

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

PUBLIC MEETING

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

Meeting held on Monday, December 29, 2003, at
6:00 p.m. at Oak Harbor High School, Oak Harbor,
Ohio, taken by me, Marlene S. Lewis, Stenotype
Reporter and Notary Public in and for the State of
Ohio.

PANEL MEMBERS PRESENT:

U.S. NUCLEAR REGULATORY COMMISSION

Christine Lipa, Branch Chief, NRC

William Ruland, Vice Chairman, MC 0350 Panel

Scott Thomas, Senior Resident Inspector

Jon Hopkins, Project Manager for Davis-Besse

Geoff Wright, Leader of Management and Human
Performance Inspection

1 MS. LIPA: Okay, well, hello.

2 I'd like to welcome FirstEnergy and members of the
3 public for coming to this meeting today. This is a
4 public meeting between the NRC's Oversight Panel and
5 FirstEnergy Nuclear Operating Company.

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

10 UNIDENTIFIED: Could you speak a
11 little closer into the microphone, please?

12 MS. LIPA: Okay. The purpose of
13 this meeting is a discussion between the NRC's
14 Oversight Panel and the licensee on their activities
15 since our exit meeting that was held on December
16 19th, and at that exit meeting on December 19th, the
17 NRC presented the preliminary findings from two
18 inspections. The first one was the Restart
19 Assessment team and the second inspection was the
20 Management and Human Performance Phase 3, and tonight
21 we have Geoff Wright, who was the leader of one of
22 those inspections.

23 The NRC discussed several issues at that
24 meeting and requested the licensee to assess those
25 findings. We've asked the licensee to provide us

1 with their assessment and actions that they plan to
2 take to address operational performance and Safety
3 Conscious Work Environment issues.

4 I'd like to start off with some
5 introductions. Up here at the NRC table on the far
6 left is Geoff Wright. He was the leader of the
7 Management and Human Performance Inspection. He did
8 Phase 1, Phase 2 and Phase 3.

9 Next to Geoff is Jon Hopkins.

10 MR. HOPKINS: (Indicating).

11 MS. LIPA: Jon is the Project
12 Manager for Davis-Besse, and he works out of
13 headquarters.

14 On my left is Bill Ruland. Bill Ruland is
15 the Senior Manager in headquarters, and he's the Vice
16 Chairman of the Davis-Besse Oversight Panel.

17 On my right is Scott Thomas. He's the Senior
18 Resident Inspector at the Davis-Besse facility.

19 Other NRC folks today, in the foyer was Nancy
20 Keller greeting you when you came in, and she's the
21 resident office assistant out at the Davis-Besse
22 plant, and we also are expecting Viktoria Mitlyng,
23 our Region III Public Affairs, and I'll go ahead and
24 let you introduce the FirstEnergy folks.

25 MR. MYERS: Thank you. Next to

1 me is Barry Allen. Barry is sort of new with our
2 company out there. He's the new plant manager there
3 at the Davis-Besse station. We're pleased to have
4 him with us.

5 Next to me on my right is Mark Bezilla. Mark
6 is our site VP.

7 Fred von Ahn is at the end of the table.
8 Fred is the VP of Oversight, and we have a couple
9 people in the audience.

10 Joe Hagan is with us.

11 MR. HAGAN: (Indicating).

12 MR. MYERS: Joe Hagan is the
13 Senior VP of Engineering and Support Services, and
14 then Gary Leidich, President of FENOC --

15 MR. LEIDICH: (Indicating).

16 MR. MYERS: -- is with us also.

17 MS. LIPA: Okay, thank you, and
18 I'd also like any public officials to introduce
19 themselves.

20 MR. ARNDT: Steve Arndt, County
21 Commissioner.

22 MS. LIPA: Hi, Steve.

23 MR. PAPCUN: John Papcun, Ottawa
24 County Commissioner.

25 MS. LIPA: Hi, John.

1 MR. KOEBEL: Carl Koebel, Ottawa
2 County Commissioner.

3 MS. LIPA: Welcome, Carl.

4 MR. OPFER: Darrell Opfer,
5 Director of the Ottawa County Improvement
6 Corporation.

7 MS. LIPA: Hi, Darrell.

8 MR. WITT: Jere Witt, County
9 Administrator.

10 MS. LIPA: Hi, Jere. Okay.
11 Anybody else?

12 (NO AUDIBLE RESPONSE).

13 MS. LIPA: Okay, I'd like to go
14 through just a couple administrative items. This
15 meeting is open for public observation obviously.
16 This is the business meeting between the NRC and
17 FirstEnergy. At the conclusion of the business
18 portion of the meeting but before the meeting is
19 adjourned, the NRC staff will be available to receive
20 comments and questions from members of the public and
21 answer questions.

22 There are copies -- in the foyer when you
23 came in, there were copies of the December edition of
24 our monthly newsletter. This is the same version
25 that was provided at the December 3rd meeting, but we

1 brought copies today for anybody's information, and
2 we also have a public meeting feedback form, and the
3 licensee had some slides on the table there also that
4 they will be using in their presentation tonight.

5 And we're also having this meeting
6 transcribed today to maintain a record of the
7 meeting, and usually we can get that posted to our
8 website within about three to four weeks, so it's
9 important that the speakers use the microphones so
10 that the transcriber and the audience can hear the
11 presentation today, so, with that, I'll turn it over
12 to Bill Ruland.

13 MR. RULAND: Good evening,
14 everyone. I'd just like to reemphasize that today's
15 meeting -- tonight's meeting is not a restart
16 meeting, and the NRC will not be making any decisions
17 regarding the restart of Davis-Besse this evening.
18 The purpose of this meeting is for us to listen to
19 FirstEnergy describe their process, to address the
20 questions we had at our most recent exit meetings,
21 and we're here to listen to those and make sure we
22 understand them. Ultimately, this will lead us to
23 plant inspections, and, subsequent to that, we'd be
24 in a position to make a decision one way or the
25 other, so that's kind of where we stand right now at

1 the moment.

2 The restart meeting as it stands now is yet
3 to be scheduled, and I don't have any further
4 information about the schedule. We often get asked
5 schedule questions. The only thing we can tell you
6 about the schedule today is on the 13th of January of
7 next month we will be having a regular -- we
8 currently have a regularly scheduled 0350 Panel
9 meeting with FirstEnergy, and that's it for now.

10 Lew, it's up to you now.

11 MR. MYERS: Thank you. Let me
12 spend a moment to just sort of status you on the
13 plant. Our plant is in what we call Mode 4 at the
14 present time. Lots of things have changed since our
15 last meeting. Both of our ECC, our cool water
16 system is -- systems are operable now, our emergency
17 system. The high pressure safety injection pumps we
18 talk so much about are in place and ready to be used.
19 We've heated the plant up to above 200 degrees -- at
20 270 degrees, 270 pounds of pressure, it's above our
21 pressurizer. We're anticipating Mode 3 shortly, so
22 the plant is being heated up as we sit here. We
23 have some work that we're doing on the governor valve
24 of the top feed pump. We just want to make sure
25 some switches are correct there, so we've made a

1 decision today to go prepare those or at least make
2 sure they're in good standing, and then there's a
3 solenoid valve, that's 101, that we're working on
4 right now that has an air leak on it. After that,
5 the plant should pretty well be ready to continue to
6 heat up to what we call Mode 3, and then, from Mode
7 3, go on up to normal operating pressure temperature,
8 which is about 500 degrees -- over 500 degrees, 2,155
9 pounds of pressure, so we anticipate that happening
10 over the next day or so, and we're going to continue
11 to heat up slowly, look for leaks. We've got
12 plateaus laid out, but we are making progress toward
13 heating the plant up to what we call normal operating
14 pressure temperature where we will go into an
15 assessment mode for sometime to make sure some of the
16 things we have talked about are corrected today,
17 okay? I thought I'd start out, just give you the
18 status of the plant.

19 Let me tell you what our desired outcomes
20 are. Let's go to the first slide. Today we're
21 going to provide an assessment and -- provide you
22 with our assessment and overall conclusions of our
23 responses and our Safety Conscious Work Environment
24 Survey. We did that on December 3, but there were
25 some questions asked, about three or four questions,

1 as to specific areas I want to show you today.
2 Overall, I'd like to say, you know, that we continue
3 to be pleased with our survey results and because we
4 continue to show improvements overall. As you go
5 through the plant start-ups that we're going through
6 right now, we went through a discovery phase, then we
7 go through a design phase and then implementation,
8 heating the plant up, focus shifts in groups in our
9 organizations from -- from, you know, engineering,
10 design engineering or something, more to the
11 operational phase, operations maintenance, other
12 stresses and standards are -- are very visible in
13 those areas, so we saw some -- some declines on
14 several questions in our Safety Conscious Work
15 Environment Survey that we were concerned about and
16 you were -- also asked questions, so we're going to
17 share with you today the results of what we think is
18 causing those declines, some of the actions that
19 we're going to take to ensure that those turn around.
20 I think -- I actually feel fairly comfortable right
21 where we're at today, and we'll show you the reasons
22 why. We want to communicate some of our assessment
23 of Operations performance, discuss the operational
24 areas of required continued improvement. As you
25 remember, we did the NOPT test, and we kept -- we had

1 several, what I'd call minor, safe related issues,
2 some minor related -- not of significance importance,
3 but we got unexpected record room signals, and things
4 like that. We think that we've improved on those
5 type of things and the use of procedures and stuff
6 like that, but we're still not seeing the consistency
7 in some of the management tools that we expect to
8 see, and we'll share with you the items that we have
9 in place to -- to demonstrate improvement there.
10 We'll provide you with the Corrective Actions to
11 ensure consistent operator performance for the
12 long-term and provide you our plans for our Readiness
13 Reviews and Effectiveness Reviews over the next few
14 weeks that will give us the confidence to come to you
15 when we think we're ready for restart, and then, when
16 this is all said and done, we hope to
17 demonstrate that FENOC, we are very, very committed
18 to both safe and effective operations of our
19 facility. We think we have demonstrated the actions
20 we've taken today in saying, but there are some
21 improvements we need to make on effectiveness.

22 The agenda that I have laid out today, I'll
23 talk with you some about the Safety Conscious Work
24 Environment just to summarize the background surveys,
25 then Fred von Ahn will share some information with

1 you with the survey team that we put in place and how
2 we went -- the methodology that we went through to
3 answer the questions that we had and you had. I
4 talked some about our Corrective Actions and the
5 actions to monitor -- to continue to monitor
6 effectiveness, and then we'll focus -- we'll change
7 the tune and refocus on operations again, and both
8 Barry Allen and Mark Bezilla will share with you the
9 management tools that we're implementing and the
10 Corrective Actions that we're implementing, that we
11 think will take the next step in operator performance
12 to ensure consistent and effective implementation of
13 the Operations standards.

14 With that, let me go to the first slide.
15 The first slide I put in place is, as you remember,
16 we did a survey on November 3rd on Safety Conscious
17 Work Environment. You know, we stand here today, we
18 spend a lot of time talking about the survey because
19 these are good tools, and we're very pleased with not
20 only the performance we saw on those surveys, but
21 the -- really, we're happy about the areas of
22 concern, if that makes sense, because what we found
23 is that's been a very hell -- or even recursive
24 process that we've been going through with our
25 employees over the last few days. In fact before, a

1 week or two ago, we had the meetings with each one
2 of -- every employee at our side. We had like four
3 meetings with myself, with Mark Bezilla and Barry to
4 go over the results, and then today, before we came
5 here, we shared with a lot of our employees in
6 Operations and Maintenance and QA and Chemistry some
7 of the things we're going to share with you now, had
8 a lot of dialogue with them, so we think the Safety
9 Conscious Work Environment Survey is a healthy thing
10 for us.

11 If you'll look, we continue to see
12 improvements in each one of the pillars, the
13 Willingness to Raise Concerns, we think a lot of
14 people will be pleased with some of our scores that
15 we have seen and they are all very important, same
16 thing with RATI, ACR, so you know, and that's almost
17 100 percent of our employees, and the Pillar 2 of
18 resolution, we see some improvements there, from 76
19 to 80 percent. We were at 51 in August of 2002.

20 Pillar 3, you know, is pretty constant, and
21 then Pillar 4, Preventing and Detecting Retaliation
22 issues, we're seeing some positive improvements there
23 with really, if you really look at this graph, I
24 think what it shows is that the undecided middle
25 tenth of the more decided to the left-hand side now,

1 and that's the information that we sort of shared
2 with you on December 3rd, at the December 3rd
3 meeting.

4 Let's go to the next slide at the 350
5 meeting, we shared what we thought were some positive
6 results. Now, after that meeting, we went back and
7 started slicing and dicing the data, looking at it
8 both vertically and horizontally. That's when we
9 noticed a couple groups, groups with three or four
10 different questions, and that gave us concern, and we
11 wanted to figure out what they were trying to tell us
12 there. We provided the information of the results
13 of the survey to our managers, and between November
14 21st and December 8th, you'll see on one of my other
15 slides, two different views where we did that, and
16 then based on the December 8th meeting, where we
17 asked our managers to assess what those results meant
18 to them in those four questions or so, we decided to
19 do some personnel interviews, so those interviews
20 were conducted on December 11th. And then somewhere
21 around December 19th, we had some feedback from you
22 all guys that you were concerned about the same
23 questions, so then you asked us to share with you our
24 results, and we'll do that tonight, so that's sort of
25 the history of the Safety Conscious Work Environment

1 at Davis-Besse that I thought we'd share upfront.

2 With that, I'll turn it over to Fred, and
3 Fred will discuss the analysis process that he'll be
4 going through.

5 MR. von AHN: Can you hear me?

6 Good evening, I'm Fred von Ahn, the Vice
7 President of Oversight of FENOC. Although the
8 November 3rd and 4th Safety Conscious Work
9 Environment Survey showed overall positive trends,
10 declining trends were noted in some areas by station
11 personnel and investigation into the whys had
12 started.

13 On December 19th, during the Management and
14 Human Performance session, the NRC identified four
15 specific sections, operations, maintenance, plant
16 engineering and quality assurance, as areas that
17 needed further understanding of the whys behind the
18 survey response declines. FENOC commissioned an
19 outside team to continue this investigation into the
20 declining trends. Next slide, please.

21 The purpose of this presentation is to
22 respond to the NRC's questions raised on the December
23 19th meeting regarding the results of the November
24 2003 Davis-Besse Safety Conscious Work Environment
25 Survey. Next slide, please.

1 The outside team first developed a charter
2 and a process to guide its investigation. The
3 charter of the team was to objectively and
4 comprehensively evaluate the apparent decline in
5 certain areas of the November 2003 Safety Conscious
6 Work Environment Survey, determine causes of the
7 apparent decline, and develop corrective actions and
8 plans to monitor the effectiveness of those actions.
9 Next slide, please.

