discussed earlier, a public meeting to request
6 NRC's approval for restart.

7 Following approval, we will then move to Mode 2.
8 That is what is defined in our Return to Service Plan as
9 Restart. That will be followed then by going to Mode 1.
10 And, at that point, then we'll have a management hold
11 perform an effectiveness review of our startup activities
12 to that point, looking at the performance of both the
13 people and our plant, and then assessment of our readiness
14 for continuing to power operations.

15 Following that meeting, we will then synchronize the
16 grid. And then we have another planned hold as we ascend
17 in power, to approximately 50 percent power. We'll do
18 another effectiveness review and assessment of our
19 readiness to continue on to full power and escalation to
20 hundred percent.

21 MR. THOMAS: Clark, what do you
22 foresee as the duration of these hold periods?

23 MR. PRICE: I expect, Scott,
24 that they're probably going to be maybe two to three
25 hours. We'll get together, management team will get

1 together, we'll talk through what we've seen. We'll have
2 the oversight managers that are on shift, give report out
3 on how the shifts have performed. We'll take as long as we
4 need.

5 MR. THOMAS: I just wanted to
6 get an idea, in your mind, what these hold periods
7 encompass.

8 MR. MYERS: My experience from
9 some of the other plants, it would take a half a day, four
10 hours. Come in and make sure, are you working your plan,
11 has it been effective, and then make sure you're ready to
12 go forward. Just like a check.

13 Right now we have everything very well lined out
14 down to the key activity. Are we being effective? And if
15 you got some issues, then we'll take longer, you know.

16 MR. THOMAS: Okay.

17 MR. MYERS: Things go well, it
18 should be about four hours.

19 MR. PRICE: Okay. Then, we'll
20 continue on to one hundred percent power operation.

21 Then we do have another activity, approximately 30
22 days following restart, where we will perform a final
23 Restart Effectiveness Assessment, that we'll look back at
24 all of our activities and assess our performance over that
25 period of time.

1 In conclusion, I would like to say that we have a
2 good plan for restart. We continue to diligently work this
3 plan. We are very proud of what we've accomplished to-date
4 and we are looking forward to the opportunity to request
5 and receive NRC approval for restart.

6 Any questions?

7 MR. WRIGHT: Clark, just one
8 item. During the restart readiness prior to entering Mode
9 2, I think it was December 15th, in that meeting, you're
10 going to go back over those areas that were of some concern
11 during the last Restart Readiness Review; those areas that,
12 that's a yellow or had specific items, CRs written to
13 address those or specific areas where you had an
14 organization that was not performing where you wanted it to
15 be at that time, or earlier?

16 MR. PRICE: We expect, as you
17 know, Geoff, we've written Condition Reports on all of
18 those specific areas that were yellow in the Restart
19 Readiness Assessment. We'll go through those Condition
20 Reports and the corrective actions and address whether
21 we've made suitable progress on those corrective actions
22 before we move forward; and that will all be addressed in
23 that meeting.

24 MR. WRIGHT: That is the
25 meeting you're going to do that?

1 MR. PRICE: That's correct.

2 MR. GROBE: Just, one

3 observation. This morning, Tony Alexander and Gary Leidich

4 presented a briefing on some materials. I suspect that --

5 I've reviewed the slides from that presentation. I suspect

6 because of the preparation of the slides, and the

7 continuing conduct of activities, that there was one item

8 that I'm sure was clarified during that meeting, but the

9 slide specifically says that high pressure injection pumps

10 have been modified, installed and tested; both of them.

11 And the testing of pump number 2 had been delayed just a

12 bit because of an oil pressure problem and that testing is

13 going to happen this afternoon or this evening.

14 It's just, causes some confusion with me, just

15 wanted to make sure.

16 MR. MYERS: As you know, we

17 planned on having that testing done, but the oil pressure

18 issue. When the slides were prepared, we planned on having

19 the testing done.

