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UNITED STATES NUCLEAR REGULATORY COMMISSION
REGION 1

In re: PUBLIC MEETING - SALEM RESTART

A public meeting was held before
Loretta B. Devery, Registered Professional Reporter
and Notary Public, at Salem Community College,
Carney's Point, New Jersey, on Monday, December 18,
1995, commencing at 7:00 P.M.

PRESENT from NRC:
RICHARD COOPER
LARRY E. NICHOLSON
JOHN STOLZ
CHARLES MARSCHALL
LEN OLSHAN
VICTOR DRICKS
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2 MR. COOPER: Good evening. I'd like to
3 go ahead and start the meeting. My name is Dick
4 Cooper. I'm with the Nuclear Regulatory Commission.
5 I'm the Director of Division Reactor Projects in the
6 King of Prussia Region 1 office.

7 This meeting tonight is a public
8 meeting on the Salem restart. Could we have the
9 next slide with the agenda, please?

10 I'd like to just briefly go over the
11 agenda for the meeting then some ground rules, and
12 we'll have further discussion after that.

13 I'm going to speak as an intro with the
14 ground rules and then I'll talk briefly about the
15 NRC organization and the confirmatory action letter
16 that we imposed on the licensee when they shut down
17 both units, the elements of that.

18 Mr. Nicholson, to my immediate left,
19 will discuss the PSE&G restart plan. We did have a
20 meeting with the licensee about a week ago, I
21 believe it was a week ago today, where we discussed
22 with them their restart plan. We'll go over briefly
23 some of the elements of that that we heard at that
24 meeting.

1 Mr. Nicholson will discuss NRC
2 activities between now and restart of the units.
3 And then we'll open it up to questions and comments
4 from you folks. And then we'll close the meeting
5 subsequent to that.

6 Before I go any further, I'd like to
7 introduce the other NRC participants we have with us
8 this evening. Mr. John Stolz, to Mr. Nicholson's
9 left, is from the Office of Nuclear Reactor
10 Regulations in headquarters. He's project director
11 over the PSE&G plants. Mr. Nicholson, whom I
12 alluded to earlier, is my branch chief over both the
13 Salem and the Hope Creek plants. Mr. Olshan, to Mr.
14 Stolz's left, is the project manager for the Salem
15 plants, and to his left is Mr. Charles Marschall,
16 who's the senior resident inspector at the Salem
17 units.

18 Also here tonight is Mr. Joe Schoppy,
19 who's Mr. Marschall's resident inspector, and Mr.
20 Victor Dricks, who's our public affairs officer from
21 the King of Prussia office.

22 Having made those introductions, I
23 would note that we are transcribing this meeting
24 tonight. The reason for that is because we do want

1 to get the information or input from you in as
2 accurate a way as we can. And to the extent that
3 when you speak, you come up to the microphone on my
4 left if you signed up to speak. When you speak,
5 please state your name for the record so that we'll,
6 if we need to, be able to recontact you for further
7 information or clarification of your comments.

8 I would like to let the meeting go with
9 10 minutes per speaker. And if that doesn't
10 suffice, we'll move longer than that. Depending on
11 how the meeting goes, I would hope to end it
12 somewhere before 10, but if we need to, we'll go
13 beyond. Again, if you wanted to speak, I would hope
14 that you signed up already on the sign-up sheet.

15 I do want to thank you for coming out
16 this evening. Driving over here I noticed the
17 weather wasn't so good. It doesn't look like it's
18 going to get any better. So I do appreciate you
19 coming out, because it does show that you have
20 concern for the facility and you're interested in
21 what we're going to do to oversee its restart.

22 I would appreciate if you would keep
23 your comments specific to the Salem restart process
24 and/or issues that you might have, technical process

1 or performance issues about the facility. Because
2 that's what we're really here for. Oftentimes we
3 have these kind of meetings and we hear all kinds of
4 comments about other plants in the country or other
5 facilities or other issues that we're really not
6 here tonight to address.

7 What we really want to hear tonight is
8 your concerns, your comments, your information,
9 facts, if you will, about the Salem facility.
10 Because the whole purpose of this meeting is to
11 accept that information, review it so that we can
12 have that input as we construct our restart plan.

13 The licensee has its restart plans,
14 which are very complex and comprehensive, include a
15 lot of issues. We too have formulated and are
16 constructing our restart plan, which is the plan
17 we're going to use to independently confirm that the
18 licensee has fixed the problems they had and is
19 ready for a restart later when they are. And again,
20 Mr. Nicholson will go into that at some length in a
21 moment.

22 But we're looking for your input
23 specifically on the Salem facility. So if you'll
24 please restrict your comments to those, I'd

1 appreciate it.

2 We do intend, after we've constructed
3 our plan, to place that on the docket in a letter to
4 the licensee, which will probably come out sometime
5 in mid January.

6 As I said, the purpose of tonight's
7 meeting is to introduce the NRC team, describe the
8 process we've put in place for restarting the Salem
9 units, and importantly, to provide you an
10 opportunity to provide any inputs you have in
11 that -- in development of that plan.

12 Next slide, please. Relative to the
13 NRC's organization, our headquarters organization
14 basically is responsible for issuing and maintaining
15 an operating license for the facility, including
16 reviewing and approving any changes to that license.
17 On the other hand, the region is responsible for
18 inspecting the facility to insure that it's
19 operating safely in accordance with the regulations.

20 To that end, we have an organization
21 composed of a Salem Assessment Panel, the resident
22 inspectors who are onsite as our eyes and ears to
23 see what's going on at the facility directly. We
24 also have specialists or region based inspectors

1 that we augment the residents with on occasion based
2 on technical issues or other type issues that we
3 need their assistance on.

4 The normal organization would have Mr.
5 Nicholson as the branch chief, the residents would
6 report to him, and another part of our office would
7 have region based inspectors who would oftentimes
8 comes to the site to inspect specific technical
9 issues. Since the residents are really generalists,
10 although they have a lot of technical knowledge. If
11 there's a specific engineering issue for example
12 which requires a materials specialist, we would use
13 the region based inspectors to augment the residents
14 to look into such an issue.

15 However, in the case of a plant like
16 Salem, or both plants, both units rather, that are
17 shut down for some lengthy period of time based on
18 not only hardware issues but performance issues as
19 well as process deficiencies, we normally would
20 embark on an oversight using an assessment panel, in
21 this case, the Salem Assessment Panel.

22 And this panel is chaired by Mr.
23 Nicholson and co-chaired by Mr. Stolz to his left.
24 We would meet periodically, normally once or twice a

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1 month, to review findings from ongoing inspections
2 and other information we're getting about the
3 correction of problems at the facility or emerging
4 issues that we're finding at the facility. And we
5 would then be able to more quickly wield other
6 inspection resources or other regulatory resources
7 to bear on the facility.

8 So right now, as I said, the Salem
9 Assessment Panel is mainly embarked on channeling
10 resources to provide regulatory oversight for the
11 Salem plants.

12 Next slide, please. I wanted to
13 briefly go over the confirmatory action letter that
14 we issued on June 9th. There are basically five
15 elements of this letter, but I guess the first thing
16 is to describe what the letter represents. What
17 this letter is is a docketed commitment by the
18 utility to the NRC that basically agrees to keep the
19 unit shut down for an unspecified period of time
20 until they're ready -- until they demonstrate to the
21 NRC that they're ready to restart the units and
22 until the NRC has independently confirmed their
23 readiness to restart.

24 However, there are five elements more

2 1 specifically to this confirmatory action letter.

2 The first is to communicate the findings of a review
3 that the licensee was required to do about anomalies
4 that followed the Unit Two trip of June 7th.

5 They were shutting the plant down, the
6 unit actually tripped off the line. There were some
7 anomalies following that. And we asked the licensee
8 to do an independent review of that and to
9 communicate those findings to us. Although we
10 verbally heard the results of that, the docketed
11 information is still pending.

12 The second item was to perform a review
13 of longstanding equipment problems at the facility
14 as well as the effectiveness or ineffectiveness of
15 the licensee's actions to have addressed them, both
16 specifically and more broadly, and then to
17 communicate those findings to the NRC.

18 Thirdly, the licensee was to meet with
19 the NRC to discuss the scope and comprehensiveness
20 of their plans for performing an operational
21 readiness review for restart of Salem Unit One and
22 later Unit Two. And in this meeting, they were to
23 include all issues needing to be resolved prior to
24 restart. This is the meeting that happened a week

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 1 today at the facility. And also in that same
 2 meeting, they covered their response to the second
 3 item that I mentioned, which was part of the
 4 confirmatory action letter.

