

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.

5  
6

7 A. Yes, Table 1 provides the actual short-term incentive (STI) payments made by Hydro  
8 for the period 2007 to 2012 and the forecast amount for 2013.

9

10

**Table 1**

11

**Short-Term Incentive Payments**

Year	Total <sup>1</sup>
2007	\$306,858
2008	\$118,880
2009	\$122,277
2010	\$130,676
2011	\$94,096
2012	\$109,646
2013TY	\$224,564

12 The decrease from previous year's STI payment reflected in 2008 and 2011,  
13 respectively, was attributed to the transfer of positions from Hydro to Nalcor (as  
14 referenced in NP-NLH-092) which were senior level and STI eligible. In 2013, target  
15 payout levels increased from 6% to either 10% or 15%, depending on Hay level<sup>2</sup>.

---

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

<sup>2</sup> 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.