20 MR. GROBE: That's what I

21 suspected, okay, good.

22 MR. MYERS: Once again, we had

23 the oil pressure issue. We stopped, put a troubleshooting

24 team together.

25 MR. GROBE: Okay.

1 MR. MYERS: Okay.

2 MR. GROBE: Any other

3 questions for Clark? I'm glad we had time to hear Clark

4 today.

5 MR. PRICE: Well, thank you.

6 MR. GROBE: Okay. Lew, do you

7 have any closing comments?

8 MR. MYERS: You know, we have,

9 I could spend an hour on Safety Culture.

10 MR. GROBE: That's not

11 necessary. Last month we ended up with all of our Chinese

12 food, and I think it was in Rolland's trunk, because we

13 didn't have time to eat it. So, it would not be adverse to

14 us that we have time for dinner.

15 MR. MYERS: Okay. I do, I

16 think that today we, our desired outcome was to talk about

17 our Safety Culture, our progress we made toward Restart,

18 Safety Conscious Work Environment. If you listen to our

19 value today of safety, key word accountability and

20 accomplishment, we showed the tape of our people. That's

21 the best presentation I could do. You heard those values.

22 When you look at things from a, are they positively

23 correlated; you see convergence. You saw convergence in

24 the tape. You saw convergence in the Safety Culture

25 assessment we did. You saw convergence in the Safety

1 Culture Assessment that the employees did. And then, the
2 Safety Culture assessment of their oversight group. So, I
3 really believe that the data that we've given you about
4 concerns moving forward is good data.

5 We believe that there has been significant
6 improvements in the plant; material condition on the plant
7 programs; the safety margins, meaning our systems are
8 unique now, like our FLUS System; and most important, most
9 important, our people have a strong safety focus.

10 We have compared -- we have a strong corporate
11 commitment that we gave you to ensure in our Long-Term
12 Improvement Plan to ensure that we continue to commit to
13 move forward.

14 We will be requesting your authorization to start
15 the plant up. We've done that in writing. We look forward
16 to that meeting. We thank you for today's presentation.

17 MR. GROBE: Okay, very good.

18 Thank you.

19 Any comments or questions for the, further questions
20 from the staff?

21 I just wanted to make a couple observations. Last
22 month we presented the results of the Corrective Action
23 Team Inspection. The panel has not yet closed that
24 checklist item and continues to work off evaluation of
25 those inspections also and decision on whether that

1 checklist item is ready to close.

2 In addition, there is two other very important
3 activities that are ongoing or will start shortly; one is
4 Geoff Wright's inspection Management/Human Performance,
5 that's Checklist Item 4.b, I think, on the effectiveness of
6 your Safety Culture Management Organization, Human
7 Performance at the plant.

8 And then several of the checklist items under
9 Section 5 of the Checklist concerning Readiness for Restart
10 will be contributed to, the closure of those will be
11 contributed to by certain of the resident staff. It's a
12 significant equivalent to that as well as the Restart
13 Readiness Assessment Team Inspection. Those activities are
14 ongoing.

15 We would expect to hear your assessment, not only of
16 what's happened over the last 20 months, I guess, but also
17 what's going to be happening over the next several weeks at
18 a restart meeting. The job is not done yet. And there is
19 still performance to be demonstrated before the NRC could
20 consider restart.

21 So, scheduling of the meeting, as I mentioned
22 earlier today, is difficult. We need to give ten days
23 advance notice to the public. We can't conduct the meeting
24 unless you're ready to present us your assessment of
25 operational performance; and I don't mean the plant

1 operators, they're certainly part of that; but your
2 organization and its effectiveness in operating the plant
3 through Modes 4 and 3.

4 So, if need be, that meeting will be delayed. I
5 would expect by the end of this week to be making a
6 decision on when you think we can conduct the meeting and
7 we'll certainly give ten days notice prior to the conduct
8 of that meeting, but things are rather fluid and it could
9 change.

