

- 1 **Q. Korn Ferry Report, page 8. Please provide details of each compensation element**
2 **that each Newfoundland Power executive receives that is considered in Target Total**
3 **Remuneration and state whether each compensation element is regulated, that is**
4 **included in revenue requirement for recovery from customers or not.**
5
- 6 A. Actual Salary is a regulated element for recovery. It is a cost of the role for providing and
7 managing the services for the customers.
8
- 9 Benefits package, including pension, is a also a regulated element for recovery. It is a
10 cost of the role for providing and managing the services for the customers.
11
- 12 Short Term Incentive (STI) for the regulatory business is another regulated element for
13 recovery. It is a cost for delivering performance targets (e.g., customer service quality,
14 safety, system reliability). Korn Ferry understands that the Public Utilities Board has
15 limited the recovery of STI from customers. This is described in Newfoundland Power’s
16 response to Request for Information PUB-NP-032.
17
- 18 Long Term Incentive (LTI) at Newfoundland Power is not recovered from customers.
19 The LTI program at Newfoundland Power intends to encourage executive retention and
20 strong performance, and balance compensation for short- and long-term strategic results.