

UNDERTAKING J4.13

Undertaking

To confirm whether there are incentive structures to individuals within OPG to achieve excellent performance at procuring uranium at low prices.

Response

OPG has an approved nuclear fuel procurement strategy in place. The goal of the strategy is to obtain the required nuclear fuel quality, quantity and security of supply at the lowest corresponding price (Ex. F2-T5-S1, Section 3.1).

As outlined in Ex. F2-T2-S1, Attachment 1, page 4, one of the four Nuclear Cornerstones is Value for Money, and all management staff within Nuclear have their Annual Incentive Plan ("AIP") tied to Value for Money performance. OPG's Nuclear Supply Chain organization is responsible for nuclear fuel procurement. For the management staff within Nuclear Supply Chain, this translates into a performance incentive (AIP objective) of achieving cost reductions/bottom line savings from all of the nuclear supply chain activities, a significant component of which is nuclear fuel procurement.