

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

+ + + + +

THE GENERIC LETTER ON GRID RELIABILITY

PUBLIC MEETING/WORKSHOP

+ + + + +

TUESDAY,
JANUARY 10, 2006

+ + + + +

BETHESDA, MARYLAND

+ + + + +

The meeting was held in the Waterford Suite at the Hyatt Regency Bethesda, 7400 Wisconsin Avenue, Bethesda, Maryland, Mr. Chip Cameron moderating.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

A-G-E-N-D-A

Industry Initiatives [6](#)

Industry Initiatives Discussion [41](#)

General Discussion [44](#)

Concluding Remarks [109](#)

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

P-R-O-C-E-E-D-I-N-G-S

8:30 a.m.

1
2
3 MODERATOR CAMERON: The NRC Staff has
4 asked me to remind you that they would like you to
5 sign in again today even if you signed in yesterday.
6 And we do have something that's formally called a
7 feedback form which is really meeting evaluation
8 forms, if you could just give us the benefit of any
9 suggestions for improvement in meeting process
10 issues.

11 I believe the forms are already frank so
12 you just to put them in a mailbox or you can leave
13 them with us. I just wanted to summarize a couple
14 of points from yesterday and go through the plan of
15 attack, so to speak, for this morning.

16 We did discuss a number of wide ranging
17 issues yesterday. And keep in mind that we do have
18 that recorded on a transcript. And we're taking a
19 transcript this morning also.

20 Some of the issues we've discussed
21 included specific recommendations for changing the
22 way certain questions in the generic letter are
23 phrased. And Mike Mayfield reiterated a commitment
24 I think that we heard from Jim Dyer and Brian that
25 we would be considering.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 Considering I guess, is the emphasis
2 there, considering those suggestions. NRC Staff,
3 Paul Gill, Steve Alexander, Ronaldo, Tom Koshy,
4 provided an explanation of what the intent behind
5 some of the questions are.

6 The so-called higher goal, as Tom phrased
7 it. We had excellent information from our panelists
8 yesterday. The issue on what's permissible under
9 the FERC rules, there we have our FERC
10 representative with us this morning, I think still
11 had a little bit of some ragged edges on it in terms
12 of clarification for everybody.

13 But Frank Koza's comments from PJM may
14 have put that in perspective for us. Today we have
15 an industry panel on their perspectives on the
16 generic letter and that's going to give us an
17 opportunity to revisit some territory from
18 yesterday, perhaps in a little bit of a more
19 systematic way.

20 And we're going to start with that in a
21 few moments. We have Clair Goddard from INPO, Alex
22 Marion from NEI, and we have Mike Mayfield Division
23 Director, NRC for where this GL is being developed.

24 We have some parking lot issues from
25 yesterday to revisit to see if we capture them this
26 morning, and we do have one more slide that Frank

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 Koza presented yesterday on some specific language
2 in the GL.

3 And we did get a question yesterday that I
4 think is just worthwhile noting because it seems
5 this is a threat or concern that runs through, or
6 that ran through a lot of the discussion yesterday.

7 And I'll just read this, how can NRC claim
8 in the GL that quote, no back fit is either intended
9 or approved in the context of this GL, and continue
10 to insist that the purpose of the GL is to simply
11 gather information and not push for particular
12 answers.

13 And I guess that's that last phrase, not
14 push for particular answers because I think we heard
15 time and time again yesterday from the NRC that at
16 least the intent was not to push for particular
17 answers.

18 But I think that that's going to be a
19 theme again today, and I think that Alex and Clair
20 would -- they'd like to get out of this discussion
21 this morning, and will be useful for us -- is to
22 come up with something we're calling topics for
23 consideration in our best bureaucratic mode instead
24 of action items or punch lists, but specific issues,
25 including the ones that we talked about yesterday
26 for the NRC to consider.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 And we're going to take a break at 10:15.
2 We're lucky enough to have Mr. Jim Dyer and Mr.
3 Brian Sheron with us. They'll be leaving at the
4 break so we want to get going. We were supposed to
5 stop at 12:00 today, and we're going to try to make
6 that.

7 As with yesterday, we'll go over a little
8 bit, but we will adjourn by lunchtime, 12:30,
9 something like that and let you get on with your
10 plans. Now any agenda questions before we go to the
11 panel process issues?

12 Okay, great. We're going to start with
13 Clair Goddard, INPO. Clair?

14 MR. GODDARD: Okay. Thank you, Chip, and
15 good morning. And while that's being loaded --
16 okay, we can leave it there for a minute. I'd like
17 to start by saying, and it will be readily apparent
18 rather quickly that I do not intend to specifically
19 talk about the generic letter, but rather provide
20 you with an update of the activities that INPO is
21 taking on behalf of, and more importantly with
22 support of the industry in the area of transformer
23 switchyards and grid reliability.

24 Okay, can you hear me in the back okay?
25 Okay, thank you. So what I'd like to -- what I
26 intend to do is provide a little bit of a background

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 of our transformer switchyard grid program, which we
2 refer to as TSG, and along the way talk a little bit
3 about the applicable significant operating
4 experience reports, current review visit overview
5 and focus areas, and then at a high level talk about
6 the results that we've seen as a result of
7 conducting those visits over a period of just over a
8 year now.

9 And then in the end I'm going to show you
10 an event trend on reactor scrams induced by grids
11 which are transformer induced events over a multi-
12 year period. It accurate -- or current through
13 2005.

14 I will point out that as you all probably
15 are aware, our operating experience reports,
16 including significant operating experience reports,
17 and the results of all our interactions with our
18 members are private, so I'm by necessity going to
19 talk at a high level without a great deal of detail.

20 That may frustrate you, but that's
21 intentional. You're a little bit ahead of me so
22 just hold on there. Going back to the purpose, the
23 slide talked about the purpose of this presentation,
24 but more importantly the purpose of our activities
25 are to assist our members in minimizing both the
26 frequency and significance of events induced by grid

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 switchyard and transformer problems, and then more
2 specifically to help improve the reliability of
3 large power transformers.

4 Okay. These bullets on this slide show
5 parts of the INPO cornerstone activities that are
6 specifically related to this effort. And it, just
7 at a high level, it starts with our analysis of
8 operating experience.

9 Our operating experience program is a
10 voluntary reporting of events from our member
11 utilities to INPO. And in a typical year we will
12 receive near to 3,000 separate reports of events.

13 And we are continuously evaluating those
14 event reports for trends and areas where we might
15 share lessons learned with the industry to help
16 improve. And a number of lower level operating
17 experience documents are issued.

18 One was referred to yesterday by Mr. Nevius of
19 the NERC when he talked about topical report 440. I
20 don't intend to address that. That's not a document
21 that we would necessarily follow-up on or ask for
22 commitments from our members.

23 But the significant operating experience
24 reports are, and those as you know are based on the
25 more important industry events, the ones where it's
26 worthwhile to evaluate and make specific

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 recommendations to prevent a recurrence of those
2 events, and to minimize their significant should
3 they recur.

4 And then in the review visit area our
5 plans beginning in 2005 are to conduct about 10 to
6 12 of those per year. And they're about a four
7 member team, will get lead by INPO.

8 I'm going to go into more detail on those.
9 And they are very focused. They're comprehensive
10 and focused on the specific issues as they relate to
11 reliability and nuclear safety.

12 And then in the plant evaluation
13 cornerstone we certainly will review aspects of grid
14 switchyard and transformers during plant evals, but
15 that we've put these review visit programs in place,
16 that is our particular method for looking at those.

17 And we will during subsequent plant
18 evaluations follow-up with our members during plant
19 evaluations to see how they resolved our
20 recommendations for improvement. Next slide.

21 This is just an overview of the
22 Significant Operating Experience Reports that have
23 been issued on the topic. As you know, back in 1991
24 the original SOER 99-1 was issued.

25 Some of you may not be aware that that was
26 a World Association of Nuclear Operators, SOER. It

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 was the, I believe, the first one that was ever
2 issued by WANO. And it was based upon experience
3 worldwide.

4 Several events overseas and international
5 went into the development of that document and its
6 recommendations. In 2002 we issued the large power
7 transformer reliability SOER, and that was to
8 address an adverse trend of transients initiated by
9 transformer failures.

10 In most cases those lead to extended plant
11 shutdowns. And then as was stated several times
12 yesterday, after the August 2003 grid we, with
13 industry support, looked at how those affected
14 plants responded. And as was stated all plants
15 responded as they were designed to.

16 However we felt, and the industry felt
17 that there were a number of lessons learned from
18 that event at all those effected stations that could
19 be used to further improve industry performance.

20 And as such we developed an addendum to
21 the SOER which was issued in late 2004. I already
22 stated but it's worth mentioning again that the
23 purpose of the recommendations are to establish
24 barriers to minimize the potential for recurrence of
25 events, and also to minimize the consequences of
26 those events should they occur.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 And equipment reliability is a principle
2 focus of both of those SOERs. As a commitment of
3 membership our members are obligated to implement
4 SOER recommendations and to do so with timeliness.

5 Based on the significance of an SOER they
6 will have up to six months to develop action plans
7 for addressing the recommendations. And after that
8 six month period we will begin reviewing those
9 recommendations, typically as part of a plant
10 evaluation.

11 However, when we revised SOER 99-1 and
12 increased its scope, we felt that the review visits
13 were beneficial to allow us to look into those
14 recommendations with much greater depth, so that was
15 a strategy we implemented.

16 And this slide provides an overview of the
17 review visit. They are, as I've already said,
18 separate from plant evaluations, but we do treat
19 them as an evaluation. They are entirely evaluative
20 in nature.

21 They are one week, in-depth, very
22 comprehensive review onsite. What's not on the
23 slide is the preparation time that the team will put
24 into getting ready for the visit based on plant
25 specific operating experience reviews, data reviews,
26 and that sort of thing.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 The team is lead by INPO, and I'd like to
2 introduce to the group, for those of you who don't
3 know him, Mr. Shawn Simon, and he's standing in the
4 back there. He is Senior Evaluator in our
5 Engineering Configuration Management Group, and he
6 does serve as the INPO lead on most of these visits.

7 But he is heavily supported with industry
8 peers. And I know also that many people in this room
9 either have already participated on a review visit
10 or intent to in the future.

11 I highlight that because the peers are an
12 extremely valuable aspect of this program. They not
13 only provide real time experience and in-depth
14 knowledge on the technical details of these areas,
15 but by participating on this effort they are able to
16 not only transfer their knowledge to the plant where
17 the review visit if occurring, but to also take back
18 lessons learned to their own utilities for sharing
19 within their organization.

20 The review visit is conducted using our
21 INPO performance objectives and criteria, and in
22 addition we have developed technical guidance for
23 this program that's also used.

24 But in both cases we're reviewing these
25 programs to standards of excellence. So we're

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 looking for every worthwhile improvement to further
2 strengthen those barriers to events.

3 We share our guidance. It is posted on
4 out member website so that throughout the industry
5 we're only doing 10 to 12 of these review visits per
6 year. But our intent and our expectation is that
7 our members will use that guidance when they conduct
8 their own self-evaluation activities in this area.

9 And we're looking for them not to not only
10 use it, but to provide us feedback. And then I've
11 already mentioned the follow-up during next --
12 during next -- during the subsequent plant
13 evaluation.

14 That's an important part of this program,
15 to put the hook into our member to take actions on
16 the recommendations that we believe is part of this
17 activity. These are the focus areas of the review
18 visit.

19 First of the communication coordination
20 between the nuclear power plant and its grid
21 operator. And within that scope we're looking at
22 maintenance planning and coordination, requirements
23 for notifications between the plant and grid
24 operator, and the formal agreements and implementing
25 procedures to guide those activities.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 Second area is the adequacy and
2 operability of offsite power, which includes a
3 verification of design assumptions for reliability
4 and stability of the grid. Look at the plant
5 engineering's understanding of the effects of plant
6 and grid changes on offsite power needs and
7 adequacy, and then thirdly looking at the predictive
8 and preventative maintenance activities for large
9 power transformers and switchyard equipment.

10 And we're looking at the equipment that
11 supports the reliability of the offsite power supply
12 and is in addition to those things focused
13 internally. So far we've completed 14 visits.

14 The first two were done late in 2004 and
15 we conducted those as pilots. And we did that as
16 part of a utility effort for self-assessment. And
17 out of that we developed this review visit program
18 that really started in 2005.

19 And we've done 12 reviews this year. One
20 of those was a self-assessment of utility that we
21 supplied an individual as a member of that self-
22 evaluation team and credited it to this program
23 because the utility did a very thorough job, used
24 our guidelines, and did develop good recommendations
25 for improvement which -- and we received a copy of
26 the report to follow-up on.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 As a said, we're really focused on
2 identifying areas for further improvement, so out of
3 these review visits it wouldn't be a surprise that
4 most of our recommendations are focused in that
5 area, about 86 percent.

6 And we have written over 150
7 recommendations as part of this program so far. And
8 we've also identified some beneficial practices,
9 about 14 percent of the findings. In the beneficial
10 practice area it's important to state that the
11 things that we're going to identify in this category
12 are only those things that we think are particularly
13 useful for sharing across the industry.

14 Many activities that we review when we're
15 onsite are done adequately and we don't see problems
16 with. But we're not going to share those with the
17 industry just because they don't really add much
18 value.

19 We're looking for the value added here,
20 the innovative ways of doing business. All of our
21 beneficial practices and recommendations are posted
22 on our members website similar to the guidance for
23 performing these review visits so that at any time a
24 plant who is -- has not had a review visit, or even
25 if they had one early on, can go to the website and

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 see what the teams are identifying now in these
2 areas.

3 And we're also working on a letter to send
4 to our members that will share the results of this
5 program to date. So these are the highlights of the
6 recommendations, and again these are areas for
7 improvement.

