

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 O350 PANEL  
AND FIRST ENERGY NUCLEAR OPERATING COMPANY  
OAK HARBOR, OHIO

---

Meeting held on Thursday, April 8, 2004, at  
1:00 p.m. at the Oak Harbor High School, Oak Harbor, Ohio,  
taken by me, Marie B. Fresch, Registered Merit Reporter,  
and Notary Public in and for the State of Ohio.

---

PANEL MEMBERS PRESENT:

U. S. NUCLEAR REGULATORY COMMISSION

John "Jack" Grobe,  
Senior Manager, Region III Office  
& Chairman, MC 0350 Panel  
William Ruland, Senior Manager NRR  
& Vice Chairman, MC 0350 Panel  
Christine Lipa, Projects Branch Chief  
Christopher Scott Thomas,  
Senior Resident Inspector  
U.S. NRC Office - Davis-Besse  
John Jacobson, Senior Inspector  
Region III Office

FIRST ENERGY NUCLEAR OPERATING COMPANY

Lew Myers, FENOC Chief Operating Officer  
Robert W. Schrauder,  
Director - Support Services  
Mark Bezilla, Vice President/Plant Manager  
Clark Price, Owner - Restart Action Plan

---

1 MS. LIPA: Good afternoon. I  
2 would like to welcome FirstEnergy and members of the public  
3 for accommodating this meeting today. This is a public  
4 meeting between the NRC Davis-Besse Oversight Panel and  
5 FirstEnergy Nuclear Operating Company.

6 My name is Christine Lipa and I'm with the NRC. I'm  
7 a Branch Chief in the Region III Office, and I'm  
8 responsible for the NRC's Inspection Program at  
9 Davis-Besse.

10 So, we'll go to the next slide, which is, has the  
11 purposes for the meeting today.

12 As you can see, the NRC will be going first in this  
13 meeting today and will be presenting some recent activities  
14 that we've done and our assessment of activities to-date,  
15 and then we'll turn it over to FirstEnergy for a discussion  
16 of their assessment of the startup activities and other  
17 activities going forward.

18 The next slide has the agenda. I would like to  
19 start off with introductions at the NRC's table.

20 To my left is Jack Grobe and he's ~~the~~ a Senior Manager  
21 in the Region III Office in Lisle, Illinois. He's the  
22 Chairman of the Davis-Besse Oversight Panel.

23 Next to Jack is Bill Ruland. Bill is ~~the~~ a Senior  
24 Manager and the -- Senior Manager with the NRC and is the  
25 Vice Chairman of the Oversight Panel and Bill's position is

1 the Director of Project Directorate III in the Division of  
2 Licensing Project Management in headquarters.

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

5 Running our slides today and he will be joining us  
6 up on the stage later is John Jacobson. John is a Senior  
7 Inspector in Region III, and is on the Oversight Panel, and  
8 he has responsibility for the Engineering area.

9 Also in the foyer today on your way in is Nancy  
10 Keller. She is the Resident Office Assistant for the  
11 Resident Inspector Office.

12 And Viktoria Mitlyng is on her way, and she's our  
13 Public Affairs Representative for today.

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

16 MR. MYERS: Yes. Good  
17 afternoon.

18 I'll take a few moments to talk about the people at  
19 the table. Our Plant Manager, Barry Allen, was going to be  
20 here, but he's moving his family up to the Oak Harbor area  
21 and Port Clinton.

22 And then our Operations Manager, Kevin Ostrowski, is  
23 back at our site, so he is not with us today.

24 To my right is Mark Bezilla. Mark is our Site Vice  
25 President, and he is in charge of the Operation at the

1 site.

2 And to our left is Clark Price. Clark has been the  
3 Manager in the 350 Process, and today he's going to discuss  
4 some of his new duties that he's taking on out.

5 In our audience, we have Fred VonAhm. Fred is the  
6 VP of Oversight. And also Gary Leidich. Gary is our  
7 President of FirstEnergy Nuclear Operating Company, here  
8 today.

9 MS. LIPA: Okay, thank you.

10 Then, are there any public officials or representatives of  
11 public officials in the room today?

12 MR. KOEBEL: Carl Koebel,  
13 Ottawa County Commissioner.

14 MS. LIPA: Hi, Carl.

15 MR. ARNDT: Steve Arndt,  
16 Ottawa County Commissioner.

17 MS. LIPA: Welcome, Steve.

18 MR. PAPCUN: John Papcun,  
19 Ottawa County Commissioner.

20 MS. LIPA: Hi, John.

21 MR. WITT: Jere Witt, County  
22 Administrator.

23 MS. LIPA: Thank you, Jere.

24 Okay. This meeting is open to public observation,  
25 obviously. This is a business meeting between the NRC and

1 FirstEnergy. So, at the conclusion of the business portion  
2 of the meeting, but before the meeting is adjourned, we  
3 will have time for public comments and questions.

4 There are several copies of documents in the foyer  
5 that I wanted to talk about briefly. One of them is a set  
6 of slides that I'm using. Another one is a set of slides  
7 that FirstEnergy will be using.

8 I also have a public meeting feedback form that you  
9 can provide information back to us on this meeting. We  
10 also have a copy of the February 26th Recommendation Memo  
11 that the panel used to provide to Jim Caldwell with their  
12 basis for recommending approval of restart.

13 Then, on the way is another stack of documents,  
14 which is the Restart Approval Letter, which was actually  
15 the letter that Jim Caldwell signed to FirstEnergy  
16 approving restart and providing the basis on that. And you  
17 should be able to look for that at the break. Hopefully,  
18 it will be here by then.

19 We are having this meeting transcribed today by  
20 Marie Fresch to maintain a record of the meeting, and we  
21 plan to post the transcript to the webpage in about 3 to 4  
22 weeks. So, it will be important that the speakers use the  
23 microphones today, so that everybody can hear.

24 Then, let's see, what else is on for the rest of the  
25 agenda for today's meeting. We have some more NRC

1 activities, discussions, and then we'll turn it over to the  
2 Licensee. We'll be taking a break after about an hour.  
3 And, then, that will be before we adjourn the meeting with  
4 FENOC, and then we'll take another break and go into the  
5 public comments, for questions of the NRC.

6 So, the next slide talks about some significant NRC  
7 activities since our last public meeting, which was held on  
8 February 12th. That was actually held at Camp Perry.  
9 During that day, we actually had two separate public  
10 meetings. One was an exit meeting, a public exit of two  
11 recent inspections. (microphone problem)

12 So, one was a public exit meeting of two  
13 inspections. Those were the follow-up inspections to the  
14 Restart Readiness Assessment Team, and then the other  
15 inspection results were from the Management and Human  
16 Performance Follow-up Inspection.

17 Then later on that day, we had the public meeting  
18 with FirstEnergy for the Licensee to state the basis for  
19 their request for restart of the facility.

20 The next slide talks about the restart decision that  
21 was made on March 8th. And I wanted to back up a little on  
22 that topic in the timeline.

23 (microphone problem)

24 MS. LIPA: The Restart  
25 decision-making, the panel has been following a very

1 specific -- can you hear me in the back?

2 (microphone problem)

3 MS. LIPA: Obviously, the  
4 panel had been following the Restart Checklist and the  
5 Confirmatory Action Letter items and we've been updating  
6 those on a monthly basis.

7 Then the panel recommended to the Regional  
8 Administrator in this February 26th document that we had in  
9 the foyer, that FENOC's performance was sufficiently  
10 improved to support safe restart and operation. And we  
11 provided that to the Regional Administrator, Jim Caldwell,  
12 in Region III.

13 Then Jim Caldwell considered the restart  
14 recommendation. He reviewed the panel's activities. He  
15 spent a couple of weeks interviewing panel members,  
16 interviewing inspection team leads over the last two  
17 years. He visited the site. And he put together his list  
18 of questions that he had for us.

19 Then he consulted with the, the Executive Director  
20 for Operations, and the Deputy Executive Director for  
21 Operations for Reactors and the Director of NRR. Then on  
22 March 8th is when Jim Caldwell signed the letter that  
23 actually lifted the hold on restart.

24 Then, also the panel, along that time line, we had  
25 briefed the Commission -- Commissioner's Technical

1 Assistant.

2 The basis for the restart decision was the Panel to  
3 determine the Licensee's performance was adequate for safe  
4 restart and operation. We used a very deliberate and  
5 methodical 0350 process. And as I mentioned before, all 31  
6 items of the Restart Checklist are closed, and all six  
7 items on the Confirmatory Action Letter were considered  
8 completed.

9 We did consider as part of our decision ~~and the~~  
10 commitments that the Licensee had submitted in their  
11 Integrated Report to support restart; and that was, what we  
12 call the Cycle 14 Commitments, and they're up to Rev. 3 now  
13 and those are all publicly available on our webpage.

14 Next slide, please.

15 Another important part of the Restart Approval  
16 Letter was that there was a Confirmatory Order in that  
17 letter. That order will ensure effective assessment and  
18 sustained safe performance. It actually requires  
19 FirstEnergy to perform outside assessments, independent  
20 assessments of activities in four areas; Operations,  
21 Corrective Actions, Engineering and the Safety Culture  
22 area.

23 So, those are annual assessments. They're not  
24 self-assessments, they're independent assessments, I guess  
25 is the proper term; annual assessments for five years.



1        There is also specific requirements in this order  
2 for a Mid-Cycle Outage, and to do specific inspections of  
3 the upper and lower vessel head.

4        The next slide talks a little bit about the restart  
5 notification on March 8 when we issued the approval  
6 letter. We had a communications plan to notify the  
7 appropriate people. We notified Senators and Congressmen,  
8 Representatives, Governor of Ohio was telephoned. We also  
9 coordinated with other federal agencies, and informed other  
10 state and local officials. And Jim Caldwell held a press  
11 conference through the bridge lines to provide his  
12 statement and answer questions from the press.

13       Next slide shows what we've done for coverage of  
14 startup activities. We've augmented the Resident Inspector  
15 staff to have round-the-clock coverage beginning with March  
16 9th, which is when the Licensee planned to go to Mode 2,  
17 which was the beginning of startup preparations. Then, we  
18 had a minimum of two inspectors per shift, which included a  
19 Senior Inspector or Senior License Examiner and a Resident  
20 Inspector. So, we had two people per shift for 24 hours a  
21 day for most of the period from March 9 until a hundred  
22 percent power.

