

1 **UNDERTAKING J4.13**

2

3 **Undertaking**

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5 To confirm whether there are incentive structures to individuals within OPG to achieve

6 excellent performance at procuring uranium at low prices.

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9 **Response**

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11 OPG has an approved nuclear fuel procurement strategy in place. The goal of the

12 strategy is to obtain the required nuclear fuel quality, quantity and security of supply at

13 the lowest corresponding price (Ex. F2-T5-S1, Section 3.1).

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15 As outlined in Ex. F2-T2-S1, Attachment 1, page 4, one of the four Nuclear

16 Cornerstones is Value for Money, and all management staff within Nuclear have their

17 Annual Incentive Plan ("AIP") tied to Value for Money performance. OPG's Nuclear

18 Supply Chain organization is responsible for nuclear fuel procurement. For the

19 management staff within Nuclear Supply Chain, this translates into a performance

20 incentive (AIP objective) of achieving cost reductions/bottom line savings from all of the

21 nuclear supply chain activities, a significant component of which is nuclear fuel

22 procurement.