

Hydro One Networks Inc.

EB-2019-0082

CME COMPENDIUM – WITNESS PANEL #2

October 28, 2019

CORPORATE STAFFING AND COMPENSATION

1. INTRODUCTION

This Exhibit details Hydro One's total compensation and corporate staffing strategies and the costs associated with those strategies. The transmission related compensation costs presented in this exhibit, comprise 40 percent of Hydro One's 2020 revenue requirement, reflecting the vital role Hydro One staff play in transmitting electricity in Ontario.

Hydro One has taken steps to keep costs as low as reasonably possible, having regard to the feedback in this respect from the Ontario Energy Board ("OEB"), customers, and other external stakeholders. Guided by a company-wide commitment to align customer needs and preferences, responsible stewardship of the transmission system, and the minimization of rate impacts, Hydro One has made progress in reducing and limiting compensation costs, and actively managing the efficiency and size of its workforce. At the same time, in order to accomplish the work programs reflected in this application and deliver on the important outcomes that the company is committing to, it is necessary for Hydro One to attract, motivate, engage and retain a highly skilled and high performing workforce with appropriate compensation systems.

Hydro One Values

In 2017, Hydro One introduced its purpose statement – "Turn on the Power of Possibility" – and refreshed its company Values. The phrase "Purpose Led/Values Driven" captures the excitement of Hydro One's new business culture as the company journeys to become one of North America's leading utilities.

Compensation Costs 2014-2022

Transmission Unrepresented	2014	2015	2016	2017	2018	2019	2020	2021	2022
Base Pay	33,396,323	34,508,999	33,641,927	38,772,661	36,544,290	38,524,614	43,137,614	45,511,365	45,048,884
Burdens	22,435,650	23,448,136	17,666,653	19,961,342	15,690,642	16,363,898	18,603,459	19,927,923	20,043,316
Other Allowances	3,452,267	2,367,920	3,296,601	3,983,397	5,723,344	3,596,819	4,021,881	4,237,275	4,194,217
STI	4,055,590	4,414,248	4,555,907	7,257,372	6,297,493	4,618,185	5,308,380	5,674,271	5,630,422
LTI	-	-	241,898	2,350,267	3,730,541	632,252	984,137	1,070,633	847,416
ESOP	-	-	774,963	886,803	540,602	1,771,039	1,963,382	2,046,258	1,998,514
Transmission Unrepresented Total	63,339,829	64,739,302	60,177,949	73,211,844	68,526,913	65,506,806	74,018,853	78,467,725	77,762,769

Headcount Total / FTE Transmission	331 / 285	313 / 277	319 / 275	357 / 308	360 / 290	307	334	345	336
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Distribution Unrepresented	2014	2015	2016	2017	2018	2019	2020	2021	2022
Base Pay	37,601,338	39,909,527	41,751,062	42,861,848	46,685,158	53,165,528	50,517,625	50,137,653	52,495,756
Burdens	25,260,579	27,117,681	21,925,067	22,066,579	20,044,720	22,582,842	21,786,151	21,953,622	23,356,606
Other Allowances	3,886,951	2,738,490	4,091,222	4,403,509	7,119,612	4,963,755	4,709,947	4,668,000	4,887,548
STI	4,578,312	5,117,332	5,712,824	8,142,916	7,564,939	7,819,365	7,464,246	7,442,291	7,839,166
LTI	-	-	249,764	2,535,402	4,764,858	1,870,199	1,374,938	1,140,263	1,210,384
ESOP	-	-	708,363	811,624	677,410	2,290,696	2,128,505	2,075,874	2,153,951
Distribution Unrepresented Total	71,327,180	74,883,031	74,438,303	80,821,878	86,856,697	92,692,386	87,981,412	87,417,704	91,943,411

Headcount Total / FTE Distribution	372 / 320	360 / 320	390 / 336	378 / 325	433 / 348	385	359	349	358
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Shareholder Allocated Unrepresented	3,089,801	2,615,254	9,597,169	9,660,409	13,112,786	23,748,837	24,288,558	24,881,971	25,490,502
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TOTAL Unrepresented Labour	137,756,810	142,237,587	144,213,420	163,694,131	168,496,396	181,948,030	186,288,823	190,767,400	195,196,682
TOTAL Unrepresented Headcount / FTE/YE	703 / 605 / 584	673 / 597 / 585	709 / 611 / 596	735 / 633 / 627	793 / 638 / 641	692	693	694	694

Transmission Society Represented	2014	2015	2016	2017	2018	2019	2020	2021	2022
Base Pay	67,393,687	66,909,144	65,179,365	72,517,488	70,250,107	83,210,524	91,575,087	96,245,302	95,123,535
Overtime	2,940,988	2,853,433	1,792,765	4,635,127	5,942,030	5,446,164	5,512,817	5,626,666	5,717,210
Lump Sums	-	-	618,063	1,312,146	-	-	-	-	-
Burdens	45,275,079	45,463,351	34,228,158	37,334,202	30,162,557	35,344,898	39,492,527	42,142,638	42,322,714
Share Grants	-	-	-	-	1,243,401	1,142,108	1,127,076	1,086,518	1,041,623
Transmission Society Represented Total	115,609,754	115,225,928	101,818,351	115,798,964	107,598,095	125,143,693	137,707,506	145,101,125	144,205,083

Headcount Total / FTE Transmission	660 / 608	636 / 595	624 / 569	685 / 627	678 / 607	699	755	778	754
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Distribution Society Represented	2014	2015	2016	2017	2018	2019	2020	2021	2022
Base Pay	75,689,891	77,185,295	79,896,923	76,588,835	84,388,775	104,483,618	98,355,141	97,474,771	101,619,468
Overtime	4,029,156	3,788,344	5,240,140	3,090,085	3,961,353	3,630,776	3,675,211	3,751,111	3,811,473
Lump Sums	-	-	757,623	1,385,814	-	-	-	-	-
Burdens	50,848,469	52,445,778	41,956,906	39,430,255	36,233,130	44,380,958	42,416,482	42,680,982	45,212,909
Share Grants	-	-	-	-	1,436,756	1,319,711	1,302,342	1,255,478	1,203,601
Distribution Society Represented Total	130,567,516	133,419,417	127,851,592	120,494,989	126,020,015	153,815,064	145,749,176	145,162,341	151,847,451

Headcount Total / FTE Distribution	741 / 683	734 / 687	764 / 698	724 / 662	815 / 730	878	810	788	806
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TOTAL Society Represented Labour	246,177,271	248,645,345	229,669,943	236,293,954	233,618,109	278,958,757	283,456,682	290,263,465	296,052,535
TOTAL Society Represented Headcount / FTE/YE	1401 / 1291 / 1290	1370 / 1282 / 1285	1388 / 1267 / 1241	1409 / 1289 / 1288	1493 / 1337 / 1382	1,577	1,565	1,566	1,560

Transmission PWU Represented	2014	2015	2016	2017	2018	2019	2020	2021	2022
Base Pay	148,298,536	146,298,728	145,538,184	158,933,735	154,996,772	165,116,892	185,433,184	196,453,689	196,258,552
Overtime	28,468,143	24,728,915	15,636,038	36,486,246	46,990,537	43,212,279	44,677,729	45,980,102	47,243,112
Lump Sums	-	1,345,306	2,637,844	-	-	-	-	-	-
Burdens	99,626,956	99,406,896	76,427,624	81,823,907	66,549,350	70,135,836	79,969,621	86,020,581	87,320,079
Share Grants	-	-	-	3,778,937	3,382,051	3,283,939	3,254,468	3,156,020	3,007,446
Transmission PWU Represented Total	276,393,635	271,779,845	240,239,691	281,022,825	271,918,710	281,748,947	313,335,001	331,610,392	333,829,189

Headcount Total / FTE Transmission	1695 / 1574	1687 / 1558	1687 / 1523	1917 / 1645	1951 / 1602	1,658	1,827	1,900	1,862
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Distribution PWU Represented	2014	2015	2016	2017	2018	2019	2020	2021	2022
Base Pay	166,554,177	168,767,821	178,400,835	171,624,220	177,985,805	181,793,217	177,529,193	171,927,760	173,268,590
Overtime	39,001,377	32,831,201	45,703,166	25,592,126	25,589,719	26,267,680	26,452,850	26,639,098	26,842,237
Lump Sums	-	1,551,922	3,233,471	-	-	-	-	-	-
Burdens	111,891,096	114,674,170	93,685,049	90,945,694	95,385,789	97,426,249	95,141,082	92,139,174	92,857,749
Share Grants	-	-	-	3,991,098	4,050,829	4,010,113	3,835,388	3,536,931	3,341,972
Distribution PWU Represented Total	317,446,650	317,825,115	321,022,520	292,153,138	303,012,142	309,497,259	302,958,514	294,242,963	296,310,548

Headcount Total / FTE Distribution	1903 / 1768	1946 / 1798	2068 / 1868	2024 / 1737	2343 / 1925	2,081	1,963	1,924	1,990
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TOTAL PWU Represented Labour	593,840,285	589,604,960	561,262,211	573,175,963	574,930,853	591,246,206	616,293,515	625,853,355	630,139,737
TOTAL PWU Represented Headcount / FTE/YE	3598 / 3342 / 3271	3633 / 3356 / 3350	3755 / 3391 / 3411	3941 / 3382 / 3330	4294 / 3527 / 3529	3,739	3,790	3,824	3,852

Temporary Transmission	2014	2015	2016	2017	2018	2019	2020	2021	2022
Casual Trades	117,432,836	114,683,317	126,561,770	120,254,743	126,691,541	134,172,558	134,088,990	131,778,118	130,179,945
Unrepresented	1,037,380	1,062,954	1,429,735	659,976	839,280	223,899	248,376	261,054	259,128
Society Represented	2,184,967	2,099,278	1,820,954	1,537,491	1,117,826	562,536	580,988	477,407	472,698
PWU Represented	9,810,066	5,736,423	6,145,715	5,764,657	4,887,005	2,944,456	3,233,454	3,394,711	3,365,930
Overtime	10,311,405	8,102,478	4,863,103	10,950,269	18,688,912	13,415,649	13,206,444	13,486,554	13,549,763
Other Allowances	-	-	-	-	-	-	-	-	-
Burdens	8,939,318	8,507,504	9,066,085	8,652,709	9,331,999	9,361,693	9,492,662	9,436,827	9,413,095
Temporary Transmission Total	149,715,971	140,191,954	149,887,362	147,819,845	161,556,564	160,680,791	160,850,913	158,834,670	157,240,559

Headcount Total / FTE Transmission	2819 / 1836	2619 / 1711	2701 / 1860	2319 / 1724	2171 / 1748	1,811	1,775	1,715	1,661
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Temporary Distribution	2014	2015	2016	2017	2018	2019	2020	2021	2022
Casual Trades	72,600,869	70,901,026	78,244,679	74,345,466	78,324,908	101,074,235	98,122,007	105,105,675	107,938,200
Unrepresented	1,165,082	1,226,207	1,752,571	697,029	1,008,195	281,140	266,765	264,389	276,824
Society Represented	2,453,938	2,421,692	2,232,127	1,623,810	1,342,802	706,350	624,003	483,506	504,978
PWU Represented	11,017,691	6,617,444	7,533,423	6,088,301	5,870,573	3,697,218	3,472,853	3,438,076	3,595,788
Overtime	14,126,632	10,757,207	14,214,548	7,300,180	12,459,275	8,943,766	8,804,296	8,991,036	9,033,176
Other Allowances	-	-	-	-	-	-	-	-	-
Burdens	6,436,628	5,938,744	6,694,070	5,599,152	6,069,464	7,096,338	6,979,716	7,471,414	7,727,044
Temporary Distribution Total	107,800,840	97,862,320	110,671,417	95,653,937	105,075,217	121,799,047	118,269,640	125,754,096	129,076,009

Headcount Total / FTE Distribution	1895 / 1234	1732 / 1131	1794 / 1235	1845 / 1118	1721 / 1179	1,397	1,323	1,384	1,393
TOTAL Temporary Labour	257,516,811	238,054,274	260,558,779	243,473,782	266,631,781	282,479,838	279,120,554	284,588,766	286,316,568
TOTAL Temporary Headcount / FTE/YE	4714 / 3070 / 2191	4351 / 2842 / 2063	4495 / 3095 / 2278	4164 / 2842 / 2760	3892 / 2927 / 1984	3,208	3,098	3,099	3,054

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Capital Transmission Comp	397,892,921	391,130,026	400,633,366	394,177,597	424,531,224	456,985,537	505,243,466	541,312,941	542,462,247
Total OM&A Transmission Comp	207,166,269	200,807,004	151,489,987	223,675,880	185,069,058	176,094,700	178,968,609	170,959,233	168,791,018
Total Transmission Compensation	605,059,190	591,937,030	552,123,353	617,853,477	609,600,282	633,080,237	684,212,075	712,272,174	711,253,265

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Capital Distribution Comp	319,056,686	330,163,788	318,482,459	290,550,810	304,797,484	388,983,439	369,404,423	375,653,373	406,279,057
Total OM&A Distribution Comp	308,085,500	293,826,096	315,501,373	298,573,133	316,166,588	288,820,317	285,554,318	276,923,731	262,898,362
Total Distribution Compensation	627,142,186	623,989,883	633,983,832	589,123,943	620,964,071	677,803,756	654,958,741	652,577,103	669,177,419

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Capital Transmission + Distribution Comp	716,949,607	721,293,813	719,115,826	684,728,407	729,328,708	845,968,976	874,647,889	916,966,314	948,741,304
Total OM&A Transmission + Distribution Comp	515,251,769	494,633,100	466,991,359	522,249,013	501,235,646	464,915,017	464,522,927	447,882,964	431,689,380
Total Shareholder Allocated Comp	3,089,801	2,615,254	9,597,169	9,660,409	13,112,786	23,748,837	24,288,558	24,881,971	25,490,502
Total Transmission + Distribution Compensation	1,235,291,177	1,218,542,167	1,195,704,354	1,216,637,829	1,243,677,139	1,334,632,830	1,363,459,374	1,389,731,249	1,405,921,186

Headcount FTE	2014	2015	2016	2017	2018	2019	2020	2021	2022
MCP Represented Regular Employees	605	597	611	633	638	692	693	694	694
Society Represented Regular Employees	1,291	1,282	1,267	1,289	1,337	1,577	1,565	1,566	1,560
PWU Represented Regular Employees	3,342	3,356	3,391	3,382	3,527	3,739	3,790	3,824	3,852
Temporary and Casual Employees	3,070	2,842	3,095	2,842	2,927	3,208	3,098	3,099	3,054
Total	8,308	8,077	8,364	8,146	8,429	9,216	9,146	9,183	9,160

Burdens Tx include:	2014	2015	2016	2017	2018	2019	2020	2021	2022
Pension	77,400,000	76,500,000	49,500,000	41,000,000	35,500,000	34,000,000	38,000,000	40,000,000	39,000,000
OPEB	59,600,000	52,400,000	57,500,000	61,200,000	55,800,000	50,000,000	55,000,000	58,000,000	59,000,000

Burdens Dx include:	2014	2015	2016	2017	2018	2019	2020	2021	2022
Pension	90,100,000	94,700,000	54,100,000	43,400,000	37,000,000	36,000,000	35,000,000	34,000,000	34,000,000
OPEB	69,400,000	64,800,000	62,800,000	64,400,000	58,200,000	53,000,000	53,000,000	52,000,000	56,000,000

1 switchyards, substations, system control centres, and associated telecommunications
2 systems. Construction employees are contingent workers hired through the hiring halls to
3 perform specific work programs and then, are laid off. They are paid a total wage
4 package (including benefits and pension payments) for each hour worked. This
5 relationship ensures that workers with the required skill set are hired in the right location
6 for only the exact duration of the work assignment and that Hydro One has no ongoing
7 obligations with respect to benefits or pensions for them.

