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:

<table>
<thead>
<tr>
<th>Keeyask (16/17)</th>
<th>Threshold Performance</th>
<th>Target Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(% of Target Payout)</td>
<td>(Measure)</td>
</tr>
<tr>
<td>Safety</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frequency</td>
<td>7.5%</td>
<td>0.72</td>
</tr>
<tr>
<td>Severity</td>
<td>2.5%</td>
<td>14 Days</td>
</tr>
<tr>
<td>Budget</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forecast Variance to Completion of Project</td>
<td>15%</td>
<td>$390M</td>
</tr>
<tr>
<td>Project Milestones</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% Complete Powerhouse Concrete</td>
<td>7.5%</td>
<td>26%</td>
</tr>
<tr>
<td>% Complete Spillway Concrete</td>
<td>7.5%</td>
<td>68%</td>
</tr>
<tr>
<td>Indigenous Employment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Incremental Person Years Over JKDA Target</td>
<td>10%</td>
<td>96</td>
</tr>
<tr>
<td>Total</td>
<td>50%</td>
<td></td>
</tr>
</tbody>
</table>
### Bipole III (16/17)

<table>
<thead>
<tr>
<th></th>
<th>Threshold Performance</th>
<th>Target Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of Target Payout</td>
<td>Measure</td>
</tr>
<tr>
<td>Safety</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frequency</td>
<td>7.5%</td>
<td>0.72</td>
</tr>
<tr>
<td>Severity</td>
<td>2.5%</td>
<td>14 Days</td>
</tr>
<tr>
<td>Budget</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16/17 Forecast Variance – T-line</td>
<td>7.5%</td>
<td>$33M revised to $29M to reflect proportionate change in budget</td>
</tr>
<tr>
<td>16/17 Forecast Variance - Converters</td>
<td>7.5%</td>
<td>$62M revised to $50M to reflect proportionate change in budget</td>
</tr>
<tr>
<td>Project Milestones</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% Complete Foundations and Anchors T-Line</td>
<td>5%</td>
<td>80%</td>
</tr>
<tr>
<td>% Complete Tower Erection T-Line</td>
<td>5%</td>
<td>52%</td>
</tr>
<tr>
<td>Converter Building Enclosed (KCS and RCS)</td>
<td>5%</td>
<td>Jan 17</td>
</tr>
<tr>
<td>Indigenous Employment</td>
<td></td>
<td></td>
</tr>
<tr>
<td># of Positions</td>
<td>5%</td>
<td>140</td>
</tr>
<tr>
<td>Business Opportunities – $ spent</td>
<td>5%</td>
<td>$104M</td>
</tr>
<tr>
<td>Total</td>
<td>50%</td>
<td>100%</td>
</tr>
</tbody>
</table>