1 Q. With reference to Appendix A of the 2013 Capital Projects Overview, at pages A1 -

2   A12, Hydro sets out what are, apparently, the "Probability" and "Confidence Level"

3   criteria used to determine the priority ranking of capital projects. Provide a detailed

4   explanation, for each prioritized Project, of how these criteria were applied to

5   determine the assigned priority for each Project.

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8 A. The prioritization method is a screening tool to determine which capital budget

9   proposals are submitted for approval in a given year, and each is necessary in the

10   year. Of the 12 criteria used in the prioritization of capital projects, eight use a

11   confidence level in evaluating the impact of the associated criterion for a particular

12   project. The remaining four use a probability factor in evaluating the impact of the

13   criterion. Probability or confidence level is used depending on its appropriateness

14   to the criteria. Each criterion is given a maximum weighting of a number of points

15   out of a total of 1,000 points for the criteria. For each criterion, a number of factors

16   have been identified and assigned a weighting relative to the maximum weighting

17   of the criterion. These factors represent the impact level of that particular criterion

18   on the project being evaluated. After determining the impact, consideration is given

19   to the probability of an event or confidence level in the impact occurring if the

20   project does not proceed. The ranking score for each project is obtained through

21   the sum of the products of impact multiplied by probability/confidence level. A

22   project with a higher score is considered more important than a project with a

23   lower score.

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25   Please refer to IC-NLH-7 for a detailed prioritization of 2013 projects.