

1 Q. Further to the response to PUB-NLH-032 does the 2013 Test Year Revenue
2 Requirement include any amount for incentive compensation payments? If yes,
3 state the 2013 forecast amount and the actual amounts each year from 2007 to
4 2012.

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7 A. Yes, Table 1 provides the actual short-term incentive (STI) payments made by Hydro
8 for the period 2007 to 2013 actual and 2014 and 2015 forecast.

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Table 1

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Short-Term Incentive Payments

Year	Total ¹
2007	\$306,858
2008	\$118,880
2009	\$122,277
2010	\$130,676
2011	\$94,096
2012	\$109,646
2013	\$180,555
2014F	\$296,674
2015F	\$371,829

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13 The decrease from previous year's STI payment reflected in 2008 and 2011,
14 respectively, was attributed to the transfer of positions from Hydro to Nalcor (as
15 referenced in NP-NLH-092) which were senior level and STI eligible. In 2013, target
16 payout levels increased from 6% to either 10% or 15%, depending on Hay level².

17 The increase in forecast STI payments for 2015 is reflective of additional senior level
18 positions that are STI eligible and transfer of positions from Nalcor to Hydro.

¹ Payments received in any given year are based on the previous year's performance contract and results.

² This change was the result of a Mercer compensation review in 2012 that is described in CA-NLH-105, Page 1, lines 18 to 23.