

Undertaking 37

Re: The accountability and responsibility of Hydro's leadership team, many of whom are non-Hydro employees, in regard to governance and decision making issues

Undertake to advise us where the clarity is on the documentation on the record as to it being clear that these Nalcor employees have the responsibility and accountability...

Nalcor members of the Hydro Leadership team have responsibility and accountability for Hydro in respect of governance and decision making issues. The record in this General Rate Application reflects this in two respects: (1) job descriptions for these individuals, and (2) corporate policies concerning conflicts of interest.

Job descriptions (on the record) for those Nalcor employees formerly or presently on the Hydro Leadership team are, for the most part, general to all Nalcor and its lines of business (including Hydro). However, these job descriptions also demonstrate accountability and responsibility for Hydro specific activities.

- **VP Corporate Relations [now VP Corporate Relations and Customer Service] (PUB-NLH-229, Attachment 1, Pages 16-17):** This VP has direct and specific accountability and responsibility for Hydro's Customer Service activities, in addition to responsibility for energy conservation and efficiency and Hydro corporate communications.
- **Manager, Transmission and Distribution Engineering (PUB-NLH-241, Attachment 1, Pages 22-23):** This position has specific responsibilities with respect to surveying and land rights services for Hydro's properties and easements, including but not limited to Hydro's Wood Pole Line Management Program.
- **Manager of Internal Audit (PUB-NLH-237, Attachment 1, Pages 8-9):** This position is specifically responsible for producing Five Year Plans (in relation to audits) for Hydro. This individual also ensures that the Annual Audit Plan and Five Year Plans are endorsed by the Hydro Board through its Audit Committee.
- **Manager of Environmental Services (PUB-NLH-245, Attachment 1, Pages 5-6):** This position has specific responsibilities with respect to leading Environmental Services activities in Regulated Operations, which is Hydro's operations. The Divisional work plan for HROE (filed in Undertaking 15b) provides an overview of the amount of activity linked directly to Hydro.
- **Manager of Human Resources and Labour Relations (PUB-NLH-249, Attachment 1):** This position provides HR/LR functional leadership and oversight to all lines of business of which Hydro is the largest. The Divisional work plan (filed in Undertaking 15b) provides an overview of the amount of activity linked directly to Hydro.

The following Nalcor position was replaced by a Hydro position on the Hydro Leadership Team:

- **Divisional Controller Electric Utilities [replaced by Divisional Controller, Hydro] (PUB-NLH-261, Attachment 1, Pages 31-32):** This position was specifically responsible for the controllership function for Hydro and contributes to the Rates and Regulatory Department of Hydro to ensure corporate goals and objectives were met. This position was responsible for Hydro's budget and reporting. The Divisional Controller also worked with Hydro's Customer Services Department on billing matters and oversaw rate, revenue and rate stabilization plan information for Hydro's budgetary process.

The following Nalcor positions are on the Hydro Leadership Team, but do not have job descriptions on the record:

- **Manager of Safety and Health.** All duties for this individual relate largely to Hydro. The Divisional work plan (filed in Undertaking 15b) provides an overview of the amount of activity linked directly to Hydro.
- **Senior Corporate Planning Analyst.** This position is not representing a functional area, but is a support position in relation to corporate planning and corporate performance reporting.

Conflicts of interest between companies is dealt with as noted in the record in PUB-NLH-315, in particular Page 3:

Board and Leadership Team members are aware of their obligations to serve the interests of the company they represent and to avoid and/or disclose any potential conflict of interest involving two or more Nalcor entities. The Corporate Secretary also assists in ensuring these standards are met, and is available to provide immediate guidance if required in relation to any question or issue that may arise.

The conflict of interest policy and associated code of business ethics has been filed as PUB-NLH-384.