# Official Transcript of Proceedings

## **NUCLEAR REGULATORY COMMISSION**

Title:

Interview of

Docket Number:

1-2003-051F

Location:

Station, New Jersey

Date:

25000

Tuesday, April 20, 2004

Work Order No.:

NRC-1459

Pages 1-114

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1	UNITED STATES OF AMERICA
2	NUCLEAR REGULATORY COMMISSION
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4	OFFICE OF THE INVESTIGATIONS
5	INTERVIEW
6	x
7	IN THE MATTER OF:
8	INTERVIEW OF : Docket No.
9	: Case No. 1-2003-051F
10	(CLOSED) :
11	x
12	Tuesday, April 20, 2004
13	Office of
14	Salem-Hope Creek Nuclear
15	Station, NJ
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19	
20	The above-entitled interview was conducted
21	at (time not given).
22	
23	BEFORE:
24	JEFF TEATOR, Senior Special Agent
25	SCOTT BARBER, Senior Project Engineer
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# **APPEARANCES:** On Behalf of the Witness, Jeff Keenan, Esq. PSEG Counsel

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(Time not given)

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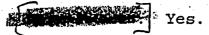
SR. SPECIAL AGENT TEATOR: Today's date is April 20, 2004. My name is Jeffrey Teator. I'm the Senior Special Agent with the United States Nuclear Regulatory Commission, Office of Investigations and this morning I'm interviewing



That's close enough.

Interviewings in his office at the Salem-Hope Creek Station at Artificial Island in Salem, New Jersey. Also participating in the interview is Mr. Scott Barber with the Division of Reactor Projects in Region 1.

you're being interviewed today strictly as a witness in the conduct of an investigation or an assist to staff that OI is doing for Region 1, into the safety conscious work environment here at Salem-Hope Creek. Again, you're being interviewed as a witness, but it's still your obligation to answer all of my questions truthfully and completely. This is a voluntary interview. Knowing it's voluntary, do you with to go forward?



SR. SPECIAL AGENT TEATOR: Thank you. Do

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_	you have any objection today to providing sworn
2	testimony?
3	No, I do not.
4	SR. SPECIAL AGENT TEATOR: Raise your
5	right hand for me, please?
6	do you swear that the
7	information that you are about to provide to me is the
8	truth, the whole truth and nothing but the truth?
9	I do.
10	SR. SPECIAL AGENT TEATOR: You're
11	represented by counsel today, if counsel could
12	identify himself and explain his representation,
13	please?
14	MR. KEENAN: Yes, my name is Jeff Keenan,
15	I'm Assistant General Solicitor for PSEG Services.
16	Today, I'm representing and PSEG in a
17	dual capacity. I'm not aware of any conflict of
18	interest. Should a conflict arise, we'll take a break
19	from the record and figure out how to best handle
20	that. We would appreciate the ability to review the
21	transcript when it's available to the NRC and we would
22	review it in your presence at that time.
23	SR. SPECIAL AGENT TEATOR: Okay, I just
24	ask that when you want to review the transcript,
25	contact me and we'll talk about scheduling it at that

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point.

## WRANGE Very good.

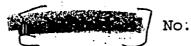
SR. SPECIAL AGENT TEATOR: Thank you.

a few follow-up questions regarding representation.

Does your employer require you to have counsel represent you when you're interviewed by OI?

No, they do not.

SR. SPECIAL AGENT TEATOR: Were you in any way threatened with any type of adverse action by your management if you did not request counsel to represent you during this interview?



SR. SPECIAL AGENT TEATOR: Do you understand you have the right to a private interview by OI if you wanted to do that?



SR. SPECIAL AGENT TEATOR: Understanding all of this, do you wish to go forward with counsel present?



SR. SPECIAL AGENT TEATOR: Thank you. Maybe we could just get a little background information about you.

Your date and place of birth, please?

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where I served in the same 2 capacity. SR. SPECIAL AGENT TEATOR: From the desert 3 4 to the East Coast. How long did you remain in that position? 5 Approximately nine months 6 7 and then I became the after we found the Unit 1 steam generator 8 issues during the recovery of Salem. 9 I did that for about five months and then 10 and served in that I became a 11 capacity through the recovery of both Salem stations. 12 13 SR. SPECIAL AGENT TEATOR: Now you said you were the would that be-for 14 both units? 15 Yes, that is correct. 16 17 SR. SPECIAL AGENT TEATOR: And can you give me the dates you were the 18 19 approximate? 20 Yes, it was approximately in 21 the summer of 22 then I went over to as 23 a growth developmental 24 assignment for six months. And then when 25 (Phonetic) who left to go DC Cook, I went back to **NEAL R. GROSS** 

being the for approximately seven months, six or seven months. And then in the summer of -- it would be -- let's see, I have to think here.

I'll work backwards.

SR. SPECIAL AGENT TEATOR: You held a lot of positions here at the plant.

Yes, my dad says I couldn't keep a job. They all seem to be better than the last one I had.

I became the summer of and then in the fall of the until the fall of That was a rotational assignment and then I became the when the company embarked on a several hundred million dollar capital program. I set a project, put in all the project controls and signed contracts for steam generators, reactor vessel heads, turbine, power uprates, those kinds of things. And I did that until the fall of where I then assumed the which also included the projects organization: The entire design that we did of setting up the projects was just for me to go set, up the infrastructure before we combined back because there was just such a large volume of work to get

1 initiated. It needed that kind of focus. 2 SR. SPECIAL AGENT TEATOR: You mentioned in the fall of 3 That's correct. 4 SR. SPECIAL AGENT TEATOR: And I thought 5 you said that as a rotational assignment. Can you 6 7 explain? Yes, in my development, at 8 9 this level, part of my development in preparation for 10 potential future jobs was to be able to have senior management experience different areas. 11 SR. SPECIAL AGENT TEATOR: Okay. 12 13 So part of that was for me to go over and gain operations experience at the 14 senior level. Since I'd been a 15 previously had mentioned this, but actually I have an 16 and I worked in the 17 earlier in my career. 18 19 SR. SPECIAL AGENT TEATOR: How many years were you an 🛱 20 21 Approximately three. 22 SPECIAL AGENT TEATOR: Were you a SR. 23 24 Yes. I had a regular active 25 license which I maintain current. I was an **NEAL R. GROSS** 

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might have seen you in travels how your 2 organizations are set up. So even though I was the 3 4 mostly strictly operations with no maintenance work 5 control or outages. SR. SPECIAL AGENT TEATOR: And when you 6 became the again in the fall of 7 do you remember what month that would have been? 8 9 we did a It was 10 realignment and I think we made the realignment effect 11 the end of October, middle of October. 12. following the refueling outage in the fall of 13 but really, we planned this reorganization and from June to October, 14 realignment under 15 so I knew what my position was going to be in the mid-16 and then summer we worked through whole reorganization staffing process that became effective, 17 18 I believe the end of October. 19 SR. SPECIAL AGENT TEATOR: Jeff, if we can 20 get those details, that's important for the record. 21 MR. KEENAN: Yes. 22 That's the general --SR. SPECIAL AGENT TEATOR: Okay. And when the fall of you were the 25 you have reported to then? **NEAL R. GROSS** 

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when I was the I reported to changed and then I reported as the until the reorganization in the fall of

SR. SPECIAL AGENT TEATOR: All right.

Good, thank you.

Let's, I guess maybe we'd like to begin going back to whe left the side here. My understanding is it was 1998 time period, 1997-1998 time period. Is that your recollection? That's about the time --

That's about the time came and I believe that's when retired.

SR. SPECIAL AGENT TEATOR: And when came on board here, what was your job then? I know we didn't go back that far, but do you remember what your position was then?

Let's see, I believe that I was the and there was here when left and because we needed a Salem asked me to return back to the station until we could complete what he was planning to do as a

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the time clearly was the recovery of the Salem stations. We had at that point without confusing you,

(Phonetic) was a very capable of Hope Creek and we were able to keep the majority of the organization focused on Salem and had a management team at Hope Creek sort of running that station while we really were into, as you know, a very large effort.

When came, so a as mostly into When came, he brought the recovery, that focus. a focus to the organization on safety as a core value that was much more visibly pronounced than was obviously very much towards reactor safety. approach was right when he got here that we were absolutely going to get to top quartile and we were going to do it by focusing on safety. And if we focused on safety, this was what I used to call speech number one, if we focus on safety, industrial, radiological or nuclear, we will then create the behaviors necessary that will give us the reliability and then if we get the reliability, we will be cost competitive. And his focus, I mean, every venue or business plan was built around that so in a very focused way was all about driving safety and safety behaviors in the organization.

And I don't mean to say that 1 but when the new leader came, made that the 2 mission of PSEG Nuclear and made that the framework 3 4 for our Management Program that everything was built 5 upon. SR. SPECIAL AGENT TEATOR: 6 7 in and put his focus, his core value on safety? Correct. Literally, I mean 8 9 just for the record, if you care, there's all hands 10 meeting presentations I'm sure that are 11 available. You could just see how every, all hands 12 meeting, every management meeting, our metrics were set up with safety, reliability and cost. 13 So I mean 14 his whole program was geared around that. SR. SPECIAL AGENT TEATOR: Of those three, 15 16 what was the top? Safety, reliability or cost? 17 used to always say 18 that the way that we're going to get reliable is by focusing on safety and if you get the safe behaviors, 19 20 that people have their safety behaviors and processes 21 that are keeping us safe industrially and nuclearly, those behaviors then translate into behaviors that 22 will produce reliability of the unit. 23 SR. SPECIAL AGENT TEATOR: Was the 24 25 corporate management out of Newark supportive of

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direction? And if so, could you give some examples showing their support?

The way we were set up, our focus is the officer team was on the units and managed the Newark interface. Specific examples, I would suggest you're probably going to have to get because we would go up to quarterly leadership conference, the CEO's conference and we would have a bi-weekly videoconference where we just generally discussed unit status and upcoming highlights, but my personal corporate interface when was pretty much limited to those kinds of venues. We'd submit a budget. We got all the capital projects approved for power up grade and turbine replacements. pretty much went to all to this strategic planning meetings and staff meetings and stuff up in Newark and we didn't go to very many of those at all.

SPECIAL AGENT TEATOR: the SR. But meetings or discussions you were then part of, I want to ask you a couple of questions about those. During any of those was there a pushback from his people up there regarding -- let me finish the question -- regarding plant operations status, having to shut down, extending outages, anything along those lines at all?
there were

I cannot recall any and there were -- we presented many times at videoconferences, outage schedules and forced outage schedules that were having an impact on the company and I never was aware of any or heard any personally or was aware of any where in those forums and videoconferences or other forums where -- if your question is was there pressure to start up?

SR. SPECIAL AGENT TEATOR: That is my question.

Actually, I did not hear anything in those meetings that gave me concern about pressure to start up.

In many cases was very supportive of -- and I can think of several cases where he said well, we have to do what we need to do to run safely and it's not about one day of generation today, it's about the long term reliability of the asset.

SR. SPECIAL AGENT TEATOR: Right.