10 The survey team membership consisted of five
11 professionals experienced in both Safety Conscious
12 Work Environment embark, Safety Conscious Work
13 Environment arena, and organizational development
14 arena. The team collectively has over 100 person
15 years of experience in organizational development and
16 Safety Conscious Work Environment. Next slide,
17 please.

18 Today's objectives will be to describe the
19 process used to collect and evaluate data; to discuss
20 the evaluation of the data collected, present the
21 conclusions of the team; a station will then discuss
22 their corrective actions and discuss the mechanisms
23 to monitor the effectiveness of those actions. Next
24 slide, please.

25 This chart represents the process used to

1 evaluate the Safety Conscious Work Environment.
2 Starting at the upper left with the preparatory work,
3 the team's first assignment was to collect all
4 associated information with the surveys and develop
5 an approach methodology. The approach was developed
6 and codified into a chart which defined a process
7 which the team followed on all the following
8 activities. The major process flow was to collect
9 data, analyze and evaluate the data, draw conclusions
10 and recommend corrective actions. In order to
11 comprehensively evaluate the data, survey results
12 were further processed, which will be discussed in a
13 later slide. Survey comments were analyzed for
14 convergent validity with the interview data and to
15 validate the assumptions that the focused group
16 interviews would not challenge people to speak
17 freely; that is we wanted folks to be -- to hear --
18 to feel that they were relatively anonymous and we
19 wanted to have convergent validity with anonymous
20 tip. Previous corrective actions were analyzed for
21 effectiveness against the latest survey results, and
22 external factors were analyzed. These were factors
23 like personnel changes, organizational changes,
24 changes in compensation practices, major workout
25 changes. Other factors were evaluated for

1 convergent validity, and work already started as a
2 result of the survey, the November 19th follow-up
3 meetings, site alignment meetings, commonly called
4 the adventure meetings, quality assurance, individual
5 face -- face interviews that were completed in
6 parallel with the surveys. All these data sources
7 were evaluated for convergent validity.

8 MR. HOPKINS: (Indicating).

9 MR. von AHN: Yes.

10 MR. HOPKINS: Who was the second
11 team member of team one, Terry?

12 MR. von AHN: Terry -- the team was
13 a five person team. That was assistance -- we needed
14 Clark's full assistance to type the interview notes
15 when -- after we did the interviews, and that was
16 through the individual ones.

17 MR. HOPKINS: Thank you.

18 MR. von AHN: After the survey
19 results were further processed, focused group
20 interviews were conducted using three teams of two.
21 The sections interviewed were Chemistry, Maintenance
22 and Maintenance Contractors, Quality Assurance, Plant
23 Engineering and Operations. The interview notes
24 were then peer checked by the entire team for
25 accuracy and to see if any different hematic elements

1 were seen by a different set of eyes. A decision
2 was then made on whether further interviews were
3 needed. This process in conjunction with other data
4 then fed forward into the data evaluation process.

5 Next slide, please.

6 This chart represents the detailed subprocess
7 for the survey data evaluation. Evaluation
8 methodology consisted of processing both the March
9 survey data and the November survey data. 100
10 percent check of the survey formulas for validation
11 was done, and it was found during validation, an
12 error affecting 20 -- question 23 was found, said
13 negligible effect on the overall results and in
14 general resulted in more positive numbers for most
15 sections and a slightly negative effect on the
16 training section. Due to the negligible effect of
17 this, it was not considered in a team review,
18 however, a condition report was written and the data
19 will be corrected in the survey results. Data from
20 the March and November survey was then numerically
21 compared on a question by question basis, and a set
22 of decisions applied on the results. From this
23 process, it was determined that maintenance and
24 maintenance contractors should be evaluated
25 separately.

1 It was further determined that based on the
2 question results that maintenance -- plant
3 maintenance did not need to be interviewed, however,
4 for completeness, a number of interviews were held
5 with maintenance, plant maintenance, to validate
6 survey information, and to make sure no new themes
7 emerged. The results of this subprocess were used
8 to provide a basis for the focused interview sessions
9 that we discussed on the previous slide. Next
10 slide, please.

11 Structured interviews were conducted on a
12 quantitative and qualitative evaluation of sections
13 for responses. The interviewers were experienced in
14 interview techniques, and the interviewers presented
15 the interviewees with the questions that had
16 declining trends and asked open-ended questions to
17 determine the reason behind the trends, making sure
18 not to lead the interviewees in any one direction.
19 The interviewees were also asked for actions that
20 could be taken to correct issues as they saw the
21 issues. The interviews were generally conducted
22 with six or seven interviewees, although some were
23 more and some were less, and the interviews were 45
24 minutes to one hour in length. Next slide, please.

25 This slide --

1 MR. RULAND: Fred?

2 MR. von AHN: Yes.

3 MR. RULAND: Is now a good time for
4 you to touch a little bit on your choice of why you
5 chose group interviews as opposed to some other
6 method? Is now a good time to talk about that?

7 MR. von AHN: Sure, we could talk
8 back -- could you go back to the process slide?

9 One of the things that the team looked at was
10 whether individual interviews or small group focused
11 interviews were conducted and the pros and cons of
12 each were weighed. It was determined that the team
13 dynamics or the small group dynamics and the
14 attraction of information would be better if there
15 was a relative safety in numbers consideration and
16 then some of the interviewees would be drawn out into
17 the conversation. This may not happen on an
18 individual interview, in fact, some of the
19 interviewers that are skilled in this conducted
20 interviewees -- interviews on an individual basis
21 that have elicited basically no response from
22 somewhat introverted people.

23 Additionally, you can see that all of the
24 sources of data -- there are sources of data that
25 contain anonymous interview information, for lack of

1 a better term. Survey comments -- we had a number
2 of comments that were given to us along with the
3 survey, and those were essentially individual
4 interviews conducted anonymously as well during the
5 QA simultaneous interviews, those were face to face
6 interviews conducted individually with -- with folks
7 in various departments. That's the reason -- the
8 rationale behind the small group versus the
9 individual group.

10 MR. RULAND: Thank you.

11 MR. von AHN: This slide
12 represents the percent of interviewees that were
13 interviewed in each area as a percentage of the total
14 section population. About 50 percent of each
15 section's population was targeted for interviews.
16 Again, the team separated maintenance contractors
17 from plant maintenance, and, when this was done,
18 plant maintenance showed an overall improvement,
19 thus, we only did the check interviews, as we call
20 them, in addition, and hit the target 50 percent
21 population. Next slide, please.

22 Data from the focused interviews were
23 evaluated from themes within sections.
24 Additionally, there were a number of Cross Cutting
25 Themes that spanned all sections. Data was compared

1 to all the other sources of data for convergent
2 validity to ensure convergent validity existed
3 between the survey comments, the external factors,
4 the November follow-up interviews, site alignment
5 sessions and the QA face to face interviews. All
6 sources pointed to the same types of issues as the
7 team interviews showing convergent validity. The
8 March corrective actions were also looked at for
9 comparison. These were the corrective actions
10 generated as a result of the March survey. Next
11 slide, please.

12 The team heard positive statements about many
13 of the areas of Safety Conscious Work Environment in
14 the interviews. The team also heard themes that ran
15 through each section. Those themes were the
16 perceptions that employees have about events that
17 occurred just before or around the interview time and
18 that contributed to the decline in certain questions.
19 It's important to realize in the context of the
20 survey that these perceptions were reality to the
21 people that answered the questions, but not
22 necessarily fact. I want to reemphasize the focus
23 was declined on survey responses and the themes here
24 represent declines in certain areas of response. In
25 Operations, Operations true personnel from all shifts

1 were interviewed. The theme of long work hours, as
2 well as lack of shift rotation, that is being on the
3 same shift schedule for an extended period of time,
4 emerged in Operations as an issue reflected in
5 declining trends in some questions.

6 Schedule credibility questions were
7 negatively influenced by challenges by the fact that
8 all operational, not all operational activities were
9 in the schedule. Specifically, the operators felt
10 that the schedule was not resource loaded at the time
11 of the interview and that certain activities did not
12 show up on the schedule that contained a large amount
13 of operational resources.

14 Additionally, as part of the Normal Operating
15 Pressure Testing there was a license amendment that
16 imposed a two-hour cool down requirement for certain
17 equipment issues. Issues arose with Auxiliary
18 Feedwater Testing with interpretation of this
19 two-hour cool down requirements that created a
20 session that scheduled a theme placed above safety.
21 Now, this contributed to the declining response in
22 questions related to that theme.

23 Ineffective communication was also a theme.
24 Following the Normal Operating Pressure Test, the
25 shift crews were realigned. The employee perception

1 of this was that this was retaliatory in nature
2 because the reasons for the realignment were not
3 fully explained to the employees. It's important to
4 note that this is not retaliation for raising a
5 safety concern, but it did contribute to a negative
6 response or a declining trend in the issues around --
7 questions around retaliation.

8 MR. RULAND: Fred?

9 MR. von AHN: Yes.

10 MR. RULAND: What qualified as a
11 theme?

12 MR. von AHN: We looked -- a theme
13 qualified when we heard it a significant amount of
14 times. If during the interviews of five to seven
15 folks, if we heard one isolated case of that, that
16 would not qualify as a theme. If we consistently
17 heard that same message across a number of interviews
18 and with a number of people, that qualified as a
19 section theme.

20 MR. RULAND: And you have the
21 results of the interview records so we can go back
22 and inspect them?

23 MR. von AHN: The interviews were
24 anonymous. We have the numbers of folks that were
25 interviewed and we have the notes from the interviews

1 and the themes that were generated, but we did not
2 take names of the interviewees. We wanted the
3 interviews to be --

4 MR. RULAND: Uh huh. I understand.

5 MR. THOMAS: I guess I have a
6 question of the last two bullets.

7 Was the Aux Feed Test the only activity that
8 you had comments where there was at least the
9 perception of schedule over safety, that's question
10 one.

11 Question two has to do with the last bullet.
12 Was the crew alignment issue the only time where
13 management effectiveness in communicating was called
14 into question?

15 MR. von AHN: For question one,
16 you'll see in a later slide, there was a second issue
17 that was identified as a theme or declining trend in
18 quality assurance. This was the only theme that was
19 brought out consistently in Operations, but it was a
20 fairly passionate theme in Operations. Did that
21 answer question one?

22 MR. THOMAS: I guess I still have a
23 question along the line of Bill's -- what exactly a
24 theme is.

25 MR. von AHN: Okay. When we

1 conducted an interview, we conducted it with five to
2 seven folks at a time. If we heard the same message
3 in the interview -- because we focused the interview
4 by ending the negative questions or the questions
5 with declining response and said, let's talk about
6 this, and if the message that we got back
7 consistently was, hey, you know, the Aux Feed Testing
8 that was an issue, we thought we could have handled
9 better, management -- we thought management was
10 putting schedule over safety because in one case it
11 was an operator that said, you can't do anything in
12 two hours or for anybody to expect anything to be
13 done in two hours is kind of crazy in the first
14 place. Another operator said, well, we started the
15 cool down, but it was only a minimal cool down, so
16 there was a lot of interpretation, there were
17 different -- but that same theme centered around the
18 Auxiliary Feedwater Test. Did that help at all?

19 MR. THOMAS: We can go on to the
20 second question. The --

21 UNIDENTIFIED: Scott, could you speak
22 up, please?

23 MR. THOMAS: The second question
24 was, you list the issue with the crew alignment as an
25 example of where management wasn't particularly

1 effective in communicating, and I'm curious if that
2 was the only example that was brought up?

3 MR. von AHN: No, communication was
4 a Cross Cutting Theme; not fully effective
5 communication you'll see in a later slide as a Cross
6 Cutting Theme, cross sections, and other issues were
7 raised at a point for improvements of communication.

8 MR. THOMAS: Okay.

9 MR. WRIGHT: Fred?

10 MR. von AHN: Yes.

11 MR. WRIGHT: In regard to the Aux
12 Feedwater and the scheduling and the way that testing
13 was accomplished, did your group or did the plant
14 look at the scheduling of that and the loading of it
15 to see whether or not the two hour time frame they
16 referenced was a reasonable time frame and the
17 actions that were taken in that time frame were
18 appropriate?

19 MR. von AHN: The issue was looked at.
20 The two hour time frame is a tight time frame. The
21 license amendment request discussed that a cool down
22 would be started commensurate with the safety
23 significance of the issue. The issue was discussed
24 once with senior leadership and the management on
25 shift, and that aspect was broached. I believe that

1 was the reason for the decision to end the melt in
2 the cool down.

3 MR. BEZILLA: Yeah, Geoff, I'll
4 address this one. When we did the NOP, we did it
5 under a license amendment request, but in that
6 license amendment request there was a requirement
7 that said for certain systems if they're out of
8 service for other than routine testing, you're
9 supposed to take action within two hours, commence a
10 cool down commensurate with the safety significance
11 of the issue or equipment involved, okay, and from an
12 Aux Feedwater perspective, when we initially got into
13 the Aux Feedwater issue, the issue was response time.
14 One of the Aux Feedwater pumps had a time of 40
15 seconds -- 40 seconds or something, to come up to
16 speed to be at full pressure temperature. Don't
17 hold me to the 40 seconds, that may not be the exact
18 number, but it had to come up in a certain period of
19 time. It came up in a time that was about a second
20 or two seconds slower than that time, so a piece of
21 equipment was available, but not meeting its tech
22 spec requirement, all right? What we did as a
23 management team was we assessed the safety
24 significance of that based on the Normal Operating
25 Pressure Test conditions we were at of the decay heat

1 in the core. That response time was way more than
2 adequate from being able to take care of any issues
3 which had arisen, all right, so from an
4 implementation of a two hour to take action to cool
5 down. At that time, we said, hey, we have the normal
6 tech spec would be an appropriate time to take
7 action, which is a 72 hour tech spec. Later on as
8 we worked through that, we got into more intrusive
9 maintenance, when we got into the more intrusive
10 maintenance, then we said, hey, we need to invoke the
11 cool down and the operators invoked the cool down and
12 commenced the cool down. Eventually, we solved that
13 issue, stopped the cool down, recovered the Aux Feed
14 pump and then recovered to Normal Operating Pressure
15 conditions, so the issue is, is that communications
16 to the troops and through the Ops organization was
17 not as good as it should have been and it was not
18 clearly understood by all the operators, and, as a
19 result, as Fred said, that led to less than -- some
20 less than positive responses, a question about if you
21 consider safety over scheduling or did he consider
22 scheduling costs over safety, all right, and I
23 believe that is that issue, and what Fred and his
24 team did was they found that there's thoughts out
25 there or comments out there that don't understand the

1 logic behind that and the way we had to proceed in a
2 Normal Operating Pressure Test, and we understand
3 that we need to do a better job at communicating to
4 our folks.