23       One exception was during the feedwater system  
24 extended outage, to work on the feedwater valve that we  
25 talked about before, the utility shut back down. And

1 during that period of time, we did go to extended coverage  
2 rather than round-the-clock, to two shifts a day. That was  
3 March 17 through 24. Then, we resumed back to full 24 hour  
4 coverage on March 25 through full power.

5 And the actual performance, our assessment of  
6 performance during that time was that the operator  
7 performance was good. There were a couple of areas of  
8 concern, that we will be holding an exit with the utility  
9 tomorrow. That will be in our inspection report that we'll  
10 publish in about 30 days.

11 There were a couple of issues in the maintenance  
12 area that we had some concerns over. And the Licensee has  
13 corrective actions in place to correct those deficiencies.  
14 But overall, the significant positive observations regard  
15 operator performance.

16 The next slide talks about the ongoing panel  
17 activities and NRC activities for the rest of calendar year  
18 2004.

19 The Oversight Panel will continue to remain in  
20 place. We're reassessing the panel membership and whether  
21 there will be some changes in the post restart period.  
22 That would make sense to make the panel stronger. And in  
23 any case, the panel will remain in place and continue to  
24 assess Licensee's performance.

25 We continue to have a third Resident Inspector.

1 That was authorized for two years, so that will be in place  
2 throughout 2004 and most of 2005.

3 We will be planning specific special inspections  
4 that go beyond the baseline, so Davis-Besse will receive  
5 the baseline inspection that all the other plants in the  
6 nation receive. In addition to the baseline, there will be  
7 additional special inspections as necessary.

8 One area will be to confirm the Licensee actions  
9 that are required by the Confirmatory Order, and also  
10 additional inspections to review the areas that the  
11 Licensee has made commitments in, their improvements plans  
12 that they've committed to. So we'll do special  
13 inspections. We will be doing special inspections on  
14 several of those areas to make sure that those commitments  
15 are on track, and effective.

16 Also, as part of the normal reactor oversight  
17 process, the baseline inspection relies on performance  
18 indicators; and since many of those performance indicators  
19 do not provide meaningful information at this point due to  
20 the extended shutdown, we will be augmenting baseline to  
21 compensate for some of the performance indicators until  
22 those are on full. And, then, obviously, appropriate  
23 enforcement action will be taken following completion of  
24 all investigation activities.

25 So, that's kind of our plan for 2004.

1 The next slide shows ongoing NRC activities. I  
2 mentioned earlier, we have a Resident Inspection Exit  
3 tomorrow and the Resident Inspection Report ended at the  
4 end of March. So, that will, those will continue to be  
5 every 6 or 7 weeks, that will be exiting and issuing a  
6 report.

7 Resident Inspections are ongoing all the time.

8 Continue to review Operational Performance.

9 And right now we're looking at the next Public  
10 Meeting, it's tentatively for May 11, but we have to firm  
11 up our plans before we make that decision. We'll be  
12 posting that appropriately when that decision is made.

13 So, that's all I have for now.

14 Anybody else want to make any comments at the table?

15 Okay. Then, we can go ahead and turn it over to  
16 you, Lew.

17 MR. MYERS: Thank you,

18 Christine.

19 Today we have, it's certainly our pleasure to be  
20 here.

21 (microphone problem)

22 Thank you. It's certainly our pleasure to be here  
23 today with our Davis-Besse plant at hundred percent power.

24 What's more important is that we continue to demonstrate

25 our quest to return the plant to service in such a manner

1 that it's not only back, but will continue to perform  
2 better and go beyond industry standards in safe  
3 operations.

4 Today, we have three desired outcomes. The first,  
5 we would like to demonstrate the steps we have taken to  
6 return the plant to service, actions have been performed in  
7 a safe manner with safety first and with conservatism as  
8 part of our normal behavior.

9 Second, Mark Bezilla will provide you with a  
10 detailed list of the activities that we performed each week  
11 by week, and since our last meeting. And we'll discuss the  
12 areas that are positive and areas that gave us challenges.

13 Finally, Clark Price will provide you with some  
14 information concerning his new assignment, the areas of  
15 Operational Improvement Plan; Post Restart Actions and the  
16 areas concerning Confirmatory Order.

17 Let me take a moment to assess our performance since  
18 the last meeting in our quest for back, better and beyond.

19 First, we received your letter releasing the  
20 restrictions for restart on March 8th. Neither the letter  
21 nor the confirmatory action had any issues that we as a  
22 management team were not aligned with. That resulted in us  
23 being able to return that letter to you signed and approved  
24 within a couple hours. We also believe that independent  
25 assessment is a needed part of our quest of better and

1 beyond.

2 On March 9th, we heated the station up using  
3 nonnuclear heat in our reactor coolant pumps to Mode 3.  
4 That's greater than 280 degrees.

5 On March 11, we made the reactor critical, but below  
6 the point of adding heat in preparation of our low power  
7 fitness testing program.

8 We created criteria for bringing the reactor  
9 critical normally with what we call a plus or minus .5  
10 percent delta K/over K, but that's our criteria.

11 We had administrative criteria was well below that  
12 as we pull the reactor critical. We had some questions and  
13 our staff decided to drive the rods back in to assure we  
14 had a clear understanding, clear understanding of the  
15 response, and then made a boric acid adjustment.

16 We completed low power physics testing as planned  
17 and demonstrated the core behavior. I believe that during  
18 that period of time, my assessment of behaviors was good.

19 On March the 16th, we synchronized to the B grid.  
20 We were approximately 25 percent power, testing our  
21 equipment in preparation where we plan to shut down and do  
22 the overspeed trip testing of the main turbine, and then  
23 make any needed repairs that we found.

24 We found that our feedwater valve 780 did not  
25 operate properly. We formed a decision-making team to

1 determine the cause. I was positive and pleased by the  
2 safety culture and the behavior of that team.

3 We shut the plant down and performed an overspeed  
4 test as planned. Once again, was pleased with the  
5 operations performance and the overall behavior.

6 On March 16th, we were approaching Mode 3. Less  
7 than 280 degrees and was prepared to work on the 780 valve  
8 that we discussed.

9 The one area that we were not pleased with and we're  
10 still not pleased with, it was the removal of the actuator  
11 as we approached Mode 3. We, as a management team, walked  
12 the actuator down, had a clear understanding of the steps  
13 that were going to be taken to ensure a good performance.  
14 We were not pleased as we went forward with the  
15 communication to our staff and the way we implemented that  
16 performance.

17 We then cooled the plant down to Mode 3 on March  
18 17th. I was pleased with the operator performance, both  
19 during the heatup, the startup and the cooldown. It was  
20 not only event-free, but error-free. I believe that our  
21 operators ~~seated~~ demonstrated during that time period ~~are~~ some of the  
22 best industry standards.

23 We then prepared the 780 valve on March 23rd. Our  
24 maintenance and our procurement personnel demonstrated good  
25 ownership of the task once we got into it, and I also

1 believe demonstrated good positive safety cultures during  
2 that time.

3 We heated the plant back up to Mode 3 and took the  
4 reactor critical, not only event free-once again, but  
5 error-free. I'm pleased with the Operations performance.

6 We synchronized to the grid on March 27th as planned  
7 and ended the outage. My overall assessment was good to  
8 very good of the Operations staff. That was an area that  
9 we had as a concern, several months ago.

10 (microphone problem)

11 That was an area of concern, as you remember.

12 We continued to perform our testing and reached the  
13 hundred percent plateau on April 4th. We consistently  
14 demonstrated good decision-making, good conservative  
15 operations, and what I believe is good material condition  
16 of the plant.

17 Let me provide you with some information there. Our  
18 leakage rate today is about .02 gallons per minute  
19 measured. That's the minimum accuracy that demonstrates  
20 good industry performance and a significant improvement in  
21 the margin of safety between past operations. It also  
22 demonstrates good integrity of the Reactor Coolant System.

23 Let me share some other information with you that I  
24 brought today. If you look at our plant as we sit here  
25 today, and you look at our effluent monitors, at the data



1 from 2002 to now, we have reduced the effluent monitors at  
2 this time from a factor we call  $1E-6$  down to  $4E-7$ . A  
3 complete change of ten in performance.

4 You go look at our Containment. You look at the  
5 four monitors in our Containment, the readings have gone  
6 from  $1E-3$ , which is  $10^{-3}$ , to  $7E-5$ ; an improvement  
7 of a hundred.

8 Finally, let's go look at our normal monitors in the  
9 plant, monitoring the dose as we do our work in the plant.  
10 Our, the average monitor, if you look at it in the plant,  
11 is down from like, some of them have gone from 7 milligram  
12 per hour to 0.8 milligram per hour, 7 milligram per hour to  
13 1, or 25 milligram per hour to 1.5. And all are seeing  
14 about a 40 percent reduction in the average area monitor  
15 reading.

16 What does that mean? That means that we've been  
17 successful in material conditions at the plant improving  
18 the margin of safety. Thank you.

19 MR. BEZILLA: Thank you, Lew.

20 Good afternoon. I will briefly walk you through the  
21 past eight weeks, highlighting some of our accomplishments  
22 and challenges on our restart journey.

23 Next slide.

24 During the week of February 8th, we successfully  
25 completed control rod insertion time testing. This is one

1 of the last items finished for the 350 checklist. We  
2 respectfully requested permission to restart Davis-Besse on  
3 February the 12th. Christine had mentioned that earlier.  
4 We supported an emergency plant inspection, and we  
5 maintained the plant in Mode 3 at normal operating  
6 pressure.

7 One challenge of note was to our number one startup  
8 transformer. Our operators had previously identified a  
9 bushing that was leaking some oil. We subsequently removed  
10 that transformer from service and repaired the leaking  
11 joint.

12 Additionally, based on how we had to configure the  
13 transformer to fix that leak, we essentially overhauled the  
14 entire transformer and it should be good for another 20  
15 years.

16 Next slide.

17 During the week of February 15th, we performed  
18 maintenance on the number one Containment Spray Pump  
19 coupling. We had made improvements to this component as we  
20 had done previously to the number two Containment Spray  
21 Pump. I think at a previous meeting I had mentioned we had  
22 done some work on number two. We were planning to do it on  
23 number one. We went ahead and did that work on number  
24 one.

