



# **Nuclear Regulatory Commission Briefing**

**July 24, 2007**

**Palo Verde  
Nuclear Generating Station**

# **Introductions**

**Randall K. Edington  
Senior Vice President and  
Chief Nuclear Officer**

# APS Participants

- ◆ William Post- APS Chairman of the Board
- ◆ Jack Davis- APS CEO
- ◆ Dwight Mims- Vice President, Regulatory Affairs and Performance Improvement
- ◆ John Hesser- Vice President, Nuclear Engineering
- ◆ Mike Perito- Plant Manager

# APS Participants

- ◆ Maria Lacal- Director, Executive Projects and Plant Support
- ◆ Mike Shea- Director, ImPACT
- ◆ George Andrews- Director, Performance Improvement
- ◆ Scott Bauer- Director, Regulatory Affairs

# **Opening Remarks**

**William Post**  
**APS Chairman of the Board**

**Jack Davis**  
**APS CEO**

# Opening Remarks

- ◆ Historical/Lessons Learned
- ◆ Actions
- ◆ Resources

# Historical/Lessons Learned

- ◆ Historical plant performance
- ◆ Metrics
- ◆ Workload
- ◆ Defensive/historical rationalization
- ◆ Accountability

# Historical/Lessons Learned

- ◆ Team performance
- ◆ Workforce turnover
- ◆ Internal orientation
- ◆ Communication
- ◆ Remember, high nuclear performance is more a function of people than technology

