

Performance Improvement & Sustainability

Randy Edington

**Senior Vice President - Nuclear
& Chief Nuclear Officer**

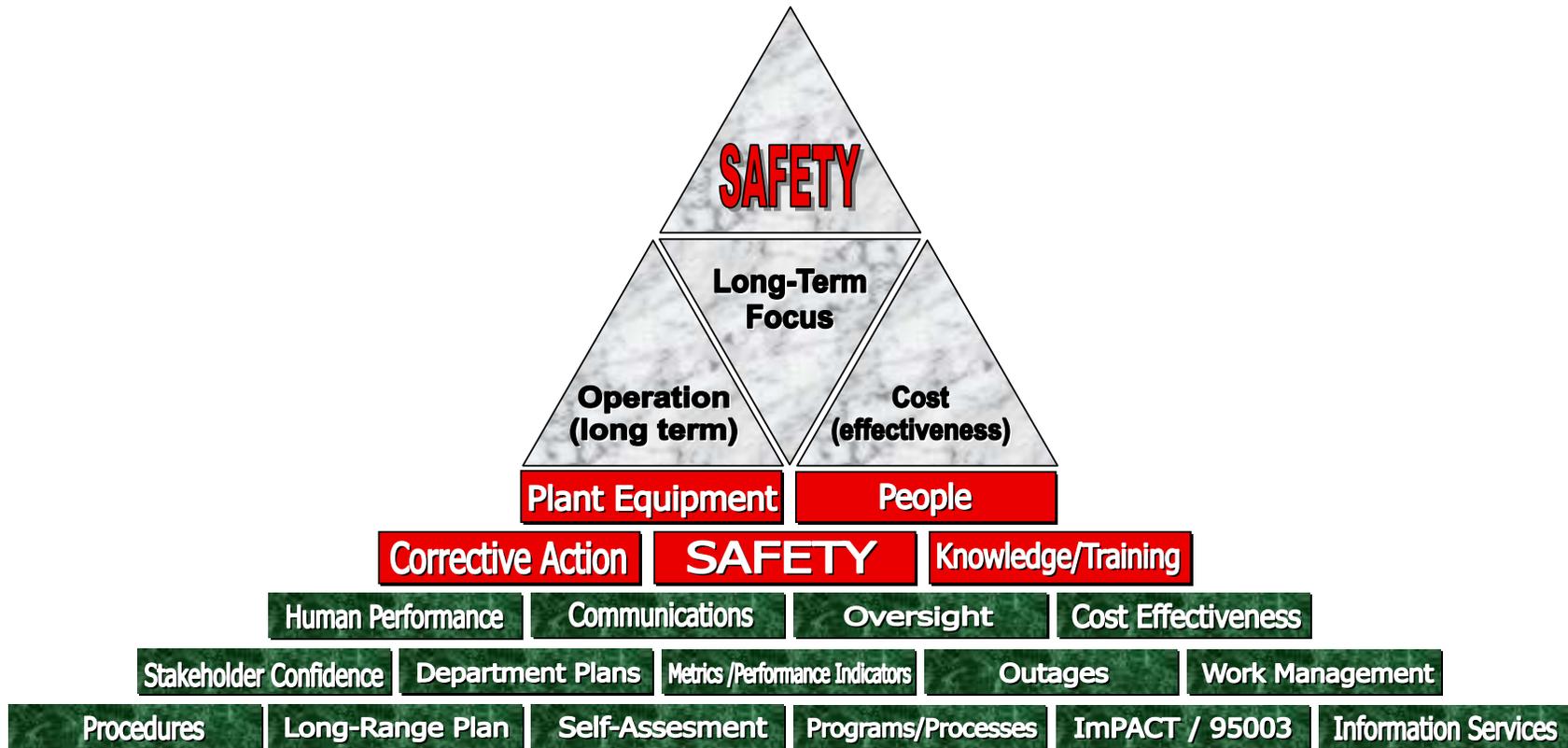
June 6, 2007



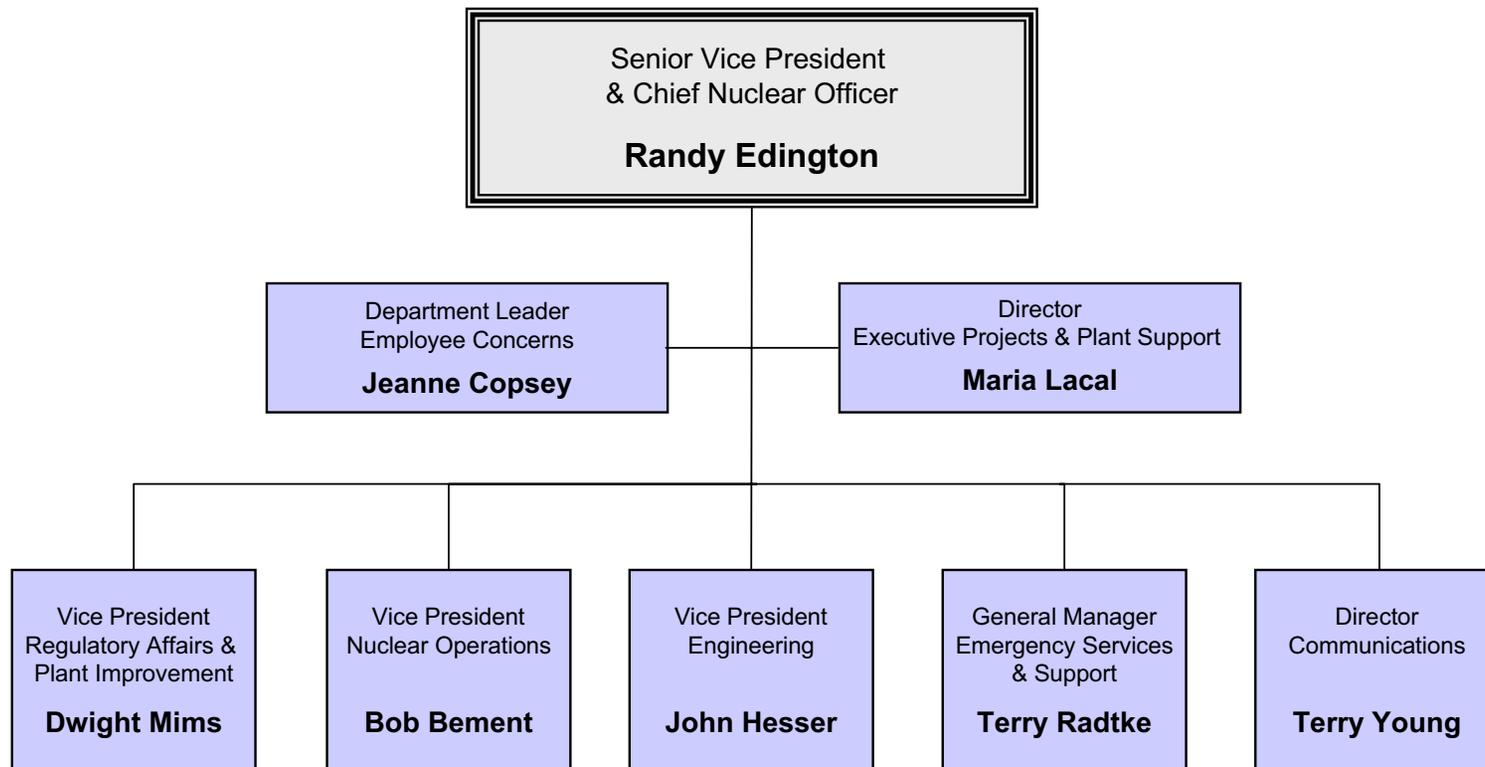
