

BOMA INTERROGATORY #1

INTERROGATORY

**D - Operating Costs**

Issue 1: Is the 2013 O&M budget appropriate?

Ref: Exhibit D1, Tab 3, Schedule 1, Page 5 of 29.

With respect the merit increase guidance: 3.3% salary increase for non-union employees and 3.5% salary increase for union employees please provide any studies indicating how this increase compares with merit only increases in other industries. Please confirm that this increase is in addition to inflation adjustments and illustrate the total compensation increases.

RESPONSE

See attached Conference Board of Canada, Compensation Planning Outlook, Report October 2011.

The salary increase of 3.3% for non-union employees is an annual merit increase. There are no additional inflation adjustments. The union increase is 2% effective January 1, 2013 and 1% effective July 1, 2013. The union increase is a negotiated annual increase. There are no inflation adjustments for union staff in addition to the negotiated annual increase.

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The Conference Board Compensation report indicates that the average increase for all employees in the oil and gas industry is 4.3%. Other industries range from salary increases of 2.8% to 4.1%.

The Compensation report indicates that the average increase for unionized positions among all employees is 3.1% for clerical, and 3.2% for trades.

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