5 MR. MYERS: Going back, Fred, to
6 clear up, we thought our response was fairly good and
7 with the shift managers, and we said -- going back
8 now, you keep hearing the word tech spec action used,
9 and it was really part of the license, you know, that
10 we submitted, and it's -- the words were that we
11 started cool down --

12 MS. LIPA: Why don't you try to
13 get a little bit closer to -- to the microphone?

14 MR. MYERS: Let me try something.
15 Does that help? Let me try turning it up. Does that
16 help? Yeah, that helps a lot, and I -- operator
17 error. (Laughter). And the -- but, you know, when
18 all of that was going on, that clause, we had the
19 license amendment, that has got an ambiguity to it
20 compared to what normally a tech spec does, and it
21 was something we committed to do as a management
22 team, but I'm not sure that we -- if the lower levels
23 were committed. We communicated how that worked as
24 well as we should, so we're going to go back now.
25 We've already had some meetings to discuss that and

1 why our behavior was the way it was, you know? We
2 don't think it's an issue at the shift manager level.
3 It's down below.

4 MR. von AHN: Did that answer the
5 question?

6 MR. RULAND: Yeah, I think it did.

7 MR. WRIGHT: Yes.

8 MR. von AHN: Next slide, please.

9 Plant Engineering there was a Schedule 3 regarding
10 management comments not in keeping with leadership
11 and action principles. Leadership and action
12 principles has management focused on issues and not
13 on people, and in some cases that was -- that was not
14 done and reflected negatively on comments.

15 Schedule credibility issues with removing
16 some preventative maintenance from the schedule also
17 reflected in comments as well as low threshold on
18 condition reports and long working hours. With
19 regard to low threshold on condition reports, the
20 comment the team heard was that low valued
21 information is put into the corrective action system
22 that dilutes its importance. For example, putting a
23 light bulb that's burned out in the parking lot
24 dilutes the value of that system. We've discussed
25 that condition reporting system is our data capture

1 mechanism for all our issues, and we'll be
2 reinforcing the expectation regarding condition
3 reports. Next slide, please.

4 Two specific issues were introduced --

5 MR. WRIGHT: Fred? I'm sorry.

6 MR. von AHN: Yes.

7 MR. WRIGHT: You spoke a little bit
8 about that last item on the condition report
9 threshold. You started to talk about corrective
10 action. Are you going to go back to corrective
11 action and do that later on in that presentation?

12 MR. von AHN: Yes.

13 MR. WRIGHT: Okay, fine.

14 MR. von AHN: Two specific issues
15 contributed to declining response in quality
16 assurance. First, the Auxiliary Feedwater Testing
17 during the Normal Operating Pressure Test contributed
18 to the declining responses in schedule over safety
19 questions, and the activities surrounding a
20 containment spray breaker that was tested in the
21 plant prior to ensuring all process steps were fully
22 completed also reflected as a theme. This was
23 investigated and the significant condition adverse to
24 quality condition report following the NOP testing.

25 A second theme was the perception that

1 internal recommendations do not receive the same
2 level of attention as externally generated
3 recommendations in quality assurance. Next slide,
4 please.

5 Chemistry data presented an additional
6 challenge. In the March survey data, chemistry and
7 rad protection were combined in a single section.
8 In November, the data was separated. After the data
9 was compiled, we determined as a conservative measure
10 to conduct focused interviews with chemistry.
11 During the interviews, the interviews were generally
12 positive, however, one theme involved -- evolved
13 during the interviews concerning a work scheduling
14 issue that happened around the time of the survey.
15 That issue has subsequently been resolved
16 post-survey. Next slide, please.

17 Maintenance and Maintenance Contractors --
18 maintenance being in maintenance and maintenance
19 contractors was the long work hours. Confidence in
20 the schedule was also an issue and translated a
21 little differently. It translated to the work being
22 fully prepared when the schedule said it was ready to
23 work. The team heard that in some cases work was
24 not fully ready. The completion time of work did not
25 change, so the time allotted to do the work would

1 shrink, and this contributed to the declining
2 response and questions involving scheduling.

3 Maintenance interviewees also felt that the
4 threshold for condition reports was too low and used
5 examples similar to the one I previously mentioned.
6 Next slide, please.

7 Cross Cutting Themes -- communication was an
8 over-arching theme across all the sections.
9 Additionally, employees feel that working long hours
10 for an extended period of time has created a tired
11 and frustrated workforce. This contributed to
12 declines in the schedule versus safety questions, and
13 the perception as all percentage of the work force
14 that management is more interested in schedule than
15 the welfare of their workforce.

16 The team analyzed overtime from January to
17 November via overtime records. The overtime average
18 for that period of January to November was around 55
19 to 58 hours per week; however, in September and
20 October, particularly in Operations and Maintenance,
21 the average was in the high 60's. In November, it
22 had decreased again to the low 60's, but,
23 additionally, in October, just prior to the survey,
24 13 people had worked over 72 hours per week.

25 Another theme to the work hours issue is

1 there appears to be no end in sight.

2 Schedule credibility took a little different
3 twist in each section, depending on the sections
4 interfaced with the scheduling. You heard that when
5 I discussed the Maintenance theme and the Operations
6 theme.

7 Management remarks -- the theme of management
8 remarks not in keeping with leadership and action
9 principles and focused on issues is a theme that went
10 across the various sections as well, and it had a
11 declining contribution to questions having the
12 management play with constructive criticism,
13 management is willing to listen and management
14 expectation type questions.

15 A low condition report threshold contributed
16 to declining response surrounding condition reporting
17 systems, effective utilization of the condition
18 reporting systems.

19 MS. LIPA: Fred?

20 MR. von AHN: Yes.

21 MS. LIPA: When you talked about
22 the approach that the focused group interview took,
23 I'm trying to remember, like, if we look at team 3
24 interview maintenance and team 3 also interviewed
25 plant engineering, would they have the same set of

1 questions that they would use for maintenance and
2 engineering, or were the questions that they
3 approached the groups with dependent upon the survey?

4 MR. von AHN: No, the questions were
5 different, like, what was done in the process and
6 that subprocess we did is the March survey data and
7 the November survey data was compared, and the
8 questions were compared on a one-to-one basis and the
9 negative responses for each -- each set of
10 question -- each question looked at. The
11 response -- the negative responses were then sorted
12 from those positive, i.e, less people responded
13 negatively to most negative. Those questions that
14 reflected most negative trend and response were asked
15 and those questions were different in most cases on a
16 onesie-tvosie basis. The questions or the themes --
17 a number of questions were the same, however,
18 specifically the question of schedule, management
19 value schedule over safety more was a -- I'll say the
20 bottom inner for two or more sections, but, in
21 general, the questions were focused specifically on
22 the negative response questions for that section
23 which were slightly different in each case.

24 MS. LIPA: Okay, thank you.

25 MR. THOMAS: What about in the

1 groups, each team, like, there was more than one
2 Operations group, right? I mean, it was done
3 multiple times like each team, like team 3 --

4 MS. LIPA: Team 1, 2, 3.

5 MR. THOMAS: -- within each small
6 sub group, were the questions asked the same, or were
7 they -- I understand they were focused on the
8 negative questions.

9 MR. von AHN: Correct.

10 MR. THOMAS: But you said a lot of
11 open-ended questions were asked.

12 MR. Von AHN: Okay, the way the
13 focused group interviews were done is a sheet of
14 paper was handed -- distributed to each of the
15 interviewees, and the sheet of paper had the negative
16 questions and the response and marks and the response
17 in November and the changes in that response, so --
18 and each interviewee was asked to look at that, so
19 this framed the four -- the rest of the interviews,
20 so that it focused the interview on the negative
21 questions, and then the interviewees were then asked
22 open-ended questions, like, what do you think
23 contributed to these, do you have any opinions on any
24 of these, those types of questions. You know, once
25 the conversation got started, the interviewees pretty

1 much took over the conversation -- well, you know,
2 this is that, and, you know, this Aux Feedwater, I
3 tell you, that reflected -- those were the type of
4 responses that we got --

5 MR. THOMAS: Okay.

6 MR. von AHN: -- when the interviews
7 started.

8 MR. THOMAS: Okay.

9 MR. von AHN: Is that --

10 MR. THOMAS: Yeah. Okay.

11 MR. von AHN: Okay, next slide,
12 please.

13 Following the March survey, survey follow-up
14 interviews were conducted and corrective actions were
15 generated; however, the March survey follow-up was
16 essentially a one time communication. There were
17 minimal follow-up actions, and the actions were not
18 tailored individually to the section's specific
19 themes and there was inconsistent feedback and no
20 real monitoring loop existed with the exception of
21 maintenance, there was a bit of a feedback loop, and
22 this may be indicative of the improvement that was
23 seen in the maintenance survey.

24 Does that answer your earlier question on the
25 corrective actions, Bill -- or Jon asked that

1 question.

2 MS. LIPA: Well, before we
3 answer, let's -- let me see, make sure I understand.
4 When we talk about March, you did the survey in
5 March?

6 MR. von AHN: Correct.

7 MS. LIPA: And then when you got
8 the results of the survey in March, you did some
9 interview --

10 MR. von AHN: We did some
11 interviews.

12 MS. LIPA: -- so when you say one
13 time communication, was that one of your corrective
14 actions?

15 MR. von AHN: Right. We did some
16 interviews and some corrective action was documented,
17 and the condition reporting process came out of that.
18 We went back to those corrective actions, documented
19 in the condition reporting process and looked at
20 them, and they were essentially a one time
21 communication method and had the issues that I just
22 previously discussed.

23 MS. LIPA: What was the goal of
24 the corrective action at that time, though, in March?
25 What were you trying to accomplish by having those

1 communications?

2 MR. von AHN: The communication was
3 an understanding by the section personnel, all the
4 reasons behind the negative responses and -- but
5 didn't elicit any real response, for example, the
6 same themes of long working hours, some of the
7 management comments emerged then. It was
8 communicated, but no other action that we could see
9 from that condition reporting process was in place.

10 MS. LIPA: Okay.

11 MR. MYERS: What I can share with
12 you is the condition reporting system did take some
13 actions. The four C's took some actions and there
14 were some other actions taken on some of those things
15 that were -- there were actions that were not -- to
16 put in a corrective action program. What we had --
17 we had some -- some organizations monitored where we
18 took some actions to improve meetings and stuff like
19 that, so there were some other actions taken from the
20 March survey that I can share with you that I was
21 personally involved in. It wouldn't show up in any
22 corrective actions, though.

23 MS. LIPA: Okay.

24 MR. RULAND: Fred, if I could maybe
25 summarize what I think you're telling us with the

1 focused interviews, it sounds like to me that you
2 believe you identified the reasons why folks
3 responded the way they did, and, in particular, on
4 the negative -- on the questions that had the
5 negative trend, is that kind of a summary of --

6 MR. von AHN: That's correct, and if
7 we go back to the Cross Cutting Themes, those themes
8 were, if you rolled up those specific comments, the
9 themes of communication, work hours, schedule
10 credibility, management comments and low condition
11 reporting thresholds were the reasons for the decline
12 in the trends.

13 MR. RULAND: Okay.

14 MR. von AHN: And if you recall in
15 the survey, the areas that were weak were corrective
16 action areas surrounding management issues, so forth,
17 so they correlated to the --

18 MR. RULAND: Schedule of safety,
19 okay.

20 Did you try to correlate those themes with
21 specific questions that were on the survey trend, on
22 the surveys? In other words --

23 MR. von AHN: Yes, we looked at
24 that, and did that, and as well the themes were
25 framed up by the negative responses because those

1 questions were handed to the individuals.

2 MR. RULAND: I've got to think
3 about this a little bit. Continue on, please.

4 MS. LIPA: I had another
5 question. This slide, when you say March Survey
6 Effectiveness, are you providing an assessment of
7 what you thought the effectiveness of the March
8 results were?

9 MR. von AHN: It was effectiveness
10 of the follow-up actions from the March survey.

11 MS. LIPA: And what's your
12 conclusion, effective, not effective?

13 MR. von AHN: Not fully effective.

14 MS. LIPA: Could have been
15 better?

16 MR. von AHN: Could have been done
17 much better.

18 MS. LIPA: Okay.

19 THEREUPON, Mr. Myers conferred with Mr. von
20 Ahn.

21 MR. von AHN: Next slide, please.
22 The last several slides focused on questions that
23 declined in the November survey and the reason for
24 those declines. During the focused interviews, many
25 positive responses and positive comments were heard

1 in all areas of Safety Conscious Work Environment.
2 Based on the aggregate data found, the survey team
3 concludes that the Safety Conscious Work Environment
4 supports plant restart. All groups exhibit positive
5 responses to questions. Employee Concern Program
6 exhibited positive response. Safety issues are
7 being raised and addressed using Corrective Action
8 Program. Workers understand their responsibility to
9 raise safety concerns. Workers feel free to raise
10 safety concerns, and convergent validity exists with
11 all of the other sources for these conclusions.

12 Next slide, please.

13 MR. THOMAS: Fred, one question,
14 please, just so I understand your position on this.

15 MR. von AHN: Yes.

16 MR. THOMAS: So based on this
17 team's review, all corrective actions taken going
18 forward are just enhancements. I mean, you could
19 essentially do nothing and the team -- team's
20 conclusion is that the Safety Conscious Work
21 Environment is satisfactory for restart; is that a
22 correct statement?

23 MR. von AHN: Safety Conscious Work
24 Environment exists that supports restart. To have a
25 robust Safety Conscious Work Environment,

1 improvements are needed in the areas that were
2 identified.

3 MR. THOMAS: Okay.

4 MR. von AHN: Next slide, please.

5 Areas for Continued Improvement -- FENOC has a
6 changed management process that effectively utilize,
7 can communication and implement changes for
8 management decisions and actions affecting staff.

9 With regard to the corrective action process,
10 the corrective action process will be single
11 collection point for issues at the station. These
12 corrective action process expectations need to be
13 reinforced, and I have recommended that they be
14 reinforced using the changed management process.

15 Employee Concerns Program and the Safety
16 Conscious Work Environment Review Team need greater
17 visibility and periodic reinforcement. The half-life
18 and the knowledge level of these tools is less than
19 one year, so visibility must be improved and
20 retraining provided. Are there any other questions?

21 (NO AUDIBLE RESPONSE).

22 MR. von AHN: If not, I'll turn it
23 back to Lew for the specific corrective actions.

24 MR. MYERS: Thank you, Fred.

25 Let's take a moment and go over some of the actions

1 that we've taken. Strong corrective actions were
2 taken since the November survey, and we did not sit
3 around and wait for this team to get through before
4 we started taking some action, and let me explain
5 why, is the managers were provided with results of
6 the survey on November 24th -- on the 21st, we
7 started asking for feedback at that time and making
8 some adjustments and making sure that we improved our
9 communications in that area, some of those areas.

10 The managers in the managers' meeting agenda on
11 December 8th was we went over the survey conclusions
12 with the areas requiring actions from survey findings
13 and focused on some communications at that time.