25 We performed our Mode 2 Restart Readiness Reviews.

1 We asked ourselves, are we ready to safely restart  
2 Davis-Besse. We said yes. We performed surveillances on  
3 some safety significance components; number one Decay Heat  
4 Pump, number one Aux Feedwater System -- components.

5 One challenge we had this week was with a  
6 Containment Atmosphere Rad Monitor. We needed to replace a  
7 few, I'll say hard to find, electronic parts. Our  
8 materials group worked hard, scanned I'll say the country;  
9 found the parts for us; and then, we subsequently changed  
10 out those parts and successfully returned that monitor to  
11 service.

12 Next slide, please.

13 During the week of February 22nd, we continued to  
14 ready the secondary side of the plant for restart. We  
15 removed air and added hydrogen to the Main Generator, as an  
16 example.

17 Again, we performed surveillance on some additional  
18 safety significance components; Number One Aux Feedwater  
19 Pump Monthly Test, Number One Emergency Diesel Generator  
20 Monthly Test, and we did some Steam Feedwater Rupture  
21 Control System Test; again, readying the plant for  
22 startup.

23 We received approval from the NRC to conduct a  
24 Mid-cycle. That would be before March of 2005 inspection  
25 of our steam generators. And Christine had also mentioned

1 Above Head Inspection and Below Head Inspection of the  
2 Reactor Vessel.

3 We received and responded to your Draft Order for  
4 Conditions for Restart. Lew had mentioned that earlier  
5 about receiving that, looking it over, and sending it back  
6 and saying we understand and we agree.

7 We conducted an Emergency Preparedness Media Tour,  
8 which was well attended by representatives of the various  
9 medias.

10 And, as you can see in the picture, Mr. Alexander  
11 visited and toured the site on February 26th. And this was  
12 Mr. Alexander's first visit as FirstEnergy's CEO. Tony had  
13 been here before, but not as the CEO.

14 And, in that week, there really were no challenges  
15 of note.

16 During the week of February 29th, we improved the  
17 material condition of some plant equipment. And the one of  
18 note here is our Control Rod Drive motor generator set. We  
19 worked on a couple to improve overall vibration performance  
20 of that equipment.

21 We resolved our final Mode 2 and 1 restraints.

22 We closed up Containment. We had pulled out all our  
23 Rad postings and essentially locked up Containment, and we  
24 performed our personnel airlock leakage surveillance.

25 There were a couple of challenges worth mentioning

1 during this week. First was some oil drops that were  
2 detected by our operators on their daily tours of  
3 Containment. And this was on the 1-2 Reactor Coolant Pump  
4 low motor bearing housing.

5 We inspected the area and we made a decision to  
6 reduce Reactor Coolant System temperature and pressure and  
7 remove that Reactor Coolant Pump from service. We then  
8 went in and addressed the issue, which was really  
9 tightening of some reservoir covers and we cleaned up the  
10 residual oil.

11 We then returned the Reactor Coolant Pump to service  
12 and returned to normal operating pressure within the  
13 Reactor Coolant System.

14 We also looked at our other three Reactor Coolant  
15 Pumps and saw no similar indications.

16 A second challenge we had to deal with was some  
17 debris that had accumulated on our circulating pump suction  
18 screens. We cleaned those screens and then we looked for  
19 the cause. We believe the cause was grass that was  
20 surrounding our cooling tower. The grass grows through the  
21 summer, dies off in the winter. And then the weekend  
22 before we had this problem, we had like 40 to 50 miles per  
23 hour gusts and winds and we believe that was the cause.

24 Lew and I made some personal inspections of the  
25 area. And what we did was we removed the grass and we've

1 stoned that in. So, it looks pretty good now and we  
2 believe we've eliminated the source. So we think that  
3 we're in better stead today and also going towards the  
4 future.

5 Next slide.

6 March the 7th. During the week of March the 7th, we  
7 received permission to restart Davis-Besse. We completed  
8 our final Mode 2 Readiness Reviews. We entered Mode 2 and  
9 actually we entered it a couple times. Lew had mentioned  
10 on the first approach, we realized we weren't going to go  
11 critical on all rods withdrawn. The operators  
12 conservatively inserted all of those rods. We made a  
13 slight Boron adjustment, reperformed our calculations, and  
14 subsequently went to Mode 2 and took the reactor critical.

15 We then performed Zero Power Physics Testing; and  
16 upon completion of Zero Power Physics Testing, we had a  
17 Senior Leadership Review of the results and all those  
18 results were within tolerance within the predictions.

19 One item of note, and I mention this briefly, that  
20 during that first approach to critical when we knew we  
21 weren't going to go critical with all rods out, the  
22 operators took a very conservative decision to put all the  
23 rods in; and we applaud that decision.

24 So, I just wanted to mention that. Again, not  
25 really a challenge, but something of note.

1 Next slide, please.

2 The week of March 14th, we achieved Mode 1, which is  
3 greater than five percent reactor power. We performed an  
4 Effectiveness Assessment and Readiness Review prior to  
5 synchronizing the main turbine generator.

6 We subsequently performed the Main Turbine Overspeed  
7 Trip Testing, as Lew said, and made preparations to return  
8 the plant to Mode 4. During our power escalation, we noted  
9 there was a problem with the Feedwater 780. That's the  
10 main feedwater control rod isolation valve that Lew had  
11 mentioned briefly earlier.

12 We knew we would have to have the main feedwater out  
13 of service to open the valve and conduct repairs. While we  
14 were cooling the plant down, we made preparations to work  
15 this valve. One item that we thought we could act on while  
16 we were cooling down was removal of the motor operator;  
17 however, we weren't sure of the status of the disk in the  
18 stem in that valve.

19 We made preparations to secure the stem and  
20 carefully remove the actuator. However, when we turned  
21 over from day shift to night shift, we did not communicate  
22 a clear picture of what the hazards could be. The night  
23 shift commenced removing the motor operator, and during the  
24 evolution realized that the stem was moving with the  
25 actuator. They stopped, as I would expect them to, and

1 then challenged what they were doing.

2 We, I'll say management considered this a  
3 significant near miss. We created a Standdown Training  
4 Package, and throughout the subsequent weekend and into the  
5 following Monday had standdowns with all of our personnel  
6 to address the failures that had allowed this activity to  
7 proceed to the point where a worker said, "Hey, this  
8 doesn't look right, we need to stop." They should have  
9 known ahead of time it didn't look right and it should have  
10 been a planned stop, not an emergent stop, if you want to  
11 look at it that way.

12 I'll say, as Lew said, we were not pleased with  
13 that. We believe we've taken action to correct that. And  
14 I'll say it was a good opportunity for us to reflect and  
15 recalibrate ourselves.

16 Next slide, please.

17 During week of March 21st, we investigated and  
18 resolved the problem of Feedwater 780. We rebuilt the  
19 valve and changed the way we open the valve. We believe it  
20 was a hydraulic lock issue and we changed the way we now operate  
21 that valve. So, we don't believe we'll have a recurrence.

22 We heated the plant up to normal operating pressure,  
23 near normal operating temperature. We entered Mode 2 and  
24 Mode 1 and synchronized to the grid on March 27th.

25 One note worthy item that challenged us during this



1 week was our Turbine Bypass Valves. We disassembled and I  
2 believe improved the performance of four of six of those  
3 valves. We rebuilt or improved, I'll say, some of the  
4 internal characteristics of those four valves.

5       Additionally, we made actuator adjustments on all  
6 the valves to improve their performance. And then  
7 subsequently, through the planned heatup that week, the  
8 valves did behave pretty well for us. I think we still  
9 have a little bit of tune-up work that we need to do and  
10 some additional adjustments, but overall the valves  
11 performed pretty well for us during that heatup.

12       Next slide, please.

13       During the week of March 28th, we completed our  
14 Nuclear Instrument and Reactor Protection System  
15 Calibrations. We monitored and controlled Plant Chemistry  
16 within specs and within action requirements. And we  
17 watched the plant configuration carefully; this is mostly  
18 on the secondary side of the plant; to make sure we were  
19 cleaning up our condensate, our feedwater, and our heater  
20 drains.

21       And what that really entails is to, you take a  
22 penalty on thermal efficiency by putting the stuff back in  
23 the condenser. That's the most effective way of cleaning  
24 it up and making sure we're not putting contaminants into  
25 the steam generators.

1        We also hosted three Institute of Nuclear Power  
2        Operation groups during that week. One was a previsit by  
3        the Evaluation and Assessment Team that we'll have later  
4        this month and early next month. The second was an  
5        Operations Focus Team that observed operators in simulator  
6        and in the plant. And the third was a group that included  
7        industry peers that took a look at our Aux. Feedwater  
8        System and essentially was a soup-to-nuts look. They  
9        provided us comment and recommendations on how we could  
10       continue to improve the availability and reliability of our  
11       Aux Feedwater System.

12       A couple challenges occurred during this week with  
13       our Integrated Control System. This is a system that when  
14       everything is working fine, all the stations are on  
15       automatic, and to raise power you essentially push a button  
16       and you watch the plant respond.

17       We had two opportunities during the week where we  
18       found abnormal behavior of that system. The operators took  
19       control and took, I'll say, contingent actions if there  
20       would be further problems with the system, and what we  
21       found is we had to change out three electronic boards  
22       within that system. We successfully did that and returned  
23       that system to automatic, and it's behaving well since that  
24       time.

25       Additionally, we needed to adjust our nuclear

1 instruments. And this was based on an in-core detector  
2 versus out-of-core detector correlation test that we  
3 performed around 48 percent power. And this was an  
4 anticipated potential item and we were prepared to do  
5 that. We were not sure we would have to make these  
6 adjustments, but based on the results of the test, we had  
7 to make adjustments and we did make those adjustments.

8 Next slide, please.

9 Now, finally, during the week of April 4th, we  
10 continued the adjustments to our nuclear instruments and  
11 our Reactor Protection System set points and that was per  
12 our plan and per our procedures. We, again, continue to  
13 closely monitor plant chemistry and maintain the plant in a  
14 condition to clean up condensate feedwater and heater  
15 drains.

