



# NRC NEWS

U.S. NUCLEAR REGULATORY COMMISSION

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## STATEMENT OF NRC CHAIRMAN DALE KLEIN TUCSON, ARIZONA FEBRUARY 23, 2007

Good afternoon. I have a short statement and then I'll be glad to take your questions.

As you know, I have just finished a tour of the Palo Verde nuclear plant. While I was there I spoke with the NRC employees who work there day in and day out keeping an eye on plant operations as part of our job to protect people and the environment.

I had a good tour of the plant. And I had some very frank discussions with the management of Palo Verde.

The message I took to them is simple: the number one priority is to maintain the safety of the fleet of existing reactors.

At the NRC we set very high standards for safety, and the Palo Verde plant is meeting them. However, if we see the large margins of safety that we require in jeopardy, we have to act firmly – and we have.

There are significant performance problems at Palo Verde that must be addressed. To put it bluntly: the status quo at Palo Verde is not acceptable.

To summarize what our inspectors have found, there has been a tendency at Palo Verde to address symptoms rather than get to the heart of why a problem arose. This must change.

Over the past two years, management has attempted to change course at Palo Verde. They have a get well plan, but they have not been completely successful at implementing it. That plan has to be re-examined by the company and we will have to give our approval to it as they go forward.

Randy Edington, the new senior vice president at Palo Verde, told me this morning he intends to turn around this decline. I told him we are going to be watching closely. He has a good reputation for setting things straight, and I believe he will give this the hard work, dedication and commitment it requires. It will not be an overnight job.

The NRC will continue to closely monitor operations at Palo Verde to ensure performance improves.

Thank you, and I'll be glad to take a few questions.

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