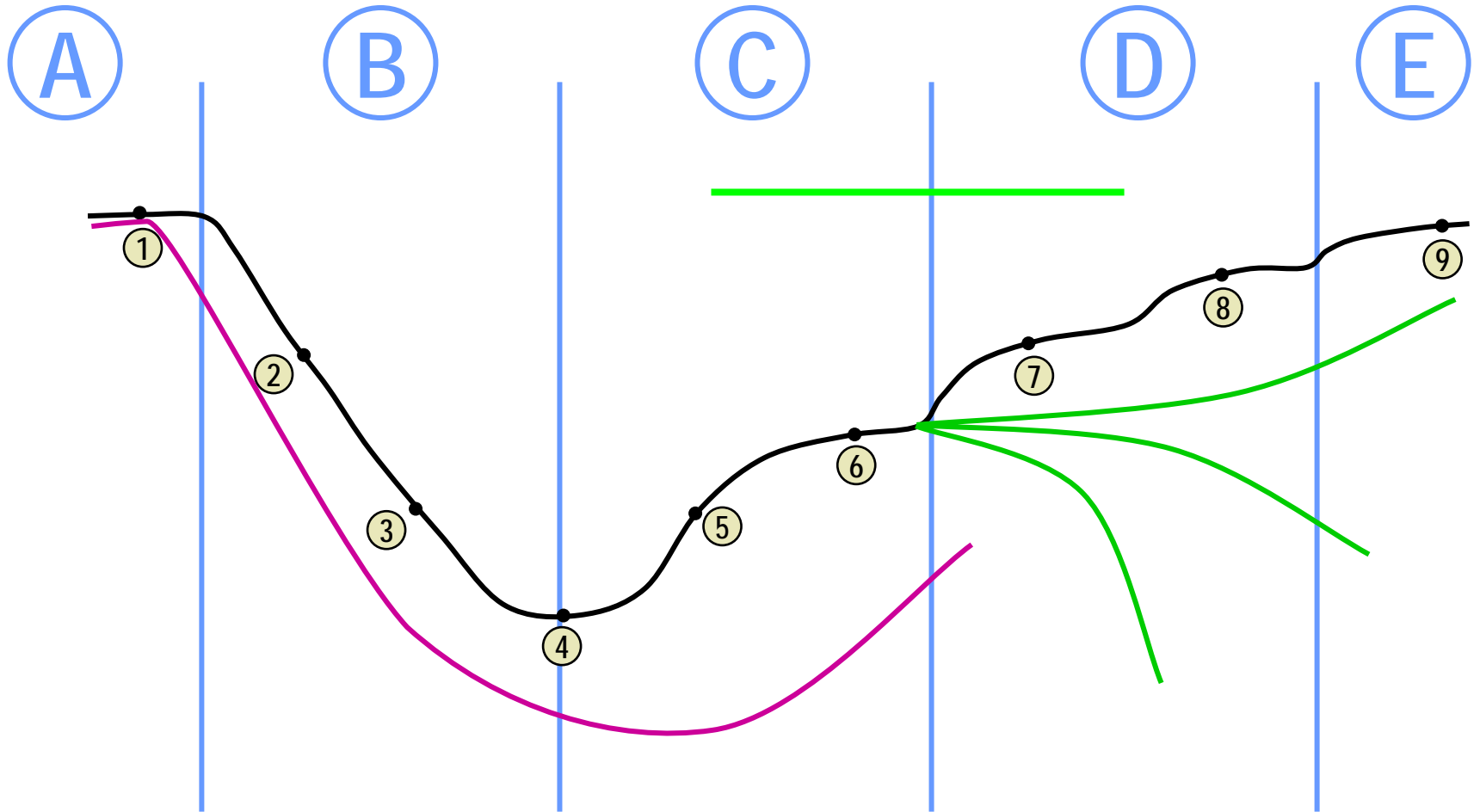
# Opening Remarks

- ◆ Historical/Lessons Learned
- ◆ Actions
- ◆ Resources

# **Improving Palo Verde for the Long Term**

**Randall K. Edington  
Senior Vice President and  
Chief Nuclear Officer**

# Stages of Power Plants



**Recognize**

**where we have been**

**Emphasize**

**where we are!**

**and where we are going!!**

History + New + Change = Palo Verde Way