So I never heard any -- now we're in business to make electricity, so obviously everybody that's involved knows that our terminal objective is to when we're shut down in a very smart methodical way return to service as prudently as we

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can and that's what he expected, but I never heard any 1 2 pressure to start up or take any actions that would be 3 short cuts or do something that was not in accordance 4 with our programs or policies. 5 SR. SPECIAL AGENT TEATOR: Do you recall would have been a participant in some 6 7 of the discussions or meetings that you were at? 8 Over what time frame? 9 SR. SPECIAL AGENT TEATOR: The time frame having the 10 you discussed, when you're 11 quarterly videoconferences, for the you go up 12 meetings. It's a general question. The answer is yes. I'll say 13 after -- the reporting relationship is 14 directly to And when came, we did a 15 16 little realignment and reports to videoconferences 17 the after and 18 involvement, he had direct line authority for the 19 nuclear plant, has increased tremendously since the 20 realignment. 21 SR. SPECIAL AGENT TEATOR: That was in 22 about April of 2003? 23 That's correct. 24 SR. SPECIAL AGENT TEATOR: 25 came in April.

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SR. SPECIAL AGENT TEATOR: Somewhere in that time frame and then alignment took place at that time?

Correct. Now since then I think has been at most every videoconference.

has been down here a lot. We go to or now go to staff meeting. I mean the whole set up has changed since came.

SR. SPECIAL AGENT TEATOR: I want to go back and talk a little bit about deregulation. When did that occur here in New Jersey?

MR. KEENAN: I can add to that. PSEG was created in August of 1999. I believe it was August 22 or thereabouts.

SR. SPECIAL AGENT TEATOR: Okay

MR. KEENAN: That's when we officially became a deregulated entity.

SR. SPECIAL AGENT TEATOR: All right.

Which makes sense because that was the time frame that we named the officers.

That's when I became

of this new entity called PSEG Nuclear LLC.

SR. SPECIAL AGENT TEATOR: When management knew that that was going to occur in preparation for

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the change in the environment, really, the business environment I'll say, did you notice a change in the support received from corporate regarding plant operational decisions down here that and his people were making?

MR. BARBER: Or the focus of the decisions.

I don't recall anything changing. You're saying did a videoconference or any involvement by or or the tone of them change the day we deregulated or soon after?

SR. SPECIAL AGENT TEATOR: Well, before in preparation of the deregulated environment?

MR. BARBER: You had a significant change that was scheduled to take place. You know it was coming. The timing you may have had a little bit of control over from a company standpoint, maybe not totally, but approximate timing. It was a major transition for the company.

The only change that I can think of that occurred in that time frame is we had to create an interface with our trading company that we didn't necessarily have before in the deregulated market.

SR. SPECIAL AGENT TEATOR: Why?

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Because in the deregulated

market there's no dispatching of -- there was a whole different displace scheme for the power plants and we're an independent generator of electricity, so we through our trading company, bid our assets into the power market on a daily and going ahead basis. because of that, we had to make sure that for planned outages, that we would have a communication with our trading company, to let them know when planned outages were so they could go make appropriate business decisions on replacement power. That was not in the conversation much before then that I'm aware of. It may have been through Hope Creek, but if you remember, you really don't have to dispatch in a shutdown unit, so most of my career there was (Inaudible) being shut down, but -- so we had to create a protocol to notify the trading company when we were going to move the units around.

SR. SPECIAL AGENT TEATOR: Talk a little bit about that, about the interface, when there were unplanned outages, if you could?

We just would call the trading company and tell them that we're shut down and here's what our best estimate is and we're coming back and then we would just keep them apprised.

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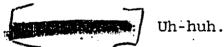
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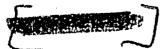
return the unit from the trading floor, 1 2 always interested in when we thought 3 percentage chance of that because they would make decisions based on probabilities. 4 And we actually refined that more and could probably 5 6 elaborate more on that. But we'd actually provide 7 like a 60 percent confidence schedule or an 80 percent schedule, 100 percent confidence schedule. Well, 8 9 obviously, the 100 percent confidence schedule, we 10 gave ourselves a lot of float to account for emerging 11 issues during the start up so that the trading company 12 could make an appropriate decision.

> SR. SPECIAL AGENT TEATOR: We're talking about work environment and you're really talking about people's perceptions of things.



SR. SPECIAL AGENT TEATOR: How they're viewing things, seeing things and how they're perceiving that.

Did any of your direct reports share with you any concerns that they were having or feeling regarding operating the plant in the new environment and having to deal with the other people on the trading floor?



No. Not that I recall.

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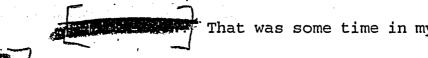
26 There was an occasion, I do recall, which I corrected, 1 and I don't recall the time frame. 2 I apologize for that some time in my two years as, 4 reported to me there was an inappropriate was conversation between the trading floor and the Control Room that occurred and I went to the president of the trading company and we -- he put some direction out and that never occurred again. SR. SPECIAL AGENT TEATOR: Can you tell us what that was about? issue, but the -- it was generally along the lines

I don't recall the exact that you were talking about where the person on the other end of the calls were to get the feeling that the trading guy was pushing a little and that got to my attention. We stopped actually at that point, the trading company and calling the Control Room.

SR. SPECIAL AGENT TEATOR: Okay.

That was the only example of that that occurred that I can recall and we prompted took care of it.

SR. SPECIAL AGENT TEATOR: Can you give us a time frame for when that occurred?



I apologize for not --

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SR. SPECIAL AGENT TEATOR: Do you remember who you heard that from?



It was from the Hope Creek

side.

SR. SPECIAL AGENT TEATOR: . Okay.

I don't recall any more than that. It would have -- I mean it was either going to I mean it would have likely been but that's a guess on my part, only because was at that time. that's who the 🛦

SR. SPECIAL AGENT TEATOR: I'd like to try and get a little more from you, your memory about the substance of the call made to the Control Room, if you could.

Can you share with us more about that? I don't recall the specifics of it other than -- I think it was in the perception that you were talking about. The real issue was that it was inappropriate that the trading, that the trader called the Control Room and that was not a routine -that was not a routine interaction that I was aware of and so that's why we stopped it immediately.

Nothing, no action was taken differently as a result of the trader calling that interaction with the Control Room staff. I mean we didn't do

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anything differently because of that.

SR. SPECIAL AGENT TEATOR: We're going to take a short break and I'm going to flip the tape over.

(Off the record.)

SR. SPECIAL AGENT TEATOR: Okay, we flipped over to Side B and I just wanted to talk a little more about this call to the Control Room. When you became aware of this specific instance which you discussed, did you find that that had been -- that those type of calls had been occurring before that?

No, quite the contrary. As I recall when I was discussing it with -- and I'd be guessing, most likely, probably that that was not that common and when -- if it had occurred, it wasn't common in what he references as the tone, I guess, of that particular call was different. I reported that to and he was 100 percent in agreement that that was unacceptable, supported my discussions with the trading floor and we resolved that issue by setting up a more formal protocol and to the best of what was brought to my attention. It was an isolated occurrence that we promptly addressed.

SR. SPECIAL AGENT TEATOR: Okay, but did

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you consider at that point that that call to the Control Room sent a message to the operators about a change in something?

I don't believe that it was relayed to me nor do I believe that -- I know for a fact it wasn't relayed to me and I don't believe that it was a big issue within the Hope Creek Staff. We're making a bigger deal out of it now, in this conversation, than the actual tone that this issue was brought.

I recognize the potential that could occur with that which is why I jumped right on it and I'm confident that communicated back the new protocol and then the issue was resolved.

I was not aware of any other issue around that topic after that --

MR. BARBER: I'd like to move on to a slightly different time frame and a slightly different line of questioning. Somewhere in the summer of 2000, there was a problem at Hope Creek and that related to an over power event, slight over power. If I remember right, what happened was it was something on the order, there was some transience at the station and there was a loss of feedwater, some sort of partial loss of feedwater. And the operators recovered from

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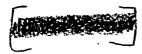
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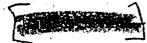
it, but not totally and they brought the plant back up to power and the feedwater going into the reactor was a little bit colder than it should have been because of the feedwater heating problem.



I am very familiar with the

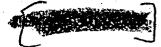
event.

MR. BARBER: So our understanding was the TARP Process came out of that because of the way that -- the recovery of that event was managed. It was kind of managed on a local level more. The shift made decisions on what to do.



That's correct.

MR. BARBER: And this led to our understanding was some concern on the part of the senior management team as to what was going on, why it was happening, what kind of controls should be in place and what kind of message should be sent to make sure that the operators understood what the limits of the responsibilities were and what the appropriate controls were. And this led to a meeting, I think around August 2000 where called a number of operators into a group discussion. Were you at that meeting?



I was not.

MR. BARBER: You were not. Did you hear

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-- did you know of the content of the meeting or were 1 you briefed on it at all? 2 3 Yes, I was aware of what we were trying to accomplished because we had discussed 4 5 that as a senior management team. MR. BARBER: Okay. 6 7 And you're right, the TARP 8 Process came out of that. 9 MR. BARBER: Okay. 10 So I'll let you ask a 11 question. What was discussed and what 12 MR. BARBER: 13 was the message that was conveyed to the operators, as 14 you understood it? 15 I wasn't there. As 16 understand -- when we talked about it, **Si**wanted to 17 -- he was the so I mean he was the person accountable for the operation of the 18 19 He wanted to let the operators know that decisions, some decisions -- there is a protocol that 20 21 has to be followed that is linked to safety of getting 22 management notifications, getting extra help involved 23 getting thinking in decision making, 24 especially when they're not time dependent decision

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making on the unit returning to power, that that's

different. And he was very clear because I heard him talk about this when he talked about it afterwards. He was very clear in his conversation that that didn't mean that they couldn't trip the plant any time that they thought that they needed to trip it, make immediate decisions to trip or derate the unit. They had the accountability to do that based on their judgment and their evaluation of what's going on in the plant at the time.

Once we did the down power, their decision making and the protocol for when we had done enough management reviews to say it's okay to return to power, put a control in that said he wanted to make sure because we didn't have plant managers on that alignment -- it's a little confusing -- there were different work structures, that he wanted the Vice President of Operations to have an opportunity to review the situation and ask questions and authorize the return to power.

And he did that as an added control for safety which I agreed with. It had nothing to do with the operational decision making of tripping or derating and the operators knew that and in fact, there's examples after that effect where there were numerous occasions where the operators based on real

time needs and transmission lines maybe going down, Salem clogging, whatever circulators at immediate down powers and the operators knew they had the authority and did. I can show you examples where, numerous examples where they derated the unit and we encourage that. When I was I would go thank the crew for taking the prompt action and derating. But once it was down, we put in place a protocol that assured the adequate level of reviews occurred before we authorized increases in power. And in the event they specifically addressed, what had occurred was the Operations Superintendent made inappropriate decision making to go ahead and return Hope Creek to service after a lightning strike in the switchyard with absolutely very little walk downs and engineering reviews and assessment of the plant before we returned to power. And in fact, in that, as you alluded to, missed -- did assess even the impact of the lightning strikes sufficiently to catch the B water string that was isolated.

And when we returned to power that created a configuration issue that resulted in that slight operation over 100 percent power that he talked about until the on-coming crew caught the feedwater string was isolated. Well, our management response to that

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that's unacceptable, because was no, unacceptable. And until we -- to get a management control in place that we could adequately ensure that we had the right kind of reviews and plant evaluations done, before we returned to power or increased back power, we put the TARP Process in place that caused the response and the experts to come out here and assess the situation and provide the Operations Director and the Operation Managers with the assurance that we understood what happened and it was safe to return to power.

