

# Y2K External Risk Dependencies and Management

Ontario Hydro Nuclear  
Year 2000 Project

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*for the OECD NEA International Workshop on  
the Impact of Year 2000 on the Nuclear Industry  
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# Purpose

- To review Ontario Hydro Nuclear's External Risk Management Program



# Outline

- Components of OHN's Year 2000 Risk Management Program
  - internal risks
  - external risks
- OHN's External Business Risk Project
  - Business Risk Management Process
  - External Dependencies
  - Benefits of Y2K Readiness

# Components of OHN's Year 2000 Risk Management Program

<b>Risk Category:</b>	External		Internal	
<b>Source of Risk:</b>	External to OHN	Other SBU	Non-Y2K Project	Y2K Project
<b>Point of Failure:</b>	Business Process		Digital Asset	

# Internal Risks

## **OHN Y2K Project to fix digital assets**

- Y2K project started in July 1997
- Risk Management looks at this from a project perspective only

## **OHN non-Y2K projects with potential impact on Y2K initiative**

- New projects which will be implemented between now and the year 2000.
- Risk Management identifies cross-impacts and ensures that an appropriate gatekeeper process for compliance exists



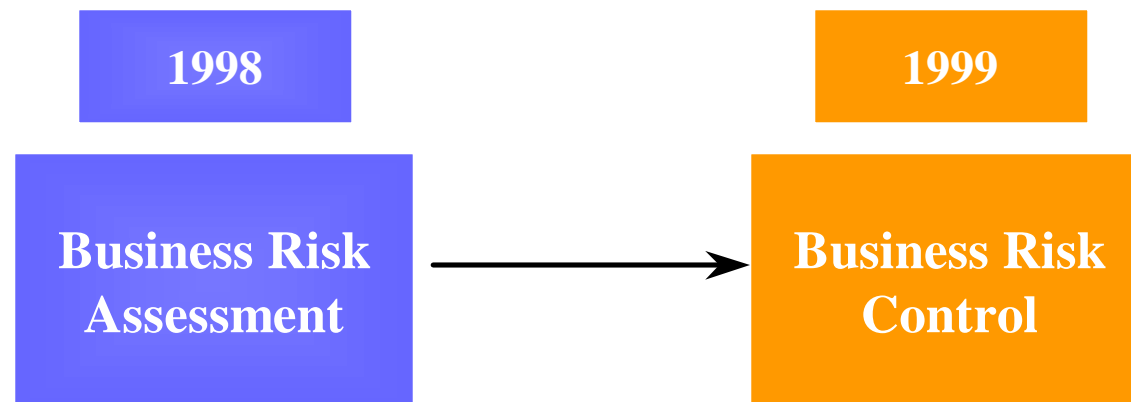
# External Risks

- External risks resulting from circumstances, conditions, or events that are not under the direct control of OHN management
  - *risks that could compromise the safety, or continued operation of the facilities (process failures) due to Y2K-induced events (e.g., transmission lines, communications, consumables and services)*
- Risks relating to OHN customers who must solve their Y2K problems in order to continue receiving OHN services
- Dependencies on other Business Units (Servco, Genco, & CMO)