5 So basically at this stage of the
 6 process, the licensee has completed action on the
 7 first three items of the confirmatory action letter
 8 with, as I mentioned, the exception of docketing the
 9 information about the review for item one.

10 The last two elements of the letter
 11 require the licensee to perform an operational
 12 readiness review on each unit prior to restarting
 13 the unit and to meet with the NRC to discuss the
 14 results of these reviews and gain regional
 15 administrative approval for unit restart.

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 16 Again, those dates are not yet
 17 determined, although the licensee does have some
 18 restart dates currently published.

19 Since the licensee plans to restart
 20 Unit One first, the NRC will likely modify this
 21 letter with another letter that allows, once we're
 22 satisfied, allows the licensee to restart Unit One
 23 but still holds the licensee committed to the other
 24 elements of the confirmatory action letter pursuant

3 1 to the Unit Two restart which will occur later.

2 With that description, I'm going to
3 turn it over to Mr. Nicholson to go over PSE&G's
4 restart plans and also the NRC activities relative
5 to the process that we will follow for restarting
6 each unit.

7 MR. NICHOLSON: Thank you. Good
8 afternoon. Thanks again for coming out. I'm Larry
9 Nicholson, the branch chief in Region 1.

10 First of all, I'd like to talk about
11 PSE&G restart plan. As Mr. Cooper stated, that's
12 what they presented to us last week in a meeting as
13 their recipe to making Salem -- to improving Salem
14 operation and turning it around.

15 We have -- they docketed that to us.
16 They sent it to us in a letter. We brought 20
17 copies of them here. So I think we've got enough
18 for anybody. If anybody wants one afterwards,
19 you're welcome to pick one up. There's also copies
20 available for review in the public docket rooms for
21 your review.

22 Also attached to the back of the
23 restart plan is the CAL, confirmatory action letter,
24 that Mr. Cooper just spoke of.

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1 The Salem restart plan, and again this
2 is their, PSE&G's restart plan, is composed of nine
3 separate areas. I've listed those up here. These
4 are the nine general areas that they have determined
5 that needs to be addressed, that they have gone and
6 looked at problems, they've developed problem
7 statements, here's what's broke about operations,
8 human performance, engineering, these nine areas.
9 Here's an action plan, here's what we're going to do
10 to fix it, and then here's how we know it's going to
11 be fixed. And that's basically the layout of their
12 restart plan.

13 They've used some independent people
14 from outside the industry to come in and look. They
15 have generated a lot of it internally. We have --
16 our oversight activities have been -- we have
17 observed the mechanics of the development of this
18 plan. They have what's called a management review
19 committee that each one of these plans is presented
20 to. We have attended most of those management --
21 key management review committee presentations, and
22 as observers only, we're not commenting on it. It's
23 their plan, it's PSE&G's road map to get well.
24 We're in the process of reviewing it right now.

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1 But again, these are the general areas.
2 Each one of those has many specific items they're
3 going to go fix. They've determined what needs to
4 be fixed prior to restart. It's all in the plan
5 here. If you're interested and hadn't seen a copy
6 of it, please feel free to take one home and study
7 it. You can get back to us in any of the channels
8 that are available through the residents or calling
9 the region if you have comments or additional
10 questions.

11 The next area I'd like to talk on is
12 the NRC activities. Mr. Cooper mentioned already
13 the Salem Assessment Panel, of which you chair, and
14 John Stolz to Mr. Cooper's left is co-chairman from
15 NRR. And really what we do is we focus a look on
16 Salem on a realtime basis. We have resources
17 available to us that as needed we can direct it down
18 here. So we can adjust our inspection process a lot
19 quicker than the normal situation where we schedule
20 inspectors out for say six months or a year. We
21 have the ability to adjust it in a much quicker time
22 frame.

23 The region role, as Mr. Cooper stated,
24 is to coordinate the inspection activities on the

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1 site. And what our intent is to independently
2 verify that the corrective actions that PSE&G says
3 they're going to do is actually in place and
4 effective.

5 As a Salem Assessment Panel, we meet
6 really minimally on a monthly basis, and depending
7 on the activity, even more frequently. And all the
8 key documents that the NRC produces as statements to
9 their performance will come through the Salem
10 Assessment Panel. We'll look at it, we'll see how
11 we think they're doing. And so the key documents
12 will be concurred in by the Salem Assessment Panel.

13 Right now we're in the process of
14 developing our NRC restart plan. We have a manual
15 chapter guiding procedures, if you will, that gives
16 us direction on how to step through a restart
17 process with a plant that's been in trouble, that's
18 had performance problems. We've done this many
19 times. Most of the gentlemen up here have been
20 involved in dealing with troubled plants before. So
21 we bring a fair amount of experience in this
22 inspection program.

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23 One of the things that -- to develop
24 our restart plan, we go through and look at all our

4 1 inspections, everything we've done, the reports that
2 Salem has reported, their SAUK, the assessment of
3 them. We look at all the open items we have on our
4 books, all the concerns. We look at all the
5 allegations. We look at their restart plan, and
6 then we meet with you to see what your concerns are
7 and let you have an opportunity to input into that.

8 We also interface with the states of
9 New Jersey and Delaware, Congressional Affairs. And
10 it's a combination of all those that we develop, and
11 what we think is important for us to independently
12 verify, not necessarily everything that we think
13 they should fix or resolve, there's many items that
14 they need to address, but these are the items that
15 we want to, as representatives of the public, go out
16 and independently verify that their performance has
17 improved in those areas.

18 And so we're developing that. We will
19 issue that in a public letter probably in a month or
20 so. It's under draft now. We will take all the
21 comments we have in from tonight's meeting, as I
22 said, and the Salem Assessment Panel will then group
23 and do a final cut on the issues we want to verify.
24 Then we'll put it out to the public. You'll have

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1 access to it. The utility will know it. And we'll
2 have a plan to deal with.

3 And we always reserve the right to add
4 to that as issues arise. That goes the same way
5 with Salem, the restart plan, they're adding things
6 as issues come up. We do likewise.

7 Once we issue our restart plan, then we
8 do the inspection. And we're developing an
9 inspection process now. This will be -- we formed a
10 team of inspectors from the region, both generalists
11 for the residents and specialist inspectors,
12 engineering, electrical types, that have very
13 detailed knowledge of issues, and we're going to
14 coordinate and put them on the site when the issues
15 are resolved.

16 We're going to do that basically after
17 PSE&G management tells us that they've finished in
18 each of the issues. Then we'll go in and verify
19 that and make a call, an independent call ourselves,
20 has the improvement been effective, is there still
21 work to be done on each of the specific line items.

22 We're going to break them down into
23 technical items, components in the plant and then
24 programs and processes, like tagging, operability

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1 determinations and those things. So we're looking
2 at both the specific plant components and the
3 programs in the plant.

4 Each of our -- the results of each of
5 our individual inspections will be contained in an
6 inspection report that will be issued on about a
7 monthly basis with --they'll be available for public
8 review so you can track how we're doing and what our
9 assessment is on each of the specific items.

10 When it gets towards the end, when
11 PSE&G management starts believing that they
12 finished, when our inspections are starting to
13 complete, then PSE&G will submit a restart letter.
14 And what that is is that will be their explanation
15 on the docket to us of why they think they're ready
16 to go, why they think they fixed enough, the basis
17 for not fixing certain items of concern, why they
18 feel like performance has improved to a point where
19 it's safe to restart the plant, what they're going
20 to do to insure that it maintains at that level.

21 At that point we'll go through a
22 similar process that we're going through right now.
23 We'll have a public meeting with them so they can
24 explain that, open for public observation. And then

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we will probably have a public meeting just like this at the back end. So you can come out, we can explain what's happened at the end of this outage and again gather comments from the general members of the public.

Once we've developed that, we will field a readiness assessment team inspection. This will be a major inspection. It will be confirmatory in nature. It will be led by a high level person in the NRC. It's a very visible type activity. We'll go in and look at integrated performance across the board to see how do all the pieces fit together. The individual inspections look at each individual piece around, have they fixed this, what's going on this, what we need and really what the readiness assessment team inspection does is pull it all together and look at an integrated performance, how are they doing, are they working together, do all the pieces of puzzle fit together or are there still problems.

We'd like to do that at the very end of the outage, even when the plan is going through some manipulation so we can watch operators manipulate the plant through the certain key

4 1 evolutions. We'll do quite a bit of control room
2 observation. And then at that point, once we're
3 satisfied that adequate performance improvement has
4 been implemented, the restart -- we will need to
5 amend our confirmatory action letter. And that's
6 really the formal document that documents our
7 activity to allow restart.

