UNDERTAKING JT3.10

Undertaking

TO HAVE WTW RESPOND IF POSSIBLE TO THE QUESTIONS PROVIDED IN THE DOCUMENT ENTITLED "TECHNICAL CONFERENCE QUESTIONS FOR WTW".

Ref: OPG_Panel3_Compensation_Benchmarking_Qs_TC_20210505

Question 1

Ref: F4-03-Staff-288 & EB-2016-0152 / Exhibit F4 / Tab 3 / Schedule 1 / Attachment 2

In response to part (b) of Staff-288, WTW provided a listing of the comparators that were added and removed in the 2019 study relative to the study filed in OPG's 2017-2021 Payment Amounts proceeding1[1] (2015 study). OPG noted that changes to the comparator group are due to the change in segmentation approach, no longer meeting size / complexity criteria and change in survey participation.

In response to part (e) of Staff-288, WTW provided a breakdown by industry of its total excluding nuclear authorized comparator group. WTW noted that 36% of the total excluding nuclear authorized comparator group are oil & gas companies and 28% are energy services & utility companies.

a) Please advise whether any of the peers that were used in the 2015 study that were available survey participants in 2019 were excluded from the current peer group. If yes, please explain why.

b) Please provide WTW's definition of a utility company.

c) Please advise whether the majority of OPG's non-nuclear authorized employees would view utility companies as their competitive market.

d) Of the 28% of companies classified as part of the energy services & utilities industry category, what percentage would WTW define as utility companies?

   i. Please provide a list of the companies included in the comparator group that WTW defines as utility companies.

e) Please confirm that 69% of OPG's roles benchmarked in the 2015 study were compared only against utilities and are now compared against a

[1] EB-2016-0152.

general sample (which includes a large number of oil & gas and energy service companies).

i. Please advise whether these oil & gas and energy services companies were available for inclusion in the comparator group used in the 2015 study.

ii. Please explain why, due to a change of segmentation, oil & gas and energy service companies are now considered an appropriate comparator.

f) Is it WTW's opinion that the oil & gas and energy service companies added to the peer group provide compensation that is more generous than:

i. the peers that were replaced.

ii. the general industry market in Canada.

In responding to part (f – i and ii), please include a discussion of base salary, total direct compensation, and total remuneration (including and excluding PTO).

g) Please provide a sector breakdown similar to that provided in response to part (e) of Staff-288 for the utility comparator group and general industry comparator group used in the 2015 study.

h) In response to part (i) of Staff-288, WTW noted that no companies were added to the comparator group used for pension and benefits benchmarking and 10 companies were removed from the comparator group to align with the revised segmentation approach.

OEB staff understands that the pension benchmarking was completed without segmentation in the current study, which is the same as in the 2015 study. Can you further explain why the 10 organizations were removed from the benchmarking study?

<u>Question 2</u>

Ref: F4-03-Staff-280

In response to part (e) of Staff-280, WTW stated that OPG's definition of pensionable earnings for represented employees is generally lower than observed in the comparator group. OPG's definition of pensionable earnings for management

employees below executive is lower than observed in the comparator group and is consistent with the comparator group for executive employees. In the comparator group, out of 14 organizations, 10 organizations fully or partially include bonus in their definition of pensionable earnings, including for positions comparable to those held by OPG's represented employees.

OEB staff notes that the comparator group used for the benchmarking of pensions is smaller than the comparator group used for the benchmarking of total remuneration.

a) Please advise what the expected distribution of pension practices would be within the comparator group used for the benchmarking of total remuneration. Specifically, please comment on the prevalence of defined benefit pensions, the definition of pensionable earning (with or without bonus) and the typical contribution rate for participants.

i. If the specific data necessary to answer this question is not available, please provide WTW's opinion on the general prevalence and design of pensions in the oil & gas and energy services markets.

<u>Question 3</u>

Ref: F4-03-Staff-298

In response to part (d) of Staff-298, WTW noted that OPG provides overtime on a daily basis beyond scheduled hours for PWU and Society represented employees, which are 35, 37.5 and 40 hours per week. Most organizations in the comparator group provide overtime after 40 hours per week.

a) Please provide an analysis of the additional compensation cost attributable to the lower normal work week eligibility for overtime relative to the typical market practice.

<u>Question 4</u>

Ref: F4-03-Staff-294 and F4-03-Staff-299

In response to part (a) of Staff-294, WTW noted that OPG's performance relative to market for each grouping and OPG Overall was calculated by comparing the sum total value for applicable matched incumbents to the corresponding sum total value for the market. The difference between the sum totals was then expressed as a percentage of the market.

a) Please advise whether the methodology described in part (a) of Staff-294 is:

i. the same methodology that was used in the 2015 study.

ii. The methodology generally used when companies benchmark the competitiveness of their compensation practices.

b) Please provide a revised version of Chart 1 in Staff-294 that includes the Hydro One share grant.