16 One challenge that we had earlier this week was with  
17 a failure of our D2 Nonsafety Related Bus Normal Feeder  
18 Breaker automatically trip when exercised. And the  
19 sequence there is you close in an alternate feed and when  
20 that alternate feed successfully closes in, the normal feed  
21 automatically opens. We had lost indication of close  
22 status, but we had not obtained indication of open status  
23 on that breaker.

24 What we did was, the operator, I'll say, responded  
25 appropriately. We put a plan together, and then what we

1 did was we essentially moved the plant, de-energized all  
2 the lows off that bus and subsequently removed that breaker  
3 from the bus.

4 And then we restored the bus and then set about to  
5 put a replacement breaker in place. As part of putting the  
6 replacement breaker in place, we found another issue, and  
7 it had to do with a time delay relay, but we believe that  
8 the issue with the time delay relay was associated with a  
9 breaker not opening. And we changed that relay out and  
10 then we successfully put a replacement breaker in,  
11 exercised it a number of times, and then exercised it on  
12 the breaker a number of times.

13 We are currently performing an autopsy on the  
14 removed breaker. It appears there is some mechanical  
15 linkage issues with that breaker, but we're not finished,  
16 so that's preliminary information.

17 In addition, we checked four similar breakers. We  
18 determined that there were twelve other breakers that, I'll  
19 say, fit the category of this breaker. They're all  
20 nonsafety related, and we assessed their performance, and  
21 all those other breakers had performed as expected and  
22 showed no signs of problems.

23 Once we complete our autopsy, hopefully today and/or  
24 tomorrow, we'll assess whether there is any additional  
25 checks or actions that would be appropriate for those

1 sister breakers, if you will.

2 MS. LIPA: Mark, when do you  
3 expect to know what the root cause of the failure was?

4 MR. BEZILLA: I talked to them,  
5 Christine, right before I came over here. They were hoping  
6 to have that finished up by end of business tomorrow.

7 MS. LIPA: Thank you.

8 MR. MYERS: Next slide,  
9 please.

10 So, in conclusion, overall, the plant startup and  
11 challenges were handled in a safe, deliberate, and  
12 conservative manner. That concludes my presentation.

13 MS. LIPA: Mark, I had  
14 another question for you. You mentioned several challenges  
15 that came up over the last couple weeks. I would like your  
16 assessment of work planning and communication within work  
17 planning and execution, especially communication among  
18 departments based on what you've seen.

19 MR. BEZILLA: Christine, that's  
20 a good question. I'll say, in general, I feel pretty good  
21 about the teamwork that we're exhibiting. The Feedwater  
22 780 was an exception and I talked about that. But as an  
23 example, we had our Effectiveness Assessment and Readiness  
24 Review at around 48 percent power prior to proceeding to a  
25 hundred percent power.

1           And as an example of some of the things we  
2   instituted as a result of that meeting, is we had had a few  
3   challenge calls set up, whereas an example, the operators  
4   would be ready or the maintenance guys would be ready to do  
5   an activity and then they would tone out the Senior  
6   Leadership Teams, and then they would walk us through what  
7   they were going to do, and then we would ask a bunch of  
8   questions to make sure we were comfortable with their  
9   knowledge and preparedness to do those activities.

10          We increased the number of challenge calls, based on  
11   our Effectiveness Assessment and Readiness Review and that  
12   was on March 28th.

13          We also wanted to make sure that the chemistry guys  
14   were on those phone calls and to give us constant feedback  
15   on how the primary and secondary chemistry was behaving.

16          We decided to go to an every three hour update call  
17   with our staff, with Senior Leadership Team. So, every 3  
18   hours, 6, 9, 12, 18, 21, 24, 0300 hours, we have a call  
19   with the Shift Manager and with the Work Week Manager and  
20   whoever the Management Representative is at the plant, we  
21   have a Chemistry guy in there, and we have whatever  
22   supervision was actively engaged on the phone. We don't  
23   always have all of them, we have most of them most of the  
24   time.

25          We get a status of the plant. We know what

1 activities are planned. We check on how things are going.  
2 If they have any problems. Did they have any issues. Do  
3 they need any additional help or assistance. And, we think  
4 that's paying dividends for us.

5 An example of that would be our Op Superintendent,  
6 when we were fussing with, I'll say, we're in the position  
7 of the plant one evening; we had that conference call.  
8 Based on that dialogue, what he told me the next morning  
9 when I came in and chatted with him, he said, "Hey, that  
10 call lasted about a half hour." He said, "If we don't get  
11 anything else out of any of these calls the rest of the  
12 way, the dialogue that night would have paid for all the  
13 other conversation that we would have." So, he was very  
14 pleased with the input that he received that enabled him to  
15 make, I'll say, a safe, conservative decision.

16 MR. THOMAS: Mark, what you  
17 just described is not part of your normal functioning of  
18 your plant and scheduling process. It's an interim type of  
19 step.

20 Let me ask a more direct question. How do you see  
21 the performance of communications in regards to turnover  
22 between, say, night shift and day shift, and maintenance  
23 activities between operating crews, and then  
24 interdepartment communications between scheduling and  
25 operations; what you described are ways to improve

1 communications, but they're not typically part of your  
2 normal processes; they're interim fixes or ways to set  
3 expectations or standards.

4 I guess my question is, how do you assess your  
5 organization's performance without those interim measures  
6 or are they needed now?

7 MR. BEZILLA: Good question, Scott.  
8 If you would compare fourth quarter to first quarter;  
9 fourth quarter of 2003 to first quarter of 2004, I would  
10 say we're much, much improved. And in general, I attend  
11 most of those turnover meetings, so I get to listen on how  
12 those guys are communicating. Plus, we have had our Shift  
13 Manager Peer Verifiers at those turnover meetings and I get  
14 those report-outs.

15 With respect to Feedwater 780; again, we've already  
16 talked about; much improved and I'm feeling more  
17 comfortable with the communications that's occurring  
18 between the day shift and the evening shift, work  
19 management, Work Week Manager, Ops Shift Manager, the work,  
20 or excuse me, the Maintenance Superintendents and  
21 Supervisor, so I see a bunch of improved communication  
22 within my organization.

23 MR. MYERS: I think what we're  
24 saying, if you look at where we're at, the plant is up  
25 running. We have the Management Team to continue to



1 implement the standards that we want implemented and to  
2 improve those standards going forward. So, you know, I  
3 don't think it's time for us to back off yet.

4 MR. BEZILLA: If I could add one  
5 more comment to that. We've been in the restart phase,  
6 been at hundred percent here for a few days, but we still  
7 have additional staffing. There is still problems that  
8 we're flushing out. We're dealing with the problems. So,  
9 it's going to be a little while before, I'll say, we're  
10 into normal, I would say probably a couple weeks before  
11 we're in normal. And to answer your question, Scott,  
12 improved, improved communications.

13 MS. LIPA: Okay, anybody else  
14 have any questions for Mark?

15 MR. RULAND: Just a couple  
16 questions, Mark. Your Confirmatory Order that we issued  
17 and you folks accepted, basically had four areas of  
18 independent assessments; it was Operations performance,  
19 quality of Engineering, Corrective Action Program  
20 implementation and Safety Culture improvements.

21 Your presentation directly addressed your Operator  
22 performance during this startup period. I think you  
23 touched on or Lew touched on some, briefly on Safety  
24 Culture. I was wondering if you had any observations about  
25 what you detected in the area of quality of Engineering

1 work that occurred during this period, and the Corrective  
2 Action Program implementation during this period?

3 I realize you might not have that information right  
4 now. I'm just looking for impressions. Do you have any  
5 information in those areas at this point? Recognizing  
6 we're requiring you to do some, some assessments,  
7 independent assessments later.

8 MR. BEZILLA: Good question, Bill.  
9 Just trying to think of a few examples here for you. One  
10 that I'll say, it's a combination Engineering, Maintenance  
11 and Operations, were some of the anomalies we had within  
12 our Integrated Control System. I pick that one because  
13 it's a very sensitive system, and it controls the Reactor  
14 Feedwater Turbine, so it has its tentacles throughout the  
15 entire plant.

16 And when we had those issues, the operators behaved  
17 appropriately. And then we put the team together; we had  
18 our engineers involved, we had our technicians involved,  
19 and we had Operations from what can you do to me while  
20 you're solving this problem. And I think the teamwork  
21 there was very good.

22 We also used some external experience,  
23 engineering-type experience to help us on those, and felt  
24 very comfortable with the rigor that the team had used to  
25 put in place to, I'll say, methodically go through, attempt

1 to identify a problem, and set about how to go, you have to  
2 remove cards and put new cards in. That's always a higher  
3 stress level for me, I'll say, right. And I thought they  
4 did very well on dealing with that specific issue.

5 Lew, do you have other examples?

6 MR. MYERS: If I look back at  
7 some of the milestones we've made. You know, we made some  
8 modifications to our Aux Feedwater Pumps, and you gain  
9 confidence as you test. We've had testing, and the mods  
10 have been running well. The Containment Spray Pumps, the  
11 issues there. We worked on the HPI pumps, haven't had any  
12 issues there.

13 And it's early yet, but our testing is indicating  
14 that the modifications we made -- and the one that really  
15 comes to mind that I think is just marvelous is ETAP,  
16 Electrical Transcient Analysis Program, we did. We were  
17 actually using that this past week when we had the  
18 situation, the situation where we had the, the bus, the bus  
19 breaker failure. If we hadn't had the ETAP done and  
20 understood our electrical system like we did, I don't think  
21 we would have been able to make the decisions that we  
22 made. So, I think ETAP is really a big dividend as far as  
23 those meetings and discussions I heard over in our plant  
24 during that time.

25 So, in general, the thing you work on, the plant

1 came up, it's just pretty good material.

2 I think the other thing is, we changed a lot of  
3 packing out from a Maintenance standpoint; our Packing  
4 Program, Leak Rate Program and Engineering too, and I  
5 described our leakages and what we're seeing from  
6 radiation. A lot of that contributes back to some of the  
7 mod engineering that we did, some of the things that we  
8 did. It's early, but the plant really looks good.

9 MR. RULAND: I reckon.

10 MR. BEZILLA: Bill, maybe a  
11 little closer to home is our Physics Testing and the  
12 In-core Detector to Out-of-core Detector Correlation Test,  
13 I talked about. We had our Reactor Engineers and our  
14 Reactor Protection System Engineer intimately involved with  
15 our Instrumentation Control Technicians; and we went  
16 through and found that we needed to make these  
17 adjustments.