8 9 **2.4 CONTRACT STAFF**

10
11 Contract staff are individuals engaged as independent contractors, and are not on Hydro
12 One's payroll. Contract staff are retained for their particular skill sets on projects, or to
13 perform other work that is not of an ongoing nature. They are engaged by Hydro One for
14 varying amounts of time and paid varying wages commensurate with their skill sets and
15 the market rate for that skill. Contract staff are tracked by work programs or activities
16 and not by headcount. Where applicable, the use of contract staff is governed by the
17 terms of the collective agreements between Hydro One and its respective unions.

18 19 **3. DEMOGRAPHICS**

20
21 Hydro One has a mature and experienced workforce. The company continues to face
22 challenges associated with the availability of some skilled and professional staff to
23 operate, sustain, and develop its transmission and distribution systems. An aging
24 workforce and a scarcity of certain core skills in the electricity industry continue to be a
25 human resource risk.

3.1 RETIREMENTS

In 2018, 1,029 employees or approximately 19% of the Hydro One regular workforce (transmission and distribution) were eligible to retire with an undiscounted pension. The percentage of Hydro One employees eligible for retirement in 2018 by employment category is shown in Figure 1 below. Within the next 10 years, another 20% of the current work force will become eligible for an undiscounted pension. This is illustrated in Figure 1 below. The distribution of retirement-eligible staff among the employee groups is relatively even, with slightly more MCP staff eligible to retire than PWU and Society staff (Figure 2). This is significant because this group includes experienced leaders and highly skilled individual contributors.

Since 2011, 1,795 employees have retired from Hydro One, which represents on average of approximately, 224 employees per year. This trend is expected to continue through the next decade and is consistent with demographic challenges faced by other utilities in the electricity sector. Although attrition can result in the loss of skilled and experienced talent, it also provides an opportunity to further transform the organization. In order to attract and retain the right talent, Hydro One needs to be competitive in the external labour market.

AMPCO INTERROGATORY #73

Reference:

F-04-01 p.6

Interrogatory:

- a) Please provide the number of eligible retirements and actual retirements for each of the years 2014 to 2018.
- b) Please provide the number of forecast retirements for 2019 to 2022.
- c) How does Hydro One account for retirements in the Compensation budget for the test years?

Response:

- a) Please see Exhibit I, Tab 07, Schedule SEC-53 part a)
- b) Forecasted retirements are estimated based on the assumption that 20% of the employees eligible for an unreduced pension will retire.

Year	Forecasted Retirements
2019	169
2020	166
2021	146
2022	137

- c) Retirements are generally pre-planned to be replaced by successors where work load requires a replacement. There is minimal impact on the compensation budget as a result of retirements.

SEC INTERROGATORY #53

Reference:

F-04-01

Interrogatory:

With respect to retirement eligibility and retirements,

- a) Please provide a table that showing the number of eligible retirements for each year between 2014 and 2018, and the number of actual retirements taken in each of those years.
- b) Please provide a table showing the number of employees eligible to retire in each year between 2019 and 2022.

Response:

a)

Year	Eligible Retirements For The Year (At Jan 1st)	Actual Retirements For The Year
2015	927	167
2016	959	210
2017	1195	270
2018	1011	206

b)

Year	Eligible Retirements For The Year (as of May 2019)
2019	912
2020	89 newly eligible
2021	67 newly eligible
2022	101 newly eligible

1 **7.4.2 SHORT TERM INCENTIVE PLAN ("STIP")**

2
3 MCP employees are eligible for annual incentive-based pay as a component of their total
4 cash compensation. The STIP is designed to:

- 5 • reward participants for the achievement of annual team (corporate) and individual
6 performance goals;
7 • align corporate goals and objectives with individual goals;
8 • focus on short-term goals and immediate priorities; and
9 • reward and retain top performers.

10
11 STIP rewards are based on Hydro One's performance, measured against the balanced
12 Team scorecard, and individual performance, measured against three or four goals that
13 are aligned with Hydro One's objectives. The balanced Team scorecard is based on
14 financial and non-financial objectives such as customer satisfaction, operational results,
15 productivity achievements and safety. Focusing on these metrics and meeting the
16 corporate targets ultimately benefits Hydro One's customers.

17
18 **7.4.3 LONG TERM INCENTIVE PROGRAM (LTIP)**

19
20 The LTIP was introduced in 2016 for select senior leaders and is designed to:

- 21 • reward executives for longer-term value creation and foster alignment with
22 shareholder interests;
23 • support line-of-sight and achievement of near-term objectives that lead to long-
24 term value creation;
25 • attract and retain top talent; and
26 • align compensation with current market practices.

Witness: Sabrin Lila

- 1 • includes clawback and anti-hedging policies; and
- 2 • provides that the Human Resource Committee of the Board receives independent
- 3 compensation advice from an independent advisor.
- 4 • Hydro One has also aligned the organizational structure with the longer-term
- 5 strategy and key business objectives. Key to this initiative has been the
- 6 introduction of a new job evaluation system for non-represented positions and an
- 7 update to the compensation level structure. As a result of the new level structure,
- 8 the current Vice-President and Director bands were split into two levels so that
- 9 there will be more precise band benchmarking and market alignment with
- 10 compensation. Also, by creating an additional level for both the Vice-President
- 11 and Director roles, there is a lower base rate cap for these positions.

12
13 By adhering to these principles and creating a compensation framework based on them,
14 Hydro One is better positioned to attract, retain and engage its non-represented workforce
15 to deliver on the work program while maintaining an appropriate balance in respect of
16 overall compensation.

17 18 **7.3 PAY FOR PERFORMANCE**

19
20 The MCP compensation strategy is driving a shift to a “pay for performance” culture that
21 incorporates commercial company compensation norms, with new shareholder
22 expectations and an increased focus on customers, productivity, efficiency and
23 accountability. Performance pay is a common feature of compensation strategies in
24 publicly-traded companies. Performance-based compensation enhances Hydro One’s
25 ability to attract, motivate and retain qualified employees in a competitive labour market.
26 By comparison, a shift away from performance pay in favour of increased base salaries
27 would increase Hydro One’s fixed costs and reduce the company’s ability to align
28 employee performance with business objectives. Hydro One’s performance-based

Witness: Sabrin Lila

1 compensation strategy is being implemented by means of a number of programs and
2 processes, which are described below.

3 4 **7.3.1 TEAM SCORECARD**

5
6 Hydro One senior management drafts annual objectives and corporate performance
7 measures and weightings for the STIP. The Human Resources Committee (“HRC”) of the
8 Board of Directors reviews the draft and makes suggestions or modifications as it deems
9 appropriate. Once approved by the HRC, it is submitted to the full Board of Directors for
10 approval. The President and CEO establishes the annual individual objectives and
11 performance measures for each of his direct reports. In order to achieve corporate
12 alignment, each direct report to the President and CEO cascades their goals within their
13 organization. The 2019 scorecard is attached as Attachment 4.

14 15 **7.3.2 GOAL SETTING**

16
17 Hydro One developed a disciplined approach to employee goal setting that focuses on
18 defined performance metrics that clearly differentiate performance and, ultimately,
19 compensation. Through discussions with their manager, employees will annually
20 develop three or four clearly defined goals with key success measures. Individual goals
21 are aligned with the overall corporate strategy and business objectives through the
22 cascading of goals from each line of business leader. Employees will be assessed
23 formally twice each year in terms of accomplishing their goals as well as consistently
24 demonstrating behaviours and actions that model Hydro One’s values. Calibration
25 sessions are also held at all levels in the organization to ensure consistency in terms of
26 assessments and determination of rewards. This strict approach to goal setting has
27 resulted in improved transparency and communication about how differentiated rewards
28 and recognition are determined and achieved.

Witness: Sabrin Lila

CME INTERROGATORY #41

Reference:

F-04-01p. 21 of 46

Interrogatory:

At Exhibit F, Tab 4, Schedule 1, page 21, Hydro One indicates that “Performance-based compensation enhances Hydro One’s ability to attract, motivate and retain qualified employees in a competitive labour market”.

a) Please provide statistical data of management attrition levels before and after the Performance-based compensation rewards program was implemented.

b) Please provide any studies which Hydro One conducted prior to implementing the performance-based compensation program which indicated that management-level turnover was a concern of the corporation.

Response:

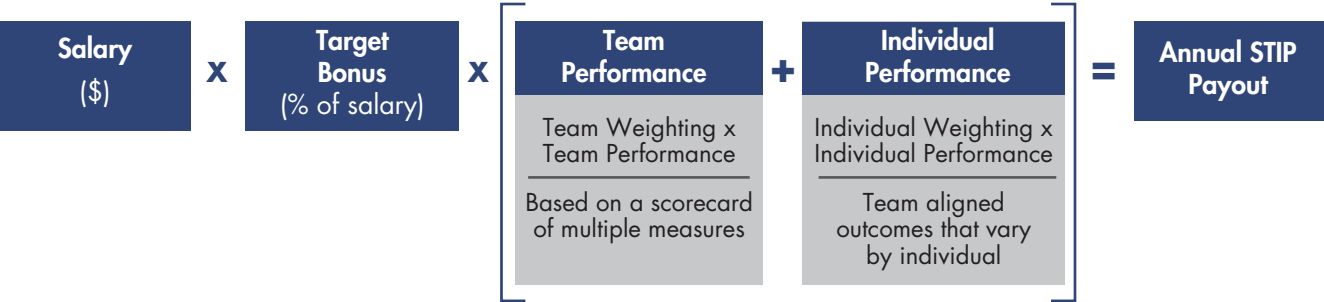
a) Hydro One’s primary driver for introducing a performance-based compensation program is to attract, motivate and retain talent, with an emphasis on attracting and motivating. Hydro One has historically had low levels of attrition.

b) Hydro One did not conduct studies prior to implementation.

STIP

STIP OVERVIEW

Hydro One’s STIP provides an annual incentive payout based on Individual and Team (corporate) performance, against pre-determined goals and measures. The STIP payout is calculated based on the following formula. Each of the elements of STIP calculation is described in more detail below.



SALARY

STIP payouts are based on the employee’s annual salary and will be prorated to reflect any salary changes, such as Merit or promotional increases during the year. For employees who are on rotations, Home Base salary is used for the STIP calculation. This means any step-up pay received for relief or rotational assignments are **not** factored into the STIP payout.

TARGET BONUS

The employee’s target bonus, expressed as a percentage of salary, is based on the level of the role. All jobs have been categorized into levels based on function, scope, complexity and contribution to the organization. The target bonus increases by level. Similar to salary, the target bonus used in STIP payout will be prorated to reflect any changes in target bonus during the year.

PERFORMANCE MEASURES & WEIGHTING

Team and Individual Performance are weighted by level as part of the STIP calculation. The Team Performance weight increases by level reflecting the greater influence senior roles have on the overall team results.

The following table outlines the Target Bonus and Team and Individual performance weight by level:

Title	Level	Target Bonus (% of Salary)	Team Performance Weight	Individual Performance Weight
Director	7	25%	70%	30%
Director	6	20%		
Manager/Superintendent	5	15%		
Manager/Professional	4	10%		
Consultant/Admin Support	2-3	7%	50%	50%
Admin Support	1	5%		

TEAM PERFORMANCE MULTIPLIER

The Team Performance Multiplier is a reflection of the Company's performance results against the Team Scorecard measures approved by the Board of Directors (Board) at the beginning of each year. Team performance generally includes measures such as: Health and Safety, Work Program Net Income, Customer Satisfaction and Productivity.

The Company's performance relative to these measures will be assessed against its threshold, target (budget) and maximum metrics approved annually by the Board. The Team Performance Multiplier may range from 0 to 200% based on the degree to which the Company achieves its performance measures. Results will be interpolated between performance levels.

Management will put forward a recommendation to the Board for the Team Performance Multiplier based the corporate performance on the Team Scorecard. The Board has the discretion to accept management's recommendation or alter it.

INDIVIDUAL PERFORMANCE MULTIPLIER

The Individual Performance Multiplier is based on the Manager's assessment of the employee's achievement as measured against the 3 to 4 SMART performance goals set early in the year, as well as Manager's assessment of how the employees lives Hydro One's corporate values.

