

1 Q. **Governance**

2 Provide Hydro's most recent corporate one and five year plans for the period 2010  
3 to 2014 inclusive.

4

5

6 A. Please see PUB-NLH-412 Attachments 1 to 5.

2010-2014 Plan

PUB-NLH-412, Attachment 1

Page 1 of 73, Isl Int System Power Outages

# Newfoundland and Labrador Hydro Planning Priorities

Boundless Energy

FINAL, 2010 03 01



# 2010 Plan Highlights

Goal	Hydro
1. Safety	<ul style="list-style-type: none"> <li>•Lead/Lag Ratio 350:1      All Injury Frequency (AIF) <math>\leq</math> 1.00      Lost Time Injury Frequency (LTIR) <math>\leq</math> 0.50</li> <li>•Complete all Work Permit Code (WPC) training and have full implementation across Hydro</li> <li>•Have work methods initiatives organized across all departments of Regulated Operations and operating to standardized Work Methods including ranking, review, testing, documentation and filing.</li> </ul>
2. Environment	<ul style="list-style-type: none"> <li>•Reduce emissions per unit of energy delivered by achieving not more than 14% variance from ideal production schedule at Holyrood Generating Station</li> <li>•Achieve <math>\geq</math> 95% accomplishment of Leadership Team approved EMS targets</li> <li>•Achieve 4 GWh of energy savings through Newfoundland and Labrador Hydro managed conservation and demand management programs</li> <li>•Achieve 1.8 GWh of energy savings through internal energy efficiency programs</li> <li>•Complete a waste scoping study and identify potential areas for waste reduction</li> </ul>
3. Business Excellence	<ul style="list-style-type: none"> <li>•Maintain annual controllable costs to within 2% variance of the approved budget</li> <li>•Contribute \$6.0M to Nalcor net revenue</li> <li>•Achieve ROCE of 6.0% for Regulated Hydro</li> <li>•Winter availability <math>\geq</math>94.6%</li> <li>•Complete Phase II activities of Asset Management System (AMS) which includes filling roles, completing alignment activities gaps analysis, closure plan and plan on schedule</li> <li>•File a General Rate Application for new rates effective January 1, 2011 (TBD)</li> </ul>
4. People	<ul style="list-style-type: none"> <li>•Achieve an Employee Opinion Survey score of 3.65.</li> <li>•Workplace improvement plans in place and plan execution on schedule.</li> <li>•Apprenticeship and other developmental programs reviewed for greater flexibility and business alignment.</li> <li>•Recruitment and retention plan specific to rural/remote locations in place.</li> </ul>
5. Community	<ul style="list-style-type: none"> <li>•To increase the Public Reputation Index for Hydro to 76.5/100 in 2011.</li> </ul>

# Goals 1: To be a safety leader

Boundless Energy



# Framework



Build, Operate and Maintain Facilities  
To Generate / Produce, Transmit &  
Distribute Energy

**Successful Execution =**

- Employee Confidence
- Safety Performance
- Valued Employees



# Safety Excellence Framework



## *Reporting, Analysis and Continuous Improvement*

### LEADING INDICATORS

Hazards, Near Misses, Safe and Unsafe Observations, First Aids, Inspections, Audits

### LAGGING INDICATORS

Medical Aids, Disabling Injuries, Severity, analyzed by injury type, part of body, location, etc.

# Safety Culture Model

↙ **“Desired State”**

<p style="text-align: center;"><b>Independent</b></p> <p style="text-align: center;"><b>“Zero is attainable”</b></p> <ul style="list-style-type: none"> <li>• Well understood process and operation</li> <li>• Personal commitment</li> <li>• Supervision/resource comfortable leading or allowing others to lead</li> <li>• Ownership for procedures at team level</li> <li>• Trust allowing for shared logic and ideas</li> </ul>	<p style="text-align: center;"><b>Interdependent</b></p> <p style="text-align: center;"><b>“Zero is sustainable”</b></p> <ul style="list-style-type: none"> <li>• Co-operation within and across teams</li> <li>• Organizational pride</li> <li>• We take care of each other</li> <li>• Self-managed teams</li> <li>• Team fully engaged in the goal</li> </ul>
<p style="text-align: center;"><b>Dependent</b></p> <p style="text-align: center;"><b>“Zero is difficult”</b></p> <ul style="list-style-type: none"> <li>• Management commitment</li> <li>• Governed by rules and regulations</li> <li>• Management centered activities</li> <li>• Selective communication of objectives</li> <li>• Discipline as a development tool</li> <li>• Turf-type atmosphere</li> </ul>	<p style="text-align: center;"><b>Reactive</b></p> <p style="text-align: center;"><b>“Zero is unrealistic”</b></p> <ul style="list-style-type: none"> <li>• Goal of compliance</li> <li>• Discipline is reactive to incidents</li> <li>• Performance driven by management</li> <li>• Management provided resource but lack of management involvement</li> </ul>

# Goal 1: Safety

## OBJECTIVES - Safety

- By 2014, improve safety performance to world class standards with a AIFR  $\leq 0.50$ , LTIFR  $\leq 0.15$  and a Lead/Lag ratio of  $\geq 1000:1$  and sustain thereafter.
- Interdependent Safety Culture where employees demonstrate *best in class* safety leadership behaviours.
- A functioning Internal Responsibility System where employees actively demonstrate personal ownership for safety.

## TARGETS - Safety

2010	2011	2012	2013	2014
Achieve safety lead/lag ratio $\geq 350:1$ or 0 events	Achieve safety lead/lag ratio $\geq 450:1$ or 0 events	Achieve safety lead/lag ratio $\geq 600:1$ or 0 events	Achieve safety lead/lag ratio $\geq 750:1$ or 0 events	Achieve safety lead/lag ratio $\geq 1000:1$ sustained or 0 events sustained
All injury frequency rate (AIFR) $\leq 1.00$	All injury frequency rate (AIFR) $\leq 0.80$	All injury frequency rate (AIFR) $\leq 0.60$	All injury frequency rate (AIFR) $\leq 0.5$	All injury frequency rate (AIFR) $\leq 0.5$ sustained.
Lost time injury frequency rate (LTIFR) $\leq 0.50$	Lost time injury frequency rate (LTIFR) $\leq 0.30$	Lost time injury frequency rate (LTIFR) $\leq 0.2$	Lost time injury frequency rate (LTIFR) $\leq 0.15$	Lost time injury frequency rate (LTIFR) $\leq 0.15$ sustained.

# Goal 1: Safety

## INITIATIVES – Procedures and Equipment / Competence

2010	2011	2012	2013	2014
<p><b>Work Methods</b></p> <ul style="list-style-type: none"> <li>Establish work methods committees by Department</li> <li>Deliver hazard recognition and Task Based Risk Assessment (TBRA) training to work method committee members, and high risk employees.</li> <li>Create/review critical task inventory lists.</li> <li>Complete TBRA and related work methods for each task identified</li> <li>Develop and verify 30 % of high risk work methods.</li> <li>Implement work methods database and train in use.</li> <li>Investigate ways to improve delivery of work methods through use of innovative technologies.</li> </ul>	<p><b>Work Methods</b></p> <ul style="list-style-type: none"> <li>Continue development and verification and have 80 % of high risk work methods previously identified completed.</li> <li>Deliver hazard recognition and Task Based Risk Assessment training to new work method committee members, and high risk employees.</li> <li>Develop an audit system/protocol to ensure that work methods are used and followed.</li> <li>Review merits of expanding Hazard Recognition and Task Based Risk Assessment training to non-high risk employees.</li> </ul>	<p><b>Work Methods</b></p> <ul style="list-style-type: none"> <li>Complete the remaining work methods</li> <li>Create/review critical task inventory lists.</li> <li>Develop and verify new high risk work methods.</li> <li>Develop and verify 20% of identified non-high risk work methods.</li> <li>Audit work methods process (TBRA process and work methods)</li> <li>Deliver hazard recognition and Task Based Risk Assessments to selected non-high risk employees</li> </ul>	<p><b>Work Methods</b></p> <ul style="list-style-type: none"> <li>Develop and verify 20% of identified non-high risk work methods.</li> </ul>	<p><b>Work Methods</b></p> <ul style="list-style-type: none"> <li>Develop and verify 20% of identified non-high risk work methods.</li> </ul>

# Goal 1: Safety

## INITIATIVES – Procedures and Equipment/ Competence

2010	2011	2012	2013	2014
<p><b><u>Work Protection Code</u></b></p> <ul style="list-style-type: none"> <li>• Implement consolidated Work Protection Code</li> <li>• Complete training in Work Protection Code for all employees who work under permit system.</li> <li>• Determine the approach and budget to enhance control and storage of Work Protection Code documents through an Electronic Management System that can be applied in ECC and possibly across the system (WPCEMS).</li> <li>• Submit consolidated Work Protection Code with Provincial Regulator in Q2 for registration as a complex lockout / tag out system.</li> </ul>	<p><b><u>Work Protection Code</u></b></p> <ul style="list-style-type: none"> <li>• Continue training new relevant employees</li> <li>• Complete Corporate and Local Live Audits</li> <li>• Seek funding approval for WPEMS.</li> </ul>	<p><b><u>Work Protection Code</u></b></p> <ul style="list-style-type: none"> <li>• If funding approved, implement in ECC</li> <li>• Review applicability of WPCEMS to other areas/plants/regions</li> </ul>	<p><b><u>Work Protection Code</u></b></p> <ul style="list-style-type: none"> <li>• If deemed practical continue expansion of WPCEMS</li> </ul>	<p><b><u>Work Protection Code</u></b></p>

# Goal 1: Safety

## INITIATIVES – Leadership/ Supportive Culture

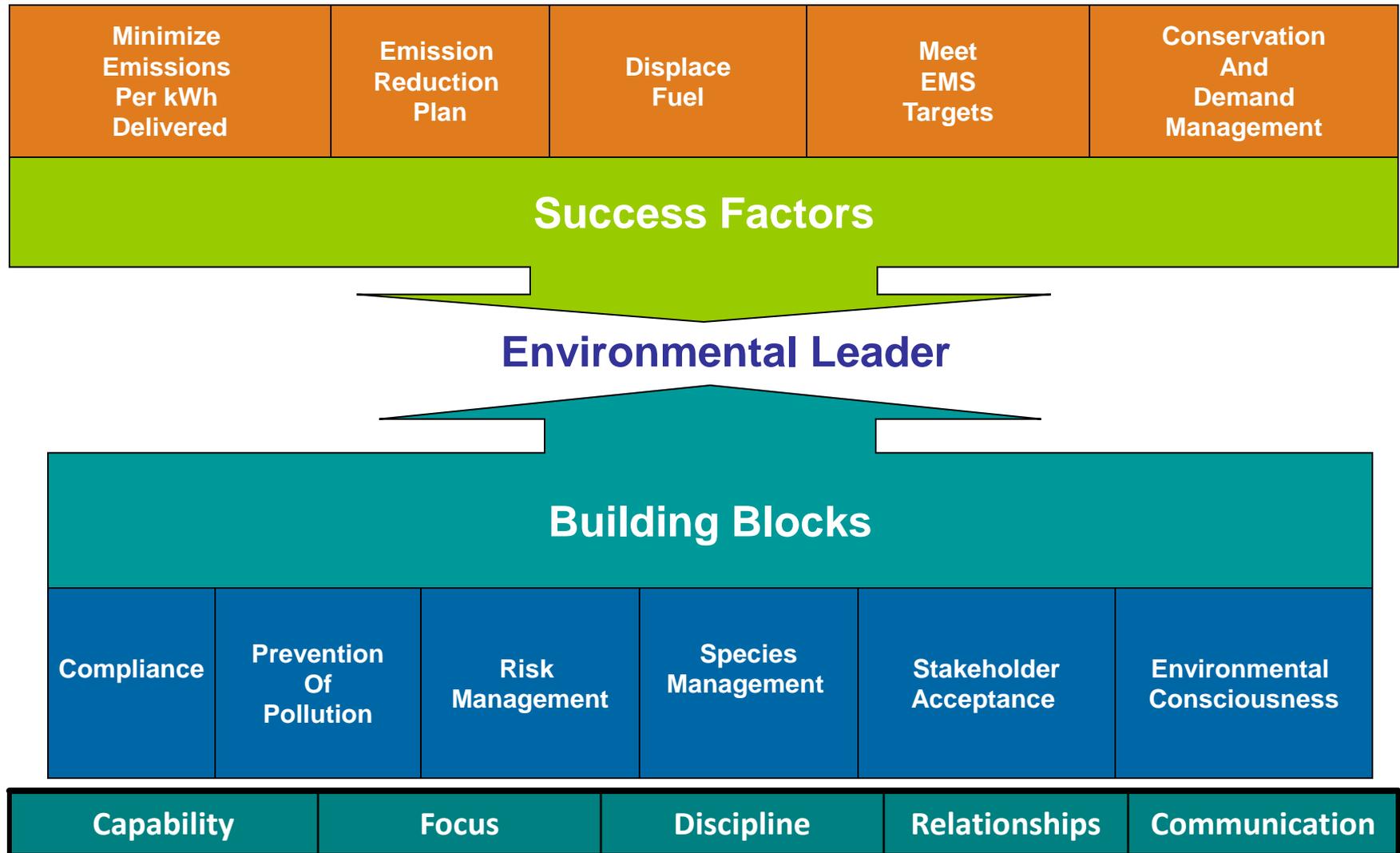
2010	2011	2012	2013	2014
<p><b><u>Safety (FELT) Leadership</u></b></p> <ul style="list-style-type: none"> <li>• Communicate and implement Corporate Safety Interactions initiative.</li> <li>• Coach Safety Interactions.</li> <li>• Broaden attendance to “formal leaders” at annual Safety Summit.</li> </ul>	<p><b><u>Safety (FELT) Leadership</u></b></p> <ul style="list-style-type: none"> <li>• Review value and possible process for tracking safety interactions.</li> <li>• Review value of departmental or divisional safety summits</li> </ul>	<p><b><u>Safety (FELT) Leadership</u></b></p> <ul style="list-style-type: none"> <li>• If deemed of value record Safety Interactions via Corporate process</li> <li>• Aid Corporate in the analysis of Safety Interactions.</li> <li>• Initiate annual dept/Divisional Safety Summits</li> </ul>	<p><b><u>Safety (FELT) Leadership</u></b></p>	<p><b><u>Safety (FELT) Leadership</u></b></p>

# Goal 2: To be an environmental leader.

Boundless Energy



# Framework



# Goal 2: Environment

## OBJECTIVE Environment

- Reduce emissions per unit of energy delivered by achieving not more than 10% variance from ideal production schedule at Holyrood Generating Station by 2014 – maintain at 10% through 2014.
- Achieve  $\geq 95\%$  accomplishment of Leadership Team approved EMS targets
- Achieve 4 GWh of energy savings through Newfoundland and Labrador Hydro managed conservation and demand management programs
- Achieve 1.8 GWh of energy savings through internal energy efficiency programs
- Achieve reduction in the 5 year rolling average number of reportable hydrocarbon spill events.

## TARGETS - Environment

2010	2011	2012	2013	2014
Emission variance from ideal at Holyrood $\leq$ to 14%	12.5%	11%	10%	10%
Number of approved Environmental Management System (EMS) targets accomplished within Hydro maintained at 95%.				

# Goal 2: Environment

TARGETS – Environment Cont'd				
2010	2011	2012	2013	2014
Energy savings through CDM program $\geq$ to 4 GWh	22.7 GWh	48.8 GWh	50 GWh	51.2 GWh
Achieve internal energy savings $\geq$ to 1.8 GWh	1.95 GWh	2.1 GWh	2.25 GWh	2.4 GWh
•Achieve $\geq$ than 20% reduction in the 5 year rolling average number of reportable spills <sup>1</sup> .	•Achieve $\geq$ than <b>TBD</b> % reduction in the 5 year rolling average number of reportable spills <sup>1</sup> .	•Achieve $\geq$ than <b>TBD</b> % reduction in the 5 year rolling average number of reportable spills <sup>1</sup>	•Achieve $\geq$ than <b>TBD</b> % reduction in the 5 year rolling average number of reportable spills <sup>1</sup>	•Achieve $\geq$ than <b>TBD</b> % reduction in the 5 year rolling average number of reportable spills <sup>1</sup>
•Reduction in the volume of selected waste streams to be identified following study	Achieve <b>TBD</b> $\geq$ % reduction in selected waste streams per 2010 study	Achieve $\geq$ <b>TBD</b> % reduction in selected waste streams per 2010 study	Achieve $\geq$ <b>TBD</b> % reduction in selected waste streams per 2010 study	Achieve $\geq$ <b>TBD</b> % reduction in selected waste streams per 2010 study

Note 1 Excluding those involving fires, vehicle accidents and variable natural events such as ice storms

# Goal 2: Environment

## INITIATIVES - Environment

2010	2011	2012	2013	2014
<ul style="list-style-type: none"> <li>• Continue on plan to improve scheduling decision making through improved monitoring and calibration of short term load forecasting program</li> </ul>	<ul style="list-style-type: none"> <li>• Complete a review of the operations and maintenance of HTGS condensers and compare with industry best practice.</li> </ul>	<ul style="list-style-type: none"> <li>• Complete a post-mortem review of turbine control valve spindle design at HTGS.</li> </ul>		
<ul style="list-style-type: none"> <li>• Through consultation with NP, identify and recommend and implement new residential and commercial programs.</li> </ul>	<ul style="list-style-type: none"> <li>• Through consultation with NP, identify and recommend and implement new residential and commercial programs.</li> </ul>	<ul style="list-style-type: none"> <li>• Through consultation with NP, identify and recommend and implement new residential and commercial programs.</li> <li>• Update CDM potential study.</li> </ul>	<ul style="list-style-type: none"> <li>• Through consultation with NP, identify and recommend and implement new residential and commercial programs.</li> </ul>	(TDB)

# Goal 2: Environment

## INITIATIVES - Environment

2010	2011	2012	2013	2014
Evaluate spill events and reduction programs in respect to spill reduction target performance.				



# Goal 2: Environment

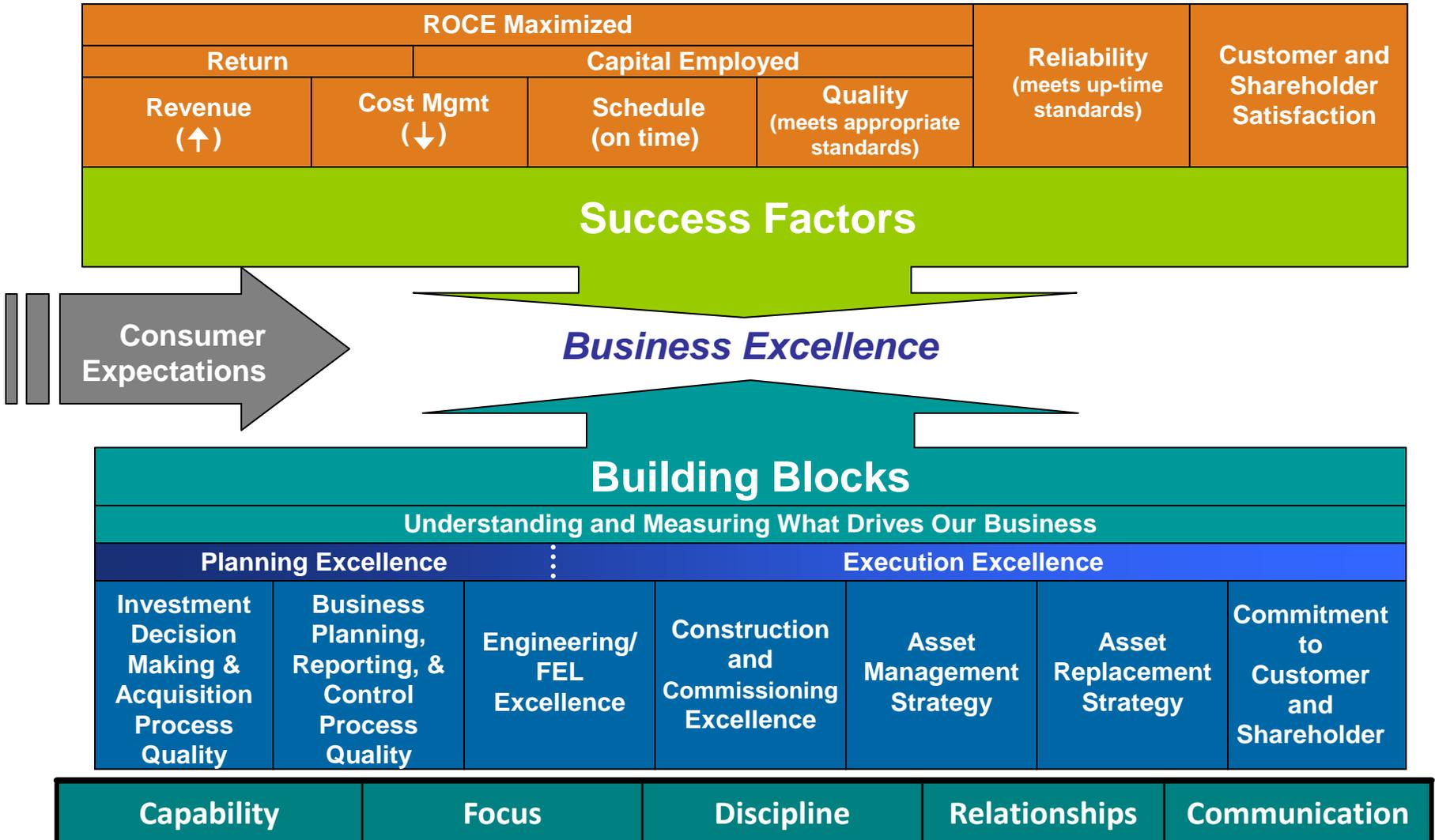
INITIATIVES - Environment				
2010	2011	2012	2013	2014
<ul style="list-style-type: none"><li>• Complete waste scoping study.</li><li>• Review implementation of new oil change cycle program for gensets at TRO diesel plants 2010.</li></ul>				

# Goal 3: Through business excellence to provide exceptional value to all consumers of our energy.

Boundless Energy



# Framework



# Goal 3: Business Excellence

## OBJECTIVES – Financial Performance

- Net Income: Meet or exceed Hydro's allocation of the annual corporate net income targets<sup>1</sup>.
- Profitability: Achieve a three-year rolling average ROCE of 8.0% by 2013<sup>1</sup>.
- Operating Costs: Maintain annual controllable costs at or below the approved budget by 2011.
- Capital Schedule: Achieve capital project scheduled completion rate by year end of 95% and future years as determined by Project Execution review.
- Capital Costs: Achieve 90% of completed projects within 10% of budget and all-project variance of 5% or less within original cost budget by 2012.

## TARGETS – Financial Performance

2010	2011	2012	2013	2014
Achieve HYDRO net income of \$6.0M	Net income of \$32.8M with increased ROE from GRA <sup>1</sup>	Net income of \$35.7M	Net income of \$37.9M	Net income of \$40.0M

**1** 2011 and beyond dependent on a GRA and outcome.

# Goal 3: Business Excellence

## TARGETS – Financial Performance

2010	2011	2012	2013	2014
<b>Profitability<sup>1</sup></b> Return on Capital Employed of 6.0%	ROCE of 8.1%	ROCE of 8.0%	ROCE of 8.0%	ROCE of 7.8%
<b>Operating Costs</b> Maintain controllable costs to within 2% variance of the approved budget.	Maintain controllable costs to within 1% of the approved budget.	Maintain controllable costs at or below the approved budget.	→	
<b>Capital Budget Schedule<sup>2</sup></b> Completion rate of capital projects by year end, per budget schedule $\geq$ than 95%	Metrics and targets to be set pending project execution review	→		
<b>Operating Projects<sup>2</sup></b> Completion rate of selected operating projects /studies by year end, per budget schedule $\geq$ 95%	Metrics and targets to be set pending project execution review	→		

1 2011 and beyond dependent on a GRA and outcome if undertaken.

2 Long term target and metric to be reviewed in context of project execution review.

# Goal 3: Business Excellence

TARGETS – Financial Performance				
2010	2011	2012	2013	2014
<p><b><u>Capital Budget Costs</u></b><sup>1</sup> Achieve 50% of completed projects within 10% of budget and all-project variance of 8% or less within original budget.</p>	<p>Metrics and targets to be set pending project execution review</p>			
<p><b><u>Rate of Return</u></b> If required file a General Rate Application to PUB with targeted ROE for new rates effective Jan 1, 2011.</p>		<p>If required obtain approval for revised rates for 2013 implementation, if needed.</p>		

**1 Long term target and metric to be reviewed in context of project execution review.**

# Goal 3: Business Excellence

## OBJECTIVES – Reliability – Asset Management

- Achieve by 2012, 98% major generating availability during the winter (Jan-Mar, Dec) period.
- Achieve by 2014 top quartile (when compared to similar CEA utilities) transmission delivery point performance.
- By 2011, have a well documented and comprehensive Asset Management System (AMS) framework, an organization design that drives this AMS, and alignment throughout the organization to ensure that we drive long-term excellence in asset operation, maintenance, utilization and replacement.

## TARGETS – Reliability

2010	2011	2012	2013	2014
NLH Weighted Winter Availability $\geq 94.6$ • Thermal -85.0 • Hydro -99.5	NLH Weighted Winter Availability $\geq 96.3$ • Thermal -90.0 • Hydro -99.5	NLH Weighted Winter Availability $\geq 98\%$ • Thermal -95.0 • Hydro -99.5	NLH Weighted Winter Availability $\geq 98\%$ • Thermal -95.0 • Hydro -99.5	NLH Weighted Winter Availability $\geq 98\%$ • Thermal -95.0 • Hydro -99.5
Delivery Point Unreliability Index $< 12.17$ System-minutes (16,750 MW-min)	DPUI $< 11.79$ System-minutes (16,500 MW-min)	DPUI $< 11.37$ System-minutes (16,250 MW-min)	DPUI $< 10.70$ System-minutes (16,000 MW-min)	DPUI $< 10.44$ System-minutes (16,000 MW-min)

# Goal 3: Business Excellence

<b>TARGETS – Reliability</b>				
<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Transmission Interruption Frequency (T-SAIFI) 0.85 int./DP	0.81 int./DP	0.76 int./DP	0.70 int./DP	0.67 int./DP
Transmission Interruption Duration (T-SAIDI) 55.0 min/DP	52.0 min/DP	49.0 min/DP	46.0 min/DP	42.5 min/DP

# Goal 3: Business Excellence

TARGETS – Asset Management				
2010	2011	2012	2013	2014
<p><b>•Complete Phase II of AMS</b></p> <ul style="list-style-type: none"> <li>•Organization design adjusted and positions filled to enable the established AMS framework.</li> <li>•Through the Office of Asset Management provide a consistent oversight and direction to ensure all AMS personnel follow same philosophy and practices for like assets, through alignment with AMS philosophy,</li> <li>•Finalize current state and map with timeline to to future state (Gap analysis and closure plan)</li> <li>•Execute high priority items from plan</li> </ul>	<ul style="list-style-type: none"> <li>•AMS framework fully utilized per plan and execution on schedule</li> </ul>	<ul style="list-style-type: none"> <li>•AMS framework fully utilized per plan and execution on schedule</li> <li>•Review / refresh AMS framework and plan</li> </ul>	<ul style="list-style-type: none"> <li>•AMS framework fully utilized per plan and execution on schedule</li> </ul>	<ul style="list-style-type: none"> <li>•AMS framework fully utilized per plan and execution on schedule</li> </ul>

# Goal 3: Business Excellence

TARGETS – Asset Management				
2010	2011	2012	2013	2014
Review and confirm accurate asset registry and establish single point of accountability	Maintain accurate asset registry	Review and confirm accurate asset registry	Maintain accurate asset registry	Review and confirm accurate asset registry
Monitor and update 20-year plan consistent with overall AMS progress for each asset group	→			

# Goal 3: Business Excellence

INITIATIVES – Reliability - Asset Management				
2010	2011	2012	2013	2014
<ul style="list-style-type: none"> <li>Investigate tool and or methods to capture data (asset maintenance history, operation, condition and performance) required to support and drive asset management</li> <li>Seek funding, operating or capital as required to implement the tool set required</li> </ul>	Implement tool if not done from available funding in 2011 or seek capital funding is necessary for 2012 implementation	Implement tool capital funding sought in 2011		
Develop team and processes to review disturbance events, protection operations and impact on power systems and customers.				
Establish critical spares listings for all areas	Review Critical spares and prepare 2011 budgets to acquire necessary capital or operating spares			
Succession planning to ensure staff knowledge and experiences retained (Goal 4)				

# Goal 3: Business Excellence

## OBJECTIVES – Customer Satisfaction

- Rural Residential Customer Satisfaction – Achieve greater than 90% of rural residential customers satisfied with Hydro by 2014.

## TARGET – Customer Satisfaction

2010	2011	2012	2013	2014
Percentage of Rural Residential Customers Satisfied with Hydro. <u>&gt;90%</u>	Maintain a Rural Residential Customer Satisfaction rate of <u>&gt;90%</u>			



# Goal 4: To ensure a highly skilled and motivated team of employees who are strongly committed to Nalcor's success and future direction.

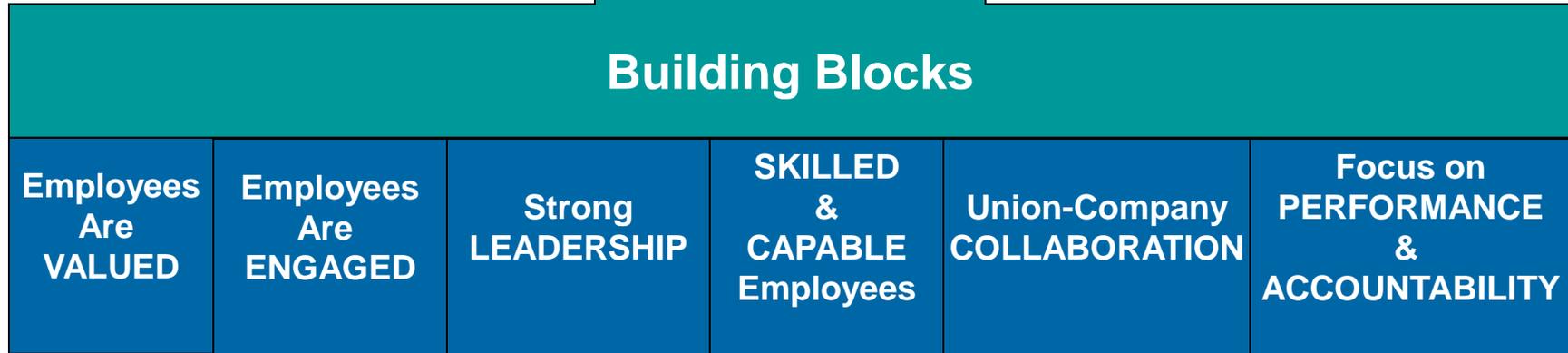
Boundless Energy



# Framework



**NALCOR TEAM**  
*Skilled, Motivated and Committed*



# Goal 4: People

## OBECTIVE - People

By 2013, improve all elements of employee engagement to a level where Hydro would qualify for recognition as one of Canada's best employers in reference to an acceptable external benchmark, and maintain each subsequent year.

## TARGETS - People

2010	2011	2012	2013	2014
Achieve employee opinion score of 3.65		Achieve employee opinion score of 3.75 (top employer status)		Maintain employee opinion score of 4.0
Attain employee survey participation rate at 85%		Maintain employee survey participation rate at 85%		Maintain employee survey participation rate at 85%

# Goal 4: People

INITIATIVES				
2010	2011	2012	2013	2014
<p><b><u>Skilled and Capable Employees</u></b></p> <ul style="list-style-type: none"> <li>Further review recruitment and retention plan for rural and remote locations and seek approval and resources to implement</li> </ul>	<p><b><u>Skilled and Capable Employees</u></b></p> <p>Implement further approved initiatives to rural recruitment and evaluate effectiveness</p>	<p><b><u>Skilled and Capable Employees</u></b></p>		
<p><b><u>Performance and Accountability &amp; Skilled and Capable Employees</u></b></p> <ul style="list-style-type: none"> <li><b>Career Development.</b> Ensure succession planning efforts target appropriate areas.</li> <li>Review administration of the Apprenticeship Programs including oversight of the program, the number and type of apprentice positions required, training needs, and methods of selection and deployment.</li> </ul>	<p><b><u>Performance and Accountability</u></b></p> <ul style="list-style-type: none"> <li><b>High performance teams.</b> Develop a team-based culture supporting Hydro’s mission, vision, values and goals.</li> <li>Review apprentice allocation by trade given pending retirements/needs</li> </ul>			

# Goal 4: People

INITIATIVES				
2010	2011	2012	2013	2014
<p><b><u>Skilled &amp; Capable Employees</u></b></p> <ul style="list-style-type: none"> <li>Implement an agreed upon front-line process for coaching and assessment of training needs of our in-scope employees including apprentices.</li> <li>Review and document formal apprentice training plans for all trade areas.</li> </ul>	<p><b><u>Strong Leadership</u></b></p> <ul style="list-style-type: none"> <li><b>Ambassadors for change</b> utilized to help people transition and to measure the success of our change culture (diagnosis of change strength).</li> </ul>	<p><b><u>Strong Leadership</u></b></p> <ul style="list-style-type: none"> <li><b>Alignment review of major project contractors and business partners --</b> Assess our Project contractors and new business partners to determine the extent to which their organizational values and people practices are aligned with Hydro's expectations and minimum standards.</li> </ul>		

# Goal 4: People

INITIATIVES				
2010	2011	2012	2013	2014
<p><b><u>Employees are valued</u></b></p> <ul style="list-style-type: none"> <li>Develop a diversity strategy in line with the Energy Plan and seek approval.</li> <li>Identify gaps in plan and implement actions to close gaps</li> </ul>	<p><b><u>Employees are Valued</u></b></p> <ul style="list-style-type: none"> <li>Complete study of work-life balance, with consideration and evaluation of flex-time, time shares, etc.</li> </ul>		<p><b><u>Employees are Valued</u></b></p> <ul style="list-style-type: none"> <li>Complete study of <b>Standards of Care</b> for employees at various work locations.</li> </ul>	
				

# Goal 4: People – Targets (cont'd)

Initiatives				
2010	2011	2012	2013	2014
75% of workplace improvement plans identified from previous survey year implemented	75% of workplace improvement plans identified in 2010 survey year implemented	Remaining 25% of workplace improvement plans identified in previous survey year implemented	75% of workplace improvement plans identified in 2012 survey year implemented	Remaining 25% of workplace improvement plans identified in previous survey year implemented
100% of new hires enrolled in safety culture session within 9 months of hire				

# Goal 5: To be a valued corporate citizen in Newfoundland and Labrador

Boundless Energy



# Framework



**Good Corporate Reputation =**

- Powerful corporate asset
- Insurance policy
- Stakeholder support



# Goal 5: Community

## OBJECTIVES - Community

- By 2011 to achieve 76.5 on the Public Reputation index.

## TARGETS - Community

2010	2011	2012	2013	2014
	Public Reputation Index* - increase performance to 76.5 (out of 100)		Public Reputation Index* - increase performance to 77 (out of 100)	

\*Public Reputation Index ranges between 1 and 100. A score of 75 or higher is considered the benchmark of a strong and positive reputation.

# Goal 5: Community

INITIATIVES					
Framework Element	2010	2011	2012	2013	2014
<b>1. Emotional appeal - focus</b>	Workplace safety - Promote Hydro's safety initiatives and successes/	Safety & Environment – Promote Hydro's efforts and successes			
<b>2. Products &amp; Services/Op Excellence</b>	Consumer Education – Value of Power				
<b>3. Vision &amp; Leadership</b>	Regional managers to meet with 3 significant local stakeholders Identify and execute 4 key executive speaking opportunities in rural areas focused on Hydro	Stakeholder Relationship/ Engagement Plan			
<b>4. Workplace environment</b>	Complete new signage & vehicle upgrades with new brand Recruitment/employer marketing campaign	Review & plan for external facility & infrastructure upgrades/cosmetic	External facility enhancements		
<b>5. Financial &amp; Business Performance</b>	Capital program promotion	Increased promotion of business results and annual report with key stakeholders			
<b>6. Corporate Citizenship</b>	Region supported safety community initiative with employee involvement and external promotion Plan to increase, support and track employee volunteerism Execution of promotional plan – promoting our philanthropy	Region supported safety community initiative with employee involvement and external promotion	Employee Giving Program		

# Goal 5: Community

INITIATIVES				
2010	2011	2012	2013	2014
<p><b><u>1. Emotional Appeal</u></b>  <b>Employees &amp; workplace environment:</b> Campaign promoting Hydro as a “great place to work” focusing on employees</p>	<p><b><u>Emotional Appeal</u></b>  <b>Safety</b>            Continue awareness campaign on workplace safety leadership</p>	<p><b><u>Emotional Appeal</u></b>  <b>Safety and Environment:</b> Develop and implement an awareness campaign on safety and environmental leadership, responsibility and sustainability. Focused on our steps to reduce air emissions and integrate alternative energy and energy conservation steps – build on takeCharge.</p>		
<p><b><u>2. Financial &amp; Business Performance</u></b>  <b>Capital Program Communications –</b> increased promotion of capital work to various stakeholders</p>	<p><b><u>Financial &amp; Business Performance</u></b>            Increased promotion of business results and annual report with key stakeholders</p>			
<p><b><u>3. Products &amp; Services</u></b>  <b>Consumer Education -Value of Power:</b> Develop and deliver information for electricity consumers on the value of power in NL. Including price for product, reliability of service.</p>				

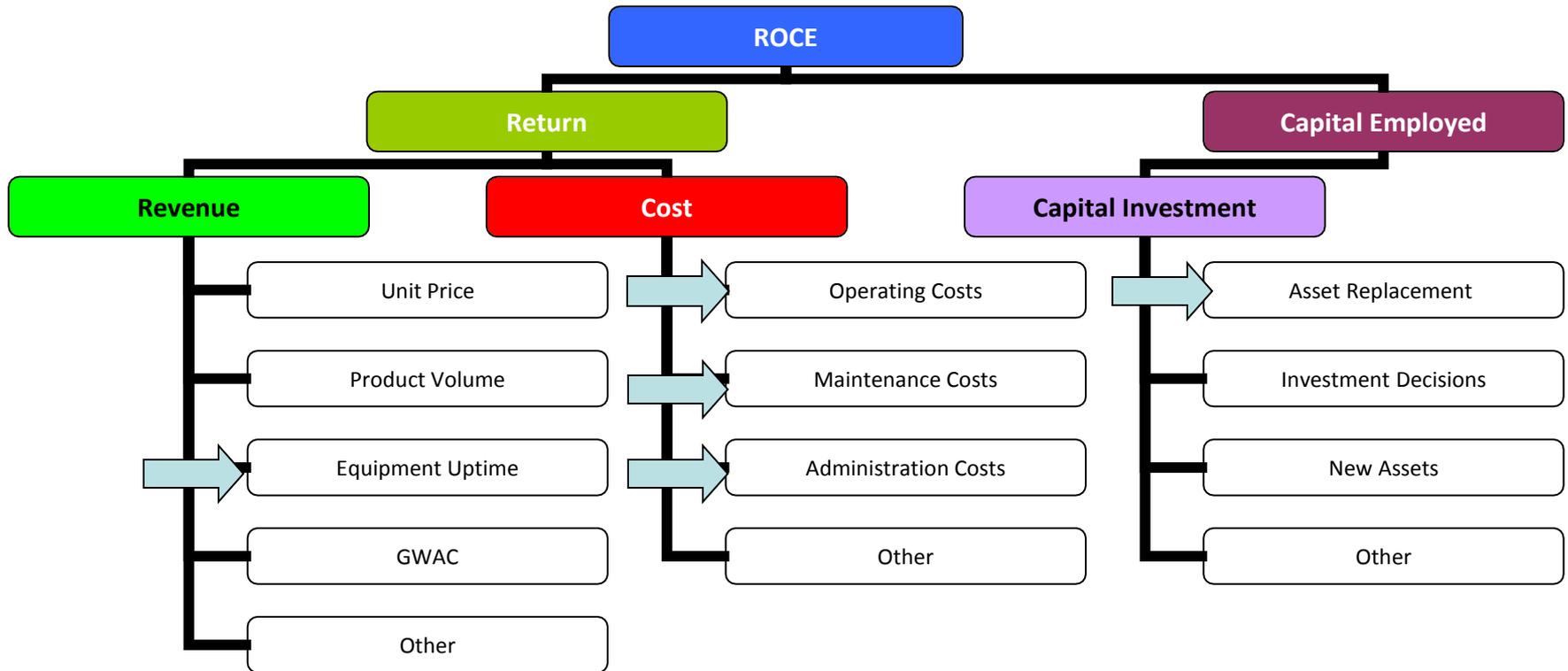
# Goal 5: Community

INITIATIVES				
2010	2011	2012	2013	2014
<p><b><u>4.Vision &amp; Leadership</u></b> Identify and execute 4 key executive speaking opportunities in rural areas focused on Hydro</p>	<p><b><u>Vision &amp; Leadership</u></b> <b>Stakeholder Relationship/Engagement Plan</b> – determine how we incorporate best practices in stakeholder and community engagement in key decisions and projects and measure results.</p>			
<p><b><u>5.Workplace Environment</u></b> Complete new signage &amp; vehicle upgrades with new brand Recruitment/employer marketing campaign</p>	<p><b><u>Workplace Environment</u></b> Review external facilities &amp; infrastructure and develop plan for upgrades and improvements</p>	<p><b><u>Workplace Environment</u></b> Make necessary enhancements to external facilities and infrastructure</p>		
<p><b><u>6.Corporate Citizenship</u></b> <b>Employee Volunteerism:</b> Region supported safety community initiative with employee involvement and external promotion Plan to increase, support and track employee volunteerism Execution of promotional plan – promoting our philanthropy</p>	<p><b><u>Corporate Citizenship</u></b> <b>Employee Volunteerism:</b> Region supported safety community initiative with employee involvement and external promotion</p>	<p><b><u>Corporate Citizenship</u></b> <b>Employee Giving Campaign</b> – work with employees to develop a donation and matching community giving program (perhaps external – i.e., United Way)</p>		

Additional items identified in goal groups that may and in some cases, should find their way into departmental plans

**These were not updated to reflect changes in high level Corporate plan**

# Newfoundland and Labrador Hydro



→ Key drivers

# Goal 1: Safety

## INITIATIVES – Procedures and Equipment

2010	2011	2012	2013	2014
<p><b><u>OHSAS 18001 – Safety Management System Compliant</u></b></p> <ul style="list-style-type: none"> <li>Identify key individuals and train them in OHSAS 18001.</li> <li>Establish safety management system working group to provide assistance in development and alignment of Corporate Safety Management System to OHSAS 18001 standard.</li> </ul>	<p><b><u>OHSAS 18001 – Safety Management System Compliant</u></b></p> <ul style="list-style-type: none"> <li>Conduct Regional gap analysis.</li> <li>Revise 50% of Regional safety standards/ procedures to reflect gap analysis findings.</li> </ul>	<p><b><u>OHSAS 18001 – Safety Management System Compliant</u></b></p> <ul style="list-style-type: none"> <li>Revise Remaining Regional safety standards/ procedures to reflect gap analysis findings.</li> </ul>	<p><b><u>OHSAS 18001 – Safety Management System Compliant</u></b></p> <ul style="list-style-type: none"> <li>Participate in self audit for compliance to Corporate Safety Management System.</li> <li>Develop action plan to correct audit non-conformities.</li> </ul>	<p><b><u>OHSAS 18001 – Safety Management System Compliant.</u></b></p> <p>(TBD)</p>

# Goal 1: Safety

INITIATIVES – Procedures and Equipment				
2010	2011	2012	2013	2014
<p><b><u>Emergency Response</u></b></p> <ul style="list-style-type: none"> <li>• Conduct Gap analysis by Division.</li> <li>• Develop and Implement Gap Closure Plan by Division.</li> <li>• Identify Corporate Database concept and design</li> <li>• Establish frequency and conduct mock drills.</li> </ul>	<p><b><u>Emergency Response</u></b></p> <ul style="list-style-type: none"> <li>• Complete gap closure plan by Division.</li> <li>• Seek funding for database development</li> <li>• Conduct drills</li> </ul>	<p><b><u>Emergency Response</u></b></p> <ul style="list-style-type: none"> <li>• Review gap closure plan and make recommendations for improvement/enhancement by Division.</li> <li>• Build and populate database</li> <li>• Audit emergency response plans.</li> </ul>	<p><b><u>Emergency Response</u></b></p>	<p><b><u>Emergency Response</u></b></p>

# Goal 1: Safety

## INITIATIVES – Responsibility/Union Management Alignment

2010	2011	2012	2013	2014
<p><b><u>IRS – Internal Responsibility System</u></b></p> <ul style="list-style-type: none"> <li>• Develop and deliver Divisional initiatives around promoting internal responsibility.</li> <li>• Regions identify internal responsibility system as a critical topic for safety meetings.</li> <li>• Communicate and educate new employees on internal responsibility.</li> </ul>	<p><b><u>IRS – Internal Responsibility System</u></b></p> 	<p><b><u>IRS – Internal Responsibility System</u></b></p>	<p><b><u>IRS – Internal Responsibility System</u></b></p> <p>(TBD)</p>	<p><b><u>IRS – Internal Responsibility System</u></b></p> <p>(TBD)</p>

# Goal 1: Safety

INITIATIVES – Procedures and Equipment /Competence				
2010	2011	2012	2013	2014
<p><u>Contractor Education/ Safety Management</u></p> <ul style="list-style-type: none"> <li>Support Prequalification of Primary Contractors (In conjunction with Engineering)</li> <li>Establish and implement a program whereby contractor work is monitored/ controlled from safety perspective.</li> <li>Monitor contractors to ensure compliance with safety standards.</li> </ul>	<p><u>Contractor Education/ Safety Management</u></p> <ul style="list-style-type: none"> <li>Review value of expanding scope of contractors included in prequalification process</li> <li>Expand scope of contractors who are monitored to ensure compliance with safety standards.</li> </ul>	<p><u>Contractor Education/ Safety Management</u></p> <ul style="list-style-type: none"> <li>Monitor smaller contractor companies to ensure compliance with safety standards.</li> </ul>	<p><u>Contractor Education/ Safety Management</u></p> <p>(TBD)</p>	<p><u>Contractor Education/ Safety Management</u></p> <p>(TBD)</p>

# Goal 1: Safety

## INITIATIVES – Supportive Culture / Union Management Alignment

2010	2011	2012	2013	2014
<p><b><u>Safety Culture</u></b></p> <ul style="list-style-type: none"> <li>• Complete participation in safety culture workshops.</li> <li>• Promote guest speakers from previous sessions to speak on personal safety cultural changes.</li> <li>• Participate in Safety Culture Survey.</li> <li>• Introduce Safety Culture concepts at the annual Safety Summit to assist Safety Leaders in the promotion of Safety Culture in the field.</li> </ul>	<p><b><u>Safety Culture</u></b></p> <ul style="list-style-type: none"> <li>• Develop and deliver one (1) Safety Culture Summit for Regional Safety Champions. (Division to be determined)</li> <li>• Deliver Safety Culture workshop to new employees.</li> </ul>	<p><b><u>Safety Culture</u></b></p> <ul style="list-style-type: none"> <li>• Develop and deliver one (1) Safety Culture Summit for Regional Safety Champions. (Division TBD)</li> </ul>	<p><b><u>Safety Culture</u></b></p>	<p><b><u>Safety Culture</u></b></p>

# Goal 1: Safety

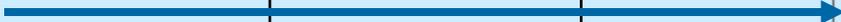
## INITIATIVES – Supportive Culture/ Procedures & Equipment

2010	2011	2012	2013	2014
<p><b><u>Employee Wellness Program</u></b></p> <ul style="list-style-type: none"> <li>• Communicate Corporate Employee Wellness Program.</li> <li>• Review capacity for and if achievable develop and implement regional/local Wellness initiatives that align with Corporate Employee Wellness Program.</li> </ul>	<p><b><u>Employee Wellness Program</u></b></p> <ul style="list-style-type: none"> <li>• Develop and implement regional/local Wellness initiatives that align with Corporate Employee Wellness Program.</li> </ul>	<p><b><u>Employee Wellness Program</u></b></p>	<p><b><u>Employee Wellness Program</u></b></p> <p>(TBD)</p>	<p><b><u>Employee Wellness Program</u></b></p> <p>(TBD)</p>

# Goal 2: Environment

## OBJECTIVE 1 INITIATIVES (CONT.)

2010	2011	2012	2013	2014
<ul style="list-style-type: none"> <li>• Implement process to check accuracy of weather input data.</li> <li>• Complete a Level 1 (EPRI) condition assessment and life expectancy study of the HTGS.</li> <li>• Complete a review of the operation and maintenance of heavy fuel oil burners at HTGS.</li> <li>• Initiate condition assessment of the HTGS.</li> </ul>	<ul style="list-style-type: none"> <li>• Prepare and submit a Capital Budget Proposal for the generation of H2 at the HTGS.</li> <li>• Initiate a process to study the feasibility of incorporating an additional 25 MW of wind energy into Island system.</li> </ul>			



# Goal 2: Environment

<b>OBJECTIVE 1 - INITIATIVES (CONT.)</b>				
<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<ul style="list-style-type: none"><li>• Review 2009 conversion of HTGS Unit 3 to synchronous condenser and determine an action plan to mitigate future conversion delays.</li></ul>				

# Goal 2: Environment

## ADDITIONAL INITIATIVES IDENTIFIED - Environment

2010	2011	2012	2013	2014
Evaluate raptor management programs.	Investigate purchase of hybrid boom and aerial vehicles in 2011.			
Evaluate compatible species potential for transmission lines.				
Collect information to be used in evaluation wind / solar / hydro potential in selected rural communities in 2010.				
Implement fuel efficiency recommendations arising from vehicle fuel tracking system.				