18 We had not done that evolution since I believe '96,  
19 1996. So, we I'll say sat down and prejobbed reviews. We  
20 had the Reactor Protection System Engineer with the  
21 instrumentation control the individuals and do their  
22 oversight. And I'll say that went off eventlessly --  
23 flawlessly, eventlessly, that was good ownership, I  
24 thought, by Reactor Protection System as well as the  
25 Nuclear Engineers working with the management supervision.

1 MR. RULAND: Thank you. I  
2 don't have any more questions.

3 MR. GROBE: I have a couple of  
4 questions and maybe a couple observations.

5 Over the past six weeks or so, you've done four  
6 Readiness Assessments and Effectiveness Reviews prior to  
7 various milestones. Did any of those assessments include  
8 an evaluation of safety focus or safety culture?

9 MR. BEZILLA: Jack, those  
10 Readiness Assessments -- or Effectiveness Assessments  
11 Readiness Reviews, I'll say yes. And I smile a little bit,  
12 because that's like a constant, it's always there. Okay?  
13 It's just constantly with us. We continue to ask our three  
14 questions; are we keeping safety first and foremost, is our  
15 schedule realistic and doable and are you keeping the  
16 communications you want.

17 And pretty religious in my evening and morning  
18 emails out to the troops; and if anybody has any question,  
19 they don't hesitate to send it back and say, why did you do  
20 this, why did you make this decision.

21 We have had some, I'll say, robust discussions on  
22 some of the challenges that we've had in what we've done.  
23 I'll give you an example. Just this morning, I had a  
24 couple of my guys, yesterday, they wanted to do something  
25 and I didn't think I agreed with that. So, we had a lively

1 debate and we ended up doing what they wanted to do.

2 This morning I sent them off a little note saying,  
3 "Hey, I appreciate you speaking up, standing your ground."  
4 And I wanted to make sure they understood my job was to ask  
5 questions, assess risk, and make sure we ended up with the  
6 best solution.

7 So, the answer, Jack, is yes, but it's constant.  
8 It's in the, it's in the environment. Okay?

9 MR. GROBE: Have you seen any  
10 recurrence of the attributes that contributed to the  
11 performance last November on your Safety Culture Safety  
12 Conscious Work Environment Survey?

13 MR. BEZILLA: I would say no,  
14 although, I have a lot of conscious out there and I get  
15 feedback from a number of sources. And, as I said, if they  
16 think I may be off base or if they see something that may  
17 not be exhibiting the perceived right behavior from a  
18 Safety Culture Safety Conscious Work Environment, I get the  
19 feedback just like that (snap). So do my people.

20 MR. MYERS: We're still  
21 asking, the thing that drove us there, the three questions  
22 we're still doing every shift; and other than that, we're  
23 getting positive response from our employees.

24 MR. BEZILLA: From a personal  
25 standpoint, Jack, this is my plant and I own it. Every

1 decision I'm involved with, I go back and ask myself, is  
2 that the right decision, was I safe, safe enough. It may  
3 be a hard question to answer or ask, right, but I churn on  
4 that stuff, and like I said, I get feedback on that; how is  
5 my behavior, and how am I doing it, am I making the right  
6 decisions.

7 MR. GROBE: Very good. Thank  
8 you.

9 The week of February 22, you highlighted that you  
10 did an Emergency Preparedness Media Tour. I understand  
11 folks got an opportunity to get into the plant.

12 I commend you on that. I think it's very important  
13 to expand the knowledge base that the media has of what  
14 goes on in the plant; and a hands-on eyes-on experience are  
15 very beneficial to contribute to their ability to  
16 understand what's going on.

17 One of the purposes of the Confirmatory Order that  
18 we issued and the way in which it's crafted is to ensure  
19 continuing public availability of information, and  
20 consequently the results of those self-assessments are  
21 required as a condition of your license to be publicly  
22 available.

23 So, I would encourage you to continue an aggressive  
24 campaign in making the public aware of what's going on  
25 inside. So, I commend you for that initiative.

1           The estimated critical opposition was not due to  
2 being properly accomplished as far as the boric  
3 concentration coverage. What caused that calculation not  
4 to be correct?

5           MR. BEZILLA:     Okay. It wasn't that  
6 it wasn't -- it wasn't that it wasn't correct, all right.  
7 What we had tried to do was we tried to optimize our  
8 activities. So, what the Reactor Engineers had done was  
9 they had given some Boron concentration that was fairly  
10 high. And then the target rod was up around 297, which is  
11 all rods out is indexed at 300. All right. So, they had  
12 tried to optimize that.

13          And, again, being zero power physics testing per  
14 startup, you have prediction and you have band. Well, the  
15 band was this, the band was this big (indicating). They  
16 narrowed our target to like this (indicating). Because  
17 with no more rods, I can't go critical. Okay.

18          What we saw was as we had gotten close, we knew we  
19 weren't going to get critical at that point. We could have  
20 put the rods in to 150 rod index, which is like 50 percent  
21 on group five, which is the first full group of rods. And  
22 the operators asked a few questions.

23          Their perception was, it was going to take more time  
24 to recalculate the Boron or make adjustments. And they  
25 said, we're not going to sit here, we're going to go ahead



1 and put all the rods back in. They took a very  
2 conservative approach; put the rods in. Like I said, we  
3 applauded that action by the operators.

4 MR. GROBE: Was the operators  
5 assessment that they would not go critical before all rods  
6 out, was that a correct assessment?

7 MR. BEZILLA: That's my belief,  
8 yes.

9 MR. GROBE: How is it your  
10 engineers didn't properly calculate Boron concentration  
11 such as that you would be critical before all rods out?

12 MR. BEZILLA: Well, like I said,  
13 there is a band; based on the best, based on predictions  
14 and the best information they had, they made their  
15 prediction. What we saw is we were off by about 17 parts  
16 per million Boron. And the band was like plus or minus 50  
17 parts per million Boron. This is where we predicted to  
18 be. You could be off by plus or minus 50 parts per million  
19 Boron. We were off by about 17 parts per million.

20 MR. GROBE: If I understand  
21 correctly, they tried to calculate things a little too  
22 closely.

23 MR. BEZILLA: Yes. Yes.

24 MR. GROBE: Okay.

25 MR. MYERS: Like he said, we

1 only, our change was only, we're at 2200 at 50 PPM Boron,  
2 we only changed Boron to 17 PPM.

3 MR. GROBE: I understand.

4 MR. MYERS: That's a real  
5 close, that's within the accuracy of the instruments  
6 almost.

7 MR. GROBE: The Feedwater  
8 Valve, Valve Number 780; you just briefly touched on the  
9 root cause of that failure. Could you go into a little  
10 more detail on the hydraulic issues that caused that valve  
11 to fail?

12 MR. BEZILLA: Yeah, Jack. 780, I  
13 will say, was disturbing to me, because I actually walked  
14 that job down ahead of time with my Maintenance Director;  
15 took me out, showed me what he was going to do, showed me  
16 what his plans were, talked about the engagement he had  
17 from the craft individuals, et cetera.

18 And, essentially what it was, we were going to make  
19 a stem securing device, a clamp; put the clamp on, and  
20 loosen up the stem, and watch for any stem movement. If  
21 you saw any stem movement, you were going to stop and that  
22 was the end of your task. So, that was essentially the  
23 task. Okay.

24 Now, when we went through and laid that out, what we  
25 didn't do is we didn't turn that over. We didn't turn that

1 over at the craft level, the supervisor level, the  
2 management level, the director level. All right. So, from  
3 a communication standpoint we failed. All right.

4 When we actually got into that task, as I said, the  
5 technician and the supervision that was out there, when  
6 they started to loosen the stem that was tight, they had  
7 some conversation, loosened up the actuator bolts and said,  
8 "Hey, we have movement, this isn't right." Tightened  
9 everything back up and stopped. All right. But that was  
10 by surprise, not by prebrief and preview and being ready.  
11 That's where it should have been and it wasn't.

12 We looked at that as, I'll say, an overall failure.  
13 What we did is put together a standdown package and  
14 reviewed that. We walked through each of the barriers,  
15 you know, Management Oversight Barriers, Management  
16 Barriers, Document Barriers and Individual Barriers. We  
17 went through that with each of our employees, because we  
18 thought it was that significant; we considered it a  
19 significant near miss.

20 MR. GROBE: I appreciate  
21 that. I was actually asking a little different question.

22 The stem to disk separation occurred because of some  
23 fracture of the ears on the disk. You indicated you just  
24 never, you made a brief statement that was due to hydraulic  
25 issues. Can you expand on that a little bit; and my

1 particular interest is why those hydraulic issues occurred  
2 now and hadn't been anticipated?

3 MR. BEZILLA: Now I have a  
4 better picture of the question. Okay.

5 MR. GROBE: It was all good  
6 information though, thanks.

7 MR. BEZILLA: What we found,  
8 Jack -- and Kevin, can you go back to, back one more.  
9 Right there.

10 If I may, this is looking into the top of the  
11 valve, all right. What you have in here is you have a stem  
12 and the stem has a square, square end, if you will. And a  
13 round shaft that comes out and then it's attached to an  
14 actuator and motor operator, okay.

15 What happened was, you see these four pieces. These  
16 pieces would have, if you can picture, sort of curled over,  
17 not touched, but curled over. And that stem laid in  
18 there. So, when you pulled on this valve, it would pull  
19 against these pieces that were over there. And the four  
20 pieces are like right here, you can see them.

21 This valve, it's a pretty tight valve. It's not a  
22 split wedge, it's actually a solid wedge disk, if you will.  
23 And down at the bottom, it can flex a little bit, but in  
24 the center, it's solid, and at the top, you can see it can  
25 flex a little, right.

1           What we believed is when we shut that, we had a good  
2 shut-off in there; and when we heated up the plant, the  
3 area in here got full of fluid, if you will. And so when  
4 the actuator tried to pull the valve out, it was  
5 hydraulically locked and we couldn't pull it out.

6           There is a bonnet vent on this, but our procedure  
7 said, "attempt to open the valve, if it fails to open, go  
8 open the bonnet vents and then go open the valve." Well,  
9 we changed our procedure now to say, "go open the bonnet  
10 vents and then go ahead and open the valve." We believe  
11 that will eliminate future problems with that valve.