14 Managers shared the results of the Safety Conscious
15 Work Environment Survey with their employees in the
16 November, December time frame, in a couple week
17 period there. Some people -- the plant engineering
18 sat down with all of their employees and went over
19 all the results, analyzed dialogue and came to a
20 consensus on some of the issues. The quality manager
21 performed independent reviews with his employees
22 during that time, so there were a lot of actions
23 taken to make sure that we had a clear understanding
24 and of the behaviors going forward and with the
25 actions of their work, and we think we've made some

1 good progress during that time frame. Then in a
2 senior management meeting with the section managers
3 on December 2nd, we met in the afternoon for about
4 four hours and went through the survey results and
5 the actions that were taken. After that meeting we
6 decided to go get a -- to make sure that our managers
7 had not missed something, we decided to go get some
8 contractor help, and, at that time, we focused on
9 just the four questions that had showed some
10 performance problems, and we quoted three groups that
11 we interviewed, and what we did is we looked at total
12 interviews of about 40 employees on December 12th,
13 and 10 employees from Operations; Plant Engineering,
14 19 employees; and Maintenance, 11 employees, so we
15 went -- we sat down with about 40 employees at that
16 time, which is not a -- we thought it was a
17 statistically significant number of employees for the
18 size population that we're talking about, got some
19 overall themes at that time, went back and had
20 all-hands meetings for two days with each and every
21 employee on our side, December 18th and 19th. I led
22 two of those meetings myself. Mark led one, and
23 Barry performed one at the plant -- is that correct?

24 MR. ALLEN: (Nod indicating).

25 MR. BEZILLA: Yeah.

1 MR. MYERS: And we received --
2 excuse me, two at the plant, and we shared all of the
3 data with our employees and management perspective of
4 that data and also some of the areas of policy that
5 we shared. We had made some changes to implement a
6 pay policy with FirstEnergy, pay thing -- a pay
7 issue, and that theme was a theme we had seen also,
8 and so we shared the pay policy at that time and went
9 over it with our employees.

10 We then performed a, you know, test for
11 understanding. We were able to communicate each and
12 every one of these things and specific reasons why we
13 took the actions that we took with the employees, the
14 results were extremely good, about 99 percent, didn't
15 have any failures, but we did not -- we did not take
16 the employees and ask them names or anything like
17 that. We were just checking for understanding, so
18 we did perform a test for understanding of facts.
19 We changed the nuclear operating procedure. We're
20 changing that as we speak to anchor the schedule
21 expectations and provide a consistent understanding.

22 One of the things that -- one of the
23 questions that we looked at were schedules, and, you
24 know, there's a lot of thoughts about our scheduling
25 process. One of the things that we're ruling out

1 right now is our normal working schedule process,
2 and, as you know, we've been shutdown for a couple
3 years in this outage, and we've been finding
4 problems, fixing problems as we go, but we're in a
5 position now, you know, all the design work is done
6 and it's correct, okay, and we're into our normal
7 schedule process, and we're having some issues
8 implementing that process, for example, Operations is
9 scheduling stuff and being brought, you know, system
10 aligned. We need to be scheduling that individual
11 system. How many people does it take to align that
12 system and make sure that we have the right number of
13 people at the plant to support all the operational
14 activities. You all saw some of that when you were
15 in here with RATI. We think we got that resolved,
16 so we're going back in the schedule. One of the
17 things we want to make sure of is the individual
18 responses. You know, we tell people in our meetings
19 that, you know, schedule that good safety is in my
20 mind, and groups work together and make sure that
21 we're working on the right stuff and that it reels
22 safety in, but when it comes to -- should you stop if
23 you have a problem, you don't understand what you're
24 doing and elevate that issue then, we tell our
25 employees that, but you don't find the employee

1 responsibilities in our process. We're going to add
2 those employee responsibilities and anchor them in
3 our process. We have that being done as we speak.
4 The changes that's been made in the nuclear operating
5 standard already is out for review, and I've got a
6 January 15th date here, but I think I'll have it done
7 way before that, so we anticipate those changes in
8 our policy before then. Once again, we have
9 implemented our normal online schedule process now.
10 You'll see it's focused more on preventative
11 maintenance items that's been an issue in the future.
12 Let's go to the next slide.

13 MR. WRIGHT: Lew?

14 MR. MYERS: Yes.

15 MR. WRIGHT: You were talking about
16 scheduling. One of the items that, as Fred
17 indicated, was the number of hours working. In your
18 scheduling, it's one thing to schedule activities and
19 say, do we have the right people here to do it and
20 schedule people in, but as part of that equation, are
21 you saying the people, have they worked too much time
22 and will that put too much time on their plate for
23 them to work effectively, so, in essence, putting a
24 limit, saying if you killed half the people that had
25 worked less than so many hours, we can't do that task

1 at this time, we'll have to schedule it later.

2 MR. MYERS: Go back to the other
3 slide. One of the things we're doing is -- the key
4 thing, we add -- we put the activities in there, on
5 the last bullet, you go to the next bullet, you can
6 levelize the amount of people you have. You can
7 make sure that -- either you need to not do as many
8 activities or you need to have the right people there
9 at the right time and do the right work, all right,
10 so you can levelize the schedule and make sure that
11 you do have people there to support all the
12 activities. What that does is reduce the overtime,
13 because you don't have to have 12 people standing
14 around on a daily basis. You can have people on day
15 shift today from noon to 12 or something, so it
16 should reduce the amount of overtime if you schedule
17 properly.

18 Now, another goal that we have in place now,
19 you'll hear me talk about that again later, is, you
20 know, we're getting in our mind to keep the plant up,
21 we hope to have the plant up, we ask with your
22 permission to restart the plant shortly. One of the
23 goals way at the beginning of the year was to get
24 back to our normal routine schedule for an hourly
25 schedule process. Some people worked, you know,

1 rotating shifts and had some built-in overtime,
2 engineering, get back to what is normal, and then
3 we'll supplement with some contractors throughout the
4 year as we need to, but one of the goals we had in
5 January when we get the plant back up is -- we had in
6 January was -- January 1st was to levelize our -- all
7 of our staff to a normal operating process again.
8 We got to get that done, and as we get further out,
9 you'll see that happen, so -- and that would get you
10 pretty close to -- you know, maybe not a 40-hour
11 week, but something a lot less than we're working
12 now.

13 MR. RULAND: Okay.

14 MR. MYERS: Okay.

15 MR. RULAND: Lew, you talked about
16 you're having these meetings with your staff?

17 MR. MYERS: Right.

18 MR. RULAND: And on slide -- back
19 on slide 21 --

20 MR. MYERS: Which one?

21 MR. RULAND: Slide 21, Fred von Ahn
22 said there were several Cross Cutting Themes that
23 were contributing to less positive results of the
24 survey.

25 MR. MYERS: Uh huh.

1 MR. RULAND: I'm curious how many
2 of these themes were brought up in meetings with your
3 staff?

4 MR. MYERS: There is no themes
5 there that surprise us. The working hour theme, we
6 knew about. The communication, we knew about.
7 Schedule credibility, we knew about.

8 MR. RULAND: I understand that.
9 What I'm asking is how many people brought those
10 themes up in your meetings with them?

11 MR. MYERS: Oh, that happens all
12 the time, yes -- how many?

13 MR. RULAND: Yeah. I'm looking
14 for --

15 MR. MYERS: Are you looking for a
16 number?

17 MR. RULAND: You're telling us
18 you're having these all-hands meetings and you're
19 getting feedback from understanding the survey
20 results, yet your folks go off and do these detailed
21 interviews to try to understand what the survey
22 results were, and they came up with these five
23 themes --

24 MR. MYERS: Correct.

25 MR. RULAND: -- communications,

1 work hours, scheduling credibility, management
2 comments, and low condition report threshold, and I'm
3 just trying to understand how effective your meetings
4 were you were having with your staff if you got that
5 consistent message fed back to you, too, similar to
6 what the interviews were getting. That's kind of
7 what I'm looking for.

8 Did you hear those same themes from your
9 staff?

10 MR. MYERS: Absolutely. I mean,
11 all the time. We get the communications message,
12 and we're constantly working on that. We got -- we
13 think we've been doing some pretty unique things
14 we're improving in Operations. We've worked on
15 the -- throughout the outage, we've worked on the Ops
16 four C's meetings. We've worked in the meeting to
17 improve the communications. Before we came over
18 tonight, we met with a group of employees, shared
19 with them the results of what we're going to tell
20 you, but communication in the world we're living in
21 right now and -- is pretty difficult all the time, so
22 we get that theme a lot, and we knew that in like the
23 quality area some of the things that -- there were
24 perceptions in schedule over safety that were
25 received during the NOP test.

1 Now, Mark -- they told us that. Mark was
2 setting down with some of the quality guys already,
3 we already had the meetings and sat down and hashed
4 that out, made sure we understood it and come to
5 resolution, and they reaffirmed what some of the
6 employees had told us already, you know? The only
7 one that I would say surprises me a little bit here
8 is the low condition report threshold. I mean,
9 that's not something I hear a lot, you know, but,
10 other than that, there's -- it's pretty consistent.
11 One of the reasons we wanted to do this is I got --
12 let me wrap up one of the reason we wanted to do this
13 is to validate what we as a management team think the
14 truth is. You know, they'll tell a contractor, an
15 independent team, what they think. They may not be
16 telling us. There's pretty good alignment in what we
17 hear every day and the results of this survey. Does
18 that answer your question?

19 MR. RULAND: I think so.

20 MR. MYERS: Okay. Now, where was
21 I? 27? From a -- also from some of the corrective
22 actions we've taken, managers were provided, once
23 again, with the results to get through that, and
24 we've implemented the normal online scheduling
25 process. We are having -- and you saw that in the

1 RATI, we're implementing that about the time that you
2 were here. We were having some problems, you know,
3 with the Operations area there, but we think we got
4 those problems either resolved or being resolved as
5 we speak. The next slide is --

6 MR. THOMAS: Can I ask a specific
7 question --

8 MR. MYERS: Sure.

9 MR. THOMAS: -- on action taken to
10 improve communications within Ops? Can you
11 elaborate on that a little bit?

12 MR. MYERS: Yeah, I'm going
13 through that right now.

14 MR. THOMAS: Okay.

15 MR. MYERS: Next slide. Go back
16 one. Okay, in the Operations area, we've had some
17 stand downs with the operators and communications
18 meetings. One of the key things, though, that I
19 think is very important is that the Operations
20 manager is now leaving night orders each and every
21 night which includes schedule items, expectations,
22 changes in plant conditions, conduct of operation
23 issues and other observations that's been made in the
24 past 24 hours. That's the agenda of items. There's
25 people that go -- on operating rotating shifts that

1 you may not, you know, on a typical rotation that you
2 may not see for four or five weeks depending if
3 you're back in the program, so the night orders are a
4 key tool in establishing that communication, so -- so
5 we're taking actions to -- to ensure better
6 communications in Ops, and we'll be have -- continue
7 to have some meetings to monitor our effectiveness
8 there, and I'll be happy to share some of that with
9 you in our meetings. Mark, you have something to add
10 on that?

11 MR. BEZILLA: Scott, also in Barry's
12 and my presentation, Barry will talk a little bit
13 about some of the additional things that's been going
14 on with communications from operations.

15 MR. MYERS: Another area we think
16 that's going to help us from an Ops standpoint is we
17 moved the organization to more of an Ops support
18 organization now. You know, we used to have what's
19 called outage center run by the Outage Director. Now
20 we have the Operations Support Center. We think
21 that's fully effective. It's run by Ops. The
22 organization is funded around the Ops organization
23 now. We can get all the stuff from the Ops
24 schedule, for instance, and you're supposed to have a
25 tag-out that can be removed tomorrow and you can

1 start driving the maintenance organization now, and
2 you can have that work done -- and you can have that
3 work done to make sure we have the operators there
4 and we can tag-out, see, so -- but if you don't have
5 that stuff loaded in, you know, I believe the
6 schedule is communication tool, so -- so we think
7 that the Operations Support Center have been leading
8 the schedule and that Operation Support Center is
9 going to help with communications also. One of the
10 things that we did to be sure the operators in the
11 restart readiness review were ready to heat the plant
12 up was we made sure that the operators got a couple
13 days off last week, so -- we specifically asked about
14 critique questions prior to heat-up this time and got
15 pretty positive response there. Several of our
16 hours of our time was spent last week -- we came in
17 Sunday night and spent probably four or five hours on
18 the restart readiness review before we started to
19 heat the plant up, and at least two or three of those
20 hours were spent going over these general themes and
21 what actions can we take to ensure that we are
22 getting them all from these themes, as you will, and
23 some of the actions we've taken is we've got a --
24 we've asked our supervisors to take -- to leave a
25 form up and we're asking our supervisors to survey

1 their organizations every day, feed that back to
2 management and then in the management meeting we're
3 going over any negative results that we're getting
4 from our employees about the actions we're taking.

5 We're also willing to take anonymous feedbacks. You
6 can take a form and fill it out and turn it in to us,
7 and what that does is it lets them go through a
8 lifetime process so we're not waiting weeks to find
9 out that something is festering and questions are
10 being asked that we don't know about.

11 We've also took our industry observers and
12 we're -- we get taking the themes and we've made that
13 part of their shiftly turnover to give us feedback on
14 how those -- if they see the areas where people are
15 complaining that we're driving the schedule too hard,
16 schedule over safety or something like that, so -- so
17 we got our management observers now focused in those
18 areas and giving us lifetime feedback also.

19 And then one of the things we did last week
20 as part of the restart readiness review, we talked
21 about Safety Conscious Work Environment and the
22 half-life there, so it's been awhile since we did our
23 Safety Conscious Work Environment trainings, so we
24 brought our contractors back in to do that training
25 for us and we did refresher training with all of our

1 managers on Safety Conscious Work Environment, so we
2 could make sure we were focused on these types of
3 issues, and we did that last week, so that's
4 completed, and then changes being made to the NOP
5 that I talked about, and what we're doing there is
6 making sure that the NOP, once again, has the
7 language in it that we expect people to utilize when
8 implementing the change. I mean, it's pretty black
9 and white when you look at it, and we can put some
10 philosophy in that procedure, and I think it will
11 make it a much better procedure, so we're doing that
12 as we speak.

13 There's some additional items that we need to
14 take action on, and that's -- once again, we trained
15 our managers, did refresher training on our managers
16 as part of the restart readiness review, so we did
17 that with the supervisors, so what you'll see us
18 doing is in the near future -- probably the first
19 quarter or so is, we're going to go back and do
20 refresher training on Safety Conscious Work
21 Environment, then to the supervisor levels, and so
22 we'll be doing that.

