

1 **Q. With reference to CA-NP-120 and page 2 of the Hay Group report of January 2007**
2 **by David Crane, it states:**

3
4 **“It is further recommended that the aggregate value of all elements of**
5 **compensation (i.e. including incentives, pensions, employment**
6 **perquisites, etc.) should also approximate market median.”**
7

8 **Please provide details of the aggregate value of all elements of compensation for**
9 **each executive of NP for each of 2007, 2008, 2009 (f) and 2010 (f) and indicate**
10 **whether the same also approximates market median and how this is determined.**
11

12 **A.** Attachment A shows the aggregate executive compensation for each executive of
13 Newfoundland Power from 2007 to 2010F.
14

15 Per response to Request for Information CA-NP-120, the January 2007 Hay Group report
16 provides the basis of current executive compensation practices of Newfoundland Power.
17 This report includes base salary, short term incentive, and stock option grant
18 compensation elements. Newfoundland Power has not engaged Hay Group to complete a
19 comparison of the remaining elements of compensation of Newfoundland Power
20 executives to the Canadian Commercial Industrial Market during this period.

Newfoundland Power Inc.
Aggregate Executive Compensation
2007 – 2010F

Requests for Information

Newfoundland Power Inc.
Aggregate Executive Compensation
2007 - 2010F

| Name & Position | Annual Compensation | | | | | |
|-----------------------------------------------------------------------------------|---------------------|----------------|----------------------------|----------------------------|-----------------------------------|---------------|
| | Year | Salary (\$) | Bonus ⁷ (\$) | Other ⁸ (\$) | Stock Options ⁹ (#) | Total (\$) |
| Earl Ludlow ¹ President & Chief Executive Officer | 2010F | \$381,100 | \$152,440 | \$85,740 | (see note 9) | \$619,280 |
| | 2009F | \$370,000 | \$148,000 | \$82,782 | 49,800 | \$600,782 |
| | 2008 | \$335,000 | \$160,000 | \$82,776 | 35,552 | \$577,776 |
| | 2007 | \$210,000 | \$170,000 | \$38,205 | 33,524 | \$418,205 |
| Karl Smith ² President & Chief Executive Officer | 2007 | \$109,200 | \$0 | \$43,649 | - | \$152,849 |
| Jocelyn Perry ³ Vice President, Finance & Chief Financial Officer | 2010F | \$226,600 | \$67,980 | \$48,874 | (see note 9) | \$343,454 |
| | 2009F | \$220,000 | \$66,000 | \$47,282 | 10,456 | \$333,282 |
| | 2008 | \$202,000 | \$76,000 | \$48,140 | 10,720 | \$326,140 |
| | 2007 | \$185,000 | \$80,000 | \$41,063 | 9,844 | \$306,063 |
| Gary Smith ⁴ Vice President, Engineering & Operations | 2010F | \$257,500 | \$77,250 | \$51,929 | (see note 9) | \$386,679 |
| | 2009F | \$250,000 | \$75,000 | \$50,191 | 16,824 | \$375,191 |
| | 2008 | \$118,000 | \$90,000 | \$33,279 | - | \$241,279 |
| Phonse Delaney ⁵ Vice President, Engineering & Operations | 2008 | \$118,000 | \$0 | \$25,266 | 12,524 | \$143,266 |
| | 2007 | \$225,000 | \$90,000 | \$66,441 | 11,972 | \$381,441 |
| Peter Alteen ⁶ Vice President, Regulatory Affairs & General Counsel | 2010F | \$231,750 | \$69,525 | \$43,399 | (see note 9) | \$344,674 |
| | 2009F | \$225,000 | \$67,500 | \$41,907 | 15,144 | \$334,407 |
| | 2008 | \$215,000 | \$82,000 | \$40,897 | 11,408 | \$337,897 |
| | 2007 | \$202,000 | \$90,000 | \$38,943 | 10,748 | \$330,943 |
| Lisa Hutchens Vice President, Customer & Corporate Services | 2010F | \$216,300 | \$64,890 | \$41,580 | (see note 9) | \$322,770 |
| | 2009F | \$210,000 | \$63,000 | \$40,216 | 10,588 | \$313,216 |
| | 2008 | \$200,600 | \$70,000 | \$41,182 | 10,644 | \$311,782 |
| | 2007 | \$193,300 | \$70,000 | \$39,488 | 10,288 | \$302,788 |

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Aggregate Executive Compensation
2007 - 2010F**

Notes:

1. Mr. Ludlow became President & Chief Executive Officer of Newfoundland Power effective April 30, 2007.
2. Prior to April 30, 2007, Mr. Smith was President and Chief Executive Officer of Newfoundland Power.
3. Ms. Perry became Vice President, Finance & Chief Financial Officer effective January 31, 2007.
4. Mr. Smith became Vice President, Engineering & Operations on July 1, 2008.
5. Prior to July 1, 2008, Mr. Delaney was Vice President, Engineering & Operations of Newfoundland Power.
6. Mr. Alteen also participates in the Company's defined benefit pension plan. The value of this future benefit is not included.
7. These amounts are awarded under the Company's Short Term Incentive program. These payments do not include ad hoc payments by Newfoundland Power at the request of Fortis Inc. not related to Newfoundland Power, which are charged to non-regulated expenses.
8. Includes defined contribution supplemental employee retirement plan, RRSP contributions, automobile benefits, lump sum vacation payments, insurance, membership fees, Employee Computer Purchase Plan, Employee Share Purchase Plan, and interest free loan benefits.
9. Quantity of stock options granted by Fortis Inc. in the year. The quantity of stock options cannot be estimated for 2010 since it is dependent on the five-day volume weighted average trading price immediately preceding the date of the grant.