

1 **Q. Further to CA-NP-452, is Newfoundland Power aware of any other Canadian**
2 **regulatory precedents whereby the factor of the utility's corporate earnings are a**
3 **basis upon which utility customers bear the cost of S.T.I. pay?**
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5 A. As is indicated in the response to Request for Information CA-NP-452, short term
6 incentive ("STI") plan costs which include consideration of financial performance, have
7 been included in Newfoundland Power's cost of service since 1997.
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9 Newfoundland Power is aware that in the provinces of British Columbia, Alberta and
10 Prince Edward Island, STI plan costs, which include consideration of financial
11 performance, have been included in regulated utilities' cost of service.
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13 The Board's current practice of permitting short term incentive plan costs in
14 Newfoundland Power's cost of service is consistent with current Canadian utility
15 practice.