Controlled change at deliberate speed

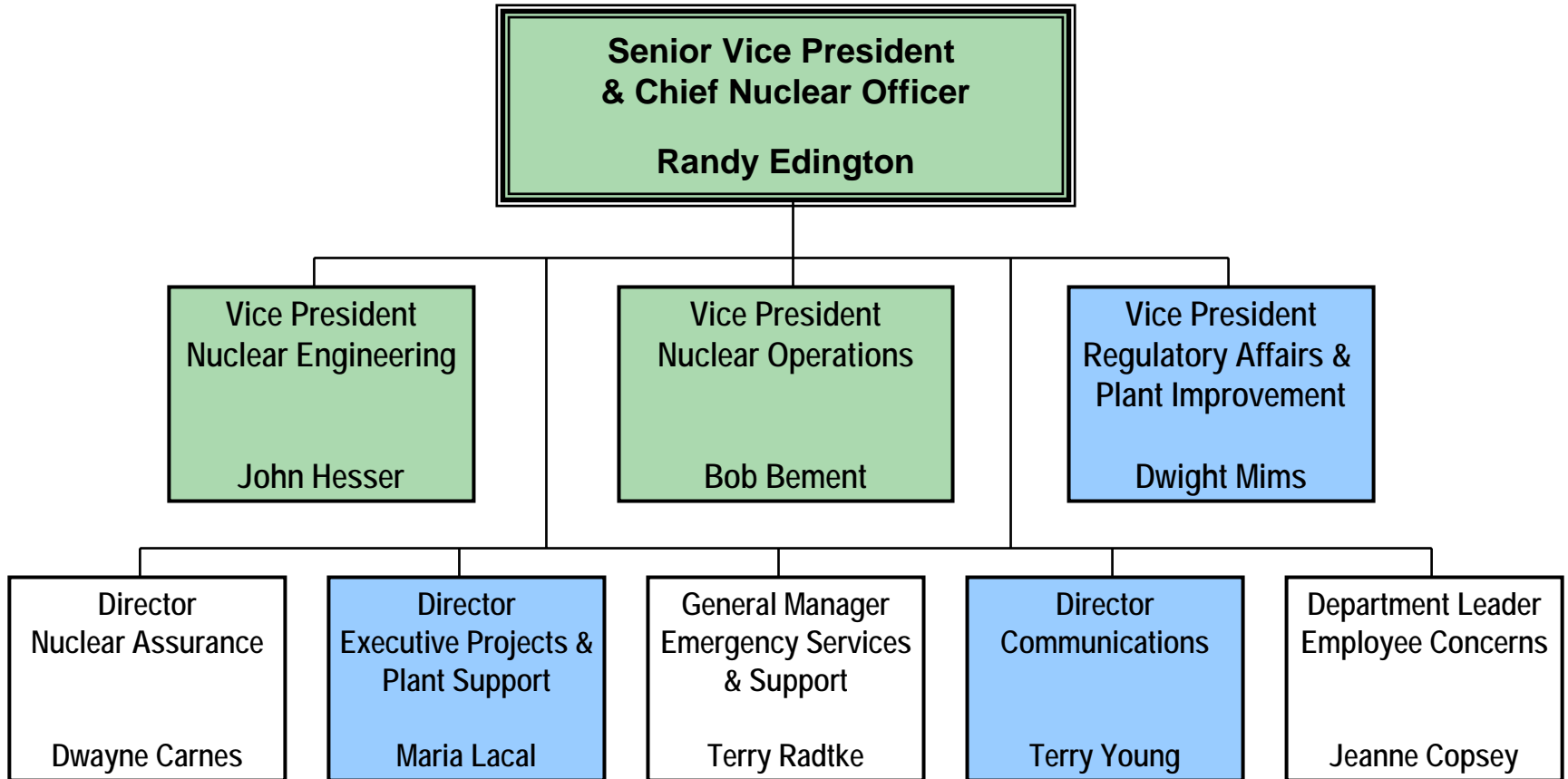
# Map and understand

## Then choose

- execution
- evolution
- revolution

# Our Organization

## History + New + Change

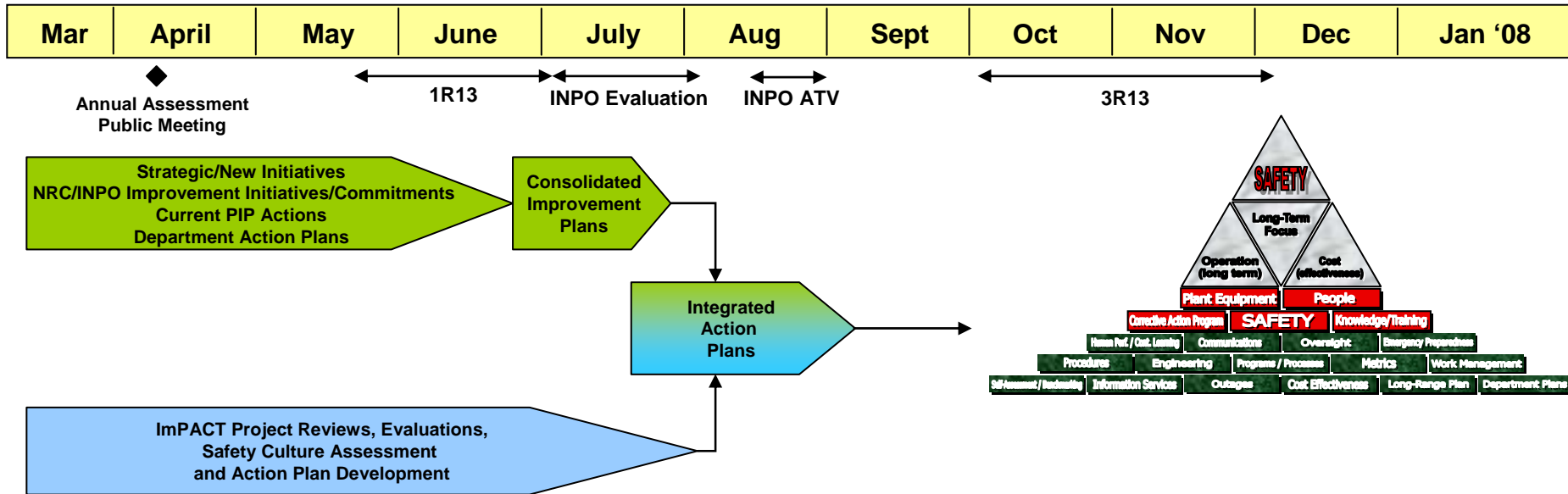


**SAFELY** and efficiently  
**generate** electricity  
for the **long term**