And that control of calling me is that the in the middle of this that's when I rotated He went over to the That gave me the chance to ask questions and make sure that I was satisfied that we covered all the bases before we turned the unit to service.

MR. BARBER: And it was your understanding that the focus of this was clearly on returning it to service --



Increasing power.

MR. BARBER: Was there any discussions to your knowledge that related to power changes in the

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downward direction?

clear and I personally made it clear that our procedures made it clear and in fact, I can show you, it's not a good story, but there were opportunities in our sky lines (Phonetic) I can show you where those down powers occurred on numerous occasions.

I can recall an event in the spring of -it would have been the spring of 2001 and I want to be
precise, if you want me to look at the sky lines.

MR. BARBER: Sure.

Could you hand me the sky lines for Salem? As I recall this, I recall this vividly.

I'm looking, Jeff, for the down powers due to -- maybe it was 2002, due to grassing and then we took the unit to 50 percent.

The you're getting called in the middle of the night and -- I think it was right here. I think it was this one. We had trouble with heavy grassing. This spring of 2002 was the highest level of grass ever observed at the Delaware River, so we had some issues with having to take circulators out to clean water boxes and in the -- do we have the TARP Report for that? You can read the TARP Report for

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that.

It talks about, in the middle of the night, I got a call that -- from the shift -- and we were on a conference call with and myself and the Shift Manager and he called to tell me he'd taken the unit down to 50 percent power and he called out a TARP and we had a conversation on that about what the plant configuration was and we concluded and I directed that we take the unit off line and we all agreed and felt more comfortable because he was -- at 50 percent and stable, we were sitting there in a condition that we were really not where I wanted to be.

So we, in the middle of the night, made the conclusion let's take the unit off line and in fact, we did and we stayed off line 13 days until we got the required number of circulators back and got the plant back in a configuration when we came up to power we could manage the river, as you can see, in a satisfactory way afterwards.

MR. KEENAN: So for the record, is indicating to what we call a sky line which is a generation chart and for this specific issue and we can make this available to you, Jeff and Scott, is a sheet that shows Salem Power one output for March of

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2002 on a megawatt basis. So it shows times where we've reduced power and come on line.

The reason I brought this one up in reference to this conversation, Scott, is called me and told me he was already at 50 percent So there was no requirement that he had to power. call or I to take that kind of action. Once he did that he was following his Ops chain of command, got a hold of and I on a conference call and talked through and we came to the conclusion, let's just go off line. And that was totally, totally what was expected of me from And when I called to ask permission to tell I didn't cal him I was taking the unit off line, I didn't need -that was not the protocol that

up afterwards, told him what we were doing, told him that we were going to get and said a fragment (Phonetic), called we're going to need some maintenance help and we're going to lay out a fragment (Phonetic) and go get the right number of circulators. Because I think if you look back here in January, as I recall, you can see that we went down to 50 percent power here to do a traveling screen. Came back up two days, went down to 50 percent power here, came up a little bit later

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there. A day later, down -- you don't see --

SR. SPECIAL AGENT TEATOR: Is that January or February you just showed in that previous one?

February. So you can see we were sort of -- and you see we don't stop at 50 because that was like for one hour while this phone call was going on that particular night, in the middle of the night. Told them to take the plant off line. I didn't have to ask permission from nor would I ever.

MR. BARBER: Well, you're talking about being the coordinator, took the unit to 50 percent, but wouldn't the procedures dictate he was to reduce power?

Yes, he had to reduce power to 80. He went down to 50 to give him some more margin and then made the call. The decision to go off line was far in excess of -- this could have looked just like the one I showed you previously. (Inaudible) That was again an hour to operate the unit and when I called he was totally supportive of that and has a boss called so I'm sure he called and I was not aware of any conversations of anybody above (Inaudible) other than us getting the unit in a configuration that we felt comfortable

with coming up and being able to run reliably. 1 2 And if you look, the grass is still high 3 in the river. Not all decisions turn out to look like this, but I mean on this particular one, taking the 4 5 time to restore the unit was absolutely the right 6 thing to do and stop the seesawing of the unit that 7 had been occurring. 8 SR. SPECIAL AGENT TEATOR: It's 9:20 in 9 We're going to take a short break, the morning. 10 please. We'll go off the record. 11 (Off the record.) 12 SR. SPECIAL AGENT TEATOR: Okay, 13 approximately 9:30 in the morning. We're back on the 14 record and there's something you wanted to share with 15 16 Yes, the August lightning 17 strike event which, for the record we clarified did 18 occur in August of 1999 as opposed to August 2000 19 which Mr. Barber had indicated in the introduction to 20 this line of questioning. When this occurred as a very significant operational decision making error and was very troubled by this and what that meant as far as how we were actually operating the station and how we were actually monitoring the

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station as a senior management team. And he called us together, I believe it would have been and I, and gave us a pretty direct set of expectations on what was acceptable and how we're going to operate these power plants and what And what wasn't acceptable is us returning wasn't. these units to power or -- and not properly evaluating the plant when transience occurred and I mean in my entire career I have never been coached or counseled that effectively from safety one, reactor standpoint; and two, very clear expectations from that he expected us to put in place the kinds of corrective actions we did, the TARP, the approvals to return to power, to make sure that that did not happen That was with his direct reports being laser-precision sharp, that that was unacceptable and that wasn't going to happen again.

and out impactful coaching from my boss in my nuclear career. That tended to have an impact on me relative to my recollection of the event than the corrective actions. This was a big event and wanted us to fundamentally use this as a way to change the approach that we were going to have to the operations here

which is why I believe, back to our previous line of questioning that took the -- what was probably an unprecedented step of personally going and addressing the Hope Creek SROs so that it was laser-clear to them.

MR. BARBER: Because of his strong, passionate feelings about the circumstances that there was a potential that in the way he communicated with passion and with conviction that maybe some of the messages that he was trying to convey could have gotten misread?

I wasn't at the meeting, so
I can tell you I heard his direction and his passion
and it was laser crystal clear what he was looking for
and why he was troubled by this as the person that was
ultimately in charge of the facility. I wasn't not at
the SRO meeting, so I'd be speculating as to how that
might have landed on anybody that was there.
Obviously, I have -- you should go talk to those folks
because they could give you that perception. I would
be speculating.

SR. SPECIAL AGENT TEATOR: We have talked to many of those folks, actually. We've done a number of interviews as a part of this work environment issue and some people have pointed to this meeting that

had with the operators as how things started.

People took, some of what you said, from that point forward, people's perceptions did change.



Okay.

SR. SPECIAL AGENT TEATOR: A fundamental change about the approach to Ops, that was maybe not so positive. So we're going to talk about some of those specific instances right now.

Okay, fair enough. I have one more clarification.

SR. SPECIAL AGENT TEATOR: Sure.

In a relative scale, the impactfulness of the August 2000 lightning strike event and our correction actions and how we saw that as profound as compared to the one singular example I had of the trader that I was made aware of that maybe made an inappropriate call to the Control Room and our corrective actions, those were widely different in magnitude.

I mean I was not aware of any, nor am I aware that there was any subsequent issues along those lines with the traders after we took that corrective action and to my best recollection I would say today that was a single point, maybe a lapse in judgment by a particular trader that we both corrected on the spot

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and then put a protocol in place so that it wouldn't occur again and in the relative scheme of things, that was a very small issue on the scale of things and especially compared to our reactions in our correction actions, only because I'm not aware that -- it wasn't repetitive and I was not aware of any other examples by my management team where that had occurred within appropriate actions with the trading company.

SR. SPECIAL AGENT TEATOR: We're not going to be talking about trading company reactions. We're going to be talking now about operations interactions and the way some things went down that people didn't think went down appropriately or correctly.

So I want to talk to you about and get your impressions of some certain events.



Great.

MR. BARBER: The first one involves, it was start up. It was probably 2001, 2002 time frame. We believe that you were the at the time and let me give you a little bit of background. Hopefully, this will ring a bell as far as what the issue was, but the Salem start up was in progress and then somewhat of a protracted start up. There were some problems with some generator work that caused some delays about a week

and there was a desire to try and bring the plant up in kind of an unusual configuration in that one of the things that was done was in an attempt to get condenser vacuum there was some special seal, sealing type material that was put in place in the main turbine seals and the vacuum was, in fact, drawn (Phonetic). There was -- basically it was to try to move the plant along schedule-wise, that there was a number of activities that had taken place. There were some delays. I think the desire was to try and do as much in parallel as possible to kind of move the plant along with the start up.

And there was some concern about making sure there wasn't too much steam in the header because if you got above 100 pounds you could actually roll the turbine. But you wanted to have adequate steam pressure for vacuum purposes and there were a number of other issues in that regard.

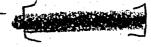
Also, at the time, on the schedule there was -- it might have been coming out of a refueling outage. There was a desired scheduled physics testing, a performed physics testing. And so to kind of set the stage, the plan is in kind of unusual circumstances, you're trying to move the plant along with start up. You have a vacuum in the condenser,

but you have this unusual thing with the steam seals.

There's a push from the senior management team and some of it has been attributed to you where you're pushing to do physics testing and you're directing the start up manager to do physics testing. And the feedback we're getting from him and others is that they feel like they're being -- there's an unusual amount of pressure to start the unit up.

And the unit is in a very, very odd configuration, doing physics testing, actually taking the reactor critical. You got -- any kind of change in any kind, any type of thing that would affect a reactivity coefficient could work for you or against you. You could have cold water injection. You could get an overpower condition, but yet the feedback we got was there's a push, there's a production push. And we want to get the unit started up. We want to do as much as we can in parallel.

Do you recall that at all?



I recall the issue. I also

would characterize it a bit different. I don't dispute that in your interviews that somebody might have had that perception because I can't control people's perception.

You would characterize it that we were

trying to advance the schedule. We really -- that didn't advance the schedule. and I had talked, what we wanted to try to do is get as much discovery in as we could early so that we could correct any other problems so that when we did return the condenser back to the normal configuration, if we did have problems with condensate on long path research steam seals we could have found those and fixed those in parallel.

So we didn't really advance the schedule any with that line affecting. Am I making sense? Because we couldn't go anywhere with the temporary turbine seals anywhere. What that allowed us to do is bring back pieces of the secondary plant to see if there were issues so that we could fix them in parallel as opposed to in series.

So we weren't advancing the end date of the outage a bit because you can't run the plant with temporary steam seals. What it did allow us to do is bring back and do more testing to find other issues that we could correct. So that's a subtlety -- I want to make sure that --

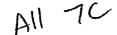
MR. BARBER: Did you get any push back on this? Did anybody --



We did some evaluations and

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47 there were some concerns and we addressed those concerns with engineering specifically on the ability to draw vacuum with the temporary seals and we did find some industry experience that was related to me that that had been done before, so it wasn't like we were off -- there were turbines and condensers everywhere in coal plants and nuclear plants and that this wasn't a profound new idea to bring a vacuum up that way. MR. BARBER: Was there a 5059 done for the unusual configuration because there was a change -you considered it a change to the normal starting up? I don't recall that there

was or was not.

MR. BARBER: Was that something that was considered?

I don't recall. I do recall we did do an evaluation. I don't recall the specific evaluations we did and then I also don't recall, I do recall the discussion with Operations and the concern around the low power physics testing. And as I recall, we didn't do the low power physics testing in that configuration.