Our Focus

SAFELY and efficiently
generate electricity
for the *long term*

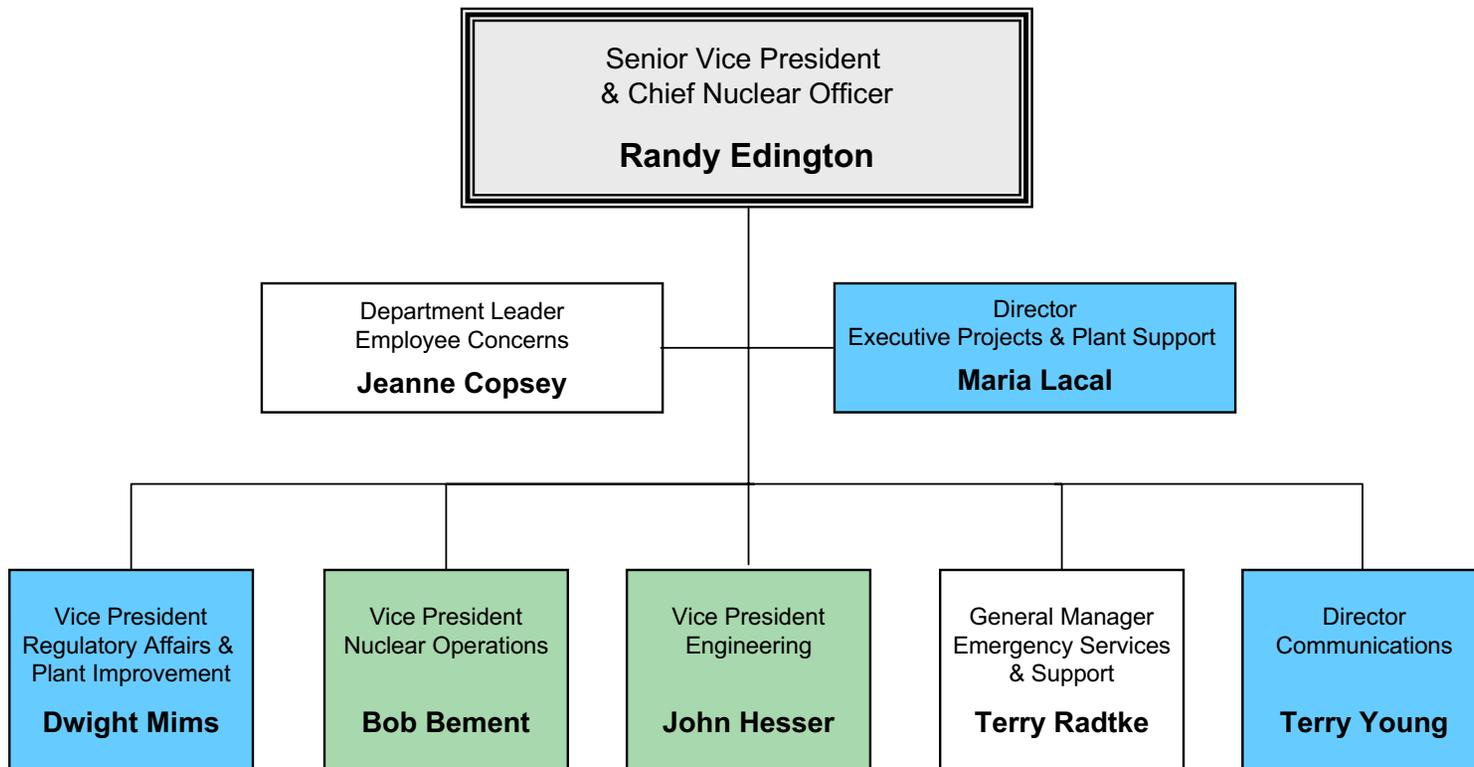
Our Foundation

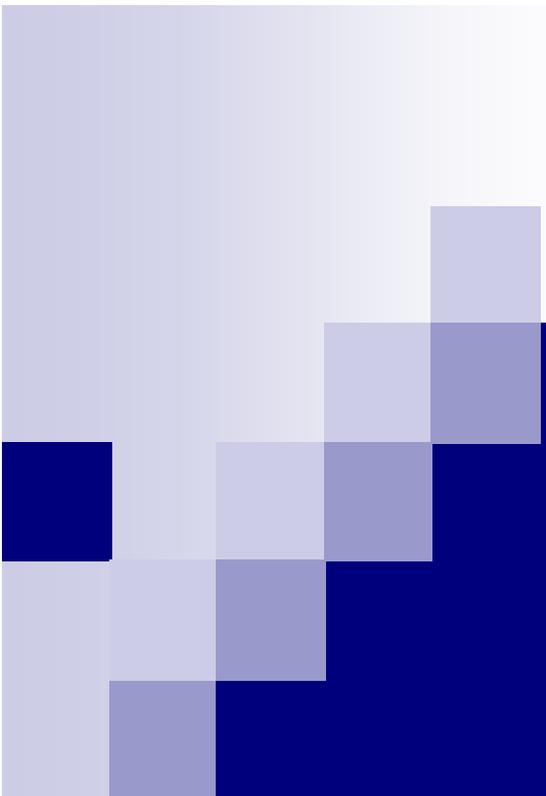


Our Organization



Our Organization