# Long-Term Focus

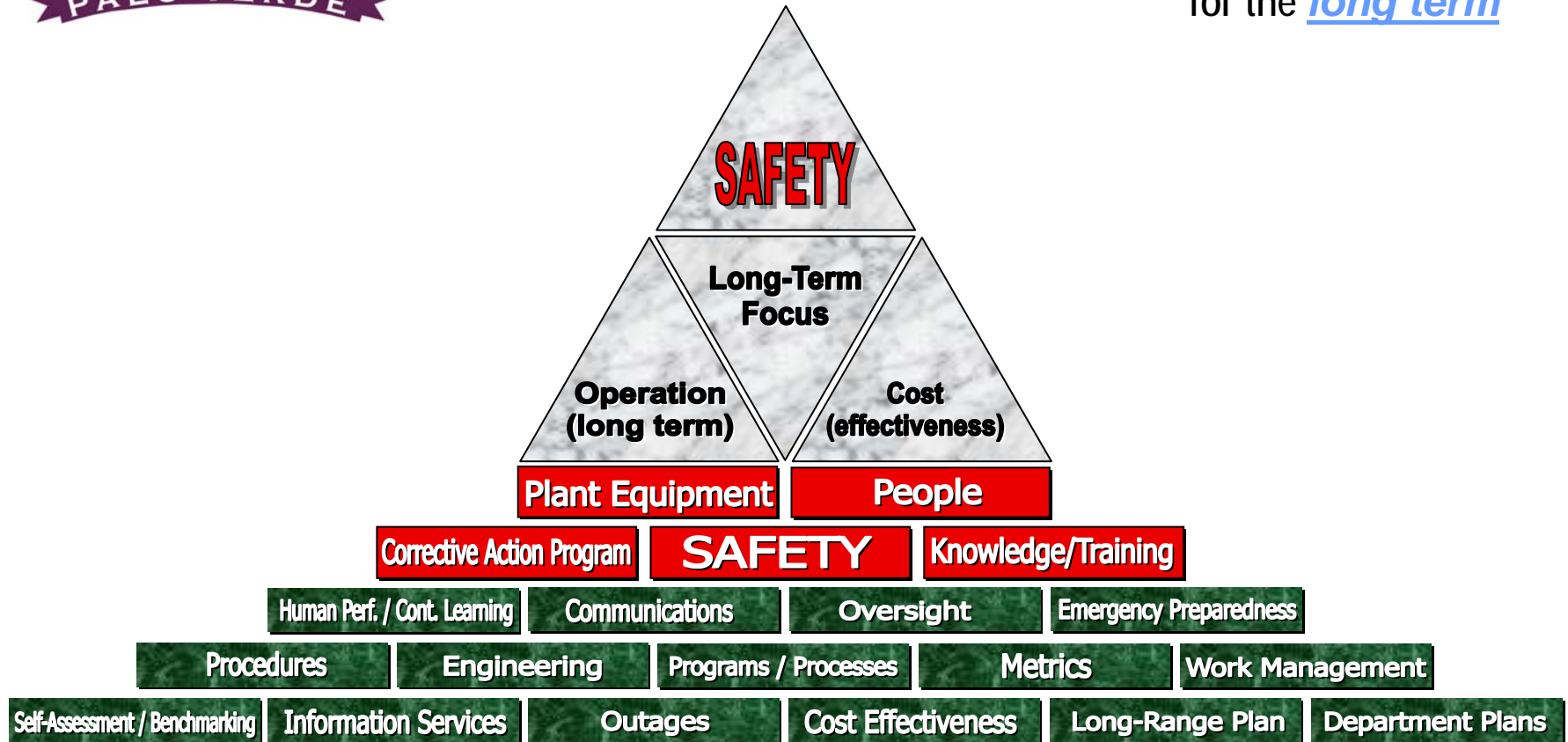
- ◆ Developing 3-5 year improvement plan to assure long-term, sustainable performance
- ◆ Build upon existing improvement plan
- ◆ Perform a detailed evaluation of performance issues through the ImPACT team
- ◆ Looking broader than Inspection Procedure 95003
- ◆ Obtaining organizational alignment

