

**CENTRAL MAINE POWER COMPANY
RESPONSE TO ORAL DATA REQUEST NO. 1
DOCKET No. 2008-255**

November 7, 2008

ODR-01-15

- Q.** Identify any area of risk in the schedule and work around plans. Include land acquisitions.
- A.** There is risk associated with almost every activity in the schedule and work around plans are developed as new information becomes available that may threaten the accomplishment of specific tasks. In terms of larger risks for the MPRP, these are listed, along with the current mitigation plan, on the attached Risk Register. This Risk Register is the result of a formal risk assessment workshop and is one of the project control tools being utilized for the MPRP.

Response Prepared & Submitted By:

Geoff Thomas
Program Manager
Cianbro

Attachment:

1. MPRP Risk Register



MAINE POWER
RELIABILITY PROGRAM
 A CENTRAL MAINE POWER COMPANY PROJECT

Risk Register

Exceptional
 Major
 Significant
 Advantageous
 Beneficial

Priority Bands

Intolerable
 Unacceptable
 Tolerable
 Acceptable
 Insignificant

Legend: P - Probability
 I - Impact
 RR - Risk Rating
 (From P/I Grid)

Risk ID	Risk Category	Risk Description	Cause(s)	Effect(s)	Category	Qualitative				Existing Control	Action Plan	Action Owner	Action Review Date	Mitigation		
						P	I	RR	Priority					Time	Cost	Flag
TA027	A	Losing Key individuals/ maintaining bench strength	Pursing better opportunities elsewhere	Delay	Iberdrola/Energy East/CMP	3	1	3	5			Mary Smith				
TE	E	Significant increase in Cost of Capital (Finance)	Internal & External Economic Conditions	Higher Project Costs & higher customer rates	Finance & Cost Management	2	2	4	3	Formula Rate in Federal Tariffs (ISO NE)	Attain CWIP in rate base	Scott Mahoney				
TA	A	Change in investment strategy (Energy East)	Competing Capital Projects	Delay or reduced scope	Iberdrola/Energy East/CMP	1	5	5	4							
TE	E	Economic hyper-inflation	Macro Economic Conditions	Cost increase	Finance & Cost Management	2	4	8	2	Formula Rate in Federal Tariffs (ISO NE), or exit strategy	To develop a total project cost that incorporates variability, Monitor inflation	Thorn Dickinson				
TE003	E	Actual financial requirements being different in comparison to forecast	Inaccurate estimate or change in plans	Delay, reapplication to regulators, less earnings opportunity & potential over capitalization	Finance & Cost Management	4	2	8	2	Quarterly Reforecast & Risk Analysis	Continue to refine & improve and communicate	Geoff Thomas				
TE	E	Market Risk - Significant escalation of commodities independent of inflation	Imbalance between supply & demand	Cost overruns	Finance & Cost Management	3	3	9	1	Modeling a range of commodity escalation factors and it's affect on total project cost	Develop a procurement strategy & commodity hedging action plan	Mary Smith				