In response to part (a) of Staff-294, WTW noted that its approach to determining OPG's benchmark performance puts a higher weighting on employees that are farther above / below the market in terms of dollar values rather than their individual percentage variance, and thus is more representative of OPG's costs relative to market.

c) Please confirm that WTW's approach operates to place a higher weighting on higher paying roles relative to lower paying roles.

OEB staff provided a job count-based weighted average approach to determining the group and overall benchmark performance (including the Hydro One Share Grants) for the non-nuclear authorized category (in the attached excel file). The tables were produced using the information provided in response to Staff-299.

d) Please provide WTW's views on this approach to showing the overall results.

e) Please provide updated versions of the tables that include total remuneration excluding PTO applying OEB staff's weighted-average approach.

<u>Question 5</u>

Ref: F4-03-Society-25

In response to part (b) of Society-25, WTW stated that an exchange rate was used to adjust peer data to reflect the differences in compensation on a gross basis (before taxes and/or cost of living), based on standard compensation benchmarking methodologies. The exchange rate represents what the market would pay each role on a currency-adjusted basis (i.e. cost of labour).

a) Please advise whether it is WTW's position that adjusting US data by the foreign exchange rate is typical practice when setting compensation for Canadian employees in the peer group.

Question 6

Ref: EB-2016-0152 / Exhibit F4 / Tab 3 / Schedule 1 / Attachment 2

a) Please confirm that the compensation analysis undertaken in the 2015 study excluded the Hydro One share grant.

Response

Question 1

The following response is provided by Willis Towers Watson ("WTW") (except c):

a) Of the 55 companies removed from the comparator group from 2015 to 2019, 28 companies were available for use in the survey underpinning the 2019 Compensation Benchmarking Report (see Ex. F4-3-1, Attachment 2). The companies available, but excluded from the 2019 compensation benchmarking report are indicated with a ✓ in Table 1 below. Those indicated companies were removed from the comparator group to meet the new comparator group criteria for the revised approach to segmentation discussed at Ex. F4-3-1, p. 23, specifically the 75 / 25 industry split between utility and general industry organizations in both the public and private sector comparator groups, and to provide greater focus on Ontario-headquartered companies.

Table 1: Difference in Comparator Groups: 2015 vs. 2019 compensation benchmarking reports

Comparators Removed (n = 55)					
General Industry Public Sector (n = 13)	**Available for participation in 2019**	**General Industry Private Sector (n = 34)**	**Available for participation in 2019**	**Utility (n = 8)**	**Available for participation in 2019**
Bank of Canada		The Coca-Cola Company-Canada	✓	Alcoa Canada *	✓
British Columbia Lottery Corporation		Alcoa Canada	✓	Hydro One Inc. *	
Canada Post	✓	AMEC Americas Limited		Newfoundland & Labrador Hydro Electric *	
Canadian Broadcasting Corp.		ATCO Group	✓	Samuel, Son & Co., Ltd. *	✓
CPP Investment Board	✓	ATS Automation Tooling Systems Inc		SaskPower *	
Healthcare of Ontario Pension Plan	✓	Canada Colors and Chemicals Limited		Spectra Energy Transmission *	
Insurance Corporation of BC	✓	Canadian Imperial Bank of Commerce	✓	TransAlta Corporation *	
Newfoundland & Labrador Hydro Electric		Canadian Pacific Railway Ltd.	✓	United States Steel Canada	
SaskPower		Canadian Tire Corporation	✓		
SGI Canada	✓	Cargill Limited	✓		
Treasury Board of Canada Secretariat	✓	Ernst & Young Canada			
University Health Network	✓	Federal Express Canada Ltd.	✓		
York University		Ford Motor Company of Canada, Limited			
		Gerdau Long Steel North America			
		Hydro One Inc.			
		Loblaw Companies Limited	✓		
		Magna International Inc.	✓		
		Molson Coors Canada	✓		
		Nexen Energy ULC			
		Parmalat Canada	✓		
		Procter & Gamble Inc.	✓		
		Purolator Inc.	✓		
		RBC Financial	✓		
		RioCan Real Estate Investment Trust			
		Rothmans Bensons & Hedges			
		Samuel, Son & Co., Ltd	✓		
		Spectra Energy			
		Sun Life Financial	✓		
		Talisman Energy Inc.			
		Toyota Motor Manufacturing Canada			
		TransAlta Corporation			
		TransCanada Corp.	✓		
		Unilever Canada			
		Viterra Inc			

* Reflects duplicate comparator in Utility comparator group from the General Industry public / private sector comparator groups

b) Participants in WTW compensation surveys self-identify their respective industry membership based on options provided in the WTW survey. The utility and energy services industry includes the following sub-industry categories (the "Utility and Energy Services Organizations"):

- Energy marketing and trading
- Gas transmission
- Gas distribution
- Independent power production / generation
- Independent system operator
- Integrated energy services (with and without nuclear)
- Electric (with and without nuclear)
- Renewable / alternative energy
- Water utilities

Additionally, as noted in part (d) below, WTW has included Alberta Energy Regulator as a utility organization for purposes of the 2019 Compensation Benchmarking Report.

c) Confirmed, based on OPG's talent management experience.

d) Based on WTW's definitions, there is no distinction between energy services

organizations and utility organizations, in either the 2019 or the 2015 compensation benchmarking reports.

