

MEMORANDUM

TO: All Asset Managers **FROM:** Office of Asset Integrity **DATE:** October 26, 2023 **SUBJECT:** Mandatory Use of Standardized Qualitative Risk Scales and Matrix

To ensure consistency in risk assessment across all departments, the following scales and matrix are to be used for all qualitative risk analyses, effective immediately.

Likelihood Scale

| Rating | Level | Description | |---|:---|:---| | 5 | Very High | Almost certain to occur in the next year. | | 4 | High | Likely to occur in the next 1-3 years. | | 3 | Medium | May occur in the next 3-5 years. | | 2 | Low | Unlikely to occur, but possible within the asset's lifecycle. | | 1 | Very Low | Extremely unlikely to occur. |

Consequence Scale

| Rating | Level | Description (Impact on Service/Safety/Finance) | |---|:---|:---| | 5 | Catastrophic | Widespread, long-term service outage; potential for fatalities; major financial loss (>\$10M). | | 4 | Major | Significant, short-term service outage; potential for serious injury; high financial loss (>\$1M). | | 3 | Moderate | Localized service disruption; potential for minor injury; moderate financial loss (>\$100k). | | 2 | Minor | Minor service degradation; no injuries; minor financial loss (<\$100k). | | 1 | Insignificant | No impact on service; no injuries; negligible financial loss. |

5x5 Risk Matrix

| | **Consequence** | | | | | | | |---|:---|:---|:---|:---|:---|:---| | **Likelihood** | 1 (Insignificant) | 2 (Minor) | 3 (Moderate) | 4 (Major) | 5 (Catastrophic) | | 5 (Very High) | Medium | High | High | Extreme | Extreme | | 4 (High) | Low | Medium | High | High | Extreme | | 3 (Medium) | Low | Medium | Medium | High | High | | 2 (Low) | Low | Low | Medium | Medium | High | | 1 (Very Low) | Low | Low | Low | Medium | Medium |