



Ms. Nancy Marconi  
Registrar ([registrar@oeb.ca](mailto:registrar@oeb.ca))  
Ontario Energy Board  
27th Floor  
2300 Yonge Street  
Toronto, ON  
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February 23, 2022

Dear Ms. Marconi,

**RE: EB-2021-0041 London Hydro Inc. 2022 Cost of Service Application  
Decision on Confidentiality dated February 22, 2022**

We are writing in response to the Ontario Energy Board's ((the "OEB") decision dated February 22, 2022 with respect to London Hydro Inc.'s (London Hydro") request for confidential treatment of several documents provided through the application process (the "Decision").

It is London Hydro's understanding that the following are to be filed and placed on the public record.

Unredacted interrogatory responses to 1-CCC-6, 1-Staff-4; 2-Staff-32 b), and 3-Staff-51 a). Please find these as Appendix 1 attached.

London Hydro herein attaches 1-CCC-4 - 2017 Business Opportunities in the Electric Vehicle Environment - London Hydro. Please find these as Appendix 2 attached.

London Hydro herein attaches 1-SEC-1 Attachment 1 1\_2021 BOD Report. Please find these as Appendix 3 attached.

London Hydro herein attaches 1-SEC-1 Attachment 2 2017 MEARIE MSS Report. Please find these as Appendix 4 attached.

London Hydro herein attaches 1-SEC-1 Attachment 3 2018 MEARIE MSS Report Sept 7 2018. Please find these as Appendix 5 attached.

London Hydro herein attaches 1-SEC-1 Attachment 4 2019 BOD Report. Please find these as Appendix 6 attached.

London Hydro herein attaches 1-SEC-1 Attachment 5 2019 MSS Report (FINAL). Please find these as Appendix 7 attached.

London Hydro herein attaches 1-SEC-1 Attachment 6 2020 MSS Report (FINAL). Please find these as Appendix 8 attached.

London Hydro herein attaches 1-SEC-1 Attachment 7 2021 MSS Report - October 7, 2021 Final.  
Please find these as Appendix 9 attached.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "M Benum". The signature is fluid and cursive, with the first letter "M" being large and prominent.

Martin Benum  
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London Hydro  
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## Appendix 1

Unredacted interrogatory responses to  
1-CCC-6,  
1-Staff-4;  
2-Staff-32 b),  
and 3-Staff-51 a).

**1-CCC-6****Re: Ex. 1/p. 33**

London Hydro has chosen to own and operate its own Regional Network Interface and smart-Meter head-end system. London Hydro's evidence is that this approach has avoided an estimated \$610,000 per year as part of this in-sourcing arrangement. Please provide a detailed breakdown of this calculation. In addition, please explain how the \$415,000 in commercial customer community cost savings were derived.

**LH Response:**

The calculation of the estimated savings as a result of London Hydro's in-sourcing strategy is based on actual commercial quotes from a smart meter vendor that compares the costs between our current internally managed state against the quoted cost of a fully managed service and is provided below:

	<b>Est. Opt A</b>	<b>Actual Opt C</b>
Per Meter	0.08928	0.0332
Per TGB	5580	831.14
160914 meters	14366.40192	5342.3448
9 TGBS	50220	7480.26
Total Monthly	64586.40192	12822.6048
Total Annually	775036.823	153871.2576
<b>Monthly Savings</b>	<b>\$51,763.80</b>	
<b>Annual Savings</b>	<b>\$621,165.57</b>	

For commercial customers, London Hydro was unable to use the existing smart meter system to meet the requirements for these interval metered customers. Thus, London Hydro has provided options to customers by supporting a variety of communications methods. These methods include POTS (telephone), London Hydro provided cellular network, or modems that leverage a customer provided internet connection. The \$415,000 in estimated aggregated total savings for these customers was made by

calculating what the cost would have been if the customers otherwise paid for a monthly commercial telephone line.

**1-Staff-4****Ref 1: Exhibit 1, p. 33****Ref 2: Exhibit 2, p. 131**

For smart metering operations, London Hydro uses an “in-sourcing” strategy, one aspect of which is to own and operate its own Regional Network Interface and Smart Meter head-end system. London Hydro estimates \$610k in annual cost savings from its strategy.

- a) Please provide further details on this strategy; what are the other aspects aside from the Regional Network Interface and Smart Meter head-end system?
- b) How did London Hydro calculate the estimate of \$610k in cost savings?

In reference 1, it's noted that, as part of its in-house capabilities, London Hydro offers services to external clients for meter testing, certification and resealing, which results in \$40k annually in cost recoveries.

- c) In reference 2, London Hydro states that its revenue from meter sealing services is \$100k annually. Please reconcile the two amounts.

**LH Response:**

(a)

London Hydro and its customers achieve significant benefits beyond just the external expenditure reductions by operating in-sourcing systems; by being able to achieve a deeper integration between the AMCC head-end systems and other London Hydro systems and processes. Examples within the metering area include being able to more quickly identify and respond to meter failures (communications and other hardware failures) and to exchange meters without impacting customer billing or experience. Further custom integrations with VEE (Validation, Editing, and Estimation) processes with the MDM/R allows data to be automatically corrected, where there have been gaps in communication when there is a power outage at a customer location, for example. Outside of meter measurement issues, other operational integrations and processes have been created to realize further value. Examples of this include voltage monitoring that validates if transformer tap changes are made to provide compliant system or seasonal voltage quality to customers; and outage management and outbound customer notifications that are driven off of meter power-down last-gasp and first-gasp restoral

alarm notifications. In addition, London Hydro has fully integrated hot-socket alarms into the Control Room and an emergency response shift truck crew can be dispatched to catch and prevent potential customer meters from overheating as meter fires are often due to loose meter base connections. Having the metering systems and internal expertise fluent with the technical characteristics of the systems allows for a deeper integration and yields more value to London Hydro and our customers.

(b)

The calculation of the estimated savings as a result of London Hydro's in-sourcing strategy is based on actual commercial quotes from a smart meter vendor that compares the costs between our current internally managed state against the quoted cost of a fully managed service and is provided below:

	<b>Est. Opt A</b>	<b>Actual Opt C</b>
Per Meter	0.08928	0.0332
Per TGB	5580	831.14
160914 meters	14366.40192	5342.3448
9 TGBS	50220	7480.26
Total Monthly	64586.40192	12822.6048
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<b>Monthly Savings</b>	<b>\$51,763.80</b>	
<b>Annual Savings</b>	<b>\$621,165.57</b>	

(c)

The amount referenced in Exhibit 1 on page 33 represents the 2017 OEB Approved amount for meter testing, certification and resealing. Beginning in 2017, volumes for this type of service increased and the new budget for the 2022 Test Year is \$100k which is referenced in Exhibit 2 on page 131.



## 2-Staff-32

### Ref 1: Exhibit 2, Appendix 2-3

The EY report on London Hydro's potential CIS upgrade options provides a rough cost estimate (+/- 30%) of \$14.5M - \$18.5M one-time implementation costs for migrating to SAP S/4 HANA.

- a) How did London Hydro forecast the total ACM cost of \$18.5M? Please explain how London Hydro arrived at the highest end of the range provided by the EY report.
- b) Please provide a breakdown of each component of this project.
- c) Has London Hydro obtained quotes or any engaged in any competitive pricing process for the materials/labour required for this project?
- d) The EY report notes \$0.4M - \$0.5M in ongoing operating costs. Are these amounts included in London Hydro's 2022 OM&A budget?
- e) What is the anticipated support lifetime for the S/4 HANA platform?
- f) Has London Hydro considered the option of jointly developing a CIS solution with another electricity distributor so as to share the costs?

### LH Response:

a)

To develop the forecasted ACM costs, London Hydro considered the EY report and the variety of costs which will be incurred:

- External labour makes up a significant portion of the total forecasted ACM costs and it is anticipated that contractors will be charging higher rates going forward. London Hydro has experienced a significant increase in the costs of external labour from 2020 to 2021, demonstrated by the rate cards from London Hydro's vendor of record list, which have generally increased by 10% - 15% in the past year.
- In addition, it is anticipated that there will be an ongoing increased demand for IT resources as a result of the COVID-19 pandemic, as several companies have delayed or deferred projects, and will now be in the market for contractors. This

demand is anticipated to drive up the cost of external labour even further. This could also impact internal labour, as LH will have to remain competitive in its compensation rates in order to retain talented IT personnel.

- There is a limited number of vendors with S4/HANA expertise and utility experience. Allocating adequate budget for specialized and skilled resources for the Design Authority role will help minimize customization and align product capabilities.
- With ongoing supply chain disruptions due to the pandemic, it is anticipated that the prices of the necessary hardware will be higher than originally estimated at the time of the initial report.

It is prudent to weigh the above-mentioned costs against the significance of a high-impact system like this. London Hydro's CIS/CRM system is a vital system, as it maintains customer information, helps ensure compliance to regulatory requirements, contains consumption data, drives customer billing and calculations, maintains accounts receivable and payment processing, among other functions. A sufficient budget is necessary in order to ensure a quality solution and avoid any major issues (for example, avoid issues via an extended testing timeframe, utilization of parallel runs).

b)

The \$18.5M cost estimation for CIS Refresh includes: software license costs, external labour costs, infrastructure and related set up costs, travel and living and other sundry expenses, and contingency. A high-level breakdown of cost is provided below:

Internal Labour: \$2.0M

External Labour: \$12.0M

Hardware & Software: \$2.5M

Contingency & Expenses: \$2.0M

c)

London Hydro issued an RFP for IT advisory resources in September 2021. The contract is expected to be awarded in December.

d)

The change in on-going cost for refreshed CIS solution will be applicable only after go-live in 2023, therefore does not impact the 2022 OM&A budget.

e)

The anticipated supported lifecycle for S4/HANA is 10 to 15 years.

f)

London Hydro has tried in the past to work with other utilities on CIS projects without much success. Most utilities wanted their right-sized CIS system (e.g. Tier 1 or Tier 2 solutions) to align with their internal business processes and requirements. London Hydro will share project experiences with other utilities using SAP to pursue future synergies.

### 3-Staff-51

#### Ref 1: Exhibit 3, p. 16

A new customer is expected in the Large Use rate class in the summer of 2022. London Hydro indicates that it will have more information as 2021 closes.

- a) Please provide any information London Hydro has on the expected peak demand and connection date of the new customer.

#### LH Response:

##### LH Response:

The first invoices went out mid September for billing periods July and August (first date July 8th). The metering and billing are still transitioning and ramping up but the main meter is now installed and recently powered up.

No initial production is expected until late August, while all processes are tested. Full production is not expected to until late 2027.

Estimated future maximum electric demand - 14.5 MVA		
Estimated load increase over first (5) years after feeders are energized:		
Milestone	Target Date	% of estimated maximum demand
Startup Primary elec room	Dec-21	15
Startup 4160/engine room	Jan-21	20
Startup RK Process equip & office	Jan-21	35
Startup L1/L2 Process equip	Apr-21	50
Startup Offline Process equip	Mar-21	55
Initial Production Start Up/Wet Testing	24-Aug-22	60
Year 1	24-Aug-23	75
Year 2	24-Aug-24	80
Year 3	24-Aug-25	85
Year 4	24-Aug-26	90
Year 5	24-Aug-27	95-100

- b) Is this a new customer, or an existing customer expected to increase usage enough to move up from a lower volume rate class?

##### LH Response:

This is a brand-new customer

- c) If this is related to the growth of an existing customer, please indicate the customer's current class and historic kW and kWh for all months from January 2017 to the most recent data available. In responding to this question, please consider whether confidential treatment is required.

LH Response:

Not applicable.

## Appendix 2

1-CCC-4 - 2017 Business Opportunities in the Electric  
Vehicle Environment - London Hydro



London Hydro Inc.

# Business Opportunities in the Electric Vehicle Environment

Issued: September 2017

Prepared By:

Reviewed By:

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Allan Van Damme, P.Eng., CPA, CMA  
Director of Operations

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William Milroy, P.Eng.  
Vice President of Engineering and  
Operations

## **EXECUTIVE SUMMARY**

The government of Ontario, along with many other jurisdictions across the world, has implemented Electric Vehicle (EV) friendly policies and programs in an effort to reduce Greenhouse Gases (GHGs) and achieve their environmental targets in an effort to mitigate the effects of climate change. This has created a consumer demand for EVs which will result in increased demand on the electrical grid. This report reviews the EV environment and makes recommendations on how London Hydro can participate to benefit its stakeholders.

A scan of the EV industry environment revealed that London Hydro should continue to explore funding opportunities such as those offered through Natural Resources of Canada (NRCAN) and the province's Electric Vehicle Chargers Ontario (EVCO) program to further enable its customer base to leverage the benefits of EVs. This funding is focused at expanding EV penetration by providing increased access to EV charging. Some opportunities also include smart charging functionalities. The funding is focused on demonstration style projects.

London Hydro should consider making capital contributions towards its connection assets associated with EV chargers located on public lands. This would assist in furthering the public's access to charging points, increase London Hydro's asset base and provide alignment with the Provinces desire to reduce greenhouse gas emissions.



Industry regulations don't allow for sustained revenue streams that a Local Distribution Company (LDC) can use to incent a customer to allow the LDC to control their EV charging for demand management purposes. This results in limited opportunities for LDCs such as London Hydro to establish self-sustaining business ventures in the Electric Vehicle (EV) environment.

The province has an exciting Electricity Pricing Pilot which includes a rate to offer "Low Overnight" pricing. This pilot offers a financially attractive option to EV owners and encourages them to shift their EV charging load to off-peak periods when rates are very low. It is recommended that London Hydro review the result of this pilot as it has the potential to benefit the customer while minimizing stress on the grid.

Through a poll of London area EV dealers it is apparent that there is a void of knowledge with respect to the financial and environmental benefits of charging EVs off-peak using the scheduling functionality that is integrated into the EV. It is recommended that London Hydro work with entities such as Plug n Drive to create educational material to educate EV owners. This material would describe the financial and environmental benefits along with benefits of reduced demand on the grid. The resultant information can be provided to EV dealerships and potential EV owners.

London Hydro can continue to pursue the use of on-bill financing for its customers for smart EV charging equipment. The implementation of this functionality should be

further explored along with its benefits and challenges which are described in this report.

It is recognized that the EV industry and associated regulations are changing quickly. It is recommended that London Hydro review the opportunities in this EV sector regularly and that it continue to participate in industry discussions to remain informed on new developments.

## **TABLE OF CONTENTS**

<b>1.0</b>	<b>INTRODUCTION .....</b>	<b>5</b>
<b>2.0</b>	<b>SITUATIONAL AND ENVIRONMENTAL ANALYSIS .....</b>	<b>5</b>
2.1	ALIGNMENT OF EVS WITH LONDON HYDRO'S STRATEGIC PLAN .....	5
2.2	LIST OF RELEVANT CORPORATE PILLARS AND VALUES .....	6
2.3	STAKEHOLDER NEEDS AND PREFERENCES .....	6
2.4	EXTERNAL ENVIRONMENTAL SCAN .....	7
2.4.1	ON-BILL FINANCING .....	7
2.4.2	GOVERNMENT INCENTIVES .....	8
2.4.3	REGULATION INFLUENCES .....	10
2.5	SUMMARY OF OPPORTUNITIES AND RECOMMENDATIONS .....	14
2.5.1	ON-BILL FINANCING .....	14
2.5.2	GOVERNMENT INCENTIVES .....	15
2.5.3	ELECTRIC PRICING PILOTS .....	15
2.5.4	LDC OWNERSHIP OF EV CHARGERS FOR SMART CHARGING .....	16
2.5.5	EDUCATION REGARDING EV ON-BOARD CHARGING CONTROLS .....	16

**Appendix A – Approved Prices and Structures for Electricity Pricing Pilots Board**  
**File No.:EB-2016-0201**

## 1.0 INTRODUCTION

As outlined in a previous Report<sup>1</sup>, the adoption of Electric Vehicles (EVs) is projected to increase at an exponential growth rate. LDCs such as London Hydro are in a position to influence the environment in which its customers acquire and operate their EVs.

This report examines the regulated environment which London Hydro operates with respect to the EV space as an LDC. It considers opportunities available to London Hydro that add value to the stakeholders while maintaining the safety and reliability of the grid. It looks at both regulatory factors and technological advances.

The purpose of this report is to assist London Hydro in seizing opportunities that present themselves with respect to EVs in alignment with its strategic goals and targets. It then makes recommendations of actions to be taken by London Hydro.

## 2.0 SITUATIONAL AND ENVIRONMENTAL ANALYSIS

### 2.1 Alignment of EVs with London Hydro's Strategic Plan

London Hydro's Mission and Vision support the study of EVs and participation in this market space with respect to grid operation and the needs of the customer.

London Hydro's **Mission** is: To provide safe and reliable electricity and value-added services.

London Hydro **Vision** is: To pursue excellence as an industry leader.

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<sup>1</sup> "Status of the EV Industry and London Hydro Grid Preparedness" June 2017 – London Hydro

## **2.2      List of Relevant Corporate Pillars and Values**

The following is a list of London Hydro pillars that are relevant to the advancement of the EV industry and the needs of EV owners.

### **Leadership**

London Hydro is a leader in customer solutions and will seek opportunities to help set the course for the industry. London Hydro must ensure the additional load from EVs will not negatively impact grid safety or reliability.

### **Customer Care**

London Hydro will continue to educate our customers on efficient and sustainable energy choices and support our community initiatives.

### **Financial Stewardship**

London Hydro will leverage its reputation and expertise to explore opportunities to pursue prudent revenue streams that support our core business.

### **Technology**

London Hydro is a leader that supports the efficient operation of its business and delivers value-added service through the offering of technology solutions.

### **Corporate and Social Responsibility**

London Hydro is committed to being a financially, socially and environmentally sustainable company.

## **2.3      Stakeholder Needs and Preferences**

The following points describe the specific needs and preferences of key stakeholders:

- London Hydro:
  - Pursue prudent revenue streams, educate customers on energy needs and options and enhance customer experience by expanding options available to them.
  - Ensure grid is able to accommodate EV loads.
  - Explore opportunities for smart control of EV loads and batteries to minimize impact on grid performance and reduce environmental impact.

- Government
  - Leverage EVs to achieve targets of the Climate Change Action Plan.
  - Provide financial means to fund programs to encourage EV purchase and use.
- Industry Advocates (eg. Plug'n Drive, Electric Mobility Canada)
  - Educate and promote the use of EVs as a clean alternative mode of transportation.
- Automotive Manufacturers and Suppliers of Electric Vehicle Supply Equipment (EVSE)
  - Provide adequate supply to meet demand as it increases and establish market share.
- Electricians and Electrical Service Contractors
  - Looking for new niche market of EV charger installations and services.

## 2.4 **External Environmental Scan**

This section presents a scan of the external opportunities that London Hydro may be able to leverage in order to continue to meet and exceed the expectations of its customers. It discusses factors affecting the EV industry with respect to London Hydro.

### 2.4.1 **On-Bill Financing**

The Ontario Energy Board (OEB) has stated<sup>2</sup> that electrical utilities can undertake on-bill financing for electricity conservation and demand management measures. As a result, London Hydro could seek approval from the OEB to provide on-bill financing for items such as EV smart chargers. In order to mitigate the risk of bad debt, the LDC would have to find a financing partner which would assume the risk. This financing

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<sup>2</sup> Ontario's Regulatory Registry - <http://www.ontariocanada.com/registry/view.do?postingId=17942>

partner would have to accept the terms of payment that the utility is mandated to follow under the Distribution System Code.

If a financing partner was secured and OEB approval was obtained, the utility could seek a financing rate to allow for a profit margin. It is unknown if this service would be attractive to EV owners.

About 10 years ago Enersource implemented on-bill financing with some limited success. Prior to the merger with Alectra they re-evaluated on-bill financing in light of the recent CDM framework, new rules and guidelines. They ultimately decided it was too complicated and costly for the benefit of Enersource and its customers.

## **2.4.2 Government Incentives**

### **2.4.2.1 Incentive for Smart Charging**

There are several incentives that are being offered by the Federal and Provincial government. These include the following programs.

National Resources Canada (NRCAN) is offering \$30M over 4 years from 2018 to 2022 for Electric Vehicle Infrastructure Demonstrations (Phase 2) under the Next Generation Clean Energy Infrastructure Program section of the Green Infrastructure Phase 2 funding<sup>3</sup>. The fund is intended to support charging infrastructure projects that address technical and non-technical barriers to the installation, operation and management of EV charging technologies.

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<sup>3</sup> Natural Resources Canada - <https://www.nrcan.gc.ca/energy/science/programs-funding/19787>

NRCAN is also offering \$46.1M in funding over 2 years through Budget 2016 to support the demonstration of next-generation electric vehicle charging infrastructure in Canada<sup>4</sup>. Two projects have been awarded under the fund section entitled Electric Vehicle Infrastructure Demonstration Projects.

- The first has been awarded to AddEnergie Technologies Inc. One of the focuses of the AddEnergie project is to install street-side charging installations in Canadian cities. London Hydro and the City of London are exploring opportunities with AddEnergie to install curb side chargers in the downtown London area.
- The second project was awarded to CrossChasm Technologies Inc (operating as FleetCarma). The scope involves three main areas: Large-Scale EV Grid Integration Impact Analysis, Workplace Smart Charging, and Charge Reimbursement in Multi-Unit Residential Buildings. London Hydro has been in contact with Fleetcarma on these programs and has offered to participate as a willing host. London Hydro will also be receiving the finding produced by the program.

The Province is also investing in the deployment of charging at work, in multi-unit residential buildings, downtowns and town centers. This will be done through the Electric Vehicle Chargers Ontario (EVCO) program. The province has allocated a total of \$80M to the EVCO program.<sup>5</sup> The first phase included \$20M in funding and will result in the installation of approximately 300 additional Level 2 chargers and 200 additional Level 3 chargers in Ontario. This will bring the total number of Level 2

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<sup>4</sup> Natural Resources Canada - <https://www.nrcan.gc.ca/energy/funding/icg/19392>

<sup>5</sup> Electric Vehicle Chargers Ontario Program (EVCO) - <http://www.mto.gov.on.ca/english/vehicles/electric/electric-vehicle-chargers-ontario.shtml>



chargers to approximately 750 and Level 3 chargers to a total of 205 in Ontario. It is expected that Phase 2 of the EVCO will be rolled out before the end of 2017 and will have \$22M of funding which will target multi-unit dwellings and workplaces. London Hydro is awaiting the release of this program.

### **2.4.3 Regulation Influences**

#### **2.4.3.1 Electricity Pricing Pilots in Ontario**

On August 24<sup>th</sup>, 2017 the OEB issued a web posting that outlined their Approved Prices and Structures for Electricity Pricing Pilots under Board File No.: EB-2016-0201. The intent of the pricing pilots is to test alternative pricing structures with a goal to better respond to policy objectives, improve system efficiency and give greater customer control. The resultant prices are intended to be revenue neutral to the existing Regulated Plan Prices based on a robust sample of Ontario residential electricity time-of-use consumption data. Six pilot price plans were approved by the OEB. One of the price plans submitted by a distributor had a “Low Overnight” theme. It created an additional low-priced overnight rate between midnight and 6am. It had a slightly lower mid-peak price with an increased on-peak price. The most interesting portion of the proposed rate is the price of 2 cents between midnight and 6am. This price provides an EV owner with a tremendous incentive to charge their EV at the low rate when the system demand is lowest. This approach allows market pricing to act as the control (without additional administration, controls or hardware) and shift EV charging load to a time when the grid has the lightest loading. The OEB document (including price schedule) is provided in Appendix A.

#### **2.4.3.2 Ontario Energy Board (OEB) Position on LDC Ownership of EV Chargers**

On July 7, 2016 the OEB released a bulletin which concluded that EV chargers are not part of the distribution grid and therefore a distributors license is not required to own EV chargers. They concluded that owning and operating EV charging stations is an

inherently competitive activity. However, section 71 (2) of the OEB Act provides an exemption that states, in part, that a distributor may provide services that would assist the Government of Ontario in achieving its goals in electricity conservation, among others, services related to “the promotion of electricity conservation and the efficient use of electricity” and “electricity load management”. The OEB has stated that the participation of distributors in owning and operating EV charging facilities stations may help facilitate electricity load management and the efficient use of electricity. In the OEB staff’s view, it then follows that licensed electricity distributors are not precluded from owning and operating EV charging stations so long as the equipment provides for the management of load in keeping with the Government’s goals for electricity conservation<sup>6</sup>. On June 5, 2017, London Hydro further inquired to OEB staff as to whether or not an LDC is permitted to include the associated capital and operating costs of EV chargers in the distribution rate base. The OEB staff could not say what projects would or would not be approved for inclusion in rate base applications. The OEB replied as follows: “Distributors may apply to the Board for funding through distribution rates to pursue various activities such as CDM programs, demand response programs, energy storage programs and programs reducing distribution losses for the purpose of deferring the capital investment for specific distribution infrastructure. Any such application must include a consideration of the projected effects to the distribution system on a long-term basis.”

#### 2.4.3.3 EDA View on EV Chargers

The Electrical Distributors Associations (EDA) has requested that OEB allow EV chargers to become part of the rate base in order to encourage the deployment of EV charging infrastructure in Ontario, similar to the regulators reversal of their decision that

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<sup>6</sup> Bulletin OEB “Electric Vehicle Charging, July 7, 2016

[https://www.oeb.ca/oeb/\\_Documents/Documents/OEB\\_Bulletin\\_EV\\_Charging\\_20160707.pdf](https://www.oeb.ca/oeb/_Documents/Documents/OEB_Bulletin_EV_Charging_20160707.pdf)

occurred in California where utilities were eventually allowed to put chargers in their rate base.<sup>7</sup>

#### 2.4.3.4 Conservation and Demand Management (CDM) Programs

The most recent goals of the provincial CDM programs have focused on energy conservation rather than demand management. This currently limits the options to leverage CDM related programs to reduce the demand associated with EVs during peak periods. While energy conservation is important, it is not a factor that can be leveraged with respect to a reduction of EV demand during peak times. It is the demand that has the greatest impact on a utility's assets.

#### 2.4.3.5 Building Code Changes

A new requirement has been approved for all new homes, detached, semi-detached and row houses containing no more than two dwelling units served with garages, carports or driveways to be constructed with a 200A panel, a conduit not less than 27mm and a square 4" 11/16" outlet box for charging vehicles starting in January, 2018. Home charging is the most common place for charging.

In 2018, the Province intends to require all new commercial office buildings and appropriate workplaces to have charging infrastructure (second most common place for charging). This is critical for those living in multi-residential buildings who don't have access to charging stations or 120V plugs. All new workplaces must have 20% of parking spaces with chargers and the remaining spaces shall be equipped with provisions that will permit the installation of chargers.

London Hydro should continue to monitor available government funding to assist London businesses in the installation of EV chargers.

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<sup>7</sup> EDA Submission Paper - Ministry of Transportation (MTO) Discussion Paper on Electric Vehicle Incentive Initiatives under the Climate Change Action Plan dated November 14, 2016

#### 2.4.3.6 LDC Distribution rate changes for Residential (fixed only vs fixed and variable)

Ontario is moving to a fixed only distribution rate over a four year period starting in 2016. Therefore in 2019 LDC distribution revenue will no longer be dependent on the volume of electricity consumed. The distribution revenue will be based on a fixed charge only versus a fixed and volumetric charge. The volumetric component of the charge will be removed completely from energy bills by 2019. Once the volumetric component of the revenue is eliminated there will be no financial benefit to the LDC due to increased energy use.

#### 2.4.3.7 Smart Charging Capabilities

It has been identified that a clustering of 6.6 kW enabled electric vehicles could trigger the upgrade of some of the components of London Hydro's grid. In an effort to avoid the need for upgrades it is desirable to reduce the on-peak demand by shifting the load to low peak periods. This maximizes the use of all components in the power grid.

The shifting of load can be achieved by controlling the smart EV charger or by setting the EV charging schedule by using on-board controls within the vehicle.

In situations where the customer does not shift load from on-peak to off-peak, London Hydro must continue to diligently monitor the performance of its grid and upgrade components when warranted.

#### Controlling of the Smart EV chargers

The OEB has stated that the participation of distributors in owning and operating EV charging facilities stations may help facilitate electricity load management and the efficient use of electricity. In order to shift load using the EV charger the EV owner must have a smart charger with programmable capabilities. Smart chargers are more expensive than non-smart chargers. It has been found that EV owners are reluctant to

pay more for a smart charger which will be controlled by a distributor unless there is some form of incentive which outweighs the increased cost and loss of control.

Some distributor's affiliates have entered into agreements with charger manufacturers in order to offer a discounted purchase price for smart chargers to EV owners. This is done in exchange for control of the device by the distributor. However, there has been limited uptake by the EV owner community as there is no ongoing incentive in exchange for the loss of charging control. In fact, there is an incremental monthly fee of \$11.00 for 5 years from the distributor's affiliate to the EV owner to cover the costs of the program. This monthly fee represents an increase of 33% to a typical EV owner's operating costs. In the example of Burlington Hydro, there were only 10 customers out of the 66,000 served that have participated in the program to date. It is cheaper for the EV owner to buy a non-smart charger and charge off-peak by using other means to control charging times.

#### EV on-board Charge Scheduling

EVs come equipped with built in functionality that allows the owner to schedule when the EV will accept a charge. The EV owner can use this functionality to program the EV to charge at the most cost effective time similar to the settings on a smart thermostat in the home. This built in functionality helps to reduce the need for a smart charger for a residential EV owner in a single family dwelling. It is unknown if the majority of EV owners are aware of how to effectively use this feature in their EV.

## **2.5 Summary of Opportunities and Recommendations**

### **2.5.1 On-Bill Financing**

On-bill financing would offer customers with another avenue to pursue financing to purchase EV chargers through a trusted source. The concept of on-bill financing does come with some challenges as mentioned in section 2.4.1. This path requires further research in order to determine its value.

### **2.5.2 Government Incentives**

Most of the activity surrounding the installation of Level 2 or higher EV chargers has been as a result of provincial or federal based grants and incentives. Many of the NRCAN funding has been secured by private entities with distributors playing a partnering role.

London Hydro must continue to monitor the funding available and align itself with partners in an effort to leverage the funding for the betterment of its customer base. London Hydro has demonstrated this by actively applying for EVCO funding in 2016 with a consortium of utilities. London Hydro is currently in discussions with the City of London and AddEnergie on finding ways to leverage NRCAN funding to install curb side charging in downtown London.

In order to further facilitate the installation of public charging, London Hydro should consider making capital contributions towards infrastructure upgrades associated with the connection of chargers on public property. This will also have a positive impact on London Hydro's rate base and branding. The capital contribution will be partially or wholly offset by the fixed and variable distribution revenue associated with the connection and can be branded as a "greening" effort for London Hydro. In exchange for the contribution London Hydro will require that it has access to the charging load data in order to keep informed on usage patterns.

### **2.5.3 Electric Pricing Pilots**

The OEB's Low Overnight pricing pilot has tremendous potential as discussed in section 2.4.3.1. London Hydro should monitor the outcome of this pilot and if it is successful, seek out opportunities to implement a similar price structure in London. It would be ideal to be able to offer various electricity price options to London Hydro customers. This price structure could provide savings to EV owners and a reduction to the peak demand on the system.

#### **2.5.4 LDC Ownership of EV Chargers for Smart Charging**

Presently we are not aware of any instances where the OEB has approved an LDC to include the capital and operating costs of a smart charger into their rate base. The OEB has not eliminated the option but has stated that EV chargers are not part of the distribution grid and therefore, it is not required that they be installed by an LDC. The EDA is lobbying the OEB to allow LDCs to include EV chargers in the rate base. If they were successful, London Hydro should undertake a study to search out the best locations for the installation of chargers.

If there was an incentive to reduce demands on the grid, London Hydro would be able to create a smart EV charger rental/lease program that had favourable rates in exchange for control. Unfortunately this structure does not exist and there is no demand management program in the London area.

#### **2.5.5 Education Regarding EV On-Board Charging Controls**

As discussed in Section 2.4.3.7, many of the new EV have on-board scheduling capabilities for charging. In discussions with local dealerships in London Ontario, very few sales staff are aware of this function and as a result the purchasers of the vehicle are often unaware also. It is recommended that London Hydro work with the London area EV dealers to develop an information pamphlet to educate perspective EV owners on how to use this functionality and its benefits. The benefits include cost savings, environmental savings and less stress on the electricity grid.

# Appendix A – Approved Prices and Structures for Electricity Pricing Pilots

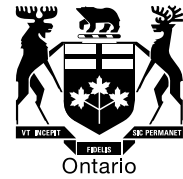
## Board File No.:EB-2016-0201

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**BY WEB POSTING**

August 24, 2017

**To: All Interested Parties**

**Re: Approved Prices and Structures for Electricity Pricing Pilots  
Board File No.: EB-2016-0201**

---

On November 16, 2015, the Ontario Energy Board (OEB) issued its [Regulated Price Plan Roadmap](#) setting out a multi-year plan to redesign the RPP to better respond to policy objectives, improve system efficiency and give greater customer control. A key element of the Roadmap is the implementation of electricity pricing pilots to test alternative pricing structures. The OEB invited electricity distributors to participate in the development and implementation of priority price pilots, in accordance with the [Guidelines for Pilot Projects on RPP Pricing](#) issued on July 18, 2016.

As stated in the Guidelines, the OEB has responsibility for approving the structure of each pilot as well as the electricity prices used in each pilot. The OEB has now approved the structure and prices for six pilot price plans as set out in Appendix A.

These price plans are based on the priority pilots described in the OEB's Guidelines with, in some cases, modifications that have been proposed by distributors in their applications. The "Low Overnight" pilot, not specifically described in the Guidelines, was proposed in an application from a distributor and has been approved by the OEB.

### **Price-Setting Methodology**

For each pilot price plan that has been approved, the prices have been calculated so as to recover the same revenue as would be expected to be recovered from the RPP time-of-use (TOU) and tiered prices that have been in effect since July 1, 2017 as set out in the OEB's report on [Regulated Price Plan Prices and the Global Adjustment Modifier for the Period July 1, 2017 to April 30, 2018](#). In this way, each pilot price plan has been designed so as to be revenue neutral relative to the existing RPP prices if the pilot were to be implemented throughout Ontario, based on a robust sample of Ontario residential electricity time-of-use consumption data.

**Critical Peak Pricing Structures**

Several of the approved pilot price plans incorporate irregularly scheduled Critical Peak Price (CPP) events during which a pilot participant's electricity price increases in response to periods of high electricity demand in Ontario. For the purposes of setting the prices for the pilot programs, CPP events need to be defined in advance in order to estimate the expected volume of energy consumption to which these prices will be subject.

In the interest of testing consumer response in different months throughout the year, the OEB has determined that a set number of CPP events will be triggered on the highest demand days in each month that typically experiences high demand, with the exception of the Variable Peak Pricing with CPP pilot plan. That pilot plan is the continuation of Alectra Utilities' existing Advantage Power Pricing plan which triggers 6 CPP events on the highest demand days in both the summer and the winter in whichever month the highest demand days occur in each season respectively. For the purposes of continuity, this structure of triggering 6 CPP events in summer and winter, as opposed to triggering a specific number of events in each month, has been preserved in the Variable Peak Pricing pilot plan as defined in Appendix A.

For most approved pilot plans that incorporate CPP, customers will be notified in advance of a CPP event to provide them the ability to respond to the period of high electricity prices. In the case of the Quick-Ramping CPP pilot plan, participating customers will be equipped with load control devices that can respond automatically to CPP events without the need for direct customer intervention. As such, Quick-Ramping CPP events occur more frequently and over shorter periods of time under this plan relative to the other price plans that incorporate CPP as described in Appendix A.

**Applicability**

While the OEB will continue to consider different pilot project plans proposed by applicants, any pilot applicant proposing the use of one of the six defined structures set out in Appendix A would be expected to also use the prices for the applicable structure as set out in Appendix A.

The OEB will update these pilot project prices whenever it resets RPP prices so as to ensure reasonable alignment between pilot prices and RPP prices as described under the heading "Price-Setting Methodology" above. The current RPP prices are expected to be in place until April 30, 2018.

Sincerely,

*Original signed by*

Kirsten Walli  
Board Secretary

## Appendix A

### Approved Pilot Structures and Prices

The structure of the six pilot price plans and associated prices that have been approved by the OEB are set out below. Note that, for the sake of brevity, the term “weekdays” refers only to weekdays that are not holidays<sup>1</sup> and the term “weekends” refers to weekends and holidays.

#### A. Enhanced Time-of-Use

- Increases the on- to off-peak price differential from 2:1 (status quo) to 4:1
- Increases the mid- to off-peak price differential from 1.5:1 to 3:1

Price Period	Summer Hours (May through Oct)	Winter Hours (Nov through April)	Price (¢/kWh)
<b>Off-Peak</b>	Weekdays: 12am-7am and 7pm – 12am Weekends: All day	Weekdays: 12am-7am and 7pm – 12am Weekends: All day	4.4
<b>Mid-Peak</b>	Weekdays: 7am – 11am and 5pm – 7pm	Weekdays: 11am – 5pm	13.2
<b>On-Peak</b>	Weekdays: 11am – 5pm	Weekdays: 7am – 11am and 5pm – 7pm	17.6

#### B. Low Overnight

- Creates a low-priced overnight rate between midnight and 6am
- Slightly lowered mid-peak rate and increased on-peak rate

Price Period	Summer Hours (May through Oct)	Winter Hours (Nov through April)	Price (¢/kWh)
<b>Overnight Off-Peak</b>	12am to 6am	12am to 6am	2.0
<b>Off-Peak</b>	Weekdays: 6am – 7am and 7pm – 12am Weekends: 6am – 12am	Weekdays: 6am – 7am and 7pm – 12am Weekends: 6am – 12am	6.5
<b>Mid-Peak</b>	Weekdays: 7am – 11am and 5pm – 7pm	Weekdays: 11am – 5pm	9.2
<b>On-Peak</b>	Weekdays: 11am – 5pm	Weekdays: 7am – 11am and 5pm – 7pm	18.4

<sup>1</sup> Days that are considered holidays for pilot pricing purposes are the same as those that are considered holidays for the purposes of the application of RPP time-of-use prices; namely: New Year's Day, Family Day, Good Friday, Christmas Day, Boxing Day, Victoria Day, Canada Day, Civic Holiday, Labour Day, and Thanksgiving Day. When any such holiday falls on a weekend (Saturday or Sunday), the next weekday following (that is not also a holiday) is to be treated as the holiday.

**C. Variable Peak Pricing with CPP**

- Price periods are the same throughout the year (no difference between summer and winter)
- Removal of mid-peak price period
- On-peak price period occurs later in the day
- On-peak prices vary depending on system demand
- 12 CPP events throughout the year

Price Period	Hours	Price (¢/kWh)
<b>Off-Peak</b>	Weekdays: 12am-3pm and 9pm-12am Weekends: all day	4.9
<b>Low On-Peak</b>	50% of Weekdays: 3pm-9pm	10.0
<b>Medium On-Peak</b>	30% of Weekdays: 3pm-9pm	19.9
<b>High On-Peak</b>	20% of Weekdays: 3pm-9pm	39.8
<b>Critical Peak Price</b>	On the top six system peak days in summer and winter, each event lasting four hours. Start time of events determined by peak demand hour of event day.	49.8

**D. Quick-Ramping CPP**

- Discounted off-peak rate
- 48 Quick-Ramping CPP events
- Participants equipped with load control devices to respond to Quick-Ramping CPP events

Price Period	Summer Hours (May through Oct)	Winter Hours (Nov through April)	Price (¢/kWh)
<b>Off-Peak</b>	Weekdays: 12am-7am, 7pm – 12am Weekends: All day	Weekdays: 12am-7am, 7pm – 12am Weekends: All day	5.5
<b>Mid-Peak</b>	Weekdays: 7am – 11am and 5pm – 7pm	Weekdays: 11am – 5pm	9.5
<b>On-Peak</b>	Weekdays: 11am – 5pm	Weekdays: 7am – 11am and 5pm – 7pm	13.2

<b>Quick-Ramping Critical Peak Price</b>	On the top eight system peak days in July and August, and the top four system peak days in June and September: two highest consecutive demand hours between 4pm-8pm	On the top eight system peak days in January and February, and the top four system peak days in December and March: two highest consecutive demand hours between 4pm-8pm	49.9
--	---	--	------

### E. Seasonal Time-of-Use with CPP

- Removal of mid-peak price period
- Discounted off-peak rate
- Introduction of a flat rate in the shoulder months of September-November and March-May

Price Period	Summer Hours (June through Aug)	Winter Hours (Dec through Feb)	Shoulder Hours (Sept through Nov, Mar through May)	Price (¢/kWh)
<b>Off-Peak</b>	Weekdays: 12am-7am, 7pm – 12am Weekends: All day	Weekdays: 12am-7am, 7pm – 12am Weekends: All day	N/A	5.3
<b>On-Peak</b>	Weekdays: 7am – 7pm	Weekdays: 7am – 7pm	N/A	13.2
<b>Shoulder</b>	N/A	N/A	All hours	7.9
<b>Critical Peak Price</b>	On the top four system peak days in July and August, and the top two system peak days in June: 4pm-8pm	On the top four system peak days in January and February, and the top two system peak days in December: 4pm-8pm	N/A	26.4

### F. Super-Peak Time-of-Use

- Removal of mid-peak price period
- Introduction of a Super-Peak period on summer weekday afternoons

Price Period	Summer Hours (June through Aug)	Winter Hours (Sept through May)	Price (¢/kWh)
<b>Off-Peak</b>	Weekdays: 12am-7am, 7pm – 12am Weekends: All day	Weekdays: 12am-7am, 7pm – 12am Weekends: All day	6.3
<b>On-Peak</b>	Weekdays: 7am – 1pm	Weekdays: 7am-7pm	9.5
<b>Super-Peak</b>	Weekdays: 1pm-7pm	N/A	25.3

## Appendix 3

1-SEC-1 Attachment 1 1\_2021 BOD Report

# **The MEARIE Group**

## **2021 Survey on Board of Director Compensation for Local Distribution Companies**

### **SURVEY REPORT**

**September 2021**

**SURVEY ADMINISTRATOR: KORN FERRY (CA) LTD.**



# **The MEARIE Group**

## **2021 Survey on Board of Director Compensation for Local Distribution Companies**



### **Contents**

<b>I.</b>	<b>Introduction .....</b>	<b>3</b>
<b>II.</b>	<b>Survey Overview .....</b>	<b>5</b>
<b>III.</b>	<b>Board of Director Metrics .....</b>	<b>9</b>
<b>IV.</b>	<b>Board compensation .....</b>	<b>19</b>

### **Appendix**

<b>A.</b>	<b>Survey Methodology.....</b>	<b>36</b>
<b>B.</b>	<b>Definitions – compensation elements.....</b>	<b>37</b>
<b>C.</b>	<b>Regions.....</b>	<b>38</b>





# The MEARIE Group

## 2021 Survey on Board of Director Compensation for Local Distribution Companies



### I. Introduction

The MEARIE Group is pleased to present this report of the 2021 Board of Directors Survey of Local Distribution Companies (LDCs).

In today's competitive talent market, LDCs are challenged with attracting Board Members that will contribute to the oversight, support and guidance of the leadership team. The MEARIE Group established the **Survey on Board of Director Compensation** to assist LDCs in understanding the competitive landscape and to support your efforts to develop pay practices that attract, motivate and retain high quality, high performing Board Members.

Last offered in 2019, this biennial survey was updated in 2021 through the combined efforts of The MEARIE Group and Korn Ferry (CA) Ltd. (KF), to ensure that the Survey continues to meet the evolving needs of member LDCs.

The Survey is enhanced through our partnership with KF, a globally renowned compensation consulting firm. Drawing on their expertise and experience in developing and managing corporate director surveys across all sectors of the economy and in numerous countries around the world, the 2021 survey includes:

- Analysis by LDC groupings, mirroring the Management Salary
- Additional information regarding governance of non-regulated revenue companies where they have been formed
- Analysis on Board policies and practices
- Survey reporting regarding compensation information

The survey for 2021 includes one presentation document and Excel data tables in different formats as follows:

- Survey Report containing a complete analysis of Board policies and practices, overview of survey methodology and participants and a summary of compensation data in PDF format
- LDC Board Survey compensation data tables segmented by all organizations and various other groupings in Excel format for easy data export and analysis

In addition, we would like to thank you for your participation. As a result of the strong response, we are able to provide you with an informative and detailed survey that will help you in support of your organization's Board compensation programs.



# The MEARIE Group

## 2021 Survey on Board of Director Compensation for Local Distribution Companies



### Confidentiality Policy

**The MEARIE Group recognizes the importance of maintaining the security of your information and has developed the following policy that applies to all participants (and their delegates) in the Board of Director Compensation Survey (a “Survey”), as well as Korn Ferry (CA) Ltd. (survey administrators) and The MEARIE Group.**

An individual LDC (and/or parent company) will provide its authorization for the sharing of information identified as being information of that LDC by completing the Survey Data Submission for a Survey. This will result in the LDC's data being identified by name in the listing of participants. This enables participants to be aware of the names of the other participants in the Survey to determine the relevance of Survey data cuts (e.g. by geography or size).

All of the information obtained through this Survey will be treated with the utmost confidentiality. Data will be reported on an aggregate basis only, and in a way that will ensure individual participant data cannot be identified/attribution. Standards for minimum number of data will be strictly enforced to ensure confidentiality. Neither Korn Ferry nor MEARIE Group will release or disclose to any other person whatsoever any information pertaining to any individual LDC participant.

Survey results will be reported only to those LDCs who participate in the Survey and provide comprehensive data. Comprehensive participation means that each LDC is expected to match as many of the Survey benchmark positions as they are able, and provide data for all incumbents of matched positions. **All participants must consider this information as strictly confidential.**

The results of a Survey will not be disclosed/sold to or shared with organizations that have not participated in that Survey, whether by The MEARIE Group or Korn Ferry or Survey participants. **Participants may not share the Survey reports/results with non-participant LDCs or any entity under any circumstances.**

The data collected for a Survey may also be included in the KF's Canadian compensation databases. Information in the KF database is maintained with the highest standards of confidentiality; as mentioned, analysis and reporting of data is on an aggregate basis only, and in such a way as to ensure that individual participant data cannot be identified or attributed. Should you have any questions or for further information, please contact Kim Stewart, Principal at Korn Ferry at 416-342-5186 or [Kim.Stewart@kornferry.com](mailto:Kim.Stewart@kornferry.com).

**The obligations of confidentiality set out in this policy are subject to the requirements of applicable law** and LDCs may disclose the results of the Survey to any regulatory body (or other person) if compelled by law to do so. If an LDC is compelled by law to make such a disclosure, it will give The MEARIE Group as much notice in advance as possible of the disclosure and the reasons the disclosure is legally required.

**The MEARIE Group will not be liable for breaches by participating LDCs (and/or parent company) or Korn Ferry of this confidentiality policy.**



# **The MEARIE Group**

## **2021 Survey on Board of Director Compensation for Local Distribution Companies**



## **II. Survey Overview**

The Board of Directors survey covers the following key topics:

### **1. Organization Profile**

A brief overview of the participating organizations

### **2. Board Design**

Board Metrics

- Number of members
- Frequency of meetings
- Number of committees

Board Terms

### **3. Compensation**

Board Compensation

Annual Retainers

Meeting Fees

Committee Fees

Additional Expenses: Mileage, Hotel, Airfare and Education / Training



# The MEARIE Group

## 2021 Survey on Board of Director Compensation for Local Distribution Companies



### 4. Participants

All organizations in the LDC sector in Ontario were invited to participate in the Survey on Board of Director Compensation. The following thirty-three (33) organizations submitted data:

- Alectra Utilities
- Bluewater Power Distribution
- Burlington Enterprises Corporation
- E.L.K. Energy Inc.
- Energy+ Inc.
- Entegrus Inc.
- ENWIN Utilities Ltd.
- Essex Powerlines Corp
- Festival Hydro Inc
- Fort Frances Power Corporation
- Greater Sudbury Utilities
- GRIMSBY POWER INC
- Halton Hills Hydro
- InnPower Corporation
- Kingston Hydro
- Kitchener-Wimot Hydro Inc.
- Lakefront Utility Services Inc
- Lakeland Power Distribution Ltd.
- London Hydro Inc.
- Milton Hydro Distribution
- Newmarket-Tay Power Distribution LTD
- Niagara Peninsula Energy Inc.
- North Bay Hydro Distribution Limited
- Northern Ontario Wires Inc.
- Orangeville Hydro Limited
- Oshawa Power
- Ottawa River Power Corporation
- Sioux Lookout Hydro Inc.
- SYNERGY NORTH
- Wasaga Distribution Inc.
- Waterloo North Hydro Inc.
- Welland Hydro-Electric System Corp.
- Westario Power Inc.

Due to the changes in the participant mix, data values in the report may fluctuate from one year to another. Therefore, participants are reminded of these factors when comparing data of 2021 over 2019.

Additionally, we have adjusted the “revenue” groupings from 2019 to 2021 to account for the differing distributions. These groupings are consistent with the revenue groupings in the 2021 Management Salary Survey (“MSS”) compensation data tables.



# The MEARIE Group

## 2021 Survey on Board of Director Compensation for Local Distribution Companies



### 5. Market Statistics

Where possible, statistics have been provided for all information as follows.

Where there is insufficient data to report, this has been indicated with an asterisk (\*) in all data tables.

	Definition	Reporting requirement (# of observations necessary to report)
<b>P75</b>	75th percentile  If all observations were sorted and listed from highest/largest to lowest/smallest, 25% of the observations would fall above this value and 75% would fall below	<b>7</b>
<b>P50</b>	50th percentile, also referred to as “median”  If all observations were sorted and listed from highest/largest to lowest/smallest, 50% of the observations would fall above this value and 50% would fall below	<b>4</b>
<b>P25</b>	25th percentile  If all observations were sorted and listed from highest/largest to lowest/smallest, 75% of the observations would fall above this value and 25% would fall below	<b>7</b>
<b>Average</b>	The arithmetic mean of all values, calculated by adding up all of the values and dividing by the number of observations.	<b>3</b>
<b>Typical</b>	The arithmetic mode of all values; the most common value.	<b>3</b>



# The MEARIE Group

## 2021 Survey on Board of Director Compensation for Local Distribution Companies



### 6. Participant Group Profile

All participants provided information regarding their organizational profile. The statistical summary of the organizations are as follows:

#### Organization Metrics

Statistic	P25	P50	P75	Average
Annual Operating Budget (\$ millions – excluding the cost of power)	6.1	11.0	23.0	25.9
Annual Operating Budget (\$ millions – including the cost of power)	38.8	84.0	160.5	183.7
Number of Employees (full time equivalent)	24	52	122	111
Number of Customers	12,593	24,559	58,016	68,549
Gross Revenue (\$ millions – excluding the cost of power)	31.9	62.8	163.4	225.7
Regulated Gross Revenue <sup>1</sup>	97%	99%	100%	97%
Unregulated Gross Revenue <sup>1</sup>	0%	1%	3%	3%

<sup>1</sup> Revenue split where company reported is LDC primarily and unregulated revenue is not reported / is reported by sister company; ultimately this under-represents the valuation of unregulated revenues earned overall due to reporting structure.



# The MEARIE Group

## 2021 Survey on Board of Director Compensation for Local Distribution Companies



### III. Board of Director Metrics

#### 1. Board composition & metrics

All organizations provided information regarding the number of total Board members, as well as the number of independent Board members.

For survey purposes, the following definition was provided as part of the survey package:

- Inside Director - a Board member who is an employee, officer or stakeholder in the organization.
- Independent (Outside) Director - a Board member who is not an employee or stakeholder of the organization and is typically compensated using an annual retainer.

Organizations were also asked to provide the number of Committees. Data is presented below for all organizations, and segments of the data follow.

#### Board composition summary

#### All organizations

Statistic	P25	P50	P75	Average	Typical
Total Number of Board Members	6.0	7.0	8.0	7.4	5.0 & 8.0
Number of Independent Board Members	3.0	4.0	6.0	4.4	4.0
Number of Female Board Members <sup>1</sup>	1.0	2.0	2.0	1.8	2.0
Number of Committees	2.0	2.0	3.0	2.5	2.0

<sup>1</sup> Only two companies have policies on female board representation



# The MEARIE Group

## 2021 Survey on Board of Director Compensation for Local Distribution Companies



### TOTAL NUMBER OF BOARD MEMBERS: Market Segments

Statistic	P25	P50	P75	Average	Typical
Number of Employees (FTE Equivalent)					
FTE <21	5.0	7.0	7.5	6.6	5.0
FTE 21 – 50	5.0	6.0	7.0	6.2	5.0
FTE 51 – 100	6.8	7.0	8.0	7.3	7.0
FTE 101 – 200	8.0	8.0	9.5	9.1	8.0
FTE 201+	*	*	*	*	*
Number of Customers					
Up to 20,000	5.0	7.0	7.5	6.5	5.0
20,001 to 40,000	5.0	6.0	8.0	6.6	5.0
40,001 to 100,000	7.3	8.0	8.8	8.4	8.0
100,000+	*	*	*	10.3	*
Revenue (excluding the cost of power)					
Up to \$9.9 Million	5.0	6.0	7.0	6.2	5.0
\$10 – \$19.9 Million	6.0	8.0	8.5	7.5	8.0
\$20 Million +	7.0	8.0	10.0	9.1	7.0
Region					
1	6.0	7.0	8.5	7.9	5.0
2	5.0	7.0	7.0	6.3	5.0
3	7.0	8.0	9.0	7.8	8.0

\* Unavailable or insufficient data





# The MEARIE Group

## 2021 Survey on Board of Director Compensation for Local Distribution Companies



### TOTAL NUMBER OF INDEPENDENT BOARD MEMBERS: Market Segments

Statistic	P25	P50	P75	Average	Typical
Number of Employees (FTE Equivalent)					
FTE <21	3.5	4.0	4.5	4.0	4.0
FTE 21 – 50	2.0	3.0	4.0	3.3	2.0
FTE 51 – 100	3.0	4.0	5.3	4.4	4.0
FTE 101 – 200	4.5	6.0	6.0	5.3	6.0
FTE 201+	*	*	*	*	*
Number of Customers					
Up to 20,000	3.0	4.0	4.0	3.6	4.0
20,001 to 40,000	2.0	4.0	4.0	3.4	4.0
40,001 to 100,000	4.3	5.5	6.0	5.3	6.0
100,000+	*	*	*	7.0	*
Revenue (excluding the cost of power)					
Up to \$9.9 Million	3.0	4.0	4.0	3.5	4.0
\$10 – \$19.9 Million	3.0	5.0	5.5	4.5	5.0
\$20 Million +	4.0	6.0	6.0	5.4	6.0
Region					
1	3.0	4.0	6.0	4.5	2.0
2	3.0	4.0	5.0	3.9	3.0
3	4.0	4.0	6.0	4.8	4.0

\* Unavailable or insufficient data



# The MEARIE Group

## 2021 Survey on Board of Director Compensation for Local Distribution Companies



### TOTAL NUMBER OF COMMITTEES: Market Segments

Statistic	P25	P50	P75	Average	Typical
Number of Employees (FTE Equivalent)					
FTE <21	*	2.0	*	2.3	2.0
FTE 21 – 50	2.0	2.0	3.5	3.0	2.0
FTE 51 – 100	2.0	3.0	3.0	2.9	2.0
FTE 101 – 200	2.5	3.0	3.5	3.3	3.0
FTE 201+	*	*	*	*	*
Number of Customers					
Up to 20,000	2.0	2.0	4.3	3.0	2.0
20,001 to 40,000	2.0	2.0	3.0	2.7	2.0
40,001 to 100,000	2.0	3.0	3.0	3.0	2.0
100,000+	*	*	*	3.7	4.0
Revenue (excluding the cost of power)					
Up to \$9.9 Million	2.0	2.0	3.5	2.8	2.0
\$10 – \$19.9 Million	2.0	3.0	3.0	2.9	2.0
\$20 Million +	3.0	3.0	4.0	3.3	3.0
Region					
1	3.0	3.0	4.0	3.2	2.0
2	2.0	2.0	*	3.0	2.0

\* Unavailable or insufficient data



## The MEARIE Group

### 2021 Survey on Board of Director Compensation for Local Distribution Companies



#### 2. Full board meeting frequency

The frequency of full Board meetings by various market segments is presented in the table below.