# Goal 2: Environment

## NEW OBJECTIVE 1: Environment

- NLH will put in place mechanisms to document and report on emissions of greenhouse gases associated with Corporate operations and activities consistent with the latest version of the Climate Registry Electricity Power Sector Protocol by the end of 2011.

## TARGETS - Environment

2010	2011	2012	2013	2014
Identify geographic, organizational and operational boundaries for GHG quantification; determine suitable quantification methods; identify data / information sources and data capture mechanisms.	Collect data from sources identified and compile in a format compatible with the Climate Registry's voluntary reporting mechanism.	Review the 2011 GHG quantification program for issue, problems or areas for improvement.	Continue NLH GHG Quantification Program.	Continue NLH GHG Quantification Program.

# Goal 2: Environment

NEW OBJECTIVE 1 - INITIATIVES				
2010	2011	2012	2013	2014
<ul style="list-style-type: none"><li>Establish a GHG quantification working group to coordinate the development and implementation of the program through Divisions / Departments and Regions.</li></ul>				

# Goal 2: Environment

## NEW OBJECTIVE 2: Environment

- To Develop and implement a green procurement program for NLH by 2013.

### TARGETS - Environment

2010	2011	2012	2013	2014
<ul style="list-style-type: none"> <li>• Submission of proposed Energy Efficiency procurement policies for implementation.</li> </ul>	<ul style="list-style-type: none"> <li>• Submission of environmental performance standard criteria for implementation in goods procurement policies.</li> </ul>	<ul style="list-style-type: none"> <li>• Submission of environmental performance standard criteria for implementation in services procurement policies.</li> </ul>		

### INITIATIVES - Environment

2010	2011	2012	2013	2014
<ul style="list-style-type: none"> <li>• Development of proposed Energy Efficiency procurement policies.</li> <li>• Review procedure for development of capital and operating budget proposals to strengthen energy efficiency assessments</li> </ul>	<ul style="list-style-type: none"> <li>• Development of environmental performance standard criteria for implementation in goods procurement policies.</li> </ul>	<ul style="list-style-type: none"> <li>• Development of environmental performance standard criteria for implementation in services procurement policies.</li> </ul>		

# Goal 2: Environment

## NEW OBJECTIVE 3: Environment

- Customers identify Hydro as an environmentally responsible organization as indicated by the customer survey by 2012.

## TARGET - Environment

- 2012 - Close the gap in customer satisfaction survey gap on “operates in an environmentally responsible manner” by 2013.

## INITIATIVES - Environment

2010	2011	2012	2013	2014
<ul style="list-style-type: none"> <li>• Create a plan for employee and stakeholder awareness on Hydro’s environmental commitment. (Development led by Environmental Services, with significant support from depts./regions and communications.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement plan – targets TBD.</li> </ul>	<ul style="list-style-type: none"> <li>• Investigate partnerships with agencies with like goals to undertake seedling planting for community environmental engagement.</li> <li>• Work with Communications on producing a Corporate Responsibility / Sustainability Report</li> </ul>		

# Goal 2: Environment

## NEW OBJECTIVE 4: Environment

- Provide consistent, accurate and verifiable data for Environmental reports.

## TARGETS - Environment

2010	2011	2012	2013	2014
<ul style="list-style-type: none"> <li>• Identify Environmental data currently being reported.</li> <li>• Identify the owners / people responsible for the data and all the stakeholders.</li> <li>• Initiate discussions with IS on developing a database to store and manage the environmental data.</li> </ul>	<ul style="list-style-type: none"> <li>• Initiate the development of the environmental database.</li> <li>• Develop methods and standards with data owners to ensure data is verifiable.</li> <li>• Identify potential future reporting requirements (GHG, PCB, Sustainability, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• Finalize and test environmental database.</li> <li>• Develop and deliver training package for database stakeholders.</li> </ul>		

# Goal 2: Environment

<b>NEW OBJECTIVE 4 - INITIATIVES - Environment</b>				
<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<ul style="list-style-type: none"> <li>Establish a working group with data owners and stakeholders to initiate discussions and outline a strategy for project execution.</li> </ul>				

# Goal 2: Environment

<b>NEW ADDITIONAL INITIATIVES IDENTIFIED - Environment</b>				
<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<ul style="list-style-type: none"> <li>• Design a sustainability indicator monitoring and reporting program for submission to NLH Leadership Team for approval. This will be based on a review of the CEA's Sustainable Electricity Program and other sustainability indicator standards.</li> <li>• Implement a thorough review of particulate issues at Diesel Plants and recommend areas to reduce emissions.</li> </ul>	<ul style="list-style-type: none"> <li>• Finalize a plan of action and implement recommendations to deal with the potential risk of increased emissions at HTGS if the HVDC line does not proceed.</li> </ul>			

# Goal 2: Environment

NEW ADDITIONAL INITIATIVES IDENTIFIED (CONT.) – Environment				
2010	2011	2012	2013	2014
<ul style="list-style-type: none"><li>• Initiate a plan of action and identify critical paths to deal with the potential risk of increased emissions at HTGS if the HVDC line does not proceed.</li></ul>				

# Possible other initiatives

Goal	
1. Safety	
2. Environment	<ul style="list-style-type: none"> <li>•Achieve reduction in the 5 year rolling average number of reportable hydrocarbon spill events</li> <li>•Identify mechanisms and resources required to document and report on GHG emissions associated with Corporate operations</li> <li>•Develop a proposal for energy efficiency procurement policies</li> <li>•Create a plan for employee and community engagement on environment</li> </ul>
3. Business Excellence	
4. People	
5. Community	

# Goal 3: Business Excellence

INITIATIVES – Financial Performance				
2010	2011	2012	2013	2014
<p><b><u>Business Planning</u></b> Implement Clarity for operations finance planning and reporting and KPI Executive dashboards.</p>	<p>Integrate capital and operating budgets. Make consistent capital and operating project methodologies.</p>			
<p>Improve the process to better manage operating and capital project planning, ensuring alignment and agreement from stakeholders.</p>	<p>Expand process to include other work that requires internal resources.</p>			

# Goal 3: Business Excellence

<b>INITIATIVES – Financial Performance</b>				
<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Establish benchmark measurement for quality results and set objective and targets showing improvement against the benchmark from 2011 to 2014 for capital projects.				

# Goal 3: Business Excellence

<b>INITIATIVES – Financial Performance</b>				
<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<u>External Stakeholders</u> Review accounting policies in relation to rules set forth by the IFRS board and assess their impact to Hydro and implement appropriate change.	Implement accounting policies commensurate with the IFRS rules.			
Third-party billing process expedited for work performed by Hydro for non-Nalcor entities.				
Present to Government industry representatives an overview of the Cost of Service methodology used by Hydro in the rate setting process.				

# Goal 3: Business Excellence

<b>TARGETS – Reliability</b>				
<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Distribution Interruption Frequency (SAIFI) 4.27 int/cust	3.84 int/cust	3.65 int/cust	3.47 int/cust	3.29 int/cust
Distribution Interruption Duration (SAIDI) 6.90 hrs/cust.	6.21 hrs/cust.	5.90 hrs/cust.	5.61 hrs/cust.	5.33 hrs/cust.

# Goal 3: Business Excellence

<b>INITIATIVES – Reliability – Asset Management</b>				
<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
	<p>Conduct an Electricity System Outlook Forum to provide an opportunity to establish key areas where operating improvement, capital enhancements and further study may be directed to improve system reliability</p>	<p><u>Generation Improvement</u> Investigate the use of NERC reliability standards as potential objectives / targets to better reflect the manner in which the generation fleet is managed (n-1 criteria).</p>		
<p><b><u>Transmission &amp; Distribution Improvement</u></b> Establish a process for developing and tracking actual planned delivery point outage performance versus forecast.</p>				

# Goal 3: Business Excellence

<b>INITIATIVES – Reliability - Asset Management</b>				
<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Phase 1 condition assessment complete for Holyrood	Phase 2 condition assessment complete for Holyrood	Capital plan execution in light of DC infeed status and timing		



# Goal 3: Business Excellence

INITIATIVES – Reliability - Asset Management				
2010	2011	2012	2013	2014
Gap review of all facility fire protection needs and develop plan to correct deficiencies, priority on isolated diesels, then Bay d’Espoir and Holyrood			<Other Risks>	
Capital Budget submission to address Hydrogen supply risk at Holyrood	Execute capital project to address Hydrogen supply risk at Holyrood.			
Update emergency response and business continuity plans to address fire protection and hydrogen supply gaps noted	Review and update emergency response and business continuity plans			

# Goal 3: Business Excellence

## INITIATIVES – Asset Management System

### 2009 Deliverables

- Clearly defined Asset Management System (AMS) framework
- Organization design adjusted to enable this AMS
- Verification that 100% of assets are identified/documentated by asset class
- Clear, single point accountability for AMS in each asset class
- Operations and engineering alignment on which systems/part of systems have adequate asset management plans in place
- Identification of higher risk systems/parts of systems that do not have adequate asset management plans
- Complete review of high-risk systems/parts
- Company-wide critical spares program complete
- Plan to update/refresh AMS

# Goal 3: Business Excellence

<b>INITIATIVES – Customer Satisfaction</b>				
<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<p><u>Customer Expectations</u> Assess appropriate timing of customer satisfaction survey to align with Corporate Planning process.</p>	<p>Develop and start strategy implementation to communicate to stakeholders customer survey results and actions to close gaps</p>	<p>Complete implementation of communications strategy for customer communications related to customer satisfaction</p>		
<p><u>Customer Relationship Improvement Program</u> Implement a Key Customer Relationship Pilot in Labrador.</p>		<p>Assess Key Customer Relationship pilot, adjust and expand to all areas.</p>		
<p><u>Customer Service Improvement Program</u> Develop a customer service improvement plan.</p>	<p>Implement customer service enhancements as per improvement plan.</p>	<p>Assess enhancements, adjust and implement more.</p>		

**Goal 4: To ensure a highly skilled and motivated team of employees who are strongly committed to Nalcor's success and future direction.**

# Goal 4: People – Targets (cont'd)

## OBJECTIVE - People

By 2013, improve all elements of employee engagement to a level where Hydro would qualify for recognition as one of Canada's best employers in reference to an acceptable external benchmark, and maintain each subsequent year.

## TARGETS - People

2010	2011	2012	2013	2014
Leadership Effectiveness: One third of VPs and Managers group complete the Management Development Program				

# Goal 4: People

INITIATIVES				
2010	2011	2012	2013	2014
Diversity Strategy	Work-Life Balance	Alignment Review	Standards of Care	Technology Strategy for Mobile Crews
In-Scope Coaching/Feedback	Ambassadors 4 Change			
Recruitment Strategy	High Performance Teams			
Career Development/ Succession Planning				

# Nalcor Energy

PUB-NLH-412, Attachment 2  
Page 1 of 110, Isl Int System Power Outages

## 2011-2015 Plan – Hydro

Boundless Energy



# Presentation structure

- Plan Highlights
- Hydro – High level plan detail
- Hydro & Division/Departmental additional level of data and must do's
- Hydro – Other desirable items that could be considered for Divisional/Departmental inclusion if sufficient resources are available
- Graphics For Various Goals

# Hydro - Plan Highlights

PUB-NLH-412, Attachment 2  
Page 3 of 110, Isl Int System Power Outages

# 2011 Plan Highlights

GOAL	PUB-NLH-412, Attachment 2 Page 4 of 110, Isl Int System Power Outages
1. SAFETY	Achieve safety lead/lag ratio $\geq 450:1$ or 0 events All injury frequency rate (AIF) $\leq 1.00$ and Lost time injury frequency rate (LTIF) $\leq 0.30$ Continue progressing Work Methods for high risk tasks and integration of Work Permit Code
2. ENVIRONMENT	Complete a minimum of 95% of approved Environmental Management System Targets Reduce emissions per unit of energy delivered by achieving not more than 12.5% variance from ideal production schedule at Holyrood Generating Station Achieve 11.85 GWh of energy savings through Newfoundland and Labrador Hydro managed conservation and demand management programs(9.9) GWh and internal energy efficiency programs (1.95 GWh) Acquire production data from all diesel plants for automating monthly production reports
3a. <b>BUSINESSEXCELLENCE</b> Finance	Achieve HYDRO net income of \$23.2M, Return on Capital Employed of 8.0% Maintain costs variance no more than 1% of the approved budget.
3b. <b>BUSINESSEXCELLENCE</b> Project Execution	Completion rate of capital projects by year end per original schedule $\geq 95\%$ Achieve all-project variance of 8% or less within original budget. Project/Program management implemented in PETS
3c. <b>BUSINESSEXCELLENCE</b> Asset Management/Reliability	Winter Availability $\geq$ to 96.3% Office of Asset Management (OAM) established and functional
3d. <b>BUSINESSEXCELLENCE</b> Customer Service	Maintain a Rural Residential Customer Satisfaction rate of $\geq 90\%$
<b>BUSINESSEXCELLENCE</b> General	In collaboration with Business development and other departments, finalize likely integration of Exploits assets and operations into Hydro's Regulated Operations Division and plan for Menihek transition to Hydro Regulated Operations Division
4. PEOPLE	EOS Workplace improvement plans in place and plan execution on schedule. Recruitment and retention plan specific to rural/remote locations executed.
5. COMMUNITY	To achieve a corporate citizenship reputation index of 78.0

# Hydro – High level plan detail

PUB-NLH-412, Attachment 2  
Page 5 of 110, Isl Int System Power Outages

# Goal 1: Safety

## OBJECTIVES - Safety

- By 2014, improve safety performance to world class standards and sustain this performance
  - Lead/Lag ratio of  $\geq 1000:1$ ,
  - All Injury frequency rate (AIF)  $\leq 0.50$  sustained
  - Lost Time Injury frequency rate (LTIF)  $\leq 0.15$  sustained
- Interdependent Safety Culture where employees demonstrate *best in class* safety leadership behaviours.
- A functioning Internal Responsibility System where employees actively demonstrate personal ownership for safety.

## TARGETS - Safety

2011	2012	2013	2014	2015
Achieve safety lead/lag ratio $\geq 450:1$ or 0 events	Achieve safety lead/lag ratio $\geq 600:1$ or 0 events	Achieve safety lead/lag ratio $\geq 750:1$ or 0 events	Achieve safety lead/lag ratio $\geq 1000:1$ or 0 events	Achieve safety lead/lag ratio $\geq 1000:1$ sustained or 0 events sustained
All injury frequency rate (AIF) $\leq 1.00$	All injury frequency rate (AIF) $\leq 0.80$	All injury frequency rate (AIF) $\leq 0.60$	All injury frequency rate (AIF) $\leq 0.50$ sustained.	All injury frequency rate (AIF) $\leq 0.50$ sustained.
Lost time injury frequency rate (LTIF) $\leq 0.30$	Lost time injury frequency rate (LTIF) $\leq 0.20$	Lost time injury frequency rate (LTIF) $\leq 0.15$	Lost time injury frequency rate (LTIF) $\leq 0.15$ sustained.	Lost time injury frequency rate (LTIF) $\leq 0.15$ sustained.

# Goal 1: Safety

## INITIATIVES – Procedures and Equipment / Competence

2011	2012	2013	2014	2015
<p><b><u>Work Methods</u></b><sup>5</sup></p> <ul style="list-style-type: none"> <li>• Develop Terms of Reference for all Work Methods Committees.</li> <li>• Finalize all Critical Task Inventories.</li> <li>• Develop TBRA's for <u>all</u> critical tasks performed in 2011.</li> <li>• Develop Work Method (Reviewed AND Verified Status<sup>1</sup>) for each critical task performed in 2011.</li> <li>• Ensure TBRA's are completed for at least 50 % of all critical task identified.</li> <li>• Develop Work Methods (Reviewed NOT Verified Status<sup>2</sup>) for at least 50 % of all critical tasks identified.</li> <li>• Investigate ways to improve electronic delivery of work methods to field staff.</li> <li>• Deliver HREC<sup>3</sup> and TBRA<sup>4</sup> training to <u>new</u> work method committee members, and employees involved in complex and critical tasks.</li> <li>• Review merits of expanding HREC and TBRA training to all other employees.</li> <li>• Develop an audit system/protocol to ensure that work methods have been developed, and are being followed.</li> </ul>	<p><b><u>Work Methods</u></b></p> <ul style="list-style-type: none"> <li>• Assess Critical Task Inventories for additions or revisions.</li> <li>• Develop TBRA's for any new or revised critical tasks performed in 2012.</li> <li>• Develop Work Method (Reviewed AND Verified Status) for each critical task performed in 2012.</li> <li>• Ensure TBRA's are completed for at least 85% of all critical tasks identified.</li> <li>• Develop Work Methods (Reviewed NOT Verified Status) for at least 85% of total critical tasks identified.</li> <li>• Deliver HREC and TBRA training to employees as identified in 2011.</li> <li>• Conduct audit of TBRA and Work Method Process.</li> </ul>	<p><b><u>Work Methods</u></b></p> <ul style="list-style-type: none"> <li>• Assess Critical Task Inventories for additions or revisions.</li> <li>• Develop TBRA's for all remaining critical tasks.</li> <li>• Develop Work Method (Reviewed AND Verified Status) for each critical task actually performed in 2013.</li> <li>• Develop Work Methods (Reviewed NOT Verified Status) for all remaining critical tasks.</li> <li>• Continue auditing work methods process (TBRA and work methods)</li> </ul>	<p><b><u>Work Methods</u></b></p> <ul style="list-style-type: none"> <li>• Assess Critical Task Inventories for additions or revisions.</li> <li>• Develop TBRA's for any new or revised critical tasks.</li> <li>• Develop Work Method (Reviewed AND Verified Status) for each critical task performed in 2014.</li> <li>• Develop Work Methods (Reviewed NOT Verified Status) for all remaining critical tasks.</li> <li>• Assess Critical Task Inventories to consider reduction of critical task criteria to include lower risk tasks</li> </ul>	<p><b><u>Work Methods</u></b></p> <ul style="list-style-type: none"> <li>• Assess Critical Task Inventories for additions or revisions (considering any new criteria)</li> <li>• Develop TBRA's for all critical tasks.</li> <li>• Develop action plan for development and verification of Work Methods for Lower Risk Tasks meeting new Critical Task criteria.</li> </ul>

# Footnotes

1. Work method has been reviewed and field verified.
2. Work Method is reviewed but has not been field verified.
3. Hazard Recognition, Evaluation and Control.
4. Task-Based Risk Assessment.

<sup>5</sup> **Example:**

An area has identified 1000 critical tasks (planned as well as unplanned). In 2011, the area will perform 300 of the 1000 critical tasks identified.

TBRA's required in 2011 as a result of the work to be performed	300
Work Methods (R&V) <sup>1</sup> required as a result of the work to be performed	300

In addition,

The TBRA target for 2011 is 50% (cumulative) of critical tasks  
The Work Method target for 2011 is 50% (cumulative) of critical tasks

Therefore,

Additional TBRA's required for 2011	200 (includes 2010 numbers)
Additional Work Methods (RNV) required for 2011	200 (includes 2010 numbers)

Therefore the total requirements for 2011 are as follows:

TBRA's required	500
Work Methods (R&V) <sup>[1]</sup> required	300
Work Methods (RNV) <sup>[2]</sup> required	200

In short, a TBRA and a field verified Work Method must be conducted for each critical task performed each year. Additional TBRA's and Work Methods must also be completed to bring the cumulative total up to the target number established for that year. However, work methods developed for tasks not performed during that year need not be field verified.

The same methodology holds true for subsequent years, keeping in mind that all targets refer to cumulative numbers.

<sup>[1]</sup> Refers to Work Methods that have been reviewed AND field verified (Reviewed and Verified)

<sup>[2]</sup> Refers to Work Methods that have been reviewed but have NOT received field verification (Reviewed and NOT Verified)

# Goal 1: Safety

## INITIATIVES – Procedures and Equipment / Competence

2011	2012	2013	2014	2015
<p><b>Work Protection Code</b></p> <ul style="list-style-type: none"> <li>• <b>Software</b> - Seek funding and approvals to develop and implement a software application for deployment in ECC and Hydro.</li> <li>• <b>Training</b> - Roll-out online training modules to keep workers competent and maintain their certification.</li> <li>• <b>Support</b> - Develop Corporate and Local Committee support structure with Terms of Reference, mandate and defined roles.</li> <li>• <b>Feedback</b> - Complete corporate and local process and paper audits.</li> <li>• <b>Regulatory</b>- Review the Work Protection Code document to ensure compliance to national standards (<i>CSA Z460 Control of hazardous energy – Lockout and other methods, CAN/ULC S-801-10 Standard On Electric Utility Workplace Electrical Safety For Generation Transmission and Distribution</i>) and ability to serve all of Hydro’s business needs.</li> </ul>	<p><b>Work Protection Code</b></p> <ul style="list-style-type: none"> <li>• <b>Software</b> - If software application approved implement in ECC and Hydro Plants.</li> <li>• <b>Training</b> - Continue with online training and evaluate its effectiveness.</li> <li>• <b>Support</b> - Strengthen local code committee support.</li> <li>• <b>Feedback</b> - Complete corporate and local process and paper audits.</li> </ul>	<p><b>Work Protection Code</b></p> <p><b>Software</b> - Review the suitability of using the software application in distribution sites.</p> <ul style="list-style-type: none"> <li>• <b>Training</b> - Implement improvements from assessment and continue with online training.</li> <li>• <b>Support</b> - Implement support focusing on role of the supervisor.</li> <li>• <b>Feedback</b> - Complete corporate and local process and paper audits.</li> </ul>	<p><b>Work Protection Code</b></p> <ul style="list-style-type: none"> <li>• <b>Training</b> - Continue with online training and evaluate effectiveness.</li> <li>• <b>Support</b> – shape the supervisor as a performance coach</li> <li>• <b>Feedback</b> – review audit process to reflect the impact of the software application</li> </ul>	<p><b>Work Protection Code</b></p> <ul style="list-style-type: none"> <li>• <b>Training</b> – continue</li> <li>• <b>Support</b> – continue</li> <li>• <b>Feedback</b> – focus on process auditing</li> </ul>

# Goal 2: Environment

## OBJECTIVES - Environment

- Maintain the number of environmental leadership\* targets accomplished at 95%.

## TARGETS - Environment

2011	2012	2013	2014	2015
Number of environmental leadership targets accomplished within Nalcor Energy at 95%	Number of environmental leadership targets accomplished within Nalcor Energy at 95%	Number of environmental leadership targets accomplished within Nalcor Energy at 95%	Number of environmental leadership targets accomplished within Nalcor Energy at 95%	Number of environmental leadership targets accomplished within Nalcor Energy at 95%

\*Includes Environmental Management System targets for lines of business that use EMS and line of business targets for goal 2 for other lines of business.

# Goal 2: Environment

## OBJECTIVES - Environment

- Minimize production requirements and associated air emissions from the Holyrood Thermal Generating Station

## TARGETS - Environment

2011	2012	2013	2014	2015
Reduce the minimum number of operating hours at the Holyrood Plant by 6.5%	Reduce the minimum number of operating hours at the Holyrood Plant by 14%			
Achieve 9.9 GWh of energy savings through Newfoundland and Labrador Hydro managed conservation and demand management programs	Achieve 21.6 GWh of energy savings through Newfoundland and Labrador Hydro managed conservation and demand management programs	Achieve 35.2 GWh of energy savings through Newfoundland and Labrador Hydro managed conservation and demand management programs	Achieve 47.5 GWh of energy savings through Newfoundland and Labrador Hydro managed conservation and demand management programs	Achieve 49.3 GWh of energy savings through Newfoundland and Labrador Hydro managed conservation and demand management programs

# Goal 2: Environment

## OBJECTIVES - Environment

- Minimize production requirements and associated air emissions from the Holyrood Thermal Generating Station **(Continued)**

## TARGETS - Environment

2011	2012	2013	2014	2015
Achieve 1.95 GWh of energy savings through internal energy efficiency programs by the end of 2015	Achieve 2.1 GWh of energy savings through internal energy efficiency programs by the end of 2015	Achieve 2.25 GWh of energy savings through internal energy efficiency programs by the end of 2015	Achieve 2.4 GWh of energy savings through internal energy efficiency programs by the end of 2015	Achieve 2.55 GWh of energy savings through internal energy efficiency programs by the end of 2015

\*

# Goal 2: Environment

INITIATIVES – Environment				
2011	2012	2013	2014	2015
Reduce the minimum required hours of operation at Holyrood for power system reliability purposes by utilizing switched capacitor banks at the Come By Chance Terminal Station to provide improved voltage control on the Avalon Peninsula.				
Implement new residential and commercial rebate programs in partnership with NP.	Implement new residential and commercial rebate programs in partnership with NP.	Implement new residential and commercial rebate programs in partnership with NP.	Implement new residential and commercial rebate programs in partnership with NP.	Implement new residential and commercial rebate programs in partnership with NP.
Implement new community based energy efficiency program for Hydro customers.	Implement new energy efficiency program for Hydro customers.	Implement new energy efficiency program for Hydro customers.	Implement new energy efficiency program for Hydro customers.	Implement new energy efficiency program for Hydro customers.

# Goal 2: Environment

INITIATIVES – Environment				
2011	2012	2013	2014	2015
	Conduct evaluation of Industrial Energy Efficiency Program and provide recommendations for next steps.	Update CDM Potential Study.		
Implement no cost/low cost recommendations from Hydro facility walk through audits.	Regulated Operations to identify energy savings opportunities through review of facility operations and implement actions.	Regulated Operations to identify energy savings opportunities through review of facility operations and implement actions.	Regulated Operations to identify energy savings opportunities through review of facility operations and implement actions.	Regulated Operations to identify energy savings opportunities through review of facility operations and implement actions.

# Goal 2: Environment

2011 INITIATIVES - Environment			
INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
Reduce the minimum required hours of operation at Holyrood for power system reliability purposes by utilizing switched capacitor banks at the Come By Chance Terminal Station to provide improved voltage control on the Avalon Peninsula.	<ul style="list-style-type: none"> <li>•Site work Complete</li> <li>•Capacitor Banks Received</li> <li>•Capacitor Banks Commissioned</li> <li>•Capacitor Banks Installed and Operating</li> </ul>	Project Execution and Technical Services	<ul style="list-style-type: none"> <li>•June 2011</li> <li>•August 2011</li> <li>•September</li> <li>•October 2011</li> </ul>
Implement new residential and commercial rebate program in partnership with NP.	GWhs of energy efficiency savings.	System Operations and Customer Services	Throughout 2011
Implement new community based energy efficiency program for Hydro customers.	GWhs of energy efficiency savings.	System Operations and Customer Services	Throughout 2011

# Goal 2: Environment

2011 INITIATIVES - Environment			
INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
Implement no cost/low cost recommendations from Hydro facility walk through audits.	In addition to the savings from previous year's actions, in 2011 achieve 150MWH of new energy savings initiatives as follows: <ul style="list-style-type: none"> <li>• 25MWh – HTGS</li> <li>• 50MWh – TROC</li> <li>• 25 MWh – TRON</li> <li>• 25MWh – TROL</li> <li>• 25 MWh – Hydro Generation</li> </ul>	System Operations and Customer Services, HTGS, TROC, TRON, TROL, Hydro Generation	Throughout 2011

# Goal 2: Environment

## OBJECTIVES - Environment

- Reduce or minimize environmental risks and emissions from diesel generation systems

## TARGETS - Environment

2011	2012	2013	2014	2015
Acquire production data (plant output, station service and unit metering) from all Diesel Plants and format data for automating production monthly reporting.	Analyze data and identify opportunities for efficiency improvements and emission reduction potential	Analyze data and identify opportunities for efficiency improvements and emission reduction potential	Analyze data and identify opportunities for efficiency improvements and emission reduction potential	Analyze data and identify opportunities for efficiency improvements and emission reduction potential

# Goal 2: Environment

INITIATIVES – Environment				
2011	2012	2013	2014	2015
Establish data acquisition and recording systems for diesel plant production data	Monitor data and analyze for plant efficiency and emission reduction potential.	Monitor data and analyze for plant efficiency and emission reduction potential.	Monitor data and analyze for plant efficiency and emission reduction potential.	Monitor data and analyze for plant efficiency and emission reduction potential.

# Goal 2: Environment

2011 INITIATIVES - Environment			
INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
Establishing data acquisition and recording systems for diesel plant production data	Database for diesel plant production data	Information Systems and TRO Operations	December 2011

# Goal 3: Business Excellence- Operating - Finance

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# Goal 3: Business Excellence

## OBJECTIVES – Financial Performance

- Net Income : Meet or exceed Hydro’s allocation of the annual corporate net income targets<sup>1</sup>.
- Profitability: Achieve a three-year rolling average ROCE of X% by 2013<sup>1</sup>.
- Operating Costs: Maintain annual controllable costs at or below the approved budget by 2012.
- Forecasting: Update all O&M costs with YTD actual costs for fiscal forecasting.
- GRA: Establish, monitor and take appropriate action to obtain return on equity within prescribed range.
- Cost Control: Monitor and report on a regular/consistent monthly basis material Income Statement cost variances with summary commentary.
- Cash: Increase frequency and accuracy of short-term cash flow forecasts provided to Treasury

## TARGETS – Financial Performance

2011	2012	2013	2014	2015
Achieve HYDRO net income of \$23.2.0M	Net income of \$tbdM with increased ROE from GRA <sup>1</sup>	Net income of \$tbdM	Net income of \$tbdM	Net income of \$tbdM

**1** 2011 and beyond dependent on a GRA and outcome.

# Goal 3: Business Excellence

## TARGETS – Financial Performance

2011	2012	2013	2014	2015
<b><u>Profitability</u></b> <sup>1</sup> Return on Capital Employed of 8.0%	ROCE of tbd%	ROCE of tbd%	ROCE of tbd%	ROCE of tbd%
<b><u>Operating Costs</u></b> Maintain controllable costs variance no more than 1% of the approved budget.	Maintain controllable costs at or below the approved budget.			
<b><u>Forecasting</u></b> Update on a Quarterly basis, all O&M costs with YTD actual and remaining monthly forecast values, ensuring a reasonable monthly cost projection to fiscal year-end.				
<b><u>GRA Rate of Return</u></b> If required file a General Rate Application to PUB with targeted ROE for new rates effective X , 2012	If required obtain approval for revised rates for 2013 implementation, if needed.	If required obtain approval for revised rates for 2014 implementation, if needed.	If required obtain approval for revised rates for 2015 implementation, if needed.	If required obtain approval for revised rates for 2016 implementation, if needed.

<sup>1</sup> 2011 and beyond dependent on a GRA and outcome if undertaken

# Goal 3: Business Excellence

## TARGETS – Financial Performance

2011	2012	2013	2014	2015
<p><b><u>Cost Control</u></b> Monthly identification of budget variances &gt;\$100K by BU and cost object so that managers can mitigate as appropriate to remain within budget.</p>				

# Goal 3: Business Excellence- Capital – Finance/Execution

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# Goal 3: Business Excellence

## OBJECTIVES – Project Execution

- Capital Schedule: Achieve capital project scheduled completion rate by year end of 95% and future years as determined by Project Execution review.
- Capital Costs: Achieve 90% of completed projects within 10% of budget and all-project variance of 5% or less within original cost budget by 2012.

## TARGETS– Project Execution

2011	2012	2013	2014	2015
<p><b><u>Capital Budget Schedule</u></b> Completion rate of capital projects by year end per original schedule <math>\geq</math> 95%</p>	Completion rate of capital projects by year end, per original schedule $\geq$ 95%, pending completion of Project Execution review.	Completion rate of capital projects by year end, per original schedule $\geq$ 95%, pending completion of Project Execution review.	Completion rate of capital projects by year end, per original schedule $\geq$ 95%, pending completion of Project Execution review.	Completion rate of capital projects by year end, per original schedule $\geq$ than 95%, pending completion of Project Execution review.
<p><b><u>Capital Budget Schedule</u></b> 100% of carryovers completed by revised project schedule date</p>	100% of carryovers completed by revised project schedule date, pending completion of Project Execution review.	100% of carryovers completed by revised project schedule date, pending completion of Project Execution review.	100% of carryovers completed by revised project schedule date, pending completion of Project Execution review.	100% of carryovers completed by revised project schedule date, pending completion of Project Execution review.

# Goal 3: Business Excellence

TARGETS– Project Execution				
2011	2012	2013	2014	2015
<p><b><u>Capital Budget Costs</u></b> Achieve 60% of completed projects within 10% of original budget</p>	<p>Achieve 90% of completed projects within 10% of original budget, pending completion of Project Execution review.</p>	<p>Achieve 90% of completed projects within 10% of original budget, pending completion of Project Execution review.</p>	<p>Achieve 90% of completed projects within 10% of original budget, pending completion of Project Execution review.</p>	<p>Achieve 90% of completed projects within 10% of original budget, pending completion of Project Execution review.</p>
<p><b><u>Capital Budget Costs</u></b> Achieve all-project variance of 8% or less within original budget.</p>	<p>Achieve all-project variance of 5% or less within original budget, pending completion of Project Execution review.</p>	<p>Achieve all-project variance of 5% or less within original budget, pending completion of Project Execution review.</p>	<p>Achieve all-project variance of 5% or less within original budget, pending completion of Project Execution review.</p>	<p>Achieve all-project variance of 5% or less within original budget, pending completion of Project Execution review.</p>

# Goal 3: Business Excellence

2011 INITIATIVES – Project Execution			
INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
Participate in implementation of changed Project Execution processes.	As determined by specific initiatives undertaken by PETS.	TBD	TBD

# Goal 3: Business Excellence- Asset Management/Reliability

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# Goal 3: Business Excellence

## OBJECTIVES – Reliability – Asset Management

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- By 2012, achieve 98% major generating availability during the winter (Jan-Mar, Dec) period.
- Sustained best in class hydro generation plants' winter availability between 2011 and 2015. Sustained top quartile Holyrood winter availability between 2012 and 2015.
- Continuously improving within top quartile Transmission delivery point performance, 2011-15.
- Sustainable implementation of the Asset Management Strategy framework and key processes, consistently entrenched across all functions by 2013, built upon best practices, and continuously improving to required process maturity by 2015
- Sustainable asset performance to required levels to support business plan and yielding planned value
- Assets are able to do what is required, when it is required, for as long as required, then upgraded/refurbished/replaced at optimal time
- Work packages are executed on time, on budget, and with required quality, financial measures are within spec
- Assets are operated within designed parameters, production targets are consistently met.

## TARGETS – Reliability

2011	2012	2013	2014	2015
NLH Weighted Winter Availability $\geq 96.3\%$ • Thermal -90.0 • Hydro -99.5	NLH Weighted Winter Availability $\geq 98\%$ • Thermal -95.0 • Hydro -99.5	NLH Weighted Winter Availability $\geq 98\%$ • Thermal -95.0 • Hydro -99.5	NLH Weighted Winter Availability $\geq 98\%$ • Thermal -95.0 • Hydro -99.5	NLH Weighted Winter Availability $\geq 98\%$ • Thermal -95.0 • Hydro -99.5
Delivery Point Unreliability Index $< 11.79$ System-minutes (16,000 MW-min)	Delivery Point Unreliability Index $< 11.37$ System-minutes (16,000 MW-min)	Delivery Point Unreliability Index $< 10.70$ System-minutes (16,000 MW-min)	Delivery Point Unreliability Index $< 10.44$ System-minutes (16,000 MW-min)	Delivery Point Unreliability Index $< 10.40$ System-minutes (16,000 MW-min)

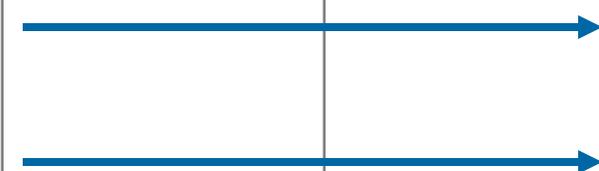
# Goal 3: Business Excellence

TARGETS – Reliability				
2011	2012	2013	2014	2015
T-SAIFI 0.85 int./DP	0.81 int./DP	0.76 int./DP	0.70 int./DP	0.67 int./DP
T-SAIDI 52.50 min/DP	49.00 min/DP	46.00 min/DP	42.50 min/DP	40.00 min/DP
SAIFI 3.84 int/cust	3.65 int/cust	3.47 int/cust	3.29 int/cust	3.13 int/cust
SAIDI 6.21 hrs/cust.	5.90 hrs/cust.	5.61 hrs/cust.	5.33 hrs/cust.	5.06 hrs/cust.

*These targets were based on actual experience from 2005 – 2009. There is potential to improve these targets if we revisit January 31, 2011, after the outcome of 2010 is known.*

# Goal 3: Business Excellence

## TARGETS – Asset Management

2011	2012	2013	2014	2015
<ul style="list-style-type: none"> <li>•Office of Asset Management (OAM) established and functional</li> <li>•Participants and stakeholders are engaged and knowledgeable</li> <li>•PM completion baseline current state (consider AMR impact)</li> <li>•Operating Projects (over \$50k), 95% complete</li> </ul>	<ul style="list-style-type: none"> <li>•AMS framework fully implemented and functioning consistently</li> <li>•Asset management key processes established and under development</li> <li>•PM Completion rates 85%</li> <li>•Operating Projects (over \$50k), 97% complete</li> </ul>	<ul style="list-style-type: none"> <li>•AMS framework and key processes fully functional with high levels of maturity</li> <li>•Work plans are being executed on time and on budget with desired quality</li> <li>•PM Completion rates 90%</li> <li>•Operating Projects (over \$50k), 100% complete</li> </ul>	<ul style="list-style-type: none"> <li>•Long term asset plans have necessary quality</li> <li>•Assess AM effectiveness</li> </ul> 	<ul style="list-style-type: none"> <li>•AMS key processes have high levels of maturity</li> <li>•Improve AM approach based on assessment results</li> </ul>

**Note: Project completion targets are firm unless reprioritized by VP to address unforeseen budget issues.**

# Goal 3: Business Excellence

## Initiatives – Reliability and Asset Management

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2011	2012	2013	2014	2015
<ul style="list-style-type: none"> <li>•OAM facilitate development of the Asset Management roadmap to excellence (i.e. gap analysis and closure plan) with areas</li> <li>•Baseline and track AM framework and process implementation and maturity</li> <li>•Develop strategy for two year annual work planning. Includes PM, CM, NM, Op Projects, Capital Projects, resource allocation, schedule (including outages) and budget</li> <li>•Prepare annual and five year master outage schedule</li> <li>•Update the 20-year plan and develop a strategy to improve overall quality of first five years.</li> </ul>	<ul style="list-style-type: none"> <li>•Execute gap closure plan, include mapping into strategic objectives</li> <li>•Implement two year annual work planning.</li> <li>•Update the 20-year plan and execute quality strategy</li> </ul>	<ul style="list-style-type: none"> <li>•Assess quality of two year work planning process and make required process changes</li> <li>•Review and confirm quality of 20-year plan</li> </ul>	<ul style="list-style-type: none"> <li>•Two year annual work planning.</li> <li>•Update the 20-year plan</li> </ul>	<ul style="list-style-type: none"> <li>•Two year annual work planning.</li> <li>•Update the 20-year plan</li> </ul>

# Goal 3: Business Excellence- Customer Service

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# Goal 3: Business Excellence

## OBJECTIVES – Customer Satisfaction

- Rural Residential Customer Satisfaction – Maintain greater than 90% of rural residential customers satisfied with Hydro

## TARGET – Customer Satisfaction

2011	2012	2013	2014	2015
Maintain a Rural Residential Customer Satisfaction rate of $\geq 90\%$				

# Goal 3: Business Excellence

<b>INITIATIVES – Customer Satisfaction</b>				
<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Formalize a Customer Service (Internal) Improvement Committee with representation from Regulated Operations and each of the service groups				
Formalize a strategic plan for improving and benchmarking internal customer services provided to Regulated Operations based on a four year plan	<ul style="list-style-type: none"> <li>•Implement all initiatives indentified for year 1 of the four year plan</li> <li>•Measure results and adjust for variations</li> </ul>	<ul style="list-style-type: none"> <li>•Implement all initiatives indentified for year 2 of the four year plan</li> <li>•Measure results and adjust for variations</li> </ul>	<ul style="list-style-type: none"> <li>•Implement all initiatives indentified for year 3 of the four year plan</li> <li>•Measure results and adjust for variations</li> </ul>	<ul style="list-style-type: none"> <li>•Implement all initiatives indentified for year 4 of the four year plan</li> <li>•Measure results and adjust for variations</li> </ul>

# People: Lines of business and functional areas

## OBJECTIVE - People

- By 2013, improve all elements of employee engagement to a level where Nalcor Energy would qualify for recognition as one of Canada's best employers in reference to an acceptable external benchmark, and maintain each subsequent year.

## TARGETS - People

2011	2012	2013	2014	2015
	Achieve EOS score 3.85*			
100% of new hires enrolled in safety culture session within 9 months of hire	100% of new hires enrolled in safety culture session within 9 months of hire	100% of new hires enrolled in safety culture session within 9 months of hire	100% of new hires enrolled in safety culture session within 9 months of hire	100% of new hires enrolled in safety culture session within 9 months of hire

\* This is based on achieving at score of at least 3.75 in 2010

# People: Lines of business and functional areas

INITIATIVES - People				
2011	2012	2013	2014	2015
<p><u>Engagement</u> Engage employees on 2010 EOS results and complete 75% of workplace improvement plans identified</p>	<p><u>Engagement</u> Complete 100% of the items documented in Action Plans and monitor results</p> <p>Achieve &gt;= 80% participation in 2012 EOS</p>	<p><u>Engagement</u> Revise Action Plan based on 2012 EOS results</p> <p>Participate in External Benchmarking process and Achieve &gt;= 80% participation</p>	<p><u>Engagement</u> Achieve top employer recognition</p>	<p><u>Engagement</u> Another EOS, participation of &gt;80% and 4.0</p>
<p><u>Performance/Accountability</u> Evaluate success of Apprenticeship Performance Review process with recommendations for in-scope employees</p>	<p><u>Performance/Accountability</u> Execute recommendations stemming from 2011 review</p>			

# People: Lines of business and functional areas

INITIATIVES – People (Cont'd)				
2011	2012	2013	2014	2015
<u>Employees Valued</u> Execute Phase IV of the Corporate Diversity Strategy	<u>Employees Valued</u> Execute diversity action plan, monitor results			
<u>Skilled/Capable People</u> Finalize and Execute Recruitment & Retention Strategy for Rural Areas	<u>Employees Engaged</u> Alignment Review	<u>Employees Valued</u> Standards of Care	<u>Skilled &amp; Capable</u> Technology Strategy for Mobile Crews	
<u>Employees are Valued</u> Participate in Work/Life Balance Initiative with Recommendations for 2012	<u>Employees Valued</u> Pilot W/L Balance Initiative			
<u>Skilled/Capable People</u> Implement gap closure plan for mandatory safety and technical skills training				
<u>Skilled/Capable People</u> Participation in CFP RACI sessions				

# Goal 5: Community: Hydro

## Objectives/Targets

### OBJECTIVES - Community

- To achieve a corporate citizenship reputation index of 78.5 by 2015

### TARGETS - Community

2011	2012	2013	2014	2015
To achieve a corporate citizenship reputation index of 78.0		To achieve a corporate citizenship reputation index of 78.2.		To achieve a corporate citizenship reputation index of 78.5.