Except for Alberta Energy Regulator, all organizations in Table 2 below align with WTW's definition of Utility and Energy Services Organizations as set out in part (b).

Table 2: Utility and Energy Services Organizations Comparators

Total Excluding Nuclear Authorized Comparator Group *Energy Services & Utilities Comparators (n = 21)*	
Company Name	**Sub-Industry**
GE Power	Electric - With Nuclear
Algonquin Power & Utilities	Electric - Without Nuclear
British Columbia Hydro and Power Authority	Electric - Without Nuclear
FortisAlberta	Electric - Without Nuclear
General Electric	Electric - Without Nuclear
Hydro-Québec	Electric - Without Nuclear
Newfoundland Power	Electric - Without Nuclear
Toronto Hydro Electric Systems	Electric - Without Nuclear
Bruce Power	Independent Power Production/Generation
Capital Power	Independent Power Production/Generation
Enmax Corporation	Independent Power Production/Generation
Alberta Electric System Operator	Independent System Operator (ISO)/Regional Transmission Organization (RTO)
AltaLink LP	Independent System Operator (ISO)/Regional Transmission Organization (RTO)
EPCOR Utilities	Independent System Operator (ISO)/Regional Transmission Organization (RTO)
Canadian Nuclear Laboratories	Integrated Energy Services - With Nuclear
New Brunswick Power Corporation	Integrated Energy Services - With Nuclear
ATCO	Integrated Energy Services - Without Nuclear
Enbridge	Integrated Energy Services - Without Nuclear
TC Energy	Integrated Energy Services - Without Nuclear
Alberta Energy Regulator	Other Nonprofit and Government - Not Classified Elsewhere
GE Renewable Energy	Renewable/Alternative Energy

e) In the 2015 Compensation Benchmarking Report filed in EB-2016-0152, Ex. F4-3-1, Attachment 2, 69% of overall OPG roles were matched to the previous Utility segment. As noted in Ex. L-F4-03-Staff-288 part (e), the comparator group for the Utility segment included Utility and Energy Services Organizations (69%), in addition to metals & mining (24%) and oil & gas (7%) organizations.

(i) Yes, with the below listed exceptions, the oil & gas organizations and the Utility and Energy Services Organizations included in the 2019 Compensation Benchmarking Report were also available for inclusion in the comparator group used in the 2015 Compensation Benchmarking Report.

The following oil & gas organizations were not available in the 2015 survey:

- CNOOC Petroleum
- Fugro

- Gibson Energy
- Inter Pipeline
- Irving Oil
- Pembina Pipeline
- Plains Midstream Canada
- Schlumberger
- TransMountain
- Valero

The following Utility and Energy Services Organizations were not available in the 2015 survey:

- Canadian Nuclear Laboratories
- New Brunswick Power Corporation
- Newfoundland Power

(ii) It is not correct to state that oil & gas and energy service companies are being considered an appropriate comparator in 2019 only due to a change in segmentation. As noted above, there is no distinction between energy services organizations and utility organizations based on WTW's definitions.

WTW recognizes that comparable skillsets within the Utility and Energy Services Organizations are also found in the oil & gas industry, and as such, many Canadian Utility and Energy Services Organizations compete with the oil & gas industry for talent, particularly for power generation activities. Skillsets found across capital intensive industries such as utilities, oil & gas, mining and manufacturing, include engineering, operations, technical skills and project management. For this reason, both the 2015 Compensation Benchmarking Report and the 2019 Compensation Benchmarking Report included oil & gas and metals & mining organizations. A greater number of oil & gas industry peers was included in the 2019 report primarily to meet the industry split criterion for segmentation discussed in part (a) above.

f) On 50th percentile base salaries, the energy sector is roughly 5% greater relative to a general industry sample and on total direct compensation is roughly 5% to 10% greater relative to a general industry sample. WTW completed this analysis based on a total direct compensation basis, and expects the findings to be similar on a total remuneration basis.

g) Please refer to Ex. L-F4-3-1 Staff-288 part (b) for a discussion of differences between peers included in the comparator groups for each of the 2015 and 2019

Compensation Benchmarking Reports. Further to that response, the tables below provide the breakdown of industries in the Utility sector and General Industry comparator groups used in the 2015 Compensation Benchmarking Report.