Generally, the larger the organization, the more likely they are to have Committees and therefore require less full Board meetings.

##### FULL BOARD MEETING – Frequency (N = 30)

	P25	P50	P75	Average	Typical
All Organizations	5.8	6.5	10.0	7.8	5.0



# The MEARIE Group

## 2021 Survey on Board of Director Compensation for Local Distribution Companies



### 2. Full board meeting frequency

#### FREQUENCY OF FULL BOARD MEETING - Market Segments

Statistic	P25	P50	P75	Average	Typical
Number of Employees (FTE Equivalent)					
FTE <21	*	12.5	*	12.0	13.0
FTE 21 – 50	5.0	6.0	8.0	6.7	6.0
FTE 51 – 100	6.5	7.0	7.0	6.7	7.0
FTE 101 – 200	*	5.5	*	6.5	5.0
FTE 201+	*	*	*	*	*
Number of Customers					
Up to 20,000	8.0	10.0	12.8	10.4	6.0
20,001 to 40,000	5.0	6.0	7.0	6.1	5.0
40,001 to 100,000	5.8	6.0	7.0	6.8	6.0
100,000+	*	*	*	7.3	*
Revenue (excluding the cost of power)					
Up to \$9.9 Million	6.8	10.0	12.3	9.9	6.0
\$10 – \$19.9 Million	5.0	6.0	6.5	5.8	5.0
\$20 Million +	5.5	6.0	9.0	7.4	5.0
Region					
1	6.0	7.0	9.5	8.3	6.0
2	6.0	7.0	10.0	8.2	6.0
3	5.0	5.0	7.0	6.4	5.0

\* Unavailable or insufficient data



## The MEARIE Group

### 2021 Survey on Board of Director Compensation for Local Distribution Companies



#### 3. Number of committees

The majority of local distribution companies have a full Board and up to four (4) committees (29 of 33, or 88%).

The following table details the number of Committees.

NUMBER OF COMMITTEES		All organizations
Number of Committees	Number of Organizations	
0	5	
1	1	
2	12	
3	7	
4	4	
5	2	
6	2	



# The MEARIE Group

## 2021 Survey on Board of Director Compensation for Local Distribution Companies



### 4. Committees

The most common types of Committees are provided below, in addition to meeting frequency.

There are common blends of Committee type. For example, sixteen (16) organizations have an Audit Committee, three (3) have a Finance committee and ten (10) have a Finance and Audit committee.

Similarly, eleven (11) have a standalone governance committee (or governance and risk management), twelve (12) organizations have a blend of HR with Governance, Compensation and/or Nominating, thirteen (13) organizations have a dedicated HR / Compensation Committee and four (4) have a Nominations Committee.

Several organizations reported 'other' committee types – these include capital projects/development, special projects, executive search and M&A committees.

#### SUB COMMITTEES - Types

All organizations

Sub Committees		Number of Meetings				
Type	Prevalence	P25	P50	P75	Average	Typical
Audit	48%	2.0	4.0	4.0	3.2	4.0
Audit & Finance	30%	4.0	4.0	5.0	4.2	4.0
Finance	9%	1.0	2.0	3.0	2.0	*
Governance (or Governance & Risk)	33%	2.0	3.0	4.0	3.0	2.0
Governance / HR / Compensation / Nominating	36%	2.0	3.0	4.0	2.8	4.0
Health & Safety / Environment	9%	*	*	*	2.3	2.0
HR / Compensation	39%	1.0	2.0	4.0	2.4	4.0
Nominations	12%	*	*	*	*	*
Other	42%	0.0	2.5	4.0	2.3	0.0
Risk Management	3%	*	*	*	*	*

\* Unavailable or insufficient data



## The MEARIE Group

### 2021 Survey on Board of Director Compensation for Local Distribution Companies



#### 5. Term Limits

Organizations were asked if there is a term limit for Directors to serve on the Board. Fourteen (14) of thirty-three (33), or 42%, did state there is a term limit for Chair, and eighteen (18, or 55%) stated there is a term limit for Directors.

Organizations were asked for term limits for the Chair, Vice Chair and Director positions. Generally, term limits did not typically vary significantly for Chair or Vice Chair positions, though Directors may serve for longer terms or do not have the same limitations as the Chair position.

The market statistics for term limits by position on the Board by number of years, are provided below.

Number of Years	P25	P50	P75	Average	Typical
Board Chair (N=13 / 1 did not disclose)	2.5	3.0	9.0	5.2	3.0
Vice Chair (N = 9)	3.0	4.0	9.5	5.8	3.0
Director (N = 18)	3.0	4.0	9.0	5.4	3.0



# The MEARIE Group

## 2021 Survey on Board of Director Compensation for Local Distribution Companies



### 6. Sister Boards

Several local distribution companies are structured such that they report to a holding company, which in turn, has “sister companies.” These sister companies are often entirely dedicated to non-regulated revenue earnings. This has enabled the synergies of partnership that exist to continue, but to have a separate corporation which can report along its own structure and, maintain its own corporate culture. Nineteen (19) organizations reported a sister company.

The Board composition is provided below. Generally, a sister board is smaller than the local distribution company board with a higher proportion of independent board members. Very few sister Boards have committees.

#### SISTER BOARD – Composition Summary

N = 19

Statistic	P25	P50	P75	Average	Typical
Total Number of Board Members	3.0	5.0	6.0	4.9	5.0
Number of Independent Board Members	2.0	3.0	4.0	3.0	4.0
Number of Female Board Members	0.0	1.0	2.0	0.8	0.0
Number of Committees	0.0	0.0	2.0	1.3	0.0

#### FULL BOARD MEETING – Frequency

N = 15

	P25	P50	P75	Average	Typical
All Organizations	5.0	7.0	10.0	7.9	7.0





# The MEARIE Group

## 2021 Survey on Board of Director Compensation for Local Distribution Companies



### IV. Board compensation

#### 1. Type of compensation

Compensation practices vary within Boards, but the most common form of compensation is to pay an annual retainer for the Chair and Directors of the Board, as well as Vice Chair if the position exists. The majority will also pay a meeting fee.

Directors that serve as Committee Chairs receive additional compensation, typically in the form of an additional annual retainer.

#### 2. Chair compensation: Practices

Thirty-one (32) organizations provided compensation information for their Board Chair. All reporting organizations provide an annual retainer. Twenty-four (24) of the 32 organizations or 75% provide both an annual retainer and meeting fees.

#### 3. Vice chair / Lead Director compensation: Practices

Eighteen (18) organizations provided compensation information for Vice Chair roles. The majority provide an annual retainer and meeting fees (14 of 18, or 78%), one provides only retainers only and three organizations provided only meeting fee compensation.

#### 4. Director compensation: Practices

Thirty (31) organizations provided compensation information for their Director roles. All reporting organizations provide an annual retainer. Twenty-three (23) of the 31 organizations or 74% provide both an annual retainer and meeting fees.



# The MEARIE Group

## 2021 Survey on Board of Director Compensation for Local Distribution Companies



### 5. Board compensation

The market statistics for Board Compensation in terms of annual retainer, and meeting fees, are provided in the tables below. The most common, or typical, retainer amount is also provided with the number of organizations that provide that amount disclosed in the parentheses. Generally, typical amounts are a small sample and there is a wide variety of pay values for annual retainers.

For market segments, there are generally no typical amounts to report and thus the typical market statistic has been excluded from those tables.

#### FULL BOARD COMPENSATION

#### All Organizations

Board of Directors	Annual Retainer (\$)				
	P25	P50	P75	Average	Typical
Chair (n = 32) – asking Rachel	5,500	9,450	12,529	12,760	3,000 (n = 3)
Lead Director / Vice Chair (n = 15)	4,802	6,476	9,348	6,755	* (Less than 3)
Director (n = 31)	4,802	6,900	9,348	8,030	* (Less than 3)

\* Insufficient data to disclose

Board of Directors	Meeting Fees (\$)				
	P25	P50	P75	Average	Typical
Chair (n = 24)	235	303	444	355	300 (n = 4)
Lead Director / Vice Chair (n = 17)	225	300	475	369	300 (n = 3)
Director (n = 24)	250	300	488	397	300 (n = 4)



# The MEARIE Group

## 2021 Survey on Board of Director Compensation for Local Distribution Companies



### ANNUAL RETAINER – Chair Market Segments

Statistic	P25	P50	P75	Average	Typical
Number of Employees (FTE Equivalent)					
FTE <21	*	4,200	*	5,586	*
FTE 21 – 50	5,500	7,287	9,300	8,643	*
FTE 51 – 100	9,900	11,124	14,401	14,048	*
FTE 101 – 200	6,750	12,000	13,523	10,550	*
FTE 201+	*	*	*	*	*
Number of Customers					
Up to 20,000	3,600	8,247	10,011	8,335	*
20,001 to 40,000	5,250	6,000	9,600	7,400	3,000
40,001 to 100,000	8,125	12,000	13,784	13,505	12,000
100,000+	*	*	*	41,109	*
Revenue (excluding the cost of power)					
Up to \$9.9 Million	3,000	5,700	9,230	7,092	3,000
\$10 – \$19.9 Million	6,500	9,600	11,473	11,095	7,500
\$20 Million +	10,793	12,535	15,805	22,353	*
Region					
1	7,604	12,000	12,768	17,487	12,000
2	3,000	7,287	7,500	7,654	7,500
3	5,500	10,047	11,720	9,642	5,500

\* Unavailable or insufficient data



# The MEARIE Group

## 2021 Survey on Board of Director Compensation for Local Distribution Companies



### MEETING FEES - Chair Market Segments

Statistic	P25	P50	P75	Average	Typical
Number of Employees (FTE Equivalent)					
FTE <21	*	*	*	202	*
FTE 21 – 50	288	303	350	303	350
FTE 51 – 100	*	300	*	320	200
FTE 101 – 200	*	438	*	494	*
FTE 201+	*	*	*	*	*
Number of Customers					
Up to 20,000	*	230	*	196	*
20,001 to 40,000	300	350	350	404	350
40,001 to 100,000	200	363	463	359	200
100,000+	*	*	*	*	*
Revenue (excluding the cost of power)					
Up to \$9.9 Million	191	275	317	241	350
\$10 – \$19.9 Million	238	300	388	338	300
\$20 Million +	388	438	525	485	*
Region					
1	275	350	421	366	300
2	*	150	*	174	*
3	303	450	550	492	300

\* Unavailable or insufficient data



# The MEARIE Group

## 2021 Survey on Board of Director Compensation for Local Distribution Companies



### ANNUAL RETAINER - Vice Chair / Lead Director Market Segments

Statistic	P25	P50	P75	Average	Typical
Number of Employees (FTE Equivalent)					
FTE <21	*	*	*	*	*
FTE 21 – 50	*	6,294	*	6,464	*
FTE 51 – 100	*	8,424	*	7,336	*
FTE 101 – 200	*	*	*	8,626	*
FTE 201+	*	*	*	*	*
Number of Customers					
Up to 20,000	*	*	*	4,532	*
20,001 to 40,000	*	7,000	*	6,651	*
40,001 to 100,000	*	8,500	*	7,999	*
100,000+	*	*	*	*	*
Revenue (excluding the cost of power)					
Up to \$9.9 Million	*	3,651	*	4,024	2,500
\$10 – \$19.9 Million	*	8,000	*	7,205	*
\$20 Million +	*	8,424	*	8,200	*
Region					
1	*	9,348	*	7,269	*
2	*	6,000	*	5,419	*
3	*	8,000	*	7,576	*

\* Unavailable or insufficient data



# The MEARIE Group

## 2021 Survey on Board of Director Compensation for Local Distribution Companies



### MEETING FEES - Vice Chair / Lead Director Market Segments

Statistic	P25	P50	P75	Average	Typical
Number of Employees (FTE Equivalent)					
FTE <21	*	*	*	202	*
FTE 21 – 50	288	303	350	303	350
FTE 51 – 100	*	300	*	320	200
FTE 101 – 200	*	438	*	494	*
FTE 201+	*	*	*	*	*
Number of Customers					
Up to 20,000	*	230	*	196	*
20,001 to 40,000	300	350	350	404	350
40,001 to 100,000	200	363	463	359	200
100,000+	*	*	*	*	*
Revenue (excluding the cost of power)					
Up to \$9.9 Million	191	275	317	241	350
\$10 – \$19.9 Million	238	300	388	338	300
\$20 Million +	388	438	525	485	*
Region					
1	275	350	421	366	300
2	*	150	*	174	*
3	303	450	550	492	300

\* Unavailable or insufficient data



# The MEARIE Group

## 2021 Survey on Board of Director Compensation for Local Distribution Companies



### ANNUAL RETAINER - Director Market Segments

Statistic	P25	P50	P75	Average	Typical
Number of Employees (FTE Equivalent)					
FTE <21	*	4,802	*	2,195	*
FTE 21 – 50	4,500	5,301	6,900	2,000	*
FTE 51 – 100	7,108	7,752	9,386	2,500	*
FTE 101 – 200	5,500	8,500	8,992	4,500	8,500
FTE 201+	*	*	*	*	*
Number of Customers					
Up to 20,000	4,802	6,831	6,905	7,296	*
20,001 to 40,000	4,000	5,000	7,200	5,412	*
40,001 to 100,000	6,375	8,252	9,250	8,874	8,500
100,000+	*	*	*	15,275	*
Revenue (excluding the cost of power)					
Up to \$9.9 Million	2,500	5,000	6,903	6,212	2,500
\$10 – \$19.9 Million	5,250	6,831	8,016	7,597	6,000
\$20 Million +	7,500	9,348	9,500	10,783	*
Region					
1	6,850	8,252	2,500	9,823	5,000
2	2,500	5,301	2,000	6,255	6,000
3	4,500	6,688	4,000	6,890	4,500

\* Unavailable or insufficient data



# The MEARIE Group

## 2021 Survey on Board of Director Compensation for Local Distribution Companies



### MEETING FEES - Director Market Segments

Statistic	P25	P50	P75	Average	Typical
Number of Employees (FTE Equivalent)					
FTE <21	*	*	*	202	*
FTE 21 – 50	273	300	313	294	300
FTE 51 – 100	*	300	*	320	200
FTE 101 – 200	*	450	*	562	*
FTE 201+	*	*	*	*	*
Number of Customers					
Up to 20,000	*	230	*	191	*
20,001 to 40,000	300	300	350	399	300
40,001 to 100,000	225	425	475	389	200
100,000+	*	*	*	756	*
Revenue (excluding the cost of power)					
Up to \$9.9 Million	191	266	300	232	300
\$10 – \$19.9 Million	275	300	425	371	300
\$20 Million +	418	450	600	564	*
Region					
1	250	325	444	431	250
2	*	200	*	189	*
3	300	450	550	488	300

\* Unavailable or insufficient data





## The MEARIE Group

### 2021 Survey on Board of Director Compensation for Local Distribution Companies



#### 6. Committee Annual Retainer

Individuals that serve on Committees may receive additional compensation.

In the cases that they are given, it is typically reserved for the Chair only and most other members of the Committee receive meeting fees only. Where sufficient sample was available, the average retainer for chairing the committee is provided in the table below.

#### COMMITTEE CHAIR – Annual Retainer

#### All Organizations

Committee	Number of Organizations Providing Annual Retainer for Committee Chair	Average Retainer (\$)
Audit	3	1,000
Audit & Finance	Less than 3	*
Finance	Less than 3	*
Governance (or Governance & Risk)	Less than 3	*
Governance / HR / Compensation / Nominating	3	3,000
Health & Safety / Environment	Less than 3	*
HR / Compensation	Less than 3	*
Nominations	Less than 3	*
Other	Less than 3	*
Risk Management	Less than 3	*

\* Unavailable or insufficient data



# The MEARIE Group

## 2021 Survey on Board of Director Compensation for Local Distribution Companies



### 7. Committee Meeting Fees

The market statistics for Committee meeting fees are provided below. Most organizations provide the same meeting fees to committee chairs and committee members.

COMMITTEE CHAIR – Meeting Fees		All Organizations
Committee	Number of Organizations Providing Meeting Fees for Committee Chair	Average Meeting (\$)
Audit	11	380
Audit & Finance	9	443
Finance	Less than 3	*
Governance (or Governance & Risk)	7	461
Governance / HR / Compensation / Nominating	8	466
Health & Safety / Environment	Less than 3	*
HR / Compensation	9	525
Nominations	Less than 3	*
Other	9	551
Risk Management	Less than 3	*

\* Unavailable or insufficient data



# The MEARIE Group

## 2021 Survey on Board of Director Compensation for Local Distribution Companies



### DIRECTOR ON A COMMITTEE – Meeting Fees

All Organizations

Committee	Number of Organizations Providing Meeting Fees for Director	Average Meeting (\$)
Audit	11	380
Audit & Finance	9	423
Finance	Less than 3	*
Governance (or Governance & Risk)	7	448
Governance / HR / Compensation / Nominating	8	463
Health & Safety / Environment	Less than 3	*
HR / Compensation	9	520
Nominations	Less than 3	*
Other	9	551
Risk Management	Less than 3	*

\* Unavailable or insufficient data

### 8. Unplanned Meetings

Organizations were asked what types of additional consideration is provided to the Board in the event of unplanned meetings. Eighteen (18) of thirty-three (33), or 55%, of reporting organizations stated there is a set rate for unplanned meetings; though sometimes the amount can vary if it is a Committee meeting versus a Board meeting versus a Chair or a member of a committee, whether it is all day or whether the member is an independent member. The following table details the data for unplanned meeting fees. The typical amount is \$300 per meeting (4 organizations).

Unplanned Meeting Fees	Unplanned Meeting Fees (\$)			
	P25	P50	P75	Average
16 Organizations *	289	325	488	408

\* 2 organizations did not provide data.



## The MEARIE Group

### 2021 Survey on Board of Director Compensation for Local Distribution Companies



#### 9. Mileage

Organizations were asked if mileage is provided to Board members and 30 organizations provided information.

The following table details the data for mileage. The most common amount is \$0.59 per kilometer (12 organizations).

Mileage	Unplanned Meeting Fees (¢ per km)			
	P25	P50	P75	Average
30 organizations	52	55	59	54



# The MEARIE Group

## 2021 Survey on Board of Director Compensation for Local Distribution Companies



### 10. Added expenses

Organizations were asked what types of additional consideration is provided to the Board, such as hotel, air/travel rates, education and director training. The table below details the market information for additional consideration.

Added Expenses		Typical Value
Type	Prevalence	
Hotel	n = 23	No typical values provided – typically reimbursed at cost.
Air Travel	n = 16	No typical values provided – typically reimbursed at cost, some organizations specify economy or best rate available. Cited as not often needed to be used as a policy.
Education	n = 14	There may be 100% coverage for some maximum dollar amount, and generally is reimbursed as required. Five (5) organizations provided an allowance annual maximum reimbursement/co-pay amount, the average is \$2,000, median is \$1,500 and typical is \$1,000.
Training	n = 16	No typical value provided; there may be 100% coverage or some maximum dollar amount (either per person or overall Board expenditure, or in combination with Education).

### 11. Summary of compensation

Organizations provided annual retainer information, the number of meetings and the meeting fee amount. The following tables estimate the annual total compensation to a Chair, Vice Chair and Director role within a Board; excluding additional fees earned from participation in Committees.

#### Full Board Annualized Compensation

#### All Organizations

Board of Directors	Estimated Annualized Compensation (\$)			
	P25	P50	P75	Average
Chair (n = 32)	7,214	11,574	16,031	14,428
Lead Director / Vice Chair (n = 15)	6,500	8,900	11,435	8,924
Director (n = 31)	6,000	9,148	11,435	9,885



# The MEARIE Group

## 2021 Survey on Board of Director Compensation for Local Distribution Companies



### FULL BOARD ANNUALIZED COMPENSATION - Chair Market Segments

Statistic	P25	P50	P75	Average
Number of Employees (FTE Equivalent)				
FTE <21	*	4,575	*	6,701
FTE 21 – 50	7,707	8,500	11,748	10,339
FTE 51 – 100	11,112	12,625	15,967	15,159
FTE 101 – 200	7,950	14,045	16,800	12,826
FTE 201+	*	*	*	*
Number of Customers				
Up to 20,000	4,163	8,978	12,321	9,291
20,001 to 40,000	7,050	8,500	12,050	9,793
40,001 to 100,000	8,925	13,623	16,950	14,865
100,000+	*	*	*	44,005
Revenue (excluding the cost of power)				
Up to \$9.9 Million	4,500	6,554	11,939	8,501
\$10 – \$19.9 Million	8,050	10,248	12,823	12,418
\$20 Million +	14,045	17,100	20,000	24,789
Region				
1	9,874	13,200	16,800	19,309
2	5,100	7,707	8,500	8,350
3	7,763	12,097	14,882	12,115

\* Unavailable or insufficient data



# The MEARIE Group

## 2021 Survey on Board of Director Compensation for Local Distribution Companies



### FULL BOARD ANNUALIZED COMPENSATION - Vice Chair / Lead Director Market Segments

Statistic	P25	P50	P75	Average
Number of Employees (FTE Equivalent)				
FTE <21	*	*	*	*
FTE 21 – 50	*	7,000	*	7,908
FTE 51 – 100	*	10,048	*	8,945
FTE 101 – 200	*	*	*	12,471
FTE 201+	*	*	*	*
Number of Customers				
Up to 20,000	*	*	*	4,922
20,001 to 40,000	*	8,264	*	8,899
40,001 to 100,000	*	10,048	*	10,299
100,000+	*	*	*	*
Revenue (excluding the cost of power)				
Up to \$9.9 Million	*	4,526	*	4,754
\$10 – \$19.9 Million	*	9,527	*	8,805
\$20 Million +	*	12,256	*	11,804
Region				
1	*	11,196	*	9,596
2	*	6,714	*	6,133
3	*	9,800	*	11,043

\* Unavailable or insufficient data



# The MEARIE Group

## 2021 Survey on Board of Director Compensation for Local Distribution Companies



### FULL BOARD ANNUALIZED COMPENSATION - Director Market Segments

Statistic	P25	P50	P75	Average
Number of Employees (FTE Equivalent)				
FTE <21	*	4,802	*	6,305
FTE 21 – 50	6,300	7,000	9,148	8,477
FTE 51 – 100	8,383	9,352	10,096	9,971
FTE 101 – 200	6,250	11,236	12,800	9,751
FTE 201+	*	*	*	*
Number of Customers				
Up to 20,000	4,802	6,831	10,230	8,136
20,001 to 40,000	6,300	7,000	9,527	7,749
40,001 to 100,000	7,100	9,352	11,809	10,144
100,000+	*	*	*	20,670
Revenue (excluding the cost of power)				
Up to \$9.9 Million	4,175	5,721	9,689	7,522
\$10 – \$19.9 Million	6,400	7,000	9,589	8,865
\$20 Million +	9,500	11,435	13,600	14,018
Region				
1	8,301	9,940	11,859	12,125
2	4,100	5,721	7,000	6,885
3	6,450	9,338	11,696	9,338

\* Unavailable or insufficient data





**The MEARIE Group**  
**2021 Survey on Board of Director Compensation**  
**for Local Distribution Companies**



## **APPENDICES**



# **The MEARIE Group**

## **2021 Survey on Board of Director Compensation for Local Distribution Companies**



### **A. Survey Methodology**

A survey package was sent to all confirmed participants that included questions regarding the organization's policies and practices with respect to Board of Director compensation.

Once the completed surveys were returned to Korn Ferry, participants were contacted for data verification as necessary. Korn Ferry also initiated a number of follow-up actions to clarify information provided by the participants.



# The MEARIE Group

## 2021 Survey on Board of Director Compensation for Local Distribution Companies



### B. Definitions – compensation elements

#### **Chair**

Top position on the Board. Is typically voted into his or her position by a majority vote within the Board of Directors.

#### **Committee Chair**

The top position on a Board committee.

#### **Vice Chair**

Second to the Chair. Can be more than one and is also typically voted into his or her position by a majority vote within the Board of Directors.

#### **Committee Vice Chair**

Second to the committee Chair.

#### **Director**

A member of the Board. Can be classified as inside or independent (outside).

Inside Director - a Board member who is an employee, officer or stakeholder in the organization.

Independent (Outside) Director - a Board member who is not an employee or stakeholder of the organization and is typically compensated using an annual retainer.

#### **Committee**

A subgroup of the Board of Directors responsible for one specific area of governance, i.e., Budget Committee or Audit Committee

#### **Retainer**

Annual fee paid to outside directors to sit on the Board of Directors of the organization.

#### **Committee Fee**

Additional fee paid to Board members on top of annual retainer to sit on committees of the Board of Directors.

#### **Meeting Fee**

Additional fee paid to Board members on top of annual retainer for each meeting attended. Can be for general meetings or for committee meetings.

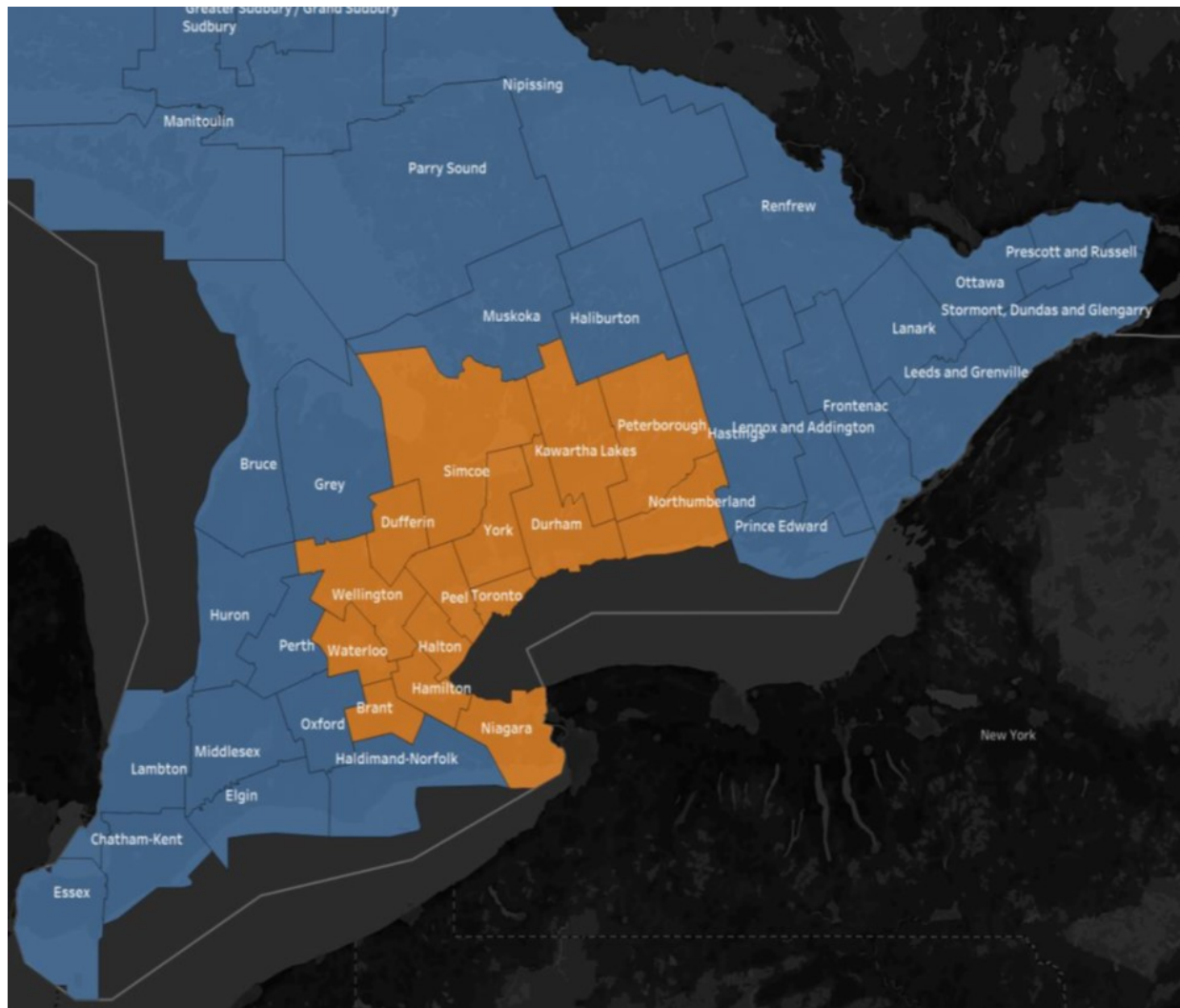


# The MEARIE Group

## 2021 Survey on Board of Director Compensation for Local Distribution Companies



### C. Regions



## Appendix 4

1-SEC-1 Attachment 2 2017 MEARIE MSS Report

# The MEARIE Group

## 2017 Management Salary Survey Of Local Distribution Companies



### ***SURVEY REPORT***

*August 2017*

***SURVEY ADMINISTRATOR: Korn Ferry Hay Group***



# The MEARIE Group

## 2017 Management Salary Survey Of Local Distribution Companies



### Table of Contents

#### Section

1.	Introduction .....	1
2.	Survey Overview .....	4
3.	Salary Administration.....	8
4.	Benefit Policies.....	14
5.	Benchmark Position Survey Results.....	21

#### Appendices

A.	Survey Methodology .....	25
B.	Definitions – Compensation Elements.....	26
C.	Definitions – Statistical Elements.....	27
D.	Benchmark Position Profiles .....	28
E.	Regions .....	36



# The MEARIE Group

## 2017 Management Salary Survey Of Local Distribution Companies



### 1. Introduction

The MEARIE Group is pleased to present this report of the 2017 Management Salary Survey of Local Distribution Companies (LDCs).

In today's competitive talent market, Local Distribution Companies (LDCs) are challenged with establishing and maintaining competitive, yet affordable, compensation programs and policies. The MEARIE Group established the Management Salary Survey of Ontario's LDCs to assist you and in understanding the competitive landscape and support your efforts in developing pay practices that attract, motivate and retain high quality, high performing employees.

The survey was updated in 2012 through the combined efforts of The MEARIE Group's *HR Information Solutions* team, outside consultants and representatives of our members, all working together to ensure that the Survey continues to meet the evolving needs of member LDCs.

The Survey was further enhanced from 2013 to 2014 through our partnership with Korn Ferry Hay Group ("Hay Group"), a globally renowned compensation consulting firm. Hay Group drew upon their expertise and experience in developing and managing salary surveys across all sectors of the economy and in numerous countries around the world.

There are no substantial changes to the survey in from 2015 to 2017.

The 2017 survey includes:

- Geographic, Number of Employees, Number of Customer and Revenue size reporting.
- Fifty (50) benchmark descriptions, supported by the Hay Group job evaluation methodology for improved reporting and greater ability to identify the impact of organization size and structure.
- Continued reporting of "total cash compensation" to provide greater depth of information regarding market pay practices.
- An overview of local distribution company market trends and compensation projections for 2017 budget planning.
- MS Excel survey reporting including versions of position salary tables by All Organizations, Geography, Revenue and Customers to support those organizations that wish to conduct further analysis of the results and to assist in transferring survey results into internal reporting.





# The MEARIE Group

## 2017 Management Salary Survey Of Local Distribution Companies



The survey includes two presentation documents and Excel data tables in formats as follows:

- PDF Documents:
  - Survey Report Executive Summary containing a complete analysis and a data summary of all the positions.
  - Survey Report addendum which includes a complete analysis of each position, presented on one page.
- Excel Documents which are provided for easy data export and printable to one legal sized page, showing LDC Survey data by:
  - All Organizations
  - Region
  - Customer Base
  - Revenue
  - Number of Employees

We would like to thank you for your participation. As a result of the strong response, we are able to provide you with an informative and detailed survey that will help you in support of your organization's compensation programs.



# The MEARIE Group

## 2017 Management Salary Survey Of Local Distribution Companies



### CONFIDENTIALITY POLICY

**The MEARIE Group recognizes the importance of maintaining the security of your information and has developed the following policy that applies to all participants (and their delegates) in the Management Salary Survey (a “Survey”), as well as Hay Group (survey administrators) and The MEARIE Group.**

An individual LDC will provide its authorization for the sharing of information identified as being information of that LDC by completing the Survey Data Submission for a Survey. This will result in the LDC’s data being identified by name in the listing of participants. This enables participants to be aware of the names of the other participants in the Survey to determine the relevance of Survey data cuts (e.g. by geography or size).

All of the information obtained through a Survey will be treated with the utmost confidentiality. Data will be reported on an aggregate basis only, and in such a way as to ensure that individual participant data cannot be identified/attribution. Standards for minimum number of data will be strictly enforced to ensure confidentiality. Neither Hay Group nor MEARIE Group will release or disclose to any other person whatsoever any information pertaining to any individual LDC participant.

Survey results will be reported only to those LDCs who participate in the Survey and provide comprehensive data. Comprehensive participation means that each LDC is expected to match as many of the Survey benchmark positions as they are able, and provide data for all incumbents of matched positions. **All participants must consider this information as strictly confidential.**

The results of a Survey will not be disclosed/sold to or shared with organizations that have not participated in that Survey, whether by The MEARIE Group or Hay Group or Survey participants. **Participants may not share the Survey reports/results with non-participant LDCs or any entity under any circumstances.**

The data collected for a Survey may also be included in the Hay Group's Canadian compensation database. Information in the Hay Group database is maintained with the highest standards of confidentiality; analysis and reporting of data is on an aggregate basis only, and in such a way as to ensure that individual participant data cannot be identified or attributed. As of May 2017, there are over 500 employers represented in the Hay Group database. Should you have any questions or for further information, please contact Felix Yu, analyst at Korn Ferry Hay Group at 647-798-3724 or felix.yu@kornferry.com.

**The obligations of confidentiality set out in this policy are subject to the requirements of applicable law.** However, LDCs may not disclose the existence or results of a Survey to any regulatory body (or other person) unless compelled by law to do so, and if an LDC is compelled by law to make such a disclosure, it will give The MEARIE Group as much notice in advance as possible of the disclosure and the reasons the disclosure is legally required. In such circumstances, the LDC will take such steps as The MEARIE Group reasonably requests, or will co-operate with respect to any steps The MEARIE Group reasonably wishes to take, to contest or limit the scope of the disclosure.

**The MEARIE Group will not be liable for breaches by participating LDCs or Hay Group of this Confidentiality Policy.**

## 2. Survey Overview

### Survey Benchmark Positions

The survey covers 50 benchmark positions representing a cross-section of the functions within member organizations. The benchmark positions were reviewed in 2012 by a working group of LDC sector Human Resources professionals. Job profiles for each benchmark job were developed and reviewed by the consultants and the HR group.

<b>Senior Management</b>	0000	President & CEO
	0001	Chief Operating Officer (COO)
	0002	Head of Operations and/or Engineering
	0003	CFO / Head of Finance
	0004	Head of Customer Service
	0005	Head of Regulatory Affairs
	0006	Head of Human Resources
<b>Administration</b>	1000	Executive Assistant
	1001	Administrative Assistant
<b>Engineering</b>	2000	Director Engineering
	2001	Engineering Manager and/or Distribution Engineer
	2002	Project Engineer
	2003	Supervisor Engineering
<b>Operations</b>	2500	Director Operations
	2501	Manager Operations
	2502	Manager Control Centre
	2503	Supervisor Control Centre
	2504	Supervisor Protection and Control
	2505	Supervisor Station Maintenance
	2506	Line Supervisor
	2507	Manager Meter Department
	2508	Supervisor Meter Department



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## 2017 Management Salary Survey Of Local Distribution Companies



<b>Supply Chain / Procurement</b>	3000	Director Supply Chain Management
	3001	Manager Procurement and/or Inventory and/or Facilities and/or Fleet
	3002	Supervisor Stores / Inventory / Warehouse
<b>Accounting / Finance</b>	4000	Controller or Director Finance
	4001	Manager Accounting
	4002	Manager Risk Management
	4003	Supervisor Accounting
	4004	Financial or Business Analyst
	4005	Accountant
<b>Customer Service</b>	5000	Director Customer Service
	5001	Manager Customer Service and/or Billing
	5002	Supervisor Customer Service and/or Billing and/or Collections
<b>Communications</b>	5500	Director Communications
	5501	Manager Communications
<b>Regulatory Affairs</b>	6000	Director Regulatory Affairs
	6001	Manager Regulatory Affairs
	6002	Regulatory Accountant
<b>Conservation / Demand</b>	7000	Settlement or Rate Analyst
	7001	Director or Officer, Conservation and Demand Management
	7002	Manager Conservation & Demand / Marketing
<b>Information Systems</b>	8000	Director Information Systems
	8001	Manager Information Systems and/or Security
	8002	Systems / Program Administrator or Applications / Systems Support Professional
<b>Human Resources</b>	9000	Human Resources Manager
	9001	Human Resources Generalist
	9002	Human Resources Coordinator
	9003	Payroll
	9004	Manager, Health & Safety

# The MEARIE Group

## 2017 Management Salary Survey Of Local Distribution Companies

### Participants

All organizations in the LDC sector in Ontario were invited to participate in the survey. The following thirty-five (35) organizations submitted data:

- Bluewater Power Distribution
- Brantford Power Inc.
- Burlington Hydro
- Collus PowerStream
- E.L.K. Energy Inc.
- Energy+ Inc.
- Entegrus
- EnWin Utilities Ltd.
- Essex Power
- Festival Hydro Inc.
- Fort Frances Power Corporation
- Greater Sudbury Utilities
- Grimsby Power Inc.
- Guelph Hydro Electric Systems Inc.
- Halton Hills Hydro Inc.
- InnPower Corporation
- Kitchener-Wilmot Hydro Inc.
- Lakeland Power Distribution Ltd.
- London Hydro Inc.
- Milton Hydro Distribution Inc
- Newmarket-Tay Power Distribution Ltd.
- Niagara Peninsula Energy Inc.
- North Bay Hydro Distribution Limited
- Northern Ontario Wires Inc.
- Oakville Enterprises Corporation
- Orangeville Hydro Ltd.
- Oshawa PUC Networks
- Peterborough Utilities Group
- Sioux Lookout Hydro Inc.
- Thunder Bay Hydro Electricity Distribution Inc.
- Utilities Kingston
- Veridian
- Wasaga Distribution Inc.
- Waterloo North Hydro Inc.
- Welland Hydro-Electric System Corp.

Due to the changes in the participant mix, data values in the report can fluctuate from one year to another. Therefore, participants are reminded of these factors when comparing data from 2017 over 2016.



# The MEARIE Group

## 2017 Management Salary Survey Of Local Distribution Companies



### Participant Group Profile

All participants provided information regarding their organizational profile. The summary statistics of the participating organizations are detailed below.

The figures reported below are assessed on an “as provided” basis. Korn Ferry Hay Group and the MEARIE Group have not independently or exhaustively verified the values presented below.

Statistic	P25	P50	P75	Average
Annual Operating Budget (\$ millions, less the cost of power)	6.9	12.0	25.0	18.8
Annual Operating Budget (\$ millions, including the cost of power)	45.4	125.2	203.8	133
Number of Employees (full time equivalent)	33	59	131	84
Number of Customers	16,868	36,720	57,160	44,495
Gross Revenue (\$ millions, less the cost of power)	10.1	18.8	34.3	27.2
Gross Revenue (\$ millions, including the cost of power)	46.4	128.2	213.4	145.3
Regulated Gross Revenue	93%	99%	100%	93%
Unregulated Gross Revenue	0%	1%	7%	7%

All organizations noted the fiscal year ends in December.

Analyst Note: where average is significantly higher or lower than the median of the market, this indicates a small number of observations which skew the data either high or low. For example, unregulated gross revenue average is 7%, which is substantially higher than the 1% at median, indicating that within the top 25% of organizations there is a significant portion of unregulated Gross revenue in excess of 10% in a few organizations.

### 3. Salary Administration

#### Salary Range Adjustments – 2016, 2017, 2018

Thirty (30, or 86%) organizations reported data for salary ranges while 5 (14%) indicated they did not use ranges. The most common month for adjusting salary ranges is January (over 75% of reporting organizations).

In 2016, twenty-six (26) organizations reported adjustment to salary ranges, while four (4) organizations froze their ranges (i.e., provided 0%). Excluding the 4 organizations who froze ranges (i.e., provided 0%), the average range increase is 2.1%.

In 2017, twenty-five (25) organizations reported adjustment to salary ranges, while five (5) froze their ranges. Excluding the five (5) organizations that froze their ranges (i.e., provided 0%), the overall average salary range increase is 1.9%.

Survey participants report planning to adjust salary ranges in 2018 by an overall average of 2.1% (n=11).

The salary range adjustments by employee level and overall are noted in the table below:

Year	CEO	Executive	Director	Management	Professional /Technical	Admin	Overall
2016	1.8%	1.6%	1.6%	1.7%	1.5%	1.7%	2.1%
2017	1.9%	1.6%	1.7%	1.7%	1.6%	1.7%	1.9%
2018	2.0%	2.0%	2.0%	2.3%	2.0%	2.3%	2.1%



# The MEARIE Group

## 2017 Management Salary Survey Of Local Distribution Companies



### Base Salary Increases – 2016, 2017, 2018

The most common timing for adjusting salaries is January (over 50% of reporting organizations grant annual salary increases in that month).

Survey participants report adjusting actual salaries in 2016 by an overall average of 2.4% (n=34).

Survey participants report adjusting actual salaries in 2017 by an overall average of 2.3% (n=26).

For 2018, survey participants reported projected average salary increases of 2.2% (n=14).

The base salary adjustments by employee level are noted in the table below.

Year	CEO	Executive	Director	Management	Professional /Technical	Admin	Overall
2016	3.3%	2.2%	2.3%	2.6%	2.3%	3.6%	2.7%
2017	2.2%	2.1%	2.6%	2.3%	2.2%	2.3%	2.3%
2018	2.2%	2.2%	2.2%	2.2%	2.3%	2.3%	2.2%

### Salary Trends

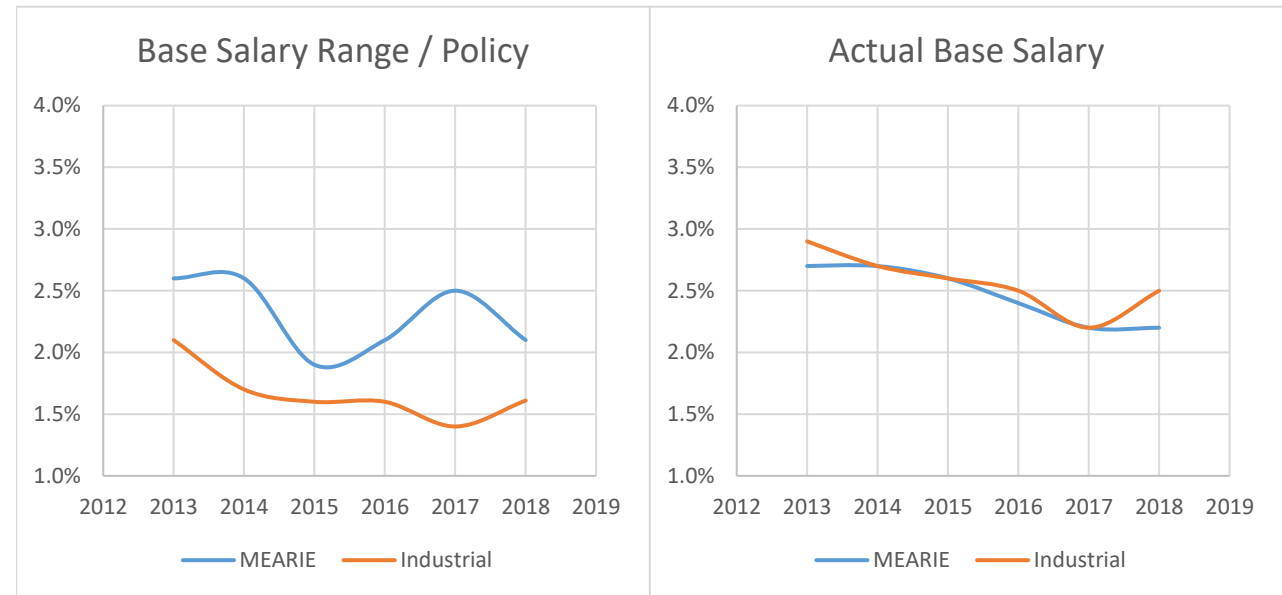
Korn Ferry Hay Group compiles an annual compensation forecast survey across Canada, with over 500 participants annually.

The graph below depicts how the overall Canadian all-industrial organization market has tracked from a range and actual salary perspective versus The MEARIE Group Management Salary Survey trend information over the past 5 years.



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## 2017 Management Salary Survey Of Local Distribution Companies



Generally, local distribution companies track very close to the all-industrial market for actual salary adjustments; generally within 0.3 percentage points. Local distribution companies track above the all-industrial market for salary range adjustments by 0.3 – 1.1 percentage points, according to the preliminary 2018 all-industrial compensation planning update.

The differential between actual base salary increases and salary range adjustments among local distribution companies is generally small, this year the average differential is 0.1 percentage points. The average differential among industrial organizations is 0.9 percentage points.

This indicates that industrial organizations may be allocating greater portions of salary budgets to differentiation by merit, and enabling high performers to perhaps be paid above job rate and/or moving people through the range faster. That is, industrial organizations are likely increasing their overall comp-ratios, whereas LDCs are generally maintaining or movement through range is very conservative.



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## 2017 Management Salary Survey Of Local Distribution Companies



### Incentive Programs

- a. The majority of organizations (25 of 35 or 71%) indicated that they offer short term incentive pay to at least some of their employees.
- Sixteen (16) of the organizations indicated that all employee groups participated in STI.
  - Nine (9) organizations have STI plans for designated senior management and/or executives that do not extend to non-management staff.

- b. Twenty (20) of the twenty-five (25) organizations who offer short term incentive pay provided information about their incentive plans. The determination of individual bonus payments is based on the weighting of performance factors such as corporate versus individual versus team/department performance.

Typical plan mix is a combination of corporate and individual metrics with a heavier weighting on corporate for senior management and/or executives and a heavier weighting on individual metrics for non-management staff. For example:

- The most common CEO incentive plan is 80% Corporate, 20% Individual
- The most common Director plan is 60% Corporate, 40% Individual
- The most common Admin plan is 0% Corporate and 100% Individual

The average plan mix, by employee level, is provided in the table below.

Performance Factor	CEO	Executive	Director	Management	Professional / Technical	Admin.
Corporate	66.1%	60.1%	66.3%	47.4%	52.7%	48.8%
Team / Department	1.9%	3.6%	2.5%	9.9%	0.0%	0.0%
Individual	31.9%	36.4%	31.3%	42.8%	47.3%	51.3%



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## 2017 Management Salary Survey Of Local Distribution Companies



### Incentive Programs (continued)

#### **Threshold Bonus Payouts**

Formulaic or “target based” bonus programs typically do not pay out until a minimum level of performance (corporate, team and/or individual) has been achieved (i.e., if the threshold performance is not achieved, there is no pay out). Once this threshold performance has been achieved, incentive plans will pay out a minimum level of bonus; pay out levels typically then increase as performance/results increase, up to a “target” bonus rate when performance goals have been “met”.

Sixteen (16) of the twenty-five (25) organizations with incentive plans reported that they define minimum levels of performance required before any bonuses are generated. The typical bonus rate at the threshold performance is set at 50% of “target” bonus.

#### **Maximum Bonus**

Bonus programs are often designed such that there is a maximum level of payout. For example: if a position has a 10% bonus and the maximum payout is 200%, or 2x, then the maximum amount the employee can achieve regardless of performance (i.e., how much targets are exceeded by), is 20% of their current base salary.

The average maximum bonus is provided by employee level in the table below, though the typical bonus pay maximum is 100% of target.

Maximum Bonus Payout %	CEO (n =16 )	Executive (n =14 )	Director (n =11 )	Management (n =14 )	Professional / Technical (n = 10)	Admin. (n =10)
Average	1.1	1.1	1.2	1.2	1.2	1.2

In the broader market, it is more common to find higher maximum bonus levels (as a % of target) at higher levels of the organization, to reflect the greater influence on organizational performance that more senior roles are perceived to have.



# The MEARIE Group

## 2017 Management Salary Survey Of Local Distribution Companies

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### **Salary Compression Policy**

Organizations were asked if they have any formal salary compression policy in place.

Thirty-three (33) of the thirty-five (35) organizations responded to this question.

Out of the thirty-three (33) responses, one (1) organization reported having a formal salary compression policy in place; two (2) organizations reported they either have an informal plan in place, or have been monitoring salary compression. Given that only two organizations responded to this question, there is insufficient data to report any details regarding compression and related policies.

### 4. Benefit Policies

#### Car Benefit

The majority of organizations (28 of 35 or 80%) provide a car benefit to some level of employee.

The table below summarizes the value of car benefits, by position, where provided. An asterisk (\*) indicates insufficient data to report:

		Company Owned Car (Value)	Monthly Lease Payment	Car Allowance (monthly)
CEO	P75	*	*	825
	P50	41,250	*	725
	P25	*	*	594
	Average	43,819	*	727
	Number	4	2	20
Executive / VP	P75	*	*	725
	P50	*	*	600
	P25	*	*	425
	Average	*	*	580
	Number	2	2	11
Sr. Management / Director	P75	*	*	625
	P50	*	*	588
	P25	*	*	438
	Average	*	*	547
	Number	0	0	8

Two (2) organizations reported providing a car benefit to specified positions below Senior Management. These are in the form of a vehicle allowance.

# The MEARIE Group

## 2017 Management Salary Survey Of Local Distribution Companies

### Mileage

The market statistics for mileage rates provided to employees as reimbursement for personal vehicle use are detailed in the table below.

N = 32	Mileage Reimbursement (¢ per km)
P75	54
P50	54
P25	50
Average	52

The most frequently reported mileage rate (13 organizations) is 54 cents per kilometer; the next most frequent reported rates are 48, 50, or 52 cents per kilometer (3 organizations each).

### Perquisites

#### ***Club Memberships – Fitness***

Sixteen (16) organizations reported providing a subsidy for fitness club fees. The typical policy is to provide a reimbursement of a fixed dollar amount per year. For all organizations, the same policy and maximum reimbursement applies regardless of job level.

N = 17	Maximum Reimbursement per year
P75	300
P50	200
P25	150
Average	229

#### ***Club Memberships – Social***

One (1) organization reported having a separate policy / program for reimbursement of social club fees.



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## 2017 Management Salary Survey Of Local Distribution Companies



### Perquisites (cont'd)

#### ***Health Spending Account***

Nine (9) organizations reported providing a Health Spending Account (i.e. discretionary spending within a defined range of services / benefits).

Of the nine (9) organizations, four (4) provide the same funding for all jobs levels while five (5) differentiates by job level.

	CEO	Executive	Director	Management	Professional / Technical
P75	2,000	2000	1000	750	*
P50	550	475	475	450	375
P25	450	413	338	300	*
Average	1056	1050	600	536	454
Number	9	8	8	7	6

#### ***2<sup>nd</sup> Opinion Medical Advice***

Four (4) organizations in the survey reported having a separate policy/program for this benefit.

#### ***Personal Financial/Legal Counseling***

Three (3) organizations reported that financial and legal counseling is available via their Employee Assistance Program, which is provided to all employees. One (1) of these organizations reported a maximum dollar value.

#### ***Executive Medical Plan***

Three (3) organizations reported providing enhanced medical coverage for executive levels only. Two (2) organizations reported a maximum dollar value in executive medical plan coverage.

# The MEARIE Group

## 2017 Management Salary Survey Of Local Distribution Companies

### Perquisites (cont'd)

#### ***Personal Computer / Cell Phone / Internet***

Eleven (11) organizations provided information regarding policies and practices related to computers and internet.

The most common policies/practices are:

- Provision of laptops for particular levels of employee, in addition to office desktop, to allow for mobile work (note: may be a perquisite if personal use of computer is allowed, but not a perquisite if for business use only).
- Reimbursement for cell phone and/or home internet connection for selected employees (either full reimbursement or 50% reimbursement were both provided in the market place).
- Cash allowance intended to cover cell phone and/or internet service.

The value of these benefits varies dramatically by level within organizations and between organizations; the data does not lend itself to reporting of the value of typical practices.

#### ***Other Perquisites***

Other programs/practices reported, by seven (7) organizations, include:

- Reimbursement of dues/fees for professional associations such as Engineers (P.Eng) and Accountants (CGA/CMA/CA).
- Provision of a personal spending account taxable benefit

#### ***Enhanced Life Insurance Coverage for Senior Officers***

Organizations were asked if, for senior level jobs, there was additional, employer paid, life insurance coverage. For example, if the typical life insurance plan was 1.5x employee salary, was this enhanced to above 1.5x to some greater number such as 2x, or even 3x, for senior level jobs?

Seventeen (15) organizations provided information about their basic/standard life insurance coverage where the typical coverage is 1.5x annual salary (average coverage of 1.66x). Enhanced benefits are provided by six (6) organizations, where senior roles receive coverage at an average of 1.95x annual salary.





# The MEARIE Group

## 2017 Management Salary Survey Of Local Distribution Companies



### Vacation Entitlement

All thirty-five (35) organizations provided the number of years of service required by various levels of employee in order to be entitled to a certain number of weeks of vacation.

The table below details the range, average and typical (i.e., most common) number of years of service required per weeks of entitlement.

Several organizations noted that for executive level jobs, vacations are typically negotiated versus following a schedule for entitlement.

	2 weeks	3 weeks	4 weeks	5 weeks	6 weeks +
CEO					
Range	No range	Start - 6	Start - 15	Start - 18	start - 28
Average	Start	2	7	14	21
Typical	Start	3	9	16	25
sample	n = 10	n = 20	n = 26	n = 28	n = 30
Executive / VP Level					
Range	No range	Start - 4	Start - 10	start - 18	2 - 28
Average	Start	2	7	14	22
Typical	Start	3	9	16	25
sample	n = 10	n = 19	n = 24	n = 27	n = 27
Director Level					
Range	No range	Start - 6	Start - 15	2 - 18	9 - 28
Average	Start	2	7	14	22
Typical	Start	3	9	17	25
sample	n = 10	n = 22	n = 28	n = 28	n = 28
Manager Level					
Range	No range	Start - 4	3 - 10	8 - 18	15 - 28
Average	Start	2	7	15	23
Typical	Start	Start	9	17	25
sample	n = 12	n = 26	n = 31	n = 31	n = 30
Professional Level					
Range	No range	Start - 6	3 - 15	8 - 18	15 - 28
Average	Start	3	8	15	23
Typical	Start	3	9	16	25
sample	n = 13	n = 27	n = 30	n = 31	n = 31



# The MEARIE Group

## 2017 Management Salary Survey Of Local Distribution Companies



### Unused Vacation

Organizations provided information about their policies and practices with regard to vacation time that was not fully utilized in the year in which it was earned.

Policy Regarding Carry Over	Number	%
Unused vacation entitlement at year end is paid out (vacation pay adjustment) – no carry over.	1	3%
Any/All unused vacation entitlement may be carried-over with no restrictions.	3	9%
Unused vacation entitlement may be carried over, subject to maximum total accumulated balance.	14	40%
A maximum amount of unused vacation may be carried over.	16	46%
No unused vacation may be carried over	1	3%
Total	35	100%

Maximum Number of Days to Carry Over (n = 16)	Number of Days
Range	3 – 14
Average	6.9
Typical	5

Time Limit for Utilizing Carried-Over Vacation Time	Number
No limit	9
One Year	8
Six Months or less	15
Total	32

### Note:

Some organizations reported variations to the above policies such as:

- A maximum amount of days that can be carried over specified it as either one year entitlement or a portion of the year's entitlement. Four (4) of the sixteen (16) organizations reported this type of policy..
- Cash out policies where some vacation time may be paid out instead of being carried over.
- Carry-over policies that vary by vacation eligibility, for example, a maximum of 10 days can be carried over if the incumbent is eligible for up to 3 weeks of vacation; a maximum of 20 days may be carried over if the vacation eligibility is 4 weeks or more.



