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PUBLIC MEETING
Between U. S. Nuclear Regulatory Commission O350 Panel
and FirstEnergy Nuclear Operating Company

Meeting held on Tuesday, June 3, 2003, at
2:00 p.m. at the Camp Perry Clubhouse, Oak Harbor, Ohio,
taken by me, Marie B. Fresch, Registered Merit Reporter,
and Notary Public in and for the State of Ohio.

PANEL MEMBERS PRESENT:

U. S. NUCLEAR REGULATORY COMMISSION

John "Jack" Grobe, Chairman, MC 0350 Panel
William Ruland,
Vice Chairman, MC 0350 Panel
Christine Lipa, Projects Branch Chief
Christopher Scott Thomas,
Senior Resident Inspector
U.S. NRC Office - Davis-Besse
Jon Hopkins, Project Manager Davis-Besse
Jack Rutkowski, NRC Resident Inspector

FIRST ENERGY NUCLEAR OPERATING COMPANY

Lew Myers, FENOC Chief Operating Officer
Michael J. Stevens,
Director - Nuclear Maintenance
Mike Ross, Restart Director
Mark Bezilla, Vice President Davis-Besse
James J. Powers, III
Director- Nuclear Engineering
Robert W. Schrauder
Director - Support Services
Steven Loehlein,
Manager - Quality Assessment
Clark Price, Owner - Restart Action Plan

1 MS. LIPA: We're ready to

2 begin then. Okay.

3 Good afternoon. Welcome to FirstEnergy and members
4 of the public for accommodating this meeting today. This
5 is a public meeting between the NRC's Davis-Besse Oversight
6 Panel, and that's us over here, and FirstEnergy Nuclear
7 Operating Company.

8 I'm Christine Lipa, and I'm the Branch Chief in
9 Region III, and I'm responsible for the NRC's Inspection
10 Program at Davis-Besse.

11 The next slide covers the purposes of this meeting,
12 which are to allow FirstEnergy to present the status of
13 activities in their Restart Plan; and then also we'll be
14 discussing some NRC Oversight Panel activities, focusing on
15 those activities since our last public meeting that was
16 held in May.

17 We have the agenda here. These are the items we'll
18 be covering today. And, before we get going too far, I
19 would like to make some introductions.

20 On the far left is Jon Hopkins, and Jon is the NRR
21 Project Manager for the Davis-Besse facility.

22 Next to John is Bill Ruland, and Bill is the Senior
23 Manager in NRR in Rockville, Maryland and he's also the
24 Vice Chairman of the Oversight Panel. And Bill's actual
25 position is Director for Project Directorate Three in the

1 Division of Licensing Project Management.

2 On my left is Jack Grobe. Jack is a Senior Manager
3 in the Region III Office in Lisle, Illinois, and he's the
4 Chairman of the Davis-Besse Oversight Panel.

5 And then to my right is Scott Thomas, the Senior
6 Resident Inspector here at Davis-Besse facility.

7 Also, we have Jack Rutkowski, the Resident
8 Inspector, who's operating the slides for us today.

9 And Nancy Keller was greeting folks on the way in,
10 in the foyer.

11 And Viktoria Mitlyng is our Public Affairs Officer.

12 There is Viktoria.

13 And we also have Rolland Lickus, our State Affairs
14 Officer. Great.

15 And then, Lew, if you would like to introduce the
16 folks on your table.

17 MR. MYERS: Sure. To my left
18 we have Steve Loehlein. Steve is the Manager of our
19 Quality Assurance Group.

20 Mark Bezilla is next to me on my right. Mark is in
21 charge of, he's the site VP at our site. Jim Powers in
22 charge of Design Engineering.

23 Mike Ross, next to him, is our Restart Director at
24 the present time.

25 Bob Schrauder next to him. Bob is Support Manager.

1 Mike Stevens.

2 Down at the end is -- Clark Price is down at the
3 end. Okay. He's going to give the management performance
4 indicators for us today.

5 MS. LIPA: Okay, great.

6 Thank you.

7 Are there any public officials or representatives of
8 public officials in the audience?

9 MR. KOEBEL: Carl Koebel,
10 Ottawa County Commissioner.

11 MR. PAPCUN: John Papcun,
12 Ottawa County Commissioner.

13 MR. WITT: Jere Witt, Ottawa
14 County Administrator.

15 MS. LIPA: Okay. Thank you.

16 Okay. So, this meeting today is open to public
17 observation. I don't know if I'm having trouble with my
18 mike; does it sound like I am?

19 Okay, how does that sound? All right, excuse me.

20 Okay. So, as I was trying to say, this meeting is
21 open to public observation. This is a business meeting
22 between the Nuclear Regulatory Commission and FirstEnergy,
23 but at the conclusion of the business portion of this
24 meeting, but before the meeting is adjourned, we will have
25 opportunity for public questions and comments.

1 In the foyer on your way in today, there were copies
2 of our June edition of our monthly newsletter, and also
3 copies of the slides for the NRC presentation and the
4 Utility's presentation.

5 One of the good things about the newsletter, it
6 provides good background information and current status
7 information and also has contact reference information for
8 our public affairs folks in the region, email address and
9 phone numbers, if you want to contact them for more
10 information.

11 We also on the Internet have a web page right on the
12 NRC web page, a whole web page dedicated to Davis-Besse.
13 And we also in the foyer had public meeting feedback forms
14 that you can use to provide comments on today's meeting.

15 Today we're having this meeting transcribed by Marie
16 Fresch. And that will maintain a record of today's
17 meeting, and those transcripts are also available on our
18 web page several weeks after each meeting.

19 MR. GROBE: Christine, before
20 you go on, just quickly. One of the things that's a little
21 different about the June newsletter is it includes a little
22 bit of background information on our Resident Staff at the
23 site. The reason we did that, Scott has been around a
24 little while, but we've got two new Residents.

25 Jack Rutkowski is new and we introduced him last

1 month, but also joining us, we just selected an additional
2 Resident Inspector for the Davis-Besse facility. Her name
3 is Monica Salter-Williams, and she'll actually be moving
4 out to the site in September.

5 She's finishing up some work in our Region I Office
6 right now. And, when she gets here, we'll certainly
7 introduce her to everybody, but there is a little bit of
8 background information on the staff.

9 Normally, we only have two Resident Inspectors at
10 each of the nuclear power plants in the United States.
11 We've added a third Resident at Davis-Besse to provide
12 additional oversight during the next couple of years.

13 MS. LIPA: Thank you, Jack.

14 Okay, so the next slide is a summary of the May 6
15 public meeting that was held here last month. And during
16 that meeting we provided a status update on the NRC's
17 ongoing inspections. And we also discussed some upcoming
18 activities, and the public meetings, that we held a public
19 meeting in May to discuss engineering issues. And later in
20 today's presentation, we'll give an update on some recently
21 completed and ongoing NRC activities.

22 Also last month, FirstEnergy provided an update on
23 their efforts towards restart and they discussed some
24 management changes and some other topics that are listed on
25 the slide.

1 So, I would like to go on to the next one, which
2 covers significant NRC activities since that May meeting.
3 We did issue on May 29th, the Final Significance
4 Determination, which is a red finding regarding the vessel
5 head degradation. And we had issued a Preliminary Risk
6 Significance in February. And then last week we finalized
7 it with the final letter.

8 Also in May, we completed most of our program
9 inspection, and closed several Restart Checklist items.
10 We've now closed 11 of the 29 items on the Restart
11 Checklist. And there were four Restart Checklist items
12 closed through that programs inspection, and those are
13 listed on the next two slides.

14 Go on to the next one.

15 Also, since the May 6 meeting, we did hold a public
16 meeting in the Region III Office on May 7, and that was to
17 discuss a number of engineering and design issues that
18 Davis-Besse management is working to resolve.

19 Continuing NRC activities. These are some
20 inspections that we have that are ongoing. The System
21 Health Readiness Review Inspection includes safety function
22 validation of systems and some topical issues, which are
23 like high energy line break, environmental qualification,
24 seismic issues. And this inspection is being conducted by
25 several inspectors and is nearing completion.

1 The next one is inspection into the area of Safety
2 Culture, Safety Conscious Work Environment. The focus
3 there is to evaluate the Licensee's process and the tools
4 for monitoring the improvement in Safety Culture and Safety
5 Conscious Work Environment and the effectiveness of the
6 Employee Concerns Program.

7 Another inspection is the Corrective Action Team
8 Inspection. This is an inspection to review the
9 effectiveness of the corrective action process at
10 Davis-Besse to ensure that it's effectively implemented and
11 appropriate corrective actions are being taken to prevent
12 recurrence of problems.

13 And then the Resident Inspection, Jack talked about
14 the Resident Inspectors. There are two full-time Resident
15 Inspectors and they're permanently stationed and they
16 inspect a broad spectrum of activities, such as Operations,
17 Maintenance and Testing. And the Resident Inspector
18 Reports come out every 6 to 7 weeks.

19 Some other upcoming NRC activities. We do plan to
20 conduct an inspection of the lower reactor vessel head
21 area, and this will be as the Utility is prepared to go
22 into Mode 4. We'll be following that test. And the
23 inspection will review the procedures and the related ASA
24 codes, requirements relative to that leak test on the
25 Reactor Coolant System and we'll also observe parts of the

1 test and verify proper implementation at those procedures.

2 We're also planning to conduct a public meeting to
3 discuss the Licensee's assessment of their Safety Culture
4 work. Once they have fully integrated their independent
5 and internal assessments. And right now we're looking
6 around July for that meeting.

7 One of the other activities the NRC plans to do is a
8 backlog, an assessment of the backlog of issues. And this
9 will really depend on as Davis-Besse approaches restart,
10 what work items they've deferred to do after restart. And
11 we'll be doing an inspection to take a look at those.

12 The NRC is also preparing to conduct a Restart
13 Assessment Team Inspection, when Davis-Besse nears the
14 point where it will seek NRC authorization for restart.
15 That inspection will review the readiness of the plant and
16 the plant staff to resume plant operations safely and in
17 compliance with NRC requirements. The inspection findings
18 will be considered by the NRC Oversight Panel in making its
19 recommendation to the Regional Administrator on possible
20 restart.

21 The next item. There have been several LER's that
22 have been issued. Those are Licensee Event Reports. So,
23 there are specific conditions that were identified by the
24 Utility or by the NRC that need to be corrected. A part of
25 our process, we also review the past significance and past

1 enforcement and the causes and make sure those issues are
2 properly corrected.

3 Two other upcoming activities that I don't have on
4 the slide; we are planning a meeting on June 19th, in
5 Headquarters. And the purpose of that meeting will be to
6 discuss the high pressure injection pump modification. We
7 will have that video conferenced in Region III, and also
8 bridge lines available for people who want to call in to
9 listen to that meeting.

10 Also I want to mention that next month's meeting
11 will be July 9th, and we're planning to have it at the Oak
12 Harbor High School.

13 So, that summarizes the NRC activities since our
14 last meeting. And the inspections that I discussed are
15 part of our Restart Checklist Item, which is our listing of
16 issues that need to be resolved prior to restart of the
17 plant.

18 With that, I'll turn it over to FirstEnergy for your
19 portion of the presentation.

20 MR. MYERS: Thank you,
21 Christine.

22 One of the people that I didn't get a chance to
23 introduce is Bob Saunders; he is with us today; the
24 President of the FirstEnergy Nuclear Operating Company, in
25 the audience with his wife, Carol.

1 We've had a pretty interesting month this month.
2 Made some changes and some decisions that change the flow
3 path of our schedule. We'll talk about that today.

4 Our desired outcome today is to update you on the
5 plant performance, some of the tests we've run, where the
6 plant is at now, some of the management human performance
7 progress we've made since the last meeting, to provide you
8 some information, concerns, and decisions on the high head
9 safety injection pump.

10 We've made decisions on the, which as you remember,
11 we're going down two flow paths; one is replacement, one is
12 modification. There were some real advantages to the
13 modification option. We made that decision, moving forward
14 now. So, we're down to one path that we're focused on.

15 To provide you with an update on the quality
16 oversight, Steve is next to me, and he'll do that today.
17 He'll give their independent perspective on some of the
18 issues we have, and provide you a status of several of the
19 engineering issues and how they're moving along. And we
20 think they're making good progress at the present time.

21 Then, finally, to status you on our overall
22 schedule. We've made some changes there when we decided to
23 take the flow path on the modification, high head safety
24 injection pump, fits into the critical path, flow path.

25 So, we made some changes there. Additionally, then

1 provide some information on the performance indicators that
2 we monitor to focus toward restart.

3 I introduced the members at our table today. Mark
4 Bezilla will status you on the plant. I'll give you some
5 information on the Management and Human Performance
6 update. Specifically, our Electrical Distribution and
7 Safety Injection Relays is Jim Powers. Bob Schrauder is
8 with us. He'll talk to you about that High Pressure Safety
9 Injection Pump and the Corrective Action Program. And
10 Steve Loehlein, Independent Assessment.

11 The remaining issues, we really got a good list of
12 all the issues and the status of those issues and Mike Ross
13 has really been focused on that. He will provide you some
14 of that information. And if time permits, we'll look at
15 the Schedule Milestones and the Restart Performance
16 Indicators. If it doesn't, we have those back on the
17 board.

18 With that, I'll turn it over to Mark Bezilla, so he
19 can talk about plant status.

20 MR. BEZILLA: Thank you, Lew.

21 I would like to brief you on where we are with
22 regards to our Reactor Coolant System Pressure Testing and
23 our efforts to complete work in Containment.

24 My desired outcomes; demonstrate our increased
25 confidence in Reactor Coolant System and its support

1 systems and provide an update on containment activities.

2 Next slide.

3 We completed the 50 pound pressure test of the
4 Reactor Coolant System on May 6. We inspected
5 approximately 1100 components, connections, items,
6 including the reactor vessel closure head; it's an O-ring
7 area, the CRDM flanges and the reactor vessel bottom head.

8 No leakage was noted from the reactor vessel closure
9 head, the O-ring area, the CRDM flanges, or the reactor
10 vessel bottom head. We did identify 54 items that required
11 additional attention. And, this could range from a repack,
12 to a tighten packing to a clean and continue to observe.

13 We completed the 250 pound test on May 25th. Again,
14 we inspected those 1100, approximately 1100 components,
15 connections, et cetera. And this time we identified 26
16 items that required additional attention. There were six
17 active leaks; three of those were packing leaks, and the
18 other three were reactor coolant pump seal package
19 temperature elements.

20 Two valves of note, are decay heat valve number 11
21 and number 12. These valves are the first two valves off
22 of the Reactor Coolant System to the Decay Heat Removal
23 System. They had very small accumulations of Boron at the
24 body to bonnet gasket, and we're currently evaluating the
25 best course of action for those valves and to address that

1 small accumulation of boric acid.

2 There were 8 recurrent indications of Boron and
3 these will also be appropriately dispositioned prior to
4 Mode 4. And those were clean, inspect, and take a look and
5 we saw some recurrence there. So, that's where you get the
6 recurrent items.

7 I believe that these two pressure tests, the 50
8 pound test and the 250 pound test, have set us up well for
9 our first operating pressure, normal operating pressure and
10 near normal operating temperature milestone.

11 MR. GROBE: Mark, do you
12 know on DH 11 and 12, do you know what the cause of the
13 body to bonnet leakage is on those valves?

14 MR. BEZILLA: Jack, we suspect
15 that that's a gasket leakage. It may just be because the
16 valve is cold at this point, and as we heat up, that may
17 help seal that body to bonnet leak. I believe our approach
18 will be to clean. These are the two valves in our decay
19 heat tank -- decay heat tank, decay heat valve tank, and do
20 the first normal operating pressure, normal operating
21 temperature test, then reopen the tank and take a look and
22 see what those valves look like. We may also do some
23 torque checks and/or additional torquing of body to bonnet
24 holes.

25 I have a picture with me, Jack, in case you hadn't

1 seen it or you were interested, but this is, it's tough to
2 see from there. This is a blow-up and you can see, it's
3 about a quarter teaspoon of boric acid is what, the volume
4 we're talking about, quantity we're talking about. I'll
5 share this with you on a break.

6 MR. GROBE: Okay, thank you.

7 MR. BEZILLA: A few more notable
8 items or items of interest. We determined that in the
9 decay heat removal circulation homing mode, that is where
10 we have the decay heat circulating reactor coolant and with
11 the cooling bypass. So, we were cooling the decay heat, if
12 you will, the decay heat reactor coolant circulation, if
13 you will.

14 We can only get up to, close to 140 degrees for exit
15 thermal couple temperatures, and only to about 130 degrees
16 bulk reactor coolant temperature. The only note there is
17 we have no decay heat in the existing core. Okay.

18 We placed the makeup and purification system in
19 service. That was our normal makeup letdown seal
20 injection. We did find a few items there that will need
21 remediation, but all in all that's just a perform well.

22 We exercised and operated the pressurizer heaters
23 and pressurizer spray valve. We drew a bubble, so we
24 heated the pressurizer up to 400 degrees using those tools,
25 if you will, those items. And again, those performed very

1 well also.

