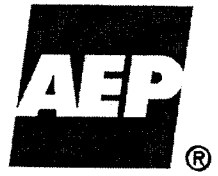




***Donald C. Cook Nuclear Plant
Corrective Action Program
Road to Excellence***

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Agenda

- Opening Remarks Mano Nazar
- Corrective Action Program Assessment Mano Nazar
- Corrective Action Program Recovery Plan Joe Jensen
- Corrective Action Program Status Joe Jensen
- Closing Remarks Mano Nazar



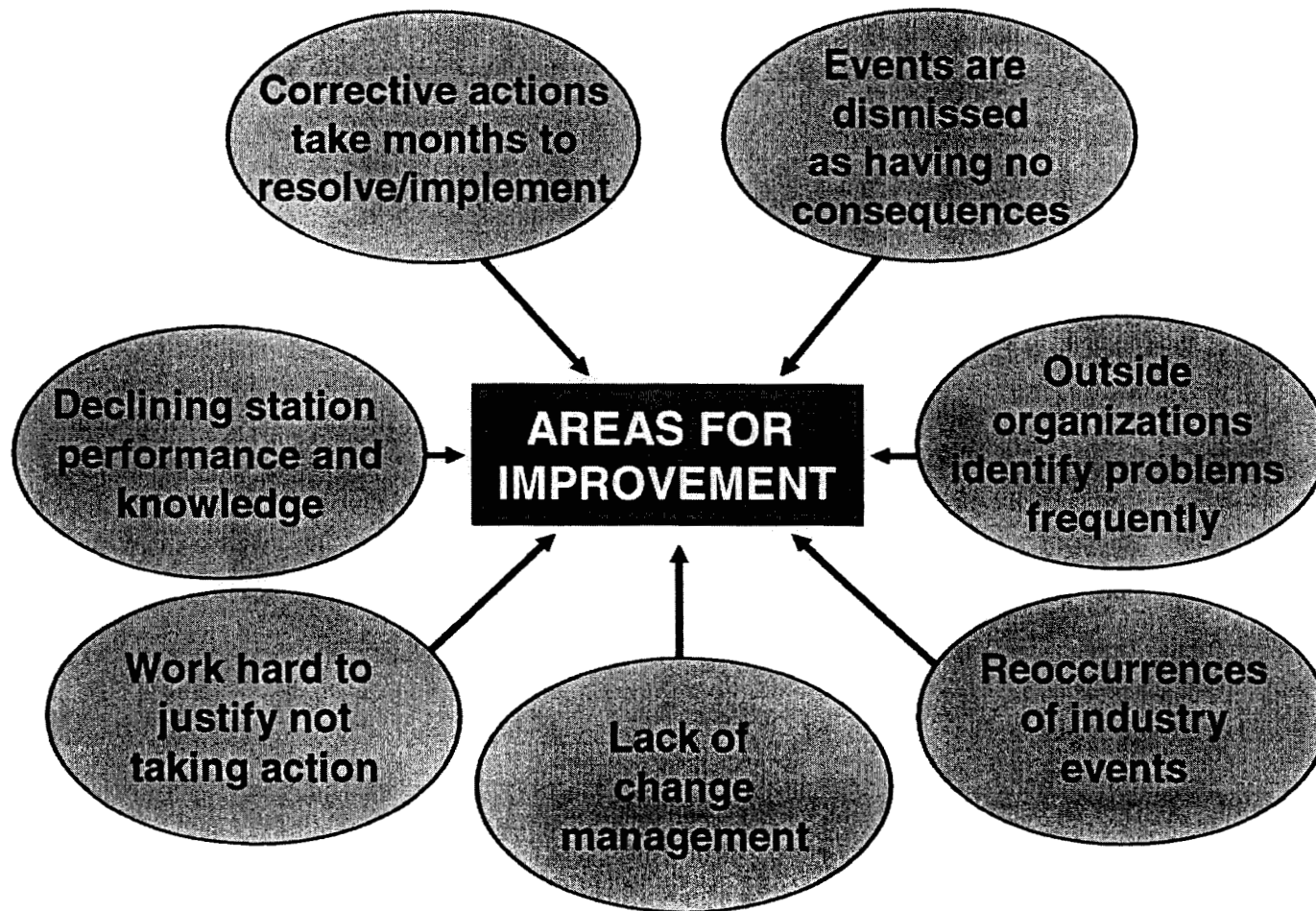
Mano Nazar

*Senior Vice President
Chief Nuclear Officer