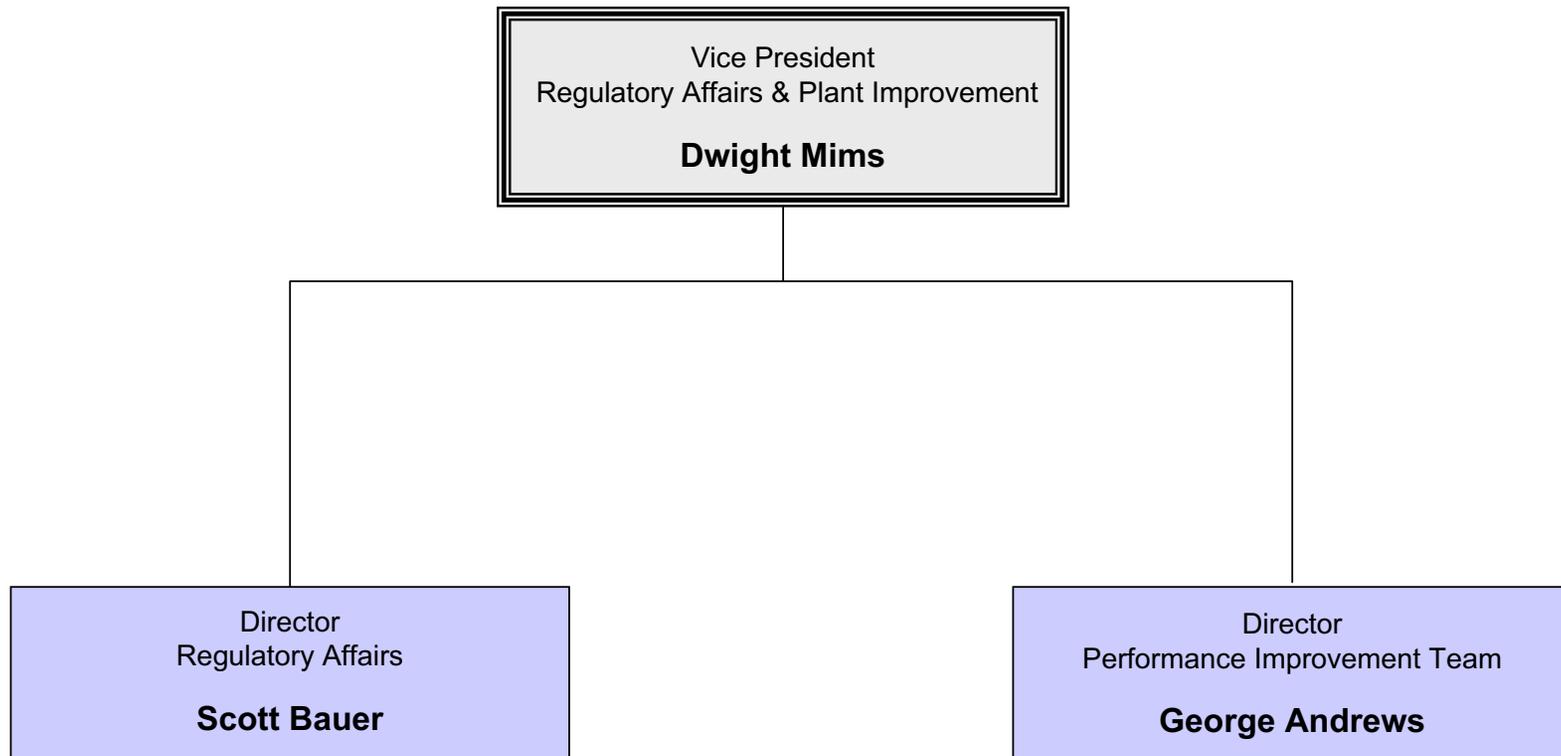


ImPACT Project

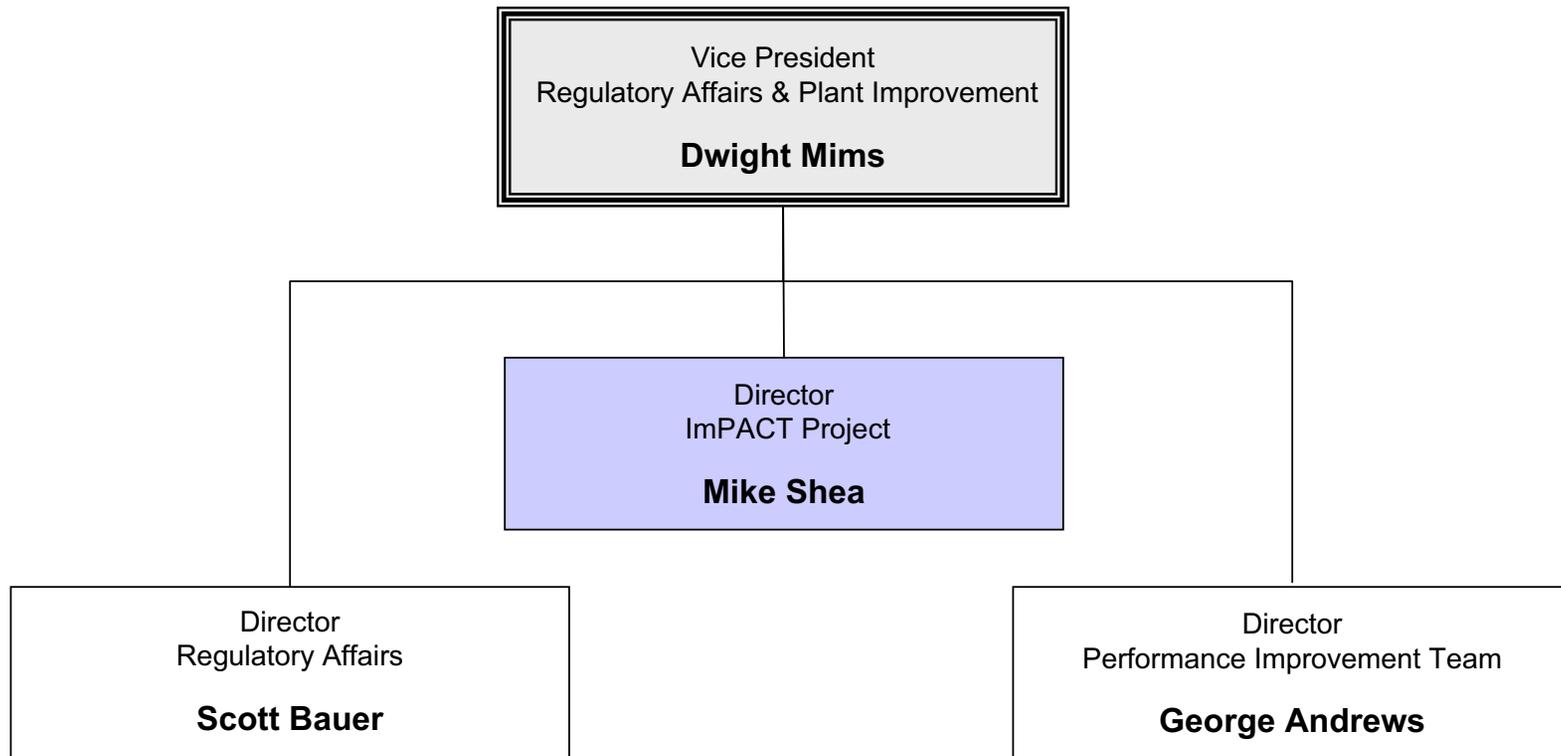
Dwight Mims

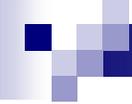
Vice President, Regulatory Affairs
& Plant Improvement