12           MR. GROBE:           Okay. Thank  
13 you.

14           Just one more comment/question. This week, you had  
15 a failure of the Delta 2 supply breaker; that's a nonsafety  
16 related breaker, but nonetheless, because of the importance  
17 of the electrical power to the safety of the plant, any  
18 breaker failure gets attention by us.

19           For that reason, we dispatched an expert in control  
20 systems, electrical control systems and breaker operation  
21 from the Regional Office to be on site this week,  
22 following your activities in this area.

23           During the course of that response to the breaker  
24 failure, there were a number of concerns regarding internal  
25 communication. I would like to hear any comments you have

1 on those from how significant it appears that your  
2 communication within your own organization wasn't as  
3 effective as it could have been, particularly focusing on  
4 the expectation and schedule for accomplishing a diesel  
5 outage that had been scheduled previously prior to this  
6 failure being identified; and then the communication  
7 between your staff and the Resident Office was equally  
8 challenged, I think, as far as the safety focus that your  
9 organization had scheduled for that diesel outage.

10 Could you now give us any observations in that area;  
11 and I realize you're still in the midst of working this  
12 project.

13 MR. BEZILLA: I can address  
14 that, Jack. I heard a little bit of that, but our intent  
15 had been always solving the problem prior to proceeding  
16 with the number two diesel outage. And, in fact, I had  
17 sent that out in my morning and evening communications to  
18 the site. So, I mean that goes to everybody, right.

19 And it was -- I was clear and I had told them that  
20 they couldn't proceed without my permission as far as the  
21 diesel outage until we had understood and resolved the  
22 problem with the D2 bus. Okay.

23 So, if there was some confusion or mischief, it may  
24 have been guys looking and asking and saying, "Hey, what  
25 would be the risk?" Because we always do that, we always

1 ask what if. I know the guys had asked some of the risk  
2 assessors, "Hey, what would be the risk if we proceed with  
3 the diesel outage and not have the D2 bus back on normal  
4 power supply.

5 So, I know those questions were asked, but as far as  
6 any thoughts of proceeding with the number two diesel, I  
7 don't think that would have occurred. Okay.

8 MR. GROBE: I understand that  
9 was your perspective. And Deputy Director Division of  
10 Reactor Projects in the Region, I was actually out of the  
11 office on Tuesday, but the Deputy Director of Reactor  
12 Projects was following this issue. And the communication  
13 we were getting from the Resident Office wasn't nearly that  
14 clear.

15 And to the point where 7:00 that evening, he called  
16 your Plant Manager, Barry Allen, at home, and received just  
17 as clear communication from Barry as you just articulated.  
18 We did not receive that kind of clear safety focus  
19 communication from your Operations organization, and it  
20 wasn't clear to us at all what your plans were.

21 So, I would encourage you to initiate more  
22 aggressive communications to the Resident Office to make  
23 sure that your plans are clear; and also, Mark, if you  
24 could call Christine to make sure we have a Regional  
25 understanding of what's going on at the site is clear.

1 This is a time of great interest in what's going on  
2 at Davis-Besse, and it's critically important always, even  
3 more so right now, to ensure effective communication.

4 MR. MYERS: Jack, I called you  
5 the other day and sensed some of that. So, I went to talk  
6 to Mark and the other managers. We all believe we knew,  
7 we're all on the same telephone. We first knew the outage  
8 of 24 hours. We didn't know how long it would take us.  
9 And we're asking these questions. And, you know, so, but  
10 we went back, based on the conversation we had with you,  
11 and we're going to try to improve that dialogue each time,  
12 so when we have these conversations, the conversation we  
13 have, we'll notify the Resident every time. So, we're  
14 going to close with that in mind now.

15 MR. GROBE: All right, thank  
16 you.

17 Oh, one more observation. Lew, one of the things  
18 that you identified from your perspective that contributed  
19 significantly to the head degradation was a lack of focus  
20 to problem solving; and created this Problem-Solving  
21 Decision-Making process. You've had the opportunity before  
22 restart and during restart to use that procedure several  
23 times. I think our assessment is, it works very well.

24 MR. MYERS: Yeah.

25 MR. GROBE: So, that's a good



1 improvement.

2 I just wanted to indicate that we're looking  
3 forwards to the opportunity when you get through these  
4 restart equipment problems that we don't have to use it  
5 quite so frequently.

6 MR. MYERS: Let me comment.

7 It's not part of the presentation, but I am extremely, just  
8 extremely pleased with this. I remember a time, a year or  
9 so ago, on Super Bowl Sunday, when we had a problem with  
10 level control. Came out and called all the managers in,  
11 said, "Where is our problem-solving, decision-making?  
12 Where do we think this is coming from? How are we going to  
13 get it together using our process?" Everybody sort of  
14 stared at me.

15 Since that time, we have been using that process  
16 faithfully. What I'm really pleased with lately, I'm just  
17 glowing from the fact that, I was on call yesterday with  
18 our shift manager -- I don't mean the shift manager, the  
19 CA. But they're sitting there and we had an issue. And  
20 he's going right through the steps. At the end he said,  
21 "I'm through with step one. I'm through with section one,  
22 you know." During that time, clearly articulate what the  
23 problem is, the plant's stable, the status of the  
24 plant, what's the problem, who should the players be, what  
25 time and where are we going to meet to solve this

1 particular issue. And he articulated what the issue was  
2 and how we want to solve that.

3 Watching him go through that on his own and the way  
4 he communicated yesterday, it was the highlight of my week,  
5 you know. And I can sit here and tell you, I believe this  
6 from the bottom -- I believe this sincerely, if we had  
7 throughout the history, if he had approached any one of the  
8 CRs the way we just discussed, we would not be here. Any  
9 one of the 27 CRs, you know, if we would have just  
10 approached it that way when we found it, we wouldn't be  
11 here today.

12 So, I do think that's a healthy process. And I'm  
13 just delighted by the way we're using it. Get your best  
14 and brightest in the technical business, get your --  
15 stabilize, get your best and brightest together, make sure  
16 you can articulate the questions, and then what are all the  
17 technical issues that could cause this situation. Not a  
18 bad way to do business, you know.

19 MR. GROBE: Okay. Just  
20 before we move on to Clark, and we'll have time to get to  
21 Clark today, I just wanted to highlight some things  
22 Christine said earlier.

23 MR. THOMAS: Can I ask one more  
24 question?

25 MR. GROBE: Sure, go ahead.

1 MR. THOMAS: The  
2 Problem-Solving Decision-Making procedure, is that process  
3 for everyone that's entered or is that at management  
4 discretion?

5 MR. MYERS: No, I think to  
6 answer your question, if I understand, it's process  
7 driven.

8 MR. THOMAS: Could somebody get  
9 back to me on that tomorrow, walk me through the process  
10 that drives you to using that procedure?

11 MR. BEZILLA: I'll get back to  
12 you, Scott.

13 MR. THOMAS: Well, let me add  
14 to that. I agree with when it's used, it's effective in  
15 determining the problems and getting to the resolution of  
16 those issues, but the, when you enter that process, or  
17 enter that procedure is, I'm unclear on what level of issue  
18 would drive you to use that procedure.

19 MR. MYERS: Let's look at  
20 that.

21 MR. THOMAS: Okay.

22 MR. BEZILLA: I think, Scott,  
23 the EEOP2 drives you to ER2000. I'll show you that  
24 tomorrow.

25 MR. THOMAS: Okay, good.

1           MR. GROBE:        You started  
2 talking Greek there for a minute. I understand.  
3        I just wanted to highlight again Christine's  
4 statement of our observations of your performance and we'll  
5 have an exit meeting tomorrow and I'll be at that meeting  
6 and get a lot more detail, but we had over 30 inspectors  
7 and reactor managers from around the country that assisted  
8 over the last several weeks with our inspection effort to  
9 provide round-the-clock observation of activities. Those  
10 came from all across the country, all four regions.

11       Well, we did identify a number of issues and they're  
12 all fairly low level issues, we'll discuss those in more  
13 detail tomorrow, but the general observation was that the  
14 conduct of operations and control room, control of  
15 evolutions was good.

16       Scott will get feedback from all the inspectors  
17 before they left the site, and some even used the word  
18 strong. That's a positive outcome of our observations.  
19 We expect to continue to see that.

20       Okay, Christine.

21           MS. LIPA:        We're going to  
22 take a ten minute break. So, I have 2:16. So, 2:26 return  
23 please. Thank you.  
24 (Off the record.)

25           MS. LIPA:        Before I turn it

1 over to Clark, I want to mention that Viktoria Mitlyng made  
2 it here; and as promised, there are copies of the March 8th  
3 approval letter on the table in the foyer, if you want to  
4 pick one up.

5 With that, we'll turn it over to Clark.

6 MR. PRICE: Okay, thank you,  
7 Christine.

8 Okay, good afternoon everyone. The desired outcome  
9 of my part of the presentation today is to provide you with  
10 an update of the improvement actions that we have taken  
11 since the last public meeting with our Cycle 14 Operational  
12 Improvement Plan. In addition, I'll be discussing progress  
13 we've been making towards developing plans to meet the  
14 requirements of the March 8th Confirmatory Order.

15 Next slide.

16 Just to revisit a little what we have discussed in  
17 prior public meetings. Our Cycle 14 Operational  
18 Improvement Plan is an extension of our Management/Human  
19 Performance Excellence Building Block Plan. That was one  
20 of the seven Building Blocks we had in our Return to  
21 Service Plan.

22 In that plan, we identified we would have actions  
23 that continue past restart. We have structured our  
24 improvement plan around the concept of four safety barriers  
25 designed to minimize errors and prevent events. Those

1 would be Individual, Program, Management, and Oversight  
2 Barriers. I think you've heard Mark refer to those when we  
3 use those in our assessment process during the restart  
4 process also.

5 The plan serves to further strengthen and anchor the  
6 Lessons Learned and the Corrective Actions we've taken  
7 throughout the return to service of the plant.

8 Next slide.

9 The Operational Plan contains ten improvement  
10 initiatives, and underneath these ten initiatives are 88  
11 individual key actions. As Christine mentioned before,  
12 these are commitments that we've made that are included in  
13 the Op and Integrated Restart Report.