# Goal 5: Community: Hydro Initiatives

PUB-NLH-412, Attachment 2

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For each region/plant

## INITIATIVES - Community

2011	2012	2013	2014	2015
<p><u>Emotional Appeal/Corporate Citizenship</u>                      Complete two speaking engagements in local area (schools or community), presentations and information will be provided by CCSR. Topics include:                      a) how the provincial electrical system works/Electricity Consumer Campaign &amp;/or                      b) safety presentations e.g., Back it Up and/or                      c) energy efficiency</p>	<p><u>Emotional Appeal/Corporate Citizenship</u>                      Complete two speaking engagements in local area (schools or community), presentations will be provided by CCSR. Topics include:                      a) Electricity Consumer Campaign and/or                      b) safety related presentations and/or                      c) energy efficiency</p>	<p><u>Emotional Appeal/Corporate Citizenship</u>                      Complete two speaking engagements in local area (schools or community), presentations will be provided by CCSR                      Topics to be determined.</p>	<p><u>Emotional Appeal/Corporate Citizenship</u>                      Complete two speaking engagements in local area (schools or community), presentations will be provided by CCSR                      Topics to be determined.</p>	<p><u>Emotional Appeal/Corporate Citizenship</u>                      Complete two speaking engagements in local area (schools or community), presentations will be provided by CCSR                      Topics to be determined.</p>

# Goal 5: Community: Hydro Initiatives

PUB-NLH-412, Attachment 2

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**For each region/plant**

INITIATIVES - Community				
2011	2012	2013	2014	2015
<p><u>Vision and Leadership</u>                      Identify and hold interactions with 2 key local stakeholders. Focus is to interact with stakeholders that pose a significant risk or opportunity to build relationships/reputation. Examples include/involve:                      1) participating in a public meeting                      2) holding a meeting to discuss planned capital work/upgrades/outages,                      3) discussing potential community/customer concerns (i.e., frequent power outages, electricity rates),                      4) environmental projects and initiatives</p>				

# Goal 5: Community: Hydro Initiatives

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**For each region/plant**

INITIATIVES - Community				
2011	2012	2013	2014	2015
<p><u>Vision and Leadership</u> Participate/attend minimum 2 regular community/ business based events/ luncheons such as local Chambers, economic boards, local/regional trade shows.</p>				→
<p><u>Workplace Environment /Corporate Citizenship</u> With a committee of your employees and assistance from CCSR, organize a community activity or event that engages employees and members of the community and is promoted both internally and externally (call to local radio, TV or newspaper or submit a photo). Notify CCSR of event and outcome.</p>	<p><u>Workplace Environment /Corporate Citizenship</u> Build on 2011 community activity or event or establish new community initiative.</p>			→

# Goal 5: Community: Hydro Initiatives

PUB-NLH-412, Attachment 2

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**For each region/plant**

## INITIATIVES - Community

2011	2012	2013	2014	2015
<p><u>Corporate Citizenship/Employee engagement</u> Promote employee volunteerism/matching funds program to employees and achieve a 10% participation rate in the program among Hydro employees. CCSR to promote program and eligibility.</p>	<p><u>Corporate Citizenship/Employee engagement</u> Achieve a 11% participation rate in the program among Hydro employees.</p>	<p><u>Corporate Citizenship/Employee engagement</u> Achieve a 12% participation rate in the program among Hydro employees.</p>	<p><u>Corporate Citizenship/Employee engagement</u> Achieve a 13% participation rate in the program among Hydro employees.</p>	<p><u>Corporate Citizenship/Employee engagement</u> Achieve a 14% participation rate in the program among Hydro employees.</p>

# Hydro & Division/Departmental additional level of data and must do's

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# 2011 Plan Highlights Additional Divisional/Departmental items

GOAL	<b>PUB-NLH-412, Attachment 2</b> <b>Page 45 of 110, Isl Int System Power Outages</b>
<b>1. SAFETY</b>	
<b>2. ENVIRONMENT</b>	
<b>3a. BUSINESSEXCELLENCE</b> Finance	
<b>3b. BUSINESSEXCELLENCE</b> Project Execution	100% of carryovers completed by revised project schedule date
<b>3c. BUSINESSEXCELLENCE</b> Asset Management/Reliability	Operating projects over \$50,000 ≥ to 95% complete T-SAIDI forced ≤ 52.5 minutes and SAIDI ≤ 6.21 hrs/customer
<b>3d. BUSINESSEXCELLENCE</b> Customer Service	Formalize a Customer Service (Internal) Improvement Committee with representation from Regulated Operations and each of the service groups
<b>4. PEOPLE</b>	Implement gap closure plan for mandatory safety and technical skills training
<b>5. COMMUNITY</b>	

# Goal 1: Safety

## INITIATIVES – Procedures and Equipment / Competence

2011	2012	2013	2014	2015
<p><b><u>Grounding and Bonding</u></b></p> <ul style="list-style-type: none"> <li>• Develop Terms of Reference for Grounding and Bonding Committee.</li> <li>• Develop standard guide for Temporary Protective Grounding and Bonding Practices for Generation, Transmission and Distribution maintenance work starting with Equipotential Zone (EPZ) Grounding for Line Operations. Guide to be consistent with newly published <i>CAN/ULC S-801-10 Standard On Electric Utility Workplace Electrical Safety For Generation Transmission and Distribution</i>.</li> <li>• Identify and purchase equipment and material requirements to implement Equipotential Zone Grounding and Bonding Practices for line operations.</li> <li>• Develop and deliver EPZ training program for line operations.</li> <li>• Budget for additional equipment and material requirements to implement temporary Protective Grounding and Bonding Practices in other applications, (generation, terminals, etc.)</li> </ul>	<p><b><u>Grounding and Bonding</u></b></p> <ul style="list-style-type: none"> <li>• Purchase equipment and material required to implement remaining temporary Protective Grounding and Bonding Practices.</li> <li>• Develop and deliver Protective Grounding and Bonding Practices training package for Generation, Transmission and Distribution maintenance Operations.</li> <li>• Develop audit protocol to assess compliance with temporary Protective Grounding and Bonding Standard Practices for Generation, Transmission and Distribution maintenance work.</li> </ul>	<p><b><u>Grounding and Bonding</u></b></p> <ul style="list-style-type: none"> <li>• Expand Grounding and Bonding Committee mandate to consider standards for permanent grounding applications including plant and terminal station grounding.</li> <li>• Develop/revise standards where necessary for plant and terminal station grounding.</li> </ul>	<p><b><u>Grounding and Bonding</u></b></p> <ul style="list-style-type: none"> <li>• Budget additional cost of equipment and material requirements to implement permanent Grounding applications.</li> </ul>	<p><b><u>Grounding and Bonding</u></b></p> <ul style="list-style-type: none"> <li>• Purchase equipment and material requirements to implement permanent Grounding applications.</li> </ul>

# Goal 1: Safety

## INITIATIVES – Leadership/ Supportive Culture

2011	2012	2013	2014	2015
<p><b><u>Safety (Felt) Leadership</u></b></p> <ul style="list-style-type: none"> <li>• Encourage all employees to develop a Personal Safety Plan</li> <li>• Deliver a safety interaction coaching workshop to promote CREDO/IRS</li> <li>• Management strategy development and implementation to communicate and demonstrate safety and health support</li> <li>• Review value of departmental or divisional safety summits</li> <li>• Review value and possible process for tracking safety interactions.</li> </ul>	<p><b><u>Safety (Felt) Leadership</u></b></p> <ul style="list-style-type: none"> <li>• Aid Corporate in the analysis of safety interactions/coaching.</li> <li>• Initiate annual Dept/Divisional Safety Summits</li> <li>• If deemed of value record Safety Interactions via Corporate process</li> </ul>			<p><b><u>Safety (Felt) Leadership</u></b></p>

# Goal 2: Environment

## OBJECTIVES - Environment

- Minimize production requirements and associated air emissions from the Holyrood Thermal Generating Station

## TARGETS - Environment

2011	2012	2013	2014	2015
Reduce the minimum number of operating hours at the Holyrood Plant by 6.5%	Reduce the minimum number of operating hours at the Holyrood Plant by 14%			
Achieve 17.2GWh of energy savings through Newfoundland and Labrador Hydro managed conservation and demand management programs	Achieve 28.3 GWh of energy savings through Newfoundland and Labrador Hydro managed conservation and demand management programs	Achieve 54.5 GWh of energy savings through Newfoundland and Labrador Hydro managed conservation and demand management programs	Achieve 55.7 GWh of energy savings through Newfoundland and Labrador Hydro managed conservation and demand management programs	Achieve 56.9 GWh of energy savings through Newfoundland and Labrador Hydro managed conservation and demand management programs

# Goal 2: Environment

## OBJECTIVES - Environment

- Minimize production requirements and associated air emissions from the Holyrood Thermal Generating Station (Continued)

## TARGETS - Environment

2011	2012	2013	2014	2015
Achieve 1.95 GWh of energy savings through internal energy efficiency programs by the end of 2015	Achieve 2.1 GWh of energy savings through internal energy efficiency programs by the end of 2015	Achieve 2.25 GWh of energy savings through internal energy efficiency programs by the end of 2015	Achieve 2.4 GWh of energy savings through internal energy efficiency programs by the end of 2015	Achieve 2.55 GWh of energy savings through internal energy efficiency programs by the end of 2015

\*

# Goal 2: Environment

INITIATIVES – Environment				
2011	2012	2013	2014	2015
Reduce the minimum required hours of operation at Holyrood for power system reliability purposes by installing switched capacitor banks at the Come By Chance Terminal Station to provide improved voltage control on the Avalon Peninsula.				
Implement new residential and commercial rebate programs in partnership with NP.	Implement new residential and commercial rebate programs in partnership with NP.	Implement new residential and commercial rebate programs in partnership with NP.	Implement new residential and commercial rebate programs in partnership with NP.	Implement new residential and commercial rebate programs in partnership with NP.
Implement new community based energy efficiency program for Hydro customers.	Implement new energy efficiency program for Hydro customers.	Implement new energy efficiency program for Hydro customers.	Implement new energy efficiency program for Hydro customers.	Implement new energy efficiency program for Hydro customers.

# Goal 2: Environment

INITIATIVES – Environment				
2011	2012	2013	2014	2015
	Conduct evaluation of Industrial Energy Efficiency Program and provide recommendations for next steps.	Update CDM Potential Study.		
Implement no cost/low cost recommendations from Hydro facility walk through audits.	Regulated Operations to identify energy savings opportunities through review of facility operations and implement actions.	Regulated Operations to identify energy savings opportunities through review of facility operations and implement actions.	Regulated Operations to identify energy savings opportunities through review of facility operations and implement actions.	Regulated Operations to identify energy savings opportunities through review of facility operations and implement actions.

# Goal 2: Environment

2011 INITIATIVES - Environment			
INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
Reduce the minimum required hours of operation at Holyrood for power system reliability purposes by installing switched capacitor banks at the Come By Chance Terminal Station to provide improved voltage control on the Avalon Peninsula.	<ul style="list-style-type: none"> <li>•Site work Complete</li> <li>•Capacitor Banks Received</li> <li>•Capacitor Banks Commissioned</li> <li>•Capacitor Banks Installed and Operating</li> </ul>	Project Execution and Technical Services	<ul style="list-style-type: none"> <li>•June 2011</li> <li>•August 2011</li> <li>•September</li> <li>•October 2011</li> </ul>
Implement new residential and commercial rebate program in partnership with NP.	GWhs of energy efficiency savings.	System Operations and Customer Services	Throughout 2011
Implement new community based energy efficiency program for Hydro customers.	GWhs of energy efficiency savings.	System Operations and Customer Services	Throughout 2011

# Goal 2: Environment

2011 INITIATIVES - Environment			
INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
Implement no cost/low cost recommendations from Hydro facility walk through audits.	In addition to the savings from previous year's actions, in 2011 achieve 150MWH of new energy savings initiatives as follows: <ul style="list-style-type: none"> <li>• 25MWh – HTGS</li> <li>• 50MWh – TROC</li> <li>• 25 MWh – TRON</li> <li>• 25MWh – TROL</li> <li>•25 MWh – Hydro Generation</li> </ul>	System Operations and Customer Services, HTGS, TROC, TRON, TROL, Hydro Generation	Throughout 2011

# Goal 2: Environment

## OBJECTIVES - Environment

- Reduce or minimize environmental risks and emissions from diesel generation systems

## TARGETS - Environment

2011	2012	2013	2014	2015
Acquire production data (plant output, station service and unit metering) from all Diesel Plants and format data for automating production monthly reporting.	Analyze data and identify opportunities for efficiency improvements and emission reduction potential	Analyze data and identify opportunities for efficiency improvements and emission reduction potential	Analyze data and identify opportunities for efficiency improvements and emission reduction potential	Analyze data and identify opportunities for efficiency improvements and emission reduction potential

# Goal 2: Environment

INITIATIVES – Environment				
2011	2012	2013	2014	2015
Establish data acquisition and recording systems for diesel plant production data	Monitor data and analyze for plant efficiency and emission reduction potential.	Monitor data and analyze for plant efficiency and emission reduction potential.	Monitor data and analyze for plant efficiency and emission reduction potential.	Monitor data and analyze for plant efficiency and emission reduction potential.

# Goal 2: Environment

2011 INITIATIVES - Environment			
INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
Establishing data acquisition and recording systems for diesel plant production data	Database for diesel plant production data	Information Systems and TRO Operations	December 2011

# Objectives, Targets and Initiatives recommended for inclusion in NLH or Functional Divisional and Departmental Plans

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# Goal 2: Environment

## OBJECTIVES - Environment

- Minimize production requirements and associated air emissions from the Holyrood Thermal Generating Station

## TARGETS - Environment

2011	2012	2013	2014	2015
Complete an update of previous studies on the impact to future emissions, costs and reliability of the introduction of additional wind generation on the Island Interconnected System within a 2012 – 2016 time frame.	Implementation of wind generation recommendation from the 2011 study.			
Develop a policy on Independent Distributed Generation	Subject to external policy approval requirements, Implement internal action to support an approved Independent Distributed Generation Policy			

\*

# Goal 2: Environment

INITIATIVES – Environment				
2011	2012	2013	2014	2015
Undertake a study using available data from Hydro’s experience with the 2 existing wind generation plants, simulation tools for energy production analysis, simulation tools for electric system operation and reference the experience of other similar electrical systems with large penetrations of wind energy.				
Establish internal working groups and draft policy on Independent Distributed generation for review with stakeholders and approval by the PUB				

# Goal 2: Environment

2011 INITIATIVES - Environment			
INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
Undertake a study using available data from Hydro’s experience with the 2 existing wind generation plants, simulation tools for energy production analysis, simulation tools for electric system operation and reference the experience of other similar electrical systems with large penetrations of wind energy.	Final Report	Lead by System Planning with inputs from Business Development and System Operations.	December 2011
Establish internal working groups and draft policy on Independent Distributed generation for review with stakeholders and approval by the PUB	Draft distributed generation policy	System Planning	December 2011

# Goal 2: Environment

## OBJECTIVES - Environment

- Reduce emissions per unit of energy delivered by achieving not more than 10% variance from ideal production schedule at Holyrood Generating Station by 2014 – maintain at 10% through 2015.

## TARGETS - Environment

2011	2012	2013	2014	2015
Emission variance from ideal at Holyrood $\leq$ to 12.5%	11%*	10%	10%	10%

\*2012 – 2015 variance targets will be reviewed based on experience with operation of the new capacitor bank at Come-by-Chance

# Goal 2: Environment

INITIATIVES – Environment				
2011	2012	2013	2014	2015
Evaluate improvements made in System load forecasting over the last couple of years.				
Complete a review of the operation and maintenance of the HTGS condensers and compare with industry best practices				
Initiate capital project to upgrade the hydrogen system at the HTGS.	Complete capital project to upgrade the hydrogen system at the HTGS			
Complete a review of the operation and maintenance of heavy fuel oil burners at the HTGS				
Submit a capital budget proposal to install thrust bearings on Unit 3 to mitigate delays in converting the unit to synchronous condenser operation.				

# Goal 2: Environment

2011 INITIATIVES - Environment			
INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
Evaluate improvements made in System load forecasting over the last couple of years.	Determination of effectiveness of recent improvements and potential additional initiatives	System Operations and Customer Services	Fourth quarter 2011
Complete a review of the operation and maintenance of the HTGS condensers and compare with industry best practices	Determination potential operational improvements to the HTGS condenser operations	HTGS	Fourth quarter 2011
Initiate capital project to upgrade the hydrogen system at the HTGS.	Contract development and award for upgrade to the HTGS hydrogen system	HTGS	Throughout 2011
Complete a review of the operation and maintenance of heavy fuel oil burners at the HTGS	Determination of improvement potential for the operation and maintenance of heavy fuel oil burners at the HTGS	HTGS	Fourth quarter 2011
Submit a capital budget proposal to install thrust bearings on Unit 3 to mitigate delays in converting the unit to synchronous condenser operation.	Capital budget proposal to install thrust bearings on Unit 3	HTGS	First quarter 2011

# Goal 2: Environment

## OBJECTIVES - Environment

- Achieve reduction in the 5 year rolling average number of reportable hydrocarbon spill events.

## TARGETS - Environment

2011	2012	2013	2014	2015
Achieve $\geq 10\%$ reduction in the 5 year rolling average number of reportable spills .	Achieve $\geq 5\%$ reduction in the 5 year rolling average number of reportable spills .	Achieve $\geq 5\%$ reduction in the 5 year rolling average number of reportable spills .	Achieve $\geq 5\%$ reduction in the 5 year rolling average number of reportable spills .	Achieve $\geq 5\%$ reduction in the 5 year rolling average number of reportable spills .

# Goal 2: Environment

INITIATIVES – Environment				
2011	2012	2013	2014	2015
Evaluate spill events and reduction programs in respect to spill reduction target performance	Evaluate spill events and reduction programs in respect to spill reduction target performance	Evaluate spill events and reduction programs in respect to spill reduction target performance	Evaluate spill events and reduction programs in respect to spill reduction target performance	Evaluate spill events and reduction programs in respect to spill reduction target performance

# Goal 2: Environment

2011 INITIATIVES - Environment			
INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
Evaluate spill events and reduction programs in respect to spill reduction target performance	% reduction in 5 year rolling average of number of reportable spill events	Environmental Services Department in conjunction with all Operating Managers	Throughout 2011

# Goal 2: Environment

## OBJECTIVES - Environment

- Reduction in the amount of selected waste types entering municipal landfills

## TARGETS - Environment

2011	2012	2013	2014	2015
Reduce the amount of re-chargeable batteries and cell phones entering landfills	Reduce amount of disposable batteries and scrap metal entering landfills.	Reduce amount of CFLs and fluorescent lighting tubes entering landfills	Reduce amount of used oil filters and oily rags entering landfills	
Determine waste volumes and categories produced as a result of activities and operations at Hydro Place	Determine waste volumes and categories produced as a result of activities and operations at Bay d'Espoir Generating Station	Determine waste volumes and categories produced as a result of activities and operations at Port Saunders Regional Office		

# Goal 2: Environment

INITIATIVES – Environment				
2011	2012	2013	2014	2015
Promote Call2Recycle program at Bay d’Espoir, Holyrood and Bishop’s Falls.	Confirm and implement opportunities in selected locations for diversion of disposable batteries and scrap metal from landfills	Confirm and implement opportunities in selected locations for diversion of CFLs and fluorescent lighting tubes from landfills	Confirm and implement opportunities in selected locations for diversion of used oil filters and oily rags from landfills	
Complete waste audit at Hydro Place, subject to approval of budget item in 2011 budget	Implement, or budget for, waste reduction initiatives resulting from Hydro Place waste audit	Implement, or budget for, waste reduction initiatives resulting from Bay d’Espoir Generating Station waste audit.	Implement, or budget for, waste reduction initiatives resulting from Port Saunders Regional Office waste audit.	
Budget and determine resource requirements for waste audit at the Bay d’Espoir Generating Station	Complete Bay d’Espoir Generating Station waste audit, subject to budgetary approval	Complete Port Saunders Regional Office waste audit, subject to budgetary approval		
	Budget and determine resource requirements for waste audit at the Port Saunders Regional Office			

# Goal 2: Environment

2011 INITIATIVES - Environment			
INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
Promote Call2Recycle program at Bay d'Espoir, Holyrood and Bishop's Falls.	Introduction of materials to promote recycling of re-chargable batteries and cell phones at selected locations	Environmental Services and Facility Managers	Throughout 2011
Complete waste audit at Hydro Place, subject to approval of budget item in 2011 budget	Hydro Place waste audit report	Hydro Place Administration and Environmental Services	January 2012
Budget and determine resource requirements for waste audit at the Bay d'Espoir Generating Station	Operating budget proposal	Hydro Generation and Environmental Services	First quarter 2011

# Goal 2: Environment

## OBJECTIVES - Environment

- Remove all sealed equipment that contains, or could potentially contains, greater than or equal to 50 mg/kg (ppm) of PCBs from service by 2025\*

## TARGETS - Environment

2011	2012	2013	2014	2015
Remove 3% of sealed equipment from service	Remove 6.5% of sealed equipment from service			

\*This objective assumes that Environment Canada will formally agree to proposals made by the Canadian Electricity Association to extend the requirement for removal of sealed equipment that may contain PCBs from 2014 to 2025.

# Goal 2: Environment

INITIATIVES – Environment				
2011	2012	2013	2014	2015
Update instrument transformer capital budget proposal to reflect plan for next 5 years	Execute instrument transformer and bushing replacement plan as submitted to Environment Canada	Execute instrument transformer and bushing replacement plan as submitted to Environment Canada	Execute instrument transformer and bushing replacement plan as submitted to Environment Canada	Execute instrument transformer and bushing replacement plan as submitted to Environment Canada
Execute instrument transformer replacement plan for 2011 as submitted to Environment Canada				
Update transformer upgrading capital budget proposal to reflect bushing replacements for the next 5 years	Update capital budget proposals for instrument transformers, (transformer upgrading includes bushing replacement and breaker replacements)			
Execute bushing replacement plan for 2011 as submitted to Environment Canada				
Prepare capital budget proposals for breaker replacements to include replacement of oil circuit breakers				

# Goal 2: Environment

2011 INITIATIVES - Environment			
INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
Develop capital budget proposals to support PCB reduction targets	Capital budget proposal for sealed equipment replacement	TRO Operations, and Project Execution and Technical Services	First quarter of 2011
Execute instrument transformer and bushings replacement plans for 2011 as submitted to Environment Canada	Replaement of instrument transformers and bushings	TRO Operations, and project Execution and Technical Services	Throughout 2011

# Goal 3: Business Excellence

TARGETS – Financial Performance				
2011	2012	2013	2014	2015
<p><b>Cash</b><sup>1</sup></p> <p><u>Timing</u>: Treasury to prepare three-month rolling cash flow forecast updated quarterly</p> <p><u>Accuracy</u>: Three-month rolling cash flow forecasts <b>within +/-20% of budget</b></p>	<p><u>Timing</u>: Treasury to prepare tThree-month rolling cash flow forecast updated quarterly</p> <p><u>Accuracy</u>: Three-month rolling cash flow forecasts within <b>+/-15% of budget</b></p>	<p><u>Timing</u>: Three-month rolling cash flow forecast updated quarterly</p> <p><u>Accuracy</u>: Three-month rolling cash flow forecasts within <b>+/-10% of budget</b></p>	<p><u>Timing</u>: Three-month rolling cash flow forecast updated quarterly</p> <p><u>Accuracy</u>: Three-month rolling cash flow forecasts within <b>+/-5% of budget</b></p>	<p><u>Timing</u>: Three-month rolling cash flow forecast updated quarterly</p> <p><u>Accuracy</u>: Three-month rolling cash flow forecasts within <b>+/-2.5% of budget</b></p>

**1 Long term target and metric to be reviewed**

# Goal 3: Business Excellence

INITIATIVES – Financial Performance				
2011	2012	2013	2014	2015
<b>Forecasting:</b>				
<p>Revise ACC 17, BUDGETING AND FORECASTING OF OPERATING EXPENSES, to include the frequency (Quarterly).  <i>Add a statement, “additional forecasting may be requested if deemed necessary”.</i></p> <p>Communicate and implement change in policy.</p> <p>Develop Clarity as a tool to assist in forecasting by Business Unit owners.</p> <p>Provide Clarity training to Power Users.</p>				

# Goal 3: Business Excellence

INITIATIVES – Financial Performance				
2011	2012	2013	2014	2015
<b>Cost Control:</b>				
Develop a reporting method in Clarity to support monthly variance analysis.				
Provide Clarity training to all concerned.				
Complete variance review and update report by the 7 <sup>th</sup> working day of the following month.				
Complete visit to plants and area offices to deliver an educational session for managers and other selected supervisor personnel on ROCE and other financial items to aid understanding and commitment to Hydro Financial goals.				

# Goal 3: Business Excellence

INITIATIVES – Financial Performance				
2011	2012	2013	2014	2015
<b>Regulatory:</b>				
Establish broad-based internal regulatory group * that will provide on-going monitoring of Hydro Regulated financial performance, PUB filings and future readiness to file GRA.				
<ul style="list-style-type: none"> <li>Establish Hydro’s targeted ROE earnings band</li> <li>Monitor ROE performance and take appropriate action to perform within the established range</li> <li>Maintain regulatory data and models in state of readiness for filing GRA within six months of receiving go.</li> </ul>	Monitor Performance and take appropriate action	Monitor Performance and take appropriate action	Monitor Performance and take appropriate action	
* Including finance, rates and regulatory, legal, asset management, operations and customer service personnel.				

# Goal 3: Business Excellence

<b>INITIATIVES – Financial Performance</b>				
<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Capital Assets System and Process:</b>				
Document capital assets system current state and develop future state (Gap analysis and closure plan with focus on process, technology and people ensuring current and future financial reporting and AMS requirements are met)				
Investigate technology requirements and identify funding, operating and capital, that will potentially be required and include in 2012 budgets	Implement new capital assets system and processes	Implement new capital assets system and processes		

# Goal 3: Business Excellence

INITIATIVES – Reliability - Asset Management				
2011	2012	2013	2014	2015
<b>Cash:</b>				
Revision of Procedure ACC 17, BUDGETING AND FORECASTING OF OPERATING EXPENSES, to include the suggested frequency (Quarterly)				
Develop interface between Treasury and business units to facilitate continual reporting of revised O&M forecasts – likely by having Treasury receive training and required permissions in order to access field-level operating budgets in Clarity				
Develop interface between Treasury and Risk Management and Capital Assets group to facilitate continual reporting of revised CAPEX forecasts				

# Goal 3: Business Excellence

Initiatives – Reliability and Asset Management				
2011	2012	2013	2014	2015
<ul style="list-style-type: none"> <li>•Quality checks on asset registry</li> </ul>	<ul style="list-style-type: none"> <li>•Maintain accurate asset registry (process)</li> </ul>	<ul style="list-style-type: none"> <li>•Review and confirm accurate asset registry</li> <li>•Expand registry to include detailed information on each asset such as nameplate data, drawings, design info etc.</li> </ul>	<ul style="list-style-type: none"> <li>•Maintain accurate asset registry</li> </ul>	<ul style="list-style-type: none"> <li>•Review and confirm accurate asset registry</li> </ul>
<ul style="list-style-type: none"> <li>•Develop strategy to establish critical spares for all areas</li> <li>•Develop five year plan to connect all critical spares to assets</li> </ul>	<ul style="list-style-type: none"> <li>•Establish critical spares listing for 25% of all assets</li> <li>•Connect 20% of critical spare inventory to assets</li> </ul>	<ul style="list-style-type: none"> <li>•Establish critical spares listing for 25% of all assets</li> <li>•Acquire/dispose of critical spares as appropriate</li> </ul>	<ul style="list-style-type: none"> <li>•Establish critical spares listing for 25% of all assets</li> </ul>	<ul style="list-style-type: none"> <li>•Establish critical spares listing for 25% of all assets</li> </ul>

# Goal 3: Business Excellence

INITIATIVES – Reliability and Asset Management				
2011	2012	2013	2014	2015
	<ul style="list-style-type: none"> <li>Investigate asset management software tool for asset maintenance, asset health monitoring, asset registry, inventory, purchasing, scheduling, OEM manuals and other technical data required to support and drive asset management</li> <li>Initiate capital budget proposal to implement the software tool</li> </ul>	<ul style="list-style-type: none"> <li>Firm up details of requirements, complete capital budget proposal and submit as part of the 2013 capital submission</li> </ul>	<ul style="list-style-type: none"> <li>Implement new asset management toolset as part of the JDE replacement / upgrade</li> </ul>	
	<ul style="list-style-type: none"> <li>Develop asset health monitoring and condition assessment strategy for major asset groups to support Long Term Asset Planning</li> </ul>	<ul style="list-style-type: none"> <li>Execute Strategy</li> </ul>		
	<ul style="list-style-type: none"> <li>Establish Technical Councils to perform Root Cause Analysis of significant disturbance events on power system and customers</li> </ul>			

# Goal 3: Business Excellence

INITIATIVES – Reliability and Asset Management				
2011	2012	2013	2014	2015
<ul style="list-style-type: none"> <li>•Participate as required in the PUB technical review process as per the schedule agreed to with the PUB</li> </ul>				
		<ul style="list-style-type: none"> <li>•Initiate internal discuss: engage PUB to establish annual quality of service targets for NLH that drive cost of service</li> </ul>		
<ul style="list-style-type: none"> <li>•Re-new focus on Work Execution Metrics - emphasis on Weekly Schedule and Annual Work Plan compliance &amp; resource leveling</li> <li>•Update PM program as per the Asset Maintenance Review</li> </ul>	<ul style="list-style-type: none"> <li>•Analyze metrics and solidify annual plans</li> </ul>			
<ul style="list-style-type: none"> <li>•Review and revise the Risk Registry and Business Continuity Plan prior to the 5 year corporate planning sessions to ensure necessary targets and initiatives are incorporated into the five year plan</li> </ul>				

# Goal 3: Business Excellence

INITIATIVES – Reliability and Asset Management				
2011	2012	2013	2014	2015
Continue to develop the interface between Operations and Project Execution & Technical Services – establish expectations with respect to projects and technical support.				
<ul style="list-style-type: none"> <li>•Capture significant, unexpected equipment failures and analyze towards potential improvements in maintenance tactics, design, operating practices, storage, installation practices</li> </ul>	<ul style="list-style-type: none"> <li>•Establish AM function/process and technical councils</li> </ul>			
				
<ul style="list-style-type: none"> <li>•Field Operations and ECC confirm operating parameters in use are within design specifications</li> </ul>	<ul style="list-style-type: none"> <li>•Develop core training/knowledge areas by AMS function</li> </ul>	<ul style="list-style-type: none"> <li>•Implement training strategy</li> </ul>		
				

# Goal 3: Business Excellence

## OBJECTIVES – Customer Satisfaction

- Internal Customer Satisfaction (Hydro Group)– Achieve an overall customer satisfaction rating of 90% and a minimum 70% rating for each individual service group by 2015

## TARGET – Customer Satisfaction

2011	2012	2013	2014	2015
Establish current satisfaction rating	25% improvement toward to 2015 target	50% improvement toward to 2015 target	75% improvement toward to 2015 target	<ul style="list-style-type: none"> <li>•Achieve an overall customer satisfaction rating of 90% and a minimum 70% rating for each individual service group</li> </ul>

# Goal 3: Business Excellence

<b>INITIATIVES – Customer Satisfaction</b>				
<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Formalize a Customer Service (Internal) Improvement Committee with representation from Regulated Operations and each of the service groups				
Formalize a strategic plan for improving and benchmarking internal customer services provided to Regulated Operations based on a four year plan	<ul style="list-style-type: none"> <li>•Implement all initiatives indentified for year 1 of the four year plan</li> <li>•Measure results and adjust for variations</li> </ul>	<ul style="list-style-type: none"> <li>•Implement all initiatives indentified for year 2 of the four year plan</li> <li>•Measure results and adjust for variations</li> </ul>	<ul style="list-style-type: none"> <li>•Implement all initiatives indentified for year 3 of the four year plan</li> <li>•Measure results and adjust for variations</li> </ul>	<ul style="list-style-type: none"> <li>•Implement all initiatives indentified for year 4 of the four year plan</li> <li>•Measure results and adjust for variations</li> </ul>

**Hydro – Other desirable items that  
could be considered for  
Divisional/Departmental inclusion if  
they can be delivered**

# Goal 2: Environment

<b>INITIATIVES – Environment</b>				
<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Environmental Management System targets identified and Program Leaders established	Environmental Management System targets identified and Program Leaders established	Environmental Management System targets identified and Program Leaders established	Environmental Management System targets identified and Program Leaders established	Environmental Management System targets identified and Program Leaders established
Review and approval of proposed Environmental Management System targets	Review and approval of proposed Environmental Management System targets	Review and approval of proposed Environmental Management System targets	Review and approval of proposed Environmental Management System targets	Review and approval of proposed Environmental Management System targets
Monthly update to status of EMS targets				

# Goal 2: Environment

2011 INITIATIVES - Environment			
INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
Environmental Management System targets identified and Program Leaders established	Proposed EMS targets	EMS Management Representatives	January 2011
Review and approval of proposed Environmental Management System targets	Approved EMS targets	NLH Leadership Team	January 2011
Monthly update to status of EMS targets	Monthly report to NLH Leadership Team on EMS target status	EMS target Program Leader	monthly

# Goal 2: Environment

## OBJECTIVES - Environment

- To enhance performance relating to NLH’s environmental framework Stakeholder Acceptance building block increase customers identifying Hydro as an environmentally responsible organization by achieving an 8.8 rating on point “operates in an environmentally responsible manner” on the customer survey in 2012

## TARGETS - Environment

2011	2012	2013	2014	2015
8.7 rating	8.8 rating	8.8 rating or better	8.8 rating or better	8.8 rating or better

# Goal 2: Environment

INITIATIVES – Environment				
2011	2012	2013	2014	2015
Create a plan for employee and stakeholder awareness of Hydro’s environmental activities	Implement plan	Produce a Corporate Responsibility/Sustainability Report		

# Goal 2: Environment

2011 INITIATIVES - Environment			
INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
Create a plan for employee and stakeholder awareness of Hydro's environmental activities	An employee and stakeholder awareness plan	Environmental Services and Corporate Communication and Stakeholder Relations	Third quarter of 2011

# Goal 2: Environment

## OBJECTIVES - Environment

- To support NLH’s performance relating to Pollution Prevention and Stakeholder Acceptance environmental framework building blocks, put in place mechanisms to document and report on emissions of greenhouse gases associated with Corporate operations and activities by the end of 2013, consistent with the Provincial Energy Plan action proposal to join the Climate Change Registry to ensure consistent and verifiable measurement of GHG emissions.

## TARGETS - Environment

2011	2012	2013	2014	2015
Identify geographic, organizational and operational boundaries for GHG quantification; determine suitable quantification methods;	Collect data from available sources identified and compile in a format compatible with the Climate Registry’s voluntary reporting mechanism.	Review the 2012 GHG quantification program for issue, problems or areas for improvement		

# Goal 2: Environment

INITIATIVES – Environment				
2011	2012	2013	2014	2015
identify data / information sources and data capture mechanisms	Identify reasons for gaps in available data and actions required to remedy these weaknesses			

# Goal 2: Environment

2011 INITIATIVES - Environment			
INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
identify data / information sources and data capture mechanisms	Documentation of data sources and gaps	Environmental Services, System Operations and Customer Services, Information Systems	Third Quarter 2011

# Goal 2: Environment

## OBJECTIVES - Environment

- To support NLH’s performance relating to Pollution Prevention and Stakeholder Acceptance environmental framework building blocks, enhance corporate environmental data monitoring capability to provide consistent, accurate and verifiable data for Environmental reports.

## TARGETS - Environment

2011	2012	2013	2014	2015
<ul style="list-style-type: none"> <li>Identify data needs and gaps and an action plan</li> </ul>	<ul style="list-style-type: none"> <li>Implement action plan</li> </ul>	<ul style="list-style-type: none"> <li>Test/verify environmental data.</li> </ul>		

# Goal 2: Environment

INITIATIVES – Environment				
2011	2012	2013	2014	2015
<ul style="list-style-type: none"> <li>•Identify Environmental data currently being reported.</li> <li>•Identify the owners / people responsible for the data and all the stakeholders.</li> <li>•Initiate discussions with IS on developing a database to store and manage the environmental data.</li> </ul>	<ul style="list-style-type: none"> <li>•Initiate the development of the environmental database.</li> <li>•Develop methods and standards with data owners to ensure data is verifiable.</li> <li>•Identify potential future reporting requirements (GHG, PCB, Sustainability, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>•Finalize and test environmental database.</li> <li>•Develop and deliver training package for database stakeholders.</li> </ul>		

# Goal 2: Environment

2011 INITIATIVES - Environment			
INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
•Identify Environmental data currently being reported.	Existing data report	Environmental Services	May 2011
•Identify the owners / people responsible for the data and all the stakeholders.	Data needs report	Environmental Services	September 2011
•Initiate discussions with IS on developing a database to store and manage the environmental data.	Environmental performance database	Information Services and Environmental Services	December 2011

# Goal 2: Environment

## OBJECTIVES - Environment

- To support NLH’s performance relating to Species Management and Stakeholder Acceptance environmental framework building blocks, evaluate opportunities for improvements to Company policies, activities and programs affecting biodiversity.

## TARGETS - Environment

2011	2012	2013	2014	2015
•Evaluate biodiversity requirements and existing programs in NLH	•Identify opportunities/recommendations for changes to NLH biodiversity policies and programs	•Implement selected opportunities/recommendations	•Implement selected opportunities/recommendations	

# Goal 2: Environment

INITIATIVES – Environment				
2011	2012	2013	2014	2015
<ul style="list-style-type: none"> <li>•Complete a review of biodiversity policies and program in selected utility and non-utility companies</li> </ul>				
<ul style="list-style-type: none"> <li>•Complete a review of existing NLH programs and initiatives relating to biodiversity.</li> </ul>				
<ul style="list-style-type: none"> <li>•Complete a review of existing and proposed regulatory requirements affecting biodiversity programs</li> </ul>				

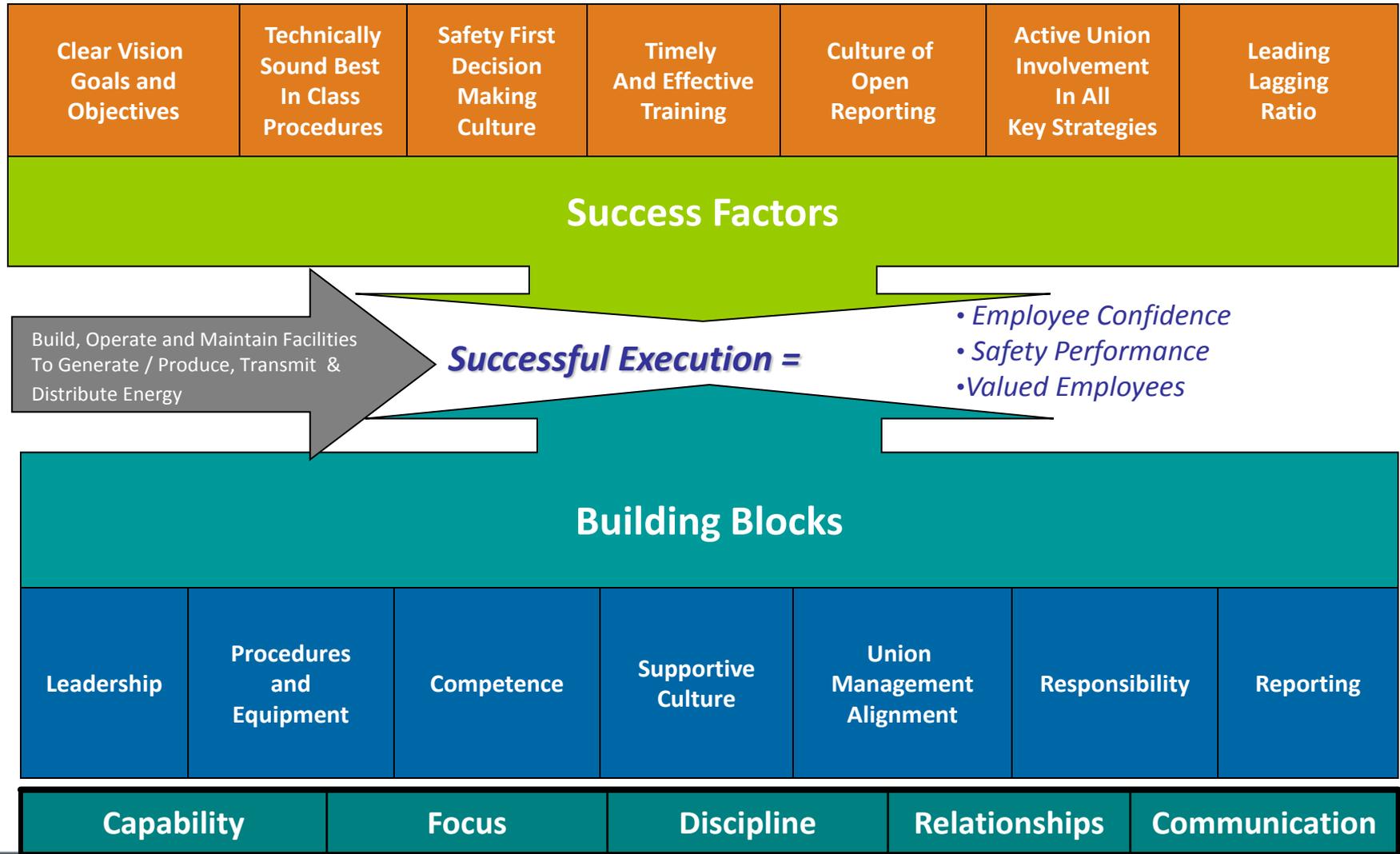
# Goal 2: Environment

2011 INITIATIVES - Environment			
INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
•Complete a review of biodiversity policies and program in selected utility and non-utility companies	Evaluation report	•Environmental Services	May 2011
•Complete a review of existing NLH programs and initiatives relating to biodiversity.	Evaluation report	•Environmental Services •System Operations •Hydro Generation •TRO Operations •Hydro Generation	September 2011
•Complete a review of existing and proposed regulatory requirements affecting biodiversity programs	Evaluation report	Environmental Services	December 2011

# Graphics For Various Goals

PUB-NLH-412, Attachment 2  
Page 100 of 110, Isl Int System Power Outages

# Goal 1: Safety - Framework



# Our Framework for Safety Excellence



## Reporting, Analysis and Continuous Improvement

### LEADING INDICATORS

Hazards, Near Misses, Safe and Unsafe Observations, First Aids, Inspections, Audits

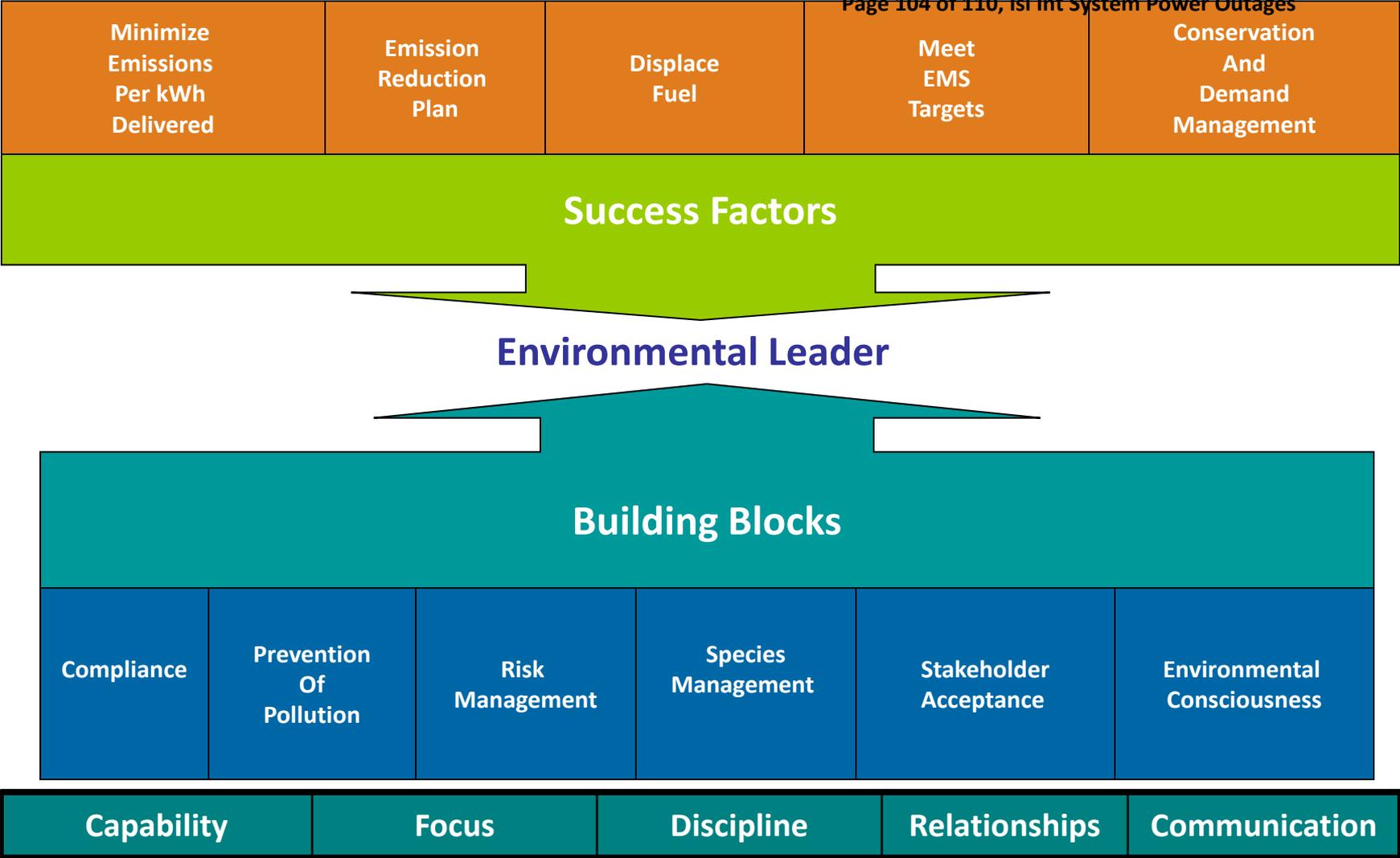
### LAGGING INDICATORS

Medical Treatments, Lost Time Injuries, Severity, analyzed by injury type, part of body, location, etc.

