Society Interrogatory #25

Interrogatory

Reference:
Exhibit F4-3-1, Attachment 2, "Total Compensation Benchmarking Study prepared by Willis Towers Watson" p32

"▪ To assess whether base salaries in the Total Sample (excluding Nuclear Authorized) are different relative to the Nuclear Authorized Sample for similar skills sets and levels of accountability, the following analysis was performed:

- Comparison of relative job rates between select US utilities and nuclear organizations to understand whether nuclear roles within the US are paid differently than utility roles in the US (for roles reflecting comparable skills and level of accountability)

- Comparison of relative job rates between the Canadian Total Sample (excluding Nuclear Authorized) comparator group (used for the benchmark review) and the US nuclear comparator group to assess whether there is any differentiation between these two markets (for roles reflecting comparable skills and level of accountability)

- The analysis indicated that for many roles and levels of work, salaries are comparable between these sectors. However, for nuclear operations roles at management levels (i.e., have people management responsibility), base salaries are observed to carry an average premium of greater than 10% relative to their non-nuclear counterparts. As such, where comparisons for non-authorized roles in nuclear facilities have been made to the Canadian Total Sample (excluding Nuclear Authorized), market data for management level roles is adjusted by 10% to reflect this identified premium for such roles" [p8] "US market data for the Nuclear Authorized comparator group were converted to CAD, consistent with Willis Towers Watson's practice, using an average annual exchange rate to March 2019 of $1 USD - $1.3082 CAD to moderate fluctuations"

a) Please confirm that the comparison of relative job rates outlined on p32 between the Canadian Total Sample (excluding Nuclear Authorized) comparator group (used for the benchmark review) and the US nuclear comparator group used the same methodology outlined on p8 to convert the latter to CAD ie an exchange rate of $1 USD - $1.3082 CAD. If some other methodology was used please explain the

methodology used and why it was used.

b) Why was an exchange rate used rather than PPP (Purchasing Power Parity) to adjust the peer data from USD to CAD?

c) Further to the comparison of relative job rates outlined on p32, was there a premium of 5% or more between any of the Society or PWU job families in the US nuclear comparator group versus the Canadian Total Sample (excluding Nuclear Authorized) comparator group? If this is the case please identify the specific job families.

d) Please adjust the Total Remuneration Analysis Results on p14 to reflect the information provided in answer to c) above.

Response

Willis Towers Watson (WTW) provided the following response:

(a) Confirmed.

(b) 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).

(c) and (d) In addition to the nuclear plant operations roles, pay levels between the US comparator group and the Canadian Total Samples were also compared for WTW's Engineering and Technical Specialty/Skilled Trade benchmark functions. Prior to applying an exchange rate, WTW observed a premium of 6% at the Supervisor level for the Technical Specialty / Skilled Trade benchmark function, with only one benchmarked incumbent. Adjustment to the one benchmarked incumbent would not be expected to impact the overall results reflected in Ex. F4-3-1, Attachment 2, p.14.