

1 **Q. Further to PUB-NP-007, explain the criteria and process used to assess the**
2 **corporate performance measure “Regulatory Performance”.**
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4 A. The corporate performance measure *Regulatory Performance* is intended to reflect the
5 criticality of timely, efficient acquisition of regulatory approvals to Newfoundland
6 Power’s overall performance. This performance measure does not lend itself well to
7 statistical or simple cost based analysis. As a result, it is evaluated on a subjective basis.
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9 *Regulatory Performance* is evaluated following year end, through consideration of the
10 conduct and results of more significant regulatory proceedings and overall regulatory
11 management.
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13 For example, in 2014, the Company’s conduct of, and results achieved in, (i) the *Board’s*
14 *Investigation and Hearing into the Supply Issues and Power Outages on the Island*
15 *Interconnected System*; (ii) Newfoundland and Labrador Hydro’s *2013 General Rate*
16 *Application*; (iii) Newfoundland Power’s *2015 Capital Budget Application* were key
17 indicators of regulatory performance. These proceedings respectively dealt with (i)
18 extraordinary, once in a career, system reliability events; (ii) wholesale power costs
19 which represent approximately 2/3 of Newfoundland Power’s total costs; and (iii) the
20 Company’s annual investment plan for 2015.
21

22 The assessment of the corporate performance measure *Regulatory Performance* is
23 performed annually with all corporate performance measures by Newfoundland Power’s
24 Board of Directors.