# The MEARIE Group

## 2017 Management Salary Survey Of Local Distribution Companies



### **Educational Assistance / Reimbursement**

Twenty participating organizations (20) provided details with regard to education assistance/reimbursement policies ranging from eligibility criteria to pay back provisions. There are a wide variety of programs and reimbursement rates. Key highlights are provided below:

- Seventeen (17) organizations stated that they offer education assistance/reimbursement; though typically there are limits such as education or training courses which must be job related, and are subject to managerial approval.
- Three (3) organizations stated that there is no formal policy, however, approval for educational assistance or reimbursement happens regularly and is on a case by case basis.
- Four (4) organizations provided an annual reimbursement maximum, the maximum depends on the level of study, and/or cost of education, less a deductible where applicable.
- Three (3) organizations provided a per-program reimbursement maximum, the mean of such maximum is \$18,333.
- Payback provisions were provided by eleven (11) organizations. The average time to not trigger any pay back provision is 2.8 years, the median is 3.0 years. The range of time is between 90 days to 5 years. Eight (8) organizations noted they have some form of partial payment plan for leaving within a designated time period after completion of education. For example, from completion of program, if the employee resigns within 12 months, they are liable for 100% of the cost; if the employee resigns between 12 and 24 months from the completion of education, they are liable for 75% of the cost.

## 5. Benchmark Position Survey Results

### Survey Results

This section reports the information collected in aggregate values for each benchmark position. The values reported in this table reflect “All Ontario” data in that the data for all organizations matching to the position are included (regardless of size and geographic location).

Additional summaries, on a job by job basis, are provided in the accompanying “Addendum”.

Detailed analysis, with expanded statistical data (i.e., including P25 and P75 data points) as well as analysis of survey results by geographic region, by customer base and by revenue, are reported in the Excel files accompanying this report.



# The MEARIE Group

## 2017 Management Salary Survey Of Local Distribution Companies



### ALL ORGANIZATIONS

		Job Matches			Compensation Design										
Code	Survey Job Title	Sample Statistic		Hay Points	Salary Range Minimum	Job Rate	Salary Range Maximum	Target Bonus %	Total Cash Design		Actual Base Salary		Actual Bonus %	Actual Total Cash	
		# Orgs	# Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
0000	President & CEO	30	33	1292	172,000	193,200	206,700	25%	221,000	234,200	195,500	208,500	20%	222,800	243,400
0001	Chief Operating Officer (COO)	15	16	872	135,400	148,000	160,900	15%	158,500	170,300	158,200	158,800	14%	170,700	179,200
0002	Head of Operations and/or Engineering	18	21	904	127,000	149,500	161,800	20%	176,500	168,000	154,200	151,200	19%	172,400	166,200
0003	CFO / Head of Finance	30	32	830	135,900	149,500	158,300	18%	152,900	170,800	156,800	156,300	18%	160,000	170,900
0004	Head of Customer Service	8	8	769	110,300	129,800	149,200	*	145,700	153,500	127,100	138,700	16%	136,200	154,100
0005	Head of Regulatory Affairs	6	6	771	141,500	161,100	172,000	20%	183,300	176,100	166,800	160,000	21%	184,000	181,400
0006	Head of Human Resources	13	13	800	120,900	134,900	148,000	18%	145,700	156,800	144,600	146,500	19%	158,000	164,600
1000	Executive Assistant	24	30	245	61,600	73,800	79,800	5%	74,900	75,600	75,700	75,900	4%	77,900	77,300
1001	Administrative Assistant	12	23	198	55,400	63,600	68,200	2%	64,000	64,900	67,100	67,700	2%	66,400	67,400
2000	Director Engineering	10	10	702	109,900	137,200	148,400	10%	146,000	143,200	136,800	136,300	7%	145,300	142,600
2001	Engineering Manager and/or Distribution Engineer	18	19	571	94,200	106,400	116,900	7%	110,600	117,000	110,700	115,200	6%	114,000	121,000
2002	Project Engineer	12	14	458	81,400	100,800	106,800	6%	101,100	96,700	102,200	94,800	5%	107,800	96,500
2003	Supervisor Engineering	15	18	451	87,500	101,700	109,300	7%	107,700	106,400	105,500	100,900	4%	105,900	105,200
2500	Director Operations	10	12	732	109,900	125,300	143,100	15%	143,800	139,200	134,900	133,000	13%	143,900	139,400
2501	Manager Operations	21	24	516	98,800	113,900	123,300	5%	118,400	118,100	116,000	119,900	4%	120,300	123,000
2502	Manager Control Centre	5	7	516	101,800	115,000	126,500	*	122,500	118,000	121,600	130,100	*	134,400	139,200
2503	Supervisor Control Centre	7	7	406	85,100	100,600	105,200	*	103,600	101,000	102,700	100,800	*	102,400	101,800
2504	Supervisor Protection and Control	4	4	496	86,800	105,300	108,500	*	105,300	104,500	108,500	108,000	*	*	107,600
2505	Supervisor Station Maintenance	8	8	496	87,400	102,200	106,800	*	105,400	110,400	105,400	107,600	*	103,900	113,600
2506	Line Supervisor	25	85	366	87,100	99,400	106,800	7%	102,800	102,900	104,100	103,700	4%	106,700	107,300
2507	Manager Meter Department	8	8	506	93,000	109,400	115,700	10%	118,000	118,000	112,600	110,500	6%	118,500	117,400
2508	Supervisor Meter Department	8	8	406	85,500	97,800	102,300	*	99,500	99,200	99,800	98,000	3%	98,800	99,100
3000	Director Supply Chain Management	3	3	*	*	*	*	*	*	140700	*	129300	*	*	140400
3001	Manager Procurement and/or Inventory and/or Facilities and/or Fleet	15	15	406	87,100	103,000	108,700	9%	108,300	105,100	103,900	101,800	5%	108,000	105,400
3002	Supervisor Stores/Inventory/Warehouse	6	5	342	73,000	84,000	92,600	*	89,900	86,800	85,400	85,700	*	90,800	87,100



# The MEARIE Group

## 2017 Management Salary Survey Of Local Distribution Companies



### ALL ORGANIZATIONS

		Job Matches			Compensation Design										
Code	Survey Job Title	Sample Statistic		Hay Points	Salary Range Minimum	Job Rate	Salary Range Maximum	Target Bonus %	Total Cash Design		Actual Base Salary		Actual Bonus %	Actual Total Cash	
		# Orgs	# Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
4000	Controller or Director Finance	14	16	588	103,300	113,600	120,800	10%	118,300	125,300	116,400	121,400	9%	120,600	130,000
4001	Manager Accounting	16	16	479	88,700	106,900	120,400	8%	111,100	110,900	100,400	104,100	6%	101,500	109,400
4002	Manager Risk Management	1	1	*	*	*	*	*	*	*	*	*	*	*	*
4003	Supervisor Accounting	9	12	342	77,100	90,700	97,000	*	90,700	90,700	91,500	92,200	4%	94,100	95,000
4004	Financial or Business Analyst	14	21	332	74,700	87,200	95,800	6%	87,300	91,900	87,200	88,100	5%	87,200	91,400
4005	Accountant	7	11	342	67,200	84,000	96,600	*	89,900	83,500	73,200	77,300	*	78,900	80,800
5000	Director Customer Service	6	6	578	97,300	112,300	119,400	*	119,800	118,100	117,000	117,400	*	120,100	120,900
5001	Manager Customer Service and/or Billing	20	25	393	85,000	98,000	105,100	7%	101,000	101,500	99,600	99,200	9%	109,600	104,700
5002	Supervisor Customer Service and/or Billing and/or Collections	22	33	353	80,300	92,600	100,700	7%	94,800	92,400	91,900	89,900	4%	93,100	91,800
5500	Director Communications	5	5	677	99,700	124,700	124,700	*	124,700	136,900	124,700	118,500	*	126,700	129,900
5501	Manager Communications	8	8	368	81,100	94,000	94,000	8%	97,200	96,400	91,400	89,300	7%	96,300	93,400
6000	Director Regulatory Affairs	3	3	*	*	*	*	*	*	148,500	*	134,800	*	*	145,400
6001	Manager Regulatory Affairs	14	14	400	86,200	100,200	109,300	7%	100,200	101,200	91,500	94,800	7%	96,700	98,700
6002	Regulatory Accountant	13	13	312	69,500	81,100	90,100	4%	83,500	86,500	77,200	80,000	4%	78,800	83,400
7000	Settlement or Rate Analyst	8	11	282	69,100	82,900	88,200	4%	84,100	87,000	88,200	87,200	2%	94,400	90,800
7001	Director or Officer, Conservation and Demand Management	8	8	666	114,800	126,200	144,900	10%	138,800	148,800	129,300	130,700	5%	134,800	139,600
7002	Manager Conservation & Demand/Marketing	17	16	406	85,600	94,800	107,100	7%	96,800	95,400	97,400	94,300	7%	100,700	95,700
8000	Director Information Systems	14	15	677	110,300	131,500	144,900	15%	157,800	144,400	137,600	133,800	8%	145,800	141,700
8001	Manager Information Systems and/or Security	20	21	479	88,900	106,600	112,300	5%	108,300	109,400	106,600	105,600	5%	107,300	108,400
8002	Systems/Program Administrator or Applications/Systems Support	13	20	337	73,200	87,200	95,300	4%	89,600	91,000	95,200	92,700	4%	99,200	95,200
9000	Human Resources Manager	12	11	479	91,100	103,600	112,700	9%	108,600	114,400	104,000	105,000	6%	107,100	107,600
9001	Human Resources Generalist	12	16	306	75,000	85,200	95,400	3%	89,400	87,100	85,500	84,700	3%	83,900	86,700
9002	Human Resources Coordinator	6	6	218	61,600	71,400	78,700	*	75,000	73,300	73,700	73,200	*	75,000	75,700
9003	Payroll	13	13	245	66,100	79,400	84,400	6%	79,400	81,000	79,400	77,800	5%	80,100	79,900
9004	Manager, Health & Safety	17	18	406	87,100	101,800	108,800	8%	108,000	106,900	103,500	103,700	5%	106,800	108,300

## **APPENDICES**



# The MEARIE Group

## 2017 Management Salary Survey Of Local Distribution Companies



### A. Survey Methodology

A brief profile was developed for each benchmark position. These profiles were incorporated into a survey package and distributed to each participant along with a data submission spreadsheet requesting data on survey benchmark positions, as well as the organization's profile and selected salary administration & benefits policies.

Participants matched their jobs to the profiles and provided data for each position, where applicable. For each position where an organization submitted more than one match, the data were aggregated and an average figure was used for that organization. By using this methodology, all organizations carry equal weighting, and no one single organization excessively influences the market statistics by virtue of the size of its employee population.

Once the completed surveys were returned to Hay Group, participants were contacted for data verification as necessary. Hay Group also initiated a number of follow-up actions to clarify information provided by the participants. All of the matches submitted by the participants were reviewed by Hay Group to determine their appropriateness versus the job profiles and the market. If deemed inappropriate, the matches, or outlier data, were removed from the survey results.

Where possible, organization charts or details regarding reporting relationships were provided to Hay Group to enable understanding of the roles. From the job match information, plus a review of organization charts and other contextual information provided, Hay Group has estimated at which Hay Reference Level each organizations' roles fall to facilitate point-based comparisons.



### B. Definitions – Compensation Elements

#### ***Salary Range***

Minimum	The lowest salary/rate that the organization is prepared to pay for an incumbent in the position. May be the starting salary for inexperienced/non-qualified hire.
Job Rate / Control Point	Typically the midpoint of the salary range, intended to reflect the salary the organization is prepared to pay for sustained competent performance by a fully trained / qualified incumbent.
Maximum	The highest point in the salary range (or step progression). Note: might be the same as "job rate".

#### ***Short Term Incentive***

*Short Term Incentive (STI) refers to any incentive arrangement designed to reward an individual for performance/results achieved over a performance cycle/period of up to one year.*

Target	Target bonus is the level of award (either a % of salary or a fixed dollar amount) that an employee in this position would expect to receive if all corporate, team and individual performance goals are "met" (as planned). This rate/amount is often communicated to employees as part of the incentive/bonus plan design, e.g. "the target bonus for jobs in grade/band 6 is 8% of salary".
Discretionary	Discretionary plans have no target bonus rate and pay out at the end of the year at the discretion of executive/board.

#### ***Current Salary***

The amount paid for work performed on a regular, ongoing basis.  
Does not include variable bonus or incentive payments, sales commissions, shift premiums, or overtime payments.

#### ***Actual STI (Paid)***

*Total of all STI awards paid to the incumbent(s) for performance/results over the latest completed fiscal year.*  
May be paid during the year or after year end. (Note: recorded and reported on an annual basis)

### C. Definitions – Statistical Elements

Market data are reported using the following statistics:

	Definition	Reporting Requirement (# of Observations Necessary to Report)
<b>P90</b>	90th percentile  If all observations were sorted and listed from highest/largest to lowest/smallest, 10% of the observations would fall above the 90 <sup>th</sup> percentile and 90% would fall below	<b>11</b>
<b>P75</b>	75th percentile  If all observations were sorted and listed from highest/largest to lowest/smallest, 25% of the observations would fall above this value and 75% would fall below	<b>7</b>
<b>P50</b>	50th percentile, also referred to as “median”  If all observations were sorted and listed from highest/largest to lowest/smallest, 50% of the observations would fall above this value and 50% would fall below	<b>4</b>
<b>P25</b>	25th percentile  If all observations were sorted and listed from highest/largest to lowest/smallest, 75% of the observations would fall above this value and 25% would fall below	<b>7</b>
<b>P10</b>	10th percentile  If all observations were sorted and listed from highest/largest to lowest/smallest, 90% of the observations would fall above this value and 10% would fall below	<b>11</b>
<b>Average</b>	The arithmetic mean of all values, calculated by adding up all of the values and dividing by the number of observations	<b>3</b>

# The MEARIE Group

## 2017 Management Salary Survey Of Local Distribution Companies

### D. Benchmark Position Profiles

Job Title	Description
President & CEO	Directs the development of short and long term strategic plans, operational objectives, policies, budgets and operating plans for the organization, as approved by the Board of Directors. Establishes an organization hierarchy and delegates limits of authority to subordinate executives regarding policies, contractual commitments, expenditures and human resource matters. Represents the organization to the financial community, industry groups, government and regulatory agencies and the general public.
Chief Operating Officer (COO)	Highest ranking operations position. Reporting to the President/CEO, directs the operational elements of the organization, could include operations & engineering, customer services, metering and information technology. Develops the short and long term strategic plans, directs the development of operational objectives, policies, budgets for his/her areas of accountability. The position reports directly to the President/CEO.
Head of Operations and/or Engineering	Highest ranking operations/engineering position. Reporting to COO or President. Directs both the operations and engineering functions. Develops the short and long term strategic plans, formulates and implements plans, budgets, policies and procedures to facilitate and improve processes. Establishes clear controls, objectives and measures to ensure safe and appropriate delivery of power and power related services. Evaluates the feasibility of new or revised systems or procedures and oversees operations and engineering to ensure compliance with established standards.
CFO / Head of Finance	Highest ranking financially-oriented position within the company. Reporting to the President & CEO, this strategic role plans directs and controls the organization's overall financial plans, policies and accounting practices and relationships with lending institutions, shareholders and the financial community in mid to large organizations. Provides advice and guidance for the Board of Directors on financial matters. May direct such functions as finance, general accounting, tax, payroll, customer billing, regulatory affairs, and information systems and may be responsible for Administration functions. Normally possesses a CA, CMA or CGA designation.
Head of Customer Service	The highest-ranking customer service position in the utility. Provides direction for all departmental activities, services and practices, including customer care/call centre, billing, credit and collections. Accountable for the development, implementation and integration of all customer service related activities to achieve a competitive advantage through customer driven initiatives and strategies. Directs and oversees the implementation of customer service standards, policies and procedures; manages and coordinates budgets.
Head of Regulatory Affairs	Represents the organization on quality and regulatory matters before government agencies and conformity assessment bodies including providing of evidence, regulatory filings, supporting analyses, position papers, interrogatory responses, etc. Keeps abreast of on-going developments in regulatory practices affecting electrical distribution utilities. Ensures that regulatory information is disseminated throughout the organization in a timely and effective manner. Is responsible for the filing of written communications and regulatory submissions to government agencies (OEB) and conformity assessment bodies (IMO). Generally reports to President & CEO or a senior executive.
Head of Human Resources	The highest-ranking human resources position in the organization. Provides direction, support and alignment of organization-wide Human Resources practices and systems with the business in terms of mission, vision and the strategic imperatives. Ensures that existing needs and future demands of internal customers are met through a cost effective and efficient HR services. Directs HR management and staff in the development and implementation of Human Resources strategy, policies and programs covering employment, negotiations & labour relations, training, compensation, organization development, performance management, benefits and may include health & safety. Provides coaching and counsel to the executive and Board of Directors.



# The MEARIE Group

## 2017 Management Salary Survey Of Local Distribution Companies



### Administration

Executive Assistant	Performs advanced, diversified and confidential administrative duties requiring broad knowledge of organizational policies and practices. Initiates and prepares correspondence, reports, either routine or non-routine. Screens telephone calls and visitors and resolves routine and complex inquiries. Schedules appointments, meetings and travel itineraries. In some cases, may have responsibility for routine HR and administrative services. Records, prepares and distributes minutes of meetings, including Board of Director minutes. Reports to the President & CEO and may provide support to other executives.
Administrative Assistant	Performs advanced, diversified and confidential administrative duties for executives and/or senior management, requiring broad and comprehensive experience and knowledge of organizational policies and practices. Prepares correspondence, reports, either routine or non-routine. Screens telephone calls and visitors and resolves routine and complex inquiries. Schedules appointments, meetings and travel itineraries. Reports to a senior executive or executive team.

### Engineering

Director Engineering	Plans and directs the overall engineering activities and engineering staff of the organization. Formulates and implements plans, budgets, policies and procedures to facilitate and improve processes. Coordinates the creation, development, design and improvement of the organization's projects and products in conformance with established programs and objectives. Oversees plans, resources and budgets of the department aligned with business strategy.
Engineering Manager and/or Distribution Engineer	Supervises and directs the work of an engineering division such as distribution, line design, transmission planning, distribution planning and/or civil engineering. Responsible for engineering work involving a wide scope of assignments. Handles personnel coordination and issues of the division, prepares estimates, specifications and designs, including the supervision, planning and scheduling of work within the division – Requires a P. Eng. <u>OR</u> Supervises engineering technicians or service technicians. Directs and coordinates the activities, schedules and projects of the construction and maintenance group of those involved with the distribution of electrical power from transformer substations, construction and maintenance of distribution systems. Consults with other department management on plant design, construction and maintenance. Prepares monthly operating reports, budget estimates, and work and materials specifications. Reviews and approves material requisitions, work authorizations and drawings for facilities. Requires a P. Eng.
Project Engineer	Non-supervisory position. Directs and coordinates activities related to utility engineering project work, such as smart grid systems, renewables, large utility projects, asset renewal, etc. Requires a P. Eng.
Supervisor Engineering	Supervises a small technical work group which may include CAD operators and/or engineering technicians. Coordinates the development and maintenance of engineering and construction standards and systems (GIS, AM/FM, CAD). Organizes, stores and maintains the integrity of hard copy file records, digital formats and mapping standards. Normally requires a C.E.T. or A.Sc. T. Typically reports to an engineering manager.

# The MEARIE Group

## 2017 Management Salary Survey Of Local Distribution Companies

### Operations

Director Operations	NOT the head of function. Plans and directs all operations functions (no engineering responsibility), of the utility. Formulates and implements plans, budgets, policies and procedures to facilitate and improve processes and establishes clear controls, objectives and measures to ensure safe and appropriate delivery of services and clarity of roles and responsibilities. Evaluates the feasibility of new or revised systems or procedures and oversees operations to ensure compliance with established standards.
Manager Operations	NOT the head of function. Supervises, co-ordinates, directs, schedules and controls the construction, maintenance and personnel of the division, including budgets, transportation, equipment and material requirements and fleet management. Division responsibilities include construction, maintenance and repair of all overhead transmission, overhead and underground distribution and may include coordination of tree trimming for geographical area assigned to the division. In smaller utilities, a professional engineer may fill this role.
Manager Control Centre	Supervises, co-ordinates, directs, schedules and controls the control centre and technical staff. Provides leadership in the planning and coordination of the control centre relative to safety, reliability and control of the distribution system. Is responsible for budgets, and the direct operations of the control centre approving system outages, switching and maintenance requirements to maintain and improve system reliability.
Supervisor Control Centre	Directs and supervises control centre technical staff. Provides planning and coordination of control centre scheduling and maintenance required for the safe, reliable operation and control of the distribution system, including the authorization of the operation of system devices, equipment and control access to electrical plant and substations. Approves and coordinates system outages and switching as required for maintenance and system reliability. Oversees power interruptions and emergencies with dispatch staff to affect corrective measures for isolation, emergency repairs and restoration purposes. Monitors feeder load profiles.
Supervisor Protection and Control	Responsible for the management of all Protection & Controls activities related to the installation, maintenance and commissioning of: Protective Relaying Schemes and Station Automation Systems; SCADA System, Visual Display System and Remote Terminal Units; Operations Ethernet and system-wide Area Communications Networks; Distribution Automation Systems, Sectionalizing Devices and Remote Supervisory Controlled Devices. Prepares and administers reports, budgets, Policies and Procedures, record keeping systems.
Supervisor Station Maintenance	Responsible for the planning, coordinating both maintenance and installation of substations, as well as ensuring reliability of the underground plant, through testing and troubleshooting. Supervises, coordinates and schedules the activities of Station Maintenance Electricians and Protection and Control Technicians, Reviews work assignments, daily logs, reports and orders. Co-ordinate crews and plan jobs, assigns work per shift, long-term work and shift coverage to ensure the smooth flow of routine work and that all shifts are covered.
Line Supervisor	Coordinates and directs the lead journey person and/or crews in the construction and maintenance of distribution lines and equipment (overhead and/or underground). Works with lead journey person to develop plans and schedules required in directing and assigning a crew or crews of skilled trade staff in performing construction, maintenance and operation of the distribution system lines in a safe and efficient manner. Supervises and coordinates subcontractors engaged in planning and executing work procedures, interpreting specifications and managing construction.



# The MEARIE Group

## 2017 Management Salary Survey Of Local Distribution Companies



Manager Meter Department	Supervises the overall operations of the Meter department, prepares budgets, directs the purchase and maintenance of equipment and technology related to the department. Provides direction on the supervision of meter staff, the assignment of work and productivity of staff. Supervises the work related to interactions with electronic meter programming and interaction with/or the operation of the MV90 or similar data collection systems.
Supervisor Meter Department	Responsible for overall operation of the Meter department, including operations, budgeting and supervision of meter technicians or other operations staff. Assigns, monitors and inspects the daily work and productivity of the staff in metering operations to ensure timely delivery of services, maintenance of equipment and identification of issues. Develops work plans for the department that include supervising meter re-verification, new meter installs, record maintenance and monitoring of meter maintenance, damage, reporting and theft issues. Ensures compliance with technical standards for equipment. Responsible for electronic meter programming and interaction with/operation of an MV90 or similar data collection system.

### Supply Chain / Procurement

Director Supply Chain Management	Responsible for the overall operation of the Procurement, Inventory, Fleet and/or Facilities programs and initiatives in the organization. Formulates and implements plans, budgets, policies and procedures to facilitate and improve processes and establishes clear controls, objectives and measures to ensure safe and appropriate delivery of services and clarity of roles and responsibilities. Oversees the establishment of user service level agreements, and provides contract management expertise and acts as a resource for contract negotiation, review and approval. Directs the effective capital acquisition and maintenance of the corporate fleet and/or directs the effective maintenance and capital investment of the organizations facilities and assets.
Manager Procurement and/or Inventory and/or Facilities and/or Fleet	Responsible for all purchasing and/or inventory and/or facilities and/or fleet for all areas of the utility. Negotiates vendor agreements and manages the tender process. May also be responsible for stores and inventory control in the warehouse. Is responsible for budgets, policies and procedures and directs the work of the purchasing or buyers and/or stores and/or facilities and/or fleet personnel. Works with the organization in setting partnership relationships to understand and meet the needs of the organization, its operations and risk associated with the effective and efficient operations of the company.
Supervisor Stores/Inventory/Warehouse	Supervises inventory control, records and stores operation. Orders material to maintain on-hand quantities with procurements approval. Responsible for testing safety equipment, i.e., hoses, blankets, gloves, etc., small tool and equipment repair and reconditioning. Assists procurement department in the sale of obsolete equipment and material.

### Accounting / Finance

Controller or Director Finance	NOT the head of function. Responsible for all financial reporting, accounting and record keeping functions. Directs the establishment and maintenance of the organization's accounting and finance principles, practices and procedures for the maintenance of its fiscal records and the preparation of its financial reports. Directs general and property accounting, cost accounting and budgetary control. Appraises operating results in terms of costs, budgets, operating policies, trends and increased profit opportunities. Reports to a CFO/VP Finance.
Manager Accounting	Manages the general accounting functions and the preparation of reports and statistics reflecting earnings, profits, cash balances and other financial results. Formulates and administers approved accounting practices throughout the organization to ensure that financial and operating reports accurately reflect the condition of the business and provide reliable information. Reports to Controller/Director Finance or CFO/VP Finance.



# The MEARIE Group

## 2017 Management Salary Survey Of Local Distribution Companies



Manager Risk Management	Responsible for risk management activities including cash flow management, credit facilities management, insurance and support for credit and collection policies throughout the corporation. May be responsible for ensuring that cash liquidity risk is managed in an appropriate fashion such that bank account balances are sufficient to meet operational, capital expenditures and debt servicing requirements while minimizing short-term borrowings or surplus investing. Provides leadership in the developing new and refining existing risk management policies to respond to changes in risk tolerances and business conditions and as financial risks are better understood in accordance with industry best practices. Reports to Head of Finance or COO or CEO.
Supervisor Accounting	Coordinates activities of the payable/receivable clerks. Supervises accounts payable and receivable transactions, entries and trial balances; responsible for the accuracy of all journal entries and reconciliation of invoices; updates credit department on account status.
Financial or Business Analyst	Conducts analysis of information for budgeting, investment and financial forecasts; applies principles of accounting to analyze past and present financial operations; estimates future revenues and expenditures; prepares budgets; develops and maintains budgeting systems; processes and prepares business transactions and reports, reconciles ledgers and sub-ledgers, cash flow projections, entry of source documents. Holds a financial designation, either CA, CMA or CGA.
Accountant	Supports the organization decisions through financial information and relevant analysis. Ensures the integrity between the CS work order systems and general ledger system is maintained. Initiate corrective measures when discrepancies occur between the systems. Collects and combines information for the decision making process by management, including financial statements and special projects as assigned (e.g. preparation of rate submission supplemental information).

### Customer Service

Director Customer Service	NOT the head of function. Provides direction for all departmental activities, services and practices, including customer care/call centre, billing, credit and collections. Accountable for the implementation and integration of all customer service related activities. Oversees the implementation of customer service standards, policies and procedures; manages budgets; manages activities of CS managers and/or supervisory staff.
Manager Customer Service and/or Billing	NOT the head of function. Manages a team of customer service and/or billing representatives in providing information, receiving and responding to customer inquiries, complaints or requests. Develops and maintains customer information systems, processes and procedures including billing, credit, deposits and collections. Liaises with representatives of other organizations and customer groups to share information and resolve administrative, organizational and technical problems. Responds to elevated customer complaints. This function may also be responsible for coordinating meter installation/maintenance, residential electric service connections, and service calls.
Supervisor Customer Service and/or Billing and/or Collections	Supervises customer service representatives (billing clerks and/or collections clerks) and coordinates customer service programs within the framework of established customer service policies. Schedules and organizes staff to accommodate anticipated workflow from bill inquiries, delinquent accounts, re-connections and disconnections, customer deposits, etc. Recommends corrective steps to address customer issues and refers unique issues to manager for response.

# The MEARIE Group

## 2017 Management Salary Survey Of Local Distribution Companies

### Regulatory Affairs

Director Regulatory Affairs	NOT the head of function. Supports the VP or may represent the organization on regulatory matters before government agencies and conformity assessment bodies including providing of evidence, regulatory filings, supporting analyses, position papers, interrogatory responses, etc. Ensures that regulatory information is disseminated throughout the organization in a timely and effective manner. Is responsible for or supports the filing of written communications and regulatory submissions to government agencies (OEB) and conformity assessment bodies (IMO).
Manager Regulatory Affairs	NOT the head of function. Manages the organization's regulatory staff, programs and activities to ensure compliance. Assists the organization on quality and regulatory matters before government agencies, providing research and analyses. Ensures that regulatory information is disseminated throughout the organization in a timely and effective manner. Coordinates the filing of written communications and regulatory submissions to government agencies (OEB) and conformity assessment bodies (IMO).
Regulatory Accountant	Ensures that the accounting activities for regulatory financial reporting are in compliance with all Ontario Energy Board (OEB) policies and guidelines. Act as a key resource to provide expert advice and recommendations in the implantation of all OEB, OPA and IESO codes and regulations in order to ensure corporate compliance. Track and reconcile all OEB accounts, including business rationale for changes in balances, cost side of accounts subject to prudence review (i.e. conservation, smart meters) and the cost side of Ontario Power Authority (OPA) programs.

### Conservation / Demand

Settlement or Rate Analyst	Responsible for recording, creating, analyzing, processing and reconciling metering data. Operates and administers an MV-90 or similar data collection system, downloading, validating, editing, estimating and processing interval meter-related information. Has in-depth understanding of commercial billing practices, the IMO and the OEB's Retail Settlement Code. Analyses rates using rate sensitivity models and develops appropriate rate structures, using the specific models.
Director or Officer, Conservation and Demand Management	This position is responsible for planning, coordinating, evaluating and delivering energy and water conservation and demand management programs. Develops plans for programs in accordance with the OEB's conservation and demand management code to ensure achievement of OEB mandated energy consumption and demand conservation targets.
Manager Conservation & Demand/Marketing	Responsible for managing the development and implementation of CDM initiatives as well as the marketing communications expertise and support required for the successful delivery of the company's Conservation and Demand Management (CDM) programs. Marketing communication plans may include, but are not limited to advertising, media conferences, program launch events, workshops, event displays. Liaising with, as needed, senior marketing and/or communications personnel representing organizations and groups involved in conservation and sustainability including, but not limited to, the Ontario Power Authority (OPA), the Ontario Energy Board (OEB), Ministry of Energy, municipal and regional governments, etc.



# The MEARIE Group

## 2017 Management Salary Survey Of Local Distribution Companies

### Information Systems / Technology

Director Information Systems	Accountable for operations and alignment of the Information and Telecommunication Systems with the business in terms of organization objectives and imperatives. Ensures that existing needs and future demands of internal and external customers are met through a cost effective and efficient information and telecommunication infrastructure. Oversees IS management in areas of computer operations, systems planning, design, security, programming and telecommunications. Reviews and evaluates project feasibility and needs based upon management's and business requirements and priorities. Develops departmental plans, strategy, budgets and resource requirements. Typically reports to President & CEO, or CFO.
Manager Information Systems and/or Security	Manages and directs staff in areas of computer operations, systems planning, design, security, programming and telecommunications. Develops and maintains systems standards and procedures and assigns work to department staff. Reviews and evaluates project feasibility and needs based upon management's and business requirements and priorities. Develops departmental plans, project plans, budgets and resource requirements.
Systems/Program Administrator or Applications/ Systems Support Professional	Responsible for maintenance of software systems including system analysis, programming and design, updates and changes. Makes a preliminary study of new applications and recommendations to implement them, including hardware and software. Troubleshoots and corrects problems in existing programs, other than normal problems, usually caused by changes of software or hardware.

### Human Resources

Human Resources Manager	NOT the head of function. Develops and implements human resources programs, including compensation, benefits, recruitment, performance management, labour relations/negotiations, training and development, assists in policy development, HR planning, record keeping or payroll etc. May supervise a team of HR professionals or support staff. Reports to a senior HR professional (Director or VP or equivalent).
Human Resources Generalist	Assists in the development and implementation of human resources policies and programs by providing support and guidance to managers and employees in the areas of compensation, labour relations, employee relations, performance management, benefits, recruitment, training and HRIS systems. Acts as a business partner to the organization in the areas of human capital. May assist in the preparation of negotiations.
Human Resources Coordinator	Administrative support to one or more functional areas of HR and/or Safety. Processes, coordinates and enters into a HRIS or other system, a variety of documents including employment applications, benefits, compensation and payroll changes and confidential employee information. Responds to routine employment questions and distributes and maintains manuals and employee program communications.
Payroll	Performs the payroll coordination and administration. Maintains the organizations internal or external payroll system. Prepares monthly requisitions for WSIB, Employee Health Tax, Receiver General, OMERS Pension and Union Dues. Administers employee pension program and provides pension calculation estimates as requested. Reconciles monthly payroll for year-end finance procedures. Prepares annual T4's and T4A's and OMERS Pension and responds to inquiries from employees and pensioners regarding the pension plan.
Manager, Health & Safety	Accountable for the development and implementation of occupational health, safety and environmental programs, including training, maintenance of safe working conditions, investigation and reporting of workplace accidents. Also identifies areas of potential risk and makes recommendations to reduce or eliminate potential accident or health hazards in compliance with government regulations.



# The MEARIE Group

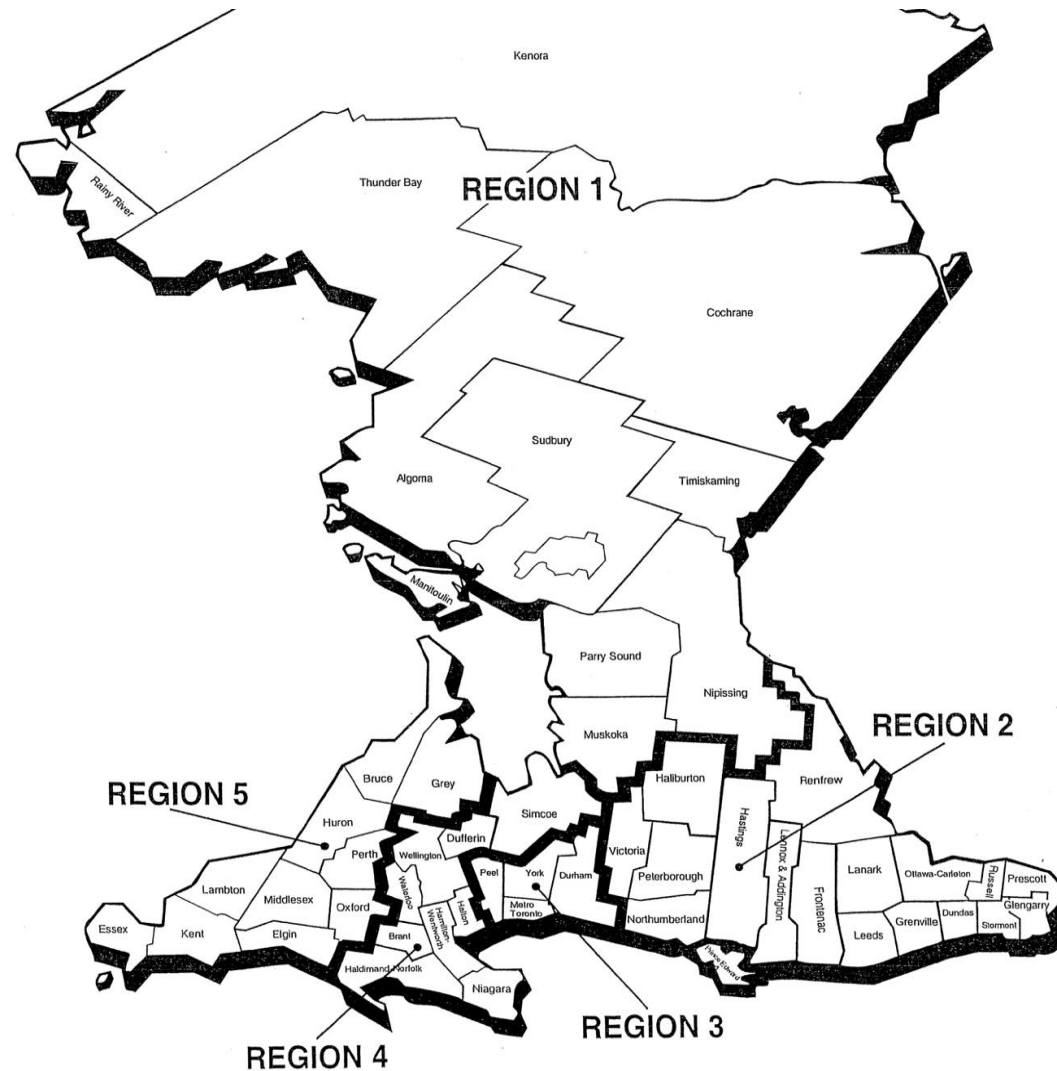
## 2017 Management Salary Survey Of Local Distribution Companies



### Communications

Director Communications	Directs the development, management and execution of internal and external corporate communications strategies for the company, and marketing and public relations initiatives. Acts as the Chief Spokesperson for the organization. Leads the management and development of the corporate brand and identity. Oversees the development, production and distribution of corporate publications including, but not limited to, the annual report, customer newsletters, information brochures, bill inserts, CDM/Green marketing materials, employee newsletters and media releases. Directs the development and management of the company's external (corporate internet site) and internal (corporate intranet site) web presence and strategy. Oversees the management and execution of internal and external corporate events as well as community-relations activities such as sponsorship and donation programs.
Manager Communications	Responsible for managing the development and implementation of all customer communications initiatives as well as the marketing communications expertise and support required for the successful delivery of the company's CDM and customer communications materials/systems. Communication materials may include, but are not limited to, customer newsletters, information brochures, bill form design, employee intranet, LCD information monitors, and website communications. Working in conjunction with Regulatory Affairs, develop materials or other communication methods to communicate regulatory changes/issues that may directly impact the customer. Manages event planning for internal and external company events.

## E. Regions



## Appendix 5

1-SEC-1 Attachment 3 2018 MEARIE MSS Report Sept 7  
2018

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## 2018 Management Salary Survey Of Local Distribution Companies



### ***SURVEY REPORT***

*August 2018*

***SURVEY ADMINISTRATOR: Korn Ferry***



# The MEARIE Group

## 2018 Management Salary Survey Of Local Distribution Companies



### Table of Contents

#### Section

1.	Introduction .....	1
2.	Survey Overview .....	3
3.	Salary Administration.....	8
4.	Benefit Policies.....	14
5.	Benchmark Position Survey Results.....	21

#### Appendix

A.	Survey Methodology .....	25
B.	Definitions – Compensation Elements.....	26
C.	Definitions – Statistical Elements.....	27
D.	Benchmark Position Profiles .....	28
E.	Regions .....	36

## 1. Introduction

The MEARIE Group is pleased to present this report of the 2018 Management Salary Survey of Local Distribution Companies (LDCs).

In today's competitive talent market, Local Distribution Companies (LDCs) are challenged with establishing and maintaining competitive, yet affordable, compensation programs and policies. The MEARIE Group established the Management Salary Survey of Ontario's LDCs to assist you and in understanding the competitive landscape and support your efforts in developing pay practices that attract, motivate and retain high quality, high performing employees.

The survey was updated in 2012 through the combined efforts of The MEARIE Group's *HR Information Solutions* team, outside consultants and representatives of our members, all working together to ensure that the Survey continues to meet the evolving needs of member LDCs.

The Survey was further enhanced from 2013 to 2014 through our partnership with Korn Ferry Advisory (previously Hay Group Limited), a globally renowned compensation consulting firm. Korn Ferry drew upon their expertise and experience in developing and managing salary surveys across all sectors of the economy and in numerous countries around the world.

There are no substantial changes to the survey from 2015 to 2018.

The 2018 survey includes:

- Geographic, Number of Employees, Number of Customer and Revenue size reporting.
- Fifty (50) benchmark descriptions, supported by the Korn Ferry Hay job evaluation methodology for improved reporting and greater ability to identify the impact of organization size and structure.
- Continued reporting of "total cash compensation" to provide greater depth of information regarding market pay practices.
- An overview of local distribution company market trends and compensation projections for 2018 budget planning.
- MS Excel survey reporting including versions of position salary tables by All Organizations, Geography, Revenue and Customers to support those organizations that wish to conduct further analysis of the results and to assist in transferring survey results into internal reporting.



# **The MEARIE Group**

## **2018 Management Salary Survey Of Local Distribution Companies**

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The survey includes two presentation documents and Excel data tables in formats as follows:

- PDF Documents:
  - Survey Report Executive Summary containing a complete analysis and a data summary of all the positions.
  - Survey Report addendum which includes a complete analysis of each position, presented on one page.
- Excel Documents which are provided for easy data export and printable to one legal sized page, showing LDC Survey data by:
  - All Organizations;
  - Region;
  - Customer Base;
  - Revenue;
  - Number of Employees.

We would like to thank you for your participation. As a result of the strong response, we are able to provide you with an informative and detailed survey that will help you in support of your organization's compensation programs.





# The MEARIE Group

## 2018 Management Salary Survey Of Local Distribution Companies



### CONFIDENTIALITY POLICY

**The MEARIE Group recognizes the importance of maintaining the security of your information and has developed the following policy that applies to all participants (and their delegates) in the Management Salary Survey (a "Survey"), as well as Korn Ferry (survey administrators) and The MEARIE Group.**

An individual LDC will provide its authorization for the sharing of information identified as being information of that LDC by completing the Survey Data Submission for a Survey. This will result in the LDC's data being identified by name in the listing of participants. This enables participants to be aware of the names of the other participants in the Survey to determine the relevance of Survey data cuts (e.g. by geography or size).

All of the information obtained through a Survey will be treated with the utmost confidentiality. Data will be reported on an aggregate basis only, and in a way to ensure that individual participant data cannot be identified/attributed. Standards for minimum number of data will be strictly enforced to ensure confidentiality. Neither Korn Ferry nor MEARIE Group will release or disclose to any other person whatsoever any information pertaining to any individual LDC participant.

Survey results will be reported only to those LDCs who participate in the Survey and provide comprehensive data. Comprehensive participation means that each LDC is expected to match as many of the Survey benchmark positions as they are able and provide data for all incumbents of matched positions. **All participants must consider this information as strictly confidential.**

The results of a Survey will not be disclosed/sold to or shared with organizations that have not participated in that Survey, whether by The MEARIE Group or Korn Ferry or Survey participants. **Participants may not share the Survey reports/results with non-participant LDCs or any entity under any circumstances.**

The data collected for a Survey may also be included in Korn Ferry's Canadian compensation database. Information in the Korn Ferry database is maintained with the highest standards of confidentiality; analysis and reporting of data is on an aggregate basis only, and in such a way as to ensure that individual participant data cannot be identified or attributed. As of May 2018, there are over 500 employers represented in the Korn Ferry database. Should you have any questions or for further information, please contact Felix Yu, analyst at Korn Ferry at 647-798-3724 or felix.yu@kornferry.com.

**The obligations of confidentiality set out in this policy are subject to the requirements of applicable law.** However, LDCs may not disclose the existence or results of a Survey to any regulatory body (or other person) unless compelled by law to do so, and if an LDC is compelled by law to make such a disclosure, it will give The MEARIE Group as much notice in advance as possible of the disclosure and the reasons the disclosure is legally required. In such circumstances, the LDC will take such steps as The MEARIE Group reasonably requests or will co-operate with respect to any steps The MEARIE Group reasonably wishes to take, to contest or limit the scope of the disclosure.

**The MEARIE Group will not be liable for breaches by participating LDCs or Korn Ferry of this Confidentiality Policy.**

## 2. Survey Overview

### Survey Benchmark Positions

The survey covers 50 benchmark positions representing a cross-section of the functions within member organizations. The benchmark positions were reviewed in 2012 by a working group of LDC sector Human Resources professionals. Job profiles for each benchmark job were developed and reviewed by the consultants and the HR group.

<b>Senior Management</b>	0000	President & CEO
	0001	Chief Operating Officer (COO)
	0002	Head of Operations and/or Engineering
	0003	CFO / Head of Finance
	0004	Head of Customer Service
	0005	Head of Regulatory Affairs
	0006	Head of Human Resources
<b>Administration</b>	1000	Executive Assistant
	1001	Administrative Assistant
<b>Engineering</b>	2000	Director Engineering
	2001	Engineering Manager and/or Distribution Engineer
	2002	Project Engineer
	2003	Supervisor Engineering
<b>Operations</b>	2500	Director Operations
	2501	Manager Operations
	2502	Manager Control Centre
	2503	Supervisor Control Centre
	2504	Supervisor Protection and Control
	2505	Supervisor Station Maintenance
	2506	Line Supervisor
	2507	Manager Meter Department
	2508	Supervisor Meter Department



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## 2018 Management Salary Survey Of Local Distribution Companies



<b>Supply Chain / Procurement</b>	3000	Director Supply Chain Management
	3001	Manager Procurement and/or Inventory and/or Facilities and/or Fleet
	3002	Supervisor Stores / Inventory / Warehouse
<b>Accounting / Finance</b>	4000	Controller or Director Finance
	4001	Manager Accounting
	4002	Manager Risk Management
	4003	Supervisor Accounting
	4004	Financial or Business Analyst
	4005	Accountant
<b>Customer Service</b>	5000	Director Customer Service
	5001	Manager Customer Service and/or Billing
	5002	Supervisor Customer Service and/or Billing and/or Collections
<b>Communications</b>	5500	Director Communications
	5501	Manager Communications
<b>Regulatory Affairs</b>	6000	Director Regulatory Affairs
	6001	Manager Regulatory Affairs
	6002	Regulatory Accountant
<b>Conservation / Demand</b>	7000	Settlement or Rate Analyst
	7001	Director or Officer, Conservation and Demand Management
	7002	Manager Conservation & Demand / Marketing
<b>Information Systems</b>	8000	Director Information Systems
	8001	Manager Information Systems and/or Security
	8002	Systems / Program Administrator or Applications / Systems Support Professional
<b>Human Resources</b>	9000	Human Resources Manager
	9001	Human Resources Generalist
	9002	Human Resources Coordinator
	9003	Payroll
	9004	Manager, Health & Safety

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## 2018 Management Salary Survey Of Local Distribution Companies

### Participants

All organizations in the LDC sector in Ontario were invited to participate in the survey. The following thirty-eight (38) organizations submitted data:

- Alectra Utilities
- Bluewater Power Distribution
- Brantford Power Inc.
- Collus PowerStream Corp.
- E.L.K. Energy Inc.
- Energy+ Inc.
- Entegrus Inc.
- Enwin Utilities Ltd
- Essex Power
- Festival Hydro Inc.
- Fort Frances Power Corporation
- Greater Sudbury Utilities
- Grimsby Power Incorporated
- Guelph Hydro Electric Systems Inc.
- Halton Hills Hydro Inc.
- InnPower Corporation
- Kitchener-Wilmot Hydro Inc.
- Lakeland Power Distribution Ltd.
- London Hydro Inc.
- Milton Hydro Distribution Inc
- Newmarket-Tay Power Distribution Ltd.
- Niagara Peninsula Energy Inc.
- North Bay Hydro Distribution Limited
- Northern Ontario Wires Inc.
- Oakville Hydro
- Orangeville Hydro Limited
- Oshawa PUC Networks, Inc.
- Ottawa River Power Corporation
- Peterborough Utilities Group
- PUC Services Inc.
- Sioux Lookout Hydro Inc.
- Thunder Bay Hydro Electricity Distribution Inc.
- Utilities Kingston
- Veridian
- Wasaga Resource Services
- Waterloo North Hydro Inc.
- Welland Hydro-Electric System Corp.
- Westario Power Inc.

It should be remarked that survey results may fluctuate due to varying sample mixes over the years. Participants should be mindful when reviewing and comparing results between years.



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## 2018 Management Salary Survey Of Local Distribution Companies



### Participant Group Profile

All participants provided information regarding their organizational profile. The summary statistics of the participating organizations are detailed below.

The figures reported below are assessed on an “as provided” basis. Korn Ferry and the MEARIE Group have not independently or exhaustively verified the values presented below.

Statistic	P25	P50	P75	Average
Annual Operating Budget (\$ millions, less the cost of power)	6.5	13.7	27.3	22.3
Annual Operating Budget (\$ millions, including the cost of power)	43.0	102.4	178.2	194
Number of Employees (full time equivalent)	31	60	139	127
Number of Customers	16,340	36,561	57,251	72,597
Gross Revenue (\$ millions, less the cost of power)	8.6	19.7	37.2	38.8
Gross Revenue (\$ millions, including the cost of power)	44.2	108.3	203.5	210.2
Regulated Gross Revenue	82%	97%	99%	95%
Unregulated Gross Revenue	0%	3%	7%	5%

All organizations noted the fiscal year ends in December.

Analyst Note: where average is significantly higher or lower than the median of the market, this indicates a small number of observations which skew the data either high or low. For example, the average number of customers is significantly higher than P50, and even P75, indicating a small number of organizations serving some very large groups of customers.

### 3. Salary Administration

#### Salary Range Adjustments – 2017 to 2019

Thirty-two (32, or 84%) organizations reported data for salary ranges while 3 (8%) indicated they did not use ranges. The most common month for salary range adjustments is January.

In 2017, twenty-four (24) organizations reported adjustment to salary ranges, while five (5) organizations froze their ranges (i.e., provided 0%). Excluding the 5 organizations who froze ranges, the average range increase is 2.0%.

In 2018, twenty-seven (27) organizations reported adjustment to salary ranges, and two (2) froze their ranges. Excluding the two (2) organizations that froze their ranges (i.e., provided 0%), the overall average salary range increase is 1.8%.

Survey participants report planning to adjust salary ranges in 2019 by an overall average of 1.9% (n=14).

The salary range adjustments by employee level and overall are noted in the table below:

Year	CEO	Executive	Director	Management	Professional /Technical	Admin	Overall
2017	2.1%	1.9%	1.9%	1.9%	1.9%	1.9%	2.0%
2018	2.0%	1.7%	1.6%	1.8%	1.7%	1.7%	1.8%
2019	1.6%	1.9%	2.0%	2.0%	2.0%	2.0%	1.9%



# The MEARIE Group

## 2018 Management Salary Survey Of Local Distribution Companies



### Base Salary Increases – 2017 to 2019

The most common timing for salary adjustments is January (over 50% of reporting organizations grant annual salary increases in that month).

Survey participants report adjusting actual salaries in 2017 by an overall average of 2.3% (n=27).

Survey participants report adjusting actual salaries in 2018 by an overall average of 2.1% (n=31).

For 2019, survey participants reported projected average salary increases of 2.2% (n=15).

The base salary adjustments by employee level are noted in the table below.

Year	CEO	Executive	Director	Management	Professional /Technical	Admin	Overall
2017	2.5%	2.2%	2.4%	2.3%	2.2%	2.2%	2.3%
2018	2.1%	2.0%	2.0%	2.3%	2.2%	2.1%	2.1%
2019	2.3%	2.1%	2.9%	2.2%	2.1%	2.1%	2.2%

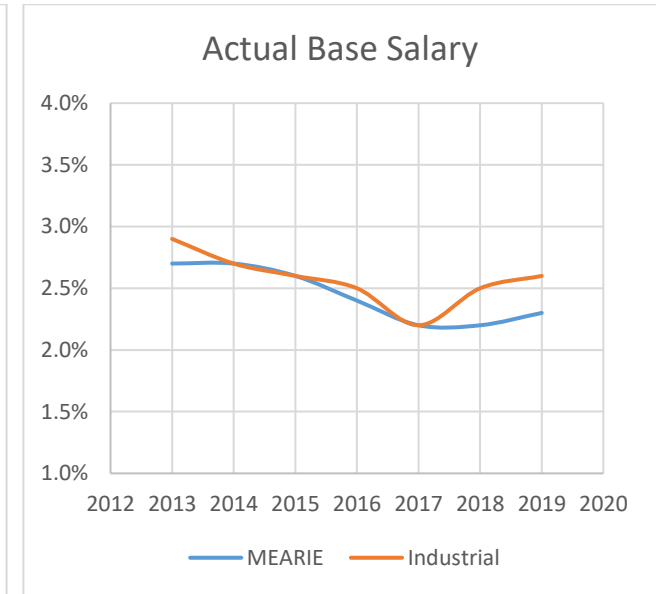
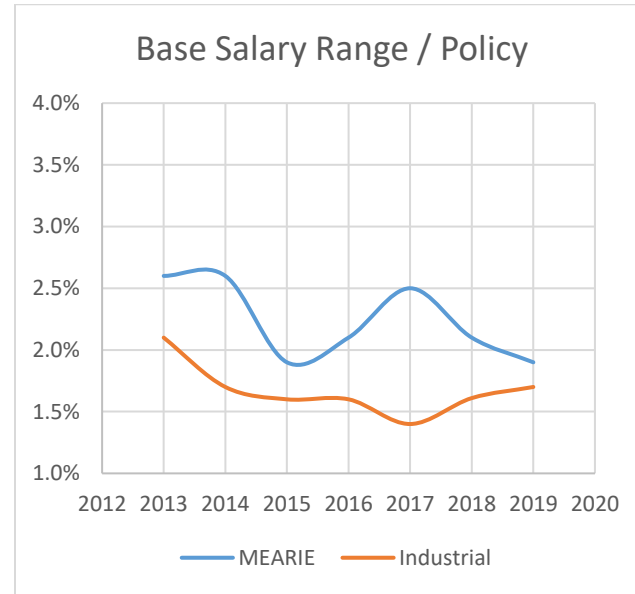
### Salary Trends

Korn Ferry compiles an annual compensation forecast survey across Canada, with over 500 participants annually.

The graph below depicts how the overall Canadian all-industrial organization market has tracked from a range and actual salary perspective versus The MEARIE Group Management Salary Survey trend information over the past 5 years.

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## 2018 Management Salary Survey Of Local Distribution Companies



Generally, local distribution companies track very close to the all-industrial market for actual salary adjustments; usually within 0.3 percentage points. Local distribution companies track above the all-industrial market for salary range adjustments by 0.2 – 1.1 percentage points, according to the 2019 all-industrial compensation planning update.

The differential between actual base salary increases and salary range adjustments among local distribution companies is generally small, this year the average differential is 0.4 percentage points. The average differential among industrial organizations is 0.9 percentage points.

This indicates that industrial organizations may be allocating greater portions of salary budgets to differentiation by merit, enabling high performers to be paid potentially above job rate and/or moving people through the range faster. That is, industrial organizations are likely increasing their overall comp-ratios, whereas LDCs' movement through range is very conservative.





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## 2018 Management Salary Survey Of Local Distribution Companies



### Incentive Programs

- a. The majority of organizations (27 of 38 or 71%) provided information regarding their short-term incentive plans, for some or all their employees.
  - Seventeen (17) of the organizations indicated that all employee groups participated in STI.
  - Ten (10) organizations have STI plans for designated staff (typically senior management and/or executives) that do not extend to other staff (usually non-management).
- b. Twenty-two (22) of the twenty-seven (27) organizations who offer short term incentive pay provided information about their incentive plans. The determination of individual bonus payments is based on the weighting of performance factors such as corporate versus individual versus team/department performance.

Typical plan mix is a combination of corporate and individual metrics with a heavier weighting on corporate for senior management and/or executives and a heavier weighting on individual metrics for non-management staff. For example:

  - The most common CEO incentive plans are 80% Corporate, 20% Individual, or 100% Corporate;
  - The most common Director plan is 60% Corporate, 40% Individual;
  - The most common Admin plan is 0% Corporate and 100% Individual.

The average plan mix, by employee level, is provided in the table below.

Performance Factor	CEO	Executive	Director	Management	Professional / Technical	Admin.
Corporate	64.3%	54.8%	58.9%	43.9%	42.3%	39.6%
Team / Department	1.7%	2.9%	2.1%	5.7%	0.0%	0.0%
Individual	34.0%	42.3%	38.9%	50.4%	57.7%	60.4%



# The MEARIE Group

## 2018 Management Salary Survey Of Local Distribution Companies



### Incentive Programs (continued)

#### **Threshold Bonus Payouts**

Formulaic or “target based” bonus programs typically do not pay out until a minimum level of performance (corporate, team and/or individual) has been achieved (i.e., if the threshold performance is not achieved, there is no pay out). Once this threshold performance has been achieved, incentive plans will pay out a minimum level of bonus; pay out levels typically then increase as performance/results increase, up to a “target” bonus rate when performance goals have been “met”.

Fifteen (15) of the twenty-seven (27) organizations with incentive plans reported that they define minimum levels of performance required before any bonuses are generated. The typical bonus rate at the threshold performance is set at 50% of “target” bonus.

