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Sent: Wednesday, May 29, 2013 9:34 AM
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Subject: SLI - Risk

Gilbert

I met with Normand and JD Tremblay (the SLI Risk person) yesterday and asked for clarification on the SLI risk analysis that was carried out on the project.

It appears that M&M division VP asked for this and the M&M division performed the analysis - it was based on the data from the LCP Risk Workshops that Jason had chaired mid last year .

The status is that a draft is with B Gagne and Scott Thon and they may be thinking about providing it to us . I would respectfully decline that offer because of a number of very important factors:-

1 Because the work was based on the same source data that Westney used there is nothing new here- Risk wise.

2 The risk analysis shows the unmitigated risk and cost result and is not a probabilistic analysis using Monte Carlo sampling techniques - so the results will be subjective in interpretation and will not reflect the mitigations we have implemented or the cost result of the mitigations- i.e the results will be misleading and inaccurate

3 We have had no opportunity to challenge the assumptions or factual accuracy of the input data and we really do not have the time or inclination to do so - we need to focus our efforts and resources on the risks going forward not spend time on some dated, incomplete analysis using techniques which are inferior to those used by Westney

So I recommend we talk to Scott and reassure him that we realize there was no mal intent here however given the above we would prefer if this remained as a draft internal document and not presented to us.

However there is something that we need to work on together and that is to revitalize the risk identification and mitigation efforts within the LCP team. It is now time to assess our current state regarding Risk Management and identify an action plan to get us to the desired state. I have asked JD Tremblay to provide me with that. I know that the LCP team has been very much focussed on dealing with other significant priorities and may not have been able to formally maintain the Risk register however I am also confident that the significant priority work the team is focussed on are indeed the biggest risks facing us and that we are in good shape here and with a little extra effort can catch up without major issue. I will support the Risk effort and lend my authority to Jason and JD Tremblay to help move this forward.

Regards Paul



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