

1 **Q. Further to PUB-NP-007, state when the target percentage payouts for the STI plans**
2 **were first established and all changes in such targets from 2010 to 2016, inclusive.**

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4 A. In Order No. P.U. 7 (1996-97) (Reasons for Decision), the Board accepted the
5 Company's forecast of compensation including incentive pay, which was observed to
6 reflect ordinary employee compensation, and ordered a detailed review of Newfoundland
7 Power's executive and management compensation at the Company's next rate hearing.¹

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9 In 1998, Newfoundland Power engaged Hay Management Consultants to conduct a
10 detailed review of executive and senior management compensation. In Order No. P.U. 36
11 (1998-99) (Reasons for Decision), the Board first reviewed the current compensation
12 structure including the short term incentive ("STI") plan and found the level of executive
13 and management compensation to be reasonable.²

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15 As outlined in response to Request for Information PUB-NP-074, Newfoundland Power's
16 approach to executive compensation is largely unchanged since it was reviewed by the
17 Board in the Company's 1998 General Rate Application. Since that time, the Board has
18 regularly reviewed the Company's compensation in general rate proceedings and has
19 found it to be reasonable.

20
21 Table 1 shows the STI targets for the President, Vice Presidents and Directors of
22 Newfoundland Power for the years 2010 to 2016 forecast.³

Table 1
President, Vice Presidents and Directors
Short Term Incentive Targets as a Percentage of Base Pay
2010 to 2016F

Position	2010	2011	2012	2013	2014	2015	2016F
President & C.E.O.	40	50	50	50	40	50	50
VP, Finance & C.F.O.	30	35	35	35	35	40	40
VP, Operations & Engineering	30	40	40	40	35	40	40
VP, Regulation & Planning	30	35	35	35	35	40	40
Directors	15	15	15	15	15	15	15

¹ See page 69, Order No. P.U. 7 (1996-97) (Reasons for Decision).

² See pages 33-41, Order No. P.U. 36 (1998-99) (Reasons for Decision).

³ 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 2nd, 2015.