

Exhibit 4

Minutes of Internal Meeting of Davis-Besse Oversight Panel, October 18, 2001

October 18, 2002

MEMORANDUM TO: Davis-Besse Nuclear Power Station IMC 0350 Panel

FROM: John A. Grobe, Chairman, Davis-Besse Oversight Panel **/RA/**

SUBJECT: MINUTES OF INTERNAL MEETING OF THE DAVIS-BESSE
OVERSIGHT PANEL

The implementation of the IMC 0350 process for the Davis-Besse Nuclear Power Station was announced on April 29, 2002. An internal panel meeting was held October 1, 2002. Attached for your information are the minutes from the internal meeting of the Davis-Besse Oversight Panel and the Action Items List.

Attachments: As stated

cc w/att: S. Rosenberg, OEDO
W. Dean, NRR
A. Mendiola, NRR
D. Pickett, NRR
S. Bloom, NRR
J. Dyer, RIII
J. Caldwell, RIII
G. Grant, RIII
S. Reynolds, RIII
C. Lipa, RIII
D. Hills, RIII
L. Collins, RIII
D. Passehl, RIII
D. Simpkins, RIII
J. Jacobson, RIII
S. Burgess, RIII
R. Lickus, RIII
S. Thomas, RIII
M. Holmberg, RIII
J. Collins, RIII
DB0350

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|--------|--|----------|----------|--|------|--|--|
| OFFICE | RIII | | RIII | | RIII | | |
| NAME | Bjorgensen/klg/RA/ Passehl Acting for/ | CLipa | JGrobe | | | | |
| DATE | 10/14/02 | 10/14/02 | 10/14/02 | | | | |

OFFICIAL RECORD COPY

MEETING MINUTES: Internal IMC 0350 Oversight Panel Meeting
Davis-Besse Nuclear Power Station

DATE: October 1, 2002

TIME: 1:00 p.m. Central

ATTENDEES:

| | |
|--------------|-------------|
| J. Grobe | K. O'Brien |
| W. Dean | K. Riemer |
| S. Thomas | M. Holmberg |
| T. Mendiola | J. Hopkins |
| B. Jorgensen | D. Passehl |
| J. Jacobson | |

Agenda Items:

1. Reports from Staff

Report by Ken Riemer on Special Inspection to Assess Occupational Dose

A special inspection was chartered under MC 8.3 on Sept. 27 to assess a credible potential for an occupational over-exposure. This occurred during the February 2002 steam generator work, and involved the same (contractor) individuals who were involved in the spread of discrete radioactive particles from Davis-Besse into numerous unrestricted areas, which was the subject of a previous special inspection. The concern is the apparent internal uptake of discrete particles which contained transuranic isotopes of americium, curium and plutonium. Dose consequences can be high from small quantities of inhaled or ingested material. The previously recognized failure to provide job controls which were commensurate with known conditions appears to have contributed to the potential over-exposure, and the response by licensee management (reactive and narrowly focused) was similar. Several licensee actions came only with some NRC prompting. The inspection team arrived onsite and held its "entrance" meeting on September 30. The team is expected to be on-site for two weeks, with a tentative "exit" meeting date of October 16. This will be a public meeting.

The Davis-Besse Oversight Panel discussed whether and how to incorporate an assessment of the radiation protection program into Panel oversight activities. Options ranged from looking at the R-P program as one aspect of Ken O'Brien's Program Compliance inspection, to bringing the entire R-P program under the 0350 process. The Panel deferred a final decision until after the licensee has developed its action plan and after the receipt and review of the report of the special inspection team. The licensee will be informed of the Panel's view that corrective actions on this issue belong on the re-start checklist.

In a related matter, the Panel discussed a request from the State of Ohio, received earlier on October 1, to be permitted to accompany and observe the Special Inspection. Ken Riemer was assigned to follow up with Roland Lickus and the State to make appropriate arrangements.

Report by Ken O'Brien on the "Program Compliance" Inspection

The licensee's "discovery" phase (to be followed by an "implementation" phase) has fallen behind schedule, with only the Boric Acid Control Program and the Corrective Action Program elements through "discovery." The inspectors have reviewed both of the completed segments and have identified some deficiencies relating to the licensee not performing its activities as described in the "building block" program. Further, the management review of the completed activities appeared superficial, with the outputs both accepted and "closed" after a few minutes of discussion. Work on additional program areas (operating experience, ISI and plant modifications) remains to be reviewed. The team will be back on-site the week of October 7 and again (projected) the week of November 18.