Employees define their performance levels with their Managers by establishing the threshold, target (budget), and maximum potential performance outcomes for these goals. A performance rating is determined based on the Manager's assessment of the employee's performance relative to these metrics, including alignment with Hydro One's corporate values. A Calculated Performance Rating is determined based on the weighted average of the performance ratings assigned by the Manager.

Based on this Calculated Performance Rating, the Manager then assigns a specific Individual Performance Multiplier that falls within the appropriate ranges identified in the table below. The Individual Performance Multiplier can range from 0 to 200%.

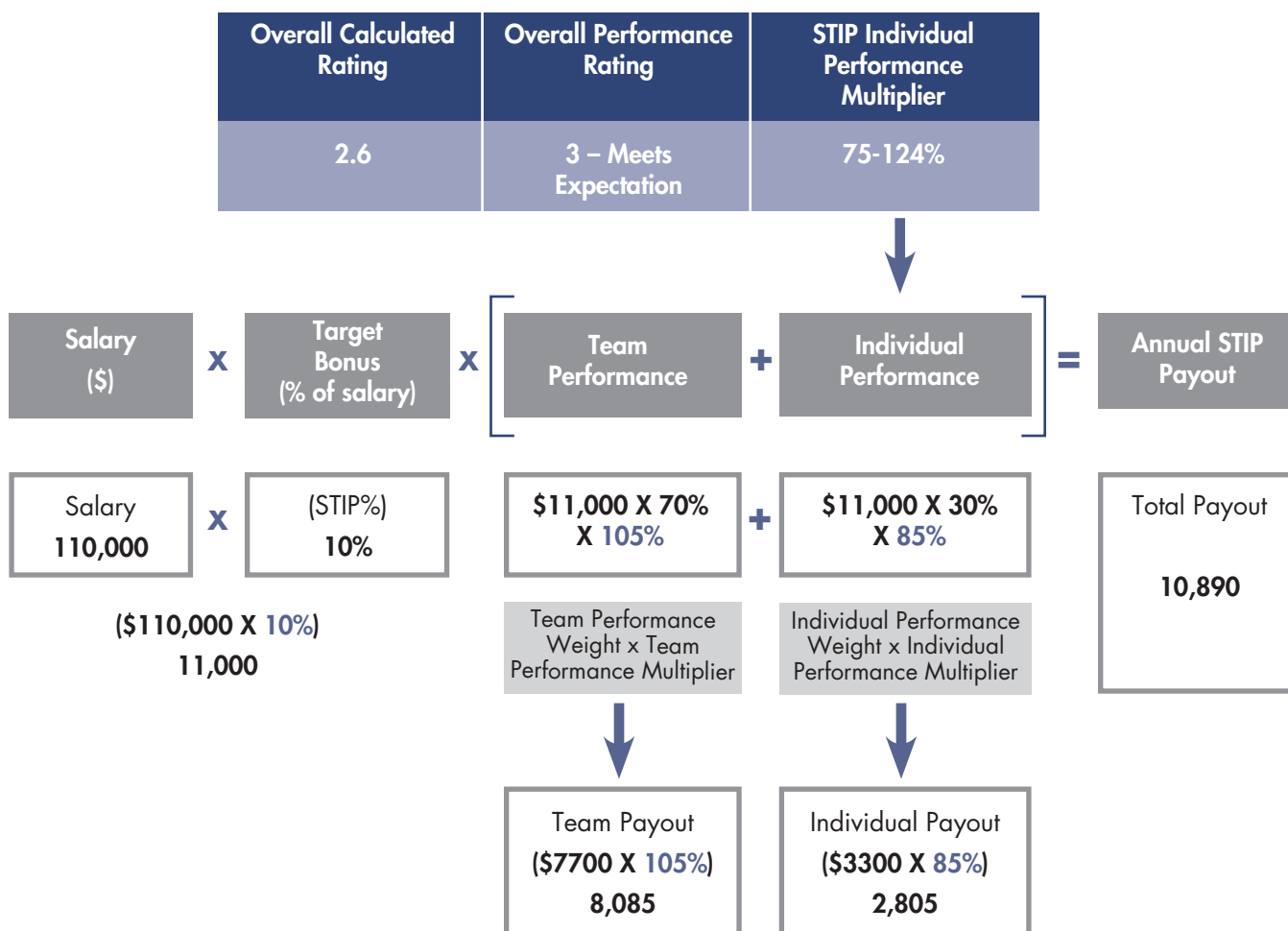
The Individual Performance Rating is reviewed and calibrated by the Manager-Once-Removed (MoR).

Calculated Performance Rating	Individual Performance Rating	Individual Performance Multiplier Range
0.00 – 1.49	Did not meet expectations	0%
1.50 – 2.49	Meets most but not all expectations	50–74%
2.50 – 3.49	Meets expectations	75–124%
3.50 – 4.49	Exceeds expectations	125–149%
4.50 – 5.00	Significantly exceeds expectations	150–200%

No STIP payout (i.e. neither the team nor individual components) will be made in the event of a Calculated Performance Rating between 0 – 1.49 (i.e. did not meet expectations rating).

Example

An example STIP payout calculation for a Manager (Level 4) with a salary of \$110,000, 10% Target Bonus, 105% Team Performance Multiplier and 85% Individual Performance Multiplier (i.e. Calculated Rating between 2.50 – 3.49 reflecting Meets Expectations) follows.



EMPLOYEE LIFE EVENTS

During the normal course of an employee's career certain life events may occur. This section outlines how STIP will be treated in these cases. For life events not covered below, Hydro One will base its treatment of STIP on its administrative practices or the intent for which the plan was designed. Hydro One's fiscal year is January 1 to December 31.

Life Event	Eligibility	Notes
New Hire	Yes	Employees are eligible for a pro-rated STIP payment. Must have worked a minimum of 90 days.
Promotion	Yes	
Retirement	Yes	<p>If the employee retires (by either by taking a defined benefit pension or by meeting the minimum age under the Hydro One's defined contribution pension plan) or is terminated and takes the commuted value of defined benefit pension once eligible for retirement, STIP will be pro-rated based on the number of days worked in the year, provided that the employee worked a minimum of 90 days in the fiscal year. If the employee retires following the fiscal year end but before the payout date for the previous year, the employee will continue to be eligible for STIP payout.</p> <p>Note: Executive must provide 6 months written notice</p>
Resignation	No	<p>If the employee resigns during the fiscal year, STIP payout will be forfeited. If the employee leaves following the fiscal year end but before the payout date for the previous year, the employee will continue to be eligible for STIP payout.</p> <p>Note: Executive must provide 3 months written notice</p>
Leaves	Yes	Employees are eligible for a pro-rated STIP payment. Must have worked a minimum of 90 days. Employees on Long Term Disability (LTD) or pending LTD are not eligible
Death	Yes	Should an employee die while actively employed with Hydro One, any STIP payouts for the fiscal year of death will be prorated for the number of days worked during the fiscal year, provided the employee has worked a minimum of 90 days.

2019 Team Scorecard							
Corporate Goal	Component Weight	Definition	Measure	Sub-Component Weight	2019 Performance Levels		
					Threshold	Target	Maximum
Health & Safety *	10%	Recordable Incidents	Incidents per 200,000 hours	100%	1.11	1.05	0.99
Work Program	25%	Transmissions (Tx) Reliability – Average duration of unplanned interruptions to multi-circuit (mc) supplied delivery points (SAIDI)	System Average Interruption Duration Index - mc (minutes)	25%	8.4	8.1	6.3
		Distribution (Dx) Reliability – Average duration of interruptions in hours that a customer can expect to experience (SAIDI)	System Average Interruption Duration Index (hours)	25%	7.0	6.3	6.0
		Tx In-Service Additions - Delivery Accuracy, ability to deliver to a budget	Variance (%) to approved budget of \$951M	25%	+/- 6%	+/- 4%	+/-1%
		Dx In-Service Additions - Delivery Accuracy, ability to deliver to a budget	Variance (%) to approved budget of \$556.5M	25%	- 5 % / + 4%	- 3% / + 2%	- 1% / + 1%
Net Income	30%	Net Income to Common Shareholders	\$M	100%	Redacted		
Productivity	10%	Savings in \$M	\$M	100%	\$164.1	\$193	\$222
Customer	25%	Residential & Small Business	Customer Satisfaction	40%	71%	77%	80%
		Transmission Connected & Local Distribution Companies (LDCs)	Customer Satisfaction	40%	85%	90%	92%
		Commercial and Industrial	Customer Satisfaction	20%	73%	77%	80%

* If the company has a fatality, the attained Safety measure will be reduced to 0% based on the findings of the System Investigation

AMPCO INTERROGATORY #19

Reference:

TSP-01-05-01 p.4

Interrogatory:

Please provide the monthly Compensation Team Scorecard for the past 6 months.

Response:

The compensation team scorecard is the as the corporate team scorecard. As the monthly team scorecard includes confidential company information governed by securities regulations including financial and operational performance that have not been publicly disclosed or audited we are unable to provide the requested information.

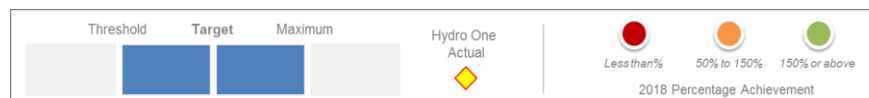
Attached is the 2018 Corporate Team Scorecard, as disclosed in Hydro One's most recent Management Information Circular.

Exhibit F, Tab 4, Schedule 1 Attachment 4 details the team performance measures and specific objectives in place for 2019.

2018 Team Scorecard

As disclosed in most recent Management Information Circular.

Component	Measure	Performance Levels and Actual Achievement (♦ represents Hydro One 2018 Achievement)	Weighting	Percentage Achievement	Contribution to Team Scorecard
Health & Safety					
Recordable Incidents	Recordable Incidents per 200,000 hours	Threshold: 1.30 Target: 1.10 Max: 1.00 1.11	10.00%	93.85%	9.39%
Work Program					
Tx Reliability	Minutes per Delivery Point (SAIDI)	Threshold: 9.20 Target: 7.60 Max: 5.40 15.37	6.25%	0.00%	0.00%
Dx Reliability	Hours per Customer (SAIDI)	Threshold: 7.50 Target: 7.00 Max: 6.80 6.82	6.25%	190.00%	11.88%
Tx In Service Capital	Variance (%) to approved budget of \$1,174M	Thresh.: +/-6.00% Target: +/-4.00% Max: +/-1.00% -1.16%	6.25%	194.65%	12.17%
Dx In Service Capital	Variance (%) to approved budget of \$641M	Thresh.: +/-5.00% Target: +/-3.00% Max: +/-1.00% -4.23%	6.25%	83.99%	5.25%
Financials					
Net Income	Net Income to Common Shareholders - \$M	Threshold: 660.71 Target: 705.79 Max: 756.71 806.67	30.00%	200.00%	60.00%
Productivity					
Productivity Savings	Productivity Savings - \$M	Threshold: 103.10 Target: 114.50 Max: 140.00 135.51	10.00%	182.40%	18.24%
Customer Service					
Dx Satisfaction: Small & Residential Customers	Dx Customer Satisfaction (SMB & Res.)	Thresh.: 71.00% Target: 73.00% Max: 76.00% 76.00%	12.50%	200.00%	25.00%
Tx Satisfaction: Large Customers	Tx Customer Satisfaction (Large Cust.)	Thresh.: 84.00% Target: 86.00% Max: 90.00% 90.00%	12.50%	200.00%	25.00%
Total				166.91%	



CME INTERROGATORY #43

Reference:

F-04-01-01 p.1 of 1

Interrogatory:

At Exhibit F, Tab 4, Schedule 1, Attachment 4, Hydro One has produced a 2019 Hydro One Team scorecard for execution and performance which is used to provide short term incentive pay to MCP employees.

- a) Please provide a copy of the short-term incentive program policy, and the STIP Employee Guide.
- b) Please provide the percentage of eligible employees who received a STIP payment and the average amount of STIP payment to MCP employees.

Response:

- a) The employee STIP guide document is provided as Attachment 1 to this Exhibit.
- b) With regards to the 2018 STIP award (paid out in early 2019), 96% of MCP employees received a payment. The average payout was \$30,682 and the median payout was \$19,858 (please note that these calculations reflect all MCP incumbents and includes positions not included in the transmission revenue requirement – e.g. ELT).

COMPENSATION COST BENCHMARKING STUDY

HYDRO ONE NETWORKS INC.

04 APRIL 2018

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1

Executive Summary

Hydro One Networks Inc. (“Hydro One”) has retained Mercer to prepare an independent, testable and repeatable market-based assessment of the reasonableness of Hydro One’s total compensation levels including salary, short-term incentives, long-term incentives, pension and employer paid health and group benefits relative to a select peer group. This study was conducted in 2008, 2011, 2013, 2016 and repeated, following a similar methodology, in 2017.

Prior to each study, every effort is made to ensure that the approach and methodology used continues to meet industry best standards and will provide an appropriate comparison for Hydro One.

Since 2008, the compensation cost benchmarking study has included regulated Transmission and Distribution Utilities’ and comparable regulated businesses across Canada. However, to reflect the changing talent landscape and nature of the workforce, the comparator group and job list for the 2016 study was reviewed with the purpose of rebalancing the mix of Transmission, Distribution and Functional benchmark jobs, and to better represent the market in which Hydro One attracts and loses talent to (e.g. contractors). This resulted in revisions to the comparator organizations and survey jobs included in the study.

While these changes may have an impact on the study-over-study comparison, Mercer believes they better reflect the current workforce and balance of jobs at Hydro One.

This document represents the final results of our analysis. Study-over-study trend analysis is provided.

Compensation Benchmarking

The compensation benchmarking study compared Hydro One’s total compensation to a peer group of Transmission, Distribution and Generation organizations, supplemented with Contractors and participants from a similar Regulatory Environment.

