

**2017/18 & 2018/19 ELECTRIC GENERAL RATE APPLICATION**

**Manitoba Hydro Undertaking Transcript Page 507**

**Manitoba Hydro to provide a description of the performance targets (metrics) for the performance-based incentive plan for Executives referenced in the response to Coalition/MH I-114.**

**Response:**

Currently there are two Vice Presidents that are eligible for a performance based incentive pay plan, which is tied directly to the performance of significant projects within their respective portfolio; namely, Bipole III and Keeyask.

Maximum payouts for successful attainment of target can be up to 20% of base salary. Payments are contingent on performance against pre-established metrics. Each measure is assessed individually and performance must surpass a threshold performance level on each metric to trigger a payout.

The tables below indicate the metrics applied:

<b>Keeyask (16/17)</b>				
	Threshold Performance		Target Performance	
	(% of Target Payout)	(Measure)	(% of Target Payout)	(Measure)
<b>Safety</b>				
Frequency	7.5%	0.72	15%	0.6
Severity	2.5%	14 Days	5%	12 days
<b>Budget</b>				
Forecast Variance to Completion of Project	15%	\$390M	30%	\$325M
<b>Project Milestones</b>				
% Complete Powerhouse Concrete	7.5%	26%	15%	32%
% Complete Spillway Concrete	7.5%	68%	15%	85%
<b>Indigenous Employment</b>				
Incremental Person Years Over JKDA Target	10%	96	20%	120
<b>Total</b>	50%		100%	

<b>Bipole III (16/17)</b>				
	Threshold Performance		Target Performance	
	% of Target Payout	Measure	% of Target Payout	Measure
<b>Safety</b>				
Frequency	7.5%	0.72	15%	0.6
Severity	2.5%	14 Days	5%	12 Days
<b>Budget</b>				
16/17 Forecast Variance – T-line	7.5%	\$33M revised to \$29M to reflect proportionate change in budget	15%	\$27M revised to \$24M to reflect proportionate change in budget
16/17 Forecast Variance - Converters	7.5%	\$62M revised to \$50M to reflect proportionate change in budget	15%	\$51.8M revised to \$41.5M to reflect proportionate change in budget
<b>Project Milestones</b>				
% Complete Foundations and Anchors T-Line	5%	80%	10%	100%
% Complete Tower Erection T-Line	5%	52%	10%	65%
Converter Building Enclosed (KCS and RCS)	5%	Jan 17	10%	Oct 16
<b>Indigenous Employment</b>				
# of Positions	5%	140	10%	175
Business Opportunities – \$ spent	5%	\$104M	10%	\$130M
<b>Total</b>	<b>50%</b>		<b>100%</b>	