2 And, we ran each reactor coolant pump. Those are
3 the biggest motors we have in the plant. And we ran each
4 one of them separately and then ran them in combination
5 from anywhere from 30 minutes to a couple of hours. Again,
6 that gave us confidence in that big piece of equipment, if
7 you will, or those four big pieces of equipment.

8 So, in summary I'll say, we gained additional
9 confidence in the performance of Reactor Coolant System and
10 its support systems.

11 Any questions?

12 MR. GROBE: Yeah, I want to
13 go back to DH 11 and 12. Have you gone back through the
14 mechanical work packages to identify whether there is
15 anything that sticks out on reassembling those valves?

16 MR. BEZILLA: I did not
17 personally, Jack, but I had my guys take a look, and we
18 didn't do anything with the body to bonnet. We did repack
19 the valves this outage, but we did not do anything with the
20 body to bonnet.

21 MR. GROBE: Okay. Thank you.

22 MR. HOPKINS: Mark, I have a
23 question. You mentioned three temperature elements for the
24 reactor coolant pumps. Were all of those elements on the
25 two reactor coolant pumps that you did work on?

1 MR. MYERS: We replaced the
2 seals on all four reactor coolant pumps.

3 MR. HOPKINS: I thought you did
4 more work on two than all four.

5 MR. MYERS: We did. We
6 changed the rotating assembly on two. The thermal couple
7 with the leaks on it are on the seal packages. We replaced
8 all four of those.

9 MR. HOPKINS: Okay.

10 MR. BEZILLA: Jon, I believe it
11 was three of the pumps, if I'm correct. And as Lew said,
12 we touched all four of the reactor coolant pump seals.
13 What was interesting was, they were leaking prior to the
14 pump runs; and then after the pump, reactor coolant pump
15 runs, I couldn't find any leakage.

16 I went and checked those myself, and I looked at the
17 four pumps and then after we had ran the pumps, and I
18 couldn't see any leakage. So, I don't know if that was
19 because we had staged a seal and there was less pressure
20 available to those sensors. But in any case, we have to
21 disposition those, and I believe there is going to be some
22 rework on those elements.

23 MR. HOPKINS: Okay, thank you.

24 MR. THOMAS: One
25 clarification. It may be of some benefit if you describe

1 the temperature relationships between pressurizer
2 temperature, RCS temperature, during the 250 pound test.

3 MR. BEZILLA: During the 250
4 pound test, bulk temperature was from, if I remember
5 correctly, was somewhere in the 140, or actually 140 to 160
6 range, and overall reactor coolant system pressure was
7 around 250 to 260 pounds. But the pressurizer, because we
8 wanted a steam bubble was up over 400, I believe 400
9 degrees, to give us the steam bubble to have the 250 pounds
10 in the system. So, that piece of the system was hotter
11 than the bulk cooling temperature in the rest of the
12 system.

13 MR. THOMAS: And the initial
14 conditions for the latest HPI test required you to heat up
15 in excess of 140 degrees and you did that.

16 MR. BEZILLA: We did that. We
17 heated up -- Scott's referring to the high pressure
18 injection pump testing that we just completed. We heated
19 up to about 180 degrees and we did that with the reactor
20 coolant pumps.

21 Reactor coolant pumps are big motors, big pumps, and
22 they cause rotational energy to be imparted into the
23 coolant, and we can heat up the coolant using the reactor
24 coolant pumps.

25 Okay, next slide.

1 Now, I would like to provide you a brief update on
2 our containment activities. First, let me provide an
3 update on our containment health activities. In regard to
4 the discovery action plans; 14 of 24 of those are complete
5 and remaining 10 are in our internal review process.

6 I talked to Tim Chambers just before coming over
7 here and he believes that those will be finished either
8 late this week or early next week. So, we should have all
9 of those completed by next week.

10 In regard to our Implementation Action Plans, there
11 is 16 of those. Four of those are complete. Six are in
12 our internal review process. One is in draft form; that
13 has to do with containment air cooler motor replacement.
14 And five are awaiting field work to complete, so we can
15 complete those packages. So, I'll say progress is being
16 made in those Implementation Action Plans.

17 Now, let me talk a minute about the containment
18 work. I think we've made good progress on containment
19 work. We have a few items to complete to get us to the
20 point where we can put the equipment hatch on, which is
21 effectively, I'll say, containment closure.

22 And those items consist of reconciling 250 pound
23 test deficiencies or issues that we noted. Containment air
24 cooler flow balancing, and there is some final strut and
25 support work that we've got to finish up on the service

1 water pipe associated with those CACs.

2 Completion of a few containment health items. The
3 seal along the basement wall, and then demobilization of
4 containment, removal of tool, toolboxes, scaffold, things
5 of that nature, and then I'll say final cleaning of the
6 containment in general. We've been cleaning, but need to
7 get the stuff out and then do the final cleaning and check
8 of containment.

9 Installation of containment equipment hatch is an
10 important activity for us. It signifies that the plant is
11 near ready for that first normal operating pressure, near
12 normal operating temperature evolution.

13 And, additionally, once we finish in containment,
14 our daily exposure number is going to drop. We'll have our
15 people in, I'll say, lower radiation areas not in
16 containment, so I think that will help us from a personal
17 dose standpoint also.

18 I believe we can be ready for installation of
19 containment equipment hatch and containment closure within
20 the next few weeks and I think it's very doable.

21 Once we install the containment equipment hatch, our
22 Containment Health Project Manager, Tim Chambers, is going
23 to conduct a turnover, I'll say, of ownership of
24 containment to Mike Roder, our Operations Manager, and his
25 staff. And, Ops will again own the containment. I think

1 that's a good thing.

2 In conclusion, containment activities are
3 proceeding, and we should have the containment in a
4 condition to support closure by putting the equipment hatch
5 on and having ownership turned over from that Containment
6 Health Project Manager to my Operations Manager within the
7 next few weeks.

8 Any questions?

9 MR. THOMAS: Just for
10 clarification, for when you say containment closure, that's
11 the turnover to Operations; it's not the final closeout of
12 containment; correct?

13 MR. BEZILLA: That's correct,
14 Scott. That's putting the hatch on, and I'll say having
15 Operations take control and minimize the number of people
16 in there, the activities are ongoing in containment.

17 Okay, if there is no more questions, I'll turn it
18 over to Lew.

19 MR. MYERS: Thank you.

20 Let's take a couple moments and reflect back on some
21 of the actions we've taken on Management/Human Performance
22 Plan, and then look forward. Our desired outcomes,
23 discussed those with the actions we've taken to-date, and
24 then some of the, in the next couple months, we have really
25 got a focused effort that we'll be applying on the

1 Management Human Performance Plan.

2 Then we talk about going forward. Going forward is
3 the plan for the remainder of this year. Then we have a,
4 as part of that, we develop a long term strategy, a long
5 term plan, that we'll be signing off in the near future for
6 the continuous improvement of the Management/Human
7 Performance issues to assure that everything is sustained.

8 The Management/Human Performance Building Block
9 consists of actions we have taken to ensure that our team
10 is built to last, if you will; and are the result, as you
11 recall, the Management Root Cause Report that we sent you,
12 the Engineering, Operations and Company Nuclear Review
13 Board Function Assessments, the Corporate Oversight
14 Assessment, the Independent Safety Culture Assessment, and
15 the Quality Oversight Assessments that we performed, and
16 the actions out of those.

17 Actions that we have taken to-date consist of the
18 FENOC corporate organization has been strengthened, and we
19 think strengthened significantly with the addition of the
20 Chief Operating Officer position, the Executive VP of
21 Engineering, and the VP of Oversight, which reports
22 directly to our President, and actually reports on the
23 dotted line to our nuclear -- Nuclear Board.

24 Davis-Besse, the Davis-Besse team now we think has
25 been strengthened significantly. There is probably more

1 actions that we'll take there in the near future. For
2 example, we have Mark over here. I'm pleased to have him
3 here as the Site Vice President. The senior team was
4 strengthened last year, we took prompt actions there.
5 We've also been working on the management team to ensure we
6 have proven leadership there.

7 Additionally, the Independent Quality Organization
8 now reports, once again through a VP position, to the
9 President of FENOC, the Board.

10 We've included several barriers, that if you go look
11 at those barriers, I believe that we put these barriers in
12 place, and the term I like to use, we've anchored them into
13 our processes. And, I think that several of these barriers
14 that we have up here may have actually prevented the
15 reactor head event from occurring.

16 For example, the Engineering Review Board and
17 Corrective Action Review Boards are both key barriers that
18 we have in place now, that we've anchored in place, that we
19 think will strengthen our organization in the future.

20 Next slide, please.

21 Additionally, the Company Nuclear Safety Review
22 Board is a high level board of executives that's
23 independent, and they're designed to provide independent
24 feedback to the FENOC President. We've strengthened that
25 board, not only from a member standpoint, but from a

1 process standpoint. So, it is strictly focused now and
2 focused very well on nuclear safety issues.

3 We've improved the rigor and the classification of
4 our corrective actions. And I think we're doing, we'll
5 demonstrate in a few moments that classifications now we
6 think are very conservative.

7 And also the quality of our root causes, cause
8 analysis that we use in the Corrective Action Program.
9 Terms we use; apparent cause and root cause. Well, root
10 cause is a very thorough analysis.

11 We've also strengthened our Management Observation
12 Program, and we've discussed some of the things we're
13 seeing out of that program now, and it's made me proud.

14 Next slide.

15 If you go look at our Employee Concerns Program, I
16 believe in our 4-C's Meetings and our feedback we're
17 getting, we're now getting good feedback from our employees
18 on the confidentiality of the program and also the
19 effectiveness.

20 They've actually went out of their way a couple
21 times in meetings with me to compliment us on the
22 effectiveness of how we're taking on issues.

23 We've increased the rigor in our calculations. The
24 standardization of our problem-solving approach. Once
25 again, I think the problem-solving approach, which we're

1 using daily, I think Scott sees us using that. It might
2 have been one of those new programs that are in place now,
3 that have a lot of rigor and a good team. Asking tough
4 questions, we may have discovered the reactor vessel head
5 issue more quickly.

6 So, with that program, problem-solving approach, we
7 think is a good program, and similar to what we use at our
8 other plants.

9 We've initiated the, several employee communications
10 committees; for instance, the 4-C's we think is here to
11 stay. Mark is going to take that over as we move forward.
12 The Town Hall Meetings and All-Hands Meetings are typical
13 things that we use at our other plants.

14 Section specific improvement initiatives also have
15 taken place in Engineering and Health Physics. And we
16 developed several performance indicators. And group
17 performance indicators, we're working on now, if you walk
18 around our plant, have various groups in Maintenance, HP
19 and Chemistry. You see individual department performance
20 indicators. And in some of the main areas, you see the
21 overall performance indicators of the status of the plant.

22 We think getting down to those groups; our mechanics
23 understand what their backlogs are, and the material
24 condition of the plant is going to be very important to us
25 and increasing standards going forward.

1 I would like to take a moment just to look back and
2 think for a moment about the definition of the term that we
3 came up with. And, you know, if you'd asked me a year ago
4 to define Safety Culture, I don't think that, that I could
5 have very well. As well as I can now.

6 And, I could have gave you a definition, but often
7 we would describe Safety Conscious Work Environment for
8 Safety Culture. I heard everyone do that.

9 So, if you look, we have definition now as "That
10 assembly of characteristics and attitudes", so it's
11 characteristics and attitudes that effect people's
12 behavior, "in the organization and individuals which
13 establishes an overriding priority towards nuclear safety
14 activities and that these issues receive the attention
15 warranted by their significance."

16 So, what that means is, every day as we do our work
17 in our power plant, are the safety-related activities
18 totally articulated and are they receiving the attention
19 they want by both supervision and management.

20 If you look at the Safety Conscious Work
21 Environment. We define that as "That part of the Safety
22 Culture addressing employee willingness to raise issues and
23 management's response to those issues."

24 You know, the key term back then you use there, no
25 such thing as a bad question. It's important that we take

1 every concern seriously. And I think we're, ROP met
2 yesterday, and we're getting pretty good feedback, and
3 we've made substantial progress in that area. I think it's
4 an area that you never arrive in, sort of like the tag-out
5 process, that you're always keep trying.

6 If you go look forward on the next slide, we have a
7 pretty -- reason I threw this slide up here, I'm not going
8 to go over issue there. I'll talk about some of them, but
9 we have a very intense plan laid out for the remainder of
10 the year. We keep adding things to it.

11 If you go look, in May and June, we have some
12 procedures we're changing, our work management procedures,
13 so that each work activity is classified as high, low,
14 medium risk from a safety standpoint.

15 This week, we're taking Thursday, Friday, and
16 Saturday and the senior team, myself and Mark are going off
17 and laying out our strategies for the remainder of the
18 year.

19 And, as you see, we've got a lot of activities lined
20 out for between now and start-up, and then for the
21 remainder of this year. So, then we'll have plans in place
22 for, that we'll develop through this for next year.

23 So, it's not only are we working on the plant, but
24 these three day activities with managers and supervisors
25 and all of our employees, are very time consuming, but it's

1 something we need to do, we're taking seriously.

2 Next slide.

3 Let me provide you with some of those ideas. Our
4 work management process requires management involvement
5 based on risk. You know, at our other two plants, we have
6 a procedure in place, and we bring that over here. Where
7 depending on the system you're working on, look at that
8 system, and then we evaluate the, are you being intrusive,
9 are you just looking, what are you doing to the system.
10 And, if you're working on the plant protection system or
11 something like that, may cause a reactor risk; you would
12 rate that as high to moderate risk. We give that more
13 management attention and more, based on the risk
14 significance.

15 And so, we're going to anchor that process at our
16 Davis-Besse plant. So, we'll have that approved in the
17 near future.

18 From an alignment activity, facilitated site
19 alignment; we leadership development, department/section
20 activities, and All-Hands Meetings scheduled for the rest
21 of this year.

22 The Senior Management Team, for example, like I
23 said, Mark and myself, we'll spend the next three days
24 developing our short term transition plan for plant
25 startup. You know, we're getting ready at that point now,

1 that we're talking about Mode 4 in the near future, and
2 when we go into Mode 4, that's a pretty significant
3 transition. We'll be heating up the plant, putting steam
4 in our steam lines, testing all of our equipment. So, we
5 need to understand how we change our behaviors when we get
6 to Mode 4.

7 MR. THOMAS: Can we go back to
8 risk management just for a second?

9 MR. MYERS: Sure.

10 MR. THOMAS: How long do you
11 think the worker level, individual, what is their
12 understanding of protected trainings; what a yellow risk
13 condition is? Do you think there is a good recognition of
14 what that actually means, or?

15 MR. MYERS: Well, I know there
16 is. I don't think it's internalized as well as it should
17 be, but I've gone to some of the shop meetings. For
18 instance, I was in the services meeting a few weeks ago.
19 They talked about the color of the risk.

20 When you talk to the employees, they understand that
21 it's there, but I'm not sure, I think it's an area we can
22 improve the level of knowledge on the behaviors associated
23 with that risk significance.

24 So, they recognize it, but not to the, they don't, I
25 don't think they internalize it as much as I would like.

1 Does that make sense?

2 MR. THOMAS: And the efforts
3 that you just spoke about, will improve that?

4 MR. MYERS: Yes. We're
5 focused to improve that. One of the things we'll be doing,
6 I'll talk about that too, we plan on after we get --
7 looking ahead in my presentation. But after we have, we're
8 going to have SMT Meetings we talked about. Then we have
9 three days with managers.

10 One of the things we need to focus on, we got
11 feedback from Sonja Haber's report and also our independent
12 assessments, is the employees' understanding what the
13 remainder of the year looks like and what are those
14 activities that we have after we start the plant up. And,
15 and what's important? What are those values and indicators
16 that are important to us on a group basis.

17 So, these stand-downs, these one-day meetings are
18 designed to develop a vision map of the short term and the
19 long term to make sure we have clear understanding of some
20 of our standards across the site.

21 We plan on having all 800, 900 employees sit down
22 for a whole day in groups of about 20-- 200 at a time, to
23 go over the vision maps and standards and everything with
24 the directors and managers. So, we think that will be a
25 good opportunity for us to go over dialogue, improve that

1 standard.

2 MR. THOMAS: Okay.

3 MR. MYERS: I rambled a little

4 more on that question than I should have, but the answer is

5 yes, you know.

6 MR. THOMAS: Okay.

7 MR. MYERS: If you go ~~back~~ look at,

8 you know, at the meetings we'll be having; we'll be

9 applying the Lessons Learned from the Root Cause Reports

10 and our Assessments. We'll develop our Leadership

11 Strategies for Safety Culture going forward and then the

12 critical element, elements and issues on both the short

13 term and the long term that we'll continue to focus on as

14 we move forward.

15 We revisit our Safety Conscious Work Environment

16 Program with each and every employee and talk about the

17 changes we've made prior to taking the reactor critical,

18 that's what we find here as Mode 2. And we'll do that at

19 the All Site Meeting with our employees. So, we want to

20 reiterate the importance of Safety Conscious Work

21 Environment at that time.

22 Next slide.

23 Some other actions we'll have, is we'll continue on

24 organizational development activities, both in Engineering

25 and Maintenance. Maintenance is an area now that we're

1 very focused on.