The study reflected 3,210 Hydro One employees (up from 2,991 in 2016) in 34 benchmark jobs representing 59% of Hydro One’s employee population (excluding non-full time employees). In total, our analysis reflected approximately 16,800 (up from approximately 15,000 in 2016) incumbents employed in the Canadian energy and/or adjacent sectors. The increase in the percentage of Hydro One employees represented is partly driven by the updates made to the benchmark job list.

On an overall weighted average basis, for the jobs Mercer reviewed in 2017, Hydro One is positioned approximately 12% above the market 50th percentile (“P50” or “median”). In comparison to the 2016 study, Hydro One’s overall weighted average positioning has decreased from 14% above the market total compensation 50th percentile.

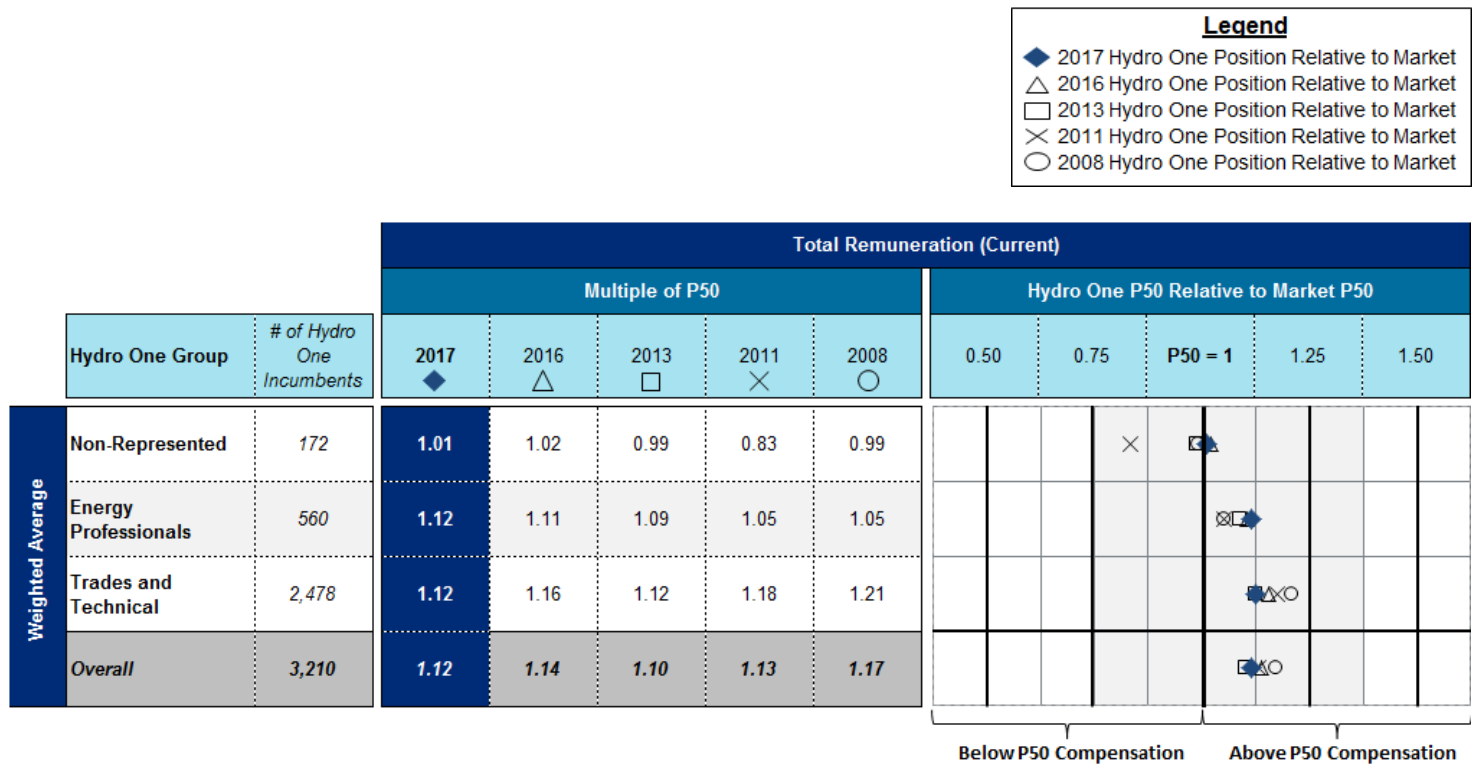
The shift in Hydro One's competitive position towards the median is notable given that the peer group, like Hydro One, has worked to reduce labour costs as a response to both the substantial economic downturn beginning in 2008 and expectations of key stakeholders over the entire period the compensation cost benchmarking studies have been conducted (2008 – 2016).

Hydro One's overall positioning relative to the market median is driven by a combination of a number of factors, including:

- The use of casual workers that have lower cost pension and benefit packages
- Higher short-term incentive payouts to the non-represented group following strong company performance
- Highly competitive base wages, especially for the most highly skilled Power Workers' Union ("PWU") jobs (Trades and Technical Group)
- The introduction of lump sum and share grant awards to the Energy Professionals and Technical and Trades workers, respectively, in exchange for reduced base salary / wage increases, resulting in lower pension and benefit costs
- Changes in the organizations participating in the study and the benchmark job list
- The relatively high value of legacy collective agreement wages, pension and benefits programs. We note that the legacy non-represented pension and benefit and Society pension plans are now closed to new members

The table below summarizes the results of the 2017 Compensation Cost Benchmarking Study compared to the results of the 2016, 2013, 2011 and 2008 study.

Table 1



2

Introduction

Hydro One Networks Inc. (“Hydro One”) has retained Mercer to prepare an independent, testable and repeatable market-based assessment of the reasonableness of Hydro One’s total compensation levels including salary, short-term incentives, long-term incentives, pension and employer paid health and group benefits relative to a select peer group. This study was conducted in 2008, 2011, 2013, 2016 and repeated, following a similar methodology, in 2017.

This report is intended to help Hydro One in preparing a multi-year CIR Application for Transmission rates (2019-2023). The results of the Compensation Cost Benchmarking study will be filed as evidence for the rate setting application.

To provide independent and reliable information on Hydro One’s relative compensation costs, Mercer has undertaken a customized survey of total compensation in the market (“Compensation Benchmarking”).

The total compensation (i.e., base salary, short-term incentives / lump sums, long-term incentives [including negotiated share grants], pension and benefits) benchmarking analyses focused on assessing Hydro One’s overall competitiveness in the marketplace.

Prior to each study, every effort is made to ensure that the approach and methodology used continues to meet industry best standards and will provide an appropriate comparison for Hydro One. In order to reflect the changing talent landscape and nature of the workforce, the comparator group and job list for the 2016 study was reviewed with the purpose of rebalancing the mix of Transmission, Distribution and Functional benchmark jobs, and to better represent the market in which Hydro One attracts and loses talent to. This resulted in revisions to the comparator organizations and survey jobs included in the study.

While these changes may have an impact on the study-over-study comparison, Mercer believes they better reflect the current workforce and balance of jobs at Hydro One.

3

Guiding Principles

The principles used for the compensation cost study were based on Mercer's standard approach in conducting multi-year compensation benchmarking. Mercer ensures that these principles are effectively applied within the context of the Hydro One study, making adjustments where necessary. These principles include:

1. Principle objective – to revisit the 2016, 2013, 2011 and 2008 Mercer Study to reasonably compare Hydro One compensation costs to those of regulated Transmission and Distribution Utilities', comparable regulated businesses and Contractors across Canada.
 - The 2016, 2013, 2011 and 2008 Mercer Studies were revisited following the same general overall methodology to provide appropriate study-over-study comparisons.
2. Keep it simple to entice survey participants.
 - The data collection process was reviewed and streamlined, where possible, to encourage survey participants to share data. Additional follow-up was provided by Mercer to support comparator participation in the study.
3. Be independent, testable, repeatable and market-based.
 - The study was conducted in a manner that meets each of the criteria listed.
4. Provide participants with the assurance that their information could not be attributable to them.
 - All participants were assured that data would be held confidentially by Mercer and only be shared in aggregate form.
5. Be based on the organizations and benchmark jobs surveyed in the 2016 Mercer Study and expanded as deemed appropriate by the consultant.
 - The 2017 study targeted similar benchmark jobs and organizations as the 2016 study; however, the following changes were made:
 - The list of benchmark jobs for the 2017 study was revised to reflect a mix of Transmission, Distribution and Functional jobs that is more representative of the roles at Hydro One. This resulted in the addition of five (5) new jobs and removal of three (3) jobs.
 - The list of peer organizations for the 2017 study was revised to include Contractors, Regulators and a rebalanced mix of Transmission, Distribution and Generation organizations. This resulted in a similar peer group used in the 2016 study with the addition of two (2) Contractors, one (1) Electricity System Operator and two (2) Transmission organizations. Two (2) organizations that participated in the 2016 study declined to participate in 2017. One (1) organization was part of a merger and participated under a new name.
6. Mirror the scoping in the 2016, 2013, 2011 and 2008 Mercer Studies for peer selection, job classes, etc. and changes as deemed appropriate by the consultant.

- Though the peer group and job list were revised, the same methodology used in 2016, 2013, 2011 and 2008 was followed in the 2017 Mercer Study for both peer company selection and job classes for inclusion. The selected benchmark job classes for the 2017 study represented 59% of Hydro One's employee population (excluding non-full time employees).
7. Enable reasonable comparison to the last Mercer study and provide trending analysis for Hydro One.
 - By including approximately 77% of peers and 91% of jobs from the 2016 Mercer Study, reasonable comparisons have been made and trending has been assessed.
 8. Compare to market median rather than market average ("mean")
 - The 2017 Mercer Study is based on a comparison of Hydro One median compensation against market median compensation. Comparison of medians is standard compensation practice; medians are representative of the middle data point in a sample and are less sensitive to outliers than the mean.
 - The 2008, 2011, 2013 and 2016 studies also compared Hydro One to the median.
 - Appendix A provides a comparison of Hydro One's total compensation median against market average. On an overall weighted average basis, there is a material difference between Hydro One's median positioning relative to market median and its positioning relative to the market arithmetic mean.
 9. No adjustments to reflect regional costs of living amongst the study participants.
 10. Hydro One has relied on Mercer's expertise in conducting the study to recommend appropriate changes in methodology and assumptions.

4

Compensation Benchmarking

Peer Groups

Mercer selects peer organizations, for compensation benchmarking purposes, based on a stable metric that reflects the size and operating complexity of the organization (typically, this is revenue and/or total assets). Where there is a relatively small sample of relevant comparator organizations, Mercer establishes limits of 33% to 300% of the scope criteria for the organization we are analyzing. Some organizations were included in the analysis despite falling below the 33% of revenue threshold value. These organizations were a mix of regulated Transmission and Distribution Utilities', Contractors and an Electricity System Operator that are seen as important comparators by stakeholders.

To develop a single peer group for Hydro One, Mercer initially considered all organizations, with 2015 or 2016 annual revenues between 33% and 300% of Hydro One's 2016 annual revenue, from the following areas:

1. Electric utilities, multi-utilities, generation, transmission, and gas utilities industries in Canada as classified by their Global Industry Classification Standard ("GICS")
2. 74 Local Distribution Companies ("LDCs") in Ontario
3. Organizations from which Hydro One contracts employees
4. Other comparable regulated businesses (i.e., gas pipelines, railroads, etc.)

Overall, 29 organizations were invited to participate in the study:

- 19 organizations accepted the invitation and participated in the 2017 study.
 - 15 of the 17 organizations included in the 2016 study were invited to participate.
 - The following two organizations were not invited to participate in 2017:
 - a. Bell Canada: Few comparable jobs – Provided data for less than 30% of jobs in 2016
 - b. PowerStream: Part of a merger to become Alectra Utilities; Alectra is included in the study.
 - 13 organizations included in the 2017 study also participated in 2016.
 - 2 organizations that participated in the 2016 study declined to participate in 2017.
 - 6 organizations that participated in the 2017 study were not invited in previous studies. This includes, amongst others, Contractors and an Electricity System Operator.
 - This resulted in an increase of two (2) organizations over the total number of 2016 participants.

Organizations that did not participate in the compensation benchmarking study indicated that they were unable to participate due to either resource constraints or an insufficient number of relevant benchmark jobs.

Following standard industry practice, comparisons were made between Hydro One's incumbents, at the 50th percentile, to the market peer group 50th percentile on base salary, total cash compensation and total compensation.

To ensure that no one organization biased the results, we have weighted our analysis by organization for each job class and not by number of incumbents to determine Hydro One's position relative to the market (i.e., the analysis is "Org Weighted"). To preserve the confidentiality of compensation data at both Hydro One and participating organizations, we have aggregated our results.

Market Sample

Summarized below are the participating organizations in the compensation benchmarking.

Table 2

Company Name	Revenue ¹	# of Employees ^{1,2}
Hydro-Québec	\$13,339.0	19,552
TransCanada Corporation	\$12,505.0	6,705
BC Hydro Power & Authority	\$5,874.0	6,076
Ontario Power Generation Inc.	\$5,653.0	9,306
Toronto Hydro Corporation	\$4,030.0	1,415
Alectra Utilities Corporation*	\$3,824.4	1,440
ENMAX Corporation	\$2,801.0	1,786
Bruce Power L.P.	\$2,656.0	4,109
Enbridge Inc.	\$2,606.0	2,053
SaskPower	\$2,296.0	3,238
EPCOR Utilities, Inc.	\$1,932.0	2,989
Manitoba Hydro	\$1,867.0	5,925
New Brunswick Power	\$1,791.0	2,573
Nalcor Energy*	\$824.0	1,334
Veridian Corporation	\$364.1	219
Kinder Morgan Canada Ltd.*	\$253.0	353
Independent Electricity System Operator*	\$194.1	665
Black & McDonald ^{3*}	--	--
K-Line Maintenance & Construction Ltd ^{3*}	--	--
75th %ile	\$3,927.2	5,413
50th %ile	\$2,296.0	2,573
25th %ile	\$1,162.0	1,375
Average	\$3,390.7	3,951
Hydro One Network Inc.	\$6,552.0	5,400

¹ Data as reported by survey participants in CAD (\$MM)

² Representative of full-time employees and equivalents only

³ Private organization. Revenue and number of Employees information has been masked

* New participants in 2017

Benchmark Jobs

The compensation survey was designed to benchmark compensation levels from a cross-section of Hydro One's population. To determine the roles to be included in our benchmark analysis, Mercer reviewed jobs that represented all of Hydro One's major business units and covered, at least, 50% of Hydro One's employee population.