2015 General Industry Comparators Summary	
Industry	**% of Total**
Energy Services & Utilities	21%
Transportation Services	9%
Banking	7%
Oil & Gas	6%
Food & Beverage Processing and Production	6%
Transportation Vehicles & Equipment including Parts	6%
Metals & Mining	5%
Associations, Foundations, Education & Government	4%
Consumer Products - Nondurable	4%
Industrial Manufacturing	4%
Agribusiness & Agriculture	2%
Business & Technical Consulting Services	2%
Finance (Excluding Banking & Insurance)	2%
General / Property & Casualty Insurance	2%
Leisure & Hospitality	2%
Life & Health Insurance	2%
Retail Trade	2%
Telecommunications & Network Products and Services	2%
Chemicals	1%
Electronic, Electrical and Scientific Equipment & Components	1%
Forestry & Paper Products	1%
Health Care Services	1%
Media & Entertainment	1%
Pharmaceuticals & Biotechnology	1%
Real Estate Holdings, Development & Trusts	1%

2015 Utility Comparators Summary	
Industry	**% of Total**
Energy Services & Utilities	69%
Metals & Mining	24%
Oil & Gas	7%

h) Please see response to Ex. JT2.35.

<u>Question 2</u>

The following response is provided by WTW:

WTW does not have the requested information specific to the entirety of OPG's total remuneration comparator group.

Within OPG's pension and benefits comparator group, approximately 65% of comparators provide a defined benefit pension plan and 35% provide a defined contribution pension plan. WTW does not have information regarding the typical employer contribution rates for participants within OPG's pension and benefits comparator group.

Based on the overall oil and gas industry participants in WTW's Benefits Data Source (Canada), WTW observes 29% of participants provide a defined benefit pension plan, and 65% provide a defined contribution pension or savings plan. The remaining 6% do not provide any retirement plan. Of the organizations providing a defined benefit pension, approximately 50% fully or partially include bonus in the definition of pensionable earnings.

Question 3

The following response is provided by WTW:

a) WTW is not able to provide this additional analysis as its survey focuses on overtime policy and not relative cost of the programs, which would vary based on overtime usage reflecting specific resourcing decisions and needs.

Question 4

The following response is provided by WTW:

a)
   (i) Confirmed.

   (ii) Both the dollar average approach (as used in both OPG's 2015 and 2019 compensation benchmarking reports) and the weighted average approach (where each incumbent compensation variance to market is treated as a separate and equal data point, regardless of the dollar value of the difference) are standard approaches used to summarize a company's relative market competitiveness.

b) The table below provides OPG's total remuneration including Hydro One share awards relative to the market.

	Base Salary	Total Direct Compensation	Total Remuneration Excluding PTO	Total Remuneration
OPG ($000s)	$875,420	$926,964	$1,135,897	$1,241,803
Market ($000s)	$779,382	$867,996	$1,017,756	$1,139,697
Variance (%)	**12.3%**	**6.8%**	**11.6%**	**9.0%**

c) Confirmed.

d) As noted above, both the dollar average approach (used in OPG's 2015 and 2019 compensation benchmarking reports) and the weighted average approach

(provided by OEB staff) are used by organizations to understand the overall relative positioning of compensation relative to the market. As noted below in part (e), there is generally less than a one percentage point difference between the approaches; however, the dollar average approach provides a more representative measure of the total dollar cost/value of the organization's compensation program relative to market.

e) The tables below provide Total Remuneration including and excluding PTO, and including and excluding Hydro One share awards, for each job family by group using the weighted average approach as outlined by the OEB staff.

Summary

Segment	Base Salary *% above / below*		Total Direct Compensation *% above / below*		Total Remuneration Exc. PTO *% above / below*		Total Remuneration *% above / below*	
	WTW Approach	Staff Revised WA Approach	WTW Approach	Staff Revised WA Approach	WTW Approach	Staff Revised WA Approach	WTW Approach	Staff Revised WA Approach
Excluding Hydro One Shares								
PWU	15.1%	15.7%	11.1%	11.8%	15.6%	16.4%	11.4%	12.1%
Society	21.3%	21.6%	9.9%	10.2%	17.2%	17.5%	15.4%	15.7%
Management	-7.2%	-7.6%	-12.8%	-12.4%	-10.5%	-10.3%	-11.3%	-11.3%
Including Hydro One Shares								
PWU	15.1%	15.7%	13.4%	14.1%	17.6%	18.4%	13.1%	13.9%
Society	21.3%	21.6%	11.5%	11.8%	18.6%	18.9%	16.7%	16.9%
Management	-7.2%	-7.6%	-12.8%	-12.4%	-10.5%	-10.3%	-11.3%	-11.3%