ImPACT Project



ImPACT Project

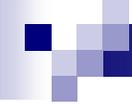




ImPACT Project

PURPOSE

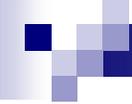
- Improve site safety culture
- Identify issues and corrective actions to enable Palo Verde to improve performance
- Sustained performance for the long term



ImPACT Project

How is ImPACT different than previous performance improvement efforts?

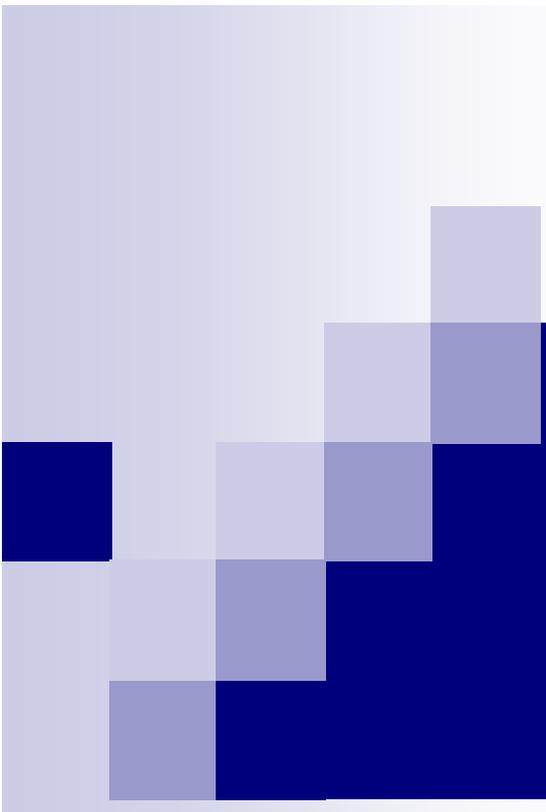
- Focus on long-term, sustainable performance
- Organization & Process
 - Dedicated project team and facilities
 - Greater external expertise
 - Rigorous, broad, systematic approach to issue discovery and resolution
- Ownership, Alignment & Engagement
 - Broader cross-section of Palo Verde employees involved in assessments and reviews
 - Organizational involvement in evaluation and action plan development
 - Frequent communication with all levels of organization to ensure alignment and engagement
- Incorporation into Site Integrated Improvement Plan
 - Stronger review and closure process



ImPACT Project

PRESENTATION FOCUS

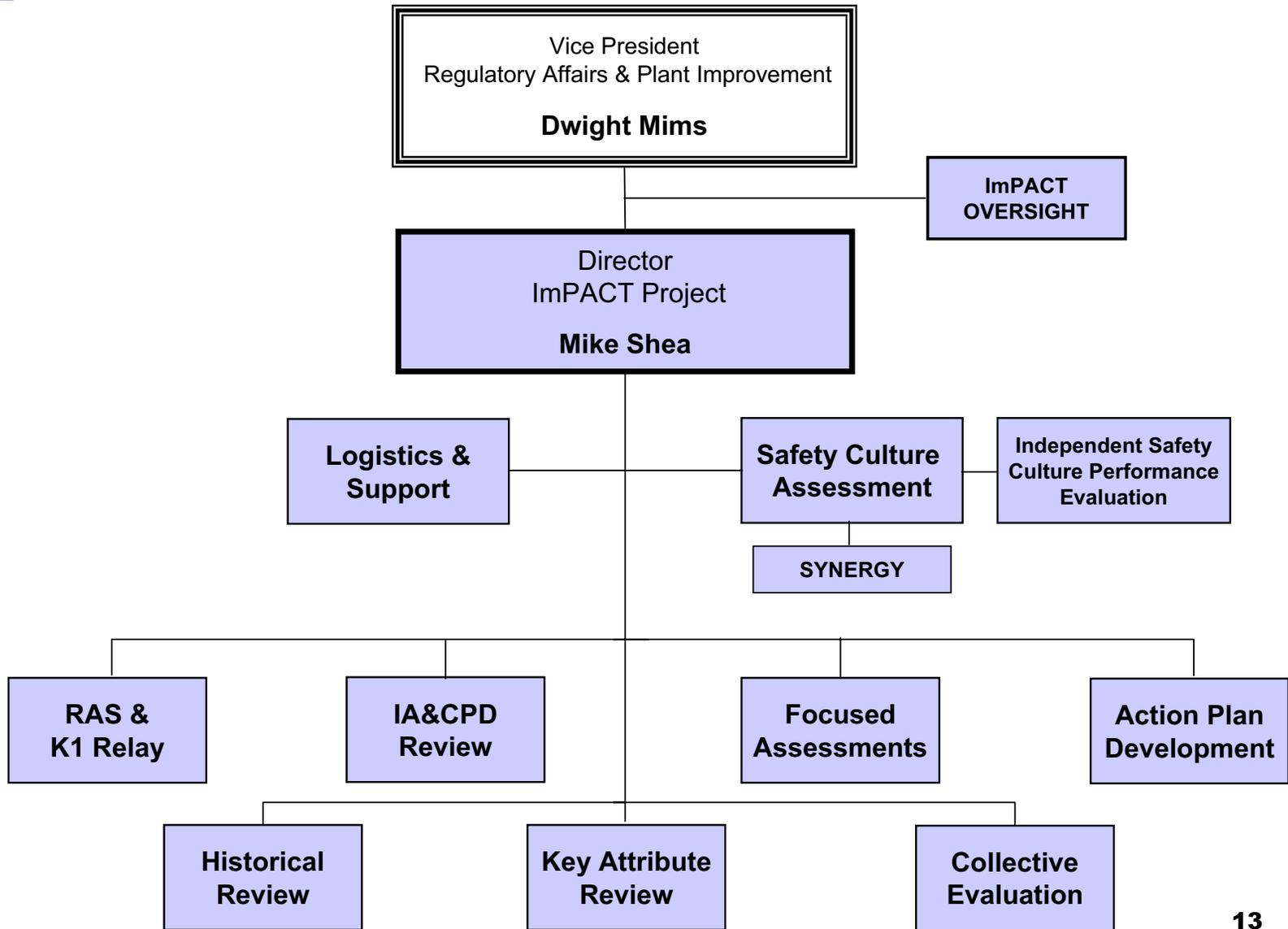
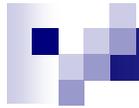
- Project Activities
- Objectives, Scope and Methodologies for each assessment area
- How information will be used to improve performance for the long term