8 The first is that we've noted some
9 improvements are needed in interface procedures.
10 And that specifically is there's a need for clarity
11 for operator actions and grid operator time
12 requirements involved with notifications.

13 And I say this, this is not necessarily to
14 mean that in every review visit we identify all
15 these issues, but these are the more prominent
16 recommendations. Secondly is improvements are
17 needed with procedures for exchange review and
18 analysis of engineering data, and specifically as it
19 relates to offsite power requirements.

20 We've seen some cases where the procedures
21 at eh plant site and at the grid location have
22 different data or different acceptance criteria.
23 And last, improvements are needed with communicating
24 the status of the real time contingency analysis
25 program for those plants that do have it, or those
26 TSOs that have it.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 In the area of adequacy of offsite power
2 we found some issues with design calculations. And
3 in the most extreme case we found where a design set
4 point calculation indicated that the plant could
5 unnecessarily separate from the preferred offsite
6 power supply and start and load to the diesels, when
7 obviously the offsite power supply is acceptable.

8 We've seen some cases where design changes
9 have been made in the switchyard area that were not
10 conducted under the plant's design change process
11 and therefore bypassed a 50.59 process.

12 And then last grid operator analysis tools
13 and plant design calculations -- again at the
14 nuclear power plant versus the TSo we found
15 differences in post-trip bus voltage requirements.

16 And the predictive and preventative
17 maintenance area, we've -- in the first one, this is
18 specifically focused to the main power transformers,
19 large power transformers. We've seen some
20 weaknesses in the utilities, having identified spare
21 transformers and in having good plans to replace
22 those transformers should a failure occur.

23 It's particularly important because there
24 are a number of utilities who are experiencing high
25 gassing in their main transformers, which is an
26 indicator that a failure may be imminent.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 And then in the area of risk assessment,
2 we're looking at this more broadly than just looking
3 at the probabilistic risk assessment area. We're
4 also looking at operational risk for the plant in
5 reviewing this area.

6 And we've seen the following issues crop
7 up, and that is system component maintenance
8 deferrals by the transmission operator are not being
9 always included in the risk analysis.

10 The component operational limitations
11 similarly not included. And more importantly, at
12 the plant site we've seen the detail of some of the
13 work packages was insufficient to support a thorough
14 risk analysis, particular for operational risk.

15 In the beneficial practice area a few
16 things worth highlighting. The first is that
17 several utilities and their TSOs have established
18 oversight committees for the grid and switchyard
19 work.

20 And they have worked together quite well
21 to share information focused on achieving high
22 reliability and safety in the switchyards and
23 transformer and offsite power supply. Guidelines for
24 communication and work planning, and particular for
25 those plants that have established single points of

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 contact for funneling all those activities through,
2 we see that as a positive.

3 And then the risk assessment model
4 including substation details certainly enhances the
5 ability to do a thorough review. This last graph is
6 current through 2005. What this shows is the number
7 of scrams that were caused per year.

8 And looking left to right at these various
9 histograms, you see the robin egg blue is the number
10 of scrams that were induced by the grid. And in
11 that category what we mean by that is the part of
12 the switchyard and beyond there the nuclear power
13 plant has very limited control of the equipment or
14 activities.

15 Next, in the darker -- or in the green are
16 the number of scrams caused by switchyard problems.
17 And those include the activities and equipment which
18 are directly under station control.

19 And then last, the gray is our scrams
20 caused by main transformer and support systems
21 problems. And then the black bar is the total
22 number of scrams for all those categories.

23 So you can see that obviously in 2003,
24 2004, we had a higher number of events, and it has
25 been said multiple times, even if you back out, the

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 August 2003 blackout, the data there was still
2 anomalous on the high side.

3 But the good news is since 2003 we've seen
4 a steady improvement, 2005 is actually the fewest
5 number of scrams caused by these factors since 2001,
6 2002, which were the best years in this data.

7 We at INPO, we do look at this information
8 quarterly to make these assessments and these data
9 points. So we have it quarterly but this happens to
10 go through the year.

11 Before I close I just have a couple things
12 I also want to mention. They're not on a slide, but
13 I mentioned the peers already. But I guess what I'd
14 like to make not is a plea for those of you who may
15 not have participated on a peer review that we could
16 use your help.

17 And if you are interested I'd appreciate
18 you talking to Shawn or me at the break. And then
19 secondly is that we have seen a positive impact of
20 the owner's group and the switchyard committees to
21 move from knowing what is required based on the
22 Significant Operating Experience Reports that were
23 issued to now putting that into practice, how to do
24 it, and in implementing those procedures and
25 information exchanges more effectively.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 And through this program we are getting
2 that information shared out through our member
3 utilities.

4 MODERATOR CAMERON: Okay, thank you Clair.
5 As Clair noted, is presentation was on INPO
6 activities and not directly on items in the generic
7 letter. You will get a chance to ask Clair
8 questions about his presentation.

9 And I think Alex is also going to pool in
10 some of the INPO information perhaps, into his
11 presentation. But I just want to tell you that if
12 you want to ask Clair questions there will be an
13 opportunity for that. And Alex, are you --

14 MR. MARION: Yes, I'm ready.

15 MODERATOR CAMERON: -- ready?

16 MR. MARION: Good morning. Good morning,
17 okay. There are a number of points I want to bring
18 up. I don't have a presentation package per say.
19 But yesterday afternoon I received some input from
20 some of the utilities here on things that they felt
21 needed to be raised relative to what's going to
22 happen with this generic letter going forward.

23 But before I go into that I'm going to
24 take a minute and explain what NEI does. And you
25 may all think oh no, here we go again, but I think

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 it's important to understand that there are two
2 things that we focus on on behalf of there industry.

3 One is an understanding of the technical
4 issue that the NRC is struggling with, or the
5 regulatory issue, if you will. So you can translate
6 that to the safety concern or the compliance
7 concern.

8 And Gordon Clefton, who's here with me, he
9 and I don't sit in our office and just make these
10 things up when we submit comments to the NRC on a
11 generic communication. We receive a significant
12 amount of input and guidance from the utilities on
13 what positions to take with the NRC.

14 And this not only relates to generic
15 communications, but it also relates to rulemaking,
16 inspection findings, resolutions of generic issues.
17 We spend a tremendous amount of time working with
18 the NRC and trying to get a problem definition, if
19 you will, or an understanding of what the concern is
20 or an understanding of the issue.

21 Ninety-nine percent of the time when
22 that's established the solution is straightforward
23 relative to what the NRC needs to do as a regulatory
24 body, or what the industry needs to do in areas that
25 fall within the governance of INPO for example.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 In the case of grid reliability it should
2 be clear that the industry has undertaken a number
3 of initiatives, most of which are focused under the
4 INPO organization with these review visits.

5 And that's a positive, proactive effort on
6 out part. And as all of you know, when you start
7 looking at programs and processes and activities,
8 you are going to identify things.

9 You're going to have findings, and those
10 findings will be put on the table, evaluated and
11 resolved, and that process is in place on the part
12 of the industry. I do want to say that right now it
13 appears that there's an impasse between the industry
14 and the NRC.

15 And it's just a perception, but the issue
16 gets down to a full, clear, definitive understanding
17 of the regulatory process, especially with regard to
18 generic communications.

19 And I'm not talking about this generic
20 letter specifically, although this is one example
21 and there are several others that are currently in
22 process in which the industry submits comments based
23 upon our understanding of the safety aspect of the
24 concern or the regulatory compliance aspect of the
25 concern, and then we find out in the final analysis

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 when the NRC issues that the final product that our
2 comments are essentially dismissed.

3 In a separate effort, I've suggested to
4 the NRC that we need to have a public meeting after
5 the comments are submitted, hopefully before the
6 final decision is made, to get a clear understanding
7 of what the rationale is relative to NRC's
8 disposition of industry comments.

9 We need to get that understanding, because
10 right now I see an impasse and I don't see that
11 being bridged at all at this particular point in
12 time. So I'd like to put that on the table, and
13 that's something that we will be following up
14 separately with the NRC.

15 So it gets down to where are we in this
16 particular topical area, and I must admit from the
17 discussions yesterday and some of the discussions
18 we've had over the past several months with NRC
19 senior managers including the Commissioners, there
20 are several perceptions that exist.

21 And I'm not going to say whether they're
22 right or wrong, but I just want to put these on the
23 table. There's a perception that the grid is
24 unreliable. There was a perception stated
25 yesterday, I think by one of the NRC Staff

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 presenters, that diesel generators or emergency AC
2 power sources may be unreliable and unavailable.

3 There's a perception that during the
4 summer the grid is more susceptible to problems.
5 And then there's a perception that utilities are not
6 in compliance with NRC regulatory requirements.

7 And I characterize that as a perception
8 because it's been recently documented by the NRC in
9 independent studies that they are in compliance with
10 the regulatory requirements.

11 So that leads to what I think we have is a
12 sense of confusion and some uncertainty on part of
13 the licensees in terms of what the NRC expectation
14 is. Again, I don't think the problem has been
15 defined.

16 I don't think the concern has really been
17 clearly articulated. But be that as it may, there
18 were a lot of comments yesterday relative to the
19 anxiety level on the part of the licensees in
20 responding to this generic letter.

21 And we didn't really get into that
22 discussion in terms of why, but I do want to capture
23 that thought and I would ask the licensees after
24 this session is over, during the Q and A session, if
25 you want to offer your perspectives it would be
26 greatly appreciated.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 But let me just indicate there should be a
2 clear basis for NRC requesting information from a
3 licensee on an emergent issue that's been
4 identified, an issue that raises a question about
5 the safety of the plants, or a question about
6 regulatory compliance.

7 And given that, it should raise a question
8 about the adequacy of the licensing basis of the
9 plants, which includes the NRC's regulations, as
10 well as the responses and commitments and
11 obligations the utilities have to implement those
12 regulations.

13 And such an information request should be
14 focused on the information that the NRC needs to
15 they can make a decision as a regulatory body on
16 what future actions they need to take.

17 And the information requested in the
18 generic letter focuses on things that -- things, by
19 things I mean programs and processes and activities
20 that are not in control, or under the control of an
21 individual licensee.

22 Made it very clear yesterday that the grid
23 that the plants are connected to today is different
24 than that which the plants were licensed to.
25 Granted, that's a fact. The configurations, the

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 hardware if you will, between the plant and the grid
2 are probably for the most part the same.

3 The key difference is the responsibility
4 for operating and maintaining of the grid in many
5 cases, I think it's about two thirds of the industry
6 is controlled by other entities than the licensees.

7 So I think the reality is that we need to
8 -- the NRC needs to come to grips with, given that's
9 the environment today what changes need to be made
10 in their regulations to deal with that kind of
11 environment, recognizing the licensees are not in
12 control today as they were 25, 30 years ago.

13 If you give me a few minutes I'll be able
14 to give you an answer to that question. But I think
15 that's one of the questions that the NRC needs to
16 come to grips with. The current use of the
17 provisions of 50.54(f) in generic communication
18 results in the legally binding commitment on the
19 part of the licensee to respond under oath and
20 affirmation that the answers to the questions and
21 that the information is valid and correct.

22 Again, you're asking the licensees to make
23 -- to docket a commitment on things, programs and
24 activities, that they don't have direct control
25 over. I think that is the greatest contributor to
26 the anxiety level that you sensed yesterday.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 And again, I would ask the utilities to
2 offer their perspectives on that. But more
3 importantly, the request for information should
4 focus on existing information that was used by the
5 NRC as a regulatory agency to grant an operating
6 license to that power plant.

7 And that suggests that the information
8 should be bounded by the current licensing basis.
9 The subject matter of some of the questions does not
10 relate to the licensing basis information.

11 It's fundamentally clear to the industry,
12 and it should be fundamentally clear to the NRC. So
13 you've got this potential regulatory commitment that
14 a licensee is expected to make over things that the
15 licensee does not have control over.

16 That creates some anxiety within the
17 industry. And I would think -- we heard yesterday
18 from a couple of the Staff presentations they
19 acknowledge that some of the questions don't relate
20 to things that are part of the regulatory
21 requirements, okay.

22 We seem to have an understanding of what
23 arena we're playing in here. We need to come to
24 grips with a better understanding of what needs to
25 be done going forward. And I would offer from our
26 sense of the comments that were raised yesterday,

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 there are several areas that are extremely important
2 relative to further clarification.

3 There was a suggestion that definitions of
4 terminology would be really helpful because certain
5 terms used in a nuclear power plant do not mean the
6 same thing when you go outside the fence and beyond
7 the switchyard.

8 And by that I mean the terminology means
9 something different or it means nothing at all to a
10 transmission systems operator. And we talked about
11 PRA risk analysis.

12 To suggest that a licensee has to assure
13 that a system operator's going to assess the risk of
14 the grid on the plant makes no sense. It makes no
15 sense at all. So again, what is it that we're
16 trying to address and how's the best way to address
17 it.

18 We already talked about the TFCs. I
19 preferred action items, but I'll settle for TFCs. I
20 received some input from utilities yesterday that
21 the 60 day comment period may not be sufficient,
22 primarily because again they have to work with other
23 organization who have their own priorities and
24 schedules and get information so that they can
25 provide a timely response to the questions.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 And some of you utility attendees have
2 specifics in that regard. I'm sure that would be
3 appreciated. There is still some confusion on the
4 FERC standard of conduct issue.

5 I sensed from the discussion yesterday
6 that it's clear that the utilities can provide --
7 well, the utilities as generators, generator owner
8 operators, can provide information to other
9 stakeholders in the grid.