8 And in the last bullet there is
9 augmented restart coverage and what that means is
10 we'll form a separate team then that goes in after
11 restart has been approved for -- to watch the
12 performance during criticality through certain key
13 milestones. We'll have a period of around the clock
14 coverage. We have somebody in the control room all
15 the time watching, reporting back. As I mentioned,
16 at that point the Salem Assessment Panel will be
17 very active at getting that feedback back to the
18 management team, putting it into the calculation and
19 figuring out what -- do we still think this thing is
20 okay, what do we need to do, does it still look like
21 the performance improvement that has been put in
22 place is working.

23 So that's a real quick overview. This
24 will play out over the next few months, depending on

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1 their schedule. We really don't do much with the
2 schedule as far as their schedule, we just kind of
3 follow. We depend on them to tell us when they
4 think they're ready and we go in and independently
5 draw our own conclusions.

6 That's all the prepared text I have.
7 If there's any questions on that particular, you can
8 bring them up after we go through. But I guess now
9 I'd like to start with the prepared -- with anyone
10 that would like to speak. I'll start with David
11 Thomas. If you'd like to, if you'd please speak up,
12 come over to the microphone here.

13 Again, this is -- we're taking this
14 down. It's being transcribed for public record so
15 your statements will automatically go into the
16 public docket room and be considered for inclusion
17 in our efforts. Mr. Thomas?

18 MR. THOMAS: My name is Dave Thomas,
19 and I'm a resident of Salem County. When you
20 started your speech or your opening, you related to
21 a trip of June 7th. I think we're relating to
22 actually April 7th, wasn't it?

23 MR. COOPER: No, this was during the
24 Unit Two shutdown on June 7th. April 7th was an

5 1 event that actually occurred I think in 1994, which
2 was one that we sent an augmented inspection team
3 out to review.

4 MR. THOMAS: Actually my concern really
5 doesn't have much to do with the equipment. The
6 equipment probably hasn't been a question for a
7 while. But it has to do with the management and
8 actually the management of the people there. I have
9 a lot of close friends that work there, and I see
10 them from time to time, and I can't see or I don't
11 get a feeling from anybody that I associate with
12 that they're actually feeling better about their job
13 or better about the equipment.

14 From what I can get from them is that
15 they're being put under tremendous pressure. And I
16 expect to see some pressure due to a change, but the
17 environment or the sociological impact on these
18 people is tremendous. I've seen people that look
19 like they're ready for a nervous breakdown.

20 I preface this with I think that this
21 is how Salem got into this problem, managing their
22 people, not their equipment. It's started back in
23 '86. It was real clear back then that it was a big
24 change. Again, my personal concern is the way in

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1 which they promoted their management, how they
2 trained them and what the order of the day was, to
3 the point that they got to this thing where they
4 said they will not have any trips and they had many
5 of them and many failures.

6 If you take a look at what's happened
7 in the last six months down there, where they're
8 supposed to be getting better, something like an
9 emergency diesel overspeed, which is controlled very
10 closely by procedure, I mean stuff like this really
11 bothers me. And again we're back to the equipment,
12 but it's the people who are running the equipment.

13 MR. COOPER: Again, we're really not
14 going to be answering a lot of these questions
15 unless you have a specific one. We're really
16 looking more for your input, but go ahead.

17 MR. THOMAS: Let me put it another way
18 is that I understand what the role of the NRC is,
19 and I have seen them in their duties before. And
20 they're very equipment oriented or performance
21 oriented.

22 The real problems that they're having
23 at the plant are people problems, very large major,
24 you know, management people problems. And I look to

5 1 you to tell me how you're going to address that.
2 Because it's not the machinery that's going to get
3 us, it's going to be the management of the people.

4 MR. COOPER: Okay, our restart plan
5 does have elements in it relative to the management
6 issue. There, although there may not be a specific,
7 if you will, line item as a management problem.
8 Clearly management is an element of many of the
9 problems that as you point out that have occurred at
10 Salem. And it's not one that's, you know, that we
11 don't agree with.

12 In our restart assessment team
13 inspection which Mr. Nicholson referred to, there
14 will be a strong element of looking at the
15 management process and the management oversight of
16 the processes and programs at the facility to make
17 sure that when they do restart the plant that there
18 isn't this aspect of stress on the people or undue
19 stress such that people are going to make mistakes
20 rather than do the job right.

6 21 As you probably well know, management
22 or the issue of looking at management is a difficult
23 one to assess. Normally it's the processes and the
24 programs or events that occur at a facility that

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1 tell us how management is doing. And you're right
 2 in the sense that Salem has had many events over the
 3 years. And it definitely points to poor management
 4 of the facility. To get better they're going to
 5 need to have stronger leadership, stronger
 6 management. You're right that that might be
 7 stressful for them in this outage period, but
 8 fortunately the outage period is one that is a
 9 safer plant condition, if you will, than if they
 10 were actually operating the units.

11 On the other hand, I would say that
 12 they still have to pay attention to making sure that
 13 the fuel is covered and cooled appropriately and the
 14 like. So there is an element in the plan that you
 15 will see, not only in their plan, but ultimately in
 16 our plan that will assess management performance.

17 MR. THOMAS: From what I understand,
 18 there's quite a bit of new management that has come
 19 in say within the last two years, thereabouts. We
 20 have seen this happen before at Salem where they
 21 have taken from outside people and put them in high
 22 level places and made a lot of changes. And we end
 23 up like 18 months or two years they're gone. I have
 24 some feelings that if this were to happen again,

1 they would be worse off than they are right now or
2 they were before this new wave of management came
3 in. And I don't know how these people that are
4 enticed into coming, but I'm not sure how they're
5 going to entice them to stay. And to me that's a
6 very important part of it.

7 MR. COOPER: Well I would agree -- I
8 appreciate your comment. That is a significant
9 insight. They do have a lot of people who are there
10 new to the Salem organization or PSE&G organization.
11 Although I might correct one thing perhaps. I think
12 in the past there haven't been that many outsiders
13 coming into the organization. Because one of the
14 things the NRC has seen is that this organization
15 like some others that have gotten into problems have
16 standards that aren't perhaps as high as the rest of
17 the industry or other places in the industry, mainly
18 because they're not using outside information or
19 have few outsiders to bring in to improve their
20 standards.

21 Recently, as you point out, especially
22 over the last I guess year, they have brought in
23 quite a few new people. I'm not going to defend
24 that decision. We're not in the decision making

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1 process in terms of who they have managing the
 2 facilities. We're looking at results and the
 3 effectiveness of that management.

4 I would say, however, that we are aware
 5 that several of these individuals have come from
 6 other plants that have had problems. And in fact
 7 several of these people have, if you will, led them
 8 out of those problems. That's not to say that
 9 they'll success here. But at least what we see so
 10 far is that several of these people are bringing the
 11 organization some different type of leadership and
 12 improving or heightening the standards to which they
 13 expect the people to perform. Only time will tell
 14 whether that all gels into an effective management
 15 team.

16 MR. THOMAS: Thank you very much for
 17 the opportunity.

18 MR. COOPER: Thank you.

19 MR. NICHOLSON: Thank you. Next is Mr.
 20 Neal Caldwell.

21 MR. CALDWELL: Yes, my name is Neal
 22 Caldwell. I'm a Salem resident, and I promise not
 23 to preach too long. I am an ex-senior staff
 24 engineer in the Quality Assurance Department. And

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1 what I have are a few questions that relate back to
2 that time frame and to the present time.

3 And in the past, the company has made a
4 lot of comments and a lot of promises that they
5 would do or they would not do things. And what
6 makes them believable at this point whereas in the
7 past I know for a personal fact that we have either
8 misled, misrepresented or actually lied to the NRC.

9 MR. NICHOLSON: Well let me try that.
10 I think we're really not saying that we believe it
11 until we see the results. As Mr. Cooper stated,
12 both units are shut down. They're in the process of
13 defueling the last -- the second unit. The risk
14 with the decrease in the energy to something
15 happening is much less. We're watching it and it's
16 too early for us to say that we believe that
17 improvement, okay, we want to see the results and
18 we're going to do that through the process that we
19 just talked about.

20 MR. COOPER: Let me just add a couple
21 of things. Again, I'm not suggesting that these are
22 going to totally work. So I'm not promoting this or
23 anything or defending PSE&G's action here, but in my
24 view there's three things this time that are

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1 different. You probably heard us say time and time
2 again to this licensee well, gee, you keep speaking
3 the right words, you keep saying the right words,
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4 but you don't produce, we don't see the results.

