

USA Material Cost Reduction

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Who is USA



- USA Alliance – 14 units

• Columbia	1 unit	BWR
• Comanche Peak	2 units	PWR
• Cook	2 units	PWR
• Cooper	1 unit	BWR
• Fermi II	1 unit	BWR
• South Texas Project	2 units	PWR
• Susquehanna	2 units	BWR
• Xcel		
• Monticello	1 unit	BWR
• Prairie Island	2 units	PWR

USA Material Cost Reduction



- Implementation of Delivering the Nuclear Promise (DNP) efficiency bulletin 16-30 “Reducing Material Costs While Maintaining Quality”
 - USA project plan approved by the USA board of directors December 2016
 - USA hired a project manager to work with the Alliance supply chain and procurement engineering leaders to implement proposed initiatives
 - Aligned with key USA suppliers to implement proven cost reduction strategies
 - Targeting quick wins and long term sustainable first cost and inventory reduction solutions

USA Material Cost Reduction



- The Plan

- Enhance performance/utilization of existing USA supplier agreements in the following areas
 - Power Supply / Circuit board repairs, sourcing, stocking, and PM strategies with ATC
 - New approach for inventory obsolescence solutions with NLI
 - Inventory standardization for fasteners, gaskets, and sealing products with Curtis Wright
 - Reverse engineering with various suppliers
 - Increase existing USA contract utilization across all sites
 - Over 40 suppliers with contracts in place for services and materials

USA Material Cost Reduction

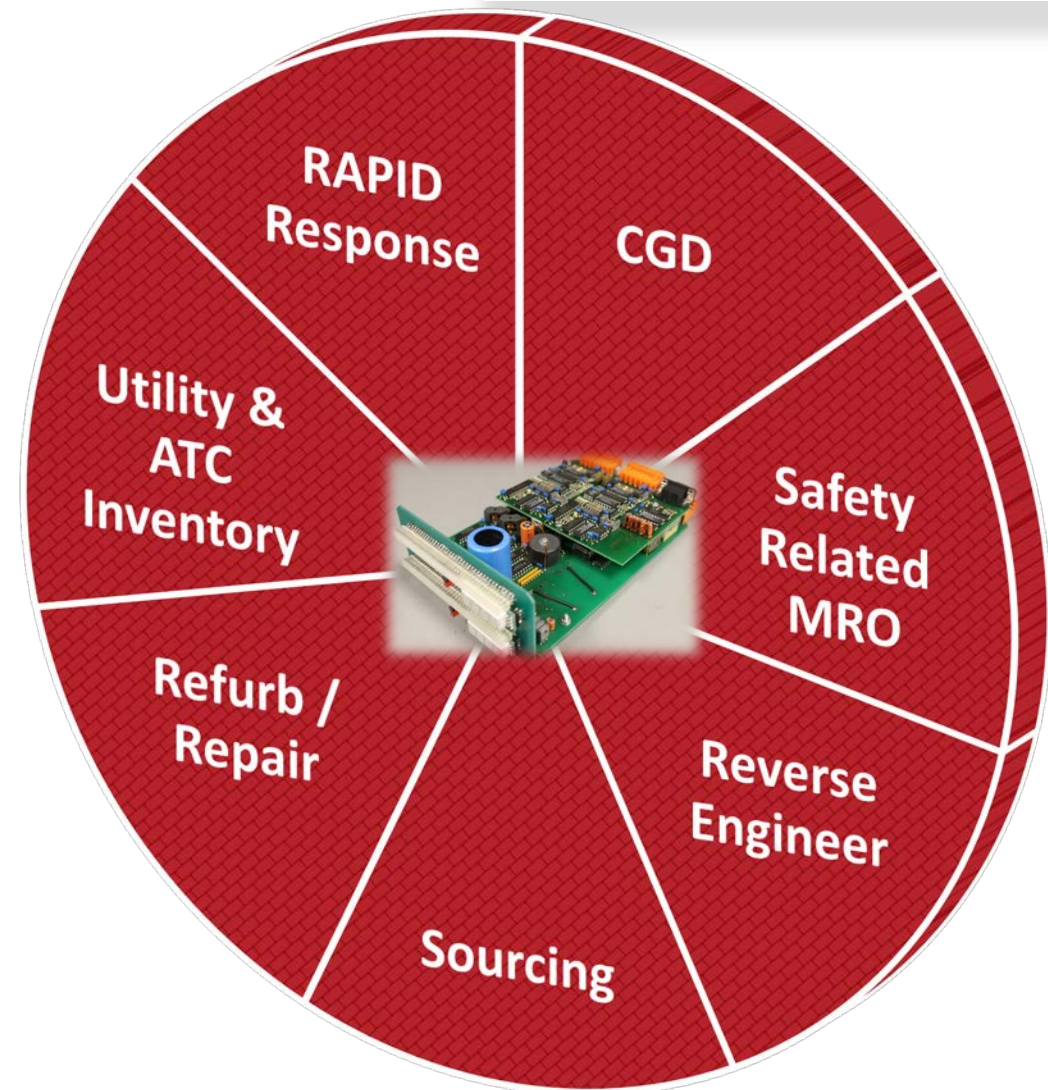


- The Plan continued
 - Established new agreement for commercial grade dedication, sourcing, inventory management, and procurement engineering services
 - Bid multiple suppliers
 - Target on-demand and proactive sourcing solutions
 - Establish a fleet inventory management and stocking strategy
 - Reduce Procurement Engineering burden
 - The key to success is to act like a fleet

ATC Nuclear is a Strategic Supply Chain Partner



ATC Nuclear provides material from a variety of sources and programs



USA Material Cost Reduction



- Questions
- Open Discussion