10 But it's not clear that the other
11 stakeholders can provide information back to the
12 generators. And I think given that the NRC has an
13 MOA with the Federal Energy Regulatory Commission
14 and the North American Electrical Reliability
15 Organization that you can pose a question and get an
16 answer to that sooner than later.

17 There was one of the questions that was
18 raised about making an operability determination
19 when you lose the -- when you have a loss of the --
20 and I'm drawing a -- RTCA, thank you -- software.

21 And that's an interesting one because it
22 leads to the perception that everyone is relying on
23 a software package. And it think the comments from
24 Frank Koza from PJM were very insightful in terms of
25 what they have within the PJM in terms of redundant
26 software.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 And remember Frank said that PJM has
2 backup software and they also, if they lose the
3 backup, the transmission system operators, and it
4 think there are 16, 18 of them, have the same
5 software.

6 So they have backup and backup. And that
7 -- the statements that I think that Mr. Koza
8 provided in his one slide in response to that
9 question should be adequate and sufficient and
10 clearly responsive to what the NRC is asking, I
11 think, based upon, okay, based up what our
12 understanding is of the question.

13 Now granted, that only applies to the PJM
14 utilities. It doesn't apply to everyone, okay. And
15 I also think the other perspective is that Mr. Koza
16 offered on the questions -- other questions were
17 very useful.

18 We need to come to grips with that,
19 otherwise the NRC's going to get responses to the
20 questions, and the NRC's not going to be able to
21 disposition those responses without follow-up
22 activity.

23 And we're going to be back here next year
24 going through the same thing. And it's shameful if
25 we do because there's no reason why we can't come to

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 a common understanding of what the expectations are
2 and what's the best way to gather that information.

3 One can argue that it seems if the NRC is
4 interested in getting information on a programs and
5 processes and activities of transmission system
6 operators, then why can't you request that
7 information through FERC and NERC, given that you
8 have a memorandum of understanding, a memorandum of
9 agreement.

10 I don't know, but that's something that
11 should be considered. General design criteria 17 is
12 a huge influence in terms of the regulatory basis.
13 The plants were licensed. The configurations, for
14 the most part, are still there.

15 The question is how do we operate and
16 maintain the grid to provide some assurance that
17 you've got preferred offsite power sources. I think
18 what you heard yesterday from the work that's being
19 done by NERC under the -- and implementing the
20 provisions of the Energy Policy Act of 2005, as well
21 as the work that's being done by the North American
22 Electrical Reliability Council relative to
23 developing the reliability standards, and we got an
24 update yesterday, as well as them becoming the
25 Electric Reliability Organization, which is one of
26 the requirements of the Energy Policy Act, make it

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 very clear that there are efforts within the bulk
2 power system stakeholder community, and I apologize
3 if that doesn't represent them but that's the best I
4 can come up with right now, that there are a lot of
5 things that they're doing to improve the situation
6 of the grid and respond to the recommendations from
7 the U.S.-Canadian Task Force that investigated the
8 August 14th, 2003 event.

9 So there's a lot of work going on in that
10 arena. We -- finally we have a task force. One of
11 the things that we do is get together a group of
12 industry experts on a topical area.

13 And on grid reliability we have a task
14 force of utility experts, and many of them are here
15 today. And we're having a meeting this afternoon
16 and we're going to talk about what have we gained
17 from this workshop.

18 And one of the things that we may do is
19 submit a letter to the NRC offering our perspectives
20 as an industry with input from the task force on
21 what should be clarified with regard to the
22 questions posed in the generic letter as we
23 understand the generic letter.

24 And that's the one that was issued in the
25 SECY paper. And I would ask the task force members
26 to give it some thought because when we get together

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 this afternoon we want a definitive course of action
2 in that regard.

3 That completes everything I wanted to put
4 on the table today, and I'd like to thank you for
5 the opportunity. I don't know if you want to
6 respond.

7 MODERATOR CAMERON: Okay.

8 MR. MARION: Oh, there is one more item,
9 can I -- I'm sorry.

10 MODERATOR CAMERON: I'm sorry, you've
11 stopped.

12 MR. MARION: I can't remember who made the
13 comment yesterday on a temporary instruction being
14 developed, or under development or being considered.
15 And this question I have for Mike is given that it's
16 imminent that a generic letter is going to go out in
17 some form or another, what is the role of the
18 temporary instruction relative to the generic letter
19 and the kind of information that's being gathered?

20 Recognize the TI hasn't been drafted yet,
21 but I wonder if you can speak to that in some
22 manner.

23 MODERATOR CAMERON: Mike?

24 MR. MAYFIELD: Let me deal with the last
25 one first. The role of the TI, I -- because of the

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 timing of the generic letter, we didn't get it out
2 as early as we would have liked.

3 Our preference would have been to rely on
4 the generic letter, the responses, our assessment of
5 them, and use that as the basis for going into the
6 summer of 2006. Timing didn't permit that.

7 So we've already stated looking at putting
8 together a TI that will probably look much like the
9 one from last year, to assess -- and building on
10 what we did and didn't learn from last year.

11 So it's probably going to look much like
12 the one from summer of 2005. Looking at a snapshot,
13 so if we're going to do that with the TI why proceed
14 with a generic letter, the TIs are a snapshot, a
15 look at some specific item.

16 The generic letter takes us to a greater
17 level of depth that will hopefully provide a basis
18 as we go forward so that we're -- the ideal
19 situation is we're not really doing this each and
20 every year, or if we're having to do something each
21 year it's a lot more focused than where we're been
22 able to be.

23 So what are we going to do? It's probably
24 going to look much like last years, but we haven't
25 drafted it yet, we haven't put it together. We
26 haven't had consultation with the regional

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 inspectors that are going to have to implement this
2 thing.

3 So it would be a little premature to try
4 and be specific about what it is or isn't, but it's
5 going to be a snapshot to let us look forward into
6 the summer of 2006, and to be able to provide the
7 Commission some confidence that utilities are ready
8 to move forward.

9 Your comments on the process for public
10 meetings, Alex, that's something that with both Jim
11 Dyer and Brian Sheron here, I suspect they've heard
12 that view before, so we'll look at that as -- in
13 terms of process space as we go forward.

14 Your comment that the generic letter is
15 asking licensees to commit to programs and processes
16 over which they have no control, I don't think we
17 see it that way. Rather we see it as requesting
18 information about the programs and processes you
19 have for your stations that relate to assuring
20 compliance with the regulations that we've talked
21 about, that the interaction with the grid operators
22 so that you assure yourselves that you have a
23 reliable source of offsite power.

24 It's not us trying to get you to control
25 the grid or us trying to control the grid, it's
26 asking you what do you do, what questions do you

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 ask, what programs do you have that deal with
2 assuring yourselves that you have a reliable source
3 of offsite power.

4 So it's not -- if the source, you know, a
5 source of angst with the generic letter is asking
6 people to commit to processes over which -- that
7 they don't control, that's not what we think we're
8 asking.

9 We think we're asking about what programs
10 do you have at your station. What programs and
11 processes do you have for interacting with the grid
12 so that you do in fact have a reliable source of
13 offsite power?

14 The terminology issue we heard, we
15 understand, we'll -- that struck us, sort of struck
16 a nerve. We want to make sure that we're writing
17 down definitions as we understand that, and then at
18 least be clear on it.

19 So if there is a different understanding
20 between the nuclear power plants and the grid
21 operators that that difference in understanding,
22 difference in terminology can be worked out as part
23 of their interface activities.

24 The 60 day comment period one, we need to
25 move on with this, the notion that gee it's going to
26 take a lot longer to sort these things out. We

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 think that, and there was a lot of discussion
2 yesterday about communication between the plants and
3 the TSOs being key.

4 We agree. I guess when I was hearing that
5 dialog I found it somewhat comforting that indeed in
6 some form or another that dialog it basically taking
7 place. Given that the dialog's taking place, I'm
8 not clear on why we would need, why you would need a
9 whole lot longer than 60 days to put that together
10 and answer the questions.

11 The FERC standard of conduct issues, as I
12 said yesterday afternoon, if you are seeing that
13 interface, there's some legal prohibition to the
14 exchanges, you need to write that down.

15 That's a pretty good answer to that
16 question. And then with those specifics we can go
17 and engage FERC. And I think you heard Susan Court
18 say yesterday that yes, that's something.

19 One, she was expressing some frustration,
20 I think was her word, at the dialog, at what she was
21 hearing back. At the same time I could clearly hear
22 frustration from many of you over what you saw or
23 have been told is a legal prohibition.

24 So if in fact you see that -- you see that
25 as a legal prohibition, that'd be a really good
26 answer to that question, and it gives both us and

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 FERC something that we can work on as we move
2 forward.

3 As we want information about how the
4 transmission system actually operates, as Alex has
5 suggested, we have a pretty good dialog with both
6 FERC and NERC. And we can and have gotten that
7 information.

8 What we're trying to do with the generic
9 letter is go to what you're doing in your
10 interactions with that transmission system operator,
11 and how you are dealing with that interface, how you
12 assess seasonal variation for -- as you put that
13 into your maintenance activities, and how you're
14 dealing with station blackout issues.

15 So it's not gee what's your ISo doing
16 other than the degree you need to engage with that
17 to be able to reassure yourselves if you've got
18 reliable offsite power, that you know what you're
19 doing and how you're assessing seasonal variation,
20 weather related issues.

21 One of the things that did come out is,
22 gee there's something going on in all four seasons.
23 Yes, there's something going on in all four seasons.
24 So the issue is how do you decide.

25 What's your process for assessing when to
26 impose maintenance versus when to back away from it,

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 reschedule it, or once you're into an evolution back
2 out of it? So our interest is what's your process,
3 not what's the TSOs process, but what are you doing.

4 So I've probably missed some of your
5 points, but hopefully we got to the key one.

6 MODERATOR CAMERON: Okay, thanks Mike.
7 And I guess I just, before we open it up to
8 everybody, would just make a few comments based on
9 yesterday. And even though, as Mike is giving you
10 the NRC's understanding perspective on some of the
11 issues that Alex raises, I think that when the Staff
12 goes back to evaluate the results of this workshop,
13 the Staff will be looking at some of these issues.

14 Alex started with the clear understanding
15 of terminology. Jennifer gave us a couple of
16 examples yesterday on problems, and one of the big
17 ones that Dick from Southern California Edison,
18 raised is this whole difference between system or
19 service reliability and grid reliability.

20 And I don't want to lose track of the fact
21 that we spent a lot of time on question 2f in the GL
22 yesterday, the whole issue of the RTCA and whether
23 it's operability or risk.

24 Mr. Thorson raised that. Initially Keith
25 had a suggestion for revising the language of 2f,

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 and also the suggestion was made to move it from
2 operability to risk. So that is in the transcript.

3 Another issue that Mike said we would take
4 a look at, this issue of periodic checking with the
5 TSo, the whole do we expect there to be a call
6 center set up. And I think Mike squashed that idea.

7

8 MR. MAYFIELD: Yes.

9 MODERATOR CAMERON: That wasn't within the
10 intent. But that's another issue that came up
11 yesterday. And there was a lot of discussion about
12 that when it became clear from the NRC Staff
13 explaining well here's the intent of the question,
14 here's what we're trying to determine, that there
15 were a whole lot of things that the industry was
16 worried about, do we need to do this, do we need to
17 answer this, that there were some suggestions that
18 maybe it might be good to context what's not
19 expected, even in a general way.

20 And with that I'll just open it up to all
21 of you to either emphasize, amplify on some issues
22 that Alex brought up, to bring up other issues that
23 the NRC should consider in deciding whether and how
24 to adjust the GL.

25 And we'll go to this gentleman right here.
26 Yes, sir?

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 MR. LEAKE: I'm Harvey Leake with Palo
2 Verde, and I wanted to point out a couple of issues
3 in the generic letter that I think demonstrate some
4 of these points. 2h is an example of something
5 that's outside of the licensee's control.

6 It says if an RTCA program is not
7 available, the NPP's TSo, are there any plans for
8 the TSo to contain one, if so when? First of all,
9 the NRC had stated that the intention is not to
10 require licensees to utilize RTCAs, and I'm not
11 quite sure why this would be a relevant question, if
12 the licensee is able to demonstrate that there are
13 other means to ensure operability of offsite power.

14 And obviously installation of RTCA is
15 something that would be done by the Transmission
16 Organization, not the nuclear plant. And even if
17 the nuclear plant had this information, I'm not sure
18 they'd necessarily want to share it with the NRC.

19 The other one is 3 alpha, which gets into
20 a whole new definition of operability that we've
21 never seen before, which is that if tripping of a
22 transmission line causes low voltage at a nuclear
23 power plant, then offsite power is inoperable.

24 The definition of operability in
25 regulatory guide 1.93 is the capability to affect a
26 safe shutdown and mitigate the effects of an

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 accident. If you take this to it's logical
2 conclusion you'd say that all nuclear plants now
3 have inoperable offsite power be the lines coming
4 into the plant, if they were to trip, would put that
5 bus line to diesel.

6 So I think this is an example of a new
7 requirement, a back fit type thing that's kind of
8 crept into this.

9 MODERATOR CAMERON: Thanks Harvey. I take
10 it from your first point about 2h is just amplifying
11 on Alex's point in terms of the RTCA and the PJM
12 discussion. All right, and let's go to -- let's
13 hear from Bruce from -- on FERC issues, Bruce Poole,
14 FERC.

15 MR. POOLE: Yes, Bruce Poole from FERC. I
16 would like to ask Mr. Goddard a question. On the 14
17 evaluations you've done, was anybody from NRC or EEI
18 involved on the team?

19 MR. GODDARD: The question was any EEI or
20 --

21 MR. POOLE: NERC.

22 MR. GODDARD: NERC personnel on our teams.
23 And I'm going to defer to Shawn. I do not believe
24 so. I think we've worked with NERC and have --
25 okay. And I'd like to wait until he gets back.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 I'm certain that we have not had personnel
2 from EEI participating.