2 We'll continue with our employee communication.

3 We're going to reinstate, if you will, our Weekly Managers

4 Meeting. About a year ago, we stopped having the weekly,

5 the daily management meeting, because we had the 6:30

6 meeting. So, as we move forward and as we transition to

7 more of an operational mode, as we move to Mode 4 and Mode

8 3, and focus on startup; we need to reestablish these

9 managers meetings, have the organizational structure put in

10 place and understand what that structure looks like.

11 I think it's fair to say that we were not completely

12 pleased with the management meetings we had before. So,

13 that structure is going to be very important.

14 We're going to initiate our monthly departmental and

15 section meetings. We'll continue that as we move forward,

16 and continue our monthly All Site Meetings for at least the

17 short term to ensure that we maintain good alignment with

18 our employees.

19 Then conduct a weekly Senior Management Team

20 Strategy Meetings. So as we, as the Senior Management

21 Team, I would like to say is, we always are looking for

22 changes or improvements as we sort of guide the ship down

23 the river, and course direction. So, the strategy meetings

24 every week we're having now, we look for those course

25 changes; and we'll continue those.

1 The next slide, if you will.

2 From a Safety Conscious Work Environment standpoint,
3 we're going to continue to monitor our effectiveness. In
4 the third quarter, we plan on doing a survey. And then we
5 plan on continuing doing the surveys at least for the next
6 two years, and maybe longer as we see the need.

7 So, that Safety Conscious Work Environment Survey
8 also provided to you at previous meetings, we think it
9 gives us a very good benchmark from where we're at; and if
10 we keep that consistent, we can monitor how we're doing
11 going forward.

12 From a quality standpoint, quality has a survey that
13 they use also, and they performed their survey in the
14 fourth quarter, and then annually for the next couple of
15 years at least.

16 Then from a FENOC standpoint, we have our Safety
17 Culture Assessments that we'll be performing as part of
18 startup. I think y'all guys have sat in on a couple of
19 those. We think, we're sort of the leaders right now in
20 the industry from what I've seen in our procedure for
21 monitoring safety culture. I think we've made some more
22 improvements there. It's a cursory process.

23 But we'll perform those activities prior to Mode 4.
24 We'll have a Safety Culture Assessment for readiness.
25 We'll perform another assessment prior to Mode 2, then for

1 subsequent outages in the future, at least for the next
2 year or two.

3 Then FENOC is working on a program going forward
4 where we continually monitor our safety assessment. We're
5 looking for, at group performance indicators that we'll use
6 in our corporate standpoint, we'll look at Safety Culture
7 as we move forward.

8 MR. RULAND: So, Lew, if I
9 understand, you're not going to come in at this stage to,
10 basically doing these surveys for the life of the plant;
11 you're going to reevaluate it sometime later. Have you
12 thought, maybe this is too far in advance, have you thought
13 about the criteria you would use to decide whether you
14 would continue those surveys or not?

15 MR. MYERS: What we really
16 plan on doing, if you look, we talked about Mode 4, Mode 2,
17 and then typically what I do is Restart Readiness Review
18 Meetings that we continue to do after every major outage.

19 But, what we're doing at FENOC levels, we're looking
20 for a group of performance indicators, and we're working
21 that already where we use a FENOC level at all of our sites
22 to continuously monitor the Safety Culture.

23 MR. RULAND: So, the plan would
24 be to do that for the life of the plant?

25 MR. MYERS: The plan would be

1 to do that for the long term, yes. Life of the plant, you
2 know, is a long term.

3 MR. RULAND: Thank you.

4 MR. MYERS: I don't know if
5 I'll be alive that long.

6 MR. RULAND: Both of us at
7 least would be retired.

8 MR. MYERS: Yes. So, the
9 intention is to do it for the long term, yes.

10 And, that pretty well concludes everything that I
11 have. Any questions?

12 Next couple of months are going to be very busy from
13 a Management and Human Performance standpoint. Thank you.

14 MR. GROBE: Lew, you brought
15 up some interesting topics. One of the questions
16 identified by the Management/Human Performance Inspection
17 Team during their review of your internal Safety Culture
18 Assessment Tool, which you call Restart Readiness Review
19 Procedure, was the way in which you build up to your
20 colorization on that chart that you've shown us many times;
21 where you could have some poor performance in critical
22 areas that get averaged into some other performance in
23 maybe some less critical areas.

24 Have you analyzed that concern or question that they
25 raised and decided what action, if any, was necessary to

1 address that?

2 MR. MYERS: Actually, Jack,
3 there was two questions. One y'all guys raised, and the
4 other one they did.

5 Actually, the doctors that did the external
6 assessment for us, they don't like grading Safety Culture;
7 they just like general assertions. And y'all guys tend to
8 like measurable devices.

9 We've gone back and looked at, we took, I think,
10 with the survey we did, they call them characteristics or
11 behaviors or something. We did a very, very good
12 cross-functional check to make sure that we were covering
13 everything that they were in that assessment.

14 Then we went back and had some questions about, are
15 there some critical type areas, like if operations is red,
16 would you go forward. That term, term be the indicator red
17 in that area. And the answer to that, if you look at our
18 procedure, there is some subjectivity there, and we
19 clarified that procedure.

20 We think, the answer is yes, we think we've
21 addressed it, but you know, there is always management
22 subjectivity. And, you know, if we had operations red, we
23 would definitely consider that at a higher rating when it
24 came to overall rating than we would maybe, maybe some
25 other department, you know, like the procedures group, or

1 something, you know. Even though both of them are poor.

2 So, I think we have addressed those questions. And
3 we spent a, the Senior Team spent several hours going
4 through and resolving those questions a few weeks ago.
5 Okay?

6 MR. GROBE: So, there has
7 been a revision to the procedure or just how you're going
8 to apply it?

9 MR. MYERS: No, there's been a
10 revision to the procedure, clarified words, clarified some
11 sections, and then the overall objectives we probably tried
12 to clarify that also.

13 So, there is a revision procedure. I think we
14 signed it, do you remember, Jim, a couple weeks ago?

15 MR. POWERS: Last week.

16 MR. MYERS: Last week? That
17 seems like an eternity, maybe not.

18 MR. GROBE: Can you get a
19 copy of that revision to Scott and he'll forward that on to
20 the Region?

21 MR. MYERS: I will be glad to
22 do that.

23 MR. GROBE: Just to be clear,
24 we were reviewing your procedure, it's not what we want,
25 it's the structure that you set up to assess your

1 organization, and we provided those comments to you, in
2 your procedure.

3 MR. MYERS: Right. We
4 certainly like things that are measurable; we tend to be
5 engineering type. And so, there is, there is things that
6 are objective and things that are subjective. And when you
7 get into these kinds of models, you do have some
8 subjectivity to them.

9 MR. GROBE: Okay. The
10 outcome of this, and the way that NRC approaches measuring
11 the effectiveness of an organization, we do it based on
12 performance. And then look, if there is performance
13 problems identified, look for the root cause of those
14 performance problems.

15 You're creating a structure here that's going to be
16 approaching the front end of that organizationally to make
17 your organization effective, and of course you're also
18 looking at performance.

19 There is a couple of things that happened recently,
20 which I think may provide a springboard for discussion
21 items at our next meeting. One was a rather significant
22 operational configuration management problem, where you
23 were filling the circulating water system and there were
24 several valves that weren't in the position that you
25 expected them to be in and ended up flooding condenser pits

1 in the facility.

2 It's significant from the standpoint that Operations
3 needs to know the condition of all their equipment at all
4 times; and in this case, they didn't.

5 I would be interested in a broader perspective, if
6 you have any thoughts on that issue today, that would be
7 good, but I would also next meeting be interested in the
8 broader perspective of Operations' performance, what you've
9 seen, as more systems, Mark indicated possibly in the next
10 few weeks containment would be turned over to Operations.

11 So, I would be interested in a perspective of
12 Operations, what you've been learning, what you've been
13 seeing, not only the front end of the organizational
14 effectiveness, setting it up right, but the back end of
15 performance.

16 MR. MYERS: Why don't we give
17 you an operational review next meeting.

18 MR. GROBE: Okay. And I
19 think it was two meeting ago you talked about problems you
20 had seen in a Maintenance area, and you indicated again
21 today that you had been working in that area. It might be
22 a good time to, to look at Maintenance's performance and
23 how you're grading that, how you're judging that, and what
24 you've learned.

25 MR. MYERS: We've already

1 taken time. We reorganized some pretty strong actions that
2 we ~~put~~ put the organization side; had some stand-downs with
3 employees. There is several jobs, I think just recently
4 done, Mike will discuss that later, but we've actually done
5 a fairly good job on.

6 But you're right, there is actions still to be taken
7 there. We have an improvement plan. Maintenance was not
8 something from a 350 standpoint or shutdown standpoint that
9 we spent a lot of time speaking with Engineering,
10 Operations and HP, and recently started focusing in the
11 Maintenance area.

12 It's not unusual when you start improving
13 performance in one group, you start seeing the other one
14 showing up. So, we've taken that on now, so we know
15 the plan.

16 MR. GROBE: I think there was
17 an interesting issue that just came up a day or two ago,
18 when you were disassembling the HPI pumps, the high
19 pressure injection pumps, and found some bolts, screws that
20 were broken. Had you identified were those overtorqued or
21 what caused that?

22 MR. MYERS: To my knowledge,
23 they were overtorqued.

24 MR. ROSS: That's right.

25 MR. GROBE: So, that may have

1 been a Maintenance problem.

2 MR. MYERS: Yes.

3 MR. GROBE: Okay.

4 MR. BEZILLA: Jack, on that
5 issue, and I've got one of my experts down here. I believe
6 we had overtorqued, it was skill of the craft. There was
7 no specifics in the procedure, and we now have specific
8 torque values for those bolts in the procedures. So, that
9 should not recur. So that's what I believe was the cause
10 of those broken bolts.

11 MR. GROBE: They are somewhat of a
12 unique design bolt. Okay.

13 The other thing, I spent some time with Jim Powers
14 this morning, and we were talking about Engineering. We
15 haven't really touched broadly on Engineering quality in
16 awhile. It might be good next meeting to go over
17 Engineering in a broad context of all the things you've
18 learned over the last several months and where you see
19 Engineering.

20 MR. MYERS: We can do that.
21 So, we have Operations, Maintenance and Engineering.

22 MR. GROBE: That pretty much
23 covers it; doesn't it?

24 MR. MYERS: Pretty much covers
25 it.

1 MR. GROBE: Okay.

2 MR. MYERS: With that, I'll
3 turn it over to Jim Powers. He will discuss Engineering
4 issues we have.

5 MR. POWERS: Okay, thank you,
6 Lew.

7 Two issues I would like to cover this afternoon,
8 concern our Electrical Distribution System and our Safety
9 Features Actuation System Relays. We've touched on these
10 in past meetings and I want to do an update on where we
11 stand.

12 First of all on the electrical area, one of the
13 issues we had been evaluating concerned our emergency
14 diesel generators and their performance under a starting
15 transient and loading the safety electrical busses. We had
16 found during testing at the site that frequency and voltage
17 dips during those transients did not meet statements that
18 we had in our Updated Safety Analysis Report for the site,
19 which is our licensing basis.

20 And, based on that discovery, we instituted a study
21 to determine the significance of that, particularly on the
22 performance, not only the diesel generators, but all the
23 equipment that they supply on the emergency busses.

24 Going through a detailed evaluation, we prepared
25 what we refer to as an operability evaluation that

1 documents the performance and evaluates it and provides to
2 the Operations staff the basis for the, for operability of
3 the emergency diesel generators.

4 We provided that on May 15, and they reviewed that
5 in detail and accepted it. And that allowed them a basis
6 to declare the diesels operable for all modes. It was a
7 successful outcome determination.

8 Some of the things we've got prior to plant startup
9 to do, is to -- yes, Christine, question?

10 MS. LIPA: Maybe you're going
11 to get to it, but based on the operability evaluation for
12 now, but your long term plan to restore it; is that what
13 you're getting to?

14 MR. POWERS: Well, the long
15 term plan is, to go down the bullets here, the first step
16 is to update our USAR to reflect the actual performance of
17 the engines. We have a draft USAR change in the process of
18 review right now to do that.

19 Then, as you'll see in the last bullet on the page,
20 evaluating the actions to improve the engine performance.
21 And there is a couple of changes that could be possible to
22 improve that performance, but based on the current overall
23 performance of the engines and the equipment in the system,
24 they perform acceptably and are operable.

25 MR. GROBE: You indicated

1 that your diesel generators are now operable for all
2 modes. Are there any conditions on it? Have you resolved
3 the room temperature questions?

4 MR. POWERS: Good question,
5 Jack. The room temperature issue is one that we've made
6 big strides in as well. We had a, a technical team looking
7 at that issue. This is one where the, the engines, these
8 are very large diesel generator engines in rooms. And the
9 ventilation system has not been able to provide cooling to
10 maintain during summer outdoor temperatures, maintain the
11 room temperature to acceptable levels.

12 And we've evaluated the components in the room, the
13 electrical components largely that are sensitive to high
14 temperatures to determine that they were satisfactory up to
15 outdoor ambient temperatures of 95 degrees and have
16 submitted an operability evaluation for that particular
17 issue to Operations as well.

18 So, we're continuing work in that area. Although,
19 we've completed that assessment, which provided operability
20 to 95 degree outdoor temperature, which positions us well
21 for this coming summer. There are three modifications
22 we're pursuing in the rooms, and we're continuing forward
23 to add margin to the plant.

24 And that, that is insulating the exhaust manifold
25 for the engines, providing ventilation to the electrical

1 cabinets that are in the room, and we're also providing
2 large fans that we have retrieved from our Perry unit that
3 were originally intended for the unit two over there and
4 they were not utilized.

5 And we retrieved those, provided refurbishment of
6 them, and are planning a modification to install them at
7 Davis-Besse now. So, putting that equipment to good use to
8 improve margin in those.

9 MR. THOMAS: So, the
10 temperature issue is not going to require a USAR change; is
11 that correct?

12 MR. POWERS: The temperature
13 issue may require a USAR change as well, Scott, in terms of
14 the temperature in the room. The current temperature I
15 believe in the license basis is 120 degrees. And,
16 currently is 134 degrees, is what we evaluated for the
17 capability of the equipment in the room, so.

18 MR. THOMAS: Now, it's my
19 understanding that the fans, once you installed the fans
20 that you would regain that margin; is that correct?

21 MR. POWERS: That's correct,
22 the fans will provide a significant increase in cooling.

23 MR. THOMAS: But still may not
24 get you back down to 120?

25 MR. POWERS: I'm not sure on

1 the detail, that will get us all the way back to 120 or
 2 not. We don't have a complete analysis done on that yet,
 3 but if they don't, then we'll have to change our license
 4 basis to be consistent, Scott, with that.

5 MR. THOMAS: I understand. The
 6 latest on installing the fans; is that post restart,
 7 prerestart?

8 MR. MYERS: Post.

9 MR. THOMAS: Post restart
 10 issue?

11 MR. POWERS: Right. We're
 12 working to position ourselves to do it promptly, continuing
 13 with engineering and procurement and planning for that, but
 14 seems post restart.

15 MR. THOMAS: Cabinet
 16 modifications and the exhaust insulation are prerestart?

17 MR. POWERS: Yes, they are.
 18 Those design packages should be issued this week and work
 19 commencing shortly thereafter.

20 MR. THOMAS: All right. Thank
 21 you.

22 MR. GROBE: Jim, are there
 23 any other limitations on this operability evaluation,
 24 similar to this temperature limitation? It appears by this
 25 spring that we're never going to get to 95 degrees, but

1 it's always possible. Are there any other limitations?

2 MR. POWERS: None that comes to
3 mind.

4 MR. GROBE: Okay, thank you.

5 Oh, one other question. You have "prepare and
6 issue USAR change". What's the specific focus of that USAR
7 change and will that require NRR approval?

8 MR. POWERS: We do not believe
9 it's going to require a license amendment and NRR approval
10 at this time, Jack, based on our review of the draft. The
11 specifics are, the USAR said that on the starting of the
12 diesel generators, the voltage would dip below 75 percent
13 of nominal voltage for several cycles. In fact, we found
14 from our testing analysis it would be longer than several
15 cycles, so we're changing it to be specific to the results
16 of our analysis.

17 MR. GROBE: Okay.

18 MR. POWERS: Then I'll go
19 through our 5059 Process for changes to our license basis.

20 Okay, I'll move on to, with the Electrical
21 Distribution System, our AC Distribution System. We've
22 been doing a very comprehensive analysis, or reanalysis,
23 using Electrical Transient Analysis Program, ETAP
24 calculation. And our electrical engineering team has been
25 preparing the model of all the electrical system running

1 through the plant.

2 As you can imagine, this is a very complex model.
3 It takes the large transmission lines that you see outside
4 the plant with offsite power in the plant through large
5 transformers, progressively smaller transformers. The
6 voltage is reduced and distributed to the various equipment
7 at various voltage levels down to 120 volts AC, which is
8 your common power for small items.