To assist with study-over-study comparisons, it was determined that the Study should collect incumbent data using 29 of the 32 benchmark roles surveyed in the 2016 study. In an effort to rebalance the mix of Distribution, Transmission and Functional jobs within the study to better reflect the representation of jobs found within Hydro One, the following roles have been removed from the 2016 job list, partially due to their low incumbency at Hydro One:

- Area Superintendent
- Meter Reader
- Production Field Administrator III

The following five (5) jobs were added to the Study as replacements:

- Non-Represented: Manager Construction
- Energy Professionals: Estimator/Scheduler, Senior Protection & Control Supervisor
- Trades and Technical: Heavy Equipment Operator, Carpenter-Construction

In total, 34 benchmark roles were included in the 2017 compensation benchmarking study and data is reported on all 34 jobs.

As a result, ***the 2017 Compensation Cost Benchmarking Study directly reflected 3,210 Hydro One employees in 34 benchmark jobs representing 59% of Hydro One's employee population (excluding non-full time employees).***

In the market, Mercer collected approximately 16,800 individual incumbent observations across the benchmark roles (this figure excludes the 3,210 Hydro One incumbents) ***employed in the Canadian energy and/or adjacent sectors.***

Summarized below are the benchmark jobs organized by major employee group. The results in this report are summarized by the following employee groups. Specifically:

Table 3

Hydro One Group	Job #	Benchmark Survey Title
Non-Represented	1	Financial Director
	2	Regulatory Director**
	3	Manager of Construction*
	4	Senior Legal Counsel
	5	Engineer F
	6	Operations Manager**
	7	Human Resource Manager / Consultant
	8	Administrative Assistant
Energy Professionals	9	Engineer E
	10	Business Analyst C
	11	Engineer D
	12	Senior Protection and Control Supervisor*
	13	Estimator/Scheduler*
	14	Engineer C
	15	Engineer B
	16	Business Analyst A
	17	Engineer A
Trades and Technical	18	System Operator (Controller)
	19	Regional Maintainer - Lines (Supervisory)
	20	Protection and Control Technician
	21	Lineman - Journeyman
	22	Engineering Technician
	23	Regional Maintainer - Lines
	24	Regional Maintainer - Electrical
	25	Fleet Mechanic
	26	Service Dispatcher
	27	Draftsperson**
	28	Stock Keeper
	29	Carpenter - Construction*
	30	Heavy Equipment Operator*
	31	Labourer**
	32	Data Entry Clerk
	33	Electrical Apprentice
	34	Lines Apprentice

* New position in 2017

** Retitled position

“Energy Professionals” refers to Hydro One jobs represented by the Society of Energy Professionals (i.e., “Society”) and “Trades and Technical” refers to Hydro One jobs represented by the Power Workers’ Union (i.e., “PWU”).

See Appendix B for a summary of job descriptions.

Methodology

As outlined in Appendix B, summarized below is the methodology used to determine compensation levels. Specifically:

Base Salary/Wage – Annual base salary at October 1, 2017 - If an hourly rate was reported, Mercer annualized the value by multiplying the standard number of work hours per week by 52 weeks per year. If a weekly rate was reported, Mercer annualized the value by multiplying by 52 weeks per year.

Total Cash Compensation - Base salary **plus** most recent short-term incentive or bonus paid/lump sum where applicable.

- Hydro One does not provide short-term incentives or bonus programs to Energy Professional or Power Worker jobs.
- In 2017, Hydro One provided lump sum payments, to the Energy Professional jobs, in exchange for reduced base salary increases.

Benefits and Pensions – To value benefit and pension programs, Mercer applied a relative value process to a set of standard employer paid cost factors, plus actuarial and demographic assumptions to measure all financially significant features of benefit and pension programs based on open and closed plans.

Total Compensation – Total cash compensation **plus** estimated annual value of the most recent long-term incentive grant (i.e., long-term cash, expected value of stock options or share awards) and pensions and benefits.

- Hydro One only provides long-term incentives to the Financial Director and Regulatory Director job.
- In 2017, Hydro One provided share grants, to the Power Worker jobs, in exchange for reduced base salary increases.

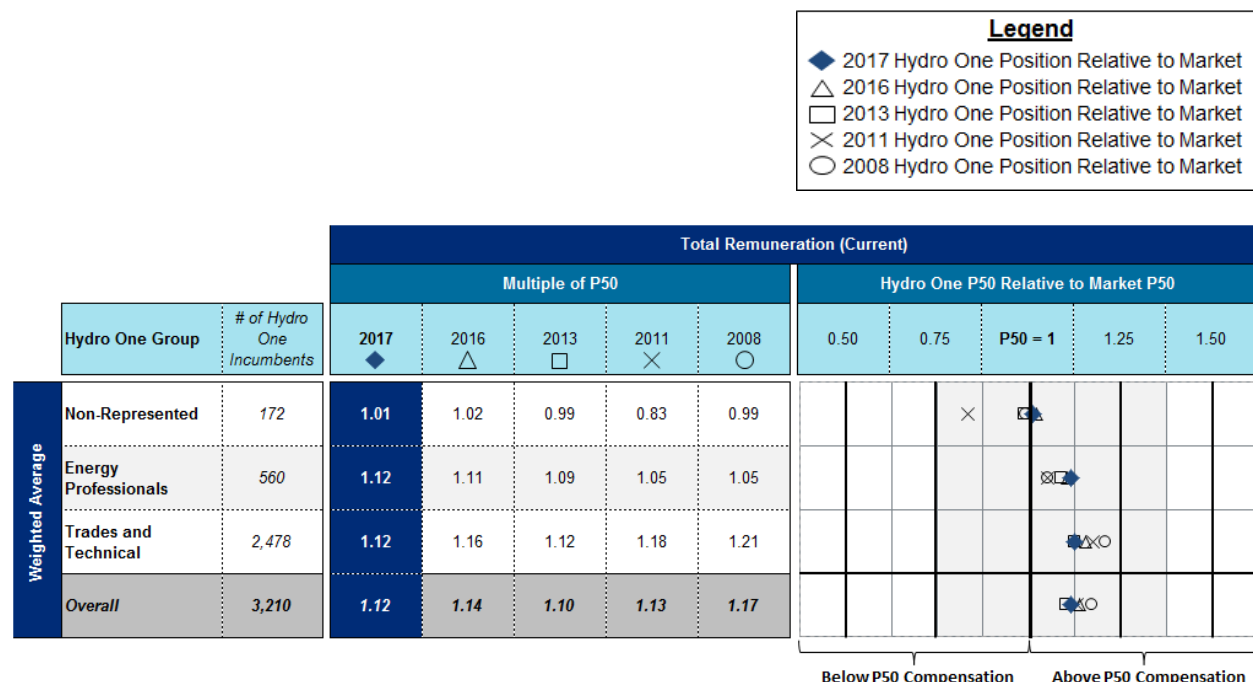
Findings

Summarized below are the results of our compensation benchmarking analysis.

Overall, **on a weighted average basis, Hydro One's total compensation cost is 12% above market median.** Hydro One is consistently positioned above the market 50th percentile for all employee groups, ranging from a low of 1% for the Non-Represented group and a high of 12% above the market P50 for the Trades and Technical group.

In the 2016 study, Hydro One's overall weighted average was 14% above the market total compensation P50 – a 2% shift towards the market median since 2016.

Table 4



The results are driven by a combination of factors the most significant of which are the following:

- The use of casual workers that have lower cost pension and benefit packages
- Higher short-term incentive payouts to the non-represented group following strong company performance
- Highly competitive base wages, especially for the most highly skilled Power Workers' Union ("PWU") jobs (Trades and Technical Group)
- The introduction of lump sum and share grant awards to the Energy Professionals and Technical and Trades workers, respectively, in exchange for reduced base salary / wage increases, resulting in lower pension and benefit costs
- Changes in the organizations participating in the study and the benchmark job list
- The relatively high value of legacy collective agreement wages, pension and benefits programs. We note that the legacy non-represented pension and benefit and Society pension plans are now closed to new members

Mercer understands that these legacy plans relate to collective agreements negotiated prior to the formation of Hydro One. All PWU employees continue to be covered by the legacy plans. Even if all Non-Represented and Energy Professional employees were covered by the new plans, the difference in overall cost on a weighted average basis would not be substantial as the high population Power Worker jobs continue to be covered by the legacy plans; however, the use of casual workers (“hiring hall”) for several of the PWU benchmarks does reduce compensation costs relative to other PWU jobs and our market data.

For new employees hired into Non-Represented and Energy Professional job classifications, the value of pensions and/or benefits, where applicable, have decreased due to recent amendments to these plans (see “Future” & “Go Forward” columns on the following pages).

Mercer notes that, when measured on revenue, Hydro One is the third largest organization, for which we are able to report revenue, in the sample. Although size has a limited impact on middle management and unionized roles, size may have an impact on compensation for executive roles, as these roles tend to be larger and more complex in larger organizations.

As requested by stakeholders in 2011, in addition to comparing Hydro One P50 to market P50, a comparison was also made of Hydro One median to market average (“mean”). On a weighted average basis, Hydro One’s total compensation cost is 8% above market average. Hydro One’s position relative to market varies by employee group from 6% below market average for the Non-Represented group to a high of 9% above the market average for the Trades and Technical group. There is a noticeable difference between the market median and market average. This is driven, to a certain extent, by outliers in the data set and the sample size used. See Appendix A for detailed results.

Non-Represented

Summarized below are the results for the Non-Represented roles that Mercer benchmarked at Hydro One relative to the market peer group.

In comparison to 2016, the 2017 Total Compensation (Current) result has decreased from 2% above market median to 1% above market median.

Table 5

			Hydro One P50 Relative to Market P50 ¹				
			Base Salary	Total Cash ²	Total Compensation ³		
Hydro One Group	# of Hydro One Incumbents	Current ⁴			Future ⁵	Go Forward ⁶	
Non-Represented	Financial Director	2	-4%	10%	23%	23%	8%
	Regulatory Director**	2	-16%	-6%	5%	4%	-9%
	Manager of Construction*	8	6%	17%	22%	20%	4%
	Senior Legal Counsel	7	-4%	18%	15%	15%	4%
	Engineer F	57	-10%	-9%	-1%	-3%	-14%
	Operations Manager**	85	-3%	-1%	1%	-1%	-13%
	Human Resource Manager / Consultant	8	-24%	-25%	-21%	-21%	-31%
	Administrative Assistant	3	4%	4%	5%	5%	-5%
2017 Weighted Average Non-Represented		172	-6%	-3%	1%	0%	-12%
2016 Weighted Average Non-Represented		167	-1%	-3%	2%	-1%	-12%
2013 Weighted Average Non-Represented		206	-2%	-4%	-1%	-6%	-
2011 Weighted Average Non-Represented		137	-17%	-20%	-17%	-18%	-
2008 Weighted Average Non-Represented		151	-2%	-4%	-1%	-5%	-

¹ Market results weighted by organization (i.e., for each participating organization, Mercer determined one average value per job.)

² Base salary plus short-term incentives granted (i.e., bonus/lump sum), where applicable.

³ Total cash compensation plus estimated long-term incentives, benefits and pension values.

⁴ Based on Hydro One's employee population, assuming current pension and benefits program eligibility.

⁵ Based on Hydro One's employee population, assuming all incumbents in the new DB pension and benefits programs.

⁶ Based on Hydro One's employee population, assuming all incumbents in the new DC pension and benefits programs.

* New job in 2017.

** Retitled job.

Energy Professionals (“Society”)

Summarized below are the results for the Energy Professional roles that Mercer benchmarked at Hydro One relative to the market peer group.

In comparison to 2016, the 2017 Total Compensation (Current) result has increased from 11% above market median to 12% above market median.

Table 6

		Hydro One P50 Relative to Market P50 ¹				
		Base Salary	Total Cash ²	Total Compensation ³		
				Current ⁴	Future ⁵	
Hydro One Group		# of Hydro One Incumbents				
Energy Professionals	Engineer E	113	-1%	-1%	2%	-2%
	Business Analyst C	1	28%	28%	34%	34%
	Engineer D	276	0%	-3%	6%	6%
	Senior Protection and Control Supervisor*	26	7%	9%	22%	17%
	Estimator/Scheduler*	16	33%	36%	43%	43%
	Engineer C	21	14%	4%	16%	16%
	Engineer B	86	22%	15%	29%	29%
	Business Analyst A	7	41%	40%	42%	42%
	Engineer A	14	2%	-5%	7%	7%
2017 Weighted Average Energy Professionals		560	5%	3%	12%	11%
2016 Weighted Average Energy Professionals		612	5%	1%	11%	10%
2013 Weighted Average Energy Professionals		746	7%	3%	9%	7%
2011 Weighted Average Energy Professionals		779	6%	-3%	5%	4%
2008 Weighted Average Energy Professionals		578	8%	-2%	5%	3%

¹ Market results weighted by organization (i.e., for each participating organization, Mercer determined one average value per job.)

² Base salary plus short-term incentives granted (i.e., bonus/lump sum), where applicable.

³ Total cash compensation plus estimated long-term incentives, benefits and pension values.

⁴ Based on Hydro One's employee population, assuming current pension and benefits program eligibility.

⁵ Based on Hydro One's employee population, assuming all incumbents in the new pension and benefits programs.

* New job in 2017.

Trades and Technical (“PWU”)

Summarized below are the results for the Trades and Technical roles that Mercer benchmarked at Hydro One relative to the market peer group.

In comparison to 2016, the 2017 Total Compensation result has decreased from 16% above market median to 12% above market median.

