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Congress of the United States House of Representatives

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November 4, 2010

CHAIRMAN, SUBCOMMITTEE ON DOMESTIC POLICY

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

COMMITTEE ON EDUCATION AND LABOR

The Honorable Gregory B. Jaczko Chairman U.S. Nuclear Regulatory Commission Washington, D.C. 20555-0001

Dear Chairman Jaczko:

First Energy should not be allowed to continue to operate Davis-Besse after 2017. The people of Northeast Ohio are familiar with First Energy's pathetic record in protecting the safety of people who live in the region.

In a series of recent articles in the Toledo Blade, which I am enclosing, the people of our region are reminded about the 12-minute interruption in the feedwater flow to the steam generators on June 9, 1985, which was cited as a "potential catastrophe."

The people of our region are reminded of Davis-Besse's reactor head, "weakened by years of neglect," which nearly burst in 2002.

The people of our region are reminded that your predecessor Harold Denton stated in 2004 that these two incidents represent the nuclear "industry's second and third-lowest points after Three Mile Island."

The people of our region are reminded that First Energy's employees tried to conceal the truth of the 2002 incident from the Nuclear Regulatory Agency (NRC) using "tricks, schemes, or devices . . . to deliberately mislead" your agency.

The people of our region are reminded that David Uhlmann, chief of the Justice Department's environmental crimes section, said that First Energy showed "brazen arrogance" and "breached the public trust" by withholding information about the reactor head incident.

The people are reminded that federal prosecutors described the reactor head incident "as one of the biggest cover-ups in U.S. nuclear history."

The people of our region are reminded that First Energy paid a record fine of \$33.45 million as a result of its actions. Of that amount, a record \$28 million was the fine that First Energy paid "to avoid being criminally prosecuted for lying to the government about the dangerous condition of Davis-Besse's old reactor head," according to then-U.S. Attorney Greg White in 2006.

While both of those fines were record fines at the time they were imposed, I pointed out then that the total fine was merely 1% of First Energy's profits in 2004. While these fines may have been



record fines, they were a mere slap on the wrist for First Energy and nothing near what would have been necessary to change its corporate culture.

The corrosion of the reactor head started because the Davis-Besse reactor head was made of an alloy that would not withstand this kind of corrosion. All of the other operators of nuclear reactors with similar heads confronted this situation by replacing their reactor heads with new heads of a different alloy that would not be subject to this kind of corrosion. In 2004, FirstEnergy chose cost over safety, and it replaced the corroded reactor head with another reactor head made of exactly the same material. Six years later, First Energy feigned shock to discover that corrosion was forming on that inferior reactor head also.

Still, First Energy had not learned its lesson. It wanted to postpone the final replacement of the reactor head, with a new head made of the safe, non-corroding alloy, until 2014. First Energy did not abandon that 2014 replacement date until the NRC threatened to require Davis-Besse to shut down for inspection of the old reactor head every year until it was replaced. Only as a result of that threat is First Energy finally going to install a non-corroding reactor head in 2011.

Recent events suggest that First Energy still has a corporate culture that is more focused on costs and profits than it is on safety. In 2009, Davis-Besse suffered an explosion and fire in a power-switching gear located outside of the reactor building, which First Energy failed to report and did not declare an alert.

The evidence shows that this culture exists in First Energy beyond its operation of Davis-Besse. The NRC has been keeping a "close watch" on First Energy's operation of its Perry reactor in Northeast Ohio as well. The NRC remains concerned that Perry's safety culture is not up to industry standards and has maintained a close watch there for the last two years.

Davis-Besse has been operating for 33 years. It has experienced two of the industry's most serious nuclear incidents during those years. This is not just bad luck. The problems at Davis-Besse are a direct result of First Energy's mismanagement and disregard for the safety of people who live and work in the area and who would be affected by any nuclear accident. The NRC should not extend the license of a company that only operates safely while a "special inspection team" is monitoring its day-to-day activities and when a "close watch" is being kept on it. The NRC must continue to keep a close watch on Davis-Besse between now and 2017, and then should ensure that First this aging reactor with a deplorable history of operations and maintenance be safely shut down and decommissioned at the end of its current license.

Sincerely,

Dennis J. Kucinich Member of Congress

Dannis J. Kucinick

DJK: mg

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Article published September 12, 2010

Is Davis-Besse fit for a 20-year license extension?

Let's be perfectly clear about this: FirstEnergy Corp.'s application for a 20-year extension to Davis-Besse's operating license was totally expected when it was announced on Aug. 30.