> Okay, but the way it was --MR. BARBER:



Help me out --

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MR. BARBER: The way it was described to us is that you were pushing the station to do this, to push the physics testing to advance the schedule. That's the way it was being described to us.

I'm not going to dispute how somebody described something to you.

SR. SPECIAL AGENT TEATOR: Let us ask the question, were you pushing to have that testing done?

No, I was pushing to have parallel evaluations done so that we could make a management decision with Operations' involvement and what was possible to allow us to keep moving the discovery piece of the outage forward while we were waiting to fix the main generator.

So again, the low power physics testing would have allowed us to find other problems. I didn't direct them to do it and I would believe nobody would have told you that because I didn't direct anybody to do that. I kept parallel valuations going on so that we could make an informed choice on what the right operational decision was. That is totally appropriate to what I feel is the role of the is. So I'm asking questions. We're getting some other evaluations and reviews done to see what was possible. I don't think that's inappropriate.

Now nobody informed me that I recall that 1 they felt pressured or not and it certainly wasn't 2 directly ordered to go do that. Part of operations is 3 exploring alternatives all the time and we do that as 4 part of sound operational decision making. 5 SR. SPECIAL AGENT TEATOR: Do you need to 6 say something, Jeff? Do you want to take a break? 7 MR. KEENAN: Can we go off the record? 8 9 (Off the record.) SR. SPECIAL AGENT TEATOR: 10 Okay, we're back on the record after 11 took a short It's about 9:49 in the morning. 12 We just want to follow up a little bit 13 14 about this issue we were talking about. 15 MR. BARBER: On this issue, did anybody express concerns to you about the way this -- the 16 17 start up was being managed and what was being asked? 18 Not that I recall specifically. I know it would have been typical for 19 and I to be talking with the 20 21 Outage Managers talking about where we're at and what 22 the plan to move forward was, but I don't recall any 23 specific conversations. 24 In the end, the Operations Department had 25 authority and as I recall, this is vague

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1	recollection, that we didn't do the low power physics
2	testing that that evaluation was
3	[End of Tape 1, Side B; begin Tape 2, Side
4	A.]
5	SR. SPECIAL AGENT TEATOR: Well, after
6	going back on the record for about 30 seconds, I put
7	in tape number 3. I'm sorry, if you
8	could go ahead, please.
9	I lost that last thought
10	MR. BARBER: This issue that we've been
11	talking about for the last few minutes, was it coming
12	out of the refuel outage?
13	I believe it was. It was
14	after we had damaged the main generator during a
15	maintenance evolution that extended the outage, as I
16	recall 9 days.
17	MR. BARBER: And were you
18	during this what we were talking about during this
19	time period?
20	I believe I was. Did you
21	have the date, Scott, of when that was?
22	I know when it was. It was the outage
23	before the last Unit 2 outage because we did the
24	generator repair last fall, so if it's fall of 2003,
25	it's spring of 2001 and I was the
- 1	

1 Do you remember who the BARBER: 2 for that outage? I believe it was 3 4 Did you have a start up 5 BARBER: MR. manager at the time or is that -- was it one of the -б 7 We had a position called a Start Up Manager, Recovery Manager and I don't recall 8 9 who that was. If you know who it was that would 10 probably jog my memory. MR. BARBER: 11 Yeah, we had to do one of 12 13 the outages. Do you remember if he was 14 MR. BARBER: 15 involved in this particular issue we're talking about? If you have the fact sheet 16 17 that he was the Recovery Manager for that outage, I would agree with you, but I'll say if he was, that 18 19 would have been one of the assignments he would have. I didn't recall that it was or somebody else. He 20 worked directly for the Operations Managers. 21 22 are three or four levels of management between this going on and me. 23 MR. BARBER: I thought you mentioned when 24 25 we began talking about this particular issue that

there was a concern raised and Engineering had addressed something.

about using the temporary seals or using some sort of sealing material to allow you to draw back and in our daily -- in some of the updates we get on the outage I was made aware we devaluated this and it wasn't unique and that it appeared that it would be acceptable. In fact, the decision was made to do it. That's the level of understanding that I have of it.

MR. BARBER: And where did that decision come from, that it was okay to do that particular thing?

our normal process with the Operations Manager and the Outage Manager and the Operations Director.

MR. BARBER: Where was the push coming from to do this because this was unusual. This wasn't per the procedure? You would likely have had to make a procedure change or multiple procedure changes to do this.

During the outage, we always had look ahead teams and we're always looking for ways of bringing the plant back to get it in testing in a way that we can find issues so that everything isn't

in series because everything doesn't have to be in series and it's no safer or unsafer to do things in series or parallel and we do have an obligation. We are an electric generating plant where it's prudent and appropriate to look ahead, do things in parallel so we can bring the unit back to service safely as efficiently as we can because our business is to generate electricity.

In that, when we ran into the problem with the generator, we had people looking at how could we bring the secondary plant back so we could get into this discovery that I was talking about and bring pieces of equipment back now that we had this event occur which we weren't anticipating called damaging the generator during our repair. As part of that, this idea came up and got evaluated through the outage organization and ultimately implemented.

I, as the would not make -- it wouldn't be my practice in the way I operate making locally based equipment related decisions. I was probably the least -- in an organization, probably the least effective place. I might say hey, have you thought of this, have you thought of that? Can we do this? Can we get somebody to look at this? Is there any way that we can in parallel bring back pieces of

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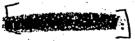
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There would have been no

need to do that because we would just have started up the plant in the normal frequency that the outage schedule had dictated. Now we have this event and we know that it's nine days. Rather than just sitting there hoping -- getting the nine days done, we're asking questions. Hey, the plant is generally put back together. Is there any way we can modify safely the configuration so that we can bring some of this equipment back so if it's not correct, we can do the retest and correct it under the window of the generator being repaired?

MR. BARBER: You just made my point. you described was that had the outage gone as planned, had there not been some unexpected problem that you would have conducted the outage as planned. But yet, when you lost time on the outage, there was a push, a pressure coming from the senior management team to meet the original schedule or to come as close to the original schedule as possible --



That's not correct --

BARBER: -- by doing things That's what you just described. parallel.



I disagree with that.

testimony led you to that conclusion, I'll take

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another run at what I said.

The generator, once it was broken, was going to be there 9 or 10 days and we can go back and get the facts set (Phonetic) of the outage schedule and what it was, but as I recall, 9 or 10 days, to fix.

There was no sync'ing (Phonetic) that generator any sooner until it was fixed. I mean it had to be repaired and it was going to take what it took to repair it.

Well, we were in that hammock (Phonetic) which did extend the duration of the outage. We were looking to see is there any way we can bring back pieces of equipment to test so we can find them satisfactory tested or not so we can make repairs or not. Well, we're under this umbrella called fix the generator and trust me, the generator was not going to be sync'd until it was fixed and put back together, independent of any decision that I might make.

And so the rest of the plant meanwhile was coming back together, while this repair of the generator is going on. So we asked and I discussed and said hey, let's get some evaluations, see if we can get some creative thinking and appropriately not violating or short cutting, do some

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**5** / 1 things in parallel, bring some of this equipment back so when the generator is fixed, we have a very good chance of being able to just smartly start up a plant without having to -- the first time we start the condensate pump (Inaudible), if there's a way that we can get the condensate pumps started earlier, that's prudent and allows us an opportunity to fix those kinds of problems while the generator is being fixed. If the generator was not damaged, you would have just done things based on the original schedule. You would have done them as planned, based on the original outage schedule?

That's correct because I would have had no hammock to -- I would have had no extended period that I knew I was going to be in to fix the generator.

> Do you understand that --MR. BARBER: I actually don't.

SR. SPECIAL AGENT TEATOR: That's okay, Scott, we're going to talk about it.

MR. BARBER: If there was no damage to the generator, the outage would have progressed as scheduled and I'm sure there would have been some schedule pressure or some production pressure, but it would have been the normal pressure that would have

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been exerted during any outage to get the unit back on line which is we all are aware that there's always, at least a relative amount of pressure there.

With an emerging condition, an unexpected condition that is eating into critical path time, whatever it is, whether it's 9 or 10, whatever the number is --

It obviously started driving the outage, there's no dispute with that.

MR. BARBER: Exactly. So what happens is with the Senior Management Team coming in, and pushing the station and saying hey, managers, take a look at this. We need to look for economies. We need to look for things we can do up hill that there is a production pressure that's being put on there. And there are people in the station that are saying management wants us to take shortcuts. And that management is in the form of and others at his level that are pushing us to take shortcuts.

I mean I'll say okay that wasn't what we communicated. And if you read INPO documents on how you safely execute an outage and respond to emerging issues, they talk about the look ahead manager. They talk about

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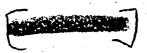
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doing evaluations to try to do things in parallel when you run into unexpected things. I mean there's nothing -- you're conveying a tone and I can't get in people's heads, you know, or what they would tell you for their perceptions. I'm not doubting your credibility on facts if that's what people told you. But I disagree with the way that you're making it, connect the dots, because I don't' see the dots connecting that way.

MR. BARBER: We're not connecting, people We're talking to you about that. I'm just describing it the way it was described to us in other interviews we've conducted.

So it is appropriate for us to ask for alternative reviews to be done to try to get testing done so we can find issues efficiently once we were provided with this time as opposed to just having the unit lie fallow and then pick up the sequential thing. That just isn't prudent and --

> MR. BARBER: I disagree --



That's not the way outages

are ran.

Now if you're asking me did that land on certain individuals in a way that they felt that we were pressuring them to do stuff to take short cuts?

If they told you that, I can't dispute that. There's a lot of intensity around outages.

My typical style and I don't recall exactly conversations in this particular event, but my typical style was just let's go get some parallel evaluations done so that we can determine if there's another course of action to be taken. There's nothing unsafe about going and doing an evaluation. There's nothing unsafe about me going and asking somebody to say hey, is it possible to go do low power physics testing in parallel here. You're well below the point of adding heat. Typically, we do -- we've done low power physics testing in some plants over the years without even vacuum in the condenser and you're aware of that. So you're not -- you're 10<sup>-7</sup>, 10<sup>-8</sup>, in that couple (Phonetic). We're not talking about power ascension testing or power range testing. talking about the verification testing that the reactor engineers do just above being critical. it was an evaluation on -- I do not recall, now would it be my practice to direct that being done. directed it to be looked at.

SR. SPECIAL AGENT TEATOR: I got a question for you. Scott asked you before and I don't remember what your answer was and I apologize.

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Do you know if there was a 5059 evaluation done surrounding what we're talking about?

I do not know that there was or was not.

SR. SPECIAL AGENT TEATOR: Do you recall it being discussed that one was maybe needed, do you recall?

at the level, the Chairman of SORT, the

I don't recall. And again,

In the outage tracking system, if one needed to be a SORT that would have been assigned and it would have been executed. I typically did not because I was in charge of all three units, did not get down to an

individual SORT level.

And to directly answer your question, I don't recall the conversation around whether a 5059 was needed or not. That would have been or the Operations Manager's decision whether we needed one or didn't and if we did, one would have been done and then the SORT would have happened and if they concluded that we didn't, one wouldn't have happened.

SR. SPECIAL AGENT TEATOR: Fine, we'll go on to another issue.

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#### Yes, okay.