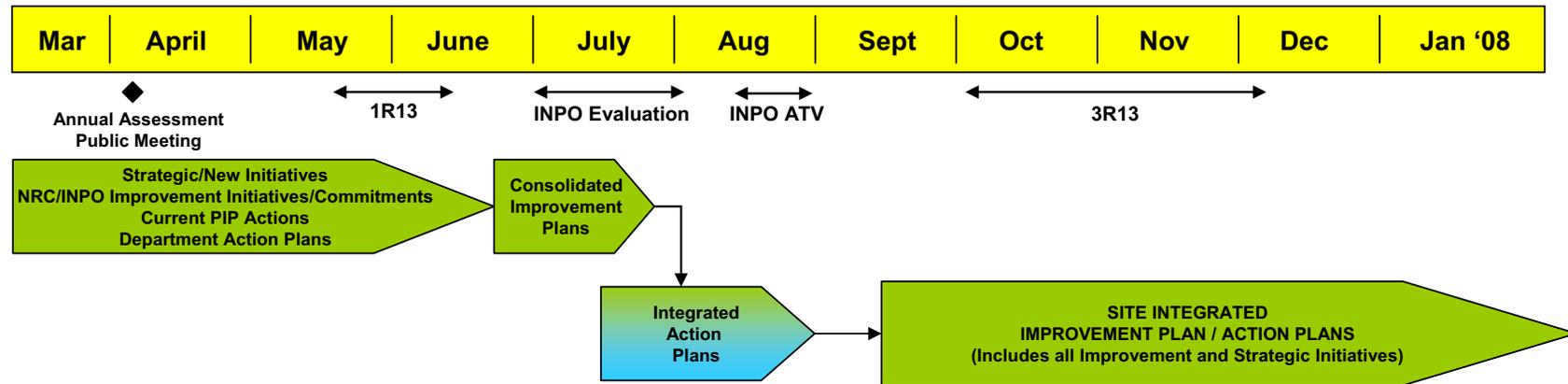
ImPACT Project

Mike Shea

Director, ImPACT Project

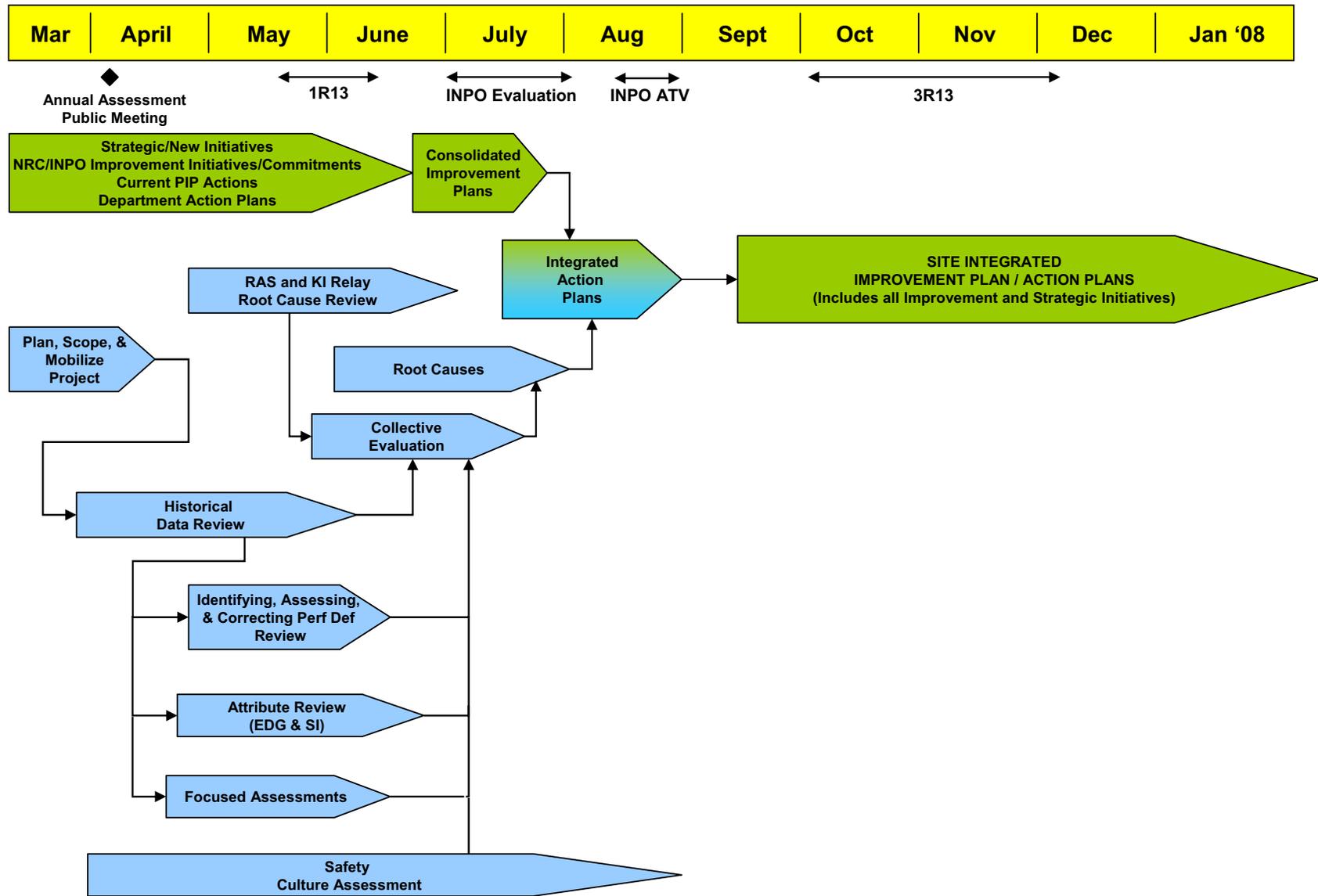


Improving Palo Verde for the Long Term



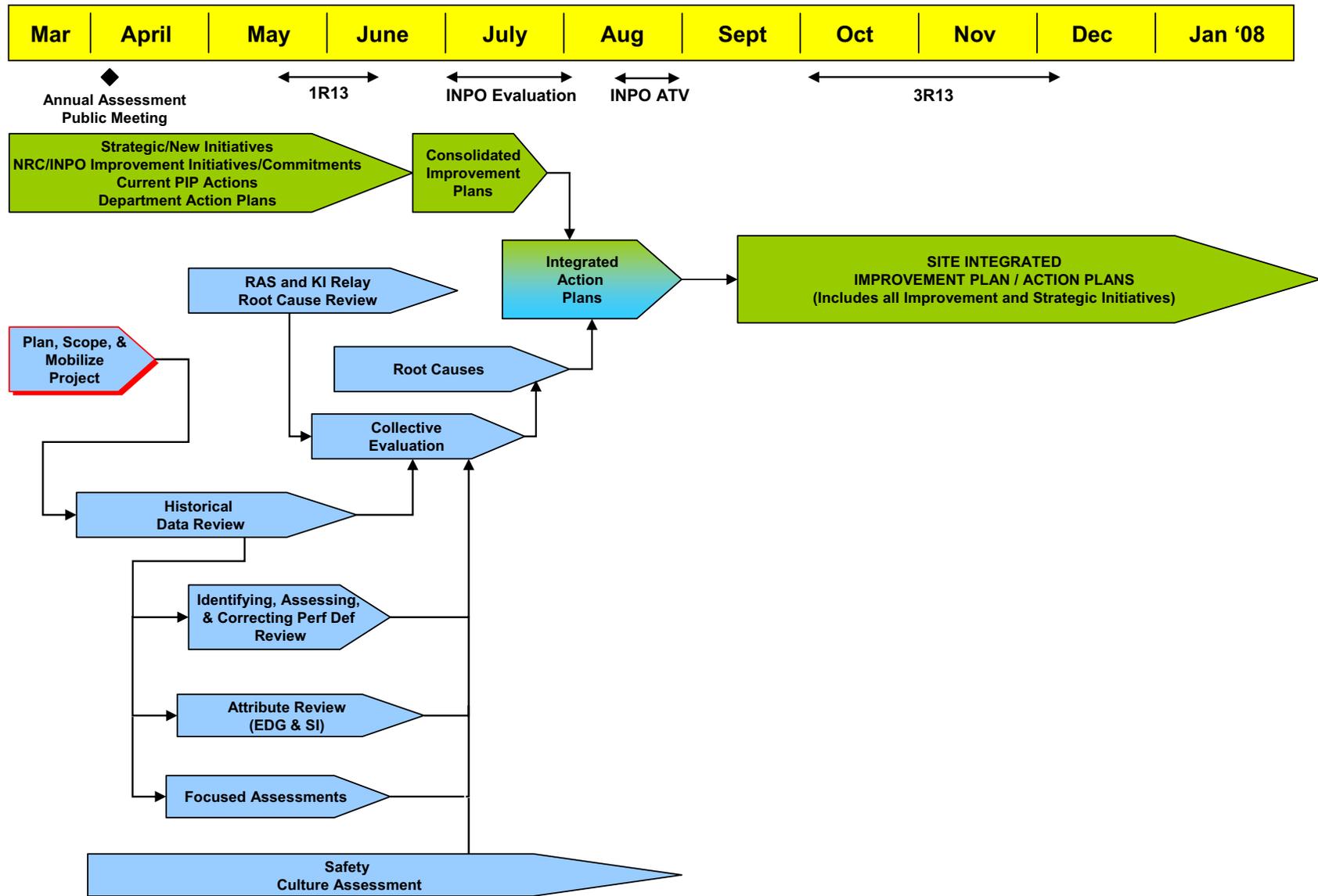