3 MR. POOLE: Okay.

4 MR. GODDARD: Maybe Dave can help with.

5 MR. NEVIUS: I'm sorry, I couldn't hear
6 Bruce's question.

7 MR. GODDARD: The question was have any
8 NERC personnel participated as a peer on one of
9 INPO's review visits.

10 MR. NEVIUS: No.

11 MODERATOR CAMERON: We need to get this on
12 the record so I'm going to borrow this back and go
13 to David and Shawn as needed to answer the question.
14 David, you heard the --

15 MR. NEVIUS: Yes, NERC has not
16 participated on any of the INPO evaluation visits.
17 We have sent a couple of our folks to some of the
18 INPO training sessions because we're doing a
19 somewhat similar evaluation through our readiness
20 audit process.

21 We have had some INPO people participate
22 in NERC readiness audits and give us their feedback
23 on our process, so we have done it that way. Shawn?
24 I don't know whether Shawn wants to jump in on it.
25 You didn't hear the question, but --

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 MR. SIMON: That's okay. All right, in
2 the early stages we sent folks to support NERC to
3 get their program up and running.

4 MR. GODDARD: Shawn, the question was have
5 we had any personnel from EEI participate on any of
6 these review visits?

7 MR. SIMON: Not that I'm aware of.

8 MODERATOR CAMERON: Okay. Thank you. And
9 Bruce, I'm assuming that answers your question. And
10 let's go to Mr. Thorson for either new or old
11 comments.

12 MR. THORSON: A new one this time. James
13 Thorson, Detroit Edison. I'm looking at question
14 2g, which essentially asks after an unscheduled
15 inadvertent trip of the nuclear power plant are the
16 resultant switchyard voltages verified by procedure
17 to be bounded by the voltages predicted by the RTCA.

18 And to me this seems like it's essentially
19 asking the question are you benchmarking your
20 software to make sure the RTCA results are worth
21 looking at, all right. So you take actual plant
22 data, compare it to your RTCA, and then hopefully
23 one would make changes in the RTCA to make it more -
24 - I guess more useful.

25 Again, here's cases where -- I understand
26 the NRC is asking -- they're stating we're not

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 trying to regulate the grid operator, but it sounds
2 like you're trying to use the licensee to regulate
3 the grid operator.

4 And that -- I just would like to hear your
5 comments on that.

6 MR. MAYFIELD: Well let me try it a little
7 differently. You, as a plant operator, have an
8 expectation based on your interactions with the grid
9 operator, what your post-trip switchyard voltage is
10 going to look like, right?

11 I mean it think everybody has that, at
12 least you should. At least I think you should.
13 Everybody's got that. You trip, and that voltage is
14 substantively lower. Seems to me that's something
15 that should distress the plant, never mind the grid,
16 that your expectation, the boundaries of your
17 operation aren't living up to what you thought you
18 were going to have.

19 And it strikes me, that's something that
20 you'd want to -- you'd want to come to deal with and
21 we want to know how you're, you know, do you look at
22 it, and how do you satisfy yourselves that you're
23 within the bounds that you've anticipated for your
24 operation.

25 MODERATOR CAMERON: Okay, let's get some
26 other perspectives on that, and --

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 MR. MAYFIELD: Ronaldo -- Chip, Ronaldo
2 acted like he had something he wanted to say.

3 MODERATOR CAMERON: Yes, that's -- right
4 here for Ronaldo -- and I just wanted to -- and then
5 we'll go to George. I just wanted to make sure that
6 -- we need to capture everything in the microphone
7 for the transcript, and just one person at a time
8 speaking so that we can do that.

9 Let's go to Ronaldo and then we'll go over
10 to George.

11 MR. JENKINS: Ronaldo Jenkins, NRR. The -
12 - sometimes when folks are not dealing with this
13 particular issue, many of the -- it seems like as if
14 we're pulling this out of the air.

15 There's a long history, a long regulatory
16 history of where particular -- these questions are
17 coming from. For example, the last one that you
18 noted, 2g, the -- in the power system, the PSB-1,
19 which is part of the standard review plan, having to
20 do with the section on adequacy of station voltages,
21 and this goes back to the old issue of will safety
22 related equipment operate under the voltages that
23 are being provided from the switchyard.

24 One of the sections there talks about a
25 recommendation from the Staff that if you're going
26 to do computer analysis that that computer analysis

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 be validated. And there's a -- I think it's 3
2 percent tolerance between what the actual
3 occurrences, that is the actual events, what the
4 program predicted, and what -- basically what the
5 program predicted and what the actual results are.

6 So by the way, we also brought that up
7 under the 2001, 2000 period when we were talking to
8 NEI on this issue as far as verifying models are
9 correct. So the idea behind this 2h is that if you
10 have a computer program that you're relying on,
11 there's implied verification.

12 And here's a way that you, in fact, can do
13 that. So it's not implying a particular requirement,
14 it's asking if you have information that validates,
15 or some way of knowing that that program is in fact
16 doing what you would expect it to do.

17 MODERATOR CAMERON: Thanks Ronaldo. And I
18 think we're back into the -- we're looking for
19 information versus people thinking that we're
20 implying new requirements here. Do you have --
21 before we go to George do you have one more thing to
22 say on that? Is this a new issue?

23 MR. THORSON: No, same one. Just a
24 follow-up, I guess, and that is if the intent is to
25 make sure that the grid operators are in fact doing
26 a good job of validating their models based on post-

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 trip data for nuclear power plants, perhaps the new
2 NERC guidelines are getting set to come up for TSOs.

3 It might serve the industry better if
4 those NERC guidelines contain some sort of
5 recommendation or requirement that post-trip
6 validation in software occur, because I don't have
7 control of that.

8 MODERATOR CAMERON: Okay, we'll see if
9 David from NERC has anything to say on that point
10 after we here from George. George? This is on this
11 --

12 MR. ATTARIAN: Thank you, George Attarian,
13 Progress Energy. I am on the same theme, and I do
14 take exception to what Mr. Mayfield said with
15 respect to what are you doing as a licensee as
16 opposed to getting involved in what transmissions
17 and the ISOs are doing.

18 If you read the purpose of the generic
19 letter item number 1 and some part in item number 2
20 talks about the use of protocols between the nuclear
21 power plant, the transmission system operator, TOS,
22 independent system operator or reliability
23 coordinator authority, and the use of real time
24 contingency analysis software, and equivalent state
25 of the art software program by TSOs to assist
26 nuclear power plants monitoring the grid.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 You are absolutely right. It is a
2 condition that when we have to look at offsite power
3 we have to make sure that that offsite power is
4 within the limits of the analysis that has been
5 performed.

6 However, I have to disagree with respect
7 to our level of what you're expecting on this
8 generic letter and what is coming forth from the
9 other side of the organization. As a good licensee I
10 could take the approach of just basically saying
11 calmly when I'm in trouble because they have these
12 analyses.

13 I trust their organization to do that.
14 That answer is not going to be accepted. The answer
15 that we're going to be looking at -- looking for, or
16 as a good licensee that I would be looking for is I
17 have to know how they're doing it.

18 I have to know what the bounds of those
19 limitations are. I need to know how they're
20 operating their grid in support of these
21 limitations. Otherwise I can't accept an answer
22 just call me when you're outside these bounds.

23 So I feel as if I have to know that I have
24 to have some level of understanding. And when I
25 respond to this generic letter on the 50.9 where
26 organizations do not have the same level of

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 procedures that I can control or I can see that they
2 do not have an appendix B calculation program that
3 does the analysis to determine this for me.

4 I find it very difficult to make a
5 statement what are you doing as viewed as a licensee
6 as opposed to we have to know what they're doing on
7 the other side to respond in a 50.9 sense.

8 MODERATOR CAMERON: Okay, thank you.
9 Thank you very much George. David, did you want to
10 say anything about what Mr. Thorson said? I think
11 he does. David?

12 MR. NEVIUS: Yes. Dave Nevius, NERC. The
13 draft standard that we have underway -- I know Terry
14 is still here, yes. It doesn't explicitly refer to
15 validating the models with actual results, but I
16 think it's something that the drafting team would be
17 glad to consider putting in there more explicitly as
18 a requirement.

19 It's certainly -- modeling is an issue.
20 Model validation is an issue throughout the bulk
21 electric system. It's not unique to the nuclear
22 plant requirements. And we learned a lot from the
23 2003 blackout that not all the predictive models
24 were perfectly accurate.

25 And we are developing some overall
26 standards in another area on model validation in

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 general, but there's no reason there couldn't be
2 something included in this standard and in the
3 agreements between nuclear plants and transmission
4 system operators regarding this specific point. I
5 think it's a good one.

6 MODERATOR CAMERON: Thank you Dave. Okay.
7 Let's hear from other people on either amplification
8 of some of the issues of concern that have already
9 been brought up or new issues.

10 We have one of our key NRC Staff people,
11 Paul Gill, who wants to say something here. Paul?

12 MR. GILL: Paul Gill from NRR, electrical
13 branch. Just in response to Mr. Leake's concern
14 about question, I think it was 2h, the thing is that
15 if you look at the generic letter, RTCA is the term
16 that we use to identify any online, offline type of
17 programs that you can use to do predictive type of
18 analysis, such as grid stability, load flow,
19 whatever it is.

20 Okay, so let's not get hung up that it is
21 RTCA is a program, a particular one, okay. It's
22 anything that you -- it's a tool that you use to
23 predict, you know, the grid in terms of, you know,
24 how stable it is.

25 Now you're reading the question 2h in sort
26 of a, you know, in absence of looking at question 2i

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 and 2j, okay. So you need to read the whole context
2 of the question 2h is being asked.

3 If you go to 2i it says okay, if you don't
4 have the RTCA program does your TSo perform periodic
5 studies to verify adequate offsite power capability,
6 including accurate NPP post-trip switchyard
7 voltages.

8 Okay, it goes on to say are the key
9 assumptions and parameters of those periodic studies
10 translated into the TSo guidance. So what we are
11 saying is that if he doesn't have an RTCA that's
12 fine.

13 Is he going to get one? No. That's fine.
14 Does he do periodic studies? Yes. Does the
15 assumptions that he uses in that study are
16 translated to the operation site of that
17 transmission system so that you can then assure
18 yourself, or the TSo can assure that your licensing
19 basis, assumptions in your licensing basis are met
20 and kept, you know, current.

21 That's what this whole question is leading
22 to. It's not just 2h. It's not 2h or -- you know,
23 you need to read 2h, 2i, and j. Okay. Now, and
24 going onto question 3a, as you mentioned, now as I
25 discussed yesterday in my discussion, the licensing
26 basis of every nuclear power plant when the license

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 was granted it included the loss of the largest
2 supply, and I said we could assume that to be the
3 nuclear unit which happens to be the largest one, or
4 the critical transmission line, or the largest load.

5 Now that's basically question 2a is
6 talking about. It's not a new requirement, it is
7 your existing current licensing basis. And what we
8 want to make sure is that now since the grid is no
9 longer under your control, it's being operated by a
10 third party.

11 So therefore if that third party tells you
12 you're not going to meet your minimum voltage
13 requirements in the switchyard, what actions are you
14 going to take? Are you going to declare your
15 offsite inoperable or not?

16 Now we have had notification for a number
17 of licensees last year that came in and said, gee
18 TSo told us that you're not going to meet your m in
19 voltage requirements so therefore we -- they entered
20 into the tech. specs.

21 And then they came out of it after, you
22 know, system was restored to where they would have
23 adequate voltage. So 3a is basically asking what,
24 you know, your existing requirements.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 This is not a new requirement. It's not a
2 new, you know, regulation that we are imposing upon,
3 okay? Thank you.

4 MODERATOR CAMERON: Okay, thanks for that
5 clarification, Paul, on both 2h and 3a. And we'll
6 have some pushback so to speak on that in a minute.
7 I want to give -- Brian Sheron has a question or a
8 comment on something Alex said. Brian?

9 MR. SHERON: Yes. This is Brian Sheron.
10 I just want to reiterate, because I've heard,
11 listening to the discussion here, a lot of concern
12 about, gee you're asking us to control something
13 that we don't have any responsibility for and the
14 like.

15 And I want to point out, you know, we
16 understand that. We understand that you may not
17 have any control over your transmission system
18 operator in terms of your transmission system
19 operator may say no I don't want to have a protocol
20 and alert you or whatever, and the like.

21 That's fine. That's a legitimate answer
22 to the generic letter, okay. What we're looking --
23 we're not saying you're not in compliance. Alex
24 seemed to think that we were saying you're not in
25 compliance.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 What we're concerned about though is that
2 if then, if you tell us I don't have any protocol, I
3 don't know what's going on with my grid because my
4 TSo is not obligated to provide me certain
5 information.

6 But then if you go into a maintenance rule
7 for example, and say -- which says I have to assess,
8 okay, and take action, whatever, okay, if you make a
9 decision that says even though I don't know what's
10 going on with my grid, I'm going to take this piece
11 of equipment out of service and put the plant in a
12 high risk situation, then yes, there may be a
13 violation of regulations and we may go forward with
14 enforcement.

15 Okay, so you need to understand that we're
16 going to be looking at this from there standpoint of
17 not so much, you know, if I don't have a protocol
18 with my TSo then I'm in violation, but it's going to
19 be how do you operate your plant under those
20 conditions, okay.

21 We may have to go back and look and see if
22 you have a tech. spec that we granted that allows
23 you a 14 day diesel generator allowed outage time
24 that says you can tear up your diesel and everything
25 while you're online, for 14 days, okay, and then we

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 get some indication that you may not know what the
2 condition of your grid is.