23 We have this group of principles that we need
24 to hold ourselves accountable to called Leadership in
25 Action principles, and they're the behaviors that

1 we're supposed to demonstrate. You see those on our
2 wall at the plant in our meetings. We're going back
3 to the senior leadership team and making sure we're
4 reinforcing those standards in each and every one of
5 our meetings. From a CAP standpoint, Corrective
6 Action Program, standpoint, we really believe that
7 this is a big change using the CAP database to
8 collect procedure changes. What that did was it did
9 away with a lot of other database, solicited change.
10 We need to go back and reiterate that our commitment,
11 that we believe this CAP database is a good tool for
12 us. One place that we look at all information
13 and -- but that is a change and we need to reiterate
14 our commitment to using the Corrective Action Program
15 as the change process and the database at our plant.
16 We're getting some push back to that area right now,
17 but our election is we're going to stay in force
18 there.
19 Another thing that we felt if we need to
20 improve on something, we will, making sure that we're
21 out visibly advertising the Corrective Action Program
22 and -- the ECP program rather, and the Safety
23 Conscious Work Environment program, and so we're
24 going to -- what we can see them doing over the next
25 month or so a more pro-active approach and we'll have

1 to lay out a plan -- we'll give you that plan, but
2 what we're going to do is make that an action and
3 really go out and solicit use of our Safety Conscious
4 Work Environment tools and our program, our ECP
5 program, and then develop and communicate a second
6 specific corrective action. Now that we got this
7 data and everything, we're going to schedule some
8 specific meetings in each section, Mark and I --
9 myself or a quantity of 10, Barry, and probably some
10 others, but we want to make sure we come to alignment
11 with our employees on these issues, so we're going to
12 share this result with all of the employees in the
13 various groups and make sure we come to alignment
14 there, and we'll do that during the first quarter
15 also.

16 There's some actions we're taking to monitor
17 effectiveness. I have sort of shared some of those
18 with you here. We want to go -- you know, rather
19 than just have a situation where we find out about
20 some of this stuff when we do the survey, we want to
21 go for more of a real time assessment. You know,
22 what happens is when you're seeing some of these
23 issues is like a -- the term I use today is like a
24 bear collecting postage stamps. You collect these
25 postage stamps, you collect them and finally you have

1 an issue, so what we need to do is we need to be more
2 effective lifetime about finding these postage
3 stamps, these issues, and that's the reason we put in
4 this process now where we're asking the supervisor
5 for the survey every morning and we're also asking
6 the management observers to perform assessments for
7 us in these various areas. If we see -- what we're
8 going to do here is we're going to establish a
9 process theme and if we see emergent issues, then
10 lifetime we'll be able to push back on those issues
11 immediately rather than wait two or three months or
12 six months before we find them out, so we're going to
13 put a team together at the plant that will help us
14 focus on issues as -- and look for those issues on a
15 daily basis.

16 MR. THOMAS: Lew, what type of --
17 I'm not asking for names, but what type of individual
18 or numbers of individuals would make up this team?

19 MR. MYERS: We're probably looking
20 for individual from each group.

21 MR. THOMAS: Experience? What
22 types of experience does this team have to be able
23 to -- to identify them?

24 MR. MYERS: Well, right now I
25 don't know that we got that far enough. We're going

1 to look for somebody in the maintenance shop that
2 will help us out there, somebody in plant
3 engineering, it's going to be our employees. If we
4 need to give some training in this area, we will give
5 them training, but we want to get down to the grass
6 roots, of course, so we would hope that -- sort of
7 like human performance. We want to get a sponsor
8 from each area as such.

9 MR. THOMAS: Is this supervisor
10 level? Manager level?

11 MR. MYERS: Employee level.

12 MR. THOMAS: Something else?

13 MR. MYERS: Employee level.

14 MR. THOMAS: Well, employee level
15 is everybody.

16 MR. MYERS: Down below the
17 supervisor level and maybe there will be some
18 supervisors in there, too.

19 (To Mr. von Ahn) you got any comments here
20 for us?

21 MR. von AHN: Can you hear me?

22 MR. THOMAS: I can hear you, they
23 may not be able to.

24 MR. von AHN: There's certain
25 attributes we'll look at in an employee. We want

1 the type of individual who can elicit the responses
2 you're looking for, somebody who has, for lack of a
3 better term, a friend to everybody who's well
4 respected, speaks their mind, so the employees feel
5 that they can talk to this person. Those are the
6 types of characteristics we'll be looking for in
7 leadership in this team.

8 MR. MYERS: You know, somebody
9 that's a leader in the organization, communicates
10 well.

11 MR. von AHN: And it may not -- it
12 could be a supervisor. It could be an employee.
13 We're looking for certain traits and characteristics
14 and one that is level in the organization. Of
15 course, lower is probably better.

16 MR. THOMAS: Well, the reason I ask
17 is, you can address the issue once it's identified,
18 but it has to be identified --

19 MR. von AHN: Right.

20 MR. THOMAS: -- so that's --

21 MR. von AHN: That's why those
22 characteristics are so important to have that
23 individual a trusted individual by a large
24 population.

25 MR. THOMAS: But that individual

1 has to be able to identify the issue as --

2 MR. MYERS: We would hope that

3 some of these other feedback mechanisms would help

4 identify the issues also. We're asking the

5 supervisors to survey every morning, asking our

6 manager observers to look for these kind of themes in

7 the organization, and one of the people on the team

8 see the issue, and we'll take anonymous issues also,

9 so we hope that that recursive process will help

10 stimulate a lot of feedback for us. Okay?

11 MR. HOPKINS: Lew, what Senior

12 Manager is going to be responsible for this team?

13 Mark or Fred, Steve Loehlein, Mindy?

14 MR. MYERS: Mark.

15 MR. HOPKINS: Mark? Okay. So we

16 can go to Mark with questions?

17 MR. MYERS: Sure. And then

18 another thing we'll do in the next few months is,

19 within the next three months or so after start-up,

20 we'll bring in a -- we'll bring a team back in and

21 perform another assessment -- is that our vision,

22 just like we did today, and if we are still having

23 frequent meetings, then I'll be glad to share some of

24 the feedback with you at that time and then we would

25 also anticipate finally another survey somewhere in

1 the fourth quarter of 2004, beginning of the fourth
2 quarter, something like that, typically you should,
3 say, about a year to perform these surveys.

4 MR. WRIGHT: Lew, as Fred
5 indicated, the corrective actions that you took in
6 the March time frame or following the March survey
7 were not as effective as you had hoped that they
8 would have been.

9 MR. MYERS: Well, that's what Fred
10 indicated. I didn't say that.

11 MR. WRIGHT: I said that's what
12 Fred said, yes.

13 MR. MYERS: Right.

14 MR. WRIGHT: When you take a look
15 at some of the corrective actions that are here, you
16 look at improving communications within the
17 Operations Department. You have been working on that
18 for the last almost two years now.

19 MR. MYERS: Right.

20 MR. WRIGHT: When you -- when
21 things come down and you've been taking actions and
22 they haven't been very effective, you know, it really
23 puts you in the spot of fixing two problems; one is,
24 you got to fix whatever the problem is itself --

25 MR. MYERS: Correct.

1 MR. WRIGHT: -- that you've
2 identified.

3 MR. MYERS: Right.

4 MR. WRIGHT: The second piece is
5 you have to look back and say, why haven't we been
6 effective. I mean, you can keep addressing what the
7 issue was and you'll eventually get it, but you
8 really need to go back and look at why haven't we, in
9 this case, as the management team, you know, your
10 team been effective in getting these things fixed
11 upfront?

12 MR. MYERS: I'll --

13 MR. WRIGHT: Did you see any of
14 that here?

15 MR. MYERS: I'll agree with that
16 somewhat because I think that during the NOPT test,
17 we changed some of the ways we were doing business
18 like our weekly meetings, we have weekly meetings,
19 during training with the operators, do as many of
20 those as we're typically doing, but, once again, I
21 want to tell you the overall survey results here are
22 positive. We've seen a few questions that's got
23 some negative trends and we're also in a situation
24 where the focus right now is squarely on the
25 operations and maintenance and these groups, so

1 they're under more stress, which means we, as a
2 management team, need to be more sensitive to those
3 groups right now, right? That's what that's telling
4 me. We need to be more sensitive to those groups,
5 but I wouldn't sit here today and say that the
6 actions that we've taken to date were ineffective.

7 MR. WRIGHT: I didn't say they were
8 ineffective.

9 MR. MYERS: Right.

10 MR. WRIGHT: I said they were not
11 as effective as you had hoped they would be, but I
12 guess I'm still concerned that with all of the
13 emphasis on communications, with the emphasis we've
14 been hearing about the management accountability and
15 leadership --

16 MR. MYERS: Right.

17 MR. WRIGHT: I have been hearing
18 about that now for the last 18 months and yet we're
19 finding, based on this survey, that, you know,
20 anyways, not the surveys, but the follow-up that
21 Fred's group did, you know, that there is some issues
22 there that people are -- you know, that they may not
23 be following all of the precips in that -- in that
24 plan, and so I'm kind of wondering after all this
25 time, you know, what is there that's stopping people

1 from seeing some of this or, you know, responding
2 positively to your actions?

3 MR. MYERS: I would go back and
4 say, again, you know, I'm not sure that there's any
5 specific thing I would point to, but I will tell you,
6 though, the stress in the organization shifted to the
7 areas that we saw the negative responses, which
8 doesn't overly surprise me, you know, and it is
9 something that we needed to go deal with, but when
10 you put more stress on those particular groups, it
11 causes some -- it causes changes in the behavior, and
12 that's what I think we're seeing now. We -- you
13 know, I think since this survey has been taken, for
14 instance, in Chemistry, we've talked about the
15 surveys indicated that they did already, but that
16 problem is fixed, you know, just needed fixed, okay,
17 so that schedule issue, there are still some
18 questions that after the NOP test, some of the
19 changes that we made in people's lives. You know, we
20 made changes in people's lives when we changed their
21 schedule. Now, that may not be perceived
22 positive -- there's also some people in some
23 different jobs, you know, after the NOP test, we
24 reorganized after that. I would expect to see some
25 negative results from that. What we have to do is

1 continue to focus on why we took those actions and
2 demonstrate that they were right. We may have done
3 better than we -- what I would say we could have done
4 better at it when we took some of these actions we
5 could have done better at implementing our
6 communications plan that we didn't do as formally as
7 we should have, so -- and you'll see that theme in
8 here, too. We have a changed management process.
9 When we made changes in Operations we didn't
10 physically roll that process out and go through it
11 and develop the communications plans as well as we
12 could have, so that's a good lesson learned for me,
13 and we're starting to do that better in the future.

14 MR. WRIGHT: Yeah, I think you're
15 getting around to what I was getting to here that --
16 I mean, part of whether it's changed management, or,
17 as you said, the focus of activities at the site have
18 kind of shifted over now to Operations --

19 MR. MYERS: Yeah.

20 MR. WRIGHT: -- and it's over to
21 other organizations. Part of the responsibility of
22 your organization then is to see we -- this is
23 shifting, what do we have to do to -- to lessen the
24 impact of that shift or -- and I think that's
25 somewhat what Scott was acting on -- asking on,

1 recognizing that you may have a potential problem
2 before you get there as opposed to, oh, we've got the
3 problem, now let's fix it, stop the problem from
4 happening, and I didn't see that specifically
5 addressed --

6 MR. MYERS: Well, I think the way
7 we address it is the lifetime monitor. We're going
8 more to being more pro-active to looking for these
9 type of issues. We're going to put this -- like a
10 human performance team, they said there's going to be
11 a Safety Conscious Work Environment team together to
12 help us identify and solve problems before they would
13 come. I'd say issue before they become problems,
14 okay? Does that answer your question?

15 MR. WRIGHT: Yes.

16 MR. MYERS: Thank you. Let me
17 sort of summarize where I think we're at from a
18 conclusion once again as -- from a Safety Conscious
19 Work Environment standpoint at Davis-Besse, you know,
20 I mean, I think all the indications that we have, our
21 scores are still very good -- probably not the best
22 in the country, but they're good scores, and the
23 Safety Conscious Work Environment, I think, supports
24 restart. The Safety Conscious Work Environment
25 Surveys continue to show improvement, and my question

1 to the NRC and now you can see, the leadership is
2 there, we're going to continue to focus on these
3 areas, and we expect our surveys to indicate and if
4 it goes the next three months, we'll come to you
5 again, and we expect the next year's performance when
6 we do the Safety Conscious Work Environment Survey
7 results continue to show improvement, you know, and
8 we're going to monitor those things, so we expect the
9 NRC to see improvement in the Safety Conscious Work
10 Environment. It's a commitment that we have, and
11 that's all I have. Thank you.

12 MS. LIPA: Well, I have been
13 listening to this and trying to piece it together.
14 You know, I think of it like a scientific experiment
15 and one in where you do a survey, you had some data,
16 and then you're trying to analyze the data, but in
17 the middle of that before the survey review team got
18 started you had already started implementing some
19 corrective actions, so I'm trying to understand if
20 that might have had an impact on the results of the
21 survey, in fact, some of your, you know, all-hands
22 meetings.

23 MR. MYERS: Right.

24 MS. LIPA: Have you taken the
25 time to consider how that might have affected what

1 you heard, or do you think it didn't have any impact?

2 MR. MYERS: You know, one of the
3 things that -- you know, we can take all of the -- do
4 all the actions that we want to, but one of the
5 things that we want to do is bring an independent
6 team in here of industry experts, let them report to
7 our quality organization, and they will tell
8 independent people things they may not tell us, you
9 know, and what we found is that in general we have
10 pretty good alignment with the same kind of things
11 that we're hearing. I don't see that there was any
12 messages that -- the one area that -- there was one
13 area that I saw, and that's the Corrective Action
14 Program, it's a little stronger. I would not have
15 expected that to raise to a theme level, but I don't
16 see that they told the team anything significantly
17 different than what we hear as a management team,
18 which is, I think, a healthy situation.

19 MS. LIPA: One of the things I
20 heard you say is from the initial all-hands meetings
21 that you had, you were thinking that this change in
22 the pay policy might have had some affect on the
23 survey results.

24 MR. MYERS: Right.

25 MS. LIPA: But I didn't hear that

1 as a theme from the teams.

2 MR. MYERS: Well, you sort of did
3 because it has to do with the amount of overtime in
4 the management area that we pay for.

5 Fred, do you want to comment on that any?

6 MR. von AHN: Yeah, I can comment on
7 that. The team was actually surprised that didn't
8 come out as a theme. The theme that came out was
9 the long working hours, not necessarily the
10 compensation issue, and we're quite frankly
11 surprised, but that is one of the external factors we
12 looked at was the change in the compensation policy,
13 just wasn't there; the long work hours was.

14 MS. LIPA: Okay. And the other
15 thing I was thinking about is back on slide 23 when
16 you talked about the survey review team concludes
17 that Safety Conscious Work Environment supports
18 restart. The message that I got from that was that
19 with or without the corrective actions the team's
20 recommendation is for restart, or does that take into
21 consideration the fact that some of those corrective
22 actions already have been implemented, so if you
23 could -- do you understand my question?

24 MR. von AHN: Yes.

25 MS. LIPA: Okay. Slide 23, does

1 that have anything to do with the strong corrective
2 actions that are described on 26?