#### **Maximum Bonus**

Bonus programs are often designed such that there is a maximum level of payout. For example: if a position has a 10% bonus and the maximum payout is 200%, or 2x, then the maximum amount the employee can achieve regardless of performance (i.e., how much targets are exceeded by), is 20% of their current base salary.

The average maximum bonus is provided by employee level in the table below, though the typical bonus pay maximum is 100% of target.

Maximum Bonus Payout	CEO (n =17)	Executive (n =15)	Director (n =11)	Management (n =15)	Professional / Technical (n = 11)	Admin. (n =11)
Average	1.47x	1.41x	1.39x	1.28x	1.38x	1.27x

In the broader market, it is more common to find higher maximum bonus levels (as a % of target) at higher levels of the organization, to reflect the greater influence on organizational performance that more senior roles are perceived to have.



# The MEARIE Group

## 2018 Management Salary Survey Of Local Distribution Companies

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### **Salary Compression Policy**

Organizations were asked if they have any formal salary compression policy in place.

Thirty-four (34) of the thirty-eight (38) organizations responded to this question.

Out of the thirty-four (34) responses, two (2) organization reported having a formal salary compression policy in place, however, the policy may not apply to all staff members; two (2) organizations reported they either have an informal plan in place, or have been monitoring salary compression. Given the limited response, there is insufficient data to report any details regarding compression and related policies.

### 4. Benefit Policies

#### Car Benefit

Most organizations (36 of 38 or 95%) provide a car benefit to some level of employee.

The table below summarizes the value of car benefits, by position, where provided. An asterisk (\*) indicates insufficient data to report:

		Company Owned Car (Value)	Monthly Lease Payment	Car Allowance (monthly)
CEO	P75	*	*	1,000
	P50	*	*	750
	P25	*	*	574
	Average	*	*	826
	Number	1	1	22
Executive / VP	P75	*	*	750
	P50	*	*	667
	P25	*	*	450
	Average	*	*	695
	Number	1	1	11
Sr. Management / Director	P75	*	*	595
	P50	*	*	500
	P25	*	*	413
	Average	*	*	510
	Number	1	0	8

# The MEARIE Group

## 2018 Management Salary Survey Of Local Distribution Companies

### Mileage

The market statistics for mileage rates provided to employees as reimbursement for personal vehicle use are detailed in the table below.

N = 35	Mileage Reimbursement (¢ per km)
P75	55.0
P50	54.0
P25	50.0
Average	51.9

The most frequently reported mileage rate (11 organizations) is 55 cents per kilometer; the next most reported rate (7 organizations) is 54 cents per kilometer.

### Perquisites

#### ***Club Memberships – Fitness***

Sixteen (16) organizations reported providing a subsidy for fitness club fees. The typical policy is to provide a reimbursement of a fixed monetary amount per year. For most organizations, the same policy and maximum reimbursement apply regardless of job level.

N = 15	Maximum Reimbursement per year
P75	300
P50	200
P25	180
Average	229

#### ***Club Memberships – Social***

Two (2) organizations reported having a separate policy/program for reimbursement of social club fees.



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## 2018 Management Salary Survey Of Local Distribution Companies



### Perquisites (cont'd)

#### ***Health Spending Account***

Ten (10) organizations reported providing a Health Spending Account (i.e., discretionary spending within a defined range of services / benefits). Some of these policies differ in spending maximums between individuals and family.

Of the ten (10) organizations, three (3) provide the same funding for all jobs levels while seven (7) differentiates by job level.

	CEO	Executive	Director	Management	Professional / Technical
P75	1,325	1,550	1,000	1,050	1100
P50	1,000	1,000	1,000	1,000	1,000
P25	488	375	325	300	275
Average	1,265	1,006	783	789	725
Number	10	9	9	9	7

#### ***2<sup>nd</sup> Opinion Medical Advice***

Two (2) organizations in the survey reported having a separate policy/program for this benefit.

#### ***Personal Financial/Legal Counseling***

Two (2) organizations reported that financial and legal counseling is available via their Employee Assistance Program.

#### ***Executive Medical Plan***

Eight (8) organizations reported providing enhanced medical coverage for executive levels. Five (5) organizations reported a maximum dollar value in executive medical plan coverage, the average coverage is \$1,720, and the median is \$2,145.

# The MEARIE Group

## 2018 Management Salary Survey Of Local Distribution Companies

### Perquisites (cont'd)

#### ***Personal Computer / Cell Phone / Internet***

Eight (8) organizations provided information regarding policies and practices related to computers and internet.

The most common policies/practices are:

- Provision of laptops for employees at certain levels, or in certain roles, sometimes in addition to an office desktop, to allow for mobile work (note: may be a perquisite if personal use of computer is allowed, but not a perquisite if for business use only).
- Reimbursement for cell phone and/or home internet connection for selected employees (full and half reimbursement were both provided in the market).
- Cash allowances (to cover cell phone and/or internet usage).

Six (6) organizations provided the dollar value of such perquisite, the median is \$888 per year, and the average is \$1,112 per year.

#### ***Other Perquisites***

Other programs/practices reported, by seven (7) organizations, include:

- Full or partial reimbursement of tuition/examination costs for professional certifications.
- Reimbursement of dues/fees for professional associations such as Engineers (P.Eng) and Accountants (CGA/CMA/CA).

#### ***Enhanced Life Insurance Coverage for Senior Officers***

Organizations were asked if, for senior level jobs, there was additional, employer paid, life insurance coverage. For example, if the typical life insurance plan was 1.5x employee salary, was this enhanced to above 1.5x to some greater number such as 2x, or even 3x, for senior level jobs?

Fourteen (14) organizations provided information about their basic/standard life insurance coverage where the typical and average coverage is 1.5x annual salary. Enhanced benefits are provided by seven (7) organizations, excluding the organizations providing a fixed amount, the additional coverages received by senior roles at these organizations averaged 2.2x annual salary. The typical additional life insurance coverage is 3x annual salary.

# The MEARIE Group

## 2018 Management Salary Survey Of Local Distribution Companies

### Vacation Entitlement

All thirty-eight (38) organizations provided the years of service required by various levels of employee to receive a certain number of vacation days/weeks.

The table below details the range, average and typical (i.e., most common) number of years of service required per weeks of entitlement.

Several organizations noted that for executive level jobs, vacations are typically negotiated, rather than dictated by written policy. These observations were removed from the sample.

	2 weeks	3 weeks	4 weeks	5 weeks	6 weeks +
CEO					
Range	No range	Start – 4	Start – 9	Start – 17	start – 26
Average	Start	1	4	12	21
Typical	Start	Start	Start	15	26
sample	n = 15	n = 24	n = 29	n = 29	n = 29
Executive / VP Level					
Range	No range	Start – 4	Start – 9	Start – 17	15 – 26
Average	Start	1	4	13	23
Typical	Start	Start	9	15	26
sample	n = 13	n = 24	n = 29	n = 28	n = 28
Director Level					
Range	No range	Start – 4	Start – 9	8 – 17	15 – 26
Average	Start	1	4	14	23
Typical	Start	Start	9	16	26
sample	n = 16	n = 27	n = 33	n = 30	n = 30
Manager Level					
Range	No range	Start – 4	Start – 9	8 – 17	15 – 26
Average	Start	1	5	14	23
Typical	Start	Start	9	15	26
sample	n = 16	n = 30	n = 32	n = 31	n = 31
Professional Level					
Range	No range	Start – 4	Start – 10	8 – 17	15 – 26
Average	Start	1	6	15	23
Typical	Start	Start	9	16	26
sample	n = 21	n = 32	n = 33	n = 33	n = 33



# The MEARIE Group

## 2018 Management Salary Survey Of Local Distribution Companies

### Unused Vacation

Organizations provided information about their policies and practices regarding vacation time not fully utilized in the year in which it was earned.

Policy Regarding Carry Over	Number	%
Unused vacation entitlement at year end is paid out (vacation pay adjustment) – no carry over.	2	6%
Any/all unused vacation entitlement may be carried-over with no restrictions.	3	9%
Unused vacation entitlement may be carried over, subject to maximum total accumulated balance.	11	31%
A maximum amount of unused vacation may be carried over.	19	54%
Total	35	100%

Maximum Number of Days to Carry Over (n = 16)	Number of Days
Range	4 – 14
Average	7.0
Typical	5.0

Time Limit for Utilizing Carried-Over Vacation Time	Number
No limit	7
One Year	10
Six Months or less	15
Total	32

### Note:

- The tables above exclude carry-over limits which are discretionary, negotiated, or dependent upon employee's annual vacation entitlement.
- Some LDC's reported using a "floater" vacation scheme, that is, employees receive vacation days on top of their annual entitlement. Unused "floater" days may expire after a specified amount of time (e.g., 5 years).
- Some organizations reported that unused vacations after expiry will be paid out, others reported these unused vacation days will be forfeited (i.e., without recompense).

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## 2018 Management Salary Survey Of Local Distribution Companies

### **Educational Assistance / Reimbursement**

Twenty-two participating organizations (22) provided details regarding education assistance/reimbursement policies ranging from eligibility criteria to payback provisions. There are a wide variety of programs and reimbursement rates. Key highlights are provided below:

- Twenty-two (22) organizations stated that they offer some education assistance. Some organizations have detailed policies governing such practice, others evaluate it on a case-by-case basis.
- There are usually limits in the subject and coursework in relevance to job duties and responsibilities. Some require manager or corporate approval.
- Some organizations remarked that education assistance programs are provided only to full-time employees, some remarked that only certain roles (usually senior level, or professional/technical) are eligible for education assistance.
- Seven (7) organizations provided annual reimbursement maximums, which depend on the level of study, and/or cost of education, less a deductible where applicable.
- Three (3) organizations provided a per-program reimbursement maximum, the average of such maximum is \$18,333.
- Payback provisions were submitted by fifteen (15) organizations. The average time to not trigger any payback provision is 2.6 years, the median is 2.0 years. The range of time is between 90 days to 5 years. Six (6) organizations noted they have some form of partial/sliding scale payment plan for leaving within a designated period after completion of education. For example, from completion of program, if the employee resigns voluntarily within 12 months, they are liable for 100% of the cost; if the employee resigns voluntarily between 12 and 24 months from the completion of education, they are liable for 75% of the cost.

## 5. Benchmark Position Survey Results

### Survey Results

This section reports the information collected in aggregate values for each benchmark position. The values reported in this table reflect “All Ontario” data in that the data for all organizations matching to the position are included (regardless of size and geographic location).

Additional summaries, on a job by job basis, are provided in the accompanying Appendix.

Detailed analysis, with expanded statistical data (i.e., including P25 and P75 data points) as well as analysis of survey results by geographic region, by customer base and by revenue, are reported in the Excel files accompanying this report.

When reviewing the survey results, and comparing across years, it is important to note that market fluctuations (or lack thereof) can arise from a variety of sources, including true market movements, change in sample composition, etc. Readers are reminded that statistics derived from small samples are vulnerable to individual variations.



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## 2018 Management Salary Survey Of Local Distribution Companies



### ALL ORGANIZATIONS

Code	Survey Job Title	Job Matches			Compensation Design						Actual Compensation				
		Sample Statistic		Hay Points	Salary Range Minimum	Job Rate	Salary Range Maximum	Target Bonus %	Total Cash Design		Actual Base Salary		Actual Bonus %	Actual Total Cash	
		# Orgs	# Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
0000	President & CEO	32	35	192	175,900	200,100	224,000	24%	232,700	262,400	207,500	218,800	21%	238,000	265,500
0001	Chief Operating Officer (COO)	13	15	839	136,800	160,000	160,900	15%	164,800	201,900	160,400	173,600	17%	187,400	213,800
0002	Head of Operations and/or Engineering	19	21	994	133,300	159,000	177,500	18%	188,100	191,000	166,200	163,500	23%	178,800	185,400
0003	CFO / Head of Finance	33	34	830	135,500	159,300	167,400	18%	164,100	183,400	160,900	160,800	17%	164,100	182,000
0004	Head of Customer Service	11	11	830	125,300	147,400	153,000	19%	166,300	174,200	140,500	156,100	20%	161,500	177,100
0005	Head of Regulatory Affairs	7	7	864	145,000	165,900	178,500	21%	199,100	201,200	173,000	174,500	28%	196,000	208,400
0006	Head of Human Resources	15	15	677	124,000	139,500	153,000	20%	151,000	172,400	140,400	149,800	14%	157,000	173,300
1000	Executive Assistant	27	53	242	62,800	74,600	83,900	5%	76,400	77,300	77,200	76,800	5%	79,400	79,600
1001	Administrative Assistant	10	18	198	56,000	64,800	69,500	3%	64,800	65,800	68,400	69,500	*	69,100	70,200
2000	Director Engineering	15	15	702	110,500	135,200	149,100	10%	145,400	151,900	133,600	143,300	8%	143,900	153,600
2001	Engineering Manager and/or Distribution Engineer	23	25	496	97,700	117,000	122,800	8%	121,800	121,200	117,000	117,400	7%	121,800	122,200
2002	Project Engineer	15	24	393	83,600	103,800	109,200	8%	109,800	103,700	104,400	101,200	9%	110,500	105,600
2003	Supervisor Engineering	12	34	406	85,000	104,500	117,300	8%	111,400	109,000	107,200	103,300	8%	112,200	109,800
2500	Director Operations	12	14	732	110,000	126,400	140,900	15%	144,500	141,200	138,000	135,100	16%	145,900	143,700
2501	Manager Operations	22	30	544	98,500	116,600	123,300	6%	122,700	124,200	122,000	122,800	5%	123,300	126,000
2502	Manager Control Centre	9	13	571	110,600	138,200	148,200	10%	148,200	137,300	126,200	124,800	12%	137,700	132,600
2503	Supervisor Control Centre	8	8	406	88,300	104,500	108,000	*	105,600	105,700	104,400	103,900	*	104,500	106,700
2504	Supervisor Protection and Control	6	6	431	88,300	102,100	109,100	*	102,100	102,500	109,100	103,300	*	109,100	103,300
2505	Supervisor Station Maintenance	9	13	406	83,600	103,800	109,200	8%	111,100	106,800	106,000	107,500	*	106,000	112,300
2506	Line Supervisor	27	122	366	88,600	102,600	109,200	7%	106,000	106,000	106,000	106,600	7%	110,200	111,100
2507	Manager Meter Department	7	7	551	99,700	117,300	118,200	10%	127,900	127,400	117,400	116,800	13%	131,200	129,000
2508	Supervisor Meter Department	7	7	406	83,700	102,100	103,100	*	102,100	102,500	102,100	101,100	*	102,700	103,800
3000	Director Supply Chain Management	5	5	702	114,500	143,100	155,600	0	164,600	155,900	143,600	144,500	0	165,600	163,700
3001	Manager Procurement and/or Inventory and/or Facilities and/or Fleet	15	16	429	89,000	109,000	110,500	7%	112,000	110,300	109,300	107,000	8%	109,700	111,800
3002	Supervisor Stores/Inventory/Warehouse	9	9	342	77,800	92,400	98,600	7%	93,200	98,400	94,500	99,100	5%	97,200	103,100



# The MEARIE Group

## 2018 Management Salary Survey Of Local Distribution Companies



### ALL ORGANIZATIONS

		Job Matches			Compensation Design						Actual Compensation				
Code	Survey Job Title	Sample Statistic		Hay Points	Salary Range Minimum	Job Rate	Salary Range Maximum	Target Bonus %	Total Cash Design		Actual Base Salary		Actual Bonus %	Actual Total Cash	
		# Orgs	# Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
4000	Controller or Director Finance	13	18	588	107,000	122,000	122,000	9%	122,000	130,000	117,900	125,600	7%	125,500	134,300
4001	Manager Accounting	18	21	479	89,500	109,400	123,900	8%	114,000	116,800	105,600	106,800	8%	109,200	113,700
4002	Manager Risk Management	2	1	*	*	*	*	*	*	*	*	*	*	*	*
4003	Supervisor Accounting	9	12	388	83,600	104,200	106,000	8%	108,600	107,000	104,200	100,600	8%	107,000	105,600
4004	Financial or Business Analyst	18	28	315	74,700	90,900	98,700	7%	97,200	94,900	88,900	89,500	5%	88,900	92,900
4005	Accountant	9	14	332	68,600	85,700	98,600	*	88,100	85,800	77,500	77,100	*	83,000	79,500
5000	Director Customer Service	7	7	677	110,500	133,900	140,500	10%	136,500	138,600	133,900	133,400	7%	141,400	145,600
5001	Manager Customer Service and/or Billing	23	29	473	88,300	105,300	111,800	8%	108,200	109,400	108,700	106,000	7%	111,000	111,900
5002	Supervisor Customer Service and/or Billing and/or Collections	25	40	353	82,200	93,500	102,700	7%	96,200	96,200	93,000	93,100	6%	96,000	96,200
5500	Director Communications	6	6	510	92,700	110,700	115,900	*	110,700	124,600	115,900	110,700	*	117,400	125,600
5501	Manager Communications	15	14	342	79,200	94,000	102,100	7%	95,400	101,900	90,700	92,400	9%	94,800	97,800
6000	Director Regulatory Affairs	5	6	702	127,200	154,100	167,100	14%	165,100	164,400	133,400	142,100	12%	158,700	159,500
6001	Manager Regulatory Affairs	16	16	406	88,500	104,700	118,200	5%	105,400	106,600	101,300	100,700	7%	102,700	104,500
6002	Regulatory Accountant	13	13	291	70,000	81,800	88,300	5%	81,800	86,300	78,700	81,900	6%	80,000	84,800
7000	Settlement or Rate Analyst	8	15	275	72,700	90,900	109,100	8%	97,700	95,900	81,300	87,400	8%	88,000	92,000
7001	Director or Officer, Conservation and Demand Management	8	8	666	117,400	133,000	151,000	18%	142,100	151,500	135,600	133,400	18%	145,000	146,500
7002	Manager Conservation & Demand/Marketing	17	18	406	85,900	98,400	108,900	7%	99,600	102,300	95,700	97,600	7%	96,500	100,000
8000	Director Information Systems	14	18	677	114,500	142,700	150,800	15%	164,600	155,100	142,000	135,000	17%	153,000	150,700
8001	Manager Information Systems and/or Security	21	23	479	89,800	107,500	114,500	5%	113,000	111,800	110,800	110,800	5%	112,000	114,400
8002	Systems/Program Administrator or Applications/Systems Support Professional	17	26	332	70,800	87,400	98,600	3%	89,700	92,400	94,100	91,900	3%	98,500	94,600
9000	Human Resources Manager	12	17	551	94,400	115,300	114,300	10%	118,300	126,300	110,700	113,600	11%	115,600	120,600
9001	Human Resources Generalist	13	19	275	71,700	84,300	96,200	3%	86,100	87,700	79,200	81,800	4%	79,200	84,200
9002	Human Resources Coordinator	9	10	206	56,000	71,300	75,600	5%	72,500	72,200	63,500	66,200	3%	65,600	68,000
9003	Payroll	11	14	245	69,800	81,900	88,100	3%	81,900	84,900	77,700	80,400	3%	79,500	82,400
9004	Manager, Health & Safety	19	21	406	89,500	103,800	111,400	8%	109,500	110,800	105,100	104,200	5%	109,200	108,600

## **APPENDIX**



# The MEARIE Group

## 2018 Management Salary Survey Of Local Distribution Companies



### A. Survey Methodology

A brief profile was developed for each benchmark position. These profiles were incorporated into a survey package and distributed to each participant along with a data submission spreadsheet requesting data on survey benchmark positions, as well as the organization's profile and selected salary administration and benefits policies.

Participants matched their jobs to the profiles and provided data for each position, where applicable. For each position where an organization submitted more than one match, the data were aggregated and a representative (e.g., average) figure was used for that organization. By using this methodology, all organizations carry equal weighting, and no one single organization excessively influences the market statistics by virtue of the size of its employee population.

Once the completed surveys were returned to Korn Ferry, participants were contacted for data verification as necessary. Korn Ferry also initiated a number of follow-up actions to clarify information provided by the participants. All of the matches submitted by the participants were reviewed by Korn Ferry to determine their appropriateness versus the job profiles and the market. If deemed inappropriate, the matches, or outlier data, were removed from the survey results.

Where possible, organization charts or details regarding reporting relationships were provided to Korn Ferry to enable understanding of the roles. From the job match information, plus a review of organization charts and other contextual information provided, Korn Ferry has estimated at which Korn Ferry Hay Reference Level each organizations' roles fall to facilitate point-based comparisons.



# The MEARIE Group

## 2018 Management Salary Survey Of Local Distribution Companies



### B. Definitions – Compensation Elements

#### ***Salary Range***

Minimum	The lowest salary/rate that the organization is prepared to pay for an incumbent in the position. May be the starting salary for inexperienced/non-qualified hire.
Job Rate / Control Point	Typically, the midpoint of the salary range, intended to reflect the salary the organization is prepared to pay for sustained competent performance by a fully trained / qualified incumbent.
Maximum	The highest point in the salary range (or step progression). Note: might be the same as "job rate".

#### ***Short Term Incentive***

	Short Term Incentive (STI) refers to any incentive arrangement designed to reward an individual for performance/results achieved over a performance cycle/period of up to one year.
Target	Target bonus is the level of award (either a % of salary or a fixed dollar amount) that an employee in this position would expect to receive if all corporate, team and individual performance goals are "met" (as planned). This rate/amount is often communicated to employees as part of the incentive/bonus plan design, e.g., "the target bonus for jobs in grade/band 6 is 8% of salary".
Discretionary	Discretionary plans have no target bonus rate and pay out at the end of the year at the discretion of executive/board.

#### ***Current Salary***

The amount paid for work performed on a regular, ongoing basis.  
Does not include variable bonus or incentive payments, sales commissions, shift premiums, or overtime payments.

#### ***Actual STI (Paid)***

Total of all STI awards paid to the incumbent(s) for performance/results over the latest completed fiscal year.  
May be paid during the year or after year end. (Note: recorded and reported on an annual basis).



### C. Definitions – Statistical Elements

Market data are reported using the following statistics:

	Definition	Reporting Requirement (# of Observations Necessary to Report)
<b>P90</b>	90th percentile  If all observations were sorted and listed from highest/largest to lowest/smallest, 10% of the observations would fall above the 90 <sup>th</sup> percentile and 90% would fall below	<b>11</b>
<b>P75</b>	75th percentile  If all observations were sorted and listed from highest/largest to lowest/smallest, 25% of the observations would fall above this value and 75% would fall below	<b>7</b>
<b>P50</b>	50th percentile, also referred to as “median”  If all observations were sorted and listed from highest/largest to lowest/smallest, 50% of the observations would fall above this value and 50% would fall below	<b>4</b>
<b>P25</b>	25th percentile  If all observations were sorted and listed from highest/largest to lowest/smallest, 75% of the observations would fall above this value and 25% would fall below	<b>7</b>
<b>P10</b>	10th percentile  If all observations were sorted and listed from highest/largest to lowest/smallest, 90% of the observations would fall above this value and 10% would fall below	<b>11</b>
<b>Average</b>	The arithmetic mean of all values calculated by adding up all of the values and dividing by the number of observations	<b>3</b>

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## 2018 Management Salary Survey Of Local Distribution Companies

### D. Benchmark Position Profiles

Job Title	Description
President & CEO	Directs the development of short and long-term strategic plans, operational objectives, policies, budgets and operating plans for the organization, as approved by the Board of Directors. Establishes an organization hierarchy and delegates limits of authority to subordinate executives regarding policies, contractual commitments, expenditures and human resource matters. Represents the organization to the financial community, industry groups, government and regulatory agencies and the general public.
Chief Operating Officer (COO)	Highest ranking operations position. Reporting to the President/CEO, directs the operational elements of the organization, could include operations & engineering, customer services, metering and information technology. Develops the short and long-term strategic plans, directs the development of operational objectives, policies, budgets for his/her areas of accountability. The position reports directly to the President/CEO.
Head of Operations and/or Engineering	Highest ranking operations/engineering position. Reporting to COO or President. Directs both the operations and engineering functions. Develops the short and long-term strategic plans, formulates and implements plans, budgets, policies and procedures to facilitate and improve processes. Establishes clear controls, objectives and measures to ensure safe and appropriate delivery of power and power related services. Evaluates the feasibility of new or revised systems or procedures and oversees operations and engineering to ensure compliance with established standards.
CFO / Head of Finance	Highest ranking financially-oriented position within the company. Reporting to the President & CEO, this strategic role plans directs and controls the organization's overall financial plans, policies and accounting practices and relationships with lending institutions, shareholders and the financial community in mid to large organizations. Provides advice and guidance for the Board of Directors on financial matters. May direct such functions as finance, general accounting, tax, payroll, customer billing, regulatory affairs, and information systems and may be responsible for Administration functions. Normally possesses a CA, CMA or CGA designation.
Head of Customer Service	The highest-ranking customer service position in the utility. Provides direction for all departmental activities, services and practices, including customer care/call centre, billing, credit and collections. Accountable for the development, implementation and integration of all customer service related activities to achieve a competitive advantage through customer driven initiatives and strategies. Directs and oversees the implementation of customer service standards, policies and procedures; manages and coordinates budgets.
Head of Regulatory Affairs	Represents the organization on quality and regulatory matters before government agencies and conformity assessment bodies including providing of evidence, regulatory filings, supporting analyses, position papers, interrogatory responses, etc. Keeps abreast of on-going developments in regulatory practices affecting electrical distribution utilities. Ensures that regulatory information is disseminated throughout the organization in a timely and effective manner. Is responsible for the filing of written communications and regulatory submissions to government agencies (OEB) and conformity assessment bodies (IMO). Generally, reports to President & CEO or a senior executive.
Head of Human Resources	The highest-ranking human resources position in the organization. Provides direction, support and alignment of organization-wide Human Resources practices and systems with the business in terms of mission, vision and the strategic imperatives. Ensures that existing needs and future demands of internal customers are met through a cost effective and efficient HR services. Directs HR management and staff in the development and implementation of Human Resources strategy, policies and programs covering employment, negotiations & labour relations, training, compensation, organization development, performance management, benefits and may include health & safety. Provides coaching and counsel to the executive and Board of Directors.



# The MEARIE Group

## 2018 Management Salary Survey Of Local Distribution Companies



### Administration

Executive Assistant	Performs advanced, diversified and confidential administrative duties requiring broad knowledge of organizational policies and practices. Initiates and prepares correspondence, reports, either routine or non-routine. Screens telephone calls and visitors and resolves routine and complex inquiries. Schedules appointments, meetings and travel itineraries. In some cases, may have responsibility for routine HR and administrative services. Records, prepares and distributes minutes of meetings, including Board of Director minutes. Reports to the President & CEO and may provide support to other executives.
Administrative Assistant	Performs advanced, diversified and confidential administrative duties for executives and/or senior management, requiring broad and comprehensive experience and knowledge of organizational policies and practices. Prepares correspondence, reports, either routine or non-routine. Screens telephone calls and visitors and resolves routine and complex inquiries. Schedules appointments, meetings and travel itineraries. Reports to a senior executive or executive team.

### Engineering

Director Engineering	Plans and directs the overall engineering activities and engineering staff of the organization. Formulates and implements plans, budgets, policies and procedures to facilitate and improve processes. Coordinates the creation, development, design and improvement of the organization's projects and products in conformance with established programs and objectives. Oversees plans, resources and budgets of the department aligned with business strategy.
Engineering Manager and/or Distribution Engineer	Supervises and directs the work of an engineering division such as distribution, line design, transmission planning, distribution planning and/or civil engineering. Responsible for engineering work involving a wide scope of assignments. Handles personnel coordination and issues of the division, prepares estimates, specifications and designs, including the supervision, planning and scheduling of work within the division – Requires a P. Eng. <u>OR</u> Supervises engineering technicians or service technicians. Directs and coordinates the activities, schedules and projects of the construction and maintenance group of those involved with the distribution of electrical power from transformer substations, construction and maintenance of distribution systems. Consults with other department management on plant design, construction and maintenance. Prepares monthly operating reports, budget estimates, and work and materials specifications. Reviews and approves material requisitions, work authorizations and drawings for facilities. Requires a P. Eng.
Project Engineer	Non-supervisory position. Directs and coordinates activities related to utility engineering project work, such as smart grid systems, renewables, large utility projects, asset renewal, etc. Requires a P. Eng.
Supervisor Engineering	Supervises a small technical work group which may include CAD operators and/or engineering technicians. Coordinates the development and maintenance of engineering and construction standards and systems (GIS, AM/FM, CAD). Organizes, stores and maintains the integrity of hard copy file records, digital formats and mapping standards. Normally requires a C.E.T. or A.Sc. T. Typically reports to an engineering manager.

# The MEARIE Group

## 2018 Management Salary Survey Of Local Distribution Companies

### Operations

Director Operations	NOT the head of function. Plans and directs all operations functions (no engineering responsibility), of the utility. Formulates and implements plans, budgets, policies and procedures to facilitate and improve processes and establishes clear controls, objectives and measures to ensure safe and appropriate delivery of services and clarity of roles and responsibilities. Evaluates the feasibility of new or revised systems or procedures and oversees operations to ensure compliance with established standards.
Manager Operations	NOT the head of function. Supervises, co-ordinates, directs, schedules and controls the construction, maintenance and personnel of the division, including budgets, transportation, equipment and material requirements and fleet management. Division responsibilities include construction, maintenance and repair of all overhead transmission, overhead and underground distribution and may include coordination of tree trimming for geographical area assigned to the division. In smaller utilities, a professional engineer may fill this role.
Manager Control Centre	Supervises, co-ordinates, directs, schedules and controls the control centre and technical staff. Provides leadership in the planning and coordination of the control centre relative to safety, reliability and control of the distribution system. Is responsible for budgets, and the direct operations of the control centre approving system outages, switching and maintenance requirements to maintain and improve system reliability.
Supervisor Control Centre	Directs and supervises control centre technical staff. Provides planning and coordination of control centre scheduling and maintenance required for the safe, reliable operation and control of the distribution system, including the authorization of the operation of system devices, equipment and control access to electrical plant and substations. Approves and coordinates system outages and switching as required for maintenance and system reliability. Oversees power interruptions and emergencies with dispatch staff to affect corrective measures for isolation, emergency repairs and restoration purposes. Monitors feeder load profiles.
Supervisor Protection and Control	Responsible for the management of all Protection & Controls activities related to the installation, maintenance and commissioning of: Protective Relaying Schemes and Station Automation Systems; SCADA System, Visual Display System and Remote Terminal Units; Operations Ethernet and system-wide Area Communications Networks; Distribution Automation Systems, Sectionalizing Devices and Remote Supervisory Controlled Devices. Prepares and administers reports, budgets, Policies and Procedures, record keeping systems.
Supervisor Station Maintenance	Responsible for the planning, coordinating both maintenance and installation of substations, as well as ensuring reliability of the underground plant, through testing and troubleshooting. Supervises, coordinates and schedules the activities of Station Maintenance Electricians and Protection and Control Technicians, Reviews work assignments, daily logs, reports and orders. Co-ordinate crews and plan jobs, assigns work per shift, long-term work and shift coverage to ensure the smooth flow of routine work and that all shifts are covered.
Line Supervisor	Coordinates and directs the lead journey person and/or crews in the construction and maintenance of distribution lines and equipment (overhead and/or underground). Works with lead journey person to develop plans and schedules required in directing and assigning a crew or crews of skilled trade staff in performing construction, maintenance and operation of the distribution system lines in a safe and efficient manner. Supervises and coordinates subcontractors engaged in planning and executing work procedures, interpreting specifications and managing construction.



# The MEARIE Group

## 2018 Management Salary Survey Of Local Distribution Companies



Manager Meter Department	Supervises the overall operations of the Meter department, prepares budgets, directs the purchase and maintenance of equipment and technology related to the department. Provides direction on the supervision of meter staff, the assignment of work and productivity of staff. Supervises the work related to interactions with electronic meter programming and interaction with/or the operation of the MV90 or similar data collection systems.
Supervisor Meter Department	Responsible for overall operation of the Meter department, including operations, budgeting and supervision of meter technicians or other operations staff. Assigns, monitors and inspects the daily work and productivity of the staff in metering operations to ensure timely delivery of services, maintenance of equipment and identification of issues. Develops work plans for the department that include supervising meter re-verification, new meter installs, record maintenance and monitoring of meter maintenance, damage, reporting and theft issues. Ensures compliance with technical standards for equipment. Responsible for electronic meter programming and interaction with/operation of an MV90 or similar data collection system.

### Supply Chain / Procurement

Director Supply Chain Management	Responsible for the overall operation of the Procurement, Inventory, Fleet and/or Facilities programs and initiatives in the organization. Formulates and implements plans, budgets, policies and procedures to facilitate and improve processes and establishes clear controls, objectives and measures to ensure safe and appropriate delivery of services and clarity of roles and responsibilities. Oversees the establishment of user service level agreements and provides contract management expertise and acts as a resource for contract negotiation, review and approval. Directs the effective capital acquisition and maintenance of the corporate fleet and/or directs the effective maintenance and capital investment of the organizations facilities and assets.
Manager Procurement and/or Inventory and/or Facilities and/or Fleet	Responsible for all purchasing and/or inventory and/or facilities and/or fleet for all areas of the utility. Negotiates vendor agreements and manages the tender process. May also be responsible for stores and inventory control in the warehouse. Is responsible for budgets, policies and procedures and directs the work of the purchasing or buyers and/or stores and/or facilities and/or fleet personnel. Works with the organization in setting partnership relationships to understand and meet the needs of the organization, its operations and risk associated with the effective and efficient operations of the company.
Supervisor Stores/Inventory/Warehouse	Supervises inventory control, records and stores operation. Orders material to maintain on-hand quantities with procurements approval. Responsible for testing safety equipment, i.e., hoses, blankets, gloves, etc., small tool and equipment repair and reconditioning. Assists procurement department in the sale of obsolete equipment and material.

### Accounting / Finance

Controller or Director Finance	NOT the head of function. Responsible for all financial reporting, accounting and record keeping functions. Directs the establishment and maintenance of the organization's accounting and finance principles, practices and procedures for the maintenance of its fiscal records and the preparation of its financial reports. Directs general and property accounting, cost accounting and budgetary control. Appraises operating results in terms of costs, budgets, operating policies, trends and increased profit opportunities. Reports to a CFO/VP Finance.
Manager Accounting	Manages the general accounting functions and the preparation of reports and statistics reflecting earnings, profits, cash balances and other financial results. Formulates and administers approved accounting practices throughout the organization to ensure that financial and operating reports accurately reflect the condition of the business and provide reliable information. Reports to Controller/Director Finance or CFO/VP Finance.



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## 2018 Management Salary Survey Of Local Distribution Companies



Manager Risk Management	Responsible for risk management activities including cash flow management, credit facilities management, insurance and support for credit and collection policies throughout the corporation. May be responsible for ensuring that cash liquidity risk is managed in an appropriate fashion such that bank account balances are sufficient to meet operational, capital expenditures and debt servicing requirements while minimizing short-term borrowings or surplus investing. Provides leadership in the developing new and refining existing risk management policies to respond to changes in risk tolerances and business conditions and as financial risks are better understood in accordance with industry best practices. Reports to Head of Finance or COO or CEO.
Supervisor Accounting	Coordinates activities of the payable/receivable clerks. Supervises accounts payable and receivable transactions, entries and trial balances; responsible for the accuracy of all journal entries and reconciliation of invoices; updates credit department on account status.
Financial or Business Analyst	Conducts analysis of information for budgeting, investment and financial forecasts; applies principles of accounting to analyze past and present financial operations; estimates future revenues and expenditures; prepares budgets; develops and maintains budgeting systems; processes and prepares business transactions and reports, reconciles ledgers and sub-ledgers, cash flow projections, entry of source documents. Holds a financial designation, either CA, CMA or CGA.
Accountant	Supports the organization decisions through financial information and relevant analysis. Ensures the integrity between the CS work order systems and general ledger system is maintained. Initiate corrective measures when discrepancies occur between the systems. Collects and combines information for the decision-making process by management, including financial statements and special projects as assigned (e.g. preparation of rate submission supplemental information).

### Customer Service

Director Customer Service	NOT the head of function. Provides direction for all departmental activities, services and practices, including customer care/call centre, billing, credit and collections. Accountable for the implementation and integration of all customer service related activities. Oversees the implementation of customer service standards, policies and procedures; manages budgets; manages activities of CS managers and/or supervisory staff.
Manager Customer Service and/or Billing	NOT the head of function. Manages a team of customer service and/or billing representatives in providing information, receiving and responding to customer inquiries, complaints or requests. Develops and maintains customer information systems, processes and procedures including billing, credit, deposits and collections. Liaises with representatives of other organizations and customer groups to share information and resolve administrative, organizational and technical problems. Responds to elevated customer complaints. This function may also be responsible for coordinating meter installation/maintenance, residential electric service connections, and service calls.
Supervisor Customer Service and/or Billing and/or Collections	Supervises customer service representatives (billing clerks and/or collections clerks) and coordinates customer service programs within the framework of established customer service policies. Schedules and organizes staff to accommodate anticipated workflow from bill inquiries, delinquent accounts, re-connections and disconnections, customer deposits, etc. Recommends corrective steps to address customer issues and refers unique issues to manager for response.

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## 2018 Management Salary Survey Of Local Distribution Companies

### Regulatory Affairs

Director Regulatory Affairs	NOT the head of function. Supports the VP or may represent the organization on regulatory matters before government agencies and conformity assessment bodies including providing of evidence, regulatory filings, supporting analyses, position papers, interrogatory responses, etc. Ensures that regulatory information is disseminated throughout the organization in a timely and effective manner. Is responsible for or supports the filing of written communications and regulatory submissions to government agencies (OEB) and conformity assessment bodies (IMO).
Manager Regulatory Affairs	NOT the head of function. Manages the organization's regulatory staff, programs and activities to ensure compliance. Assists the organization on quality and regulatory matters before government agencies, providing research and analyses. Ensures that regulatory information is disseminated throughout the organization in a timely and effective manner. Coordinates the filing of written communications and regulatory submissions to government agencies (OEB) and conformity assessment bodies (IMO).
Regulatory Accountant	Ensures that the accounting activities for regulatory financial reporting are in compliance with all Ontario Energy Board (OEB) policies and guidelines. Act as a key resource to provide expert advice and recommendations in the implantation of all OEB, OPA and IESO codes and regulations in order to ensure corporate compliance. Track and reconcile all OEB accounts, including business rationale for changes in balances, cost side of accounts subject to prudence review (i.e. conservation, smart meters) and the cost side of Ontario Power Authority (OPA) programs.

### Conservation / Demand

Settlement or Rate Analyst	Responsible for recording, creating, analyzing, processing and reconciling metering data. Operates and administers an MV-90 or similar data collection system, downloading, validating, editing, estimating and processing interval meter-related information. Has in-depth understanding of commercial billing practices, the IMO and the OEB's Retail Settlement Code. Analyses rates using rate sensitivity models and develops appropriate rate structures, using the specific models.
Director or Officer, Conservation and Demand Management	This position is responsible for planning, coordinating, evaluating and delivering energy and water conservation and demand management programs. Develops plans for programs in accordance with the OEB's conservation and demand management code to ensure achievement of OEB mandated energy consumption and demand conservation targets.
Manager Conservation & Demand/Marketing	Responsible for managing the development and implementation of CDM initiatives as well as the marketing communications expertise and support required for the successful delivery of the company's Conservation and Demand Management (CDM) programs. Marketing communication plans may include, but are not limited to advertising, media conferences, program launch events, workshops, event displays. Liaising with, as needed, senior marketing and/or communications personnel representing organizations and groups involved in conservation and sustainability including, but not limited to, the Ontario Power Authority (OPA), the Ontario Energy Board (OEB), Ministry of Energy, municipal and regional governments, etc.

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## 2018 Management Salary Survey Of Local Distribution Companies

### Information Systems / Technology

Director Information Systems	Accountable for operations and alignment of the Information and Telecommunication Systems with the business in terms of organization objectives and imperatives. Ensures that existing needs and future demands of internal and external customers are met through a cost effective and efficient information and telecommunication infrastructure. Oversees IS management in areas of computer operations, systems planning, design, security, programming and telecommunications. Reviews and evaluates project feasibility and needs based upon management's and business requirements and priorities. Develops departmental plans, strategy, budgets and resource requirements. Typically reports to President & CEO, or CFO.
Manager Information Systems and/or Security	Manages and directs staff in areas of computer operations, systems planning, design, security, programming and telecommunications. Develops and maintains systems standards and procedures and assigns work to department staff. Reviews and evaluates project feasibility and needs based upon management's and business requirements and priorities. Develops departmental plans, project plans, budgets and resource requirements.
Systems/Program Administrator or Applications/ Systems Support Professional	Responsible for maintenance of software systems including system analysis, programming and design, updates and changes. Makes a preliminary study of new applications and recommendations to implement them, including hardware and software. Troubleshoots and corrects problems in existing programs, other than normal problems, usually caused by changes of software or hardware.

### Human Resources

Human Resources Manager	NOT the head of function. Develops and implements human resources programs, including compensation, benefits, recruitment, performance management, labour relations/negotiations, training and development, assists in policy development, HR planning, record keeping or payroll etc. May supervise a team of HR professionals or support staff. Reports to a senior HR professional (Director or VP or equivalent).
Human Resources Generalist	Assists in the development and implementation of human resources policies and programs by providing support and guidance to managers and employees in the areas of compensation, labour relations, employee relations, performance management, benefits, recruitment, training and HRIS systems. Acts as a business partner to the organization in the areas of human capital. May assist in the preparation of negotiations.
Human Resources Coordinator	Administrative support to one or more functional areas of HR and/or Safety. Processes, coordinates and enters into a HRIS or other system, a variety of documents including employment applications, benefits, compensation and payroll changes and confidential employee information. Responds to routine employment questions and distributes and maintains manuals and employee program communications.
Payroll	Performs the payroll coordination and administration. Maintains the organizations internal or external payroll system. Prepares monthly requisitions for WSIB, Employee Health Tax, Receiver General, OMERS Pension and Union Dues. Administers employee pension program and provides pension calculation estimates as requested. Reconciles monthly payroll for year-end finance procedures. Prepares annual T4's and T4A's and OMERS Pension and responds to inquiries from employees and pensioners regarding the pension plan.
Manager, Health & Safety	Accountable for the development and implementation of occupational health, safety and environmental programs, including training, maintenance of safe working conditions, investigation and reporting of workplace accidents. Also identifies areas of potential risk and makes recommendations to reduce or eliminate potential accident or health hazards in compliance with government regulations.





# The MEARIE Group

## 2018 Management Salary Survey Of Local Distribution Companies



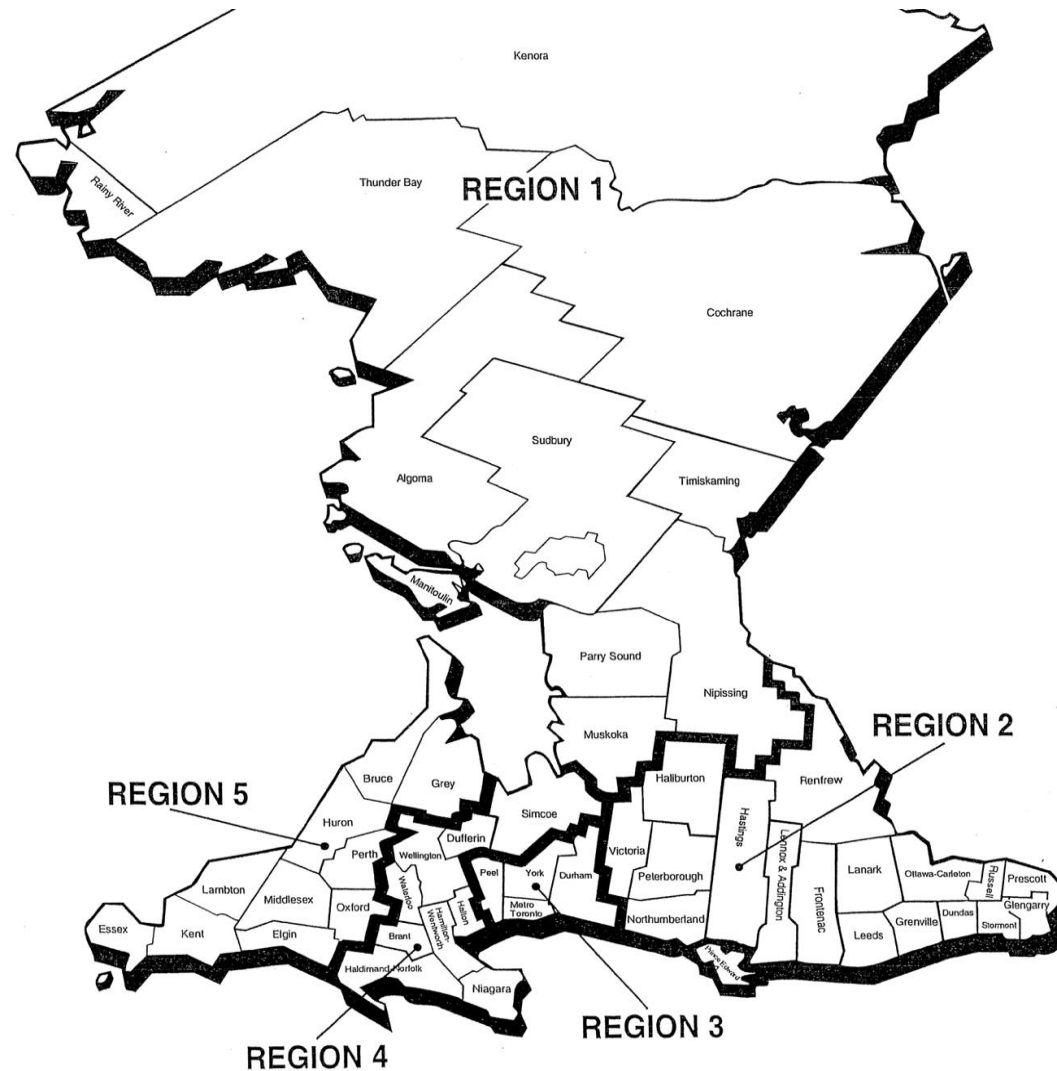
### Communications

Director Communications	Directs the development, management and execution of internal and external corporate communications strategies for the company, and marketing and public relations initiatives. Acts as the Chief Spokesperson for the organization. Leads the management and development of the corporate brand and identity. Oversees the development, production and distribution of corporate publications including, but not limited to, the annual report, customer newsletters, information brochures, bill inserts, CDM/Green marketing materials, employee newsletters and media releases. Directs the development and management of the company's external (corporate internet site) and internal (corporate intranet site) web presence and strategy. Oversees the management and execution of internal and external corporate events as well as community-relations activities such as sponsorship and donation programs.
Manager Communications	Responsible for managing the development and implementation of all customer communications initiatives as well as the marketing communications expertise and support required for the successful delivery of the company's CDM and customer communications materials/systems. Communication materials may include, but are not limited to, customer newsletters, information brochures, bill form design, employee intranet, LCD information monitors, and website communications. Working in conjunction with Regulatory Affairs, develop materials or other communication methods to communicate regulatory changes/issues that may directly impact the customer. Manages event planning for internal and external company events.

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## 2018 Management Salary Survey Of Local Distribution Companies

### E. Regions



Appendix 6  
1-SEC-1 Attachment 4 2019 BOD Report

# **The MEARIE Group**

## **2019 Survey on Board of Director Compensation for Local Distribution Companies**

### **SURVEY REPORT**

**September 2019**

**SURVEY ADMINISTRATOR: KORN FERRY (CA) LTD.**



# **The MEARIE Group**

## **2019 Survey on Board of Director Compensation for Local Distribution Companies**



### **Contents**

<b>I.</b>	<b>Introduction .....</b>	<b>3</b>
<b>II.</b>	<b>Survey Overview .....</b>	<b>5</b>
<b>III.</b>	<b>Board of Director Metrics .....</b>	<b>9</b>
<b>IV.</b>	<b>Board compensation .....</b>	<b>19</b>

### **Appendix**

<b>A.</b>	<b>Survey Methodology .....</b>	<b>36</b>
<b>B.</b>	<b>Definitions – compensation elements .....</b>	<b>37</b>
<b>C.</b>	<b>Regions .....</b>	<b>38</b>



# The MEARIE Group

## 2019 Survey on Board of Director Compensation for Local Distribution Companies



### I. Introduction

The MEARIE Group is pleased to present this report of the 2019 Board of Directors Survey of Local Distribution Companies (LDCs).

In today's competitive talent market, LDCs are challenged with attracting Board Members that will contribute to the oversight, support and guidance of the leadership team. The MEARIE Group established the **Survey on Board of Director Compensation** to assist LDCs in understanding the competitive landscape and to support your efforts to develop pay practices that attract, motivate and retain high quality, high performing Board Members.

Last offered in 2017, this biennial survey was updated in 2019 through the combined efforts of The MEARIE Group and Korn Ferry (CA) Ltd. (KF), to ensure that the Survey continues to meet the evolving needs of member LDCs.

The Survey is enhanced through our partnership with KF, a globally renowned compensation consulting firm. Drawing on their expertise and experience in developing and managing corporate director surveys across all sectors of the economy and in numerous countries around the world, the 2019 survey includes:

- Analysis by LDC groupings, mirroring the Management Salary
- Additional information regarding governance of non-regulated revenue companies where they have been formed
- Analysis on Board policies and practices
- Survey reporting regarding compensation information

The survey for 2019 includes one presentation document and Excel data tables in different formats as follows:

- Survey Report containing a complete analysis of Board policies and practices, overview of survey methodology and participants and a summary of compensation data in PDF format
- LDC Board Survey compensation data tables segmented by all organizations and various other groupings in Excel format for easy data export and analysis

In addition, we would like to thank you for your participation. As a result of the strong response, we are able to provide you with an informative and detailed survey that will help you in support of your organization's Board compensation programs.



# The MEARIE Group

## 2019 Survey on Board of Director Compensation for Local Distribution Companies



### Confidentiality Policy

**The MEARIE Group recognizes the importance of maintaining the security of your information and has developed the following policy that applies to all participants (and their delegates) in the Board of Director Compensation Survey (a “Survey”), as well as Korn Ferry (CA) Ltd. (survey administrators) and The MEARIE Group.**

An individual LDC (and/or parent company) will provide its authorization for the sharing of information identified as being information of that LDC by completing the Survey Data Submission for a Survey. This will result in the LDC's data being identified by name in the listing of participants. This enables participants to be aware of the names of the other participants in the Survey to determine the relevance of Survey data cuts (e.g. by geography or size).

All of the information obtained through this Survey will be treated with the utmost confidentiality. Data will be reported on an aggregate basis only, and in a way that will ensure individual participant data cannot be identified/attributed. Standards for minimum number of data will be strictly enforced to ensure confidentiality. Neither Korn Ferry nor MEARIE Group will release or disclose to any other person whatsoever any information pertaining to any individual LDC participant.

Survey results will be reported only to those LDCs who participate in the Survey and provide comprehensive data. Comprehensive participation means that each LDC is expected to match as many of the Survey benchmark positions as they are able, and provide data for all incumbents of matched positions. **All participants must consider this information as strictly confidential.**

The results of a Survey will not be disclosed/sold to or shared with organizations that have not participated in that Survey, whether by The MEARIE Group or Korn Ferry or Survey participants. **Participants may not share the Survey reports/results with non-participant LDCs or any entity under any circumstances.**

The data collected for a Survey may also be included in the KF's Canadian compensation databases. Information in the KF database is maintained with the highest standards of confidentiality; as mentioned, analysis and reporting of data is on an aggregate basis only, and in such a way as to ensure that individual participant data cannot be identified or attributed. Should you have any questions or for further information, please contact Deirdre Chong Smith, Principal at Korn Ferry at 647-293-0183 or [deirdre.chong@kornferry.com](mailto:deirdre.chong@kornferry.com).

**The obligations of confidentiality set out in this policy are subject to the requirements of applicable law** and LDCs may disclose the results of the Survey to any regulatory body (or other person) if compelled by law to do so. If an LDC is compelled by law to make such a disclosure, it will give The MEARIE Group as much notice in advance as possible of the disclosure and the reasons the disclosure is legally required.

**The MEARIE Group will not be liable for breaches by participating LDCs (and/or parent company) or Korn Ferry of this confidentiality policy.**



# **The MEARIE Group**

## **2019 Survey on Board of Director Compensation for Local Distribution Companies**



## **II. Survey Overview**

The Board of Directors survey covers the following key topics:

### **1. Organization Profile**

A brief overview of the participating organizations

### **2. Board Design**

Board Metrics

- Number of members
- Frequency of meetings
- Number of committees

Board Terms

### **3. Compensation**

Board Compensation

Annual Retainers

Meeting Fees

Committee Fees

Additional Expenses: Mileage, Hotel, Airfare and Education / Training





# The MEARIE Group

## 2019 Survey on Board of Director Compensation for Local Distribution Companies



### 4. Participants

All organizations in the LDC sector in Ontario were invited to participate in the Survey on Board of Director Compensation. The following thirty-four (34) organizations submitted data:

- Bluewater Power Distribution Corporation
- Brantford Energy Group of Companies
- Burlington Hydro
- E.L.K. Energy Inc.
- Elexicon Group Inc.
- Energy+ Inc.
- Entegrus Inc.
- EPCOR Utilities Inc.
- Essex Power Corporation
- Festival Hydro Inc.
- Fort Frances Power Corporation
- Greater Sudbury Hydro Inc.
- Grimsby Power Incorporated
- Halton Hills Hydro Inc.
- InnPower Corporation
- Kitchener-Wilmot Hydro Inc.
- Lakeland Power Distribution Ltd.
- London Hydro
- Newmarket-Tay Power Distribution Ltd.
- Niagara Peninsula Energy Inc.
- North Bay Hydro Distribution Limited
- Northern Ontario Wires Inc.
- Oakville Enterprises Corporation
- Orangeville Hydro Limited
- Orillia Power Corporation
- Oshawa PUC Networks Inc.
- Peterborough Utilities Group
- Sioux Lookout Hydro
- Synergy North
- Utilities Kingston
- Wasaga Distribution Inc.
- Waterloo North Hydro
- Welland Hydro-Electric System Corp.
- Westario Power Inc.

Due to the changes in the participant mix, data values in the report may fluctuate from one year to another. Therefore, participants are reminded of these factors when comparing data of 2019 over 2017.

Additionally, we have adjusted the “revenue” groupings from 2017 to 2019 to account for the differing distributions. These groupings are consistent with the revenue groupings in the 2019 Management Salary Survey (“MSS”) compensation data tables.



# The MEARIE Group

## 2019 Survey on Board of Director Compensation for Local Distribution Companies



### 5. Market Statistics

Where possible, statistics have been provided for all information as follows.

Where there is insufficient data to report, this has been indicated with an asterisk (\*) in all data tables.

	Definition	Reporting requirement (# of observations necessary to report)
<b>P75</b>	75th percentile If all observations were sorted and listed from highest/largest to lowest/smallest, 25% of the observations would fall above this value and 75% would fall below	<b>7</b>
<b>P50</b>	50th percentile, also referred to as “median” If all observations were sorted and listed from highest/largest to lowest/smallest, 50% of the observations would fall above this value and 50% would fall below	<b>4</b>
<b>P25</b>	25th percentile If all observations were sorted and listed from highest/largest to lowest/smallest, 75% of the observations would fall above this value and 25% would fall below	<b>7</b>
<b>Average</b>	The arithmetic mean of all values, calculated by adding up all of the values and dividing by the number of observations.	<b>3</b>
<b>Typical</b>	The arithmetic mode of all values; the most common value.	<b>3</b>



# The MEARIE Group

## 2019 Survey on Board of Director Compensation for Local Distribution Companies



### 6. Participant Group Profile

All participants provided information regarding their organizational profile. The statistical summary of the organizations are as follows:

#### Organization Metrics

Statistic	P25	P50	P75	Average
Annual Operating Budget (\$ millions – excluding the cost of power)	6.5	11.8	18.3	14.6
Annual Operating Budget (\$ millions – including the cost of power)	41.1	81.7	152.5	114.8
Number of Employees (full time equivalent)	35	53	128	88
Number of Customers	13,938	30,448	57,891	41,927
Gross Revenue (\$ millions – excluding the cost of power)	42.8	85.0	163.8	120.9
Regulated Gross Revenue <sup>1</sup>	93%	99%	100%	95%
Unregulated Gross Revenue <sup>1</sup>	0%	1%	7%	5%

<sup>1</sup> Revenue split where company reported is LDC primarily and unregulated revenue is not reported / is reported by sister company; ultimately this under-represents the valuation of unregulated revenues earned overall due to reporting structure.