TA010	A	Stability, Tariff Administration or role of ISO-NE	Changes in leadership or Regional Energy Policy Priorities	Attractiveness of the ROE or other regulatory approvals	Iberdrola/Energy East/CMP	2	5	10	3			Mary Smith				
TA028	A	Knowledge transfer between CMP and Program team	CMP Resource Constraint	Delay & Cost	Iberdrola/Energy East/CMP	5	2	10	3	Meetings, Communication, management interface at several levels, Web-based information management system	To develop a plan for the long term knowledge transfer for engineering & operations; Evaluate current issues to the appropriate sponsor	Mary Smith & Geoff Thomas				
TA032	A	Need to implement an Exit strategy	Abandon part or all of the project	Increased Risk of unrecoverable cost	Iberdrola/Energy East/CMP	2	5	10	3	No Formal Plan	To develop exit strategy	Geoff Thomas				
TA	A	Competing Regional Transmission Projects (External to CMP)	Increased Earnings opportunities	Changes needed for MPRP	Iberdrola/Energy East/CMP	3	4	12	2	Monitor potential projects	Evaluate competing projects to determine whether they can meet the reliability needs at a lower cost.	Dave Conroy				
TA004	A	Equipment & Material Commitment risk in advance of regulatory approval	To keep the project on schedule	Possible unrecoverable costs	Iberdrola/Energy East/CMP	5	3	15	1	Authorization Levels	To identify program needs and options to secure the equipment and material that satisfy the program & business needs (how much? When? Consequences? Options?)	Geoff Thomas				
TM017	M	Construction and commissioning workforce constraints within wave of National Transmission Owner Infrastructure Investment	High demand labor resources	Project delay, lower quality & higher cost	Human Resources	5	4	20	1	None	Develop a construction & commissioning strategy	Geoff Thomas				
TM024	M	Lack of skilled professionals in technical arena	High demand	Project delay, lower quality & higher cost	Human Resources	5	4	20	1	Hired highly skilled and experienced professionals	To develop a retention & HR plan	Geoff Thomas				
TD014	D	Slowing economy (See TB4)			Economic Modeling			0				Dan Peaco				
TD015	D	High price of heating oil driving electric heat (See TB022 & OB4)			Economic Modeling			0				Dan Peaco				
OL1	L	Black Outs / Brown Outs support needs assessment (See OB3)			System Operations/ Outages			0								
TL018	L	Outage scheduling within ISO-NE (See TL025)			System Operations/ Outages			0				Rick Conant				
TF005	F	Risk of Costs determined to be imprudent	Mismanagement	Lower earnings	Environmental & Permitting (Technical)	1	2	2	10		Well documented decision process	Mary Smith				
TK030	K	Weather risk-System Operation	Cancellation of outages required for construction sequence to critical facilities due to weather	Lengthen the construction period	System Operations/ Outages	3	1	3	LOW		Building in time for cancellations of outages	Rick Conant				