3 We may have to go back and revisit that
4 decision, okay, if that decision, if part of your
5 basis for justifying that 14 days was a risk
6 argument and a reliability of your grid.

7 So you know, please understand we're not
8 saying you must have these protocols and the like
9 that you say you don't have control over in order to
10 be in compliance. If you don't have them, we
11 understand that.

12 We recognize we can't force you. We don't
13 regulate the TSOs. But we will take a hard look at
14 how you are operating your plant in light of that.

15 MODERATOR CAMERON: Okay, thank you Brian.
16 And we do have a couple of other NRC questions and
17 comments. But I want to make sure that we hear a
18 response to some things that Paul said in the spirit
19 of trying to clarify some issues.

20 If there's still a problem with that we
21 just want to hear them and get that on record, and
22 then we'll go on. And as -- if anybody has some
23 questions for Brian based on his comment now, we
24 want to go there too.

25 Now Harvey, do you have something to say
26 in response to Paul?

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 MR. LEAKE: Harvey Leake, Palo Verde. I
2 am hearing a little bit of what I'd call revisionist
3 history here. If you really look back at the
4 history, when plants were originally licensed, the
5 concept of post-trip voltage was not there.

6 And if anybody has anybody documents to
7 the contrary I'd like to see them. This was a
8 realization that came up probably in the past ten
9 years where the focus really became that we do need
10 to ensure adequate post-trip voltage to avoid double
11 sequencing and make sure that we meet the definition
12 of operability per Reg. Guide 1.93.

13 Now the criteria that Paul was mentioning,
14 tripping the largest unit, the most significant
15 transmission line and so on, the load, these are
16 from a branch technical position, PSB-1, and they
17 had to do specifically with transmission grid
18 stability.

19 And they required studies be in place to
20 ensure transmission grid was robust enough to remain
21 stable following those particular contingencies.
22 Grid Stability is totally separate from post-trip
23 voltage.

24 And studies are totally different than
25 real time analysis. As a mentioned before, the
26 specific definition of operability of offsite power

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 from Regulatory Guide 1.93 is ability to affect a
2 safe shutdown and mitigate the effects of an
3 accident.

4 So the concern, or the contingency that's
5 of concern is tripping of the nuclear plant, not
6 other contingencies. And I thought this was very
7 clearly stated at the workshop last year by the NRC
8 that the only contingency that we need to be
9 concerned with for post-trip voltage was tripping of
10 the nuclear plant, so it's kind of a new spin on it
11 to start throwing in tripping of lines for post-trip
12 voltage.

13 And as I mentioned before, we couldn't
14 meet it anyway because at least the lines coming
15 into the unit, if they were to trip, would cause
16 separation of that bus from offsite power.

17 MODERATOR CAMERON: Jennifer, related on
18 this same issue?

19 MS. WEBER: Thank you, Jennifer Weber,
20 TVA. Just one more quick clarification. When we
21 look at operability of offsite power, it's not will
22 your voltage be low in real time, it's would your
23 voltage be low during a postulated accident.

24 So if you're saying you have to be
25 operable following a line trip, you're looking at
26 two unexpected events happening simultaneously, a

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 line trip plus that, a simulated loca to determine
2 operability.

3 MODERATOR CAMERON: Okay, thank you
4 Harvey. Thank you Jennifer. Is there -- anybody
5 want to ask Brian a question?

6 MR. MARION: I don't -- Chip, I don't have
7 a question. I just want to comment. And I
8 appreciate Brian's point about the maintenance rule
9 and NRC review of 14 day --I'm sorry, this is Alex
10 Marion -- NRC review of license amendments
11 requesting a 14 day allowed outage time on diesel
12 generators.

13 I would just only ask that the review be
14 focused on the facts as opposed to the perception.

15 MODERATOR CAMERON: And when -- can you
16 just explain what the fact versus perception, can
17 you amplify on that?

18 MR. MARION: Well, yes, the facts based
19 upon the risk assessment conducted by the utility in
20 managing the risk associated with that maintenance
21 activity and their coordination with the
22 transmission system operator.

23 And I understand that's being done. But
24 that's being done in different grades, if you will,
25 based upon the kind of software and technical
26 capabilities available to both entities.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 I have concerns if there's a perception
2 that because somebody's taking a major piece of
3 equipment or a system out of service in the summer
4 time, then that activity is automatically suspect.

5 I think you need to look at the analysis
6 that's done to support that activity before you draw
7 conclusions.

8 MODERATOR CAMERON: Okay, thanks Alex.
9 And I want to make sure that since we do have Jim
10 Dyer and Brian Sheron here until 10:15 that they
11 hear as much as possible from all of you in terms of
12 concerns.

13 So I know that we have a couple of NRC
14 Staff who have questions, observations. But let me
15 focus on the industry now before the break. And
16 we're going to go to this gentleman and then we'll
17 go back there, then up here. Yes, sir?

18 MR. MATHARU: My name is Singh Matharu.
19 I'm from Entergy. I had a related question to
20 generic letter question 3 bravo, 3b. And I guess
21 Mr. Gill's presentation yesterday, this is slide
22 number 19, and it's related to offsite power system
23 operability.

24 Given that the offsite power is a non-
25 safety-related system, we can postulate multiple
26 failures and varying levels of severity on the

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 voltage and the duration of the time that the loss
2 occurs.

3 Based on this, almost every unit, every
4 plant, can be subjected to I guess delayed local
5 LOOP and double sequencing. So the question 3 bravo
6 seems to imply that we need to take care of delayed
7 local LOOP or now simultaneous local LOOP as we were
8 originally licensed.

9 So we had two things given yesterday that
10 we are not trying to force RTCA, which may be
11 related or not related. And the question is what is
12 the motivation for question 3 bravo?

13 MODERATOR CAMERON: Okay, motivation for 3
14 bravo, 3b. Who wants to -- Paul or Ronaldo?
15 Ronaldo.

16 MR. JENKINS: Ronaldo Jenkins, NRR. Once
17 again, the question is just a question. It is based
18 on the fact that if you have information that can
19 answer the question then you provide that
20 information.

21 If you do not have information on the
22 question, and this has come up before, you can
23 provide the response you provided in the past, which
24 is we are not evaluating this particular situation.

25 And that's the answer. You know, if you
26 ask a question that does not automatically lead to

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 I've got to run off and I'm going to come back with
2 the ideal answer. The whole intent of the generic
3 letter is to, as Mike Mayfield mentioned, is to get
4 the landscape, to get the picture of what's actually
5 going on.

6 What are the things you have in place? So
7 you know, I don't know, maybe a big disclaimer in
8 the beginning of the generic letter that says this
9 is not intended to imply that there's any additional
10 steps that are necessarily in order to pursue this,
11 you know.

12 These questions are necessarily. I don't
13 know, but that seems to be an overall type of
14 response, you know, reaction we're getting.

15 MODERATOR CAMERON: Okay, thanks Ronaldo.
16 We also have that possible suggestion. We're going
17 to go to two people over here, and then we're going
18 to go over there. And we'll go to you first, sir.

19 MR. HILL: Jim Hill with FPLEC Brook.
20 This deals with question 7. Question 7 talks about
21 it is expected that you have established an
22 agreement with your plant's TSo to identify local
23 power sources and transmission paths that could be
24 made available to re-supply following LOOP events,
25 and goes on if you have not established those
26 agreements, talk about why.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 So most -- for instance, if a licensee's
2 RTO has a blackout recovery, black restart procedure
3 that uniquely identifies the necessity of re-
4 powering nuclear plants on a priority basis, is this
5 question trying to get at something other than that,
6 additional from that?

7 MODERATOR CAMERON: I think we heard
8 something on this yesterday also about the local
9 power source. Ronaldo, are we going to you on this
10 one again? Or -- okay, Ronaldo, you get the drift
11 of he question?

12 Again, is this trying to get at something
13 else more than what's just obvious with the
14 question? With -- go ahead.

15 MR. JENKINS: Ronaldo Jenkins, NRR. Once
16 again, and this was one of PJM's comments on --
17 generic letter opened questions on from the grid
18 perspective. And we did look at this particular
19 comment and we're looking at how to clarify that.

20 But basically the intent is to look at the
21 agreement. Describe the agreement. I hope that
22 helps.

23 MODERATOR CAMERON: Terry we need to get
24 you on the record. Let me just put that on the
25 record. Could the question be rephrased to get what
26 you wanted? Do you want to say it?

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 Ronaldo we're coming right back to you
2 here. We'll give Terry the opportunity since PJM
3 did comment on this.

4 MR. CRAWLEY: Terry Crawley with Southern
5 Company. Yes, I think what bothers me about the
6 question, I'm hearing and I think I've heard others
7 comment on this, that the questions are not intended
8 to imply this or they're not leading questions when
9 some of the questions do seem to be leading
10 questions driving for a particular, you know,
11 stating -- not stating a requirement but basically
12 there's an implication here that if you don't do
13 this you're going to have to answer no to this
14 question.

15 So what's going to be the outcome of that?
16 So I think I've heard some clarifications to some of
17 the questions to say no, we really intended to -- we
18 just want the information.

19 So my question is can these questions of
20 interest be rephrased to be made more generic or
21 more open-ended rather than close-ended. They seem
22 to be very close-ended.

23 MODERATOR CAMERON: Okay, and Terry thank
24 you for that characterization, because I think it's
25 a good characterization of some of the problems
26 generally with the questions, that they seem to be

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 as you put it leading questions that are driving for
2 a particular result rather than just information.

3 And I think the Staff has that on their
4 radar screen for consideration so I don't think we
5 necessarily need to go back to Ronaldo right now.
6 Let's -- I'll get to you. We're going to go right
7 here, then we'll go over to the green shirt.

8 MR. COUTU: Tom Coutu, Exelon Nuclear.
9 One of the things I think that we're still sensing
10 here is a degree of angst about answering the
11 questions. And I'm going to throw something on the
12 table for discussion.

13 A follow-up to the generic letter will be
14 a temporary instruction. I think the problem that
15 everybody's having is what will we be held
16 accountable to when the temporary instruction goes
17 out.

18 And here's the issue. When the last
19 temporary instruction went out, answers came back to
20 the -- they were conducted primarily by the
21 residents. And some utilities did not even know
22 that this temporary instruction was being conducted,
23 nor did they have an opportunity at the time to
24 review the answers that were being communicated back
25 to the Commission.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 And as such, when they saw the tabulated
2 results of those temporary instructions, they were
3 somewhat surprised at the fact that they did not
4 have an opportunity to clarify the responses to the
5 questions provide the level of detail that was
6 necessarily.

7 So here's what I'm proposing. Number one,
8 we ought to understand very clearly what are the
9 potential outcomes of the temporary instruction with
10 regards to, I think we all know with regards to
11 design basis where we can end up.

12 But we keep hearing these are just
13 questions. Then we're going to develop a temporary
14 instruction. We're going to come inspect. And out
15 of that there's going to be an outcome.

16 What are the potential outcomes to the
17 answer to these questions that we're just providing
18 answers to that don't align with what you think the
19 answer should be. That's really where I think the
20 angst comes from.

21 And you guys can correct me if I'm wrong,
22 but I'd like to hear some discussion on that.

23 MODERATOR CAMERON: Okay, so this
24 potential for licensee answers to the questions that
25 don't align, as you put it, with the expectations
26 perhaps that the NRC has is that where the battle is

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 going to be joined or the problem is going to happen
2 is when we get to the temporary instruction. Mike,
3 you talked a little bit too --

4 MR. MAYFIELD: I think Alex had something
5 he wanted to say.

6 MODERATOR CAMERON: Do you want to amplify
7 on that a little bit, Alex?

8 MR. MARION: Alex Marion, NEI. Tom raises
9 an excellent point. We work with the NRC to get the
10 results of the 2005 temporary instruction publicly
11 available. And we sent that out to utilities.

12 And then we had a follow-up conference
13 call with site vice presidents. And there was a lot
14 of anxiety, if you will, about the process in which
15 the answers were developed. And Tom's right, some
16 utilities were never contacted by the regions,
17 others were.

18 And the information or the conclusions
19 that were drawn were non consistent with the
20 utility's understanding of the question and the
21 utility's response to the question had the utility
22 had an opportunity to respond accordingly.

23 And I know the NRC understands that
24 process concern and we've articulated. So I just
25 wanted to reinforce that, Mike.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 MODERATOR CAMERON: And that's one of your
2 larger issues that you started out with. Mike do
3 you want to say anything on this one?

4 MR. MAYFIELD: Well, two pieces. One --
5 well at least two. First, we do understand there
6 were some inconsistencies both here and in the
7 regions about how last summer's TI was handled.

8 And that's a lesson learned for us, so one
9 of the things we're going to be working on is that
10 coordination internally so that we are consistent in
11 the way this gets handled.

12 The other piece was I think there's a --
13 you misunderstood. The TI is going to be developed
14 independent because it's in parallel with the
15 responses to the generic letter.

16 So we're going to have to go back out
17 because of the timing. We can't wait on the 60 day
18 responses and then go do the TI. So those things
19 are going to be handled in parallel.

20 So it's not that we're going to look at
21 the responses to the generic letter and then craft
22 the TI, the two things just because of the timing
23 have to go forward in parallel.

24 So it -- that one doesn't feed from the
25 other as nice and tidy as that might be. It's just
26 not the way it's going to be able to work.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 MODERATOR CAMERON: But you get the drift
2 of the concern that Tom raised?

3 MR. MAYFIELD: We do, and we understand.
4 One of the things Ronaldo and his staff spent a lot
5 of time iterating with the regions to try and make
6 sure we understood the responses and that they
7 weren't just simple yes/nos.