# Safety Culture Model

<p style="text-align: center;"><b>Independent</b></p> <p style="text-align: center;"><b>“Zero is attainable”</b></p> <ul style="list-style-type: none"><li>• Well understood process and operation</li><li>• Personal commitment</li><li>• Supervision/resource comfortable leading or allowing others to lead</li><li>• Ownership for procedures at team level</li><li>• Trust allowing for shared logic and ideas</li></ul>	<p style="text-align: center;"><b>Interdependent</b></p> <p style="text-align: center;"><b>“Zero is sustainable”</b></p> <ul style="list-style-type: none"><li>• Co-operation within and across teams</li><li>• Organizational pride</li><li>• We take care of each other</li><li>• Self-managed teams</li><li>• Team fully engaged in the goal</li></ul> <p style="text-align: right;"><b>“Desired State”</b></p>
<p style="text-align: center;"><b>Dependent</b></p> <p style="text-align: center;"><b>“Zero is difficult”</b></p> <ul style="list-style-type: none"><li>• Management commitment</li><li>• Governed by rules and regulations</li><li>• Management centered activities</li><li>• Selective communication of objectives</li><li>• Discipline as a development tool</li><li>• Turf-type atmosphere</li></ul>	<p style="text-align: center;"><b>Reactive</b></p> <p style="text-align: center;"><b>“Zero is unrealistic”</b></p> <ul style="list-style-type: none"><li>• Goal of compliance</li><li>• Discipline is reactive to incidents</li><li>• Performance driven by management</li><li>• Management provided resource but lack of management involvement</li></ul>

# Goal 2: Environment - Framework



# Environment – Air Emissions Detail

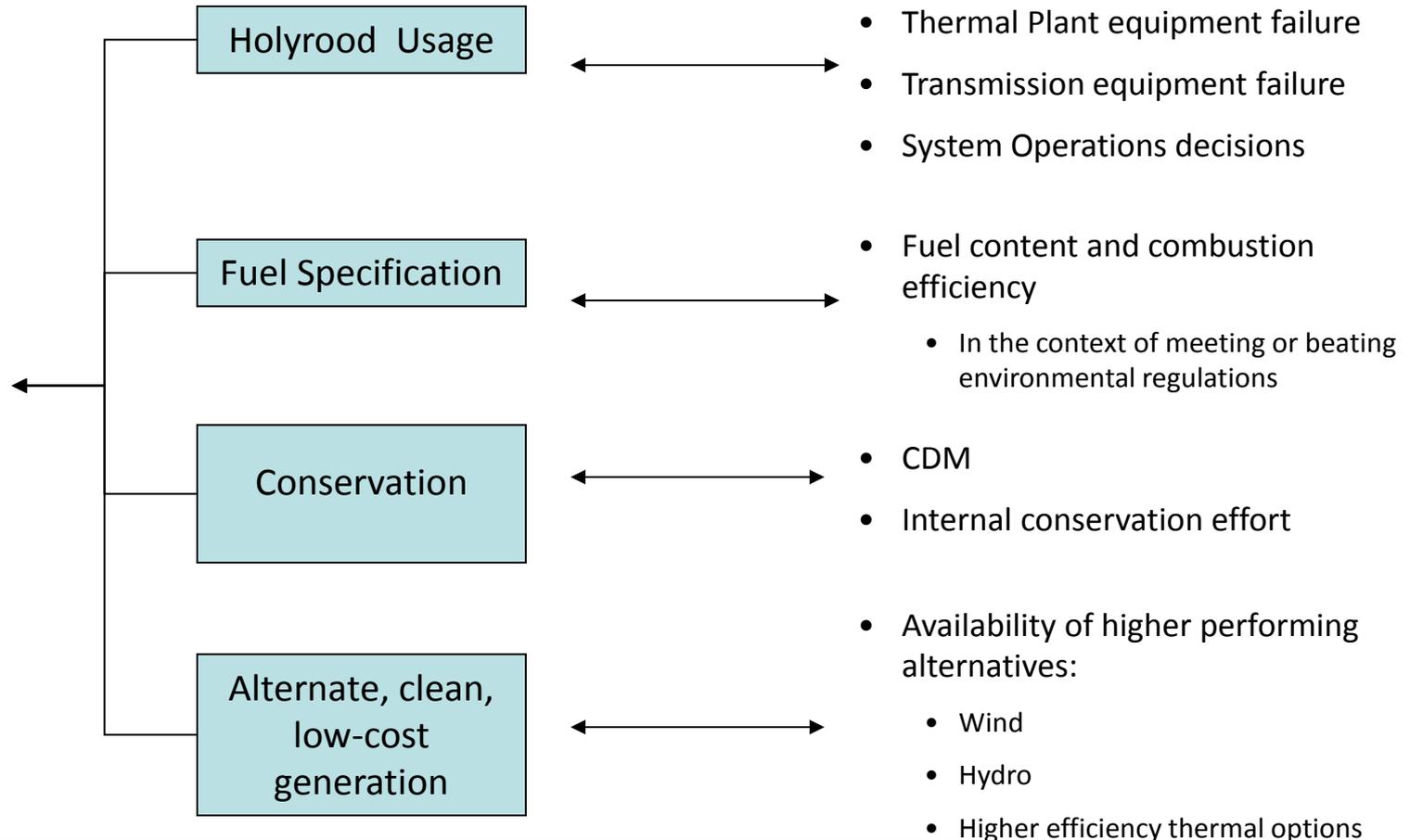
## Outcome Measure

## Mitigation “Levers”

## Performance Drivers

### Level of Air Emissions at Holyrood

- NO<sub>x</sub>
- SO<sub>x</sub>
- GHG
- Particulate



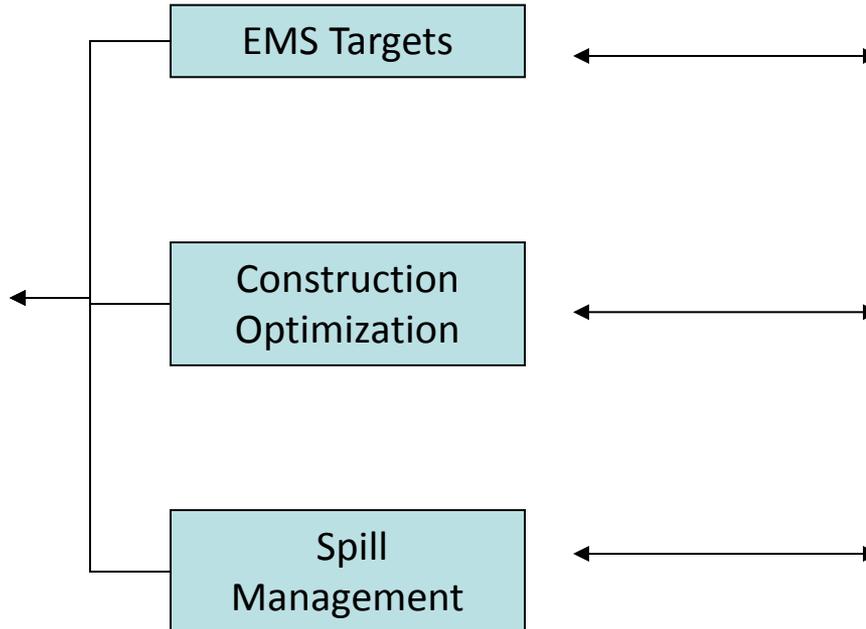
# Environment – Land/Water Detail

## Outcome Measure

### Land/Water Stewardship

- Land Use
  - Trails
  - Line access
  - Vegetation management
- Site restoration
- Water use
- Hydrocarbon spills

## Mitigation “Levers”



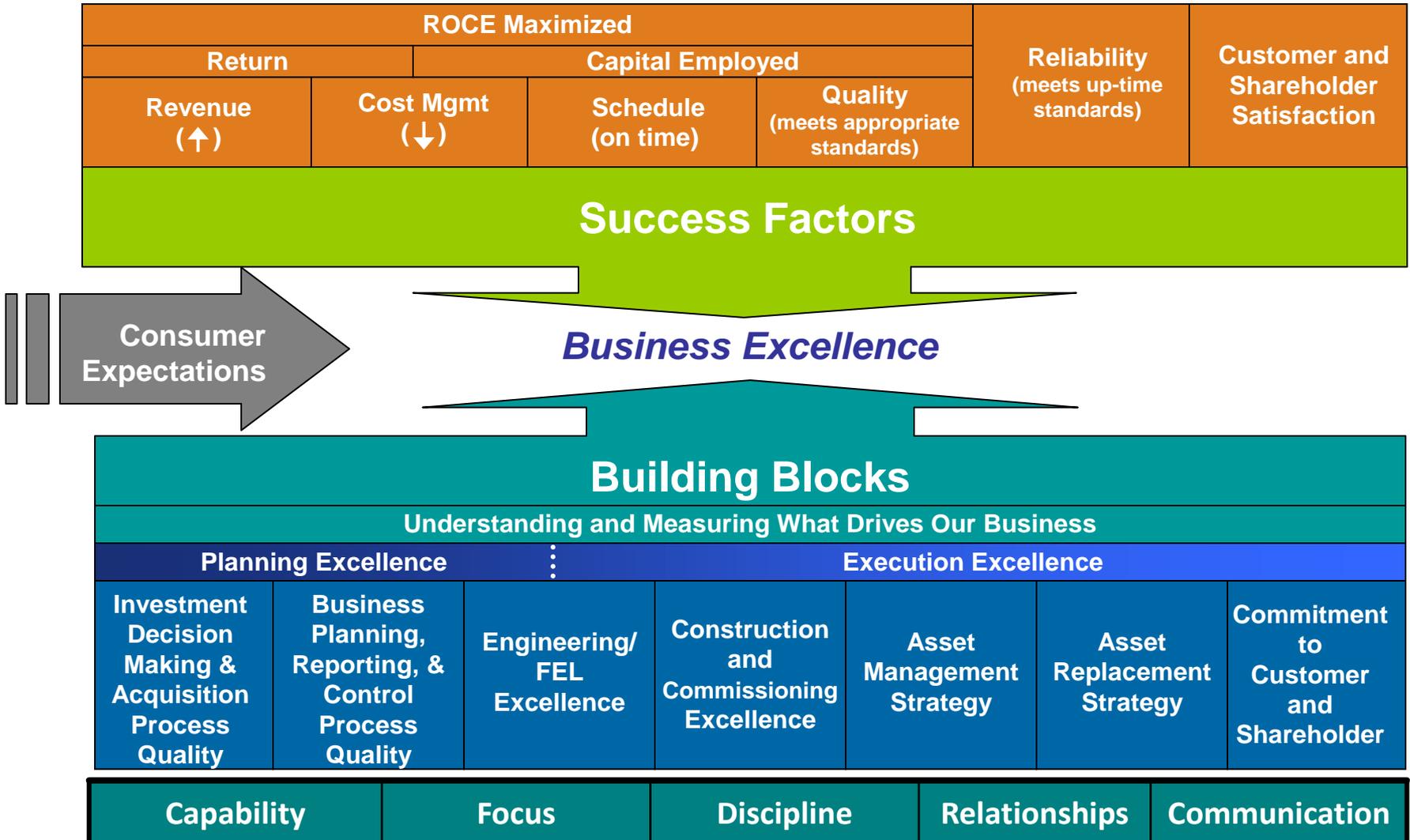
## Performance Drivers

- EMS milestones and target performance
- Target “quality”
- Design
- Execution
- Planning
- Execution

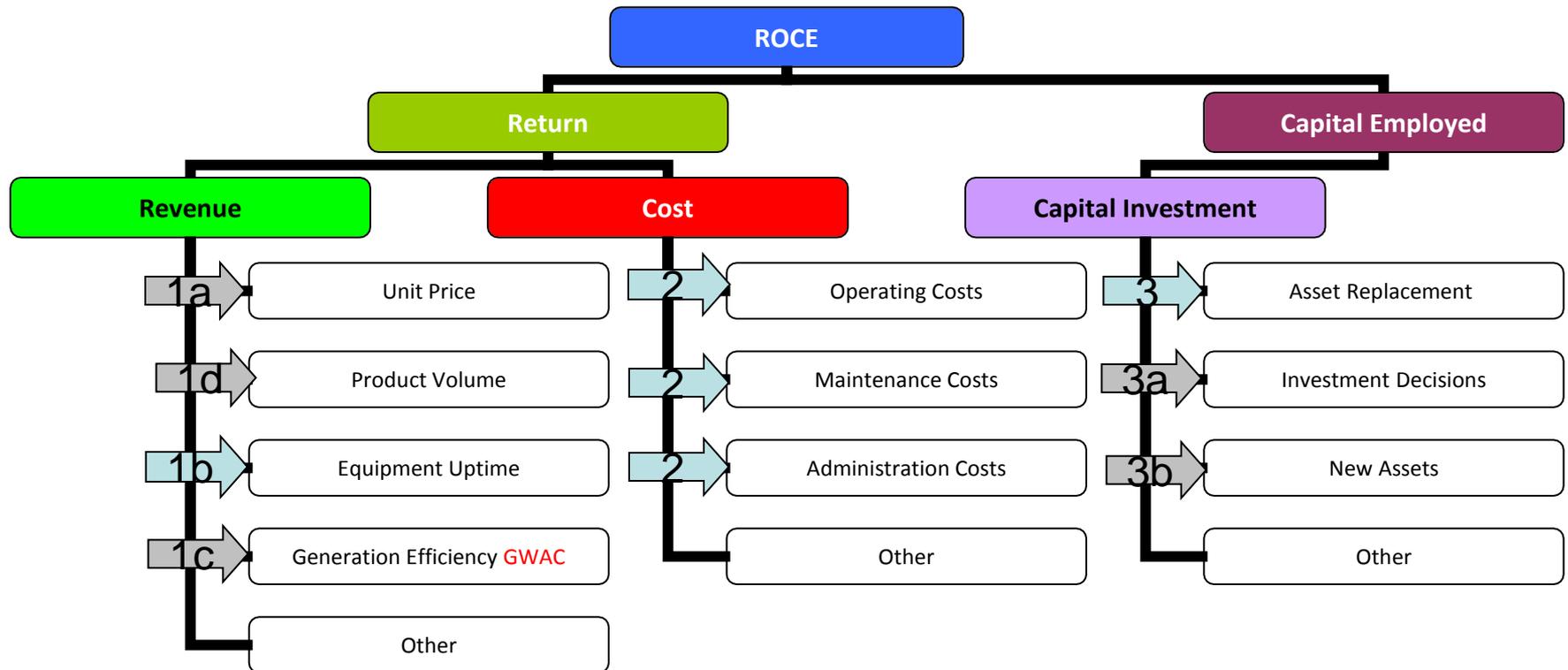
# Goal 3: Business Excellence - Framework

PUB-NLH-412, Attachment 2

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# Newfoundland and Labrador Hydro



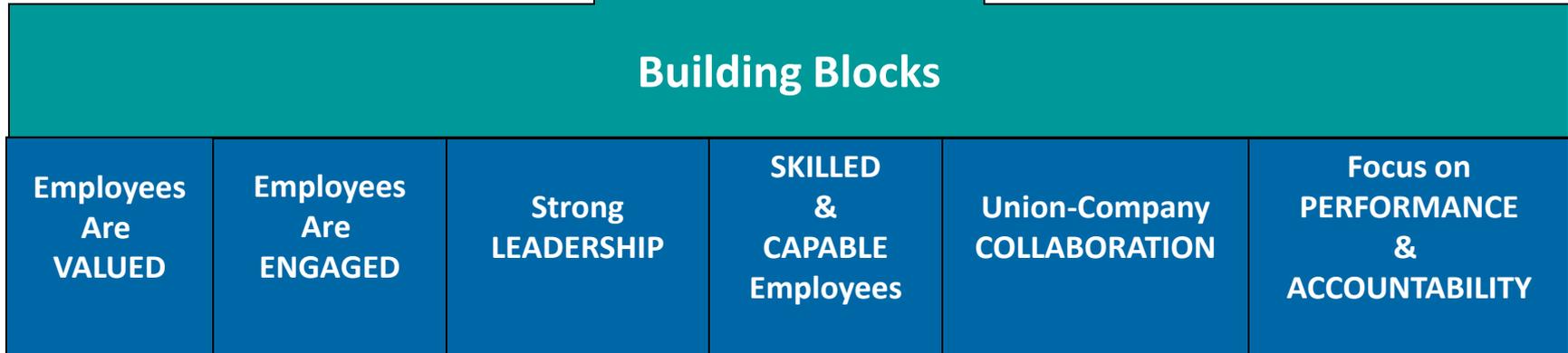
→ Key drivers

→ Suggested changes 108

# Goal 4: People - Framework



**NALCOR TEAM**  
*Skilled, Motivated and Committed*



# Goal 5: Community - Framework

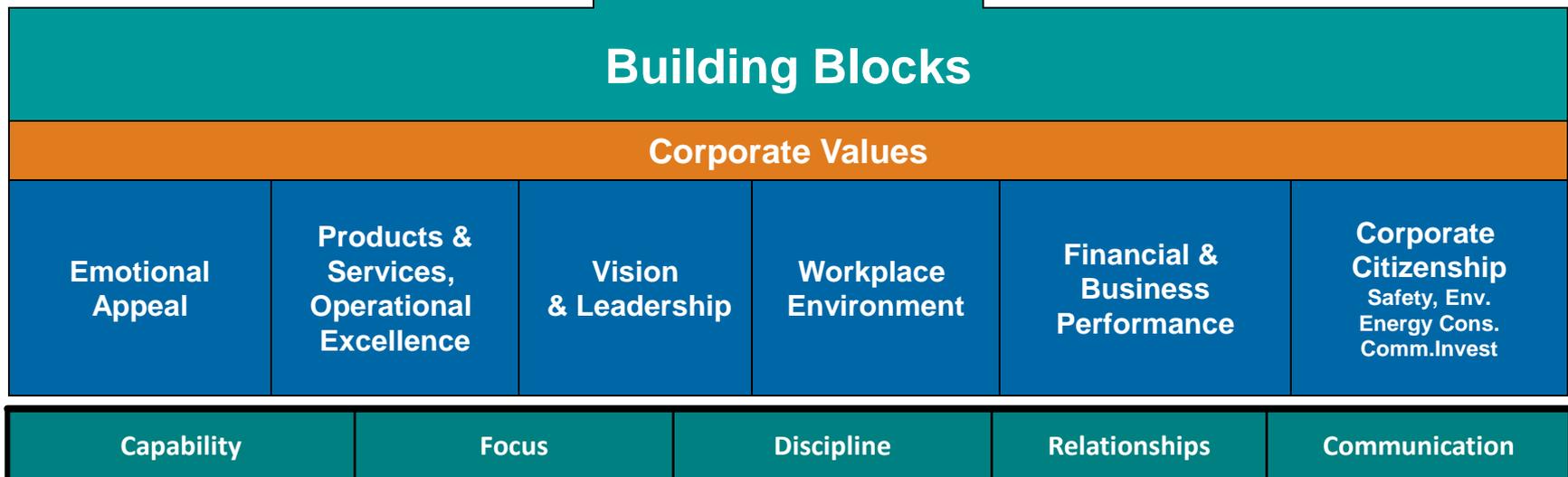
PUB-NLH-412, Attachment 2

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**Good Corporate Reputation =**

- Powerful corporate asset
- Insurance policy
- Stakeholder support



# Nalcor Energy

PUB-NLH-412, Attachment 3  
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## 2012-2016 Plan – Hydro

Boundless Energy



April 30, 2012 deck

# Presentation structure

- Quilt Snapshot Slide 4
- Hydro – High level plan detail Slide 5
- Hydro & Division/Departmental additional must do's Slide 70
- Hydro – Other desirable items that could be considered Slide 86
- Reliability Data analysis Slide 100
- Graphics For Various Goals Slide 128

# Hydro - Plan Highlights

PUB-NLH-412, Attachment 3  
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# 2011 Plan Highlights

GOAL	
<b>1. SAFETY</b>	<p style="text-align: right;"><b>PUB-NLH-412, Attachment 3</b></p> <p style="text-align: center;"><b>Page 4 of 137, Isl Int System Power Outages</b></p> Achieve safety lead/lag ratio $\geq 600:1$ (tbc) or 0 events All injury frequency rate (AIF) $\leq 0.80$ (tbc) and Lost time injury frequency rate (LTIF) $\leq 0.20$ (tbc) Complete planned 2012 activities related to Work Protection Code, Grounding and Bonding , Work Methods and Task based Risk Assessment for high risk tasks
<b>2. ENVIRONMENT</b>	Complete a minimum of 95% of approved Environmental Management System Targets Reduce Holyrood emissions per unit of energy delivered by achieving $\leq 11.0\%$ variance from Through Hydro managed CDM programs, achieve 1.8 GWh of energy savings in the residential & commercial area and 4.9 GWh of energy savings in the Industrial area. Achieve 0.15 GWh of energy savings through Hydro's internal energy efficiency programs
<b>3a. BUSINESS EXCELLENCE</b> Finance	Achieve HYDRO net income of \$42.7M(I), \$15.3M(9R) Return on Capital Employed of 7.3% Maintain operating costs to no more than the approved O&M budget of \$110.3M. Readiness to file GRA within required timelines and Develop multi-year regulatory process improvement plan and complete planned 2012 activities <sup>3</sup>
<b>3b. BUSINESS EXCELLENCE</b> Project Execution	Completion rate of capital projects per original schedule improved from xx% to xx% Achieve all-project variance of $\geq 10\%$ improvement year over year
<b>3c. BUSINESS EXCELLENCE</b> Asset Management/Reliability	NLH N-1 Winter Availability $\geq 98\%$ Complete 2012 phase of asset management plan (e.g. AMS reporting metrics validated. & Framework for critical spares evaluation completed.)
<b>3d. BUSINESS EXCELLENCE</b> Future reliable cost eff. supply	In collaboration with other Nalcor entities, complete planned 2012 activities to ensure a reliable, cost effective electricity supply for the long-term provincial power supply scenario as well as export opportunities.
<b>3e. BUSINESS EXCELLENCE</b> Customer Service	Maintain a Rural Residential Customer Satisfaction rate of $\geq 90\%$
<b>3f. BUSINESS EXCELLENCE</b> Non Regulated Assets	Complete planned 2012 activities to finalize integration of Exploits and Menihek assets
<b>4. PEOPLE</b>	Complete 95% of EOS Workplace improvement plans
<b>5. COMMUNITY</b>	Complete planned 2012 activities outlined in the multi-year community plan to support achieving a 50% "strong reputation" measure in 2013

# Hydro – Plan detail

PUB-NLH-412, Attachment 3  
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# Goal 1: Safety

# Goal 1: Safety

## INITIATIVES – Procedures and Equipment / Competence

2012	2013	2014	2015	2016
<p><b><u>Work Methods</u></b></p> <ul style="list-style-type: none"> <li>Review Terms of Reference for all Work Methods Committees.</li> <li>Assess Critical Task Inventories for additions or revisions.</li> <li>Develop TBRA's for any new or revised critical tasks performed in 2012.</li> <li>Develop Work Method (Reviewed AND Verified Status<sup>1</sup>) for each critical task performed in 2012.</li> <li>Ensure TBRA's are completed for at least 85% of all critical tasks identified.</li> <li>Develop Work Methods (Reviewed NOT Verified Status<sup>2</sup>) for at least 85% of total critical tasks identified.</li> <li>Deliver HREC<sup>3</sup> and TBRA<sup>4</sup> training to employees as identified in 2011.</li> <li>Conduct audit of TBRA and Work Method Process.</li> </ul> <p>1. Work method has been reviewed and field verified.                  2. Work Method is reviewed but has not been verified either through field verification or desktop review.                  3. Hazard Recognition, Evaluation and Control.                  4. Task-Based Risk Assessment.</p> <p>Note: An example is provided on slide 13 outlining target expectations</p>	<p><b><u>Work Methods</u></b></p> <ul style="list-style-type: none"> <li>Assess Critical Task Inventories for additions or revisions.</li> <li>Develop TBRA's for all remaining critical tasks.</li> <li>Develop Work Method (Reviewed AND Verified Status) for each critical task actually performed in 2013.</li> <li>Develop Work Methods (Reviewed NOT Verified Status) for all remaining critical tasks.</li> <li>Continue auditing work methods process (TBRA and work methods)</li> </ul>	<p><b><u>Work Methods</u></b></p> <ul style="list-style-type: none"> <li>Assess Critical Task Inventories for additions or revisions.</li> <li>Develop TBRA's for any new or revised critical tasks.</li> <li>Develop Work Method (Reviewed AND Verified Status) for each critical task performed in 2014.</li> <li>Develop Work Methods (Reviewed NOT Verified Status) for all remaining critical tasks.</li> <li>Assess Critical Task Inventories to consider reduction of critical task criteria to include lower risk tasks</li> <li>Continue auditing work methods process (TBRA and work methods)</li> </ul>	<p><b><u>Work Methods</u></b></p> <ul style="list-style-type: none"> <li>Assess Critical Task Inventories for additions or revisions (considering any new criteria)</li> <li>Develop TBRA's for all critical tasks.</li> <li>Develop action plan for development and verification of Work Methods for Lower Risk Tasks meeting new Critical Task criteria.</li> <li>Continue auditing work methods process (TBRA and work methods)</li> </ul>	<p><b><u>Work Methods</u></b></p> <ul style="list-style-type: none"> <li>Assess Critical Task Inventories for additions or revisions (considering any new criteria)</li> <li>Develop TBRA's for all critical tasks.</li> <li>Continue auditing work methods process (TBRA and work methods)</li> </ul>

# Goal 1: Safety

## INITIATIVES – Procedures and Equipment / Competence

2012	2013	2014	2015	2016
<p><b><u>Work Protection Code</u></b></p> <ul style="list-style-type: none"> <li>• <b>Software</b> – Implement in BDE and continue in-house development in ECC.</li> <li>• <b>Training</b> - Continue with online training and evaluate its effectiveness.</li> <li>• <b>Support</b> - Strengthen local code committee support.</li> <li>• <b>Feedback</b> - Complete corporate and local process and paper audits.</li> </ul>	<p><b><u>Work Protection Code</u></b></p> <ul style="list-style-type: none"> <li>• <b>Software</b> - Review the suitability of using the software application in transmission &amp; distribution sites.</li> <li>• <b>Training</b> - Implement improvements from assessment and continue with online training.</li> <li>• <b>Support</b> - Implement support focusing on role of the supervisor.</li> <li>• <b>Feedback</b> - Complete corporate and local process and paper audits.</li> </ul>	<p><b><u>Work Protection Code</u></b></p> <ul style="list-style-type: none"> <li>• <b>Training</b> - Continue with online training and evaluate effectiveness.</li> <li>• <b>Support</b> – shape the supervisor as a performance coach</li> <li>• <b>Feedback</b> – review audit process to reflect the impact of the software application</li> </ul>	<p><b><u>Work Protection Code</u></b></p> <ul style="list-style-type: none"> <li>• <b>Training</b> – continue</li> <li>• <b>Support</b> – continue</li> <li>• <b>Feedback</b> – focus on process auditing</li> </ul>	<p><b><u>Work Protection Code</u></b></p> <ul style="list-style-type: none"> <li>• <b>Feedback</b> – focus on process auditing</li> </ul>

# Goal 1: Safety

## INITIATIVES – Procedures and Equipment / Competence

2012	2013	2014	2015	2016
<p><b><u>Grounding and Bonding</u></b></p> <ul style="list-style-type: none"> <li>• Purchase equipment and material required to implement temporary Protective Grounding and Bonding Practices (such as pole bands and temporary ground assemblies)</li> <li>• Develop and deliver Protective Grounding and Bonding Practices training package for Line Operations (trainers to be determined by GBC committee).</li> <li>• Develop audit protocol to assess compliance with temporary Protective Grounding and Bonding Standard Practices for Line Operations.</li> </ul>	<p><b><u>Grounding and Bonding</u></b></p> <ul style="list-style-type: none"> <li>• Expand Grounding and Bonding Committee mandate to consider standards for permanent grounding applications including plant and terminal station grounding.</li> <li>• Develop/revise standards where necessary for plant and terminal station grounding.</li> <li>• Audit temporary grounding and bonding practices.</li> </ul>	<p><b><u>Grounding and Bonding</u></b></p> <ul style="list-style-type: none"> <li>• Budget additional cost of equipment and material requirements to implement permanent grounding applications.</li> <li>• Audit temporary grounding and bonding practices.</li> </ul>	<p><b><u>Grounding and Bonding</u></b></p> <ul style="list-style-type: none"> <li>• Purchase equipment and material to implement permanent grounding applications.</li> <li>• Audit temporary grounding and bonding practices.</li> </ul>	<p><b><u>Grounding and Bonding</u></b></p> <ul style="list-style-type: none"> <li>• Audit grounding and bonding practices.</li> </ul>

# Goal 1: Safety

## INITIATIVES – Procedures and Equipment / Competence

2012	2013	2014	2015	2016
<p><u>Fall Protection</u></p> <ul style="list-style-type: none"> <li>Identify those requiring training and develop plan to deliver training consistent with 2012 WHSCC requirements.</li> <li>Support development of Corporate Fall Protection Standard (including audit protocol) through Fall Protection Working Group.</li> <li>Support corporate development of work and rescue plan revisions through corporate Fall Protection Working Group participation.</li> </ul>	<p><u>Fall Protection</u></p> <ul style="list-style-type: none"> <li>Identify training requirements and continue training as per WHSCC protocol.</li> <li>Participate in audit program through the corporate Fall Protection Working Group.</li> <li>Complete development of work and rescue plan revisions.</li> </ul>	<p><u>Fall Protection</u></p> <ul style="list-style-type: none"> <li>Identify training requirements and continue training as per WHSCC protocol.</li> <li>Participate in audit program through the corporate Fall Protection Working Group.</li> </ul>	<p><u>Fall Protection</u></p> <ul style="list-style-type: none"> <li>Identify training requirements and continue training as per WHSCC protocol.</li> <li>Participate in audit program through the corporate Fall Protection Working Group.</li> </ul>	<p><u>Fall Protection</u></p> <ul style="list-style-type: none"> <li>Identify training requirements and continue training as per WHSCC protocol.</li> <li>Participate in audit program through the corporate Fall Protection Working Group.</li> </ul>

# Goal 1: Safety

## INITIATIVES – Procedures and Equipment / Competence

2012	2013	2014	2015	2016
<p><u>Confined Space</u></p> <ul style="list-style-type: none"> <li>• Support revision of Confined Space Program consistent with 2013 WHSCC expectations.</li> <li>• Submit revised Program to WHSCC for approval.</li> <li>• Identify training instructors to be certified to conduct internal training</li> </ul>	<p><u>Confined Space</u></p> <ul style="list-style-type: none"> <li>• Identify those requiring training and develop plan to deliver training consistent with 2013 WHSCC requirements.</li> <li>• Develop audit protocol for Confined Space Program</li> </ul>	<p><u>Confined Space</u></p> <ul style="list-style-type: none"> <li>• Continue training as per WHSCC requirements</li> <li>• Continue auditing</li> </ul>	<p><u>Confined Space</u></p> <ul style="list-style-type: none"> <li>• Continue training as per WHSCC requirements</li> <li>• Continue auditing.</li> </ul>	<p><u>Confined Space</u></p> <ul style="list-style-type: none"> <li>• Continue training as per WHSCC requirements</li> <li>• Continue auditing</li> </ul>

# Goal 1: Safety

## INITIATIVES – Procedures and Equipment / Competence

2012	2013	2014	2015	2016
<p><u>Occupational Health</u></p> <p><b>Hearing Conservation</b></p> <ul style="list-style-type: none"> <li>• Confirm areas for noise mapping and develop plan for first phase of noise level testing.</li> <li>• Coordinate scheduling of annual audiometric testing for noise exposed employees.</li> <li>• Train target end users in Medgate software functionality.</li> <li>• Coordinate scheduling of and present hearing conservation training to noise exposed employees.</li> <li>• Review PPE and signage requirements for locations previously identified as high noise areas.</li> </ul>	<p><u>Occupational Health</u></p> <p><b>Hearing Conservation</b></p> <ul style="list-style-type: none"> <li>• Coordinate scheduling of annual audiometric testing for noise exposed employees.</li> <li>• Continue noise mapping based on 2012 plan.</li> <li>• Coordinate scheduling of and present hearing conservation training to noise exposed employees.</li> <li>• Develop audit protocol</li> </ul>	<p><u>Occupational Health</u></p> <p><b>Hearing Conservation</b></p> <ul style="list-style-type: none"> <li>• Continue training.</li> <li>• Continue auditing</li> </ul>	<p><u>Occupational Health</u></p> <p><b>Hearing Conservation</b></p> <ul style="list-style-type: none"> <li>• Continue training.</li> <li>• Continue auditing</li> </ul>	<p><u>Occupational Health</u></p> <p><b>Hearing Conservation</b></p> <ul style="list-style-type: none"> <li>• Continue training.</li> <li>• Continue auditing</li> </ul>

# Goal 1: Safety

## INITIATIVES – Leadership/ Supportive Culture

2012	2013	2014	2015	2016
<p><u>Supportive Culture</u></p> <p><b>Vulnerable workers</b></p> <ul style="list-style-type: none"> <li>• Implement New Worker Hard Hat Program</li> <li>• Revise Work Method Document to reference new workers</li> <li>• Revise Local Orientation Process</li> <li>• Pilot “Control of Work Safety Check”</li> </ul>	<p><u>Supportive Culture</u></p> <p><b>Vulnerable workers</b></p> <ul style="list-style-type: none"> <li>• Review progress, implement actions to address gaps/opportunities</li> </ul>	<p><u>Supportive Culture</u></p> <p><b>Vulnerable workers</b></p> <ul style="list-style-type: none"> <li>• Monitor performance, adjust as required</li> </ul>	<p><u>Supportive Culture</u></p> <p><b>Vulnerable workers</b></p> <ul style="list-style-type: none"> <li>• Monitor performance, adjust as required</li> </ul>	<p><u>Supportive Culture</u></p> <p><b>Vulnerable workers</b></p> <ul style="list-style-type: none"> <li>• Monitor performance, adjust as required</li> </ul>
<p><u>Supportive Culture</u></p> <p><b>Safety coaching</b> Complete delivery of Phase I and initiate Phase II coaching workshop</p>	<p><u>Supportive Culture</u></p> <p><b>Safety coaching</b> Continue Phase II coaching workshop</p>	<p><u>Supportive Culture</u></p> <p><b>Safety coaching</b> Continue Phase II coaching workshop</p>	<p><u>Supportive Culture</u></p> <p><b>Safety coaching</b> Continue Phase II coaching workshop</p>	<p><u>Supportive Culture</u></p> <p><b>Safety coaching</b> To be determined</p>

# Goal 1: Safety

## INITIATIVES – Leadership/ Supportive Culture

2012	2013	2014	2015	2016
<p><u>Supportive Culture</u></p> <p>Execute safety culture action plan activities for 2012 including delivery of SWOP training and SWOP train-the-trainer</p>	<p><u>Supportive Culture</u></p> <p>Complete 2013 plan activities and conduct Safety Culture Survey to identify future focus areas</p>	<p><u>Supportive Culture</u></p> <p>Develop/execute safety culture change plan based on 2013 safety culture survey results and complete 2014 activities</p>	<p><u>Supportive Culture</u></p> <p>Complete 2015 plan activities and conduct Safety Culture Survey to identify future focus areas</p>	<p><u>Supportive Culture</u></p> <p>Develop/execute safety culture change plan based on 2015 safety culture survey results and complete 2016 activities</p>
<p><u>Supportive Culture</u></p> <p><b>Wellness</b></p> <p>Continue My Heart-My Health Campaign.</p>	<p><u>Supportive Culture</u></p> <p><b>Wellness</b></p> <p>Implement corporate wellness strategy based on ongoing program evaluation</p>	<p><u>Supportive Culture</u></p> <p><b>Wellness</b></p> <p>Implement corporate wellness strategy based on ongoing program evaluation</p>	<p><u>Supportive Culture</u></p> <p><b>Wellness</b></p> <p>Implement corporate wellness strategy based on ongoing program evaluation</p>	<p><u>Supportive Culture</u></p> <p><b>Wellness</b></p> <p>To be determined</p>

# Goal 1: Safety

## INITIATIVES – Public Safety

2012	2013	2014	2015	2016
<p>Support Corporate Communications in the development of its Public Safety campaign specifically as it relates to electrical line contacts.</p>	<p>Continue support of public safety campaign</p>			

# Footnotes

For 2012, the following targets have been established: (To assist with establishing your specific targets the example below has been provided)  
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- Develop Work Method (Reviewed AND Verified Status) for each critical task performed in 2012. Page 16 of 137, Isl Int System Power Outages
- Ensure TBRA's are completed for at least 85% of all critical tasks identified.
- Develop Work Methods (Reviewed NOT Verified Status) for at least 85% of total critical tasks identified.

## Example:

An area has identified 1000 critical tasks (planned as well as unplanned). In 2012, the area will actually perform 300 of the 1000 critical tasks identified.

TBRA's <sup>[3]</sup> required in 2012 as a result of the actual work to be performed	300
Work Methods (R&V) <sup>[1]</sup> required as a result of the actual work to be performed	300

In addition,

The TBRA target for 2012 is 85% (cumulative) of all critical tasks  
The Work Method target for 2012 is 85% (cumulative) of all critical tasks

Therefore,

Additional TBRA's required for 2012 to meet 85% target	550 (includes 2010 & 2011 numbers)
Additional Work Methods (RNV) <sup>[2]</sup> required for 2012 to meet 85% target	550 (includes 2010 & 2011 numbers)

Therefore the total requirements for 2012 are as follows:

TBRA's required	850
Work Methods (R&V) <sup>[1]</sup> required	300
Work Methods (RNV) <sup>[2]</sup> required	550

In short, a TBRA and a field verified Work Method must be conducted for each critical task performed each year. Additional TBRA's and Work Methods must also be completed to bring the cumulative total up to the target number established for that year. However, work methods developed for tasks not performed during that year need not be field verified.

The same methodology holds true for subsequent years, keeping in mind that all targets refer to cumulative numbers.

[1] Refers to Work Methods that have been reviewed AND field verified (Reviewed and Verified)

[2] Refers to Work Methods that have been reviewed but have NOT received field verification (Reviewed and NOT Verified)

[3] Refers to Task Based Risk Assessment

# Goal 2: Environment

# Goal 2: Environment

## OBJECTIVES - Environment

- Maintain the number of environmental leadership\* targets accomplished at 95%.

## TARGETS - Environment

2012	2013	2014	2015	2016
Number of environmental leadership targets accomplished within Nalcor Energy at 95%	Number of environmental leadership targets accomplished within Nalcor Energy at 95%	Number of environmental leadership targets accomplished within Nalcor Energy at 95%	Number of environmental leadership targets accomplished within Nalcor Energy at 95%	Number of environmental leadership targets accomplished within Nalcor Energy at 95%

# Goal 2: Environment

<b>INITIATIVES – Environment</b>				
<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Environmental Management System targets identified and Program Leaders established	Environmental Management System targets identified and Program Leaders established	Environmental Management System targets identified and Program Leaders established	Environmental Management System targets identified and Program Leaders established	Environmental Management System targets identified and Program Leaders established
Review and approval of proposed Environmental Management System targets	Review and approval of proposed Environmental Management System targets	Review and approval of proposed Environmental Management System targets	Review and approval of proposed Environmental Management System targets	Review and approval of proposed Environmental Management System targets
Monthly update to status of EMS targets				

# Goal 2: Environment

2012 INITIATIVES - Environment			
INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
Environmental Management System targets identified and Program Leaders established	Proposed EMS targets	EMS Management Representatives	January 2012
Review and approval of proposed Environmental Management System targets	Approved EMS targets	NLH Leadership Team	January 2012
Monthly update to status of EMS targets	Monthly report to NLH Leadership Team on EMS target status	EMS target Program Leader	monthly

# Goal 2: Environment

## OBJECTIVES - Environment

- Minimize production requirements and associated air emissions from the Holyrood Thermal Generating Station

## TARGETS - Environment

2012	2013	2014	2015	2016
Emission variance from ideal at Holyrood ≤ 11%.	10%	10%	10%	10%
Achieve 1.8 GWh of annual energy savings in residential and commercial sectors, and 4.9 GWh in Industrial sector, through Hydro managed conservation and demand management programs	Achieve 5.1 GWh of annual energy savings in residential and commercial sectors, and 11.2 GWh in Industrial sector, through Hydro managed conservation and demand management programs	Achieve 3.2 GWh of annual energy savings in residential and commercial sectors, and 10.3 GWh in Industrial sector, through Hydro managed conservation and demand management programs	Achieve 2.1 GWh of annual energy savings in residential and commercial sectors through Hydro managed conservation and demand management programs	Achieve 1.7 GWh of annual energy savings in residential and commercial sectors through Hydro managed conservation and demand management programs

# Goal 2: Environment

## OBJECTIVES - Environment

- Minimize production requirements and associated air emissions from the Holyrood Thermal Generating Station (Continued)

## TARGETS - Environment

2012	2013	2014	2015	2016
Achieve 0.15 GWh of annual energy savings through internal energy efficiency programs	Achieve 0.4 GWh of annual energy savings through internal energy efficiency programs	Achieve 0.15 GWh of annual energy savings through internal energy efficiency programs	Achieve 0.15 GWh of annual energy savings through internal energy efficiency programs	Achieve 0.15 GWh of annual energy savings through internal energy efficiency programs

\*

# Goal 2: Environment

INITIATIVES – Environment				
2012	2013	2014	2015	2016
Complete a gap analysis on the 2011 steam condenser study to determine maintenance or operational improvements.				
Complete a RATA on the CEMS system.				
Complete the scheduled portion of work for the hydrogen system upgrade.				
Complete the scheduled portion of work for the Unit 3 Synchronous Condenser project.				
Complete Joint Utility 5 yr CDM plan with Newfoundland Power.		Conduct update of CDM potential study		

# Goal 2: Environment

INITIATIVES – Environment				
2012	2013	2014	2015	2016
		Conduct evaluation of Industrial Energy Efficiency Program and provide recommendations for next steps.		
Complete development of NLH facility end use profile for identification of internal efficiency opportunities.				
Implement no cost/low cost recommendations from Hydro facility walk through audits.	Regulated Operations to identify energy savings opportunities through review of facility operations and implement actions.	Regulated Operations to identify energy savings opportunities through review of facility operations and implement actions.	Regulated Operations to identify energy savings opportunities through review of facility operations and implement actions.	Regulated Operations to identify energy savings opportunities through review of facility operations and implement actions.

# Goal 2: Environment

2012 INITIATIVES - Environment			
INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
Complete a gap analysis on the 2011 condenser study to determine maintenance or operational improvements.	Gap analysis completed.	HTGS	April 30, 2012
Complete a RATA on the CEMS system.	Audit completed.	HTGS	Dec 31, 2012
Complete the scheduled portion of work for the hydrogen system upgrade.	Work completed.	HTGS and PETS	Dec 31, 2012
Complete the scheduled portion of work for the Unit 3 Synchronous Condenser project.	Work completed.	HTGS and PETS	Dec 31, 2012

# Goal 2: Environment

2012 INITIATIVES - Environment			
INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
Complete Joint Utility 5 yr CDM plan with Newfoundland Power.	Plan completed identifying new programs, including economic testing and program budgets.	EE group	TBD with NP (April 2012 – tentative)
Complete development of NLH facility end use profile for identification of internal efficiency opportunities.	Documentation of energy end use profile for NLH facilities to be used in CDM target setting.	EE group	August 2012
Implement no cost/low cost recommendations from Hydro facility walk through audits.	Achieve 150 MWh of new energy savings as follows: <ul style="list-style-type: none"> <li>•25 MWh - HYP</li> <li>•25 MWh – HTGS</li> <li>•25 MWh – TROC</li> <li>•25 MWh – TRON</li> <li>•25 MWh – TROL</li> <li>•25 MWh – HG</li> </ul>	EE Group, HTGS, TROC, TRON, TROL, Hydro Generation	Throughout 2012

# Goal 2: Environment

## OBJECTIVES - Environment

- Reduce or minimize environmental risks and emissions from diesel generation systems

## TARGETS - Environment

2012	2013	2014	2015	2016
Develop plan to acquire Diesel Plant Production Data from diesel plants to enable data analysis for efficiency improvements and emission reduction potential.	Implement Phase 1 of plan developed in 2012.	Implement Phase 2 of Plan developed in 2012.	Implement Phase 3 of plan developed in 2012 (completion of project assuming communication problems are resolved at all sites)	

# Goal 2: Environment

## OBJECTIVES - Environment

- Reduce or minimize environmental risks and emissions from diesel generation systems (continued)

## TARGETS – Environment

2012	2013	2014	2015	2016
Coastal Labrador Wind Monitoring Program <ul style="list-style-type: none"> <li>• Wind monitoring sites identified, ranked and selected</li> <li>• Erection of hub-height wind monitoring towers</li> <li>• Wind data summary report</li> </ul>	Wind data summary report.	Wind data summary report. Prepare a feasibility report with an overall ranking of potential wind generation sites		
Feasibility Study of Hydraulic Potential of Coastal Labrador <ul style="list-style-type: none"> <li>• Develop stream flow monitoring program</li> <li>• Install flow monitoring stations</li> <li>• Submission of feasibility report</li> </ul>	Annual stream flow data report	Annual stream flow data report	Annual stream flow data report Final flow data report	

# Goal 2: Environment

<b>INITIATIVES – Environment</b>				
<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Establish data acquisition and recording systems for diesel plant production data.	Monitor data and analyze for plant efficiency and emission reduction potential for plants completed.	Monitor data and analyze for plant efficiency and emission reduction potential for plants completed in Phase 1.	Monitor data and analyze for plant efficiency and emission reduction potential for plants completed in Phase 1 and 2.	Monitor data and analyze for plant efficiency and emission reduction potential for plants completed in Phase 1 2 and 3.
Coastal Labrador Wind Monitoring Program	Coastal Labrador Wind Monitoring Program	Coastal Labrador Wind Monitoring Program		
Feasibility Study of Hydraulic Potential of Coastal Labrador	Feasibility Study of Hydraulic Potential of Coastal Labrador	Feasibility Study of Hydraulic Potential of Coastal Labrador	Feasibility Study of Hydraulic Potential of Coastal Labrador	

# Goal 2: Environment

<b>2012 INITIATIVES - Environment</b>			
<b>INITIATIVE</b>	<b>DELIVERABLE</b>	<b>RESPONSIBLE</b>	<b>TIMING</b>
Establishing data acquisition and recording systems for diesel plant production data and implement	Develop a list of standard parameters of what will be measured and produce a standard format for reporting through PI.	Information Systems and TRO Operations	December 2012
Coastal Labrador Wind Monitoring Program	<ul style="list-style-type: none"> <li>•Wind monitoring sites identified, ranked and selected</li> <li>•Erection of hub-height wind monitoring towers</li> <li>•Wind data summary report</li> </ul>	Project Execution and Technical Services via professional services contract	August 2012 November 2012 November 2012
Feasibility Study of Hydraulic Potential of Coastal Labrador	<ul style="list-style-type: none"> <li>•Develop stream flow monitoring program</li> <li>•Install flow monitoring stations</li> <li>•Submission of Feasibility Report</li> </ul>	Project Execution and Technical Services via professional services contract	April 2012 November 2012 November 2012

# Goal 2: Environment

## OBJECTIVES - Environment

- Remove all sealed equipment that contains, or could potentially contains, greater than or equal to 50 mg/kg (ppm) of PCBs from service by 2025\*

## TARGETS - Environment

2012	2013	2014	2015	2016
Remove 6.5% of sealed equipment from service				

\*This objective assumes that Environment Canada will formally agree to proposals made by the Canadian Electricity Association to extend the requirement for removal of sealed equipment that may contain PCBs from 2014 to 2025.

# Goal 2: Environment

INITIATIVES – Environment				
2012	2013	2014	2015	2016
Update instrument transformer capital budget proposal to reflect plan for next 5 years. Execute instrument transformer replacement plan for 2012 as submitted to Environment Canada.	Execute instrument transformer and bushing replacement plan as submitted to Environment Canada. Update instrument transformer capital budget proposal to reflect plan for next 5 years.	Execute instrument transformer and bushing replacement plan as submitted to Environment Canada. Update instrument transformer capital budget proposal to reflect plan for next 5 years.	Execute instrument transformer and bushing replacement plan as submitted to Environment Canada. Update instrument transformer capital budget proposal to reflect plan for next 5 years.	Execute instrument transformer and bushing replacement plan as submitted to Environment Canada. Update instrument transformer capital budget proposal to reflect plan for next 5 years.
Update transformer upgrading capital budget proposal to reflect bushing replacements for the next 5 years	Update capital budget proposals for instrument transformers (transformer upgrading includes bushing replacement and breaker replacements)	Update capital budget proposals for instrument transformers (transformer upgrading includes bushing replacement and breaker replacements)	Update capital budget proposals for instrument transformers (transformer upgrading includes bushing replacement and breaker replacements)	Update capital budget proposals for instrument transformers (transformer upgrading includes bushing replacement and breaker replacements)

# Goal 2: Environment

<b>INITIATIVES – Environment</b>				
<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Execute bushing replacement plan for 2012 as submitted to Environment Canada	Execute bushing replacement plan for 2013 as submitted to Environment Canada	Execute bushing replacement plan for 2013 as submitted to Environment Canada	Execute bushing replacement plan for 2013 as submitted to Environment Canada	Execute bushing replacement plan for 2013 as submitted to Environment Canada
Prepare capital budget proposals for breaker replacements to include replacement of oil circuit breakers	Update capital budget proposals for oil circuit breaker replacements	Update capital budget proposals for oil circuit breaker replacements	Update capital budget proposals for oil circuit breaker replacements	Update capital budget proposals for oil circuit breaker replacements

# Goal 2: Environment

2012 INITIATIVES - Environment			
INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
Update capital budget proposals to support PCB reduction targets	Capital budget proposal for sealed equipment replacement	TRO Operations, and Project Execution and Technical Services	First quarter of 2012
Execute instrument transformer and bushings replacement plans for 2012 as submitted to Environment Canada	Replacement of instrument transformers and bushings	TRO Operations, and Project Execution and Technical Services	Throughout 2012

# Goal 3: Business Excellence: Finance

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## TARGETS – Financial Performance

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2012	2013	2014	2015	2016
Maintain a ROCE of at least 8.8%	Maintain a ROCE of at least x%	Maintain a ROCE of at least xx%	Maintain a ROCE of at least xx%	Maintain a ROCE of at least xx%
Provide Net Income of \$42.7M (tbc)	Provide Net Income of \$xM (tbc)			

<b>STRATEGIC INITIATIVES – Electricity Operations</b>				
<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<u>Hydro</u> General rate application/regulatory process <sup>1</sup>				

<sup>1</sup> Two elements:

- Readiness to file GRA within required timelines; and,
- Develop multi-year regulatory improvement plan and complete approved 2012 activities.

# Goal 3: Business Excellence:Project Execution

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# Goal 3: Business Excellence

## OBJECTIVES – Project Execution & Technical Services

- **Quality** - Improve overall quality of projects based on Asset Owner expectations
- **Cost** – Improve overall project and operating budget cost variance (10% improvement year over year on gap)
- **Delivery** – Improve the number of on-time completed projects (10% improvement year over year on gap)
- **Process** – Implement 2 Project Management processes (risk mitigation and quality management), external validation (estimating)

## Targets– Project Execution & Technical Services

2012	2013	2014	2015	2016
<p><b>Quality</b> Reduce number of project change orders (target based on previous year performance)<sup>1</sup> <b>Weighted scorecard?</b></p>	<p><b>Quality</b> Reduce number of project change orders (target based on previous year performance)</p>	<p><b>Quality</b> Reduce number of project change orders (target based on previous year performance)</p>	<p><b>Quality</b> Reduce number of project change orders (target based on previous year performance)</p>	<p><b>Quality</b> Reduce number of project change orders (target based on previous year performance)</p>
<p><b>Cost</b> 10% year over year improvement (on gap) in capital project <b>budget compliance</b> compared to 2011  <b>2011 performance: XX%</b></p>	<p>10% year over year improvement (on gap) in capital project budget compliance compared to 2012</p>	<p>10% year over year improvement (on gap) in capital project budget compliance compared to 2013</p>	<p>10% year over year improvement (on gap) in capital project budget compliance compared to 2014</p>	<p>10% year over year improvement in capital project budget compliance compared to 2015</p>

<sup>1</sup> This is a manual process that can't really be automated. How do we track?