TD019	D	Uplift costs for generation during MPRP outages	Construction outages	Higher LMP's	Economic Modeling	5	1	5	MID	Design of the construction sequencing process	Monitor and look for opportunities to improve	Rick Conant
TB5	B	Challenge to systems studies key assumptions	Intervenor consultants	To delay and defer project	System Studies	5	2	10	HI	MPUC CPCN process	In-depth, effective presentations to minimize questions and reach a technical settlement	Rick Conant / Dan Peaco
TB6	B	Modeling collaboration with intervenors	Intervenor consultants	To delay and defer project	System Studies	5	2	10	HI	MPUC CPCN process	In-depth, effective presentations to minimize questions and reach a technical settlement	Rick Conant / Dan Peaco
TC1	C	NTA Study Analysis Rebuttal	Intervenor consultants	To delay and defer project	Non-Transmission Alternatives	5	2	10		MPUC CPCN process	In-depth, effective presentations to minimize questions and reach a technical settlement	Rick Conant / Dan Peaco
TL025	L	Magnitude of MPRP scope puts existing system at risk	Outages required for construction sequence to critical facilities	System reliability at risk and uplift cost (See 27)	System Operations/ Outages	5	2	10	HI	Design of the construction sequencing process	Monitor and look for opportunities to improve	Rick Conant
OG	G	Litigation Support / ISO	ISO Support need in litigation	Facilitates Approval	Regulatory, Permitting & Licensing	5	-3	15	7		Prod ISO Management	Scott Mahoney
OG		TCA full PTF	Successful persuasion of ISO	Lowest cost to CMP customers		3	-5	15	6		Provide full and accurate cost justification	Geoff Thomas
OG	G	Wind Resource Development drives transmission construction	MPRP link to wind	Higher probability of approvals, more support	Regulatory, Permitting & Licensing	4	-2	6	11		Assemble and disseminate information	Kay Rand
TG	G	Objections from external stakeholders [Landowners (Abutting), NGO's, Generators, OPA, IECG, Municipalities, Other State Commissioners, MPUC Staff, Transmission Owners, Municipal Utilities, Eastern Canada]	Subsumed		Regulatory, Permitting & Licensing	0	0	0				
TG	G	Regulatory Schedule - FERC - ROE & Cost Recovery	Intervenor Opposition	Lower earnings	Regulatory, Permitting & Licensing	1	1	1	12		Manage FERC case	Scott Mahoney
TG	G	Concerns about EMF in PUG process	Intervenor Opposition	Delay / Design Changes	Regulatory, Permitting & Licensing	2	1	2	9		Present coherent testimony	Tom Welch
TG	G	Crossings- MTA, RR, MDOT, FAA	Bureaucracy	Delay / Design Changes	Regulatory, Permitting & Licensing	3	1	3	8		Identify needs, begin process	Mary Smith
TG	G	BEP (Board of Environmental Protection) assumes jurisdiction over environmental permitting	Board Interest / Public Input	Schedule Delay	Regulatory, Permitting & Licensing	2	2	4	5		Work with staff and commissioner	Tom Doyle
TG001	G	Regulatory Schedule - PUC	Extensive Participation / Project Changes	Delay	Regulatory, Permitting & Licensing	4	2	6	3		Timely response to discovery and creative processing	Tom Welch
TG002	G	Regulatory Schedule - DEP, ACOE	Intervenor Opposition, Design Change	Delay	Regulatory, Permitting & Licensing	4	2	6	4		Staggered Pre-app submittals, interagency meetings, continued interaction with staff	Tom Doyle, Dave Dominie
TG	G	Regulatory Schedule - Local Permitting - visual & EMF	Local Opposition	Delay / Denial / Design Changes	Regulatory, Permitting & Licensing	5	4	9	1		Frequent Municipal Interaction / Early Start	Kay Rand / Dave Dominie
TG	G	Onerous permit conditions (DEP, ACOE, PUC, Local)	Agency Support for Alternatives	Delay / Design Changes / Cost	Regulatory, Permitting & Licensing	5	4	9	2		Develop cost and reliability arguments / Mitigation methods	Tom W, Kay R, Dave D, Brian R
OK	K	Start working on substations under CMP current program, rather than waiting for PUC approval	lines vs. substations not needing PUC	advance schedule	Construction Management	2	-5	3	2	started South Gorham	evaluate for others	Geoff Thomas
OH		Execution Strategy	change in sequence timing	advance schedule	Engineering & Design	2	-5	3	1	EPC bid packages	evaluate alternative design and construction sequences	Norm SL Hilaire
TK009	K	Finished in Detroit in time to support MPC	MPRP schedule delays	delay in MPC construction timeline	Construction Management	1	1	1				Norm SL Hilaire
TB020	B	Security risk during construction- interface with existing system- cyber security	regulatory	additional cost	Construction Management	2	1	2				Rick Conant
TK	K	Safety violations	unsafe practices	schedule / cost impact	Construction Management	2	1	2				
TK	K	NERC cyber security requirements	regulatory	design/engineering changes / longer construction time	Construction Management	3	1	3				
TK029	K	Weather risk - Construction		schedule / cost impact	Construction Management	3	1	3				Norm SL Hilaire
TI	I	Properly construction prohibits condemnation - timing of RTI (Right, Title or Interest)	owner changes condemnation status	delay in schedule / costs / scope	Real Estate	3	1	3				
TK	K	Union Issues	budget for mer/ open shop / need to utilize union scale	increase costs	Construction Management	4	1	4				
OK001	I	Land acquisition provides ROW for additional projects	other companies use of land	delay in schedule / costs / scope	Real Estate	1	4	4				Bruce Metrick
TI	I	Corridor Designations	national significance / optional use	delay in schedule / costs / scope	Real Estate	1	4	4				