NOTE: This approximates the timetable for the ImPACT Project — see project schedule for detail.

Improving Palo Verde for the Long Term



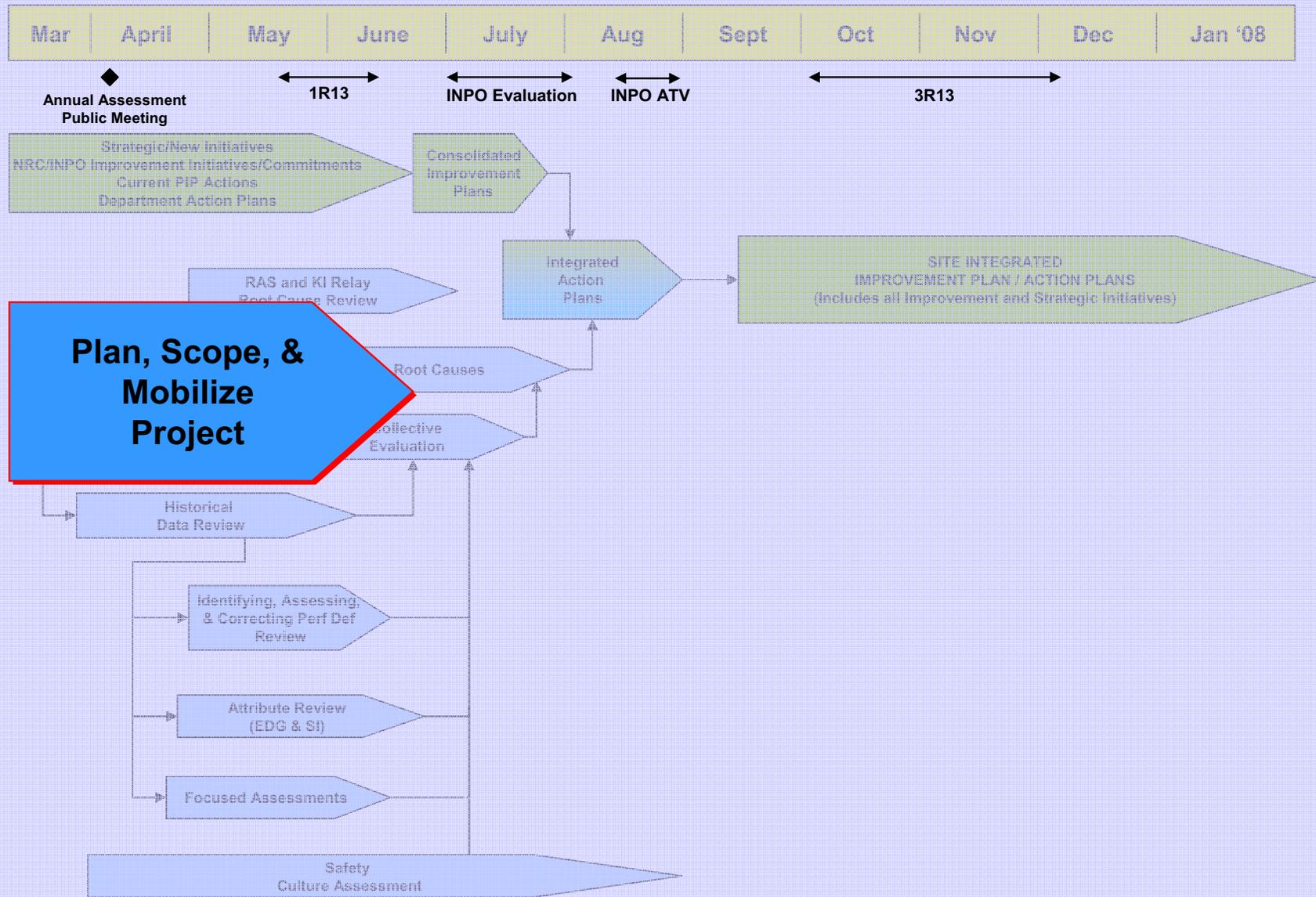
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Improving Palo Verde for the Long Term