Report by Mel Holmberg and John Jacobson on Containment Restoration

The containment vessel re-weld has been reviewed and accepted by the licensee and the ANI. John Jacobson has examined the radiographs and reported the welds were of good overall quality and the interpretations generally conservative, but some indications were found on the radiographs which the licensee had neither noted nor evaluated. These items are being addressed after being called to the licensee's attention.

The concrete pour to restore the shield building revealed at least two surface voids when the forms were stripped. One void measured about 5" by 5" by 12" - information on the size of the other was not available. The Panel decided to set up a conference call among RIII, NRR and the licensee once the licensee has determined an appropriate path forward. Mel Holmberg will coordinate the call.

Site activities (RIO)

Scott Thomas briefed the Davis-Besse Oversight Panel on current site activities noting the following:

- The licensee's activity and re-start schedule continues to appear to be slipping, but there has been no public announcement by the licensee regarding new target dates.
- The special inspection team to review the potential occupational over-exposure due to inhalation/ingestion of transuranic isotopes is on-site and active.
- John Jacobson is on-site working on both his team inspection assignments and looking at the containment weld NDE.
- Both emergency diesel-generators remain "inoperable" but available. The modification of the exhaust system to eliminate the vulnerability to tornado missiles is targeted to be complete by October 23.
- Startup transformer No. 2 (which had been O.O.S. since the hole in containment was cut) is being restored.

- The “old” service structure is being welded on the “new” reactor vessel head. Welding is the only option, since the bolting alignments do not match.
- The motor on high pressure injection pump No. 1 has been replaced, with electric terminal connections in progress. This is viewed as a life-extension activity; the motor had not failed.
- The licensee’s “Event Clock” had to be re-set again due to a tagging error involving the generator end bell cooling water supply.

Review of action items (panel)

The panel reviewed the list of “open” action items, which was provided for this meeting in a form which displayed only items still open and none of the items previously closed. Nearly all of the items were discussed in more or less detail; the following address some specific actions, decisions or changes in status on items:

Item 24a was discussed. Three steps were designated for closure of this item: 1) an NRC staff survey will be done via e-mail to identify any potential reservations about releasing the quarantine on the “old” head - due 10/7; 2) a memo will be prepared in NRR to indicate program office concurrence in the release - due 10/11; 3) Region III will issue the letter to the licensee - due 10/25.

Item 26 was discussed. The licensee’s re-start checklist is sufficiently developed to proceed with issuing an inspection schedule - due 10/4.

Item 54a was discussed. DRS is coordinating with NRR in reviewing the Davis-Besse specific action and calculations on the item.

Item 54b was discussed. The generic issue will be forwarded to Bill Bateman’s group with a requested target review completion date of 10/18.

Item 71 was discussed. The licensee’s Revision 1 to the Technical Root Cause has been submitted and is under review.

Items 72, 73 and 74 were discussed; no change in status on these items, although the LLTF report is pending review and extraction of observations needing specific Panel action. In addition, Scott Thomas mentioned that he believes the LLTF is looking to schedule public meetings at or near the plant on October 24 - 25.

Item 82 is similar to Item 74, in that the status is now that the LLTF report is being evaluated for the purpose of determining impact on Oversight Panel activities and what the path forward should be, and Jack Grobe will “circle back” with the LLTF as necessary to ensure mutual understanding of issues impacting the Panel.

Item 88 was discussed. A draft significance determination has been received and reviewed and comments provided back to Sonia Burgess. She is working on revisions to the proposal.

Item 91 was discussed. Jack Grobe will determine next steps.

Item 95 was discussed. The “hold” for “re-start” will be before control rods are pulled to achieve initial criticality. Dave Passehl has the action to draft an update to the Confirmatory Action Letter which will include this clarification of specific plant conditions requiring NRC approval for “re-start,” will close any CAL actions which are entirely complete, and will factor in appropriate information in the licensee’s re-start action matrix - due date is 10/18.

Item 98 will be addressed during a single-topic meeting/telephone conference call (set for October 4) focusing on the current contents and status of the Process Plan and needed revisions.

Item 99 was discussed. Christine Lipa will discuss assembly of applicable items for the list with John Jacobson - due 10/11.

Item 102 was discussed. The evaluation of plant specific and generic TSP calculations under Items 54a and 54b address this concern.

Item 105 was **CLOSED**. The appropriate changes in report distribution have been accomplished.

Item 106 was **CLOSED**. The issue has been placed on the restart checklist.