Results Excluding Hydro One Shares

Total Remuneration

Total Excluding Nuclear Authorized
OPG Group: PWU

Job Family	# OPG Matched Incumbents	Incumbent Distribution	Base Salary		Total Direct Compensation		Total Remuneration	
			P50 (% +/-)	Staff Revised WA Approach	P50 (% +/-)	Staff Revised WA Approach	P50 (% +/-)	Staff Revised WA Approach
Administration	276	6.9%	21.9%	1.5%	16.9%	1.2%	16.7%	1.2%
Corporate Services	2	0.1%	--	--	--	--	--	--
Engineering								
Environment, Health & Safety	16	0.4%	20.2%	0.1%	13.6%	0.1%	18.0%	0.1%
Finance	70	1.8%	39.7%	0.7%	34.0%	0.6%	35.5%	0.6%
Human Resources								
Information Technology	3	0.1%	21.6%	0.0%	19.7%	0.0%	20.4%	0.0%
Maintenance	2423	60.7%	18.7%	11.3%	15.2%	9.3%	15.7%	9.5%
Operations	1154	28.9%	6.0%	1.7%	1.2%	0.3%	1.2%	0.3%
Supply Chain	48	1.2%	31.1%	0.4%	26.8%	0.3%	28.4%	0.3%
Average Positioning	**3992**	**100.0%**	**15.1%**	**15.7%**	**11.1%**	**11.8%**	**11.4%**	**12.1%**

Total Excluding Nuclear Authorized
OPG Group: Society

Job Family	# OPG Matched Incumbents	Incumbent Distribution	Base Salary		Total Direct Compensation		Total Remuneration	
			P50 (% +/-)	Staff Revised WA Approach	P50 (% +/-)	Staff Revised WA Approach	P50 (% +/-)	Staff Revised WA Approach
Administration	30	1.2%	49.7%	0.6%	41.2%	0.5%	46.0%	0.5%
Corporate Services	297	11.5%	30.9%	3.5%	21.5%	2.5%	27.1%	3.1%
Engineering	1219	47.0%	10.3%	4.9%	0.3%	0.2%	5.0%	2.3%
Environment, Health & Safety	160	6.2%	22.3%	1.4%	11.2%	0.7%	16.8%	1.0%
Finance	181	7.0%	30.9%	2.2%	19.9%	1.4%	25.9%	1.8%
Human Resources	13	0.5%	33.1%	0.2%	21.6%	0.1%	27.4%	0.1%
Information Technology	94	3.6%	27.4%	1.0%	14.8%	0.5%	21.1%	0.8%
Maintenance	276	10.6%	35.3%	3.8%	16.1%	1.7%	24.3%	2.6%
Operations	222	8.6%	35.9%	3.1%	21.1%	1.8%	28.2%	2.4%
Supply Chain	101	3.9%	28.9%	1.1%	21.2%	0.8%	25.6%	1.0%
Average Positioning	**2593**	**100.0%**	**21.3%**	**21.6%**	**9.9%**	**10.2%**	**15.4%**	**15.7%**

Total Excluding Nuclear Authorized
OPG Group: Management

Job Family	# OPG Matched Incumbents	Incumbent Distribution	Base Salary		Total Direct Compensation		Total Remuneration	
			P50 (% +/-)	Staff Revised WA Approach	P50 (% +/-)	Staff Revised WA Approach	P50 (% +/-)	Staff Revised WA Approach
Administration	90	11.1%	-15.4%	-1.7%	-12.4%	-1.4%	-14.0%	-1.6%
Corporate Services	232	28.7%	-5.7%	-1.6%	-11.6%	-3.3%	-10.0%	-2.9%
Engineering	152	18.8%	-12.6%	-2.4%	-16.7%	-3.1%	-15.4%	-2.9%
Environment, Health & Safety	46	5.7%	-1.6%	-0.1%	-6.2%	-0.4%	-5.2%	-0.3%
Finance	73	9.0%	-1.2%	-0.1%	-7.0%	-0.6%	-5.5%	-0.5%
Human Resources	101	12.5%	-8.6%	-1.1%	-11.0%	-1.4%	-10.7%	-1.3%
Information Technology	10	1.2%	4.7%	0.1%	-0.7%	0.0%	0.9%	0.0%
Maintenance	39	4.8%	-7.0%	-0.3%	-22.1%	-1.1%	-18.7%	-0.9%
Operations	44	5.4%	-2.2%	-0.1%	-14.2%	-0.8%	-11.5%	-0.6%
Supply Chain	21	2.6%	-8.2%	-0.2%	-14.3%	-0.4%	-12.7%	-0.3%
Average Positioning	**808**	**100.0%**	**-7.2%**	**-7.6%**	**-12.8%**	**-12.4%**	**-11.3%**	**-11.3%**