BARBER: Thanks, we'll move on to This is -- the time for this would have something. been in early 2002 and it was a service water issue. There was a failed surveillance test and it looked like it was with service water. There was a check valve that was tested and it resulted in the loop declared inoperable and there being was some discussion between you and the operating shift and it looks like what happened was that the shift made a decision to declare inoperable and you raised some questions with them about who they interacted with prior to making the decision.

The details are a little sketchy, but it looked like it was a test that was done. There's a surveillance. It failed the surveillance. The shift declared the loop inoperable. Our understanding is you got involved. You started asking some questions about that and do you recall that issue at all?

SR. SPECIAL AGENT TEATOR: Early 2002, and specifically, and I'll be pointed, that you criticized the Shift Manager for calling the service water loop inoperable?

It would not have been my practice to criticize an operability determination.

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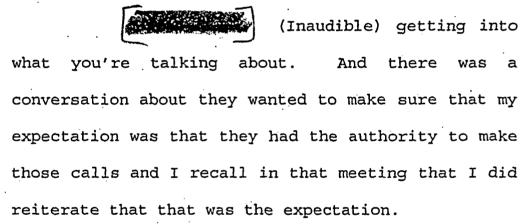
I might have asked the inputs. Once it's inoperable 1 2 in the log, it's inoperable. SR. SPECIAL AGENT TEATOR: I'm asking you, 3 4 I gave you that bit of information to try and see if 5 you recall this event we're talking about? I don't recall that specific 6 7 event. I also -- we must have called out a TARP which was -- so let's look at the TARP log because the only 8 9 way I would get notified at all on an LCO entry is in 10 the context of a TARP. 11 It wasn't my expectation, nor was it the 12 protocol that I would get called directly by the Shift 13 Manager for anything other than the initiation of a 14 TARP, if they couldn't get a hold of the Operations 15 chain of command. SR. SPECIAL AGENT TEATOR: 16 You made a 17 comment earlier that when you were the 18 was not uncommon for you to get calls in the middle of 19 the night. 20 When we crossed the TARP 21 threshold, I would get the calls. The procedure required them to call and if they couldn't get a 22 hold of a call me. 23 And then sometimes would 24 call me and we would get into conversations with a few 25 other folks on the phone. That happened a handful of

1	times, one of which was the one I related on the circ
2	water issue.
3	SR. SPECIAL AGENT TEATOR: You mentioned
4	"would cross the threshold." What do you mean by
5	that?
6	Our TARP procedure had some
7	clear criteria when we had to call a TARP and a
. 8	communications protocol for what had to occur when we
9	called the TARP.
10	SR. SPECIAL AGENT TEATOR: So just the
11	initiation of a TARP would be the crossing of that
12	threshold you're talking about?
13	Right, and there's clear
14	criteria in the TARP procedure on what requires the
15	TARP.
16	Do we have a (Inaudible) inoperable?
17	MR. KEENAN: I looked in the spring of
18	2002 time frame. I don't see a TARP that relates to
19	that.
20	I mean I'm not disputing the
21	facts that I talked to a Shift Manager. On that
22	particular issue, I don't recall that specific issue.
23	SR. SPECIAL AGENT TEATOR: Let me just
24	move off that and into sort of a related topic. Do
25	you recall discussion between yourself and a group of
1	

Shift Managers in one of the Ops offices about operability decision making in which there was a fairly large group, maybe four, five or six Shift Managers that wanted to have a discussion with you about operability determinations and what their belief was and what your understanding of what was expected. Do you recall that?

I believe I recall being asked to come to a Salem OS meeting. I think it was Salem.

SR. SPECIAL AGENT TEATOR: It was Salem.



But I also reiterated that when we're not in a time, you know, a five minute, that the expectation is that they get Engineer's input, Licensing -- they have the ability when they're not in immediate, to get other people involved to help and make a better decision.

I recall that was sort of the genesis of the conversation, the best I recall.

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SR. SPECIAL AGENT TEATOR: That characterization was a little different from the Operators' perspective, Shift Managers.

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SR.

I recall meeting with them.

TEATOR:

perception was a bit different. What -- the way they described it was somewhere along the way and they didn't necessarily attribute this to you or maybe they did, I don't know, but they basically said something to the effect that our paradigm shift on our we did operability determinations. Instead of prove it's operable, it became prove it's inoperable. And the need and the desire to get Engineering involved, to get Licensing involved, to get -- whether it be System or Design Engineering or whoever else was out there that could shed light, the focus was clearly proving that the equipment could perform its intended safety function instead of doing objective an evaluation of the deficient condition it was. Do what we need to do to keep the plant on line. Do what we need to do to show the equipment is inoperable.

And that all this push to get all these outside groups involved were nothing more than just an attempt to maximize generation.

MR. BARBER: That's the perception that

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was explained to us.





Clearly wasn't what was

communicated.

Revision clearly, 9118, resolution in nonconforming integrated conditions in nuclear power plants, your document, doesn't expect that you call things inoperable on limited information all the time. In fact, that document which we train the operators on and test them, tells you to go get the diverse input. Tells you to make judgment calls on the best available information. It also tells you that where it's unclear and I was reviewing that, trying to get some of this out in this LS meeting that if it's a 72-hour action statement and the action has to be done within 6 hours, on the first information that comes to the Control Room, you don't have to call it inoperable. You don't expect that. The regulation doesn't expect it. If they need to confirm, get some additional input. If it's something that requires an immediate -- the action statements what they want, (Inaudible) do something, well, you really don't have a lot of time.

Most action statements are not written that way and the expectation and my expectation, you know, I'll believe you when you said that it didn't

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land on some of the operators that way was that as the Shift Manager, they're a member of the Management Team. They have to take information that comes into the Control Room and go get some QVV validating information when they have time to do it because it isn't necessarily operating just safely, to be cycling the unit on erroneous information, calling something inoperable, entering 3 of 3 (Phonetic), that isn't the intention of 9118.

SR. SPECIAL AGENT TEATOR: Well, you don't have to believe us when we're telling you, but I'm going to get to the meeting you had with the Shift Managers. What did they explain to you their concern was or if they had a concern?

As I recall the meeting, and again, I don't have ways to pinpoint the meeting, as I recall the meeting, they wanted to make sure that I saw that they still have the ability to make the decisions, to operate the plant and I did confirm that in that meeting, that I was entrusting them and they were there 24 hours a day and they had the training and they were the person that was in charge. I also expected that they did a little bit of QVV, as I mentioned.

SR. SPECIAL AGENT TEATOR: What's that

stand for? 1 Qualify, validate 2 3 It's a human error technique. verify. And I did expect them to go verify before 4 they necessarily take the action and I thought we had 5 a productive discussion. We talked out some issues. 6 7 It was clear they had some issues and I thought when 8 we got out of the meeting that I validated that they 9 were in charge and they would be backed up on those decisions. 10 SR. SPECIAL AGENT TEATOR: Did you see 11 12 just the fact that they came to you, scheduled a meeting with you to discuss their concern, did you see 13 that as a work environment issue at that point? 14 15 No. 16 SR. SPECIAL AGENT TEATOR: Here's a group 17 of Shift Managers coming to you --That's not how it occurred. 18 SR. SPECIAL AGENT TEATOR: That's the way 19 20 it's been portrayed to us. They asked me if I could 21 22 attend one of their regular Shift Manager meetings 23 which I agreed to do and that was not atypical for me to do that. 24 25 I didn't attend every one of them because

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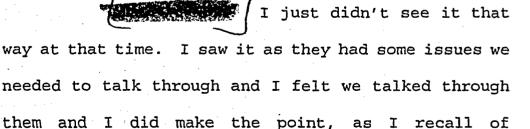
there was the Ops Managers meeting.

SR. SPECIAL AGENT TEATOR: This has been described as an atypical meeting.

Shift Manager meeting because I was there, but it wasn't -- they meet regularly -- I want to say every other Thursday. I don't recall what it was, but they had a forum where they all would meet to discuss operational issues because they're on rotating shifts and they had to figure out a way to get almost all of them together at one time before and after a shift and I was asked to come to that to discuss some of the (Inaudible).

Would that have been atypical? Yeah, but they asked me to come. Did I know they had some issues? Yes. I didn't perceive it to -- to directly answer your question, did I connect the dots that it was a skee reissue (Phonetic)? I didn't see it that way.

SR. SPECIAL AGENT TEATOR: Why not?



reinforcing that they were in charge.

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MR. BARBER: Did anybody ever come to you in this time frame and just complain about production pressure? They felt they were being pushed too much to do things they felt uncomfortable with?



No.

MR. BARBER: Or in the two years that you were the no one ever came to you and said they had concerns or something, some direction the station was being asked to take or pushed to say hey, I don't feel comfortable with this. I think it's nonconservative. I think there are more conservative ways we could do things. I think we should stay where we are or do whatever. You never had discussions like that?

Not that I recall with that laser precision and I believe I would have recalled if somebody would have been that direct because that kind of directness would have tripped me into a different course of action.

MR. BARBER: Did you ever have anybody ever tell you that they wouldn't do something because they felt it was unsafe and you were asking them to do it?

Directly on a specific event? I'm not going to do this because it's unsafe?

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1 MR. BARBER: Or they felt it was unsafe 2 and they tried to portray that to you? Not that I recall, not with 3 4 that kind of laser precision. 5 MR. BARBER: How about the start up that 6 we talked about earlier with wanting to do physics 7 testing in parallel with the unusual line up with the secondary? 8 9 In that particular issue, I 10 didn't know whether it was safe or unsafe until we did an evaluation. The conversations that occurred when 11 12 we asked for these evaluations were I said were 13 probably premature, let's go at least look at it. We 14 weren't directing it to be done. There was a lot of 15 -- I don't manage by emotion. I try to manage by 16 And you manage by fact by going out and getting 17 diverse opinions and evaluations and do conservative 18 decision making and diverse inputs. 19 The fact that you mention something and 20 somebody goes absolutely, that's unsafe. Unsafe based 21 on what? We hadn't looked at it. Your opinion? 22 Okay, I got your opinion. Let's go take -- we're 23 engineers. Let's go take a look at it. And if we 24 come at it that it's not something we want to do, we 25 won't go do it, but I couldn't live in a world where

we're just --

MR. BARBER: I understand your point about being an engineer and I understand your comment, but operators don't always think that way. They tend to think in terms of black and white, yes and no, and they get uncomfortable when they're asked to do things that are not per their normal procedures.

do anything outside of the procedures and any evaluations that were done, if we were going to change the course, I had an expectation we would follow or normal process. If we had to do temporary procedure, there was nothing in that was that -- in the middle of the night, we were just going to do something. It was do the evaluation. Is it the right thing? Let's go make it happen safely. If it didn't occur to them that way (Inaudible) management, I believe you.

MR. BARBER: Did you consider when the Shift Managers asked you to attend that meeting, did you consider where they were coming from that there was a perception problem that maybe they were having?

Right, and that's what we tried to talk through and I tried to relay that that wasn't what I was about and that wasn't what the senior management team was about.