9 The analysis is intended to demonstrate under all
10 conditions the electrical system can provide adequate
11 voltage.

12 We've gotten our initial analysis results last week.
13 And, this involved a number of different plant alignments
14 and cases of equipment loadings, whether it's on or off and
15 given plant mode as we've gone through that analysis. And,
16 we're currently evaluating the results of that now, so some
17 impacts on plant equipment.

18 What we're finding is that there is a certain mode,
19 unusual lineup of plant transformers that can result in low
20 voltage under a certain set of conditions, which is high
21 summer temperatures with all the equipment running to its
22 duty capability, off-site power coming in through one
23 startup transformer. And, running under that condition and
24 having an accident, with all the accident equipment loads
25 sequencing on the bus quickly, the voltage appears that it

1 is low in that condition, relative to our acceptance
2 criteria, based on our initial runs of the analysis.

3 What we're doing this week to look at that in
4 detail, we've got an independent industry team here. We've
5 got some individuals from the Institute of Nuclear Power
6 Operations, as well as peer electrical analysts from other
7 utility sites who have gone through similar analysis
8 projects here to critique what we are doing, and look at it
9 and give us any input, critical input in terms of what
10 we're doing, what we may be able to do better.

11 The bottom line on it, we're evaluating the
12 conditions that we're seeing from that initial runs of the
13 analysis with the, with those initial lineups to determine
14 actions necessary going forward, and that could be adding
15 some relays into some of the equipment in the plant to
16 assure that it's not on the electrical system under this
17 set of conditions, and improve voltage on the distribution
18 system in that manner.

19 MS. LIPA: Jim, is there any
20 chance that this could result in a tech spec change, or,
21 because I know you have a definition of off-site, on and
22 off-site circuits.

23 MR. POWERS: Right.

24 MS. LIPA: Is that under
25 question here?

1 MR. POWERS: Thus far, we
2 haven't been looking at a tech spec change, but we have
3 been looking at the alignments that the tech spec could
4 allow. That's part of the modeling and the different
5 system alignments, that we could be in this type
6 of alignment submitted by the tech specs, but thus far, we
7 haven't considered a tech spec change.

8 We have considered administrative restrictions that
9 we must have above and beyond the tech spec requirement,
10 for example, two startup transformers must be in service in
11 order to satisfy, satisfy the operability. But we're in
12 the very early stages of evaluating this, and have the team
13 actively doing that now.

14 MS. LIPA: Thank you.

15 MR. GROBE: Just so I
16 understand, the only thing you've identified to-date is
17 possibly that a tech spec could be nonconservative, in
18 which case you would need Administrative Letter 98-01 to
19 apply some administrative controls and assume a tech spec
20 change order?

21 MR. POWERS: That's right.
22 That's essentially where we are. We haven't gone to that
23 level of detail, but that's the type of --

24 MR. GROBE: You're not there
25 yet?

1 MR. POWERS: No.

2 MR. GROBE: Okay.

3 MR. MYERS: No, not at all.

4 MR. POWERS: Okay. Next topic

5 I wanted to brief on is the Safety Features Actuation

6 System Relays. These are relays in a system that were

7 changed out very early in the refueling outage last year.

8 They were part of the planned projects for the refueling.

9 We changed to a different type of relay. It was

10 intended to be installed to replace the original relays

11 that were supplied with the plant. Over time as we've been

12 replacing those relays, we ran into a problem with

13 obsolescence; that is, the supplier stopped manufacturing

14 the replacements for us. So, we needed to come up with an

15 alternative replacement.

16 The replacement that was developed, we found from

17 our testing, is not really suitable for the application.

18 So, we've taken those out. And, we're in the process of

19 evaluating and returning the original relays to service,

20 while we regroup and review and develop a replacement for

21 them.

22 Some of the things we've done in this technical

23 evaluation, we've looked at the predominant reasons for

24 replacement of the relays and we found out there is --

25 replacements are usually due to coil problems. And, we

1 found out with perspective coils and replacements, they're
2 random with respect to age.

3 We've tested the original relays. We've developed a
4 bench test criteria looking at coil resistance and contact
5 resistance and insulation performance of them, and gone
6 through and screened out a small population that did not
7 meet our acceptance criteria and we took those out of the
8 population.

9 We believe that the remaining relays that, of this
10 original group, will have improved reliability as a
11 result. And we've developed an action plan to go through,
12 based on our problem-solving decision-making process, to go
13 through this testing and evaluation process. MPR
14 Associates is our lead technical support team as we go
15 through this evaluation.

16 Because we screened out a number of ~~outliers~~ outliers that
17 didn't meet our acceptance criteria, we obtained
18 replacements from another utility for the ones we could not
19 reinstall in our plant. And we have those on site now and
20 we're going to run those through our bench test as well to
21 be sure that those are demonstrating appropriate
22 performance before we install them in our plant.

23 On the next slide, we see our Technical Evaluation
24 is in process. Talked a little about the industry experts,
25 MPR assisting us with this.

1 Our average replacement, we found from a historical
2 review, has been about two percent per year for the past
3 twenty years. We have had a low level of replacement
4 activity ongoing.

5 We looked at temperature effects relative to aging.
6 Does not appear to be an issue, but we're going to take
7 several relays apart to confirm it, and look at their
8 material condition to confirm that and to confirm their
9 functionality for another fuel cycle. And we're also going
10 to perform an independent review of this technical work
11 that we've done.

12 We're going to prepare an Operability Evaluation to
13 confirm operability in this case. The original relays that
14 we had installed were operable. We had an obsolescence
15 issue with them. We're reinstalling them. We'll document
16 the technical basis for that for Operations to review. And
17 expect to confirm that those relays were acceptable for
18 operation through the next operating cycle.

19 And I should point out, one of the major other
20 activities that's included in this effort is procurement of
21 a new generation of relay that's specifically engineered
22 for the application of panels, and that's ongoing now with
23 the initial specification stages as well.

24 MR. THOMAS: What's been done
25 to strengthen your procurement process, specifically in the

1 area of equivalency evaluations, to ensure you're getting
2 the components that you need to go into your safety related
3 equipment?

4 MR. POWERS: We have a
5 Significant Root Cause Condition Report that was written on
6 this issue, and that was assigned to our Procurement
7 Engineering Group to investigate, evaluate this issue, and
8 how those replacement relays at the beginning of the refuel
9 outage were specified, and what problems led to the issue
10 of their application.

11 So, they own that Condition Report. We have an
12 individual that's investigating it, feeding back what he
13 sees as potential causes. I have met with the Supervisor
14 of Procurement Engineering personally, and with the CR
15 Investigator, to go over some of the considerations when we
16 seek to get replacement parts for the plant, the level of
17 detail that we go into in scrutinizing the application of
18 the parts, and the application that they're in.

19 So, we've had that dialogue, Scott, to assure that
20 that's well understood, the issue here, its relationship to
21 procurement process.

22 MR. GROBE: Just one more
23 relay question. If the failure rate has been fairly
24 consistent, two percent per year, does that indicate that
25 there hasn't been -- it was my understanding that the

1 initiating action here was a perceived higher failure rate
2 combined with a difficulty getting replacement parts, which
3 caused you to replace these relays.

4 MR. POWERS: Right. What we're
5 finding when we say perceived high failure rate. We find
6 from historical records that there was a relatively steady
7 low level failure rate. When you have a failure in IC,
8 Maintenance needs to do a change-out. That activity was
9 ongoing.

10 But, where it really became a critical issue is when
11 the manufacturer stopped providing that style relay. It
12 became an obsolescence issue that needed to have changed.

13 MR. MYERS: We're working with
14 three other utilities.

15 MR. GROBE: Sorry?

16 MR. MYERS: We're working
17 with three other utilities that also have this same relay
18 in their systems. In fact, we went out and got them to
19 give us their relays, so we would have enough for this
20 cycle. I think it was like 256 relays.

21 But support knows this is a reliability issue.
22 These relays, when they do fail, they fail in a safe
23 state. They fail on trip mode. So, what you wind up with
24 is a reliability issue.

25 MR. GROBE: So, these relays

1 won't be treated any differently under the maintenance rule
 2 then? They're in fine condition from a maintenance
 3 reliability perspective?

4 MR. MYERS: I think that's
 5 correct, yes.

6 MS. LIPA: Okay. Anybody
 7 else, questions for Jim?

8 This would be a good time for a 10 minute break.

9 Your next session is about to start, right?

10 Okay, so 10 minutes.

11 (Off the record.)

12 MS. LIPA: Okay, Bob, you
 13 can go ahead.

14 MR. SCHRAUDER: Thank you.

15 I'm going to talk about two issues today; the high
 16 pressure injection pump modification we're pursuing, and
 17 also give you an update where we're at with the Corrective
 18 Action Program. I'll start with the high pressure
 19 injection pump.

20 Before I get started on that, I would like to
 21 recognize John O'Neill, who is in the audience. He is our
 22 Site Project Manager and coordinates all the activities
 23 involved with the high pressure injection pump. And, he's
 24 going a really good job for us on the site. I appreciate
 25 the support we have with him.

1 High pressure injection pump modification. The last
2 time we got together, we talked about the potential for
3 modifying the existing pumps in lieu of replacing with the
4 pumps that we had purchased. Since that time, we have
5 looked at this option in more detail, and have decided that
6 this will be our primary success path.

7 We have confirmed for ourselves that this
8 modification will work. With the modification installed,
9 the pumps will perform all of their required activities.
10 And we continue to work very closely with MPR Associates on
11 this activity.

12 And the issue with the high pressure injection pumps
13 is, we found even with the new screens that we put on our
14 sump, that very fine debris that can get through the sump
15 screen could impact the existing internal pump clearances
16 and had the potential to cause the pump not to be able to
17 perform appropriately.

18 Again, we had looked at replacing or modifying these
19 pumps. Since our last meeting, we have not abandoned the
20 replacement activity, but we put that on hold right now and
21 are not proceeding with that option. We have very high
22 confidence levels in the modification approach, as it's far
23 less complex, touches fewer of the plant systems, and that
24 type of piping modification and support modifications that
25 would have been involved in the replacement option.

1 What we will do is modify our existing pumps with an
2 internal strainer that will strain the water that goes to
3 the hydrostatic bearing.

4 I'm going to talk a little about the project
5 milestones, the strainer design and its testing, what we're
6 doing to validate the pump performance for potential
7 clearance opening as a result of pumping the debris water;
8 and then talk a little bit about what it's going to take to
9 implement this modification in the field. I would say that
10 that field implementation represents the biggest challenge
11 certainly from the perspective of the schedule.

12 So, on the next slide, I'll talk about the strainer
13 design and the testing. The strainer will allow water to
14 pass through and supply the hydrostatic bearing and the
15 seal. It's what I call a self-flushing strainer. That
16 would determine analytically that the transient flow and
17 the velocity of the water will maintain the screen clear of
18 debris and allow water to get through, but will not allow
19 the debris to get through there.

20 If you go to the next slide for a second, we'll talk
21 about a little bit different design approach than we talked
22 about last time. Right in here are the screens that we
23 talk about. And right here is the take-off that feeds the
24 hydrostatic bearing. This represents the volute in the
25 fourth stage of the pump.

1 The last time we had talked, this screen, the port
2 that goes over the bearing was located, is currently
3 located right there. And the screen would have gone, can't
4 see it real well, but this is a curved surface in here.
5 And we have changed that location to the one that's shown
6 in this configuration.

7 And we did that, because we found that by relocating
8 those ports, the water that supplies the hydrostatic
9 bearing has a higher flow velocity achieved to the screen
10 itself over a wider range of the pump flows, which will
11 assure that the screen stays clean, particularly at the,
12 near the shut-off head of this pump or in the minimum
13 recirculation mode, the velocity we would have gotten
14 pretty low at the screen, and would have increased the
15 probability of plugging the screen.

16 So, this new location also allows the pressure to be
17 higher and to be more constant. That in turn maintains a
18 more constant flow to the bearing, which will make the
19 bearing stiffness more constant over a wider range of the
20 pump operation. That's one design change that we had since
21 the last meeting.

22 We have also discovered since the last meeting in
23 this design, that the French actually have this type of
24 pump, not the exact same model, but a similar pump in
25 service in some of the French plants. And they have

1 actually done this modification; not the screen
2 modification, but they've moved that port, we found, for
3 very much the same reasons, which we kind of discovered
4 after we come up with this design, that another group of
5 engineers had actually found this also, that they get
6 better performance out of the pump by just moving that port
7 to the hydrostatic bearing to a different location there.

8 MPR Associates again is performing the design work
9 for us. They're going to mockup and test this strainer
10 design at Wyle Labs.

11 One of the things we discussed last time, we
12 depicted a picture of what the mockup would look like.
13 Since that time, we've obtained a pump, again similar to
14 our pump design, not the same design, it's a single stage
15 pump, but it has the same type of approach that this
16 volute, that we can test more accurately, let's say, than
17 we did the mockup. We'll actually be doing the strainer
18 testing in a pump in the environment we need to have it
19 with the debris in the water.

20 MR. GROBE: Bob.

21 MR. SCHRAUDER: Yes?

22 MR. GROBE: Just quickly, did
23 you indicate that these pumps, this same design problem
24 exists on pumps that are used in nuclear plants in France?

25 MR. SCHRAUDER: That is my

1 understanding right now. I checked yesterday to see if the
2 French had these in their nuclear facilities, and was told
3 that they do.

4 We are attempting to get the reports on this,
5 modifications that they've made, from the French, and we're
6 expecting to get those in the next couple of days, so we
7 can look in detail at that.

8 MR. GROBE: I have the other
9 interest; you indicated that they don't have these types of
10 screens installed in the other pumps?

11 MR. SCHRAUDER: No, they don't.
12 They found by simply moving the port, it was acceptable.
13 We looked at that and decided that the added assurance of
14 the screen provides us a level of protection that we want;
15 and we're going to continue with the screen modification.

16 MR. GROBE: Okay, thanks.

17 MR. THOMAS: Bob, did you say
18 you were doing both; you are going to move the -- is that
19 the location?

20 MR. SCHRAUDER: Currently, right
21 here is where the existing pumps take-off would be, okay.

22 MR. THOMAS: Okay. I see.

23 Thank you.

24 MR. SCHRAUDER: They were over
25 here. And it's a down, and then into the port. So, it

1 changes, it's not a direct take-off of that anymore.

2 Okay. The next subject I'll talk about is the
3 validation pump performance, validation. We actually did
4 perform the first test on this with the pump clearances as
5 they actually exist in the pump. Our rotodynamics analysis
6 has predicted satisfactory pump operations.

7 What we'll do, is we're going to do two periods of
8 this. The first one is called the baseline test. It
9 helped us confirm the model that we created and took some
10 baseline readings on vibrations for the pump, found where
11 the critical speed of the pump was. We were able to find
12 that. We did find in this test that the vibration was very
13 steady on the pump throughout its flow regime that we
14 exercised it through.

15 The next test that we'll do is, we have opened up
16 the clearances, and we'll performed what we call the 2X
17 Test, where the clearance are twice what they are normally
18 in the pump. And we'll run the test again, and validate it
19 with that isolated opening of the clearances due to debris
20 impacting on the clearance, that the pump would continue to
21 perform in a satisfactory manner.

22 The 2X was chosen, it's a maximum estimate that we
23 currently have of what the tolerances and clearances would
24 open up to. We're going to do a mockup test also on
25 similar material to our pump to identify how much clearance

1 you would actually get, but we expect that the 2X clearance
2 or twice the clearance will easily encompass the maximum
3 amount of degradation we would see for the commission time
4 of this pump.

5 Then after the, after the modifications are made and
6 the pumps are reassembled, we'll of course have post
7 modification testing on the pumps before returning them to
8 service.

9 Field implementation. Again, the biggest challenge,
10 particularly in Pump Room Number 2. Pump Room Number 1,
11 which is the pump that we're using to perform the tests on,
12 is relatively easy; as easy goes to disassemble a 6,000
13 pound pump; but it's a fairly straightforward, pull the
14 internals out of the pump, plenty of clearance there, then
15 we move the pump to a plug in the floor where it can be
16 lifted out and transported to the facility that's going to
17 do the modifications on it.

18 The number two pump, on the other hand, has a lot
19 more interferences by way of other pumps, other motors in
20 the area, and it presents the biggest challenge to us to
21 getting this pump out and maneuvered out of the building
22 into the facility to modify and then to reinstall it.

23 So, there is about a month's work of activity
24 between disassembly and reassembly of that pump in the
25 schedule. And we have not had this pump apart in this

1 manner to take it out like this before, so we really don't
2 know exactly how long it's going to take us to get it in
3 and out.

4 There is a fair amount of rigging that's involved in
5 there, and verification that our rigging points will take
6 the six thousand pound load. There are conduit clearance
7 that have to be made, taken out and reput in when we get
8 back. So, there is a lot of field implementation challenge
9 in pump number two.