Table 7

		Hydro One P50 Relative to Market P50 ¹			
		Base Salary	Total Cash ²	Total Compensation	
Hydro One Group	# of Hydro One Incumbents			Current ⁴	
Trades and Technical	System Operator (Controller)	88	18%	18%	37%
	Regional Maintainer - Lines (Supervisory)	62	5%	4%	21%
	Protection and Control Technician	90	17%	17%	34%
	Lineman - Journeyman	142	12%	12%	1%
	Engineering Technician	144	6%	6%	27%
	Regional Maintainer - Lines	748	-3%	-5%	10%
	Regional Maintainer - Electrical	255	8%	8%	29%
	Fleet Mechanic	73	9%	9%	26%
	Service Dispatcher	20	41%	35%	50%
	Draftsperson**	29	6%	3%	20%
	Stock Keeper	56	19%	16%	40%
	Carpenter - Construction**	57	30%	30%	31%
	Heavy Equipment Operator*	11	12%	12%	18%
	Labourer	225	10%	8%	12%
	Data Entry Clerk	65	13%	9%	27%
	Electrical Apprentice	54	-14%	-14%	-16%
	Lines Apprentice	359	-17%	-17%	-20%
2017 Weighted Average Trades and Technical		2,478	3%	1%	12%
2016 Weighted Average Trades and Technical		2,212	5%	4%	16%
2013 Weighted Average Trades and Technical		2,100	8%	6%	12%
2011 Weighted Average Trades and Technical		2,411	10%	9%	18%
2008 Weighted Average Trades and Technical		1,966	20%	16%	21%

¹ Market results weighted by organization (i.e., for each participating organization, Mercer determined one average value per job.)

² Base salary plus short-term incentives granted (i.e., bonus/lump sum), where applicable.

³ Total cash compensation plus estimated long-term incentives, benefits and pension values.

⁴ Based on Hydro One's employee population, assuming current pension and benefits program eligibility.

* New job in 2017.

** Retitled job.

^ Average market data reported as median for comparison purposes.

APPENDIX A

Hydro One vs. Market Average

As requested by stakeholders, summarized below are the results of our compensation benchmarking analysis comparing Hydro One median to market average.

Overall, **on a weighted average basis, Hydro One's total compensation cost is 8% above the market average (mean)**. Hydro One's position relative to market varies by employee group from a low of 6% below the market average for the Non-Represented group to a high of 9% above the market average for the Trades and Technical group.

Table 8

Legend	
◆	2017 Hydro One Position Relative to Market
△	2016 Hydro One Position Relative to Market
□	2013 Hydro One Position Relative to Market
×	2011 Hydro One Position Relative to Market
○	2008 Hydro One Position Relative to Market

			Total Remuneration (Current)									
			Multiple of Average					Hydro One P50 Relative to Market Average				
Hydro One Group			2017	2016	2013	2011	2008	0.50	0.75	Avg. = 1	1.25	1.50
			◆	△	□	×	○					
Weighted Average	Non-Represented	172	0.94	0.98	0.97	0.84	0.99					
	Energy Professionals	560	1.07	1.06	1.09	1.06	1.05					
	Trades and Technical	2,478	1.09	1.10	1.13	1.15	1.21					
	Overall	3,210	1.08	1.08	1.10	1.12	1.17					

Non-Represented

Summarized below are the results for the Non-Represented roles that Mercer benchmarked at Hydro One relative to the market peer group.

Table 9

			Hydro One P50 Relative to Market Average ¹				
			Base Salary	Total Cash ²	Total Compensation ³		
					Current ⁴	Future ⁵	Go Forward ⁶
	Hydro One Group	# of Hydro One Incumbents					
Non-Represented	Financial Director	2	-4%	5%	16%	16%	3%
	Regulatory Director**	2	-15%	-12%	-13%	-14%	-25%
	Manager of Construction*	8	3%	6%	13%	10%	-4%
	Senior Legal Counsel	7	-5%	4%	1%	1%	-8%
	Engineer F	57	-14%	-13%	-13%	-14%	-24%
	Operations Manager**	85	-5%	-7%	-2%	-3%	-15%
	Human Resource Manager / Consultant	8	-24%	-28%	-26%	-26%	-34%
	Administrative Assistant	3	-2%	0%	1%	1%	-8%
	2017 Weighted Average Non-Represented	172	-8%	-9%	-6%	-7%	-18%
	2016 Weighted Average Non-Represented	167	-2%	-5%	-2%	-5%	-16%
	2013 Weighted Average Non-Represented	206	-4%	-6%	-3%	-8%	-
	2011 Weighted Average Non-Represented	137	-15%	-17%	-16%	-17%	-

¹ Market results weighted by organization (i.e., for each participating organization, Mercer determined one average value per job.)

² Base salary plus short-term incentives granted (i.e., bonus/lump sum), where applicable.

³ Total cash compensation plus estimated long-term incentives, benefits and pension values.

⁴ Based on Hydro One's employee population, assuming current pension and benefits program eligibility.

⁵ Based on Hydro One's employee population, assuming all incumbents in the new DB pension and benefits programs.

⁶ Based on Hydro One's employee population, assuming all incumbents in the new DC pension and benefits programs.

* New job in 2017.

** Retitled job.

Energy Professionals (“Society”)

Summarized below are the results for the Energy Professional roles that Mercer benchmarked at Hydro One relative to the market peer group.

Table 10

			Hydro One P50 Relative to Market Average ¹			
			Base Salary	Total Cash ²	Total Compensation ³	
					Current ⁴	Future ⁵
	Hydro One Group	# of Hydro One Incumbents				
Energy Professionals	Engineer E	113	-6%	-12%	-5%	-8%
	Business Analyst C	1	29%	26%	31%	31%
	Engineer D	276	1%	-3%	1%	1%
	Senior Protection and Control Supervisor*	26	4%	3%	13%	9%
	Estimator/Scheduler*	16	33%	35%	45%	45%
	Engineer C	21	12%	8%	15%	14%
	Engineer B	86	23%	20%	27%	27%
	Business Analyst A	7	37%	33%	41%	41%
	Engineer A	14	0%	-4%	6%	6%
2017 Weighted Average Professionals		560	5%	1%	7%	6%
2016 Weighted Average Energy Professionals		612	7%	-1%	6%	5%
2013 Weighted Average Energy Professionals		746	8%	1%	9%	7%
2011 Weighted Average Energy Professionals		779	6%	-1%	6%	4%

¹ Market results weighted by organization (i.e., for each participating organization, Mercer determined one average value per job.)

² Base salary plus short-term incentives granted (i.e., bonus/lump sum), where applicable.

³ Total cash compensation plus estimated long-term incentives, benefits and pension values.

⁴ Based on Hydro One's employee population, assuming current pension and benefits program eligibility.

⁵ Based on Hydro One's employee population, assuming all incumbents in the new pension and benefits programs.

* New job in 2017.

Trades and Technical (“PWU”)

Summarized below are the results for the Trades and Technical roles that Mercer benchmarked at Hydro One relative to the market peer group.

Table 11

		Hydro One P50 Relative to Market Average ¹			
		Base Salary	Total Cash ²	Total Compensation ³	
Hydro One Group	# of Hydro One Incumbents			Current ⁴	
Trades and Technical	System Operator (Controller)	88	14%	11%	28%
	Regional Maintainer - Lines (Supervisory)	62	6%	1%	19%
	Protection and Control Technician	90	18%	15%	34%
	Lineman - Journeyman	142	11%	9%	-2%
	Engineering Technician	144	7%	7%	23%
	Regional Maintainer - Lines	748	-3%	-6%	8%
	Regional Maintainer - Electrical	255	10%	7%	24%
	Fleet Mechanic	73	10%	9%	27%
	Service Dispatcher	20	29%	26%	48%
	Draftsperson**	29	4%	2%	17%
	Stock Keeper	56	22%	19%	39%
	Carpenter - Construction*^	57	30%	30%	31%
	Heavy Equipment Operator*	11	10%	7%	9%
	Labourer	225	6%	5%	5%
	Data Entry Clerk	65	3%	2%	15%
	Electrical Apprentice	54	-17%	-20%	-26%
	Lines Apprentice	359	-16%	-17%	-21%
2017 Weighted Average Trades and Technical		2,478	2%	0%	9%
2016 Weighted Average Trades and Technical		2,212	2%	-1%	10%
2013 Weighted Average Trades and Technical		2,100	9%	7%	13%
2011 Weighted Average Trades and Technical		2,411	10%	8%	15%

¹ Market results weighted by organization (i.e., for each participating organization, Mercer determined one average value per job).

² Base salary plus short-term incentives granted (i.e., bonus/lump sum), where applicable.

³ Total cash compensation plus estimated long-term incentives, benefits and pension values.

⁴ Based on Hydro One's employee population, assuming current pension and benefits program eligibility.

* New job in 2017.

** Retitled job.

^ Average market data reported as median for comparison purposes.

1 **7.5 UNIONIZED COMPENSATION**

2
3 Approximately 90% of employees at Hydro One are represented by a trade union. Hydro
4 One is legally required under Ontario Labour Relations Act to negotiate collective
5 agreements with the employees' bargaining representatives. These collective agreements
6 establish the terms and conditions of the employment relationship for a fixed period of
7 time. Hydro One inherited collective agreements from Ontario Hydro, which established
8 terms of employment. These legacy collective agreements have established a 'floor' upon
9 which future negotiations have been and will continue to be based. While legacy
10 collective agreements continue to strongly influence current Hydro One collective
11 agreements, Hydro One has done much to change the status quo. Hydro One has been
12 successful in incrementally reducing costs and/or increasing productivity through
13 collective bargaining.

14
15 In labour agreements it is particularly important to consider the longer term relationship.
16 Hydro One's Human Resources strategy is to negotiate fair and reasonable collective
17 agreements to foster and promote healthy, long-term union-management relationships.

18
19 **7.5.1 POWER WORKERS UNION (PWU)**

20
21 In 2018, Hydro One negotiated a two year current collective agreement with the PWU
22 that expires March 31, 2020. Changes in this agreement include the following.

- 23 • Wage increases as follows:
- 24 ○ 1.8% effective April 1, 2018;
 - 25 ○ 2.0% effective April 1, 2019; and
 - 26 ○ 0.6% effective January 1, 2020.

- Additional contracting flexibility – Hydro One was able to add additional categories of work to contracting agreements that extend indefinitely. Hydro One was also able to extend and expand its contracting arrangement for a key productivity initiative (i.e. Cable Locates).
- Indigenous Commitment – commitment to workforce targets and to expand diversity consideration in hiring practices.
- Productivity Improvement– Hydro One achieved agreements in certain areas that eliminate inefficiency caused by restrictions in work assignments and greater flexibility in the composition of crews and the use of contingent workers.

Table 5 summarizes the year over year increases in base salary from 2014 to 2020.

Table 5: PWU Increases in Base Salary, 2014 to 2020

2014	2015	2016	2017	2018	2019	2020
1.5% effective April 1, 2014 1.5% effective Oct. 1, 2014	1% effective April 1, 2015	1% effective April 1, 2016	1% effective April 1, 2017	1.8% effective April 1, 2018	2.0% effective April 1, 2019	0.6% effective January 1, 2020

7.5.2 PWU BASE RATES COMPARISON

Appendix B shows a cross section of Hydro One PWU classifications and the base rate compared to a number of utilities across Canada. These classifications were chosen since they represent common roles in these utilities and they are generally highly populated. Of the 15 classifications, Hydro One's base rate is lower than median for six roles and higher than median in nine roles. On average, the Hydro One roles are 1.8% above median on a base rate basis.

Witness: Sabrin Lila

7.5.3 THE SOCIETY OF UNITED PROFESSIONALS

Hydro One and the Society of United Professionals successfully negotiated a new 2 year collective agreement (April 1, 2019 to March 31, 2021) Table 6 summarizes the year over year increases in base salary from 2014 to 2018.

Table 6: Society Increases in Base Salary, 2014 to 2018

2014	2015	2016	2017	2018	2019	2020
2.25% effective April 1, 2014	2.25% effective April 1, 2015	0.5% effective April 1, 2016	0.5 % effective April 1,2017	0.5 % effective April 1,2018	2.0% effective April 1, 2019	2.0% effective April 1, 2020

**7.5.4 SHARE GRANTS – PWU AND SOCIETY REPRESENTED
EMPLOYEES**

As part of the collective bargaining settlements with the PWU and Society in 2015, represented employees are eligible to receive shares of Hydro One Limited. The philosophical shift to a compensation model that provides for below average base wage increases, combined with lump sum payments and share grants reduces the overall cash portion of compensation. Awarding share grants also instils a sense of ownership in employees. Aligning company interests with employee interests has produced consequential ratepayer benefits.

The first share grant for eligible PWU represented employees was issued on April 1, 2017. Additional shares will be granted in each of the following eleven years. The first grant date for eligible Society represented employees is April 1, 2018, with additional

Witness: Sabrin Lila

SEC INTERROGATORY #52

Reference:

F-04-01 p.28-29

Interrogatory:

For the purposes of the budgets in this application that go to 2022, what assumptions has Hydro One made for the PWU and Society after the expiry of their current agreements in 2020 and 2019 respectively.

Response:

It is pre-mature to anticipate the costs for the PWU and Society beyond the expiry of their current collective agreements.

For the purposes of budgeting Hydro One used an escalation estimate of 2% annually for both Society and PWU after the expiry of the current agreements.

SEC INTERROGATORY #5

Reference:

Interrogatory:

Please provide a copy of all benchmarking analysis, reports, opinions and/or assessments, undertaken by, for, or that includes Hydro One, since 2017, regarding any aspect that directly or indirectly relates to a material aspect of its transmission business that is not already included in this application.

Response:

Please refer to Attachment 1 of this interrogatory response.