American Electric Power*

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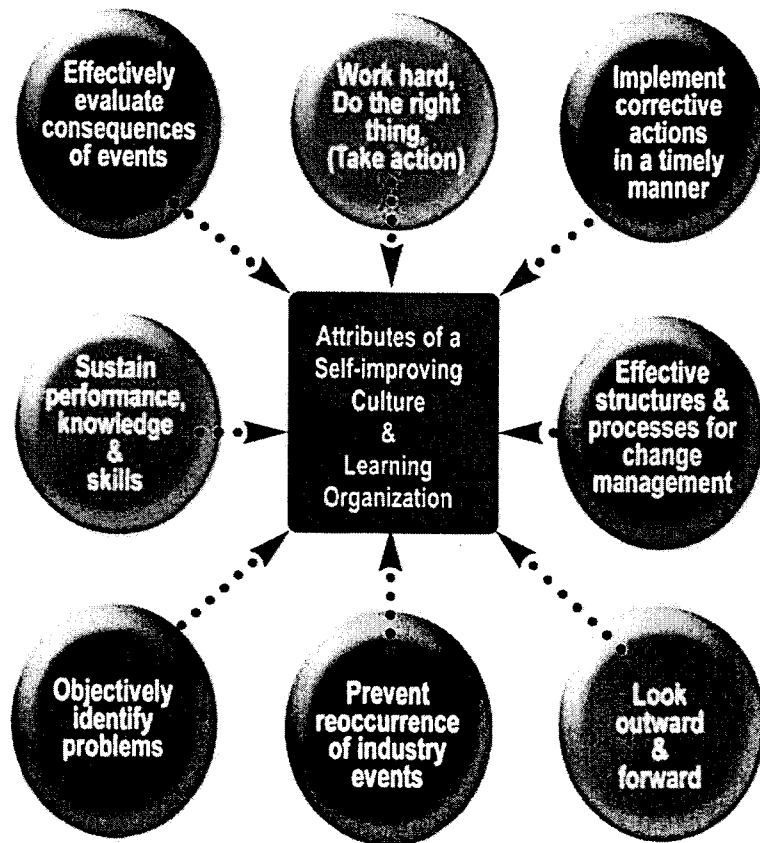
Self Assessment of Cook Performance



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Self-Improving Culture & Learning Organization



Vision:

We will be a team that delivers excellent performance.

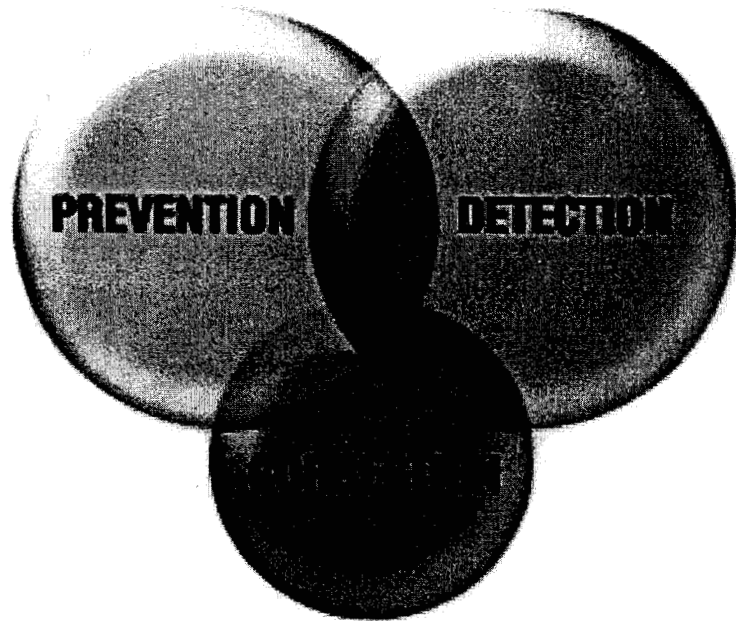
Mission:

We will produce energy in a safe, reliable, cost effective way that benefits our customers, shareholders, and employees.