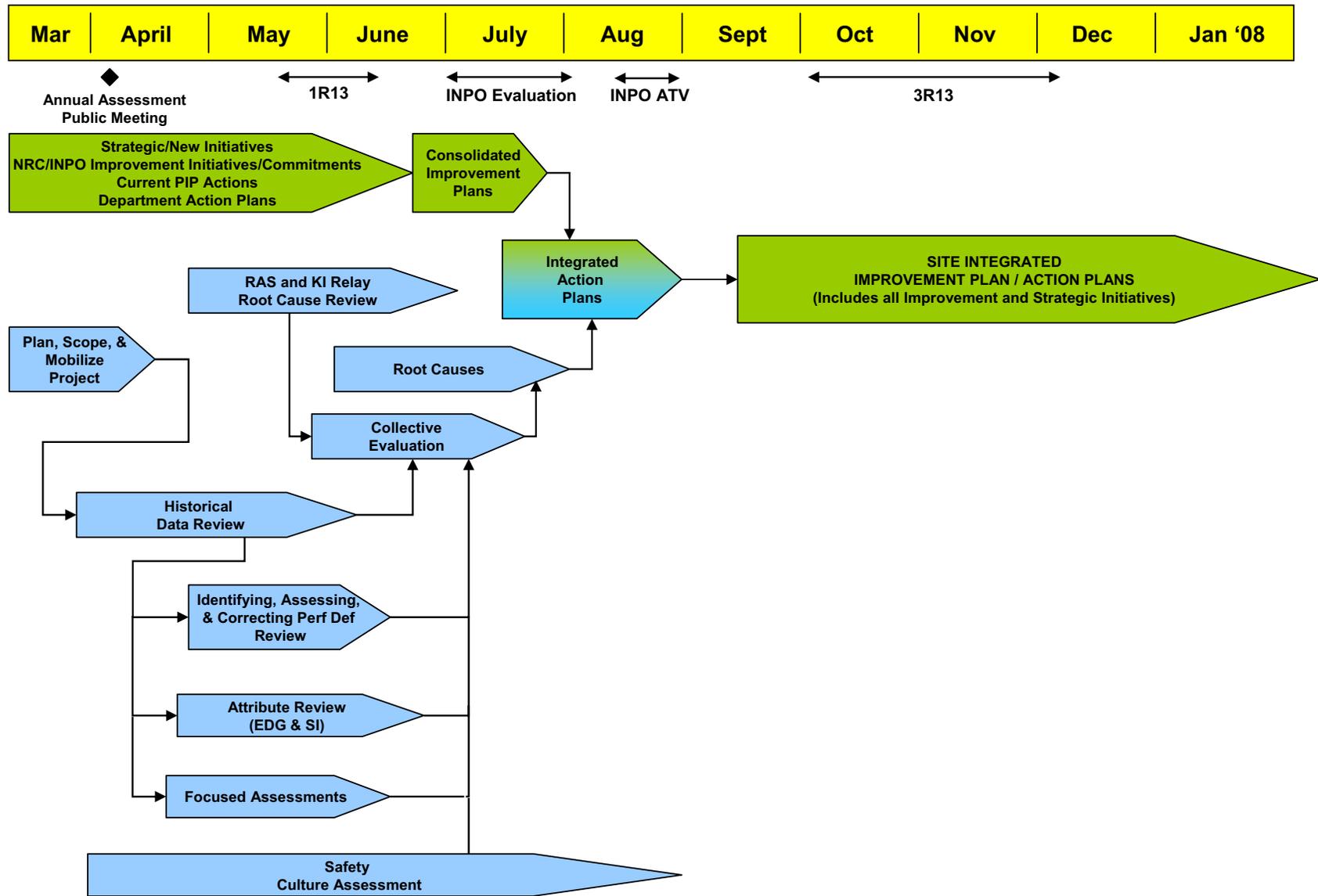
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Improving Palo Verde for the Long Term