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1	generator turbine and reactor trip in that sequence.
2	May of 2001?
3	SR. SPECIAL AGENT TEATOR: Spring 2001
4	outage, coming out of the outage.
5	Just by luck, we're on that
6	page.
7	SR. SPECIAL AGENT TEATOR: Good. I
8	thought we were going to go to that one next.
9	It's just luck.
10	SR. SPECIAL AGENT TEATOR: Good.
11	May 22nd.
12	SR. SPECIAL AGENT TEATOR: Do you remember
13	that issue, coming up out of the outage, you had that
14	reactor trip as I described? Started with a current
15	transformer failure?
16	I'd have to review the TARP
17	report to get the specifics.
18	SR. SPECIAL AGENT TEATOR: I'm not going
19	to ask you specifics about the event, but I'm just
20	trying to
21	Do I recall when the current
22	transformer failed? Yes. And do I recall we had a
23	appears to be a four-day outage, yes. Now that I look
24	at this.
25	SR. SPECIAL AGENT TEATOR: Well, good.

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Then we're on the same page then.

During the spring 2001 time period in relation to this outage, coming out of the outage, an issue we just described, was there a sensitivity regarding the NRC's ROP program at that point? What color the plant could change to if certain events happened or didn't happen? Is that a topic of conversation among senior management at your level that you can remember?

I don't recall a specific conversation about that. We reviewed the PIs every month through SORC and we had management review meetings. I don't recall his specific conversation relative to this trip or anything else.

SR. SPECIAL AGENT TEATOR: I'll ask you a specific question.



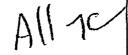
Okay.

SR. SPECIAL AGENT TEATOR: Did you say to anyone or suggest to anyone after the reactor tripped, as I've described here that we need to get the plant back up as soon as possible or it's going to make us go from green to white in the NRC's eyes? Did you make a statement to that effect?

I would not have. For one thing, factually, that's not correct because there

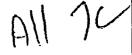
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1	would be nothing that that would make no sense in
2	your ROP process.
3	SR. SPECIAL AGENT TEATOR: Why wouldn't it
4	make sense?
5	Because you tripped, you
6	tripped. So I don't understand.
7	SR. SPECIAL AGENT TEATOR: Well, to get
8	the plant back up in a certain time period?
9	That is completely obviously
10	to the NRC's performance indicator set. Whether I
11	tripped and stayed out
12	SR. SPECIAL AGENT TEATOR: Was there
13	something related to the trip that was unique? Was it
14	loss of heat tank or was there some other factor
15	Not that I'm aware of. The
16	way you phrased that question, and Scott will tell
17	you, once you trip the duration of the outage doesn't
18	have anything at all to do with the NRC.
19	SR. SPECIAL AGENT TEATOR: Unfortunately,
20	a lot of information we have was developed without the
21	ability to follow up, like the dates and all that
22	We're kind of relying on
23	Sort of piecing the quilt
24	together.
25	SR. SPECIAL AGENT TEATOR: Exactly.

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that.



But I am quite certain that a conversation with the would not have had Operations Staff about a decision making that would have been done in a way to avoid in some manner an NRC performance indicator. We weren't managing, nor do we manage by the NRC PIs (Phonetic).

SR. SPECIAL AGENT TEATOR: I'm going to tell you that an individual or individuals from the Operations Staff had told us that you had that exact conversation with them. That's why I'm asking you about it. I'm not just pulling this out of the air.

I didn't accuse you of doing

SR. SPECIAL AGENT TEATOR: No, but I mean I'm telling you your statement was that you would never have said that and people said, in fact, that you did.

That doesn't even support what you were saying because there's nothing to do with that trip. If this did trip us white and I don't recall if this did or didn't trip us white, it had already occurred. So there's nothing starting up -if there was a fact and I don't know if this was a fact or not. If it turned us white, it's just the fact that it turned us white. It doesn't affect

1 anything down stream from an operations perspective. 2 Scott can attest to that. I'll give you 3 a chance to go look at your -- but there's nothing in 4 the decision making to start up that has anything to 5 do with the NRC PIs. 6 SR. SPECIAL AGENT TEATOR: Well, I know 7 what conversation we're talking about. I'm not 8 disputing what you're saying, but what I'm telling you 9 is that conversation was relayed to me and you did, in fact, say that to individuals in the Operations Staff. 10 11 I'm not going to keep debating this, but --If it's a fact that this 12 turned us white, would that have been generally known 13 14 to the site? Yes. 15 SR. SPECIAL AGENT TEATOR: I would think, 16 right. 17 I'm just speculating without 18 going and looking whether this trip actually turned us white. I do believe we did have a white finding in 19 20 unplanned power changes or reactor trips in this time 21 frame. 22 I see Scott nodding his head. Whether 23 this was the one that tripped the threshold, I'd have 24 to go back and look. 25 SR. SPECIAL AGENT TEATOR: The flavor of

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this was --

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You need to give me some

more information.

SR. SPECIAL AGENT TEATOR: I am. I'm going to try anyway. The flavor of this was that we need to get the plant started back as soon as possible or it's going to affect our going from green to white. That's what was --

I believe that a review of my background would tell you and Scott will attest that there's probably no industry executive that understands the regulatory process that we put in place better than me since I was involved two days a week in Washington, D.C. with your group developing this whole program as Scott is aware of and there's no -- I mean the operator could have misinterpreted something that told you that, but factually, there's no basis for that. There would be no reason for me to say that. I wouldn't have said it even out of some misknowledge of the process. I understand the revised oversight process as well or better than anybody in the industry because of my unique involvement in being very active in developing it.

There's nothing --

MR. BARBER: You know what, I was trying

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1 think if to there was а finding 2 characterized as a performance (Inaudible) related to a finding. But even starting up -- when we start up has no relationship on a finding. MR. BARBER: Not timing, unless it had to do with the root cause and what you knew when you started up and --Obviously, I don't have enough information to even give you much, other than one, the facts that you've presented is not -- it is just technically makes no sense from your process. Two, it wasn't normal and customary for me to use the NRC performance indicators or findings in any kind of operational decision making process. It's not today and it's not our practice today. It's almost a backwards process. I mean it tells you what happened to PIs. It would not be appropriate, nor is it our practice where we do it where it's the end of a quarter and you determine whether you're going to do something. Those conversations just don't occur. We take the actions we need to take, when

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we need to take them and we react to the outcome of

that in the revised oversight process, as we've shown.

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We've been late a couple of times. We react.

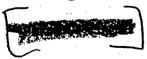
Let me add, in this time frame, you'll see some voluntary power issues in this time frame in these quarters where we reduce the power. We make decisions to reduce power that were unplanned that would have affected the performance indicator for unplanned power changes in an environment where we knew we were close to the threshold and none of those affected our decision making. There's a condensate pump repair.

Some of it was planned, but some of it was unplanned. I'm not doing a scientific evaluation.

I'm just trying to read more into your question and say are there other examples where --

SR. SPECIAL AGENT TEATOR: You don't have to read anything into -- I'll you one more follow up question on this.

Did you make the statement coming out of that outage that we need to get the reactor started by a particular date or our NRC performance indicator is going to go from green to white?



I'm quite certain I did not

because --

SR. SPECIAL AGENT TEATOR: All right.



It makes no sense.

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SR. SPECIAL AGENT TEATOR: You've already
explained why it didn't make sense, but I wanted to
ask you one more time, yes or no.

Scott, go to the next issue.

MR. BARBER: This issue is about a start up from transition Mode 5 to 4. The operators at Salem had identified a problem with the 14 CFU, containment fan-cooled unit and it had -- it had some containment (Inaudible) reading implications. They delayed the start for about an hour. They got a team together to look at the problem, the leakage and I guess some time you became aware of this issue, went in the control room and made some comments about well, the way it was described to us was you made a statement "who's holding my plant hostage?"

The implication was why aren't they moving along with the start up? Why are things stagnant? The individual involved who was an operator in a decision making role felt pressured to start up, that that statement came across as production pressure, that there was a push from you to move things along, to not worry about this issue, not spend a lot of time on it and move it along.



That would be factually

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MR. BARBER: Okay.

SR. SPECIAL AGENT TEATOR: What's factually incorrect about it?

One, it's not my practice nor would I make statements like that in the Control Room. I have been an and it just wasn't my practice to do that. I'm quite certain that I did not use those words in the control room. I certainly don't recall saying it and I know quite certainly it's my practice not and to be careful when I'm in the Control Room around that.

I don't recall the specific issue with the 14 CFUs coming out of an outage. I'll just leave it at that. But that's not typical of what I would do.

I personally, in this time frame, myself, did not feel schedule pressure to start the units up when we were down. I felt pressure to make sure we were doing all of the prudent things as I described before, so working as smart as we can to make that happen and that drove some of my conversations with the operators, but as far as schedule pressure that I felt, I did not feel any schedule pressure, nor did I believe I translated that to comments like that.

Why someone would quote me like that, I don't know.

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2 That's how we related it. 3 I'm quite certain I did not 4 say that. 5 We've talked about a -- my MR. BARBER: term -- handful of issues today. And all of them are 6 7 perceived by the people who discussed them with us as 8 production, over emphasis on production, production 9 over safety type. And you had an explanation for each 10 specific one, but can you see where -- from the 11 questions that we're giving you, based on the 12 information we've got and probably 60 interviews or so 13 we've done. 14 We've done a lot of interviews on this work environment issue, that there -- I'm going to say 15 16 there was a perception problem by operators and not just reactor operators, we're talking SROs, shift 17 18 managers, AOMs, they perceive that there was a 19 production -- over emphasis on production, production 20 over safety issue. 21 I'd like you to address that maybe 22 generally, if you could. We talked about specific 23 things. You've denied saying things. People have put quotes to you that you denied and you've explained 24 25 some of the technical things, but that's really where

MR. BARBER: That's a direct quote, too.

to

get

we're coming from. We're getting this information from these people and we're trying understanding for what, if anything, was going on down here that maybe made them think this.

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Maybe you could talk about that some.

I want to come at this in a different way. But I'll get to your point. We had a leadership very young Shift Manager team, inexperienced, young. And we also had some examples of inappropriate Shift Manager and Operations decision making, some of which we've talked about with the Hope Creek example. There were other lower level ones at That caused us to put in place some issues Salem. where we probably just because of not wanting to be negligent in our role of being accountable for the safe operation of the facility, probably put ourselves in some operational decision making at a senior management level and I'm not just talking me, I'm talking at the Director level and maybe even the Operations Manager level that was probably -- we did this for a situational basis, what may be unanticipated consequence. But the reason we did that is to make sure that -- not that we could do things so we could, as you would say, as alleged, take shortcuts, feel this production pressure. If we did

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in a way that we could understand the quality of the operational decision making and make sure it was sound and that it had the right operational inputs and that we were making the best decision.

Now did that land on some people in a different way? I have no reason not to believe you. It did when 60 people that you interview some of them tell you that.

MR. BARBER: A fairly high level here in the Operations (Inaudible).

And our performance at this station is not one of the top performing stations in the country and it's not one of the top performing stations in the country due to several reasons, one of which is the quality that we were working on, and myself, the senior leadership team. When I was a member of the team and then when took over, was to try to work on the quality of the operations leadership and some of that wasn't that sound in this time frame.

So where we inserted to a level and did we get involved to a level more than I might have situationally with a further developed staff? The answer is yes.

Did we do as good a job explaining what we

were trying to do in that time frame to the operators?

I mean 20-20 hindsight would probably tell you no. We didn't do as good a job of explaining that.

There was nothing that I believe, that I can recall where we -- where I personally, I won't talk for anybody else -- directed anybody to do anything unsafe. Did I ask for some things to be looked at so we could have broader operational decision making? Yes, and I believe that's appropriate.