# Goal 3: Business Excellence

## Targets– Project Execution & Technical Services

2012	2013	2014	2015	2016
<p><b><u>Cost</u></b> 10% year over year improvement (on gap) in all-project variance from original budget compared to 2011</p> <p><b>2011 performance: X%</b></p>	<p>10% year over year improvement (on gap) in all-project variance from original budget (pending completion of Project Execution review)</p>	<p>10% year over year improvement (on gap) in all-project variance from original budget (pending completion of Project Execution review)</p>	<p>10% year over year improvement (on gap) in all-project variance from original budget (pending completion of Project Execution review)</p>	<p>10% year over year improvement (on gap) in all-project variance from original budget (pending completion of Project Execution review)</p>
<p><b><u>Delivery</u></b> 10% year over year improvement (on gap) in capital project <b>schedule compliance</b> compared to 2011</p> <p><b>2011 performance: XX%</b></p>	<p>10% year over year improvement (on gap) in capital project schedule compliance compared to 2012 (pending completion of Project Execution review)</p>	<p>10% year over year improvement (on gap) in capital project on-schedule completion compared to 2013 (pending completion of Project Execution review)</p>	<p>10% year over year improvement (on gap) in capital project on-schedule completion compared to 2014 (pending completion of Project Execution review)</p>	<p>10% year over year improvement (on gap) in capital project on-schedule completion compared to 2015 (pending completion of Project Execution review)</p>
<p><b><u>Delivery</u></b> 10% Year over year reduction in number of unplanned carryovers</p> <p><b>2011 performance: XX%</b></p>	<p><b><u>Delivery</u></b> 10% year over year reduction in number of unplanned carryovers (target based on previous year performance)</p>	<p><b><u>Delivery</u></b> Year over year reduction in number of unplanned carryovers (target based on previous year performance)</p>	<p><b><u>Delivery</u></b> Year over year reduction in number of unplanned carryovers (target based on previous year performance)</p>	<p><b><u>Delivery</u></b> Year over year reduction in number of unplanned carryovers (target based on previous year performance)</p>

**\*\*Need to include the calculations and rules which apply to these targets – how do we do this?**

# Goal 3: Business Excellence: Asset Management

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# Goal 3: Business Excellence – Asset Management

## INITIATIVES – Asset Management

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Threshold  
Target  
Opportunity

2012	2013	2014	2015	2016
Asset Condition Assessment Module Development	Asset Condition Assessment Module Implementation	Evaluate Effectiveness/Adjust AM Strategy – Performance	Integrate Strategic, Financial, Asset Plans & Risk	Evaluate Effectiveness & Adjust
Design Standards, Planning Criteria, Operating Parameters – Phase 2 Execute Gap Closure Plan	Design Standards, Planning Criteria, Operating Parameters – Phase 2 Execute Gap Closure Plan	Design Standards, Planning Criteria, Operating Parameters – Ph 2 Execute Gap Closure Plan		
Leverage high value components from AMR work books	Training and Skills Development - Implementation	Long Term Asset Plan Risk Management		
Self-Assessment of Asset Management Maturity and Development Plan by LOB	Self-Assessment of Asset Management Maturity and Development Plan by LOB	Self-Assessment of Asset Management Maturity and Development Plan by LOB	Self-Assessment of Asset Management Maturity and Development Plan by LOB	Self-Assessment of Asset Management Maturity and Development Plan by LOB
Metrics and Reporting Implementation	Asset Condition Monitoring Module Development	Asset Condition Monitoring Module Implementation		
Critical Spares Rationalization – Phase 2 Critical Analysis and Gap Closure Plan	Critical Spares Rationalization – Phase 3 Execute Gap Closure Plan, including link to assets	Operator Asset Care and Craft Flexibility	Life Cycle Cost Analysis	
Technical Councils Development – transformers and switchyard equipment, diesels, rotating equipment (essential care – lube & align)	Technical Councils Development – Based on Business Need/Priorities	Equipment Standardization	RCM (Overall Unit Effectiveness)	
Asset Criticality Evaluation by LOB		AM/CMMS Evaluation	AM/CMMS Integration	Vendor Reliability
Establish Experts List (Internal & External SME's)	Terminology and Definitions Module	Reliability Analysis	Benchmarking	
Consider value of alignment with PAS 55 & ISO	Integrate AMS with Other LOB's (Beyond Electricity)	Materials Management Review	Evaluate PAS 55/ISO Benefits of Compliance	
Training and Skills Requirements Development (functional AM roles)	Asset Condition Inspection Module Development	Asset Condition Inspection Module Implementation		
Asset Mgmt Documentation Repository and Supporting Software – Preliminary Review	Consolidate Asset History and Technical Data	Knowledge Management Development	Knowledge Management Implementation	



# Goal 3: Business Excellence – Asset Management

## 2012 Initiatives

2012 INITIATIVES – Asset Management			
INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
Asset Condition Assessment Module Development	Develop a document that defines what condition assessment is and provides standards on how to do them consistently and to the right level of effort and detail	LTAP Council	Q1 – Q2
Design Standards, Planning Criteria, Operating Parameters – Phase 2 Execute Gap Closure Plan	Execute the 2012 portion of the Basis of Design gap closure plan (as produced in 2011), update the remaining years of the gap closure plan based on 2012 experience	LOB's	Q1 - Q4
Leverage high value components from AMR work books	Evaluate AMR work books, identify high value components and create plan to implement where value exists	LOB's	Q1
Self-Assessment of Asset Management Maturity and Development Plan by LOB	LOB and/or BU (as appropriate) compete self-assessment via scorecards	OAM with LOB support	Q1

Threshold

# Goal 3: Business Excellence – Asset Management 2012 Initiatives

## 2012 INITIATIVES – Asset Management

INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
Metrics and Reporting Implementation	Review and validate proposed asset management metrics with LOB's and establish implementation plan	OAM with LOB support	Q1 - Q2
Critical Spares Rationalization – Phase 2 Critical Analysis and Gap Closure Plan	Develop framework for evaluating critical spares	LTAP Council	Q2 – Q3
	LOB develop implementation plan to perform evaluation and identify gaps	LOB's	Q3 – Q4
Technical Councils Development – transformers and switchyard equipment, diesels, rotating equipment (essential care – lube & align)	For 2012 establish 3 new technical councils:		
	A) Transformers and switchyard equipment	OAM	Q1 - Q2
	B) Diesels	OAM	Q2 – Q3
	C) Rotating equipment - focus is to develop body of knowledge on lubrication & alignment (essential care)	OAM and RE Council	Q3 – Q4
Implement Long Term Asset Management Plan process developed in 2011	LTAP Council with LOB support		Q2 – Q3
Develop Short Term Work Planning and Scheduling process document	STWPS Council with LOB support		Q1 – Q3

Target

# Goal 3: Business Excellence – Asset Management

## 2012 Initiatives

2012 INITIATIVES – Asset Management			
INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
Asset Criticality Evaluation by LOB	Develop framework and weighted criteria based on principles from 2011 and facilitate a pilot analysis	OAM with LOB support	Q3
Establish Experts List (Internal & External SME's)	Document the core list of internal and external experts used by Nalcor LOB's	OAM with LOB support	Q4
Consider value of alignment with PAS 55 & ISO	Review requirements of the standard, identify benefits of aligning with standard	OAM	Q4
Training and Skills Requirements Development (functional AM roles)	Identify suitable training programs to support people in the roles of LTAP, STWPS, WE and OPS leads	OAM with LOB support and HR support	Q1 – Q2
Asset Mgmt Documentation Repository and Supporting Software – Preliminary Review	Discuss needs with IT and identify potential options to address	OAM with IT support	Q3

Opportunity

The initial focus of asset management development are the physical assets and functional roles on the electricity side of the business (i.e. Churchill Falls, Hydro, Exploits and Menihek), with other LOB's to follow later (e.g. Oil and Gas, Bull Arm, Muskrat).

There are varying levels of maturity and resource capacity between LOBs and, in some cases, their internal business units. This manifests in varying time lines for initiatives to move through the phases of develop, implement, and mature. Future year's plans will be driven by structured LOB self-assessments and subsequent gap closure plans.

# Goal 3: Business Excellence: Reliability

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# Goal 3: Business Excellence

## OBJECTIVES – Reliability

- By 2014, meet and maintain 99% generating availability during the winter operating period when compared against the loss of largest single unit criteria.
- Continuously improving within top quartile Transmission delivery point performance, 2012 to 2016.

## TARGETS – Reliability

2012	2013	2014	2015	2016
NLH Winter Availability ≥ 98.0% •Thermal - 99.2% •Hydro - 99.6% •TRO - 99.6% •Sys Ops - 99.6%	NLH Winter Availability ≥ 98.5% •Thermal - 99.4% •Hydro - 99.7% •TRO - 99.7% •Sys Ops – 99.7%	NLH Winter Availability ≥ 99.0% •Thermal - 99.6% •Hydro - 99.8% •TRO - 99.8% •Sys Ops - 99.8%	NLH Winter Availability ≥ 99.0% •Thermal - 99.6% •Hydro - 99.8% •TRO - 99.8% •Sys Ops - 99.8%	NLH Winter Availability ≥ 99.0% •Thermal - 99.6% •Hydro - 99.8% •TRO - 99.8% •Sys Ops - 99.8%
Delivery Point Unreliability Index <11.36 System-minutes (16,000 MW-min)	Delivery Point Unreliability Index <10.96 System-minutes (16,000 MW-min)	Delivery Point Unreliability Index <10.60 System-minutes (16,000 MW-min)	Delivery Point Unreliability Index <10.32 System-minutes (16,000 MW-min)	Delivery Point Unreliability Index <10.08 System-minutes (16,000 MW-min)

# Goal 3: Business Excellence

## TARGETS – Reliability (Hydro)

2012	2013	2014	2015	2016
Hydro – T-SAIFI 0.85 int./DP	Hydro – T-SAIFI 0.81 int./DP	Hydro – T-SAIFI 0.76 int./DP	Hydro – T-SAIFI 0.70 int./DP	Hydro – T-SAIFI 0.67 int./DP
Hydro – T-SAIDI 52.5 min/DP	Hydro – T-SAIDI 49.5 min/DP	Hydro – T-SAIDI 46.0 min/DP	Hydro – T-SAIDI 43.0 min/DP	Hydro – T-SAIDI 40.0 min/DP
Delivery Point Performance				
Hydro – SAIFI 3.65 int/cust	Hydro – SAIFI 3.47 int/cust	Hydro – SAIFI 3.29 int/cust	Hydro – SAIFI 3.13 int/cust	Hydro – SAIFI 2.97 int/cust
Hydro – SAIDI 5.90 hrs/cust	Hydro – SAIDI 5.60 hrs/cust	Hydro – SAIDI 5.32 hrs/cust	Hydro – SAIDI 5.06 hrs/cust	Hydro – SAIDI 4.81 hrs/cust

# Goal 3: Business Excellence: Future Reliable Cost Effective Supply of Electricity

PUB-NLH-412, Attachment 3  
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# Goal 3: Business Excellence

## OBJECTIVES – Reliable Least Cost Supply

- Electricity Supply Cost - Establish long term energy supply cost which is least cost which meets Provincial energy consumers requirements.

## TARGET – Electricity Cost

2011	2012	2013	2014	2015
??? Not sure we have targets that are meaningful in short term???				

## INITIATIVES – Reliable Least Cost Supply

2012	2013	2014	2015	2016
<p>Complete detail integration studies for the Labrador Island Link and Maritime Link.</p> <p>Prepare capital budget submissions for Island Upgrades required for the Labrador Island Link and the Maritime Link.</p>	<ul style="list-style-type: none"> <li>•Complete current year portion of plan for Island and Labrador system upgrades.</li> </ul>	<ul style="list-style-type: none"> <li>•Complete current year portion of plan for Island and Labrador system upgrades.</li> </ul>	<ul style="list-style-type: none"> <li>•Complete current year portion of plan for Island and Labrador system upgrades.</li> </ul>	<ul style="list-style-type: none"> <li>•Complete current year portion of plan for Island and Labrador system upgrades.</li> </ul>
<p>Complete assessment and recommendations for NERC and NPCC reliability criteria for application in Newfoundland and Labrador post interconnection</p>	<ul style="list-style-type: none"> <li>•Complete current year portion of NERC and NPCC reliability standards implementation.</li> </ul>	<ul style="list-style-type: none"> <li>•Complete current year portion of NERC and NPCC reliability standards implementation.</li> </ul>	<ul style="list-style-type: none"> <li>•Complete current year portion of NERC and NPCC reliability standards implementation.</li> </ul>	<ul style="list-style-type: none"> <li>•Complete current year portion of NERC and NPCC reliability standards implementation.</li> </ul>
<p>Complete hydrotechnical analysis for the integration of Labrador Hydro with the Island. Determine models and Implementation plan for operations.</p>				

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## INITIATIVES – Reliable Least Cost Supply

2012	2013	2014	2015	2016
Complete commercial arrangements between Nalcor and NLH for a long term supply agreement from Muskrat Falls including interconnection of new transmission.			Page 52 of 137, Isl Int System Power Outages	
Complete Operational Organizational Design and develop an implementation plan to enable reliable and least cost operation and maintenance of new assets.	<ul style="list-style-type: none"> <li>•Implement current year plan for organizational change.</li> </ul>	<ul style="list-style-type: none"> <li>•Implement current year plan for organizational change.</li> </ul>	<ul style="list-style-type: none"> <li>•Implement current year plan for organizational change.</li> </ul>	<ul style="list-style-type: none"> <li>•Implement current year plan for organizational change.</li> </ul>
Complete regulatory strategic plan for implementation of change to enable reciprocal open access to the Provincial transmission grid including implementation of an independent system operator.	<ul style="list-style-type: none"> <li>•Implement current year regulatory implementation plan</li> </ul>	<ul style="list-style-type: none"> <li>•Implement current year regulatory implementation plan</li> </ul>	<ul style="list-style-type: none"> <li>•Implement current year regulatory implementation plan</li> </ul>	<ul style="list-style-type: none"> <li>•Implement current year regulatory implementation plan</li> </ul>

## INITIATIVES – Reliable Least Cost Supply

2012	2013	2014	2015	2016
Participate in the analysis of a Labrador Sink Point which may be needed to facilitate potential power purchases to enable new Labrador Load. (note 1)				

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**Note 1**

This is in anticipation of potential load needs in Labrador exceeding provincial, specifically Labrador (Muskrat Falls) being available in time to serve these needs. Considerable work and issues need to be addressed to facilitate this likely solution to the customers needs.

# Goal 3: Business Excellence: Customer Service

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# Goal 3: Business Excellence

## OBJECTIVES – Customer Satisfaction

- Rural Residential Customer Satisfaction – Maintain greater than 90% of rural residential customers satisfied with Hydro

## TARGET – Customer Satisfaction

2011	2012	2013	2014	2015
Maintain a Rural Residential Customer Satisfaction rate of $\geq 90\%$				

# Goal 3: Business Excellence: Non-Regulated Assets

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# Goal 3: Business Excellence

## OBJECTIVES – Business Excellence

- Transfer Exploits Generation and Menihek Generation Operational responsibilities to Hydro under regulated operations division.

## TARGETS – Business - Excellence

2012	2013	2014	2015	2016
<p>Corporate organization structure change implemented including supporting system changes.</p> <p>Continue gap closure plans for all aspects of operations and assets to bring into alignment with Hydro/Nalcor approach as approved</p>	<p>Review organizational changes made for further optimization and efficiency enhancement.</p> <p>Finalize long term asset determination as a regulated asset fully integrated with Hydro or a unregulated asset</p> <p>Continue gap closure plans for all aspects of operations and assets to bring into alignment with Hydro/Nalcor approach as approved</p>	<p>At this time all planning activity for both Menihek and Exploits are expected to be fully integrated with Hydro</p>		

# Goal 4: People

# Goal 4: People

## OBJECTIVE - People

- Improve all elements of employee engagement to a level where Nalcor Energy would qualify for recognition as one of Canada's best employers in reference to an acceptable external benchmark, and maintain each subsequent year.

## TARGETS - People

2012	2013	2014	2015	2016
Achieve a participation rate of at least 80% in the company's best employer benchmarking survey	To be determined		To be determined	

# Goal 4: People

INITIATIVES – People				
2012	2013	2014	2015	2016
<p><u>Engagement</u> Determine Complete 95% EOS action plan items documented and monitor results.</p> <p>Complete external best employer benchmarking process (&gt;80% participation) and participate in developing action plan.</p>	<p><u>Engagement</u> To be determined. Execute 95% of 2013 activities outlined in best employer action plan.</p>	<p><u>Engagement</u> Execute 2014 activities outlined in best employer action plan.</p> <p>Complete external best employer benchmarking process (&gt;80% participation) and participate in developing action plan.</p>	<p><u>Engagement</u> Execute 2015 activities outlined in best employer action plan.</p>	<p><u>Engagement</u> Complete external best employer benchmarking process (&gt;80% participation) and participate in developing action plan.</p>

\*Based on previous 5 point scale.

# INITIATIVES – People

2012	2013	2014	2015	2016
<p><u>Employees Valued</u> Execute diversity and inclusion action plan, monitor results Focus on diversity awareness training.</p>	<p><u>Employees Valued</u> Execute diversity action plan, monitor results.  Participate in initiatives outlined in diversity and inclusion strategy. (</p>	<p><u>Employees Valued</u> Execute diversity action plan, monitor results. Participate in initiatives outlined in diversity and inclusion strategy.</p>	<p><u>Employees Valued</u> Execute diversity action plan, monitor results.</p>	<p><u>Employees Valued</u> Execute diversity action plan, monitor results. 100% of new hires to receive diversity training within 9 months of hire.</p>

# Goal 4: People

INITIATIVES - People				
2012	2013	2014	2015	2016
<p><u>Skilled/Capable People*</u></p> <ul style="list-style-type: none"> <li>• Alignment review of Rural Retention Strategy.</li> <li>• Enhancements to orientation process.</li> <li>• Implement new Hydro Plant Operator training program. (Fits into R&amp;R strategy).</li> <li>• Develop DSR training program.</li> <li>• Develop training templates for safety and mandatory training requirements (LMS).</li> <li>• Develop LCP - Holyrood deployment planning</li> </ul>	<p><u>Skilled &amp; Capable People*</u></p> <p>Job specific/technical training added to training templates.</p> <p>Succession plans developed for high risk areas.</p> <p>Completion of XX development plans related to Hi Po.</p> <p>Refresh Holyrood deployment plans.</p>	<p><u>Skilled &amp; Capable People*</u></p> <p>Technology Strategy for Mobile Crews.</p> <p>Refresh Holyrood deployment plans.</p>	<p><u>Skilled &amp; Capable People*</u></p> <p>Refresh Holyrood deployment plans.</p> <p>Revisit succession plans for high risk areas.</p>	<p><u>Skilled &amp; Capable People*</u></p> <p>Refresh Holyrood deployment plans.</p>
<p>NOTE: See references to delivering EGB training, fall protection, confined space under safety goal.</p>				

# Goal 5: Community

# Goal 5: Community (Hydro objective, targets)

## OBJECTIVES - Community

- To increase the percentage of the public who believe that Hydro has a strong reputation to 51% by 2015 (based on a rating of 8+/10.)

## TARGETS - Community

2012	2013	2014	2015	2016
	50% of the public believe Hydro has a strong reputation (maintain 2011 rating)		51% of the public believe Hydro has a strong reputation	

# Goal 5: Community (Hydro initiatives)

**For each region/plant**

INITIATIVES - Community				
2012	2013	2014	2015	2016
<u>Emotional Appeal</u> Complete two speaking engagements in local schools. CCSR will provide presentations on the following two topics: <ol style="list-style-type: none"> <li>1. Electrical safety</li> <li>2. Electricity education (how electricity works)</li> </ol>	<u>Emotional Appeal</u> Complete two speaking engagements in local schools. CCSR will provide presentations on the following two topics: <ol style="list-style-type: none"> <li>1. Electrical safety</li> <li>2. Electricity education (how electricity works)</li> </ol>	<u>Emotional Appeal</u> Complete two speaking engagements in local schools. CCSR will provide presentations on two topics (topics TBD)		

# Goal 5: Community (Hydro initiatives)

**For each region/plant**

INITIATIVES - Community				
2012	2013	2014	2015	2016
<p><u>Vision &amp; Leadership</u>                      Identify and hold interactions with top 2 stakeholders. Focus should be to interact with stakeholders that pose a significant risk or opportunity to build relationships/reputation. This could also include/ involve participating in a public meeting, holding a meeting to discuss planned capital work/upgrades/etc, meeting with stakeholders to discuss potential community concerns (i.e., frequent power outages.)</p>				

# Goal 5: Community (Hydro initiatives)

**For each region/plant**

INITIATIVES - Community				
2012	2013	2014	2015	2016
<u>Vision &amp; Leadership</u> Participate/attend minimum 3 regular community/business based events/luncheons such as local Chambers, economic boards, local/regional trade shows.				
<u>Workplace Environment/ Corporate Citizenship</u> With a committee of your employees, organize community event that engages employees and is promoted both internally and externally (call to local radio, TV or newspaper or submit a photo)				

# Goal 5: Community (Hydro initiatives)

**For each region/plant**

INITIATIVES - Community				
2012	2013	2014	2015	2016
<p><u>Corporate Citizenship/ Employee Engagement</u> Promote employee volunteerism/matching funds program to employees and achieve a 10% participation rate in the program (\$100 donated to organizations where our employees volunteer)</p>				
<p><i>Other initiatives can be identified by the region /plant if resources available to deliver. If support is required from other areas, this should be secured before putting the initiative in the plan.</i></p>				

# Hydro & Division/Departmental additional must do's

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# Objectives, Targets and Initiatives recommended for inclusion in NLH or Functional Divisional and Departmental Plans

## GOAL 2 Environment

# Goal 2: Environment

## OBJECTIVES - Environment

- Minimize production requirements and associated air emissions from the Holyrood Thermal Generating Station

## TARGETS - Environment

2012	2013	2014	2015	2016
Complete an update of previous studies on the impact to future emissions, costs and reliability of the introduction of additional wind generation on the Island Interconnected System within a 2012 – 2016 time frame.	Implementation of wind generation recommendation from the 2012 study.			
Develop a policy on Independent Distributed Generation	Subject to external policy approval requirements, Implement internal action to support an approved Independent Distributed Generation Policy			

\*

# Goal 2: Environment

INITIATIVES – Environment				
2012	2013	2014	2015	2016
Complete a study using available data from Hydro’s experience with the 2 existing wind generation plants, simulation tools for energy production analysis, simulation tools for electric system operation and reference the experience of other similar electrical systems with large penetrations of wind energy.				
Establish internal working groups and draft policy on Independent Distributed generation for review with stakeholders and approval by the PUB				

# Goal 2: Environment

2012 INITIATIVES - Environment			
INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
Complete a study using available data from Hydro’s experience with the 2 existing wind generation plants, simulation tools for energy production analysis, simulation tools for electric system operation and reference the experience of other similar electrical systems with large penetrations of wind energy.	Final Report	Lead by System Planning with inputs from Business Development and System Operations.	March 2012
Establish internal working groups and draft policy on Independent Distributed generation for review with stakeholders and approval by the PUB	Draft distributed generation policy	System Planning	June 2012

# Goal 2: Environment

## OBJECTIVES - Environment

- Reduce or minimize environmental risks and emissions from diesel generation systems

## TARGETS - Environment

2012	2013	2014	2015	2016
Complete the analysis of air emissions monitoring data collected from the Little Bay Islands generating station.				

# Goal 2: Environment

INITIATIVES – Environment				
2012	2013	2014	2015	2016
Complete the analysis of air emissions monitoring data collected from the Little Bay Islands generating station.				

2012 INITIATIVES - Environment			
INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
Complete the analysis of air emissions monitoring data collected from the Little Bay Islands generating station.	Analysis report with recommendations.	Operations and Environmental Services	June 2012

# Goal 2: Environment

## OBJECTIVES - Environment

- Reduction in the amount of selected waste types entering municipal landfills

## TARGETS - Environment

2012	2013	2014	2015	2016
Reduce amount of disposable batteries and scrap metal entering landfills.	Reduce amount of CFLs and fluorescent lighting tubes entering landfills	Reduce amount of used oil filters and oily rags entering landfills		
Determine waste volumes and categories produced as a result of activities and operations at Bay d'Espoir Generating Station	Determine waste volumes and categories produced as a result of activities and operations at Port Saunders Regional Office			

# Goal 2: Environment

INITIATIVES – Environment				
2012	2013	2014	2015	2016
Confirm and implement opportunities in selected locations for diversion of disposable batteries and scrap metal from landfills	Confirm and implement opportunities in selected locations for diversion of CFLs and fluorescent lighting tubes from landfills	Confirm and implement opportunities in selected locations for diversion of used oil filters and oily rags from landfills		
Implement, or budget for, waste reduction initiatives resulting from Hydro Place waste audit	Implement, or budget for, waste reduction initiatives resulting from Bay d'Espoir Generating Station waste audit.	Implement, or budget for, waste reduction initiatives resulting from Port Saunders Regional Office waste audit.		
Complete Bay d'Espoir Generating Station waste audit, subject to budgetary approval	Complete Port Saunders Regional Office waste audit, subject to budgetary approval			
Budget and determine resource requirements for waste audit at the Port Saunders Regional Office				

# Goal 2: Environment

2012 INITIATIVES - Environment			
INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
Confirm and implement opportunities in selected locations for diversion of disposable batteries and scrap metal from landfills	Opportunities implemented.	Environmental Services and Facility Managers	Throughout 2012
Implement, or budget for, waste reduction initiatives resulting from Hydro Place waste audit	Waste reduction initiatives implemented and/or planned	Hydro Place Administration and Environmental Services	Throughout 2012
Complete waste audit at Bay d’Espoir generating station, subject to approval of budget item in 2012 budget	Bay d’Espoir waste audit report	Hydro Operations and Environmental Services	October 2012
Budget and determine resource requirements for waste audit at the Port Saunders Regional Office	Operating budget proposal	Hydro Generation and Environmental Services	First quarter 2012

# Goal 2: Environment

## OBJECTIVES - Environment

- Minimize environmental impact of hydro electric operations.

## TARGETS - Environment

2012	2013	2014	2015	2016
Review spilling procedures and identify measures to mitigate environmental risks.				
Develop a procedure for dealing with entrained fish				

# Goal 2: Environment

2012 INITIATIVES - Environment			
INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
Review spilling procedures and identify measures to mitigate environmental risks.	Revise and/or develop procedures to improve mitigation of environmental risks associated with spilling activities.	Environmental Services. Hydro Operations System Operations	2012
Establish a procedure for dealing with entrained fish.	Operating Procedure relating to fish entrainment (e.g. communication and reporting; fish relocation; documentation etc).	Environmental Services Hydro Operations	2012

# Goal 2: Environment

## OBJECTIVES - Environment

- Finalize operating agreement for Granite Canal (“Dusk to Dawn”)

## TARGETS - Environment

2012	2013	2014	2015	2016
Review and provide feedback on DFO draft report				
Provide proposal to revise operating agreement				
Work with DFO to revise and complete operating agreement.				

# Goal 2: Environment

<b>2012 INITIATIVES - Environment</b>			
<b>INITIATIVE</b>	<b>DELIVERABLE</b>	<b>RESPONSIBLE</b>	<b>TIMING</b>
Review and provide feedback on DFO draft report	Feedback provided to DFO	Environmental Services	March 2012
Provide initial proposal to DFO for Granite Canal operation	Proposal to revise operating agreement	Environmental Services	May 2012
Work with DFO to revise and complete operating agreement, if accepted.	Revised operating agreement	Environmental Services	August 2012

# Goal 2: Environment

## OBJECTIVES - Environment

- Develop Environmental Management System for Star Lake

## TARGETS - Environment

2012	2013	2014	2015	2016
Develop EMS components for Star Lake and integrate into Hydro EMS, subject to budget approval.	Star Lake EMS fully implemented (ready to be audited)			

# Goal 2: Environment

## 2012 INITIATIVES - Environment

INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
Star Lake EMS development	Develop EMS components for Star lake and integrate into Hydro EMS, subject to budget approval.	Environmental Services. Hydro Operations	December 2012

# Objectives, Targets and Initiatives recommended for inclusion in NLH or Functional Divisional and Departmental Plans if they can be delivered

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# Goal 2: Environment

## OBJECTIVES - Environment

- To support NLH’s performance relating to Pollution Prevention and Stakeholder Acceptance environmental framework building blocks, put in place mechanisms to document and report on emissions of greenhouse gases associated with Corporate operations and activities by the end of 2013, consistent with the Provincial Energy Plan action proposal to join the Climate Change Registry to ensure consistent and verifiable measurement of GHG emissions.

## TARGETS - Environment

2012	2013	2014	2015	2016
Collect data from available sources identified and compile in a format compatible with the Climate Registry’s voluntary reporting mechanism.	Review the 2012 GHG quantification program for issues, problems or areas for improvement			

# Goal 2: Environment

INITIATIVES – Environment				
2012	2013	2014	2015	2016
Collect available data and review for compatibility with quantification methods				
Develop plan to close identified data capture gaps				

# Goal 2: Environment

2012 INITIATIVES - Environment			
INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
Collect available data and review for compatibility with quantification methods	Data compiled in registry compliant format	Environmental Services	December 2012
Develop plan to close identified data capture gaps	Actions identified to close data gaps.	Environmental Services, System Operations and Customer Services, Information Systems	Third Quarter 2012

# Goal 2: Environment

## OBJECTIVES - Environment

- To support NLH's performance relating to Pollution Prevention and Stakeholder Acceptance environmental framework building blocks, enhance corporate environmental data monitoring capability to provide consistent, accurate and verifiable data for Environmental reports.

## TARGETS - Environment

2012	2013	2014	2015	2016
•Identify data needs and gaps and an action plan	•Implement action plan	•Test/verify environmental data.		

# Goal 2: Environment

INITIATIVES – Environment				
2012	2013	2014	2015	2016
<ul style="list-style-type: none"> <li>•Identify Environmental data currently being reported.</li> <li>•Identify the owners / people responsible for the data and all the stakeholders.</li> <li>•Initiate discussions with IS on developing a database to store and manage the environmental data.</li> </ul>	<ul style="list-style-type: none"> <li>•Initiate the development of the environmental database.</li> <li>•Develop methods and standards with data owners to ensure data is verifiable.</li> <li>•Identify potential future reporting requirements (GHG, PCB, Sustainability, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>•Finalize and test environmental database.</li> <li>•Develop and deliver training package for database stakeholders.</li> </ul>		

# Goal 2: Environment

2012 INITIATIVES - Environment			
INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
•Identify Environmental data currently being reported.	Existing data report	Environmental Services	May 2012
•Identify the owners / people responsible for the data and all the stakeholders.	Data needs report	Environmental Services	May 2012
•Initiate discussions with IS on developing a database to store and manage the environmental data.	Environmental performance database concept defined	Information Services and Environmental Services	October 2012

# Goal 2: Environment

## OBJECTIVES - Environment

- To support NLH’s performance relating to Species Management and Stakeholder Acceptance environmental framework building blocks, evaluate opportunities for improvements to Company policies, activities and programs affecting biodiversity.

## TARGETS - Environment

2012	2013	2014	2015	2016
<ul style="list-style-type: none"> <li>Identify opportunities/recommendations for changes to NLH biodiversity policies and programs</li> </ul>	<ul style="list-style-type: none"> <li>Implement selected opportunities/recommendations</li> </ul>	<ul style="list-style-type: none"> <li>Implement selected opportunities/recommendations</li> </ul>		

# Goal 2: Environment

INITIATIVES – Environment				
2012	2013	2014	2015	2016
•Implement selected opportunities/recommendations from the 2011 evaluation report				

# Goal 2: Environment

## 2012 INITIATIVES - Environment

INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
Implement selected opportunities/recommendations from the 2011 evaluation report	Revised biodiversity policies in place and related programs identified.	•Environmental services	October 2012

# Goal 2: Environment

## OBJECTIVES - Environment

- Minimize environmental impacts of operations.

## TARGETS - Environment

2012	2013	2014	2015	2016
Promote awareness around the Migratory Bird Conventions Act.				
Identify NE activities that may cause incidental harm to migratory bird nests and eggs.				

# Goal 2: Environment

2012 INITIATIVES - Environment			
INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
Promote awareness of the Migratory Bird Conventions Act.	Arrange a workshop involving relevant managers and supervisors.	Environmental Services	2012
Review NE activities to identify those that may cause incidental harm to migratory bird nests and eggs.	List of activities with potential to cause incidental harm to nests/eggs.	Environmental Services	2012

# Goal 3: Business Excellence

<b>INITIATIVES – Customer Satisfaction</b>				
<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Formalize a Customer Service (Internal) Improvement Committee with representation from Regulated Operations and each of the service groups				
Formalize a strategic plan for improving and benchmarking internal customer services provided to Regulated Operations based on a four year plan	<ul style="list-style-type: none"> <li>•Implement all initiatives indentified for year 1 of the four year plan</li> <li>•Measure results and adjust for variations</li> </ul>	<ul style="list-style-type: none"> <li>•Implement all initiatives indentified for year 2 of the four year plan</li> <li>•Measure results and adjust for variations</li> </ul>	<ul style="list-style-type: none"> <li>•Implement all initiatives indentified for year 3 of the four year plan</li> <li>•Measure results and adjust for variations</li> </ul>	<ul style="list-style-type: none"> <li>•Implement all initiatives indentified for year 4 of the four year plan</li> <li>•Measure results and adjust for variations</li> </ul>

# Goal 4: People

INITIATIVES - People				
2012	2013	2014	2015	2016
<p>Employees Valued Pilot W/L Balance Initiative. Target stress management.</p> <p>Compensation review – salary compression issue &amp; Relocation strategy .</p>				

# Background Information on Reliability Targets

# 2012 Reliability Performance Measures

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The winter availability measure for 2012 and beyond is a reliability check of available system generation against loss of single largest unit in ensuring that system load would be met. A unit is available if it is operating or available for operation within a short time period (typically 15 minutes or less). Violations are reflected in one of four 'bins'; Thermal, Hydro, TRO and System Operations. Annual targets are set to show continual improvement, with an overall winter availability of 99% met and maintained through 2014-2016.

Five year targets were previously proposed for Delivery Point Unreliability Index, DP System Average Interruption Duration Index, and DP System Average Interruption Frequency Index. The objective was, over a five year period, to be in the top quartile among all utilities reporting to the Canadian Electricity Association (CEA) for all of these measures.

Service Continuity performance targets are set using similar objectives as the delivery point measures. There are also expected improvements to service continuity performance as a result of improved delivery point performance.

For the transmission system, the 2011 targets for T-SAIFI and T-SAIDI may not be met. It is proposed to set 2012 at the 2011 target level. The Service Continuity targets will follow the previous year's objective of an expected 5% improvement in performance related to capital work.

Due to the nature of all these measures the final target level will not be set until January 31, 2012 after the outcomes for 2011 are known. Some measures may require adjustment at that time.

# Goal 3: Business Excellence

## OBJECTIVES – Reliability

- By 2014, meet and maintain 99% generating availability during the winter operating period when compared against the loss of largest single unit criteria.
- Continuously improving within top quartile Transmission delivery point performance, 2012 to 2016.

## TARGETS – Reliability

2012	2013	2014	2015	2016
<p>NLH Winter Availability ≥ 98.0%</p> <ul style="list-style-type: none"> <li>•Thermal - 99.2%</li> <li>•Hydro - 99.6%</li> <li>•TRO - 99.6%</li> <li>•Sys Ops - 99.6%</li> </ul>	<p>NLH Winter Availability ≥ 98.5%</p> <ul style="list-style-type: none"> <li>•Thermal - 99.4%</li> <li>•Hydro - 99.7%</li> <li>•TRO - 99.7%</li> <li>•Sys Ops – 99.7%</li> </ul>	<p>NLH Winter Availability ≥ 99.0%</p> <ul style="list-style-type: none"> <li>•Thermal - 99.6%</li> <li>•Hydro - 99.8%</li> <li>•TRO - 99.8%</li> <li>•Sys Ops - 99.8%</li> </ul>	<p>NLH Winter Availability ≥ 99.0%</p> <ul style="list-style-type: none"> <li>•Thermal - 99.6%</li> <li>•Hydro - 99.8%</li> <li>•TRO - 99.8%</li> <li>•Sys Ops - 99.8%</li> </ul>	<p>NLH Winter Availability ≥ 99.0%</p> <ul style="list-style-type: none"> <li>•Thermal - 99.6%</li> <li>•Hydro - 99.8%</li> <li>•TRO - 99.8%</li> <li>•Sys Ops - 99.8%</li> </ul>
<p>Delivery Point Unreliability Index &lt;11.36 System-minutes (16,000 MW-min)</p>	<p>Delivery Point Unreliability Index &lt;10.96 System-minutes (16,000 MW-min)</p>	<p>Delivery Point Unreliability Index &lt;10.60 System-minutes (16,000 MW-min)</p>	<p>Delivery Point Unreliability Index &lt;10.32 System-minutes (16,000 MW-min)</p>	<p>Delivery Point Unreliability Index &lt;10.08 System-minutes (16,000 MW-min)</p>

# Goal 3: Business Excellence

## TARGETS – Reliability (Hydro)

2012	2013	2014	2015	2016
Hydro – T-SAIFI 0.85 int./DP	Hydro – T-SAIFI 0.81 int./DP	Hydro – T-SAIFI 0.76 int./DP	Hydro – T-SAIFI 0.70 int./DP	Hydro – T-SAIFI 0.67 int./DP
Hydro – T-SAIDI 52.5 min/DP	Hydro – T-SAIDI 49.5 min/DP	Hydro – T-SAIDI 46.0 min/DP	Hydro – T-SAIDI 43.0 min/DP	Hydro – T-SAIDI 40.0 min/DP
Hydro – SAIFI 3.65 int/cust	Hydro – SAIFI 3.47 int/cust	Hydro – SAIFI 3.29 int/cust	Hydro – SAIFI 3.13 int/cust	Hydro – SAIFI 2.97 int/cust
Hydro – SAIDI 5.90 hrs/cust	Hydro – SAIDI 5.60 hrs/cust	Hydro – SAIDI 5.32 hrs/cust	Hydro – SAIDI 5.06 hrs/cust	Hydro – SAIDI 4.81 hrs/cust

# Goal 3: Business Excellence

## TARGETS – Reliability ( Nalcor Corporate)

2012	2013	2014	2015	2016
Nalcor – T-SAIFI 0.85 int./DP	Nalcor – T-SAIFI 0.81 int./DP	Nalcor – T-SAIFI 0.76 int./DP	Nalcor – T-SAIFI 0.70 int./DP	Nalcor – T-SAIFI 0.67 int./DP
Nalcor – T-SAIDI 52.5 min/DP	Nalcor – T-SAIDI 49.5 min/DP	Nalcor – T-SAIDI 46.0 min/DP	Nalcor – T-SAIDI 43.0 min/DP	Nalcor – T-SAIDI 40.0 min/DP

# Background Information on Targets

# Winter Availability

## Objectives:

- Implement a winter availability measure for 2012 and beyond whereby available system generation is checked against the loss of the single largest unit to ensure that system load will be met under this contingency.
- System Operations would determine when planned/maintenance outages are permitted, with careful consideration using existing tools – i.e., the Nostradamus load forecasting application, weather forecasts, historical data, etc.
- System Operations would also advise when forced outages or forced de-ratings of units are creating or could potentially result in a violation of the winter availability measure, so that appropriate steps can be taken to return the unit to service or restore maximum unit capability in the most expedient manner.
- A metric will be tracked and reported which accounts only for unit unavailability hours for which there would not be ample system generation available to supply the system load under the loss of the largest generating unit. These unavailability hours will be compared against the total hours in the month to provide a simple percentage which will be allocated to the four areas ('bins') of contributors. The bins include Hydro Generation, Thermal Generation, TRO and System Operations. The TRO bin includes the standby units and equipment external to a generating unit (eg. transformers or transmissions lines) for which forced or planned outages would cause the unit to become unavailable.
- This new approach will help to avoid situations whereby costly overtime is incurred to get units back on line ASAP so as not to negatively affect the performance measure, whether the unit is needed or not. In addition, from a safety standpoint, there should be less exposure to employees who have to respond to unit issues during the off-hours.

# Winter Availability cont'd.

## Target Setting:

- In 2012 it is assumed that there are two violations in the area of Thermal, and one violation in the areas of Hydro, TRO and System Operations in all four months of the winter period. A duration of three hours per violation was chosen as this reflects the length of a typical day's peak (morning or evening).
- In 2013 it is assumed that there are two violations in the area of Thermal, and one violation in the areas of Hydro, TRO and System Operations in three of the four months of the winter period (i.e. December, January, and February).
- In the years 2014-2016 it is assumed that there are two violations in the area of Thermal, and one violation in the areas of Hydro, TRO and System Operations in two of the four months of the winter period (i.e. December and February).

The following tables indicate a breakdown of the targets for 2012-2016.

# Winter Availability cont'd.

## Target Setting

### 2012 Winter Availability

Two violations (Thermal) and One violation (Hydro, TRO and and Decision Making) in each of the months

2012 Winter Availability Targets					
	January	February	March	December	Winter
Generation - Thermal	99.2	99.1	99.2	99.2	99.2
Generation - Hydro	99.6	99.6	99.6	99.6	99.6
TRO	99.6	99.6	99.6	99.6	99.6
Decision Making	99.6	99.6	99.6	99.6	99.6
Total	98.0	97.8	98.0	98.0	98.0

### 2013 Winter Availability

Two violations (Thermal) and One violation (Hydro, TRO and Decision Making) in Jan, Feb and Dec

2013 Winter Availability Targets					
	January	February	March	December	Winter
Generation - Thermal	99.2	99.1	100.0	99.2	99.4
Generation - Hydro	99.6	99.6	100.0	99.6	99.7
TRO	99.6	99.6	100.0	99.6	99.7
Decision Making	99.6	99.6	100.0	99.6	99.7
Total	98.0	97.8	100.0	98.0	98.5

### 2014-16 Winter Availability

Two violations (Thermal) and One violation (Hydro, TRO and Decision Making) in Feb and Dec

2014-16 Winter Availability Targets					
	January	February	March	December	Winter
Generation - Thermal	100.0	99.1	100.0	99.2	99.6
Generation - Hydro	100.0	99.6	100.0	99.6	99.8
TRO	100.0	99.6	100.0	99.6	99.8
Decision Making	100.0	99.6	100.0	99.6	99.8
Total	100.0	97.8	100.0	98.0	99.0

# Delivery Point Unreliability Index

PUB-NLH-412, Attachment 3

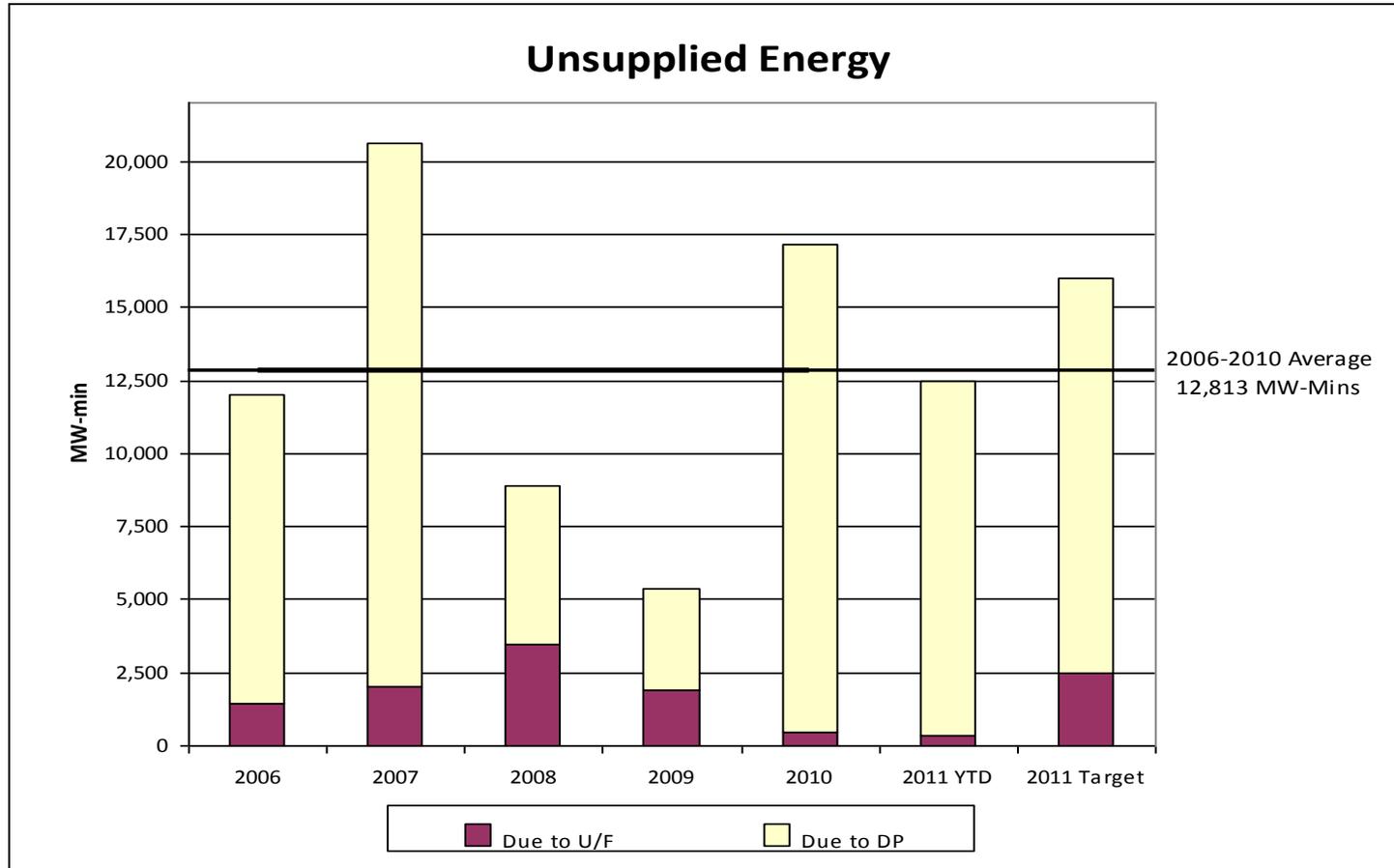
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## What it Measures

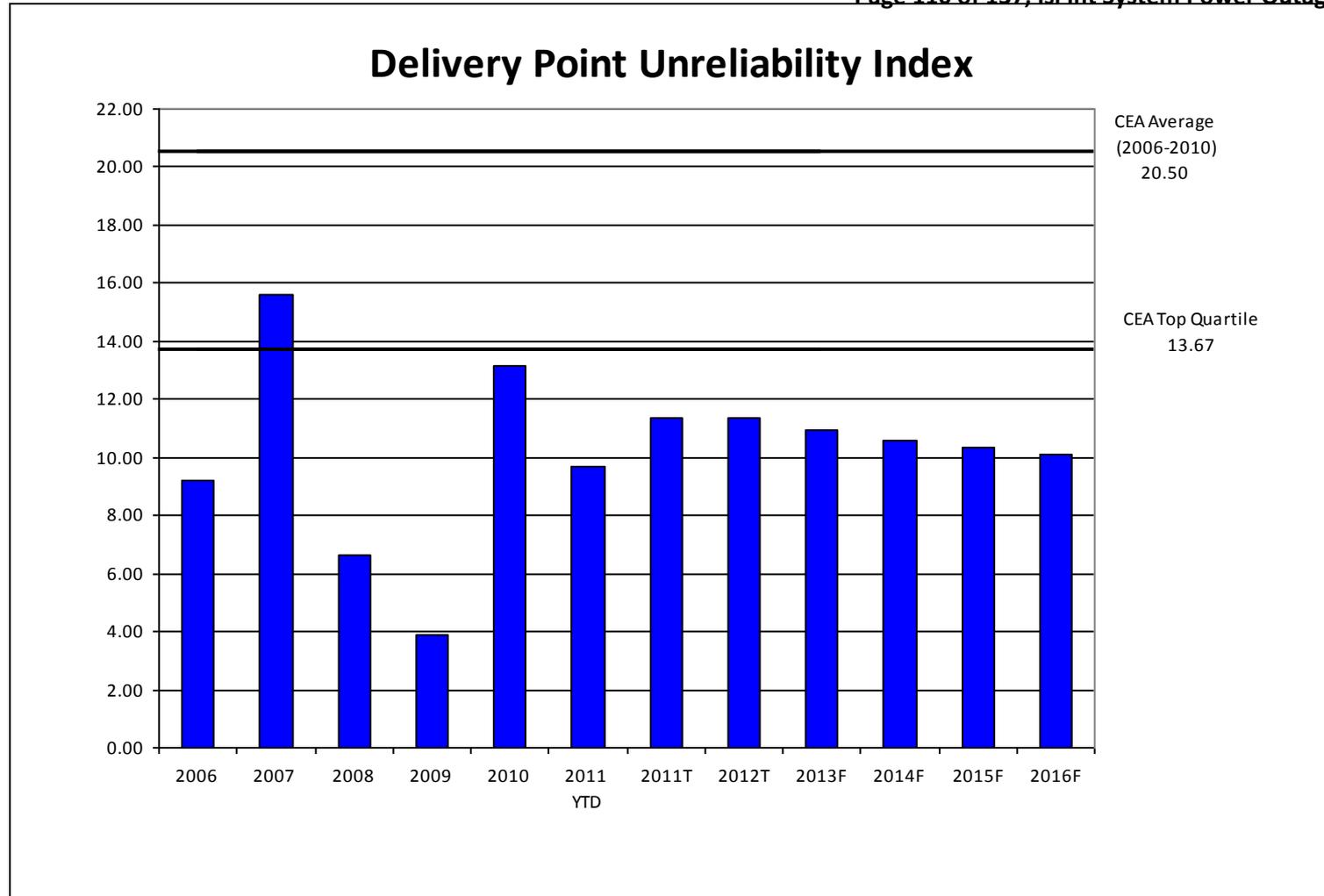
- Energy supply interrupted to customers due to forced outage incidents on the transmission and generation system.
- Does not include incidents that originate on the distribution systems or isolated diesel systems.
- Unsupplied energy is a measurement used in the CEA delivery point reliability performance measurement system.
- The CEA normalized measure is the Delivery Point Unreliability Index (DPUI). This is the ratio of unsupplied energy to system peak demand. It can be used to compare utilities of different sizes.

