If you walk around our plant versus our other two plants, you walk down into the different areas, the shop, over in engineering; each department at other plants have very specific performance indicators that support our goals and objectives at our stations, and we monitor those performance indicators, routinely stress the indicators with our employees, and then survey to make sure they have a clear understanding and buy in.

We don't see that at Davis-Besse. In fact, there was no indicator awards in our shops or in operations, stuff like that. We've added that since that evaluation has been done. In fact, we had the tools that we use at our other plants on order for this plant.

We are still not where we want to be though there. We need to have clearly defined indicators that people understand and can relate to. So, we need to continue work in that area. So, that area also is yellow.

Next slide.

Go to the Plan Management Commitment Area, that's the second area that has to do with us as a management team. There is seven management level commitments in this area. I use the word seven level commitments in this area. So, that's the, the areas hanging on the side of the commitment area.

If you go look, four of the commitments, we're

assessed as white in this area. Three areas were assessed as yellow. And the overall trend in this area we would say is improving.

If you go look, there is, we assessed as yellow; ownership and accountability is evident. We don't think we're still getting the ownership and accountability, I'll explain that in a few minutes, as we should be.

Commitment to continuous improvement is evident.

Cross-functional work management and communication is also yellow.

Let's go to the next slide.

So, what is the basis for that? Well, until recently, the site had continual delays on many of our actions. First, you go look, based on self-assessments, we found that the drive for continuous improvement throughout this shutdown has not been evident. In fact, a lot of places where we think we should be gaining margin, we've actually lost margin over the years.

Additionally, if you go look at the present time, so that's looking backwards; at the present time, at that time there were a lot of corrective actions and CRs that were past their late date, and paperwork has not been approved by management to allow that to happen.

Scheduled hearings was also a problem, in which our indicators were not sure when our scheduled hearings were

anywhere near what we would like it to be. We understand that's why, because we're in an outage now we're planning and designing while we're in there, so that schedule here, we typically spend up to 90 percent ranges, much lower than that.

Identify lack of trust in several areas still exist. If you go look at the messages that we get from our employees, sort of a wait and see attitude on the future. In fact, you know, you know, making a lot of good changes now where we continue to go forward. I think we want to demonstrate that until we get our business plan very visible, we'll demonstrate those, we'll continue to go forward after startup.

Almost all of our employees developed plans-- or were overdue at that time. What we do is we evaluate our, our people each year, and then have a developmental plan. And this is a first time we've done that as the management team here. And, at the time we did this assessment, they weren't complete.

So, it's just they weren't completed, they graded yellow. Didn't say, by such and such a date. We actually completed them on the time we agreed to from a management perspective, but they weren't complete.

Then, contract training qualifications are a concern. We talked earlier about the amount of work we're

seeing with some of the contractors, how Randy brought in and I brought in some specialty contractors on the, on the containment air coolers, you remember, six people.

Jack, you talked about that.

And then containment, some of the rework we had on the polar crane that we talked about on a meeting earlier.

So, those are the reasons some of those areas wind up, those commitments wind up being yellow.

Now, if you go down in the individual area. In the individual area, there is five commitments on the side there. One we rate as green, one white, and three yellows.

From a yellow standpoint, drive for excellence - nuclear assets of people and plant are continuously improving to enhance safety margins.

The next area was rigorous work control, a prudent approach to performing activities in a quality manner is the standard.

Nuclear professionalism. Persistence and urgency in identification and resolution of problems is prevalent. If you go look at that area on the next page; overall the quality of our prejob briefs is white, and green for critical evolutions.

But remember awhile ago we told you about those routine prejob briefs? If you go look at the performance

indicators we showed you last month. If you go look at the amount of coaching between supervisors and management, management is finding many more coaching opportunities than supervisors. Quite a big delta there. We need to monitor, to bring those two things in line, or at least understand them better.

We need to put resources on procedure change backlog. We've done that. When we look, when we were doing our assessment, the number of outstanding procedure changes we had sort of surprised all of us when we went through that group review. And so, we decided to throw some resources on that and try to make sure we get these procedures in good stead prior to restart.

Additionally, if you go look at our rotating equipment is a major rework challenge. We've had several problems with, where we rebuilt some of our rotating equipment and had problems with it.

Then there is also some deferrals. Many of our plant components are not working and we have to do preventative maintenance on our components, which you can't do it with the mode we're in. So, there is PMs waiting deferral, and we need to defer those. So, that was a paper issue that we hadn't got them deferred. There was like 72 ~~OPMs~~ PMs that had not been properly dispositioned, and then, at that time.

And then personal initiative and ownership, we also said was yellow. In fact, ownership to complete the job is a weakness specifically in the maintenance area. We don't, still don't see the ownership that we would like to see in the maintenance area, get jobs done.

If go back to the next slide, you see the Safety Culture Assessment that we did. I would like to take a moment and just give you some thoughts from the independent review, that we had the correlation there.

Under long term areas for improvement, we noticed several areas where safety is recognized as a value in the organization, but it's not consistently understood. You know, that's pretty much the same thing we noted too. So, that's in the independent report that we saw.

And one of the things, we talked about ownership awhile ago. Individuals readily accept responsibility to take ownership of problems, but others, some individuals do, but others are still reluctant to do so. So, a good correlation there.

And, an integrated and cohesive organization on safety, leadership process does not yet exist. And what we mean by that, is if you go look at our, our process to make sure that, that safety issues are identified like in prejob briefings, you mentioned prejob briefings and operations awhile ago; we have a structured approach that ensures

those safety related activities get talked about on a shift basis. And, you really doesn't find that in the turnovers, so we're going to add that.

Prejob briefs for critical evolutions was another area noted in the independent assessment report. From a management standpoint, a manager perceived that attention to safety is valued in the organization, more than nonmanagement personnel. Remember that I told about the delta that we saw between some of our work force and our perceptions. That was noticed in the report.

