

FRPO INTERROGATORY #6

INTERROGATORY

REF: Exhibit B, Tab 4, Schedule 2, Page 2 and  
EB-2016-0142 Exhibit I.B.EGDI.FRPO.9

Preamble: We are interested in understanding how STIP is being budgeted, measured and paid out and its impact on Earnings Sharing Mechanism.

For the years 2014, 2015 and 2016, for each of the Components of STIP (Company Wide, Business Unit Performance, Individual Performance), please provide:

- a) The amount of dollars budgeted
- b) The amount of dollars paid out
- c) The respective measures of performance
- d) The key drivers for the better than forecasted and budgeted performance  
(baseline of 1.0)

RESPONSE

	<b>2016</b>	<b>2015</b>	<b>2014</b>
STIP Budget	22,714,477	22,505,077	22,622,219
STIP Expense	30,346,847	28,164,751	23,017,720
Difference	<u>(7,632,370)</u>	<u>(5,659,674)</u>	<u>(395,501)</u>

STIP is based on three metrics, Company performance, Business Unit performance and Individual performance. All of the respective metrics are budgeted at a 1.0 multiplier.

The Company performance is determined and measured by the Corporate Office.

Measures of Business Unit performance include: Safety, Integrity and Operations; Financial Performance; Customer Experience; Project Execution; and Employee Engagement. These measures have not changed from 2014 to 2016.

Individual performance is based on employee's individual goals and objectives established at the start of the year.

Witnesses: N. Verma  
J. Yiu

Key drivers for better than forecasted and budgeted performance are mostly attributed to performance in areas of Safety, Integrity and Operations and Financial Performance within the Business Unit Performance objectives. The Company continued to deliver on its safety and reliability commitments and all areas of the business achieved strong safety, integrity and operations results. EGD achieved strong financial performance as year-end earnings were above target.

Witnesses: N. Verma  
J. Yiu