

1 **Q. Please provide copies of any Hay report/studies/correspondence for the years 1998**
2 **to current.**

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4 A. Attachment A is Hay Management Consultants' April 2001 Analysis of Executive
5 Compensation. This report provides the basis of current executive compensation
6 practices at Newfoundland Power.

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8 Newfoundland Power uses the services of HayGroup to assist in determining appropriate
9 compensation for its management employees. The company subscribes to HayGroup's
10 PayNET service (an on-line product that provides market information on jobs below the
11 executive level) and orders selected analyses on management positions below the
12 executive level as required.

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14 In Order No. P.U. 27 (1998-99) the Board determined that copies of every letter,
15 memoranda, etc. between the Company and Hay Management Consultants was not useful
16 or necessary. Accordingly, the Company has not produced every piece of
17 correspondence between it and Hay Management Consultants since 1999.

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19 The Board's Financial Consultants, Grant Thornton LLP, review executive compensation
20 annually and report to the Board on the issue in their annual financial reviews.