Station personnel expressed a number of concerns about continuing FE support, FirstEnergy support, that is, for restart efforts and ongoing support after restart. That's sort of the same issue that we found. And, you know, if you go look at our business plan, that not being out of clear expectations for the future, we thought is one of the main issues there, that would help resolve some of that at the present time.

Activities related to ensuring that sufficient number of personnel necessary and knowledgeable -- necessary, knowledgeable skills and abilities are and will be available to conduct work at the station have been stopped during the outage. Once again, that gets back to some of the training that we have stopped, but we are restarting now. And Randy talked about the Operations

Training that's restarted.

Under ownership and accountabilities. Owning the problem until it's resolved. Maintenance groups scored significantly lower than other groups.

In the nuclear professional area, many personnel did not see evaluation process as tied to professional development. You know, we would say that too, we've not effectively used our professional development plans as well as we should at this station.

Then under drive for excellence. Timeliness of issues, issue resolution is problematic and must be improved. That's that drive to find and fix problems. We're pretty good at finding the problem, but we're not as driven at fixing the problems as we should be. In fact, even today, if you had to ask us as a management team, we'd tell you that there are probably some things that we found last year that we think we should have fixed by now; in my opinion anyhow, that haven't been fixed.

Personally, I can give one specific example, I looked at the other day, going to go do some insulation for the turbo charger on the diesel. And you know, I thought that would have been done by now, but we still don't have it done. So, I'm sort of disappointed on that.

So, just in summary, if you went in and looked at the independent consultant report they wrote and looked at

all the issues they found, there is a bunch of positive issues. I gave you a lot of negatives today. But, in my mind, it was a very good correlation in that report, and in some of the areas we assessed ourselves in. There are also some areas that are there, that we even need to look harder at as we go forward.

That's all I have, thank you.

Oh, yeah. You know, we have a public meeting in a few weeks, where we'll go through the entire report and the actions taken. I thought I would take today's opportunity to just wet your appetites some.

MR. GROBE: Appreciate that, Lew.

I have a question or two and a couple observations.

Could you go back to slide 49, please. There you go.

I just wanted to make the observation, two observations on this. One, is that I'm not aware of any other plant in the United States that has this kind of a process. The procedure that you were referring to has about roughly 50 pages of tables like this, on every one of these attributes.

MR. MYERS: Right.

MR. GROBE: And the NRC has no requirements in this area. So, with respect to these

thresholds or even what areas, what attributes you're looking at, there is no guidance or requirements that the NRC has promulgated in this area. So, it's particularly noteworthy that you folks have taken this on with a certain amount of vigor. You earned the opportunity to develop this procedure.

MR. MYERS: Right.

MR. GROBE: By creating a fairly highly risk significant situation from a bad safety culture. So, it's, I wanted to make the observation that this is an area that is somewhat cutting edge, and clearly the NRC has no requirements in this area.

It makes the evaluation of this more challenging for us. Clearly, it's an area that we need to be confident is adequately restored for safe operations prior to the NRC's authorization for restart, but it's a uniquely challenging area; and to that end, we put together a fairly impressive, I think, team of folks, six folks that are in the midst of an inspection of this.

Again, a couple of weeks ago, in late March, when we received the first report from your outside consultant, there were three of the team members there for the presentation of those preliminary findings; and continue with all, five of the six folks on site last week, and several more weeks of inspection coming up.

That team includes a broad spectrum of folks, including people with 20 or more years of experience in doing these kinds of evaluations, organizational effectiveness, Safety Culture, which is just a term of art type of evaluations; as well as two former industry executives who personally had proven track records in recovery of poor organizational performance.

So, it's a robust team that's going to be taking a very hard look at this and evaluating the approach that you've taken.

I had one question. It concerns the individual areas; on one of your slides you indicated -- I'm getting my pages mixed up here, but you indicated that you had a two-day meeting with all of your managers, and you looked at this process and applied it on each work group.

MR. MYERS: Right.

MR. GROBE: And when you rate an area as yellow, in an individual attribute, whether it's ownership or accountability of the individual or plant management level or something at the individual level, I would imagine that there is a spectrum of performance in that area across different work groups; is that correct?

MR. MYERS: Absolutely.

MR. GROBE: So, if you rate someone as yellow, there could be some work groups that may

be green in that area and other work groups that may not be so good, may be red in that area; is that correct?

MR. MYERS: Well, for example, right now, we think pretty highly of the progress we're making in Operations, but you go look at Chemistry and HP at the time we did this, there was a lot of questions to be answered. So, that's absolutely correct.

MR. GROBE: Okay. Could you describe just briefly, then we'll move on to Bill's area. Could you describe briefly what your restart criteria is in this area that you currently identified?

MR. MYERS: Yes. I have that with me, as a matter of fact. We would expect to see, what we would define ourselves as a positive trend in Safety Culture, for restart and improving Safety Culture trend. Every area assessed must be, must not, they don't have to be white or green. Some areas may be yellow. But we would not expect to see reds. Okay? So, in general a positive safety trend with no major areas being red.

MR. GROBE: Could you back up one slide, please?

So, what you're talking about is the central areas with the blue arrow?

MR. MYERS: That's correct, yes. And I would tell you, once again, you have to look at

each area in what you're doing. Like the readiness for Mode 4 will be different than the readiness for Mode -- for fuel load, okay. So, each one, it takes a lot of management attention to say, are you, the question is, do you remember, I hate to use the Challenger event, but why should you go forward. And that's what you should be doing when you do this.

This is just another management tool I'm very excited about. If you want to be a good manager, this may help you some in being a good manager in helping you understand what's going on in your organization, so I'm pretty excited about this tool myself.

MR. GROBE: Any other quick questions?

MR. MENDIOLA: I have two questions. Question number one; any new program is implemented or used, if you will, in response to any of these areas, obviously, when assessed right out of the box can't be green, probably is red, even white, probably starts out as yellow the first time it's assessed. And, clearly, you would hope that the program would turn around and eventually work its way toward green.