Total Remuneration Excluding PTO

Total Excluding Nuclear Authorized
OPG Group: PWU

Job Family	# OPG Matched Incumbents	Incumbent Distribution	Base Salary		Total Direct Compensation		TR Excluding PTO	
			P50 (% +/-)	Staff Revised WA Approach	P50 (% +/-)	Staff Revised WA Approach	P50 (% +/-)	Staff Revised WA Approach
Administration	276	6.9%	21.9%	1.5%	16.9%	1.2%	21.8%	1.5%
Corporate Services	2	0.1%	--	--	--	--	--	--
Engineering								
Environment, Health & Safety	16	0.4%	20.2%	0.1%	13.6%	0.1%	20.3%	0.1%
Finance	70	1.8%	39.7%	0.7%	34.0%	0.6%	41.0%	0.7%
Human Resources								
Information Technology	3	0.1%	21.6%	0.0%	19.7%	0.0%	25.5%	0.0%
Maintenance	2423	60.7%	18.7%	11.3%	15.2%	9.3%	20.2%	12.2%
Operations	1154	28.9%	6.0%	1.7%	1.2%	0.3%	4.9%	1.4%
Supply Chain	48	1.2%	31.1%	0.4%	26.8%	0.3%	33.4%	0.4%
Average Positioning	**3992**	**100.0%**	**15.1%**	**15.7%**	**11.1%**	**11.8%**	**15.6%**	**16.4%**

Total Excluding Nuclear Authorized
OPG Group: Society

Job Family	# OPG Matched Incumbents	Incumbent Distribution	Base Salary		Total Direct Compensation		TR Excluding PTO	
			P50 (% +/-)	Staff Revised WA Approach	P50 (% +/-)	Staff Revised WA Approach	P50 (% +/-)	Staff Revised WA Approach
Administration	30	1.2%	49.7%	0.6%	41.2%	0.5%	49.5%	0.6%
Corporate Services	297	11.5%	30.9%	3.5%	21.5%	2.5%	29.1%	3.3%
Engineering	1219	47.0%	10.3%	4.9%	0.3%	0.2%	6.9%	3.3%
Environment, Health & Safety	160	6.2%	22.3%	1.4%	11.2%	0.7%	18.5%	1.1%
Finance	181	7.0%	30.9%	2.2%	19.9%	1.4%	27.7%	1.9%
Human Resources	13	0.5%	33.1%	0.2%	21.6%	0.1%	29.4%	0.1%
Information Technology	94	3.6%	27.4%	1.0%	14.8%	0.5%	22.6%	0.8%
Maintenance	276	10.6%	35.3%	3.8%	16.1%	1.7%	24.9%	2.7%
Operations	222	8.6%	35.9%	3.1%	21.1%	1.8%	29.5%	2.5%
Supply Chain	101	3.9%	28.9%	1.1%	21.2%	0.8%	28.4%	1.1%
Average Positioning	**2593**	**100.0%**	**21.3%**	**21.6%**	**9.9%**	**10.2%**	**17.2%**	**17.5%**

Total Excluding Nuclear Authorized
OPG Group: Management

Job Family	# OPG Matched Incumbents	Incumbent Distribution	Base Salary		Total Direct Compensation		TR Excluding PTO	
			P50 (% +/-)	Staff Revised WA Approach	P50 (% +/-)	Staff Revised WA Approach	P50 (% +/-)	Staff Revised WA Approach
Administration	90	11.1%	-15.4%	-1.7%	-12.4%	-1.4%	-10.8%	-1.2%
Corporate Services	232	28.7%	-5.7%	-1.6%	-11.6%	-3.3%	-9.4%	-2.7%
Engineering	152	18.8%	-12.6%	-2.4%	-16.7%	-3.1%	-14.7%	-2.8%
Environment, Health & Safety	46	5.7%	-1.6%	-0.1%	-6.2%	-0.4%	-4.1%	-0.2%
Finance	73	9.0%	-1.2%	-0.1%	-7.0%	-0.6%	-4.7%	-0.4%
Human Resources	101	12.5%	-8.6%	-1.1%	-11.0%	-1.4%	-9.3%	-1.2%
Information Technology	10	1.2%	4.7%	0.1%	-0.7%	0.0%	1.7%	0.0%
Maintenance	39	4.8%	-7.0%	-0.3%	-22.1%	-1.1%	-18.9%	-0.9%
Operations	44	5.4%	-2.2%	-0.1%	-14.2%	-0.8%	-11.4%	-0.6%
Supply Chain	21	2.6%	-8.2%	-0.2%	-14.3%	-0.4%	-12.1%	-0.3%
Average Positioning	**808**	**100.0%**	**-7.2%**	**-7.6%**	**-12.8%**	**-12.4%**	**-10.5%**	**-10.3%**