10 We have a team resolving all those issues, laying
11 out the travel path for the pump, and how it will come out
12 and be maneuvered up and through the room; and they're
13 progressing with that.

14 We've actually gone and, the next picture shows a
15 mockup, a full-size mockup of the internals of that pump
16 that we built, so we can actually take it through the
17 travel path and know exactly all the way through the plant
18 that it will clear all the areas that we need to clear it
19 to get it out of the Plant and then back in again.

20 The next picture just shows what I was talking
21 about, some of the congestion in the pump room itself. In
22 the wall back here, relatively close, the pump will come
23 out the back. It has to go out 32 inches this way and then
24 tilt up and level this way and then brought forward and
25 maneuvered around the corner. So, it is, you can kind of

1 sense the congestion within that room. So, it's a delicate
2 piece of rigging and a lot of attention is being paid to
3 that.

4 So, that's where we're at with the high pressure
5 injection pump modification. In summary, implementation of
6 this mod will resolve in our mind a debris issue. We'll
7 demonstrate by combination of testing in laboratory and in
8 the plant, that the pump will perform under all of its
9 required conditions. And that the schedule for doing this
10 modification supports being able to do the normal operating
11 pressure and normal operating test in mid to late July.

12 I gave Christine a schedule of the activities down
13 at the lab where they're going to do the mockup, so that
14 the inspectors can come down and see that in progress, as
15 well as we'll be down there observing that also.

16 Any questions on the pump?

17 MR. GROBE: Yeah, I
18 apologize. We have a conference call I think we're trying
19 to schedule for next week to do some preliminary
20 discussions with the technical staff on this modification;
21 then a meeting on the 19th.

22 MR. SCHRAUDER: Right.

23 MR. GROBE: You mentioned
24 earlier today or yesterday that there might be some testing
25 that will be going on before that 19th meeting?

1 MR. SCHRAUDER: Right, that's the
2 schedule that I gave to Christine. It actually starts I
3 believe on, around the 15th or 17th of June. I wanted to
4 make sure that we had that schedule so you could get down.

5 MR. GROBE: We'll have to
6 make sure we discuss that during conference call.

7 MS. LIPA: Right.

8 MR. GROBE: Okay, thanks.

9 MR. SCHRAUDER: Then, the next
10 topic that I want to talk about is the Corrective Action
11 Program. And kind of where we're at there, what we're
12 seeing in the Corrective Action Program, what you're
13 seeing, and some of the inspections that you're doing.
14 And, Steve is going to talk a little bit too what the
15 Quality Assurance Organization is doing.

16 This is an important topic for us. As we recall,
17 the Corrective Action Program effectiveness was found to be
18 a significant contributor to the events surrounding the
19 reactor vessel head degradation; and its vitality and its
20 viability are key for our future success, that we avoid any
21 such problems in the future.

22 We strengthened both the procedure and the
23 implementation of this program. I would not say it's
24 perfect. We still have work to do in anchoring the program
25 to the standards for all of the people involved in this

1 program.

2 We have seen some problems or shortcomings in some
3 of the new implementation and the new procedure we put in.
4 And I'll address some of those as we go forward.

5 In the meantime, we have I believe implemented some
6 compensatory actions and oversight in the program to ensure
7 ourselves that we're getting the adequacy out of the
8 program we need to move forward.

9 At the same time that we're trying to anchor this
10 program, due to, you know, the extensive reviews we're
11 doing in the plant, design world, and across the site,
12 really, we've generated over 12,000 Condition Reports last
13 year and so far this year. So, we're trying to rebuild the
14 program. At the same time we're moving a lot of Condition
15 Reports, more than you would typically see in a given
16 period for this amount of time to the process. So, that
17 itself presents some challenges on oversight and assurance
18 of quality of that program.

19 The first thing, I picked three topics that involve
20 really the, the strength of the program. And the last one
21 is one that's come up several times, is the rollover issue
22 of Condition Reports, and I'll talk about that.

23 When you talk about the strength of a Corrective
24 Action Program, you want to make sure that the Condition
25 Reports that you're writing and evaluating, ~~A~~ and, that you

1 have the proper level of threshold that people will write a
2 Condition Report. But once its written, you want to make
3 sure it's appropriately categorized so it gets the
4 appropriate amount of investigation into the condition and
5 the corrective actions associated with it.

6 So, we look at categorization. We look at the
7 quality of the Corrective Actions and the investigation
8 that's going in; and then you also look at the timeliness
9 of responding to the Condition Reports, once they're
10 initiated. So, those are the three topics that I'll talk
11 about, and then discuss a little bit the rollover process.

12 First one in categorization. Again, the new process
13 became effective for us in March of this year. And it was
14 issued as a FENOC Nuclear Operating Procedure. The major
15 difference I would say, big change in that process is, it
16 went from several different types of cause analysis. We
17 have an apparent cause analysis, we had a basic cause
18 analysis, and we had a significant root cause analysis.

19 The new process has eliminated the basic cause out
20 of it. That is more consistent with industry standards.

21 Now, in addition to eliminating the basic cause,
22 what we did, we upgraded the requirements for doing an
23 apparent cause. So, the requirements there are stricter.
24 There has to be a specified simple analysis method
25 performed. And, we also required on apparent cause

1 analysis now, generic implications and extent of condition
2 statements within the Condition Report Evaluation.

3 Some of the ones that in the previous system were
4 called apparent causes would now be fixes. And some of
5 them would remain just upgraded apparent causes. We did
6 benchmark the process and believe that it is very
7 consistent with some of the better corrective action
8 programs within the industry.

9 Categorization is one of the things that we would
10 measure, is how well the supervisor that does the initial
11 review on the Condition Report when it's being initiated,
12 how well they meet the categorization as specified in the
13 procedure. And that is done by the Management Review
14 Board, which is a collection of managers and senior
15 managers at the site.

16 We have seen actually fairly good categorization.
17 We've made what might be considered a number of changes,
18 category changes, for instance; and we had a Condition
19 Report written by an individual at the site that said, it
20 seems like you are getting an awful lot of changes that the
21 Management Review Board hasn't changed. They lumped
22 together in that the significance level and the cause
23 evaluation level. And we're looking at that.

24 What we found is, in the category changes, what we
25 track very closely is where the Management Review Board has

1 felt they needed to upgrade from what the supervisor
2 identified; no, this evaluation needs to be of a higher
3 level than what you identified.

4 So, category upgrades, we would consider
5 identification of a condition that's not a condition
6 adverse to quality, where the Management Review Board says,
7 well, yeah, for these reasons it is a condition adverse to
8 quality. And then also a Condition Report that's
9 identified as a condition adverse to quality, but the
10 Management Review Board believes that it is a significant
11 condition adverse to quality.

12 So, in the, not a condition adverse to quality
13 upgraded by the Management Review Board to a condition
14 adverse to quality, we've seen 125 upgrades since the March
15 revision went in place. And since we put the revision in
16 place, we've had about 2,500 Condition Reports initiated.
17 So, 125 of them, we upgraded from what we call an NCAQ to a
18 condition adverse to quality, and eight of them from a
19 condition adverse to quality to a significant condition
20 adverse to quality.

21 Where we've seen the biggest, what I'll call, delta
22 between the management review and the supervisor's review
23 is in the type of analysis that's required for the
24 Condition Report. And the biggest one of that is,
25 where the apparent cause versus the fix; where the old

1 process, they would all have been apparent causes, now some
2 of them would be upgraded to apparent and some of them are
3 saying, these are fixed and trend.

4 What we found is that the supervisors are more apt
5 to put it into the apparent cause evaluation, then the
6 procedure specifies it would be a fix and trend. We've had
7 in the order of 250 of those, where the supervisor had said
8 it's an apparent cause, and Management Review Board says,
9 no, it's a fix and trend.

10 We've had some others. The next biggest one is 57,
11 where the supervisor said, we've ~~taking~~ taken the action
12 sufficient, we'll close this Condition Report. And
13 Management Review Board said, no, you have a couple other
14 actions, therefore, it's a fixed. So, that would be a
15 category process change there.

16 Then, the rest of them are all, a lot fewer, and
17 those are by far the two biggest hitters that we've seen in
18 the recategorization.

19 So, we have not completed yet our review on the
20 Condition Report that was written. We have looked closely
21 at the datum and those are the kinds of things we found.

22 One of the other things I'll say we did find in that
23 Condition Report was an expression by several people, I
24 guess, this person was taking input from. What I'll -- the
25 frustration over the feedback mechanism. That is, the

1 Management Review Board is changing these categories, and
2 they're sending back information to us that says they've
3 changed it, but you haven't given us enough details to why
4 you changed it or what is the category, so we can learn
5 from that process, rather than have you continue to
6 feedback that we changed the category.

7 So, we're looking at better feedback mechanism to
8 explain more completely why we changed the category or
9 evaluation process.

10 What we have found is several of those that we sent
11 back and said, no, we think it's this, they've come back to
12 the Management Review Board and said, here's where I
13 categorized it that way, this was my perspective of why it
14 should be in this category. And in several of those cases,
15 we have agreed with the initiator or the supervisor and
16 said, yeah, we can see that, and it may well be more
17 appropriate to be in that categorization. So, we've
18 changed some of them back to the original identified one.

19 The next, the graph just shows what I've been
20 discussing. This measures what, again what we watch very
21 carefully is those Condition Report categories, significant
22 or condition adverse to quality, that we've had to change
23 and upgrade the performance of it.

24 We would like to get this into the 90 percent range,
25 and we're doing reasonably well on meeting that goal right

1 now. It's, fewer than ten percent of the Condition Reports
2 are upgraded as a result of management review.

3 MS. LIPA: Bob, how long have
4 you been tracking this indicator, have you been tracking it
5 for years?

6 MR. SCHRAUDER: No, we're tracking
7 this -- well, I think they did track before, before the new
8 process went into place also. The statistics that I've
9 been looking at are since we've changed the process
10 specifically, and that trend has also been improving on
11 which ones we had to change also. And initially, it was
12 like 29 percent the first month, and then 23 percent the
13 next month, and 14 percent. This is all changes, not just
14 the upgrades, but the evaluation process ones too.

15 So, we are seeing an improvement, as people become
16 more acclimated to the new process. We're also looking at
17 additional training, site-wide training, and we provided
18 training to the Condition Reporting analysts, but we're
19 looking at more training across the site on that process
20 also.

21 Any questions on categorization?

22 The next thing I want to talk about is quality of
23 the Condition Reports.

24 What we really, right now the measure that we have
25 for quality is at the Corrective Action Review Board; and,

1 how often we have to reject an evaluation that comes to the
2 Corrective Action Review Board.

3 One of the things I'll say is, this first slide
4 shows the Corrective Action Review Board, by charter, by
5 procedure right now, is not charted to look at apparent
6 causes, but as an interim measure we've decided that they
7 probably will look at the apparent cause analysis too,
8 because of this change in the procedure, to make sure that
9 people understand that.

10 That's where we've seen the biggest, I guess, delta
11 between the procedure and what's actually coming to the
12 Corrective Action Review Board. You can see right now
13 we're running at about a 60 percent acceptance rate on
14 those, and rejecting them for one reason or another.

15 We're looking at a hundred percent of them right
16 now. Our intention is to look at all of them until we have
17 confidence that they're being evaluated and dispositioned
18 appropriately.

19 Recent changes we've made to help enhance the
20 feedback is that the responsible manager of the section
21 that's presenting the Condition Report to us, is present at
22 the meetings, so that he can sense firsthand why, the kind
23 of discussions we have and why we are rejecting some of
24 these, and then we'll have communication back into the
25 group. And when necessary, we see a specific area that's

1 struggling, we'll give one-on-one communication with that
2 manager.

3 MR. GROBE: It took me
4 awhile, but I think I understood the chart.

5 MR. SCHRAUDER: Yeah, well -- I'm
6 sorry.

7 MR. GROBE: If I could, the
8 height of the bar there is the indicator of the number of
9 items processed, but you don't have a trend line indicating
10 acceptance rate.

11 MR. SCHRAUDER: That's right.
12 Actually, the legend is, yeah, the total height is the ones
13 we've looked at, and the red are the numbers that we've
14 rejected. It's going to have a trend line. It is a twelve
15 month rolling average that will trend. We just now got the
16 twelfth week for a couple days, so we haven't done it,
17 twelve month rolling average on it right now.

18 MR. GROBE: Got it.

19 MR. SCHRAUDER: But the current
20 rejection rate is right around 62 percent on here.

21 Scott, do you have something?

22 MR. THOMAS: Yeah, you said
23 that items were rejected for one reason or another. Have
24 you identified any specific reasons why some of these
25 things have been rejected?

1 MR. SCHRAUDER: That's the next
2 thing I'm going to get to.

3 MR. THOMAS: I'm sorry. I'll
4 wait then.

5 MR. SCHRAUDER: Some of the
6 reasons why we've rejected it. Some of the reasons are,
7 the evaluations just have not been in the CARB's mind
8 thorough enough, we would reject it.

9 If it doesn't meet the new format. The new process
10 has a specific format that apparent cause needs to follow.
11 If it's not in that format, we'll just reject it, have them
12 get it into the format and bring it back to us.

13 The thing to keep in mind is, many of these apparent
14 causes were actually, because we had this large number,
15 they were generated prior to the change in the procedure.
16 Some of them still have to go through the new procedure
17 process.

18 If, for instance, they had been generated as a
19 basic, or went through a process when we put the new
20 process in place, some of the basics became apparents and
21 some of them may have gone to root cause. So, they still
22 have to meet the new format, even though they were
23 generated early in the process, and some of them were not
24 meeting that new format. So, that would be a reason for
25 rejection.

1 The Corrective Action identified was either not
2 specific enough, in our mind, or measurable enough or
3 clearly written or was not timely enough in the Corrective
4 Action Review Board's mind; or the experience review
5 required or the generic implications and extent of
6 conditions may not have been performed, that would be
7 reason for rejection.

8 And a lot of them, I sit in on a lot of CARB's and a
9 lot of them have been rejected because they simply did not
10 specify the analysis method that they used. May have been
11 apparent in reading it what type of analysis they went
12 through, but they didn't specify, and the procedure
13 requires that you specify the simple analysis that you're
14 using.

15 Again the interim compensatory measure for this is
16 the CARB itself. Again, we're continuing to review the
17 apparent causes, all of them right now, until such time as
18 we see, we'll start relaxing on that when we see particular
19 sections meeting the standards.

20 Some of them are doing very well. For instance, we
21 have noted that the Design Engineering Section, which does
22 a very good job at meeting all of the requirements on the
23 apparent causes. And apparent causes come in pretty well.
24 And we've had only one rejection I believe out of design,
25 and that was as a result of just not specifying an analysis

1 technique.

2 So, we haven't yet, but we will move toward design
3 in the direction of doing a sampling of their reviews,
4 rather than a hundred percent of their analysis.

5 And we are looking at, we'll develop additional
6 training for the -- we've trained the analysts, if the
7 sections use them effectively, the analyst can help them
8 make sure their Condition Reports are in, in the proper
9 format and the like.

10 We've seen the organizations that effectively use
11 their analysts do a much better job at getting these things
12 in, but we'll provide additional training there.

13 We did generate a Condition Report on this issue
14 itself, that we had a high rejection rate from the CARB, so
15 that Condition Report is in the process now.

16 Scott, do you have a question?

17 MR. THOMAS: Do you have
18 specific training for the folks that do the cause analysis,
19 or apparent cause?

20 MR. SCHRAUDER: We have a specific
21 training module, as you know, for root cause analysis. We
22 are developing the training module for the, specifically,
23 the apparent cause analysis.

24 The techniques, you can either use a root cause
25 technique, or simple analysis techniques can be things like

1 brain storming, interviewing, methods of collecting the
2 data and assessing the data. So, we have not had the
3 training module put together on that yet, but that's one of
4 the things we've discovered in this that we probably need
5 to do some additional training on some of these simple
6 analysis methods; where you think it might be reasonably
7 clear and in some cases it's not. So, that's under
8 development.

9 MR. THOMAS: How many of your
10 folks have actual root cause training? I'm not asking for
11 a specific number, just --

12 MR. SCHRAUDER: Hundreds, I would
13 say. I don't know the exact number, but we did a lot of
14 training in root cause analysis techniques.

15 MR. THOMAS: Okay.

16 MR. SCHRAUDER: I can get the
17 number for you.

18 MR. THOMAS: That's not
19 important.

20 MR. SCHRAUDER: It's a large
21 number of people, it's not just one or two.

22 When these Condition Reports come to the CARB, we
23 have a check-off sheet that we go through. It's not just,
24 you know, our collective wisdom that judges the
25 acceptability of them. There is a check-off sheet that

1 asks specific questions. You know, does the information
2 present any significant doubt as to the cause of the
3 events? Is the evaluation package, does it lack clarity or
4 conciseness or relevance?

5 And we answer these questions yes or no, and then
6 make a judgment as to whether we ought to accept the
7 Condition Report and making comments back to the
8 evaluators, or whether it ought to be rejected and redone
9 and resubmitted to the CARB. So, it's a formal kind of
10 check-off process that we go through.