MR. MYERS: Right.

MR. MENDIOLA: But understanding that, has there been any area or any program that you've

implemented that has been, if you will, certainly frustrating to your organization, has been remaining yellow longer maybe than you wanted it to, through the assessments that you made?

MR. MYERS: Well, there is two or three programs that come to mind right now that are, we are, I would think of also. One would be the quality of our licensing information. I feel fairly good about that presently, but from looking back, making sure that our licensing information has good quality.

And, the other program would be our Corrective Action Program. You know, we wrote, I don't remember how many thousands it is, ten thousand or so CRs, you know. It's a massive number of CRs. And as I just heard right here, walk down the entire plant. And then to deal with all that is complex and difficult, you know. But it's a huge, huge task; and, especially when each CR generates about four corrective actions on the average.

So, keeping up with all that, and tying stuff together properly, and getting through this process with a good Corrective Action Program, I would say it's probably the most frustrating thing that I've tried to do in my career.

I believe that our Corrective Action Program got us into this, and it's got to help dig us out. So, we really

use the Corrective Action Program for every one of the Building Blocks. It would have been easy just to write work orders or work requests or blanket work orders for all that stuff in containment. We wrote CRs and CAs, and now we're in the process of closing them all out, and it's time consuming. But it's, I still believe it's the right thing to do. That program comes to mind.

MR. MENDIOLA: The second question, of course, is maybe a little unfair.

MR. MYERS: This never stops.

MR. MENDIOLA: Obviously, FirstEnergy has other units in it. Both Perry and Beaver Valley are faced with major evolutions in the coming year, outages, and so forth.

MR. MYERS: Right.

MR. MENDIOLA: Has this been applied to those units as well, the assessment methodology? And the reason I ask that, is to determine if there is any feedback from their use of this methodology as applied to Davis-Besse?

MR. MYERS: We have not applied that at this time. They're familiar with the process. They've looked at it. They've sort of assessed theirself for Safety Culture, but nothing to the degree that we have over here. And, that's because we're piloting

the program.

Once we get the program through the restart, we're going to turn it into some kind of nuclear operating procedure and look at it across our sites. But we have to perform assessments of Safety Culture at each one of our sites, but nothing like we've done here. Okay?

MR. MENDIOLA: Thank you.

MR. GROBE: Bill, we have several more slides to go, and I don't want to leave off either any of the three topics we have left. You've certainly got a tremendous amount of data that you're prepared to present. I think it's important that the public have an opportunity to see this data. Many of us have already reviewed this information.

So, if you could just kind of get through your presentation while covering it, but do it a little bit spritely, I'd appreciate it.

MR. PEARCE: No problem.

What this is about, my section is Safety Conscious Work Environment Employee Survey.

As you remember last August, we did a survey. And this is the next one now. It was, this one was conducted March 26 through the 28th. We actually, this survey, we got good response out of it. It was a voluntary participation survey; and out of 1448, population of 1448,

we got 1138 responses. There were 36 questions on this, which 26 were the same as the August 2002 survey.

And we kind of structured it around the four pillars. So, the next slide, shows you the four pillars. And all that does is shows you the number of questions at top that cover each pillar.

Next slide.

I'm going to go through some of these and give you some examples. This is the way this thing set up. You can flip through it yourself and look at it. You see August 2002 is on the left, the result and then on the right is the March survey we did this year.

And this question; "As a nuclear worker, I am responsible for identifying problems and adverse conditions." We had 98 percent positive result in 2002, and in 2003, we went to 99. So, I'll go through a few of these and skip through some of them.

Next slide.

The question was, "If I had a nuclear safety or quality concern, I would raise it." We got a 98 percent positive response. We didn't ask that question last year.

Next slide.

You see, "Management's expectations regarding safety and quality are clearly communicated." We had a 55 percent response in 2002. And now we've gone to 89 percent

positive response. And then the one on the right, we didn't ask this question in 2002, but we got a 63 percent positive response.

Next slide.

"My first line supervisor/foreman addresses concerns brought to his/her attention." And last year, we got 61 percent positive response. This year, we got a 90 percent.

Next one is, "Management is willing to listen to your problems." We got 63 percent positive response last year. 82 percent this year.

Next slide.

"Constructive criticism is encouraged." Went from 53 last year to 76 this year.

"I believe my management cares more about identifying and resolving nuclear safety, quality, and compliance issues than cost and schedule." I think this is an important one here. You look at our root cause. We almost doubled it, or we had a large increase there. It's still not as good as we would like to get it. I'll talk about that at the end, but we got a very good increase on that.

MR. GROBE: Bill, just a quick question. Both of these surveys were only permanent plant employees; is that correct?

MR. PEARCE: No, this was all employees at the site. And at the end, I'm going to break that down a little bit. I'll show you something with that.

MR. GROBE: Okay.

MR. PEARCE: Okay, Slide 66. The next one is, "I know how to write -- didn't ask this question last time, but we got good response on both of the these, as you can see. Just go on to the next slide.

67. "I felt free to approach management regarding any nuclear safety or quality concern." You see the improvement there.

"I believe I can raise any nuclear safety or quality concern without fear of retaliation." We got a good improvement there.

Next slide.

69, "Identification of potential nuclear safety/ nuclear quality issues through the Condition Report process is effective in our organization." Went from 57 to 80.

"Resolution of potential nuclear safety and nuclear quality issues, including root cause and broader implications, through the Condition Report process is effective in our organization." We went from 45 to 74.

And again, I think --

(Discussion off the record - confusion of slide numbers.)

MR. PEARCE: Now 69. "I am aware of the Employee Concern Program and its purpose." We didn't ask those two questions. We got good responses.

So, now we're on 70? 70 is, "I believe issues reported through the Employee Concern Program will be thoroughly investigated and objectively dispositioned." We got 77 percent positive responses.

And, "I believe that Employee Concerns Program will keep my identity confidential at my request." We went from 66 to 76.