But still. It's Davis-Besse.

The company's intent to keep the beleaguered Ottawa County nuclear plant in service until 2037 instead of mothballing it when its existing 40-year license expires in 2017 really says more about the state of America's growing energy crisis than it does about the mammoth, Akron-based utility.

Davis-Besse had myriad, well-documented design issues from the day it went into service in 1977, many of which were finally addressed during its record two-year outage earlier this decade.

Remember 2002? That year, Davis-Besse's old nuclear reactor head — weakened by years of neglect — nearly burst. If that had happened, radioactive steam would have formed in containment of a U.S. nuclear vessel for the first time since the half-core meltdown of Three Mile Island Unit 2 in 1979. Federal prosecutors later described that Davis-Besse event as one of the biggest cover-ups in U.S. nuclear history.

Remember 1985? Davis-Besse coped with the scary scenario of a 12-minute interruption in the feedwater flow to steam generators on June 9 of that year, another potential catastrophe.

Harold Denton, a former Nuclear Regulatory Commission engineer who served as Jimmy Carter's right-hand man at the scene of the Three Mile Island crisis, said at the NRC's annual 2004 conference that he considered Davis-Besse's 2002 and 1985 events, respectively, the industry's second and third-lowest points after Three Mile Island.

At that same conference — attended by 1,300 people from 21 countries — then-NRC Commissioner Ed McGaffigan, Jr., chided Davis-Besse in a speech for being the "poster child" of tension between the NRC and the industry. He urged nuclear executives to remember their industry is "only as strong as its weakest members." Mr. McGaffigan, now deceased, went on to become the NRC's longest-serving commissioner.

Then, there was the press conference in Cleveland in January, 2006, when the federal grand jury indictments stemming from the 2002 cover-up were issued. Tom Uhlmann, the U.S. Department of Justice's environmental crimes chief at the time, looked into the TV cameras and said that FirstEnergy had shown "brazen arrogance" and had "breached the public trust" for keeping the NRC in the dark about Davis-Besse's dangerous operating condition. FirstEnergy admitted no wrongdoing but paid a record \$34 million in fines to put the 2002 incident behind it.

Fast forward to 2010. Davis-Besse, which operated virtually error-free since being allowed back into service in 2004, experienced a slight case of deja vu. While there was no evidence of a cover-up this time, multiple nozzles jutting out of the replacement head were found with hairline cracks and weakened metal again. Some leaked reactor acid, though nothing like before. Even though the replacement head was made of an inferior alloy being phased out by the industry,

nobody — not even the NRC — expected it to wear down so quickly. Repairs were made. By early summer, the plant was back online.

So would it be wrong for the NRC to grant FirstEnergy's request for a 20-year extension?

Even if the utility has changed its ways, there's still the question of just how well the plant is holding up. Metal fatigues after years of strain imposed upon it by a nuclear plant's enormous heat and pressure. Records show Davis-Besse often is America's hottest-operating plant.

The plain truth is that engineers don't know how long nuclear plants will last. Numerous NRC officials have told me over the years that the original 40-year licensing periods had nothing to do with engineering calculations. They were based on the length of time expected to pay off construction bonds.

Is the optimum period 40 years? 60? 80? Nobody knows.

Is Davis-Besse limping along? Or is it a rejuvenated workhorse?

We wouldn't be having this discussion if America had a clear-cut national energy policy. The new generation of nuclear plants, if they come, are enormously expensive and years away. Extensions will likely be sought for nearly all of America's 104 operating nuclear plants simply because there isn't anything comparable on hand to replace them. The existing fleet may be more than just a stop-gap.

Remember, though, that Three Mile Island Unit 2 never went back into service.

Davis-Besse did.

Contact Tom Henry at:thenry@theblade.comor 419-724-6079.

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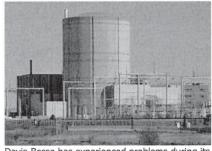
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Article published November 1, 2010

Public asked for its input on license extension at Davis-Besse Nuclear plant seeks OK for 20 more years



Davis-Besse has experienced problems during its existence: in 1985 when the feedwater flow was interrupted for 12 mintues, in 2002 when the plant's nuclear reactor head nearly burst, and then again this year when a reactor head showed signs of aging.

(THE BLADE)

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By TOM HENRY BLADE STAFF WRITER

PORT CLINTON - The Nuclear Regulatory Commission wants to know what the public thinks of FirstEnergy Corp.'s application to extend the operating license of its beleaguered Davis-Besse nuclear plant by 20 years.