14 Included in that plan are also approximately 40  
15 performance indicators aligned under each of the four  
16 barriers. These indicators are designed to assist us in  
17 determining whether or not we are having the desired  
18 results of the improvement actions that we're taking  
19 underneath the Operational Improvement Plan initiatives.

20 And just to mention right here too, we are currently  
21 in the process of working on a Revision 4 to the  
22 Operational Improvement Plan making some further  
23 refinements on key action items in the performance  
24 indicators and we'll be docketing that to the NRC when we  
25 do that.

1 MS. LIPA: Clark, has have these  
2 performance indicators been finalized yet?

3 MR. PRICE: Yeah, we're in the  
4 process right now, as a matter of fact tomorrow. We did  
5 have an initial meeting on the 26th of March. We went  
6 through all the indicators, did some refinements to those;  
7 and as of tomorrow is the due date for the individuals who  
8 own those performance indicators to have those completed  
9 and to us.

10 I would mention what we're doing with those  
11 performance indicators is we're using performance  
12 indicators that we've developed specifically for the plan.  
13 We have also used performance indicators that are part of  
14 our business plan performance indicators, and also some  
15 that come out of the Employee Concerns Program, performance  
16 indicators are also included in that plan.

17 So, it's a bringing together of several places where  
18 we do performance indicators and looking at them  
19 collectively with a focus on safety, which is what this  
20 plan is for.

21 MS. LIPA: I would like to  
22 suggest that some more detail on these performance  
23 indicators would be a good topic for future meetings.

24 MR. PRICE: Okay.

25 Next slide.

1        Each month we hold a management meeting for the  
2 Operational Improvement Plan. We had, as I just mentioned,  
3 we had our first meeting on March 26th. The meeting is  
4 attended by the site Senior Leadership Team, site managers  
5 and any other owners of key actions.

6        During these meetings, we discuss the status of key  
7 initiative action plans, their coming due in the quarter  
8 and any other long-term management plans that need to be  
9 discussed. We'll also be discussing as action plans are  
10 closed, in the meeting we'll have each of the managers  
11 discuss what they did to accomplish the closure of that  
12 particular action.

13       We also discussed performance indicators, as I just  
14 mentioned. Not only on an individual performance level,  
15 but the beginning of this next meeting, we will be looking  
16 at them collectively and making an assessment as to whether  
17 these performance indicators are the right indicators for  
18 us to assess these barriers. And also seeing whether we're  
19 having an overall improving, declining, or stable  
20 performance at these barriers, safety barriers. So, we're  
21 going to, again, not just look at them individually, but in  
22 a collective sense.

23       At the March meeting, we decided to also track the  
24 other post restart commitments that were made at the  
25 Integrated Restart Report and the supplement to that report



1 in the same fashion. So, we're also right now in the  
2 process of developing action plans for each of those  
3 commitments to management and we'll monitor those in the  
4 same monthly meeting.

5 As part of this meeting this month, we'll also begin  
6 an implementation of the new Safety Culture Monitoring  
7 Business Practice that we'll use to assess the health of  
8 our safety culture in an ongoing basis.

9 Next slide, please.

10 This slide shows an overall status of our  
11 improvement actions to-date. We had 34 improvement actions  
12 that were identified in Appendix A of the Integrated  
13 Restart Report in it's supplement. Eleven of those are  
14 complete. There were 94, or there are 94 improvement  
15 actions identified in the Operational Improvement Plan.  
16 To-date, 29 of those have been closed.

17 And we have Confirmatory Order requirements we are  
18 tracking where we have six commitments identified there.  
19 And I'll be talking about those in a little more detail in  
20 just a few minutes.

21 The next slide has some of the first quarter  
22 accomplishments from the Operational Improvement Plan.  
23 I'll just go through these briefly.

24 We've completed several Operations improvement  
25 actions. As an example, one of the actions was to

1 strengthen communications within Operations through  
2 improved use of orders, standing orders. In order to  
3 provide more consistent written communications to each of  
4 the Operations, making sure each of the shifts get the same  
5 information.

6 Mark always says one of our things we talk about  
7 every morning; if we want to make sure we get it right, we  
8 write it down; to make that communication strong and  
9 lasting and consistent throughout the organization.

10 We developed the second item. We developed a  
11 template to follow for forced outages, so we have  
12 predefined evolutions and preidentified work to perform  
13 based on the plant operating mode, that an unanticipated  
14 outage would place us.

15 Another accomplishment was we completed Safety  
16 Conscious Work Environment Training to site employees,  
17 provided Safety Conscious Work Environment and Safety  
18 Culture Refresher Training to the site supervisors. We  
19 have now provided Safety Conscious Work Environment  
20 Training to the entire site population.

21 And, another item, to improve the implementation of  
22 Corrective Action Program, which is one of the Confirmatory  
23 Order assessment areas. We have completed qualification of  
24 21 apparent cause evaluators to-date and we've also  
25 completed apparent cause training to the site managers.

1           MR. MYERS:        We have now  
2 completed Safety Culture Training and Safety Conscious Work  
3 Environment Training to all of our employees. I don't  
4 know, certainly in this industry, anyone else who has done  
5 this.

6           MR. PRICE:        The next slide  
7 identifies some of the second quarter highlights that we  
8 have, we'll be working on this quarter.

9        We are making additional enhancements to our  
10 Management Observation Program. That program is working  
11 well for us, but we continue to enhance it.

12       We also will be benchmarking both industry and  
13 within FENOC on the area of Conduct of Operations.

14       We have more improvements planned for the work  
15 management processes this quarter, and we have a number of  
16 significant action plans that are identified here. Slated  
17 for completion are the layout schedules and priorities for  
18 much of the work that we'll be accomplishing throughout the  
19 remainder of this operating cycle.

20       Final action of note is Effectiveness Assessment  
21 that we have planned again in the middle of May to assess  
22 the effectiveness of the corrective actions taken in  
23 response to the November 2003 Safety Conscious Work  
24 Environment Survey.

25       Next slide.

1 MR. GROBE: Clark.

2 MR. PRICE: Yes.

3 MR. GROBE: Before we go on to  
4 the Order, I just have a couple of observations, and  
5 questions.

6 Can you produce some sort of status report, a  
7 periodic status report on the Section A and B, Appendix A  
8 and B commitments, the status of those?

9 MR. PRICE: To-date we have  
10 not, Jack. We do track those as part of the regulatory  
11 tracking system. We have reports from that system.  
12 However, what we will be doing going forward is assembling  
13 a package each month for this monthly meeting that will  
14 include all the action plans and all performance  
15 indicators, so there would be a document created each month  
16 that pulls all this together.

17 MR. GROBE: If you could make  
18 sure we would get a copy of that, both Resident and the  
19 Region of and NRR.

20 Second observation. This applies to the commitments  
21 as well as the Order requirements. We've established lead  
22 inspectors for each of the four areas; Safety Culture,  
23 Operations, Engineering, and Corrective Action. And, those  
24 are Geoff Wright for Safety Culture, Dave Passehl for  
25 Corrective Actions, John Jacobson for Engineering, and, of

1 course, Scott Thomas for Operations.

2 If you could, I'm not sure, do you have leads in  
3 those areas or are you the chief cook?

4 MR. PRICE: I have overall  
5 responsibility, but at this point we haven't identified the  
6 leads.

7 MR. GROBE: It's going to be  
8 very important, because I anticipate we're going to be  
9 doing inspections throughout the year as you complete  
10 activities. It's very important that you maintain  
11 knowledge of those four individuals of what your status  
12 is.

13 When you do establish leads, if that's the approach  
14 or however you want us to communicate with the  
15 organization, please let us know and we can work through  
16 Christine on that.

17 MR. PRICE: Okay.

18 MR. GROBE: Final question.  
19 In the restart letter that Jim Caldwell issued, it  
20 indicated that should the scope or depth of any of these  
21 commitments change or should the schedule change that we  
22 expect you to notify us in writing.

23 Indicated at Revision 4 of the Operational  
24 Improvement Plan is being prepared now, so we would expect  
25 to receive that in writing.

1           Have there been, other than Revision 4, are there  
2 any changes in the scope or schedule of any of these  
3 commitments?

4           MR. PRICE:           Apparently, there  
5 are no changes in schedule; there is one action that does  
6 have a slight change in scope.

7           MR. GROBE:           If you could make  
8 sure as you get that close to final, that you communicate  
9 with Christine, we would appreciate it so we know what's  
10 going on there.

11          MR. PRICE:           We'll do that.

12          Yes, as a matter of fact, one of the six items I  
13 mentioned with the Confirmatory Order is to ensure that we  
14 do submit that docketed, and with the requirements that  
15 we're doing, Confirmatory Order, to make sure we document  
16 our reasons for the change.

17          MR. GROBE:           Okay, very good.  
18 Thank you.

19          MR. PRICE:           Okay. Continuing  
20 on then on the Confirmatory Order. This slide, in these  
21 final slides, I would like to discuss the progress we have  
22 made to-date on our plant's fulfilled the Confirmatory  
23 Order requirements established on March 8th, 2004.

24          In general, the order requires annual independent  
25 assessments in five areas for the next five years. The

1 order requires that we provide the NRC with a written plan  
2 90 days prior to each assessment that identifies the scope  
3 and depth of the assessment and the qualifications of the  
4 assessors we choose for those assessments.

5 The order also requires that we provide an  
6 assessment report within 45 days of the assessment  
7 documenting the results of the action assessment; and  
8 action plans that we've identified for the areas for  
9 improvement that come from those assessments.

10 Separate from the annual assessments, the order  
11 requires that we perform a visual bare metal examination of  
12 the reactor vessel upper and lower head penetrations and  
13 control rod drive mechanism flanges during the Mid-Cycle  
14 Outage. That work is currently being scoped into our plan  
15 Mid-Cycle Outage that will begin in mid January of 2005.

16 Next slide, please.

17 We are developing a project plan for managing and  
18 carrying out the requirements of the Confirmatory Order  
19 Assessments. I am the Project Manager of this plan and  
20 Fred von Ahn, FENOC Vice President of Oversight, is the  
21 executive sponsor for the plan.

