

1 **Q. Further to CA-NP-207, footnote 1 states that, “Base salaries for the President and**  
 2 **Vice President are established by Newfoundland Power’s Board of Directors which**  
 3 **has not yet considered 2016 and 2017 salaries.” Has the Board of Directors yet**  
 4 **considered the 2016 salaries and if so please provide the same, in addition to filing a**  
 5 **revised Table 1 to CA-NP-207. If not, when will same be considered and filed in**  
 6 **relation to 2016?**

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 8 A. Newfoundland Power’s Board of Directors approved the Company’s 2016 executive base  
 9 salaries and 2015 short term incentive (“STI”) compensation in February 2016.

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 11 Table 1 shows the salary and STI compensation provided to the Executives of  
 12 Newfoundland Power for the years 2011 to 2015, and amounts included in the test period  
 13 for 2016 and 2017, with the annual change expressed as a percentage.<sup>1</sup>  
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**Table 1**  
**Executive Compensation**  
**(\$000s)**

| <b>Year</b>                    | <b>Number of Executives</b> | <b>Total Cash Compensation<sup>2</sup></b> | <b>Change (%)</b> | <b>STI<sup>3</sup> (Non-Regulated)</b> | <b>Adjusted Cash Compensation<sup>4</sup></b> | <b>Change (%)</b> |
|--------------------------------|-----------------------------|--|-------------------|--|---|-------------------|
| 2011                           | 4                           | 1,691                                      |                   | 134                                    | 1,557   |                   |
| 2012                           | 4                           | 1,806                                      | 6.8               | 187                                    | 1,619   | 4.0               |
| 2013                           | 4                           | 1,893                                      | 4.8               | 203                                    | 1,690   | 4.4               |
| 2014                           | 4                           | 1,765                                      | -6.8              | 195                                    | 1,570   | -7.1              |
| 2015                           | 4                           | 1,750                                      | -0.8              | 144                                    | 1,606   | 2.3               |
| 2016F                          | 4                           | 1,646                                      | -5.9              | 0                                      | 1,646   | 2.5               |
| 2017F                          | 4                           | 1,687                                      | 2.5               | 0                                      | 1,687   | 2.5               |
| <b>Average Annual Increase</b> |                             |  | <b>0.1%</b>       |  |   | <b>1.4%</b>       |

<sup>1</sup> Base salaries for the President and Vice Presidents are established by Newfoundland Power’s Board of Directors. Newfoundland Power’s Board of Directors determined the Company’s base salaries on February 2, 2016. Base salaries for 2017 have not yet been considered.

<sup>2</sup> Includes compensation (salary and STI) earned prior to allocations to affiliated companies on account of services rendered. Does not include sums paid upon retirement.

<sup>3</sup> In accordance with the Board’s direction in Order No. P.U. 19 (2003), STI payouts in excess of 100% of target payouts are charged to non-regulated expenses.

<sup>4</sup> The net compensation provided on account of regulated operations.

1 Newfoundland Power's Executive approved the 2016 base salaries and 2015 STI  
2 compensation for the Company's Directors in February 2016.

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4 Table 2 shows the salary and STI compensation provided to the Directors of  
5 Newfoundland Power for the years 2011 to 2015 and forecast for 2016 and 2017, with  
6 the annual change expressed as a percentage.<sup>5</sup> The totals are adjusted to exclude amounts  
7 not recovered in customer rates.

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**Table 2**  
**Directors Compensation**  
**(\$000s)**

| Year  | Number of Directors <sup>6</sup> | Total Cash Compensation <sup>7</sup> | Change (%)  | STI <sup>8</sup> (Non-Regulated) | Adjusted Cash Compensation <sup>9</sup> | Change (%)  |
|---|----------------------------------|--------------------------------------|-------------|----------------------------------|---|-------------|
| 2011  | 9                                | 1,555                                |             | 39                               | 1,516                                   |             |
| 2012  | 9                                | 1,611                                | 3.6         | 70                               | 1,541                                   | 1.6         |
| 2013  | 10                               | 1,850                                | 14.8        | 82                               | 1,768                                   | 14.7        |
| 2014  | 11                               | 1,954                                | 5.6         | 95                               | 1,859                                   | 5.1         |
| 2015  | 11                               | 2,090                                | 7.0         | 80                               | 2,010                                   | 8.1         |
| 2016F                                       | 11                               | 2,060                                | -1.4        | 0                                | 2,060                                   | 2.5         |
| 2017F                                       | 11                               | 2,112                                | 2.5         | 0                                | 2,112                                   | 2.5         |
| <b>Average Annual Increase<sup>10</sup></b> |                                  |                                      | <b>5.3%</b> |                                  |   | <b>5.8%</b> |

<sup>5</sup> In order to bring Newfoundland Power's leadership job titles in line with those in the utility industry and broader business community, the title of Manager was changed to Director effective February 2<sup>nd</sup>, 2015.

<sup>6</sup> Changes in the number of Directors in each year principally reflect retirements, appointments and promotions.

<sup>7</sup> Includes compensation (salary and STI) earned prior to allocations to affiliated companies on account of services rendered. Does not include sums paid upon retirement.

<sup>8</sup> In accordance with the Board's direction in Order No. P.U. 19 (2003), STI Payouts in excess of 100 % of target payouts are charged to non-regulated expenses.

<sup>9</sup> The net compensation provided on account of regulated operations.

<sup>10</sup> The average annual increase reflects an increase in the number of Directors from 9 to 11. The weighted average annual increase in total cash compensation is 1.8% over this period. The weighted average annual increase in adjusted cash compensation (compensation provided on account of regulated operations) is 3.6% over this period.