Residents are invited to weigh in Thursday at a pair of two-hour meetings, starting at 1:30 p.m. and 7 p.m., respectively, at the Camp Perry Lodging and Conference Center, 1000 Lawrence Rd., Building 600.

Both meetings will have an identical format. An hourlong open house will precede each.

The meeting and site of the open house is on the Ohio National Guard's Camp Perry training complex west of Port Clinton.

Those wishing access must present government-issued identification and consent to a vehicle search.

FirstEnergy Corp. has nearly 6 1/2 years left on Davis-Besse's operating license, which expires April 22, 2017. FirstEnergy wants to extend it through April, 2037.

As with all applications, the agency's review process is expected to take several years.

Details, including the time frame, will be presented at the meetings, the agency said.

The meetings are to focus on what people see as environmental issues if the 33 1/2-year-old Ottawa County nuclear plant continues operating past 2017.

Davis-Besse, which came online in April, 1977, is along the Lake Erie shoreline about 30 miles east of Toledo.

Many of today's 104 operating nuclear plants are expected to be granted 20-year extensions, in large part because of the United States' rising energy needs and a lack of newer plants coming online to replace them.

Their original licenses were good for 40 years, although regulatory commission officials have said that time frame did not have an engineering basis. Rather, it is the time expected to be needed to pay off construction bonds.

Links to Davis-Besse documents on file with the agency - including FirstEnergy's 1,810-page application and its 648-page environmental report - are at www.nrc.gov/reactors/operating/licensing/renewal/applications/davis-besse.html.

Additional information on the license renewal process and the public meeting is at www.nrc.gov/reactors/operating/licensing/renewal.html.

Further information can be obtained by e-mailing the NRC's Office of Public Affairs at opa.resource@nrc.gov or going to www.nrc.gov.

FirstEnergy submitted its application for Davis-Besse's license extension on Aug. 30. Copies of the application will be made available at the Ida Rupp Public Library, 310 Madison St. in Port Clinton, and the Toledo-Lucas County Public Library, 325 North Michigan St. in Toledo.

Davis-Besse experienced a 12-minute interruption in the feedwater flow to steam generators on June 9, 1985. The potentially catastrophic event idled the plant for more than a year.

Then, in 2002, Davis-Besse's old nuclear reactor head nearly burst.

The lid was weakened by massive amounts of acid that had leaked from the reactor over several years. The acid induced heavy corrosion on top of the head. Radioactive steam would have formed in a U.S. nuclear containment vessel for the first time since the 1979 half-core meltdown of Three Mile Island Unit 2 in Pennsylvania if Davis-Besse's lid had been breached.

The only thing preventing that was a thin stainless steel liner that had started to crack and bulge, records show.

Correcting the problem kept the Davis-Besse idle a record two years. Federal prosecutors later described the incident as one of the biggest cover-ups in U.S. nuclear history.

Two former Davis-Besse engineers were convicted of withholding information and put on probation; the utility itself wound up paying a record \$33.5 million in civil and criminal fines.

Davis-Besse resumed operation in 2004 but was unexpectedly sidelined again for several weeks earlier this year after a 25-year-old reactor head the utility had installed to replace the original one showed signs of premature aging.

Officials said the device was made of an inferior alloy. Several of its metal nozzles became brittle and starting cracking.

Davis-Besse returned to service in early summer and is back at full power.

Contact Tom Henry at: thenry@theblade.com or 419-724-6079.

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Article published January 21, 2006

FirstEnergy to pay \$28 million fine for lying; Davis-Besse's punishment largest in nuclear industry



U.S. Attorney Greg White explains the \$28 million fine.
(ASSOCIATED PRESS)

Zoom | Photo Reprints

By TOM HENRY BLADE STAFF WRITER

CLEVELAND — FirstEnergy Corp.'s nuclear subsidiary will pay a record \$28 million fine to avoid being criminally prosecuted for lying to the government about the dangerous condition of Davis-Besse's old reactor head, U.S. Attorney Greg White said here yesterday.

The subsidiary, FirstEnergy Nuclear Operating Co., gets 60 days to pay that amount. It must cooperate with the government in the prosecution of three former Davis-Besse employees who have been indicted by a federal grand jury on charges of making false statements to a federal agency.

The \$28 million fine is in addition to a \$5.45 million civil penalty from April, 2005, which the company already has paid.

The latter had been the largest fine ever imposed in U.S. nuclear history until yesterday.

Neither of those fines can legally be passed on to ratepayers, prosecutors said.

