



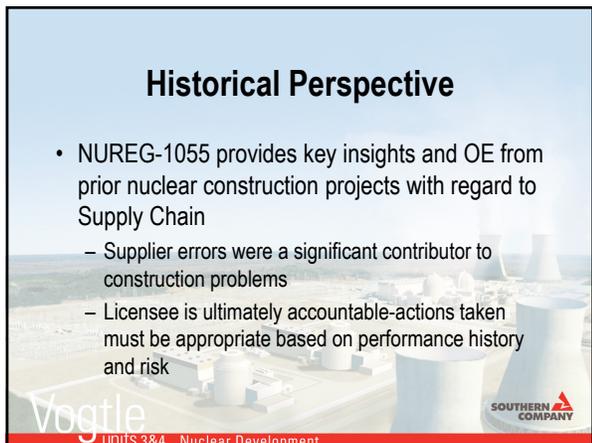
Vogtle
units 3&4 Nuclear Development

SOUTHERN COMPANY

Licensee Supply Chain Challenges

Mark Rauckhorst
Construction VP
Vogtle Units 3&4

This slide features a background image of a nuclear power plant with cooling towers. The text is overlaid on this image. The top left corner has the 'Vogtle units 3&4 Nuclear Development' logo. The top right corner has the 'SOUTHERN COMPANY' logo. The main title is 'Licensee Supply Chain Challenges'. Below the title, the name 'Mark Rauckhorst' and his title 'Construction VP, Vogtle Units 3&4' are listed.



Historical Perspective

- NUREG-1055 provides key insights and OE from prior nuclear construction projects with regard to Supply Chain
 - Supplier errors were a significant contributor to construction problems
 - Licensee is ultimately accountable-actions taken must be appropriate based on performance history and risk

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This slide features a background image of a nuclear power plant. The title is 'Historical Perspective'. Below the title is a bulleted list with one main point and two sub-points. The bottom left corner has the 'Vogtle units 3&4 Nuclear Development' logo. The bottom right corner has the 'SOUTHERN COMPANY' logo.



Southern Experience

- Most Suppliers to date have experienced quality issues in early production and fabrication
- Traditional QA Audits & Surveillances failed to uncover many significant issues
- Licensee has had to take much more intrusive role in Supplier Oversight
- Gaps Exist in License-Design-Fabrication Translation

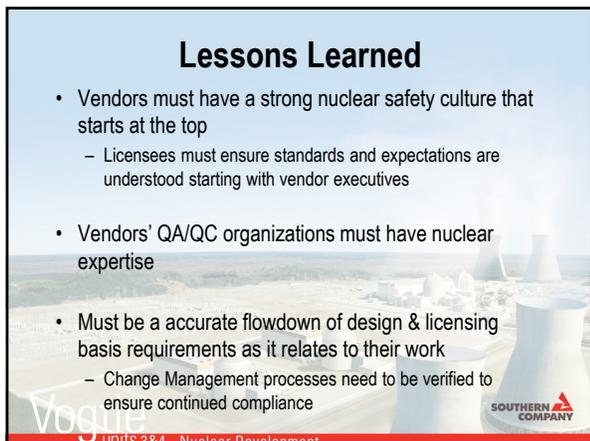
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This slide features a background image of a nuclear power plant. The title is 'Southern Experience'. Below the title is a bulleted list with four points. The bottom left corner has the 'Vogtle units 3&4 Nuclear Development' logo. The bottom right corner has the 'SOUTHERN COMPANY' logo.

Lessons Learned

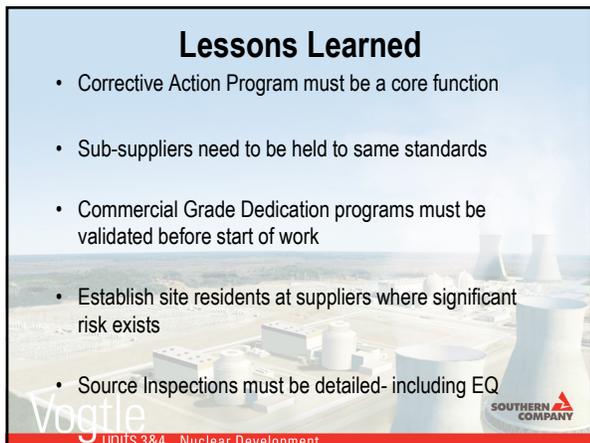
- Vendors must have a strong nuclear safety culture that starts at the top
 - Licensees must ensure standards and expectations are understood starting with vendor executives
- Vendors' QA/QC organizations must have nuclear expertise
- Must be an accurate flowdown of design & licensing basis requirements as it relates to their work
 - Change Management processes need to be verified to ensure continued compliance



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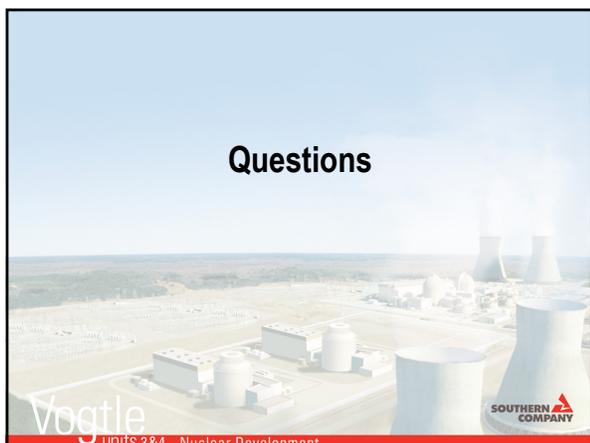
Lessons Learned

- Corrective Action Program must be a core function
- Sub-suppliers need to be held to same standards
- Commercial Grade Dedication programs must be validated before start of work
- Establish site residents at suppliers where significant risk exists
- Source Inspections must be detailed- including EQ



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Questions



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