5 I think there's three basic things that
6 are different this time, which hopefully will get
7 the results. One is that they've changed out much
8 of their upper and to some extent middle level
9 management, again with people who have come from the
10 outside, outside this company, many of whom have had
11 experience in bringing plants back from poor
12 performance. No assurances here, but at least
13 that's encouraging to us.

14 Secondly, they did shut both the units
15 down voluntarily, and they're going to be down for
16 sometime. In the past we haven't seen that type of
17 action. So by shutting them down, clearly it gives
18 them much more time to sit back, dwell on what got
19 them to where they are, to formulate these
20 corrective action plans and to fully implement them
21 without having to operate both units simultaneously,
22 which, as you probably are well aware, is a very
23 large challenge relative to the shutdown condition.

24 And finally, they have taken what

1 amounts to about five months now to fully review the
2 equipment performance at Salem through system
3 reviews that were very structured, that we also
4 looked over their shoulder while they were doing,
5 and have put together a very large, complex,
6 integrated plan that hopefully will get them there
7 in the end.

8 So the fact that they just didn't shut
9 down and two days later come and tell us what
10 they're going to do to fix it is somewhat
11 encouraging that they've now taken the time to
12 develop this, what appears to be a pretty
13 comprehensive plan. But we're still reviewing that.
14 So those three things, new management, shutting the
15 plants down and developing and taking their time to
16 develop this plan in my view are somewhat
17 encouraging that at least they're going in the right
18 direction for a change.

19 MR. CALDWELL: Talking about new
20 management, you know, I understand that during the
21 last 18 months the management has substantially
22 changed and hopefully for my part it's better. What
23 I'm concerned about is that the management that was
24 there made a lot of errors in judgment. And for

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1 instance I come from a group of 60 that was
2 terminated because we were felt -- we were told that
3 we were performing less than acceptably.

4 Of this group of 60, the majority of
5 those people were not poor performers. They may
6 have had a medical malady, my back is bad, but it
7 did not affect the type of work I did. It did not
8 affect the quality of work I did. In fact, I
9 received many praises. I was one of the few that
10 was ever complimented by the NRC for my integrity on
11 the job. Most QA engineers that are still there are
12 intimidated by the management. In fact, the reason
13 I lost my job, in addition to my back disability,
14 was the fact that the QA management at the time said
15 we would not do business as normal, we will sweep
16 things underneath the rug. And I can verify this
17 data for you. That man is still on the QA staff,
18 still holds a principal position, and I'm in the
19 hungry line.

20 I don't expect you respond to this, but
21 what I'm saying is that, you know, the company has
22 changed management. Hopefully it's for the better.
23 But by the same token, there's a group of 60 that
24 were fired. The NRC was told during the June 28th

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1 meeting after the April 7th incident, they were told
 2 during that meeting that we have identified poor
 3 performers and taken appropriate action. If you
 4 look at my performance appraisals, if you look at
 5 the quality of my work and compare that to any other
 6 QA engineer on the lot, I have no qualms because
 7 I'll end up on the top of the staff.

8 But yet even with the ADA laws in
 9 effect, the company is still sweeping aside when
 10 they can. I just received a call today from a young
 11 lady who is a QA person. She wrote an action
 12 request, had over a hundred items on it within her
 13 own department. Her department swept it under the
 14 rug, they have cutoff her pay as of the third of
 15 December and threatened her with termination.

16 I don't trust even the current
 17 management, although it is new, the general manager
 18 of the QA/NSR is new. This thing is still
 19 happening. And I know from conversations with a lot
 20 of the QA engineers that are still on the staff is
 21 they're afraid to identify a deficient item because
 22 not only does it create more work for them, which
 23 they don't mind, but it incurs wrath from their
 24 seniors.

1 MR. NICHOLSON: Okay, certainly one of
2 the -- Thank you for your comments. One of the
3 items that very high on our list is the corrective
4 action people identifying issues and are they doing
5 something with it. We're watching that very closely
6 now on the front end as issues get identified and
7 put into the system. I think what we've seen is a
8 drastic lowering of the threshold of putting things
9 in the system.

10 They will admit, and we certainly
11 endorse it, it's not where it should be still, and
12 we're watching that. But, you know, we see an
13 influx of a lot of issues identified now being put
14 into the system. We're going to watch how they deal
15 with them and make sure that they're corrected.

16 MR. CALDWELL: Going back to the April
17 7th, 1994 issue, and this goes on the integrity of
18 the people involved, excuse me, I understand the
19 general manager of the plant was forewarned several
20 days in advance that there was heavy brass coming
21 down and we need to watch that, and that was kind of
22 shrugged off. And that's what caused the situation
23 that put me in the bread line.

24 I understand that doesn't particularly

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pertain to what we're talking about now. But I find some incredible problems that people are still in positions that shouldn't be there, that I have strong concerns about ever restarting again. I'm a Salem resident, just as most of us are.

MR. COOPER: I just wanted to address a couple of items you talked about. First of all, about the April 7th event, we did, as I mentioned before, have an augmented inspection team that looked across that entire event in great detail, produced a report. There was some significant performance issues, and the company was heavily fined relative to those events. We did allow the plant to restart after they corrected those issues.

One of the things -- two things that you said, one being that people are afraid to bring issues forward, if you will, in the QA department particularly I think you said. The other being that you know of instances where people are bringing up issues but management or someone is sweeping them under the rug. I don't want to go into those details now because in the interest of time here, however, those are important to me, and I'd like, if you haven't already shared them with us, either

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1 written or verbally, I'd ask you to get with us
2 after this or as soon as you'd like to to provide
3 some specific details on those issues. Because we,
4 as you probably are aware, have regulations that
5 would -- that that type of practice would clearly
6 violate. And we're interested in those kinds of
7 issues and following them up to make sure that's not
8 happening. If it is happening, we'll take the right
9 action. So I didn't want that to go unnoticed, that
10 I hear what you're saying and that if you could
11 provide the details of that to us. Written would be
12 best because that way we can get the specifics
13 locked in.

14 MR. CALDWELL: I am in litigation with
15 Public Service, that's a known fact at this point,
16 but I have in fact names and times. I would have
17 called, but I only found out about this just last
18 Friday.

19 MR. COOPER: Clearly, Mr. Nicholson, we
20 can certainly make his phone number available to you
21 and you can phone him at your leisure, or you could
22 write us with the details, whichever you choose.
23 But we would be interested in getting those details.

24 MR. CALDWELL: Thank you very much.

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MR. NICHOLSON: Thank you. My phone number, since Mr. Cooper volunteered it, is area 610-337-5128. I work in the King of Prussia office and you can certainly call me at any time. I have sole responsibility for Salem and Hope Creek. It's area 610-337-5128. My name is Larry Nicholson.

Next we have Mr. Lashkari.

MR. LASHKARI: I'm Charles Lashkari from Wilmington, Delaware. I used to be at Salem station, both Unit One and Two as a systems engineer and many of the primary systems, for about the past 10 years. Then all of a sudden in July of '94, I was terminated. Within five minutes, I was exited. I tried to find out by calling the regional manager I knew to find out what happened, what did I do wrong so that I was exited like this. And basically nobody would take the call or tell me.

I was able to reach one vice president who told me he cannot tell me that, that's with the lawyers to tell you what caused your termination.

I came down to PSE&G -- NRC Region 1 several times and in details, which is about 30 points, I submitted to the NRC all the details of safety problems at Salem.

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The month of July there were several safety problems which I ran into difficulties with my supervisor, my manager, which I know probably caused all that for me to be terminated, because it was happening too many times, I was having safety problems which I would not go along with.

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Now I have submitted the details of these problems to the NRC. NRC has notified me that one item they have closed out and fined the licensee 6 hundred thousand dollars. There are still a lot of other items that are still there, and PSE&G is thinking about restart.

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They have had the same letter which is with NRC. And I've sat down with their senior officers, gone over hours, every item in detail, hours and hours. And I still have not heard from PSE&G what they're intending to do. They keep on telling me they're calling in people from outside, independent people, they've done investigation, and I still have some comments, I'm making some changes. And this is like a year later than what I was told that that investigation would be completed.

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So all those safety problems, they still exist, and here we are, we're reviewing their

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1 restart plan. I don't think NRC should review the
2 restart plan until they have really seen what
3 actions they have taken on the previous issues
4 raised with the NRC or the management themselves.