# Objectives of OHN's External Business Risk Management Project

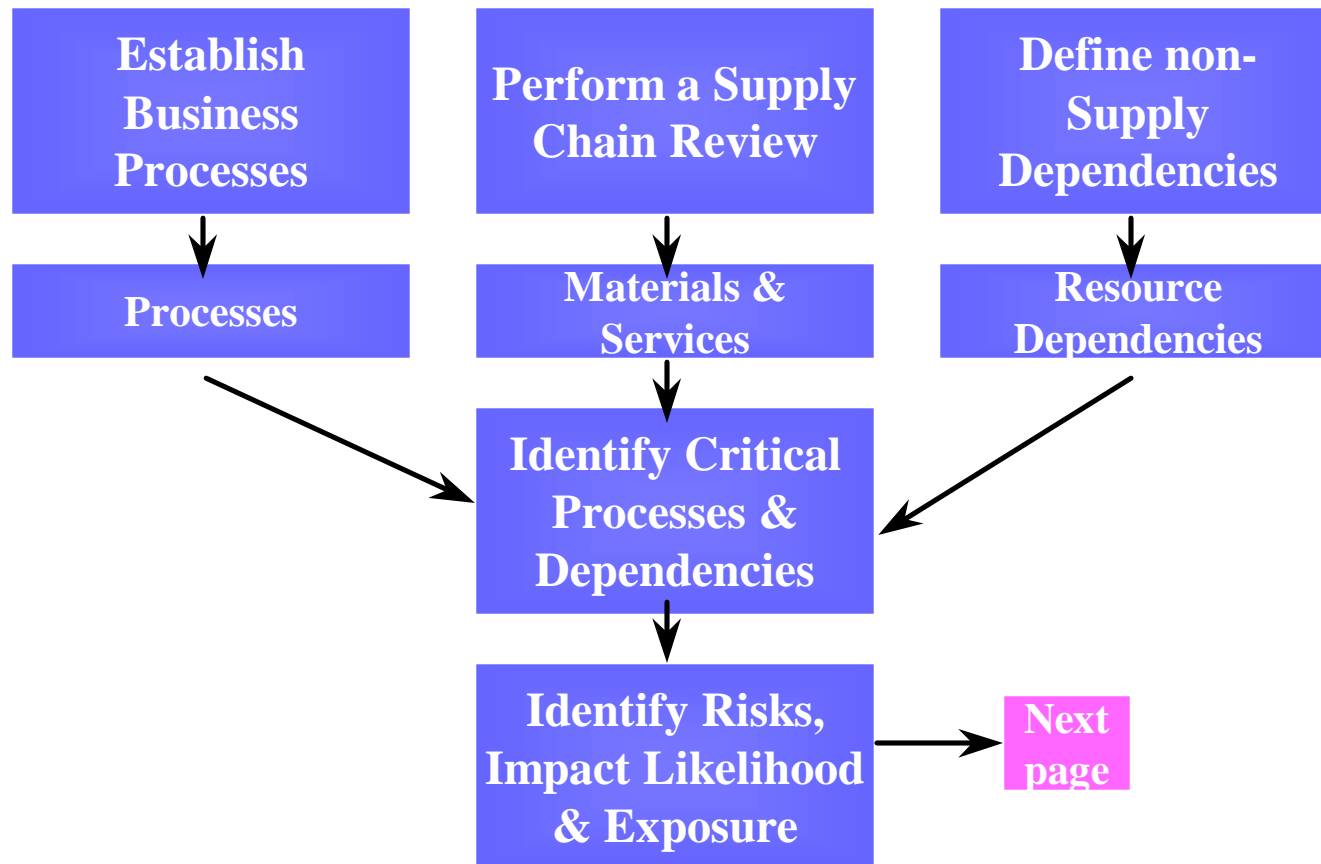
- Define the associations with external business partners and the nature of any dependencies on OHN business processes
- Define the risks associated with a Y2K failure in external partners' business processes
- Define the criticality, impact and likelihood of these risks on critical OHN business processes
- Develop cost effective and timely action plans to mitigate them
- Implement and monitor the action plans to mitigate risks
- Ensure that Risk Management is an ongoing activity until Y2K is over
- Ensure that Emergency Preparedness Plans are updated