11 One of the things that we're learning as we go
12 forward in quality measurements of the Condition Reports is
13 that some facilities actually have a specific grade that
14 they'll assign to the Condition Report.

15 We have a new program owner for the, FENOC program
16 owner for this program. And he's in the process of
17 benchmarking and developing some FENOC-wide performance
18 indicators, and quality is one of the ones we want some
19 additional ability to measure some of the quality.

20 The next slide shows these root cause evaluations
21 that come in. These are typically the more significant
22 issues. What we have found, this is probably a measure of
23 the degree of training that you're given in root cause
24 analysis, but we found a much higher acceptance rate and a
25 much higher quality in the root cause analysis. Our goal

1 there is a 90 percent acceptance rate. We are currently
2 meeting, meeting that; and the root cause has continued to
3 be pretty good for the most part.

4 Things that we would reject a root cause for are
5 really the same kinds of things. We don't see as many
6 format-type problems with root causes, because they pretty
7 much have a cookbook that they can fit their analysis and
8 their evaluation into.

9 But sometimes if the root cause, maybe in the minds
10 of the CARB they present the process, doesn't look like
11 they maybe got to the root cause by way of not
12 appropriately considering some pieces of data. So, if we
13 felt that they may have missed some ingredient factor, we
14 would reject it.

15 Again, if the Corrective Action is not clear enough,
16 or we didn't believe it would have the potential to fix the
17 problem, we would reject it. And a significant condition
18 adverse to quality is different than apparent, in that the
19 corrective action is expected that it would, would not
20 occur again.

21 An apparent cause, you look at the apparent reason,
22 and you do your best attempt at getting it, but you expect
23 some percentage of those may recur. A root cause analysis
24 is different in that you expect that you will get to the
25 root cause and you will not have that condition repeat

1 itself. So, Corrective Actions need to be more stringent,
2 more clear, more specific, and very clearly expected to
3 prevent the action from occurring.

4 We would also reject a root cause if we believe that
5 the extent of condition was too shallow, didn't, you know,
6 look too narrowly for your extent of condition. So, that
7 would be a cause for rejection for a root cause analysis
8 also.

9 So, that's kind of where we stand in our look at the
10 quality of what's coming in.

11 The next issue is timeliness. And this is another
12 issue that I'll say is exacerbated by the volume of
13 Condition Reports that we're getting in.

14 What we found, frankly, was that we had a lot of
15 Condition Reports. The procedure requires a specific
16 period of time, a default time, if you will, that an
17 Evaluation and Corrective Actions are expected to be
18 implemented within. And sometimes you extend those,
19 depending on the circumstances and when the, you know,
20 schedule in an outage, for instance, to get it done. But
21 there is nothing in the procedure that allows for a
22 Condition Report to just go overdue. So, we had a large
23 number of, based on our volume of ones that were just
24 overdue, were not being extended, and not getting done.

25 In response to that, we put together a high level

1 management review team that meets daily on the status of
2 evaluations and corrective actions looking at what's coming
3 up in the next three days, what's currently overdue, what's
4 the reason for it overdue.

5 We can extend due dates in that meeting, but we
6 have found that to be very effective. And that the overdue
7 rate now is, is substantially lower, and is meeting a goal
8 of less than five percent. For the last several weeks,
9 it's been down hovering near zero of overdue. So, people
10 are appropriately extending or getting their evaluations in
11 and their corrective actions done.

12 MR. THOMAS: So, this chart
13 doesn't take into account a corrective action that's been
14 extended four or five times?

15 MR. SCHRAUDER: Does not measure
16 extensions. We believe that extensions are granted at the
17 varying levels of the organization, and extensions are
18 approved with management oversight of them.

19 So that, now, that was the thing I was going to
20 mention at the end of this, is that timeliness is another
21 issue. I'm used to seeing more performance indicators. It
22 wouldn't be as meaningful for us right now, based on, you
23 know, several of these have been extended out of post
24 restart. So, the average age is one thing that you would
25 typically look like, the average age of your Condition

1 Reports, Corrective Actions that haven't been completed
2 yet. The average age to close a Condition Report is
3 another one that you track.

4 We're not, we don't have those in place right now,
5 because they wouldn't, wouldn't tell us much. As we move
6 forward, we'll put together more timeliness of things too.

7 Go ahead, Jack.

8 MR. GROBE: What, what
9 percentage in rough terms do you find -- you're involved in
10 this group that meets daily, right?

11 MR. SCHRAUDER: No, I'm not. Mark
12 is the chair of that meeting.

13 MR. GROBE: What percentage
14 do you find that get extended?

15 MR. SCHRAUDER: I'd have to look
16 at that.

17 MR. GROBE: Not precisely.

18 MR. SCHRAUDER: A lot right now.

19 MR. BEZILLA: It's stacks about
20 this thick, and I'll say, it's probably about like five
21 percent or less of that.

22 What we did was, about a month ago, we told the
23 folks to lay out their work, match to their resource, and
24 give us their due dates, and then they had to meet their
25 due dates or hold them accountable to that; and if they had

1 trouble meeting their due dates, they need to come in and
2 tell us ahead of time that they're having trouble, and
3 we'll either help them meet their due date or we'll give
4 them some relief on their due date.

5 And since we've done that in the last few weeks,
6 we've had a lot less overdue items. In fact, we had a
7 couple ~~day~~ days in row with like no overdue items. That's been
8 very positive, I think.

9 MR. SCHRAUDER: In that though, if
10 you look at the database, let's say, a lot of them would
11 have had an extension somewhere along the line. That's
12 what I was referring to. A lot of them in this process
13 have been extended through the outage period. A lot of
14 them are tied to plant conditions, where you're going to
15 get. So, if the schedule moves, the due date moves out.

16 The process actually allows us to move those types,
17 you know, where they're outage related and they're
18 schedule, schedule driven, that an extension is not
19 required to go through the same process, to move it with
20 the schedule, so long as that, at the outage end date they
21 are completed.

22 And that's part of our Restart Readiness Review, is
23 that all the Corrective Actions, Condition Reports that
24 were required to be completed for the outage are
25 completed.

1 MR. GROBE: I think I agree
2 with you, that this timeliness information doesn't tell the
3 whole story. It seems like three items. Sorry.
4 This item is good, which is open corrective actions
5 which are overdue, but you have two other indicators, one
6 is number of extensions granted and the other is average
7 age.
8 MR. SCHRAUDER: Right.
9 MR. GROBE: Extensions or
10 indicator at a different level of organization management
11 level.
12 MR. SCHRAUDER: That's correct,
13 and we typically do in the processes that I've been
14 involved with over at our other facility, we do track a
15 number of extensions. And we do, we have a number of
16 extensions on the Condition Reports, but it's a measure
17 right now in the process that we're kind of in, that's not
18 as meaningful, that once we get through this, this
19 outage --
20 MR. GROBE: I understand.
21 MR. SCHRAUDER: -- and get them
22 going. So, we will be adding those into our portfolio of
23 Condition Reports that we use to look at the health of this
24 program.
25 The next one is the same type of graph, and it

1 deals with the evaluations. It's the evaluations that
2 we've done by its due date, the same type of information.
3 The first one was the corrective actions that come out of
4 it. This one is actually hitting the situation, evaluate
5 it to determine what you need to do to fix it.

6 The other timeliness measures that we look at, shown
7 on the next one, is the supervisor review. It's expected
8 that the supervisor, once an individual has initiated a
9 Condition Report, it goes to supervisor review that
10 categorizes it, makes sure it's appropriately categorized
11 and clearly identifies the problem.

12 We expect that to be done within one day. And
13 again, we expect that at least 90 percent of them to get
14 done within one day or less. And we're hovering right
15 around 90 percent right now on that. So, I think that's 89
16 the last time we printed that out.

17 Again, that can be a condition of volume also, but
18 the supervisors are doing a pretty good job right now
19 getting through the Condition Reports on the day that
20 they're initiated.

21 Then, the next review we looked at, is once the
22 supervisor reviews it and moves it along, it's important
23 that the shift supervisor and the SRO review it.

24 Now, it's not to say, if it's a significant
25 condition impacting plant equipment, it's initiated, it's

1 typically walked to the control room, and control room is
2 notified of, you know, potential immediate impact on the
3 systems. But the process is, it's expected that the SRO
4 would review the Condition Report within one day also of
5 the supervisor's concurrence with, or not concurrence, but
6 forwarding of the review.

7 We expect that to be 95 percent of the time, the SRO
8 would get their review done within one day. Right now,
9 we're seeing that it's right around 86 percent completed
10 within one day. An overwhelming percentage of them are
11 done within two days, so between 86 and 100 percent, nearly
12 all of those are done within two days.

13 MR. GROBE: I'm not sure I
14 understand this. Maybe I don't understand your process.

15 What review are you talking about here for the SRO
16 review?

17 MR. SCHRAUDER: Well, every
18 Condition Report that impacts plant equipment, that has any
19 asset number in it that's a piece of plant equipment, goes
20 to the control room for their review. They look at it for
21 operability. They look at it for reportability. They look
22 at it to understand what, you know, where the plant is at.

23 That's why, I mean, a lot of these Condition Reports
24 are walked up to the control room when they're written for
25 those very reasons. That if it's an immediate impact on

1 the equipment, the control room needs to know that right
2 away.

3 That's what the SRO's review. Every Condition
4 Report that is addressed to a piece of plant equipment or a
5 configuration of the plant is reviewed by the SRO.

6 MR. GROBE: Does the CR first
7 have to go through a supervisory review?

8 MR. SCHRAUDER: Yes, it does.
9 Well, by the CREST software, before it progresses to the
10 SRO, it needs to be progressed through the supervisor
11 review.

12 MR. GROBE: And the SRO
13 review timeliness, that does not include the amount of time
14 that the supervisor took it?

15 MR. SCHRAUDER: That's correct.
16 This is within 24 hours of the time that they get it, they
17 have to have it reviewed in CREST.

18 MS. LIPA: Is this actually
19 tracked in hours or days?

20 MR. GROBE: Days.

21 MR. SCHRAUDER: Days.

22 MS. LIPA: One day or two
23 days or three days?

24 MR. SCHRAUDER: 24 increment is
25 what is expected to occur in.

1 MR. GROBE: Are these
2 calendar days or business days?
3 MR. SCHRAUDER: Doesn't matter.
4 MS. LIPA: Calendar days?
5 MR. SCHRAUDER: Right, 24 hours.
6 MR. GROBE: So, my statistics
7 are a bit rough, but if you're 89 percent of the time the
8 supervisors are taking more than a day, and 86 percent of
9 the SROs are taking more than a day, sounds like less than
10 75 percent of your CRs aren't getting an operability review
11 in two days.
12 MR. SCHRAUDER: That could be, but
13 again, I'd say, when it impacts operability, it's walked to
14 the control room quickly.
15 MR. GROBE: Who is making that
16 decision, an operator?
17 MR. SCHRAUDER: The initiator and
18 reviewer are tasked with the responsibility of recognizing
19 whether something can impact operability or not.
20 And those statistics, Jack, if you recall, that's
21 the entire population of Condition Reports. I would say
22 probably, and this is a guess, 50 percent or less of them
23 involve plant equipment that needs to get to the control
24 room.
25 MR. GROBE: All right.

1 MR. SCHRAUDER: So, it's not quite
2 what you say. But you're right; I mean, with a delay by
3 the supervisor and the delay by the control room, you could
4 have issues there.

5 We think we're doing reasonably well in getting
6 operability issues to the control room rapidly, even if it
7 hasn't progressed through the software system.

8 MR. GROBE: Well, I can't
9 tell that from these indicators. And, I think I need to
10 look a little bit more into this.

11 MR. SCHRAUDER: I understand your,
12 your insight on that.

13 MR. GROBE: Okay.

14 MR. SCHRAUDER: Any other
15 questions on the timeliness review?

16 The next issue is a, is the rollover process. And
17 the rollover has been identified both by our Performance
18 Improvement Unit, some of the inspectors that have come in,
19 I'll say confusing and a cumbersome process.

20 What a rollover is, it's a method of transferring
21 the evaluation, whether the complete evaluation or partial
22 evaluation of one issue identified in a Condition Report to
23 be addressed in the another Condition Report that's looking
24 at essentially the same thing.

25 We have found, and your inspectors have found, that

1 it is a difficult trail to follow sometimes. There have
2 been cases where there have been multiple rolls; where it
3 rolls from one Condition Report to another, and then that
4 rolls up to another and you wind up doing about sometimes
5 seven or eight of these all in one Condition Report.

6 Again, is exacerbated by the large number of these
7 being processed. One area we have particularly seen this
8 in is Containment Health, you know, where we had a lot of
9 the walkdown type of CRs being documented and the like.
10 So, that's why I say, it's generally been concentrated in a
11 few specific areas.

12 We've actually found very few cases where we believe
13 that the case, that the issue has not actually been
14 effectively resolved. It's just a very cumbersome process
15 at times to track them from, to which CR, to which CR did
16 it go to and which one finally answered it. But we have
17 typically found that if you persevere through that process,
18 you will find the answer.

19 Now, Steve Loehlein is heading up a review team,
20 because we got enough comments and saw enough concerns I'll
21 say in this area that we wanted to really take a look at.
22 So, I believe Steve is looking at all the restart or the
23 0350 Condition Reports that had rollovers or rollintos in
24 them; given us some more insight on that. Out of his --
25 that's the independent assessment.

1 One of the other things I wanted to mention is that
2 many of these rollovers occurred before we revised the
3 procedure. And the new procedure has more clarity on the
4 process for rolling over and what you're allowed to roll to
5 another Condition Report; and more specifics on the process
6 and documentation of a rollover.

7 So, to enhance that, we don't believe it's a bad
8 idea necessarily to roll, roll over Condition Reports when
9 the receiving one is evaluating virtually the same kind of
10 circumstance. It has to be well documented and an easy
11 trail. But it does appropriately align resources. I think
12 if you just try to evaluate each one individually, you wind
13 up using resources over and over again to look at the same
14 thing. So, if properly administered, I'll say, and
15 documented, it's not a bad process, but it needs to be
16 rigorously applied.

17 We've seen problems with, the procedure right now
18 requires that if you're rolling to another one, the
19 receiving Condition Report has a corrective action in it
20 that says, hey, I got this one, so that the reviewer knows
21 that he's got to evaluate this other condition in it also.
22 We've seen some problems in that area.

23 So, like I said, we have revised the procedure,
24 tried to provide more clear guidance. Steve is going to
25 give us some more insight into it and we'll further

1 strengthen the rollover criteria or, you know, if his
2 evaluation and assessment so indicates, we will consider
3 whether we want to continue the rollover process or not;
4 and we'll strengthen that process if we keep it and feed it
5 into the FENOC procedure.

6 Questions on the rollovers?

7 MS. LIPA: Thanks for that
8 discussion, Bob. I know our Corrective Action Team
9 Inspection will continue to look at corrective actions, and
10 through that, I'm sure we'll look at some of these
11 rollover.

12 MR. SCHRAUDER: Right.

13 MS. LIPA: Any other
14 questions for Bob?

15 MR. SCHRAUDER: With that, I'll
16 turn it over to Steve.

17 MR. GROBE: Steve, before you
18 get started.

19 (Microphone adjustments.)

20 MR. GROBE: When you're
21 thinking about this rollover situation, think about it also
22 in the context of your performance indicators, and how you
23 treat rollovers in the performance indicators. I don't
24 think you want to discuss it here, because I'm not sure
25 I've given you a chance to think about it.

1 MR. SCHRAUDER: It is addressed in
2 the procedure, Jack. If you roll it, it maintains its
3 current due date. You can't roll it and get an automatic
4 extension on it. So, it has to meet the original CR's due
5 date or it has to be appropriately extended for that.

6 MR. GROBE: Okay.

7 MR. MYERS: Jack, one of the
8 things, you know, we have a lot of experience at other
9 plants. There has been a large number of CRs here. We
10 don't roll, you know, at Beaver Valley we don't roll but a
11 couple a week. It's not like the rollover process causes a
12 lot of grief because we're not rolling over that many. It
13 might be different at Perry, but at Beaver Valley I don't
14 remember rolling over. Do you?

15 MR. BEZILLA: That's correct.
16 Just a handful a week at the most, is what I remember.

17 MR. GROBE: Okay.

18 MR. LOEHLEIN: Okay. Thanks,
19 Bob.

20 I have two things to talk about today. One has been
21 mentioned several times, and that is the status of the
22 Independent Review of Condition Reports; and the other is
23 an update on Quality Assessments of recent oversight
24 activities.

25 In the Independent Review of Condition Reports, we

1 talked about this, or Bob mentioned the rollover issue, but
2 we also decided, and Lew Myers and I talked about this; we
3 heard enough reports about people having some difficulty
4 tracking through all the volumes of Condition Reports and
5 issues. And based on what Quality Assessment had been
6 seeing in its oversight, we agreed that doing an
7 independent review of the Condition Reports for the 350
8 Restart would be a good thing to do.

9 So, Mark Pavlik, who is an auditor in the QA
10 section, is the team lead for us on this. We have team
11 members from other departments on site and from other
12 plants.