Item 107 was discussed. The AIT follow-up inspection report should be issued 10/1 or 10/2; this item will then be re-examined during a Panel meeting in two weeks’ time - due 10/15.

Item 108 was **CLOSED**. OI issues will not be added to the re-start checklist.

Item 110 was discussed. Revision 1 to the Technical Root Cause report has been issued and is under review, with the safety analysis expected to be delivered 10/15.

Item 112 was discussed. Monthly public meeting dates are set for October 16, November 13 and December 10 or 11. Christine Lipa now has the action to pursue the scheduling of dates for possible additional meetings in January, February and March 2003.

Item 113 was discussed. Assigned to Tony Mendiola to provide NRR tracking.

Item 114 was discussed. An update on a potential site visit by Brian Sheron will be provided by Jon Hopkins - due 10/8.

Item 115 was **CLOSED**. Action was completed on 9/25.

Item 116 was discussed. A decision on adding “completeness and accuracy of records” to the re-start checklist will be deferred pending issuance of the AIT follow-up report.

Item 117 was discussed. Several licensing actions were completed 9/30 relating to some code relief requests. Jon Hopkins will report on the status of remaining licensing actions - due 10/11.

Item 118 was discussed. Bruce Jorgensen has arranged for DRMA (Donna Pechous) support and is receiving digital photos from various sources (none so far show before-and-after corrective maintenance) to be placed on the RIII internal web page in the form of a "picture album" - due 10/11.

One new item (**Item 119**) was identified relating to performance of a specific review of the AIT follow-up inspection report to identify examples of incomplete or inaccurate information from the licensee, leading to a discussion with OI regarding their view of a need to bring such examples to an ARB. Dave Passehl is assigned the item with a due date of 10/15.

Licensing Issues/Actions (DLPM) - status sheet

The status of Davis-Besse licensing activities and ticket tracking was presented by Tony Mendiola and Jon Hopkins:

- A "package" of relief requests was approved 9/30, removing two items from the re-start checklist; three "relief" items remain (A-26, A-27 and A-02) as constraints to final approval of the "new" vessel head... except for A-2, for which we are awaiting a contractor's report, actions on these items appear ready to go.
- A licensee submittal is needed to address potential T/S changes in selected parameters relating to the new vessel head - items like pressure and temperature curves, etc.
- The Tauzin/Gillmor congressional committee terminated its review of Davis-Besse related issues unexpectedly, with NRC still "owing" some information to the committee. NRR will complete assembly of the requested information and will provide it to the committee investigator.
- Actions are complete on FOIA 2002-229 (Gunther original) and three boxes of materials have been provided.
- The response letter to Peter Skinner (N.Y. Att'y General) is in NRR management review/concurrence.
- The extension request on FSAR update response, was denied. The response is still due in mid-October.

2. IMC 0350 Panel Business

Inspection Schedule

The status of on-going inspection activities was briefly discussed; the licensee's schedule will "drive" some inspections, and that schedule is somewhat in flux. Team leaders will continue to coordinate with licensee counterparts to minimize scheduling problems.

Process Plan

The proposal to update the Process Plan, merging in the proposed Project Management Summary, was briefly discussed. The decision was made to have a separate, single-topic telephone conference call with NRR representatives later in the week to discuss the Process Plan. Dave Passehl was assigned to coordinate the call for 10/4.

Restart Checklist - Investigations

No new information provided.

Licensee Return to Service Plan

No new discussions.

Allegations

Dave Passehl reported that his analysis of the nature and number of allegations at Davis-Besse suggested both had changed. The potential for a safety-conscious work environment issue was discussed. The discussions also addressed the licensee's internal survey results seeming to show some staff may feel schedule pressure and have issues of trust with the new management team. The decision was made to request that the licensee address, at the next public meeting (10/16) their views relating to the issue of a safety-conscious work environment, including specific results and actions, if needed, to address this problem. Jack Grobe will address this request to Lew Myers.

3. NRC/Licensee weekly calls

Next call 10/2.

4. Utilization of the Web Page

No new items were discussed

5. Future Activities/Plans/Meetings

Six-week look ahead schedule

Discussion was held on possible site visits by NRC management. The Jim Dyer/Sam Collins visit is scheduled for 10/9. The LLTF is tentatively scheduling public meetings at or near the site on 10/24-25 for discussion of their findings and conclusions. A visit by Brian Sheron has not been targeted; Jon Hopkins will provide any new information during a future Panel meeting.