# The MEARIE Group

## 2019 Survey on Board of Director Compensation for Local Distribution Companies



### III. Board of Director Metrics

#### 1. Board composition & metrics

All organizations provided information regarding the number of total Board members, as well as the number of independent Board members.

For survey purposes, the following definition was provided as part of the survey package:

- Inside Director - a Board member who is an employee, officer or stakeholder in the organization.
- Independent (Outside) Director - a Board member who is not an employee or stakeholder of the organization and is typically compensated using an annual retainer.

Organizations were also asked to provide the number of Committees. Data is presented below for all organizations, and segments of the data follow.

#### Board composition summary

#### All organizations

Statistic	P25	P50	P75	Average	Typical
Total Number of Board Members	5.0	7.0	8.0	6.6	7.0
Number of Independent Board Members	2.8	4.0	5.0	3.8	4.0
Number of Female Board Members <sup>1</sup>	0.8	1.0	2.0	1.4	1.0
Number of Committees	1.0	2.0	3.0	2.1	2.0

<sup>1</sup> Only two companies have policies on female board representation



# The MEARIE Group

## 2019 Survey on Board of Director Compensation for Local Distribution Companies



### TOTAL NUMBER OF BOARD MEMBERS: Market Segments

Statistic	P25	P50	P75	Average	Typical
Number of Employees (FTE Equivalent)					
FTE <21	3.5	5.0	5.5	5.0	5.0
FTE 21 – 50	5.5	7.0	7.8	6.9	7.0
FTE 51 – 100	*	8.0	*	8.2	9.0
FTE 101 – 200	5.0	7.0	8.0	6.3	3.0
FTE 201+	*	*	*	7.3	*
Number of Customers					
Up to 20,000	4.5	5.0	7.0	5.5	5.0
20,001 to 40,000	7.0	7.0	7.0	7.0	7.0
40,001 to 100,000	6.8	7.5	9.0	7.1	9.0
100,000+	*	*	*	*	*
Revenue (excluding the cost of power)					
Up to \$10 Million	4.0	5.0	8.0	5.7	8.0
\$10 – \$20 Million	5.0	7.0	7.0	6.7	7.0
\$20 – \$40 Million	6.3	7.5	8.8	6.9	9.0
Over \$45 Million	*	7.5	*	7.5	*
Region					
1	*	5.5	*	5.8	5.0
2	*	*	*	*	*
3	*	8.5	*	8.5	*
4	5.3	7.0	8.0	6.9	8.0
5	4.5	6.0	7.3	5.9	3.0

\* Unavailable or insufficient data



# The MEARIE Group

## 2019 Survey on Board of Director Compensation for Local Distribution Companies



### TOTAL NUMBER OF INDEPENDENT BOARD MEMBERS: Market Segments

Statistic	P25	P50	P75	Average	Typical
Number of Employees (FTE Equivalent)					
FTE <21	1.5	2.0	3.0	2.9	2.0
FTE 21 – 50	4.0	4.5	5.8	4.6	4.0
FTE 51 – 100	*	3.0	*	3.4	3.0
FTE 101 – 200	3.0	3.0	4.0	3.2	3.0
FTE 201+	*	*	*	6.0	*
Number of Customers					
Up to 20,000	2.0	3.0	4.0	3.4	4.0
20,001 to 40,000	4.0	5.0	6.0	4.8	4.0
40,001 to 100,000	3.0	3.0	4.0	3.3	3.0
100,000+	*	*	*	*	*
Revenue (excluding the cost of power)					
Up to \$10 Million	2.0	2.0	4.0	3.3	2.0
\$10 – \$20 Million	3.0	4.0	5.5	4.5	3.0
\$20 – \$40 Million	3.0	3.0	4.0	3.2	3.0
Over \$45 Million	*	4.5	*	4.8	4.0
Region					
1	*	2.5	*	2.8	2.0
2	*	*	*	*	*
3	*	3.5	*	4.0	3.0
4	3.0	4.0	4.8	4.0	4.0
5	1.8	4.5	5.0	3.9	5.0

\* Unavailable or insufficient data



# The MEARIE Group

## 2019 Survey on Board of Director Compensation for Local Distribution Companies



### TOTAL NUMBER OF COMMITTEES: Market Segments

Statistic	P25	P50	P75	Average	Typical
Number of Employees (FTE Equivalent)					
FTE <21	*	*	*	1.1	0.0
FTE 21 – 50	0.3	2.0	2.8	2.1	0.0
FTE 51 – 100	*	3.0	*	2.6	3.0
FTE 101 – 200	2.0	2.0	3.0	2.6	2.0
FTE 201+	*	*	*	2.7	3.0
Number of Customers					
Up to 20,000	*	0.0	*	1.5	0.0
20,001 to 40,000	2.0	2.0	3.0	2.3	3.0
40,001 to 100,000	2.0	2.0	3.0	2.5	2.0
100,000+	*	*	*	*	*
Revenue (excluding the cost of power)					
Up to \$10 Million	*	0.0	*	1.6	0.0
\$10 – \$20 Million	1.0	2.0	2.5	1.9	2.0
\$20 – \$40 Million	2.0	2.0	3.0	2.5	2.0
Over \$45 Million	*	3.0	*	3.3	3.0
Region					
1	*	*	*	1.3	0.0
2	*	*	*	*	*
3	*	3.0	*	2.8	3.0
4	0.3	2.0	2.8	2.1	2.0
5	2.0	2.5	3.0	2.5	3.0

\* Unavailable or insufficient data

Analyst Note: Typical or Average is 0 due to the sample of organizations within the market segment reporting 0 committees (i.e., full Board only with no sub-committees). For example, a dataset with 5 observations: 0,0,0,2,2 would have a median and typical as 0, and an average of 0.8.



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## 2019 Survey on Board of Director Compensation for Local Distribution Companies



### 2. Full board meeting frequency

The frequency of full Board meetings by various market segments is presented in the table below.

Generally, the larger the organization the more likely they are to have Committees and therefore require less full Board meetings.

#### FULL BOARD MEETING – Frequency (N = 34)

	P25	P50	P75	Average	Typical
All Organizations	5.0	6.0	10.0	7.1	5.0





# The MEARIE Group

## 2019 Survey on Board of Director Compensation for Local Distribution Companies



### 2. Full board meeting frequency

#### FREQUENCY OF FULL BOARD MEETING - Market Segments

Statistic	P25	P50	P75	Average	Typical
Number of Employees (FTE Equivalent)					
FTE <21	*	12.0	*	9.4	13.0
FTE 21 – 50	4.0	5.0	6.0	5.9	4.0
FTE 51 – 100	*	7.0	*	7.8	*
FTE 101 – 200	4.0	5.0	6.0	4.6	5.0
FTE 201+	*	*	*	*	*
Number of Customers					
Up to 20,000	6.0	10.0	12.0	8.8	12.0
20,001 to 40,000	4.0	4.0	5.0	4.1	4.0
40,001 to 100,000	5.0	6.0	6.3	5.9	6.0
100,000+	*	*	*	*	*
Revenue (excluding the cost of power)					
Up to \$10 Million	6.0	10.0	12.0	8.8	13.0
\$10 – \$20 Million	4.0	5.0	6.0	5.7	4.0
\$20 – \$40 Million	5.0	6.0	6.0	5.3	6.0
Over \$45 Million	*	5.0	*	6.3	5.0
Region					
1	*	8.0	*	7.5	*
2	*	*	*	*	*
3	*	6.5	*	6.5	*
4	5.3	6.0	11.5	7.7	6.0
5	4.0	4.5	5.0	4.6	5.0

\* Unavailable or insufficient data



## The MEARIE Group

### 2019 Survey on Board of Director Compensation for Local Distribution Companies



#### 3. Number of committees

The majority of local distribution companies have a full Board and up to three (3) committees (29 of 34, or 85%).

The following table details the number of Committees.

NUMBER OF COMMITTEES		All organizations
Number of Committees	Number of Organizations	
0	7	
1	2	
2	12	
3	8	
4	3	
5	1	
6	1	



# The MEARIE Group

## 2019 Survey on Board of Director Compensation for Local Distribution Companies



### 4. Committees

The most common types of Committee are provided below, in addition to meeting frequency.

There are common blends of Committee type. For example, sixteen (16) organizations have an Audit Committee, three (3) have a Finance committee and seven (7) have a Finance and Audit committee.

Similarly, seven (7) organizations have a dedicated HR / Compensation Committee, five (5) have a Nominations Committee, twelve (12) have a standalone governance committee and ten (10) organizations have a blend of HR with Governance and Nominating.

Several organizations reported 'other' committee types – these include capital projects, special projects and M&A committees.

#### SUB COMMITTEES - Types

All organizations

Sub Committees		Number of Meetings				
Type	Prevalence	P25	P50	P75	Average	Typical
Audit	47%	2.0	4.0	4.0	3.3	2.0
Audit & Finance	21%	*	4.5	*	4.2	5.0
Finance	9%	3.3	3.5	3.8	3.5	*
Governance	35%	2.8	3.0	4.0	3.2	3.0
Governance / HR / Compensation / Nominating	29%	2.0	4.0	4.0	3.6	4.0
Health & Safety / Environment	9%	*	*	*	2.7	2.0
HR / Compensation	21%	*	2.5	*	2.5	2.0
Nominations	15%	*	3.0	*	3.0	*
Other	21%	*	2.0	*	2.6	2.0
Risk Management	6%	*	*	*	*	*

\* Unavailable or insufficient data



## The MEARIE Group

### 2019 Survey on Board of Director Compensation for Local Distribution Companies



#### 5. Term Limits

Organizations were asked if there is a term limit for Directors to serve on the Board. Twenty-one (21) of thirty-four (34), or 62%, did state there is a term limit for Chair, and twenty-two (22, or 65%) stated there is a term limit for Directors.

Organizations were asked for term limits for the Chair, Vice Chair and Director positions. Generally, term limits did not typically vary significantly for Chair or Vice Chair positions, though Directors may serve for longer terms or do not have the same limitations as the Chair position.

The market statistics for term limits by position on the Board by number of years, are provided below.

Number of Years	P25	P50	P75	Average	Typical
Board Chair (N=21)	3.0	3.0	4.0	4.0	3.0
Vice Chair (N = 14)	3.0	3.0	4.5	4.1	3.0
Director (N = 22)	3.0	4.0	5.5	4.6	3.0



## The MEARIE Group

### 2019 Survey on Board of Director Compensation for Local Distribution Companies



#### 6. Sister Boards (NEW in 2019)

Several local distribution companies are structured such that they report to a holding company, which in turn, has “sister companies.” These sister companies are often entirely dedicated to non-regulated revenue earnings. This has enabled the synergies of partnership that exist to continue, but to have a separate corporation which can report along its own structure and, maintain its own corporate culture. Eighteen (18) organizations reported a sister company.

The Board composition is provided below. Generally, a sister board is smaller than the local distribution company board with a higher proportion of independent board members. Very few sister Boards have committees.

#### SISTER BOARD – Composition Summary

N = 18

Statistic	P25	P50	P75	Average	Typical
Total Number of Board Members	4.0	5.0	8.3	6.1	5.0
Number of Independent Board Members	1.5	3.0	4.25	3.0	4.0
Number of Female Board Members	0	0.5	2.0	1.3	0
Number of Committees	1.0	2.0	3.0	2.1	2.0

#### FULL BOARD MEETING – Frequency

N = 16

	P25	P50	P75	Average	Typical
All Organizations	4.0	5.0	6.0	5.6	5.0



# The MEARIE Group

## 2019 Survey on Board of Director Compensation for Local Distribution Companies



### IV. Board compensation

#### 1. Type of compensation

Compensation practices vary within Boards, but the most common form of compensation is to pay an annual retainer for the Chair and Directors of the Board, as well as Vice Chair if the position exists. The majority will also pay a meeting fee.

Directors that serve as Committee Chairs receive additional compensation, typically in the form of an additional annual retainer.

#### 2. Chair compensation: Practices

Thirty-one (31) organizations provided compensation information for their Board Chair. All reporting organizations provide an annual retainer. Twenty-four (24) organizations or 78% provide both an annual retainer and meeting fees.

#### 3. Vice chair / Lead Director compensation: Practices

Eighteen (18) organizations provided compensation information for Vice Chair roles. The majority provide an annual retainer (16 of 18, or 89%) and two organizations provided only meeting fee compensation.

#### 4. Director compensation: Practices

Thirty (31) organizations provided compensation information for their Director roles. All reporting organizations provide an annual retainer. Twenty-five (25) organization or 81% provide both an annual retainer and meeting fees.



# The MEARIE Group

## 2019 Survey on Board of Director Compensation for Local Distribution Companies



### 5. Board compensation

The market statistics for Board Compensation in terms of annual retainer, and meeting fees, are provided in the tables below. The most common, or typical, retainer amount is also provided with the number of organizations that provide that amount disclosed in the parentheses. Generally, typical amounts are a small sample and there is a wide variety of pay values for annual retainers.

For market segments, there are generally no typical amounts to report and thus the typical market statistic has been excluded from those tables.

#### FULL BOARD COMPENSATION

#### All Organizations

Board of Directors	Annual Retainer (\$)				
	P25	P50	P75	Average	Typical
Chair (n = 31)	5,400	9,207	12,267	9,794	7,500 (n = 3)
Lead Director / Vice Chair (n = 16)	4,201	6,168	9,124	5,549	4,000 (n = 2)
Director (n = 31)	4,802	6,500	9,052	7,699	6,000 (n = 4)

Board of Directors	Meeting Fees (\$)				
	P25	P50	P75	Average	Typical
Chair (n = 24)	235	342	400	353	350 (n = 3)
Lead Director / Vice Chair (n = 17)	225	300	400	355	250 (n = 3)
Director (n = 25)	223	333	400	349	350 (n = 3)



# The MEARIE Group

## 2019 Survey on Board of Director Compensation for Local Distribution Companies



### ANNUAL RETAINER – Chair Market Segments

Statistic	P25	P50	P75	Average	Typical
Number of Employees (FTE Equivalent)					
FTE <21	*	7,500	*	7,475	*
FTE 21 – 50	5,500	7,500	10,295	8,924	*
FTE 51 – 100	*	15,000	*	18,153	*
FTE 101 – 200	3,167	6,000	11,000	7,501	6,000
FTE 201+	*	*	*	9,220	*
Number of Customers					
Up to 20,000	6,975	9,404	11,257	10,112	*
20,001 to 40,000	3,000	5,500	7,500	6,365	3,000
40,001 to 100,000	6,000	10,333	12,968	11,733	6,000
100,000+	*	*	*	*	*
Revenue (excluding the cost of power)					
Up to \$10 Million	*	8,354	*	10,062	*
\$10 – \$20 Million	3,750	6,000	8,550	6,383	7,500
\$20 – \$40 Million	6,000	10,333	14,250	11,482	6,000
Over \$45 Million	*	13,195	*	14,554	*
Region					
1	*	5,400	*	5,013	*
2	*	*	*	*	*
3	*	14,550	*	19,025	*
4	7,500	9,600	12,267	10,632	7,500
5	5,000	10,295	10,780	8,406	*

\* Unavailable or insufficient data





# The MEARIE Group

## 2019 Survey on Board of Director Compensation for Local Distribution Companies



### MEETING FEES - Chair Market Segments

Statistic	P25	P50	P75	Average	Typical
Number of Employees (FTE Equivalent)					
FTE <21	*	*	*	193	*
FTE 21 – 50	250	325	354	291	250
FTE 51 – 100	*	*	*	*	*
FTE 101 – 200	245	367	475	417	400
FTE 201+	*	*	*	508	*
Number of Customers					
Up to 20,000	*	275	*	259	*
20,001 to 40,000	250	350	375	367	250
40,001 to 100,000	200	297	425	337	200
100,000+	*	*	*	*	*
Revenue (excluding the cost of power)					
Up to \$10 Million	*	*	*	193	*
\$10 – \$20 Million	263	350	363	308	350
\$20 – \$40 Million	200	330	550	413	200
Over \$45 Million	*	*	*	503	*
Region					
1	*	150	*	156	*
2	*	*	*	*	*
3	*	*	*	425	*
4	260	333	350	313	350
5	*	488	*	501	*

\* Unavailable or insufficient data



# The MEARIE Group

## 2019 Survey on Board of Director Compensation for Local Distribution Companies



### ANNUAL RETAINER - Vice Chair / Lead Director Market Segments

Statistic	P25	P50	P75	Average	Typical
Number of Employees (FTE Equivalent)					
FTE <21	*	*	*	*	*
FTE 21 – 50	*	5,625	*	5,603	*
FTE 51 – 100	*	*	*	*	*
FTE 101 – 200	*	9,083	*	7,921	*
FTE 201+	*	*	*	*	*
Number of Customers					
Up to 20,000	*	*	*	5,207	*
20,001 to 40,000	*	5,625	*	6,027	*
40,001 to 100,000	*	9,083	*	7,777	*
100,000+	*	*	*	*	*
Revenue (excluding the cost of power)					
Up to \$10 Million	*	*	*	*	*
\$10 – \$20 Million	*	5,625	*	5,603	*
\$20 – \$40 Million	*	9,250	*	8,060	*
Over \$45 Million	*	*	*	*	*
Region					
1	*	4,401	*	4,326	*
2	*	*	*	*	*
3	*	*	*	*	*
4	*	8,320	*	6,797	*
5	*	6,943	*	7,250	*

\* Unavailable or insufficient data



# The MEARIE Group

## 2019 Survey on Board of Director Compensation for Local Distribution Companies



### MEETING FEES - Vice Chair / Lead Director Market Segments

Statistic	P25	P50	P75	Average	Typical
Number of Employees (FTE Equivalent)					
FTE <21	*	*	*	*	*
FTE 21 – 50	250	300	333	276	250
FTE 51 – 100	*	*	*	*	*
FTE 101 – 200	292	400	550	461	400
FTE 201+	*	*	*	*	*
Number of Customers					
Up to 20,000	*	*	*	*	*
20,001 to 40,000	250	300	381	363	250
40,001 to 100,000	*	292	*	347	200
100,000+	*	*	*	*	*
Revenue (excluding the cost of power)					
Up to \$10 Million	*	*	*	*	*
\$10 – \$20 Million	250	300	369	291	250
\$20 – \$40 Million	*	325	*	449	200
Over \$45 Million	*	*	*	*	*
Region					
1	*	*	*	175	*
2	*	*	*	*	*
3	*	*	*	*	*
4	*	317	*	317	250
5	*	488	*	501	*

\* Unavailable or insufficient data



# The MEARIE Group

## 2019 Survey on Board of Director Compensation for Local Distribution Companies



### ANNUAL RETAINER - Director Market Segments

Statistic	P25	P50	P75	Average	Typical
Number of Employees (FTE Equivalent)					
FTE <21	*	6,000	*	6,047	*
FTE 21 – 50	4,400	6,600	7,753	7,427	*
FTE 51 – 100	*	11,302	*	12,276	*
FTE 101 – 200	5,000	6,000	8,500	6,691	6,000
FTE 201+	*	*	*	8,279	*
Number of Customers					
Up to 20,000	6,000	7,200	10,000	8,362	*
20,001 to 40,000	4,000	5,000	6,000	5,145	6,000
40,001 to 100,000	5,500	8,000	8,833	8,570	*
100,000+	*	*	*	*	*
Revenue (excluding the cost of power)					
Up to \$10 Million	5,401	6,905	10,015	8,605	*
\$10 – \$20 Million	4,050	5,500	6,900	5,227	6,000
\$20 – \$40 Million	5,250	7,250	8,376	7,956	*
Over \$45 Million	*	11,883	*	11,650	*
Region					
1	*	4,802	*	4,660	6,000
2	*	*	*	*	*
3	*	12,252	*	12,751	*
4	6,000	7,820	10,000	8,632	5,000
5	4,350	6,336	8,025	6,305	*

\* Unavailable or insufficient data



# The MEARIE Group

## 2019 Survey on Board of Director Compensation for Local Distribution Companies



### MEETING FEES - Director Market Segments

Statistic	P25	P50	P75	Average	Typical
Number of Employees (FTE Equivalent)					
FTE <21	*	*	*	193	*
FTE 21 – 50	250	300	367	309	250
FTE 51 – 100	*	*	*	*	*
FTE 101 – 200	213	367	475	411	400
FTE 201+	*	*	*	508	*
Number of Customers					
Up to 20,000	*	313	*	299	*
20,001 to 40,000	250	300	375	362	250
40,001 to 100,000	200	275	363	312	200
100,000+	*	*	*	*	*
Revenue (excluding the cost of power)					
Up to \$10 Million	*	253	*	270	*
\$10 – \$20 Million	263	325	363	303	250
\$20 – \$40 Million	200	283	475	389	200
Over \$45 Million	*	*	*	503	*
Region					
1	*	150	*	156	*
2	*	*	*	*	*
3	*	*	*	375	*
4	256	317	363	322	*
5	*	488	*	501	*

\* Unavailable or insufficient data



## The MEARIE Group

### 2019 Survey on Board of Director Compensation for Local Distribution Companies



#### 6. Committee Annual Retainer

Individuals that serve on Committees may receive additional compensation.

In the cases that they are given, it is typically reserved for the Chair only and most other members of the Committee receive meeting fees only. Where sufficient sample was available, the average retainer for chairing the committee is provided in the table below.

#### COMMITTEE CHAIR – Annual Retainer

#### All Organizations

Committee	Number of Organizations Providing Annual Retainer for Committee Chair	Average Retainer (\$)
Audit	4	5,500
Audit & Finance	Less than 3	*
Finance	Less than 3	*
Governance	3	7,533
Governance / HR / Compensation / Nominating	3	10,700
Health & Safety / Environment	Less than 3	*
HR / Compensation	Less than 3	*
Nominations	Less than 3	*
Other	Less than 3	*
Risk Management	Less than 3	*

\* Unavailable or insufficient data



## The MEARIE Group

### 2019 Survey on Board of Director Compensation for Local Distribution Companies



#### 7. Committee Meeting Fees

The market statistics for Committee meeting fees are provided below. Most organizations provide the same meeting fees to committee chairs and committee members.

COMMITTEE CHAIR – Meeting Fees		All Organizations
Committee	Number of Organizations Providing Meeting Fees for Committee Chair	Average Meeting (\$)
Audit	11	383
Audit & Finance	5	343
Finance	Less than 3	*
Governance	7	343
Governance / HR / Compensation / Nominating	7	395
Health & Safety / Environment	Less than 3	*
HR / Compensation	5	447
Nominations	3	403
Other	3	457
Risk Management	Less than 3	*

\* Unavailable or insufficient data



# The MEARIE Group

## 2019 Survey on Board of Director Compensation for Local Distribution Companies



### DIRECTOR ON A COMMITTEE – Meeting Fees

All Organizations

Committee	Number of Organizations Providing Meeting Fees for Director	Average Meeting (\$)
Audit	11	383
Audit & Finance	5	283
Finance	Less than 3	*
Governance	7	300
Governance / HR / Compensation / Nominating	7	395
Health & Safety / Environment	Less than 3	*
HR / Compensation	7	404
Nominations	3	387
Other	N/A	*
Risk Management	Less than 3	*

\* Unavailable or insufficient data

### 8. Unplanned Meetings

Organizations were asked what types of additional consideration is provided to the Board in the event of unplanned meetings. Eighteen (18) of thirty-four (34), or 53%, of reporting organizations stated there is a set rate for unplanned meetings; though sometimes the amount can vary if it's a Committee meeting versus a Board meeting or whether the meeting is in excess of 2 hours. The following table details the data for unplanned meeting fees. The typical amount is \$500 per meeting (5 organizations).

Unplanned Meeting Fees	Unplanned Meeting Fees (\$)			
	P25	P50	P75	Average
18 Organizations	281	403	500	407





## The MEARIE Group

### 2019 Survey on Board of Director Compensation for Local Distribution Companies



#### 9. Mileage

Organizations were asked if mileage is provided to Board members and 30 organizations provided information.

The following table details the data for mileage. The most common amount is \$0.58 per kilometer (12 organizations).

Mileage	Unplanned Meeting Fees (¢ per km)			
	P25	P50	P75	Average
30 organizations	52	55	58	54



# The MEARIE Group

## 2019 Survey on Board of Director Compensation for Local Distribution Companies



### 10. Added expenses

Organizations were asked what types of additional consideration is provided to the Board, such as hotel, air/travel rates, education and director training. The table below details the market information for additional consideration.

Added Expenses		Typical Value
Type	Prevalence	
Hotel	n = 28	No typical values provided – typically reimbursed at cost.
Air Travel	n = 25	No typical values provided – typically reimbursed at cost, some organizations specify economy or best rate available. Cited as not often needed to be used as a policy.
Education	n = 18	There may be 100% coverage for some maximum dollar amount, and generally is reimbursed as required. Eight (8) organizations provided an allowance annual maximum reimbursement/co-pay amount, the average is \$2,500, median is \$1,500 and typical is \$1,000.
Training	n = 15	No typical value provided; there may be 100% coverage or some maximum dollar amount (either per person or overall Board expenditure, or in combination with Education).

### 11. Summary of compensation

Organizations provided annual retainer information, the number of meetings and the meeting fee amount. The following tables estimate the annual total compensation to a Chair, Vice Chair and Director role within a Board; excluding additional fees earned from participation in Committees.

#### Full Board Annualized Compensation

#### All Organizations

Board of Directors	Estimated Annualized Compensation (\$)			
	P25	P50	P75	Average
Chair (n = 31)	5,400	11,075	15,320	11,411
Lead Director / Vice Chair (n = 16)	4,977	8,025	12,102	8,560
Director (n = 31)	5,500	9,300	12,000	9,309



# The MEARIE Group

## 2019 Survey on Board of Director Compensation for Local Distribution Companies



### FULL BOARD ANNUALIZED COMPENSATION - Chair Market Segments

Statistic	P25	P50	P75	Average
Number of Employees (FTE Equivalent)				
FTE <21	*	10,588	*	8,616
FTE 21 – 50	7,000	8,500	11,795	10,492
FTE 51 – 100	*	19,000	*	19,233
FTE 101 – 200	4,000	7,560	13,955	9,283
FTE 201+	*	*	*	12,178
Number of Customers				
Up to 20,000	9,291	11,388	13,030	11,637
20,001 to 40,000	4,500	7,000	8,500	7,911
40,001 to 100,000	7,125	12,733	15,625	12,993
100,000+	*	*	*	*
Revenue (excluding the cost of power)				
Up to \$10 Million	*	10,832	*	11,013
\$10 – \$20 Million	4,680	7,500	10,100	7,811
\$20 – \$40 Million	6,390	12,733	17,875	13,299
Over \$45 Million	*	16,768	*	17,189
Region				
1	*	5,400	*	5,483
2	*	*	*	*
3	*	17,988	*	21,094
4	7,750	11,700	13,955	12,196
5	5,930	11,795	15,530	10,916

\* Unavailable or insufficient data



# The MEARIE Group

## 2019 Survey on Board of Director Compensation for Local Distribution Companies



### FULL BOARD ANNUALIZED COMPENSATION - Vice Chair / Lead Director Market Segments

Statistic	P25	P50	P75	Average
Number of Employees (FTE Equivalent)				
FTE <21	*	*	*	*
FTE 21 – 50	*	6,305	*	7,313
FTE 51 – 100	*	*	*	*
FTE 101 – 200	*	11,115	*	10,217
FTE 201+	*	*	*	*
Number of Customers				
Up to 20,000	*	*	*	6,924
20,001 to 40,000	*	6,305	*	7,789
40,001 to 100,000	*	11,113	*	9,521
100,000+	*	*	*	*
Revenue (excluding the cost of power)				
Up to \$10 Million	*	*	*	*
\$10 – \$20 Million	*	6,305	*	7,313
\$20 – \$40 Million	*	11,398	*	10,311
Over \$45 Million	*	*	*	*
Region				
1	*	4,401	*	4,763
2	*	*	*	*
3	*	*	*	*
4	*	10,830	*	9,090
5	*	10,693	*	10,178

\* Unavailable or insufficient data



# The MEARIE Group

## 2019 Survey on Board of Director Compensation for Local Distribution Companies



### FULL BOARD ANNUALIZED COMPENSATION - Director Market Segments

Statistic	P25	P50	P75	Average
Number of Employees (FTE Equivalent)				
FTE <21	*	8,286	*	7,188
FTE 21 – 50	5,750	8,025	10,950	8,963
FTE 51 – 100	*	12,002	*	13,326
FTE 101 – 200	6,300	7,600	10,830	8,444
FTE 201+	*	*	*	11,237
Number of Customers				
Up to 20,000	8,286	9,575	11,500	9,885
20,001 to 40,000	4,560	6,500	7,600	6,664
40,001 to 100,000	6,450	9,404	11,415	9,812
100,000+	*	*	*	*
Revenue (excluding the cost of power)				
Up to \$10 Million	6,544	9,575	10,765	9,635
\$10 – \$20 Million	4,795	6,750	8,688	6,773
\$20 – \$40 Million	6,375	9,352	11,600	9,627
Over \$45 Million	*	13,468	*	14,285
Region				
1	*	4,802	*	5,130
2	*	*	*	*
3	*	14,390	*	14,520
4	8,286	10,029	11,500	10,272
5	5,030	9,050	12,168	8,815

\* Unavailable or insufficient data



**The MEARIE Group**  
**2019 Survey on Board of Director Compensation**  
**for Local Distribution Companies**



## **APPENDICES**



# **The MEARIE Group**

## **2019 Survey on Board of Director Compensation for Local Distribution Companies**



### **A. Survey Methodology**

A survey package was sent to all confirmed participants that included questions regarding the organization's policies and practices with respect to Board of Director compensation.

Once the completed surveys were returned to Korn Ferry, participants were contacted for data verification as necessary. Korn Ferry also initiated a number of follow-up actions to clarify information provided by the participants.



# The MEARIE Group

## 2019 Survey on Board of Director Compensation for Local Distribution Companies



### B. Definitions – compensation elements

#### **Chair**

Top position on the Board. Is typically voted into his or her position by a majority vote within the Board of Directors.

#### **Committee Chair**

The top position on a Board committee.

#### **Vice Chair**

Second to the Chair. Can be more than one and is also typically voted into his or her position by a majority vote within the Board of Directors.

#### **Committee Vice Chair**

Second to the committee Chair.

#### **Director**

A member of the Board. Can be classified as inside or independent (outside).

Inside Director - a Board member who is an employee, officer or stakeholder in the organization.

Independent (Outside) Director - a Board member who is not an employee or stakeholder of the organization and is typically compensated using an annual retainer.

#### **Committee**

A subgroup of the Board of Directors responsible for one specific area of governance, i.e., Budget Committee or Audit Committee

#### **Retainer**

Annual fee paid to outside directors to sit on the Board of Directors of the organization.

#### **Committee Fee**

Additional fee paid to Board members on top of annual retainer to sit on committees of the Board of Directors.

#### **Meeting Fee**

Additional fee paid to Board members on top of annual retainer for each meeting attended. Can be for general meetings or for committee meetings.



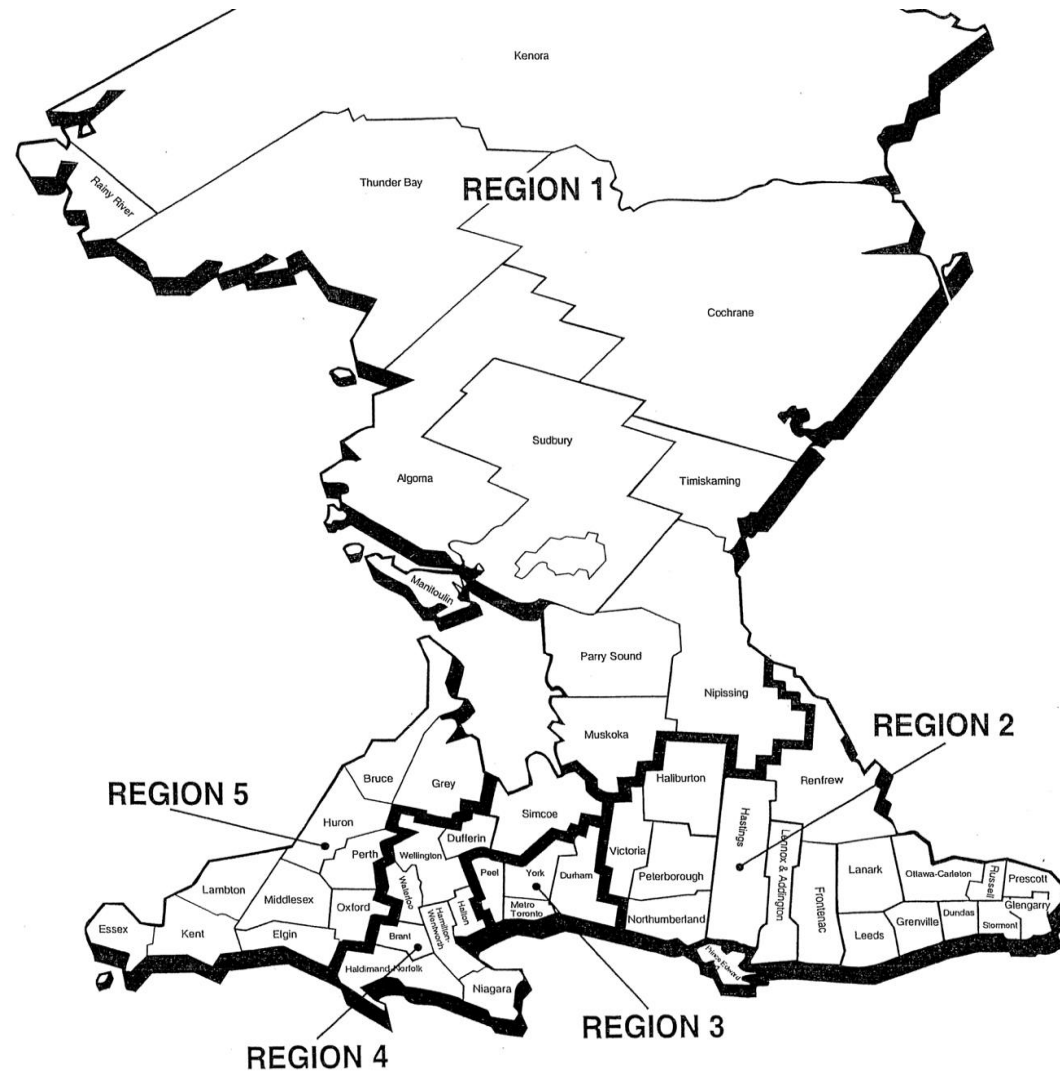


# The MEARIE Group

## 2019 Survey on Board of Director Compensation for Local Distribution Companies



### C. Regions



## Appendix 7

1-SEC-1 Attachment 5 2019 MSS Report (FINAL)

# **The MEARIE Group**

## **2019 Management Salary Survey of Local Distribution Companies**

### **SURVEY REPORT**

September 2019

**SURVEY ADMINISTRATOR: KORN FERRY (CA) LTD.**



# **The MEARIE Group**

## **2019 Management Salary Survey of Local Distribution Companies**



## **Contents**

<b>I.</b>	<b>Introduction .....</b>	<b>3</b>
<b>II.</b>	<b>Survey Overview .....</b>	<b>6</b>
<b>III.</b>	<b>Salary Administration .....</b>	<b>10</b>
<b>IV.</b>	<b>Benefit Policies .....</b>	<b>16</b>
<b>V.</b>	<b>Benchmark Position Survey Results .....</b>	<b>22</b>

## **APPENDIX**

<b>A.</b>	<b>Survey Methodology .....</b>	<b>26</b>
<b>B.</b>	<b>Definitions – compensation elements .....</b>	<b>27</b>
<b>C.</b>	<b>Definitions – Statistical Elements .....</b>	<b>28</b>
<b>D.</b>	<b>Benchmark Position Profiles .....</b>	<b>29</b>
<b>E.</b>	<b>Regions .....</b>	<b>37</b>



# The MEARIE Group

## 2019 Management Salary Survey of Local Distribution Companies



### I. Introduction

The MEARIE Group is pleased to present this report of the 2019 Management Salary Survey of Local Distribution Companies (LDCs).

In today's competitive talent market, Local Distribution Companies (LDCs) are challenged with establishing and maintaining competitive, yet affordable, compensation programs and policies. The MEARIE Group established the Management Salary Survey of Ontario's LDCs to assist you and in understanding the competitive landscape and support your efforts in developing pay practices that attract, motivate and retain high quality, high performing employees.

The survey was updated in 2012 through the combined efforts of The MEARIE Group's HR Information Solutions team, outside consultants and representatives of our members, all working together to ensure that the Survey continues to meet the evolving needs of member LDCs.

The Survey was further enhanced from 2013 to 2014 through our partnership with Korn Ferry (previously Hay Group Limited), a globally renowned compensation consulting firm. Korn Ferry drew upon their expertise and experience in developing and managing salary surveys across all sectors of the economy and in numerous countries around the world.

There were no substantial changes to the survey from 2015 to 2018.

In 2019, as LDCs continue to diversify their management structures and expand operations to include non-regulated revenue streams, additional jobs and questions regarding these new business development roles have been added. In addition, reporting on number of FTE's by union and non-union has been added to provide information on proportionality of represented staff.

Further, additional contextual questions regarding line supervisory roles and their compensation have been added providing additional information with respect to overtime policies.

The 2019 survey includes:

- Geographic, Number of Employees, Number of Customer and Revenue size reporting.
- Fifty-two (52) benchmark descriptions, supported by the KF Hay job evaluation methodology for improved reporting and greater ability to identify the impact of organization size and structure. Two jobs are new in 2019.
- Continued reporting of "total cash compensation" to provide greater depth of information regarding market pay practices.
- An overview of local distribution company market trends and compensation projections for 2019 budget planning.
- MS Excel survey reporting including versions of position salary tables by All Organizations, Geography, Revenue and Customers to support those organizations that wish to conduct further analysis of the results and to assist in transferring survey results into internal reporting.



## **The MEARIE Group**

### **2019 Management Salary Survey of Local Distribution Companies**



The survey includes two presentation documents and Excel data tables in formats as follows:

- PDF Documents:
  - Survey Report containing a complete analysis and a data summary of all the positions.
  - Survey Report addendum which includes a complete analysis of each position, presented on one page.
- Excel Documents which are provided for easy data export and printable to one legal sized page, showing LDC Survey data by:
  - All Organizations;
  - Region;
  - Customer Base;
  - Revenue;
  - Number of Employees.

We would like to thank you for your participation. As a result of the strong response, we are able to provide you with an informative and detailed survey that will help you in support of your organization's compensation programs.



# The MEARIE Group

## 2019 Management Salary Survey of Local Distribution Companies



### Confidentiality Policy

**The MEARIE Group recognizes the importance of maintaining the security of your information and has developed the following policy that applies to all participants (and their delegates) in the Board of Director Compensation Survey (a “Survey”), as well as Korn Ferry (survey administrators) and The MEARIE Group.**

An individual LDC will provide its authorization for the sharing of information identified as being information of that LDC by completing the Survey Data Submission for a Survey. This will result in the LDC’s data being identified by name in the listing of participants. This enables participants to be aware of the names of the other participants in the Survey to determine the relevance of Survey data cuts (e.g. by geography or size).

All of the information obtained through this Survey will be treated with the utmost confidentiality. Data will be reported on an aggregate basis only, and in a way that will ensure individual participant data cannot be identified/attribution. Standards for minimum number of data will be strictly enforced to ensure confidentiality. Neither Korn Ferry nor MEARIE Group will release or disclose to any other person whatsoever any information pertaining to any individual LDC participant.

Survey results will be reported only to those LDCs who participate in the Survey and provide comprehensive data. Comprehensive participation means that each LDC is expected to match as many of the Survey benchmark positions as they are able and provide data for all incumbents of matched positions. **All participants must consider this information as strictly confidential.**

The results of a Survey will not be disclosed/sold to or shared with organizations that have not participated in that Survey, whether by The MEARIE Group or Korn Ferry or Survey participants. **Participants may not share the Survey reports/results with non-participant LDCs or any entity under any circumstances.**

The data collected for a Survey may also be included in Korn Ferry’s Canadian compensation database. Information in the Korn Ferry database is maintained with the highest standards of confidentiality; analysis and reporting of data is on an aggregate basis only, and in such a way as to ensure that individual participant data cannot be identified or attributed. As of May 2019, there are over 500 employers represented in the Korn Ferry database. Should you have any questions or for further information, please contact Deirdre Chong Smith, Principal at Korn Ferry at 647-293-0183 or [deirdre.chong@kornferry.com](mailto:deirdre.chong@kornferry.com).

**The obligations of confidentiality set out in this policy are subject to the requirements of applicable law** and LDCs may disclose the results of the Survey to any regulatory body (or other person) if compelled by law to do so. If an LDC is compelled by law to make such a disclosure, it will give The MEARIE Group as much notice in advance as possible of the disclosure and the reasons the disclosure is legally required.

**The MEARIE Group will not be liable for breaches by participating LDCs or Korn Ferry of this confidentiality policy.**



# The MEARIE Group

## 2019 Management Salary Survey of Local Distribution Companies



## II. Survey Overview

### 1. Survey Benchmark Positions

The survey covers 52 benchmark positions representing a cross-section of the functions within member organizations. Originally, 50 benchmark positions were reviewed in 2012 by a working group of LDC sector Human Resources professionals. Job profiles for each benchmark job were developed and reviewed by the consultants and the HR group and two additional model jobs were added in 2019.

<b>Senior Management</b>	0000	President & CEO
	0001	Chief Operating Officer (COO)
	0002	Head of Operations and/or Engineering
	0003	CFO / Head of Finance
	0004	Head of Customer Service
	0005	Head of Regulatory Affairs
	0006	Head of Human Resources
<b>Administration</b>	1000	Executive Assistant
	1001	Administrative Assistant
<b>Engineering</b>	2000	Director Engineering
	2001	Engineering Manager and/or Distribution Engineer
	2002	Project Engineer
	2003	Supervisor Engineering
<b>Operations</b>	2500	Director Operations
	2501	Manager Operations
	2502	Manager Control Centre
	2503	Supervisor Control Centre
	2504	Supervisor Protection and Control
	2505	Supervisor Station Maintenance
	2506	Line Supervisor
	2507	Manager Meter Department
	2508	Supervisor Meter Department





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### 2019 Management Salary Survey of Local Distribution Companies



<b>Supply Chain / Procurement</b>	3000	Director Supply Chain Management
	3001	Manager Procurement and/or Inventory and/or Facilities and/or Fleet
	3002	Supervisor Stores / Inventory / Warehouse
<b>Accounting / Finance</b>	4000	Controller or Director Finance
	4001	Manager Accounting
	4002	Manager Risk Management
	4003	Supervisor Accounting
	4004	Financial or Business Analyst
	4005	Accountant
<b>Customer Service</b>	5000	Director Customer Service
	5001	Manager Customer Service and/or Billing
	5002	Supervisor Customer Service and/or Billing and/or Collections
<b>Communications</b>	5500	Director Communications
	5501	Manager Communications
<b>Regulatory Affairs</b>	6000	Director Regulatory Affairs
	6001	Manager Regulatory Affairs
	6002	Regulatory Accountant
<b>Conservation / Demand</b>	7000	Settlement or Rate Analyst
	7001	Director or Officer, Conservation and Demand Management
	7002	Manager Conservation & Demand / Marketing
<b>Information Systems</b>	8000	Director Information Systems
	8001	Manager Information Systems and/or Security
	8002	Systems / Program Administrator or Applications / Systems Support Professional
<b>Human Resources</b>	9000	Human Resources Manager
	9001	Human Resources Generalist
	9002	Human Resources Coordinator
	9003	Payroll
	9004	Manager, Health & Safety
<b>Business Development / Non-Regulated Business</b>	N001	Executive Role - Non-Regulated Business (NEW IN 2019)
	N002	Non-Executive Role - Non-Regulated Business (NEW IN 2019)



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## 2019 Management Salary Survey of Local Distribution Companies



### 2. Participants

All organizations in the LDC sector in Ontario were invited to participate in the survey. The following thirty-seven (37) organizations submitted data:

- Alectra Utilities
- Bluewater Power Distribution
- Brantford Power Inc.
- Burlington Hydro Electric Inc.
- E.L.K. Energy Inc.
- Elexicon Energy
- Energy+ Inc.
- Entegrus Inc.
- ENWIN Utilities Ltd
- EPCOR Electricity Distribution Ontario Inc
- Essex Powerlines
- Festival Hydro
- Fort Frances Power Corporation
- Greater Sudbury Utilities
- Grimsby Power
- Halton Hills Hydro Inc.
- InnPower Corporation
- Kitchener-Wilmot Hydro Inc.
- Lakeland Power Distribution Ltd
- London Hydro Inc.
- Milton Hydro Distribution Inc
- Newmarket-Tay Power Distribution Ltd.
- Niagara Peninsula Energy Inc.
- North Bay Hydro Distribution Limited
- Northern Ontario Wires Inc.
- Oakville Hydro
- Orangeville Hydro Limited
- Orillia Power Corporation
- Oshawa PUC Networks Inc
- Peterborough Utilities
- Sioux Lookout Hydro Inc.
- Synergy North
- Utilities Kingston (Kingston Hydro)
- Wasaga Distribution Inc
- Waterloo North Hydro
- Welland Hydro-Electric System Corp
- Westario Power Inc.

It should be remarked that survey results may fluctuate due to varying sample mixes, as well as mergers/integrations over the years. Participants should be mindful when reviewing and comparing results between years.



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## 2019 Management Salary Survey of Local Distribution Companies



### 3. Participant Group Profile

All participants provided information regarding their organizational profile. The summary statistics of the participating organizations are detailed below.

The figures reported below are assessed on an “as provided” basis. Korn Ferry and the MEARIE Group have not independently or exhaustively verified the values presented below.

Statistic	P25	P50	P75	Average
Annual Operating Budget (\$ millions, less the cost of power)	7.0	12.9	19.5	27.4
Annual Operating Budget (\$ millions, including the cost of power)	47.1	99.2	173.0	196.7
Number of Employees (full time equivalent)	37	57	129	129
Number of Union Employees (full time equivalent)	14	37	91	85
Number of Non-union Employees (full time equivalent) <sup>1</sup>	10	25	38	43
Number of Customers	17,519	36,696	59,272	69,057
Gross Revenue (\$ millions, less the cost of power)	10.0	17.1	33.0	36.1
Gross Revenue (\$ millions, including the cost of power)	43.1	105.9	175.0	216.3
Regulated Gross Revenue <sup>2</sup>	96%	99%	100%	95%
Unregulated Gross Revenue	0%	1%	4%	5%

All organizations noted the fiscal year ends in December.

1. This is a newly reported statistic in 2019.
2. Organizations may be split into separate corporation with separate Board; in this situation the overall proportion of unregulated revenue is not reported.

**Analyst Note:** where average is significantly higher or lower than the median of the market, this indicates a small number of observations which skew the data either high or low. For example, the average number of customers is significantly higher than P50, and even P75, indicating a small number of organizations serving some very large groups of customers.



# The MEARIE Group

## 2019 Management Salary Survey of Local Distribution Companies



### III. Salary Administration

#### 1. Salary Range Adjustments – 2018 to 2020

- Thirty-five (35, or 95%) organizations reported data for salary ranges while 2 (5%) indicated they did not use ranges. The most common month for salary range adjustments is January, followed by April.
- In 2018, twenty-four (24) organizations reported adjustment to salary ranges, while four (4) organizations froze their ranges (i.e., provided 0%). Excluding the 4 organizations who froze ranges, the average range increase is 2.0%.
- In 2019, twenty-eight (28) organizations reported adjustment to salary ranges, and five (5) froze their ranges. Excluding the five (5) organizations that froze their ranges (i.e., provided 0%), the overall average salary range increase is 2.2%.
- Survey participants report planning to adjust salary ranges in 2020 by an overall average of 1.7% (n=10) or 2.1% excluding zeros (n=2).

The salary range adjustments by employee level and overall are noted in the table below:

Year	CEO	Executive	Director	Management	Professional/ Technical	Admin	Overall
2018	1.8%	1.7%	1.6%	1.7%	1.7%	1.6%	1.7%
2019	1.9%	2.0%	1.8%	1.7%	1.8%	1.6%	1.8%
2020	1.9%	1.8%	1.7%	1.7%	1.6%	1.6%	1.7%

#### 2. Base Salary Increases – 2018 to 2020

- The most common timing for salary adjustments is January.
- Survey participants report adjusting actual salaries in 2018 by an overall average of 2.7% (n=29).
- Survey participants report adjusting actual salaries in 2019 by an overall average of 2.7% (n=35).
- For 2020, survey participants reported projected average salary increases of 2.5% (n=15).

The base salary adjustments by employee level are noted in the table below.

Year	CEO	Executive	Director	Management	Professional/ Technical	Admin	Overall
2018	2.8%	2.6%	2.7%	2.8%	2.7%	2.5%	2.7%
2019	3.0%	2.7%	2.9%	2.7%	2.7%	2.4%	2.7%
2020	2.5%	2.4%	2.3%	2.5%	2.4%	2.4%	2.5%



## The MEARIE Group

### 2019 Management Salary Survey of Local Distribution Companies



### 3. Incentive Programs

- The majority of organizations (24 of 37 or 65%) provided information regarding their short-term incentive plans, for some or all their employees.
  - Fourteen (14) of the organizations indicated that all employee groups participated in STI.
  - Ten (10) organizations have STI plans for designated staff (typically senior management and/or executives) that do not extend to other staff (usually non-management).
- Twenty-four (24) of the organizations who offer short term incentive pay provided information about their incentive plans. The determination of individual bonus payments is based on the weighting of performance factors such as corporate versus individual versus team/department performance.

Typical plan mix is a combination of corporate and individual metrics with a heavier weighting on corporate for senior management and/or executives and a heavier weighting on individual metrics for non-management staff.

For example:

- The most common CEO design is 80% Corporate, 20% Individual
- The most common Director/Management level plan is 50% Corporate, 50% Individual

The average plan mix, by employee level, is provided in the table below.

Performance Factor	CEO	Executive	Director	Management	Professional/ Technical	Admin
Corporate	74.3%	67.4%	65.0%	53.7%	60.7%	58.1%
Team / Department	*	25.0%	25.0%	43.0%	*	*
Individual	28.6%	35.5%	38.3%	45.5%	48.1%	60.0%

\*Insufficient data sample to provide average (minimum of 3 organization required to report)



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## 2019 Management Salary Survey of Local Distribution Companies



### Threshold Bonus Payouts

Formulaic or “target based” bonus programs typically do not pay out until a minimum level of performance (corporate, team and/or individual) has been achieved (i.e., if the threshold performance is not achieved, there is no pay out). Once this threshold performance has been achieved, incentive plans will pay out a minimum level of bonus; pay out levels typically then increase as performance/results increase, up to a “target” bonus rate when performance goals have been “met”.

Six (6) of the twenty-four (24) organizations with incentive plans provided data regarding minimum levels of performance required before any bonuses are generated. The typical bonus rate at the threshold performance is set at 50% of “target” bonus.

### Maximum Bonus

Bonus programs are often designed such that there is a maximum level of payout. For example: if a position has a 10% bonus and the maximum payout is 200%, or 2x, then the maximum amount the employee can achieve regardless of performance (i.e., how much targets are exceeded by), is 20% of their current base salary.

The average maximum bonus is provided by employee level in the table below, though the typical bonus pay maximum is 100% of target.

Maximum Bonus Payout	CEO (n =20)	Executive (n =18)	Director (n =16)	Management (n=16)	Professional/ Technical (n = 13)	Admin. (n =12)
Average	1.20x	1.25x	1.25x	1.25x	1.30x	1.28x

In the broader market, it is more common to find higher maximum bonus levels (as a % of target) at higher levels of the organization, to reflect the greater influence on organizational performance that more senior roles are perceived to have.



# The MEARIE Group

## 2019 Management Salary Survey of Local Distribution Companies



### 4. Salary Compression Policy

Organizations were asked if they have any formal salary compression policy in place.

Only four (4) organization reported having a formal salary compression policy or monitoring is in place, however, the policy may not apply to all staff members. Given the limited response, there is insufficient data to report any details regarding compression and related policies.

### 5. Line Supervisor Review (NEW for 2019)

This section is new for 2019 and was added to the report to provide additional context regarding line supervisor compensation that is above base (and incentive) compensation.

Twenty-five (25) of the survey participants indicated that lines supervisory roles are provided with overtime consideration. Some organization indicated this would be in rare circumstances/emergency only and management may seek to pre-approve overtime before an employee would be called in to work.

Seven (7) organizations provided an estimate of overtime dollars paid per position. The average is \$18,434.29 and median \$23,000.00. This suggests that several organizations are actively managing employees with fairly significant overtime compensation. Eight (8) organizations provided their hourly rate multiplier for overtime, the average is 1.875x and typical is 2x. Though, some noted that 'on call' rates are not compensated, have a weekly stipend, or are paid at 1x, and only if there is a call in, is a 2x rate received.

Twenty (20) organizations provided data for their union staff arrangements and the typical compensation rates is 2x. Sometimes they may be qualifiers to the 2x (i.e. past the first hour), or there may be differing rates based upon time of day or whether the date is weekend/holiday.

Twenty-eight (28) organizations provide information on typical team size for the line supervisor.

	75 <sup>th</sup> Percentile	50 <sup>th</sup> Percentile	25 <sup>th</sup> Percentile	Average	Typical (mode)
Team Size (Unionized)	11.25	8	6	9.1	8



## The MEARIE Group

### 2019 Management Salary Survey of Local Distribution Companies



#### 6. Non-regulated Revenue (NEW for 2019)

This section is new for 2019 and was added to the report to provide additional context regarding regulated vs non-regulated revenue operations, and, how management is typically structured.

Twenty-five (25) of the participating organizations indicated their structure for non-regulated revenues.

Response	Number of organizations	% of respondents
Separate Company	15	41%
Embedded within the organization	10	27%
Not applicable - no non-regulated revenue is earned	12	32%

The following table provides the prevalence of staffing for non-regulated operations within the twenty-five organizations.

Response	Number of organizations	% of respondents
Full time dedicated staff – sales	4	16%
Full time dedicated - non sales / business development	8	32%
Regulated "sister company" provides corporate services for a fee to non-regulated business (i.e. chargeback)	11	44%
Shared staffing arrangement where non-regulated is supported as required by regulated business staff	13	52%
Other*	3	12%

\*There is no trend in "other" responses to the survey to report general trend





## The MEARIE Group

### 2019 Management Salary Survey of Local Distribution Companies



Additional questions were asked with respect to the KPIs utilized for the non-regulated business(es) that the organizations may have/support. Nine (9) organizations provided data regarding KPIs for the non-regulated business, and the following table provides the prevalence of the KPIs.

Response	Number of organizations	% of respondents	# of organization providing weighting	Average Scorecard weighting
Earnings / Net Income	5	56%	4	30%
Other Financial Metric	6	67%	4	31%
Innovation: New product / service offering / development	2	22%	1	*
Customer: retention / new	4	44%	3	20%
Other (provide details)	8	89%	6	46%

\*insufficient data to disclose

Organizations were also asked to what extent the non-regulated businesses are targeting to grow. Fifteen (15) organizations provided insight and the following table provides the prevalence of responses.

Response	Number of organizations	% of respondents
Very aggressive (30%+ growth target)	1	7%
Aggressive (10 - 20% growth)	-	-
Moderate (10 - 20% growth)	6	40%
Maintain (0 - 10%)	6	40%
Ramp down - exit non-regulated business (<0%)	2	13%



# The MEARIE Group

## 2019 Management Salary Survey of Local Distribution Companies



### IV. Benefit Policies

#### 1. Car Benefit

Most organizations (35 of 37 or 95%) provide a car/mileage reimbursement benefit to some level of employee. Twenty-eight (28), or 76%, organizations provide executives with an automobile benefit of some type.

The table below summarizes the value of monthly car allowances, by position, where provided. Generally, the trend continues that more organizations are moving to car/travel allowances as opposed to providing vehicles and only one organization provided lease values.