13 Now, who we really targeted most often is people on
14 this team, is either people from the Quality Organization
15 or these Condition Reports analysts that in the process are
16 advisors to the managers, are the people that we're trying
17 to put on this team on a rotational basis, so they will
18 carry back with them to their organizations the Lessons
19 Learned from how to improve on the work that's done on the
20 Condition Report.

21 So, the scope does include all of these 350 Restart
22 Condition Reports and Corrective Actions.

23 Next slide, please.

24 The objectives are simple in this review. It's to
25 confirm that the initially identified condition has been

1 evaluated.

2 The other objective is to track and confirm the
3 issues that were rolled to another Condition Report were
4 not lost. In any cases that we find problems in that area,
5 then we use the Corrective Action Program to document the
6 problems that we would find.

7 Next slide, please.

8 Now, as of last Tuesday, I think that's what May 27
9 was. In the system, there are identified 1,783 0350
10 Restart Condition Reports. They have associated with them
11 about 7,700 Corrective Actions. Not all of those are
12 restart related; about half of them are. But we're looking
13 at quite a few nonrestart corrective actions, as long as
14 they were associated with the 350 Restart Condition
15 Reports. And the population of Associated Rollovers was
16 identified in our system as 510. As we go through the
17 reviews, these numbers can move around a little bit.

18 Next slide, please.

19 As of last Tuesday, we had reviewed 5,057 of the
20 Corrective Actions of those 7,700; and that includes the
21 Rollover Corrective Actions. In 87 percent of those cases,
22 we were able to track the, how the Corrective Action
23 relates back to the initially identified condition.

24 Approximately 13 percent of those cases were still
25 in review, because that trail is not clear to us yet. So,

1 we're having to do additional reviews. And this is, we
2 believe this percentage represents the difficulty that
3 people are experiencing. When I get to some of the causes
4 or some of the problems we've identified so far, we're
5 starting to hone in on why that is.

6 MR. GROBE: Steve, just a quick
7 question. Are the 510 on the prior slide, the 510
8 rollovers, those are Rollover Corrective Actions, not CRs?

9 MR. LOEHLEIN: Well, actually,
10 they can be either one. When a rollover occurs, it can
11 either be a Corrective Action that's rolled over and then
12 becomes a Corrective Action in the Condition Report that
13 it's now in, which is the process that Bob Schrauder
14 described. The receiving Condition Report gets a
15 Corrective Action to identify it has received that issue.
16 So, it can be a CR, it can be a Condition Report
17 that's rolled, or it can be a Corrective Action that's
18 rolled. We treated everything from the Corrective Action
19 standpoint from the back end of the process and count them
20 all there. That way we have them all, whether they were a
21 Corrective Action that was rolled or a Condition Report
22 that was rolled.

23 MR. GROBE: Okay.

24 MR. LOEHLEIN: Of that 510,
25 you'll notice here, as may have been suspected, the number

1 of percentage we're having difficulty tracking from front
2 to back, is higher in those that involve rollover than the
3 general population of the ones we've looked at.

4 On the next slide, what we've got so far is
5 identified concerns, is overall, what's being seen as a
6 general weakness in some cases, documenting the resolution
7 and the identified concern.

8 There are cases, for example, where the closure
9 statement says that appropriate actions were taken to
10 correct the condition, as an example. You can't tell from
11 a statement like that whether or not an appropriate action
12 actually was taken. You can't confirm it. So, for anybody
13 trying to review that on the back end, that's difficult.

14 In the cases that we're examining, we're finding
15 that there is evidence that correct actions were taken, but
16 they're not taken credit for in the process. That clearly
17 is a lessons learned for people using this process, that to
18 document accurately what actually settled the issue is the
19 practice and the standard you want to have for the
20 Condition Reports.

21 So, that's been identified on the Condition Report
22 as a generic concern with a number of these.

23 Another identified concern has been, with cases
24 where the evaluation did not address the full scope of the
25 identified issue. Now, here, the most common type we found

1 here is in the Condition Reports involving valves. Most
2 commonly, if there was a valve that was expected to require
3 a repack of the stuffing ~~blocks~~ box. In a number of these
4 cases, the condition -- initial Condition Report had
5 additional recommended actions on it. It might be to
6 verify fasteners or to replace them.

7 In the resolution of the Condition Report, the
8 packing issue is either addressed as repacking or may
9 provide a basis for why repacking wasn't necessary, but the
10 issue about the fasteners doesn't appear in the explanation
11 as to whether it was or was not addressed. So that, we
12 have written up on a Condition Report as a generic issue to
13 make sure that has not been missed.

14 And in these cases, we're finding when we spend the
15 time to track down the people that did them, in most cases,
16 we're finding there is an explanation, but once again, the
17 documentation of the actions taken being sufficient is
18 what, is what people are having difficulty with in
19 reviewing the Condition Reports.

20 In these ones we've reviewed so far, we have two
21 examples so far of incorrect actions. One example in which
22 there had been an error made closing a Corrective Action to
23 a work order number. That was an incorrect work order
24 number. The work order number associated with, did exist,
25 but it was not complete yet. So, that was a mistake. We

1 identified that on a Condition Report.

2 And, we had another one we found in which a
3 procedure improvement had been recommended and was not
4 picked up in a Corrective Action. Those are two specific
5 examples we found so far.

6 MR. GROBE: Before you go
7 on, the definition of acceptable. If this Condition Report
8 involved a design engineering issue, does that acceptable
9 include a review of the adequacy of the design work, or
10 does the acceptable mean that you can track through and
11 identify the specific actions that were taken and they
12 appear to be relevant to the question?

13 MR. LOEHLEIN: I think if I
14 understand your question, Jack, you're asking about whether
15 we're looking at or this team was looking at, say, the
16 adequacy of the cause evaluation associated with the
17 Condition Report; is that what you're asking?

18 MR. GROBE: Right, or the
19 acceptability of the corrective actions to address that
20 cause evaluation.

21 MR. LOEHLEIN: Right. I would
22 say, what you just described there is what we're going to
23 be taking on and are doing right now in Quality Assessment
24 as part of a focused assessment. I'll talk about that in a
25 couple minutes here.

1 This is strictly a review here. I'm not doing it as
2 an audit-type function. So, it is a bit more superficial
3 in the sense that it's really looking, when you can track
4 the end result from the initial condition; and so I would
5 say that the level of intrusiveness is not there. It's
6 really a review, and that's why we termed it that.

7 But what you're talking about is questions that we
8 are looking at in the Quality Assessment area under a
9 focused assessment. I'll talk about that in a minute.

10 MR. GROBE: Okay, thank you.

11 MR. LOEHLEIN: So, that's a good
12 lead in to the next slide, which talks about some of the
13 recent key activities that we've been observing in Quality
14 Assessment.

15 First thing I would like to comment on is the, are
16 the two tests that the other members have spoken about
17 recently; the 50 pound per square inch and the 250 pound
18 per square inch Reactor Coolant System Leakage Walkdowns.
19 In both of these cases, Quality Assessment Assessors
20 accompanied walkdown teams in Containment to directly
21 observe how this was being conducted.

22 The 50 pound test in particular was, we thought, an
23 excellent decision made by the organization, because it is
24 not required by the process in place to demonstrate return
25 to service, but it really was used by the line organization

1 to do a couple things that are going to pay off. That is,
2 that set a baseline, and also everybody involved in these
3 walkdowns had an opportunity, while the system was at a
4 very low challenge, to locate the components and make sure
5 they knew where they were. So, that was a very positive
6 thing we in QA thought.

7 The next bullet I have up there is Emergency
8 Preparedness. This is an area that's always important, the
9 emergency preparedness be in good shape. And certainly
10 with the plant focused the way it is right now, it's an
11 opportunity for QA to evaluate whether the organization is
12 properly focused on this important area as well.

13 We watched and observed the activities in the last
14 few drills and exercise, and did note that the weaknesses
15 that were identified in the April drills and so forth, in
16 large part were corrected in the May exercise. So, we
17 continue to observe the activities in there, but the
18 weaknesses that did come up were being addressed by the
19 organization.

20 In the area of Observations of Technical Issues
21 Resolution, there we're seeing some good decision-making
22 being made, especially in the area of the plant support
23 center and in senior management involvement. We saw a real
24 turnaround.

25 This is something I get to see firsthand, because I

1 watch a lot of management decision-making. And the
2 priorities are being established and emphasis on the
3 effective resolution of the technical issues. And this
4 focusing within this plant support center of these issues
5 seems to have had a real strong influence on getting the
6 issues focused on for resolution and clarity of the plans
7 and the challenges to success are discussed well there.

8 On the other side of the technical issues resolution
9 thing, we have continued to look at the contractor
10 oversight part of this. Right now, a lot of the action in
11 terms of contractor oversight is now in the technical
12 resolution area.

13 Some months back we talked about what QA was
14 observing in Maintenance. And early on, the contractor
15 oversight activity is really more in the engineering end.
16 And we have identified some concerns on the owners
17 acceptance process that's been used, and identified that on
18 a Condition Report. We felt too heavy reliance on using
19 contractors as part of the owners acceptance process, and
20 that's been shared with Engineering.

21 We've identified some issues in the control of
22 purchase orders revisions, and discussed that, we briefed
23 that with the Engineering organization as well.

24 And we continue in the System Health Condition
25 Reports area also. We're watching those real carefully,

1 because of the same issues that Bob Schrauder mentioned
2 about the Corrective Action Program. This is an area,
3 Jack, where we're watching real carefully that the
4 Condition Reports have in them a cause analysis that
5 clearly substantiates the basis for the conclusions in the
6 cause analysis.

7 And this is an area where if the evaluator is too
8 cryptic or too brief in his description of how the solution
9 is properly resolved, it will make it unclear for posterity
10 as to why it was the right solution. So, that is an area
11 we continue to watch and we think there is still room for
12 improvement there.

13 MR. HOPKINS: Let me ask a
14 question here, Steve. The last bullet about oversight
15 vendor activities.

16 MR. LOEHLEIN: Right.

17 MR. HOPKINS: Are you just
18 referring to on-site vendor activities or also off-site
19 vendor activities?

20 MR. LOEHLEIN: The reason I added
21 that bullet and hadn't spoken to it yet is we are
22 reabsorbing quality control function back into the quality
23 assessment, quality assurance umbrella. So, I thought I
24 would add a bullet here on the type of off-site vendor
25 activities we recently been involved in; like going to,

1 going out to Oklahoma to take a look at the radiographs
2 that were done on the cyclone separator for decay heat
3 pumps is one example.

4 Recently, just this past week, have been involved at
5 a vendor shop in Utah to take a look at the troubleshooting
6 that's being done on the service water valves for the
7 containment air coolers.

8 We also were recently involved down in Cincinnati
9 with Makeup Valve 3 looking at the certification of the AOP
10 parts associated with that.

11 And so, we're looking now that they're part of the
12 Quality Assurance Organization as to how we can be more
13 effective in some of the vendor oversight, some of the
14 off-site vendor oversight activities, because throughout
15 the industry there have been some issues and we've had some
16 issues with vendor supplied equipment.

17 MR. HOPKINS: Okay.

18 MR. LOEHLEIN: So, we're getting
19 more active there. But I put that there, because they're a
20 recent addition to Quality Assurance.

21 MS. LIPA: Steve, before you
22 go on, you mentioned emergency preparedness, and that's an
23 important area to us too. I neglected to mention earlier,
24 we have a baseline inspection next week that is looking at
25 your evaluated emergency preparedness exercise. They will

1 be here the full week, but they'll be focusing on that
2 exercise the one day.

3 MR. LOEHLEIN: Right. Thank
4 you.

5 MR. GROBE: I apologize for
6 going backwards.

7 MR. LOEHLEIN: That's okay.

8 MR. GROBE: But you've keyed
9 me into a thought. At the end of every outage, you're
10 required to do an American Society Mechanical Engineer
11 Leakage Test on the Reactor Coolant System, a pressurized
12 test to look for pressure leakage. Is that normally done
13 hot?

14 MR. LOEHLEIN: I believe that's
15 done in Mode 3.

16 MR. GROBE: I'm still
17 pondering the DH 11 and 12 valves and why they were
18 leaking. So, normally, those are tested hot. So, you may
19 have not seen leakage if in fact it's a temperature driven
20 issue. Okay. Thanks.

21 MR. MYERS: If it's very
22 minor --

23 MR. GROBE: It's minor at 50
24 pounds, but 250 pounds...

25 MR. MYERS: Let me finish. If

1 it's minor and it stays dry, which you find more on that,
2 and it stays that way on up, then those valves that were in
3 it, was close.

4 MR. GROBE: Right. So, you
5 may not have seen it.

6 MR. MYERS: That's correct.

7 MR. GROBE: All right.

8 MR. LOEHLEIN: Okay, next slide,
9 please.

10 Under some of the current activities, an important
11 one is this Focused Assessment, Jack, that we talked about,
12 or I mentioned just a few minutes ago, a Focused Assessment
13 on Corrective Action Program. That's because we know that
14 the organization made some stiff changes to the process on
15 March 1st.

16 The early data we had did not show improvement in a
17 couple key areas on implementation; specifically in the, we
18 didn't see improvements yet in the numbers on the quality
19 of the cause analyses and some other important parts of the
20 process.

21 And the CARB data that you saw, Corrective Action
22 Review Board data, showing their rejection rate also, we
23 have a lot of indicators that this was an area deserving of
24 a Focused Assessment.

25 What we do in a case like this, it's more like the,

1 the older common, done commonly years ago, used to call an
2 audit, a checklist type, where we have a number of things
3 we'll be looking at. We'll be interviewing people that are
4 involved in the process, that includes both managers and
5 lower level interviews. We'll continue to review the
6 Corrective Action Review Boards, what they're doing.

7 We're going to also do a lot of random selection of
8 Condition Reports from various categories, and we'll sample
9 rollovers as well, to see that they have actually been
10 completed through the process and all the steps the way
11 they should have been, and take a look at what that data
12 tells us. And we'll also verify compliance with the
13 program itself. So, that is something we're doing right
14 now in this quarter.

15 We'll continue in the next few months over the next,
16 during the summer, continuing to do drills in the emergency
17 preparedness area, we'll continue to observe those.

18 Then I put the last bullet down. It's just sort of
19 a general kind of things that we do all the time and
20 incorporate into our daily oversight activities, as the
21 oversight of Management Decision-Making, Safety Culture,
22 Radiation Protection and there is a lot of activity right
23 now on the regulation changes for our Security Program.

24 MR. HOPKINS: Just mentioning a
25 Security Plan, I would think a lot of those changes would

1 be generic to the other FENOC plants also.

2 MR. LOEHLEIN: That's correct.

3 MR. HOPKINS: So, you're in
4 contact then with the other FENOC QA Organizations?

5 MR. MYERS: Absolutely.

6 MR. LOEHLEIN: Well, I know that,
7 we talk every day, but I can't, you know, security being
8 safeguard, we don't talk openly about a lot of things, but
9 yeah, we do communicate with our, we communicate daily with
10 QA from the other two sites, and one of the topics that is
11 appropriate is the security part of that.

12 MR. MYERS: We also have a
13 lead person, our corporate office for security issues.

14 MR. HOPKINS: I was just
15 concerned that, you know, that I figured a lot of the
16 changes would be the same from plant to plant; and I wanted
17 to make sure the QA Organizationss are --

18 MR. LOEHLEIN: That is true, and
19 that kind of conversation goes on, Jon, every time there is
20 a projected change in security level as well.

21 MR. HOPKINS: Okay.

22 MS. LIPA: Just to give a
23 time check, we have about 15 minutes for the next two
24 sections.

25 MR. MYERS: Okay.

1 MR. LOEHLEIN: Mike Ross is going
2 to take over.

3 MR. ROSS: Thank you, Steve.

4 Good afternoon. Our Davis-Besse Plant Support
5 Center is in full operation. The following items have been
6 completed. We developed an issues list and it currently
7 has about 84 items on it. These issues are being reviewed
8 in detail against the standard checklist to identify
9 restart issues and obtain our agreement that the resolution
10 is a quality and lasting type fix.

11 An Action Item Database has been created with owners
12 and due dates. And the issues identified as needing
13 decisions or extra assistance are being brought to the
14 management team in a timely manner.

15 As clarity is brought to new issues, fragnets and
16 part needs are developed and owners assigned, they are
17 transferred to the Outage Control Organization for field
18 implementation.

19 To ensure quick resolution to supply issues, the
20 Corporate Director Supply Chain has been stationed on site
21 and is part of the support center.

22 Listing of modifications has been developed with
23 field implementation dates and is being tracked and
24 prepared for field execution.

25 The Condition Report Database has been reviewed to

1 identify those issues not yet through with the evaluation
2 process that may be restart. This will assure no hidden
3 restart issue resides in that Corrective Action Database.

4 We do believe we know the issues that need to be
5 resolved.

6 Next slide.

7 Our focus is on early identification of new issues
8 and proper resolution of existing issues. This includes
9 delivery of a quality resolution to the field
10 organization.

