

- 1 **Q. Regarding the response to PUB-NP-010, please provide the minimum threshold**
2 **level Newfoundland Power’s ROE must reach to allow for STI payments.**
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4 A. Before any short-term incentive payment occurs, Newfoundland Power’s return must
5 reach a minimum threshold based on the regulated return on equity approved by the
6 Board.¹ In 2017, the minimum threshold was 7.7%, or 90% of the Company’s regulated
7 return of 8.5%. The same minimum threshold applies in 2018.

¹ In Order No. P.U. 18 (2016) the Board approved a rate making return on common equity of 8.5% for 2016, 2017, and 2018.