3 MR. von AHN: It does not have to do
4 with the corrective actions that were already
5 implemented. It had to do with the overall response
6 we got during the Safety Conscious Work Environment
7 Surveys, the positive comments, and as I've
8 discussed, the negative impact, given that the team
9 concluded that the Safety Conscious Work Environment
10 supports restart; however, we're committed to a, as I
11 said, a robust, very strong Safety Conscious Work
12 Environment, so we'll be driving toward -- every one
13 of those being completely green with zero negative
14 responses. Did that answer your question?

15 MS. LIPA: Yes, you did. Thank
16 you.

17 Anybody else have any questions on this
18 topic?

19 (NO AUDIBLE RESPONSE).

20 This would be a good time for a 10 minute
21 break?

22 MR. von AHN: Yes.

23 MS. LIPA: So we'll be back at
24 7:45.

25 THEREUPON, a brief recess took place.

1 MS. LIPA: Okay, we're ready to
2 begin.

3 Were there any other questions on the first
4 section?

5 (NO AUDIBLE RESPONSE).

6 MR. BEZILLA: Okay, thank you,
7 Christine. Next slide, please.

8 The desired outcome for this evening is to
9 communicate our assessment of operations. We will
10 cover the areas requiring continued attention,
11 corrective actions implemented and planned, and we'll
12 provide our plan for readiness reviews and
13 effectiveness assessments now through 100 percent of
14 our operations. Next slide, please.

15 I'd like to turn it over to Barry now.

16 MR. ALLEN: Thank you, Mark.
17 Next slide, please.

18 Our observations of the RATI team
19 observations aligned and improvements are needed and
20 consistent implementation of our management tools.
21 There's a list of all the slide shift turnover,
22 pre-job briefs. There's various items that we both
23 observed and feel like we need to improve our
24 consistent performance in just, for example, pre-job
25 briefs. We had seen some pre-job briefs done

1 extremely well at the station. We have also had
2 observations for pre-job briefs, used checklist and
3 other tools, but we were not fully prepared to
4 implement those effectively. The predominant tools
5 that were focused upon improving of the observations
6 that we've taken, the RATI team were listed up there,
7 I'm not going to read those to you, but those are the
8 issues that we're focusing on now in Operations.
9 Next slide, please.

10 The barrier chart up here illustrates the
11 barriers that exist to prevent or identifies
12 challenges to the organization. We've used this
13 slide before. Our observation programs have given us
14 some indications of how we're performing as an
15 organization. What we've seen is that our oversight
16 barrier, management barrier, program barrier have
17 been pretty effective, and we've had good results and
18 those barriers help us to either eliminate or reduce
19 challenges to the organization.

20 We've also had observations that leads us to
21 conclude that we need to improve consistency of our
22 performance on an individual level that complement
23 the individual area. For instance, as a station we
24 continue to demonstrate that our procedure usage
25 adherence barrier is performing very effectively.

1 As we encounter problems, we're stopping, we're
2 resolving the issue before we proceed on; however, by
3 the same token, our greatest opportunity for
4 improvement is that we use that barrier to identify
5 in a more consistent manner those issues in a
6 planning type activity as opposed to implementing
7 activities. One of the things that we're observing
8 at the station is that as we have improved our
9 performance and our procedure usage adherence, as our
10 standards have improved from a personnel standpoint
11 of that area have become more consistent. We are
12 finding more low level minor deficiencies in our
13 procedures, and we are having to stop, deal with them
14 and resolve, and then our focus then is to work in
15 finding those issues and be in the pre-planning,
16 pre-staging, previewing type arena as opposed to when
17 we're working. One of the things we have found
18 through benchmarking with two other restart units is
19 that as they went through similar evolutions and
20 raised their level of performance of expectations in
21 terms of procedure adherence, they also encountered
22 very similar instances such as we have, which is low
23 level, minor, latent type deficiencies and procedures
24 that we have not picked up in the past, but there was
25 a new rigor still in the Operations organization.

1 We're now catching that through our processes and
2 stopping and dealing with those issues.

3 In the corrective action section, the policy
4 was always discuss our actions to strengthen all the
5 barriers and how those actions help us to prevent and
6 minimize challenges to the organization. Next
7 slide, please.

8 Based on our observations, we performed an
9 assessment of our performance. We formed the Site
10 Team to help us look at our performance in the
11 Operations area. It was proposed a site member, but
12 we also utilized an outside consultant to help review
13 our results. The assessment team used several
14 methods of analysis, the Barrier Analysis, the TAP
15 Root method, and Human Performance Evaluation System
16 all those to help us evaluate our performance. One
17 of the things that we determined going through that
18 process was that our standards and expectations at
19 the station meet industry standards. We don't need
20 to revise our standards, but they do appear to be
21 acceptable from an industry perspective. The
22 problems we find for the team that we need help to
23 solve is that the Operations Department is not
24 consistently implementing our departmental
25 expectations and standards. Preliminary causes that

1 we've looked at rolled out a couple particular
2 issues. One is the perception on the part of some
3 operators that they felt they needed to complete
4 their activities within the time allotted, the time
5 scheduled, versus making time needed to thoroughly
6 prepare prior to execution.

7 The second component that we discussed as we
8 went through this process was the perception on the
9 part of some of the operators while they understand
10 the administrative procedural requirements,
11 procedural statements are requirements, lower level
12 business practice statements in some cases were not
13 viewed as mandatory site level adherence as
14 procedure. In other words, the business practice
15 statements were viewed as standards of excellence
16 that we would strive for, but were not viewed to have
17 the same rigor establishing required. Next slide,
18 please.

19 Actions were taken to help us consistently
20 implement management tools we've talked about to
21 identify the assessments. Our Operations resources
22 have been loaded and levelized within our scheduling
23 process. Our Operations activities are now included
24 within the schedule. We talked to Mike Roeder,
25 Operations Manager, today. We're getting a level of

1 detail. We're scheduling in shift turnover for
2 Operations for when we have scheduling and tag-out
3 time for evolutions requiring significant tag-out
4 time. Pre-job briefs for significant operational
5 activities are included and noted and delineated
6 within the schedule. All the pre-job briefs for
7 plant heat-up have been scrubbed. They were
8 validated on the simulator. Those were all verified
9 and validated. We also worked to reaffirm and make
10 sure we have clarified roles in the Operations
11 Support Center, that's supervisors Operations
12 superintendent, to ensure that he and his team
13 understand their role in helping us at the station
14 implement our procedures, our standards and our
15 expectations. That includes such things as ownership
16 schedule, understanding that schedules have to be
17 correct. It's our responsibility to make that
18 happen, make sure that our operational activities
19 include the details required, and then as we have
20 issues with the schedule, either getting activities
21 kicked off or issues on execution that we then notify
22 the senior leadership team, appropriate management
23 team promptly so that we can go with the rest of the
24 scheduled issues.
25 Lew's also talked somewhat in his

1 presentation about improving communication between
2 Operations management and shift management. We've
3 anchored that in our night orders, strengthened that
4 quite a bit. For instance, the quality observations
5 and insights that we get, insights we get from our
6 independent Operations oversight managers, all the
7 feedback we get on a daily basis. That information
8 is rolled up for Operations. That's included in the
9 night orders so they understand what the critical
10 content and feedback is coming in from oversight
11 observations, that is we attach our expectations to
12 show where we are in meeting or exceeding our
13 expectations and where we see deficiencies that still
14 need to be corrected, and we also look for management
15 tools to reinforce the positive changes in behavior,
16 so as we see positive things in the organization
17 occurring, these numbers are not only helping
18 reinforce, but, yes, this is the -- this is the
19 expectation we're looking for.

20 We've reinforced our management expectations
21 for preparations on job activities, and we've
22 identified individual level of ownership for
23 Operations activities, so our schedule offset
24 activities are not just by shift or just by crew, but
25 it's down to the name of the operator who is

1 responsible for preparing and executing that. Next
2 slide, please.

3 MR. THOMAS: Barry, I'd like to ask
4 a question about reinforce management's expectations
5 for preparations, could you elaborate on that a
6 little bit and tell me to what level those
7 expectations were communicated?

8 MR. ALLEN: Sure, Scott. I would
9 say in several ways. It probably goes all the way
10 back to where we had the all-hands meetings that we
11 talked about where we did some of those. We talked
12 about schedule and preparation in those. As far as
13 reinforce management's expectations, we made sure we
14 redefine those roles for the folks in the Operations
15 organization being that they are most closely
16 impacted with that. Myself, I spent about an hour
17 to an hour and a half with each of the Operations
18 group discussing why that was good, why that was
19 important and how those expectations or preparations
20 were keys to our success, so we've done that several
21 ways.

22 MR. THOMAS: Okay. I guess I'm
23 looking for a little -- let's focus specifically on
24 surveillance and the integrated plant procedures and
25 infrequently performed tests which is basically --

1 MR. ALLEN: Okay.

2 MR. THOMAS: -- down to the NLO

3 level, you know, what the expectation is for that

4 individual for his little, small part of --

5 MR. ALLEN: I'll give you a quick

6 example, Scott. I'll follow this, and this will come

7 up a little bit later, but just --

8 MR. THOMAS: Well, I mean, you can

9 wait until then.

10 MR. ALLEN: But if I don't get

11 your question answered before we get through with the

12 actions we've taken, well, let me know, we'll provide

13 you some documentation.

14 MR. THOMAS: Okay.

15 MR. ALLEN: Okay, we developed

16 written review criteria from an activities standpoint

17 for preparing activities, that's captioned and

18 anchored by that -- that's somewhat equivalent to

19 what you would think as a maintenance walkdown type

20 sheet. Operations has developed a similar criteria

21 for operations to prepare for evolution. We've also

22 designated management oversight for significant

23 operational activities coming ahead.

24 We're also piloting a real time system

25 readiness assessment, and this is where we're looking

1 at systems we have not yet placed in service, okay,
2 or major components we've not yet brung -- bringing
3 them back to service to heat-up and restore the
4 plant, so we're piloting this readiness assessment to
5 include the management ownership and sponsorship,
6 maintenance representatives, and operations SRO's in
7 charge of the evolution, a responsible system
8 engineer, so we're getting that team collected and
9 formed ahead of time before that evolution takes
10 place, and then that team is responsible to ensure
11 that we have real time look at that system component
12 and that it is, in fact, it's scrubbed and ready to
13 run as we can determine, so that includes such things
14 as that team performing a walkdown, reviewing all of
15 the condition reports that are out there on the
16 system of components. We set a standard to go back
17 and look at the last three times we have run that
18 system for that component to look at what our history
19 was there, what our parameters were, did we challenge
20 the interlocks, did we challenge the limits, what's
21 our internal yield, that type of thing, and issues,
22 what likely issues we might have when we put that
23 system in component service and then for what
24 contingency do we need to plan to lay out as we're
25 prepared to do that activity, and then the next step,

1 I think it kind of comes closer to your question,
2 Scott, as that team is preparing for the next
3 evolution coming ahead, we've missed the team
4 challenge reviews, the challenges to that team to
5 challenge ourselves in a professional manner to
6 assure ourselves that we are, in fact, ready to
7 proceed. And so when that team is ready, they get
8 the senior leadership team either on the telephone or
9 some folks they do it with parts, in general, it's a
10 combination, some folks who are at home, some folks
11 who are at work, and we're challenging that team,
12 going through and asking, okay, what have we done to
13 prepare, have we looked at this, have we considered
14 this? Did we look at previous guides, what are our
15 contingency plans, so -- I'll give you an example.
16 We didn't just estimate this the other day, so last
17 night a little before 0300, you know, we all got
18 called in, personnel who run some teams at the
19 station called those of us at home, and we talked
20 about bringing operation injection back to service.
21 We talked about steam feed rupture control system,
22 bringing impact to service and we stopped and talked
23 about how Aux feedwater brings impact to service, and
24 in each one of those evolutions, we were looking
25 ahead of time in the senior reactor operator who is

1 the test leader for that initiated that expression
2 with the leadership team with responsible engineering
3 present and/or engineers and/or maintenance personnel
4 were involved in activity, and we talked about what
5 we have done to prepare all the type of things that I
6 mentioned to you awhile ago. We've gone through the
7 scrub, what's our history, what's our contingencies,
8 and so we're setting ourselves up again to go back
9 and look at what we can do to focus on eliminating
10 and/or reducing those challenges in the organization
11 for better preparation of the plant.

12 MR. THOMAS: I think all those
13 things are good, but I was focused more on shift
14 manager down. What you explained was shift manager
15 up, and, you know, including engineering, you know,
16 in that.

17 MR. ALLEN: Let me go a little
18 bit further, Scott, so, for instance, last night we
19 talked about some of these evolutions, who is
20 involved? We got down to here's the equipment
21 operators involved. They've reviewed it. They have
22 gone out, they walked it down. They're prepared to
23 do the activities, so it goes down to --

24 MR. THOMAS: Okay, that's the piece
25 that I was looking for.

1 MR. ALLEN: Yeah, it goes all the
2 way down through the organization.

3 MR. THOMAS: And is that type of
4 preparation and ownership also present for the
5 routine evolutions, you know, that may not require
6 infrequent performed test and evolution briefs, just
7 the --

8 MR. ALLEN: Expectation is the
9 same. Now, we're not necessarily going to have a
10 management oversight person on that. It will be --
11 it will be the Ops superintendent -- the Operations
12 Support Center supervisor that does have that role
13 for all of those other activities, you know, but the
14 same expectation or preparation exists, so there are
15 activities that are put on the schedule that does
16 designate either specific brief time, preparation
17 time, or for very simple activities we loaded in
18 enough time to allow the Operations focus to do the
19 preparation activities, and, again, it goes back to
20 we own that schedule. We're responsible to ensure
21 it's appropriately levelized the level of our
22 resources to ensure that we are maximizing our
23 opportunities at the plant to prepare to go --
24 obviously, we can still run into things like issues
25 and procedures, you know, as we raise our standards

1 we find low level issues and procedures we have to
2 deal with, but we're instituting that across the
3 board, Scott.

4 MR. THOMAS: Okay.

5 MR. ALLEN: In Operations, we've
6 also completed refresher training on common
7 operations in our business practices, was essentially
8 a full shift to try to -- of maintenance crew, they
9 go back through, so all Operations persons will be
10 available. There's six or seven folks who have not
11 been because of illness or other reasons, but all
12 level of Operations personnel have been through that
13 and tested. We have focused our observations on the
14 areas that we recognize need improvement, so that
15 includes, again, pre-job briefs, shift turnovers, our
16 adherence to standards and expectations, consistent
17 communications. Again, we're taking that feedback
18 back to the organizations through minor over stuff to
19 ensure that we continue to improve in our
20 performance.