8 And that got to be a pretty good challenge
9 so we spent a lot of time going back and forth. The
10 fact that some licensees didn't engage as much as
11 they might have liked. We'll work on that as much
12 as we go forward on how that inspection procedure
13 evolves.

14 MODERATOR CAMERON: Okay, we have one more
15 comment on the TI issue, and then we're going to go
16 to Charlie for a response to something he heard from
17 Paul Gill earlier.

18 MR. HEFFNER: Ken Heffner, Progress
19 Energy. A lot of the information in the generic
20 letter relates to the TSOs and the grid operators.
21 Do you anticipate that the TI would have the Staff
22 interacting with those folks as well as the
23 licensee, and what the logistics of that would be?

24 MR. MAYFIELD: Our interaction is with the
25 licensees.

26 MODERATOR CAMERON: Okay.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 MR. MAYFIELD: And how that interface
2 works is sort of between you and the TSO. We may
3 want to know how you made that work, but it's not
4 where we're going to be reaching out to the TSOs.

5 MODERATOR CAMERON: Okay, Charlie, one
6 second because I think David wants to comment on
7 that, right David? MR. NEVIUS: Yes.

8 MODERATOR CAMERON: All right.

9 MR. NEVIUS: Dave Nevius, NERC. I've been
10 sitting here with this comment written down. I
11 think when you come out with the TI, Mike, it might
12 be useful to give us a heads up so we can alert the
13 transmission system operators that this is happening
14 so that whatever interaction between the plant
15 operator and the grid operator that's necessary to
16 help address questions, we'll be wired from both
17 directions.

18 MR. MAYFIELD: I guess the one -- I
19 understand. The one thing I would -- sort of the
20 corollary, when the generic letter comes out it
21 might be useful if you guys also let the TSOs know.

22 MR. NEVIUS: Absolutely.

23 MR. MAYFIELD: So that -- try and
24 facilitate the interaction.

25 MODERATOR CAMERON: Okay, great, great.
26 Charlie?

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 MR. VARTANIAN: Charlie Vartanian,
2 Southern California, Edison Transmission Planning.
3 And my comments are directed towards Mr. Paul Gill.
4 And from the perspective of a technical staffer who
5 may assist in responding to these questions from the
6 transmission side, a lot of the questions seem to
7 lay out scenarios that are very specific.

8 And our particular practices may not fit
9 into these -- the framework of how the very specific
10 questions are laid out. For example, our focus on
11 determining inoperability is really in advance after
12 a system event and minus one of a line with loss of
13 the remaining sums unit, send the system into an
14 inoperable condition, not necessarily loss of
15 aligned and inoperable.

16 So we're always on deck or with the loss
17 of that unit -- result in inoperability. So my
18 comment is maybe a more general framework of, you
19 know, not characterizing specific, calling out
20 specific scenarios to respond to, but more to how do
21 you generally address the issue of inoperability.

22 Another comment on the RTCAs. You know,
23 you lay out the framework up front or other
24 processes, but to return always to the very specific
25 terminology would prevent a literal response to the
26 questions.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 Maybe once your analytic process is
2 defines, you know, give us latitude to always use
3 our analytic process, not in terms of RTCA. Because
4 I'm very confident in our processes even though they
5 are not RTCA based.

6 And in fact, to answer stability questions
7 you would not use RTCA. And if your constraint was
8 stability or post-trip and voltage issues, that may
9 not even be the appropriate tool.

10 But I wanted to conclude this comment with
11 saying, you know, once we declare you lost your unit
12 to the plant, may send our grid into an inoperable
13 condition, we do take a series of actions including,
14 as a last resort to maintain system integrity,
15 consider as a last resort dropping of load.

16 This goes back to a general sort of
17 founding. The studies cited yesterday talked about
18 blackout. One slide on the -- EPRI slide caused me
19 concern. Grid weakness, and they compared the
20 cascading loss August 2003 to a managed drop of load
21 within WECC to manage the situation.

22 Now you take blackouts as a tool, I'd say
23 it would be very informative to NRC Staff to take a
24 cut on the data and look what was a system event
25 that was managed versus unmanaged.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 We might have dropped load, triggered a
2 recorded NERC type event that maintained system
3 integrity, and from a transmission side the grid was
4 no less reliable. In fact it was a demonstration of
5 maintaining reliability because we took proactive
6 action.

7 So I want to get that out, reinforce some
8 of the earlier comments on that. And that's once
9 again from the grid perspective. So Staff collected
10 a lot of good NERC data.

11 If that data provides that filtering I'd
12 say make a cut, managed event versus unmanaged. I
13 think the danger to you are unmanaged events.
14 Higher grid stress from higher utilization is
15 triggering, in my opinion, more managed response.

16 We've got higher flows and we're saying
17 hey, you've got to drop load if you're going to
18 maintain those imports or this activity. A managed
19 action is much different, from a grid perspective,
20 than an unmanaged event. Thank you.

21 MODERATOR CAMERON: Thank you, Charlie,
22 for that suggestion. And I will put your
23 recommendation up on the flip chart in regard to
24 perhaps being -- using 3a as an example perhaps,
25 being a little bit more general. Okay good, we'll
26 do that. Yes, sir?

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 MR. KOKOLAKIS: Peter Kokolakis, Entergy.
2 I think Brian very eloquently simplified the, excuse
3 me, the TSo interface question. And if that was the
4 question, most of us if not all of us would not have
5 a problem responding to it.

6 I have an agreement. I have -- I'm
7 confident that it works, and I have -- you know, and
8 I have data to that effect. That question though
9 has seven or eight other questions associated with
10 it.

11 And that's where we get the uncomfortable
12 feeling, the -- whatever words you want to use here.
13 Where are we going with it? There's 64 questions
14 that could be reduced to four or five generic
15 questions.

16 And I think we all would be very happy to
17 respond to those questions. I can't talk for
18 everybody, but for most of us I know I could talk to
19 respond to them. It's these other little questions,
20 why this, why that, you know, the ands, ifs, or buts
21 that gives us that problem. And I agree with the
22 gentleman before about --

23 MODERATOR CAMERON: Okay, thank you Pete.
24 And NRC is listening to this. David, do you want to
25 say something on -- okay, on his last comment about
26 managed versus unmanaged, all right.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 MR. NEVIUS: I've reviewed the NRC Staff
2 analysis and they did use the NERC definitions of
3 adequacy versus security, that is managed versus
4 uncontrolled or unmanaged events.

5 And I believe if you look closely at it
6 you'll see that they have divided them into those
7 two buckets. That's not to say that more in-depth
8 analysis would not be helpful, because I totally
9 agree with you, those things that are managed, if
10 the system operator finds there's a transmission
11 overload, potential overload, one of the steps they
12 need to take is to shed firm load.

13 And that's a managed situation. So even
14 though it's a reportable event, it's one that's
15 managed and not uncontrolled, as distinguished from
16 August 2003, which became an uncontrolled, cascading
17 event.

18 MODERATOR CAMERON: Okay. And let's take
19 one more comment and then let's break. And then
20 we'll come back. Dick, do you want to do that for
21 us?

22 MR. ROSENBLUM: Thank you. Dick Rosenblum
23 from Southern California Edison. I want to make one
24 very brief interjectory comment and then try to
25 summarize a couple that I've heard.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 The introductory comment is I'm pretty
2 sure it was the national academy of sciences and the
3 turn of the century to the 21st century who
4 described the electric system as the most complex
5 machine ever developed by man.

6 So the fact that we're here having this
7 discussion is a very good thing. It is a very
8 complex machine, requires a fair amount of
9 understanding and communications in order for us to
10 effectively do out job.

11 So I want to thank the NRC and everybody
12 else for attending. By way of comments, in question
13 five there is a series of questions that contemplate
14 that seasonal variations are the driving issue
15 behind risk to the supply to a nuclear power plant.

16 Generally speaking, I think those ought to
17 be revised to simplify them and simply ask what are
18 the regional drivers and how do you manage them,
19 because it's the embedded assumption that causes the
20 question to be a problem.

21 Second, just repeating what others said,
22 service reliability managed low dropping and TLRs
23 really aren't a very good measure of grid stress and
24 grid reliability. And I think the research report
25 could problem use a little bit more work there to
26 separate those out.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 Third, in question 2 there is a number of
2 references to RTCAs. I think the general sense of
3 the questioning and the comments here have been that
4 there are only one way to manage post-trip voltage
5 and manage the grid.

6 And that whole series of questions which
7 occurs in question 2 ought to be revised to
8 recognize that one, there are other acceptable
9 methods, and two, even those methods typically have
10 backups.

11 So where you ask if the RTCA is not
12 available do you do this, really ought to say if you
13 average no effective methodology, just to give you
14 an example. And last, there is a series of
15 questions mostly in one about interface
16 communications between the NPP and the TSO.

17 I think they ought to be revised to
18 contemplate two types of communications. One,
19 exception communications when there are pre-
20 established interface requirements. Same thing PJM
21 said.

22 And two, as needed communications for
23 maintenance and related communications. So if
24 there's come line out -- those two categories if it
25 was revised in that frame, I think would help give -
26 - allow people to give much more coherent answers.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 MODERATOR CAMERON: Okay, thank you Dick.
2 And I will also put that up on the board. And my
3 summary or characterization of your comments may be
4 somewhat -- look somewhat cryptic, okay, but it's
5 just a pointer, okay, to the transcript where the
6 full dialog will be on the record for the NRC Staff.

7 Let's take a break now, and then we'll
8 come back. It's about 20 after, let's come back at
9 about 25 to 11:00.

10 (Whereupon, the above-entitled matter went
11 off the record at 10:20 a.m. and went back
12 on the record at 10:44 a.m.)

13 MODERATOR CAMERON: Matt McConnel from the
14 NRC Staff, I think, had a question for you Clair.
15 All right, Matt?

16 MR. McCONNELL: Yes, this is Matthew
17 McConnel with the NRC. Clair, I had a question with
18 regard to one of your slides which represented the
19 review status of, I guess, the SOER 99.01 addendum.

20 You had mentioned I believe, or a slide
21 had said that you had performed 14 visits to date.
22 Does that include nuclear power plants units or
23 sites?

24 MR. GODDARD: That would be sights, 14
25 sites, so there could be multiple units.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 MR. McCONNELL: I'm sorry. And when does
2 INPO plan to complete the review visits?

3 MR. GODDARD: We do not have a timetable
4 for that at this time. We will continue them at the
5 rate of about 10 to 12 per year. And we take a look
6 at that at the end of each year and determine
7 whether we will continue the program or sunset it.

8 There's a possibility we will begin a
9 second round of review visits depending on the
10 results, and industry feedback, quite honestly.

11 MR. McCONNELL: Okay, so possibly like
12 maybe four or five years?

13 MR. GODDARD: Possibly.

14 MR. McCONNELL: Okay, thank you.

15 MODERATOR CAMERON: Okay, and we're going
16 to go to Bill Raughley here. And Bill could you
17 give us the information?

18 MR. RAUGHLEY: Yes. I think at the
19 beginning today, Alex mentioned that they didn't
20 have a good technical understanding of the issue, or
21 more technical understanding is needed.

22 I think there's, in some cases, there's a
23 very good understanding in the industry of the
24 technical issue. What I have here is part of a
25 transmission control agreement between one ISO and
26 two of its nuclear power plants.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 And it answers very thorough, in-depth
2 knowledge of operability requirements of the plant
3 post-trip requirements down to the grid voltage
4 shall recover to within 207 kV or above within 16
5 seconds, including the trip of the nuclear unit.

6 And it has the communication protocols,
7 when notifications have to be made both ways. It
8 has to design inputs and outputs, and it comes from
9 Dick's organizations, one of them, and they have a
10 very good understanding.

11 You might want to talk with Dick. And
12 I've worked with Jerry Nicely many years, and I'd be
13 disappointed if he didn't thoroughly understand the
14 technical issue here. I think you need to get with
15 the people that have a good grasp of these -- the
16 technical issue and I think you'd be ahead of the
17 game.

18 MODERATOR CAMERON: Thank you, Bill, and -
19 -

20 MR. ROSENBLUM: Thank you, Bill.

21 MODERATOR CAMERON: We're referring to
22 Dick Rosenblum right here. And we're going to go to
23 one more NRC Staff member, Tom Koshy. Tom, you
24 wanted to put something on the record.

25 And then we're going to go to Parviz for a
26 comment on grid for me.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 MR. KOSHY: This is Thomas Koshy from
2 Electrical Branch, NRR. Recently there was a
3 discussion about a TDC-17 as to if loss of a
4 transmission line needs to be considered.

5 If you read the last paragraph of TDC-17
6 that is clearly stated. But just for your benefit
7 let me read those just three lines. Motion shall be
8 included to minimum the probability of losing
9 electric power from any of the remaining supplies as
10 a result of or coincident with the loss of power
11 generated by nuclear power plant, next one is the
12 loss of power from the transmission network, or the
13 loss of power from the onsite electric power
14 supplies.

15 And this is the basis, in fact one of the
16 primary bases asking for this process that you have
17 in place to make sure t you have this offsite --
18 reliable offsite power. Second subject I wanted to
19 address was the LOOP local scenario that gentleman
20 from Waterford was referring to.

21 This has a good operating experience
22 background. When the model event happened where we
23 had an IIT, when the entire power was lost, the
24 operator did not know how to reset the sequencer so
25 that they can get the safety system started.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 This is the background on which we came
2 upon this question. So what we are saying is we are
3 not imposing any new requirements because none of
4 the plants were licensed to have a delayed LOOP
5 local sequence.

6 It was considered that the worst case
7 scenario would be LOOP and local simultaneously.
8 That was considered as the worst-case scenario. But
9 what this actual operating experience enlightened us
10 is if this were to happen, if the operator cannot
11 reset these things, and in a situation where you
12 cannot even manually activate these things it is a
13 big problem.