11 Several issues are receiving extra focus. These are
12 High Pressure Injection Pump Modification, that's already
13 been discussed by Bob Schrauder. The Electrical Transient
14 Analysis and the Safety Feature Actuation System Relays.
15 Both have been addressed by Jim Powers.

16 Other issues that are receiving extra focus; the
17 Air-Operated Valve Program. We have identified some
18 emergent work in this area, with identification of three
19 new work items. This is the addition of air reservoirs for
20 service water valves 1428, 1429, and 1434. It appears this
21 will revolve without significant impact.

22 The Plant Block Walls Seismic and Tornado Loading
23 issues. As a minimum, we will need a procedure change to
24 resolve one issue dealing with the tornado differential
25 pressure, and additionally a modification to the boric acid

1 tank room door to address the seismic ability of a wall
2 during a postulated line break in the area.

3 The Thermal Overload Bypass for Safety-Related
4 Motors issues. It appears we will have some field work for
5 that item and a full understanding of and resolution for
6 its being developed.

7 Additionally, we identified two modifications. They
8 are designated, that are designated for restart. The
9 Containment Spray Pump Cyclone Separator addition. This is
10 the addition of a separator to ensure postulated sump
11 debris does not affect the containment spray pump seals. A
12 Boron Precipitation modification has been identified. This
13 is an enhanced method of ensuring the backup capability to
14 provide Boron precipitation flow after a postulated
15 accident.

16 It should be noted, both of these items add
17 significant safety margin to our plant. These items do not
18 impact our overall schedule.

19 In conclusion, we believe we have scrubbed through
20 the present issues and have a good understanding of what
21 needs to be done. We continue to believe all issues are in
22 fact resolvable.

23 MR. HOPKINS: Let me ask, Mike,
24 the Boron Precipitation Modification, is that considered a
25 restart issue?

1 MR. ROSS: It's a Mode 2
2 issue.
3 MR. HOPKINS: Okay, thank you.
4 MR. GROBE: Just one quick
5 question. I've heard these two issues discussed; the
6 Cyclone Separator Containment Spray and Boron
7 Precipitation. For quite awhile now they've been on the
8 engineering issues list. What causes something to get
9 added to the modification list?
10 MR. ROSS: We go through our
11 checklist to verify that it has an issue. We bring it to
12 senior management. We get a firm decision early. And we
13 put it through the process and get it started. That's the
14 value we bring to the organization.
15 MR. GROBE: Okay, and you
16 indicated that you also reviewed other CRs, and I assume
17 that covers everything that's on Jim's Engineering Issues
18 list?
19 MR. POWERS: That's correct.
20 MR. GROBE: And identified
21 other key issues that could be risk items.
22 MR. ROSS: That's correct.
23 We probably started with Jim's Engineering Issues.
24 MR. GROBE: Okay, good.
25 MR. ROSS: If there is no

1 more questions, I would like to turn it over to Mike

2 Stevens for Schedule Milestones.

3 MR. MYERS: Why don't we skip

4 over that one. Let's go to the Performance Indicators. I

5 think we're running out of time, correct?

6 MR. GROBE: Okay. I mean,

7 Clark's gotten skipped on multiple other occasions.

8 MR. PRICE: Okay, thank you,

9 Mike.

10 Good afternoon. Can you hear me?

11 I would like to conclude our presentation today with

12 an overview of our progress on the O350 Restart Checklist

13 that Christine presented at the beginning of the meeting.

14 Then take a quick look at a couple of our charts to show

15 our overall restart progress on our restart required

16 actions.

17 The next three charts provide a summary of our

18 status on the O350 Panel's Restart Checklist Items. These

19 charts are colored to show where we are in the discovery

20 and implementation actions.

21 You'll see, and also if you have trouble reading, I

22 apologize on your handout, I know black and white is very

23 difficult to discern between the colors. There is a chart

24 over on your righthand side on the wall that also lays this

25 out.

1 You'll see on each chart that we are complete with
2 our discovery plans for each of the Checklist Items. So,
3 I'll mainly focus my discussions on progress on our
4 implementation plans.

5 On Checklist Item 1A and 1B. They both address our
6 technical and nontechnical root causes and other root
7 causes we've done in the Management/Human Performance
8 area. We completed all our 0350 Restart Actions under
9 these two items.

10 Checklist Item Number 2, A and B, address the
11 reactor vessel head replacement and our restoration of the
12 containment vessel. 2A is colored in light blue.
13 Basically, it's on hold waiting for our Mode 3 full
14 pressure test. And 2B is essentially complete, waiting on
15 plant conditions to allow completion of a few local leak
16 rate tests that we have remaining.

17 In the 2C area, that deals with restoration of our
18 containment systems, structures, and components. And as
19 Mark Bezilla discussed at the beginning of our
20 presentation, we're closing in on final containment closure
21 and turnover of the building and systems to Operations.

22 Mark addressed some closure packages that we still
23 have that are being worked on in the discovery area; and
24 we'll have those done hopefully by the end of this week.

25 On Checklist Item 2C-1, that's in our Containment

1 Emergency Sump, which we've completed. We discussed that
2 project several times, and in the meetings. And all work
3 on that, and the inspection activity is complete. We have
4 a couple follow-up items that we're working on as a result
5 of the inspection, and should have those to the inspector
6 this week.

7 Our corrective actions for Checklist Item 2D, which
8 looks at systems containing boric acid outside of
9 containment building are also nearing completion.

10 If there is no questions on that slide, I'll move to
11 the next one.

12 The next slide lists ten of our safety significant
13 programs that are on the O350 Checklist. As you can see,
14 we have completed and identified, the identified corrective
15 actions in each of the implementation plans for the first
16 eight programs. Those are either inspection complete or
17 continuing with ongoing NRC inspection activity.

18 The Radiation Protection Program actions are 97
19 percent complete, and which is the 3H line item. They will
20 be totally complete the first of July, which will support
21 an NRC inspection that will be starting on July 14.

22 Then, our final and most recent Checklist Item,
23 which is 3I, which is underway, is the Corrective Action
24 Plan to address Checklist Item that deals with completeness
25 and accuracy of NRC records and submittals. And we are

1 currently working on that action plan, which essentially
2 includes procedures for the validation of NRC
3 correspondence.

4 Training for our site employees; we have our
5 training program developed for that and now we need to
6 deliver that to our employees.

7 And extent of condition review to determine what we
8 may have submitted on any previous correspondence in the
9 past that may not have been totally complete and accurate.
10 That is just a starting and we're putting that plan
11 together.

12 Next slide, please.

13 Okay. In Item 4A-B, those contain Corrective
14 Actions that were identified through Management/Human
15 Performance Improvement Plan. We continue to make good
16 progress in this area, and as Lew discussed earlier we have
17 more work to do, but we have that plan scheduled and should
18 be getting through that in the next month or so.

19 Our Checklist Item 5 covers our Readiness For
20 Restart in both Systems and Operations Readiness. We've
21 completed 91 percent of the Condition Report Evaluations
22 and Corrective Actions that have been identified through
23 our System Health and our Design Calculation Resolution
24 Plan.

25 We also continue to enhance our Restart Readiness

1 Review Practice that we discussed earlier to ensure that we
2 have comprehensive review of our readiness to make mode
3 changes and ultimately for plant restart.

4 Then we have Checklist Item 5D, which is the test
5 program which is 72 percent complete, which Mark Bezilla
6 also addressed earlier, where we have completed so far our
7 50 pound and 250 pound test of the Reactor Coolant System.

8 Checklist Item 6 covers the licensing issues
9 associated with the new reactor vessel head, and is
10 complete, including the inspection activity, and closed
11 out.

12 Then Item Number 7 contains our Confirmatory Action
13 Letter; our responses, which are all progressing, and also
14 in that area we cover our final Integrated Restart Report
15 that we are currently working on.

16 If there are no further questions on that, I'll
17 move on to the next final two slides.

18 Okay, these final two slides show at a high level
19 our overall progress on our actions we've identified as
20 required for restart. Many of these actions go well beyond
21 the requirements of the O350 Checklist. As a matter of
22 fact, approximately 60, we have approximately 60 percent of
23 our total restart required Condition Reports and Corrective
24 Actions, are actually over and above the O350 identified
25 Checklist Items.

1 The first slide shows the work-off of our Condition
2 Report Evaluations for the Condition Reports that we have
3 classified as restart during our entire restart effort. As
4 you can see, we're closing in on nearing completion of
5 those evaluations. They leveled off a little bit, but
6 they're leveled off at a manageable level.

7 We continue our daily review classification of
8 Condition Reports for restart by the Restart Station Review
9 Board, which we discussed in previous meetings. Some of
10 the recent additions that show up in the, these evaluations
11 or Condition Reports are the results that were discussed
12 earlier from our 50 pound and 250 pound test, and our
13 walkdowns of the Reactor Coolant System that Mark Bezilla
14 discussed at the beginning of the presentation.

15 And approximately 100 of the Condition Report
16 Evaluations identified here out of roughly the 300
17 remaining to go, are to support the first mode change to
18 Modes 4 and 3. As Mark Bezilla discussed earlier, those
19 are all scheduled out now with due dates that support the
20 milestones.

21 The final slide shows our work-off in our Corrective
22 Actions that have been classified as restart from our, from
23 the previous Condition Reports that I just talked about.
24 Again, all the Corrective Actions have scheduled due
25 dates.

1 We currently have, as you can see here, around 800
2 that are open. Out of those, 397 of those open Corrective
3 Actions are scheduled to complete to support our first Mode
4 4, and changes to Mode 4 and 3. And so, we're working
5 well, and have that, have that all laid out.

6 In conclusion, I would like to say that we are
7 making good progress, and we have confidence that we will
8 complete both our 0350 and the non0350 Restart Actions in
9 support of our Restart Milestones.

10 Are there any questions?

11 MS. LIPA: Thank you. No.

12 MR. PRICE: Okay. If you
13 don't have any, I'll turn it back over to Lew for closing
14 comments.

15 MR. MYERS: The past month has
16 been pretty significant. We've had, we started out last
17 meeting with several organizational changes. We think
18 those organizational changes have been very effective for
19 us.

20 We changed our direction, which had a significant
21 impact on our schedule. We focused on modification. We've
22 already test ran the pump. Pulled the impeller on the one
23 A pump. We're planning to pull the Number 2 pump now.

24 We continue to look forward to the, lots of
25 activities in the Management/Human Performance area,

1 especially in the Safety Culture area in the next couple of
2 months.

3 We were very pleased with the performance of our
4 operators in the 250 pound test; and the overall, with the
5 performance of the plant, even though there is some work
6 for us to do there.

7 The modification of the HPI Test, we believe will be
8 successful. And we'll be through that in July, early July,
9 allowing us to, to be ready for Mode 4, and Mode 4 and Mode
10 3 pressure tests in the middle of July. And shortly after
11 that, we'll be, from a plant standpoint, be ready to, look
12 at restart of the unit, which right now we talk about the
13 first part of August, from our perspective.

14 We demonstrated consistently that we're able to work
15 off the corrective actions at about 140 a week. And
16 consistently now, if you look at our back logs and all, it
17 looks like the middle of July is easily done for Mode 4.

18 Checklists; Item Number 5 indicates we're about 91
19 percent complete with activities for Restart.

20 Once again, you know, I think we demonstrated today,
21 we made good progress. We ran all four Reactor Coolant
22 Pumps for a couple of hours. We drew a vacuum -- put a
23 bubble in our pressurizer. Didn't draw a vacuum. And went
24 through a 250 pound test that performed well.

25 We got, we really bounded the work. Now, I think

1 Mike Ross's group is going, did an excellent job of
2 bounding the work, and laying the work out on the diesel
3 air dryers. He got that lined out, assuring the parts are
4 here. We know what the work is.

5 So, we really feel very solid right now about our
6 ability to reach the schedule of activities at the first
7 part of August.

8 So, with that being said, we continue to make
9 progress, and we look forward to our next meeting. Thank
10 you.

11 MS. LIPA: Thank you, Lew.

12 Well, that ends the business portion of our meeting
13 today then. What we're going to do is take a ten minute
14 break, and we'll go to public comments and questions.

15 MR. GROBE: Lew, I need to
16 excuse myself. I have a meeting tomorrow morning which
17 requires me to fly out tonight. Bill will continue
18 chairing the meetings tomorrow afternoon and this evening.
19 (Off the record.)

20 MS. LIPA: Okay, we're ready
21 to begin with the public comment/questioning period. We
22 would like to open up the microphone for anybody who has a
23 question for us or a comment to address for the NRC folks
24 here.

25 Jack Grobe did have to leave, but Bill Ruland, the

1 Vice Chair, and the rest of us are still here.

2 What we would like to do is start with local members
3 of the public first, and then we would like each person to
4 limit their time to five minutes. And, at the podium we
5 have a sign-in sheet. And, if you want us to follow-up
6 with you, feel free to put your phone number, that way if
7 there is anything that we didn't fully address, we can
8 contact you later.

9 So, is there anybody who would like to come up and
10 ask a question or give us a comment today?

11 Are there any members of the public that are not
12 local that would like to come up?

13 MS. RYDER: Hi. My name is Amy
14 Ryder. I'm with Ohio Citizen Action. I just have a few
15 questions.

16 One is that, I might have missed this earlier in the
17 meeting, because I was late, but if the Reactor Pressure
18 Test does not identify conclusively where the additional
19 rust is coming from, what happens next?

20 MS. LIPA: You talking about
21 on the lower part of the vessel?

22 MS. RYDER: Right.

23 MS. LIPA: Well, right now,
24 the NRC is evaluating Licensee's plans on how they're going
25 to test that and how they're going to determine it. So, we

1 should know more before that test. And then once we get
2 the results of that test, we'll be able to figure out what
3 the information means. But I really can't tell you yet how
4 we're going to process that information.

5 MS. RYDER: Will the source of
6 that rust have to be identified before restart is completed
7 conclusively?

8 MS. LIPA: The source of the
9 rust. Well, I think what we'll be doing is making sure we
10 understand the Licensee evaluation of it and what it means
11 and whether that makes sense and whether there is an
12 indication of a leak. That's my understanding right now
13 where we're headed with that.

14 MS. RYDER: So, there is a
15 possibility that it could restart not knowing where that
16 rust came from?

17 MS. LIPA: Well, I don't
18 really want to say that right now, but I think as we get
19 closer to that test and after that test, we will be able to
20 answer more fully your questions on that.

21 Do you have any comments on that, Bill?

22 MR. RULAND: The key criterion
23 is that the reactor itself has no unidentified leakage, not
24 that the rust stains have or have not been identified.

25 MS. RYDER: Okay.

1 MR. RULAND: So, theoretically,
2 there could be some possibility they would not identify the
3 rust stains, or excuse me, the Licensee will identify the
4 rust stains. But if we were satisfied that the Licensee
5 did a sufficient test to make sure there was no
6 unidentified leakage --

7 MS. RYDER: Leakage.

8 MR. RULAND: -- we wouldn't
9 have any problem with that.

10 MS. RYDER: Okay.

11 MS. LIPA: No, actually it's
12 pressure volume leakage.

13 MR. RULAND: Right.

14 MS. LIPA: Pressure volume
15 leakage is the criteria.

16 MS. RYDER: Okay. My second
17 question is, whether or not the OI Investigation Report
18 will be issued before restart is permitted.

19 MS. LIPA: I can't address
20 that. That's all I can say.

21 MR. RULAND: The OI Report will
22 be issued when the OI Report is ready.

23 MS. RYDER: Will you allow the
24 plant to restart if that OI Report is not completed; I
25 guess maybe is the more accurate?

1 MR. RULAND: That's all I can
2 say; the OI Report is issued when it's issued.

3 MS. RYDER: Right. I
4 understand you don't have control over when that's issued,
5 but will the panel want to know what the report says before
6 you allow FirstEnergy to restart Davis-Besse?

7 MS. LIPA: I think that's a
8 question we'll have to address at a later time too, Amy.

9 MS. RYDER: Okay. Thanks.

10 MS. LIPA: Does anybody else
11 have any questions for us?

12 Okay. Well, just a few things, then I'll check one
13 more time if there is anybody else.

14 We will be returning tonight at 7 p.m. to give a
15 summary to anybody who wasn't here; and if anybody wants to
16 come back and ask questions, that's fine.

17 And then next month, July 9th, our public meeting
18 will be at the Oak Harbor High School. And we're going to
19 go for the same times with an afternoon meeting and evening
20 meeting.

21 Then, we're also holding a meeting on June 19th in
22 headquarters, but we'll have bridge lines for folks that
23 want to call in and listen to that meeting. And the June
24 19th meeting we'll focus on the high pressure injection
25 pump.

1 Was there anyone else that came up with a question

2 while I was talking?

3 Okay. Well, then thank you for coming. Good day.

4 (Off the record.)

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1 CERTIFICATE

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

8 IN WITNESS WHEREOF, I have hereunto set my hand and
9 affixed my seal of office at Norwalk, Ohio, on this 13th
10 day of June, 2003.

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Marie B. Fresch, RMR

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NOTARY PUBLIC, STATE OF OHIO
My Commission Expires 10-9-03.

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