21 We've also instituted a daily phone call with
22 the FENOC executive leadership team, so on a daily
23 basis now, we're taking all the feedback we're
24 getting from independent sources internal and we're
25 debriefing that with the executive leadership team,

1 which then again is giving us another independent
2 oversight area, and they are critiquing what we're
3 doing with the information and challenge us on a
4 daily basis. There's a couple issues there also at
5 the bottom you'll see that we discussed with the RATI
6 team that may not tie directly in with the Operations
7 piece I have been talking about, but we did have
8 discussion with the RATI team, so I'd like to, you
9 know, briefly cover those just to get that cleared up
10 as well.

11 One of the issues that the RATI team
12 discussed with us was the qualifications of our plant
13 engineering and consistent leadership. We've
14 addressed that and resolved that. Qualified
15 individuals are now assigned as either the primary
16 engineer, the backup engineer or as a designated
17 mentor for those engineers that are required.

18 We've also ensured that all of our restart
19 readiness affirmation forms have been reviewed and
20 either signed or countersigned by qualified
21 individuals. Engineering has for the mentors,
22 signed mentors for all the system engineers with
23 written expectations for those mentors describing
24 what their oversight activities and responsibilities
25 are and help develop that.

1 For measuring and test equipment issues we
2 had some discussion with the RATI team on that.
3 We've also addressed that, the more significant
4 actions that have been taken at the station. One
5 thing is we now no longer check out measuring and
6 test equipment to organizations, so we will not check
7 out M & TE to Operations. We will not check out M &
8 TE to radiation protection. We will check out the
9 individuals so we have individual accountability,
10 and, therefore, all individuals who also get travel,
11 which requires documentation where they use that
12 measuring and test equipment, so we got -- we have
13 better standards, better controls to ensure we
14 understand where our M & TE is used at the station,
15 so we feel we have done a good job with this.

16 MS. LIPA: Barry, you talked
17 about plant engineering qualifications and at the
18 RATI exit -- at the Restart Assessment Team
19 Inspection team exit that was just 10 days ago, there
20 were some percentage of folks that were not
21 qualified.

22 What have you done to -- you said they are
23 now all qualified?

24 MR. ALLEN: No, if they were not
25 qualified, Christine, we just can't go qualify

1 individuals.

2 MS. LIPA: Right.

3 MR. ALLEN: So what we've done is
4 we said, okay, we either got to have a primary
5 engineer who may be learning the system, if he's
6 qualified or she's qualified, that's great. If not,
7 we're looking to ensure, can we have the backup
8 engineer, that person is qualified in the system, so
9 their backup person may be qualified or we're
10 assigning a mentor who may be qualified, so part of
11 that is as you get new people in new positions, you
12 have to train them, you have to groom them, you have
13 to help them develop to become qualified, but for
14 those positions, we're assuring that someone -- if
15 it's not the primary person, there's a backup or
16 designated assigned mentor, their responsibilities is
17 qualified for the systems.

18 MS. LIPA: Is that a short-term
19 action and you have a longer term action to get them
20 qualified?

21 MR. ALLEN: Long-term is to get
22 everyone qualified.

23 MS. LIPA: Do you have a target
24 date for having them all qualified?

25 MR. MYERS: It's in our plan.

1 MS. LIPA: What page?

2 MR. ALLEN: In 2004.

3 MS. LIPA: Okay. So you're doing
4 a long-term plan. You talked about your short-term
5 plan.

6 MR. ALLEN: Right. Next slide,
7 please. Actions to be taken to help us ensure we're
8 consistently implementing management tools we
9 discussed, we have benchmarked and enhanced procedure
10 for pre-job briefs. That's given us some
11 enhancements and changes to our pre-job briefing
12 procedure which we're in the process of making those
13 procedure changes, they are drafted and going through
14 the Operations Department right now. Also, as an
15 outcome of that, we'll be enhancing, revising, our
16 pre-job checklist to focus more closely on limits and
17 precautions and interlocks. For instance, we've got
18 a pre-job brief checklist. You can look on that,
19 it's not clearly out of align. It's kind of a sub
20 tier. Also we're going to ensure that we have
21 alignment between our performance indicators for the
22 Operations section with our actual Operations to
23 ensure that our indicators -- our performance
24 indicators for Operations are reflecting proper
25 performance and we have good alignment there, so

1 that's where our performance indicators are.

2 MR. MYERS: We also had to make
3 some improvements to that.

4 MS. LIPA: Didn't hear you, Lew.

5 MR. MYERS: The process for the
6 benchmark?

7 MS. LIPA: Yeah, you got them
8 benchmarked? I didn't hear the rest of your
9 statement.

10 MR. MYERS: We actually looked at
11 the procedure that we benchmarked and we think we can
12 make some enhancements to that.

13 MR. ALLEN: In summary --

14 MR. THOMAS: Can I ask a question,
15 Barry?

16 MR. ALLEN: Yeah, you got a
17 question, Scott?

18 MR. THOMAS: Yeah, the problem on
19 Page 36 says the Operations Department is not
20 consistently implementing department expectations and
21 standards, and let me elaborate on that, and please
22 correct me if I'm putting words in your mouth, but
23 one thing that the RATI identified was that your
24 senior reactor operators on shift weren't
25 consistently enforcing Operations management

1 expectations, and I don't see any of these corrective
2 actions that specifically go to addressing that issue
3 on a shift -- you know, shift for shift type basis.

4 MR. ALLEN: Okay, a couple things
5 there, Scott. Again, I'll go back to the refresher
6 training that we gave the Operations crews that the
7 Operations manager kicked off on sessions. The
8 intent of that kickoff was to ensure that we all were
9 on the same page. In understanding that, the
10 standards and expectations brings us to the green
11 mode, as we typically refer to some of our practices
12 in our business practices. Those are understood
13 that those are requirements. We will adhere to
14 those. We will hold ourselves accountable to those.
15 Then on a day to day, shift to shift basis targeted
16 our independent oversight managers, our internal
17 management assessments and ask the quality
18 organization to look at those standards and
19 expectations that we were not meeting and performing
20 on to target those in the observations and on a daily
21 shift basis give us that feedback, it helps us
22 enforce that we are meeting those expectations, or,
23 if we have shortfalls, we identify those and we
24 identify the issues in a strong and positive -- or
25 issues that we need to correct, and we're taking that

1 and immediately feeding that back into the night
2 orders with reinforcement of what the expectations
3 are and then again reinforcing positive for those, so
4 we're looking to reinforce that issue.

5 MR. THOMAS: Okay.

6 MR. MYERS: It seems like, for
7 instance, pre-job briefs, that schedule, when we
8 prepared it we did a pre-job brief, so there was --
9 for those activities that are complex, were
10 physically scheduled on a preparation basis to the
11 person, so that should -- we would expect that to
12 improve the standards in the pre-job briefs.

13 MR. THOMAS: Okay.

14 MR. ALLEN: Scott, I'd also like
15 to tell you just as an independent look at, as we're
16 getting called up to challenge the organization
17 before we can proceed with evolutions, we're going to
18 discuss the things that are in that preparation top
19 phase, we were inconsistent with our performance, and
20 so the leadership team at the station is given the
21 opportunity to challenge that team, is getting ready
22 to take that evolution on as they call us before they
23 go to do their briefs, you know, with the opportunity
24 to force out with their argument on the expectations
25 for preparation. Of course, we have oversight

1 watching us execute and management oversight watching
2 us execute, so --

3 MR. MYERS: We seen some good
4 examples this week where we talked about the
5 preparation phase.

6 MR. THOMAS: Well, let me ask a
7 question. You talked about management observation.
8 What's been done to strengthen -- I mean, that was an
9 identified weakness in the Normal Operating Pressure
10 Test, that management oversight was less than
11 effective in addressing -- in identifying some
12 issues.

13 What's been done since then to better prepare
14 your managers that are performing that role to be
15 more effective?

16 MR. ALLEN: Well, one of the
17 things we have done is we have delineated the
18 criteria that we're working -- we're working towards
19 improvement. We've identified that specifically to
20 the management team so that rather than if we had an
21 issue with observations before, maybe we weren't
22 looking at the right things, we weren't focused on
23 the right things, we may have been desensitizing,
24 didn't recognize we had a problem with some of those
25 standards the same as the Operations Department.

1 Again, we're communicating. Here's what we're doing
2 with the Operations Department. We're delineating
3 those specific items that we want observations on to
4 ensure as we go through those observations, and we
5 did focus on those areas that we're working on, so I
6 would say probably the best thing we have done,
7 Scott, is probably to sharpen our focus down to these
8 are team critical activities, and we got human
9 performance consistently on. You know, of course,
10 those observations are occurring somewhat in parallel
11 with the independent observations that have been
12 going on, so, you know, we have the opportunity then
13 to compare what our internal observations are telling
14 us as opposed to what our independent external type
15 observations are telling us. We have from our
16 perspective now what we have ourselves focused on,
17 here's specific things we want to observe, we get
18 pretty consistent feedback on those results. You
19 know, it don't seem like a big discrepancy, so I
20 think we have at least gotten ourselves focused on
21 what specifically we're trying to work on in
22 Operations, consistency in the performance.

23 MR. THOMAS: Okay.

24 MS. LIPA: Okay.

25 MR. BEZILLA: Thank you, Barry.

1 Next slide, please.

2 Okay, now that we have outlined our plan for
3 conducting readiness reviews and effectiveness
4 assessments now through a hundred percent of power
5 operations, we recently completed our restart
6 readiness reviews for the current heat-up, normal
7 operating pressure Mode 4 and 3. We're currently
8 assessing the Restart Readiness Assessment Team
9 Inspection, RATI, findings, and Barry has previously
10 discussed the actions taken and plan to response to
11 the team's feedback. When we complete our heat-up
12 activities, achieve normal operating pressure, we'll
13 conduct an assessment of our performance. This
14 essentially will include planning, people and
15 processes.

16 Additionally, we will evaluate our
17 performance again for the criteria we established as
18 part of the Operations improvement actions plan, that
19 being no inadvertent safety system actuations caused
20 by human error to process weaknesses, no significant
21 events caused by human error or process weaknesses,
22 no integrated operator procedure content errors that
23 would have resulted in a planned transient or event,
24 and no unplanned entry or tech spec as a result of
25 operator errors.

1 Additionally, we'll have an external team
2 review our assessments and conclusions, a peer check,
3 if you will, and I will be looking for convergent
4 validation of the assessments.

5 Once at normal operating pressure, we will
6 continue to assess our performance. On or about
7 January 8th, we will present our operations readiness
8 for restart to the FENOC executive leadership team.
9 During the week of January 5th, we will conduct our
10 restart readiness reviews for Mode 2 and Mode 1.
11 This is in accordance with our business practice.
12 The next slide, please.

13 Once restart is permitted, we will perform a
14 post-start-up and prior to generator synchronization
15 effectiveness assessment and then a readiness to
16 proceed review. Again, post-generator
17 synchronization, and after placing the second main
18 feedwater pump in service, we will perform another
19 effectiveness assessment, and then a readiness to
20 proceed review.

21 MR. THOMAS: Mark, can you
22 elaborate on those whole points a little more?
23 What's going to be happening, what the assessment is
24 going to entail, how long you foresee that taking, a
25 little bit more detail?

1 MR. BEZILLA: Sure, Scott. In
2 regard to those effectiveness assessments, what we'll
3 do is we'll take a look when we get to those whole
4 points, take a look at how the plant performed, how
5 the people performed, how our processes supported us.
6 Take a look at our observations that were occurring
7 during that time period, take a look at our condition
8 report process for any significant issues or trend
9 issues and then we'll meet as a team and we'll review
10 those and we'll determine if there is any actions
11 that needs to be taken prior to allowing proceeding
12 to the next step, if you will.

13 MR. THOMAS: When you said the
14 team, is that the senior leadership team? Is that --

15 MR. BEZILLA: That's the management
16 team.

17 MR. THOMAS: Management team, okay.

18 MR. BEZILLA: Okay. And then we
19 also have a form that each of the managers will sign,
20 and then that will be reviewed by Barry, myself and
21 Lew prior to proceeding to the next step, whatever
22 that next step is.

23 MS. LIPA: So your documentation
24 of that would be a form that's signed as opposed to
25 an actual report?

1 MR. BEZILLA: That's correct, and I
2 believe we put that into our integrated restart test
3 plan as a supplement.

4 Okay, Scott, I have the documents I can show
5 you here after the session.

6 MR. THOMAS: Okay.

7 MR. BEZILLA: Okay, when we get to a
8 hundred percent power operation we'll conduct a
9 restart test plan critique, and that will be
10 approximately two weeks after being at a hundred
11 percent power operation, and, again, that will look
12 at people, plant, processes, how did we do, and then
13 approximately four weeks after being at a hundred
14 percent power, we'll conduct an effectiveness review,
15 and a personnel assessment of the operation of
16 shifts. This review and assessment will be by our
17 industry Operations oversight managers, and we'll use
18 their assessment to determine if we need or want to
19 continue with industry Operations oversight managers
20 or if we want to move to an internal FENOC oversight
21 observation format. The bottom line on these
22 effectiveness assessments and readiness reviews is to
23 ensure that the organization, we, are ready to
24 proceed with the next step. I expect that we will
25 make adjustments as a result of these efforts. The

1 desired outcome is consistent performance by
2 Operations and the organization and, as always, safe
3 and eventless operations, and the last slide, please.

4 I believe that we have taken actions that
5 should ensure that the management tools in place are
6 consistently implemented with performing operational
7 activities. We will continue to monitor and hold
8 ourselves accountable to use the management tools.
9 Our desire is to preview, review, pre-brief and then
10 execute each task successfully. If challenges still
11 arise, we will stop. We will resolve the issue
12 prior to proceeding. That's all I have. Any
13 questions?

14 (NO AUDIBLE RESPONSE).

15 MR. BEZILLA: If there's no
16 questions, I'll turn it over to Lew for final
17 comments.

18 MR. MYERS: Thank you. We talked
19 about post-Safety Conscious Work Environment and our
20 operators today. In the Safety Conscious Work
21 Environment area we continue to show improvement.
22 We will provide a -- continue to provide a strong
23 focus in the area of operations and plant
24 engineering. As the focused area now, if it needs
25 our attention, we'll give it that attention. We

1 will continue to show improvements in Safety
2 Conscious Work Environment through a more pro-active
3 approach, as we described, by going out and having
4 our supervisors look for issues, have our management
5 process look for issues. We will then develop a
6 team of our employees to a Safety Conscious Work
7 Environment team, have people looking for our good,
8 confident leaders and people that are trusted within
9 the department, and they will have access to the site
10 Vice President, and we'll have them cite the issues
11 before they become problems. We think that will
12 carry us a long way in improvements, continue to show
13 improvements in Safety Conscious Work Environment.