Did I pick in this environment with three units and outages every six months that there was maybe some of this perception issue that needed to be attended to? And did I have an understanding that the Operations Directors and I had an Ops Manager that were -- that's their accountability to work in this area? I had an understanding that they were working in this area and we were making progress.

I did not -- obviously, your interview records show that the effectiveness of that could be questioned and in hindsight, I agree with you.

I don't know if that was helpful, but I tried to get that back to -- that's what we were trying to do, but it appeared to have an unanticipated consequence that we didn't pick up on as quick as we

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ought to have. I'll yield that in hindsight.

Did it result in anything unsafe happening at the Salem-Hope Creek Generating Station? I'm quite confident we did not operate unsafely in this, in that environment. Does that make sense?

MR. BARBER: Yes, it does, but it's a matter of perspective. I mean we're not talking about things that are tech spec related. Those are -- the thing is there's a clear requirement for tech spec, you know if it says the equipment has to be able to do this and it can't do that. There's no question that the operators will do what's required and management supports it. That's not where all the issues are coming.

The issues come is where the guidance is not clear. It's your choice. You can choose this path, you can choose this path. From an operator perspective, they tend to look for a conservative path, almost universally per person, they say this is the path we want to take. We want to get this equipment fixed. We want to take this action. We want to declare it inoperable. We want to do these things.

And I understand management has a role to kind of look at the bigger picture and offset that,

balance that. But in a way that's being done, the take away issue you describe is different. They're not getting a balanced view, if you will. They're getting we're being pushed for production, production at all costs. Tell me where it says we can't do this? Oh, if we can't do this, then let's go ahead and do it. There's nothing that prohibits it. It's more the paradigm and the way that the station operates and that's the way it's being described to us.

described that's different than the other two facilities that I worked at that are -- one of them is probably the best operating nuclear plant in the country and that philosophy and getting diverse input and doing technical reviews, appropriate technical review of alternatives to plot the best course of action, it does balance safety and reliability and cost and still maintain safety. That isn't atypical.

What's atypical is the reaction to that here as a (Inaudible). So there's a situational leadership piece here, based on our internal investigation we're doing as a result of the NRC letter and others and we obviously have to try a different approach because this view, at least of some people, of this unanticipated consequence that this

has created, you know, we're committed to fix and this isn't atypical. Most everybody here came from somewhere and did not invent this approach here.

MR. BARBER: Would you be surprised if I told you that operators that have been elsewhere said that the way the station operates and the way the management pushes is very different than their previous locations and management pushes production over safety here more than at the prior locations?

In this environment where we're at now, does this surprise me? People would tell you that? No. Do I believe that to be true?

There are examples where we could have -we made some mistakes or could have done some things
better, I'll yield that. The answer is yes. But in
general, focus on safety, our trying to work
on safe behaviors, pre-job briefs, getting people to
follow procedures, stop in the face of uncertainty,
those are common industry messages. We developed as
an industry with INPO's help over the years and --

MR. BARBER: But (Inaudible) has come with people when they try and act according to those conservative type of things that are put in. They're feeling is the rub comes from senior management, when

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they go up against that and try and do that, that's what we've heard.

And we've environment where it's not okay for senior management, apparently I'm taking this to an extreme, just in this conversation, where apparently it's not okay for senior management to ask a clarifying question or ask the basis for something and when there is no basis, apparently the expectation is that the management team won't coach on the fact that we need a basis that as a Shift Manager I'm not paying you just to make input decisions in your ear and make a five-second decision. Sometimes I am, but the point (Inaudible) equipment issues and you yielded, Scott, we're not debating those at all. But when those decisions occur, the reactors get tripped. I've given crews lunches thanking them for tripping the reactor. I've written letters to shift managers thanking them for very prudent start ups. There's no debate, I don't believe, in those issues.

What we were trying to work on and what I still think is an efficiency here in the Operations Staff is getting the right technical input to make quality decisions as opposed to taking the first piece of information and saying this is what we're going to

That is not appropriate in my opinion. 1 do. 2 Now in our attempt to coach that kind of 3 behavior and I' not talking about the middle of the 4 night when the reactor needs to be tripped. We're not 5 -- I heard Scott say we're not debating those 6 decisions, those are obvious and they're 7 appropriately and senior management reinforces by 8 thanking the crews for doing that. 9 Some of these other more elective decision 10 making, all I was trying to do in improving the 11 Operations leadership is approve the quality of the 12 inputs and making sure that we weren't making rushed 13 decisions and we had time to get better input. And in 14 the end, once we had all that input, the Operations Department made the decision and we did -- they made 15 16 the decision. 17 I don't remember the facts of that low 18 power physics example, but I believe, as I recall, we didn't go do that after we did the evaluation. 19 20 SR. SPECIAL AGENT TEATOR: Do you want to 21 talk about the last specific incident? 22 MR. BARBER: Okay. 23 SPECIAL AGENT TEATOR: SR. Then we'll 24 finish up. 25 MR. BARBER: This is actually a fairly

recent event. This goes back to September of last year. It was during the hurricane, Hurricane Isabel and really relates to an interaction that you supposedly had with the Shift Manager about the arcing and sparking of the switchyard.

We know what happened. We know what the end result was, so that's not the discussion. The discussion is about the interaction about what the Shift Manager was doing, why he wanted to do it and again, it goes to conservative decision making.

Our understanding was at the time there was a severe storm that was underway. There was lightning, severe wind conditions. There was, in fact, there was arcing and sparking in the switchyard. The individual involved had actually gotten some OE from another station about similar circumstances had been happening and he wanted to take the unit off line.

And then I believe you were the senior management representative who was either on call or here that night and you had a face to face discussion with him. This is the way we understand it. And basically told him to go out and get more information.

That's absolutely not correct. And I would actually, if you were going to

ask me for an example of where I thought this worked appropriately, I would give that example, because he recommended that we take the unit off line and I concurred and we did. We went out and we looked at the switchyard from the turbine deck and took the unit off line and I suppose in this environment I wouldn't do that.

I actually thought that that was one of the better interactions we had. Hope Creek had tripped so I came out for the trip which is why I happened to be there. I heard a report that there was a lot of sparking in the Salem switchyard. I went to the Control Room. He said what he was looking at and thinking of and we didn't need -- shouldn't be running the unit and I asked him well, let's go take a look.

So we walked out of the Control Room, went to the handrail there and about 30 nanoseconds -- my recollection, he was struggling with the decision making. He did not communicate to me that he wanted to take the unit off line. He was sort of in a don't know what to do and I told him, hey, it's fine to take the unit off. We just tripped Hope Creek. If we keep going, we're going to end up tripping the other two Salem units. Let's go off line. He goes, are you going to call

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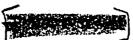
that? I'll tell him what we're doing. So we walked back into his Control Room. gave the order to take plant -- I called and told him we were taking the Salem units off line. He said fine.

So I'm just astounded at the -- there's a -- I won't go into my feelings. I'm just astounded because that was textbook. He was struggling with the decision making, absolutely was struggling. I said let's go take a look. When I said let's take the units off line I saw him get relieved. Not relieved like relieved, but --

MR. BARBER: That's not it was described to us.

That absolutely confounds me. As a matter of fact, I wrote to afterwards, commending him on his decision making and his operational leadership for that and there's a letter in his file to that effect.

MR. BARBER: That's not the way it was described to us. The way it was described to us was he wanted to take the units off and he wanted to do it immediately and you held him up. You said no, let's go out and look and make sure that we really are seeing something out there.



That's not actually correct.

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1	My sense is when I was talking to him he was wavering.
2	I had not seen the sparking. We took two minutes
3	[End of Tape 2, Side B; begin Tape 3, Side
4	A.]
5	SR. SPECIAL AGENT TEATOR: Okay, it's
6	about 10:53. We're going to Tape 4 and we were
7	talking about this switch order thing.
8	So as I recall, when I went
9	to the Control Room, he was not in a definitive mode.
10	He was worried and when I relayed that it's okay to
11	take the units off, we literally within five minutes
12	of me being there we were doing that.
13	MR. BARBER: Well, why do you think he has
14	such a different perspective?
15	I have no idea. Because I
16	actually recall and I don't recall the genesis of him
17	actually thanking me for helping. So this absolutely
18	confounds me. And it also might point to another
19	I don't know the dynamics that are going on. Maybe
20	there's a lot of frustration and people are using this
21	process as a way of doing other things, but that
22	SR. SPECIAL AGENT TEATOR: What are you
23	talking about?
24	I think there may be a I
25	don't know where people's frustrations are, so

talking about for to thanks us, there was nothing secret about it. He was on shift.

And this just absolutely confounds me that he would communicate that any differently because absolutely when I went to the control room he wasn't hey, I'm taking the units off line because I don't like where we're going. He was I'm not sure really what this means and we've got some report. This was all just unfolding. I got here, this was in the real time.

It's not typical of somebody like me is here in the real time, but I went over there and he said he was trying to -- I don't remember his exact words but "this doesn't look good", "there's a lot of sparking out there." "The AOs are reporting." "I went out and looked." I don't recall him mentioning OE consulting. I don't know that he did or didn't but I do recall the OE because it came up in our conversation after we took the units off line.

And it takes less than five minutes to walk out of the control room, walk over, look and walk back in. I called and told him we're taking the units off.

MR. BARBER: Let me ask a follow up on

that. Was there anybody from -- I'm not sure what group it would be, but it would be the group that would be in the probably equipment and switchyard. Is there anybody that was involved either before or after that you made a comment to about "who's paying for this outage? Is your group paying for this outage or are we paying for it?" You never made a comment like that?

Not like that. The second part of this, let me talk to you about what the discussion was, so this is really funny.

MR. BARBER: Okay.

When we deregulated, so we'll circle all the way back to your first conversation, there is an agreement in the State of New Jersey that does not allow the nonregulated utilities part of the company to benefit from the regulated part of the company without a billing going on and we have a thing called the billing of standards and I personally had to sign under oath that I understood when we created PSEG Nuclear.

The question that I asked wasn't in the tone that you mentioned. I said hey, when T&B comes out to do this and we're going to get support, we need to know that that is billed appropriately because the

law requires it.

MR. BARBER: Who were you asking that to?

I asked that, I believe, I

don't recall the guy's name. There was a fellow here

from T&B. It wasn't about who was going to pay for

it. The company is a big company. We're going to go

fix this switchyard.

When I called out -- after we tripped, I got a hold of the VP of Transmissions and I said I need some help in the switchyard here, getting the plan together and cleaning this and when I was talking to his guy here I said hey, let's just be sure we get the accounting right so that we don't screw up the billing of standards because were going to have some of their guys clean our start up yard and there's a demarcation in our switchyard of where the equipment is owned and operated by our T&B which is regulated and where the crossover point occurs to where it's in the deregulated side of the business.