Then 71. "I believe that upper management supports Employee Concerns Programs." We went from 60 to 80.

And the next slide, 72. We didn't ask either one of these questions. "I'm aware of FENOC Safety Conscious Work Environment Policy." 96 percent.

"I am aware of the Safety Conscious Work Environment Review Team and its purpose." 82 percent.

73. "I believe my work environment is free of harassment, intimidation, retaliation and discrimination." We get a, 2002 we're at 67. We went to 77.

And then the last slide, in August of 2002, this is the question, "Within the last six months, I have been subjected to HIRD for raising" -- that's harassment, intimidation, retaliation and discrimination -- "for raising nuclear safety, quality or compliance concerns

while working at Davis-Besse." And, you can see that we went from 2002, a positive response of 7 to that question, to 8 in 2003.

And, "I am aware of instances that occurred in the last six months in which workers in my work group have been subjected to harassment, intimidation, retaliation and discrimination for raising nuclear safety, quality or compliance concerns." And we went from 12 to 15 percent.

But look at the next slide. Go to the next slide. This is, we segregated this to FENOC only, because a training, the training that we have done, we focused on training FENOC supervisors and management and FENOC employees. And this was the same questions when you break out FENOC only. And you can see here, we went from a nine percent in August to a five percent in March for those same two questions we asked previously. And from an August question about, I am aware of instances in which that's happened; we went from 15 percent in 2002 to 10 percent now.

So, where we've trained people and focused, and they understand what the issues are, we saw the expected improvement in this area.

So, let me give you some feedback that we got. Lew presented the results to our employees at an All Hands Meeting. And on these two questions, they were, they said

they were confusing questions, and they were reversed in logic. In order to agree with it, you had to answer on the other side of the page. And they believed that that kind of stilted the results for some, in some manner.

So, I'm not trying to tell you that we don't believe the results. We do believe the results. And we know that we have some issues there. But we've shown, where we focused and people understand Safety Conscious Work Environment, we've gotten the result that we expected to get there. We're seeing improvement, and so, overall, I think we've got a positive result.

And in fact, if you look at the entire survey -- go on to the next slide.

MR. MYERS: Wait a second. There is like over a hundred people in the room where I did this. When I got to this question, I tell you, before I got through that, I felt like I needed HIRD, you know, because they were about to attack me. They said, this question was not a good question. It has a double negative in it. Some misread it. They were actually hollering in the audience. So, there was a lot of push back when I got to this one question about our employees.

So, it does give us some feedback having that many people in the room and listening to them. So, I'll share that with you. It's sort of interesting.

MR. PEARCE: So, let's go to the last one. So what, from the survey --

MR. RULAND: I have a question about the survey design You've chosen a scale of disagree, agree, don't know.

MR. PEARCE: Right.

MR. RULAND: Can you tell me why you chose that scale? You know, I read some of these questions, and you know, there is some that, you know, I could imagine an employee saying, well, I kind of agree with that, or I might not strongly agree, but I agree.

I'm interested in why you did this survey design the way you did? Not using a five point scale, you used a three point.

MR. PEARCE: This is a standard survey we did. 26, or I don't remember the number to give you an exact number, but there is a number of these are our standard instruments that we use. It's all in the industry. It's the same survey given across the industry. So, it gives us some way then to compare ourselves to other plants in the industry and see how we rate. That's the reason.

The majority of the questions, I believe there is 21 that are the standard questions. Don't hold me there, but I believe that's right. So, we tried to stay in a standard

format.

MR. RULAND: So, you used this foremat because you could compare it with the industry. Could you speak a little bit about that, about that comparison, if you did it?

MR. PEARCE: Well, we just got the survey, we just got it back, we have to go do that now. We just got the results out in the last few days.

MR. MYERS: This is pretty hot off the press.

MR. RULAND: All right.

MR. GROBE: Could you go back to 75 for a moment?

MR. PEARCE: Certainly.

MR. GROBE: It's easy for you to say that, certainly. She's over there trying to find 75.

What's the relationship between the number of contractors that may have taken this survey as to FENOC employees?

MR. PEARCE: I can give you those numbers. I have it right here.

MR. GROBE: It doesn't need to be precise. Is it like three times as many, five?

MR. PEARCE: There were 1138

total, 665 FENOC, 377 contractors.

MR. GROBE: Okay.

MR. MYERS: And the way we did this, we got what is it, 79 percent?

MR. PEARCE: 79 percent I think was the number.

MR. MYERS: So, it's not a low population, it's high population.

MR. GROBE: So, in rough terms, there is about twice as many FENOC as local contractors.

MR. PEARCE: That's correct.

MR. GROBE: I'm not real quick to dismiss the data out of hand. I understand there was some questions. But, some questions on the interpretation of the question.

MR. MYERS: Right.

MR. GROBE: But let's just take the last question on 75.

MR. MYERS: Okay.

MR. GROBE: You had in March of 2003, looking at the total population, you had 15 percent saying yes. If, if I understand that correctly, ten percent of those, the FENOC employees said yes. I believe what that tells me is probably 25 percent of your

contract employees said yes. To get an average of 15.

And that, I'm troubled by that. I think, I'm curious as to whether or not you're going to spend a little more time looking at this data and trying to decide whether you're going to need to do some additional evaluation in this area. I might have caught you cold.

MR. PEARCE: No, 16.4 percent of the contractors.

MR. GROBE: I think I need to look at the data some more then. Because I'm not sure how you get an average of 15 with 16.4 percent for one third of the population and 10 percent for two thirds of the population. That tells me that that should be down around 11 or 12.

MR. MYERS: I think you're right.

MR. GROBE: I'm not a great mathematician, but I think it makes sense.

MR. PEARCE: I have the numbers here. You're welcome to look at them all, Jack.

MR. GROBE: I think this area needs to be looked at. Okay? Good. Let's move on.