10 Clark described a schedule that was predicated on
11 everything going great, and it doesn't always happen that
12 way, so we will maintain flexibility.

13 I want to emphasize the importance of your Operation
14 Improvement Plan for Cycle 14. If we get to the point in
15 time where Davis-Besse is authorized to restart, the work
16 isn't done, and we certainly are concerned about that, and
17 we appreciate that you recognize that and have developed
18 that plan.

19 This Oversight Panel does not disappear if the plant
20 is authorized to restart. The public meetings don't
21 disappear. We're going to be here until such a point in
22 time that the agency is able to conclude that Davis-Besse
23 has operated sufficiently well for a sufficiently long
24 period of time that the routine reactor oversight process
25 would be effective in providing oversight at Davis-Besse.

1 That could likely be six months, a year, or more.

2 One critical component of that is the validity of
3 the performance indicators that are part of the Routine
4 Oversight Process. You report those performance indicators
5 to us quarterly, and they're published on the NRC's Reactor
6 Oversight Process Website.

7 The performance indicators in most of the areas are
8 still valid; for example, the Health Physics area, the
9 Emergency Planning areas, the Security and Safeguards
10 areas, but most if not all of the performance indicators in
11 the Operations area and the Systems area do not provide
12 sufficient information to us at this point in time to be
13 useful in planning inspections and evaluating performance.

14 So, the panel will stay in existence until the
15 performance indicators are providing useful information and
16 the panel concludes and recommends to NRC management that
17 Davis-Besse is ready to go under the Routine Reactor
18 Oversight Program.

19 So, we'll be around, and it's certainly going to be
20 a busy month, and we'll be here for another many months to
21 come.

22 Anybody else have any comments or questions?

23 Okay, with that, let's take about a ten minute
24 break, and adjourn the business portion of the meeting, and
25 then we'll recommence at 10 after 5 for any questions from

1 the audience.

2 Thank you.

3 (Off the record.)

4 MR. GROBE: Okay. Let's
5 come to order here. This portion of the meeting is an
6 opportunity for members of the public to provide comments
7 or ask questions. And, we'll have a similar meeting at
8 7:00 this evening for anyone who was unable to attend this
9 afternoon or if you really are interested and want to
10 provide comments at both meetings, that is certainly
11 acceptable also.

12 Why don't we start by inviting elected officials or
13 representatives of elected officials forward; and if you
14 could, you're interested in providing a comment or asking
15 question, come forward to the microphone, sign your name,
16 there should be some sheets of paper, a pen there, and go
17 ahead and speak clearly into the microphone.

18 Are there any elected officials or representatives
19 of public officials here today that have comment or
20 questions?

21 Okay. Let's just open the floor to anybody else
22 that has a question or comment.

23 If you could state your name and go ahead.

24 MR. BURKE: Certainly. It's
25 Shawn Burke, with HSBC Securities.

1 I had two related questions, maybe you can help me
2 out. The first, can you tell us how the 0350 Panel has
3 received information or updates from the NRC's Office of
4 Investigations, particularly regarding the extended outage,
5 and can you kind of give us a feel for how that process has
6 worked with the panel?

7 MR. GROBE: Certainly. The
8 Office of Investigations is a specific office of the
9 Nuclear Regulatory Commission that looks into the cause of
10 violations, where there is information that the violation
11 may have been the result of something more than an
12 oversight or error.

13 The investigation began early in 2002 and continued
14 through September of 2003. On a regular basis, the Office
15 of Investigation has provided briefings to the Oversight
16 Panel members and kept the panel apprised of information
17 that they were identifying and concerns that they had.

18 At the completion of the investigation in September
19 of this year, the Office of Investigations provided
20 briefings to the panel, to James Caldwell, Region
21 Administrator in Region III, to the Executive Director's
22 Office in his direct reports as well as to the Commission
23 itself.