Results Including Hydro One Shares

Total Remuneration

Total Excluding Nuclear Authorized
OPG Group: PWU

			Base Salary		Total Direct Compensation		Total Remuneration	
Job Family	# OPG Matched Incumbents	Incumbent Distribution	P50 (% +/-)	Staff Revised WA Approach	P50 (% +/-)	Staff Revised WA Approach	P50 (% +/-)	Staff Revised WA Approach
Administration	276	6.9%	21.9%	1.5%	19.5%	1.3%	18.7%	1.3%
Corporate Services	2	0.1%	--	--	--	--	--	--
Engineering							-	
Environment, Health & Safety	16	0.4%	20.2%	0.1%	16.3%	0.1%	20.0%	0.1%
Finance	70	1.8%	39.7%	0.7%	37.0%	0.6%	37.8%	0.7%
Human Resources								
Information Technology	3	0.1%	21.6%	0.0%	23.1%	0.0%	23.0%	0.0%
Maintenance	2423	60.7%	18.7%	11.3%	17.7%	10.7%	17.5%	10.6%
Operations	1154	28.9%	6.0%	1.7%	3.3%	1.0%	2.8%	0.8%
Supply Chain	48	1.2%	31.1%	0.4%	29.7%	0.4%	30.5%	0.4%
Average Positioning	**3992**	**100.0%**	**15.1%**	**15.7%**	**13.4%**	**14.1%**	**13.1%**	**13.9%**

Total Excluding Nuclear Authorized
OPG Group: Society

			Base Salary		Total Direct Compensation		Total Remuneration	
Job Family	# OPG Matched Incumbents	Incumbent Distribution	P50 (% +/-)	Staff Revised WA Approach	P50 (% +/-)	Staff Revised WA Approach	P50 (% +/-)	Staff Revised WA Approach
Administration	30	1.2%	49.7%	0.6%	43.7%	0.5%	47.9%	0.6%
Corporate Services	297	11.5%	30.9%	3.5%	23.1%	2.7%	28.4%	3.3%
Engineering	1219	47.0%	10.3%	4.9%	1.6%	0.8%	6.0%	2.8%
Environment, Health & Safety	160	6.2%	22.3%	1.4%	13.0%	0.8%	18.1%	1.1%
Finance	181	7.0%	30.9%	2.2%	21.6%	1.5%	27.2%	1.9%
Human Resources	13	0.5%	33.1%	0.2%	22.6%	0.1%	28.2%	0.1%
Information Technology	94	3.6%	27.4%	1.0%	16.5%	0.6%	22.4%	0.8%
Maintenance	276	10.6%	35.3%	3.8%	18.3%	1.9%	25.9%	2.8%
Operations	222	8.6%	35.9%	3.1%	23.3%	2.0%	29.9%	2.6%
Supply Chain	101	3.9%	28.9%	1.1%	22.9%	0.9%	26.9%	1.0%
Average Positioning	**2593**	**100.0%**	**21.3%**	**21.6%**	**11.5%**	**11.8%**	**16.7%**	**16.9%**

Total Excluding Nuclear Authorized
OPG Group: Management

Job Family	# OPG Matched Incumbents	Incumbent Distribution	Base Salary		Total Direct Compensation		Total Remuneration	
			P50 (% +/-)	Staff Revised WA Approach	P50 (% +/-)	Staff Revised WA Approach	P50 (% +/-)	Staff Revised WA Approach
Administration	90	11.1%	-15.4%	-1.7%	-12.4%	-1.4%	-14.0%	-1.6%
Corporate Services	232	28.7%	-5.7%	-1.6%	-11.6%	-3.3%	-10.0%	-2.9%
Engineering	152	18.8%	-12.6%	-2.4%	-16.7%	-3.1%	-15.4%	-2.9%
Environment, Health & Safety	46	5.7%	-1.6%	-0.1%	-6.2%	-0.4%	-5.2%	-0.3%
Finance	73	9.0%	-1.2%	-0.1%	-7.0%	-0.6%	-5.4%	-0.5%
Human Resources	101	12.5%	-8.6%	-1.1%	-11.0%	-1.4%	-10.7%	-1.3%
Information Technology	10	1.2%	4.7%	0.1%	-0.7%	0.0%	0.9%	0.0%
Maintenance	39	4.8%	-7.0%	-0.3%	-22.1%	-1.1%	-18.7%	-0.9%
Operations	44	5.4%	-2.2%	-0.1%	-14.2%	-0.8%	-11.5%	-0.6%
Supply Chain	21	2.6%	-8.2%	-0.2%	-14.3%	-0.4%	-12.7%	-0.3%
Average Positioning	**808**	**100.0%**	**-7.2%**	**-7.6%**	**-12.8%**	**-12.4%**	**-11.3%**	**-11.3%**

