

1 **Q. In reference to the evidence of Philip Hughes, page 11, lines 10 to 12 - “All managers**
2 **and their direct reports have had leadership skills training. This has allowed this**
3 **group to respond to emerging issues more effectively and utilize the Company’s**
4 **resources more productively.” - Please advise if Newfoundland Power employs a**
5 **“bonus” program to reward managers and employees for above average**
6 **performance and, if so, does Newfoundland Power tie the bonuses to the overall**
7 **goals of the Company?**
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9 A. For Managers, Newfoundland Power employs a short-term incentive system that is linked
10 to corporate goals and the Company’s performance in key target areas such as safety,
11 customer satisfaction, financial results, and reliability. The targets and associated
12 weightings for incentive compensation are modified annually to recognize changes in
13 focus and priority, and to encourage continuous improvement.
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15 Other managerial employees do not participate in the Company’s bonus program. These
16 employees are compensated through a performance management system, which is based
17 in part on growth in critical performance qualities such as technical competence,
18 execution and results, teamwork, and self-development. Performance assessments are
19 completed based on an achievement of individual goals agreed upon in discussion with
20 supervisors. These individual goals are designed to ensure improved performance and
21 positive impacts in key areas such as productivity, safety, and employee development.