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Prevention Detection and Correction Model



Goal:

Maximize time spent on prevention and detection to minimize/eliminate correction activities.

Core Value:

Do the job right the first time.

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Establishment of Site Recovery/Excellence Plan

- Six Focus Areas
 - Self Improving Culture and Learning Organization
 - Organizational Effectiveness
 - Equipment Reliability
 - Operational Focus
 - Design Basis
 - Human Performance



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Assessment of Corrective Action Program

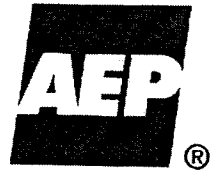
- Plant Events
 - Extensive corrective actions
 - Repetitive
 - Ineffective Corrective Action Program
- Common Cause Analysis
 - Identified ineffective Corrective Action Program as a cross-cutting issue



Picture of Excellence



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Critical Attribute Gap Analysis

- Systematic Approach
- Gaps categorized into three issues
 - Process
 - Culture
 - Legacy
- Actions Developed
 - Immediate/Interim
 - Short term
 - Long term



Immediate/Interim Actions

- Bolstered the Corrective Program
- Prevented further degradation
- Examples of actions implemented
 - Two step screening process
 - Engineering Fix It Now Team
 - Increased Leadership focus
 - Expanded role of Corrective Action Review Board



Joe Jensen

*Site Vice President
Indiana Michigan Power Company
Donald C. Cook Nuclear Plant*



Root Cause Evaluation

- Address continued declining performance
 - Actions from 2002 root cause not effective
 - Station performance impacted focus and oversight of improvement initiatives
- Two operative root causes
 - Management failure to maintain strategic focus during competing plant events
 - Failure to ensure and reinforce quality standards for implementation



Corrective Action Program Recovery Plan

- Provides foundation for excellence
- Used inputs from Critical Attributes Analysis and root cause evaluation
- Goal is a cornerstone program that fosters a self-improving learning organization
- Expected improvement is for departments to demonstrate ownership and use to improve plant performance



Corrective Action Program Recovery Plan

- A key recovery plan in the Self Improving Culture & Learning Organization focus area
- Related key recovery plans
 - Self Assessment
 - Benchmarking
 - Learning Organization Attributes
 - Operating Experience



Corrective Action Program Recovery Plan

- Develops Foundation for Program Excellence
 - Picture of excellence with critical attributes
 - Effective senior leadership oversight of program health
 - Organizational ownership at all levels
 - Recognized value of program to improve performance
 - Performance indicators to monitor health
 - Evaluation of conditions adverse to quality in a timely manner with quality
 - Completion of prescribed corrective actions in a timely manner with quality



Change Management - Communications Plan

- Ensures effective communication
- Key messages
 - Senior Leadership committed to continuous improvement through the Corrective Action Program
 - Current station performance caused by ineffective Corrective Action Program
 - Importance of the Corrective Action Program to drive station performance to excellence