Total Remuneration Excluding PTO

Total Excluding Nuclear Authorized
OPG Group: PWU

Job Family	# OPG Matched Incumbents	Incumbent Distribution	Base Salary		Total Direct Compensation		TR Excluding PTO	
			P50 (% +/-)	Staff Revised WA Approach	P50 (% +/-)	Staff Revised WA Approach	P50 (% +/-)	Staff Revised WA Approach
Administration	276	6.9%	21.9%	1.5%	19.5%	1.3%	24.0%	1.7%
Corporate Services	2	0.1%	--	--	--	--	--	--
Engineering								
Environment, Health & Safety	16	0.4%	20.2%	0.1%	16.3%	0.1%	22.6%	0.1%
Finance	70	1.8%	39.7%	0.7%	37.0%	0.6%	43.6%	0.8%
Human Resources								
Information Technology	3	0.1%	21.6%	0.0%	23.1%	0.0%	28.4%	0.0%
Maintenance	2423	60.7%	18.7%	11.3%	17.7%	10.7%	22.2%	13.5%
Operations	1154	28.9%	6.0%	1.7%	3.3%	1.0%	6.8%	2.0%
Supply Chain	48	1.2%	31.1%	0.4%	29.7%	0.4%	35.8%	0.4%
Average Positioning	**3992**	**100.0%**	**15.1%**	**15.7%**	**13.4%**	**14.1%**	**17.6%**	**18.4%**

Total Excluding Nuclear Authorized
OPG Group: Society

Job Family	# OPG Matched Incumbents	Incumbent Distribution	Base Salary		Total Direct Compensation		TR Excluding PTO	
			P50 (% +/-)	Staff Revised WA Approach	P50 (% +/-)	Staff Revised WA Approach	P50 (% +/-)	Staff Revised WA Approach
Administration	30	1.2%	49.7%	0.6%	43.7%	0.5%	51.6%	0.6%
Corporate Services	297	11.5%	30.9%	3.5%	23.1%	2.7%	30.5%	3.5%
Engineering	1219	47.0%	10.3%	4.9%	1.6%	0.8%	8.0%	3.8%
Environment, Health & Safety	160	6.2%	22.3%	1.4%	13.0%	0.8%	20.1%	1.2%
Finance	181	7.0%	30.9%	2.2%	21.6%	1.5%	29.1%	2.0%
Human Resources	13	0.5%	33.1%	0.2%	22.6%	0.1%	30.3%	0.2%
Information Technology	94	3.6%	27.4%	1.0%	16.5%	0.6%	24.0%	0.9%
Maintenance	276	10.6%	35.3%	3.8%	18.3%	1.9%	26.8%	2.8%
Operations	222	8.6%	35.9%	3.1%	23.3%	2.0%	31.4%	2.7%
Supply Chain	101	3.9%	28.9%	1.1%	22.9%	0.9%	29.8%	1.2%
Average Positioning	**2593**	**100.0%**	**21.3%**	**21.6%**	**11.5%**	**11.8%**	**18.6%**	**18.9%**

Total Excluding Nuclear Authorized
OPG Group: Management

			Base Salary		Total Direct Compensation		TR Excluding PTO	
Job Family	# OPG Matched Incumbents	Incumbent Distribution	P50 (% +/-)	Staff Revised WA Approach	P50 (% +/-)	Staff Revised WA Approach	P50 (% +/-)	Staff Revised WA Approach
Administration	90	11.1%	-15.4%	-1.7%	-12.4%	-1.4%	-10.8%	-1.2%
Corporate Services	232	28.7%	-5.7%	-1.6%	-11.6%	-3.3%	-9.3%	-2.7%
Engineering	152	18.8%	-12.6%	-2.4%	-16.7%	-3.1%	-14.7%	-2.8%
Environment, Health & Safety	46	5.7%	-1.6%	-0.1%	-6.2%	-0.4%	-4.1%	-0.2%
Finance	73	9.0%	-1.2%	-0.1%	-7.0%	-0.6%	-4.7%	-0.4%
Human Resources	101	12.5%	-8.6%	-1.1%	-11.0%	-1.4%	-9.3%	-1.2%
Information Technology	10	1.2%	4.7%	0.1%	-0.7%	0.0%	1.7%	0.0%
Maintenance	39	4.8%	-7.0%	-0.3%	-22.1%	-1.1%	-18.9%	-0.9%
Operations	44	5.4%	-2.2%	-0.1%	-14.2%	-0.8%	-11.4%	-0.6%
Supply Chain	21	2.6%	-8.2%	-0.2%	-14.3%	-0.4%	-12.1%	-0.3%
Average Positioning	**808**	**100.0%**	**-7.2%**	**-7.6%**	**-12.8%**	**-12.4%**	**-10.5%**	**-10.3%**

Question 5

The following response is provided by WTW:

a) Companies take a range of approaches when using comparator groups that include both Canadian and US data, depending on the primary market for the talent. For Canadian organizations that draw Canadian talent but refer to US data for an industry reference, a nominal approach (i.e. without adjusting US data by the foreign exchange rate) is typical. However, when Canadian organizations are attracting talent from the US (as is the case with OPG) given the small Canadian talent pool, then data is typically converted to more closely reflect the cost of recruiting that talent into Canada.

Question 6

The following response is provided by WTW:

a) Confirmed.