14 So what we are sharing with the industry
15 is you should have something in place so that you
16 are sensitive to this possibility, and that
17 operators have the capability to deal with this
18 issue.

19 And with the concerns on the grid, what we
20 are understanding is this scenario may be more
21 likely than we thought of before. But have a
22 program in place in the sense -- sensitize the
23 operators and make them knowledgeable so that they
24 can deal with this issue.

25 And the third subject that I will quickly
26 address is the TSOs RTCA program which we discussed

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 at length. But what I want to share with you is the
2 transmission people have a way of doing their
3 business.

4 Relying on the RTCA how much, you know,
5 some companies with a lot of resources may have two
6 or three backups. That's well and good. But if
7 they do not have that type of backup systems, they
8 do have something in place so that they can remain
9 operational.

10 They rely on certain indicators on which
11 they average reasonable confidence they can proceed
12 to operate. And the objective of this generic
13 letter is not that you take ownership of how they
14 operate their transmission system.

15 You borrow from that information and
16 present to us so that you are aware of a confident
17 outside power source, and that shared information
18 with us, in turn, gives us confidence that you have
19 a program in place to make sure that you have
20 reliable offsite power.

21 So if they have a proceduralized program
22 in which, even for -- let me add on to that,
23 recovering from blackout if they have a procedure in
24 place, you don't need to take ownership of that
25 procedure.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 Share that procedure with us so that it
2 becomes their ownership. You have knowledge of it
3 and we have knowledge of it so that we can make our
4 conclusions. I hope this helps, thanks.

5 MODERATOR CAMERON: Thanks, once again,
6 Tommy. And there will be further readings from the
7 GDC at four o'clock today in the cocktail lounge,
8 and I don't know. But thanks Tommy. All right.
9 Parviz?

10 MR. MOIENI: Parviz Moieni from San
11 Onofre. Question 5a, believe it or not I still have
12 a problem with this grid reliability evaluation
13 terminology. I had a chance last night to look at a
14 maintenance requirement Reg. Guide 1.182 or number
15 93.01.

16 There is no mention of grid reliability
17 evaluation in those requirements. It talks about
18 offsite power availability. And this is a big
19 difference between grid reliability evaluation and
20 the status of grid and offsite power.

21 So let's say we want to take a diesel
22 generator out today and I call the TSo and say how
23 is the status of grid. And he tells me oh, we are
24 working on some lines or some things, but from your
25 viewpoint the offsite power is going to be
26 available.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 So is this good enough, or because they
2 are working on the grid or some of the stuff that
3 they are doing, still they have to do a grid
4 reliability evaluation? If this is the former, I
5 think we are done because the offsite power is going
6 to be available to those.

7 If I have to perform a grid reliability
8 evaluation based on the information that I get from
9 him and the things that he is doing, then this is
10 almost impossible for me because as I said
11 yesterday, it's an open-ended problem.

12 I don't know how to do it. We don't know
13 where it stops because this is a grid thing. So I
14 think this grid reliability evaluation, my
15 suggestion is that it should, to be consistent with
16 the maintenance requirement, it should be offsite
17 power availability, or a status of grid, rather than
18 grid reliability because it's, as I said, these two
19 terms are completely different.

20 And then on 6, question 6, which is
21 basically -- this is also related, 6a, it says
22 maintenance activities that can have an impact on
23 the NPP operation. NPP operation, I mean the --
24 there are many things that could effect NPP
25 operation, but I think the intent is that the things
26 that will affect offsite power availability again.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 So if you make it as specific to offsite
2 power availability, I think the problem can be
3 defined a little bit closer than make it too generic
4 as NPP operation. The -- also there is another
5 question that is says, going back to -- sorry I'm
6 flipping, flip-flop between 5 and 6, 5b, the grid
7 status monitors.

8 Is it a real time monitor or periodic
9 monitor? I think it's very important to also
10 clarify this. What do we mean by monitoring the
11 grid, the status of grid? Is it, again, if you have
12 a real time system it's different from a tool that
13 we can do it periodically?

14 That also helps to clarify that. And of
15 course as Dick mentioned, and also yesterday it was
16 mentioned, the term stress on the grid, it's also
17 important to define that. Otherwise we come up with
18 different things, different responses on this
19 question.

20 Thanks. Sorry, one more thing. Yesterday
21 Steve Alexander, I didn't see him today here, but he
22 mentioned that this grid reliability, it can be done
23 qualitatively. I personally don't think that even
24 it can be done qualitatively when it goes to the
25 grid because there are so many things can be done.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 There are so -- it's very complicated and
2 I'm not sure even this can be done qualitatively.
3 So I think this whole grid reliability evaluation is
4 a misnomer and should be basically redefined or
5 change. Thanks.

6 MODERATOR CAMERON: Okay, thank you very
7 much Parviz. Let's make sure we go to people we
8 haven't heard from perhaps on issues. Do we have
9 anybody else over on this side who wants to make a
10 comment? Okay, we'll go to Ken to respond to one of
11 Tom's.

12 MR. HEFFNER: Ken Heffner, Progress
13 Energy. Just a comment. You said that this
14 question on the local LOOP scenario was sharing
15 operating experience. I guess I would submit the
16 appropriate mechanism for doing that is an
17 information notice and not a generic letter that
18 we'd have to answer under a 50.54(f). I think that
19 question should come out.

20 MODERATOR CAMERON: Okay, thanks Ken. So
21 what question do you think should come out? Which
22 specific one was it?

23 MR. MAYFIELD: It's 3 bravo. It's already
24 identified.

25 MODERATOR CAMERON: Okay, so essentially
26 it's done. All right. How about others on this

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 side that we perhaps haven't heard from? Can --
2 yes, this is -- does someone want to clarify the
3 it's done part here?

4 MR. MAYFIELD: Yes. It's done means we
5 heard you and we'll take it back under advisement.

6 MODERATOR CAMERON: Okay.

7 MR. MAYFIELD: It doesn't mean the
8 questions gone. It means we heard you. That was
9 the commitment we made going in, we would listen to
10 you and take these things back and think seriously
11 about them.

12 MODERATOR CAMERON: So don't get too
13 excited if you hear it's done.

14 MR. MAYFIELD: So -- but, you know, I
15 started hearing hearts go pitty-pat pitty-pat. No,
16 no, we heard you.

17 MODERATOR CAMERON: Okay, it's done. Yes,
18 he --

19 MR. MAYFIELD: I, you know, I was seeing
20 eyes light up here.

21 MODERATOR CAMERON: Yes, can we get a copy
22 of the parking lot TFC issues? I don't know if
23 we're going to be able to get it Xeroxed, but --

24 MR. MAYFIELD: Well you have everyone's e-
25 mail address.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 MODERATOR CAMERON: Did everybody give us
2 an e-mail address? Then we'll e-mail them out.

3 MR. MARION: They'll e-mail them. Okay,
4 all right.

5 MR. MAYFIELD: Logistically it would be a
6 challenge to get you a paper copy to leave with
7 today.

8 MODERATOR CAMERON: Okay. I just don't
9 want to forget about a question that Steve Farkas
10 asked yesterday about the need to get information
11 from the TSo in order to, in a timely manner, to be
12 able to schedule maintenance, I think.

13 And that's where we sort of wandered
14 around a little bit about whether this was --
15 whether it was acceptable for the TSo to provide
16 information under those circumstances, I think, that
17 Bruce, Susan was bringing up, Susan Court was
18 bringing up, the emergency day to day operation.

19 So we know that's on the agenda. But the
20 other point was is the type of information that's
21 needed. And perhaps the best example is one that
22 Steve told me about, is that nuclear power plant
23 operator is going to be doing probabilistic
24 analysis, and maybe the information available from
25 the TSo is going to be deterministic information.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 So what do you do about those types of
2 issues? And it may not be -- that's not, may not --
3 I'm speaking from ignorance here, but may not be
4 NRC's problem to solve.

5 But perhaps organizations like PJM or NERC
6 might consider that type of thing. So I just wanted
7 to put that on the record. Yes, sir?

8 MR. BONNER: John Bonner from Entergy
9 Nuclear Northeast. Just a clarification from
10 yesterday on FERC standards. I guess talking to
11 some of the people after the meeting, there's two
12 sets of codes of -- one's a code of conduct and a
13 standard of conduct.

14 The standard of conduct is for affiliate
15 units. The code of conduct is for non-affiliate
16 merchant unit, merchant generators. And the
17 standard of conduct has a nuclear exemption in it
18 where you can provide information.

19 I do not believe the code of conduct has
20 such an exemption for nuclear plants. And when the
21 NRC and FERC are discussing the issues, they need to
22 address both the standard of conduct and the code of
23 conduct.

24 MODERATOR CAMERON: Okay, thanks John.
25 Let me see if Bruce wants to add anything on there.
26 But also keep in mind that ask Mike Mayfield said

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 yesterday, is that there is going to be a meeting
2 between FERC commissioner and the NRC commissioners.

3 And these types of issues may be on the
4 agenda. Bruce, do you want to amplify at all on the
5 code of conduct versus standard of conduct?

6 MR. POOLE: I'm just saying we'll look at
7 it.

8 MODERATOR CAMERON: Okay. That's -- it's
9 done. You got to get the lingo down. All right.
10 David?

11 MR. NEVIUS: Dave Nevius, NERC. On the
12 same point that John Bonner raised, there's also a
13 NERC operating reliability data confidentiality
14 agreement, and we reissued a new version of it and
15 we put a specific annex, or appendix in it relative
16 to nuclear units.

17 And some entities have not been able to
18 sign that agreement because of their concern with
19 violation of either the standard of conduct, which
20 is a universally applicable rule, or their code of
21 conduct, which is a case by case code of conduct for
22 a particular entity.

23 So I'm going to see that we approach this.
24 I think it's important to find out. And maybe NEI
25 can pursue this through its membership. Where any
26 of their members feel there's any restriction that

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 the transmission provider feels with providing all
2 of the information you feel you need to safely
3 operate your unit and to know what the status of the
4 system is.

5 And we're going to need to pick these off
6 one at a time. Some of it may be misunderstanding.
7 Some of it may be misinterpretation. But we need to
8 pick them off one at a time and solve them so that
9 is not an obstacle to the free flow of information
10 and communication.

11 MODERATOR CAMERON: Great, thanks Dave.
12 That's very, very constructive.

13 MR. MAYFIELD: Chip, if I could amplify
14 that --

15 MODERATOR CAMERON: Go ahead, Mike.

16 MR. MAYFIELD: -- just a little bit.
17 Based on a quick conversation with Susan Court after
18 yesterday's session, she also, as we felt the need
19 to get this, specifics on the table.

20 And she said that she was absolutely
21 confident that the two commissions would probably at
22 the Staff level to begin with, but subsequently at
23 the Commissioner level, work through this and get it
24 resolved.

25 And I think the point David's making is an
26 excellent one. But we need the specifics,

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 anecdotes, what people think just isn't going to
2 help us bring this thing to ground.

3 Nuclear safety issue is something we're
4 going to go and engage on. And I'm sure that the
5 FERC people, as well as David and his colleagues,
6 will work, you know, as one unified organization to
7 get this solved so that there isn't a nuclear safety
8 issue.

9 And at the same time the competitive
10 issues are protected. So two legitimate concerns,
11 but I think we can all be confident that nuclear
12 safety will carry the day. So we just need to get
13 the specifics on the table so we can start working
14 through them.

15 MODERATOR CAMERON: Great. Thank you
16 Mike. Could we get the -- I just want to check in
17 on those parking lot issues to make sure that we
18 covered them all. And while we're doing that, Ed,
19 do you want to tell people about the ANS meeting in
20 July?

21 MR. SCHERER: Thank you. As it turns out,
22 there will be an ANS executive conference on this
23 very subject, grid stability and reliability. It's
24 scheduled for Denver, Colorado, July 23rd to 26th.

25 You can leave your skis at home, but it
26 should be a very interesting two day conference

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 including Nuclear Regulatory Commission is going to
2 be invited, EPRI, INPO, and utilities to talk about
3 the issues involved in managing the nuclear power
4 plants and the grid.

5 MODERATOR CAMERON: Great. And I assume
6 that if you just go to the ANS website at some point
7 that all the details will be there. Okay, let's
8 just see. Okay, first bullet, the terminology --
9 oh, what I need is yesterday.

10 Second bullet, common vocabulary, I think
11 we heard that today. Let me just -- it should be
12 easier for me to work with that, but just let me
13 check back to some of these to -- okay.

14 This reliability and operability issue
15 goes -- is an example of the common vocabulary or
16 the terminology issue. In other words, are we
17 talking about system or service reliability or grid
18 reliability.

19 That's an issue that Dick Rosenblum
20 brought up and we've heard a lot on that. I think
21 we're clear on that. Spell out what is not needed
22 was shorthand for the type of context or disclaimer
23 that Ronaldo was talking about.

24 And there's a lot of ways to solve that in
25 terms of revising the questions so that they're
26 perhaps more general instead of lots of specifics.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 I'm not sure that first bullet on data on grid
2 reliability -- I sort of lost the bubble on what
3 that particular point was, but it was the first
4 point we were talking about.

5 I'm just going to assume that we -- go
6 ahead, Alex.

7 MR. MARION: Yes, there were a couple of
8 points raised. It's the same thing as the one
9 dealing with ways to arrive at consensus on data.
10 And that's the difference in data assessment between
11 EPRI and --

12 MODERATOR CAMERON: Oh, okay.

13 MR. MARION: -- the Office of Research.
14 You know, and the -- we fully understand the
15 rationale and the technical bases used by the NRC in
16 their research studies. The concern that we have is
17 taking that information and drawing conclusions
18 relative to what is occurring on the grid, okay.