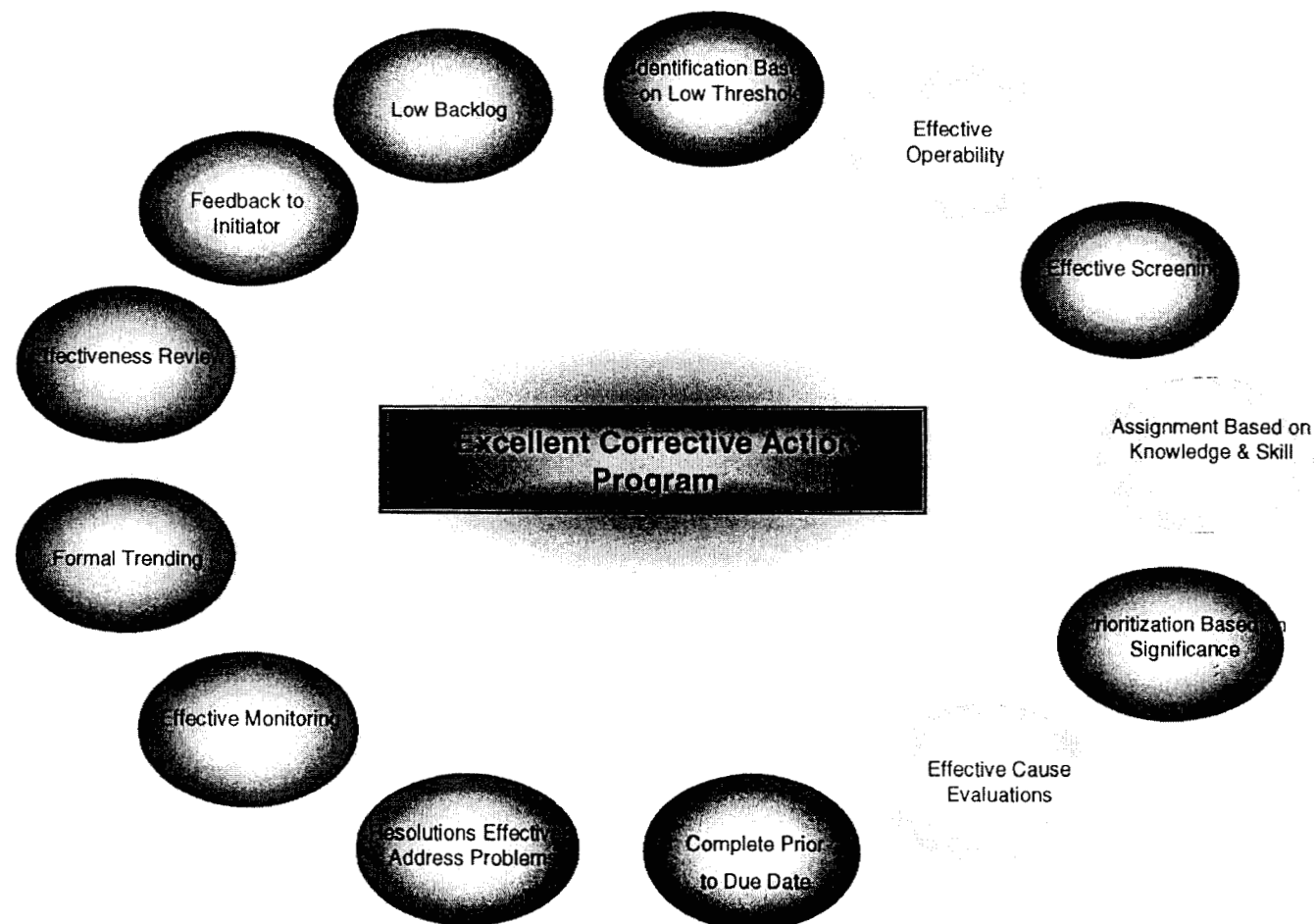


Program Health

- Corrective Action Program Recovery Plan is a road map to an effective program
- Need effective Corrective Action Program to improve Cook Nuclear Plant performance
- Periodic assessment of program to ensure Recovery Plan is meeting expectations
 - Reviewed by Corrective Action Review Board
 - Make adjustments to recovery plan actions