##### Car Allowance (monthly)

	CEO	Executive / VP	Sr. Management/ Director
P75	800	750	596
P50	750	750	500
P25	554	600	475
Average	769	727	527
Number	25	13	7

#### 2. Mileage

The most frequently reported mileage rate (12 organizations) is 58 cents per kilometer. The market statistics for mileage rates provided to employees as reimbursement for personal vehicle use are detailed in the table below.

N = 35	Mileage Reimbursement (¢ per km)
P75	58.0
P50	54.0
P25	50.0
Average	53.4



# The MEARIE Group

## 2019 Management Salary Survey of Local Distribution Companies



### 3. Perquisites

#### Club Memberships – Fitness

Seventeen (17) organizations reported providing a subsidy for fitness club fees. The typical policy is to provide a reimbursement of a fixed monetary amount per year. For most organizations, the same reimbursement amount will apply regardless of job level.

N = 17	Mileage Reimbursement (¢ per km)
P75	300
P50	250
P25	200
Average	262

#### Club Memberships – Social

Two (2) organizations reported having a separate policy/program for reimbursement of social club fees.

#### Health Spending Account

Eleven (11) organizations reported providing a Health Spending Account (i.e., discretionary spending within a defined range of services / benefits). Some of these policies differ in spending maximums between individuals and family.

Of the eleven (11) organizations, five (5) provide the same funding for all job levels while six (6) differentiate by job level or only provide to specific senior levels.

	CEO	Executive	Director	Management	Professional / Technical
P75	1,550	1,550	1,000	1,025	*
P50	1,000	1,000	1,000	700	650
P25	475	425	350	300	*
Average	1,323	1,086	728	688	679
Number	11	11	9	8	6

\*insufficient data to disclose



## The MEARIE Group

### 2019 Management Salary Survey of Local Distribution Companies



#### **2<sup>nd</sup> Opinion Medical Advice**

No organizations in the survey reported having a separate policy/program for this benefit.

#### **Personal Financial/Legal Counseling**

One (1) organization reported that financial and legal counseling is available via their Employee Assistance Program.

#### **Executive Medical Plan**

Four (4) organizations reported providing enhanced medical coverage for executive levels. The maximum annual additional coverage median (P50) is \$2,198, and the average is \$2,024.

#### **Personal Computer / Cell Phone / Internet**

Six (6) organizations provided information regarding policies and practices related to computers and internet. Typical reimbursement rates were not available.

The most common policies/practices are:

- Provision of laptops for employees at certain levels, or in certain roles, sometimes in addition to an office desktop, to allow for mobile work (note: may be a perk if personal use of computer is allowed, but not a perk if for business use only).
- Reimbursement for mobile phone, including data allowance or company provided phone

#### **Other Perquisites**

Other programs/practices reported, by five (5) organizations, include:

- Reimbursement of dues/fees for professional associations such as Engineers (P. Eng.) and Accountants (CGA/CMA/CA) or Human Resources (HRPA)

#### **Enhanced Life Insurance Coverage for Senior Officers**

Organizations were asked if, for senior level jobs, there was additional, employer paid, life insurance coverage. For example, if the typical life insurance plan was 1.5x employee salary, was this enhanced to above 1.5x to some greater number such as 2x, or even 3x, for senior level jobs?

Twenty (20) organizations provided information about their basic/standard life insurance coverage where the typical and average coverage is 1.5x annual salary. Enhanced benefits are provided by seven (7) organizations, excluding the organizations providing a fixed amount, the additional coverages received by senior roles at these organizations averaged 2.7x annual salary. The typical additional life insurance coverage is 3x annual salary.



# The MEARIE Group

## 2019 Management Salary Survey of Local Distribution Companies



### 4. Vacation Entitlement

Thirty-six (36) organizations provided the years of service required by various levels of employee to receive a certain number of vacation days/weeks. Several organizations noted that for executive level jobs, vacations are typically negotiated, rather than dictated by written policy. These observations were removed from the sample.

The table below details the range, average and typical (i.e., most common) number of years of service required per weeks of entitlement.

	2 weeks	3 weeks	4 weeks	5 weeks	6 weeks +
CEO					
Range	No range	Start – 6	Start – 15	Start – 18	4 – 27
Average	Start	1.8	6	12.7	20.5
Typical	Start	Start / 3	9	17	25
Sample - n	15	25	31	31	31
Executive / VP Level					
Range	No range	Start – 6	Start – 15	Start – 18	Start – 27
Average	Start	1.9	6	12.5	20.1
Typical	Start	Start / 3	9	17	25
Sample - n	16	24	30	31	31
Director Level					
Range	No range	Start – 6	Start – 15	2 – 18	9 – 27
Average	Start	1.7	6.5	13.7	21.53
Typical	Start	Start / 3	9	17	25
Sample - n	19	29	33	31	31
Manager Level					
Range	No range	Start – 6	Start – 15	8 – 18	15 – 27
Average	Start	1.6	7	14.3	21.9
Typical	Start	Start / 3	9	17	25
Sample - n	22	33	34	33	33
Professional Level					
Range	No range	Start – 6	Start – 15	8 – 18	15 – 28
Average	Start	2	7.7	15	23.2
Typical	Start	3	9	17	25
Sample - n	23	32	33	32	32



## The MEARIE Group

### 2019 Management Salary Survey of Local Distribution Companies



#### Unused Vacation

Organizations provided information about their policies and practices regarding vacation time not fully utilized in the year in which it was earned.

Policy Regarding Carry Over (n = 35)	Number	%
Unused vacation entitlement at year end is paid out (vacation pay adjustment) – no carry over	2	6%
Any/all unused vacation entitlement may be carried over with no restrictions	4	11%
Unused vacation entitlement may be carried over, subject to maximum total accumulated balance	11	31%
A maximum amount of unused vacation may be carried over	19	53%

Days in carry over (n = 31)	Number of Days
Range	0 – 40
Average	7.6
Typical	5

Time Limit for Utilizing Carried-Over Vacation Time (n=33)	Number
No limit	7
12 months	6
Six months or less	20

#### Note:

- The tables above exclude carry-over limits which are discretionary, negotiated, or dependent upon employee's annual vacation entitlement.
- Some organizations reported that unused vacations after expiry will be paid out, others reported these unused vacation days will be forfeited (i.e., without recompense), or that unused vacation exceeding the policy amount could be approved in exceptional cases.



## The MEARIE Group

### 2019 Management Salary Survey of Local Distribution Companies



#### 5. Educational Assistance / Reimbursement

Twenty-two participating organizations (22) provided details regarding education assistance/ reimbursement policies ranging from eligibility criteria to payback provisions. There are a wide variety of programs and reimbursement rates. Key highlights are provided below:

- Twenty-two (22) organizations stated that they offer some education assistance. Some organizations have detailed policies governing such practice, others evaluate it on a case-by-case basis and approve as required at either manager, or senior leadership levels.
- There are usually limits in the subject and coursework in relevance to job duties and responsibilities. For example, if work related core skills the education may be reimbursed at a rate of 100% whereas non-core skills that are seen as leadership/continuing education/personal growth may be reimbursed at a rate of 50%.
- Four (4) organizations provided annual reimbursement guides. The maximum depends on type/level of study, and/or cost of education. Some have a deductible or a reduced reimbursement schedule for “above annual amount.” Most organizations suggest that there is no clear maximum and that discretionary reimbursement is subject to approval of leadership either at an annual, or employee lifetime level.
- Payback provisions were submitted by eleven (11) organizations. The typical time 3.0 years, and the range is 1 – 5 years, where if an employee voluntarily resigns within that period, they are liable for all or a portion of their education cost.
- Several organizations also noted that any educational reimbursement must be repaid if an employee does not successfully complete their program.



## **The MEARIE Group**

### **2019 Management Salary Survey of Local Distribution Companies**



#### **V. Benchmark Position Survey Results**

This section reports the information collected in aggregate values for each benchmark position. The values reported in this table reflect “All Ontario” data in that the data for all organizations matching to the position are included (regardless of size and geographic location).

Additional summaries, on a job by job basis, are provided in the accompanying Appendix.

Detailed analysis, with expanded statistical data (i.e., including P25 and P75 data points) as well as analysis of survey results by geographic region, by customer base and by revenue, are reported in the Excel files accompanying this report.

When reviewing the survey results, and comparing across years, it is important to note that market fluctuations (or lack thereof) can arise from a variety of sources, including true market movements, change in sample composition, etc. Readers are reminded that statistics derived from small samples are vulnerable to individual variations.





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## 2019 Management Salary Survey of Local Distribution Companies



### ALL ORGANIZATIONS

Code	Survey Job Title	Job Matches			Compensation Design						Actual Compensation				
		# Orgs	# Incs	Hay Points	Salary Range Minimum	Job Rate	Salary Range Maximum	Target Bonus %	Total Cash Design		Actual Base Salary		Actual Bonus %	Actual Total Cash	
				P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
0000	President & CEO	30	34	1192	179,700	207,100	222,500	20%	244,700	256,100	213,900	221,800	24%	258,600	271,000
0001	Chief Operating Officer (COO)	14	16	839	134,900	164,000	164,700	17%	166,000	199,000	164,300	175,900	21%	199,700	213,700
0002	Head of Operations and/or Engineering	19	20	929	133,900	154,400	176,700	19%	179,400	188,300	165,600	166,600	20%	193,900	192,900
0003	CFO / Head of Finance	33	36	830	139,100	163,000	168,000	18%	168,000	184,200	160,600	165,700	20%	179,700	191,900
0004	Head of Customer Service	12	14	732	122,600	137,700	140,600	16%	137,700	154,200	137,000	150,500	16%	141,100	164,900
0005	Head of Regulatory Affairs	7	7	775	143,000	158,800	158,800	19%	171,500	185,500	158,800	161,100	24%	172,600	191,000
0006	Head of Human Resources	14	13	805	123,700	143,400	155,000	20%	154,600	172,000	144,000	156,500	20%	164,700	183,600
1000	Executive Assistant	27	53	245	63,700	74,900	84,600	5%	77,200	78,600	79,200	79,400	5%	81,700	82,100
1001	Administrative Assistant	10	21	169	56,200	66,200	68,900	3%	66,200	66,600	66,600	69,100	5%	67,600	70,400
2000	Director Engineering	17	17	702	114,700	136,000	154,600	12%	144,500	153,000	142,600	146,700	9%	154,600	156,900
2001	Engineering Manager and/or Distribution Engineer	24	28	571	101,300	120,600	130,900	9%	127,100	126,700	123,100	119,600	6%	125,800	125,900
2002	Project Engineer	14	20	373	83,900	97,500	102,900	5%	100,000	98,000	94,700	98,600	5%	99,200	100,500
2003	Supervisor Engineering	18	46	432	85,300	106,600	123,600	8%	113,300	111,900	109,600	108,000	8%	117,400	113,900
2500	Director Operations	11	11	732	112,800	133,000	143,400	12%	146,300	142,100	137,000	137,600	14%	149,500	148,100
2501	Manager Operations	23	40	571	100,300	118,600	123,200	6%	122,400	119,900	121,700	119,500	6%	122,400	125,800
2502	Manager Control Centre	8	10	571	112,800	133,700	151,100	10%	138,700	137,500	129,400	129,400	10%	141,500	139,900
2503	Supervisor Control Centre	10	13	406	89,200	106,600	113,000	8%	108,300	108,500	108,300	108,300	8%	112,400	113,200
2504	Supervisor Protection and Control	8	8	406	90,400	105,100	113,000	*	107,200	105,400	105,900	103,700	*	105,900	107,000
2505	Supervisor Station Maintenance	7	11	366	85,300	106,600	124,200	8%	110,000	108,600	110,900	110,000	8%	123,100	116,500
2506	Line Supervisor	30	126	414	86,800	103,700	111,500	7%	108,200	106,800	107,600	107,700	6%	110,000	112,500
2507	Manager Meter Department	7	7	496	95,400	114,000	130,600	10%	118,700	123,500	121,000	117,400	11%	138,100	128,100
2508	Supervisor Meter Department	7	7	366	85,400	104,600	108,600	8%	104,600	105,500	105,200	105,100	7%	108,600	109,800
3000	Director Supply Chain Management	4	4	690	111,100	138,800	149,900	*	149,900	149,600	139,100	141,000	*	154,400	155,100
3001	Manager Procurement and/or Inventory and/or Facilities and/or Fleet	15	16	451	89,100	108,600	111,900	7%	111,200	108,200	110,100	108,100	8%	111,900	114,200
3002	Supervisor Stores/Inventory/Warehouse	7	7	353	77,100	92,400	101,500	*	94,400	98,700	95,400	100,200	*	95,400	104,100



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## 2019 Management Salary Survey of Local Distribution Companies



### ALL ORGANIZATIONS

Code	Survey Job Title	Job Matches			Compensation Design						Actual Compensation				
		# Orgs	# Incs	Hay Points	Salary Range Minimum	Job Rate	Salary Range Maximum	Target Bonus %	Total Cash Design		Actual Base Salary		Actual Bonus %	Actual Total Cash	
				P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
4000	Controller or Director Finance	16	19	551	109,400	124,700	124,700	8%	124,700	130,600	123,600	126,100	6%	131,600	134,900
4001	Manager Accounting	17	24	479	93,200	114,000	131,100	9%	118,900	120,300	111,600	111,100	9%	119,300	118,700
4002	Manager Risk Management	4	4	567	106,400	120,200	138,100	*	120,200	132,100	132,200	127,200	*	142,500	137,500
4003	Supervisor Accounting	6	10	353	85,300	100,800	108,600	*	101,800	103,000	98,000	99,300	*	104,000	102,100
4004	Financial or Business Analyst	19	27	282	72,000	91,100	92,700	7%	91,100	91,900	91,100	88,200	5%	93,100	91,600
4005	Accountant	10	20	332	74,700	88,300	101,500	7%	93,000	92,300	91,800	89,700	9%	94,600	96,600
5000	Director Customer Service	7	7	702	112,400	137,200	143,400	15%	138,900	145,500	136,200	137,000	10%	144,500	151,800
5001	Manager Customer Service and/or Billing	25	33	488	89,100	107,100	111,100	7%	110,700	110,100	104,500	106,200	7%	109,400	112,100
5002	Supervisor Customer Service and/or Billing and/or Collections	21	35	353	82,200	97,800	104,300	8%	98,000	98,700	96,000	95,000	8%	99,200	103,500
5500	Director Communications	7	7	677	112,800	139,500	150,400	18%	150,400	152,600	130,300	132,200	17%	134,300	151,300
5501	Manager Communications	12	12	337	76,700	95,900	107,300	6%	99,200	99,400	90,800	91,000	5%	93,200	94,800
6000	Director Regulatory Affairs	6	6	690	123,800	151,600	164,200	10%	169,700	160,500	146,900	143,900	10%	167,200	159,700
6001	Manager Regulatory Affairs	15	16	465	91,900	107,300	116,600	6%	111,600	109,800	102,800	105,500	6%	106,400	110,300
6002	Regulatory Accountant	12	13	282	71,600	83,400	93,500	5%	85,700	85,800	82,200	84,500	6%	83,900	88,500
7000	Settlement or Rate Analyst	8	9	275	73,000	91,200	100,300	9%	91,200	89,600	97,600	92,500	*	103,800	95,700
7001	Director or Officer, Conservation and Demand Management	4	4	624	110,900	128,500	143,500	*	131,800	133,300	127,200	129,900	10%	144,500	143,100
7002	Manager Conservation & Demand/Marketing	11	11	479	89,400	100,700	111,700	7%	101,700	100,500	96,500	98,600	6%	101,800	100,800
8000	Director Information Systems	13	16	677	115,000	141,300	154,000	15%	165,900	155,500	143,600	140,700	15%	165,100	158,100
8001	Manager Information Systems and/or Security	23	28	479	89,800	108,400	118,000	5%	112,500	113,500	106,100	110,300	5%	111,700	114,900
8002	Systems/Program Administrator or Applications/Systems Support Prof	18	30	315	71,200	89,300	95,900	3%	94,200	93,200	86,500	91,000	3%	87,700	93,300
9000	Human Resources Manager	13	13	479	89,100	111,100	118,700	9%	115,000	121,500	108,300	109,900	10%	111,400	116,300
9001	Human Resources Generalist	13	19	332	74,400	88,300	96,700	4%	93,000	89,900	84,000	83,800	5%	88,700	86,900
9002	Human Resources Coordinator	11	11	198	57,300	70,000	77,100	5%	72,800	71,700	66,300	67,300	5%	68,800	76,200
9003	Payroll	10	11	245	66,000	82,200	87,300	8%	82,200	81,700	79,200	81,500	7%	81,800	85,600
9004	Manager, Health & Safety	17	19	479	92,600	111,300	117,300	9%	114,000	118,700	108,700	109,800	9%	113,700	116,200
N001	Executive Role - Non Regulated Business	6	6	852	128,400	144,800	180,700	18%	172,200	179,500	160,800	164,300	15%	194,000	192,000
N002	Non-Executive Role - Non Regulated Business	4	5	342	*	92,800	*	5%	97,400	92,500	92,800	92,100	*	92,800	96,100



**The MEARIE Group**  
**2019 Management Salary Survey**  
**of Local Distribution Companies**



## **APPENDIX**



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## 2019 Management Salary Survey of Local Distribution Companies



### A. Survey Methodology

A brief profile was developed for each benchmark position. These profiles were incorporated into a survey package and distributed to each participant along with a data submission spreadsheet requesting data on survey benchmark positions, as well as the organization's profile and selected salary administration and benefits policies.

Participants matched their jobs to the profiles and provided data for each position, where applicable. For each position where an organization submitted more than one match, the data were aggregated and a representative (e.g., average) figure was used for that organization. By using this methodology, all organizations carry equal weighting, and no one single organization excessively influences the market statistics by virtue of the size of its employee population.

Once the completed surveys were returned to Korn Ferry, participants were contacted for data verification as necessary. Korn Ferry also initiated a number of follow-up actions to clarify information provided by the participants. All of the matches submitted by the participants were reviewed by Korn Ferry to determine their appropriateness versus the job profiles and the market. If deemed inappropriate, the matches, or outlier data, were removed from the survey results.

Where possible, organization charts or details regarding reporting relationships were provided to Korn Ferry to enable understanding of the roles. From the job match information, plus a review of organization charts and other contextual information provided, Korn Ferry has estimated at which Korn Ferry Hay Reference Level each organizations' roles fall to facilitate point-based comparisons.



# The MEARIE Group

## 2019 Management Salary Survey of Local Distribution Companies



### B. Definitions – compensation elements

#### Salary Range

##### **Minimum**

The lowest salary/rate that the organization is prepared to pay for an incumbent in the position. May be the starting salary for inexperienced/non-qualified hire.

##### **Job rate / Control point**

Typically, the midpoint of the salary range, intended to reflect the salary the organization is prepared to pay for sustained competent performance by a fully trained / qualified incumbent.

##### **Maximum**

The highest point in the salary range (or step progression). Note: might be the same as "job rate".

#### Short Term Incentive

Short Term Incentive (STI) refers to any incentive arrangement designed to reward an individual for performance/results achieved over a performance cycle/period of up to one year.

##### **Target**

Target bonus is the level of award (either a % of salary or a fixed dollar amount) that an employee in this position would expect to receive if all corporate, team and individual performance goals are "met" (as planned). This rate/amount is often communicated to employees as part of the incentive/bonus plan design, e.g., "the target bonus for jobs in grade/band 6 is 8% of salary".

##### **Discretionary**

Discretionary plans have no target bonus rate and pay out at the end of the year at the discretion of executive/board.

#### Current Salary

The amount paid for work performed on a regular, ongoing basis.

Does not include variable bonus or incentive payments, sales commissions, shift premiums, or overtime payments.

#### Actual STI (Paid)

Total of all STI awards paid to the incumbent(s) for performance/results over the latest completed fiscal year.

May be paid during the year or after year end. (Note: recorded and reported on an annual basis).



## The MEARIE Group

### 2019 Management Salary Survey of Local Distribution Companies



#### C. Definitions – Statistical Elements

Market data are reported using the following statistics:

	Definition	Reporting requirement (# of observations necessary to report)
<b>P90</b>	90th percentile  If all observations were sorted and listed from highest/largest to lowest/smallest, 10% of the observations would fall above the 90th percentile and 90% would fall below	<b>11</b>
<b>P75</b>	75th percentile  If all observations were sorted and listed from highest/largest to lowest/smallest, 25% of the observations would fall above this value and 75% would fall below	<b>7</b>
<b>P50</b>	50th percentile, also referred to as “median”  If all observations were sorted and listed from highest/largest to lowest/smallest, 50% of the observations would fall above this value and 50% would fall below	<b>4</b>
<b>P25</b>	25th percentile  If all observations were sorted and listed from highest/largest to lowest/smallest, 75% of the observations would fall above this value and 25% would fall below	<b>7</b>
<b>P10</b>	10th percentile  If all observations were sorted and listed from highest/largest to lowest/smallest, 90% of the observations would fall above this value and 10% would fall below	<b>11</b>
<b>Average</b>	The arithmetic mean of all values, calculated by adding up all of the values and dividing by the number of observations.	<b>3</b>



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### 2019 Management Salary Survey of Local Distribution Companies



#### D. Benchmark Position Profiles

Job Title	Description
President & CEO	Directs the development of short and long-term strategic plans, operational objectives, policies, budgets and operating plans for the organization, as approved by the Board of Directors. Establishes an organization hierarchy and delegates limits of authority to subordinate executives regarding policies, contractual commitments, expenditures and human resource matters. Represents the organization to the financial community, industry groups, government and regulatory agencies and the general public.
Chief Operating Officer (COO)	Highest ranking operations position. Reporting to the President/CEO, directs the operational elements of the organization, could include operations & engineering, customer services, metering and information technology. Develops the short and long-term strategic plans, directs the development of operational objectives, policies, budgets for his/her areas of accountability. The position reports directly to the President/CEO.
Head of Operations and/or Engineering	Highest ranking operations/engineering position. Reporting to COO or President. Directs both the operations and engineering functions. Develops the short and long-term strategic plans, formulates and implements plans, budgets, policies and procedures to facilitate and improve processes. Establishes clear controls, objectives and measures to ensure safe and appropriate delivery of power and power related services. Evaluates the feasibility of new or revised systems or procedures and oversees operations and engineering to ensure compliance with established standards.
CFO / Head of Finance	Highest ranking financially-oriented position within the company. Reporting to the President & CEO, this strategic role plans directs and controls the organization's overall financial plans, policies and accounting practices and relationships with lending institutions, shareholders and the financial community in mid to large organizations. Provides advice and guidance for the Board of Directors on financial matters. May direct such functions as finance, general accounting, tax, payroll, customer billing, regulatory affairs, and information systems and may be responsible for Administration functions. Normally possesses a CA, CMA or CGA designation.
Head of Customer Service	The highest-ranking customer service position in the utility. Provides direction for all departmental activities, services and practices, including customer care/call centre, billing, credit and collections. Accountable for the development, implementation and integration of all customer service related activities to achieve a competitive advantage through customer driven initiatives and strategies. Directs and oversees the implementation of customer service standards, policies and procedures; manages and coordinates budgets.
Head of Regulatory Affairs	Represents the organization on quality and regulatory matters before government agencies and conformity assessment bodies including providing of evidence, regulatory filings, supporting analyses, position papers, interrogatory responses, etc. Keeps abreast of on-going developments in regulatory practices affecting electrical distribution utilities. Ensures that regulatory information is disseminated throughout the organization in a timely and effective manner. Is responsible for the filing of written communications and regulatory submissions to government agencies (OEB) and conformity assessment bodies (IMO). Generally, reports to President & CEO or a senior executive.
Head of Human Resources	The highest-ranking human resources position in the organization. Provides direction, support and alignment of organization-wide Human Resources practices and systems with the business in terms of mission, vision and the strategic imperatives. Ensures that existing needs and future demands of internal customers are met through a cost effective and efficient HR services. Directs HR management and staff in the development and implementation of Human Resources strategy, policies and programs covering employment, negotiations & labour relations, training, compensation, organization development, performance management, benefits and may include health & safety. Provides coaching and counsel to the executive and Board of Directors.



## The MEARIE Group

### 2019 Management Salary Survey of Local Distribution Companies



#### Administration

Executive Assistant	Performs advanced, diversified and confidential administrative duties requiring broad knowledge of organizational policies and practices. Initiates and prepares correspondence, reports, either routine or non-routine. Screens telephone calls and visitors and resolves routine and complex inquiries. Schedules appointments, meetings and travel itineraries. In some cases, may have responsibility for routine HR and administrative services. Records, prepares and distributes minutes of meetings, including Board of Director minutes. Reports to the President & CEO and may provide support to other executives.
Administrative Assistant	Performs advanced, diversified and confidential administrative duties for executives and/or senior management, requiring broad and comprehensive experience and knowledge of organizational policies and practices. Prepares correspondence, reports, either routine or non-routine. Screens telephone calls and visitors and resolves routine and complex inquiries. Schedules appointments, meetings and travel itineraries. Reports to a senior executive or executive team.

#### Engineering

Director Engineering	Plans and directs the overall engineering activities and engineering staff of the organization. Formulates and implements plans, budgets, policies and procedures to facilitate and improve processes. Coordinates the creation, development, design and improvement of the organization's projects and products in conformance with established programs and objectives. Oversees plans, resources and budgets of the department aligned with business strategy.
Engineering Manager and/or Distribution Engineer	<p>Supervises and directs the work of an engineering division such as distribution, line design, transmission planning, distribution planning and/or civil engineering. Responsible for engineering work involving a wide scope of assignments. Handles personnel coordination and issues of the division, prepares estimates, specifications and designs, including the supervision, planning and scheduling of work within the division – Requires a P. Eng.</p> <p><u>OR</u></p> <p>Supervises engineering technicians or service technicians. Directs and coordinates the activities, schedules and projects of the construction and maintenance group of those involved with the distribution of electrical power from transformer substations, construction and maintenance of distribution systems. Consults with other department management on plant design, construction and maintenance. Prepares monthly operating reports, budget estimates, and work and materials specifications. Reviews and approves material requisitions, work authorizations and drawings for facilities. Requires a P. Eng.</p>
Project Engineer	Non-supervisory position. Directs and coordinates activities related to utility engineering project work, such as smart grid systems, renewables, large utility projects, asset renewal, etc. Requires a P. Eng.
Supervisor Engineering	Supervises a small technical work group which may include CAD operators and/or engineering technicians. Coordinates the development and maintenance of engineering and construction standards and systems (GIS, AM/FM, CAD). Organizes, stores and maintains the integrity of hard copy file records, digital formats and mapping standards. Normally requires a C.E.T. or A.Sc. T. Typically reports to an engineering manager.





# The MEARIE Group

## 2019 Management Salary Survey of Local Distribution Companies



### Operations

Director Operations	NOT the head of function. Plans and directs all operations functions (no engineering responsibility), of the utility. Formulates and implements plans, budgets, policies and procedures to facilitate and improve processes and establishes clear controls, objectives and measures to ensure safe and appropriate delivery of services and clarity of roles and responsibilities. Evaluates the feasibility of new or revised systems or procedures and oversees operations to ensure compliance with established standards.
Manager Operations	NOT the head of function. Supervises, co-ordinates, directs, schedules and controls the construction, maintenance and personnel of the division, including budgets, transportation, equipment and material requirements and fleet management. Division responsibilities include construction, maintenance and repair of all overhead transmission, overhead and underground distribution and may include coordination of tree trimming for geographical area assigned to the division. In smaller utilities, a professional engineer may fill this role.
Manager Control Centre	Supervises, co-ordinates, directs, schedules and controls the control centre and technical staff. Provides leadership in the planning and coordination of the control centre relative to safety, reliability and control of the distribution system. Is responsible for budgets, and the direct operations of the control centre approving system outages, switching and maintenance requirements to maintain and improve system reliability.
Supervisor Control Centre	Directs and supervises control centre technical staff. Provides planning and coordination of control centre scheduling and maintenance required for the safe, reliable operation and control of the distribution system, including the authorization of the operation of system devices, equipment and control access to electrical plant and substations. Approves and coordinates system outages and switching as required for maintenance and system reliability. Oversees power interruptions and emergencies with dispatch staff to affect corrective measures for isolation, emergency repairs and restoration purposes. Monitors feeder load profiles.
Supervisor Protection and Control	Responsible for the management of all Protection & Controls activities related to the installation, maintenance and commissioning of: Protective Relaying Schemes and Station Automation Systems; SCADA System, Visual Display System and Remote Terminal Units; Operations Ethernet and system-wide Area Communications Networks; Distribution Automation Systems, Sectionalizing Devices and Remote Supervisory Controlled Devices. Prepares and administers reports, budgets, Policies and Procedures, record keeping systems.
Supervisor Station Maintenance	Responsible for the planning, coordinating both maintenance and installation of substations, as well as ensuring reliability of the underground plant, through testing and troubleshooting. Supervises, coordinates and schedules the activities of Station Maintenance Electricians and Protection and Control Technicians, Reviews work assignments, daily logs, reports and orders. Co-ordinate crews and plan jobs, assigns work per shift, long-term work and shift coverage to ensure the smooth flow of routine work and that all shifts are covered.
Line Supervisor	Coordinates and directs the lead journey person and/or crews in the construction and maintenance of distribution lines and equipment (overhead and/or underground). Works with lead journey person to develop plans and schedules required in directing and assigning a crew or crews of skilled trade staff in performing construction, maintenance and operation of the distribution system lines in a safe and efficient manner. Supervises and coordinates subcontractors engaged in planning and executing work procedures, interpreting specifications and managing construction.



## The MEARIE Group

### 2019 Management Salary Survey of Local Distribution Companies



Manager Meter Department	Supervises the overall operations of the Meter department, prepares budgets, directs the purchase and maintenance of equipment and technology related to the department. Provides direction on the supervision of meter staff, the assignment of work and productivity of staff. Supervises the work related to interactions with electronic meter programming and interaction with/or the operation of the MV90 or similar data collection systems.
Supervisor Meter Department	Responsible for overall operation of the Meter department, including operations, budgeting and supervision of meter technicians or other operations staff. Assigns, monitors and inspects the daily work and productivity of the staff in metering operations to ensure timely delivery of services, maintenance of equipment and identification of issues. Develops work plans for the department that include supervising meter re-verification, new meter installs, record maintenance and monitoring of meter maintenance, damage, reporting and theft issues. Ensures compliance with technical standards for equipment. Responsible for electronic meter programming and interaction with/operation of an MV90 or similar data collection system.

#### Supply Chain / Procurement

Director Supply Chain Management	Responsible for the overall operation of the Procurement, Inventory, Fleet and/or Facilities programs and initiatives in the organization. Formulates and implements plans, budgets, policies and procedures to facilitate and improve processes and establishes clear controls, objectives and measures to ensure safe and appropriate delivery of services and clarity of roles and responsibilities. Oversees the establishment of user service level agreements and provides contract management expertise and acts as a resource for contract negotiation, review and approval. Directs the effective capital acquisition and maintenance of the corporate fleet and/or directs the effective maintenance and capital investment of the organization's facilities and assets.
Manager Procurement and/or Inventory and/or Facilities and/or Fleet	Responsible for all purchasing and/or inventory and/or facilities and/or fleet for all areas of the utility. Negotiates vendor agreements and manages the tender process. May also be responsible for stores and inventory control in the warehouse. Is responsible for budgets, policies and procedures and directs the work of the purchasing or buyers and/or stores and/or facilities and/or fleet personnel. Works with the organization in setting partnership relationships to understand and meet the needs of the organization, its operations and risk associated with the effective and efficient operations of the company.
Supervisor Stores/Inventory/Warehouse	Supervises inventory control, records and stores operation. Orders material to maintain on-hand quantities with procurements approval. Responsible for testing safety equipment, i.e., hoses, blankets, gloves, etc., small tool and equipment repair and reconditioning. Assists procurement department in the sale of obsolete equipment and material.

#### Accounting / Finance

Controller or Director Finance	NOT the head of function. Responsible for all financial reporting, accounting and record keeping functions. Directs the establishment and maintenance of the organization's accounting and finance principles, practices and procedures for the maintenance of its fiscal records and the preparation of its financial reports. Directs general and property accounting, cost accounting and budgetary control. Appraises operating results in terms of costs, budgets, operating policies, trends and increased profit opportunities. Reports to a CFO/VP Finance.
Manager Accounting	Manages the general accounting functions and the preparation of reports and statistics reflecting earnings, profits, cash balances and other financial results. Formulates and administers approved accounting practices throughout the organization to ensure that financial and operating reports accurately reflect the condition of the business and provide reliable information. Reports to Controller/Director Finance or CFO/VP Finance.



## The MEARIE Group

### 2019 Management Salary Survey of Local Distribution Companies



Manager Risk Management	Responsible for risk management activities including cash flow management, credit facilities management, insurance and support for credit and collection policies throughout the corporation. May be responsible for ensuring that cash liquidity risk is managed in an appropriate fashion such that bank account balances are sufficient to meet operational, capital expenditures and debt servicing requirements while minimizing short-term borrowings or surplus investing. Provides leadership in the developing new and refining existing risk management policies to respond to changes in risk tolerances and business conditions and as financial risks are better understood in accordance with industry best practices. Reports to Head of Finance or COO or CEO.
Supervisor Accounting	Coordinates activities of the payable/receivable clerks. Supervises accounts payable and receivable transactions, entries and trial balances; responsible for the accuracy of all journal entries and reconciliation of invoices; updates credit department on account status.
Financial or Business Analyst	Conducts analysis of information for budgeting, investment and financial forecasts; applies principles of accounting to analyze past and present financial operations; estimates future revenues and expenditures; prepares budgets; develops and maintains budgeting systems; processes and prepares business transactions and reports, reconciles ledgers and sub-ledgers, cash flow projections, entry of source documents. Holds a financial designation, either CA, CMA or CGA.
Accountant	Supports the organization decisions through financial information and relevant analysis. Ensures the integrity between the CS work order systems and general ledger system is maintained. Initiate corrective measures when discrepancies occur between the systems. Collects and combines information for the decision-making process by management, including financial statements and special projects as assigned (e.g. preparation of rate submission supplemental information).

#### Customer Service

Director Customer Service	NOT the head of function. Provides direction for all departmental activities, services and practices, including customer care/call centre, billing, credit and collections. Accountable for the implementation and integration of all customer service related activities. Oversees the implementation of customer service standards, policies and procedures; manages budgets; manages activities of CS managers and/or supervisory staff.
Manager Customer Service and/or Billing	NOT the head of function. Manages a team of customer service and/or billing representatives in providing information, receiving and responding to customer inquiries, complaints or requests. Develops and maintains customer information systems, processes and procedures including billing, credit, deposits and collections. Liaises with representatives of other organizations and customer groups to share information and resolve administrative, organizational and technical problems. Responds to elevated customer complaints. This function may also be responsible for coordinating meter installation/maintenance, residential electric service connections, and service calls.
Supervisor Customer Service and/or Billing and/or Collections	Supervises customer service representatives (billing clerks and/or collections clerks) and coordinates customer service programs within the framework of established customer service policies. Schedules and organizes staff to accommodate anticipated workflow from bill inquiries, delinquent accounts, re-connections and disconnections, customer deposits, etc. Recommends corrective steps to address customer issues and refers unique issues to manager for response.



## The MEARIE Group

### 2019 Management Salary Survey of Local Distribution Companies



#### Communications

Director Communications	Directs the development, management and execution of internal and external corporate communications strategies for the company, and marketing and public relations initiatives. Acts as the Chief Spokesperson for the organization. Leads the management and development of the corporate brand and identity. Oversees the development, production and distribution of corporate publications including, but not limited to, the annual report, customer newsletters, information brochures, bill inserts, CDM/Green marketing materials, employee newsletters and media releases. Directs the development and management of the company's external (corporate internet site) and internal (corporate intranet site) web presence and strategy. Oversees the management and execution of internal and external corporate events as well as community-relations activities such as sponsorship and donation programs.
Manager Communications	Responsible for managing the development and implementation of all customer communications initiatives as well as the marketing communications expertise and support required for the successful delivery of the company's CDM and customer communications materials/systems. Communication materials may include, but are not limited to, customer newsletters, information brochures, bill form design, employee intranet, LCD information monitors, and website communications. Working in conjunction with Regulatory Affairs, develop materials or other communication methods to communicate regulatory changes/issues that may directly impact the customer. Manages event planning for internal and external company events.

#### Regulatory Affairs

Director Regulatory Affairs	NOT the head of function. Supports the VP or may represent the organization on regulatory matters before government agencies and conformity assessment bodies including providing of evidence, regulatory filings, supporting analyses, position papers, interrogatory responses, etc. Ensures that regulatory information is disseminated throughout the organization in a timely and effective manner. Is responsible for or supports the filing of written communications and regulatory submissions to government agencies (OEB) and conformity assessment bodies (IMO).
Manager Regulatory Affairs	NOT the head of function. Manages the organization's regulatory staff, programs and activities to ensure compliance. Assists the organization on quality and regulatory matters before government agencies, providing research and analyses. Ensures that regulatory information is disseminated throughout the organization in a timely and effective manner. Coordinates the filing of written communications and regulatory submissions to government agencies (OEB) and conformity assessment bodies (IMO).
Regulatory Accountant	Ensures that the accounting activities for regulatory financial reporting are in compliance with all Ontario Energy Board (OEB) policies and guidelines. Act as a key resource to provide expert advice and recommendations in the implantation of all OEB, OPA and IESO codes and regulations in order to ensure corporate compliance. Track and reconcile all OEB accounts, including business rationale for changes in balances, cost side of accounts subject to prudence review (i.e. conservation, smart meters) and the cost side of Ontario Power Authority (OPA) programs.



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#### Conservation / Demand

Settlement or Rate Analyst	Responsible for recording, creating, analyzing, processing and reconciling metering data. Operates and administers an MV-90 or similar data collection system, downloading, validating, editing, estimating and processing interval meter-related information. Has in-depth understanding of commercial billing practices, the IMO and the OEB's Retail Settlement Code. Analyses rates using rate sensitivity models and develops appropriate rate structures, using the specific models.
Director or Officer, Conservation and Demand Management	This position is responsible for planning, coordinating, evaluating and delivering energy and water conservation and demand management programs. Develops plans for programs in accordance with the OEB's conservation and demand management code to ensure achievement of OEB mandated energy consumption and demand conservation targets.
Manager Conservation & Demand/Marketing	Responsible for managing the development and implementation of CDM initiatives as well as the marketing communications expertise and support required for the successful delivery of the company's Conservation and Demand Management (CDM) programs. Marketing communication plans may include, but are not limited to advertising, media conferences, program launch events, workshops, event displays. Liaising with, as needed, senior marketing and/or communications personnel representing organizations and groups involved in conservation and sustainability including, but not limited to, the Ontario Power Authority (OPA), the Ontario Energy Board (OEB), Ministry of Energy, municipal and regional governments, etc.

#### Information Systems / Technology

Director Information Systems	Accountable for operations and alignment of the Information and Telecommunication Systems with the business in terms of organization objectives and imperatives. Ensures that existing needs and future demands of internal and external customers are met through a cost effective and efficient information and telecommunication infrastructure. Oversees IS management in areas of computer operations, systems planning, design, security, programming and telecommunications. Reviews and evaluates project feasibility and needs based upon management's and business requirements and priorities. Develops departmental plans, strategy, budgets and resource requirements. Typically reports to President & CEO, or CFO.
Manager Information Systems and/or Security	Manages and directs staff in areas of computer operations, systems planning, design, security, programming and telecommunications. Develops and maintains systems standards and procedures and assigns work to department staff. Reviews and evaluates project feasibility and needs based upon management's and business requirements and priorities. Develops departmental plans, project plans, budgets and resource requirements.
Systems/Program Administrator or Applications/ Systems Support Professional	Responsible for maintenance of software systems including system analysis, programming and design, updates and changes. Makes a preliminary study of new applications and recommendations to implement them, including hardware and software. Troubleshoots and corrects problems in existing programs, other than normal problems, usually caused by changes of software or hardware.



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#### Human Resources

Human Resources Manager	NOT the head of function. Develops and implements human resources programs, including compensation, benefits, recruitment, performance management, labour relations/negotiations, training and development, assists in policy development, HR planning, record keeping or payroll etc. May supervise a team of HR professionals or support staff. Reports to a senior HR professional (Director or VP or equivalent).
Human Resources Generalist	Assists in the development and implementation of human resources policies and programs by providing support and guidance to managers and employees in the areas of compensation, labour relations, employee relations, performance management, benefits, recruitment, training and HRIS systems. Acts as a business partner to the organization in the areas of human capital. May assist in the preparation of negotiations.
Human Resources Coordinator	Administrative support to one or more functional areas of HR and/or Safety. Processes, coordinates and enters into a HRIS or other system, a variety of documents including employment applications, benefits, compensation and payroll changes and confidential employee information. Responds to routine employment questions and distributes and maintains manuals and employee program communications.
Payroll	Performs the payroll coordination and administration. Maintains the organizations internal or external payroll system. Prepares monthly requisitions for WSIB, Employee Health Tax, Receiver General, OMERS Pension and Union Dues. Administers employee pension program and provides pension calculation estimates as requested. Reconciles monthly payroll for year-end finance procedures. Prepares annual T4's and T4A's and OMERS Pension and responds to inquiries from employees and pensioners regarding the pension plan.
Manager, Health & Safety	Accountable for the development and implementation of occupational health, safety and environmental programs, including training, maintenance of safe working conditions, investigation and reporting of workplace accidents. Also identifies areas of potential risk and makes recommendations to reduce or eliminate potential accident or health hazards in compliance with government regulations.

#### Business Development / Non-Regulated Business

Executive Role - Non-Regulated Business	Reporting to either/or the CEO or the Board, this role is responsible for non-regulated revenue streams, and achieving growth/revenue targets for the organization. This includes the development of new offerings, enhancing existing offerings or creating value for clients by diversifying the organization's services. They are responsible for maintaining and growing client relationships as well as building relationships with additional clients in the market. May be supported by analytical staff or more junior business development roles.
Non-Executive Role - Non-Regulated Business	Reporting to an executive within an LDC or an executive in a sister/non regulated company, this role is responsible for non-regulated revenue generation. They will have growth/revenue targets for the organization and are focused on maintaining/growing relationships with clients by enhancing existing offerings or creating value by diversifying the organization's services. They may also support the development of additional market offerings.

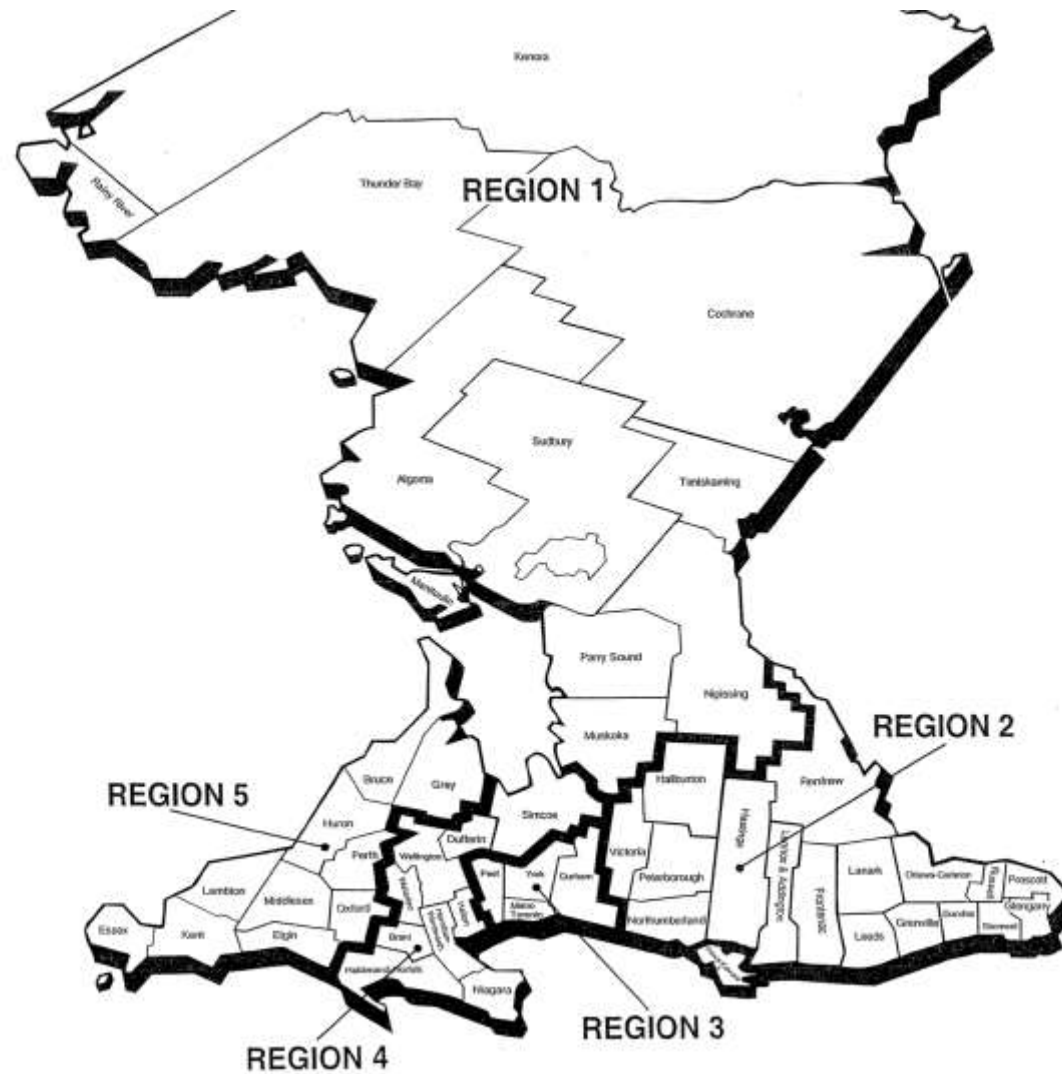


# The MEARIE Group

## 2019 Management Salary Survey of Local Distribution Companies



### E. Regions



Appendix 8  
1-SEC-1 Attachment 6 2020 MSS Report (FINAL)



# **The MEARIE Group**

## **2020 Management Salary Survey of Local Distribution Companies**

**September 2020**

**SURVEY ADMINISTRATOR: KORN FERRY (CA) LTD.**



# **The MEARIE Group**

## **2020 Management Salary Survey of Local Distribution Companies**



## **Contents**

<b>I.</b>	<b>Introduction .....</b>	<b>3</b>
<b>II.</b>	<b>Survey Overview .....</b>	<b>6</b>
<b>III.</b>	<b>Salary Administration .....</b>	<b>10</b>
<b>IV.</b>	<b>Benefit Policies .....</b>	<b>21</b>
<b>V.</b>	<b>Benchmark Position Survey Results .....</b>	<b>28</b>

## **APPENDIX**

<b>A.</b>	<b>Survey Methodology .....</b>	<b>30</b>
<b>B.</b>	<b>Definitions – compensation elements .....</b>	<b>31</b>
<b>C.</b>	<b>Definitions – Statistical Elements .....</b>	<b>32</b>
<b>D.</b>	<b>Benchmark Position Profiles .....</b>	<b>33</b>
<b>E.</b>	<b>Regions .....</b>	<b>41</b>



# The MEARIE Group

## 2020 Management Salary Survey of Local Distribution Companies



### I. Introduction

The MEARIE Group is pleased to present this report of the 2020 Management Salary Survey of Local Distribution Companies (LDCs).

In today's competitive talent market, Local Distribution Companies (LDCs) are challenged with establishing and maintaining competitive, yet affordable, compensation programs and policies. The MEARIE Group established the Management Salary Survey of Ontario's LDCs to assist you and in understanding the competitive landscape and support your efforts in developing pay practices that attract, motivate and retain high quality, high performing employees.

The survey was updated in 2012 through the combined efforts of The MEARIE Group's HR Information Solutions team, outside consultants and representatives of our members, all working together to ensure that the Survey continues to meet the evolving needs of member LDCs.

The Survey was further enhanced from 2013 to 2014 through our partnership with Korn Ferry (previously Hay Group Limited), a globally renowned compensation consulting firm. Korn Ferry drew upon their expertise and experience in developing and managing salary surveys across all sectors of the economy and in numerous countries around the world.

There were no substantial changes to the survey from 2015 to 2018.

In 2019, as LDCs continue to diversify their management structures and expand operations to include non-regulated revenue streams, additional jobs and questions regarding these new business development roles have been added. In addition, reporting on number of FTE's by union and non-union has been added to provide information on proportionality of represented staff. In 2020, additional questions regarding compression and supervisory roles were added, in addition to more data regarding overtime eligibility and pay and car benefits.

Further, additional contextual questions regarding line supervisory roles and their compensation have been added providing additional information with respect to overtime policies.

The 2020 survey includes:

- Geographic, Number of Employees, Number of Customer and Revenue size reporting.
- Fifty-two (52) benchmark descriptions, supported by the KF Hay job evaluation methodology for improved reporting and greater ability to identify the impact of organization size and structure. Two jobs added in 2019 have been maintained for 2020 despite low number of matches in previous year.
- Continued reporting of "total cash compensation" to provide greater depth of information regarding market pay practices.
- An overview of local distribution company market trends and compensation projections for 2020 budget planning.
- MS Excel survey reporting including versions of position salary tables by All Organizations, Geography, Revenue and Customers to support those organizations that wish to conduct further analysis of the results and to assist in transferring survey results into internal reporting.



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### 2020 Management Salary Survey of Local Distribution Companies



The survey includes two presentation documents and Excel data tables in formats as follows:

- PDF Documents:
  - Survey Report containing a complete analysis and a data summary of all the positions.
- Excel Documents which are provided for easy data export and printable to one legal sized page, showing LDC Survey data by:
  - Job Table Report (separate addendum) which includes a complete analysis of each position.
  - The following market segmentations are provided:
    - All Organizations;
    - Region;
    - Customer Base;
    - Revenue;
    - Number of Employees.

We would like to thank you for your participation. As a result of the strong response, we are able to provide you with an informative and detailed survey that will help you in support of your organization's compensation programs.

In 2021 changes to the survey are expected to include:

- Revision of geographical regions
- Changes to benchmark jobs (particularly the CDM related roles)
- Additional information as directed by the LDC



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### 2020 Management Salary Survey of Local Distribution Companies



#### Confidentiality Policy

**The MEARIE Group recognizes the importance of maintaining the security of your information and has developed the following policy that applies to all participants (and their delegates) in the Board of Director Compensation Survey (a “Survey”), as well as Korn Ferry (survey administrators) and The MEARIE Group.**

An individual LDC will provide its authorization for the sharing of information identified as being information of that LDC by completing the Survey Data Submission for a Survey. This will result in the LDC’s data being identified by name in the listing of participants. This enables participants to be aware of the names of the other participants in the Survey to determine the relevance of Survey data cuts (e.g. by geography or size).

All of the information obtained through this Survey will be treated with the utmost confidentiality. Data will be reported on an aggregate basis only, and in a way that will ensure individual participant data cannot be identified/attributed. Standards for minimum number of data will be strictly enforced to ensure confidentiality. Neither Korn Ferry nor MEARIE Group will release or disclose to any other person whatsoever any information pertaining to any individual LDC participant.

Survey results will be reported only to those LDCs who participate in the Survey and provide comprehensive data. Comprehensive participation means that each LDC is expected to match as many of the Survey benchmark positions as they are able and provide data for all incumbents of matched positions. **All participants must consider this information as strictly confidential.**

The results of a Survey will not be disclosed/sold to or shared with organizations that have not participated in that Survey, whether by The MEARIE Group or Korn Ferry or Survey participants. **Participants may not share the Survey reports/results with non-participant LDCs or any entity under any circumstances.**

The data collected for a Survey may also be included in Korn Ferry’s Canadian compensation database. Information in the Korn Ferry database is maintained with the highest standards of confidentiality; analysis and reporting of data is on an aggregate basis only, and in such a way as to ensure that individual participant data cannot be identified or attributed. As of May 2020, there are over 500 employers represented in the Korn Ferry database. Should you have any questions or for further information, or if you would like to access the Korn Ferry database, please contact Deirdre Chong Smith, Principal at Korn Ferry at 647-293-0183 or [deirdre.chong@kornferry.com](mailto:deirdre.chong@kornferry.com).

**The obligations of confidentiality set out in this policy are subject to the requirements of applicable law** and LDCs may disclose the results of the Survey to any regulatory body (or other person) if compelled by law to do so. If an LDC is compelled by law to make such a disclosure, it will give The MEARIE Group as much notice in advance as possible of the disclosure and the reasons the disclosure is legally required.

**The MEARIE Group will not be liable for breaches by participating LDCs or Korn Ferry of this confidentiality policy.**



# The MEARIE Group

## 2020 Management Salary Survey of Local Distribution Companies



## II. Survey Overview

### 1. Survey Benchmark Positions

The survey covers 52 benchmark positions representing a cross-section of the functions within member organizations. Originally, 50 benchmark positions were reviewed in 2012 by a working group of LDC sector Human Resources professionals. Job profiles for each benchmark job were developed and reviewed by the consultants and the HR group and two additional model jobs were added in 2019. No changes were made to job models in 2020, though the CDM roles are slated for elimination in 2021 as CDM programs are fully eliminated from the LDCs.

<b>Senior Management</b>	0000	President & CEO
	0001	Chief Operating Officer (COO)
	0002	Head of Operations and/or Engineering
	0003	CFO / Head of Finance
	0004	Head of Customer Service
	0005	Head of Regulatory Affairs
	0006	Head of Human Resources
<b>Administration</b>	1000	Executive Assistant
	1001	Administrative Assistant
<b>Engineering</b>	2000	Director Engineering
	2001	Engineering Manager and/or Distribution Engineer
	2002	Project Engineer
	2003	Supervisor Engineering
<b>Operations</b>	2500	Director Operations
	2501	Manager Operations
	2502	Manager Control Centre
	2503	Supervisor Control Centre
	2504	Supervisor Protection and Control
	2505	Supervisor Station Maintenance
	2506	Line Supervisor
	2507	Manager Meter Department
	2508	Supervisor Meter Department



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### 2020 Management Salary Survey of Local Distribution Companies



<b>Supply Chain / Procurement</b>	3000	Director Supply Chain Management
	3001	Manager Procurement and/or Inventory and/or Facilities and/or Fleet
	3002	Supervisor Stores / Inventory / Warehouse
<b>Accounting / Finance</b>	4000	Controller or Director Finance
	4001	Manager Accounting
	4002	Manager Risk Management
	4003	Supervisor Accounting
	4004	Financial or Business Analyst
	4005	Accountant
<b>Customer Service</b>	5000	Director Customer Service
	5001	Manager Customer Service and/or Billing
	5002	Supervisor Customer Service and/or Billing and/or Collections
<b>Communications</b>	5500	Director Communications
	5501	Manager Communications
<b>Regulatory Affairs</b>	6000	Director Regulatory Affairs
	6001	Manager Regulatory Affairs
	6002	Regulatory Accountant
<b>Conservation / Demand</b> <i>Note: expected to eliminate in 2021</i>	7000	Settlement or Rate Analyst
	7001	Director or Officer, Conservation and Demand Management
	7002	Manager Conservation & Demand / Marketing
<b>Information Systems</b>	8000	Director Information Systems
	8001	Manager Information Systems and/or Security
	8002	Systems / Program Administrator or Applications / Systems Support Professional
<b>Human Resources</b>	9000	Human Resources Manager
	9001	Human Resources Generalist
	9002	Human Resources Coordinator
	9003	Payroll
	9004	Manager, Health & Safety
<b>Business Development / Non-Regulated Business</b>	N001	Executive Role - Non-Regulated Business (ADDED IN 2019)
	N002	Non-Executive Role - Non-Regulated Business (ADDED IN 2019)



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## 2020 Management Salary Survey of Local Distribution Companies



### 2. Participants

All organizations in the LDC sector in Ontario were invited to participate in the survey. The following thirty-four (34) organizations submitted data:

- |   |   |
|---|---|
| 1. Alectra Utilities                        | 18. Lakeland Power Distribution Ltd.      |
| 2. Bluewater Power Distribution Corporation | 19. London Hydro Inc.                     |
| 3. Burlington Hydro Inc.                    | 20. Milton Hydro Distribution Inc.        |
| 4. E.L.K. Energy Inc.                       | 21. Newmarket-Tay Power Distribution Ltd. |
| 5. Elexicon Group Inc.                      | 22. Niagara Peninsula Energy Inc.         |
| 6. Energy+ Inc.                             | 23. North Bay Hydro Distribution Limited  |
| 7. Entegrus Powerline Inc.                  | 24. Northern Ontario Wires Inc.           |
| 8. ENWIN Utilities Ltd.                     | 25. Orangeville Hydro Limited             |
| 9. EPCOR Electricity Distribution Ontario   | 26. Oshawa PUC Networks Inc.              |
| 10. Essex Powerlines                        | 27. Peterborough Utilities Group          |
| 11. Festival Hydro Inc.                     | 28. PUC Services Inc.                     |
| 12. Fort Frances Power Corporation          | 29. Sioux Lookout Hydro Inc.              |
| 13. Greater Sudbury Hydro Inc.              | 30. Synergy North                         |
| 14. Grimsby Power Incorporated              | 31. Utilities Kingston                    |
| 15. Hydro Ottawa                            | 32. Wasaga Distribution Inc.              |
| 16. InnPower Corporation                    | 33. Waterloo North Hydro                  |
| 17. Kitchener-Wilmot Hydro Inc.             | 34. Westario Power Inc.                   |

It should be remarked that survey results may fluctuate due to varying sample mixes, as well as mergers/integrations over the years. Participants should be mindful when reviewing and comparing results between years.