MR. MYERS: We gave you this so quickly. We just got this data this week from our employees, so it's very, we haven't really analyzed this

yet.

MR. PEARCE: Let me tell you one thing. I don't want this to come across defensive. I agree with you, we are going to do something with this. We are going to continue to do something with it, as we have our own employees. We need to focus more in the contractor area in some of these. And we've gotten some success out of the FENOC area. Now, we've got to focus more on the contractor area.

MR. STEVENS: I was going to say --

MR. PEARCE: Well, let me finish, Mike.

MR. STEVENS: Sorry.

MR. PEARCE: The issue that I want to tell you about is, what's happening is, with this question, is when folks haven't been trained on what is a Safety Conscious Work Environment, what is a safety issue; what you get a lot of, I read some of the responses back from the last one and this one; and what you get a lot of is people responding to their relationship with their management.

If they feel like they've been harassed about their work, it's really not got anything to do with safety issues necessarily, but in their mind, that's a harassment,

intimidation, retaliation; and I believe that, in my belief, is that's what's driving a lot of this question. Because it even disagrees with some of the other earlier survey where we asked some similar areas and we get a good result. And then we get to this particular question, and we get a bad one.

So, there is some confusion. Like I said, I'm not trying to discount or throw it out or anything, but there is a confusion with it.

MR. GROBE: I apologize. I think I interrupted before you got to your conclusions.

MR. PEARCE: Okay. Conclusion is, I think we've got significant improvement in the majority of the questions here. And those that you're asking about there are the ones we don't believe that we got the improvement that we would have liked to have gotten. And we're going to have to study those further, as you said.

We think that they're is still, the survey tells us that there is additional work demonstrating management commitment to Safety Conscious Work Environment, to continuing to improve confidence in the Corrective Action Program, and to continue to improve confidence in the Employee Concerns Program.

That those are areas that our survey has told us

that we may have, even though we may have improved in them, those are areas we still need to drive on to get better results out of. And, we're going to continue to do that.

MR. GROBE: Could we hear some more on this one, this last area next month?

MR. PEARCE: Sure.

MR. GROBE: I'm sorry. Let me be specific. The area I'm talking about is slide 74 and slide 75.

MR. PEARCE: I understand.

MR. MYERS: Mike.

MR. STEVENS: Are you ready to go on to my slides?

MR. MYERS: Is there something you have quick you were going to add?

MR. STEVENS: I think having it at the next meeting would be good. We are doing some stuff in that area, but we'll get it all wrapped together.

Could we have the next slide.

I want to talk today about our progress towards Restart in three areas; Major Milestones, Integrated Schedule and show you some Performance Indicators that we're using to track our outage work activities.

Next slide.

I'm not going to go through a list of things we're

making progress on. It's similar to what we've already previously presented.

We are preparing for the Mode 4, Mode 3 pressure test. It looks like that's going to be mid to latter part of May. And then startup is about a month after that.

We're pursuing all of our options with the high pressure injection pump to support that in the schedule.

Next slide.

This slide shows the total number of activities in our outage schedule. The top line is the total number. The middle green line is the number of activities completed. And the bottom blue line is the to go. This is to give you a sense of how many work activities we're accomplishing here.

MR. GROBE: Those lines across the bottom are weeks?

MR. STEVENS: Yes.

MR. GROBE: The to go line looks kind of flat.

MR. STEVENS: Well, it's been offset by the increase in activities with the constant work-off rate.

MR. GROBE: Okay.

MR. STEVENS: Okay. And part of the reason for that dip in the first peak, is when we did

our scrub and definition of the work that we needed to do, and generated some additional Condition Reports. As the Condition Reports got evaluated, the corrective actions came, out which we were anticipating.

Next slide.

This is Containment Health, Condition Report Evaluations. You can see how much progress we've made; the number of closed and the number remaining open.

Next slide.

Here's the Corrective Actions that have come out of those Condition Reports.

Next slide.

This is our System Health Restart Condition Report Evaluations. Made good progress there. Had quite a few evaluations to complete. Doing that pretty well.

Next slide.

Here is the Corrective Actions. So, we're integrating these Corrective Actions into our schedule on a system basis to support return of the plant in the right sequence; to operations, perform testing and startup.

MR. MYERS: What's interesting here, if you look at this line, we don't close, in our process, we don't close a CA out until the work is complete. So, this actually reflects completions in the field too. Okay?

MR. GROBE: Good.

MR. STEVENS: Next slide.

This is our On-Line Corrective Maintenance Backlog. You can see we're not coding them for on-line, or filling, by way of corrective maintenance.

Next slide.

In summary, I think we're making good progress. We're moving towards restart. High pressure injection pump, electrical distribution remain challenges in that we haven't fully defined that yet. We continue with our readiness meetings. And like I said, I believe mid to latter part of May, we'll be doing pressure testing, with startup about a month after that.

MR. GROBE: Okay.

MR. STEVENS: With that, I'll turn it over to Clark.

MR. PRICE: Thank you, Mike.

I would like to complete our presentation today by giving a high level overview status on our 350 Restart Checklist items and also our overall Restart Actions.

Next slide.

This is the Restart Checklist items that were discussed earlier in the meeting. This is at the beginning of those; checklist item 1 and item 2 are on this graph. And the color coding, I can explain real briefly. Green

means we're completed with that particular item. The brownish color is a not applicable item. The light blue color is something that is progressing, however it's waiting on plant conditions for, to be able to proceed further. And then the darker blue or purple, whatever color that actually is, are activities that are actually progressing right now.

In the 1-Bravo area, which is the Organizational/ Programmatic and Human Performance Issues. We have one item left in the discovery area, in that particular checklist item. That is an engineering assessment that is going on right now, and we'll be completing this week and is going through our Corrective Action Review Board tomorrow for final review. So, that should be cleaning up. And that will be our very last discovery item relative to our implementation action plan or our 350 checklist items.