David M. Uhlmann, chief of the U.S. Department of Justice's environmental crimes section, said the \$28 million fine is to let operators of America's 104 nuclear plants know that the government will deal with them harshly if any of them are caught lying again.

"[FENOC] violated that duty and, as a consequence, they breached the public trust," Mr. Uhlmann said.

But U.S. Rep. Dennis Kucinich, a Cleveland Democrat who has called for FirstEnergy's operating license at Davis-Besse to be revoked, said the fine was a "slap on the wrist" for a utility that "put the health and well-being on millions of residents of northern Ohio at grave risk."

FIRSTENERGY

- The \$28 million fine is in addition to a \$5.45 million civil penalty from April, 2005. The latter had been the largest fine ever imposed in U.S. nuclear history until yesterday's.
- The fines cannot legally be passed on to ratepayers.
- The chief of the U.S. Department of Justice's environmental crimes section said FirstEnergy showed

The congressman said in a prepared statement that a \$28 million fine — as enormous as it sounds — still represents less than 1 percent of the utility's 2004 profit.

That, he said, allows for "business as usual" at FirstEnergy.

Mr. Uhlmann said the company showed "brazen arrogance" by withholding information in the fall of 2001 when the NRC was debating internally whether Davis-Besse was too dangerous to keep operating past Dec. 31 of that year, he said.

Ultimately, senior NRC officials overrode a staff recommendation to shut down the

"brazen arrogance" by withholding information in the fall of 2001 when the Nuclear Regulatory Commission was debating whether Davis-Besse was too dangerous to keep operating past Dec. 31 of that year.

 FirstEnergy has spent \$605 million to replace Davis-Besse's old reactor head, make numerous other modifications, and buy replacement power during the two years that the plant was shut down. plant immediately. They struck a compromise to let it keep operating until Feb. 16, 2002 — six weeks shy of its planned shutdown date of March 31, 2002.

The agency now says it would never have done that if it had known at the time that the plant's old reactor head was on the verge of rupturing.

At a joint news conference in Mr. White's office, the Justice Department and the NRC announced criminal indictments against Andrew J. Siemaszko, a former Davis-Besse systems engineer; David C. Geisen, a former Davis-Besse engineering manager, and Rodney M. Cook, an outside contractor-consultant who had worked at Davis-Besse for

many years.

Mr. Siemaszko and Mr. Geisen were each indicted on five counts. Mr. Cook was indicted on four. Each faces up to five years in prison and a fine of up to \$250,000, Mr. White said.

Their cases would be heard later this year in U.S. District Court in Toledo if they go to trial, said Mr. White, who did not rule out the possibility of pleas being negotiated.

Mr. Siemaszko, 51, of Spring, Texas, and Mr. Cook, 55, of Millington, Tenn., could not be reached for comment.

Richard Hibey, an attorney representing Mr. Geisen, 45, of DePere, Wis., said in a prepared statement yesterday that the indictment is "unsupported by facts and contradicts logic."

Mr. White said the grand jury looked at other people, but that there was not enough evidence to criminally indict officials higher up in the company.

Nobody at the NRC has been disciplined for what happened at Davis-Besse, despite the agency's admission that its oversight at the plant had lapsed.

"There was no need for discipline at the NRC. [FirstEnergy] was not forthright with us," said Martin Virgilio, deputy executive director of the NRC's materials, research, state, and compliance programs.

Gary Leidich, FENOC president and chief nuclear officer, said in a prepared statement that the company is eager to move on.

"The agreement closes an important chapter on the Davis-Besse reactor head issue for the company," he said.

FirstEnergy has spent some \$605 million to replace Davis-Besse's old reactor head, make numerous other modifications, and buy replacement power during the two years that the plant was shut down. It has been running without incident since the NRC authorized restart in March, 2004.

"FirstEnergy Nuclear Operating Co., as it exists today, is a new company," Richard Wilkins, a company spokesman, said.

Federal prosecutors said they were willing to let the utility avoid criminal prosecution because they, too, "have concluded the corporate culture of FirstEnergy Nuclear Operating Co. is a far different one than it was four years ago," Mr. Uhlmann said.

About 85 percent of the \$28 million fine — some \$23.7 million — will be paid to the U.S. Department of Treasury.

The other 15 percent — some \$4.3 million — is to be spent on community service projects, including \$800,000 for a wetlands restoration project at the Ottawa National Wildlife Refuge, plus \$550,000 for improvements to the refuge's Visitors Center.

