

13-35-184 Rocky Mountain Power
March 3, 2014
DPU Data Request 14.3

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OMAG: Regarding the incentive compensation plan implemented each year. At Line 121 of Erich D. Wilson's Testimony he indicates that "senior Company Management assesses the Company's achievement of certain critical business such as safety, customer satisfaction, and managing expenses in relation to revenues". Please provide the scoring of these critical business goals by senior management for the years 2009, 2010, 2011, 2012, and 2013.

- (a) Please explain in detail how this scoring relates to the amount of incentive compensation available for distribution, and provide the amount of incentive compensation determined to be available for each of the above years. If worksheets, surveys, safety reviews, accident reporting methods and/or scoring are available that provide metrics used in determining performance or underperformance please provide and include detail explanation of the use and purpose.
- (b) Please explain and justify the marked increase in performance from 2012 to 2013, including the metrics that were used to measure the change in achievement score from year to year.
- (c) Please provide scores determined since the Company began using this method of determining incentive compensation to be distributed.

Response to DPU Data Request 14.3

- (a) Each year, the Company's senior management assesses the overall performance of the six key principles. Based on the assessment of the performance against these and given consideration to all factors influencing the results, management applies discretion in determining the final award percentage to be allocated for distribution to the eligible workforce.
- (b) In 2013, the Company's performance showed marked improvement in safety (incident rate goal of 1.0 with actual results being 0.77). This compared to the 2012 goal of 1.15 and overall performance of 1.25. The performance improvement was a key consideration in setting the award allocation at the market average level for the workforce in 2013.
- (c) The approach undertaken by the Company has been in place since March 2006, there is no formal scorecard tracking as the approach is defined as performance assessed by senior management.