5 Number two, I'd like to see this
6 restart plan hearing held in Delaware. It's
7 important to Delaware. What happens to an unsafe
8 plant such as Salem and if there are reasons here,
9 Delaware financially, economically in many ways
10 safety-wise is going to be affected. So I request
11 that NRC hold a hearing on the Delaware side.

12 PSE&G management got rid of 60 people
13 on that day, people who didn't do anything wrong.
14 NRC knows who have been doing things wrong. On
15 every incident, PSE&G as a licensee always
16 investigates what went wrong, what procedures went
17 wrong, what people were wrong, what actions were
18 wrong.

19 In each case, corrective actions are
20 taken before restart. They do know who did what
21 wrong which resulted in that incident. Whether
22 there's a gas problem alert on that date or turbine
23 blew up on that date, all those people who
24 overruled, people who were making their safety

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1 concerns known, and they were told go ahead, take
2 the unit up. They are still there, they're drawing
3 their salary, they will be reassigned into another
4 job. Since they continue to work for PSE&G, they
5 will not talk to NRC, they will not tell the truth.
6 And unless you can find out the truth, NRC should
7 not allow PSE&G to restart Salem.

8 Now one of the most important things
9 which I feel is there is a law here in this country
10 against discrimination. There are federal laws,
11 state laws. There are many cases. The licensees
12 are governed by the NRC. In case of if there is a
13 federal law violations, that is discriminating
14 practices, violating the federal government laws,
15 public looks at NRC to enforce or make sure that the
16 licensee does not violate the federal government
17 laws.

18 I'm not in India anymore. I became
19 citizen long time back, but I still look like
20 Indian. That is not cause for termination, because
21 I'm an American.

22 I can submit more information to the
23 NRC, and I have submitted plenty. I have a lot more
24 to submit, but its use has to be determined by the

1 NRC whether they're going to do anything about it.

2 Now technically, I'll come back to some
3 specific examples, which I have given NRC many more
4 before. On the CRDL-L0600 problem, most of the
5 French plants were shutdown. They have replaced the
6 reactor heads. Salem is in the similar category.
7 Specifically, one plant where they inspected two
8 plants, the rest were not inspected. Salem was
9 supposed to do inspection. I was supposed to be the
10 lead person doing that. Since I don't have a job,
11 there is no one else there assigned the job. So
12 there is no inspection done. We don't know how bad
13 they are until some day they have a problem when
14 they start leaking.

15 Now they're saying it's justified,
16 there is no inspection tools installed at Salem.
17 And they're justifying that saying that if there is
18 a leak, the reactor head will not be violated for as
19 much as five years. That's a lie. The reactor head
20 is eaten by the boric acid, Salem has seen it, to .4
21 inches per month. And they did not submit that
22 information to the NRC. And if they do, then 18
23 months we'll go back and you will have hole through
24 the reactor head. It's only seven inches.

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1 Now Salem should not restart unless
2 they have either replaced the reactor head, the CO2
3 tubes, or provided the safeguard against those
4 inspection tools which have been put in there that
5 are disconnected. The power cord is taken off,
6 they're sitting there. They don't work. And now
7 finally they have taken them off.

8 Salem steam generators were expected to
9 be changed by year 2000. They are degraded. I
10 don't think NRC should allow the PSE&G to change or
11 restart until they have changed the steam
12 generators.

13 I will continue to work with NRC and
14 provide as much information as you would like to
15 have, but the public should also feel that what it
16 is is not something which is going to be buried and
17 not taken care of and PSE&G will have their restart.

18 Let's take a look at the most recently
19 the chairman of the NRC. How did she get there?
20 She was the director of PSE&G. PSE&G had all these
21 plants in trouble, shutdown, and this person was in
22 charge of the nuclear oversight committee of PSE&G
23 directors. With some other members of the
24 committee, she was in charge of reviewing PSE&G

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operation at Salem station.

When you are looking at this kind of performance, then you put them in charge of NRC. Now what kind of public confidence this will create that will tell the public that PSE&G almost owns the NRC now. Because they have their director who has been there at the NRC chairman. Thank you very much.

MR. NICHOLSON: Thanks. Let me take a crack at commenting on a couple items. First of all, on the Delaware hearing or having this type of meeting on the Delaware side, one of the reasons we tried to locate it up here close to the bridge is make it as convenient as we could to both sides without having two, one on one side and one on the other. We'll certainly consider whether it did work or didn't work, whether we should have it on both sides of the river.

A lot of the issues you mentioned we're certainly already aware of. We are reviewing and factoring into the items that we want to independently verify prior to restart. We hear in some of the areas what they intend to do, but we want to see it done.

1 You mentioned some issues regarding
2 them not telling us the truth. I would reinforce
3 what Mr. Cooper has said already that that likewise
4 is a violation for not telling us, being completely
5 truthful and accurate in their information to us.
6 That's -- we hold that as very important element in
7 the way we do work. We are aware of allegations of
8 this sort in the past, and we'd certainly, if you
9 have specifics on additional ones that we're not
10 aware of, please call me and let's talk about those.

11 And one of the things I also wanted to
12 point out that came to mind was one of the questions
13 we're asking and looking for is an analysis of why
14 previous attempts to address problems have not been
15 effective. And a lot of these issues that we hear
16 about that come up, good solid staff people bring
17 them up, there's some attempt at fixing them and
18 they don't get fixed and they move on somehow and
19 then it happens again.

20 So one of the things that we're going
21 to be looking for is an assessment of why, what's
22 different now, why your previous attempts did not
23 correct the problem in both the specific equipment
24 and in some of these process problems they're

1 having, and why do you think this attempt is going
2 to do any better. So, Dick, you have --

3 MR. COOPER: I believe you alluded to
4 the term discrimination and discrimination laws,
5 federal laws. I just want to clarify a point on
6 that topic. The NRC, through the -- its laws and
7 acts that support its mission only require that we
8 insure that licensees do not take any adverse
9 employment action against individuals who bring
10 safety issues forward, either real or perceived
11 issues.

12 We are not in the business of making an
13 individual whole relative to their being terminated
14 by the licensee for whatever reason. I would admit
15 that there are laws against discrimination, race,
16 color, creed, sex, etc., but those laws are not
17 enforced by the NRC.

18 There is a route that one has if one
19 feels that they have been discriminated against for
20 raising safety issues. Clearly, we need to know
21 about that in terms of having been laid off, fired,
22 what have you as an adverse action resulting from
23 your raising such issues, there is an avenue one has
24 in going to the Department of Labor for recourse and

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review of that type of issue. And we do work with the Department of Labor once the Department of Labor has found either in favor of the litigant, if you will, or the defender, the licensee in such a case.

But we would work with them, and if ultimately it was shown that the individual was discriminated against, we would send a letter to the licensee, take enforcement action as appropriate, ask them why there is no chilling effect on other employees at the facility in light of the action that was taken against an individual because of raising safety issues.

So there's an entire process that one follows relative to this, but it does involve the Department of Labor. We do not turn the Department of Labor on in such issues, we only inform individuals such as you or others of their rights relative to recourse with the Department of Labor. There is a hundred 80-day clock from the date of the adverse action until you can bring it forward to the Department of Labor.

There's one other issue you mentioned lastly, which was how in the world could the current chairman be made the chairman. Clearly, that

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1 process is one that's out of our control, that is
2 out of the NRC's control. It's in the hands of the
3 Congress and the President, because this individual
4 is a Presidential appointee. However, there are
5 rules governing a person who comes from industry who
6 becomes a chairperson or in this case -- excuse me,
7 a commissioner or the chairman of the commission
8 relative to engagement or reviews of issues having
9 to do with the company that they came from.

10 So I believe in the case of the current
11 chairman, she has recused herself or not been
12 involved in actions or decisions that have been made
13 relative to the Salem units, expressly because of
14 her former involvement in the particular company at
15 a high level.

16 MR. NICHOLSON: Okay, Jeffrey Spangler.

17 MR. SPANGLER: Good evening. My name
18 is Jeffrey Spangler, S-P-A-N-G-L-E-R, from
19 Philadelphia. My question is about management as
20 well. I understand that PSE&G got a visit from the
21 Executive Director of Operations, unique in the
22 history of nuclear power, where the EDO went to the
23 board of directors to make sure they understood the
24 gravity of the concerns.

1 In view of this, has the NRC determined
2 any corporate root causes of how Salem got to be in
3 the dog house? Have they determined what sort of
4 corrective actions might be needed on up to senior
5 management levels so that this won't happen again to
6 any of their plants?

