

HORIZON UTILITIES CORPORATION (“HORIZON UTILITIES”)

SUBMISSION OF ORAL HEARING UNDERTAKING

DELIVERED: April 13, 2011

NO. J2.4: TO RE-PRESENT THE 2009 COLUMN ON AN FTE BASIS AND THE 2010 COLUMN ON AN ACTUAL BASIS, WITH REFERENCE TO EXHIBIT 4, TAB 2, SCHEDULE 10, APPENDIX 2K; TO ENSURE THAT THE CALCULATION UNDER AVERAGE YEARLY BASE WAGES IS ONLY BASE WAGES (SEE PAGE 141 OF THIS TRANSCRIPT)

Response:

Please find below Horizon Utilities’ revision to Table 4-25 – Appendix 2K. Appendix 2K has been revised to include the following:

- 2009 budgeted compensation and FTEs;
- 2010 actual compensation and FTEs (headcount at the year-end);
- Separation of compensation for Executives and Directors (a senior management level) for all years presented on Appendix 2K; and
- Correction to the computation of the average yearly base wages for each employee category and for each year.

Horizon Utilities would note the following areas where it would be difficult to make a simple comparison between each of the three LDCs’ Appendix 2K:

1. Number of Employees

- a. Horizon Utilities has provided these figures based on year-end headcount for 2008 and 2009. Horizon Utilities understands that Hydro Ottawa and THESL have provided these figures on a full time employee equivalent (FTEE) basis.
- b. Horizon Utilities has now separated the executive employee category to include only executives. Horizon Utilities had previously included the

1 Director category. The employee count represents all executives at
2 Horizon Utilities. It is Horizon Utilities' understanding that certain
3 executives for THESL and Hydro Ottawa may not be reported on
4 Appendix 2-K for the utility as they are employed at the Holding Company
5 level.
6

7 c. Horizon Utilities has reported all Supervisory personnel in the
8 management category. Horizon Utilities understands that THESL has
9 included only Managers and Directors in their "Managerial" employee
10 category and not all Supervisory staff. Horizon Utilities understands that
11 Hydro Ottawa has included Managers, Supervisors and Professional
12 Engineers in the "Management" employee category. In both instances,
13 reporting is inconsistent between each of the LDCs.
14

15 d. Horizon Utilities has reported all non-union staff that are not in supervisory
16 roles in the "Non-Union" category. Horizon Utilities believes that this is
17 inconsistent with THESL's reporting. Horizon Utilities understands that at
18 THESL, Front line Supervisory staff and other professional non-union staff
19 have been reported in this employee category.
20

21 e. Horizon Utilities has reported all unionized employees in the bargaining
22 unit in the Union employee category. Horizon Utilities understands that
23 THESL has also included Professional Engineers that are part of the
24 Society of Professional Engineers in this employee count.
25

26 2. Horizon Utilities has provided headcount figures for each of its budget years
27 (2010 and 2011). THESL has provided Full Time Equivalent Employees
28 (FTEE's) for each of these years.
29

30 3. Horizon Utilities has reported total benefits to include: payroll based expenses,
31 health and dental, life insurance, long term disability, and OMERS. Horizon
32 Utilities understands that this is inconsistent with THESL and Hydro Ottawa's
33 reporting.

