

- 1 **Q. Reference: CA-NP-50: why does NP forecast no STI in excess of 100 per cent of**
2 **target for its Executives and Managers in 2007 and 2008, in light of payments**
3 **reflective of greater than 100% of target performance in each of the years 2003,**
4 **2004, 2005 and 2006.**
5
- 6 A. It has been Newfoundland Power's historical practice to forecast STI in test years at
7 100% of target performance.
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- 9 In Order No. P.U. 19 (2003), the Board directed that STI payments in excess of 100% of
10 target be the responsibility of the shareholder and charged to non-regulated expenses.
11
- 12 Accordingly, in this Application, Newfoundland Power has forecast STI at 100% of
13 target performance.