24 That report that was issued in September was
25 provided to the Department of Justice consistent with

1 agency procedures and the federal investigation into
2 circumstances prior to the beginning of this outage
3 continues.

4 It's being led by the U. S. Attorney in Cleveland,
5 and it's a team of U. S. Attorney staff, the Department of
6 Justice staff in Washington, and the NRC's Office of
7 Investigation staff, as well as a number of our technical
8 staff.

9 There is two ongoing activities with respect to the
10 results of the investigation besides the ongoing federal
11 investigation. One of those is that the NRC staff, and
12 this was a team of technical staff both from the Region and
13 Headquarters, as well as legal staff, enforcement staff,
14 evaluated the results of the Office of Investigation review
15 to determine whether there was a need for any immediate
16 enforcement action.

17 And, the procedures for doing that are clearly
18 described in our enforcement manual. The threshold for
19 taking an enforcement action is a high threshold, and it
20 requires the agency to conclude that there is an
21 immediately threat to public health and safety.

22 That review has been completed and the NRC has
23 concluded that there is no need for immediate enforcement
24 action as a result of the O. I. findings.

25 The second thing that the agency has ongoing is a

1 senior executive from the Office of Nuclear Reactor
2 Regulation has been assigned to monitor the progress of the
3 ongoing investigation, federal investigation to be
4 cognizant of any emerging information that may come to
5 light that might cause a safety concern on the part of the
6 NRC.

7 I believe I answered your question.

8 MR. BURKE: The second
9 question is somewhat related. If the United States
10 Attorney -- sorry. If the United States Attorney from the
11 Northern District of Ohio concludes his investigation
12 before the plan is brought on line, can that interrupt the
13 restart process if he chooses to indict the company or
14 workers; or just trying to figure out how his influence
15 might come to bear on the restart process?

16 MR. GROBE: Any questions
17 regarding the ongoing federal investigation needs to be
18 addressed to his office. The agency, if the Department of
19 Investigations, excuse me, the Department of Justice
20 investigation is concluded, the one being led by the U.S.
21 Attorney in Cleveland, the agency would receive the results
22 of that investigation and we would take appropriate
23 enforcement action.

24 Absent knowing when the investigation will be
25 completed and what those results are, that's difficult to

1 comment on the rest of your question. It would simply be
2 speculative.

3 MR. BURKE: One last thought.
4 Is the Inspector General for the NRC, which I think doesn't
5 report to the NRC Chairman, but instead reports to
6 Congress; are they still looking at the Davis-Besse outage
7 or have they concluded their investigations?

8 MR. GROBE: The Inspector
9 General doesn't investigate our Licensees, the Inspector
10 General investigates us.

11 MR. BURKE: Correct.

12 MR. GROBE: And, there are no
13 ongoing investigations that I'm aware of into circumstances
14 surrounding the NRC activities prior to shutdown of
15 Davis-Besse.

16 There is a, a different investigative arm of
17 Congress, it's called the General Accounting Office. That
18 does have an ongoing review, which was requested by three
19 different federal elected officials; I believe it's one
20 senator and two representatives; that gave them marching
21 orders to evaluate certain aspects of the NRC's performance
22 and that's ongoing. I expect that to be completed sometime
23 next year.

24 MR. BURKE: It's helpful,
25 thank you.

1 MR. GROBE: Is there anyone
2 else?

3 MR. FINN: My name is Mark
4 Finn. I'm with T. Rowe Price. I just wanted to follow-up
5 on the question asked by Shawn Burke.

6 If the DOJ, Attorney General, or the attorney from
7 the Northern District of Ohio has not completed his
8 investigation, is there anything to keep you from giving
9 permission to restart the plant? I guess as that
10 investigation is going on, does the absence of a finding on
11 his part keep you from giving permission to restart the
12 plant?