# Past Performance and 2011 year to date

2012 Target: 16,000 MW-mins or 11.39 DPUI. (Delivery Point Unreliability Index).



# Target Proposal



# Target Proposal

<b>Year</b>	<b>Unsupplied Energy</b>	<b>Hydro DPUI</b>
2012T	16,000	11.36
2013F	16,000	10.96
2014F	16,000	10.60
2015F	16,000	10.32
2016F	16,000	10.08

# Delivery Point Average Interruptions Duration and Frequency Indexes

- There are two types of interruptions to the customer that can be measured. They are planned and forced outages.
- Forced outages occur with no notice and are caused by many factors. There is no control over the delivery point impact. Set the forced targets to the same level as the previous years working group proposals.
- Planned outages occur at a scheduled time to minimize the effect on customers. They can be required to complete both capital and operating projects. It is difficult to set multiple year targets due to the changes in the work from year to year and the requirement of planned outages with no notice. It is proposed to set targets for 2013 for this measure by March 31, 2012 after a final schedule of planned work is approved for 2012.

# Delivery Point System Average Interruption Frequency Index – T-SAIFI - Definition

## What it Measures

- The frequency (number) of interruptions to a delivery point over a given period.
- A delivery point is defined as the point of supply where the energy from the bulk electric system is transferred to the distribution or the retail customer.
- Presently, there are 56 delivery points on the Hydro system.

# Delivery Point System Average Interruption Frequency Index – T-SAIFI - Definition

**T-SAIFI** is the System Average Interruption Frequency Index. This provides a measure of the average number of interruptions that a delivery point experiences during a specified period

$$T - SAIFI(S) = \frac{\text{Total No. of Sustained Interruptions}}{\text{Total No. of Delivery Points Monitored}}$$

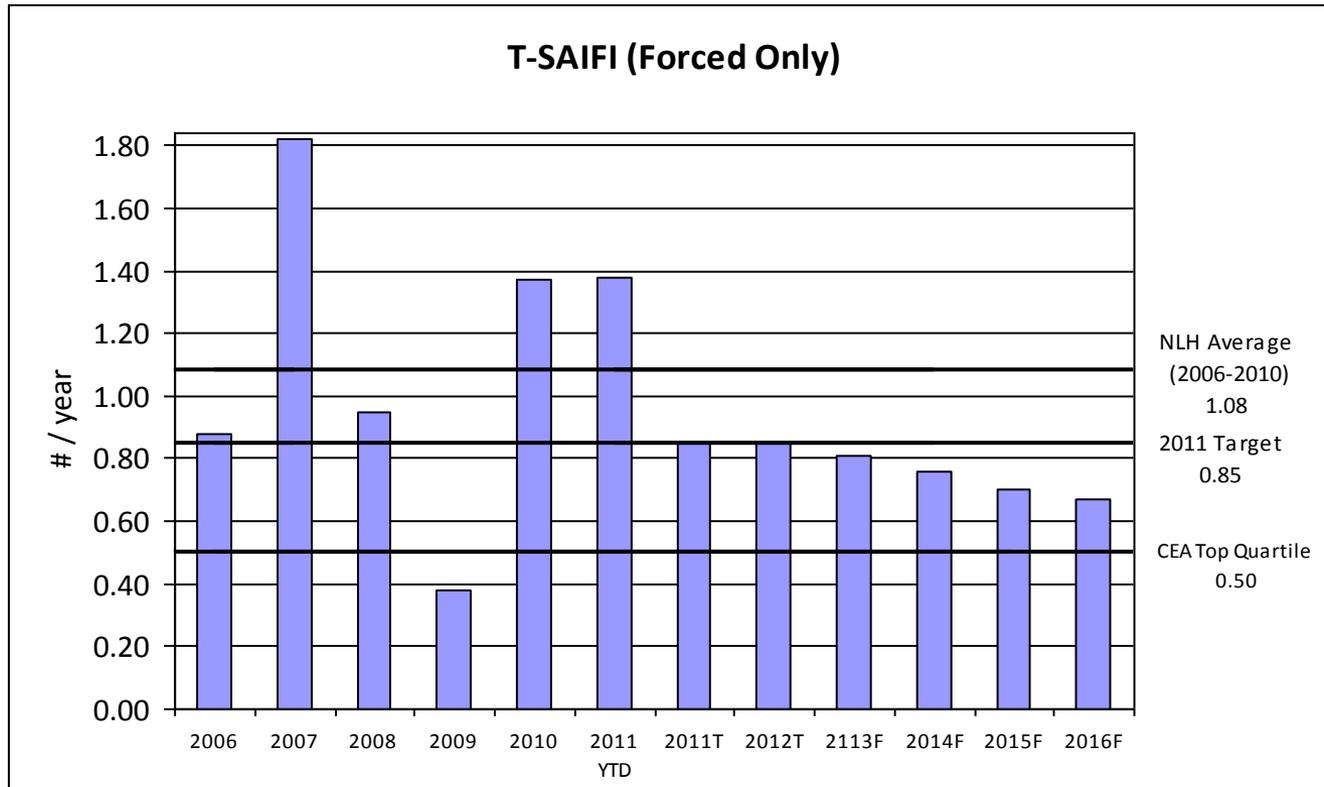
# 2012 Proposal

**T-SAIFI (Forced Only)**

Year	Nalcor Corporate	Nalcor Energy-CF	Hydro	TRO Northern	TRO Labrador	TRO Central*	Central (rural)	Industrial	Nfld Power
2005	1.03	N/A	1.03	2.75	8.00	0.42	0.42	0.29	0.46
2006	0.88	N/A	0.88	2.58	7.00	0.31	0.75	0.38	0.08
2007	1.82	N/A	1.82	4.00	9.00	1.10	1.67	0.13	1.12
2008	0.95	N/A	0.93	2.58	9.00	0.33	0.92	0.00	0.15
2009	0.38	N/A	0.38	1.25	3.00	0.09	0.08	0.00	0.12
2010	1.38	N/A	1.31	4.08	5.00	0.54	0.75	0.00	0.54
2011 YTD	1.38	2.00	1.36	4.17	4.00	0.45	0.69	0.20	0.38
2011T	0.85	1.00	0.85	2.30	5.00	0.25	0.40	0.20	0.19
2012T	0.85		0.85						
2113F	0.81		0.81						
2014F	0.76		0.76						
2015F	0.70		0.70						
2016F	0.67		0.67						
<b>Average (2006-2010)</b>	N/A	N/A	1.08	2.90	6.60	0.47	0.83	0.12	0.40

Note: TRO Central is the equivalent total of Central (rural), Industrial and Nfld Power.

# T-SAIFI (forced) Performance



# Delivery Point System Average Interruption Frequency Index – T-SAIDI – Definition

PUB-NLH-412, Attachment 3  
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## What it Measures

- The duration of interruptions to a delivery point over a given period.
- Usually measured in minutes.

# Delivery Point System Average Interruption Frequency Index – T-SAIDI - Definition

PUB-NLH-412, Attachment 3

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**T-SAIDI** is the System Average Interruption Duration Index. This index provides a measure of the average duration of sustained interruptions that a delivery point experiences during a specified period

$$T - SAIDI = \frac{\textit{Total Duration of All Interruptions}}{\textit{Total No. of Delivery Points Monitored}}$$

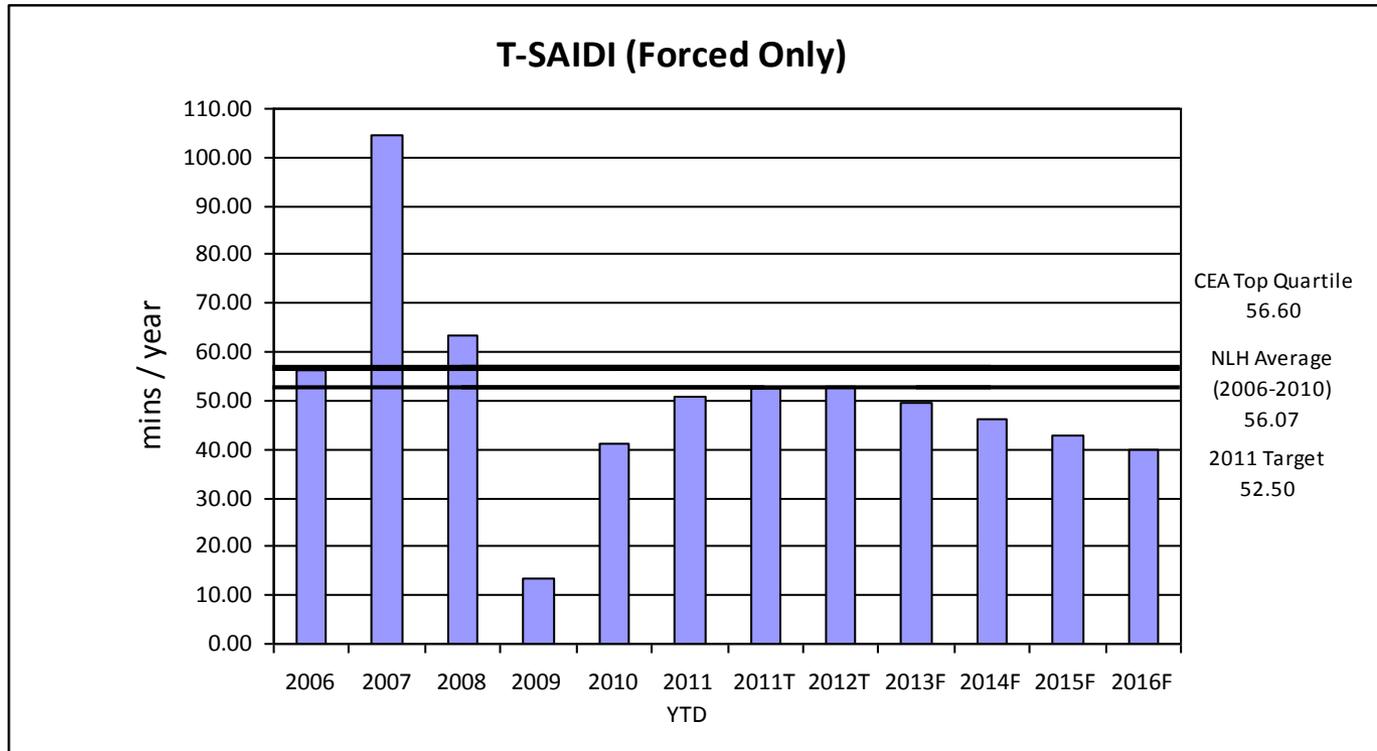
# 2012 Proposal

## T-SAIDI (Forced Only)

Year	Nalcor Corporate	Nalcor Energy-CF	Hydro	TRO Northern	TRO Labrador	TRO Central*	Central (rural)	Industrial	Nfld Power
2005	56.86	N/A	56.86	130.67	186.00	34.31	36.08	106.00	14.19
2006	56.36	N/A	56.36	169.75	192.00	23.83	76.17	4.13	5.73
2007	104.71	N/A	104.71	47.92	131.00	119.01	336.83	0.13	54.15
2008	63.29	N/A	63.29	96.00	49.00	54.89	160.00	0.00	21.15
2009	13.53	N/A	13.53	58.17	15.00	1.56	0.08	0.00	2.73
2010	41.27	N/A	41.27	9.58	186.00	46.74	117.08	0.00	23.27
2011 YTD	50.61	22.00	51.61	142.83	161.50	20.81	58.18	6.20	6.85
2011T	52.50	45.00	52.50	80.00	80.00	40.00	110.00	10.00	20.00
2012T	52.50		52.50						
2013F	49.50		49.50						
2014F	46.00		46.00						
2015F	43.00		43.00						
2016F	40.00		40.00						
Average (2006-2010)	N/A	N/A	56.07	76.28	114.60	49.38	138.03	0.98	21.41

Note: TRO Central is the equivalent total of Central (rural), Industrial and Nfld Power.

# T-SAIDI (forced) Performance



# Service Continuity Performance Measures

System Average Interruption Frequency Index (SAIFI) is defined as the average number of interruptions per customer served per year.

$$SAIFI = \frac{\textit{Total Customer - Interruptions}}{\textit{Total Customers Served}}$$

System Average Interruption Duration Index (SAIDI) is defined as the average interruption duration per customer served per year..

$$SAIDI = \frac{\textit{Total Customer - Hours _ of _ Interruptions}}{\textit{Total Customers Served}}$$

# Procedures used to calculate targets for SAIFI & SAIDI:

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**2012:** set both SAIFI & SAIDI at a 5% improvement in 2011 target.

How: We can expect a 5% improvement in performance due to capital work.

**2013:** set both SAIFI & SAIDI at a 5% improvement in 2012 target.

How: We can expect a 5% improvement in performance due to capital work.

**2014:** set both SAIFI & SAIDI at a 5% improvement in 2013 target.

How: We can expect a 5% improvement in performance due to capital work.

**2015:** set both SAIFI & SAIDI at a 5% improvement in 2014 target.

How: We can expect a 5% improvement in performance due to capital work.

**2016:** set both SAIFI & SAIDI at a 5% improvement in 2015 target.

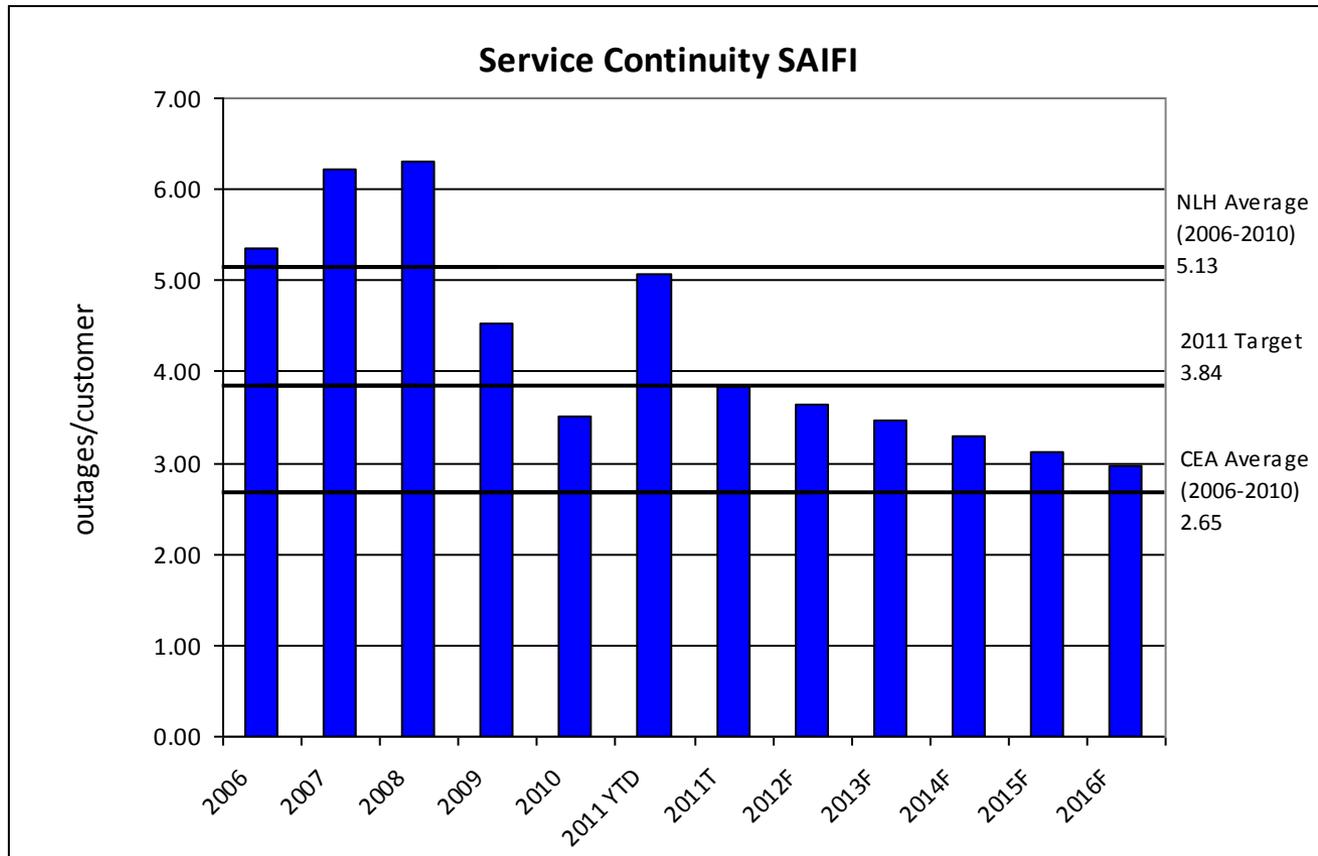
How: We can expect a 5% improvement in performance due to capital work.

# Service Continuity Performance

## SAIFI

Year	Hydro	Central		Northern		Labrador	
		Interconnected	Isolated	Interconnected	Isolated	Interconnected	Isolated
2006	5.36	2.92	5.53	4.74	7.65	8.32	9.27
2007	6.22	3.44	2.37	4.55	8.53	11.43	7.91
2008	6.31	4.69	3.95	6.79	5.74	7.07	13.84
2009	4.53	2.91	2.42	2.68	4.25	7.24	13.87
2010	3.51	2.46	2.25	2.39	7.94	3.85	11.90
2011 YTD	5.07	2.64	5.55	4.99	5.23	7.80	6.85
2011T	3.84	2.77	2.77	3.84	4.32	4.65	7.24
2012F	3.65						
2013F	3.47						
2014F	3.29						
2015F	3.13						
2016F	2.97						
Average (2006-2010)	5.13	3.28	3.31	4.23	6.82	7.53	11.38

# Service Continuity Performance

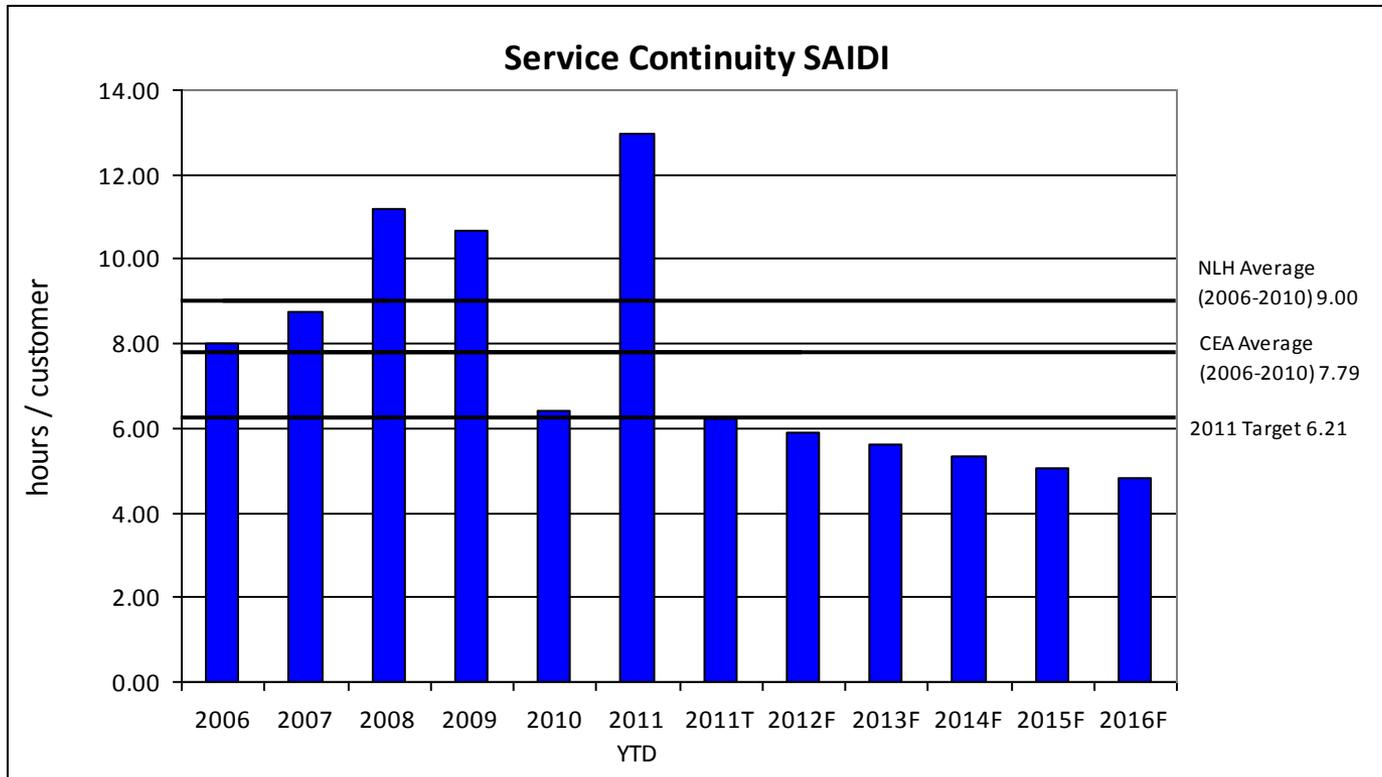


# Service Continuity Performance

## SAIDI

Year	Hydro	Central		Northern		Labrador	
		Interconnected	Isolated	Interconnected	Isolated	Interconnected	Isolated
2006	8.02	6.79	8.53	7.72	6.17	9.84	11.02
2007	8.74	7.81	1.55	7.42	6.85	11.45	14.92
2008	11.18	14.45	3.47	12.14	5.99	4.75	27.87
2009	10.67	6.02	1.55	4.41	3.97	24.99	12.75
2010	6.43	7.95	0.91	3.53	9.44	6.32	12.26
2011 YTD	12.97	14.18	3.24	16.31	3.83	11.36	10.68
2011T	6.21	6.21	3.21	6.21	4.05	6.21	10.39
2012F	5.90						
2013F	5.60						
2014F	5.32						
2015F	5.06						
2016F	4.81						
Average (2006-2010)	9.00	8.60	3.21	7.04	6.49	11.50	15.76

# Service Continuity Performance



# Graphics For Various Goals

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# Goal 1: Safety - Framework

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# Our Framework for Safety Excellence



## Reporting, Analysis and Continuous Improvement

### LEADING INDICATORS

Hazards, Near Misses, Safe and Unsafe Observations, First Aids, Inspections, Audits

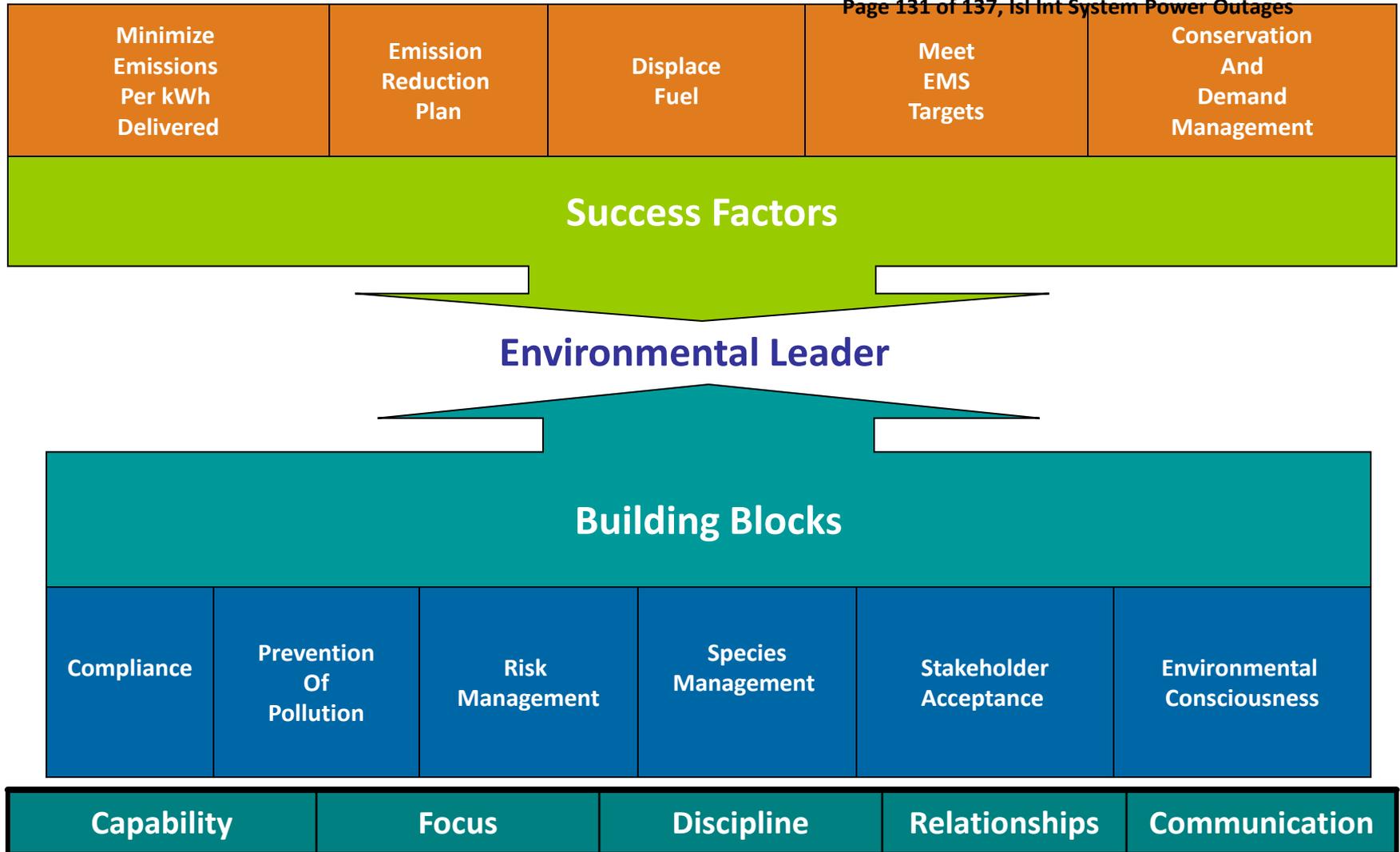
### LAGGING INDICATORS

Medical Treatments, Lost Time Injuries, Severity, analyzed by injury type, part of body, location, etc.

# Safety Culture Model

<p style="text-align: center;"><b>Independent</b></p> <p style="text-align: center;"><b>“Zero is attainable”</b></p> <ul style="list-style-type: none"> <li>• Well understood process and operation</li> <li>• Personal commitment</li> <li>• Supervision/resource comfortable leading or allowing others to lead</li> <li>• Ownership for procedures at team level</li> <li>• Trust allowing for shared logic and ideas</li> </ul>	<p style="text-align: center;"><b>Interdependent</b></p> <p style="text-align: center;"><b>“Zero is sustainable”</b></p> <ul style="list-style-type: none"> <li>• Co-operation within and across teams</li> <li>• Organizational pride</li> <li>• We take care of each other</li> <li>• Self-managed teams</li> <li>• Team fully engaged in the goal</li> </ul> <p style="text-align: right; color: red; font-weight: bold; font-size: 1.5em; transform: rotate(-15deg);">“Desired State”</p>
<p style="text-align: center;"><b>Dependent</b></p> <p style="text-align: center;"><b>“Zero is difficult”</b></p> <ul style="list-style-type: none"> <li>• Management commitment</li> <li>• Governed by rules and regulations</li> <li>• Management centered activities</li> <li>• Selective communication of objectives</li> <li>• Discipline as a development tool</li> <li>• Turf-type atmosphere</li> </ul>	<p style="text-align: center;"><b>Reactive</b></p> <p style="text-align: center;"><b>“Zero is unrealistic”</b></p> <ul style="list-style-type: none"> <li>• Goal of compliance</li> <li>• Discipline is reactive to incidents</li> <li>• Performance driven by management</li> <li>• Management provided resource but lack of management involvement</li> </ul>

# Goal 2: Environment - Framework



# Environment – Air Emissions Detail

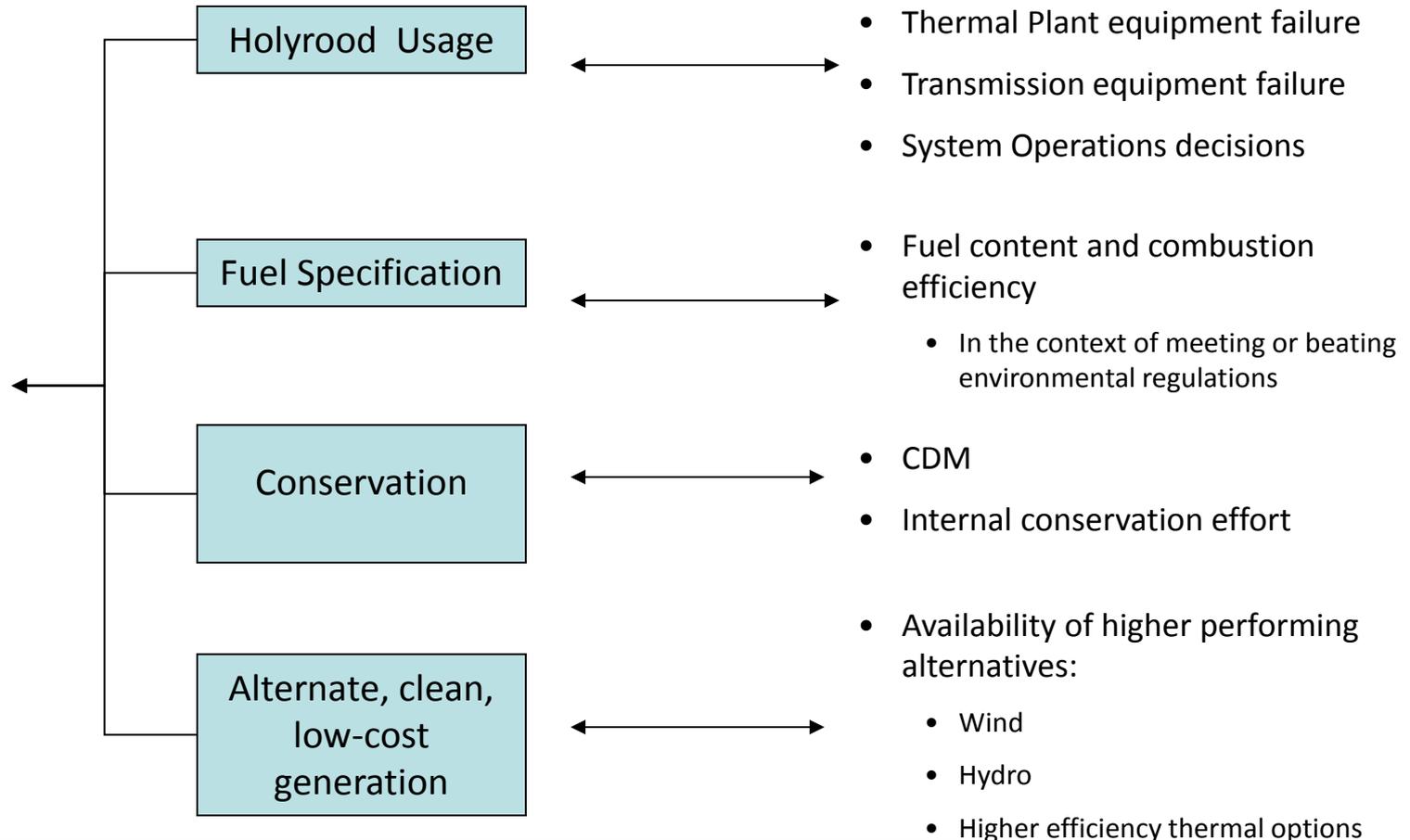
## Outcome Measure

## Mitigation “Levers”

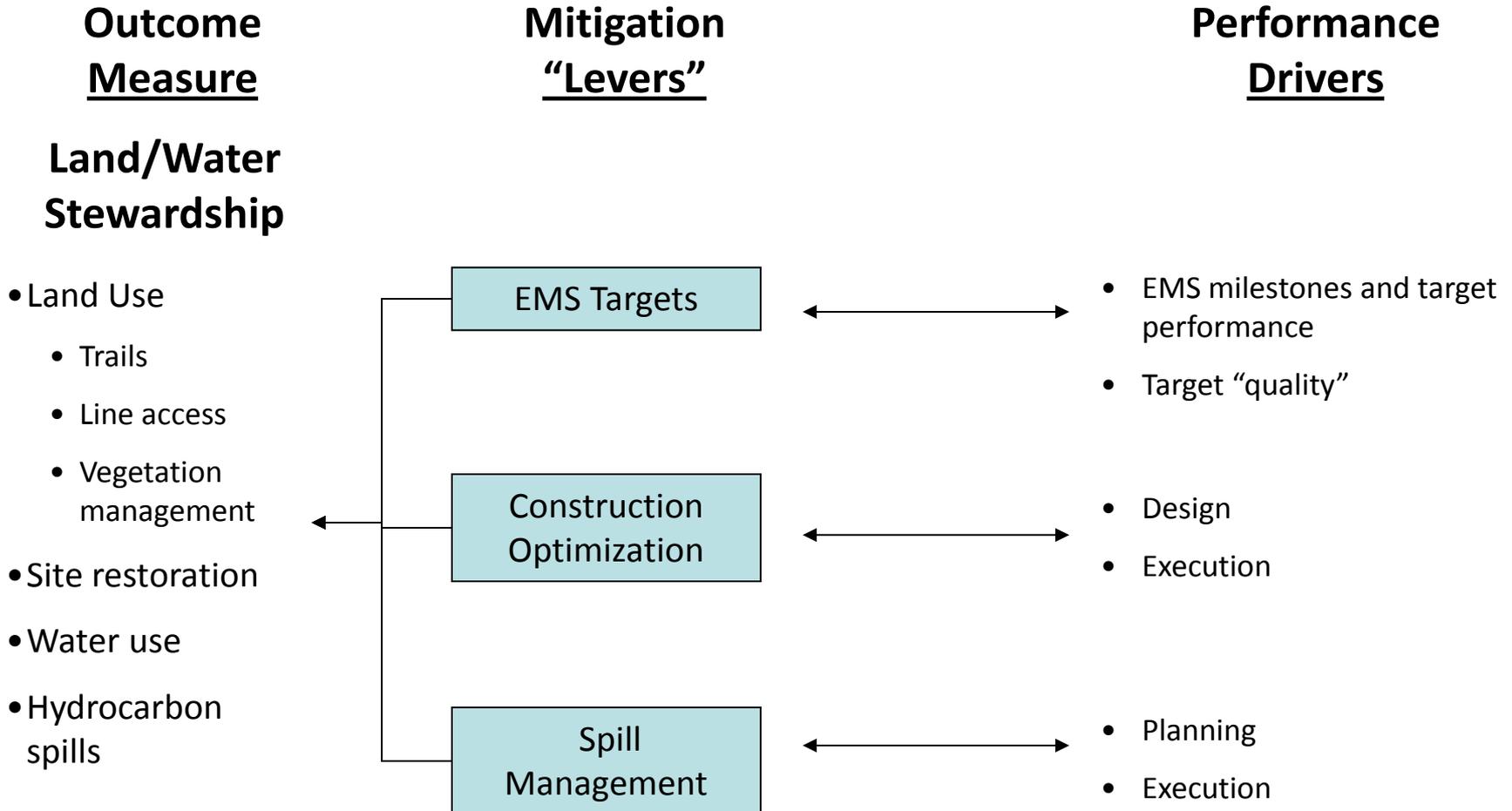
## Performance Drivers

### Level of Air Emissions at Holyrood

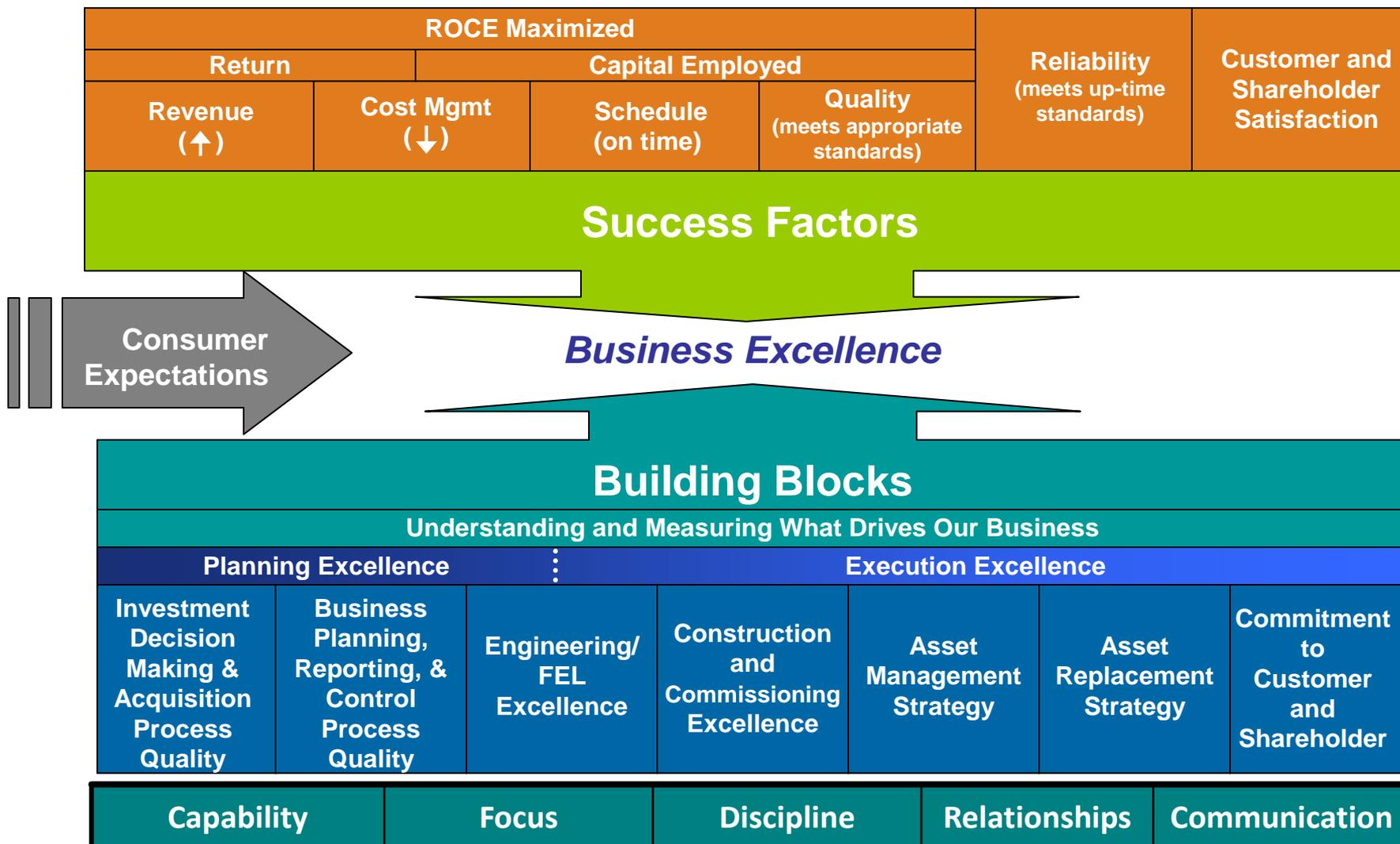
- NO<sub>x</sub>
- SO<sub>x</sub>
- GHG
- Particulate



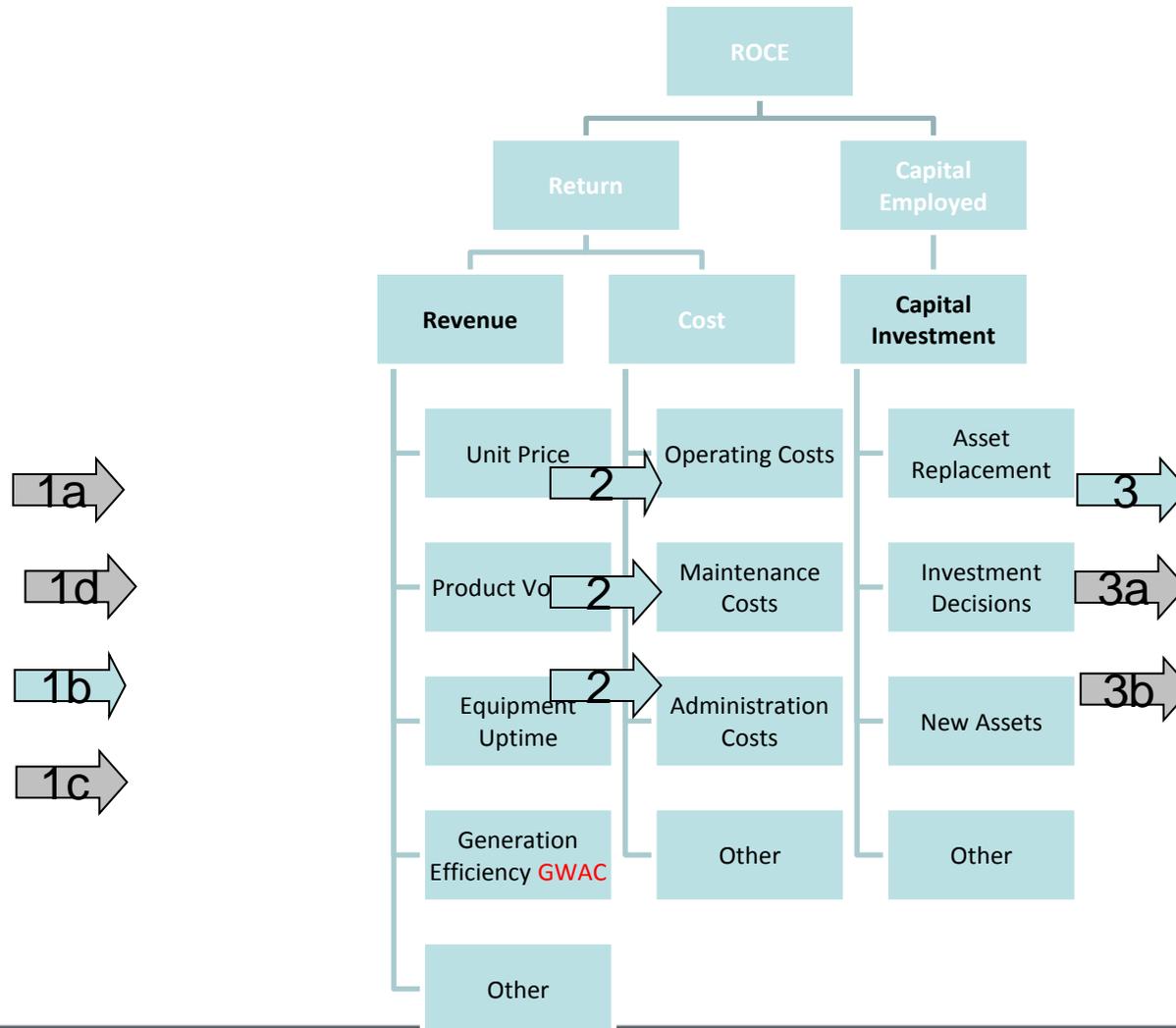
# Environment – Land/Water Detail



# Goal 3: Business Excellence - Framework



# Newfoundland and Labrador Hydro



→ Key drivers

→ Suggested changes 136

# Goal 4: People - Framework



**NALCOR TEAM**  
*Skilled, Motivated and Committed*

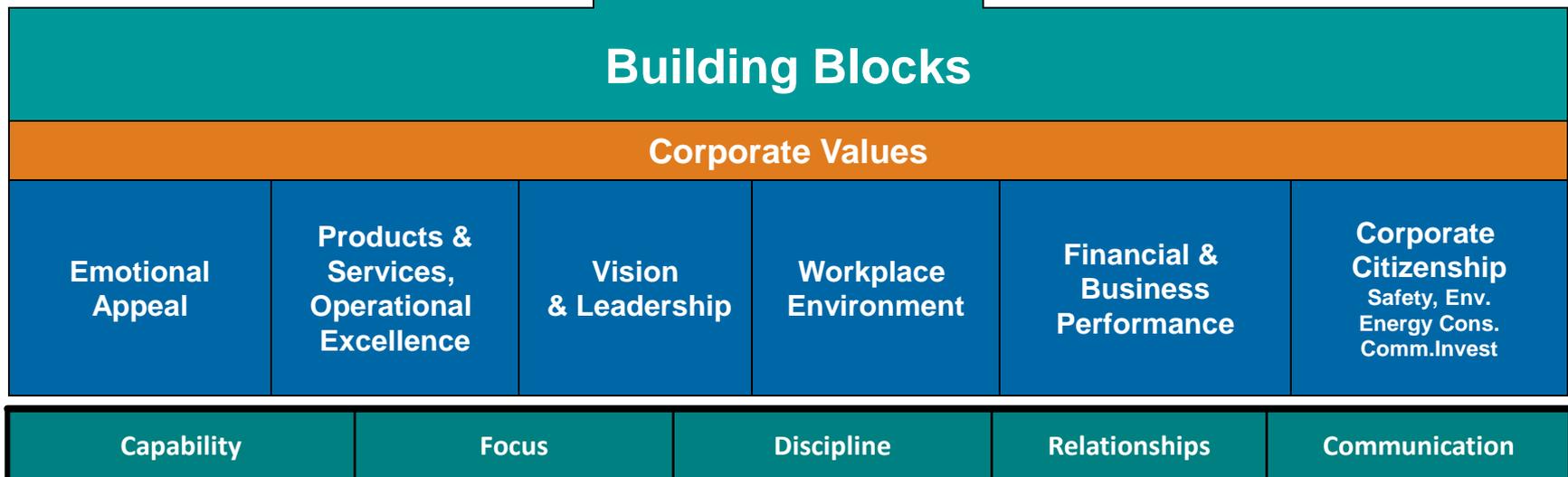


# Goal 5: Community - Framework



**Good Corporate Reputation =**

- Powerful corporate asset
- Insurance policy
- Stakeholder support



# Nalcor Energy

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## 2013-2017 Plan – Hydro

Boundless Energy



February 06, 2013 deck

# Hydro - Plan Highlights

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GOAL	HYDRO			
1. SAFETY	Lead/Lag ratio 600:1	All injury frequency (AIF) $\leq 0.80$	Lost time injury frequency (LTIF) $\leq 0.20$	
	Complete planned 2013 activities related to Work Protection Code			
	Complete planned 2013 activities related to Work Methods and Task Based Risk Assessment for all critical tasks <sup>2</sup>			
	Complete planned 2013 activities related to grounding and bonding <sup>3</sup>			
2. ENVIRONMENT	Complete $\geq 95\%$ of Environmental Management System Targets			
	Reduce Holyrood emissions per unit of energy delivered by achieving $\leq 10.0\%$ variance from N-1 ideal			
	Through Hydro managed CDM programs, achieve 2.9 GWh of energy savings in the residential & commercial area			
	Conduct evaluation of Industrial Energy Efficiency Program (IEEP) and develop multi-year plan			
	Achieve 0.40 GWh of energy savings through Hydro's internal energy efficiency programs			
3. BUSINESS EXCELLENCE				
Finance	Cash from Operations $\geq$ \$68.9M	Capital expenditures = \$86M	Op expenditures $\leq$ \$116.0M	Net Income $\geq$ \$6.2M
	Readiness to file GRA within required timelines and approved rates in less than 8 months from filing			
Project Execution	Quality –improvement of projects delivered, without change orders (right first time)			
	Delivery - delivery of 90% of projects planned to be completed in the execution year			
Reliability/ Asset Management	Maintain generation contingency reserve requirement of $\geq 99.5\%$ <sup>4</sup>			
	Complete 2013 phase of asset management plan <sup>5</sup>			
Future electricity supply	In collaboration with other Nalcor entities, complete 2013 activities to ensure a reliable, cost effective electricity supply for long-term provincial power supply by integrating the Lower Churchill Phase I assets and the Maritime Link into the power system			
Customer Service	Carry out customer improvement plant to ensure a Rural Residential Customer Satisfaction rate of $\geq 90\%$ in 2014			
Non Regulated Assets	Complete planned 2013 activities to finalize integration of Exploits and Menihek with Regulated Operations by 2014			
4. PEOPLE	Complete 95% of EES action plans	Document multi-year plan for Holyrood Generating Station ELAC and complete 2013 activities		
5. COMMUNITY	Complete planned activities to ensure a 74% of the public believe Hydro has a strong reputation in 2013			

## Footnotes

1. Work protection code: Planned 2013 activities include
2. Work methods: Planned 2013 activities include:
3. Grounding and bonding: Planned 2013 activities include: Supporting the development of training in electricity grounding and bonding training for electricity generation operations staff
4. Generation contingency reserve: Measure of availability of system generation. A generating unit is included in the reserve if it is operating or available for operation within a short time period. Performance is tracked and assessed monthly.
5. Asset management: Complete planned 2013 activities:
  - Asset criticality evaluation
  - Critical spares rationalization – Phase 3 – execute gap closure plan from 2012
  - Existing councils – stabilize and grow (Rotating Equipment Essential Care; Long-term Asset Planning; Short-term Work Planning and Scheduling; Transformers and Switchyard; Root Cause Repeat Failure Analysis)
6. General Rate Application (GRA) readiness: Complete planned 2013 activities to support GRA.