22 We are developing a business practice to manage the  
23 entire process for these assessments from the beginning to  
24 the end. The business practice has two primary  
25 objectives. First, to ensure that we have full compliance

1 with the Confirmatory Order; and the second is to enhance  
2 our own internal self-assessment capabilities as we gain  
3 lessons learned from these independent assessments, both in  
4 their findings and also techniques and methods that they  
5 use for those assessments. So, we want to learn and gain  
6 experience and improve our self-assessment capability  
7 through this process.

8 We have developed a tentative organizational  
9 structure for the assessment plans. This organization  
10 establishes, has a team approach for the individual  
11 assessments. The assessment teams will typically include  
12 two independent consultants, one of which will be the team  
13 lead, and two independent nonFENOC nuclear utility experts  
14 in the, experts in the assessment areas.

15 To support these teams, our plan is also to, and  
16 also be our second objective in improving our internal  
17 self-assessment capability, we plan to have support teams  
18 which will not participate directly in the assessments, but  
19 will provide assistance and administrative support to the  
20 assessment teams. They will also be responsible for  
21 initiating and facilitating development of the action plans  
22 for any areas identified as needing improvement from these  
23 assessments, which is also a required component of the  
24 assessment report that we must submit to the NRC within 45  
25 days following the assessment.



1 MS. LIPA: So, Clark, are  
2 you saying you're going to have the two independent  
3 consultants and two independent utility folks on each team  
4 ~~or~~ on each of the four assessments or is it going to be the  
5 same team that does all the four assessments?

6 MR. PRICE: It will likely be  
7 different teams for each assessment.

8 MS. LIPA: Thank you.

9 MR. PRICE: As we've been  
10 developing our plan on assessment organization, we're also  
11 looking at adding an in-house assessment integrator to the  
12 team. Like the support team, this assessment integrator  
13 would be more of an indirect participant in the  
14 assessments, but their main responsibility would be to look  
15 at cross-cutting issues and themes that may come out of the  
16 individual assessments, so that we have somebody that's  
17 participating in each one who can see that identified and  
18 will get that identified and get that to our Corrective  
19 Action Program also to address. Somewhat similar what we  
20 did with Safety Conscious Work Environment Survey where we  
21 looked at cross-cutting issues that came out of those.

22 So, we think that would be a value added to this  
23 process and we'll gain some more insight looking at  
24 opportunities there in some cross-cutting areas.

25 Our tentative schedule for performing the 2004

1 Independent Assessments in four assessments areas is shown  
2 here. Our goal is to complete the final assessment this  
3 year in November.

4 We have the first assessment with Operations  
5 scheduled in August, which is fairly aggressive. Because  
6 of the 90 day plant cycle we have, we are working hard to  
7 get the plant, get the team identified, get our business  
8 practice through, and get the plan, this initial plan  
9 submitted to NRC for review.

10 In conclusion, I believe we are developing a  
11 comprehensive plan that meets the requirements established  
12 by the Confirmatory Order. I also believe we have a good  
13 sound Operational Improvement Plan, a process that would  
14 continue to further strengthen and anchor the many  
15 improvements and actions that we have made over the last  
16 two years and ensure the safety -- continued safe, reliable  
17 operation of the plant.

18 That concludes my presentation. I'll turn it over  
19 to Lew for any closing remarks.

20 MR. MYERS: Thank you.

21 MR. GROBE: Before you close,

22 Lew, do we have any questions? Okay.

23 MR. RULAND: I have one  
24 question, Clark. You said that the schedule to prepare for  
25 the Operations' Performance Independent Assessment was

1 aggressive. Could you elaborate a little further? I  
2 mean, clearly the NRC, it's in the NRC's interest and yours  
3 to get the best possible plan, and doubtless assessment.

4 Is there some doubt in your mind that you're not  
5 going, you're going to have a problem coming up with a plan  
6 in sufficient time, or how do you characterize that?

7 MR. PRICE: No, it's just with  
8 the, with an August assessment and the 90 days, it gets us  
9 into the May time frame, middle of May time frame, where we  
10 have to have that plan developed and sent to you. So, we  
11 have a lot of work to do between now and that time to get a  
12 good assessment plan put together. That was my only  
13 comment.

14 MR. RULAND: I understand, but  
15 you're confident that you're going to have a plan that you  
16 think is going to be acceptable to you and of course we're  
17 going to get a chance to look at.

18 MR. PRICE: Yes, we do. These  
19 are obviously target dates for these. Our commitment is to  
20 have them completed before the end of the year. Our desire  
21 is to get them spread out over a period of time so we can  
22 manage them well, not only manage the assessments, but the  
23 results from those assessments, and do it in an organized  
24 managed fashion.

25 To do that, we would like to have one a month

1 starting in August, and to be done in November, so we have  
2 a little cushion at the end of the year in case something  
3 would pervade that schedule, but also allow us to get the  
4 final report submitted then also before the end of the  
5 year.

6 MR. RULAND: Great, thank you.

7 MR. MYERS: Thank you. We  
8 have three desired outcomes today. One was to discuss the  
9 steps that we've taken to return the plant to service in a  
10 safe, conservative manner. I provided our assessment  
11 to-date of our performance and I think that's somewhere in  
12 the good range. We did see some areas for improvement. I  
13 shared those with you.

14 We also wanted to provide you with a timeline. I  
15 think we gave you a detailed timeline of the startup  
16 activities since the last public meeting, and we wanted to  
17 show you the areas that we think we've accomplished well  
18 and some of the challenges that we have. We did that.

19 Then, finally, Clark provided you, I think, with an  
20 update of where we're going with Confirmatory Action  
21 Letter, the Operational Improvement Plan post-restart  
22 here. And, in general, if you go look at our overall  
23 vision that we have, it's people providing a strong safety  
24 focus, a strong safety focus; and we believe that delivers  
25 top fleet operator performance.

1 My message to this team is, we know the party is not  
2 over. We've got more work to do. Our biggest challenge  
3 right now is not getting ~~complaisant~~ complacent; and we, as a  
4 management team, are determined not to let that happen.  
5 And that's all I have, thank you.

6 MR. GROBE: Okay. Thanks,  
7 Lew. I wanted to cover two topics at the end here.

8 First is my impressions of the panel, this panel,  
9 the NRC Oversight Panel, where we're going; and, secondly,  
10 to talk a little about future meetings. Jim Caldwell has  
11 made it clear to me that this panel will provide oversight  
12 assessment and guidance for NRC activities for at least  
13 four quarters. That he would not anticipate any relaxation  
14 of the panel's oversight until it's really into the  
15 Mid-Cycle Outage next year.

16 So, the panel will be providing regular assessment  
17 and guidance for NRC activities until such point in time  
18 that it concludes that Davis-Besse can be returned to the  
19 routine oversight process.

20 As far as future meetings, Christine and Bill are  
21 slipping notes back and forth as far as structure on a  
22 regular basis. I'm thinking it's appropriate that we could  
23 get to a very structured and regular agenda. I don't see  
24 any need for any significant deviations on the agenda.

25 I thought the assessment of facility performance, Mark,

1 was very insightful and I think each time we meet we would  
2 like to hear your assessment of facility performance. As  
3 Christine mentioned, I think presentation of performance on  
4 how your monthly performance of the plant is going.

5 I think the status and results of improvement  
6 initiatives, and the compliance with the order would be an  
7 appropriate thing every time we meet. And, I think also  
8 the results of any other outside assessments. You  
9 mentioned three outside activities that you were, either  
10 had conducted or were preparing for during this  
11 presentation. I think hearing the outcomes of those  
12 assessments will be useful.

13 And then also I am always interested in hearing your  
14 Quality Assessment Organization's perspectives on facility  
15 performance. So, if we could include that on a regular  
16 basis, I think that would be helpful.

17 Are there any other thoughts on content for these  
18 meetings going forward?

19 MR. RULAND: I just have one  
20 comment, Jack. The Mid-Cycle Outage, of course, was part  
21 of the Confirmatory Order. And as you, as we get closer,  
22 I'll be interested in preparations you're making preparing  
23 for that outage. It will touch on not only your inspection  
24 plans, but I would be interested in, well, in your Reactor  
25 Coolant System Integrity Inspection Plans, but also the

1 Steam Generator Two Tube Inspections.

2 As you know, the NRC issued a license amendment in  
3 this area, and I know I and possibly the public are  
4 interested in the Steam Generator Two Tube Inspection.

5 MR. GROBE: Thanks, Bill.

6 As Christine indicated, tentatively we have set  
7 aside May 11 for the next meeting. And we need to finalize  
8 that date and then finalize location and we'll be getting  
9 that out to the public as soon as we can.

10 I anticipate that these meetings will continue on a  
11 fairly regular basis, but I also anticipate planned  
12 activities should get to the point where they're fairly  
13 routine sometime in the future. We may be extending the  
14 time period between these meetings, depending on what's  
15 going on on-site and on the public interest. We'll just  
16 kind of make that decision as things progress.

17 Any other thoughts or comments before we adjourn?

18 Any other comments, Lew?

19 MR. MYERS: No.

20 MR. GROBE: Okay. We stand  
21 adjourned for the first half of this meeting.

22 MS. LIPA: Right. We'll take  
23 a ten minute break and then we'll be available for public  
24 comments and questions. So, I have 5 until 3. That will  
25 be at 3:05. Thank you.

1 (Off the record.)

2 MS. LIPA: Okay. We're  
3 ready for public comments or questions. If anybody has a  
4 question for us or wants to make a comment for the record.  
5 And, there is a sign-in sheet and a microphone staged at  
6 the podium. So, feel free to come on up.

7 In case somebody is thinking about whether they have  
8 a question or not, I want to say tonight at 6:00 we're  
9 going to have another meeting here. That will just be the  
10 NRC talking, and it would be to summarize what we talked  
11 about during the business portion of the meeting, and also  
12 be available to answer comments and questions.

13 Does anybody have any comments or questions for us  
14 now?

15 Okay. Well, the meeting is adjourned then. Thank  
16 you.

17 (Off the record.)

18

19

20

21

22

23

24

25



1 CERTIFICATE

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

8 IN WITNESS WHEREOF, I have hereunto set my hand and  
9 affixed my seal of office at Norwalk, Ohio, on this  
10 11th day of April, 2004.

11

12

13

14

Marie B. Fresch, RMR

15

NOTARY PUBLIC, STATE OF OHIO  
My Commission Expires 10-10-08.

16

17

18

19

20

21

22

23

24

25