# Business Risk Management Process

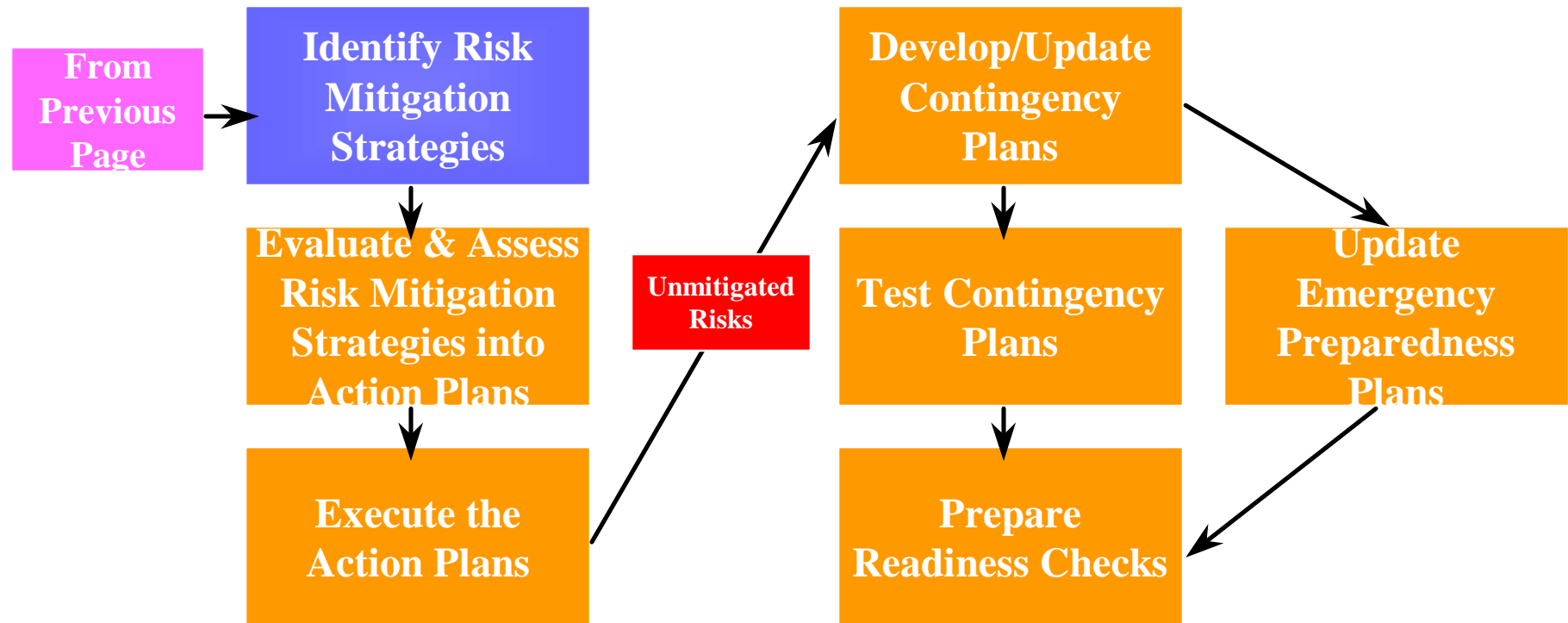




## Business Risk Management Process



## Business Risk Management Process (cont.)



# Business Criticality

*Identifies how vital the availability of a business process is to the corporation's core product delivery*

- 0 - requires immediate, without delay response  
(impact on the ability of organization to deliver core products is immediate)
- 1 - cannot be unavailable for more than a few hours  
(ability of the organization to deliver its core product would be in jeopardy)
- 2 - cannot be unavailable for more than one day
- 3 - cannot be unavailable for more than one week
- 4 - could be unavailable for some weeks without impacting delivery
- 5 - could be unavailable for some months without impacting delivery

# Business Impact

*Is determined by the failure of a Critical Business Process  
(The loss if the risk is not mitigated)*

<u>Impact Area</u>	<u>High</u>	<u>Medium</u>	<u>Low</u>
<b>Public or employees</b>	Serious injury or death	Non-life threatening injury	No health impact
<b>Delivery capability</b>	Significant disruption	Limited disruption	Within normal operating tolerance
<b>Environment</b>	Impact leading to investigation whose damage cannot be successfully reversed within a reasonable timeframe without significant expense	Impact which is contained whose damage can be successfully reversed within a reasonable timeframe without significant expense	No impact
<b>Key stakeholders</b>	Significant disruptive impact	Limited disruptive impact	No visible impact
<b>Financial</b>	Measureable in the millions of dollars	Measureable in the hundreds of thousands of dollars	Measureable in the tens of thousands of dollars

# Risk

*The possibility of an unsatisfactory outcome.*

– ‘*Possibility*’ implies probability

– ‘*Unsatisfactory*’ implies a measure of loss to someone

Measured by:

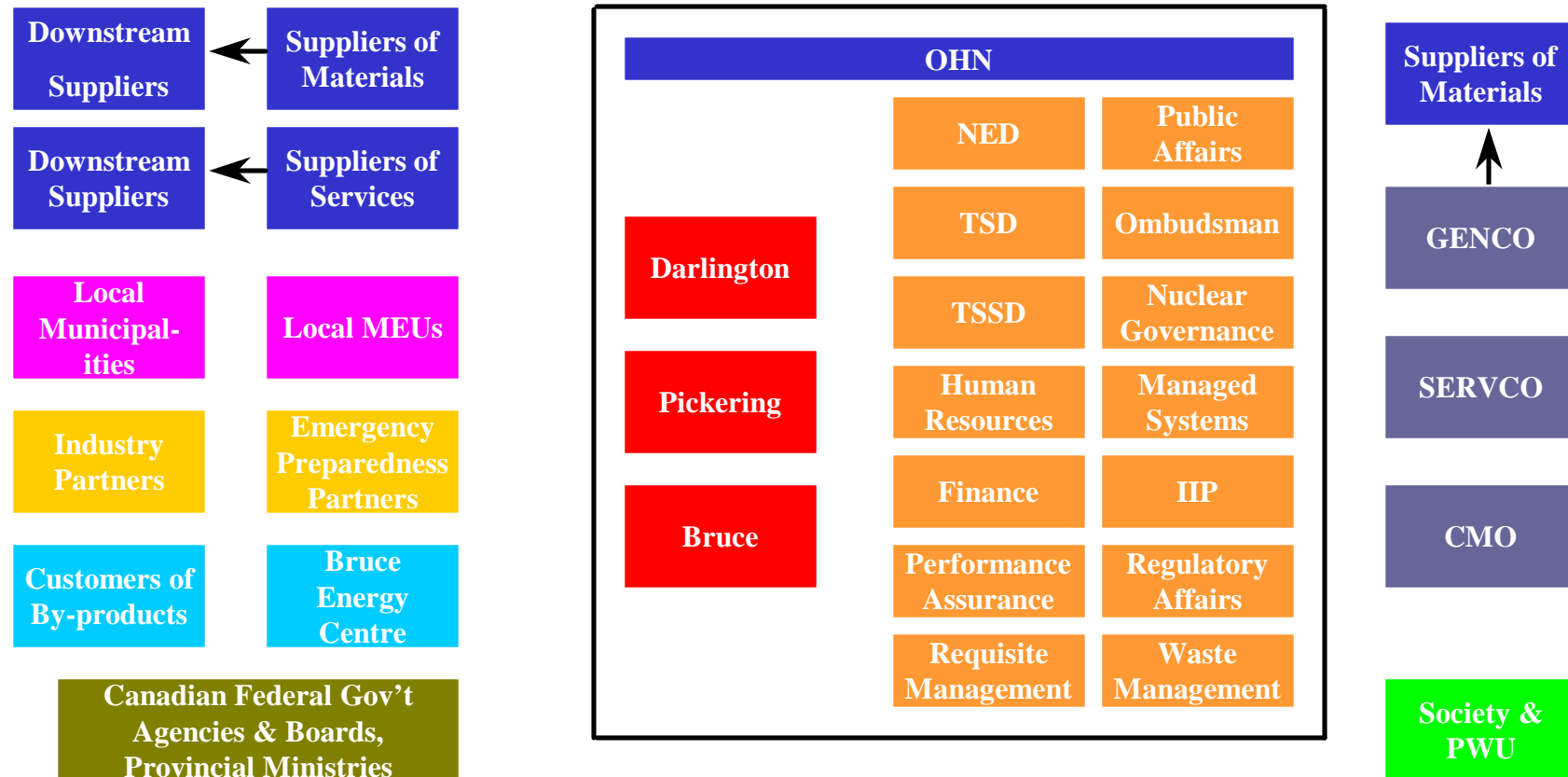
## Likelihood

*The probability of the risk occurring (High, Medium or Low)*

## Impact

*The consequence, direct or indirect, of an unsatisfactory outcome; cost, time, quality, functionality, reputation, safety and regulatory non-compliance*

# External Dependencies



## Benefits of Y2K Readiness

- Minimizes risk to health and safety
- Minimizes damage to enterprise assets
- Minimizes the risk of delay in setting-up alternative measures
- Minimizes the need for decision-making during a potential failure
- Ensures the availability of necessary resources to help the enterprise continue to meet customer needs during an interruption
- Ensures Emergency Preparedness provides a sense of security, knowing that the operation can continue to function safely during a potential failure



Thank You !