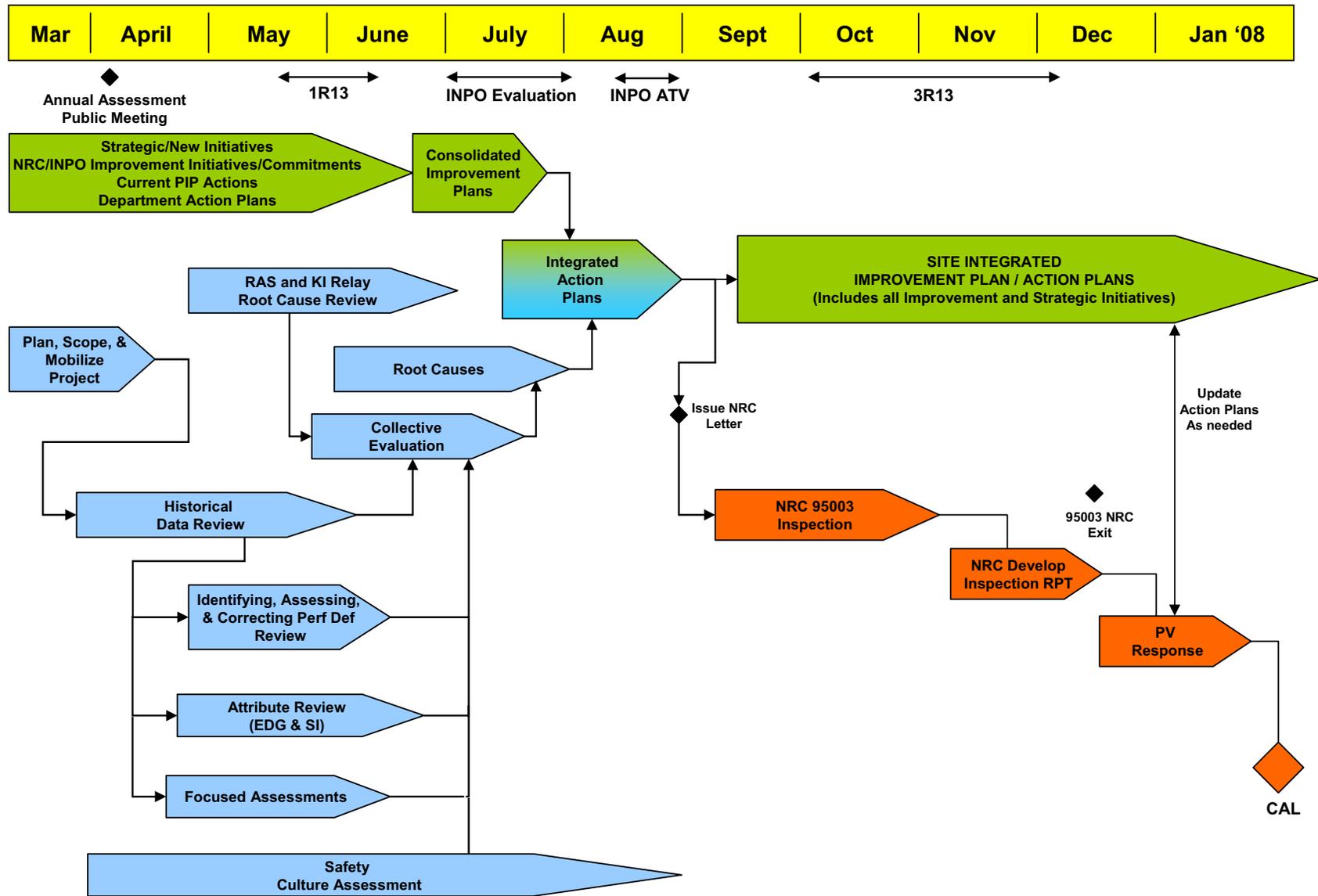
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Improving Palo Verde for the Long Term



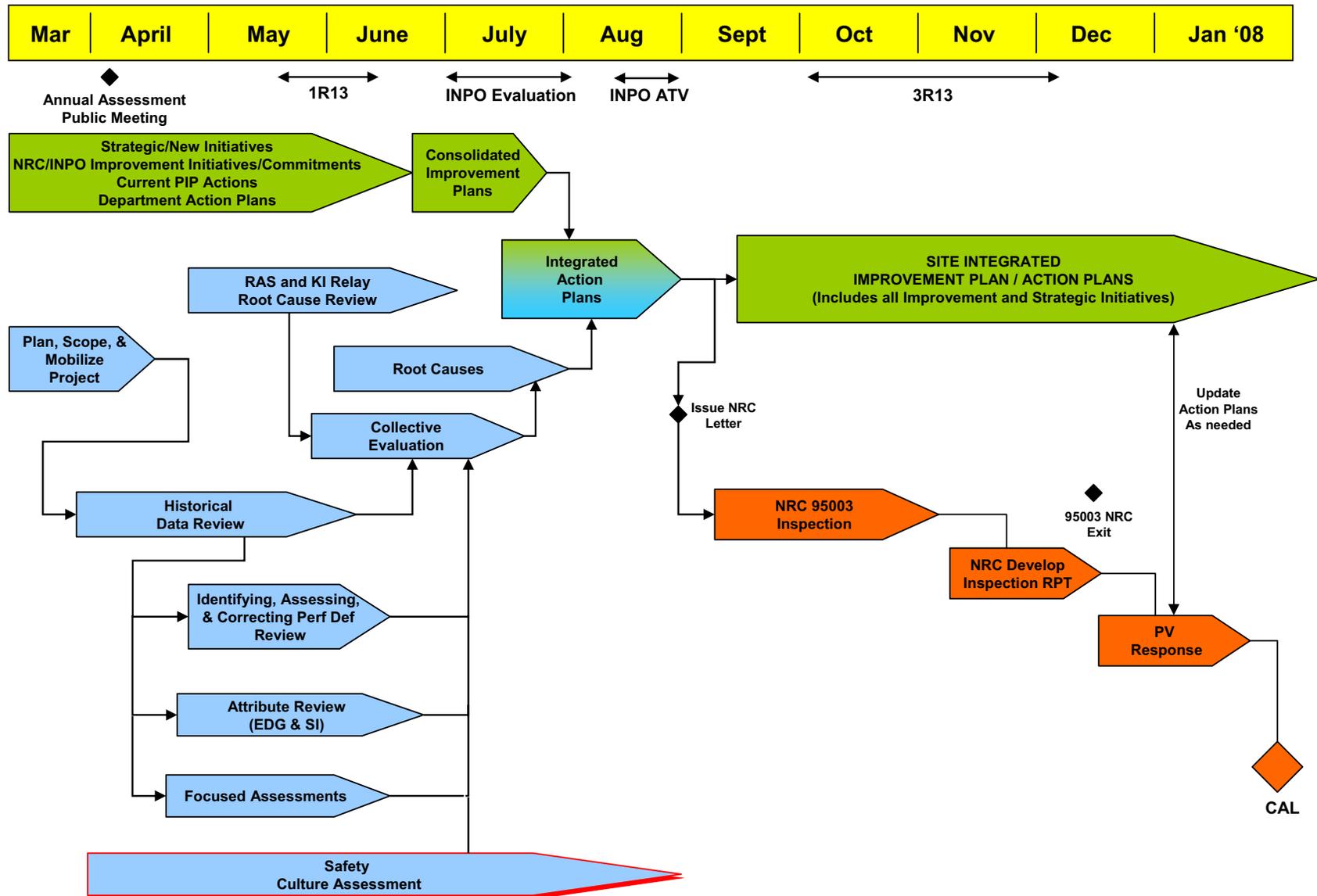
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Improving Palo Verde for the Long Term



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