14 From an Operations standpoint, we've already
15 taken some strong action. We've trained all our --
16 retrained all our shifts in conduct of the
17 operations. The basic focused areas that we had
18 issues with was RATI teams here. We think the
19 actions that we took to correct some of the
20 behaviors, talking about our NOP test have been
21 fairly effective. Operators are using that
22 procedure and we seem to have consistency in our
23 routine operations, but we still are having a problem
24 in the area of management tools and getting
25 consistent performance, so that we have event-free

1 operations and get the desired outcomes each and
2 every time in the areas of procedure usage, pre-job
3 briefs, conduct of operations. We focused on those
4 areas.

5 One of the big issues that we saw when the
6 RATI team was here is the operations had not
7 levelized and fully integrated in the plant schedule
8 at that time. It may not be perfect, but we will
9 continue to define that. Our expectations are that
10 we will need to perform our reviews, make any
11 adjustments that we need to. We will then implement
12 a monitoring period of approximately five to seven
13 days, and we believe that with success in the near
14 future we will be asking for authorization to restart
15 the Davis-Besse Nuclear Power Plant. Thank you very
16 much for your attention and time.

17 MR. RULAND: Thank you, Lew. We
18 appreciate the presentation you gave us this evening.
19 I think it's helped us gain an understanding of the
20 actions you've taken, specifically in these two
21 areas, both the results of the questions that we had
22 in responding to our questions in the Safety
23 Conscious Work Environment Survey and on the
24 questions that the Restart Readiness Assessment Team
25 had in the Operations area.

1 This survey issue is an interesting one. As
2 you're well aware, the NRC doesn't have any
3 requirements for licensees to conduct surveys, and
4 when they do surveys like you've done, we have no
5 requirements on the results of those surveys.
6 However, the NRC has been reviewing this matter
7 because, as you attributed, it was part of the reason
8 we're all here together today, so we had some
9 questions based on the survey results, and, like good
10 NRC inspectors often do, we just don't look at the
11 surface. The overall statements that you're making,
12 I think you had it on slide 4 where, you know,
13 generally the survey results are very positive, and I
14 think we poked and prodded a little bit and said,
15 wait a minute, there's some other questions here that
16 bubble to the surface that we need to have resolved,
17 and that's, of course -- that's the purpose of the
18 meeting this evening, was that negative trend in work
19 groups that are particularly important to the NRC.
20 We wanted to assure ourselves that we understood what
21 was happening here at Davis-Besse in this area before
22 we make any decision, whether to recommend restart or
23 not. I think this has helped us gain some of that
24 understanding. We were a little surprised, I think,
25 this evening where you said that the Safety Conscious

MARLENE S. LEWIS & ASSOC. REPORTERS
(419) 929-0505
(888) 799-3900

1 Work Environment supports restart today, whether or
2 not your corrective actions go to complete fruition,
3 but we understand that that's -- you know, you have
4 done a number of corrective actions already and, in
5 fact, your position might -- might be a valid one,
6 but, like all things, we're going to have to poke and
7 prod, and we're going to come out, and we're going to
8 plan an inspection, and we're going to come out and
9 look. We make no prejudgments about what we're
10 going to see, but Geoff Wright, his folks are going
11 to come out and, hopefully, we will be able to come
12 to a common understanding about this matter.

13 As far as Operations goes, you gave us a
14 really long list of areas that you're working on,
15 particularly to improve your management tools. We
16 know also that you have not concluded that Operations
17 is ready for restart.

18 MR. MYERS: That's right.

19 MR. RULAND: We know that, and in
20 this -- this long list that you have given us is,
21 again, it's a blueprint for an inspection, so the
22 NRC -- we haven't made any judgments one way or the
23 other about the effectiveness of these actions, but
24 our next step is to go back, talk about what we heard
25 this evening, decide what we want to inspect and when

1 and the results of that inspection that those
2 inspections could communicate not only to you, but to
3 the public at large, so, with that, I think that's my
4 concluding remarks.

5 Does anybody else have any comments or
6 questions? Christine?

7 MS. LIPA: No.

8 MR. RULAND: That concludes the
9 business portion of our meeting. Thank you very
10 much, everyone. Hopefully we didn't use too many
11 acronyms. We try to -- we try to correct that now
12 and again, but we apologize when we get too acronym
13 crazy, but this concludes the business portion of our
14 meeting, and if we could come back, at what, about 20
15 to nine --

16 MS. LIPA: Okay.

17 MR. RULAND: -- and we'll open it
18 up to public comments and questions. Thank you.

19 THEREUPON, a brief recess took place.

20 MR. RULAND: Hello, we're going to
21 get started in a few minutes. If you could take
22 your seats, please.

23 (Brief pause).

24 MR. RULAND: We'll use the usual
25 procedures we do in meetings of this sort. If you

1 could, just step up to the microphone and write your
2 name down so -- so we can get the correct spelling
3 later on.

4 Are there any members of -- local officials
5 who have any comments or questions this evening?

6 (NO AUDIBLE RESPONSE).

7 MR. RULAND: Okay. What about are
8 there any members of the local -- any members of the
9 local citizenry here that would like to make a
10 comment or have a question? Step up to the mike, if
11 you would, please.

12 MR. GARN: My name is Kevin Garn.

13 MR. RULAND: Could you say your
14 name again, please?

15 MR. GARN: Kevin Garn, G-A-R-N.
16 My concern is this. We repeatedly tonight heard
17 about the Safety Conscious Work Environment and on
18 slide No. 18, Quality Assurance raised this question.
19 With AD 18 -- AD 1805, Division 27, former plant
20 manager overrode Quality Assurance by taking away the
21 authority to improve the safety related procedures
22 and revisions at Davis-Besse.

23 Has that authority been returned to the
24 Quality Assurance Department? That's my question
25 and --

1 MS. LIPA: I'm trying to make
2 sure I understand the question. You're saying there
3 was an authority taken away on a certain date?

4 MR. GARN: Yes, there was.

5 MS. LIPA: And what was the date
6 you're taking about?

7 MR. GARN: The date was the
8 summer of 1985.

9 MS. LIPA: Summer of 1985? I
10 don't have any information about what was done in the
11 summer of 1985 to be able to compare it to today.

12 MR. GARN: Prior to that, Quality
13 Assurance had the authority required to approve
14 safety related procedures at the plant. After that
15 procedure was passed, that authority was taken away
16 from the Quality Assurance Department.

17 Has that been restored to the Quality
18 Assurance Department and the directors, or has that
19 still been voided?

20 If Quality Assurance doesn't have the
21 authority to do something at the plant, how can it
22 have the responsibility, is what I'm asking.

23 MR. RULAND: I think we understand
24 the question now, but we don't have any answers this
25 evening, so what we'll do is, if you leave your name

1 there and give us your address, we'll be happy to
2 provide you a response.

3 Typically, NRC regulations require Quality
4 Assurance through -- of special impressions, among
5 other things, so -- and I don't think we've
6 identified any problem with regard to that here at
7 Davis-Besse during the almost two year shutdown now,
8 but rather than speculate about what happened back in
9 '85 relative to now -- it's a good question for us,
10 and I appreciate the question, and, you know, we'll
11 do some research, and we'll find out and get back to
12 you.

13 MR. GARN: And I also --

14 MR. RULAND: And if you could,
15 maybe after the meeting, just give us your phone
16 number and we could, you know, communicate by
17 telephone, or we could send you a letter.

18 MR. GARN: I'd also like to bring
19 up one other point.

20 At that time, a report was submitted in
21 Region III, and Region III asked for a time period to
22 review the facts. After that time period had
23 expired, I called up Region III and they said, we
24 misplaced or lost your report, and it wasn't until
25 two senators from the State of Ohio contacted the NRC

1 to say we're going to reopen this, reinvestigate
2 this. I hope that will not take place in the
3 future, and it's more of putting in the quality than
4 actually addressing --

5 MR. RULAND: You know, I'm really
6 having -- maybe it's my 54-year-old ears or
7 something, I'm really having a difficult time
8 understanding you. Could you get closer to the mike
9 and speak louder would be a great help to me. Thank
10 you very much. Sorry for that, but --

11 MR. GARN: Sure. When I brought
12 this to the attention of the NRC in the summer of
13 1985 --

14 MR. RULAND: Okay, this particular
15 concern you've already told us about, okay.

16 MR. GARN: This report was lost
17 for a period of about 90 days and the response was,
18 well, we don't know, and it wasn't until Senator
19 Glenn and Senator Metzenbaum contacted the NRC did
20 they decide to reopen the case. I hope this would
21 not go to that point in the future.

22 There's been a number of people that's raised
23 concerns at Davis-Besse with the NRC about particular
24 items that have been brought forward. What has
25 happened in those ways and what has accompanied those

1 employees in the past, I think that should also be
2 taken into consideration. There were people that
3 brought this to the attention of the NRC prior to the
4 findings.

5 My question to the NRC is what happened to
6 those findings?

7 MS. LIPA: I'm trying to make
8 sure that I understand your comments, too, but let me
9 tell you one thing.

10 The NRC has a process for people who bring
11 concerns to us, and I don't know if that's what
12 you're talking about or not, but let's just talk a
13 little bit about that process. We do have a process,
14 and if people have safety concerns you can bring it
15 to us, and I think we have a very good process. It's
16 well documented and people are gotten back to.
17 There's time lines established, so if this type of
18 concern that you're talking about from 1985 is
19 brought to us and was misplaced or whatever you're
20 talking about and it took somebody else to reopen the
21 case, then I'm not sure what that would mean for
22 today, but I know that we do have this process, it's
23 called the allegation process, and it works well, so
24 that's one avenue. Now, this might be something
25 slightly different and maybe we could talk later so I

1 could understand better.

2 MR. GARN: Okay.

3 MS. LIPA: Thank you.

4 MR. RULAND: Okay. Any other
5 questions?

6 MR. RIDZON: Paul Ridzon, McDonald
7 Investments. Just, I wanted to get a sense of the
8 next steps here. FENOC has outlined actions they
9 plan to take, and are we going to have more meetings,
10 more surveys, or is it kind of the proof in the
11 pudding for it to be -- has yet to be scheduled
12 inspections, and if you could give some indication as
13 to when you might schedule those inspections.

14 MR. RULAND: Okay. So you're
15 basically asking what -- where do we go from here,
16 what's our process?

17 MR. RIDZON: Yes.

18 MR. RULAND: The Davis-Besse
19 Oversight Panel will -- as a matter of fact, we're
20 going to start this process tomorrow. We'll have an
21 internal meeting where we'll discuss what we heard
22 this evening, decide on a course of -- a course of
23 inspections that we will need to conduct to confirm,
24 validate what we heard this evening. Along those
25 lines, we will also be thinking about the public

1 meeting we have scheduled for January 13th. Right
2 now, it's scheduled as a standard restart -- excuse
3 me, our standard oversight, monthly oversight
4 meeting. That's the way it's scheduled today.

5 We, in addition, once we have this -- once we
6 plan these inspections, we're then going to have to
7 ask ourselves, well, how -- the results that -- we're
8 going to need the results of those inspections for us
9 to be able to make a restart recommendation one way
10 or the other to our management, so, again, we're
11 going to plan those inspections, we're going to have
12 to conduct those inspections. At some point
13 thereafter, maybe coincident with, a restart meeting
14 would have to happen. We would look toward
15 FirstEnergy to tell us when they are ready.
16 Obviously, we're going to be conducting these
17 inspections. In the standard course of business,
18 when we do inspections, we typically debrief with the
19 licensee almost on a daily basis, so they're going to
20 be hearing what we're finding from these inspections,
21 and they are going to be, of course, interested in
22 the results of those inspections, and that would, I
23 would suspect, factor into their decision process
24 about when to ask us to have a restart meeting, so
25 those for sure are the next steps. Let me continue

1 on hypothetically.

2 At some point we'll have a restart meeting,
3 and once we would hear from the licensee that they
4 were ready for restart, the restart, the 0350 Panel
5 would meet, and we would recommend -- either
6 recommend or not that Davis-Besse be authorized to
7 restart. We would make those recommendations to our
8 management, and, specifically, Jim Dire in the --
9 he's the Regional Administrator for Region III and
10 then --

11 MS. LIPA: Not Jim Dire.

12 MR. RULAND: Excuse me, sorry,
13 wrong Regional Administrator, excuse me, Jim
14 Caldwell, Jim Caldwell, the Regional Administrator
15 for Region III, and in collaboration with Jim Dire,
16 who's the Director of NRR, and Sam Collins, who is in
17 the Executive Director's office, a restart decision
18 would be made one way or the other, and we'd move
19 forward from that, so that's kind of -- again, I have
20 not specified any dates about when that back end of
21 the process would happen.

22 MR. RIDZON: Thank you. You gave
23 a very good synopsis at the end of the business
24 portion of the meeting. I was just wondering if you
25 could elaborate a little bit more on what you think

1 FENOC addressed particularly well here and maybe some
2 areas where you still have -- you may have some
3 concerns?

4 MR. RULAND: You mean in tonight's
5 meeting?

6 MR. RIDZON: Yes.

7 MR. RULAND: Well, as I stated at
8 the end of the meeting, one of the things that
9 surprised us a little bit was that FENOC said that
10 Safety Conscious Work Environment at this point
11 was -- Safety Conscious Work Environment at
12 Davis-Besse was ready for restart. Well, that's not
13 a big surprise. It was something that was a little
14 unexpected for us. It's not, you know, in
15 retrospect, it's not that surprising given what the
16 results of their survey found, so we're -- like I
17 said -- like I said before, we're going to have to go
18 out, kick the tires, kind of find out, you know,
19 confirm for us, for ourselves, what -- what folks at
20 the plant are saying, and kind of arrive at our own
21 independent conclusion.

22 Operations, if you noticed, there was kind of
23 a lengthy list of actions they were taking, and given
24 the importance that we placed in Operations, I think
25 that's appropriate, how effective those, you know,

1 how effective those actions are going to be taken.
2 How effective those actions will be remains to be
3 seen, so we're going to go out, and, like I said,
4 we'll go out and check that out.

5 MR. RIDZON: Thank you.

6 MR. RULAND: Anyone else?

7 (NO AUDIBLE RESPONSE).

8 MR. RULAND: I'm going to have to
9 tell Jack Grobe that I scared everybody away.

10 (Laughter).

11 (Brief pause).

12 MR. RULAND: Okay. This concludes
13 the comment portion of our meeting. I thank
14 everyone much -- thank everyone for attending.

15

16

17 THEREUPON, the hearing was adjourned.

18

19

20

21

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CERTIFICATE

STATE OF OHIO)
) ss.
COUNTY OF HURON)

I, Marlene S. Lewis, Stenotype Reporter and Notary Public within and for the State aforesaid, duly commissioned and qualified, do hereby certify that the foregoing, consisting of 118 pages, was taken by me in stenotype and was reduced to writing by me by means of Computer-Aided Transcription; that the foregoing is a true and complete transcript of the proceedings held in that room on the 29th day of December, 2003 before the U.S. Nuclear Regulatory Commission.

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

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office at Wakeman, Ohio this day of , 2004.

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

My commission expires 4/29/04