19 MODERATOR CAMERON: Okay.

20 MR. MARION: You have to understand the
21 limitations of the data and the assumptions used,
22 and the basis, and not overextend what the intended
23 purpose of that data collection effort was.

24 MODERATOR CAMERON: Okay.

25 MR. MARION: And that goes back to this
26 perception point I raised earlier.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 MODERATOR CAMERON: All right, thank you
2 Alex. And it's sort of a tie in, in a way, to the
3 second bullet from the bottom about is there a
4 better mechanism to try to achieve consensus on the
5 data.

6 Take into account industry efforts. We
7 certainly -- we heard from Clair today, if you take
8 a broader reading of industry. We heard some good
9 information from Dave Nevius, from FERC, and also
10 from PJM.

11 And I know the Staff is thinking about all
12 of those efforts. I think we really beat the no
13 RTCA, Mr. Thorson's 2b issue. We heard a lot of
14 good suggestions on that.

15 The necessary and sufficient clarification
16 -- I'm trying to remember exactly what that was, but
17 I did check it off. I think we did discuss that.
18 Anybody -- I guess the best thing, as you were
19 working on mysteries without any clues here, is that
20 if you see a bullet up there that you think has not
21 been addressed, please let me know.

22 Training procedures were not for comment.
23 We got an explanation about what happened with that
24 vis-à-vis the Commissioned SRM. Grid stress and
25 LOOP frequency. This was, I think, Parviz mentioned

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 that, following up on, I guess, Dick, did you bring
2 that up? Is it what is stress?

3 MR. SCHERER: I don't think I did, but I
4 would have.

5 MODERATOR CAMERON: Okay, he would have
6 brought it up, all right. What are the constraints
7 resulting from FERC regulations? Well we just had a
8 discussion of that, and David's suggestion on how we
9 might solve that. Is there anything else there?

10 MR. HEFFNER: The question was is there a
11 correlation between grid stress and --

12 MODERATOR CAMERON: Okay, thank you Ken.
13 Did we ever get any -- do we need to have any
14 discussion on that? Is that important in terms of
15 the GL at this point? Steve, let me bring you to
16 the microphone.

17 This is Steve Farkas. Are you going to
18 address that issue? All right.

19 MR. FARKAS: As far as the generic letter
20 is concerned, it comes into the generic letter
21 question number 8, which has to do with in effect,
22 has your plant had a LOOP or an SBO.

23 The question on its face it silly. If we
24 had a LOOP or an SBO, you have an LER. The LER told
25 you why it happened, and what we're going to do
26 about it to make sure it doesn't happen any more.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 If the NRC didn't like the answer they're
2 going to come and inspect, and complain, and do this
3 and that until we finally get to a resolution that
4 the NRC and the plant can live with.

5 So this question number 8 is just
6 redundant and useless. The NRC needs to ask
7 questions where they don't already know the
8 information, and we are uniquely able to provide it
9 to them.

10 So this particular question is just -- it
11 goes to the grid stress and the LOOP frequency and
12 how often does it happen, and is it really a problem
13 at the plant. If we actually have this kind of
14 problem, the NRC is going to be the first one to
15 know about it in about four hours when they call
16 from the control room if it takes them that long to
17 call.

18 MODERATOR CAMERON: Okay. I think that
19 the NRC should understand that comment that the
20 question is unnecessary. And Paul Gill, do -- Paul,
21 do you want to share some of the thinking on
22 question 8?

23 MR. GILL: Paul Gill from Electrical.
24 Again, I would urge that -- don't read, you know,
25 the sub-questions in isolation. I mean, if you read
26 question 8a and 8b, it's asking you -- well the

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 first step was have you had a total loss of offsite
2 power.

3 Okay, if so, then have you looked at your
4 coping duration evaluation, because if you did it's
5 going to effect what the duration is, because as I
6 pointed out in my presentation yesterday, that if
7 you had a total loss of offsite power in say the 20
8 year operating period, your offsite group is going
9 to change from whatever it is today, or whatever it
10 was when you did the scoping analysis, to P3.

11 Now if you go to P3, you need to go back
12 and look at what the duration is going to be, okay.
13 So the question is basically 8a, asking you that if
14 you had suffered a total loss of offsite power at
15 your site, have you gone back and looked at the
16 station blackout rule requirements, okay.

17 So that's the gist of the question. It's
18 not that we are asking you to tell us it you had a
19 total loss of offsite power. I hope I make myself
20 clear on that.

21 MODERATOR CAMERON: I guess the two
22 questions there is that with Paul's explanation,
23 does that alleviate the concerns around question 8?
24 And the second question is that based on what Paul
25 said, should question 8 be revised to capture the
26 way he said it.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 Mr. Thorson, did you have -- you have a
2 comment on this?

3 MR. THORSON: Well, yes I -- James
4 Thorson, Detroit Edison. I guess my question's
5 pretty blunt then. Is it the NRC's interpretation
6 of the guidelines is that you're allowed to be P2
7 until you've had a LOOP, and then you're required to
8 be P3?

9 MODERATOR CAMERON: That's speaking in
10 tongues to me, so Ronaldo?

11 MR. JENKINS: The -- once again, the, you
12 know, this is probably an unintended consequence of
13 a public comment. The public comment was you have
14 all of these questions together, why don't you split
15 them up into different parts and label them.

16 And so that's what in fact we did. And
17 now as a result of doing that, we see people who are
18 taking an individual question and taking it all, you
19 know, basically out of context of the main question.

20 In other words, describe how you are
21 looking at your coping duration as a living
22 analysis. Correct. As -- in other words, if you
23 have a coping duration that was based on certain
24 assumptions early on, and now those design
25 assumptions have changed due to operating
26 experience, then yes you should go back and read --

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 at least ask yourself the question should you
2 reevaluate that.

3 MODERATOR CAMERON: We need to get you on
4 the record. Let me ask -- Ronaldo, let me ask, does
5 that answer the blunt question that you asked?

6 MR. THORSON: No, not really. I think
7 there's a connotation here in the literature and in
8 the discussions. Not necessarily in the questions,
9 but if you go back to the bases section that implies
10 that if you're originally looking at a once per 20
11 year frequency and you had one last year, or two
12 years ago, as the case may be, that should
13 automatically put you into P3.

14 MR. MARION: Chip, if I may.

15 MODERATOR CAMERON: Okay, Alex Marion.

16 MR. MARION: Alex Marion, NEI. I think
17 the one thing that we need to focus on is the
18 distinction between the regulatory requirement and
19 the guidance. The regulatory requirement is to do a
20 coping assessment of your vulnerability to a station
21 blackout.

22 The details of the coping assessment are
23 covered in the guidance. And there is a provision
24 in the NUMARC guidance and I think it was also
25 picked up in the Regulatory Guide that says the

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 assumption was that -- and I think the average loss
2 of offsite power was one every 20 years.

3 And in the coping assessment methodology,
4 I think there's a recommendation that if you have
5 more than one loss of offsite power within a 20 year
6 period then you should be a P3.

7 But again, this is guidance.
8 Fundamentally the implementation of that should be
9 based upon the specifics of the loss of offsite
10 power, and the holistic review of the capability of
11 the plant to respond to that event, okay.

12 So you got to be careful about the
13 difference between the requirement and the guidance.
14 So I'd just solve for that. I think that will get
15 to your point in clarification.

16 But this suggests de facto requirement of
17 the Reg. Guide, and I suggest the Reg. Guide is just
18 guidance. The specifics of the event and the impact
19 on the plant is what should be the basis for the
20 regulatory decision.

21 MODERATOR CAMERON: Okay, just let me make
22 sure that -- does NRC have anything it wants to say
23 in response to Alex's explanation on this, keeping
24 in mind Mr. Thorson's question? Ronaldo?

25 MR. JENKINS: Ronaldo Jenkins, NRR.
26 Granted that the Reg. Guide is in fact guidance, and

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 of course there are -- as it's stated in the
2 station blackout statement of considerations that
3 was put out when the rule was issues, there are
4 alternative ways of meeting any NRC guidance.

5 But plants did in fact submit analyses.
6 Those analyses are reviewed and accepted by the
7 Staff as part of their licensing basis. And
8 therefore the question is asking whether or not the
9 licensee has revisited that analysis.

10 And this is no different than if you have
11 --something else changes in the plant. You would
12 revisit the design basis and the licensing basis to
13 ensure that you're still in compliance.

14 MODERATOR CAMERON: Okay, thanks Ronaldo.
15 Anybody else have a comment on the GL or the process
16 the NRC is using to develop the PL -- or GL? Okay,
17 let's go over here to Ken.

18 MR. HEFFNER: Ken Heffner, Program Energy.
19 Along with the terminology, I don't know if it was
20 captured, but yesterday Steve Alexander gave us
21 three bullets for what determine grid risk sensitive
22 activities.

23 And I think they should be captured and
24 put in the generic letter. Also I talked to Alex a
25 little bit. One of the fears I have when the TI
26 goes out is we've seen a lot of industry

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 interpretation of what the generic letter says, and
2 the Staff says that's not really what we meant.

3 I had a real fear of what happens when the
4 regions do that. And we're going to have some
5 serious differences of opinion. And I'm on another
6 NEI task force for reactor oversight process, and
7 our industry task force gets with the Staff to help
8 resolve those differences of opinion.

9 And I recommended to Alex that he take his
10 grid reliability task force with the Staff, at least
11 on an interim basis, to look for those differences
12 of opinion and try to resolve them quickly, and
13 share that OE with the rest of the industry.

14 MR. MAYFIELD: Chip, if I could.

15 MODERATOR CAMERON: Go ahead.

16 MR. MAYFIELD: I don't know if you know --
17 you may or may not recognize representatives from
18 all four regions that have come to this meeting,
19 specifically to assure or try to assure that dialog
20 within the NRC headquarters and with the regions is
21 effective.

22 So we very much appreciated the support
23 from the regions. And part of that motivation was
24 exactly to improve our internal communications so
25 that we're thinking about this with one mind.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 MODERATOR CAMERON: All right. I think
2 we're getting ready to wind up, actually, a little
3 bit earlier here. And I would just thank you from a
4 facilitator's perspective for not only all of the
5 good comments, but how you tried to tie those into
6 generic, overarching issues, and for following the
7 ground rules.

8 And I'd like to go back to the senior NRC
9 person to close the meeting out for us. And I think
10 we're ready to do that. So Mike, I'll just give it
11 to you.

12 MR. MAYFIELD: Well, we went into this
13 meeting with the hope and expectation to have a
14 fairly clear and frank dialog with interested
15 parties, stakeholders, on what was in the generic
16 letter, why we were asking questions, areas where we
17 needed some clarification.

18 We were seeking that input. One of the
19 points that I think Brian Sheron made is this was
20 not an opportunity to reopen comment on the generic
21 letter. That administratively gets to be important.

22
23 But at the same time we've gotten a lot of
24 good feedback, some things that we want to go home
25 and think about. And I think there are plainly some
26 areas where we're going to try to go in and simplify

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 some of the questions to include some definitions
2 and try and clarify what we're seeking and why.

3 We do believe this is an important issue.
4 For me, one of the major things that came out of
5 this was the stress that plainly you're feeling, or
6 at least some of you are feeling, about the
7 interactions between you and the transmission system
8 operator, and the degree to which government
9 regulation may be influencing that.

10 That's an important issue for us. And I'm
11 sure that our colleagues from FERC feel the same way
12 about it. So that was one that came out of this
13 meeting for us that goes beyond just clarifying the
14 generic letter that potentially has some serious
15 ramifications well beyond just this particular
16 request for information.

17 Hopefully we have clarified some of our
18 concerns and the reasons we're asking some of the
19 questions. I think Ronaldo and several other
20 members of the Staff have tried to urge you to look
21 at the sub-questions as part of a whole, not as
22 individual entities.

23 I think if you do that you will go back
24 and see the thread that we're trying to work down in
25 each of the 8 questions. If you focus on just the
26 sub-questions it's going to be a lot more difficult

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 to see the rationale, and frankly will be more
2 difficult to come up with answers to them, because
3 you have to look at the key question and what that's
4 trying to get to.

5 We talked internally quite a bit about
6 whether we broke out all of the sub-questions, or
7 did we stay with a smaller number of higher tier
8 questions. One of the approaches that we
9 consciously took was to try to cut off some of the
10 rounds of RAI so that the questions in the generic
11 letter would borrow down to things that if you just
12 stated the higher level question you may very well
13 simply get the lower tier questions when the Staff
14 starts looking at your response to the generic
15 letter.

16 That appears to have not played as well
17 with you as it did with us. It seemed to us a
18 matter of efficiency to try and guess what kind of
19 answers we might get to the first question, and then
20 guess where that might go, and then add the sub-tier
21 questions to help pull that information out from the
22 first set of responses.

23 That's one of the other things that we'll
24 think about, certainly for any future generic
25 letters, and we'll go back and look at this one and
26 how it's structured, but I -- since I may have been

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1 at the bottom of urging Ronaldo and his staff to go
2 down that direction, I'm not going to roll over
3 easily on that one.

4 So -- but we do appreciate the time and
5 effort and input that you provided to this meeting.
6 Having that dialog helps us, and hopefully the
7 feedback and insights we were able to give you will
8 help you as you put together the responses.

9 So thank you very much for coming and
10 participating. Have a safe trip home.

11 MODERATOR CAMERON: And just thank you to
12 Clair and Alex, as well as our panelists from
13 yesterday.

14 (Applause.)

15 (Whereupon, at 11:27 p.m. the above-
16 entitled meeting was concluded.)

17

18

19

20

21

22

23

24

25

26

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

1

2

3

ADAMS/ACCESSION NO.: ML060170686