# Improving Palo Verde for the Long Term





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**Current State**

Palo Verde has not been fully engaged with the industry and the culture has, at times, been one of complacency. Behaviors do not consistently drive continuous improvement and feedback from external sources has not been effectively integrated into plant processes and programs. As a result, performance has declined over time and opportunities to improve performance have been missed.

**Goal**

We seek and value input from internal and external oversight organizations and assessment teams to ensure excellence in nuclear safety. We keep our eyes on our problems and effectively integrate feedback into our processes and programs for continuous improvement.

**Actions Completed Prior to 2007**

**Building Block 8 Oversight**  
 PVAR # 3040083 Executive Sponsor: Randy Edington

**Major Initiatives**

- 8.1 Increase Board of Directors' understanding of PVNGS operations
- 8.2 Improve the effectiveness of the Nuclear Oversight Committee (NOC)
- 8.3 Improve the effectiveness of the Off-Site Safety Review Committee (OSRC)
- 8.4 Improve the effectiveness of the Management Review Meetings (MRM)
- 8.5 Increase line organization QA perspective and improve effectiveness of site nuclear assurance oversight
- 8.6 Develop and implement an alignment strategy from senior leadership throughout the organization
- 8.7 Improve use of other external oversight and assessments
- 8.8 Increase station awareness of industry best practices
- 8.9 Improve station challenge board process



**How We Measure Success**

Metrics

Core Station Performance Indicators

Effectiveness Reviews

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# Palo Verde Nuclear Generating Station

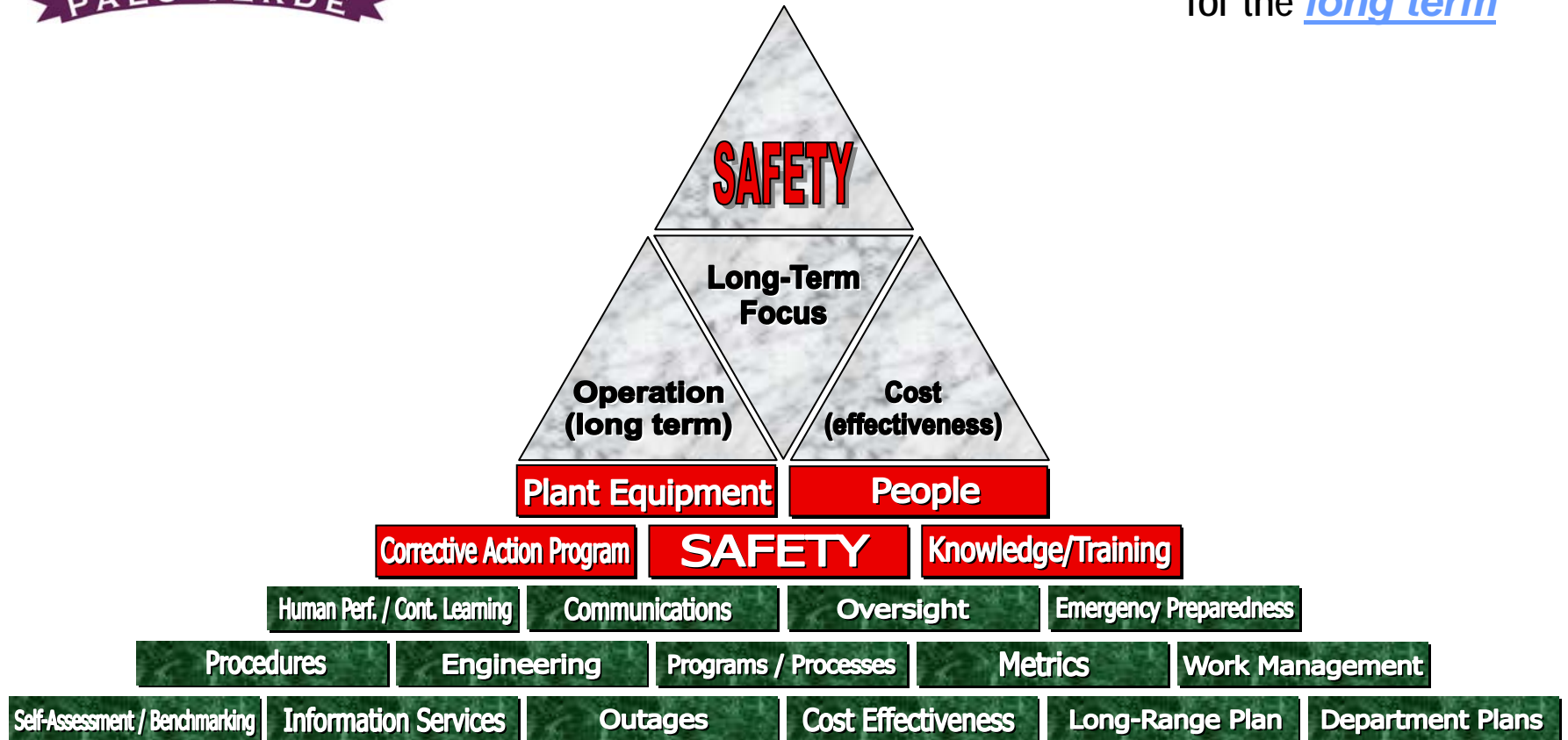
## Site Integrated Improvement Plan - Building Block 8 - OVERSIGHT

