

Q. Please outline any changes to the Short-term Incentive Plan made since it was described in reply to CA-NP-128 in the 2010 Newfoundland Power GRA.

A. Newfoundland Power's Executives and Managers participate in the Company's Short-term Incentive ("STI") plan. The underlying rationale for the STI plan is to incent senior management performance by making a significant portion of total compensation dependent on performance.

There have been two changes to the STI plan for Executives since the filing of response to Request for Information CA-NP-128 in the Company's 2010 general rate application. The target percentage payouts for the Executive changed, as shown in Table 1.

Table 1
Target Percentage Payouts¹
Previous and Current Target

Position	Previous Target	Current Target
President & C.E.O.	40%	50%
VP, Customer Operations & Engineering	30%	40%
VP, Regulation and Planning	30%	35%
VP, Finance & C.F.O.	30%	35%

The payment of amounts under the STI plan is determined by way of an annual assessment of both corporate and individual performance. The relative weightings of corporate and individual performance targets have changed, as shown in Table 2.

Table 2
Relative Weightings of Corporate and Individual Targets
Previous and Current Weightings

	Previous Weightings		Current Weightings	
	Corporate (%)	Individual (%)	Corporate (%)	Individual (%)
President & C.E.O.	75	25	70	30
Vice-Presidents	60	40	50	50

¹ Payouts are established as percentages of base salary ("target percentage payouts").

- 1 There have been no changes to the STI plan for Managers since the filing of Response to
- 2 Request for Information CA-NP-128 in the Company's 2010 general rate application.