

1 **Q. Further to the response to PUB-NP-010, provide sample short-term incentive**
2 **payment contract terms for a director position and an executive position.**
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4 **A.** Newfoundland Power does not utilize short-term incentive payment contracts for Director
5 and Executive positions.
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7 Corporate and individual targets are established at the beginning of each year and a copy of
8 these targets are provided to each of the Directors and Executives. At the end of the year,
9 individual performance is assessed based on achievement of individual targets and overall
10 achievement of corporate targets. The calculation of the appropriate short-term incentive
11 payment for each Director and Executive is based on the terms of the short-term incentive
12 payment program as outlined in PUB-NP-010.
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14 Attachment A is a sample of the individual targets for an executive position, and includes the
15 President & Chief Executive Officer individual targets for 2018.
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17 Attachment B is a sample of the individual targets for a director position, and includes the
18 Director St. John's Region individual targets for 2018.

**Sample of the Individual Targets for
an Executive Position**

President & Chief Executive Officer

Category	Target	Payout			
		Weight	0%	100%	200%
Financial Results	Provide leadership and oversight to deliver appropriate corporate results, including 2019 general rate application.	35%	Subjective with minimum earnings of \$37.0M	Subjective with minimum earnings of \$40.0M	Subjective with minimum earnings of \$43.0M
Safety	Provide leadership in enhancing employee, contractor and public safety (with consideration of injury frequency rate).	15%	Subjective	Subjective	Subjective
Reliability & Customer Service	Enhance service to and maintain reliability for customers.	20%	Subjective	Subjective	Subjective
Stakeholder Relations	Ensure relationships with municipal and provincial governments, communities and major customers are fostered and maintained. Provide leadership with the Company's involvement in the public inquiry into Muskrat Falls.	15%	Subjective	Subjective	Subjective
People Leadership	Promote and foster an employee success culture within the Company with particular focus on development of future leaders and succession planning.	15%	Subjective	Subjective	Subjective

**Sample of the Individual Targets for
a Director Position**

Director St. John's Region

Target	Deliver 2018 capital projects and programs on time and within budget. Effectively utilize resources to meet targets.	Lead in safety with consideration of safety performance (all injury frequency rate), OHSAS 18001 safety audit, and success in SMS objectives, targets and programs and Safety Leadership Plan.	Deliver on 2018 operating budget plan with consideration of employee productivity, customer service, environmental performance and planning for operating cost improvements. Deliver on service targets.	Lead in Work Methods and development of the hotline program and distribution planning for the Region.	Lead in development of employees and succession planning of managers and supervisors. Enhance relationship with municipalities with respect to working together.
Weight	30%	20%	25%	15%	10%
Payout	Subjective	Subjective	Subjective	Subjective	Subjective