SEC Interrogatory #59

Interrogatory

Reference: D2-1-1, p.8

With respect to project execution:

a. Please detail the type of monitoring of project execution, including that of project costs and schedules, that occurs at OPG, not only at the project level, but at each level, up to and including the Board of Directors.
b. Please detail the metrics that are used to monitor project execution at each level at OPG.
c. Insofar as it may be different then your responses to parts (a) and (b), please detail the method of reporting on project execution within the company.
d. Please provide copies of the latest version of any nuclear capital project execution monitoring reports, summaries, dashboards, metrics or similar documents, at each level within OPG.

Response

a) There are two levels of project monitoring of project execution: project level and portfolio level. At both the project and portfolio level, the following areas are monitored:
   i. Safety performance
   ii. Quality performance
   iii. Schedule performance
   iv. Cost performance
   v. Project risks

   Portfolio reviews are performed at different levels of the organization depending on the volume and complexity of the portfolio, but include the same areas of project performance monitoring.

b) The metrics that are used to monitor project execution at the project level include:
   i. Schedule Performance Index (“SPI”)
   ii. Cost Performance Index (“CPI”)
   iii. % Released Spent
   iv. Risk score (pre-risk response and post-risk response)
   v. Cost variance to plan
   vi. Key milestone performance

The metrics that are used to monitor project execution at the portfolio level include:

i. Total Reported Injury Frequency ("TRIF")
ii. Annual Portfolio Budget Performance (variance to annual portfolio targets, including in-service targets)
iii. Total Project Forecast Variances to Project Released Amounts
iv. Schedule Performance (number of projects with less than 10% schedule variance)
v. Available-for-service Milestone (number of projects on plan)

c) See Part a) and b). These reports are reviewed and communicated through regular performance and status update meetings within project teams and to stakeholders at the portfolio level primarily through Project Management Oversight Committee Meetings ("PMOC") and Asset Management Oversight Committees ("AMOC") (see Section 3.0 of Ex. D2-1-1, p. 2). Members of the Executive Leadership team attend applicable AMOC/PMOC meetings and provide updates to sub-committees of OPG's Board of Directors depending on the project complexity. See Ex. L-D2-01-AMPCO-21 for EPO performance metrics.

d) See Attachment 1 for the latest version of a project-level report. See Attachment 2 for the latest version of a portfolio-level report.