Hydro One

2018 Society Competitive Review

July 2019

Filed: 2019-08-02
EB-2019-0082
Exhibit I-7-SEC-5
Attachment 1
Page 1 of 11

Executive Summary

- Market compensation benchmark results have been provided on a segmented basis for the benchmarked Society roles, covering 84% of the Society represented workforce
- On an overall basis, Hydro One's target total direct compensation is, on average positioned 10% above its 50th percentile target market reference

Hydro One Segment	% +/- Target Market Positioning		Employee Distribution
	Base Salary	Target Total Direct Compensation (TDC)	
Operations	10%	4%	74%
Core Services	45%	36%	26%
Overall	17%	10%	100%

Over **80%** of all Society represented roles are in jobs included in the benchmarking analysis

Note: Overall market positioning represents an incumbent weighted average spanning both employee segments

Compensation Element	Hydro One Society	Market
Base salary	Actual 2018 salary of incumbents in benchmark roles	2018 actual base salary
Total target direct compensation (TDC)	Actual 2018 salary + actual share grant plan award for eligible employees	2018 actual base salary + target bonus + long-term incentives (if applicable) of incumbent in benchmark roles

Market data were sourced from Willis Towers Watson's 2018 General Industry and 2018 Energy Services, Middle Management, Professional and Support (MMPS) database

Competitive Positioning

Detailed Summary of Level

Society Schedule	Employee Dist. %	Average Competitive Positioning vs. Market Median					
		Operations & Core Services		Operations		Core Services	
		Base Salary	Total Direct Comp. (TDC)	Base Salary	Total Direct Comp. (TDC)	Base Salary	Total Direct Comp. (TDC)
MP6	1%	20%	4%	3%	-13%	34%	20%
MP5	21%	14%	5%	8%	0%	41%	30%
MP4	45%	13%	5%	6%	-1%	35%	25%
TMS05	0.3%	18%	10%	10%	2%	54%	45%
MP3	6%	28%	19%	24%	15%	38%	30%
TMS04	21%	2%	-3%	2%	-3%	-	-
MP2	5%	36%	31%	21%	18%	64%	56%
Overall	100%	17%	10%	10%	4%	45%	36%

Note: Overall market positioning represent an incumbent weighted average spanning both employee segments

Hydro One PWU Benchmarking

Filed: 2019-03-21
EB-2019-0082
Exhibit F-4-1
Attachment 3
Page 1 of 11

Segmented Workforce Philosophy

Comparator Group Approach and Criteria

Hydro One's comparator groups have been differentiated to reflect the segmented labour markets for talent, i.e., Operations and Core Services roles, and will be applied consistently for the following employee groups to ensure a consistent end-to-end approach for understanding market position holistically:

- Executives
- Management Group
- PWU represented roles
- Society represented roles (*benchmarking has yet to commence*)

	Segment Definition	Comparator Group Selection Criteria
Operations	<ul style="list-style-type: none"> ▪ Requires specific education, skills and knowledge in a professional area, directly related to concepts and methods associated with the transmission, distribution and regulation of power. Examples include: Operations, Engineering, Skilled Trades, Maintenance 	<ul style="list-style-type: none"> ▪ <i>Predominant focus on industry/nature of work:</i> reflects organizations where comparable specialized skill sets reside ▪ Industry: Utility ▪ Geography: Canada, with <30% Alberta representation ▪ Size: Revenue size > \$500M ▪ Ownership: Balance of public and private-sector ownership models
Core Services	<ul style="list-style-type: none"> ▪ Roles requiring education, skills and knowledge not specific to the transmission, distribution and regulation of power. Examples of such functions include Finance, Human Resources and Information Technology 	<ul style="list-style-type: none"> ▪ <i>Predominant focus on range of Ontario talent sources:</i> incorporates a variety of organizations based on labour market – assumes an Ontario labour market and recognizes the importance of Hydro One as an Ontario employer ▪ Industry: General Industry (<i>excluding subsidiary Retail and Consumer Products</i>) ▪ Geography: Ontario-based employers ▪ Size: Private sector: >\$500M, Public sector: >\$100M & Subsidiaries: >\$1B ▪ Ownership: All structures

A detailed company listing of both peer groups are noted in Appendix I

Executive Summary

- Market Compensation benchmark results have been provided on a segmented basis for the benchmarked PWU roles, covering 90% of the PWU represented workforce
- On an overall basis, Hydro One's target total cash is, on average positioned at market (within +/- 10%) of its 50th percentile target market reference

Competitive Analysis

Hydro One Segment	% +/- Target Market Positioning		Employee Distribution
	Base Salary	Target Total Cash (TTC)	
Operations	-4%	-8%	87%
Core Services	63%	64%	13%
Overall	9%	7%	100%

Note: Overall market positioning represents an incumbent weighted average spanning both employee segments

Over **90%** of all PWU represented staff are included in the benchmarking analysis (4244 of 4671 incumbents)

Compensation Element	Hydro One	Market Data
Base salary	Actual base salary	Actual base salary
Total Target Cash Compensation	Actual base salary + actual share grant plan award (target 2.7% of salary)	Actual base salary + target incentive plan awards
Market data were sourced from Willis Towers Watson's 2017 General Industry and 2017 Energy Services, Middle Management, Professional and Support (MMPS) database		

Competitive Positioning

Detailed Summary by Schedule

PWU Schedule	Average Competitive Positioning vs. Market Median							
	Operations & Core Services		Operations		Core Services (Primary)		Employee % Distribution	
	Base Salary	Target Total Cash (TTC)	Base Salary	Target Total Cash (TTC)	Base Salary	Target Total Cash (TTC)	Operations	Core Services
Schedule 20	26%	25%	6%	5%	78%	77%	18%	8%
Schedule 21	-	-	-	-	-	-	0%	0%
Schedule 25	7%	-18%	7%	-18%	-	-	2%	0%
Schedule 26	-11%	-18%	-11%	-18%	-	-	4%	0%
Schedule 27	-15%	-14%	-15%	-14%	-	-	2%	0%
Schedule 28	-12%	-14%	-12%	-14%	-	-	36%	0%
Schedule 30	-	-	-	-	-	-	3%	0%
Schedule 32	43%	47%	-	-	43%	47%	0%	2%
Schedule 50	-2%	-5%	-11%	-16%	45%	46%	22%	3%
Schedule 86	-	-	-	-	-	-	0%	0%
Schedule 87	-	-	-	-	-	-	0%	0%
Overall	9%	7%	-4%	-8%	63%	64%	87%	13%

Hydro One PWU workforce summary

PWU Segment	N count	% of PWU Incumbents benchmarked
Core Services	533	13%
Operations	3711	87%

1

Table B 1: PWU Base Rate Comparison

Utility, Municipality or Organization	2017	Dispatcher	Design Technician Level 1	Certified Power Line Person	Certified Power Cable Person	Certified Crew Leader - Power Line Person	Certified Crew Leader - Power Cable Person	Distribution Systems Tech	System Response Representative	Power System Controller	Joiner	Customer Service Advisor	Certified Meter Mechanic/Tester	Senior Office Clerk 3	Engineering Technologist 1	Engineering Technologist 2
Hydro One Classification	Dispatcher	DEDT	Regional Maintainer - Lines	Regional Maintainer - Lines	RML-UTS-2	RML-UTS-2	ADET	LCSC	Controller	Regional Maintainer - Cable Splicer	Customer consultant	Meter Tech	Provincial Services Clerk	ADET	ADET	
London Hydro		\$40.80	\$40.80	\$39.83	\$43.28				\$41.72		\$34.52	\$42.04		\$43.28	\$45.95	
Enmax			\$55.53	\$55.53	\$58.43	\$58.43	\$57.86		\$61.16		\$34.98	\$39.28	\$37.32		\$57.86	
Veridian			\$42.81		\$45.76		\$45.76		\$45.76		\$42.26	\$42.81			\$42.81	
Epcor	\$33.75	\$47.94	\$52.05	\$52.05	\$55.54	\$55.54	\$55.54	\$33.75	\$57.58		\$38.84	\$49.59	\$33.75	\$47.94	\$52.75	
FortisAlberta	\$48.40	\$54.08	\$55.66		\$57.87		\$54.08		\$56.08		\$42.37	\$54.08	\$37.56	\$54.08	\$57.86	
OPG		\$53.01												\$58.60	\$62.49	
NS Power / Emera	\$22.22	\$39.75	\$39.86	\$39.86	\$41.86	\$41.86	\$47.90	\$30.42	\$45.00	\$37.19		\$35.99	\$33.84			
Oshawa			\$42.07	\$40.67	\$47.12				\$46.75		\$40.67	\$42.07	\$40.67			
BC Hydro			\$41.38		\$47.59			\$49.61	\$50.41	\$45.03		\$38.15				
NB Power		\$36.25	\$39.58		\$42.73		\$40.01		\$48.47		\$30.26	\$29.90	\$32.90	\$36.28	\$40.11	
Bruce Power		\$54.27											\$46.58		\$60.93	
Alectra	\$45.34	\$45.23	\$43.33	\$43.33	\$47.56	\$47.56	\$47.56	\$47.55	\$47.89	\$42.73	\$40.79	\$47.15	\$35.14	\$45.23	\$47.56	
Toronto Hydro	\$43.99	\$52.83	\$44.45	\$44.45	\$50.13	\$50.13	\$53.31	\$46.28	\$54.78	\$44.14	\$44.59	\$44.14	\$44.59	\$52.83	\$57.22	
Hydro One Rate	\$41.96	\$51.92	\$45.32	\$45.32	\$53.02	\$53.02	\$45.43	\$38.85	\$58.30	\$45.32	\$46.27	\$45.43	\$36.59	\$45.43	\$45.43	
# of Incumbents	20	7	601	201	64	64	141	108	96	7	5	43	66	141		
Median	\$43.99	\$47.94	\$42.81	\$43.33	\$47.56	\$50.13	\$50.61	\$46.28	\$48.47	\$43.44	\$40.67	\$42.07	\$37.32	\$47.94	\$54.99	
% above/below median	-4.6%	8.3%	5.9%	4.6%	11.5%	5.8%	-10.2%	-16.1%	20.3%	4.3%	13.8%	8.0%	-2.0%	-5.2%	-17.4%	
Mean	\$38.74	\$47.13	\$45.23	\$45.10	\$48.90	\$50.70	\$50.25	\$41.52	\$50.51	\$42.27	\$38.81	\$42.29	\$38.04	\$48.32	\$52.55	
Max	\$48.40	\$54.27	\$55.66	\$55.53	\$58.43	\$58.43	\$57.86	\$49.61	\$61.16	\$45.03	\$44.59	\$54.08	\$46.58	\$58.60	\$62.49	
# of responses	5	9	11	7	11	5	8	5	11	4	9	11	9	7	10	

Witness: Sabrin Lila



Hydro One Inc.

Management Compensation Benchmarking Study February 2019

Prepared by Willis Towers Watson
175 Bloor Street East
Suite 1701
Toronto, ON
M4W 3T6

Filed: 2019-03-21
EB-2019-0082
Exhibit F-4-1
Attachment 1
Page 1 of 18

Compensation Elements and Market Statistics

- Consistent with Hydro One's compensation philosophy to target compensation at the 50th percentile, market statistics reported reflect the market 50th percentile of the benchmark samples for the data elements summarized below:
 - 50th percentile represents the level where 50% of the data points are positioned below, and above this level

Compensation Element	Hydro One	Market
Salary Range Midpoint	2018 salary range midpoint of incumbents in benchmark roles	2018 actual reported comparator organization salaries of incumbents in benchmark roles
Target Total Cash Compensation (TTC)	2018 salary range midpoint of incumbents in benchmark roles + target bonus	2018 actual reported comparator organization salary + target bonus of incumbents in benchmark roles
Target total direct compensation (TDC)	2018 salary range midpoint of incumbents in benchmark roles + target bonus + target long-term incentives (if applicable)	2018 actual reported comparator organization salary + target bonus + long-term incentives (if applicable) of incumbents in benchmark roles

- Willis Towers Watson considers compensation for benchmark jobs to be aligned with the competitive market when it falls within +/- 10% of the target market position

Overview: Overall Compensation Analysis Results

- Overall, Hydro One's target total direct compensation is positioned 3% above the market 50th percentile. Results by segment and compensation element are outlined below
 - Executive are positioned, on average, 8% below market 50th percentile
 - Operations roles are positioned, on average, 3% below market 50th percentile
 - Core Services roles are positioned, on average, 8% above market 50th percentile

Segment	Number of Incumbents Benchmarked	Hydro One Target Compensation (% above / below market median)		
		Salary Range Midpoint	Total Target Cash (TTC)	Target Total Direct Compensation (TDC)
Executives	25	-4%	-9%	-8%
Operations*	236	-2%	-3%	-3%
Core Services*	326	5%	7%	8%
Overall**	587	2%	2%	3%

* Operations and Core services positioning excludes executives (levels 8-10)

** Overall positioning represents incumbent-weighted average across all segment

Overview: 2019 Salary Increase Budget Recommendations

Recommendation

- Consistent with the Canadian energy services/utilities median projections of 2.3% - 2.8% and with the broader Canadian general industry projection of 2.5% (as articulated in the table below), Willis Towers Watson recommended a 2019 salary increase budget of 2.5% for Hydro One's management group of employees
- Willis Towers Watson understands that Hydro One's Board has approved the recommended 2.5% salary increase budget for 2019

Market Data

- The following market data were sourced from the 2018 Willis Towers Watson Salary Budget Survey - Canada
- At the 50th percentile:
 - Canadian general industry 2019 salary increase budgets are forecasted at 2.5% for the Executives and Management/Professional employee groups
 - Canadian energy services/utility 2019 salary increase budgets are forecasted at 2.3% for Executives and 2.8% for Management/Professionals

2019 Median Projected Salary Increases - Canada		
Willis Towers Watson	Executive	Management / Professional
General Industry (National)	2.5%	2.5%
For-Profit Sector	2.5%	2.7%
Energy Services / Utilities	2.3%	2.8%
Ontario	2.7%	2.7%

CME INTERROGATORY #42

Reference:

F-04-01p. 29 of 46

Interrogatory:

At Exhibit F, Tab 4, Schedule 1, page 29, Hydro One attributes “below average base wage increases” in collective bargaining settlements with PWU and the Society to the new benefit provided to these unionized employees of being eligible to receive shares of Hydro One Limited. Hydro One also advises that the first share grant day for eligible PWU represented employees is April 1, 2017. The first share grant for Society represented employees is April 1, 2018.