Rather than split that up, since they were bringing all their washer trucks and all the people to clean the switchyard to come, as you know, clean the switchyard, I wanted to make sure that they knew that when they were working in our part of the switchyard, they had to bill us for that. And that was the

conversation. 1 2 MR. BARBER: It way it came across was 3 that you were asking some poor technician a question 4 that really should be directed to a VP, that's the way 5 -- that was my take away. 6 I don't recall talking to a 7 technician. 8 MR. BARBER: Or an engineer or somebody, 9 but basically it wasn't a person in a decision making 10 role. It wasn't. I just wanted to 11 validate that he knew there was some treatment we had 12 13 to do and he was, I believe, the person I was talking 14 to, at least a supervisor level. I don't recall the 15 gentleman's name. 16 I would be glad to provide MR. KEENAN: the affiliate standards --That was the whole basis of And it didn't have anything to do 19 my conversation. with who was going to pay because we're a \$10 billion company and had money to fix the switchyard. The focus was on the outage MR. BARBER: of the units, not so much who was going to pay for the cleaning --That wasn't even in my mind

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1 2 3 4 5 to Jeff's earlier line of questions. We asked about 6 7 answers to most of these that are different than what 8 we've heard and understandably so, but it does point 9 to the fact that the information -- there's a 10 11 difference in the way you understand the information 12 and the way the others that are involved with the information are taking away from that. 13 14 15 would just confirm that, this is why you just asked me the follow up, what do I mean? I'll answer a little 16 17 18

more directly.

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MR. BARBER: Good. Thank you.

at that time. I was focused on getting the help here

to again, prudently and efficiently, clean the

switchyard because I knew that we weren't going to go

a number of situations and circumstances and you have

MR. BARBER: I quess we can still go back

anywhere until we got the switchyard clean.

I don't know why.

For some reason, and this

admit I don't know why and we'll get some learnings probably out of our (Inaudible) assessment team and the NRC letter and it's sort of driving at this same, my understanding and my reading of the NRC letter that you sent us, is actually driving the exact area that we're talking about right now.

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There is a tendency and you came up with the examples as well about it as I could have -- there was some I was unaware of until we had this conversation that (Inaudible) issues, to cast a lot of what the senior management says or does in the worse possible light and draw that conclusion that you are promoting, Scott. Why that is? We're going to have to go figure that out through a lot of communication and discussion.

But literally, there's a 1 percent (Inaudible) 99 percent not, the 1 percent gets grabbed upon and is made larger than life. So the lens that's being looked at -- I came to this realization earlier this spring when we started down this path that I didn't realize -- well, I'll take accountability for not realizing that everything that -- everything is an exaggeration, some of what we're saying and doing is being cast to make the worse possible light and that turns into being the water cooler conversation and the scuttlebutt conversations that make some of these issues larger than life in the operators' eyes and we did not recognize that.

MR. BARBER: Some of this is directing an

I'm just saying --

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action.

1	MR. BARBER: This particular incident we
2	just talked about is talking about the person who you
3	had a direct conversation.
4	Right.
5	MR. BARBER: And the others which we
6	haven't specifically mentioned are involved in direct
7	interactions.
8	Right.
9	SR. SPECIAL AGENT TEATOR: It's not
10	second, third, fourth hand information.
11	And in many of the other
12	(Inaudible), I don't recall the exact conversations.
13	Some of them made no sense, to start up with the
14	(Inaudible). The one with
15	clearly I thanked him, afterwards talked to him and it
16	absolutely astounds me that he would cast that
17	differently based on conversations I had with him
18	after the fact.
19	MR. BARBER: I'd like to pick up on that
20	for a minute because you described the interaction
21	with you described that and you
22	mentioned that he when you said "fine, we'll take
23	the unit off line" you said that he was relieved.
24	Yes.

MR. BARBER:

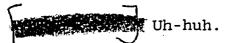
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Maybe that's part of the

1 problem. Why would he feel -- I mean I'm asking you 2 why would he feel, but you see, apparently -told 3 He retrospect, in light of three hours of focused 4 5 conversation on this area, he -- I have actions I take 6 that demonstrate that I wanted the stations to operate 7 conservatively. and I would Back when I was 8 9 put this switchyard that example, in 10 inappropriately, apparently. He may have had in his 11 mind that this vision or this perception as you've 12 been calling it is so anchored, it influences the way they look at every interaction with this. That's my 13 14 learning out of this conversation. 15 MR. BARBER: People at his level. 16 (Inaudible) about this. 17 I wouldn't say --MR. BARBER: To me it is. 18 19 I'll just leave it at that, 20 but that was my learning out of this conversation 21 because even in a good interaction, it's not -- I mean 22 in my opinion that would have been one of my examples if you asked me for some examples where my actions 23 conservative decision 24 demonstrated making and 25 reinforced what I was trying to accomplish with safe

operations, I would have used that as an example, quite frankly.

MR. BARBER: And the other thing -Along with others, I have.



Didn't he ask you that?

MR. BARBER: It's almost like -- I'm getting the sense that he didn't feel -- he didn't want to make that call.

at the time when this occurred. He hadn't been a very long and I sensed that there was a -- that that's what gave me my relieved sense is that he hadn't been in that situation before. He was a little new and he was new in his position at that time.

MR. BARBER: You have a different impression than the impression we got, just from interactions in this situation and others in that you feel like you're acting as a helpmate and helping him make a decision that he wanted to make and the impression we get is he wanted to make a decision, but

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like he could because of

maybe he didn't feel

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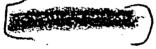


I did not say that to the

best of my recollection and it would not be consistent with my behavior in the control room.

You may have just answered MR. BARBER: the question, "I wonder who is holding my plant?" We don't know. And a lot of these instances we don't know. Well, we know what the balance of the evidence is indicating.

As Jeff articulated, we have a very large number of interviews and it's not just you.



I'm not taking it

personally.

I'm trying to figure out how to solve the problem going forward because there's a lens that's being looked at and we're not the best running nuclear plant in the country which is not a surprise to anybody and some of the best managers in the country have been brought in here to come to change the culture here which is long standing and part of that cultural issue is this cultural issue of proper operations, leadership and decision making which at recognized least in the tenure, the time I was that we needed to improve the quality of the inputs in the decision making by the Shift Managers.

> And they wanted to be able to make

economist decisions which, without rehashing the record, there's no -- when a plant needs to be tripped, they trip it. When (Inaudible) go to 303 and shut down. I'm not aware of any examples and you've brought forward no examples where any senior management person intervened in those more urgent decision making opportunities.

SR. SPECIAL AGENT TEATOR: That involved

you --

Okay, on my watch, I'm not aware of any and you've brought forth, so let's just keep it in the record of what I'm aware of. And some of the others, I think you categorized correctly. Some of the ones that are a little bit more discretionary, you know, it appears to me based on what (Inaudible) is, our attempt to get more diverse inputs and the correct inputs and decision making did not land as we wanted it to and caused some perceptions, I'll use your words, and at least people relating to you may have influenced their decision making.

I'm just relating what I'm learning and processing when I'm sitting here for two hours or three hours.

MR. BARBER: Communications is a real

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important factor and you probably are walking away with that thinking I'm saying one thing and they're taking away something totally different, so there's something there, there's something there. There's also some inherent differences in the way an engineer things and the way an operator thinks and I'm not going to argue one side or the other. I can actually see from both sides.

just thinking like an engineer, But talking to an operator, there's the potential to talk past each other and then I think the fact is there's situations, that it seems like the ability to deal with the situations in the manner you're describing are all dealt with in a wide format. They're not in a training setting where you're talking about case studies. It's all we have this situation and we have to resolve it. Let's go forward and what the take away is from many of the people we've talked to is heavy handedness on the part of senior management, it's all pushed for production, a push for it. me why I can't do this? No, is this conservative, but tell me why? And that's what we're getting. That's the message we're getting.

can't do it?" is what I'm asking, what I'm asking in

1	some of these examples. What did we actually look at
2	to make that decision? Nothing. I can't live with
3	that rule. You looked at nothing? No, I'm just going
4	off my gut feeling. Okay, I pay you for a bit of
5	that, but I also pay you ask questions, get diverse
6	input and make quality decisions. That connection,
7	you just articulated that. That connection was faulty
8	in some cases.
9	SR. SPECIAL AGENT TEATOR: We're going to
10	take a short break and then we'll finish up.
11	I'm fine.
12	SR. SPECIAL AGENT TEATOR: Well, then
13	we'll go right to finish then.
14	Scott, is there anything you want to go
15	over?
16	MR. BARBER: No.
17	SR. SPECIAL AGENT TEATOR: Jeff, is there
18	something you want to review with your client? If
19	there is, go ahead.
20	MR. KEENAN: I think we're good.
21	SR. SPECIAL AGENT TEATOR:
22	there something you wanted to add that we didn't get
23	to today?
24	No, I mean there are
25	examples I would give in the counter, you had a

1	couple. I'm sure there isn't a lot of examples coming
2	out of where we held the plant up to fix equipment,
3	where we took significant amount. I mean I can show
4	a record during this same period of time where we cost
5	the company, if we were (Inaudible) to be all about
6	making money, we operated at extended periods of time
7	at reduced power to go through and fix heater train
8	pumps, common safe pumps, circulators, took the plant
9	down on numerous occasion to fix items that were
10	bothering the operators. I mean to the extent I would
11	imagine that given that, I think some of the
12	perception or some of the other drivers, I'm sure
1,3	those weren't coming out in your interviews. I would
14	hope some of the balance came out.
15	SR. SPECIAL AGENT TEATOR: Well, we did.
16	To be frank, we did get some of that and we're looking
17	for a balanced answer, if there is one. We have
18	gotten positive
19	MR. BARBER: We tried to ask balanced
20	questions.
21	SR. SPECIAL AGENT TEATOR: We did.
22	MR. BARBER: I have to tell you the
23	propensity has been on the other side.
24	(Inaudible)

MR. KEENAN: Will this conclude the safety

1	conscious work environment portion or do you think
2	there's a further follow up?
3	SR. SPECIAL AGENT TEATOR: I think we're
4	done.
5	MR. BARBER: I think so.
6	SR. SPECIAL AGENT TEATOR: I think we're
7	finished.
8	I can look through my period
9	of time here in memories (Inaudible).
10	SR. SPECIAL AGENT TEATOR: I will be
11	talking to you again about another matter. If you
12	want to bring something to my attention during that,
13	please. You need to take the opportunity then to do
14	so.
15	Do we want to try to at
16	least give you some dates that you could be starting
17	to work with?
18	SR. SPECIAL AGENT TEATOR: Let's go off
19	the record.
20	Go off the record to do
21	that?
22	SR. SPECIAL AGENT TEATOR: Yes.
23	Does anyone else have anything further?
24	MR. KEENAN: What about the closing
25	questions?
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1	SR. SPECIAL AGENT TEATOR: I don't have
2	any closing questions.
3	MR. KEENAN: Those NRC standard I
4	apologize.
5	SR. SPECIAL AGENT TEATOR: That's okay.
6	It's 11:15. Is there anything more you want to add?
7	No.
8	I don't have any further questions. This
9	interview is concluded. Thank you.
10	(Whereupon, at 11:15 a.m., the interview
11	was concluded.)
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### CERTIFICATE

This is to certify that the attached proceedings before the United States Nuclear Regulatory Commission in the matter of:

Name of Proceeding: Interview of

20

Docket Number:

1-2003-051F

Location:

Station; NJ

were held as herein appears, and that this is the original transcript thereof for the file of the United States Nuclear Regulatory Commission taken by me and, thereafter reduced to typewriting by me or under the direction of the court reporting company, and that the transcript is a true and accurate record of the foregoing proceedings as recorded on tape(s) provided by the NRC.

Francesca Zook

Official Transcriber

Neal R. Gross & Co., Inc.