Appendix 2-K
Employee Costs Total Company ¹

	Last Rebasings Year -1 2007 Actual	Last Rebasings Year 2008 Actual	Historical Year (Bridge Year -1) 2009 Actual	2009 Budget	Bridge Year 2010 Budget	2010 Actual	FTE Equivalents for all vacancies	Test Year Budget ³
Number of employees ²								
Executive	5	5	7	5	7	7	0.00	7
Directors	10	10	10	9	10	10	0.92	11
Management	42	43	51	44	55	49	3.75	59
Non-Union	26	26	34	39	38	37	3.67	47
Union	284	284	284	298	291	283	3.67	304
Total	367	368	386	395	401	386	12.00	428
Number of Part-Time Employees ²								
Executive								
Directors								
Management								
Non-Union								
Union	2	2	2	2	2	2		2
Total	2	2	2	2	2	2		2
Total Salary & Wages								
Executive	1,053,883	1,178,052	1,446,608	1,186,826	1,653,050	1,593,676		
Directors	1,126,948	1,112,231	1,120,813	1,100,919	1,465,581	1,356,355		
Management	3,535,078	3,662,728	4,006,011	3,998,544	4,834,527	4,578,244		
Non-Union	1,653,080	1,785,475	2,134,022	2,687,419	3,091,177	2,336,393		
Union	17,203,192	17,469,514	17,671,972	19,554,269	19,522,502	19,150,681		
Total	24,572,182	25,207,999	26,379,426	28,527,976	30,566,837	29,015,349		34,009,569
Total Benefits								
Executive	141,832	189,794	245,496	179,460	257,055	244,126		
Directors	187,385	218,411	225,703	200,037	265,813	248,873		
Management	668,283	749,082	830,175	818,339	1,027,828	921,549		
Non-Union	330,170	372,382	496,889	599,113	714,601	505,526		
Union	3,720,036	4,119,389	4,120,245	4,499,132	4,680,192	4,156,490		
Total	5,047,706	5,649,058	5,918,509	6,296,081	6,945,488	6,076,565		7,632,925
Total Compensation (Salary, Wages, & Benefits)								
Executive	1,195,715	1,367,846	1,692,104	1,366,286	1,910,105	1,837,803		
Directors	1,314,333	1,330,642	1,346,516	1,300,956	1,731,394	1,605,228		
Management	4,203,361	4,411,810	4,836,187	4,816,883	5,862,355	5,499,793		
Non-Union	1,983,250	2,157,857	2,630,911	3,286,532	3,805,777	2,841,920		
Union	20,923,229	21,588,903	21,792,217	24,053,401	24,202,694	23,307,171		
Total	29,619,888	30,857,057	32,297,935	34,824,058	37,512,325	35,091,915		41,642,494
Compensation - Average Yearly Base Wages								
Executive	170,352	185,456	168,682	204,229	187,930	186,334		
Directors	93,897	89,242	99,769	111,943	128,258	119,791		
Management	74,563	71,460	71,408	84,960	80,014	87,459		
Non-Union	57,267	58,905	57,835	66,434	74,660	59,327		
Union	57,000	56,401	56,417	61,485	63,331	61,065		
Total	46,886	43,317	50,688	67,624	54,562	56,081		57,113
Compensation - Average Yearly Overtime								
Executive		-	-	-	-	-		-
Directors		8,176						-
Management	435	5,849	1,009	2,243	991	1,055		1,202
Non-Union	659	4,392	507	1,022	679	661		837
Union	3,575	5,111	5,809	4,133	3,757	6,605		3,834
Total	1,556	5,882	2,442	3,477	1,809	2,774		1,958
Compensation - Average Yearly Incentive Pay								
Executive	40,425	50,155	37,976	33,136	48,220	41,334		49,759
Directors	18,798	13,805	12,312	10,381	18,300	15,845		17,998
Management	9,170	7,870	6,132	3,673	6,895	4,920		7,744
Non-Union	5,654	5,374	4,422	1,452	6,007	3,158		6,065
Union			-	-	-	-		-
Total	18,512	19,301	15,211	1,202	19,856	16,314		20,391
Compensation - Average Yearly Benefits								
Executive	28,366	37,959	35,071	35,892	36,722	34,875		39,346
Directors	18,738	21,841	22,570	22,226	26,581	24,887		27,162
Management	15,911	17,421	16,278	18,599	18,688	18,807		20,091
Non-Union	12,699	14,322	14,614	15,362	18,805	13,663		18,821
Union	13,099	14,505	14,508	15,098	16,083	14,687		16,410
Total	13,754	15,351	15,333	15,859	17,320	15,742		17,834
Total Compensation								
Total Compensation	29,619,888	30,857,057	32,297,935	34,824,058	37,512,325	35,091,915		41,642,494
Total Compensation Charged to OM&A	21,934,873	23,641,363	24,670,977	26,600,571	25,453,376	25,861,986		28,395,948
Total Compensation Capitalized	7,685,015	7,215,694	7,626,958	8,223,487	12,058,949	9,229,929		13,246,546

¹ Regular employees only (excludes students)

² Reflects headcount as at year-end

³ Dollar amounts restated to include new Project Mgmt position as Director, not Management

Note: Compensation amounts reflect actual compensation costs, not "Annualized" compensation for "full-time equivalent employees"