- a) Confirm whether the PWU or the Society negotiated any other monetary or benefit increases beyond those that are specifically referenced on pages 28 through to 30. If further monetary or benefit increases were negotiated, provide full particulars.
- b) Provide a copy of the Collective Bargaining Agreements with the PWU and the Society as negotiated in the most recent round of bargaining referred to on page 28 through to 30, as well as the prior two Collective Bargaining Agreements with each union.
- c) Please advise of the number and value of shares granted to PWU employees on April 1, 2017 through to 2019.
- d) Please advise of the number and value of shares granted to Society employees on April 1, 2018 and 2019.
- e) Please provide documents which provide details regarding these share plans including any policies developed regarding the share plan or documents signed between Hydro One and the unions regarding these share arrangements.

Response:

- a) In the most recent rounds of collective bargaining with the PWU and Society, there were additional monetary and benefit items that were negotiated as part of the “give

Witness: Sabrin Lila

and take” through the collective bargaining process. The following is a summary of additional benefits that were negotiated between the parties:

PWU:

- Increase to vision and chiropractic care
- Increase to travel allowance for temporary work headquarters
- Increase to payment amount for service duty
- Decreased the hour threshold for triggering overtime pay at 2x
- Increase to shift differential amounts
- Increases to Travel/Room & Board allowance for PWU Hiring Hall employees.

Society:

- Increase in vision and chiropractic care

b) Please see attached collective agreements (Attachment 1)

c) The following table details the number and value of shares granted to PWU employees on April 1, 2017 through to 2019.

	April 2017	April 2018	April 2019
Shares Granted (Aggregate)	371,609.8	353,134.2	341,308.2
Value * (Aggregate)	\$7,618,000.90	\$7,239,251.10	\$6,996,818.10

**Based on a share price of \$20.50.*

d) The following table details the number and value of shares granted to Society employees on April 1, 2018 through to 2019.

	April 2018	April 2019
Shares Granted (Aggregate)	128,326.8	121,633.4
Value * (Aggregate)	\$2,630,699.40	\$2,493,484.70

**Based on a share price of \$20.50.*

Witness: Sabrin Lila

- 1 e) Please see attached Share Grants Plan Texts and Brochures (Attachments 2-5).

SEC INTERROGATORY #54

Reference:

F-04-01 Appendix B

Interrogatory:

With respect to the 'PWU Base Rate Comparison' Table:

- a) Does the 'Hydro One Rate' reflect the mid-point of the position salary band, actual or median base compensation for those employees, some other amount?
- b) Is the answer to part (a) the same for the peer group data?
- c) What is the source of the information or the peer group? If Hydro One sought the information directly from the peer utilities, please provide copies of the specific questions it asked them.
- d) What percentages of PWU incumbent positions are included within the positions benchmarked?
- e) Please explain what types of compensation are consider 'base' pay.

Response:

- a) The Hydro One rates in the referenced attachment reflect the "end rate" or journeyperson rate.
- b) Yes.
- c) F-4-1 Appendix B was produced by the Hydro One Labour Relations Department as part of the normal process to provide an external scan of unionized rates in preparation for Hydro One - PWU collective bargaining. This particular table, prepared by Hydro One contains publicly available base rate data.
- d) 36.6% of PWU incumbent positions are included within the positions benchmarked (as of December 31, 2018).

Witness: Sabrin Lila

Filed: 2019-08-02

EB-2019-0082

Exhibit I

Tab 07

Schedule 54

Page 2 of 2

- 1 e) Base pay is the hourly rate or weekly rate, not including any applicable premiums
- 2 (e.g. overtime premium, relief rate, shift premium, etc.)

Witness: Sabrin Lila

SEC INTERROGATORY #55

Reference:

F-04-01-02

Interrogatory:

With respect to the Mercer Compensation Cost Benchmarking Study:

- a) Please provide an estimate of the dollar difference between the weighted average total compensation for Hydro One's employees allocated to its transmission business and the P50 median used in the study. Please provide the amount in 2017 (the year the study was completed) and for each year between 2020 and 2022. Please provide a step-by-step explanation of how the estimate was reached and include the supporting calculations so that calculations can be verified.
- b) Please provide a list of all types of compensation (i.e. salary, overtime, share grant, LTIP etc.) that were paid in 2017 that: i) were included in the study, and ii) were not included in the study.
- c) Please provide the percentage of total compensation in each year between 2020 and 2022 that if of a type not types not included in the study.
- d) Are there any additional types of compensation that will be paid in 2020 through 2022 that were not in 2017?

Response:

- a) An estimate of the dollar difference between the weighted average total compensation for Hydro One's employees allocated to its transmission business and the market median used in the study is as follows:

	Study Year	2020	2021	2022
Estimated Dollar Difference (Hydro One to Market Median)	\$34,485,965	\$38,566,291	\$40,010,087	\$39,079,490

Witness: Sabrin Lila, Iain Morris, Joel Jodoin

This value was calculated based on the results of the Compensation Cost Benchmarking Study (F-04-01-02), based on the following set of assumptions:

- Estimates are based on the differential between the average salary and the market median rate for the corresponding level, multiplied by the number of incumbents in the relevant level.
- Projections assume external market increases and Hydro One salary increases as per the information below:
 - Market (MCP roles): CPI + 0.6%,
 - Market (represented roles): Increase at rate of CPI
 - CPI Assumptions: 2017: 2.3%, 2018: 2.3%, 2019: 2.0%, 2020: 2.0% , 2021: 1.9%, 2022: 2.0%
- Assumes that headcount increases occur as per the business plan (F-04-01 Table 2) and the proportion of MCP incumbents in each level remains consistent.
- The allocation of compensation to Transmission related activities is based on the following percentages 2020: 48.22%, 2021: 49.68% and 2022: 48.35%.

Hydro One has reduced the amount of compensation for recovery in revenue requirement since the Mercer Study was conducted. The above Mercer median should be updated to reflect the further offsetting reductions as consistent with OEB approved decision in EB-2017-0049. The variance between the Mercer study market median and Hydro One compensation as well as the reductions included in this application related to OM&A are set out in the table below:

Net Mercer Median Reductions Allocated to OM&A (\$M)	2020
Mercer Median - Tx OM&A	10.1
Pension Reduction OM&A	(5.5)
OPEB Reduction OM&A	(2.4)
Executive Comp. Reduction	(1.5)
The Directive	(0.1)
Total Net Mercer OM&A Reductions	0.5

- 1 • Mercer Median (+\$10.1 million) is the OM&A component of the transmission
2 allocated portion of \$36.8 million as stated above;
- 3
- 4 • The current revenue requirement reflects the reduced pension OM&A costs (-\$5.5
5 million) due to the actuarial valuation of pension expenses completed by Willis
6 Towers Watson (Exhibit F, Tab 5, Schedule 1 Attachment 1);
- 7
- 8 • The current revenue requirement reflects the reduced OPEB OM&A costs (-\$2.4
9 million) as a result of the latest valuation which is provided in Exhibit I, Tab 1,
10 Schedule OEB-205;
- 11
- 12 • The current revenue requirement reflects the reduced executive compensation
13 OM&A costs (-\$1.5 million) identified in EB-2018-0130, Exhibit I, tab 7,
14 schedule 3, page 2 to be in compliance with Bill 2; and
- 15
- 16 • As part of the blue-page update Hydro One further reduced its OM&A (-\$0.1
17 million) by factoring the Ontario Government Directive issued on January 1, 2019
18 (“the Directive”), as discussed in Exhibit F, Tab 4, Schedule 1, page 35 and also
19 identified in Exhibit F, Tab 1, Schedule 1, page 3.
- 20

21 Hydro One submits that if the OEB is contemplating a further reduction to the amount
22 of compensation recovered in rates based on the Mercer benchmark median, the
23 appropriate amount is \$0.5 million. This amount reflects the reductions already
24 incorporated in Hydro One’s current application.

- 25
- 26 b) The compensation elements included in the Mercer Compensation Benchmark Study
27 are described in Exhibit F-4-1 Attachment 2, p. 28 of 34 Appendix C – Detailed
28 compensation Benchmark Methodology. The compensation elements are: Base
29 Salary / Wage, Short-term Incentive or Bonus paid/lump sum, Benefits including post
30 retirement non-pension benefits, Pensions, and long-term incentives (i.e. LTIP, share
31 awards).
- 32
- 33 c) The study included all relevant compensation elements for both Hydro One and
34 market respondents.
- 35
- 36 d) There are no planned additional types of compensation that will be paid in 2020
37 through 2022 that were not in 2017.

SEC INTERROGATORY #56

Reference:

F-04-01-01

Interrogatory:

With respect to the Willis Towers Watson Management Compensation Benchmarking Study:

- a) Please explain the methodological differences between this study, and the Willis Towers Watson Executive and Non-Executive Competitive Compensation Review filed in EB-2016-0160 (Exhibit I-06-057 Attachments 2 and 3).
- b) [p.10] Please provide an estimate of the dollar difference between the weighted average total compensation for Hydro One's employees allocated to its transmission business and the P50 median used in the study. Please provide the amount for the year the study is representative of and for each year between 2020 and 2022. Please provide a step-by-step explanation of how the estimate was reached and include the supporting calculations so that calculations can be verified.

Response:

- a) The overarching approach of this study aligns to Willis Towers Watson's standard benchmarking methodology.
- **Peer Groups:** A segmented peer group approach supported each study, and was used to align jobs with a more direct market for talent in each segment. Segmentation was also used as a way to better align compensation to market and to manage costs. Due to changes in annual salary survey participation, the underlying composition of the peer groups in each study would inherently differ based on the survey participation of peer companies.
 - **Compensation Elements:** The elements of compensation used in each study were consistent, including: annual base salary, target annual short-term incentive (not actual) and where applicable, long-term incentive grant awards, including Hydro One's share grant.

- 1 • **Roles Benchmarked:** There were no changes in the methodology of how Hydro
2 One's roles were benchmarked; however, Hydro One's roles may have evolved.
3 The sample of benchmark positions in the current study may have changed,
4 however, a representative sample were benchmarked in both studies.
5
- 6 • **Employee Groups:** The Willis Towers Watson Management Compensation
7 Benchmarking Study (filed 2019-03-21, EB-2019-0082, Exhibit F-4-1), did not
8 include benchmarking results for Hydro One's CEO and the CEO's direct reports.
9 These positions were included in the previous study: Willis Towers Watson
10 Executive and Non-Executive Competitive Compensation Review filed in EB-
11 2016-0160 (Exhibit I-06-057 Attachments 2 and 3).
12

- 13 b) An estimate of the dollar difference between the weighted average total compensation
14 for Hydro One's employees allocated to its transmission business and the market
15 median used in the study is as follows:

	Study Year	2020	2021	2022
Estimated Dollar Difference (Hydro One to Market Median)	\$450,531	-\$837,045	-\$1,480,175	-\$2,140,199

16 This value was calculated based on the results of the Management Compensation
17 Benchmarking Study (F-04-01-01), based on the following set of assumptions:

- 18
- 19 • Estimates are based on the differential between the salary structure midpoint and
20 the market median rate for the corresponding level, multiplied by the number of
21 incumbents in the relevant level.
22
- 23 • Projections assume external market increases at a rate of 2.5% per annum for
24 2020, 2021 and 2022. Hydro One salary structure is assumed to increase by 1.5%
25 per annum over the same period.
 - 26 ○ Based on Willis Towers Watson's annual Salary Increase Budget survey,
27 typical Canadian salary increase budgets ranging from 2.0 - 3.0% per
28 annum (midpoint used).

- 1 ○ Historically, MCP structure midpoints have not increased annually and
- 2 remain unchanged from the past year. As a result we view 1.5% annual
- 3 increases as a conservative estimate.
- 4
- 5 • Assumes that headcount increases occur as per the business plan (F-04-01 Table
- 6 2) and the proportion of MCP incumbents in each level remains consistent.
- 7
- 8 • The allocation of compensation to Transmission related activities is based on the
- 9 following percentages 2020: 48.22%, 2021: 49.68% and 2022: 48.35%.

SEC INTERROGATORY #57

Reference:

F-04-01-03 p.7

Interrogatory:

With respect to the Willis Towers Watson PWU Benchmarking Study, please provide an estimate of the dollar difference between the weighted average total compensation for Hydro One's employees allocated to its transmission business and the P50 median used in the study. Please provide the amount for the year the study is representative of and for each year between 2020 and 2022. Please provide a step-by-step explanation of how the estimate was reached and include the supporting calculations so that calculations can be verified.

Response:

- a) An estimate of the dollar difference between the weighted average total compensation for Hydro One's employees allocated to its transmission business and the market median used in the study is as follows:

	Study Year	2020	2021	2022
Estimated Dollar Difference (Hydro One to Market Median)	-\$9,383,384	-\$14,367,138	-\$16,412,218	-\$17,595,910

This value was calculated based on the results of the PWU Benchmarking Study (F-04-01-03), based on the following set of assumptions:

- Estimates are based on the differential between the average salary and the market median rate for the corresponding level, multiplied by the number of incumbents in the relevant level.
- Projections assume external market increases at a rate of 2.5% per annum for 2020, 2021 and 2022. PWU data is assumed to increase by 2.0% per annum over the same period.
 - Based on Willis Towers Watson's annual Salary Increase Budget survey, typical Canadian salary increase budgets ranging from 2.0% - 3.0% per annum (midpoint used).

Witness: Sabrin Lila

- 1 ○ PWU increases were projected based on the highest annual increase based
- 2 on the most recent collective agreement.
- 3
- 4 • Assumes that headcount increases occur as per the business plan (F-04-01 Table
- 5 2) and the proportion of PWU incumbents in Core Services remains consistent
- 6 (13% of PWU employees)
- 7
- 8 • The allocation of compensation to Transmission related activities is based on the
- 9 following percentages 2020: 48.22%, 2021: 49.68% and 2022: 48.35%.