# The MEARIE Group

## 2020 Management Salary Survey of Local Distribution Companies



### 3. Participant Group Profile

All participants provided information regarding their organizational profile. The summary statistics of the participating organizations are detailed below.

The figures reported below are assessed on an “as provided” basis. Korn Ferry and the MEARIE Group have not independently or exhaustively verified the values presented below.

Statistic (n=34)	P25	P50	P75	Average
Annual Operating Budget (\$ millions, less the cost of power)	7.3	13.3	24.1	27.1
Annual Operating Budget (\$ millions, including the cost of power)	46.3	107.0	195.3	195.1
Number of Employees (full time equivalent)	34.5	87	162.5	158.8
Number of Union Employees (full time equivalent)	15.6	56.5	107	102.2
Number of Non-union Employees (full time equivalent)	10.5	35	50.8	57
Number of Customers	18,302	37,180	60,102	82,879
Gross Revenue (\$ millions, less the cost of power)	8.5	18.6	31.8	40.0
Gross Revenue (\$ millions, including the cost of power)	48.1	109.8	203.4	237.8
Regulated Gross Revenue <sup>1</sup>	96%	99%	100%	94%
Unregulated Gross Revenue <sup>2</sup>	0%	1%	4%	6%

All organizations noted the fiscal year ends in December.

1. Organizations may be split into separate corporation with separate Board; in this situation the overall proportion of unregulated revenue is not reported.
2. The statistics include 0% observations, though only 26 of 34 participants report unregulated revenues.

**Analyst Note:** where average is significantly higher or lower than the median of the market, this indicates a small number of observations which skew the data either high or low. For example, the average number of customers is significantly higher than P50, and even P75, indicating a small number of organizations serving some very large groups of customers.



# The MEARIE Group

## 2020 Management Salary Survey of Local Distribution Companies



### III. Salary Administration

#### 1. Salary Range Adjustments – 2019 to 2021

- Thirty-one organizations (91%) reported data for salary ranges in 2019, 2020 and/or 2021. The most common month for salary range adjustments is January, followed by April.
- In 2019, thirty (30) organizations reported adjustment to salary ranges, while three (3) organizations froze their ranges (i.e., provided 0%). Excluding the 3 organizations who froze ranges, the average range increase is 2.2%.
- In 2020, thirty-one organizations reported adjustment to salary ranges, while four (2) organizations froze their ranges (i.e., provided 0%). Excluding the 2 organizations who froze ranges, the average range increase is 2.1%.
- Survey participants report planning to adjust salary ranges in 2021 by an overall average of 1.4% (n=21) or 2.1% excluding zeros (n=14).
- Given the impact of the COVID-19 pandemic, more organizations have frozen compensation levels are current levels in the broader industry. Many have opted to deferred spring/summer regularly scheduled merit and market adjustments until market data are available, which is typically in the fall.

The salary range adjustments by employee level and overall are noted in the table below:

Year	CEO	Executive	Director	Management	Professional/ Technical	Admin	Overall
2019	1.9%	2.2%	2.0%	1.9%	1.9%	1.6%	1.9%
2020	2.1%	2.2%	2.1%	1.9%	1.9%	1.6%	2.0%
2021	1.5%	1.4%	1.4%	1.4%	1.4%	1.4%	1.5%



## The MEARIE Group

### 2020 Management Salary Survey of Local Distribution Companies



#### 2. Base Salary Increases – 2019 to 2021

- The most common timing for salary adjustments is January, followed by April.
- Survey participants report adjusting actual salaries in 2019 by an overall average of 2.6% (n=31) this is down only slightly from last year's 2019 adjustment average (real and forecast) of 2.7% (n=29)
- Survey participants report adjusting, or forecasting to adjust, actual salaries in 2020 by an overall average of 2.4% (n=32).
- For 2021, survey participants reported projected average salary increases of 2.2% (n=17).

The base salary adjustments by employee level are noted in the table below.

Year	CEO	Executive	Director	Management	Professional/ Technical	Admin	Overall
2019	2.6%	2.7%	2.8%	2.6%	2.6%	2.6%	2.6%
2020	2.3%	2.3%	2.6%	2.4%	2.5%	2.5%	2.4%
2021	2.3%	2.3%	2.2%	2.2%	2.2%	2.2%	2.2%



## The MEARIE Group

### 2020 Management Salary Survey of Local Distribution Companies



### 3. Incentive Programs

- Twenty organizations (20 of 34 or 59%) provided information regarding their short-term incentive plans, for some or all their employees.
  - Ten (10) of the organizations indicated that all employee groups participated in STI.
  - Ten (10) organizations have STI plans for designated staff (typically senior management and/or executives) that do not extend to other staff (usually non-management). Within this group, four (4) indicate it is only executive and CEO levels that are eligible for the incentive program.
- Twenty (20) of the organizations who offer short term incentive pay provided information about their incentive plans. The determination of individual bonus payments is based on the weighting of performance factors such as corporate versus individual versus team/department performance.
- Typical plan mix is a combination of corporate and individual metrics with a heavier weighting on corporate for senior management and/or executives and a heavier weighting on individual metrics for non-management staff.

For example:

- At the CEO, at least 50% of the incentive is based upon corporate objectives. 60% and 80% are the most common weightings for CEO corporate objectives.
- The most common Director/Management level plan is 50% Corporate, 50% Individual
- Team/Department metrics are not commonly used in the incentive plans with only 4 organizations placing weight on team measures.

The average plan mix, by employee level, is provided in the table below.

Performance Factor	CEO	Executive	Director	Management	Professional/ Technical	Admin
Corporate	72.3%	64.7%	60.3%	50.0%	55.0%	55.5%
Team / Department	30.0%	35.0%	30.0%	47.5%	*	*
Individual	28.4%	35.0%	40.3%	53.5%	55.0%	64.5%

\*Insufficient data sample to provide average (minimum of 3 organization required to report)



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## 2020 Management Salary Survey of Local Distribution Companies



### Threshold Bonus Payouts

Formulaic or “target based” bonus programs typically do not pay out until a minimum level of performance (corporate, team and/or individual) has been achieved (i.e., if the threshold performance is not achieved, there is no pay out). Once this threshold performance has been achieved, incentive plans will pay out a minimum level of bonus; pay out levels typically then increase as performance/results increase, up to a “target” bonus rate when performance goals have been “met”.

Seven (7) of the twenty (20) organizations with incentive plans provided data regarding minimum levels of performance required before any bonuses are generated. The typical bonus rate at the threshold performance is set at 50% of “target” bonus.

### Maximum Bonus

Bonus programs are often designed such that there is a maximum level of payout. For example: if a position has a 10% bonus and the maximum payout is 200%, or 2x, then the maximum amount the employee can achieve regardless of performance (i.e., how much targets are exceeded by), is 20% of their current base salary.

The average maximum bonus is provided by employee level in the table below, though the typical bonus pay maximum is 100% of target.

Maximum Bonus Payout	CEO (n =18)	Executive (n =17)	Director (n =15)	Management (n=15)	Professional/ Technical (n = 11)	Admin. (n =10)
Average	1.3 x	1.3 x	1.3 x	1.3 x	1.3 x	1.3 x

In the broader market, it is more common to find higher maximum bonus levels (as a % of target) at higher levels of the organization, to reflect the greater influence on organizational performance that more senior roles are perceived to have.



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### 2020 Management Salary Survey of Local Distribution Companies



#### 4. Salary Compression Policy

Organizations were asked if they have any formal salary compression policy in place.

Only four (4) organization reported having a formal salary compression policy or monitoring is in place. The policies typically apply to front line supervisory roles or people leadership roles, and on average will review a minimum threshold (salary differential between supervisor and subordinate) of 8.3%.

Given the limited response, there is insufficient data to report any trend/practice details regarding compression and related policies. While only four (4) provided a response, two organizations noted that salary compression is monitored though no official policy exists.

Given our work with many LDC organizations, we believe most LDCs are monitoring compression informally despite absence of official policies.



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### 2020 Management Salary Survey of Local Distribution Companies



#### 5. Line Supervisor Review (ENHANCED for 2020)

This section was new in 2019 and was added to the report to provide additional context regarding line supervisor compensation that is above base (and incentive) compensation. In 2020 we have enhanced the questions based upon feedback from participating LDCs seeking additional insight and more detail with respect to the amounts of compensation and relationship to union staff. Specially, more questions with respect to the overtime pay for supervisor and union level staff are included in the survey, in addition to car provisions for supervisory roles.

Twenty-three (23, or 68%) of the survey participants indicated that lines supervisory roles are provided with overtime consideration. Six (6, or 18%) indicated that while overtime is not provided, there are time in lieu policies for supervisory roles.

Organizations provided an estimate of overtime dollars paid per position in the previous year for both the supervisor role as well as the union level employee. The statistics for that are shown below.

Statistic: Average Annual Overtime Pay	P25	P50	P75	Average
Supervisor (n = 8)	\$5,500	\$15,547	\$24,250	\$16,292
Union (n = 12)	\$12,211	\$17,544	\$20,154	\$16,979

Three (3) organizations provide an estimate by hours or percent of overtime; and the average is 9%. Assuming a work week of 37.5 hours per week, or 1950 hours annually, this would translate to approximately 183 hours of overtime annually. Utilizing an example of \$100,000 annual compensation, this would then be an hourly rate of \$51.28. The 182 hours of overtime would translate to:

- \$9,384.62 straight time.
- \$14,076.92 at a 1.5x rate.
- \$18,769.23 at a 2x rate.

Overtime, whether paid or time in lieu, continues to be a significant challenge for LDC human resources teams to manage at both the management and bargaining unit levels.



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The most common amount of overtime rate for both supervisory and bargaining unit levels is 2x hourly rates. Eight (8) organizations noted that there is a weekly standby rate for the on-call supervisor and overtime is paid if/when the supervisor is called in only. Weekly standby pay calculations for supervisors vary but seem to be generally between \$200 - \$400 per week.

Thirty (30) organizations provide information on typical team size for the line supervisor.

	75 <sup>th</sup> Percentile	50 <sup>th</sup> Percentile	25 <sup>th</sup> Percentile	Average	Typical (mode)
Team Size (Unionized)	10.8	8.4	6	8.9	9

Organizations were asked if they provided an owned/leased car for work purposes and thirty-one (31) provided information.

- 20 of 31, or 59%, of organizations indicated they provide supervisors with vehicles
- Vehicle storage information was provided by 12 organizations. Ten (10, or 83%) indicated employees may take the cars to their homes and two (2, or 17%) indicated that the vehicle would be stored at the workplace only.
- Eleven respondents confirmed that mileage tracking must be completed by the employees. The most common form of this is a logbook.
- Ten (10) of the respondents were able to provide the taxable benefit amount for the car provision.

	75 <sup>th</sup> Percentile	50 <sup>th</sup> Percentile	25 <sup>th</sup> Percentile	Average
Taxable benefit amount (n=10)	\$6,425	\$3,800	\$1,920	\$4,330





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#### 6. Engineer Compensation (Added in 2020)

This section is added in 2020 due to requests from selected LDCs and enhanced attention on engineering roles within the utility labour market. Generally, there has been some pressure for organizations to attract, recruit and retain roles related to engineering.

Twelve (12, or 35%) of respondents provide differentiated compensation for P.Eng or Engineers-in-training incumbents. There are a mix of approaches, but generally upon becoming a professional engineer an incumbent can expect an increase in either compensation (i.e., full pay rate or high salary administration band) or both compensation and job (i.e., promotion and pay band increase).



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### 2020 Management Salary Survey of Local Distribution Companies



#### 7. Non-regulated Revenue (Added in 2019)

This section was new for 2019 and was added to the report to provide additional context regarding regulated vs non-regulated revenue operations, and how management is typically structured.

Twenty-six (26) of the participating organizations indicated their structure for non-regulated revenues.

Response	Number of organizations	% of respondents
Separate Company	14	54%
Embedded within the organization	6	23%
Not applicable - no non-regulated revenue is earned	6	23%

The following table provides the prevalence of staffing for non-regulated operations within the twenty-six organizations.

Response	Number of organizations	% of respondents (of 26)
Full time dedicated staff – sales	5	15%
Full time dedicated - non sales / business development	10	29%
Regulated "sister company" provides corporate services for a fee to non-regulated business (i.e. chargeback)	10	29%
Shared staffing arrangement where non-regulated is supported as required by regulated business staff	11	32%
Other*	5	15%

\*There is no trend in "other" responses to the survey to report general trend



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### 2020 Management Salary Survey of Local Distribution Companies



Additional questions were asked with respect to the KPIs utilized for the non-regulated business(es) that the organizations may have/support. Seven (7) organizations provided data regarding KPIs for the non-regulated business, and the following table provides the prevalence of the KPIs.

Response	Number of organizations	% of respondents	# of organization providing weighting	Average Scorecard weighting
Earnings / Net Income	4	57%	3	48%
Other Financial Metric	3	43%	2	*
Innovation: New product / service offering / development	2	29%	2	*
Customer: retention / new	3	43%	3	18%
Other (provide details)	7	100%	6	54%

\*insufficient data to disclose

Organizations were also asked to what extent the non-regulated businesses are targeting to grow. Ten (10) organizations provided insight and the following table provides the prevalence of responses.

Response	Number of organizations	% of respondents
Very aggressive (30%+ growth target)	-	-
Aggressive (10 - 20% growth)	1	10%
Moderate (10 - 20% growth)	4	40%
Maintain (0 - 10%)	4	40%
Ramp down - exit non-regulated business (<0%)	1	10%



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### 2020 Management Salary Survey of Local Distribution Companies



#### 8. COVID-19 Strategies (New for 2020)

Organizations were also asked provide responses with respect to COVID-19 and the effect of the pandemic on compensation strategies. While rate setting by the OEB in response to the pandemic may have significant effect on LDC financials, for the most part utility organizations did not experience the significant revenue decline felt in many other sectors in 2020.

Generally, most utilities met with challenges with respect to workspace design (i.e., enabling distancing) and developing work from home policies quickly. We assume nearly all had to develop policies for front line staff for safety and consider variance in crew deployment. Several organizations needed to accommodate for leaves of absence (unpaid) as employees who did not have access to childcare at this time must be accommodated.

Very few LDC organizations utilized the common compensation reduction tactics as seen in the broader Canadian industrial market. Those include compensation reductions (temporary), layoffs and furloughs, reduction in hours of work, and developing workshare programs to mitigate declines in business.

The most common new compensation element provided is with respect to allowances. Seven (or 21% of respondents) indicate they do provide an allowance, with four indicating that the allowances were specifically for internet expense coverage for any staff member who was/is able to work from home.

Organizations in the survey did report amendments to vacation policy to enable employees to carry over additional days or extend the time before time is forfeit. In addition, some are considering payouts for unused vacation, where this is not the typical practice.



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## 2020 Management Salary Survey of Local Distribution Companies



### IV. Benefit Policies

#### 1. Car Benefit

Twenty-four (24), or 71%, organizations provide senior leadership with an automobile benefit of some type.

The table below summarizes the value of monthly car allowances, by position, where provided. Generally, the trend continues that more organizations are moving to car/travel allowances as opposed to providing vehicles. Three organizations indicated leased cars were being used by the organization. Based upon that sample, the average lease payment for the CEO level is \$1,077; there is insufficient data to publish median or quartiles.

##### Car Allowance (monthly)

	CEO	Executive / VP	Sr. Management/ Director
P75	825	750	*
P50	750	750	500
P25	600	630	*
Average	839	751	475
Number	20	13	6

\* insufficient data to report

#### 2. Mileage

The most frequently reported mileage rate (8 organizations) is 59 cents per kilometer. The market statistics for mileage rates provided to employees as reimbursement for personal vehicle use are detailed in the table below.

N = 31	Mileage Reimbursement (¢ per km)
P75	59.0
P50	55.0
P25	50.0
Average	54.0



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## 2020 Management Salary Survey of Local Distribution Companies



### 3. Perquisites

#### Club Memberships – Fitness

Fifteen (15) organizations reported providing a subsidy for fitness club fees. The typical policy is to provide a reimbursement of a fixed monetary amount per year. For most organizations, the same reimbursement amount will apply regardless of job level.

N = 15	Fitness Reimbursement (\$)
P75	350
P50	300
P25	200
Average	284

#### Club Memberships – Social

Two (2) organizations reported having a separate policy/program for reimbursement of social club fees.

#### Health Spending Account

Ten (10) organizations reported providing a Health Spending Account (i.e., discretionary spending within a defined range of services / benefits). Of the ten (10) organizations, six (6) provide the same funding for all job levels while four (4) differentiate by job level or only provide the benefit to specific senior levels.

Annual Allowance (\$)	CEO	Executive	Director	Management	Professional / Technical
P75	1,925	1,925	1,100	1,100	*
P50	1,100	1,100	1,000	1,000	1,000
P25	597	597	700	611.25	*
Average	1,583	1,321.5	900	880.63	859.29
Number	10	10	9	8	7

\*insufficient data to disclose



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## 2020 Management Salary Survey of Local Distribution Companies



### **2<sup>nd</sup> Opinion Medical Advice**

No organizations in the survey reported having a separate policy/program for this benefit.

### **Personal Financial/Legal Counseling**

No organizations in the survey reported financial and legal counseling is available as part of their benefits program.

### **Executive Medical Plan**

Five (5) organizations reported providing enhanced medical coverage for executive levels. The maximum annual additional coverage median (P50) is \$2,250, and the average is \$1,890 for the CEO level.

### **Personal Computer / Cell Phone / Internet**

Six (6) organizations provided information regarding policies and practices related to computers and internet. Typical reimbursement rates were not available.

The most common policies/practices were:

- Provision of laptops for employees at certain levels, or in certain roles, sometimes in addition to an office desktop, to allow for mobile work (note: may be a perquisite if personal use of computer is allowed, but not a perquisite if for business use only).
- Reimbursement for mobile phone, including data allowance or company provided phone

With COVID-19, policies and practices in this area are expected to change as many organizations have adopted home internet and home office supports. To what extent these provisions will become permanent is yet to be determined.

### **Other Perquisites**

Other programs/practices reported, by eight (8) organizations, include:

- Reimbursement of dues/fees for professional associations such as Engineers (P. Eng.) and Accountants (CPA/CGA/CMA/CA) or Human Resources (HRPA)
- Provision of a cellular phone



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### **Enhanced Life Insurance Coverage for Senior Officers**

Organizations were asked if, for senior level jobs, there was additional, employer paid, life insurance coverage. For example, if the typical life insurance plan was 1.5x employee salary, was this enhanced to above 1.5x to some greater number such as 2x, or even 3x, for senior level jobs?

Eighteen (18) organizations provided information about their basic/standard life insurance coverage where the typical and average coverage is 1.5x annual salary. Enhanced benefits are provided by eleven (11) organizations, excluding the organizations providing a fixed amount, the additional coverages received by senior roles at these organizations averaged 2.6x annual salary.





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## 2020 Management Salary Survey of Local Distribution Companies



### 4. Vacation Entitlement

Thirty-two (32) organizations provided the years of service required by various levels of employee to receive a certain number of vacation days/weeks. Several organizations noted that for executive level jobs, vacations are typically negotiated, rather than dictated by written policy. These observations were removed from the sample.

The table below details the range, average and typical (i.e., most common) number of years of service required per weeks of entitlement.

	2 weeks	3 weeks	4 weeks	5 weeks	6 weeks +
<b>CEO</b>					
Range	No range	Start - 6	Start - 15	Start - 18	4 - 27
Average	-	1.8	5.0	11.8	19.3
Typical	Start	Start	Start	17	25
Sample - n	16	24	29	30	30
<b>Executive / VP Level</b>					
Range	No range	Start - 6	Start - 15	3 - 19	8 - 27
Average	-	2.1	5.1	12.2	19.6
Typical	Start	3	Start	17	25
Sample - n	17	22	30	31	31
<b>Director Level</b>					
Range	No Range	Start - 6	Start - 15	3 - 19	10 - 27
Average	-	1.8	5.6	13.0	20.5
Typical	Start	Start	9	17	25
Sample - n	18	26	32	32	32
<b>Manager Level</b>					
Range	No Range	Start - 6	Start - 15	7 - 19	10 - 27
Average	-	1.7	6.6	13.8	21.3
Typical	Start	Start	9	17	25
Sample - n	22	31	34	34	34
<b>Professional Level</b>					
Range	No Range	Start - 6	Start - 15	7 - 19	14 - 28
Average	-	2.1	7.1	14.4	22.3
Typical	Start	3	9	17	25
Sample - n	23	29	32	32	32



## The MEARIE Group

### 2020 Management Salary Survey of Local Distribution Companies



#### Unused Vacation

Organizations provided information about their policies and practices regarding vacation time not fully utilized in the year in which it was earned.

Policy Regarding Carry Over (n = 31)	Number	%
Unused vacation entitlement at year end is paid out (vacation pay adjustment) – no carry over	1	3%
Any/all unused vacation entitlement may be carried over with no restrictions	2	6%
Unused vacation entitlement may be carried over, subject to maximum total accumulated balance	9	27%
A maximum amount of unused vacation may be carried over	21	64%

Days in carry over (n = 23)	Number of Days
Range	0 – 40
Average	8.5
Typical	5

Time Limit for Utilizing Carried-Over Vacation Time (n = 32)	Number	%
No limit	6	19%
12 months	8	25%
Six months or less	18	56%

#### Note:

- The tables above exclude carry-over limits which are discretionary, negotiated, or dependent upon employee's annual vacation entitlement.
- Some organizations reported that unused vacations after expiry will be paid out, others reported these unused vacation days will be forfeited (i.e., without recompense), or that unused vacation exceeding the policy amount could be approved in exceptional cases.
- Additional temporary allowances are being considered by some organizations due to COVID-19; this includes additional carry over allowances, payout where not provided previously and additional time for carry over.



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### 2020 Management Salary Survey of Local Distribution Companies



#### 5. Educational Assistance / Reimbursement

Twenty-four participating organizations (24) provided details regarding education assistance/ reimbursement policies ranging from eligibility criteria to payback provisions. There are a wide variety of programs and reimbursement rates. Key highlights are provided below:

- Twenty-two (22) organizations stated that they offer some education assistance. Some organizations have detailed policies governing such practice, others evaluate it on a case-by-case basis and approve as required at either manager, or senior leadership levels.
- There are usually limits in the subject and coursework in relevance to job duties and responsibilities. For example, if work related core skills the education may be reimbursed at a rate of 100% whereas non-core skills that are seen as leadership/continuing education/personal growth may be reimbursed at a rate of 50%.
- Nine (9) organizations provided annual reimbursement guides.
  - The maximum depends on type/level of study, and/or cost of education.
  - Some have a deductible or a reduced reimbursement schedule for “above annual amount.”
  - Several organizations suggest that there is no clear maximum and that discretionary reimbursement is subject to approval of leadership either at an annual, or employee lifetime level.
  - There are generally two types of organizations responding: those that have ongoing educational allowances and those that are providing support towards completion of a post-secondary degree (i.e. MBA).
- Payback provisions were submitted by eighteen (18) organizations. The typical time 3.0 years, and the range is generally 1 – 5 years, where if an employee voluntarily resigns within that period, they are liable for all or a portion of their education cost. There is typically a sliding scale for proportion of payback over time (e.g., 100% if resigns within a year, 50% if within 2 years and 25% within 3).
- Several organizations also noted that any educational reimbursement must be repaid if an employee does not successfully complete their program.



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### **2020 Management Salary Survey of Local Distribution Companies**



#### **V. Benchmark Position Survey Results**

The benchmark position survey results are provided via a separate file.

Detailed analysis, with expanded statistical data (i.e., including P25 and P75 data points) as well as analysis of survey results by geographic region, by customer base and by revenue, are reported in the Excel files accompanying this report.

When reviewing the survey results, and comparing across years, it is important to note that market fluctuations (or lack thereof) can arise from a variety of sources, including true market movements, change in sample composition, etc.

Readers are reminded that statistics derived from small samples are vulnerable to individual variations.

With changes in CDM, the current benchmark positions are expected to be eliminated in the near-term future and caution is required when reviewing data for those roles considering the ramp-down operations of CDM and that jobs currently matched are being redefined during this time.



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## **APPENDIX**



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## 2020 Management Salary Survey of Local Distribution Companies



### A. Survey Methodology

A brief profile was developed for each benchmark position. These profiles were incorporated into a survey package and distributed to each participant along with a data submission spreadsheet requesting data on survey benchmark positions, as well as the organization's profile and selected salary administration and benefits policies.

Participants matched their jobs to the profiles and provided data for each position, where applicable. For each position where an organization submitted more than one match, the data were aggregated and a representative (e.g., average) figure was used for that organization. By using this methodology, all organizations carry equal weighting, and no one single organization excessively influences the market statistics by virtue of the size of its employee population.

Once the completed surveys were returned to Korn Ferry, participants were contacted for data verification as necessary. Korn Ferry also initiated a number of follow-up actions to clarify information provided by the participants. All of the matches submitted by the participants were reviewed by Korn Ferry to determine their appropriateness versus the job profiles and the market. If deemed inappropriate, the matches, or outlier data, were removed from the survey results.

Where possible, organization charts or details regarding reporting relationships were provided to Korn Ferry to enable understanding of the roles. From the job match information, plus a review of organization charts and other contextual information provided, Korn Ferry has estimated at which Korn Ferry Hay Reference Level each organizations' roles fall to facilitate point-based comparisons.



# The MEARIE Group

## 2020 Management Salary Survey of Local Distribution Companies



### B. Definitions – compensation elements

#### Salary Range

##### **Minimum**

The lowest salary/rate that the organization is prepared to pay for an incumbent in the position. May be the starting salary for inexperienced/non-qualified hire.

##### **Job rate / Control point**

Typically, the midpoint of the salary range, intended to reflect the salary the organization is prepared to pay for sustained competent performance by a fully trained / qualified incumbent.

##### **Maximum**

The highest point in the salary range (or step progression). Note: might be the same as "job rate".

#### Short Term Incentive

Short Term Incentive (STI) refers to any incentive arrangement designed to reward an individual for performance/results achieved over a performance cycle/period of up to one year.

##### **Target**

Target bonus is the level of award (either a % of salary or a fixed dollar amount) that an employee in this position would expect to receive if all corporate, team and individual performance goals are "met" (as planned). This rate/amount is often communicated to employees as part of the incentive/bonus plan design, e.g., "the target bonus for jobs in grade/band 6 is 8% of salary".

##### **Discretionary**

Discretionary plans have no target bonus rate and pay out at the end of the year at the discretion of executive/board.

#### Current Salary

The amount paid for work performed on a regular, ongoing basis.

Does not include variable bonus or incentive payments, sales commissions, shift premiums, or overtime payments.

#### Actual STI (Paid)

Total of all STI awards paid to the incumbent(s) for performance/results over the latest completed fiscal year.

May be paid during the year or after year end. (Note: recorded and reported on an annual basis).



## The MEARIE Group

### 2020 Management Salary Survey of Local Distribution Companies



#### C. Definitions – Statistical Elements

Market data are reported using the following statistics:

	Definition	Reporting requirement (# of observations necessary to report)
<b>P90</b>	90th percentile  If all observations were sorted and listed from highest/largest to lowest/smallest, 10% of the observations would fall above the 90th percentile and 90% would fall below	<b>11</b>
<b>P75</b>	75th percentile  If all observations were sorted and listed from highest/largest to lowest/smallest, 25% of the observations would fall above this value and 75% would fall below	<b>7</b>
<b>P50</b>	50th percentile, also referred to as “median”  If all observations were sorted and listed from highest/largest to lowest/smallest, 50% of the observations would fall above this value and 50% would fall below	<b>4</b>
<b>P25</b>	25th percentile  If all observations were sorted and listed from highest/largest to lowest/smallest, 75% of the observations would fall above this value and 25% would fall below	<b>7</b>
<b>P10</b>	10th percentile  If all observations were sorted and listed from highest/largest to lowest/smallest, 90% of the observations would fall above this value and 10% would fall below	<b>11</b>
<b>Average</b>	The arithmetic mean of all values, calculated by adding up all of the values and dividing by the number of observations.	<b>3</b>





## The MEARIE Group

### 2020 Management Salary Survey of Local Distribution Companies



#### D. Benchmark Position Profiles

Job Title	Description
President & CEO	Directs the development of short and long-term strategic plans, operational objectives, policies, budgets and operating plans for the organization, as approved by the Board of Directors. Establishes an organization hierarchy and delegates limits of authority to subordinate executives regarding policies, contractual commitments, expenditures and human resource matters. Represents the organization to the financial community, industry groups, government and regulatory agencies and the general public.
Chief Operating Officer (COO)	Highest ranking operations position. Reporting to the President/CEO, directs the operational elements of the organization, could include operations & engineering, customer services, metering and information technology. Develops the short and long-term strategic plans, directs the development of operational objectives, policies, budgets for his/her areas of accountability. The position reports directly to the President/CEO.
Head of Operations and/or Engineering	Highest ranking operations/engineering position. Reporting to COO or President. Directs both the operations and engineering functions. Develops the short and long-term strategic plans, formulates and implements plans, budgets, policies and procedures to facilitate and improve processes. Establishes clear controls, objectives and measures to ensure safe and appropriate delivery of power and power related services. Evaluates the feasibility of new or revised systems or procedures and oversees operations and engineering to ensure compliance with established standards.
CFO / Head of Finance	Highest ranking financially-oriented position within the company. Reporting to the President & CEO, this strategic role plans directs and controls the organization's overall financial plans, policies and accounting practices and relationships with lending institutions, shareholders and the financial community in mid to large organizations. Provides advice and guidance for the Board of Directors on financial matters. May direct such functions as finance, general accounting, tax, payroll, customer billing, regulatory affairs, and information systems and may be responsible for Administration functions. Normally possesses a CA, CMA or CGA designation.
Head of Customer Service	The highest-ranking customer service position in the utility. Provides direction for all departmental activities, services and practices, including customer care/call centre, billing, credit and collections. Accountable for the development, implementation and integration of all customer service related activities to achieve a competitive advantage through customer driven initiatives and strategies. Directs and oversees the implementation of customer service standards, policies and procedures; manages and coordinates budgets.
Head of Regulatory Affairs	Represents the organization on quality and regulatory matters before government agencies and conformity assessment bodies including providing of evidence, regulatory filings, supporting analyses, position papers, interrogatory responses, etc. Keeps abreast of on-going developments in regulatory practices affecting electrical distribution utilities. Ensures that regulatory information is disseminated throughout the organization in a timely and effective manner. Is responsible for the filing of written communications and regulatory submissions to government agencies (OEB) and conformity assessment bodies (IMO). Generally, reports to President & CEO or a senior executive.
Head of Human Resources	The highest-ranking human resources position in the organization. Provides direction, support and alignment of organization-wide Human Resources practices and systems with the business in terms of mission, vision and the strategic imperatives. Ensures that existing needs and future demands of internal customers are met through a cost effective and efficient HR services. Directs HR management and staff in the development and implementation of Human Resources strategy, policies and programs covering employment, negotiations & labour relations, training, compensation, organization development, performance management, benefits and may include health & safety. Provides coaching and counsel to the executive and Board of Directors.



## The MEARIE Group

### 2020 Management Salary Survey of Local Distribution Companies



#### Administration

Executive Assistant	Performs advanced, diversified and confidential administrative duties requiring broad knowledge of organizational policies and practices. Initiates and prepares correspondence, reports, either routine or non-routine. Screens telephone calls and visitors and resolves routine and complex inquiries. Schedules appointments, meetings and travel itineraries. In some cases, may have responsibility for routine HR and administrative services. Records, prepares and distributes minutes of meetings, including Board of Director minutes. Reports to the President & CEO and may provide support to other executives.
Administrative Assistant	Performs advanced, diversified and confidential administrative duties for executives and/or senior management, requiring broad and comprehensive experience and knowledge of organizational policies and practices. Prepares correspondence, reports, either routine or non-routine. Screens telephone calls and visitors and resolves routine and complex inquiries. Schedules appointments, meetings and travel itineraries. Reports to a senior executive or executive team.

#### Engineering

Director Engineering	Plans and directs the overall engineering activities and engineering staff of the organization. Formulates and implements plans, budgets, policies and procedures to facilitate and improve processes. Coordinates the creation, development, design and improvement of the organization's projects and products in conformance with established programs and objectives. Oversees plans, resources and budgets of the department aligned with business strategy.
Engineering Manager and/or Distribution Engineer	<p>Supervises and directs the work of an engineering division such as distribution, line design, transmission planning, distribution planning and/or civil engineering. Responsible for engineering work involving a wide scope of assignments. Handles personnel coordination and issues of the division, prepares estimates, specifications and designs, including the supervision, planning and scheduling of work within the division – Requires a P. Eng.</p> <p><u>OR</u></p> <p>Supervises engineering technicians or service technicians. Directs and coordinates the activities, schedules and projects of the construction and maintenance group of those involved with the distribution of electrical power from transformer substations, construction and maintenance of distribution systems. Consults with other department management on plant design, construction and maintenance. Prepares monthly operating reports, budget estimates, and work and materials specifications. Reviews and approves material requisitions, work authorizations and drawings for facilities. Requires a P. Eng.</p>
Project Engineer	Non-supervisory position. Directs and coordinates activities related to utility engineering project work, such as smart grid systems, renewables, large utility projects, asset renewal, etc. Requires a P. Eng.
Supervisor Engineering	Supervises a small technical work group which may include CAD operators and/or engineering technicians. Coordinates the development and maintenance of engineering and construction standards and systems (GIS, AM/FM, CAD). Organizes, stores and maintains the integrity of hard copy file records, digital formats and mapping standards. Normally requires a C.E.T. or A.Sc. T. Typically reports to an engineering manager.



## The MEARIE Group

### 2020 Management Salary Survey of Local Distribution Companies



#### Operations

Director Operations	NOT the head of function. Plans and directs all operations functions (no engineering responsibility), of the utility. Formulates and implements plans, budgets, policies and procedures to facilitate and improve processes and establishes clear controls, objectives and measures to ensure safe and appropriate delivery of services and clarity of roles and responsibilities. Evaluates the feasibility of new or revised systems or procedures and oversees operations to ensure compliance with established standards.
Manager Operations	NOT the head of function. Supervises, co-ordinates, directs, schedules and controls the construction, maintenance and personnel of the division, including budgets, transportation, equipment and material requirements and fleet management. Division responsibilities include construction, maintenance and repair of all overhead transmission, overhead and underground distribution and may include coordination of tree trimming for geographical area assigned to the division. In smaller utilities, a professional engineer may fill this role.
Manager Control Centre	Supervises, co-ordinates, directs, schedules and controls the control centre and technical staff. Provides leadership in the planning and coordination of the control centre relative to safety, reliability and control of the distribution system. Is responsible for budgets, and the direct operations of the control centre approving system outages, switching and maintenance requirements to maintain and improve system reliability.
Supervisor Control Centre	Directs and supervises control centre technical staff. Provides planning and coordination of control centre scheduling and maintenance required for the safe, reliable operation and control of the distribution system, including the authorization of the operation of system devices, equipment and control access to electrical plant and substations. Approves and coordinates system outages and switching as required for maintenance and system reliability. Oversees power interruptions and emergencies with dispatch staff to affect corrective measures for isolation, emergency repairs and restoration purposes. Monitors feeder load profiles.
Supervisor Protection and Control	Responsible for the management of all Protection & Controls activities related to the installation, maintenance and commissioning of: Protective Relaying Schemes and Station Automation Systems; SCADA System, Visual Display System and Remote Terminal Units; Operations Ethernet and system-wide Area Communications Networks; Distribution Automation Systems, Sectionalizing Devices and Remote Supervisory Controlled Devices. Prepares and administers reports, budgets, Policies and Procedures, record keeping systems.
Supervisor Station Maintenance	Responsible for the planning, coordinating both maintenance and installation of substations, as well as ensuring reliability of the underground plant, through testing and troubleshooting. Supervises, coordinates and schedules the activities of Station Maintenance Electricians and Protection and Control Technicians, Reviews work assignments, daily logs, reports and orders. Co-ordinate crews and plan jobs, assigns work per shift, long-term work and shift coverage to ensure the smooth flow of routine work and that all shifts are covered.
Line Supervisor	Coordinates and directs the lead journey person and/or crews in the construction and maintenance of distribution lines and equipment (overhead and/or underground). Works with lead journey person to develop plans and schedules required in directing and assigning a crew or crews of skilled trade staff in performing construction, maintenance and operation of the distribution system lines in a safe and efficient manner. Supervises and coordinates subcontractors engaged in planning and executing work procedures, interpreting specifications and managing construction.



## The MEARIE Group

### 2020 Management Salary Survey of Local Distribution Companies



Manager Meter Department	Supervises the overall operations of the Meter department, prepares budgets, directs the purchase and maintenance of equipment and technology related to the department. Provides direction on the supervision of meter staff, the assignment of work and productivity of staff. Supervises the work related to interactions with electronic meter programming and interaction with/or the operation of the MV90 or similar data collection systems.
Supervisor Meter Department	Responsible for overall operation of the Meter department, including operations, budgeting and supervision of meter technicians or other operations staff. Assigns, monitors and inspects the daily work and productivity of the staff in metering operations to ensure timely delivery of services, maintenance of equipment and identification of issues. Develops work plans for the department that include supervising meter re-verification, new meter installs, record maintenance and monitoring of meter maintenance, damage, reporting and theft issues. Ensures compliance with technical standards for equipment. Responsible for electronic meter programming and interaction with/operation of an MV90 or similar data collection system.

#### Supply Chain / Procurement

Director Supply Chain Management	Responsible for the overall operation of the Procurement, Inventory, Fleet and/or Facilities programs and initiatives in the organization. Formulates and implements plans, budgets, policies and procedures to facilitate and improve processes and establishes clear controls, objectives and measures to ensure safe and appropriate delivery of services and clarity of roles and responsibilities. Oversees the establishment of user service level agreements and provides contract management expertise and acts as a resource for contract negotiation, review and approval. Directs the effective capital acquisition and maintenance of the corporate fleet and/or directs the effective maintenance and capital investment of the organization's facilities and assets.
Manager Procurement and/or Inventory and/or Facilities and/or Fleet	Responsible for all purchasing and/or inventory and/or facilities and/or fleet for all areas of the utility. Negotiates vendor agreements and manages the tender process. May also be responsible for stores and inventory control in the warehouse. Is responsible for budgets, policies and procedures and directs the work of the purchasing or buyers and/or stores and/or facilities and/or fleet personnel. Works with the organization in setting partnership relationships to understand and meet the needs of the organization, its operations and risk associated with the effective and efficient operations of the company.
Supervisor Stores/Inventory/Warehouse	Supervises inventory control, records and stores operation. Orders material to maintain on-hand quantities with procurements approval. Responsible for testing safety equipment, i.e., hoses, blankets, gloves, etc., small tool and equipment repair and reconditioning. Assists procurement department in the sale of obsolete equipment and material.

#### Accounting / Finance

Controller or Director Finance	NOT the head of function. Responsible for all financial reporting, accounting and record keeping functions. Directs the establishment and maintenance of the organization's accounting and finance principles, practices and procedures for the maintenance of its fiscal records and the preparation of its financial reports. Directs general and property accounting, cost accounting and budgetary control. Appraises operating results in terms of costs, budgets, operating policies, trends and increased profit opportunities. Reports to a CFO/VP Finance.
Manager Accounting	Manages the general accounting functions and the preparation of reports and statistics reflecting earnings, profits, cash balances and other financial results. Formulates and administers approved accounting practices throughout the organization to ensure that financial and operating reports accurately reflect the condition of the business and provide reliable information. Reports to Controller/Director Finance or CFO/VP Finance.



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## 2020 Management Salary Survey of Local Distribution Companies



Manager Risk Management	Responsible for risk management activities including cash flow management, credit facilities management, insurance and support for credit and collection policies throughout the corporation. May be responsible for ensuring that cash liquidity risk is managed in an appropriate fashion such that bank account balances are sufficient to meet operational, capital expenditures and debt servicing requirements while minimizing short-term borrowings or surplus investing. Provides leadership in the developing new and refining existing risk management policies to respond to changes in risk tolerances and business conditions and as financial risks are better understood in accordance with industry best practices. Reports to Head of Finance or COO or CEO.
Supervisor Accounting	Coordinates activities of the payable/receivable clerks. Supervises accounts payable and receivable transactions, entries and trial balances; responsible for the accuracy of all journal entries and reconciliation of invoices; updates credit department on account status.
Financial or Business Analyst	Conducts analysis of information for budgeting, investment and financial forecasts; applies principles of accounting to analyze past and present financial operations; estimates future revenues and expenditures; prepares budgets; develops and maintains budgeting systems; processes and prepares business transactions and reports, reconciles ledgers and sub-ledgers, cash flow projections, entry of source documents. Holds a financial designation, either CA, CMA or CGA.
Accountant	Supports the organization decisions through financial information and relevant analysis. Ensures the integrity between the CS work order systems and general ledger system is maintained. Initiate corrective measures when discrepancies occur between the systems. Collects and combines information for the decision-making process by management, including financial statements and special projects as assigned (e.g. preparation of rate submission supplemental information).

### Customer Service

Director Customer Service	NOT the head of function. Provides direction for all departmental activities, services and practices, including customer care/call centre, billing, credit and collections. Accountable for the implementation and integration of all customer service related activities. Oversees the implementation of customer service standards, policies and procedures; manages budgets; manages activities of CS managers and/or supervisory staff.
Manager Customer Service and/or Billing	NOT the head of function. Manages a team of customer service and/or billing representatives in providing information, receiving and responding to customer inquiries, complaints or requests. Develops and maintains customer information systems, processes and procedures including billing, credit, deposits and collections. Liaises with representatives of other organizations and customer groups to share information and resolve administrative, organizational and technical problems. Responds to elevated customer complaints. This function may also be responsible for coordinating meter installation/maintenance, residential electric service connections, and service calls.
Supervisor Customer Service and/or Billing and/or Collections	Supervises customer service representatives (billing clerks and/or collections clerks) and coordinates customer service programs within the framework of established customer service policies. Schedules and organizes staff to accommodate anticipated workflow from bill inquiries, delinquent accounts, re-connections and disconnections, customer deposits, etc. Recommends corrective steps to address customer issues and refers unique issues to manager for response.



# The MEARIE Group

## 2020 Management Salary Survey of Local Distribution Companies



### Communications

Director Communications	Directs the development, management and execution of internal and external corporate communications strategies for the company, and marketing and public relations initiatives. Acts as the Chief Spokesperson for the organization. Leads the management and development of the corporate brand and identity. Oversees the development, production and distribution of corporate publications including, but not limited to, the annual report, customer newsletters, information brochures, bill inserts, CDM/Green marketing materials, employee newsletters and media releases. Directs the development and management of the company's external (corporate internet site) and internal (corporate intranet site) web presence and strategy. Oversees the management and execution of internal and external corporate events as well as community-relations activities such as sponsorship and donation programs.
Manager Communications	Responsible for managing the development and implementation of all customer communications initiatives as well as the marketing communications expertise and support required for the successful delivery of the company's CDM and customer communications materials/systems. Communication materials may include, but are not limited to, customer newsletters, information brochures, bill form design, employee intranet, LCD information monitors, and website communications. Working in conjunction with Regulatory Affairs, develop materials or other communication methods to communicate regulatory changes/issues that may directly impact the customer. Manages event planning for internal and external company events.

### Regulatory Affairs

Director Regulatory Affairs	NOT the head of function. Supports the VP or may represent the organization on regulatory matters before government agencies and conformity assessment bodies including providing of evidence, regulatory filings, supporting analyses, position papers, interrogatory responses, etc. Ensures that regulatory information is disseminated throughout the organization in a timely and effective manner. Is responsible for or supports the filing of written communications and regulatory submissions to government agencies (OEB) and conformity assessment bodies (IMO).
Manager Regulatory Affairs	NOT the head of function. Manages the organization's regulatory staff, programs and activities to ensure compliance. Assists the organization on quality and regulatory matters before government agencies, providing research and analyses. Ensures that regulatory information is disseminated throughout the organization in a timely and effective manner. Coordinates the filing of written communications and regulatory submissions to government agencies (OEB) and conformity assessment bodies (IMO).
Regulatory Accountant	Ensures that the accounting activities for regulatory financial reporting are in compliance with all Ontario Energy Board (OEB) policies and guidelines. Act as a key resource to provide expert advice and recommendations in the implantation of all OEB, OPA and IESO codes and regulations in order to ensure corporate compliance. Track and reconcile all OEB accounts, including business rationale for changes in balances, cost side of accounts subject to prudence review (i.e. conservation, smart meters) and the cost side of Ontario Power Authority (OPA) programs.



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### 2020 Management Salary Survey of Local Distribution Companies



#### Conservation / Demand (TO BE REVISED in 2021)

Settlement or Rate Analyst	Responsible for recording, creating, analyzing, processing and reconciling metering data. Operates and administers an MV-90 or similar data collection system, downloading, validating, editing, estimating and processing interval meter-related information. Has in-depth understanding of commercial billing practices, the IMO and the OEB's Retail Settlement Code. Analyses rates using rate sensitivity models and develops appropriate rate structures, using the specific models.
Director or Officer, Conservation and Demand Management	This position is responsible for planning, coordinating, evaluating and delivering energy and water conservation and demand management programs. Develops plans for programs in accordance with the OEB's conservation and demand management code to ensure achievement of OEB mandated energy consumption and demand conservation targets.
Manager Conservation & Demand/Marketing	Responsible for managing the development and implementation of CDM initiatives as well as the marketing communications expertise and support required for the successful delivery of the company's Conservation and Demand Management (CDM) programs. Marketing communication plans may include, but are not limited to advertising, media conferences, program launch events, workshops, event displays. Liaising with, as needed, senior marketing and/or communications personnel representing organizations and groups involved in conservation and sustainability including, but not limited to, the Ontario Power Authority (OPA), the Ontario Energy Board (OEB), Ministry of Energy, municipal and regional governments, etc.

#### Information Systems / Technology

Director Information Systems	Accountable for operations and alignment of the Information and Telecommunication Systems with the business in terms of organization objectives and imperatives. Ensures that existing needs and future demands of internal and external customers are met through a cost effective and efficient information and telecommunication infrastructure. Oversees IS management in areas of computer operations, systems planning, design, security, programming and telecommunications. Reviews and evaluates project feasibility and needs based upon management's and business requirements and priorities. Develops departmental plans, strategy, budgets and resource requirements. Typically reports to President & CEO, or CFO.
Manager Information Systems and/or Security	Manages and directs staff in areas of computer operations, systems planning, design, security, programming and telecommunications. Develops and maintains systems standards and procedures and assigns work to department staff. Reviews and evaluates project feasibility and needs based upon management's and business requirements and priorities. Develops departmental plans, project plans, budgets and resource requirements.
Systems/Program Administrator or Applications/ Systems Support Professional	Responsible for maintenance of software systems including system analysis, programming and design, updates and changes. Makes a preliminary study of new applications and recommendations to implement them, including hardware and software. Troubleshoots and corrects problems in existing programs, other than normal problems, usually caused by changes of software or hardware.





## The MEARIE Group

### 2020 Management Salary Survey of Local Distribution Companies



#### Human Resources

Human Resources Manager	NOT the head of function. Develops and implements human resources programs, including compensation, benefits, recruitment, performance management, labour relations/negotiations, training and development, assists in policy development, HR planning, record keeping or payroll etc. May supervise a team of HR professionals or support staff. Reports to a senior HR professional (Director or VP or equivalent).
Human Resources Generalist	Assists in the development and implementation of human resources policies and programs by providing support and guidance to managers and employees in the areas of compensation, labour relations, employee relations, performance management, benefits, recruitment, training and HRIS systems. Acts as a business partner to the organization in the areas of human capital. May assist in the preparation of negotiations.
Human Resources Coordinator	Administrative support to one or more functional areas of HR and/or Safety. Processes, coordinates and enters into a HRIS or other system, a variety of documents including employment applications, benefits, compensation and payroll changes and confidential employee information. Responds to routine employment questions and distributes and maintains manuals and employee program communications.
Payroll	Performs the payroll coordination and administration. Maintains the organizations internal or external payroll system. Prepares monthly requisitions for WSIB, Employee Health Tax, Receiver General, OMERS Pension and Union Dues. Administers employee pension program and provides pension calculation estimates as requested. Reconciles monthly payroll for year-end finance procedures. Prepares annual T4's and T4A's and OMERS Pension and responds to inquiries from employees and pensioners regarding the pension plan.
Manager, Health & Safety	Accountable for the development and implementation of occupational health, safety and environmental programs, including training, maintenance of safe working conditions, investigation and reporting of workplace accidents. Also identifies areas of potential risk and makes recommendations to reduce or eliminate potential accident or health hazards in compliance with government regulations.

#### Business Development / Non-Regulated Business

Executive Role - Non-Regulated Business	Reporting to either/or the CEO or the Board, this role is responsible for non-regulated revenue streams, and achieving growth/revenue targets for the organization. This includes the development of new offerings, enhancing existing offerings or creating value for clients by diversifying the organization's services. They are responsible for maintaining and growing client relationships as well as building relationships with additional clients in the market. May be supported by analytical staff or more junior business development roles.
Non-Executive Role - Non-Regulated Business	Reporting to an executive within an LDC or an executive in a sister/non regulated company, this role is responsible for non-regulated revenue generation. They will have growth/revenue targets for the organization and are focused on maintaining/growing relationships with clients by enhancing existing offerings or creating value by diversifying the organization's services. They may also support the development of additional market offerings.



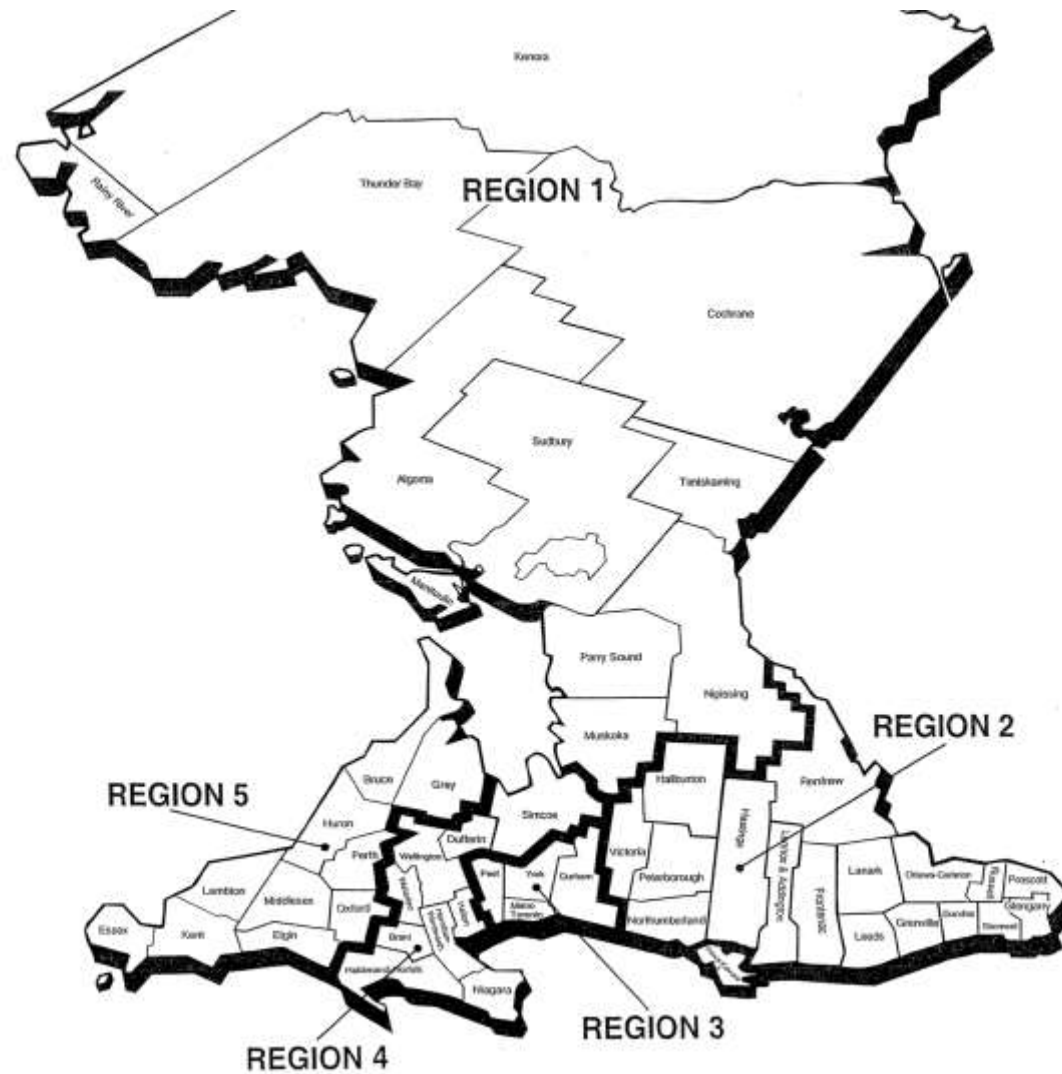


# The MEARIE Group

## 2020 Management Salary Survey of Local Distribution Companies



### E. Regions



## Appendix 9

1-SEC-1 Attachment 7 2021 MSS Report - October 7, 2021  
Final

# **The MEARIE Group**

## **2021 Management Salary Survey of Local Distribution Companies**

**October 2021**

**SURVEY ADMINISTRATOR: KORN FERRY (CA) LTD.**



# **The MEARIE Group**

## **2021 Management Salary Survey of Local Distribution Companies**



## **Contents**

<b>I.</b>	<b>Introduction .....</b>	<b>3</b>
<b>II.</b>	<b>Survey Overview .....</b>	<b>6</b>
<b>III.</b>	<b>Salary Administration .....</b>	<b>10</b>
<b>IV.</b>	<b>Benefit Policies.....</b>	<b>21</b>
<b>V.</b>	<b>Benchmark Position Survey Results .....</b>	<b>29</b>
<b>A.</b>	<b>Survey Methodology.....</b>	<b>31</b>
<b>B.</b>	<b>Definitions – compensation elements .....</b>	<b>32</b>
<b>C.</b>	<b>Definitions – Statistical Elements.....</b>	<b>33</b>
<b>D.</b>	<b>Benchmark Position Profiles.....</b>	<b>34</b>
<b>E.</b>	<b>Regions .....</b>	<b>42</b>



# The MEARIE Group

## 2021 Management Salary Survey of Local Distribution Companies



### I. Introduction

The MEARIE Group is pleased to present this report of the 2021 Management Salary Survey of Local Distribution Companies (LDCs).

In today's competitive talent market, Local Distribution Companies (LDCs) are challenged with establishing and maintaining competitive, yet affordable, compensation programs and policies. The MEARIE Group established the Management Salary Survey of Ontario's LDCs to assist you and in understanding the competitive landscape and support your efforts in developing pay practices that attract, motivate and retain high quality, high performing employees.