Next panel meetings: Tuesdays thru 10/29 2:00 - 5:00 EDT, 1:00 - 4:00 CDT

Monthly allegations briefing to be added to agenda.

6. Discuss how to handle public or staff comments, questions, allegations, and concerns received by phone, fax, letter, email, or at public meetings.

No new issues were discussed.

IMC 0350 Panel Action Items

| Item Number | Action Item (Date generated) | Assigned to | Comments |
|-------------|--|-------------|---|
| 24a | Discuss making information related to HQ/licensee calls publicly available | Panel | Discuss by June 30, after safety significance assessment complete. 6/27 - Invite Bateman to panel mtg. To discuss what else is needed to closeout the CAL (i.e. quarantine plan). 7/2 - NRR not yet ready to discuss. 7/16 - See if procedures have changed on CAL closeout - does JD need to send letter? 7/18 - Discussed - is there an applicable regional procedure? 8/6 - Discussed. Need to determine the final approach on the core removed from the head and the final approach on the head before the quarantine can be lifted. 8/22 - Revisit action item after letter sent to licensee confirming plans with old vessel head (head may be onsite longer than originally anticipated) 8/29 - Memo to be sent to Region, with a letter to go out next week. 10/01- Discussed. 1) Conduct NRC staff survey-due 10/7 2)Memo to NRR - due 10/11 3) Region to issue letter |
| 26 | Provide licensee with inspection schedule | Panel | 7/16 - pending 7/18 - J. Jacobson working - will follow issuance of restart checklist. Est due date 8/2 to include scheduled and TBD inspections. 8/22 - System health dates now set - will likely send out schedule next week. 8/27 - Discussed - on track to send out next week. 8/29 - discussed, on track. 10/1 - Discussed. Issue schedule |

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| 54a | Review TSP amendment and advise the panel on the need for a TIA on Davis-Besse (7/2) | D. Pickett | 7/9 - Discussed. Will wait for response from licensee. 7/16 - Discussed - added action item 54b. 8/6 - Sent to the licensee on 7/22 and a response is due by 8/22. 8/22 - Discussed - need to check if response has been received. 8/27 - Received response - DRS is reviewing - will fax to NRR for 54b. 8/29 - Discussed, DRS report of response to be issued to panel prior to item 54b. 10/1 - Discussed. DRS coordinating with NRR |
| 54b | Initiate correspondence w/NRR to evaluate generic implications (7/16) | T. Mendiola | 7/18 - Memo will be sent to Hannon's group. 8/6 - Discussed - not yet issued. 8/13 - Discussed - need info from 54a first. 10/1 - Discussed. Forward to B. Bateman - due 10/18. |
| 71 | Discuss review and documentation of the Technical Root Cause and determine if the action is in NRR's work management system. (8/6) | Sands Dean Panel Lipa | 8/6 - Invite to 8/13 mtg. 8/13 - Discussed. S. Coffin to provide feeder to Lipa regarding conclusions due 8/30 draft. 8/22 - Discussed - NRR will email draft for review/ need to determine how final input should be sent from NRR to RIII. 8/27 - Discussed draft input and process for formal transmittal from NRR to RIII. 8/29 - Deferred to 9/5 meeting. 9/18 - On hold due to crack 10/1 - Discussed. Rec'd and under review |
| 72 | Review LLTF observations and determine appropriate closeout. (8/6) Review for safety issue/ AMS/OI/new items. | Lipa/Collins | 8/13 - Discussed. Items reviewed for allegations. No new allegations identified. Info related to ongoing investigations will be forwarded to OI. 8/22 - Discussed - need to keep this item open as a reminder to consider outstanding LLTF items. 8/29 - Discussed - leave open. 10/1 - Discussed. |