7 And I guess my other concern is if this
8 is a management problem at the higher levels, why
9 should co-owner ratepayers pay a cent for this
10 decline and rehabilitation at Salem as opposed to
11 the stockholders? In short, who's most to blame
12 here and who should pay?

13 I know this is -- some of this is not
14 within your jurisdiction, but that's my concern. My
15 bias is I think all problems are management problems
16 ultimately. So what have you done in this area?

17 MR. NICHOLSON: Well let me take the
18 last part first is what part of it should the
19 co-owners pay. We really have nothing to do with
20 that as far as who pays for what and how the company
21 is split up and how they divide their expenses with
22 the co-owners and so forth. So we don't even
23 actually know how that works, and it has nothing to
24 do with how we do our business.

1 You're right, the EDO did visit the
2 board of directors. That's not the only time he's
3 done that, but it's certainly rare for our Executive
4 Director for Operations, which is really our
5 principal head that runs the NRC on a day-to-day
6 basis, to go to a board of directors. And I think
7 you've heard us mention already, we would agree that
8 because of the length and number of problems that
9 they've had at Salem, typically it's management
10 that's the cause of that.

11 Management over the years allows
12 performance to degrade, does not establish high
13 enough standards and expectations, does not
14 reinforce the type of performance that the rest of
15 the industry really is known for. So we're aware of
16 that.

17 We really look at management as it
18 affects performance at the site, corporate board of
19 directors. Poor management shows up as poor
20 performance at the site, and they've had poor
21 performance at the site, so we would agree with what
22 you're saying. We're going to watch it. And
23 there's an element of management and management
24 expectations in their plan, and we're going to look

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in the restart assessment team of how it all comes together.

MR. COOPER: I'd just like to add, we're not in the business of telling utilities who to hire and who to fire or else we might become part of the problem. We're not that omniscient to know who are the really good guys and who are the bad guys and who are the middle of the road people. Some people have done well at one place and not well at another. So just to say person X should be chairman of the board of PSE&G or something of that nature, we're not going to do that.

On the other hand, Mr. Nicholson is exactly right. We're looking for good results, we're looking for good performance, we're looking for conservative decision making, we're looking for leadership, we're looking for high standards, and basically standards that are at least equal to or better than other facilities which are well run throughout the industry.

And our intent is to basically oversee, regulate and drive this licensee to the extent that they will eventually correct their problems. And we won't let the plant restart if we don't think

1 they're ready to restart and have corrected these
2 issues.

3 What we do look for from corporate
4 management of a utility is to provide the
5 leadership, the focus, the message, and most
6 importantly, the dollars to get the job done. If we
7 see, for example, that we think this licensee has
8 some equipment problems that they're going to defer
9 to a later outage when we think there is a
10 significant issue that needs to be corrected in this
11 outage, we're going to make that point.

12 As I said, as Mr. Nicholson alluded,
13 we're currently reviewing their entire plan and
14 we're developing our own plan to independently look
15 and check and see that certain things are done that
16 are important to us to be done. That will be a
17 subset of the entire set of many, many, many things
18 that the licensee will have to do to get the plant
19 ready for restart.

20 So again, we're not going to suggest
21 who should be hired, who should be fired. That's
22 not our job. And we may end up, as I said, being
23 part of the problem if we were to do so.

24 Secondly, we want to make sure and will

1 ensure that this licensee provides whatever funds
2 are necessary to put into the Salem facility to
3 ensure that it's fixed properly both from a hardware
4 program and performance standpoint.

5 MR. NICHOLSON: Okay, Frieda Berryhill.

6 MS. BERRYHILL: From what I've been
7 hearing -- may I explain my biggest complaint?
8 Really, looking at the performance of Salem One
9 through August before it was shut down, capacity
10 factor for Salem One, 39.3 percent, 20 recordable
11 events, 6 violations. Capacity factor for Salem Two
12 through August, 31.5 percent, 8 license events, 6
13 violations. You might say we had a bad year.

14 Lifetime capacity factor for Salem One
15 is 56.9 percent and 55.5 percent for Salem Two. Is
16 it really worth it? It makes me wonder whatever
17 happened to new reg. 0578, Lessons Learned. I'm
18 probably the only one in the room that has ever read
19 it, because it doesn't seem to me that any of you
20 have ever read it.

21 I came across some interesting
22 information here. Let me ask you, if HR 1020 does
23 not pass, are you proposing to go to dry cask
24 storage?

1 MR. NICHOLSON: I'm not prepared really
2 to speak about HR 1020 or the dry cask storage
3 issue.

4 MS. BERRYHILL: What have you got in
5 mind for when the hole fills up?

6 MR. NICHOLSON: We don't dictate what
7 they have in mind. They have to come to us and ask.
8 We're not aware of their plans right now. I think
9 their storage capacity goes through sometime into
10 the early 2000. So they'll have to -- I'm not aware
11 of what their plan is long term, but they'll need,
12 if they do a dry cask storage, they'll have to come
13 to us and obtain a license for that.

14 MS. BERRYHILL: I see. It's very
15 interesting, because I got a DOE document that
16 identified 14 sites for barging. Hope Creek and
17 Salem is identified as barging to Wilmington, to the
18 Port of Wilmington. I think that's absolutely
19 madness.

20 MR. NICHOLSON: I understand.

21 MS. BERRYHILL: You know nothing about
22 that?

23 MR. NICHOLSON: Well we have not heard
24 from the utility and what they intend to do. I'm

1 not familiar with the DOE report you're referencing,
2 but whatever they do, they would have to inform us
3 and get the appropriate licenses. We will have the
4 review and licensing process at that time, whatever
5 they plan on doing. And it's up to us to make a
6 determination whether their plan is safe or not.
7 And that's -- that process hasn't started yet. So I
8 understand your concern though.

9 MS. BERRYHILL: Yeah, very much so. I
10 went to Europe the year of Chernobyl, and I saw the
11 people all over Europe, Austria, Hungary, Italy,
12 destroy their crops that they had planted that year.

13 I would like to make a request in order
14 for you to make the decision, whether you grant it
15 or not, let me tell you who I am. I was here when
16 Ronald Flugen resigned, and most of you don't even
17 know who Ronald Flugen is. Ronald Flugen was the
18 safety engineer for the NRC who quit this position
19 on the day Salem got its license because he said it
20 wasn't safe to operate. And you know what the
21 problem was, the in-house design program, etc. etc.

22 I was here during the operating
23 license. I was here during the fuel expansion
24 hearings. I was here during all the hearings that

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1 concerned Salem. And for years and years, I was the
2 only one that attended from Delaware.

3 And when I heard about this hearing, I
4 called Mr. Dricks. I don't blame you, you follow
5 the rules, please understand. I requested that I be
6 notified of these hearings, and I was told that
7 since I don't have a fax machine, I can't be
8 notified. I request that you put me on the bottom
9 of your list and please give me a phone call or
10 spend 30 cents and send me a notice. Thank you.

11 MR. NICHOLSON: Okay. We'll need to
12 get a point of contact.

13 MS. BERRYHILL: Mr. Dricks has my name
14 and address.

15 MR. NICHOLSON: As you heard me mention
16 earlier, we'll go through a similar process on the
17 end, and there'll be another type of hearing. We'll
18 certainly, as I mentioned earlier, evaluate whether
19 we need to do it on the Delaware side for people
20 like yourself. It may be easier. We put ads in the
21 paper, press releases, we try to get the word out,
22 but I understand your statement and we'll certainly
23 make every effort we can to get the word out.

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24 MS. BERRYHILL: Thank you.

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MR. NICHOLSON: One thing I might mention, this is not a hearing in the legal sense terms of a hearing. It's not an adjudutory process, it's not a hearing. This is a meeting between the NRC and the public where you talk to us. If anybody wants to get real specific, this is not a hearing. I've got Donald Frisco?

MR. FRISCO: Good evening, ladies and gentlemen. My name is Donald Frisco. I'm the chairman of the Coalition for Nuclear Power Postponement in Wilmington, Delaware. And for 20 years, I've been active against the Salem and Hope Creek complex and can remember in 1983 when the management was in trouble and they said it wouldn't happen again.

In 1987, the same refrain came from the mouths of management and the NRC, but yet here we are again in 1995. The incidents are just as serious and life threatening as the ones before. But yet you are here to tell us that it won't happen again if you trust them one more time.

I must tell you I feel more threatened now by the operation of the complex than ever before because of the age of the units and the numbers of

1 hot and cold cycles that they have been through. It
2 would be better for me to hear from you that the
3 units will be shut down permanently rather than to
4 trust the management with one more chance.

