

Phase II - Electric Integrity Capital Ranking Matrix (Including Integrity Rider Projects)

		Weighting				
		15%	30%	30%	10%	15%
R a n k i n g		System Reliability	Safety	Legal / Regulatory Compliance	Financial Return	PR/Customer/ Business Impact
		Reliability Data, Planning Studies, Asset Performance & Lifecycle	Safety (Public & BHC Employees)	Regulatory Compliance or Mandate (NERC, FERC, PUC, Government, etc)	Financial Opportunity, Corporate Initiatives	* Business Risk & Strategy * Key Accounts * Internal Labor - Capital/O&M Balance * Regional CUS or RTO Opportunity * Public Relations
10		* 24 hour outage or 100,000 CMI * Decrease SAIDI on circuit by 1.2 minutes * Increase capacity on constrained path by 15% * Equipment is broken / obsolete / known high failure rate Facilities: Facility Condition Index (FCI) >= .85 Fleet: Fleet beyond BHC replacement criteria	* High probability of serious bodily injury if this project is not completed * Not in compliance with National Electric Safety Code (NESC) Facilities: Corrective actions for known Safety/Security/Business risk facility issues Fleet: Corrective Actions for known Safety/Security Fleet Issues	* Mandatory requirement by law or regulation * Needed to maintain franchise agreement * Internal corporate policy requirement Facilities: Corrective Actions for Known Legal/Regulatory/Compliance Facility Issues Fleet: Corrective Actions for Known Legal/Regulatory/Compliance Fleet Issues	* Rider recoverable (immediate recovery) * Recovery period < 12 months * Part of a PUC/PSC stipulated agreement in year 1 Facilities / Fleet: Return > Target hurdle rate &/or Rate Case Recovery period < 12 months or Asset In-Service (Used and Useful) within 12 months of Rate Case	Potential upside/downside of project = \$500k + of operating income or certain there will be +/- material PR impact Facilities: C-Suite/Board Directive and/or planned in Strategic Facility Plan and/or Improves Facility Condition Index by >= 40% Fleet: C-Suite/Board Directive and/or improves Fleet availability by >= 15% and/or >=50% of Fleet impacted
	6	* 8 hour outage or 60,000 CMI * Decrease SAIDI on circuit by 0.8 minutes * Increase capacity on constrained path by 10% * Equipment requires frequent maintenance, operates poorly Facilities: Facility Condition Index (FCI) >=0.6 Fleet: Fleet will meet BHC replacement criteria within 12 mo	* Moderate probability of bodily injury if this project is not completed. * Risk can be eliminated with uncommon PPE Facilities: Pro-Active Actions for known Safety/Security/Business Risk Facility Issues Fleet: Pro-Active Actions for known Safety/Security Fleet Issues	Expected regulatory or compliance requirement within 2 years Facilities: Pro-Active Actions for Known Legal/Regulatory/Compliance Issues Fleet: Pro-Active Actions for Known Legal/Regulatory/Compliance Fleet Issues	* Return is greater than target hurdle rate & recovery period 12-24 months * Part of a PUC/PSC stipulated agreement in years 2-3 Facilities / Fleet: Return = hurdle rate and/or Asset In-Service (Used and Useful) within 24 months of Rate Case	Potential upside/downside of project = \$250k - \$500k of operating income or likely there will be +/- substantial PR impact Facilities: C-Suite/Board Directive and/or planned in Strategic Facility Plan and/or Improves Facility Condition Index by >= 25% Fleet: C-Suite/Board Directive and/or improves Fleet availability by >= 10% and/or >=25% of Fleet impacted
	3	* 3 hour outage or 30,000 CMI * Decrease SAIDI on circuit by 0.3 minutes * Increase capacity on constrained path by 5% * Equipment requires occasional unplanned maintenance and approaching life expectancy Facilities: Facility Condition Index (FCI) >=.3 Fleet: Fleet will meet BHC replacement criteria within 24 mo	* Low probability of bodily injury if this project is not completed Facilities: Corrective Actions for Speculative or Future Safety/Security/Business Risk Facility Issues Fleet: Corrective Actions for Speculative or Future Safety/Security Fleet Issues	Expected regulatory or compliance requirement within 5 years Facilities: Corrective Actions for Speculative or Future Legal/Regulatory/Compliance Facility Issues Fleet: Corrective Actions for Speculative or Future Legal/Regulatory/Compliance Fleet Issues	* Return = target hurdle rate & recovery period 24-36 months * Part of a PUC/PSC stipulated agreement in years 4-5 Facilities / Fleet: Return = WACC within modeling period	Potential upside/downside of project = \$100k - \$250k of operating income or low likelihood there will be +/- immaterial PR impact Facilities: C-Suite/Board Directive and/or planned in Strategic Facility Plan and/or Improves Facility Condition Index by >= 10% Fleet: C-Suite/Board Directive and/or improves Fleet availability by >= 5% and/or >=10% of Fleet impacted
1	No impact on reliability or performance Facilities: Facility Condition Index (FCI) >=.1 Fleet: Fleet will perform to current BHC reliability specifications for >24 mo	No impact on safety Facilities: No impact Fleet: No impact	Expected regulatory or compliance requirement > 5 years Facilities: No impact Fleet: No Impact	Return < target hurdle rate Facilities/ Fleet: Return does not exceed WACC	Potential upside/downside of project < \$100k of operating income or no impact on PR Facilities/Fleet: No Impact	