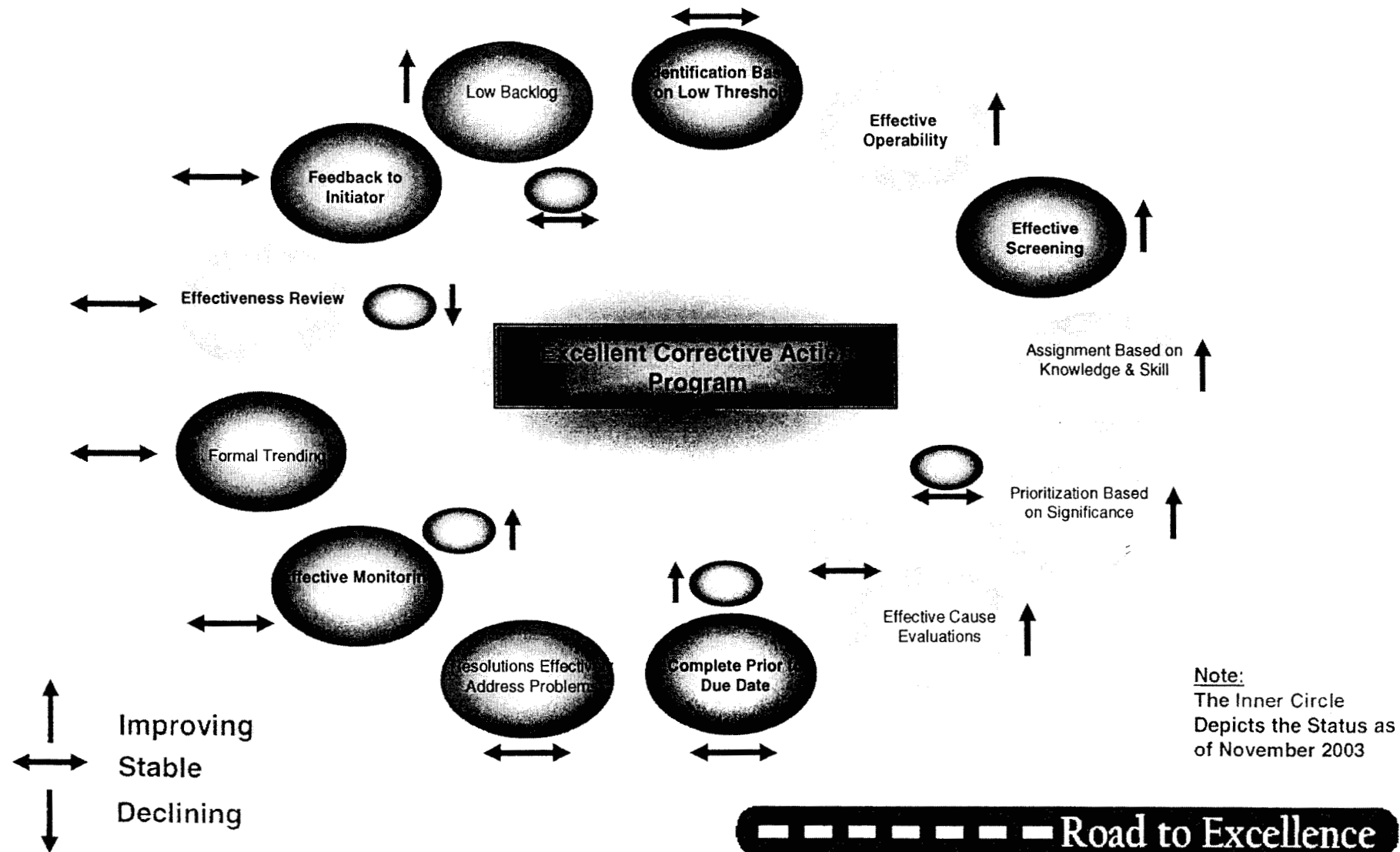
November 2003 Program Health



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Current Program Health





Corrective Action Program Recovery Plan Adjustments

- Additional focus
 - Reducing backlog of condition reports
 - Implementing an effective trending program
 - Improving self-identification ratio
 - Improving effectiveness of problem resolution
 - Eliminating backlog of effectiveness reviews
- Project a fully functional and effective Corrective Action Program by end of second quarter 2004



Transition to Excellence Plan

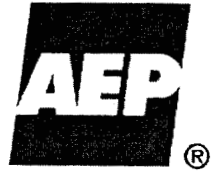
- Completion of Recovery Plan activities provide foundation for transition to excellence
- Transition team currently being staffed to identify actions to take recovered Corrective Action Program to Excellence
- Corrective Action Program Excellence Plan to be established third quarter 2004



Mano Nazar

*Senior Vice President
Chief Nuclear Officer
American Electric Power*

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Summary

- Foundation
- Systematic Approach
- Structure/Processes
- Self-Improving Culture & Learning Organization
- Focus on Values, Future and Challenges