<b>Initiative: 8.3</b>		<b>Improve the effectiveness of the Off-Site Safety Review Committee (OSRC)</b>						
<b>Lead: R. Edington</b>		<b>CRDR - 3040637</b>			<b>Due Date: 06/30/08</b>			
<b>Current State:</b>		<b>The Off-Site Safety Review Committee has not been used effectively to provide an external industry perspective of Palo Verde performance. Consequently, actions to drive station improvements have been weak and untimely and desired changes in performance have not been fully realized.</b>						
2007 Tasks								
Task #	CRAI #	Description	Owner	Due Date	Source	Progress	Closure	Effective-ness Review
8.3.1	3040638	Benchmark industry OSRC organization, structure, and charter and provide report to the site senior leadership team.	B. Fenech	08/31/07				
8.3.2	3040642	Evaluate effectiveness of OSRC using external assessment members and provide report to the senior leadership team.	M. Shea	09/30/07				
8.3.3	3040646	In coordination with site senior leadership, restructure/reorganize, as appropriate, OSRC internal membership, subcommittees, and external membership based on 8.3.1 and 8.3.2, above.	M. Lacal	09/30/07				
8.3.4	3040650	Revise reporting relationship to Senior Vice-President, Nuclear and Chief Nuclear Officer.	M. Lacal	09/30/07				
8.3.5	3040651	Revise OSRC charter, as appropriate, to institutionalize results of 8.3.3 and 8.3.4, above.	M. Lacal	10/31/07				
8.3.6	3040652	Revise OSRC charter to require conducting periodic reviews of Confirmatory Action Letter (CAL), ImpACT, and site integrated improvement plan action implementation, closure and effectiveness during time of increased regulatory scrutiny.	M. Lacal	10/31/07				
8.3.7	3040653	Develop and institutionalize a process for OSRC Chair to provide periodic status to Board of Directors (at least annually).	M. Lacal	12/31/07				

[More](#)



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- ◆ Major equipment improvements
- ◆ Top Ten equipment process
- ◆ Plant Health Committee
- ◆ Equipment process reviews
- ◆ Engineering equipment programs
- ◆ Component design basis review

