# SEC Interrogatory #148

## Interrogatory

**Reference:** F4-3-1, Attachment 2

With respect to the Willis Towers Watson ("WTW"), Total Compensation Benchmarking Study ("Study"), for each of the Total Results by Job Family (Excluding Nuclear Authorized) Tables for PWU, Society and Management, please provide revised tables on a similar basis that show OPG compensation as compared to the following sample/peer groups:

a. Total utility organizations
b. Total general industry organizations
c. Total private sector organizations
d. Total public sector organizations
e. Private sector utility organizations
f. Private sector general industry organizations
g. Public sector utility organizations
h. Public sector general industry organizations

## Response

OPG declines to undertake the requested analyses as they cannot be completed with reasonable effort. Each request would require a significant amount of work as the benchmarking analysis would need to be replicated for each sample/peer group. In essence, this IR seeks the re-creation of the core of the existing report eight times. In addition, the smaller sample/peer groups may result in limited data by benchmark position and provide results that are more volatile. Finally, this approach does not align with OPG's talent strategy and current compensation philosophy on how compensation is managed across the organization.

OPG is revising the response to this interrogatory question following the Interrogatories Refusals Discussion meeting on April 23, 2021:

OPG committed to seeking clarification from Willis Towers Watson ("WTW") as to the timing and level of effort that would be required to provide a response to this interrogatory.

The following response was provided by Willis Towers Watson:

To conduct the benchmarking analysis as outlined above, WTW estimates it would take approximately 10-12 weeks to complete, given the level of work required, its

quality assurance process, and other client commitments. The process includes the following steps:

- Based on the current peer group, identify the companies that would be included in each of the eight samples listed above. Under WTW's standards, a minimum of 10 peer companies are required for each compensation comparator group to yield statistically meaningful results. WTW will need to determine if this minimum requirement is satisfied.
    - There are only 14 companies in the Pension & Benefits comparator group (seven private sector, and seven public sector) (see Ex. F4-3-1, Attachment 2, p. 31). WTW notes that it will not be able to meet the minimum 10 comparators requirement necessary for each of the eight samples requested for this benchmark. As such, WTW is unable to separate out the pension and benefits data by each of the groupings requested.

- Request and receive compensation market data from WTW's Data Services team for each comparator group separately.

- If above noted minimum peer company requirement is satisfied, then WTW conducts analysis, including reviewing data for completeness, robustness, and accuracy on a job-by-job basis for each of the eight sample peer groups. WTW requires a minimum of five matches for each job to report 50th percentile results. WTW expects that with the smaller samples, there will be fewer benchmarks to include in the analysis that will meet this minimum matching requirement. Therefore, the overall findings would be less representative of OPG's positioning to the market.