13 MR. GROBE: Well, the U. S.
14 Attorney doesn't have any role in the decision on
15 restarting the Davis-Besse plant. The agency has completed
16 its review of the results of the Office of Investigation's
17 investigation, and concluded that there is no need for
18 immediate action on the part of the agency. Consequently,
19 we will await the results of the ongoing federal
20 investigation before any action is taken.

21 As I mentioned earlier though, we do have a Senior
22 Executive from our Headquarters Office of Nuclear Reactor
23 Regulation, who will be monitoring the ongoing
24 investigation, and any information which is developed
25 during that investigation with sensitivity to the

1 identification of safety issues that might need
2 consideration or immediate action on the part of the NRC.

3 As I'm sure you're aware, a Grand Jury proceedings
4 is a secret proceeding, so information cannot be disclosed
5 that is identified or pursued through the Grand Jury
6 process.

7 I think I've answered your question.

8 MR. FINN: So, if the restart
9 meeting were to be held, you would then conduct the meeting
10 and then perhaps check back with the individual that --

11 MR. GROBE: Maybe I wasn't
12 clear. Information that is disclosed through the Grand
13 Jury process -- I'm not an attorney, maybe we have one in
14 the audience that could better explain this than I can.
15 It's my appreciation that information disclosed in the
16 Grand Jury process is secret information that cannot be
17 shared with anyone.

18 The senior executive I was referring to from our
19 Headquarters Office has been made an agent of the Grand
20 Jury. He can become privy to that information through the
21 agreements he has signed. He can not disclose any of that
22 information. The only time that anything will come to our
23 attention, will be if during the course of the federal
24 investigation, information became a concern to him that
25 it's an immediate safety concern. He would negotiate with

1 the Department of Justice and discuss whether or not some
2 of that information could be shared with the agency.

3 I have not been involved in anything like that in
4 the past, so I'm not a very good person to give you further
5 clarification on your question. But it's a very, for good
6 reason, it's a very carefully controlled process; both from
7 the standpoint of protecting the rights of individuals, as
8 well as from the standpoint of protecting the veracity of
9 any future criminal prosecution.

10 MR. FINN: I understand.

11 That was very helpful. Thank you.

12 MR. GROBE: Somebody have an
13 easy question?

14 MR. MELENDES: I am Chris
15 Melendes from VBS. I just have one quick question.

16 You talked about the restart meeting. And the
17 timing from the conclusion of the restart meeting to when
18 the order for restart or the approval for restart is given;
19 how long is that? Are we talking days, are we talking
20 weeks, are we talking months? Do you have any examples of
21 previous processes where you've gone through that might
22 give us some light on that?

23 MR. GROBE: There are many
24 examples. I don't have the specific number of minutes,
25 hours, or days, but there have been -- many is probably a

1 wrong number -- several plants that have restarted under a
2 0350 Process. Probably close to a dozen over the last
3 decade.

4 So, you could research those plants and find out
5 exactly how many days, minutes, or hours transpired between
6 the restart meeting and authorization for restart. I don't
7 anticipate it would be a long time.

8 By contrast though, I can't recall in recent history
9 a plant that has had this much interest and scrutiny under
10 an 0350 Process, from a large number of stake owners with
11 different perspectives; and that complicates the process
12 somewhat, as far as communication and consideration of
13 different points of view.

14 So, it will take some time, but it's certainly not
15 going to be months, I think was the longest one you used.

16 MR. MELENDES: Thank you.

17 MR. GROBE: That wasn't an
18 easy question. Waiting for an easy one.

19 Okay. With that, we stand adjourned. And we have
20 another meeting at 7:00 here this evening.

21 Thank you.

22 (Off the record.)

23 - - -

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1 CERTIFICATE

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

8 IN WITNESS WHEREOF, I have hereunto set my hand and
9 affixed my seal of office at Norwalk, Ohio, on this
10 10th day of December, 2003.

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Marie B. Fresch, RMR
NOTARY PUBLIC, STATE OF OHIO
My Commission Expires 10-10-08.

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