The reactor vessel, reactor pressure vessel head replacement is light blue right now. That's waiting for full temperature/full pressure tests on the Reactor Coolant System.

We have our ILRT completed, which is in the 2-Bravo area. We're showing 99 percent there. That's in our containment vessel restoration. Following the head replacement, the Integrated Leak Rate Test was the final

activity in that area, however we have a few local leak rate tests to finish up and that will go one hundred percent complete.

We talked before, Randy Fast talked about the activities going on in Containment, which is in the 2-Charlie area. We're making good progress there. Are getting ready to complete most of those activities by the end of the month.

The containment emergency sump, we spoke about earlier. The installation of the sump is complete. We have a few minor work items, so we're not reporting a hundred percent yet there, but it's close to completion.

And we have some work yet going on in the auxiliary building in boric acid systems that are outside the containment structure with continued cleaning and inspection. And that has left inspections going on there that should finish up shortly. So, we're making good progress in that section.

Next slide.

The next slide is our Safety ~~Secure~~ Significant Programs that are on the Restart Checklist. I would like to talk about our progress since last month.

Since last month, we have completed the Corrective Action Program; both the discovery and the implementation activities. The Operating Experience Program has also

completed its implementation of its corrective actions. Our Quality Audits has completed the discovery plan and is well along the way and near completion of the implementation of corrective actions.

And another change, well, we've had the Radiation Protection Program Inspection Program Exit this morning that was discussed earlier. We still have a few corrective actions to work off there, and, but we're making good progress.

And then the very last checklist item that we have, the one at the bottom, which is Completeness and Accuracy of Required Records and Submittals to the NRC. We're progressing on that. We have an implementation action planned now defining all the activities that we'll do to address that, that checklist item, and we're progressing on those.

Next slide. Final slide for the 350 checklist items. We're making good, continue to make good progress on Adequacy of Organizational Effectiveness and Human Performance. That's the first item up there. Continue to work off our corrective actions in the improvement plan.

Another area moving down, we are now progressing, showing progress on an implementation activity associated with the Systems Readiness for Restart. We've added this previously. We were showing Restart Readiness Reviews in

that area. This now shows a percentage complete relative to the Condition Reports and Corrective Actions that have come out of the System Health Readiness Review Process through the System Health Building Block Plan.

And the one right below that, Design Calculation Resolution. We completed the discovery activities associated with that checklist item, and the implementation and corrective actions are included in the line up above it.

Then the last one I would like to speak to is Test Program Development and Implementation. Again, the Integrated Leak Rate Test also fit into the line item. But again now, this particular checklist item is on hold and will be progressed further when we do our Mode 3 pressure test.

MS. LIPA: Clark, do you have the number for that? I can't quite read it.

MR. PRICE: 66 percent.

MS. LIPA: Thank you.

MR. PRICE: So, if there is no questions on the Restart Checklist. We're making good progress. And this now transitions to our overall restart actions, which include the 350 checklist items, as well as items that we identified through our criteria that we've developed that we want addressed and completed prior to

restart.

This first draft shows the Condition Reports that we've discussed a lot about Condition Reports today, which we generate whenever we have any issues identified through any of our Building Block Plans or any other normal day-to-day activities, we generate Condition Reports to address those issues and drive resolution.

Mike Stevens referred to this a little earlier, this was bulk work that was in the schedule. This Condition Report Evaluations, you can see we're working down. We have 96 percent of the evaluations completed on Condition Reports that have been identified to-date. And, we have still 300 plus Condition Reports to, they're still in evaluation.

What I will say though, last month I talked about this, and I said that number should be worked down to about the hard remaining few. There is about a hundred in that number that's still remain from the Building Block Discovery Activities that are the ones that have emerged and we've talked about today as a number of the issues that we have.

The additional 250 roughly on that are continuing activities that we have day-to-day as our normal process during the outage of identification of issues that we want resolved, at least evaluated prior to restart, to determine

whether we want to implement any corrective actions associated with those.

So, there is an ongoing process. Like I said, since the last public meeting, we have added 250 Condition Reports to this population.

MS. LIPA: Clark, when you talk about prior to restart, are you talking about Mode 2 or Mode 1?

MR. PRICE: I'm talking Mode 2.

What this curve also has on it are a couple of projection lines. Based on work-off rates that we've had over the last four weeks, we do a couple different projections based on the average over the last four weeks, and the best we've seen that we have performed in the last four weeks; and that puts us out into the middle of May time frame for completion of these Condition Reports.

Again, our process continues to add Condition Reports to restart if the Restart Station Review Board determines it necessary, but right now, based on the work-off rate, we should be completed during the middle of May.

The next graph, our Restart Corrective Actions that come out of those Condition Reports. Again, showing what we have left. We have currently 1600 roughly Condition

Reports or Corrective Actions remaining that have been classified as restart. That's down from almost 2600 that we had last month at this time.

Again, we have a projection rate here based on our work performance that would put us out into the first or second week of June at the current work-off rates we've been experiencing.

So, we feel that both the Condition Reports and the Corrective Actions, and the work-off rates that we've been able to maintain and achieve fit into our restart schedule and continue to support the milestones that we have in our restart plan.

Any questions?

MR. GROBE: Nope.

MR. PRICE: Okay.

Okay, Lew.

MR. MYERS: In closing, you know, we were pleased with the exit today that we had in the Health Physics Area. As I said there, Health Physics is something pretty unique to our industry, so being on the 350 list in that area is not something I was excited about. But we were pleased with the exit that we had today. I will tell you that.

We're pleased with the progress that we've made this month in the Integrated Leak Rate Test. The work

continues. A lot more work ahead of us, we know that.

Corrective Action Evaluations are being completed, as that graph shows. The corrective, the Corrective Actions are also being completed. Many of the improvements have been made in our plant, and not only from a program standpoint, our Leak Rate Program, FLUS, seals, we've shown a lot of those things today, that we believe even in our containment for this age of a plant would probably be an extremely clean containment when we start back up.