5 Demographics have changed drastically
6 in Delaware since they gave them one more chance in
7 1987. And I ask you not to let the lives of those
8 thousands of innocents be jeopardized by the
9 continued operation of the complex at Salem and Hope
10 Creek. I ask you to do all you can to shut them
11 down. Thank you very much.

12 MR. NICHOLSON: Thank you. One thing I
13 might mention is there's a process called a 2.206
14 petition that if you want to file a formal petition
15 to the NRC with a statement such as that, you can do
16 so and that will kick in a process to evaluate
17 formally a petition. So if you need additional
18 information on that, see me afterwards or we'll
19 talk, but --

20 MR. FRISCO: Thank you.

21 MR. NICHOLSON: That's all that I have
22 that have signed up to speak. Would anyone else
23 like the opportunity to speak before we -- let me
24 see if there's anybody else wants to speak. Would

1 anybody else like to speak before we go back around?
2 Okay.

3 MR. CALDWELL: My names is Neal
4 Caldwell again. This will not be a sermon, it will
5 be a short Amen. What I'd like to do at this point
6 just to express my personal strong feelings, since I
7 was responsible for staffing most of the nuclear
8 plants that are on the island, in fact when I left
9 the island, we have 337 PS permanent employees. I
10 stayed with the Human Resources Department as the
11 department head until they had the authorized staff
12 of 2323, so you can understand my personal
13 involvement, and at that point I transferred back to
14 the Quality Assurance Department.

15 One of the things that makes me feel so
16 strongly is the personal involvement of hiring
17 people and then on the other side seeing the morale
18 problems that I -- I have many contacts, many
19 friends that are still there, and I am contacted
20 very frequently. Not so much the union employees,
21 but for sure the administrative technical management
22 employees are all sitting on the edges of their
23 chairs. They don't know whether they have a job the
24 next day or not.

1 PS has assured them that they'll never
2 do to them what they did to us and fire us in a mass
3 group just to make themselves look good in front of
4 the NRC for that June 28th meeting.

5 And everyone is afraid. And this type
6 of intimidation will definitely affect the quality
7 of their work, their initiative in finding problems
8 and repairing them. And they'll be afraid to step
9 forward and do anything because they know it's going
10 to bring criticism.

11 Understanding we have a new management
12 staff in place now, and hopefully they're there to
13 correct the problems of the past, and there are a
14 lot of problems. And I guess I want to ask a
15 question that I don't expect an answer to, but what
16 about the problems of the 60 plus people that they
17 terminated on July 15th of 1994? They've thrown
18 these people to the lions. These people are not
19 eligible for rehire at any nuclear plant. No
20 nuclear plant can hire a terminated employee from
21 another nuclear plant, especially since it's for
22 performance less than acceptable. We've been thrown
23 to the wolves. We're in bread lines.

24 And I say the majority of those 60 plus

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1 individuals were all strong performers. There were
2 a few that should have been terminated years ago,
3 there's no doubt about that. But the majority of
4 those performers were excellent performers or well
5 better than the average for sure.

14

6 In my case specifically, I want to
7 mention just one thing, and I'll not expect an
8 answer from this. I questioned the QA manager, a
9 new QA manager to my department, on a specific
10 subject. I had a concern. I was about to write an
11 action request. And guess what? Two days later I
12 was told we've got, in quotes, a special assignment
13 for you, we need you over there more than we need
14 you in QA at this point.

15 As I was returning from that
16 assignment, within two weeks of when I was returned,
17 I was terminated by that same manager. That same
18 manager is still on the island. You can verify that
19 comment with every QA engineer who was at his first
20 meeting. We don't do business as usual. We will
21 not be writing the action requests as have been
22 happening in the past. Action requests -- My job as
23 a QA engineer was to report as-found conditions. It
24 was not to manipulate the conditions or turn my back

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on them, it was to report as-found conditions.

In the new regime that happened just six months before my termination, they were told I will go down and pat managers on the back and I'll tell them not to do it again. And I said you'll never be able to trend problems, blank, blank, blank. And I was told that's my decision, not yours, and very well it may be a management's decision. But as a QA engineer, I didn't work operational for that manager, I worked for the good of society, and the good of society is to report as-found conditions. So if you have a problem, let's identify it and correct it. Enough with promises. Thank you.

MR. NICHOLSON: Let me make one comment in general. We have, most of you probably know, we have a staff field office of residents at the site, and you mentioned the anxiety about people there now. We see that. We sense that. We're watching that. We can tell it through our presence every day. There's a change going on. There's a very high degree of anxiety, people are unsure of how it's going to settle out. We're unsure of how it will settle out. We're taking a wait and see

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1 attitude. We have to see it, how it all comes
2 together. So we understand that element of anxiety
3 that's there and is real. We see it every day and
4 we're just going to watch it and see how it finally
5 comes together.

6 It could come together as a team, the
7 staff there, and it really needs to or the
8 performance won't improve. So we understand that.
9 Thank you. Anyone else? Yes, sir.

10 MR. THOMAS: Again, my name is Dave
11 Thomas. And I would like to address a few things
12 that I think we hashed over a couple times. I was a
13 senior staff engineer at Salem. I was with PS for
14 over for 20 years, a little over 20, and I have
15 worked at many PS plants.

16 One of the nice things about being at
17 many plants at PS, I got to work for some great
18 management, some really terrific stuff. I can tell
19 the good from the bad. It's real clear in some
20 areas.

21 I worked both secondary side and as
22 primary side work, safety related, non-safety
23 related. I was there 20 years and I was very well
24 respected. I would put my appraisals up against

1 anybody else's. And I was actually terminated for
2 poor performance. And I have seen the effect of
3 trying to get another job at other nuclear
4 facilities. I got turned down because I'm not
5 available for rehire.

6 The point that I want to bring out here
7 is the management at the time that I was there since
8 '86 -- or I started at '80, but since '86, what they
9 were looking for was automatons. They wanted no
10 feedback. Don't talk back, even though we had gone
11 through many, many scenarios where we had to go out
12 and be encouraged to speak to our supervisors.

13 And one particular thing, event was
14 called Seeking the Vision, where it was supposed to
15 be a half-day or three-quarters of a day seminar.
16 We got a hold of Milton Berger, who came in to talk
17 to our group. He was supposed to be there for 15
18 minutes. We held him for three hours and beat him
19 to death. The average time of the individuals in
20 the room was over 20 years per person, and we just
21 beat him up, saying we're going the wrong way, and
22 it didn't happen.

23 I thought that no matter what I did, as
24 long as it was for the good of the company, that I

1 would never, never have any action taken against me.
2 I was very, very wrong. Bringing up things to your
3 supervisor, even if they didn't want to hear them,
4 cost me my job. And I can say that I feel good
5 about what I did. I don't have a conscience that I
6 can't say that I overlooked something.

7 Many times I used to have to use the
8 NRC, I would call them and say hey, look at what
9 we're doing here. And NRC onsite would call some of
10 the management and say are you going to test that.
11 And they said oh, yeah, and before they would blow
12 it off. Some of the concerns I have.

13 Now again, this is not directly related
14 to safety as per, you know, a safety concern, but
15 it's just a way of management. And you drive the
16 bus in different directions by who can fight over
17 the wheel. In this particular sense, what I see now
18 is people who are afraid of their job because they
19 have seen what has been done to other people. They
20 can't make a move. They are back to that automaton-
21 type situation where they will not make a move
22 unless they think it's exactly what their boss
23 wants.

24 And the new management that's in there

1 is reenforcing that even worse than the old
2 management did. The cliquish group where you got
3 promoted if you knew somebody is now being replaced
4 by saying yes. And when you have a vice president
5 walking around saying that as soon as we get these
6 plants running, we're going to fire 20 percent of
7 you is not a plus. These guys are shaking in their
8 boots. They don't know what to do. They don't know
9 who's right and they sure don't know who their
10 bosses are. And that's what I get from the people
11 I'm talking to.

12 Now I don't want to make light of this,
13 and the reason I'm trying to bring up this point so
14 strongly is that again I think you've got management
15 issues, people issues. Just for an example, I was
16 in the Salem Tech Department where they had five
17 group heads all resign or took demotions because
18 they wanted to get out of the way. Most of those
19 guys who did that are so grateful because now
20 they're down three or four or five levels making
21 more money than they did before and they don't have
22 the responsibility. When stuff like that happens,
23 when a whole department head group leaves, there's
24 something absolutely wrong, and nobody picks up on

1 this.

