

Report

TO: Chair Mike Broomhead and Members of Wellington North Power Board of Directors
FROM: Connie Van Andel
DATE: September 2, 2008
SUBJECT: Market Salary Review

RECOMMENDATIONS

1. Approval of the revised 2008 to 2010 Salary Scale (Appendix A).

REPORT

In developing and implementing the internal equity plan, Wellington North Power made a commitment to employees that they would regularly conduct a market salary review to ensure the WNP salaries remained on par with your comparators. Barcon Consulting Inc. was retained to complete the market salary survey.

Market salary data was collected for the Lineman, Manager of Operations and the Regulator Compliance/Customer Service Manager. Information was collected from the following power companies.

Comparator	# of Customers	# of Employees
WNP	3527	10.5
[REDACTED]	6270	12.5
[REDACTED]	6700	15
[REDACTED]	11020	16
[REDACTED]	3258	11
[REDACTED]	5900	15.6
[REDACTED]	20699	38
[REDACTED]	3700	11
Average of Comparators	8221	17.0

SUMMARY OF FINDINGS

The following chart compares Wellington North Power job rates with the average job rates for positions with similar responsibilities in other power companies. All salary information and analyses are based on 2008 rates.

Comparator	# of Customers	# of Employees	Operations Manager	Regulatory Compliance Customer Service Manager	Lineman	On Call Premium
WNP	3527	10.5	\$39.11	\$36.00	\$29.79	\$146.00
Average of Comparators	8221	17.0	\$39.14	\$35.97	\$29.87	\$184.66
Difference between WNP & Average of Comparators			-\$0.03	\$0.03	-\$0.08	-\$38.66
Minimum of Comparators	3258	11.0	\$35.00	\$31.57	\$28.36	\$150.00
Maximum of Comparators	20699	38.0	\$44.56	\$41.64	\$31.50	\$220.00

In reviewing the data collected in the market salary survey, it is surprising how close WNP salaries are to the market average for the positions.

The original internal equity salary scale was developed by market rating the Lineman position and then using the relative value of positions as compared to the lineman to develop the other internal equity job rates. Using this same methodology again would mean that a \$0.08 per hour increase is given to all job grades. The revised 2008 – 2010 salary scales are included in Appendix A.

Data was also collected on the on-call rates from the comparators. WNP's on-call rate is significantly below the average of the comparators; however it is important to note that most of the comparators only have one lineman on call. It is recommended that WNP review their on-call procedures with regard to number of lineman on call and frequency of on-call prior to making any adjustments to the on-call rates.

Appendix A

Revised 2008 to 2010 Salary Scale

Recommended 2008 Salary Scale Market Adjusted

Job Grade	Start Step 1	Step 2	Job Rate
1	\$12.94	\$13.62	\$14.34
2	\$15.75	\$16.58	\$17.45
3	\$18.55	\$19.52	\$20.55
4	\$21.35	\$22.48	\$23.66
5	\$24.16	\$25.43	\$26.77
6	\$26.96	\$28.38	\$29.87
7	\$29.76	\$31.33	\$32.98
8	\$32.56	\$34.28	\$36.08
9	\$35.37	\$37.23	\$39.19
10	\$38.17	\$40.18	\$42.29
11	\$40.97	\$43.13	\$45.40
12	\$43.78	\$46.08	\$48.51

Recommended 2009 Salary Scale Market Adjusted

Job Grade	Start Step 1	Step 2	Job Rate
1	\$13.46	\$14.17	\$14.91
2	\$16.38	\$17.24	\$18.15
3	\$19.29	\$20.30	\$21.37
4	\$22.21	\$23.38	\$24.61
5	\$25.13	\$26.45	\$27.84
6	\$28.04	\$29.51	\$31.06
7	\$30.96	\$32.58	\$34.30
8	\$33.86	\$35.65	\$37.52
9	\$36.78	\$38.72	\$40.76
10	\$39.69	\$41.78	\$43.98
11	\$42.61	\$44.86	\$47.22
12	\$45.53	\$47.93	\$50.45

Recommended 2010 Salary Scale Market Adjusted

Job Grade	Start Step 1	Step 2	Job Rate
1	\$13.86	\$14.60	\$15.36
2	\$16.87	\$17.76	\$18.69
3	\$19.87	\$20.91	\$22.01
4	\$22.88	\$24.08	\$25.35
5	\$25.88	\$27.24	\$28.68
6	\$28.88	\$30.40	\$31.99
7	\$31.89	\$33.56	\$35.33
8	\$34.88	\$36.72	\$38.65
9	\$37.88	\$39.88	\$41.98
10	\$40.88	\$43.03	\$45.30
11	\$43.89	\$46.21	\$48.64
12	\$46.90	\$49.37	\$51.96