TK026	K	Theft of materials	high price of raw materials / scrap costs	schedule / cost impact	Construction Management	5	1	5	4				Norm St.Hilaire
TH	H	Design completion	underestimate work required	extended schedule	Engineering & Design	5	1	5	1	scope definition	Quantify scope in one comprehensive document		Steve Walker
TJ	J	Material availability and lead time	market shortage / high demand	delay in schedule	Procurement / Commercial Construction Management	5	1	5					
TK	K	Construction activities causing outages	accidents / poor planning	refocus energies	Construction Management	2	3	6	3				
TH		Execution Strategy	acceleration schedule	additional cost	Engineering & Design	4	2	8	4		Evaluate alternative schedule sequences for reasonableness of cost impact		Norm St. Hilaire
TH	H	Competition for ROW utilization from gas and other utilities	other companies use of land	delay in schedule / costs / scope	Engineering & Design	4	2	8	5		Open communication with other companies to mitigate impacts to both parties		Bruce Metrick
TI		Design completion	resource constraint	design delay	Engineering & Design	4	2	8	3	resource loaded schedule / resource forecast	Add experienced people or develop controls to improve resource forecasts		Steve Walker
TJ006	J	Not ordering equipment in timely fashion.	uncertainty of equipment needs	delay in schedule	Procurement/Commercial	4	2	8			Define equipment needs early by developing / prioritizing required design efforts		Norm St.Hilaire
TI		Design completion	scope change	additional work required/ time	Engineering & Design	5	2	10	2		Develop equipment specs to facilitate procurement time frames		Steve Walker
TI	I	ROW- Failure to Acquire	non-condemnable properties	delay in schedule / costs / scope	Real Estate	5	2	10	3	negotiation strategy	Develop process to schedule unplanned activities and communicate impact		Bruce Metrick
TI	I	Condemnation Process	legal process / proceedings	delay in schedule	Real Estate	5	2	10	1		Decide on alternate solutions around the property		Bruce Metrick
TI	I	Non-Condemnable Properties	dwellings too close / can't condemn	delay in schedule / costs / scope	Real Estate	5	2	10	2		Staking for engineering/review.		Bruce Metrick
TK	K	Worksite Conditions (Not Ideal / Unforeseen)	terrain, weather caused changes	delay in schedule / costs / scope	Construction Management	3	4	12	2	multiple surveys	Subsequent site visits for constructability / planning (post survey)		Steve Walker Norm St. Hilaire
TK	K	Labor Resource Availability	lack of skilled labor / competing projects	schedule / cost impact	Construction Management	5	3	18	1		gather labor statistics reports/resource load constraints to construction schedule		Norm St. Hilaire
ON	N	Opinion leaders- government, community, business	MPRP communication strategy	Timely permitting	External Affairs	5	-5	-5	1	MPRP Communications Strategy	Continue weekly review with Comm. Team and monthly w/ CMP Comm. Team		Larry Benoit weekly
ON	N	Public Awareness cultivates support for program	Stake holder edu, public forum, open houses	Timely permitting	External Affairs	5	-5	-5	2	MPRP Communications Strategy	Continue weekly review with Comm. Team and monthly w/ CMP Comm. Team		Kay Rand weekly
ON	N	Local Legislative and Regulatory Changes eg. permissible use & eliminate height restrictions	CMP/Allies initiatives	Timely permitting	External Affairs	5	-5	-5	3	Ordinance amendment schedule	Monthly reviews by local permitting task team		Kay, Dave, Brian monthly
ON	N	State Legislative and Regulatory Changes eg. eliminate local authority	CMP/Allies initiatives	Expedited permitting	External Affairs	3	-5	-15	6	Ongoing monitoring	Continue monitoring		Dave Allen irregularly
ON	N	Organized media relations proactive communications	MPRP communication strategy	Timely permitting	External Affairs	5	-3	-15	7	MPRP Communications Strategy	Continue weekly review with Comm. Team and monthly w/ CMP Comm. Team		Kay Rand weekly
ON	N	Federal Legislative and Regulatory Changes eg. preemption, treat electric grids as gas pipelines	Change in administration, Congress, industry lobbying	Expedited permitting	External Affairs	1	-5	-5	12		Monitor proposals		Larry Benoit irregularly
TN	N	Local Legislative and Regulatory Changes eg. moratorium	Opposition initiatives	Potential denial of permits, forced redesign	External Affairs	2	1	2	10		Monthly reviews by local permitting task team		Kay, Dave, Brian monthly
TN	N	Opinion leaders- government, community, business	Opposition advocacy	Potential denial of permits	External Affairs	3	1	3	9		Create monitoring mechanisms; continue to use weekly team calls to identify action items		Sue Bell weekly
TN	N	Federal Legislative and Regulatory Changes eg. RGGI, Tax Incentive, Energy Security	Change in administration, Congress, industry lobbying	Forced reassessment of program elements	External Affairs	2	2	4	11		Monitor proposals		Larry Benoit irregularly
TN	N	State Legislative and Regulatory Changes eg. underground cables, EMF set back requirement, environmental changes	Opposition initiatives	Potential denial of permits, adverse impact on rate payers, forced redesign	External Affairs	2	4	8	8	Ongoing monitoring	Continue monitoring		Dave Allen irregularly
TN	N	Organized media relations fueled by opposition	Opposition advocacy	Potential denial of permits, forced redesign	External Affairs	5	2	10	5		Expand monitoring mechanisms; continue to use weekly team calls to identify action items		CMP Communications Team/ BSGS monthly
TN	N	Public misperceptions creating opposition eg. misleading claims	Opposition websites, radio talk shows, word of mouth	Potential denial of permits	External Affairs	5	3	15	4		Create monitoring mechanisms; continue to use weekly team calls to identify action items		CMP Communications Team/ BSGS continuously