2 To get a promotion at PS is a very poor
3 thing. It's not a plus. It means you're not going
4 to be there long. That kind of reenforcement is
5 just showing the people, the guys who work
6 underneath them to come in, get in your glass little
7 house, don't get involved, don't talk about it and
8 don't associate. Because if you come up with a
9 problem, their attitude is that you've got to fix
10 the problem before you get there.

11 Now one of the things one of the large
12 tasks that I did was T mods. I turned over more T
13 mods than the whole department combined. And we had
14 some strict rules on that. From what I can see now,
15 the T mods, they're having so much question that
16 they don't have the self security to say, you know,
17 what is right and what is wrong. It's a real bad
18 situation.

19 And again, the management, the way in
20 which they're enforcing this, the way in which
21 they're trying to elevate performance, how can you
22 respect somebody who doesn't know what you do and
23 they're going to evaluate you? How can you do that?

24 I mean if I was to show up tomorrow and

1 be your boss and sit down with you and say I'm going
2 to increase your performance 20 or 30 percent, you
3 should be scared to death because I don't know what
4 you do other than, you know, what the NRC is. I've
5 not come up through the NRC type field, so I'm not
6 exactly sure what you expect of yourself. And with
7 me as your boss would be a terrible situation.

8 And that's what's going on there now.
9 And I hear that time and time again. I looked for
10 the last 18 months for somebody to tell me that
11 things are getting better, and I haven't heard that
12 yet. Do you think I made myself clear?

13 MR. NICHOLSON: Yes, sir. I guess
14 we're aware of the performance ranking that's going
15 on and the effort to improve performance across the
16 board that you've mentioned, we're aware of that.
17 We'll see how it comes out.

18 MR. COOPER: Yeah, I just wanted to
19 make a couple points. The way you described the
20 folks in terms of the staff responding and they
21 expect them to be automatons and you don't believe
22 that's changed. One thing I think we've found at
23 Salem over the years is that following procedures or
24 even having procedures to follow was something that

15 1 there was a large weakness at the facility.

2 MR. THOMAS: We need to have a talk.

3 MR. COOPER: Wait a minute. There's
4 something called blind procedure following. That's,
5 you know, I'll follow this procedure regardless if
6 it's right or wrong, even if it gets me into a
7 mistake or safety problem, I'll follow this
8 procedure. We're not looking for that. What we are
9 looking for is a stronger ethic for doing what's
10 right, for following procedures when they need to be
11 followed, for questioning procedures or steps in
12 procedures when someone has a concern over if I take
13 this step now or if I do this step at all, is this
14 the right thing to do at this time? Am I looking
15 forward to what I expect the plant conditions to be
16 are the result of my action in this step?

17 That's what we're looking for at Salem
18 and that's what we're looking for at all plants. So
19 there is a balance between blindly following
20 procedures and having a questioning attitude as one
16 21 is implementing procedure. But to not follow the
22 procedure at all or to ignore the procedure and do
23 something that I choose to do which isn't evaluated,
24 perhaps more often than not these procedures are

1 based on a licensing or design basis for the plant.
2 There's an evaluation that goes into what this
3 procedure is going to do to put the plant in a
4 certain condition or to not violate a technical
5 specification, what have you.

6 If I choose not to follow the
7 procedure, I may get myself into an unanalyzed
8 condition in the plant or worsen a condition that
9 I'm trying to improve. So on the one hand, we are
10 looking for people to follow procedures, to follow
11 processes, to follow programs, to implement what
12 they have evaluated and put in place.

13 On the other hand, we don't expect
14 people to do that blindly because you're just as
15 subject to getting into trouble, perhaps even worse
16 trouble, if you just clearly follow it without even
17 having a questioning attitude of what the results
18 are going to be.

19 MR. NICHOLSON: If no one else has
20 any -- okay, last. Yes, sir.

21 MR. LASHKARI: Just Charlie Lashkari
22 from Wilmington, Delaware again. I have read
23 through the PSE&G management presentation on the
24 April 7th event which they made it to the

1 commissioners. They were asked a lot of questions
2 by the commissioners, the chairman, and I felt that
3 in that particular meeting, NRC staff really
4 supported PSE&G management there, and that's how
5 they got their restart after the April 7th event.

6 Similarly, I expect again that through
7 this restart, you may say some things in the reason,
8 but with the final presentation to the
9 commissioners, again you will go back and support
10 the PSE&G management.

11 Your role is regulating these plants,
12 this activity. If it is unsafe, as it has turned
13 out to be after having to restart it again, you will
14 let them again restart and find again some more
15 problems, which again they'll fall back down.

16 The public will start losing confidence
17 whether you are regulating or you're promoting this
18 industry. So it's very important that NRC does what
19 it's supposed to do, and that is regulating these
20 people instead of promoting or letting them run the
21 plants even when they are unsafe.

22 MR. NICHOLSON: I would just say that I
23 would disagree with your basis. As far as I'm
24 concerned, they won't restart it until I'm

1 personally satisfied and the Salem Assessment Panel
2 is convinced that they can run this plant safely.
3 And we're going to expend a lot of resources in
4 inspection to make sure of that.

5 We're disappointed in their
6 performance, and we view this as an opportunity for
7 them to correct it. We understand that they have
8 not been successfully correcting others. We, like
9 you, are asking what's different this time, why do
10 we think this will work when the last ones haven't.
11 We're also viewing this as an opportunity that
12 neither -- no one can afford to miss as far as
13 improving performance.

14 So we're going to do what we think is
15 necessary to make sure that the performance at this
16 site improves before restart. This is a prime
17 opportunity, we don't want to miss it.

18 If no one has any comments, I'll turn
19 it back over to Mr. Cooper for closing.

20 MR. COOPER: I just want to thank you
21 all for coming to the meeting this evening. It's
22 evident to me from the comments we had that you've
23 done quite a bit of preparation for this meeting.
24 And I appreciate your candor in providing us

1 comments both on the licensee's performance as well
2 as our own.

3 We'll clearly evaluate the issues that
4 you brought to us for potential inclusion in our
5 restart plans. Several of these issues, technical
6 issues that some folks brought forward as well as
7 other issues including the larger management issue
8 are clearly ones that we'll be interested in looking
9 at to make sure that they're corrected prior to
10 restart.

11 Again, I would request that those of
12 you who have specific details about technical
13 issues, issues of potential wrongdoing, issues of
14 discrimination from the sense of bringing safety
15 issues forward and taking adverse action against
16 you, we do want the details of those issues if you
17 haven't already provided to us. We're available.
18 The we here is primarily Mr. Nicholson or Mr.
19 Marschall at the site. Either of our avenues will
20 be sufficient to get it to our attention and we'll
21 deal with those issues.

22 I would reiterate what Mr. Nicholson
23 said. The NRC is committed to doing the right
24 thing. The right thing in my view is to not let

16 1 the plant restart until we independently believe
2 it's ready to restart, not just taking the word of
3 the licensee. We want the licensee, however, to
4 docket to us under oath or affirmation, which
5 they're required to do, that they're ready for
6 restart. Because frankly, if there's something in
17 7 there of a major issue of significance that we in
8 our inspection find that they weren't ready or are
9 not ready, we're going to significantly question
10 that issue and why that issue got sent to us on the
11 docket in the first place.

12 We are going to hold them to a higher
13 standard, and we won't be satisfied with their
14 restart until we've independently confirmed the
15 issues that we think are significant, that need
16 improvement and that they'll have shown some
17 effectiveness and some ability to sustain that
18 improvement once they've gotten back and operating.

19 When that is, I don't know, and we're
20 not going to push their schedule for them. Their
21 schedule is their schedule, as Mr. Nicholson said.
22 We're not in the business of restarting the plant
23 sooner than later. Whatever their schedule is,
24 we'll deal with their schedule. If that's six

17
1 months, then we'll go on on that schedule. If it's
2 two years, we'll go on that schedule. We're not in
3 any rush to restart the plants, certainly not until
4 they're ready to be restarted.

5 Again, I appreciate your attendance
6 this evening, and I hope the weather allows you a
7 safe of trip home as well as ourselves. Thank you.
8 That concludes the meeting.

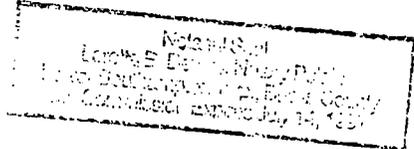
9 (Proceedings closed.)

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CERTIFICATION

I, Loretta B. Devery, do hereby certify that the testimony and proceedings in the foregoing matter, taken on December 18, 1995, are contained fully and accurately in the stenographic notes taken by me and that it is a true and correct transcript of the same.

Loretta B. Devery
LORETTA B. DEVERY, RPR



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