Another \$500,000 is to help the Ottawa County Emergency Management Agency improve its communications system, and \$500,000 more is dedicated for energy-efficient technology research at the University of Toledo College of Engineering.

The Cuyahoga Valley National Park and Habitat for Humanity's northern Ohio chapter are to receive \$1 million apiece. The park's money will go toward extending Towpath Trail, while Habitat's will be used for the construction of energy-efficient homes.

Mr. Geisen was the only one of the three men who continued to work in the nuclear industry up until recently. Earlier this month, the NRC barred him from the industry for five years. He began work as an engineer at the Kewaunee nuclear plant near Green Bay, Wis., shortly after leaving Davis-Besse.

Last year, Mr. Siemaszko became the first of the former Davis-Besse employees to have a five-year employment sanction imposed on him.

Two others received the same penalty this month, while one — Prasoon Goyal, 60, of Toledo — received a one-year ban on work in the nuclear industry.

Prosecutors said that Mr. Goyal, a former senior design engineer, will not be charged with a crime because he has agreed to cooperate with the government in its case against the other three.

Mr. Siemaszko, who was once in charge of inspecting the reactor head, has claimed that FirstEnergy officials ignored his demands to do more maintenance on it during the plant's 2000 outage.

Two watchdog groups, the Union of Concerned Scientists and Ohio Citizen Action, recently were granted the right to help him with his appeal of the NRC's employment sanction.

Those two groups have accused the NRC of working with the company to make Mr. Siemaszko a scapegoat.

Contact Tom Henry at: thenry@theblade.com or 419-724-6079.

Their sentiment was echoed yesterday by Jim Riccio, Greenpeace's nuclear policy analyst in Washington, who said the indictment of Mr. Siemaszko is akin to "shooting the messenger."



Perry, Davis-Besse nuclear power plants have operating issues, NRC says



John Funk, The Plain Dealer



Plain Dealer file

Perry nuclear power plant's twin 516-foo cooling towers in Perry.

The Nuclear Regulatory Commission has found minor but troublesome issues at **Perry** and **Davis-Besse** nuclear power plants. Both are operated by the **FirstEnergy Corp.** of Akron.

The NRC this week is holding public assessment meetings to question plant operators about problems the agency's inspectors have found. The agency will take questions from the public as well.

The Perry plant is located about 35 miles northeast of Cleveland in Perry. The public meeting will be 6:30 p.m. Wednesday at the Perry Township Community Building, 2800 Perry Park Rd., in Perry.

Davis-Besse is located about 25 miles east of Toledo in Oak Harbor. The public meeting will begin at 7 p.m. Thursday at the power plant's education center, 5501 North State Route 2, in Oak Harbor.

The NRC has concluded that Perry and Davis-Besse generally operated safely in 2009.

But the agency is concerned that Perry's "safety culture" is not up

to industry standards and has had to keep a close watch on the place for the last two years.

Safety culture -- the philosophy of putting safety above all else in everyday operations -- is an enormous issue in the nuclear industry because of the complexity of reactors and the potential catastrophic results of an accident.

Because Perry's staff makes minor mistakes in routine operations and sometimes does not correctly identify a problem in order to correct it, the problems continue to recur after repairs are made or procedures are changed.

These "human performance" issues show up in minor errors made in work planning, practices and oversight, according to the agency.

Previous coverage

Perry nuclear power plant shut down

FirstEnergy to replace lid on Davis-Besse nuclear power plant

NRC to FirstEnergy: Tell us why Davis-Besse will be safe

For more information

NRC report on Perry shutdown

NRC letter to FirstEnergy (PDF)

Perry has logged more than three months of operations without routine mistakes as measured by the industry and more than six weeks of operations without even the most minor operational mistake, said a spokesman.

Meanwhile, at Davis-Besse, the NRC still has a special inspection team trying to figure out whether the ongoing corrosion problems of components in the reactor's lid are inherent to the reactor or have somehow been caused by how FirstEnergy operates the reactor. That team won't report out a couple of months.

Thursday's public assessment concerns operations during 2009. The NRC believes Davis-Besse operated safely and by-the-book in 2009 -- with one notable exception.

That exception was the company's failure to immediately report - and to declare and alert -- after an explosion and fire power switching gear located outside of the reactor building.

The middle-of-the night explosion and fire happened in a switchyard which connects the plant to outside emergency power. The fire knocked out one of the two outside lines, the company reported later and said it would change emergency procedures to train staff to declare alerts following future mishaps. The NRC will review that new plan.

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