

Volume 1, Section 2 – Customer Operations

Q. Please provide on a table, the total Executive compensation provided to the President and Vice-Presidents of the Company as well as for managers, for period 2001 to forecast, showing the annual percentage of increase/decrease, as the case may be, and actual dollar amounts.

A. Table 1 shows the salary and short term incentive (“STI”) compensation earned by the President and Vice-Presidents of Newfoundland Power for the years 2001 to forecast 2008, with the annual change expressed as a percentage.

In accordance with the Board’s direction in Order No. P.U. 19 (2003), STI payouts in excess of 100 per cent of target payouts are charged to non-regulated expenses.

**Table 1
President and Vice-Presidents Compensation
(\$000s)**

Year	Number of Executives	Total Cash Compensation ¹	Change (%)	STI ² (Non-Regulated)	Adjusted Cash Compensation ³	Change (%)
2001	5	1,495		0	1,495	
2002	5	1,586	6.1%	0	1,586	6.1%
2003	5	1,570	-1.0%	207	1,363	-14.1%
2004	5	1,361	-13.3%	85	1,276	-6.4%
2005	5	1,501	10.3%	153	1,348	5.6%
2006	5	1,484	-1.1%	85	1,399	3.8%
2007F	5	1,494	0.7%	0	1,494	6.8%
2008F	5	1,533	2.6%	0	1,533	2.6%
Average annual increase			0.6%			0.6%

¹ Includes compensation (salary and STI) earned prior to allocations to affiliated companies on account of services rendered. Does not include sums paid upon retirement.

² In accordance with the Board’s direction in Order No. P.U. 19 (2003), STI Payouts in excess of 100 per cent of target payouts are charged to non-regulated expenses.

³ The net compensation earned on account of regulated operations.

Table 2 shows the salary and STI compensation earned by the Managers of Newfoundland Power for the years 2001 to forecast 2008, with the annual change expressed as a percentage.

Table 2
Managers Compensation
(\$000s)

Year	Number of Managers ¹	Total Cash Compensation ²	Change (%)	STI ³ (Non-Regulated)	Adjusted Cash Compensation ⁴	Change (%)
2001	11	1,319		0	1,319	
2002	10	1,379	4.5%	0	1,379	4.5%
2003	9	1,336	-3.1%	57	1,279	-7.3%
2004	10	1,247	-6.7%	32	1,215	-5.0%
2005	9	1,272	2.0%	66	1,206	-0.7%
2006	9	1,305	2.6%	47	1,258	4.3%
2007F	9	1,245	-4.6%	0	1,245	-1.0%
2008F	9	1,269	1.9%	0	1,269	1.9%
Average annual increase			-0.5%			-0.5%

¹ Changes in the number of Managers in each year principally reflect retirements, appointments and promotions.

² Includes compensation (salary and STI) earned prior to allocations to affiliated companies on account of services rendered. Does not include sums paid upon retirement.

³ In accordance with the Board's direction in Order No. P.U. 19 (2003), STI Payouts in excess of 100 per cent of target payouts are charged to non-regulated expenses.

⁴ The net compensation earned on account of regulated operations.