# Hydro – Plan detail

PUB-NLH-412, Attachment 4  
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# Goal 1: Safety

# Goal 1: Safety

## OBJECTIVES - Safety

- Improve safety performance to world class standards and sustain this performance.
  - Lead/lag ratio of 1000:1 sustained (2016)
  - All Injury Frequency Rate (AIF)  $\leq 0.50$  sustained or 0 incidents sustained (2016)
  - Lost-Time Injury Frequency Rate (LTIF) of  $\leq 0.15$  sustained or 0 incidents sustained (2015)

## TARGETS - Safety

2013	2014	2015	2016	2017
Achieve safety lead/lag ratio of 600:1	Achieve safety lead/lag ratio of 750:1	Achieve safety lead/lag ratio of 1000:1	Achieve safety lead/lag ratio of 1000:1 sustained	Achieve safety lead/lag ratio of 1000:1 sustained
AIF $\leq 0.80$	AIF $\leq 0.60$	AIF $\leq 0.50$	AIF $\leq 0.50$ sustained	AIF $\leq 0.50$ sustained
LTIF $\leq 0.20$	LTIF $\leq 0.15$	LTIF $\leq 0.15$ sustained	LTIF $\leq 0.15$ sustained	LTIF $\leq 0.15$ sustained
N/A	N/A	Audit based measure of safety management system compliance (TBD in 2013/14)	Audit based measure of safety management system compliance	Audit based measure of safety management system compliance

# Goal 1: Safety

## INITIATIVES – Procedures and Equipment / Competence

2013	2014	2015	2016	2017
<p><u>Work Methods</u></p> <ul style="list-style-type: none"> <li>• Complete Task Inventories for all areas.</li> <li>• Assess Critical Task Inventories for additions or revisions.</li> <li>• Develop TBRA's and Work Methods (Reviewed, Verified or Approved Status) for all critical tasks.</li> <li>• Continue auditing work methods process (TBRA and work methods) and field compliance</li> <li>• A TBRA and Work Method must be developed for each critical task performed.</li> <li>• <b>Note:</b> Exploits/ Menihek to complete 25 % of TBRA's and Work Methods for critical tasks.</li> <li>• A TBRA and Work Method must be developed for all critical tasks performed.</li> </ul>	<p><u>Work Methods</u></p> <ul style="list-style-type: none"> <li>• Assess Critical Task Inventories for additions or revisions.</li> <li>• Develop TBRA's for any new or revised critical tasks.</li> <li>• Develop Work Method for any new or revised critical task.</li> <li>• Assess Critical Task Inventories to consider reduction of critical task criteria to include lower risk tasks</li> <li>• Continue auditing work methods process (TBRA and work methods) and field compliance</li> <li>• Implement gap closure plan from audit results</li> <li>• Perform annual review of approved tasks</li> </ul>	<p><u>Work Methods</u></p> <ul style="list-style-type: none"> <li>• Assess Critical Task Inventories for additions or revisions (considering any new criteria)</li> <li>• Develop TBRA's for all critical tasks.</li> <li>• Develop action plan for development and verification of Work Methods for Lower Risk Tasks meeting new Critical Task criteria.</li> <li>• Continue auditing work methods process (TBRA and work methods) and field compliance</li> </ul>	<p><u>Work Methods</u></p> <ul style="list-style-type: none"> <li>• Assess Critical Task Inventories for additions or revisions (considering any new criteria)</li> <li>• Develop TBRA's for all critical tasks.</li> <li>• Continue auditing work methods process (TBRA and work methods) and field compliance</li> </ul>	<p><u>Work Methods</u></p> <ul style="list-style-type: none"> <li>• Assess Critical Task Inventories for additions or revisions (considering any new criteria)</li> <li>• Develop TBRA's for all critical tasks.</li> <li>• Continue auditing work methods process (TBRA and work methods) and field compliance</li> </ul>

# Goal 1: Safety

## INITIATIVES – Procedures and Equipment / Competence

2013	2014	2015	2016	2017
<p><b><u>Work Protection Code</u></b></p> <ul style="list-style-type: none"> <li>• <b>Software</b> - Review the suitability of using the software application in transmission &amp; distribution sites.</li> <li>• <b>Training</b> - Implement improvements from assessment and continue with online training.</li> <li>• <b>Support</b> - Implement support focusing on role of the supervisor.</li> <li>• <b>Feedback</b> - Complete corporate and local process and paper audits.</li> <li>• <b>Audit</b> - Implement electronic audit tool application</li> </ul>	<p><b><u>Work Protection Code</u></b></p> <ul style="list-style-type: none"> <li>• <b>Training</b> - Continue with online training and evaluate effectiveness.</li> <li>• <b>Support</b> – shape the supervisor as a performance coach</li> <li>• <b>Feedback</b> – review audit process to reflect the impact of the software application</li> </ul>	<p><b><u>Work Protection Code</u></b></p> <ul style="list-style-type: none"> <li>• <b>Training</b> – continue</li> <li>• <b>Support</b> – continue</li> <li>• <b>Feedback</b> – focus on process auditing</li> </ul>	<p><b><u>Work Protection Code</u></b></p> <ul style="list-style-type: none"> <li>• <b>Feedback</b> – focus on process auditing</li> </ul>	<p><b><u>Work Protection Code</u></b></p> <ul style="list-style-type: none"> <li>• <b>Feedback</b> – focus on process auditing</li> </ul>

# Goal 1: Safety

## INITIATIVES – Procedures and Equipment / Competence

2013	2014	2015	2016	2017
<p><b><u>Grounding and Bonding</u></b></p> <ul style="list-style-type: none"> <li>Expand Grounding and Bonding Committee mandate to consider standards for temporary protective grounding and bonding practices including plant and terminal station grounding</li> <li>Commence development of standards for plant and terminal station grounding</li> <li>Audit temporary grounding and bonding practices for line operations</li> <li>Complete Protective Grounding and Bonding training delivery for Line Operations by 2nd Q in 2013</li> <li>Initiate budget proposal for 2014</li> </ul>	<p><b><u>Grounding and Bonding</u></b></p> <ul style="list-style-type: none"> <li>Develop training package for plants and terminal station grounding</li> <li>Develop train the trainer, Select trainers, and commence training</li> <li>Budget additional cost of equipment and material requirements to implement grounding applications including plants and terminals.</li> <li>Audit temporary grounding and bonding practices for line operations</li> <li>Allocate additional funds for training</li> <li>Commence training to plants and terminal stations</li> </ul>	<p><b><u>Grounding and Bonding</u></b></p> <ul style="list-style-type: none"> <li>Purchase equipment and material to implement grounding applications in plants and stations.</li> <li>Audit temporary grounding and bonding practices.</li> </ul>	<p><b><u>Grounding and Bonding</u></b></p> <ul style="list-style-type: none"> <li>Audit grounding and bonding practices.</li> <li>Review Audit findings.</li> </ul>	<p><b><u>Grounding and Bonding</u></b></p> <ul style="list-style-type: none"> <li>Audit grounding and bonding practices.</li> <li>Review Audit findings.</li> </ul>

# Goal 1: Safety

## INITIATIVES – Procedures and Equipment / Competence

2013	2014	2015	2016	2017
<p><u>Fall Protection</u></p> <ul style="list-style-type: none"> <li>Identify training requirements and continue training as per WHSCC protocol.</li> <li>Develop audit program through the corporate Fall Protection Working Group.</li> <li>Continue with development and revisions of safe work plans.</li> <li>Implement online Fall Protection Equipment Inspection Records Database.</li> </ul>	<p><u>Fall Protection</u></p> <ul style="list-style-type: none"> <li>Identify training requirements and continue training as per WHSCC protocol.</li> <li>Participate in audit program through the corporate Fall Protection Working Group.</li> </ul>	<p><u>Fall Protection</u></p> <ul style="list-style-type: none"> <li>Identify training requirements and continue training as per WHSCC protocol.</li> <li>Participate in audit program through the corporate Fall Protection Working Group.</li> </ul>	<p><u>Fall Protection</u></p> <ul style="list-style-type: none"> <li>Identify training requirements and continue training as per WHSCC protocol.</li> <li>Participate in audit program through the corporate Fall Protection Working Group.</li> </ul>	<p><u>Fall Protection</u></p> <ul style="list-style-type: none"> <li>Identify training requirements and continue training as per WHSCC protocol.</li> <li>Participate in audit program through the corporate Fall Protection Working Group.</li> </ul>

# Goal 1: Safety

## INITIATIVES – Procedures and Equipment / Competence

2013	2014	2015	2016	2017
<p><u>Confined Space</u></p> <ul style="list-style-type: none"> <li>Identify those requiring training and develop plan to deliver training consistent with 2013 WHSCC requirements.</li> <li>Develop audit protocol for Confined Space Program</li> </ul>	<p><u>Confined Space</u></p> <ul style="list-style-type: none"> <li>Continue training as per WHSCC requirements</li> <li>Continue auditing</li> </ul>	<p><u>Confined Space</u></p> <ul style="list-style-type: none"> <li>Continue training as per WHSCC requirements</li> <li>Continue auditing.</li> </ul>	<p><u>Confined Space</u></p> <ul style="list-style-type: none"> <li>Continue training as per WHSCC requirements</li> <li>Continue auditing</li> </ul>	<p><u>Confined Space</u></p> <ul style="list-style-type: none"> <li>Continue training as per WHSCC requirements</li> <li>Continue auditing</li> </ul>
<p><u>Incident investigation</u></p> <ul style="list-style-type: none"> <li>Identify those that require training and continue training.</li> </ul>	<p><u>Incident investigation</u></p> <ul style="list-style-type: none"> <li>Identify those that require training and continue training.</li> </ul>	<p><u>Incident investigation</u></p> <ul style="list-style-type: none"> <li>Identify those that require training and continue training.</li> </ul>	<p><u>Incident investigation</u></p> <ul style="list-style-type: none"> <li>Identify those that require training and continue training.</li> </ul>	<p><u>Incident investigation</u></p> <ul style="list-style-type: none"> <li>Identify those that require training and continue training.</li> </ul>

# Goal 1: Safety

## INITIATIVES – Procedures and Equipment / Competence

2013	2014	2015	2016	2017
<p><u>Occupational Health</u></p> <p><b>Hearing Conservation</b></p> <ul style="list-style-type: none"> <li>• Coordinate scheduling of annual audiometric testing for noise exposed employees.</li> <li>• Continue noise mapping as required.</li> <li>• Coordinate scheduling of and present hearing conservation training to noise exposed employees.</li> <li>• Develop audit protocol</li> </ul>	<p><u>Occupational Health</u></p> <p><b>Hearing Conservation</b></p> <ul style="list-style-type: none"> <li>• Continue training.</li> <li>• Continue auditing</li> </ul>	<p><u>Occupational Health</u></p> <p><b>Hearing Conservation</b></p> <ul style="list-style-type: none"> <li>• Continue training.</li> <li>• Continue auditing</li> </ul>	<p><u>Occupational Health</u></p> <p><b>Hearing Conservation</b></p> <ul style="list-style-type: none"> <li>• Continue training.</li> <li>• Continue auditing</li> </ul>	<p><u>Occupational Health</u></p> <p><b>Hearing Conservation</b></p> <ul style="list-style-type: none"> <li>• Continue training.</li> <li>• Continue auditing</li> </ul>

## INITIATIVES – Leadership/ Supportive Culture

2013	2014	2015	2016	2017
<p><u>Supportive Culture</u></p> <p><b>Vulnerable workers</b></p> <ul style="list-style-type: none"> <li>Review progress, implement actions to address gaps/opportunities</li> <li>Review Local Orientation as per Corporate Local Orientation Standard</li> <li>Revisit Task Observations</li> </ul>	<p><u>Supportive Culture</u></p> <p><b>Vulnerable workers</b></p> <ul style="list-style-type: none"> <li>Review progress, implement actions to address gaps/opportunities</li> </ul>	<p><u>Supportive Culture</u></p> <p><b>Vulnerable workers</b></p> <ul style="list-style-type: none"> <li>Monitor performance, adjust as required</li> </ul>	<p><u>Supportive Culture</u></p> <p><b>Vulnerable workers</b></p> <ul style="list-style-type: none"> <li>Monitor performance, adjust as required</li> </ul>	<p><u>Supportive Culture</u></p> <p><b>Vulnerable workers</b></p> <ul style="list-style-type: none"> <li>Monitor performance, adjust as required</li> </ul>
<p><u>Supportive Culture</u></p> <p><b>Safety coaching</b> Continue Phase II coaching workshop for existing workforce</p>	<p><u>Supportive Culture</u></p> <p><b>Safety coaching</b> Continue Phase II coaching workshop for existing workforce by end of 2014.</p>	<p><u>Supportive Culture</u></p> <p><b>Safety coaching</b> To be determined</p>	<p><u>Supportive Culture</u></p> <p><b>Safety coaching</b> To be determined</p>	<p><u>Supportive Culture</u></p> <p><b>Safety coaching</b> To be determined</p>

# Goal 1: Safety

## INITIATIVES – Leadership/ Supportive Culture

2013	2014	2015	2016	2017
<p><u>Supportive Culture</u></p> <ul style="list-style-type: none"> <li>Develop multi year plan to enhance safety culture and complete planned 2013 activities.</li> <li>Continue delivery of SWOP training</li> </ul>	<p><u>Supportive Culture</u></p> <ul style="list-style-type: none"> <li>Complete planned 2014 activities outlined in multi year safety culture plan</li> <li>Continue delivery of SWOP training</li> </ul>	<p><u>Supportive Culture</u></p> <ul style="list-style-type: none"> <li>Complete planned 2015 activities outlined in multi year safety culture plan</li> <li>Complete Safety Culture Survey to identify future focus areas</li> <li>Continue delivery of SWOP training</li> </ul>	<p><u>Supportive Culture</u></p> <ul style="list-style-type: none"> <li>Develop/ execute Safety Culture change plan based on 2015 safety culture survey results and complete 2016 activities</li> <li>Continue delivery of SWOP training</li> </ul>	<p><u>Supportive Culture</u></p> <ul style="list-style-type: none"> <li>Identify and complete safety culture change plan based on 2015 safety culture survey results</li> <li>Continue delivery of SWOP training</li> </ul>

# Goal 1: Safety

## INITIATIVES – Public Safety/ Supportive Culture

2013	2014	2015	2016	2017
<p><u>Supportive Culture</u> <b>Occupational Health &amp; Wellness</b></p> <p>Identify and complete 2013 activities to support corporate wellness strategy</p>	<p><u>Supportive Culture</u> <b>Occupational Health &amp; Wellness</b></p> <p>Identify and complete 2014 activities to support corporate wellness strategy</p>	<p><u>Supportive Culture</u> <b>Occupational Health &amp; Wellness</b></p> <p>Identify and complete 2015 activities to support corporate wellness strategy</p>	<p><u>Supportive Culture</u> <b>Occupational Health &amp; Wellness</b></p> <p>To Be determined</p>	<p><u>Supportive Culture</u> <b>Occupational Health &amp; Wellness</b></p> <p>To be determined</p>
<p>Support Corporate Communications in the development of its Public Safety campaign specifically as it relates to electrical line contacts.</p>	<p>Continue support of public safety campaign</p>	<p>Continue support of public safety campaign</p>	<p>Continue support of public safety campaign</p>	<p>Continue support of public safety campaign</p>

# Goal 1: Safety

## INITIATIVES – Reporting/ Continuous Improvement

2013	2014	2015	2016	2017
<p><b>Prevention Awareness</b></p> <p>Participate in awareness campaign activities relevant to line of business/functional area/department/ plant/region (slips/trips/falls; hand-related injuries; sprains/strains; and vulnerable workers)</p>	<p><b>Prevention Awareness</b></p> <p>Continue Awareness campaign, adjust as needed based on 2013 safety performance</p>	<p><b>Prevention Awareness</b></p> <p>Continue Awareness campaign, adjust as needed based on 2014 safety performance</p>	<p><b>Prevention Awareness</b></p> <p>To Be determined</p>	<p><b>Prevention Awareness</b></p> <p>To be determined</p>
<p><b>Arc Flash</b></p> <p>Support PETS in evaluation of Arc Flash compliance</p>	<p><b>Arc Flash</b></p> <p>Support PETS in evaluation of Arc Flash compliance</p>	<p><b>Arc Flash</b></p> <p>To be determined</p>	<p><b>Arc Flash</b></p> <p>To be determined</p>	<p><b>Arc Flash</b></p> <p>To be determined</p>

# Goal 2: Environment

# Goal 2: Environment

## OBJECTIVES - Environment

- Maintain the number of environmental leadership\* targets accomplished at 95%.

## TARGETS - Environment

2013	2014	2015	2016	2017
Number of environmental leadership targets accomplished within Nalcor Energy at 95%	Number of environmental leadership targets accomplished within Nalcor Energy at 95%	Number of environmental leadership targets accomplished within Nalcor Energy at 95%	Number of environmental leadership targets accomplished within Nalcor Energy at 95%	Number of environmental leadership targets accomplished within Nalcor Energy at 95%

# Goal 2: Environment

<b>INITIATIVES – Environment</b>				
<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Environmental Management System targets identified and Program Leaders established	Environmental Management System targets identified and Program Leaders established	Environmental Management System targets identified and Program Leaders established	Environmental Management System targets identified and Program Leaders established	Environmental Management System targets identified and Program Leaders established
Review and approval of proposed Environmental Management System targets	Review and approval of proposed Environmental Management System targets	Review and approval of proposed Environmental Management System targets	Review and approval of proposed Environmental Management System targets	Review and approval of proposed Environmental Management System targets
Monthly update to status of EMS targets				

# Goal 2: Environment

2013 INITIATIVES - Environment			
INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
Environmental Management System targets identified and Program Leaders established	Proposed EMS targets	EMS Management Representatives	January 2013
Review and approval of proposed Environmental Management System targets	Approved EMS targets	NLH Leadership Team	January 2013
Monthly update to status of EMS targets	Monthly report to NLH Leadership Team on EMS target status	EMS target Program Leader	monthly

# Goal 2: Environment

## OBJECTIVES - Environment

- Minimize production requirements and associated air emissions from the Holyrood Thermal Generating Station

## TARGETS - Environment

2013	2014	2015	2016	2017
Emission Variance from ideal at Holyrood <10%	Emission Variance from ideal at Holyrood <10%	Emission Variance from ideal at Holyrood <10%	Emission Variance from ideal at Holyrood <10%	Emission Variance from ideal at Holyrood <10%
Achieve 2.9 GWh of annual energy savings in residential and commercial sectors, through Hydro managed conservation and demand management programs	Achieve 2.2 GWh of annual energy savings in residential and commercial sectors through Hydro managed conservation and demand management programs	Achieve 1.2 GWh of annual energy savings in residential and commercial sectors through Hydro managed conservation and demand management programs	Achieve 1.2 GWh of annual energy savings in residential and commercial sectors through Hydro managed conservation and demand management programs	Achieve 1.2 GWh of annual energy savings in residential and commercial sectors through Hydro managed conservation and demand management programs

# Goal 2: Environment

## OBJECTIVES - Environment

- Minimize production requirements and associated air emissions from the Holyrood Thermal Generating Station (Continued)

## TARGETS - Environment

2013	2014	2015	2016	2017
Complete implementation of 2013 activities related to IEEP.				
Achieve 0.4 GWh of annual energy savings through internal energy efficiency programs.	Achieve 0.15 GWh of annual energy savings through internal energy efficiency programs.	Achieve 0.15 GWh of annual energy savings through internal energy efficiency programs.	Achieve 0.15 GWh of annual energy savings through internal energy efficiency programs.	Achieve 0.15 GWh of annual energy savings through internal energy efficiency programs.
Subject to external policy approval requirements, implement an Independent Distributed Generation (Net Metering).				

# Goal 2: Environment

2013 INITIATIVES - Environment				
2013	2014	2015	2016	2017
Implement programs as per the approved 5 Yr Plan	Conduct update of CDM potential study	Develop updated joint utility program Plan & prepare submission to PUB	Implement new programs as outlined in the approved Plan	
Conduct evaluation of Industrial Energy Efficiency Program (IEEP) and provide recommendations for next steps.	Address recommendations from IEEP Review.			
Develop and implement a communication plan for the results of the FEUP.	Determine metrics which evaluate the performance of IEE initiatives in addition to energy savings.			
Each region to create a minimum of one EE related EMS target.	Each region to create a minimum of one EE related EMS target.	Each region to create a minimum of one EE related EMS target.	Evaluate effectiveness of EE related EMS targets in achieving EE savings.	Each region to create a minimum of one EE related EMS target.

# Goal 2: Environment

2013 INITIATIVES - Environment				
2013	2014	2015	2016	2017
Subject to external policy approval requirements, implement internal action to support an Independent Distributed Generation (Net Metering).				
Complete a RATA on the CEMS system				
Perform required testing or data collection for dispersion modelling.				
Improve HTGS reliability				

# Goal 2: Environment

## 2013 INITIATIVES - Environment

INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
Implement programs as per the approved 5 Yr Plan	New programs to market: Business Efficiency Program (BEP) HE HRVs Expanded Commercial Lighting	EE group	TBD with NP BEP – Q4 tentative HRV – Q2 tentative Lighting – Q2 tentative
Complete readiness work for boardroom meetings with each IC.	Deck template completed re: review identified CDM opportunities and possible next steps to capture savings.	J. DeCoste	Q1
Develop IC employee engagement tools to increase awareness of energy efficiency opportunities and actions.	Key messages prepared, draft pieces prepared for newsletter use, slide deck.	J. DeCoste	Q2
Conduct evaluation of IEEP structure.	Completed review of the IEEP to be conducted by consultant.	J. DeCoste, S. Browne	Q4

# Goal 2: Environment

2013 INITIATIVES - Environment			
INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
Develop and implement a communication plan for the results of the FEUP.	Development of communication plan.	John Poole, Simone Browne	Nov 2013
Each region to create and complete a minimum of one EE related EMS target.	Implementation of one EMS target per region which results in energy savings.	EE Group, HTGS, TROC, TRON, TROL, Hydro Generation	Throughout 2013

# Goal 2: Environment

2013 INITIATIVES - Environment			
INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
Subject to external policy approval requirements, implement internal action to support an Independent Distributed Generation (Net Metering).	Independent Distributed Generation (Net Metering) submitted to the PUB for review.	Net-metering policy group.	Nov 2013
Complete RATA on CEMS System	Complete RATA		December 31, 2013
Collect data for dispersion modelling	Collect data.		December 31, 2013
Implement recommendations of the GAP analysis of the steam condenser maintenance study from 2012	Present GAP analysis report to Plant Management and develop implementation plan.		December 31, 2013
Improve HTGS reliability	Pending final approval and as part of the project, Replace Static Excitation Systems, complete the scheduled portion of the Replace Unit 3 Exciter work.		December 31, 2013

# Goal 2: Environment

## OBJECTIVES – Environment

- Reduce or minimize environmental risks and emissions from diesel generation systems

## TARGETS - Environment

2013	2014	2015	2016	2017
Implement Phase 1 of plan developed in 2012 for electronic acquisition of diesel plant production data.	Implement Phase 2 of Plan developed in 2012.	Implement Phase 3 of plan developed in 2012	Implement Phase 4 of plan developed in 2012 (completion of project assuming communication problems are resolved at all sites)	

# Goal 2: Environment

## OBJECTIVES - Environment

- Reduce or minimize environmental risks and emissions from diesel generation systems (continued)

## TARGETS – Environment

2013	2014	2015	2016	2017
Coastal Labrador Wind Monitoring Program <ul style="list-style-type: none"> <li>• Erection of hub-height wind monitoring towers</li> <li>• Wind data summary report.</li> </ul>	Wind data summary report.	Wind data summary report.  Prepare a feasibility report with an overall ranking of potential wind generation sites		
Feasibility Study of Hydraulic Potential of Coastal Labrador <ul style="list-style-type: none"> <li>• Install flow monitoring stations (2 OF 3), if deemed necessary.</li> <li>• Annual stream flow data report</li> </ul>	Annual stream flow data report	Annual stream flow data report  Final flow data report	Annual stream flow data report  Final flow data report	

# Goal 2: Environment

## INITIATIVES – Environment

2013	2014	2015	2016	2017
Monitor data and analyze for plant efficiency and emission reduction potential for plants completed.	Monitor data and analyze for plant efficiency and emission reduction potential for plants completed in Phase 1.	Monitor data and analyze for plant efficiency and emission reduction potential for plants completed in Phase 1 and 2.	Monitor data and analyze for plant efficiency and emission reduction potential for plants completed in Phase 1 2 and 3.	•Monitor data and analyze for plant efficiency and emission reduction potential for plants completed in Phase 1 2, 3 and 4.

# Goal 2: Environment

## INITIATIVES – Environment

2013	2014	2015	2016	2017
Coastal Labrador Wind Monitoring Program	Coastal Labrador Wind Monitoring Program	Coastal Labrador Wind Monitoring Program		
Feasibility Study of Hydraulic Potential of Coastal Labrador	Feasibility Study of Hydraulic Potential of Coastal Labrador	Feasibility Study of Hydraulic Potential of Coastal Labrador	Feasibility Study of Hydraulic Potential of Coastal Labrador	

# Goal 2: Environment

INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
Implement Phase 1 of plan developed in 2012.	Acquire data from at least one plant and develop monthly report from PI.	Information Systems and TRO Operations	December 2013
Coastal Labrador Wind Monitoring Program	<ul style="list-style-type: none"> <li>•Erection of hub-height wind monitoring towers</li> <li>•Wind data summary report</li> </ul>	Project Execution and Technical Services via professional services contract	November 2013 December 2013
Feasibility Study of Hydraulic Potential of Coastal Labrador	<ul style="list-style-type: none"> <li>•Develop stream flow monitoring program</li> <li>•Install flow monitoring stations</li> <li>•Submission of Feasibility Report</li> </ul>	Project Execution and Technical Services via professional services contract	November 2013, November 2013, November 2013

# Goal 2: Environment

## OBJECTIVES - Environment

- Remove all sealed equipment that contains, or could potentially contains, greater than or equal to 50 mg/kg (ppm) of PCBs from service by 2025\*

## TARGETS - Environment

2013	2014	2015	2016	2017
Evaluate plan and produce annual summary for 2012 with a focus to meet 2025 deadline of having concerned PCB sealed equipment removed from service.	Evaluate plan and produce annual summary for 2013 with a focus to meet 2025 deadline of having concerned PCB sealed equipment removed from service.	Evaluate plan and produce annual summary for 2014 with a focus to meet 2025 deadline of having concerned PCB sealed equipment removed from service.	Evaluate plan and produce annual summary for 2015 with a focus to meet 2025 deadline of having concerned PCB sealed equipment removed from service.	Evaluate plan and produce annual summary for 2016 with a focus to meet 2025 deadline of having concerned PCB sealed equipment removed from service.

\*This objective assumes that Environment Canada will formally agree to proposals made by the Canadian Electricity Association to extend the requirement for removal of sealed equipment that may contain PCBs from 2014 to 2025.

# Goal 2: Environment

<b>INITIATIVES – Environment</b>				
<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Execute bushing and instrument transformer replacement plan for 2013 as submitted to Environment Canada	Execute bushing and instrument transformer replacement plan for 2014 as submitted to Environment Canada	Execute bushing and instrument transformer replacement plan for 2015 as submitted to Environment Canada	Execute bushing and instrument transformer replacement plan for 2016 as submitted to Environment Canada	Execute bushing and instrument transformer replacement plan for 2017 as submitted to Environment Canada
Update capital budget proposals for oil circuit breaker replacements, transformer bushing replacements and instrument transformer replacements	Update capital budget proposals for oil circuit breaker replacements transformer bushing replacements and instrument transformer replacements	Update capital budget proposals for oil circuit breaker replacements transformer bushing replacements and instrument transformer replacements	Update capital budget proposals for oil circuit breaker replacements transformer bushing replacements and instrument transformer replacements	Update capital budget proposals for oil circuit breaker replacements transformer bushing replacements and instrument transformer replacements

# Goal 2: Environment

2013 INITIATIVES - Environment			
INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
Execute bushing and instrument replacement plan for 2013 as submitted to Environment Canada	Replacement of instrument transformers and bushings as outlined in plan.	TRO Operations, and Project Execution and Technical Services	Throughout 2013
Update 2014 capital budget proposals for oil circuit breaker replacements, transformer bushing replacements and instrument transformer replacements	2014 Capital budget proposals prepared for oil circuit breaker replacements, transformer bushing replacements and instrument transformer replacements	TRO Operations, and Project Execution and Technical Services	April 2013

# Goal 3: Business Excellence: Finance

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# Goal 3: Business Excellence: Asset Management

PUB-NLH-412, Attachment 4  
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## OBJECTIVES – Asset Management

- Improve long term asset planning maturity
- Improve short term planning and scheduling maturity
- Improve maturity in root cause and repeat failure analysis
- Obtain common alignment with asset owners group on their role in leading teams and business units to excellence
- Focus development on most critical assets first
- Establish self-assessments as a tool to guide and measure improvement

## TARGETS– Asset Management

2013	2014	2015	2016	2017
<p>Baseline performance against gated 2013 metrics &amp; set targets for 2014 performance</p> <ul style="list-style-type: none"> <li>• Weekly schedule compliance</li> <li>• Monthly annual work plan red line reviews</li> <li>• Emergency work</li> <li>• Total base annual controllable O&amp;M cost</li> <li>• Change in 5 year capital project plans</li> <li>• LTAP function maturity</li> <li>• STWPS function maturity</li> <li>• PM Program compliance</li> <li>• Self-assessments</li> </ul>				

# Goal 3: Business Excellence – Asset Management, 2013-2017

## STRATEGIC INITIATIVES– Asset Management

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	2013	2014	2015	2016	2017
Threshold	Asset Condition Assessment Module Implementation – communicate within LOB’s and plan assessments into oper’g budgets	Evaluate Effectiveness/Adjust AM Strategy – Performance	Integrate Strategic, Financial, and Asset Plans & Risk	Reliability Analysis	Evaluate AM Effectiveness & Adjust
	Design Standards, Planning Criteria, Operating Parameters – Phase 2 LOB’s Execute Gap Closure Plan, continued	Design Standards, Planning Criteria, Operating Parameters – Phase 2 LOB’s Execute Gap Closure Plan	Consolidate Asset History and Technical Data	Knowledge Management Development	Knowledge Management Implementation
	Review and refresh 5 year project plans, includes MOC and high level implement plan	Review and refresh 5 year project plans, integrate risk (failure probability & impact)	Review and refresh Long Term Plans, includes 5 year	Review and refresh 5 year plans	Review and refresh 5 year plans
Target	Self-Assessment of Asset Management Maturity by region (AO group to refresh survey)	Self-Assessments by region	Self-Assessments by region	Self-Assessments by region	Self-Assessments by region
	Asset Criticality Evaluation by Applicable LOB	Asset Condition Inspection Module Development	Asset Condition Inspection Implementation	Condition Monitoring Module Development	Condition Monitoring Module Implementation
	Critical Spares Rationalization – Phase 3 Execute Gap Closure Plan from 2012	Critical Spares Rationalization – Phase 3 Execute Gap Closure Plan	Operator Asset Care and Craft Flexibility	Life Cycle Cost Analysis	RCM (Overall Unit Effectiveness)
Opportunity	Existing Councils – stabilize and grow <ul style="list-style-type: none"> <li>- Rotating Equip Essential Care</li> <li>- LTAP</li> <li>- STWPS</li> <li>- Transformers &amp; Switchyard</li> <li>- RCRFA</li> </ul>	TBD from Council specific, prioritized development plans <ul style="list-style-type: none"> <li>- Data need and issues, gap analysis</li> <li>- External Assessment of Asset Management Maturity</li> </ul>	TBD from Council specific, prioritized development plans <ul style="list-style-type: none"> <li>- Metrics refresh</li> <li>- Update capital process from lessons learned</li> </ul>	TBD from Council specific, prioritized development plans	TBD from Council specific, prioritized development plans
	New Councils (Initiate & Plan Forward) <ul style="list-style-type: none"> <li>- Dam s and Dykes</li> <li>- Asset Owner Function</li> </ul>	New Councils Development <ul style="list-style-type: none"> <li>- Condition Inspection &amp; Monitoring</li> </ul>	Equipment Standardization	AM/CMMS Integration	Benchmarking
	(AM) Training and Skills Development <ul style="list-style-type: none"> <li>- Build into personal development plans for key functional roles on needs basis</li> </ul>	Establish Experts List (Internal & External SME’s)	AM/CMMS Evaluation	Evaluate PAS 55/ISO Benefits of Compliance	Vendor Reliability
Create Asset Management General Information Portal	Integrate AMS with Other LOB’s (Beyond Electricity)	Materials Management Review	Review /update Standard Asset Hierarchies		

# Goal 3: Business Excellence – Asset Management

## 2013 Initiatives

2013 INITIATIVES – Asset Management			
INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
Asset Condition Assessment Module Implementation – communicate within LOB’s and plan assessments into operating budgets	Show critical condition assessments in 5 year plan for operating exceptions (budget)	Asset Owners with LTAP support	Q1-Q2
Design Standards, Planning Criteria, Operating Parameters – Phase 2 LOB’s Execute Gap Closure Plan, continued	Execute 2013 portion of the Basis of Design Gap Closure Plan (previously created and updated by LOB’s)	Asset Owners	Q1-Q2
Review and refresh 5 year project plans, includes MOC and high level implementation plan, scopes and justifications	Update existing plans and align with capital budgeting process	LTAP’s	Q1
	Document 5 year operating projects plan	LTAP’s	Q2
Self-Assessment of Asset Management Maturity (survey to be updated through Asset Owner council)	Complete and analyze updated standard survey, report survey results to OAM in standard format, use results as input to 2014 strategic plan	Asset Owners	Q1 – Q2

Threshold

# Goal 3: Business Excellence – Asset Management 2013 Initiatives

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## 2013 INITIATIVES – Asset Management

INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
Asset Criticality Evaluation by Applicable LOB	Perform asset criticality rankings and file with OAM	LTAP's	Q1-Q3
Critical Spares Rationalization – Phase 3 Execute Gap Closure Plan from 2012	Execute 2013 portion of the Gap Closure Plan (as created by LOB's in 2012)	LTAP's	Q1-Q3
Existing Councils - Rotating Equipment Ess Care Council - LTAP Council - STWPS Council - Transformers & Switchyard Council - RCRFA Council	Develop lubrication self-assessment pkg and multi-year initiatives plan Develop LTAP self-assessment pkg & baseline applicable targets Develop STWPS self-assessment pkg and multi-year initiatives plan and baseline applicable targets Develop standard transformer test procedure and multi-year development plan Develop RCRFA self-assessment pkg	REEC Council LTAP Council STWPS Council T&S Council RCRFA Council	Q1-Q3 Q1-Q3 Q1-Q3 Q1-Q3 Q1-Q3

Target

# Goal 3: Business Excellence – Asset Management

## 2013 Initiatives

### 2013 INITIATIVES – Asset Management

INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
New Councils <ul style="list-style-type: none"> <li>• Dam s and Dykes</li> <li>- Asset Owner Function</li> </ul>	Form council and establish plan forward Form council and establish plan forward and baseline applicable targets	OAM with LOB OAM with LOB	Q3 Q1
Training and Skills Development - Build into personal development plans for key functional roles	Build asset management role related training into personal development plans for core asset management functions on a needs basis	Asset Owners	Q1-Q2
Create Asset Management General Information Portal	Work with IS to create an Asset Management information access portal	OAM with IS support	Q1-Q4

Opportunity

# Goal 3: Business Excellence: Reliability

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# 2013 Reliability Performance Measures

The Contingency Reserve measure for 2013 and beyond is proposed to be a reliability check of system generation reserve against loss of single largest unit in ensuring that system load would be met. A unit is included in the reserve if it is operating or available for operation within a short time period (typically 15 minutes or less). Violations are reflected in one of four 'bins'; Thermal, Hydro, TRO and System Operations. Annual targets are set to show continual improvement, with an objective to meet and maintain the annual contingency reserve requirement of 99.7% through the period of 2014-2017. Performance will be tracked and reported monthly.

For 2013, it is proposed that the Delivery Point Unsupplied Energy measure will include the impact of Planned, Forced, and Under Frequency Load Shedding events. The 2013 targets for forced and under frequency events are set to the previous year's targets. The 2013 target for planned is based on the 2007 to 2011 five year average.

For the transmission system, 2013 T-SAIFI and T-SAIDI targets are set at the same level as the previous year. Future targets are set to show a 5 % year over year improvement with the goal of approaching the CEA top quartile in 2017.

The Service Continuity targets will follow the previous years objective of a 5 % year over year improvement which is primarily attributable to capital enhancement work. There are also expected improvements to service continuity performance as the result of improved delivery point performance.

# Goal 3: Business Excellence

## OBJECTIVES – Reliability

- By 2014, meet and maintain the contingency reserve requirement of 99.7% through the period of 2014-2017.
- Establish a planned Unsupplied Energy measure and set target at the previous five year average.
- Continuously improve towards the CEA top quartile Transmission delivery point performance over the period 2013 to 2017.
- Set Service Continuity targets to continue to show a five percent improvement over previous years targets.

## TARGETS – Reliability

2013	2014	2015	2016	2017
<p>NLH Contingency Reserve ≥ 99.5%</p> <ul style="list-style-type: none"> <li>•Thermal 18 hours</li> <li>•Hydro 9 hours</li> <li>•TRO 9 hours</li> <li>•Sys Ops 9 hours</li> </ul>	<p>NLH Contingency Reserve ≥ 99.7%</p> <ul style="list-style-type: none"> <li>•Thermal 12 hours</li> <li>•Hydro 6 hours</li> <li>•TRO 6 hours</li> <li>•Sys Ops 6 hours</li> </ul>	<p>NLH Contingency Reserve ≥ 99.7%</p> <ul style="list-style-type: none"> <li>•Thermal 12 hours</li> <li>•Hydro 6 hours</li> <li>•TRO 6 hours</li> <li>•Sys Ops 6 hours</li> </ul>	<p>NLH Contingency Reserve ≥ 99.7%</p> <ul style="list-style-type: none"> <li>•Thermal 12 hours</li> <li>•Hydro 6 hours</li> <li>•TRO 6 hours</li> <li>•Sys Ops 6 hours</li> </ul>	<p>NLH Contingency Reserve ≥ 99.7%</p> <ul style="list-style-type: none"> <li>•Thermal 12 hours</li> <li>•Hydro 6 hours</li> <li>•TRO 6 hours</li> <li>•Sys Ops 6 hours</li> </ul>
<p>Delivery Point Unsupplied Energy (MW-Mins)</p> <ul style="list-style-type: none"> <li>•Planned - 10,000</li> <li>•Forced - 13,500</li> <li>•UFLS - 2,500</li> <li>•Overall – 26,000</li> </ul>	<p>Delivery Point Unsupplied Energy (MW-Mins)</p> <ul style="list-style-type: none"> <li>•Planned - 10,000</li> <li>•Forced - 13,500</li> <li>•UFLS - 2,500</li> <li>•Overall – 26,000</li> </ul>	<p>Delivery Point Unsupplied Energy (MW-Mins)</p> <ul style="list-style-type: none"> <li>•Planned - 10,000</li> <li>•Forced - 13,500</li> <li>•UFLS - 2,500</li> <li>•Overall – 26,000</li> </ul>	<p>Delivery Point Unsupplied Energy (MW-Mins)</p> <ul style="list-style-type: none"> <li>•Planned - 10,000</li> <li>•Forced - 13,500</li> <li>•UFLS - 2,500</li> <li>•Overall – 26,000</li> </ul>	<p>Delivery Point Unsupplied Energy (MW-Mins)</p> <ul style="list-style-type: none"> <li>•Planned - 10,000</li> <li>•Forced - 13,500</li> <li>•UFLS - 2,500</li> <li>•Overall – 26,000</li> </ul>

# Goal 3: Business Excellence

## TARGETS – Reliability (Hydro)

2013	2014	2015	2016	2017
<b>Delivery Point Performance (Forced Outages)</b>				
Hydro – T-SAIFI 0.85 int./DP	Hydro – T-SAIFI 0.81 int./DP	Hydro – T-SAIFI 0.76 int./DP	Hydro – T-SAIFI 0.70 int./DP	Hydro – T-SAIFI 0.67 int./DP
Hydro – T-SAIDI 52.50 min/DP	Hydro – T-SAIDI 49.50 min/DP	Hydro – T-SAIDI 46.50 min/DP	Hydro – T-SAIDI 44.00 min/DP	Hydro – T-SAIDI 41.50 min/DP
<b>Service Continuity Performance (Forced &amp; Planned Outages)</b>				
Hydro – SAIFI 3.65 int/cust	Hydro – SAIFI 3.47 int/cust	Hydro – SAIFI 3.29 int/cust	Hydro – SAIFI 3.13 int/cust	Hydro – SAIFI 2.97 int/cust
Hydro – SAIDI 5.90 hrs/cust	Hydro – SAIDI 5.60 hrs/cust	Hydro – SAIDI 5.32 hrs/cust	Hydro – SAIDI 5.06 hrs/cust	Hydro – SAIDI 4.81 hrs/cust

# Goal 3: Business Excellence: Future Reliable Cost Effective Supply of Electricity

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# Goal 3: Business Excellence

## OBJECTIVES – Reliable Least Cost Supply

- Electricity Supply Cost - Establish long term energy supply which is least cost which meets Provincial energy consumers requirements.

## TARGET – Electricity Cost

2013	2014	2015	2016	2017
Wholesale Transmission Level Energy Cost per MWh Island Interconnected System				

# INITIATIVES – Reliable Least Cost Supply

2013	2014	2015	2016	2017
<ul style="list-style-type: none"> <li>Execute project plan for Bay d’Espoir to Western Avalon transmission upgrade.</li> <li>Execute 2013 project plan for the new Holyrood Combustion Turbine project.</li> <li>Execute 2013 project plan for breaker upgrades.</li> <li>Complete a study recommending the future least cost supply to the Happy Valley area.</li> </ul>	<ul style="list-style-type: none"> <li>Complete current year portion of plan for Island and Labrador system upgrades.</li> </ul>	<ul style="list-style-type: none"> <li>Place into operation the new Holyrood Combustion Turbine.</li> </ul>	<p style="text-align: center;">PUB-NLH-412, Attachment 4 Page 50 of 58, Int System Power Outages</p> <ul style="list-style-type: none"> <li>Place into operation the BDE to WAV line.</li> <li>Complete system breaker upgrades</li> <li>Complete BBK reconfiguration.</li> </ul>	<ul style="list-style-type: none"> <li>Complete the TL-201 upgrades.</li> <li>Complete the BDE bus reconfiguration for TL-204 and TL-231.</li> </ul>
<p>Develop a multi-year NERC and NPCC compliance implementation plan for new transmission assets and the operation of the ML HVdc facilities and obtain approval to proceed.</p>	<ul style="list-style-type: none"> <li>Complete current year portion of NERC and NPCC reliability standards implementation.</li> </ul>	<ul style="list-style-type: none"> <li>Complete current year portion of NERC and NPCC reliability standards implementation.</li> </ul>	<ul style="list-style-type: none"> <li>Complete current year portion of NERC and NPCC reliability standards implementation.</li> </ul>	<ul style="list-style-type: none"> <li>Complete current year portion of NERC and NPCC reliability standards implementation.</li> </ul>
<p>Determine hydrotechnical models and Implementation plan for operations.</p>				

# INITIATIVES – Reliable Least Cost Supply

2013	2014	2015	2016	2017
<p>Complete and implement commercial arrangements between Nalcor and NLH for a long term supply agreement from Muskrat Falls including interconnection of new transmission.</p>			<p>PUB-NLH-412, Attachment 4 Page 51 of 68, Isl Int System Power Outages</p>	
<p>Complete Operational Organizational Design and develop an implementation plan to enable reliable and least cost operation and maintenance of new assets.</p>	<ul style="list-style-type: none"> <li>•Implement current year plan for organizational change.</li> </ul>	<ul style="list-style-type: none"> <li>•Implement current year plan for organizational change.</li> </ul>	<ul style="list-style-type: none"> <li>•Implement current year plan for organizational change.</li> </ul>	<ul style="list-style-type: none"> <li>•Implement current year plan for organizational change.</li> </ul>
<p>Complete regulatory strategic plan for implementation of change to enable reciprocal open access to the Provincial transmission grid including implementation of an independent system operator as directed in legislation.</p>	<ul style="list-style-type: none"> <li>•Implement current year regulatory implementation plan</li> </ul>	<ul style="list-style-type: none"> <li>•Implement current year regulatory implementation plan</li> </ul>	<ul style="list-style-type: none"> <li>•Implement current year regulatory implementation plan</li> </ul>	<ul style="list-style-type: none"> <li>•Implement current year regulatory implementation plan</li> </ul>

# Goal 3: Business Excellence

<b>INITIATIVES – Reliable Least Cost Supply</b>				
<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Participate in the implementation of a Labrador Sink Point for supply to new Labrador Load prior to 2017.				
Develop and implement operational interfaces with LTA, LIL, MFP and ML projects. Identify critical design, construction and ready for operation aspects for NLH operations review and approval.				
Develop multi-year plan for implementation of the IOA with NSPI. Initiate Reserve Sharing and Adequacy reviews with NSPI as per IOA.				

# Goal 3: Business Excellence

<b>INITIATIVES – Reliable Least Cost Supply</b>				
<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Develop a training plan for system operation , planning and P&C staff for preparation for integrated operation of HVdc interconnections.				
Complete studies and issue reports for operation and special protection systems for the integrated HVdc interconnections including the basis of design. Develop a plan and execute 2013 portion of the SPS design and implementation.				
Develop regulation service costing and implementation plan including plan for review with Emera and submitting to PUB for approval.				

# Goal 3: Business Excellence: Customer Service

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# Goal 3: Business Excellence

<b>INITIATIVES – Customer Satisfaction</b>				
<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Begin development of three year plan to achieve and sustain rural residential customer satisfaction target.	Implement year one activities in customer satisfaction plan.	Review customer satisfaction plan and outcomes for effectiveness and adjust as necessary to achieve/sustain rural residential customer satisfaction target.  Implement year two activities in customer satisfaction plan.	Implement year three activities in customer satisfaction plan.	Review customer satisfaction plan and outcomes for effectiveness and adjust as necessary to achieve/sustain rural residential customer satisfaction target. Begin development of new three year plan.

# Goal 4: People

# Goal 4: People

## OBJECTIVE - People

- Improve all elements of employee engagement to a level where Nalcor Energy would qualify for recognition as one of Canada’s best employers in relation to an acceptable external benchmark.