| Item Number | Action Item (Date generated) | Assigned to | Comments |
|-------------|---|----------------------------|--|
| 73 | Send feedback form on IMC 0350 procedure to IIPB (8/6) | Lipa Mendiola | 8/6 - Generate feedback after panel meetings reduced to once per week. 8/29 - Discussed - no change. 10/1 - Discussed. |
| 74 | Matrix strategy for UCS and other requests. (8/8) | Lipa | 8/13 - Discussed. 8/22 - Discussed - matrix is being developed will send out for review when ready. 8/29 - Discussed - matrix has been started. 10/1 - Discussed. |
| 82 | Circle back with LLTF to put their observations into context (8/8) | Grobe | 10/1 - Discussed. |
| 83 | Verify results of ongoing research related to the technical root cause evaluation has not changed NRC/DE conclusions (8/13) | Panel Coffin | |
| 85 | Send letter/action plan to the licensee regarding actions required to be completed to close CAL item related to quarantine (8/20) | Dean (DE) Hopkins | 8/22 - Discussed - NRR will send draft to RIII by 8/30. 8/27 - Discussed - letter being drafted and should be ready next week. 9/19- On hold due to crack - get letter out to licensee re: from Mode 3 to Mode 2 |
| 88 | Develop draft proposal on how to assess significance/respond to TIA (8/20) | Burgess | 8/27 - Working to a due date of 8/30 to present to the panel next week. 10/1 - Discussed. |
| 89 | Provide report input on Framatome inspection of records for the new vessel head (8/27) | R. McIntyre M. Holmberg | Will be feeder to Mel's need for 9/17 public mtg. 9/17 - Plan to send this week to Mel. 9/24 - Report expected out next week. |
| 90 | Response to feedback form from 8/20 Public Meeting (8/29) | J. Strasma | |
| 91 | Call McClosky to discuss docketing Return to Service Plans (9/3) | Lipa | 9/17 - Called - need to check back. 10/1 - Discussed. Jack to discuss with L. Myers |

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| 95 | Interpret CAL & TS and define which mode change needs approved (9/5) | Lipa Thomas | 10/1 - Discussed. |
| 96 | Ongoing phase 3 observations of management and human performance following restart (9/5) | Lipa | |
| 97 | Bulletins 2002-01 and 2002-02 response and acceptance (9/5) | NRR | |
| 98 | Poll staff for differing opinions (9/5) | Panel | Incorporate into Process Plan 10/1 - Discussed. |
| 99 | Bring to panel all 95002/95003 attributes (9/5) | Jacobson/ Lipa | 9/24 - Decision for C. Lipa to discuss item with J. Jacobson. 10/1 - Discussed. Due 10/11 |
| 102 | NRR Approval of Concern 3 for Licensee Investigation Report for Allegation No. RIII-02-A-0110 (9/12) | Mendiola | 10/1 - Discussed. TSP calculations under 54a and 54b address this concern. |
| 103 | Issue 3 memos to staff - forward emails to DB0350/RES/NRR/RIII (9/17) | Dean/Grobe | |
| 104 | Add UCS to service lists in RIII and NRR (9/17) | Lipa/ Mendiola | |
| 105 | Call Lochbaum and ask if adding him suffices (9/17) | Macon | 9/24 - Add Lochbaum to service distribution lists. Once this action is complete, Item 104 will close as well. 10/1 Closed. |
| 106 | Risk-significance on containment sump past operability - consider for checklist (9/17) | S. Burgess | 9/24 - Add this item to restart checklist as item 2.c.1. 10/1 Closed |

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|-------------|---|------------------------|----------------|
| 107 | When AIT F/U IR is issued, consider item on records& communication accuracy (9/17) | Panel | 10/1 Discussed |
| 108 | Resolution of OI issues, consider adding to restart checklist (9/17) | Panel | 10/1 Closed |
| 109 | Assure proper inspection code charges are used for current teams (9/19) | | 9/24 - closed |
| 110 | Determine when licensee will docket technical root cause and determine when the safety analysis will be delivered to the NRC (9/19) | J. Hopkins | 10/1 Discussed |
| 111 | Coordinate with LLTF to brief state and county officials (9/19) | R. Lickus | |
| 112 | Contact Nora (Myers secretary) to explain feedback and establish future ROP dates(9/19) | C. Lipa | 10/1 Discussed |
| 113 | Remove UCS representative from service lists 90 days after DD is issued (9/24) | C. Lipa/ A.Mendiola | 10/1 Discussed |
| 114 | Details of expected visit to site (9/24) | Hopkins/ Sheron | 10/1 Discussed |
| 115 | Notify licensee that health physics issue may be added to restart checklist (9/24) | Grobe | 10/1 Closed |
| 116 | Inform licensee that completeness and accuracy of records issue may be added to restart checklist (9/24) | Grobe | 10/1 Discussed |

| Item Number | Action Item (Date generated) | Assigned to | Comments |
|-------------|---|-------------|----------------|
| 117 | Provide a report on all licensing actions for DB to the DB Oversight Panel (9/24) | Hopkins | 10/1 Discussed |
| 118 | Produce a photo view book that would have before and after photos of corrective maintenance items. (9/24) | Jorgensen | 10/1 Discussed |
| 119 | Discuss with OI, need to bring to ARB (10/01) | Passehl | Due 10/15 |