

Requests for Information

1 **Q. Please advise as to what bonuses and incentives for executive and management are**
2 **in place in the budget for 2002-2003 and forecast.**

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4 A. Table 1 provides the <> short-term incentive (“STI”) amounts for the Company’s
5 Executives and Managers, and the merit compensation payouts for engineering,
6 professional and managerial employees below the level of Manager, for 2002 and for the
7 2003 and 2004 forecast period.
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Table 1 STI & Merit Compensation <> 2002 to 2004F			
Employee Category	2002	2003F	2004F
Executive	\$562,167	\$298,275	\$307,224
Managers	257,492	165,450	170,414
Managerial	645,201	572,000	589,160
Total	\$1,464,860	\$1,035,725	\$1,066,798

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12 <> The forecast for 2003 and 2004 is based on 100 per cent payout for both Executives
13 and Managers.
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15 A detailed description of the Company’s STI program is contained in the Company’s
16 response to Request for Information NLH-210.
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18 Lump-sum merit payouts for engineering, professional and managerial employees below
19 the level of Manager are based on a number of factors including the individual
20 employee’s base salary; the number of years in the position; the performance
21 expectations for the position and the employee’s actual performance. Because of the size
22 of the managerial employee category (approximately 260 employees), the forecast is
23 developed as a lump sum amount based on the previous year’s payout adjusted for
24 expected increases in base salary.