Two issues of concern are still upon us, if you will. The HPI pump, I think, is our big issue for us; and the Safety Culture is something that we got to continue to take actions on, strong actions.

We're getting ready, I will tell you, to take some actions, which you'll hear about in the next public meeting, that will ensure that we have the right resources in these areas also. You know, so we're going to be doing some things to really focus, it take some management time, especially in the Safety Culture area.

Mode 4 is important to us. It's our next milestone. We understand we have to meet that safety evaluation, get that complete to get to Mode 4. So, that's very important to us and we're working hard.

I thank you for your attention today.

MR. GROBE: Okay. Thank you

very much.

Why don't we just take a couple minute break while we reorient ourselves and open up for questions from the floor. Okay.

(Off the record.)

MR. GROBE: This is the time of the meeting when we give an opportunity for any members of the public or other interested folks to ask questions, and we'll attempt to respond to them. Christine and I will field questions today.

I'm not sure if we have members, elected officials or local representatives that are still present, but if they are, I would like to give them an opportunity to go first.

No? Tonight. Okay.

Any other questions or comments anybody would like to make?

MR. KERFF: My name is Joe Kerff. I live in Ohio. I have a property on Lake Erie. And, I have been traveling to Lake Erie Islands for 35 years. And, I'm a metallurgical engineer. I'm on the Board of Ohio Citizens Action. And I hosted a Chernobyl child for a couple of summers because of a nuclear event that happened there.

When I look at these statistics and the presentation

on slide 73, Conscious Work Environment Employee Survey. In March of 2003, it says that twelve percent of the employees think they're going to be intimidated if they become whistle blowers, and eleven percent don't know if they're going to be intimidated if they become whistle blowers. To me that's 23, nearly a quarter of the total work force hasn't got it yet, even though there was a Chernobyl-type event that nearly occurred on the shores of Lake Erie.

And I don't understand that. I'm very uncomfortable with that statistic, that there is still a great number of people who work at the plant, that think that if they do the right thing, that there is going to be retaliation.

MR. GROBE: Appreciate your comment. I think that's some of the same sentiments that were expressed during the course of the meeting. I believe this survey was just completed within a week or so.

Where is Bill Pearce?

MR. MYERS: He's gone. He's left.

MR. GROBE: Oh, he left. I think it was just very recently that this survey was received. Randy?

MR. FAST: Two weeks.

MR. GROBE: About two weeks

ago. And FirstEnergy has been in the process of data reduction and trying to figure out what this data means.

Likewise, I believe the number Bill told me before he left was about 22 percent on that one specifically that I was asking about, 22 percent of the contractors appeared to be saying that, that they had some concerns about harassment, intimidation, retaliation and discrimination.

One of the challenges in this area are separating folks that are concerned about working conditions and translate that into other concerns or whether they're truly concerned. And we asked FirstEnergy to get into this a little bit more deeply and try to understand exactly what that data is telling them, and report out at our next monthly meeting.

So, I think your observation is a good one. It's one that we share, and it's something that we need to look at. So, appreciate that, thank you.

Other questions or comments?

Did I get a timid group this afternoon; or are you just all satisfied, or hungry?

MR. KERFF: Can I have a follow-up question.

MR. GROBE: Sure.

MR. KERFF: Who at the NRC will ultimate have the responsibility for signing off at

Davis-Besse?

MR. GROBE: The question was, who at the NRC will ultimately have responsibility for signing off at Davis-Besse. I assume by signing off, you mean authorize to restart.

MR. KERFF: Allowing it to restart, sure.

MR. GROBE: The panel which I chair, and most of the members of the panel here today, has the responsibility to make a recommendation to the senior executives in the NRC, ~~and~~ in the reactor program, two people in particular, as to whether or not the panel believes the plant is or is not ready for restart. And, when the panel is convinced that it believes the plant is ready, we'll make that recommendation and not before.

We make that recommendation to my boss. His name is Jim Dyer. He's the Regional Administrator in Region III, which is in Chicago. And, he consults with two people. One is the Director of the Office of Nuclear Reactor Regulation. He's the individual that has responsibility for safety across the entire country. Jim has the responsibility here in the midwest. And the other individual is the Deputy Executive Director for Reactors. That's Sam Collins' boss. His name is Bill Kane.

So, those are the three individuals. Jim Dyer has

the ultimate responsibility, consulting with Sam Collins and Bill Kane. And he wouldn't even consider the question until the panel was satisfied that everything that needs to be done is done.

Amy?

MS. RYDER: My name is Amy Ryder. I'm with Ohio Citizen Action. I have two questions.

One was just, I wasn't clear on the summary discussion on slide 86. They have listed that startup is approximately one month later. Is that your understanding, that startup would take place in June, that's what's scheduled?

MS. LIPA: Let me take this one. Based on what the Licensee has been telling us so far, and you saw some of the work-off curves, and they know what their long lead items are, they're estimating mid to late May for the Mode 4, an approximate month. And I can't really, you know, make a judgment on that at this point.

MS. RYDER: So, it's Mode 4 then?

MS. LIPA: This would probably mean, Mode 4 pressure test, which is the Normal Operating Pressure Test, which they're planning mid to late May. That's the 7-day test. And startup would be restart,

which would mean Mode 4.

MR. GROBE: Mode 2.

MS. LIPA: Mode 2, which would be their estimate that they would be ready to ask for approval to go to Mode 2 in about a month. That's what that means to me, but I can't tell you if that's accurate.

MS. RYDER: Okay. My other question is regarding this issue of the, two of the four gaskets on the reactor coolant pump; is that correct?

MR. GROBE: Um-hmm.

MS. RYDER: Two have been replaced, and they're still up for debate whether the other two will be replaced before we start. Has that been resolved?

MR. GROBE: I don't believe there is a debate on the part of the Licensee. There's been a number of questions raised. Let me just clarify.