## TARGETS - People

2013	2014	2015	2016	2017
<p><b>ENGAGEMENT EES - Action Plan Completion:</b></p> <ul style="list-style-type: none"> <li>Complete 95% of corporate and local EES action plan items planned for 2013</li> </ul>	<p><b>ENGAGEMENT EES - Participation Rate:</b> ≥ 80% participation rate in EES survey.</p> <p><b>EES – Action Plan Completion:</b> Complete 95% of corporate and local EES action plan items planned for 2014</p>	<p><b>ENGAGEMENT EES - Action Plan Completion:</b></p> <ul style="list-style-type: none"> <li>Complete 95% of corporate and local EES action plan items planned for 2015</li> </ul>	<p><b>ENGAGEMENT EES - Participation Rate:</b> ≥ 80% participation rate in EES survey.</p> <p><b>EES – Action Plan Completion:</b> Complete 95% of corporate and local EES action plan items planned for 2016</p>	<p><b>ENGAGEMENT EES – Action Plan Completion:</b> Complete 95% of corporate and local EES action plan items planned for 2017</p>

# Goal 4: People

INITIATIVES – People				
2013	2014	2015	2016	2017
<p><b><u>Employees Valued</u></b> Execute diversity and inclusion action plan -- Diversity Education and awareness training.</p> <ul style="list-style-type: none"> <li>Target: XX% of employees in Reg. Operations complete training.</li> </ul>	<p><b><u>Employees Valued</u></b> Execute diversity and inclusion action plan - Diversity Education and awareness training.</p> <ul style="list-style-type: none"> <li>Target: XX% of employees in Reg. Operations have completed training.</li> </ul>	<p><b><u>Employees Valued</u></b> Execute diversity and inclusion action plan - Diversity Education and awareness training.</p> <ul style="list-style-type: none"> <li>Target: 100% of employees in Regulated Operations have completed training.</li> </ul>	<p><b><u>Employees Valued</u></b> Execute diversity action plan, monitor results.</p> <ul style="list-style-type: none"> <li>Education / Awareness of new employees</li> <li>Continue execution of other items as per multi-year action plan.</li> </ul>	<p><b><u>Employees Valued</u></b> Execute diversity action plan, monitor results.</p> <ul style="list-style-type: none"> <li>Education / Awareness of new employees</li> <li>Continue execution of other items as per multi-year action plan.</li> </ul>

# Goal 4: People

INITIATIVES – People				
2013	2014	2015	2016	2017
<p><u>Skilled/Capable People*</u> <b>Hi-Po/Succession:</b></p> <ul style="list-style-type: none"> <li>Identify hi-potentials following completion of 2012 performance review cycle.</li> <li>5 year workforce plan for core operations of Hydro (supported by HR).</li> <li>Identify high risk areas in 2013.</li> <li>Complete XX% of development plans related to Hi-Po.</li> <li>Succession plans for XX% of the high risk areas.</li> </ul> <p><b>Rural Retention Strategy:</b></p> <ul style="list-style-type: none"> <li>Career awareness programs (school programs in rural areas) <b>Target:</b> 5 schools in 2013</li> <li>Delivery of DSR training program. <b>Target:</b> 50% DSRs complete training in 2013.</li> <li>Assessment of skill gap for Millwright trade to PSO qualification.</li> </ul>	<p><u>Skilled &amp; Capable People*</u> <b>Hi-Po/Succession:</b></p> <ul style="list-style-type: none"> <li>Refresh hi-potentials following completion of 2013 performance review cycle.</li> <li>Complete of XX% development plans related to Hi Po.</li> <li>Succession plans completed for XX% of high risk areas.</li> </ul> <p><b>Rural Retention Strategy:</b></p> <ul style="list-style-type: none"> <li>Career awareness programs (school programs in rural areas) <b>Target:</b> 5 schools in 2014</li> <li>Delivery of DSR Training program. 100% DSRs to complete training by 2014.</li> <li>Support initiatives related to R&amp;R Strategy.</li> </ul>	<p><u>Skilled &amp; Capable People*</u> <b>Hi-Po/Succession:</b></p> <ul style="list-style-type: none"> <li>Refresh hi-potentials following 2014 performance review cycle.</li> <li>Refresh 5-year workforce plan for core operations of Hydro (supported by HR).</li> <li>Complete <b>100%</b> development plans related to Hi Po.</li> <li>Succession plans completed for 100% of high risk areas.</li> </ul> <p><b>Rural Retention Strategy:</b></p> <ul style="list-style-type: none"> <li>Career awareness – continue to assess participation in rural areas.</li> <li>Support initiatives related to R&amp;R Strategy.</li> </ul>	<p><u>Skilled &amp; Capable People*</u> <b>Hi-Po/Succession:</b></p> <ul style="list-style-type: none"> <li>Refresh hi-potentials following 2015 performance review cycle.</li> <li>Refresh development plans related to Hi Po.</li> <li>Refresh succession plans for high risk areas.</li> </ul> <p><b>Rural Retention Strategy:</b></p> <ul style="list-style-type: none"> <li>Refresher training for DSRs trained in 2013.</li> </ul>	<p><u>Skilled &amp; Capable People*</u> <b>Hi-Po/Succession:</b></p> <ul style="list-style-type: none"> <li>Refresh hi-potentials following 2015 performance review cycle.</li> <li>Refresh development plans related to Hi Po.</li> <li>Refresh succession plans for high risk areas.</li> </ul> <p><b>Rural Retention Strategy:</b></p> <ul style="list-style-type: none"> <li>Refresher training for SRs trained in 2013.</li> </ul>

NOTE: See Safety Section for initiatives related to safety training.

# Goal 4: People

## INITIATIVES - People

2013	2014	2015	2016	2017
<p><u>Skilled/Capable People*</u> <b>LMS</b></p> <ul style="list-style-type: none"> <li>Supervisor awareness/training on LMS and to support gap reviews for safety and mandatory training requirements (LMS).</li> <li>Self-service launch for employees.</li> </ul> <p><b>Muskrat-Related:</b></p> <ul style="list-style-type: none"> <li>TRO long-term structure reviewed.</li> <li>Deployment plans communicated to HTGS employees.</li> <li>Action plans developed to support transitions.</li> <li>Continue to identify opportunities throughout Hydro for deployment.</li> </ul>	<p><u>Skilled &amp; Capable People*</u> <b>LMS</b></p> <ul style="list-style-type: none"> <li>Continue to support enhancements to LMS.</li> <li>Refining job specific templates.</li> </ul> <p><b>Muskrat-Related:</b></p> <ul style="list-style-type: none"> <li>Deployment and action plans refreshed as necessary.</li> <li>Continue to identify opportunities throughout Hydro for deployment.</li> <li>Execute action plans identified for 2014 related to transition.</li> </ul>	<p><u>Skilled &amp; Capable People*</u></p> <p><b>Muskrat-Related:</b></p> <ul style="list-style-type: none"> <li>Deployment plans refreshed as necessary.</li> <li>Continue to identify opportunities throughout Hydro for deployment.</li> <li>Execute action plans identified for 2015 related to transition</li> </ul>	<p><u>Skilled &amp; Capable People*</u></p> <p><b>Muskrat-Related:</b></p> <ul style="list-style-type: none"> <li>Deployment plans refreshed as necessary.</li> <li>Continue to identify opportunities throughout Hydro for deployment.</li> <li>Execute action plans identified for 2016 related to transition</li> </ul>	<p><u>Skilled &amp; Capable People*</u></p> <p><b>Muskrat-Related:</b></p> <ul style="list-style-type: none"> <li>Deployment plans refreshed for Post Steam.</li> <li>Continue to identify opportunities throughout Hydro for deployment.</li> <li>Execute action plans identified for 2017 (standby deployment)</li> </ul>
<p>NOTE: See Safety Goal for initiatives related to safety training.</p>				

# Goal 4: People

INITIATIVES - People				
2013	2014	2015	2016	2017
<p><u>Organizational Effectiveness</u> Execute 2013 activities in gap closure plans, monitor results.</p> <p><b>Policy &amp; Procedures</b></p> <ul style="list-style-type: none"> <li>Develop gap closure plan for policy &amp; procedures related to Hydro Line of Business.</li> </ul> <p><b>Asset management:</b> Support initiatives to evolve asset management and project execution.</p>	<p><u>Organizational Effectiveness</u> Execute 2014 activities in gap closure plans, monitor results.</p>	<p><u>Organizational Effectiveness</u> Execute 2015 activities in gap closure plans, monitor results.</p>	<p><u>Organizational Effectiveness</u> Execute 2016 activities in gap closure plans, monitor results.</p>	<p><u>Organizational Effectiveness</u> Execute 2017 activities in gap closure plans, monitor results.</p>
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# Goal 5: Community

# Goal 5: Community (Hydro objective, targets)

## OBJECTIVES - Community

- To increase the percentage of the public who believe that Hydro has a strong reputation to 75% by 2015 (based on a rating of 7+/10.)

## TARGETS - Community

2013	2014	2015	2016	2017
74% of the public believe Hydro has a strong reputation (maintain 2011 rating)		75% of the public believe Hydro has a strong reputation		75% of the public believe Hydro has a strong reputation (maintain 2015 rating)

# Goal 5: Community (Hydro initiatives)

**For each region/plant**

INITIATIVES - Community				
2013	2014	2015	2016	2017
<p><u>Emotional Appeal</u> Complete two speaking engagements in local schools. CCSR will provide an electrical safety presentation.</p>	<p><u>Emotional Appeal</u> Complete two speaking engagements in local schools. CCSR will provide presentations on two topics (topics TBD)</p>			

# Goal 5: Community (Hydro initiatives)

**For each region/plant**

INITIATIVES - Community				
2013	2014	2015	2016	2017
<p><u>Vision &amp; Leadership</u>                      Identify and hold interactions with top 2 stakeholders. Focus should be to interact with stakeholders that pose a significant risk or opportunity to build relationships/reputation. This could also include/ involve participating in a public meeting, holding a meeting to discuss planned capital work/upgrades/etc, meeting with stakeholders to discuss potential community concerns (i.e., frequent power outages.)</p>				

# Goal 5: Community (Hydro initiatives)

**For each region/plant**

INITIATIVES - Community				
2013	2014	2015	2016	2017
<u>Vision &amp; Leadership</u> Participate/attend minimum 3 regular community/business based events/luncheons such as local Chambers, economic boards, local/regional trade shows.				
<u>Workplace Environment/ Corporate Citizenship</u> With a committee of your employees, organize community event that engages employees and is promoted both internally and externally (call to local radio, TV or newspaper or submit a photo)				

# Goal 5: Community (Hydro initiatives)

**For each region/plant**

INITIATIVES - Community				
2013	2014	2015	2016	2017
<p><u>Corporate Citizenship/ Employee Engagement</u> Promote employee volunteerism/matching funds program to employees and achieve a 10% participation rate in the program (\$100 donated to organizations where our employees volunteer)</p>				
<p><i>Other initiatives can be identified by the region /plant if resources available to deliver. If support is required from other areas, this should be secured before putting the initiative in the plan.</i></p>				

A proud, diverse energy company, whose people are committed to building a bright future for Newfoundland and Labrador, unified by our core values.

## Teamwork

Sharing our ideas in an open and supportive manner to achieve excellence.

## Honesty and Trust

Being sincere in everything we say and do.

## Open Communication

Fostering an environment where information moves freely in a timely manner.

## Safety

Relentless commitment to protecting ourselves, our colleagues, and our community.

## Respect and Dignity

Appreciating the individuality of others by our words and actions.

## Leadership

Empowering individuals to help, guide and inspire others.

## Accountability

Holding ourselves responsible for our actions and performance.

# Newfoundland and Labrador Hydro

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# 2014-2018 Corporate Plan

May, 2014

Boundless Energy



GOAL	HYDRO			
1. SAFETY	Lead/Lag ratio 600:1	All injury frequency (AIF) ≤ 0.80	Lost time injury frequency (LTIF) ≤ 0.15	
	Complete planned 2014 activities related to Work Protection Code <sup>1</sup>			
	Complete planned 2014 activities related to Work Methods and Task Based Risk Assessment for all critical tasks <sup>2</sup>			
	Complete planned 2014 activities related to grounding and bonding <sup>3</sup>			
2. ENVIRONMENT	Complete ≥ 95% of Environmental Management System Targets <sup>4</sup>			
	Reduce Holyrood emissions per unit of energy delivered by achieving ≤ 10.0% variance from N-1 ideal			
	Through Hydro managed CDM programs, achieve 1.06 GWh of energy savings in the residential & commercial area			
	Conduct evaluation of Industrial Energy Efficiency Program (IEEP) and develop multi-year plan			
Achieve 0.35 GWh of energy savings through Hydro's internal energy efficiency programs				
3. BUSINESS EXCELLENCE				
Finance	Cash from Operations ≥ \$97.6M	Capital expenditures = \$100.3M	Operating expenditures ≤ \$116.3M	Net Income ≥ \$31.7M
	Complete GRA and implement direction <sup>5</sup>		Develop multi-year regulatory process improvement strategy. Complete 2014 Initiatives	
Project Execution	Quality improvement of projects delivered, without change orders (right first time)			
	Delivery - delivery of 90% of projects planned to be completed in the execution year			
Reliability/ Asset Management	Maintain generation contingency reserve requirement of ≥ 99.5% <sup>6</sup>			
	Complete 2014 phase of asset management plan <sup>7</sup>			
Integration	Complete 2014 LCP Integration Activities as per Integration Team Plans			
Customer Service	To maintain an 80% Customer Satisfaction rating amongst Hydro's rural customers			
Growth	Complete planned 2014 activities to finalize integration of Exploits into Hydro in 2014			
4. PEOPLE	Achieve 80% participation in best employer survey	Complete 2014 planned actions established by Holyrood ELAC		
5. COMMUNITY	Complete planned activities to ensure 75% of the public believe Hydro has a strong reputation when measured in 2016			

## Footnotes

1. Work protection code: Planned 2014 activities include:
  - a. Audit code compliance (all areas)<sup>1</sup>
  - b. Review results and implement opportunities for improvement
2. Work methods: Planned 2014 activities include:
  - a. Complete TBRA's/ work methods for critical tasks
  - b. Evaluate work method process<sup>2</sup>
  - c. Review results and implement opportunities for improvement
3. Grounding and bonding: Planned 2013 activities include:
  - a. Complete corporate initiatives for plants and stations ;
  - b. Commence auditing of Lines operations and implement gap closure plan.
4. Includes Environmental Management System targets for Hydro and business unit environmental targets/initiatives for Exploits and Menihek
5. General Rate Application (GRA) : Successfully complete GRA and achieve approval of direction that supports strong financial performance for Hydro in 2014 and beyond.
6. Generation contingency reserve: Measure of availability of system generation. A generating unit is included in the reserve if it is operating or available for operation within a short time period. Performance is tracked and assessed monthly.
7. Asset management: Complete planned 2014 activities:
  - Assess implementation status of Hydro's Asset Management System
  - Assess asset management maturity level in key focus areas
  - Refresh the five year plan of asset management strategic initiatives
  - Stabilize and mature functionality of existing councils
8. Capital Expenditure value shown are Board Approved with known carry overs. It doesn't include supplemental capital or Large additional projects such as the new Holyrood CT, the Bay d'Espoir-Western Avalon Line or new line to Labrador West.

# Goal 1: Safety

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# Goal 1: Safety

## OBJECTIVES - Safety

- Improve safety performance to world class standards and sustain this performance.
  - Lead/lag ratio of 1000:1 sustained (2016)
  - All Injury Frequency Rate (AIF)  $\leq 0.50$  sustained (2017)
  - Lost-Time Injury Frequency Rate (LTIF) of  $\leq 0.15$  sustained (2015)

## TARGETS - Safety

2014	2015	2016	2017	2018
Achieve safety lead/lag ratio of 600:1	Achieve safety lead/lag ratio of 750:1	Achieve safety lead/lag ratio of 1000:1	Achieve safety lead/lag ratio of 1000:1 sustained	Achieve safety lead/lag ratio of 1000:1 sustained
AIF $\leq 0.80$	AIF $\leq 0.60$	AIF $\leq 0.50$	AIF $\leq 0.50$ sustained	AIF $\leq 0.50$ sustained
LTIF $\leq 0.15$	LTIF $\leq 0.15$ sustained	LTIF $\leq 0.15$ sustained	LTIF $\leq 0.15$ sustained	LTIF $\leq 0.15$ sustained
		OHSAS 18001 target based measure (TBD)	OHSAS 18001 target based measure (TBD)	OHSAS 18001 target based measure (TBD)

# STRATEGIC INITIATIVES – Safety

2014	2015	2016	2017	2018
<p><u>Procedures &amp; Equipment Work Protection Code</u></p> <ul style="list-style-type: none"> <li>• Audit code compliance (all areas)<sup>1</sup></li> <li>• Review results and implement opportunities for improvement</li> </ul>	<p><u>Procedures &amp; Equipment Work Protection Code</u></p> <ul style="list-style-type: none"> <li>• To continue as part of normal operations</li> </ul>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>
<p><u>Procedures &amp; Equipment Work Methods</u></p> <ul style="list-style-type: none"> <li>• Verify and approve work methods for critical tasks performed in 2014</li> <li>• Evaluate work method process<sup>2</sup></li> <li>• Review results and implement opportunities for improvement</li> </ul>	<p><u>Procedures &amp; Equipment Work Methods</u></p> <ul style="list-style-type: none"> <li>• Audit work method compliance and implement gap closure plan</li> </ul>	<p><u>Procedures &amp; Equipment Work Methods</u></p> <ul style="list-style-type: none"> <li>• Audit work method compliance and implement gap closure plan</li> </ul>	<p><u>Procedures &amp; Equipment Work Methods</u> To be determined</p>	<p><u>Procedures &amp; Equipment Work Methods</u> To be determined</p>

## STRATEGIC INITIATIVES - Safety

2014	2015	2016	2017	2018
<p><u>Procedures &amp; Equipment</u> <b>Grounding and Bonding</b></p> <ul style="list-style-type: none"> <li>• Complete corporate initiatives for plants and stations<sup>3</sup></li> <li>• Commence auditing of Lines operations and implement gap closure plan</li> </ul>	<p><u>Procedures &amp; Equipment</u> <b>Grounding and Bonding</b></p> <ul style="list-style-type: none"> <li>• Deliver EBG Training for Plants and Stations</li> <li>• Commence auditing for plants and stations and implement gap closure plan</li> </ul>	<p><u>Procedures &amp; Equipment</u> <b>Grounding and Bonding</b></p> <ul style="list-style-type: none"> <li>• Audit compliance and implement gap closure plan</li> </ul>	<p><u>Procedures &amp; Equipment</u> <b>Grounding and Bonding</b></p> <ul style="list-style-type: none"> <li>• Audit compliance and implement gap closure plan</li> </ul>	<p><u>Procedures &amp; Equipment</u> <b>Grounding and Bonding</b></p> <ul style="list-style-type: none"> <li>• TBD</li> </ul>
<p><u>Supportive Culture</u></p> <ul style="list-style-type: none"> <li>• Complete planned activities outlined in safety culture action plans</li> <li>• Continue initiatives around Safety Coaching<sup>4</sup></li> </ul>	<p><u>Supportive Culture</u></p> <ul style="list-style-type: none"> <li>• Complete Safety Culture Survey to identify future focus areas</li> </ul>	<p><u>Supportive Culture</u></p> <ul style="list-style-type: none"> <li>• Develop/execute safety culture change plan based on 2015 safety culture survey results</li> </ul>	<p><u>Supportive Culture</u></p> <ul style="list-style-type: none"> <li>• Identify and Complete safety culture change plan based on 2015 safety culture survey results</li> </ul>	<p><u>Supportive Culture</u></p> <ul style="list-style-type: none"> <li>• TBD</li> </ul>

<b>STRATEGIC INITIATIVES - Safety</b>				
<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<u>Reporting/Continuous Improvement</u> <b>Prevention Awareness</b> Continue injury prevention awareness campaign, adjust as needed based on 2013 safety performance	<u>Reporting/Continuous Improvement</u> <b>Prevention Awareness</b> Continue campaign, adjust as needed based on 2014 safety performance	<u>Reporting/Continuous Improvement</u> <b>Prevention Awareness</b> To be determined	<u>Reporting/Continuous Improvement</u> <b>Prevention Awareness</b> To be determined	<u>Reporting/Continuous Improvement</u> <b>Prevention Awareness</b> To be determined
<u>Reporting/Continuous Improvement</u> <b>Standards &amp; Records</b>	<u>Reporting/Continuous Improvement</u> <b>Standards &amp; Records</b> Complete safety management system readiness assessment for compliance with OHSAS 18001	<u>Reporting/Continuous Improvement</u> <b>Standards &amp; Records</b> Commence field level audit.	<u>Reporting/Continuous Improvement</u> <b>Standards &amp; Records</b> To be determined	<u>Reporting/Continuous Improvement</u> <b>Standards &amp; Records</b> To be determined

# STRATEGIC INITIATIVES – Safety

2014	2015	2016	2017	2018
<p><u>Competence Driving</u> Evaluate and implement a training approach for Driving</p>	<p><u>Competence Driving</u> To be determined</p>	N/A	N/A	N/A
<p><u>Procedures &amp; Equipment Emergency Preparedness</u> Review ERP and implement opportunities for improvement</p>	<p><u>Procedures &amp; Equipment Emergency Preparedness</u> To be determined</p>	N/A	N/A	N/A
<p><u>Procedures &amp; Equipment Electrical Safety Program</u> Support PETS with ongoing improvements around Arc Flash</p>	<p><u>Procedures &amp; Equipment Electrical Safety Program</u> To be determined</p>	N/A	N/A	N/A

<b>STRATEGIC INITIATIVES – Safety</b>				
<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<p><u>Procedures &amp; Equipment</u>  <b>Contractor Safety Management Program</b>                      Support PETS with ongoing CSMP improvements</p>	<p><u>Procedures &amp; Equipment</u>                      To be determined</p>	<p><u>Procedures &amp; Equipment</u>                      To be determined</p>	<p><u>Procedures &amp; Equipment</u>                      To be determined</p>	<p><u>Procedures &amp; Equipment</u>                      To be determined</p>
<p><u>Procedures &amp; Equipment</u>  <b>Occupational Health and Wellness</b>                      Complete required initiatives around wellness, respiratory protection, hearing conservation, ergonomics and psychological health</p>	<p><u>Procedures &amp; Equipment</u>  <b>Occupational Health and Wellness</b>                      Complete required initiatives around wellness, respiratory protection, hearing conservation, ergonomics and psychological health</p>	<p><u>Procedures &amp; Equipment</u>  <b>Occupational Health and Wellness</b>                      To be determined</p>	<p><u>Procedures &amp; Equipment</u>  <b>Occupational Health and Wellness</b>                      To be determined</p>	<p><u>Procedures &amp; Equipment</u>  <b>Occupational Health and Wellness</b>                      To be determined</p>

## Footnotes

### <sup>1</sup> Work Protection Code (WPC)

Targets established at LOB (2 live audits, 5 paper audits / Quarter)

### <sup>2</sup> Work Methods

Monitor progress of work methods development from reviewed to approved status

### <sup>3</sup> Grounding and Bonding

Complete EBG Standard and training package for Plants and Stations

### <sup>4</sup> Safety Coaching

Continue delivery to frontline employees

# Goal 2: Environment

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# Goal 2: Environment

## OBJECTIVES - Environment

- Maintain the number of environmental leadership\* targets accomplished at 95%.

## TARGETS - Environment

2014	2015	2016	2017	2018
Number of environmental leadership targets accomplished within Nalcor Energy at 95%	Number of environmental leadership targets accomplished within Nalcor Energy at 95%	Number of environmental leadership targets accomplished within Nalcor Energy at 95%	Number of environmental leadership targets accomplished within Nalcor Energy at 95%	Number of environmental leadership targets accomplished within Nalcor Energy at 95%

\*Includes Environmental Management System targets for lines of business that use EMS and line of business targets for goal 2 for other lines of business.

## STRATEGIC INITIATIVES - Environment

PUB-NLH-412, Attachment 5

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**2017** **2018**

2014	2015	2016	2017	2018
<p><u>EMS</u>                      Execution of environmental management system gap closure plans for Exploits Generation and Menihek Generation</p>	<p><u>EMS</u>                      Obtain EMS ISO registration Exploits Generation and Menihek Generation</p>	<p><u>EMS</u>                      Complete Stage I of two-year internal audit plan for new EMS areas</p>	<p><u>EMS</u>                      Complete Stage II of two-year internal audit plan for new EMS areas</p>	<p><u>EMS</u>                      Execution of environmental management system gap closure plans for Exploits Generation and Menihek Generation</p>
<p><u>Sustainability</u>                      Evaluate application of the CEA's ISO based Sustainable Electricity Company framework and any other sustainability frameworks and if appropriate the selection option for further assessment</p>	<p><u>Sustainability</u>                      Complete a gap analysis of Hydro's current practices and standards in reference to a selected corporate sustainability framework and recommend a long term strategy for Hydro</p>			

# Goal 2: Environment

## OBJECTIVES - Environment

- Minimize production requirements and associated air emissions from the Holyrood Thermal Generating Station

## TARGETS

2014	2015	2016	2017	2018
Emission Variance from ideal at Holyrood <10%	Emission Variance from ideal at Holyrood <10%	Emission Variance from ideal at Holyrood <10%	Emission Variance from ideal at Holyrood <10%	
Achieve 1.06 GWh of annual energy savings in residential and commercial sectors, through Hydro managed conservation and demand management programs	Achieve 1.2 GWh of annual energy savings in residential and commercial sectors through Hydro managed conservation and demand management programs	Achieve 1.2 GWh of annual energy savings in residential and commercial sectors through Hydro managed conservation and demand management programs	Achieve 1.2 GWh of annual energy savings in residential and commercial sectors through Hydro managed conservation and demand management programs	Achieve 1.2 GWh of annual energy savings in residential and commercial sectors through Hydro managed conservation and demand management programs

# Goal 2: Environment

## OBJECTIVES - Environment

- Minimize production requirements and associated air emissions from the Holyrood Thermal Generating Station

## TARGETS

2014	2015	2016	2017	2018
Achieve 0.15 GWh of annual energy savings through internal energy efficiency programs.	Achieve 0.15 GWh of annual energy savings through internal energy efficiency programs.	Achieve 0.15GWh of annual energy savings through internal energy efficiency programs.	Achieve 0.15 GWh of annual energy savings through internal energy efficiency programs.	Achieve 0.15GWh of annual energy savings through internal energy efficiency programs
Achieve 1.06 GWh of annual energy savings in residential and commercial sectors, through Hydro managed conservation and demand management programs	Achieve 1.2 GWh of annual energy savings in residential and commercial sectors through Hydro managed conservation and demand management programs	Achieve 1.2 GWh of annual energy savings in residential and commercial sectors through Hydro managed conservation and demand management programs	Achieve 1.2 GWh of annual energy savings in residential and commercial sectors through Hydro managed conservation and demand management programs	Achieve 1.2 GWh of annual energy savings in residential and commercial sectors through Hydro managed conservation and demand management programs

## Goal 2: Environment

### • INITIATIVES - Minimize production requirements and associated air emissions from the Holyrood Thermal Generating Station

2014	2015	2016	2017	2018
Conduct update of CDM potential study	Develop updated joint utility program Plan & prepare submission to PUB	Implement new programs as outlined in the approved Plan		
Address recommendations from Industrial Energy Efficiency Program Review.				
Delivery of Year 3 of Isolated Systems Community Program				
Each region to create a minimum of one EE related EMS target.	Each region to create a minimum of one EE related EMS target.	Evaluate effectiveness of EE related EMS targets in achieving EE savings.	Each region to create a minimum of one EE related EMS target.	
Subject to external policy approval requirements, implement internal action to support an Independent Distributed Generation (Net Metering).				

# Goal 2: Environment

## Initiatives - Reduce or minimize environmental risks and emissions from diesel generation systems

2014	2015	2016	2017	2018
Implement Phase 2 of electronic acquisition of diesel plant production data. Implement efficiency and emissions reduction strategy for Phase 1 plants.	Implement Phase 3 of electronic acquisition of diesel plant production data. Implement efficiency and emissions reduction strategy for Phase 2 plants.	Implement Phase 4 electronic acquisition of diesel plant production data. Implement efficiency and emissions reduction strategy for Phase 3 plants.	Implement efficiency and emissions reduction strategy for Phase 4 plants.	
Coastal Labrador Wind Monitoring Program <ul style="list-style-type: none"> <li>Erection of hub-height wind monitoring towers</li> <li>Wind data summary report.</li> </ul>	Wind data summary report.	Wind data summary report.  Prepare a feasibility report with an overall ranking of potential wind generation sites		
Feasibility Study of Hydraulic Potential of Coastal Labrador <ul style="list-style-type: none"> <li>Install flow monitoring stations (2 OF 3), if deemed necessary.</li> <li>Annual stream flow data report</li> </ul>	Feasibility Study of Hydraulic Potential of Coastal Labrador	Feasibility Study of Hydraulic Potential of Coastal Labrador	Feasibility Study of Hydraulic Potential of Coastal Labrador	

# Goal 2: Environment

## OBJECTIVES - Environment

- Remove all sealed equipment that contains, or could potentially contains, greater than or equal to 50 mg/kg (ppm) of PCBs from service by 2025\*

## TARGETS - Environment

2014	2015	2016	2017	2018
Evaluate plan and produce annual summary for 2013 with a focus to meet 2025 deadline of having concerned PCB sealed equipment removed from service.	Evaluate plan and produce annual summary for 2014 with a focus to meet 2025 deadline of having concerned PCB sealed equipment removed from service.	Evaluate plan and produce annual summary for 2015 with a focus to meet 2025 deadline of having concerned PCB sealed equipment removed from service.	Evaluate plan and produce annual summary for 2016 with a focus to meet 2025 deadline of having concerned PCB sealed equipment removed from service.	

\*This objective assumes that Environment Canada will formally agree to proposals made by the Canadian Electricity Association to extend the requirement for removal of sealed equipment that may contain PCBs from 2014 to 2025.

# Goal 2: Environment

<b>INITIATIVES –Remove all sealed equipment that contains, or could potentially contains, greater than or equal to 50 mg/kg (ppm) of PCBs from service by 2025*</b>				
<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Execute bushing and instrument transformer replacement plan for 2014 as submitted to Environment Canada	Execute bushing and instrument transformer replacement plan for 2015 as submitted to Environment Canada	Execute bushing and instrument transformer replacement plan for 2016 as submitted to Environment Canada	Execute bushing and instrument transformer replacement plan for 2017 as submitted to Environment Canada	Execute bushing and instrument transformer replacement plan for 2018 as submitted to Environment Canada
Update capital budget proposals for oil circuit breaker replacements, transformer bushing replacements and instrument transformer replacements	Update capital budget proposals for oil circuit breaker replacements, transformer bushing replacements and instrument transformer replacements	Update capital budget proposals for oil circuit breaker replacements, transformer bushing replacements and instrument transformer replacements	Update capital budget proposals for oil circuit breaker replacements, transformer bushing replacements and instrument transformer replacements	Update capital budget proposals for oil circuit breaker replacements, transformer bushing replacements and instrument transformer replacements

# Goal 3: Business Excellence

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# Goal 3: Business excellence

<b>STRATEGIC INITIATIVES – Regulatory Affairs</b>				
<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
General Rate Application (GRA): Successfully complete GRA and achieve approval of direction that supports strong financial performance for Hydro in 2014 and beyond.				

# Goal 3: Business excellence

<b>TARGETS – Asset Management</b>				
<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
AMS execution plan on schedule				
<b>STRATEGIC INITIATIVES – Asset Management</b>				
<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Complete 2014 asset management implementation plan priorities	Complete 2015 asset management implementation plan priorities	Complete 2016 asset management implementation plan priorities	Complete 2017 asset management implementation plan priorities	Complete 2018 asset management implementation plan priorities

<sup>1</sup> 2014 activities:

- Assess implementation status of Hydro’s Asset Management System
- Assess asset management maturity level in key focus areas
- Refresh the five year plan of asset management strategic initiatives
- Stabilize and mature functionality of existing councils

# Goal 3: Business Excellence – Asset Management, 2014 - 2018

Opportunity Target Threshold

	2014	2015	2016	2017	2018
	Assess implementation status of Nalcor's Asset Management System and set next steps	Assess implementation status of Nalcor's Asset Management System	Assess implementation status of Nalcor's Asset Management System	Assess implementation status of Nalcor's Asset Management System	Assess implementation status of Nalcor's Asset Management System
	Assess Asset Management maturity in key focus areas	Assess Asset Management maturity in key focus areas	Assess Asset Management maturity in key focus areas	Assess Asset Management maturity in key focus areas	Assess Asset Management maturity in key focus areas
	Review and update 5 year project plans	Review and refresh Long Term Plans, includes 5 year	Review and update 5 year project plans	Review and update 5 year project plans	Review and refresh Long Term Plans, includes 5 year
	Stabilize and mature existing Councils (Rotating Equipment Essential Care; Long-term Asset Planning; Short-term Work Planning and Scheduling; Transformers and Switchyard; Root Cause Repeat Failure Analysis, Diesel Generation, Asset Owners, Dams and Dykes, MOC)	Council Driven Initiatives and New Councils			
	Basis of Design - Execute existing gap closure plan and determine next steps	Materials Management Optimization and Effectiveness Review	Reliability Analysis	Evaluate AM Effectiveness & Adjust	RCM (Overall Unit Effectiveness)
	Critical Spares Rationalization – Execute existing gap closure plan and determine next steps	Consolidate Asset History and Technical Data – Vision and Plan	Operator Asset Care and Craft Flexibility	Evaluate PAS 55/ISO Benefits of Compliance	
	Asset Condition Inspection & Monitoring	Asset Condition Inspection & Monitoring	Establish Experts List (Internal & External SME's)	AM/CMMS Evaluation	

# Goal 3: Business Excellence – Asset Management

## 2014 Initiatives

2014 INITIATIVES – Asset Management			
INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
Assess implementation status of Nalcor’s Asset Management System and set next steps	Execute self-assessment package developed and tested in 2013 to measure status and identify opportunities	Asset Owners Council	Q1 - Q2
Assess Asset Management maturity in key focus areas	Use survey package developed in 2013 to measure maturity in key areas, identify opportunities and	Asset Owners Council	Q1 - Q2

Threshold

# Goal 3: Business Excellence – Asset Management 2014 Initiatives

2014 INITIATIVES – Asset Management			
INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
Review and update 5 year project plans	Update existing plans and support budgeting process, consider risk of failure in terms of probability and impact in prioritization	LTAP Council	Q3 – Q4
Stabilize and mature existing Councils	Execute Lubric'n Prog'm self-assessment Execute LTAP self-assessment Execute STWPS self-assessment Implement std. transformer test proced. Execute RCRFA self-assessment	REEC Council LTAP Council STWPS Council Trans&Swyd Council RCRFA Council	Q1 - Q2 Q1 – Q2 Q1 – Q2 Q1 – Q3 Q1 – Q2
Basis of Design - Execute existing gap closure plan and determine next steps	Execute 2014 portion of the Basis of Design Gap Closure Plan (as previously created and updated by LOB's)	Asset Owners Council	Q1 - Q4

Target

# Goal 3: Business Excellence – Asset Management

## 2014 Initiatives

2014 INITIATIVES – Asset Management			
INITIATIVE	DELIVERABLE	RESPONSIBLE	TIMING
Critical Spares Rationalization – Execute existing gap closure plan and determine next steps	Execute 2014 portion of the previously created Gap Closure Plan (2012)	LTAP Council	Q1 – Q3

Opportunity

# Goal 3: Business excellence

STRATEGIC INITIATIVES – Project Execution				
2014	2015	2016	2017	2018
<u>Project Execution Excellence</u> Execute 2014 activities outlined in implementation (gap closure) plan	<u>Project Execution Excellence</u> Execute 2015 activities outlined in implementation (gap closure) plan	<u>Project Execution Excellence</u> Execute 2016 activities outlined in implementation (gap closure) plan	<u>Project Execution Excellence</u> Execute 2017 activities outlined in implementation (gap closure) plan	<u>Project Execution Excellence</u> Execute 2018 activities outlined in implementation (gap closure) plan

<sup>1</sup> Project management process: Advance key project management best practices: time management (Phase II) and earned value analysis (Phase I).

# Goal 3: Business excellence

## OBJECTIVES – System Reliability

- By 2015 achieve 99.7% generation contingency reserve and sustain this performance.<sup>1</sup>
- Maintain the unsupplied energy below 30,000 through to 2018

## TARGETS

2014	2015	2016	2017	2018
<p>Achieve generation contingency reserve <math>\geq 99.5\%</math><sup>1</sup></p> <ul style="list-style-type: none"> <li>•Thermal 18 hours</li> <li>•Hydro 9 hours</li> <li>•TRO 9 hours</li> <li>•Sys Ops 9 hours</li> </ul>	<p>Achieve generation contingency reserve <math>\geq 99.7\%</math></p> <ul style="list-style-type: none"> <li>•Thermal 12 hours</li> <li>•Hydro 6 hours</li> <li>•TRO 6 hours</li> <li>•Sys Ops 6 hours</li> </ul>	<p>Achieve generation contingency reserve <math>\geq 99.7\%</math></p> <ul style="list-style-type: none"> <li>•Thermal 12 hours</li> <li>•Hydro 6 hours</li> <li>•TRO 6 hours</li> <li>•Sys Ops 6 hours</li> </ul>	<p>Achieve generation contingency reserve <math>\geq 99.7\%</math></p> <ul style="list-style-type: none"> <li>•Thermal 12 hours</li> <li>•Hydro 6 hours</li> <li>•TRO 6 hours</li> <li>•Sys Ops 6 hours</li> </ul>	<p>Achieve generation contingency reserve <math>\geq 99.7\%</math></p> <ul style="list-style-type: none"> <li>•Thermal 12 hours</li> <li>•Hydro 6 hours</li> <li>•TRO 6 hours</li> <li>•Sys Ops 6 hours</li> </ul>
<p>Delivery Point Unsupplied Energy (MW-Mins)</p> <ul style="list-style-type: none"> <li>•Planned - 11,500</li> <li>•Forced - 16,000</li> <li>•UFLS - 2,500</li> <li>•Overall – 30,000</li> </ul>	<p>Delivery Point Unsupplied Energy (MW-Mins)</p> <ul style="list-style-type: none"> <li>•Planned - 11,500</li> <li>•Forced - 16,000</li> <li>•UFLS - 2,500</li> <li>•Overall – 30,000</li> </ul>	<p>Delivery Point Unsupplied Energy (MW-Mins)</p> <ul style="list-style-type: none"> <li>•Planned - 11,500</li> <li>•Forced - 16,000</li> <li>•UFLS - 2,500</li> <li>•Overall – 30,000</li> </ul>	<p>Delivery Point Unsupplied Energy (MW-Mins)</p> <ul style="list-style-type: none"> <li>•Planned - 11,500</li> <li>•Forced - 16,000</li> <li>•UFLS - 2,500</li> <li>•Overall – 30,000</li> </ul>	<p>Delivery Point Unsupplied Energy (MW-Mins)</p> <ul style="list-style-type: none"> <li>•Planned - 11,500</li> <li>•Forced - 16,000</li> <li>•UFLS - 0</li> <li>•Overall – 27,500</li> </ul>

<sup>1</sup> Generation contingency reserve: Measure of availability of system generation. A generating unit is included in the reserve if it is operating or available for operation within a short time period. Performance is tracked and assessed monthly.

# Goal 3: Business excellence

## OBJECTIVES – System Reliability

- Continuously improve to the CEA top quartile delivery point performance by 2018.
- Improve Service Continuity by 20% by 2018.

## TARGETS

2014	2015	2016	2017	2018
<b>Delivery Point Performance (Forced Outages)</b>				
T-SAIFI 0.85 int./DP	T-SAIFI 0.80 int./DP	T-SAIFI 0.73 int./DP	T-SAIFI 0.67 int./DP	T-SAIFI 0.60 int./DP
T-SAIDI 52.50 min/DP	T-SAIDI 50.00 min/DP	T-SAIDI 48.00 min/DP	T-SAIDI 46.00 min/DP	T-SAIDI 44.00 min/DP
<b>Service Continuity Performance (Forced &amp; Planned Outages)</b>				
SAIFI 3.65 int/cust	SAIFI 3.47 int/cust	SAIFI 3.29 int/cust	SAIFI 3.13 int/cust	SAIFI 2.97 int/cust
SAIDI 5.90 hrs/cust	SAIDI 5.60 hrs/cust	SAIDI 5.32 hrs/cust	SAIDI 5.06 hrs/cust	SAIDI 4.81 hrs/cust

# Goal 3: Business excellence

<b>STRATEGIC INITIATIVES – Growth Integration (Electricity ready for operations)</b>				
<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<u>Integration</u> Complete 2014 activities outlined in electricity ready for operations multi-year strategy	<u>Integration</u> Complete 2015 activities outlined in electricity ready for operations multi-year strategy	<u>Integration</u> Complete 2016 activities outlined in electricity ready for operations multi-year strategy	<u>Integration</u> Complete 2017 activities outlined in electricity ready for operations multi-year strategy	<u>Integration</u> Complete 2018 activities outlined in electricity ready for operations multi-year strategy

# Goal 3: Business excellence

INITIATIVES - Growth				
2014	2015	2016	2017	2018
<ul style="list-style-type: none"> <li>• Execute project plan for Bay d’Espoir to Western Avalon transmission upgrade.</li> <li>• Execute 2014 plan for the Island System capacity requirements.</li> <li>• Execute 2014 project plan for breaker upgrades.</li> </ul>	<ul style="list-style-type: none"> <li>•Complete current year portion of plan for Island and Labrador system upgrades.</li> <li>•Place into operation solution for system capacity needs</li> </ul>	<ul style="list-style-type: none"> <li>•Complete current year portion of plan for Island and Labrador system upgrades.</li> </ul>	<ul style="list-style-type: none"> <li>•Place into operation the BDE to WAV line.</li> <li>•Complete system breaker upgrades</li> <li>•Complete BBK reconfiguration.</li> <li>•Complete the TL-201 upgrades.</li> <li>•Complete the BDE bus reconfiguration for TL-204 and TL-231.</li> </ul>	
<p>Develop a multi-year reliability compliance (NERC/NPCC) implementation plan for new transmission assets and the operation of the ML HVdc facilities and obtain approval to proceed.</p>	<ul style="list-style-type: none"> <li>•Complete current year portion of the reliability standards implementation.</li> </ul>	<ul style="list-style-type: none"> <li>•Complete current year portion of the reliability standards implementation.</li> </ul>	<ul style="list-style-type: none"> <li>•Complete current year portion of the reliability standards implementation.</li> </ul>	

# Goal 3: Business excellence

<b>INITIATIVES – Growth</b>				
<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Complete Operational Organizational Design and develop an implementation plan to enable reliable and least cost operation using established Asset Management Systems.	•Implement current year plan for organizational change.			
Complete regulatory regime analysis for changes required by 2018 to enable reciprocal open access to the Provincial transmission grid including requirement for an independent system operator.	•Implement current year regulatory implementation plan			

# Goal 3: Business excellence

STRATEGIC INITIATIVES – Growth				
2014	2015	2016	2017	2018
<u>Labrador Industrial Activity</u> Complete planned 2014 initiatives to respond to Labrador industrial activity <sup>1</sup>	<u>Labrador Industrial Activity</u> Complete planned 2015 initiatives to respond to Labrador industrial activity	<u>Labrador Industrial Activity</u> Complete planned 2016 initiatives to respond to Labrador industrial activity	<u>Labrador Industrial Activity</u> Complete planned 2017 initiatives to respond to Labrador industrial activity	<u>Labrador Industrial Activity</u> Complete planned 2017 initiatives to respond to Labrador industrial activity

<sup>1</sup> Labrador Industrial Activity: Complete 2014 activities including: completing any required commercial arrangements to support 2014 expiration of TwinCo arrangement, and advancing any necessary regulatory requirements.

# Goal 3: Business excellence

STRATEGIC INITIATIVES – Growth – Exploits Integration				
2014	2015	2016	2017	2018
<u>Exploits Integration</u> Complete 2014 plan for Exploits Integration with Hydro				
Complete proposal to GNL for acquisition of Exploits assets for Ratepayer benefits				

# Goal 3: Business Excellence

INITIATIVES – Customer Satisfaction				
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2014	2015	2016	2017	2018
Implement year one activities in customer service strategy.	Implement year two activities in customer service strategy.	Implement year three activities in customer service strategy.	Evaluate customer service strategy and outcomes for effectiveness and adjust as necessary to achieve/sustain rural residential customer satisfaction target. Begin development of new three year plan.	

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# Goal 4: People

Boundless Energy



## OBECTIVE - People

- Improve all elements of employee engagement to a level where Hydro would qualify for recognition as one of Canada’s best employers in reference to an acceptable external benchmark, and maintain each subsequent year.

## TARGETS - People

2014	2015	2016	2017	2018
Achieve $\geq$ 80% participation in 2014 Employee Engagement Survey	Complete $\geq$ 95% of 2014 Employee Engagement Survey action plan items	Achieve $\geq$ 80% participation in 2016 Employee Engagement Survey	Complete $\geq$ 95% of 2016 Employee Engagement Survey action plan items	Achieve $\geq$ 80% participation in 2016 Employee Engagement Survey
Achieve overall Hydro Employee Engagement Survey score of $\geq$ 4.40		Achieve overall Hydro Employee Engagement Survey score of $\geq$ 4.50		Achieve overall Hydro Employee Engagement Survey score of $\geq$ 4.60

# STRATEGIC INITIATIVES - People

2014	2015	2016	2017	2018
<p><u>Engagement</u>                      Execute 2014 activities stemming from 2012 employee engagement survey. Complete external best employer benchmarking process and develop action plan to address results</p>	<p><u>Engagement</u>                      Execute 2015 activities outlined in employee engagement action plans</p>	<p><u>Engagement</u>                      Execute 2016 activities stemming from 2014 employee engagement survey. Complete external best employer benchmarking process and develop action plan to address results</p>	<p><u>Engagement</u>                      Execute 2017 activities outlined in employee engagement action plans</p>	<p><u>Engagement</u>                      Execute 2018 activities stemming from 2016 employee engagement survey. Complete external best employer benchmarking process and develop action plan to address results</p>

## STRATEGIC INITIATIVES - People

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2014	2015	2016	2017	2018
<p><u>Skilled/Capable People; Employees are Valued</u> Continue execution of multi-year action plan for diversity/inclusion<sup>1</sup></p>	<p><u>Skilled/Capable People; Employees are Valued</u> Complete a progress evaluation of diversity/inclusion, refresh strategy and multi-year action plan<sup>2</sup></p>	<p><u>Skilled/Capable People; Employees are Valued</u> Execute 2016 actions in multi-year diversity/inclusion action plan</p>	<p><u>Skilled/Capable People; Employees are Valued</u> Execute 2017 actions in multi-year plan</p>	<p><u>Skilled/Capable People; Employees are Valued</u> Complete a progress evaluation of diversity/inclusion, refresh strategy and action plan</p>
<p><u>Skilled/Capable People</u> Continue execution of gap closure for succession planning and performance management  Complete the implementation of Phase III of Learning Management System<sup>3</sup></p>	<p><u>Skilled/Capable People</u> Complete implementation of Phase IV Learning Management System<sup>4</sup></p>	<p><u>Skilled/Capable People</u> Review all elements of the company's Talent Management Strategy, identify strategy and process improvement opportunities</p>	<p><u>Skilled/Capable People</u> Execute talent management improvement plan</p>	<p><u>Skilled/Capable People</u> Continue to execute talent management improvement</p>

- <sup>1</sup> Diversity/inclusion multi-year action plan: 2014 activities include continued delivery of Awareness and Skills Building Workshops and continuation of Awareness Campaign.
- <sup>2</sup> Diversity/inclusion multi-year action plan: 2015 activities include initiating a self-identification survey and completing evaluation against 2011 baseline data.
- <sup>3</sup> Learning Management System: Implement Phase III activities including complete professional development data integrity exercise (non-mandatory training) and implement core technical templates for key occupations. Conduct an alignment check on the LMS strategy and multi-year action plan.
- <sup>4</sup> Learning Management System: Implement Phase IV activities including completing core competency templates for all other identified occupations, and roll out to all users. Ensure greater linkages between our other talent management processes.

# Goal 5: Community

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# Goal 5: Community

## OBJECTIVES - Community

- To increase the percentage of the public who believe Hydro has a strong reputation to 74% by 2015.

## TARGETS - Community

2014	2015	2016	2017	2018
		Hydro reputation at 75% (Percentage of the public who believe Hydro has a strong reputation)*		

\* Measured on a three year cycle

# STRATEGIC INITIATIVES - Community

2014	2015	2016	2017	2018
<u>Reputation Management</u> Complete Hydro three year reputation management plan.	<u>Reputation Management</u> Execute year one actions and initiatives	<u>Reputation Management</u> Execute year two actions and initiatives	<u>Reputation Management</u> Execute year three actions and initiatives; evaluate and refresh plan	
<u>Electricity Education</u> Complete year three activities and explore alternative community based model with CSR team.				
<u>Public Safety Communication Plan</u> Execute 2014 activities, review, evaluate and refresh three year plan	<u>Public Safety Communication Plan</u> Execute year one activities	<u>Public Safety Communication Plan</u> Execute year two activities	<u>Public Safety Communication Plan</u> Execute year three activities; evaluate and refresh plan	
<u>Corporate Citizenship</u> Complete assessment of community investment program (CIP) and develop multi-year program and CIP Marketing Strategy	<u>Corporate Citizenship</u> Execute annual CIP strategy and year 1 of CIP Marketing Strategy	<u>Corporate Citizenship</u> Execute annual CIP strategy and year 2 of CIP Marketing Strategy	<u>Corporate Citizenship</u> Execute annual CIP strategy and year 3 of CIP Marketing Strategy; evaluate and refresh plan	

**STRATEGIC INITIATIVES - Community**

2014	2015	2016	2017	2018
<u>Digital/Social</u> Hydro web site review and development of new site including mobile functionality	<u>Digital/Social</u> Complete social media strategy to complement Hydro rep mgmt plan			
<u>Customer Communication</u> Review and update outage communication process Meter reader safety phase two	<u>Customer Communication</u> Meter reader safety update strategy			
<u>Regulatory Communication</u> Strategy for GRA Communication strategy for large capital projects	<u>Regulatory</u> Continued GRA support Continued capital program support			
<u>Energy Efficiency</u> Complete plan and execute year one activities	<u>Energy Efficiency</u> Execute year two activities	<u>Energy Efficiency</u> Execute year three activities; evaluate and refresh three year plan		