In each reactor coolant pumps, there is four reactor coolant pumps, each one has two gaskets. It's a pair of gaskets with a leak off in between. And, these are on the main bolting of the reactor coolant pumps, reactor coolant piping.

The company chose to refurbish two of those during this outage, and refurbish the other two, is scheduled for the next outage, which is a year from now -- or a year from

when they restart. Excuse me.

There has been a number of issues raised about that, and there is an individual at Region III that's reviewing those issues, and I haven't received the results of that review yet, but the company's current plan is to not refurbish two of those pumps until the next outage.

MS. RYDER: Are you comfortable with that?

MR. GROBE: I just told you, we're reviewing all the specific issues on that. It's important to remember that these pumps are not safety-related pumps. They're the pumps that are used to circulate water for producing power. The safety-related pumps, we would have been much more involved had these pump been safety-related pump.

The specific gaskets do provide an opportunity for leakage of reactor coolant. There hasn't been leakage of reactor coolant in this area, and that's why they have the double gasket design. It's only been one of the gaskets that's been degraded.

Like I said, there is a number of interesting technical issues that have been raised and we're looking into it.

MS. RYDER: So, you don't think that the other gaskets are leaking?

MR. GROBE: Amy, I don't have any detailed knowledge of it. I'm telling you what I know about it. We're looking into it, and as soon as we have the results of that, we'll certainly let you know.

MS. RYDER: Okay.

MR. GROBE: Is that it? I thought you had two?

MS. RYDER: That was two. I'll keep going.

MR. GROBE: Okay.

Yes, sir?

I did have a timid bunch this afternoon.

MR. RIDZON: Paul Ridzon, McDonald Investments. I think it was either you, Jack, or Bill threw out, wants an 80-man week scheduled for inspections. I wonder if that is still accurate and kind of work-off rate on that?

MR. GROBE: The total number of man weeks inspection, that was quite awhile ago, I think maybe two months ago, has gone up just a little bit; and, in two areas in particular. We added some additional resources onto the Safety Culture Assessment, and we added some additional resources onto the Corrective Action Team Inspection.

We've been doing a significant amount of inspection

over the last several months. I can't give you the current number of how many inspector weeks I believe are left, but there is still a significant amount of inspection left. I think Christine summarized it on her slides earlier. Let's see if I can do it from memory.

There was four major inspections that are still outstanding. The Corrective Action Team Inspection has two or three more weeks of effort. That currently is not scheduled. It's maybe sometime in the middle of May. And that's an 8 person team, so that's 16 to 24 weeks of effort. And the Safety Culture Team has a couple weeks out of it left. And so, those are two of the major inspections that are left.

MS. LIPA: Right, we still have the Normal Operating Pressure Test. We still have a one week Fire Protection Inspection, and that's three people for one week. And we'll still have Restart Assessment Team, that will be right before restart.

And the other thing I wanted to point out, when the Licensee went through today their Restart Action, went through the Restart Checklist and it turned things green when they were complete. What that means, once it's green and they've completed their work, that's when we can do our inspection on that area.

So, we've been inspecting as they are done and we

mentioned at the beginning, that several of these will be closing ~~on~~ in our current inspection report.

MR. GROBE: And there is just one more that I remember, that you skipped over, and that was the Programs Inspection. That inspection is well under way, but there is still a little more to do. So, you know, I guess, to give a general comment, we're kind of midstream in our effort.

MR. RIDZON: I know it's out of your hands. I know a lot of this is out of your hands, but can you squeeze those inspections in before June 1st? I know it depends on when things turn green.

MR. GROBE: You know, I'm not into the schedule projection business. That's FirstEnergy's responsibility. We can't inspect the work until it's done. As Christine just pointed out, until those bars go green, the work is not done. So, there is, it's not ready for our inspection. As things are completed, we are inspecting them. And, I will continue to do that.

So, when the plant is ready for restart is when it's going to be ready. The company shared a number of activities that are still in the formative stages today. They mentioned the high pressure injection pump. What's referred to as the ETAP calculations; that's electrical

power distribution calculations; the diesel generator evaluations.

Those evaluations are still being completed. Final actions that are necessary to resolve those haven't been crystallized. They're working on those. So, there is still a couple of unknowns here.

We'll continue to progress. What's today, April 15th. We're going to have our inspectors here between now and our next public meeting, and we'll continue to give you feedback, but my statement, and some of the reporters kind of get bored with this, but it hasn't changed over the last several months. The company is still making good progress. I think that they highlighted today the results of the Integrated Leak Rate Test. That went very well. It was a very complicated test. Requires a tremendous amount of coordination. Went very well. And the results were positive.

So, that's one more activity checked off the list, but also an indication of the way in which they're accomplishing. There is still three significant areas that we're watching. There is what I call bulk work. There is still a lot of work to be done.

Second is resolution of the engineering design issues. They have made progress on a number of them. They still have several that I just mentioned that are still

outstanding. We need to identify the success path and get it under way.

And the third is the Safety Culture area, which they're well under way in. And Doctor Haber has completed her report. It will be public, I believe the company got it this week, it will be public shortly. And they have now completed their second internal assessment and our inspection team has begun its work.

So, they continue to make progress, but there is still work to be done. Those are the three areas that I still see the challenge areas. And, you know, we'll get to restart when we get there.

MR. RIDZON: Thank you.

MR. GROBE: Any more questions or comments?

MS. LIPA: I would like to mention that we will have another meeting tonight at 7:00 in the same facility. Also, that the upcoming monthly meetings will be May 6 and June 3, and I have them scheduled to be here at Camp Perry.

We also mentioned earlier in the presentation, we're working on scheduling two other public meetings; one to discuss the Design Issues and one to discuss the Safety Culture. So, there is some upcoming events.

Anybody else have any questions?

Okay, well, thank you for coming.

MR. GROBE: Thank you.

(Off the record.)

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CERTIFICATE

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal of office at Norwalk, Ohio, on this 25th day of April, 2003.

Marie B. Fresch, RMR

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