The survey was updated in 2012 through the combined efforts of The MEARIE Group's HR Information Solutions team, outside consultants and representatives of our members, all working together to ensure that the Survey continues to meet the evolving needs of member LDCs.

The Survey was further enhanced from 2013 to 2014 through our partnership with Korn Ferry (previously Hay Group Limited), a globally renowned compensation consulting firm. Korn Ferry drew upon their expertise and experience in developing and managing salary surveys across all sectors of the economy and in numerous countries around the world.

There were no substantial changes to the survey from 2015 to 2018.

In 2019, as LDCs continue to diversify their management structures and expand operations to include non-regulated revenue streams, additional jobs and questions regarding these new business development roles have been added. In addition, reporting on number of FTE's by union and non-union has been added to provide information on proportionality of represented staff. In 2020, additional questions regarding compression and supervisory roles were added, in addition to more data regarding overtime eligibility and pay and car benefits.

For 2021 additional questions were included regarding the impact of COVID-19 on compensation and benefits, along with questions on turnover and employee engagement. The geographical regions were also revised for 2021. Further, additional contextual questions regarding line supervisory roles and their compensation have been added providing additional information with respect to overtime policies.

The 2021 survey includes:

- Geographic, Number of Employees, Number of Customer and Revenue size reporting.
- Fifty-four (54) benchmark descriptions, supported by the KF Hay job evaluation methodology for improved reporting and greater ability to identify the impact of organization size and structure.
- Continued reporting of "total cash compensation" to provide greater depth of information regarding market pay practices.
- An overview of local distribution company market trends and compensation projections for 2021 budget planning.
- MS Excel survey reporting including versions of position salary tables by All Organizations, Geography, Revenue and Customers to support those organizations that wish to conduct further analysis of the results and to assist in transferring survey results into internal reporting.



## The MEARIE Group 2021 Management Salary Survey of Local Distribution Companies



The survey includes two presentation documents and Excel data tables in formats as follows:

- PDF Documents:
  - Survey Report containing a complete analysis and a data summary of all the positions.
- Excel Documents which are provided for easy data export and printable to one legal sized page, showing LDC Survey data by:
  - Job Table Report (separate addendum) which includes a complete analysis of each position.
  - The following market segmentations are provided:
    - All Organizations;
    - Region;
    - Customer Base;
    - Revenue;
    - Number of Employees.

We would like to thank you for your participation. As a result of the strong response, we are able to provide you with an informative and detailed survey that will help you in support of your organization's compensation programs.



# The MEARIE Group

## 2021 Management Salary Survey of Local Distribution Companies



### Confidentiality Policy

**The MEARIE Group recognizes the importance of maintaining the security of your information and has developed the following policy that applies to all participants (and their delegates) in the Board of Director Compensation Survey (a “Survey”), as well as Korn Ferry (survey administrators) and The MEARIE Group.**

An individual LDC will provide its authorization for the sharing of information identified as being information of that LDC by completing the Survey Data Submission for a Survey. This will result in the LDC's data being identified by name in the listing of participants. This enables participants to be aware of the names of the other participants in the Survey to determine the relevance of Survey data cuts (e.g., by geography or size).

All of the information obtained through this Survey will be treated with the utmost confidentiality. Data will be reported on an aggregate basis only, and in a way that will ensure individual participant data cannot be identified/attributed. Standards for minimum number of data will be strictly enforced to ensure confidentiality. Neither Korn Ferry nor MEARIE Group will release or disclose to any other person whatsoever any information pertaining to any individual LDC participant.

Survey results will be reported only to those LDCs who participate in the Survey and provide comprehensive data. Comprehensive participation means that each LDC is expected to match as many of the Survey benchmark positions as they are able and provide data for all incumbents of matched positions. **All participants must consider this information as strictly confidential.**

The results of a Survey will not be disclosed/sold to or shared with organizations that have not participated in that Survey, whether by The MEARIE Group or Korn Ferry or Survey participants. **Participants may not share the Survey reports/results with non-participant LDCs or any entity under any circumstances.**

The data collected for a Survey may also be included in Korn Ferry's Canadian compensation database. Information in the Korn Ferry database is maintained with the highest standards of confidentiality; analysis and reporting of data is on an aggregate basis only, and in such a way as to ensure that individual participant data cannot be identified or attributed. As of May 2021, there are over 500 employers represented in the Korn Ferry database. Should you have any questions or for further information, or if you would like to access the Korn Ferry database, please contact Kim Stewart, Principal at Korn Ferry [kim.stewart@kornferry.com](mailto:kim.stewart@kornferry.com).

**The obligations of confidentiality set out in this policy are subject to the requirements of applicable law** and LDCs may disclose the results of the Survey to any regulatory body (or other person) if compelled by law to do so. If an LDC is compelled by law to make such a disclosure, it will give The MEARIE Group as much notice in advance as possible of the disclosure and the reasons the disclosure is legally required.

**The MEARIE Group will not be liable for breaches by participating LDCs or Korn Ferry of this confidentiality policy.**



# The MEARIE Group

## 2021 Management Salary Survey of Local Distribution Companies



## II. Survey Overview

### 1. Survey Benchmark Positions

The survey covers 54 benchmark positions representing a cross-section of the functions within member organizations. Originally, 50 benchmark positions were reviewed in 2012 by a working group of LDC sector Human Resources professionals. Job profiles for each benchmark job were developed and reviewed by the consultants and the HR group and two additional model jobs were added in 2019. No changes were made to job models in 2020. In 2021, two CDM roles were removed as CDM programs are fully eliminated from the LDCs. Four new models were added to expand the Information Systems and Communications areas based on review by the consultants and the HR group.

<b>Senior Management</b>	0000	President & CEO
	0001	Chief Operating Officer (COO)
	0002	Head of Operations and/or Engineering
	0003	CFO / Head of Finance
	0004	Head of Customer Service
	0005	Head of Regulatory Affairs
	0006	Head of Human Resources
	0007	Head of Information Systems
<b>Administration</b>	1000	Executive Assistant
	1001	Administrative Assistant
<b>Engineering</b>	2000	Director Engineering
	2001	Engineering Manager and/or Distribution Engineer
	2002	Project Engineer
	2003	Supervisor Engineering
<b>Operations</b>	2500	Director Operations
	2501	Manager Operations
	2502	Manager Control Centre
	2503	Supervisor Control Centre
	2504	Supervisor Protection and Control
	2505	Supervisor Station Maintenance
	2506	Line Supervisor
	2507	Manager Meter Department
	2508	Supervisor Meter Department





# The MEARIE Group

## 2021 Management Salary Survey of Local Distribution Companies



<b>Supply Chain / Procurement</b>	3000	Director Supply Chain Management
	3001	Manager Procurement and/or Inventory and/or Facilities and/or Fleet
	3002	Supervisor Stores / Inventory / Warehouse
<b>Accounting / Finance</b>	4000	Controller or Director Finance
	4001	Manager Accounting
	4002	Manager Risk Management
	4003	Supervisor Accounting
	4004	Financial or Business Analyst
	4005	Accountant
<b>Customer Service</b>	5000	Director Customer Service
	5001	Manager Customer Service and/or Billing
	5002	Supervisor Customer Service and/or Billing and/or Collections
<b>Communications</b>	5500	Director Communications
	5501	Manager Communications
	5502	Communications Specialist
<b>Regulatory Affairs</b>	6000	Director Regulatory Affairs
	6001	Manager Regulatory Affairs
	6002	Regulatory Accountant
<b>Conservation / Demand</b>	7000	Settlement or Rate Analyst
<b>Information Systems</b>	8000	Director Information Systems
	8001	Manager Information Systems
	8002	Systems / Program Administrator or Applications / Systems Support Professional
	8003	Manager Information Security
	8004	Network Specialist / Manager / Engineer
<b>Human Resources</b>	9000	Human Resources Manager
	9001	Human Resources Generalist
	9002	Human Resources Coordinator
	9003	Payroll
	9004	Manager, Health & Safety
<b>Business Development / Non-Regulated Business</b>	N001	Executive Role - Non-Regulated Business (ADDED IN 2019)
	N002	Non-Executive Role - Non-Regulated Business (ADDED IN 2019)



# The MEARIE Group

## 2021 Management Salary Survey of Local Distribution Companies



### 2. Participants

All organizations in the LDC sector in Ontario were invited to participate in the survey. The following thirty-eight (38) organizations submitted data:

- |  |  |
|--|--|
| 1. Alectra Utilities                           | 20. Kitchener-Wilmot Hydro Inc.          |
| 2. Bluewater Power Distribution                | 21. Lakefront Utility Services Inc       |
| 3. Brantford Power Inc.                        | 22. Lakeland Power Distribution Ltd      |
| 4. BURLINGTON HYDRO INC                        | 23. London Hydro Inc.                    |
| 5. E.L.K. Energy Inc.                          | 24. Milton Hydro Distribution            |
| 6. Elexicon Energy                             | 25. Newmarket-Tay Power Distribution     |
| 7. Energy+ Inc.                                | 26. North Bay Hydro Distribution Limited |
| 8. Entegrus Inc.                               | 27. Northern Ontario Wires Inc.          |
| 9. ENWIN Utilities Ltd.                        | 28. NPEI                                 |
| 10. EPCOR Electricity Distribution Ontario Inc | 29. Orangeville Hydro Limited            |
| 11. Essex Powerlines Corp                      | 30. Oshawa PUC Networks Inc              |
| 12. Festival Hydro                             | 31. Ottawa River Power Corporation       |
| 13. Fort Frances Power Corporation             | 32. PUC Services Inc                     |
| 14. Greater Sudbury Utilities                  | 33. Sioux Lookout Hydro Inc.             |
| 15. GRIMSBY POWER INC                          | 34. SYNERGY NORTH                        |
| 16. Halton Hills Hydro Inc.                    | 35. Wasaga Distribution Inc.             |
| 17. Hydro Ottawa Limited                       | 36. Waterloo North Hydro                 |
| 18. InnPower Corporation                       | 37. Welland Hydro-Electric System Corp.  |
| 19. Kingston Hydro (Utilities Kingston)        | 38. Westario Power Inc                   |

It should be remarked that survey results may fluctuate due to varying sample mixes, as well as mergers/integrations over the years. Participants should be mindful when reviewing and comparing results between years.



# The MEARIE Group

## 2021 Management Salary Survey of Local Distribution Companies



### 3. Participant Group Profile

All participants provided information regarding their organizational profile. The summary statistics of the participating organizations are detailed below.

The figures reported below are assessed on an “as provided” basis. Korn Ferry and the MEARIE Group have not independently or exhaustively verified the values presented below.

Statistic (n=34)	P25	P50	P75	Average
Annual Operating Budget (\$ millions, less the cost of power)	6.3	12.0	25.8	18.6
Annual Operating Budget (\$ millions, including the cost of power)	44.0	89.5	171.5	237.6
Number of Employees (full time equivalent)	30.5	53	123.8	127.2
Number of Union Employees (full time equivalent)	12.5	35.0	88.0	91.9
Number of Non-union Employees (full time equivalent)	9.3	22.0	40.8	36.9
Number of Customers	18313	34000	58712	78495
Gross Revenue (\$ millions, less the cost of power)	6.5	16.7	36.5	41.5
Gross Revenue (\$ millions, including the cost of power)	43.5	95.5	182	247.8
Regulated Gross Revenue <sup>1</sup>	97%	99%	100%	97%
Unregulated Gross Revenue <sup>2</sup>	0%	1%	3%	3%

All organizations noted the fiscal year ends in December.

1. Organizations may be split into separate corporation with separate Board; in this situation the overall proportion of unregulated revenue is not reported.
2. The statistics include 0% observations, though only 23 of 38 participants report unregulated revenues.

**Analyst Note:** where average is significantly higher or lower than the median of the market, this indicates a small number of observations which skew the data either high or low. For example, the average number of customers is significantly higher than P50, and even P75, indicating a small number of organizations serving some very large groups of customers.



# The MEARIE Group

## 2021 Management Salary Survey of Local Distribution Companies



### III. Salary Administration

#### 1. Salary Range Adjustments – 2020 to 2022

- Thirty-four organizations (89%) reported data for salary ranges in 2019, 2020 and/or 2021. The most common month for salary range adjustments is January, followed by April.
- In 2020, thirty-three (33) organizations reported adjustment to salary ranges, while one (1) organization froze their ranges (i.e., provided 0%).
- In 2021, thirty organizations reported adjustment to salary ranges, no organizations reported freezing their ranges (i.e., provided 0%).
- Survey participants report planning to adjust salary ranges in 2022 by an overall average of 2.0% (n=18).  
Majority of organizations (85%) indicated that COVID-19 did not have an impact on salary ranges and/or actual increases. However, some noted the CPI, which was reduced due to the pandemic, would have an impact on lowering ranges or increases this year.

The salary range adjustments by employee level and overall are noted in the table below:

Year	CEO	Executive	Director	Management	Professional/ Technical	Admin	Overall
2020	2.1%	2.2%	2.1%	2.0%	2.0%	1.8%	2.1%
2021	2.1%	2.2%	2.1%	2.0%	2.0%	2.0%	2.1%
2022	2.1%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%



# The MEARIE Group

## 2021 Management Salary Survey of Local Distribution Companies



### 2. Base Salary Increases – 2020 to 2022

- The most common timing for salary adjustments is January, followed by April.
- Survey participants report adjusting actual salaries in 2020 by an overall average of 2.4% (n=37) this is down slightly from last year's 2020 adjustment average of 2.5% (n=31)
- Survey participants report adjusting, or forecasting to adjust, actual salaries in 2021 by an overall average of 2.1% (n=30).
- For 2022, survey participants reported projected average salary increases of 2.0% (n=23).

The base salary adjustments by employee level are noted in the table below.

Year	CEO	Executive	Director	Management	Professional/ Technical	Admin	Overall
2020	2.2%	2.2%	2.6%	2.4%	2.5%	2.6%	2.4%
2021	1.9%	2.0%	2.0%	2.0%	2.2%	2.1%	2.1%
2022	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%



# The MEARIE Group

## 2021 Management Salary Survey of Local Distribution Companies



### 3. Incentive Programs

- Twenty organizations (20 of 38 or 52%) provided information regarding their short-term incentive plans, for some or all their employees.
  - Ten (10) of the organizations indicated that all employee groups participated in STI.
  - Ten (10) organizations have STI plans for designated staff (typically senior management and/or executives) that do not extend to other staff (usually non-management). Within this group, four (4) indicate it is only executive and CEO levels that are eligible for the incentive program.
- Twenty (20) of the organizations who offer short term incentive pay provided information about their incentive plans. The determination of individual bonus payments is based on the weighting of performance factors such as corporate versus individual versus team/department performance.
- Typical plan mix is a combination of corporate and individual metrics with a heavier weighting on corporate for senior management and/or executives and a heavier weighting on individual metrics for non-management staff.

For example:

- At the CEO level, at least 50% of the incentive is based upon corporate objectives. 50% and 100% are the most common weightings for CEO corporate objectives.
- The most common Director/Management level plan is 50% Corporate, 50% Individual
- Team/Department metrics are not commonly used in the incentive plans with only 4 organizations placing weight on team measures.

The average plan mix, by employee level, is provided in the table below.

Performance Factor	CEO	Executive	Director	Management	Professional/ Technical	Admin
Corporate	74.3%	64.5%	60.9%	56.2%	61.0%	61.5%
Team / Department	*	36.7%	*	53.3%	*	*
Individual	30.9%	39.1%	44.3%	56.9%	62.7%	71.4%

\*Insufficient data sample to provide average (minimum of 3 organization required to report)



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## 2021 Management Salary Survey of Local Distribution Companies



### Threshold Bonus Payouts

Formulaic or “target based” bonus programs typically do not pay out until a minimum level of performance (corporate, team and/or individual) has been achieved (i.e., if the threshold performance is not achieved, there is no pay out). Once this threshold performance has been achieved, incentive plans will pay out a minimum level of bonus; pay out levels typically then increase as performance/results increase, up to a “target” bonus rate when performance goals have been “met”.

Eight (8) of the twenty (20) organizations with incentive plans provided data regarding minimum levels of performance required before any bonuses are generated. The typical bonus rate at the threshold performance is set at 50% of “target” bonus.

### Maximum Bonus

Bonus programs are often designed such that there is a maximum level of payout. For example: if a position has a 10% bonus and the maximum payout is 200%, or 2x, then the maximum amount the employee can achieve regardless of performance (i.e., how much targets are exceeded by), is 20% of their current base salary.

The average maximum bonus is provided by employee level in the table below, though the typical bonus pay maximum is 100% of target.

Maximum Bonus Payout	CEO (n =16)	Executive (n =16)	Director (n =12)	Management (n=13)	Professional/ Technical (n = 11)	Admin. (n =11)
Average	1.35 x	1.35 x	1.33 x	1.34 x	1.35 x	1.35 x

In the broader market, it is more common to find higher maximum bonus levels (as a % of target) at higher levels of the organization, to reflect the greater influence on organizational performance that more senior roles are perceived to have.



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### 4. Salary Compression Policy

Organizations were asked if they have any formal salary compression policy in place.

Only four (4) organization reported having a formal salary compression policy or monitoring is in place. The policies typically apply to front line supervisory roles or people leadership roles, and on average will review a minimum threshold (salary differential between supervisor and subordinate) of 7.7%.

Given the limited response, there is insufficient data to report any trend/practice details regarding compression and related policies.

Given our work with many LDC organizations, we believe most LDCs are monitoring compression informally despite absence of official policies.





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## 2021 Management Salary Survey of Local Distribution Companies



### 5. Line Supervisor Review

This section was new in 2019 and was added to the report to provide additional context regarding line supervisor compensation that is above base (and incentive) compensation. In 2020, we enhanced the questions based upon feedback from participating LDCs seeking additional insight and more detail with respect to the amounts of compensation and relationship to union staff. Specially, more questions with respect to the overtime pay for supervisor and union level staff were included in the survey, in addition to car provisions for supervisory roles.

Twenty-five (25, or 68%) of the survey participants indicated that line supervisory roles are provided with overtime consideration. Six (6, or 18%) indicated that while overtime is not provided, there are time in lieu policies for supervisory roles.

Organizations provided an estimate of overtime dollars paid per position in the previous year for both the supervisor role as well as the union level employee. The statistics for that are shown below.

Statistic: Average Annual Overtime Pay	P25	P50	P75	Average
Supervisor (n = 13)	\$7,500	\$14,239	\$17,500	\$13,516
Union (n = 11)	\$11,528	\$13,160	\$17,700	\$15,206

Fourteen (14) organizations of twenty-five (25) respondents indicated that no other employee groups are eligible for overtime. Of the remaining, the most common response was all employees below a certain Management/VP level were eligible. Two (2) organizations provided an estimate by hours or percent of overtime. Overtime, whether paid or time in lieu, continues to be a significant challenge for LDC human resources teams to manage at both the management and bargaining unit levels.

The most common amount of overtime rate for both supervisory and bargaining unit levels is 2x hourly rates. Four (4) organizations noted that there is a weekly standby rate for the on-call supervisor and overtime is paid if/when the supervisor is called in only. Weekly standby pay calculations for supervisors vary but seem to be generally between \$200 - \$400 per week.

Thirty-eight (38) organizations provide information on typical team size for the line supervisor.

	75 <sup>th</sup> Percentile	50 <sup>th</sup> Percentile	25 <sup>th</sup> Percentile	Average	Typical (mode)
Team Size (Unionized)	10.0	8.5	5	8.4	5



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Organizations were asked if they provided an owned/leased car for work purposes and twenty-seven (27) provided information.

- 26 of 27, or 96%, of respondents indicated they provide supervisors with vehicles
- Vehicle storage information was provided by 13 organizations. Ten (10, or 77%) indicated employees may take the cars to their homes and two (3, or 23%) indicated that the vehicle would be stored at the workplace only.
- Ten respondents confirmed that mileage tracking must be completed by the employees. The most common form of this is a logbook.
- Eight (8) of the respondents were able to provide the taxable benefit amount for the car provision.

	75 <sup>th</sup> Percentile	50 <sup>th</sup> Percentile	25 <sup>th</sup> Percentile	Average
Taxable benefit amount (n=10)	\$5,000	\$4,300	\$2,160	\$4,373



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### 6. Engineer Compensation

This section was added in 2020 due to requests from selected LDCs and enhanced attention on engineering roles within the utility labour market. Generally, there has been some pressure for organizations to attract, recruit and retain roles related to engineering.

Thirteen (13, or 38%) of respondents provide differentiated compensation for P.Eng or Engineers-in-training incumbents. There are a mix of approaches, but generally upon becoming a professional engineer an incumbent can expect an increase in either compensation (i.e., full pay rate or high salary administration band) or both compensation and job (i.e., promotion and pay band increase).



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### 7. Non-regulated Revenue (Added in 2019)

This section was new for 2019 and was added to the report to provide additional context regarding regulated vs non-regulated revenue operations, and how management is typically structured.

Thirty (30) of the participating organizations indicated their structure for non-regulated revenues.

Response	Number of organizations	% of respondents
Separate Company	17	57%
Embedded within the organization	6	20%
Not applicable - no non-regulated revenue is earned	7	23%

The following table provides the prevalence of staffing for non-regulated operations within the thirty organizations.

Response	Number of organizations	% of respondents (of 26)
Full time dedicated staff – sales	7	21%
Full time dedicated - non sales / business development	11	32%
Regulated "sister company" provides corporate services for a fee to non-regulated business (i.e. chargeback)	14	41%
Shared staffing arrangement where non-regulated is supported as required by regulated business staff	15	44%
Other*	4	12%

\*There is no trend in "other" responses to the survey to report general trend



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Additional questions were asked with respect to the KPIs utilized for the non-regulated business(es) that the organizations may have/support. Seven (7) organizations provided data regarding KPIs for the non-regulated business, and the following table provides the prevalence of the KPIs.

Response	Number of organizations	% of respondents	# of organization providing weighting	Average Scorecard weighting
Earnings / Net Income	3	43%	3	50%
Other Financial Metric	2	29%	2	*
Innovation: New product/ service offering / development	2	29%	2	*
Customer: retention / new	3	43%	3	18%
Other (provide details)	7	100%	5	36%

\*insufficient data to disclose

Organizations were also asked to what extent the non-regulated businesses are targeting to grow. Eleven (11) organizations provided insight and the following table provides the prevalence of responses.

Response	Number of organizations	% of respondents
Very aggressive (30%+ growth target)	-	-
Aggressive (10 - 20% growth)	2	18%
Moderate (10 - 20% growth)	4	36%
Maintain (0 - 10%)	5	45%
Ramp down - exit non-regulated business (<0%)	-	-



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### 8. COVID-19 Strategies (New for 2020 and 2021)

Organizations were also asked provide responses with respect to COVID-19 and the effect of the pandemic on compensation strategies. While rate setting by the OEB in response to the pandemic may have significant effect on LDC financials, for the most part, utility organizations did not experience the significant revenue decline felt in many other sectors in 2020 and 2021.

Generally, most utilities met with challenges with respect to workspace design (i.e., enabling distancing) and developing work from home policies quickly. We assume nearly all had to develop policies for front line staff for safety and consider variance in crew deployment.

No organizations reported using freezes, workshare programs or compensation reduction tactics as seen in the broader Canadian industrial market. Two (2) organizations reported furloughs and three (3) organizations reported terminations, some of which are permanent eliminations of positions.

Five (5) organizations reported implementing optional leaves of absence, of which 60% indicated this was a temporary measure. Several organizations needed to accommodate for leaves of absence (unpaid) as employees who did not have access to childcare at this time must be accommodated.

The most common new compensation element provided is with respect to allowances. Eight (8) organizations indicate they do provide an allowance, with four indicating that the allowances were specifically for internet or office furniture expense coverage for any staff member who was/is able to work from home.

Organizations in the survey did report amendments to vacation policy to enable employees to carry over additional days or extend the time before time is forfeit. In addition, some are considering payouts for unused vacation, where this is not the typical practice.

When asked if there will be a change in any compensation policies for remote roles vs an “office based” role, a majority (89%) of respondents indicated that they would be considered the same. The remainder of organizations indicated it was under review or unsure. 84% responded that employees would be required to come into the office on occasion.

Nine (9, or 26% of respondents) indicate that their LDC experienced higher than usual turnover in the past year. Employee engagement tactics used over the past year most commonly included increased or enhanced communications, employee engagement surveys, weekly check-ins and contests.



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### IV. Benefit Policies

#### 1. Car Benefit

Twenty-six (26), or 77%, organizations provide senior leadership with an automobile benefit of some type.

The table below summarizes the value of monthly car allowances, by position, where provided. Generally, the trend continues that more organizations are moving to car/travel allowances as opposed to providing vehicles. Three organizations indicated leased cars were being used by the organization. Based upon that sample, the average lease payment for the CEO level is \$1,077; there is insufficient data to publish median or quartiles.

##### Car Allowance (monthly)

	CEO	Executive / VP	Sr. Management/ Director
P75	800	788	604
P50	725	750	500
P25	600	602	475
Average	742	817	527
Number	18	14	7

\* insufficient data to report

#### 2. Mileage

The most frequently reported mileage rate (11 organizations) is 59 cents per kilometer. The market statistics for mileage rates provided to employees as reimbursement for personal vehicle use are detailed in the table below.

N = 35	Mileage Reimbursement (¢ per km)
P75	59.0
P50	55.0
P25	51.0
Average	55.0



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### 3. Perquisites

#### Club Memberships – Fitness

Eighteen (18) organizations reported providing a subsidy for fitness club fees. The typical policy is to provide a reimbursement of a fixed monetary amount per year. For most organizations, the same reimbursement amount will apply regardless of job level.

N = 15	Fitness Reimbursement (\$)
P75	350
P50	275
P25	200
Average	284

#### Club Memberships – Social

Two (2) organizations reported having a separate policy/program for reimbursement of social club fees.

#### Health Spending Account

Eleven (11) organizations reported providing a Health Spending Account (i.e., discretionary spending within a defined range of services / benefits). Of the eleven (11) organizations, seven (7) provide the same funding for all job levels while four (4) differentiate by job level or only provide the benefit to specific senior levels.

Annual Allowance (\$)	CEO	Executive	Director	Management	Professional / Technical
P75	1,700	1,700	1,075	1,100	1,175
P50	1,000	1,000	1,000	1,000	850
P25	665	608	550	500	454
Average	1,421	1,183	890	872	852
Number	11	11	10	9	8

\*insufficient data to disclose





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### **2<sup>nd</sup> Opinion Medical Advice**

Three (3) organizations in the survey reported having a separate policy/program for this benefit.

### **Personal Financial/Legal Counseling**

No organizations in the survey reported financial and legal counseling is available as part of their benefits program.

### **Executive Medical Plan**

Six (6) organizations reported providing enhanced medical coverage for executive levels. The maximum annual additional coverage median (P50) is \$2,250, and the average is \$1,890 for the CEO level.

### **Personal Computer / Cell Phone / Internet**

Eight (8) organizations provided information regarding policies and practices related to computers and internet. The annual amount for the CEO level median (P50) and average is \$600.

The most common policies/practices were:

- Provision of laptops for employees at certain levels, or in certain roles, sometimes in addition to an office desktop, to allow for mobile work (note: may be a perquisite if personal use of computer is allowed, but not a perquisite if for business use only).
- Reimbursement for mobile phone, including data allowance or company provided phone

With COVID-19, policies and practices in this area are expected to change as many organizations have adopted home internet and home office supports. To what extent these provisions will become permanent is yet to be determined.

### **Other Perquisites**

Other programs/practices reported, by seven (7) organizations, include:

- Reimbursement of dues/fees for professional associations such as Engineers (P. Eng.) and Accountants (CPA/CGA/CMA/CA) or Human Resources (HRPA)
- Provision of a cellular phone



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### **Enhanced Life Insurance Coverage for Senior Officers**

Organizations were asked if, for senior level jobs, there was additional, employer paid, life insurance coverage. For example, if the typical life insurance plan was 1.5x employee salary, was this enhanced to above 1.5x to some greater number such as 2x, or even 3x, for senior level jobs?

Twenty (20) organizations provided information about their basic/standard life insurance coverage where the typical and average coverage is 2x annual salary. Enhanced benefits are provided by nine (9) organizations, excluding the organizations providing a fixed amount, the additional coverages received by senior roles at these organizations averaged 2.8x annual salary.



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### 4. Vacation Entitlement

Thirty-seven (37) organizations provided the years of service required by various levels of employee to receive a certain number of vacation days/weeks. Several organizations noted that for executive level jobs, vacations are typically negotiated, rather than dictated by written policy. These observations were removed from the sample.

The table below details the range, average and typical (i.e., most common) number of years of service required per weeks of entitlement.

	2 weeks	3 weeks	4 weeks	5 weeks	6 weeks +
<b>CEO</b>					
Range	No range	Start - 6	Start - 15	1 - 18	4 - 27
Average	-	1.8	5.0	11.8	19.3
Typical	Start	Start	Start	17	25
Sample - n	19	21	29	33	33
<b>Executive / VP Level</b>					
Range	No range	Start - 6	Start - 15	2 - 18	8 - 27
Average	-	2.3	5.8	13.3	21.3
Typical	Start	3	9	17	25
Sample - n	18	23	30	33	33
<b>Director Level</b>					
Range	No Range	Start - 6	Start - 15	2 - 18	9 - 27
Average	-	1.9	6.3	13.7	21.6
Typical	Start	3	9	17	25
Sample - n	19	28	34	35	34
<b>Manager Level</b>					
Range	No Range	Start - 6	Start - 15	8 - 18	15 - 27
Average	-	1.7	7.2	14.2	22.3
Typical	Start	3	9	17	25
Sample - n	23	35	37	37	36
<b>Professional Level</b>					
Range	No Range	Start - 6	Start - 15	8 - 18	15 - 28
Average	-	2.2	7.5	14.7	22.9
Typical	Start	3	9	17	25
Sample - n	26	33	35	35	34



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## 2021 Management Salary Survey of Local Distribution Companies



### Unused Vacation

Organizations provided information about their policies and practices regarding vacation time not fully utilized in the year in which it was earned.

Policy Regarding Carry Over (n = 36)	Number	%
Unused vacation entitlement at year end is paid out (vacation pay adjustment) – no carry over	1	3%
Any/all unused vacation entitlement may be carried over with no restrictions	2	6%
Unused vacation entitlement may be carried over, subject to maximum total accumulated balance	12	33%
A maximum amount of unused vacation may be carried over	21	58%

Days in carry over (n = 25)	Number of Days
Range	0 – 40
Average	9.3
Typical	5

Time Limit for Utilizing Carried-Over Vacation Time (n = 35)	Number	%
No limit	9	26%
12 months	11	31%
Six months or less	15	43%

#### Note:

- The tables above exclude carry-over limits which are discretionary, negotiated, or dependent upon employee's annual vacation entitlement.
- Some organizations reported that unused vacations after expiry will be paid out, others reported these unused vacation days will be forfeited (i.e., without recompense), or that unused vacation exceeding the policy amount could be approved in exceptional cases.
- Additional temporary allowances are being considered by some organizations due to COVID-19; this includes additional carry over allowances, payout where not provided previously and additional time for carry over.



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## 2021 Management Salary Survey of Local Distribution Companies



### 5. Educational Assistance / Reimbursement

Twenty-four participating organizations (24) provided details regarding education assistance/ reimbursement policies ranging from eligibility criteria to payback provisions. There are a wide variety of programs and reimbursement rates. Key highlights are provided below:

- Twenty-three (23) organizations stated that they offer some education assistance. Some organizations have detailed policies governing such practice, others evaluate it on a case-by-case basis and approve as required at either manager, or senior leadership levels.
- There are usually limits in the subject and coursework in relevance to job duties and responsibilities. For example, if work related core skills the education may be reimbursed at a rate of 100% whereas non-core skills that are seen as leadership/continuing education/personal growth may be reimbursed at a rate of 50%.
- Seventeen (17) organizations provided annual reimbursement guides.
  - The maximum depends on type/level of study, and/or cost of education.
  - Some have a deductible or a reduced reimbursement schedule for “above annual amount.”
  - Several organizations suggest that there is no clear maximum and that discretionary reimbursement is subject to approval of leadership either at an annual, or employee lifetime level.
  - There are generally two types of organizations responding: those that have ongoing educational allowances and those that are providing support towards completion of a post-secondary degree (i.e. MBA).
- Payback provisions were submitted by twenty-two (22) organizations. The typical time 3.0 years, and the range is generally 1 – 5 years, where if an employee voluntarily resigns within that period, they are liable for all or a portion of their education cost. There is typically a sliding scale for proportion of payback over time (e.g., 100% if resigns within a year, 50% if within 2 years and 25% within 3).
- Several organizations also noted that any educational reimbursement must be repaid if an employee does not successfully complete their program.



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### 6. Standard Hours of Work (New for 2021)

Thirty-six organizations provided information on the standard hours of work for each benchmark position. Majority (64%) indicated that standard hours of work per week varied depending on the position. The table below shows the percentage of organizations that utilize the indicated standard hours of work for at least one benchmark position.

Hours per Week	35	36.25	37.5	40
	50%	3%	28%	84%

*\* Multiple responses may not add to 100%*



# **The MEARIE Group**

## **2021 Management Salary Survey of Local Distribution Companies**



### **V. Benchmark Position Survey Results**

The benchmark position survey results are provided via a separate file.

Detailed analysis, with expanded statistical data (i.e., including P25 and P75 data points) as well as analysis of survey results by geographic region, by customer base and by revenue, are reported in the Excel files accompanying this report.

When reviewing the survey results, and comparing across years, it is important to note that market fluctuations (or lack thereof) can arise from a variety of sources, including true market movements, change in sample composition, etc.

Readers are reminded that statistics derived from small samples are vulnerable to individual variations.

With changed and expanded Information Technology and Communications roles, caution is required when reviewing data for those roles especially looking at year over year movements.



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## **APPENDIX**





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## 2021 Management Salary Survey of Local Distribution Companies



### A. Survey Methodology

A brief profile was developed for each benchmark position. These profiles were incorporated into a survey package and distributed to each participant along with a data submission spreadsheet requesting data on survey benchmark positions, as well as the organization's profile and selected salary administration and benefits policies.

Participants matched their jobs to the profiles and provided data for each position, where applicable. For each position where an organization submitted more than one match, the data were aggregated and a representative (e.g., average) figure was used for that organization. By using this methodology, all organizations carry equal weighting, and no one single organization excessively influences the market statistics by virtue of the size of its employee population.

Once the completed surveys were returned to Korn Ferry, participants were contacted for data verification as necessary. Korn Ferry also initiated a number of follow-up actions to clarify information provided by the participants. All of the matches submitted by the participants were reviewed by Korn Ferry to determine their appropriateness versus the job profiles and the market. If deemed inappropriate, the matches, or outlier data, were removed from the survey results.

Where possible, organization charts or details regarding reporting relationships were provided to Korn Ferry to enable understanding of the roles. From the job match information, plus a review of organization charts and other contextual information provided, Korn Ferry has estimated at which Korn Ferry Hay Reference Level each organizations' roles fall to facilitate point-based comparisons.



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## 2021 Management Salary Survey of Local Distribution Companies



### B. Definitions – compensation elements

#### Salary Range

##### **Minimum**

The lowest salary/rate that the organization is prepared to pay for an incumbent in the position. May be the starting salary for inexperienced/non-qualified hire.

##### **Job rate / Control point**

Typically, the midpoint of the salary range, intended to reflect the salary the organization is prepared to pay for sustained competent performance by a fully trained / qualified incumbent.

##### **Maximum**

The highest point in the salary range (or step progression). Note: might be the same as "job rate".

#### Short Term Incentive

Short Term Incentive (STI) refers to any incentive arrangement designed to reward an individual for performance/results achieved over a performance cycle/period of up to one year.

##### **Target**

Target bonus is the level of award (either a % of salary or a fixed dollar amount) that an employee in this position would expect to receive if all corporate, team and individual performance goals are "met" (as planned). This rate/amount is often communicated to employees as part of the incentive/bonus plan design, e.g., "the target bonus for jobs in grade/band 6 is 8% of salary".

##### **Discretionary**

Discretionary plans have no target bonus rate and pay out at the end of the year at the discretion of executive/board.

#### Current Salary

The amount paid for work performed on a regular, ongoing basis.

Does not include variable bonus or incentive payments, sales commissions, shift premiums, or overtime payments.

#### Actual STI (Paid)

Total of all STI awards paid to the incumbent(s) for performance/results over the latest completed fiscal year.

May be paid during the year or after year end. (Note: recorded and reported on an annual basis).



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### C. Definitions – Statistical Elements

Market data are reported using the following statistics:

	Definition	Reporting requirement (# of observations necessary to report)
<b>P90</b>	90th percentile  If all observations were sorted and listed from highest/largest to lowest/smallest, 10% of the observations would fall above the 90th percentile and 90% would fall below	<b>11</b>
<b>P75</b>	75th percentile  If all observations were sorted and listed from highest/largest to lowest/smallest, 25% of the observations would fall above this value and 75% would fall below	<b>7</b>
<b>P50</b>	50th percentile, also referred to as “median”  If all observations were sorted and listed from highest/largest to lowest/smallest, 50% of the observations would fall above this value and 50% would fall below	<b>4</b>
<b>P25</b>	25th percentile  If all observations were sorted and listed from highest/largest to lowest/smallest, 75% of the observations would fall above this value and 25% would fall below	<b>7</b>
<b>P10</b>	10th percentile  If all observations were sorted and listed from highest/largest to lowest/smallest, 90% of the observations would fall above this value and 10% would fall below	<b>11</b>
<b>Average</b>	The arithmetic mean of all values, calculated by adding up all of the values and dividing by the number of observations.	<b>3</b>



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### D. Benchmark Position Profiles

Job Title	Description
President & CEO	Directs the development of short and long-term strategic plans, operational objectives, policies, budgets and operating plans for the organization, as approved by the Board of Directors. Establishes an organization hierarchy and delegates limits of authority to subordinate executives regarding policies, contractual commitments, expenditures and human resource matters. Represents the organization to the financial community, industry groups, government and regulatory agencies and the general public.
Chief Operating Officer (COO)	Highest ranking operations position. Reporting to the President/CEO, directs the operational elements of the organization, could include operations & engineering, customer services, metering and information technology. Develops the short and long-term strategic plans, directs the development of operational objectives, policies, budgets for his/her areas of accountability. The position reports directly to the President/CEO.
Head of Operations and/or Engineering	Highest ranking operations/engineering position. Reporting to COO or President. Directs both the operations and engineering functions. Develops the short and long-term strategic plans, formulates and implements plans, budgets, policies and procedures to facilitate and improve processes. Establishes clear controls, objectives and measures to ensure safe and appropriate delivery of power and power related services. Evaluates the feasibility of new or revised systems or procedures and oversees operations and engineering to ensure compliance with established standards.
CFO / Head of Finance	Highest ranking financially-oriented position within the company. Reporting to the President & CEO, this strategic role plans, directs and controls the organization's overall financial plans, policies and accounting practices and relationships with lending institutions, shareholders and the financial community in mid to large organizations. Provides advice and guidance for the Board of Directors on financial matters. May direct such functions as finance, general accounting, tax, payroll, customer billing, regulatory affairs, and information systems and may be responsible for Administration functions. Normally possesses a CA, CMA or CGA designation.
Head of Customer Service	The highest-ranking customer service position in the utility. Provides direction for all departmental activities, services and practices, including customer care/call centre, billing, credit and collections. Accountable for the development, implementation and integration of all customer service related activities to achieve a competitive advantage through customer driven initiatives and strategies. Directs and oversees the implementation of customer service standards, policies and procedures; manages and coordinates budgets.
Head of Regulatory Affairs	Represents the organization on quality and regulatory matters before government agencies and conformity assessment bodies including providing of evidence, regulatory filings, supporting analyses, position papers, interrogatory responses, etc. Keeps abreast of on-going developments in regulatory practices affecting electrical distribution utilities. Ensures that regulatory information is disseminated throughout the organization in a timely and effective manner. Is responsible for the filing of written communications and regulatory submissions to government agencies (OEB) and conformity assessment bodies (IMO). Generally, reports to President & CEO or a senior executive.
Head of Human Resources	The highest-ranking human resources position in the organization. Provides direction, support and alignment of organization-wide Human Resources practices and systems with the business in terms of mission, vision and the strategic imperatives. Ensures that existing needs and future demands of internal customers are met through a cost effective and efficient HR services. Directs HR management and staff in the development and implementation of Human Resources strategy, policies and programs covering employment, negotiations & labour relations, training, compensation, organization development, performance management, benefits and may include health & safety. Provides coaching and counsel to the executive and Board of Directors.



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Head of Information Technology (New for 2021)	The top information technology related position in the organization. Provides direction, support and alignment of organization-wide information technology practices and systems with the business in terms of mission, vision and the strategic imperatives. Ensures that existing needs and future demands of internal and external customers are met through operationally secure and well design technology solutions. Directs staff/vendors in the development and implementation of information technology strategy & policies. This role will oversee software development, infrastructure development, end users support, data management, cyber security, project management, IT processes and business applications.
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### Administration

Executive Assistant	Performs advanced, diversified and confidential administrative duties requiring broad knowledge of organizational policies and practices. Initiates and prepares correspondence, reports, either routine or non-routine. Screens telephone calls and visitors and resolves routine and complex inquiries. Schedules appointments, meetings and travel itineraries. In some cases, may have responsibility for routine HR and administrative services. Records, prepares and distributes minutes of meetings, including Board of Director minutes. Reports to the President & CEO and may provide support to other executives.
Administrative Assistant	Performs advanced, diversified and confidential administrative duties for executives and/or senior management, requiring broad and comprehensive experience and knowledge of organizational policies and practices. Prepares correspondence, reports, either routine or non-routine. Screens telephone calls and visitors and resolves routine and complex inquiries. Schedules appointments, meetings and travel itineraries. Reports to a senior executive or executive team.

### Engineering

Director Engineering	Plans and directs the overall engineering activities and engineering staff of the organization. Formulates and implements plans, budgets, policies and procedures to facilitate and improve processes. Coordinates the creation, development, design and improvement of the organization's projects and products in conformance with established programs and objectives. Oversees plans, resources and budgets of the department aligned with business strategy.
Engineering Manager and/or Distribution Engineer	Supervises and directs the work of an engineering division such as distribution, line design, transmission planning, distribution planning and/or civil engineering. Responsible for engineering work involving a wide scope of assignments. Handles personnel coordination and issues of the division, prepares estimates, specifications and designs, including the supervision, planning and scheduling of work within the division – Requires a P. Eng. <u>OR</u> Supervises engineering technicians or service technicians. Directs and coordinates the activities, schedules and projects of the construction and maintenance group of those involved with the distribution of electrical power from transformer substations, construction and maintenance of distribution systems. Consults with other department management on plant design, construction and maintenance. Prepares monthly operating reports, budget estimates, and work and materials specifications. Reviews and approves material requisitions, work authorizations and drawings for facilities. Requires a P. Eng.
Project Engineer	Non-supervisory position. Directs and coordinates activities related to utility engineering project work, such as smart grid systems, renewables, large utility projects, asset renewal, etc. Requires a P. Eng.
Supervisor Engineering	Supervises a small technical work group which may include CAD operators and/or engineering technicians. Coordinates the development and maintenance of engineering and construction standards and systems (GIS, AM/FM, CAD). Organizes, stores and maintains the integrity of hard copy file records, digital formats and mapping standards. Normally requires a C.E.T. or A.Sc. T. Typically reports to an engineering manager.



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## 2021 Management Salary Survey of Local Distribution Companies



### Operations

Director Operations	NOT the head of function. Plans and directs all operations functions (no engineering responsibility), of the utility. Formulates and implements plans, budgets, policies and procedures to facilitate and improve processes and establishes clear controls, objectives and measures to ensure safe and appropriate delivery of services and clarity of roles and responsibilities. Evaluates the feasibility of new or revised systems or procedures and oversees operations to ensure compliance with established standards.
Manager Operations	NOT the head of function. Supervises, co-ordinates, directs, schedules and controls the construction, maintenance and personnel of the division, including budgets, transportation, equipment and material requirements and fleet management. Division responsibilities include construction, maintenance and repair of all overhead transmission, overhead and underground distribution and may include coordination of tree trimming for geographical area assigned to the division. In smaller utilities, a professional engineer may fill this role.
Manager Control Centre	Supervises, co-ordinates, directs, schedules and controls the control centre and technical staff. Provides leadership in the planning and coordination of the control centre relative to safety, reliability and control of the distribution system. Is responsible for budgets, and the direct operations of the control centre approving system outages, switching and maintenance requirements to maintain and improve system reliability.
Supervisor Control Centre	Directs and supervises control centre technical staff. Provides planning and coordination of control centre scheduling and maintenance required for the safe, reliable operation and control of the distribution system, including the authorization of the operation of system devices, equipment and control access to electrical plant and substations. Approves and coordinates system outages and switching as required for maintenance and system reliability. Oversees power interruptions and emergencies with dispatch staff to affect corrective measures for isolation, emergency repairs and restoration purposes. Monitors feeder load profiles.
Supervisor Protection and Control	Responsible for the management of all Protection & Controls activities related to the installation, maintenance and commissioning of: Protective Relaying Schemes and Station Automation Systems; SCADA System, Visual Display System and Remote Terminal Units; Operations Ethernet and system-wide Area Communications Networks; Distribution Automation Systems, Sectionalizing Devices and Remote Supervisory Controlled Devices. Prepares and administers reports, budgets, Policies and Procedures, record keeping systems.
Supervisor Station Maintenance	Responsible for the planning, coordinating both maintenance and installation of substations, as well as ensuring reliability of the underground plant, through testing and troubleshooting. Supervises, coordinates and schedules the activities of Station Maintenance Electricians and Protection and Control Technicians, Reviews work assignments, daily logs, reports and orders. Co-ordinate crews and plan jobs, assigns work per shift, long-term work and shift coverage to ensure the smooth flow of routine work and that all shifts are covered.
Line Supervisor	Coordinates and directs the lead journey person and/or crews in the construction and maintenance of distribution lines and equipment (overhead and/or underground). Works with lead journey person to develop plans and schedules required in directing and assigning a crew or crews of skilled trade staff in performing construction, maintenance and operation of the distribution system lines in a safe and efficient manner. Supervises and coordinates subcontractors engaged in planning and executing work procedures, interpreting specifications and managing construction.



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## 2021 Management Salary Survey of Local Distribution Companies



Manager Meter Department	Supervises the overall operations of the Meter department, prepares budgets, directs the purchase and maintenance of equipment and technology related to the department. Provides direction on the supervision of meter staff, the assignment of work and productivity of staff. Supervises the work related to interactions with electronic meter programming and interaction with/or the operation of the MV90 or similar data collection systems.
Supervisor Meter Department	Responsible for overall operation of the Meter department, including operations, budgeting and supervision of meter technicians or other operations staff. Assigns, monitors and inspects the daily work and productivity of the staff in metering operations to ensure timely delivery of services, maintenance of equipment and identification of issues. Develops work plans for the department that include supervising meter re-verification, new meter installs, record maintenance and monitoring of meter maintenance, damage, reporting and theft issues. Ensures compliance with technical standards for equipment. Responsible for electronic meter programming and interaction with/operation of an MV90 or similar data collection system.

### Supply Chain / Procurement

Director Supply Chain Management	Responsible for the overall operation of the Procurement, Inventory, Fleet and/or Facilities programs and initiatives in the organization. Formulates and implements plans, budgets, policies and procedures to facilitate and improve processes and establishes clear controls, objectives and measures to ensure safe and appropriate delivery of services and clarity of roles and responsibilities. Oversees the establishment of user service level agreements and provides contract management expertise and acts as a resource for contract negotiation, review and approval. Directs the effective capital acquisition and maintenance of the corporate fleet and/or directs the effective maintenance and capital investment of the organization's facilities and assets.
Manager Procurement and/or Inventory and/or Facilities and/or Fleet	Responsible for all purchasing and/or inventory and/or facilities and/or fleet for all areas of the utility. Negotiates vendor agreements and manages the tender process. May also be responsible for stores and inventory control in the warehouse. Is responsible for budgets, policies and procedures and directs the work of the purchasing or buyers and/or stores and/or facilities and/or fleet personnel. Works with the organization in setting partnership relationships to understand and meet the needs of the organization, its operations and risk associated with the effective and efficient operations of the company.
Supervisor Stores/Inventory/Warehouse	Supervises inventory control, records and stores operation. Orders material to maintain on-hand quantities with procurements approval. Responsible for testing safety equipment, i.e., hoses, blankets, gloves, etc., small tool and equipment repair and reconditioning. Assists procurement department in the sale of obsolete equipment and material.

### Accounting / Finance

Controller or Director Finance	NOT the head of function. Responsible for all financial reporting, accounting and record keeping functions. Directs the establishment and maintenance of the organization's accounting and finance principles, practices and procedures for the maintenance of its fiscal records and the preparation of its financial reports. Directs general and property accounting, cost accounting and budgetary control. Appraises operating results in terms of costs, budgets, operating policies, trends and increased profit opportunities. Reports to a CFO/VP Finance.
Manager Accounting	Manages the general accounting functions and the preparation of reports and statistics reflecting earnings, profits, cash balances and other financial results. Formulates and administers approved accounting practices throughout the organization to ensure that financial and operating reports accurately reflect the condition of the business and provide reliable information. Reports to Controller/Director Finance or CFO/VP Finance.



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## 2021 Management Salary Survey of Local Distribution Companies



Manager Risk Management	Responsible for risk management activities including cash flow management, credit facilities management, insurance and support for credit and collection policies throughout the corporation. May be responsible for ensuring that cash liquidity risk is managed in an appropriate fashion such that bank account balances are sufficient to meet operational, capital expenditures and debt servicing requirements while minimizing short-term borrowings or surplus investing. Provides leadership in the developing new and refining existing risk management policies to respond to changes in risk tolerances and business conditions and as financial risks are better understood in accordance with industry best practices. Reports to Head of Finance or COO or CEO.
Supervisor Accounting	Coordinates activities of the payable/receivable clerks. Supervises accounts payable and receivable transactions, entries and trial balances; responsible for the accuracy of all journal entries and reconciliation of invoices; updates credit department on account status.
Financial or Business Analyst	Conducts analysis of information for budgeting, investment and financial forecasts; applies principles of accounting to analyze past and present financial operations; estimates future revenues and expenditures; prepares budgets; develops and maintains budgeting systems; processes and prepares business transactions and reports, reconciles ledgers and sub-ledgers, cash flow projections, entry of source documents. Holds a financial designation, either CA, CMA or CGA.
Accountant	Supports the organization decisions through financial information and relevant analysis. Ensures the integrity between the CS work order systems and general ledger system is maintained. Initiate corrective measures when discrepancies occur between the systems. Collects and combines information for the decision-making process by management, including financial statements and special projects as assigned (e.g., preparation of rate submission supplemental information).

### Customer Service

Director Customer Service	NOT the head of function. Provides direction for all departmental activities, services and practices, including customer care/call centre, billing, credit and collections. Accountable for the implementation and integration of all customer service related activities. Oversees the implementation of customer service standards, policies and procedures; manages budgets; manages activities of CS managers and/or supervisory staff.
Manager Customer Service and/or Billing	NOT the head of function. Manages a team of customer service and/or billing representatives in providing information, receiving and responding to customer inquiries, complaints or requests. Develops and maintains customer information systems, processes and procedures including billing, credit, deposits and collections. Liaises with representatives of other organizations and customer groups to share information and resolve administrative, organizational and technical problems. Responds to elevated customer complaints. This function may also be responsible for coordinating meter installation/maintenance, residential electric service connections, and service calls.
Supervisor Customer Service and/or Billing and/or Collections	Supervises customer service representatives (billing clerks and/or collections clerks) and coordinates customer service programs within the framework of established customer service policies. Schedules and organizes staff to accommodate anticipated workflow from bill inquiries, delinquent accounts, re-connections and disconnections, customer deposits, etc. Recommends corrective steps to address customer issues and refers unique issues to manager for response.





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## 2021 Management Salary Survey of Local Distribution Companies



### Communications

Director Communications	Directs the development, management and execution of internal and external corporate communications strategies for the company, and marketing and public relations initiatives. Acts as the Chief Spokesperson for the organization. Leads the management and development of the corporate brand and identity. Oversees the development, production and distribution of corporate publications including, but not limited to, the annual report, customer newsletters, information brochures, bill inserts, Green marketing materials, employee newsletters and media releases. Directs the development and management of the company's external (corporate internet site) and internal (corporate intranet site) web presence and strategy. Oversees the management and execution of internal and external corporate events as well as community-relations activities such as sponsorship and donation programs.
Manager Communications	Responsible for managing the development and implementation of all customer communications initiatives as well as the marketing communications expertise and support required for the successful delivery of the company's customer communications materials/systems. Communication materials may include, but are not limited to, customer newsletters, information brochures, bill form design, employee intranet, LCD information monitors, and website communications. Working in conjunction with Regulatory Affairs, develop materials or other communication methods to communicate regulatory changes/issues that may directly impact the customer. Manages event planning for internal and external company events.
Communications Specialist (New for 2021)	Responsible for providing communications support for internal and external communications. Evaluates and utilizes best platform for communication, including social media. Keeps current of industry and communication trends, monitoring communication efficacy and data as available to support the communications team by providing input to the overall communications plan. Assists in the development of key messages, composing press releases and preparing other communications materials (including website).

### Regulatory Affairs

Director Regulatory Affairs	NOT the head of function. Supports the VP or may represent the organization on regulatory matters before government agencies and conformity assessment bodies including providing of evidence, regulatory filings, supporting analyses, position papers, interrogatory responses, etc. Ensures that regulatory information is disseminated throughout the organization in a timely and effective manner. Is responsible for or supports the filing of written communications and regulatory submissions to government agencies (OEB) and conformity assessment bodies (IMO).
Manager Regulatory Affairs	NOT the head of function. Manages the organization's regulatory staff, programs and activities to ensure compliance. Assists the organization on quality and regulatory matters before government agencies, providing research and analyses. Ensures that regulatory information is disseminated throughout the organization in a timely and effective manner. Coordinates the filing of written communications and regulatory submissions to government agencies (OEB) and conformity assessment bodies (IMO).
Regulatory Accountant	Ensures that the accounting activities for regulatory financial reporting are in compliance with all Ontario Energy Board (OEB) policies and guidelines. Act as a key resource to provide expert advice and recommendations in the implantation of all OEB, OPA and IESO codes and regulations in order to ensure corporate compliance. Track and reconcile all OEB accounts, including business rationale for changes in balances, cost side of accounts subject to prudence review (i.e., conservation, smart meters) and the cost side of Ontario Power Authority (OPA) programs.



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## 2021 Management Salary Survey of Local Distribution Companies



### Conservation / Demand (Removed two models for 2021)

Settlement or Rate Analyst	Responsible for recording, creating, analyzing, processing and reconciling metering data. Operates and administers an MV-90 or similar data collection system, downloading, validating, editing, estimating and processing interval meter-related information. Has in-depth understanding of commercial billing practices, the IMO and the OEB's Retail Settlement Code. Analyses rates using rate sensitivity models and develops appropriate rate structures, using the specific models.
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### Information Systems / Technology

Director Information Systems	Accountable for operations and alignment of the Information and Telecommunication Systems with the business in terms of organization objectives and imperatives. Ensures that existing needs and future demands of internal and external customers are met through a cost effective and efficient information and telecommunication infrastructure. Oversees IS management in areas of computer operations, systems planning, design, security, programming and telecommunications. Reviews and evaluates project feasibility and needs based upon management's and business requirements and priorities. Develops departmental plans, strategy, budgets and resource requirements. Typically reports to the chief IT role or may report directly to the CEO and/or CFO.
Manager Information Systems (Revised for 2021)	Manages and directs staff in areas of computer operations, systems planning, design, security, programming and telecommunications. Develops and maintains systems standards and procedures and assigns work to department staff. Reviews and evaluates project feasibility and needs based upon management's and business requirements and priorities. Develops departmental plans, project plans, budgets and resource requirements.
Systems/Program Administrator or Applications/ Systems Support Professional	Responsible for maintenance of software systems including system analysis, programming and design, updates and changes. Makes a preliminary study of new applications and recommendations to implement them, including hardware and software. Troubleshoots and corrects problems in existing programs, other than normal problems, usually caused by changes of software or hardware.
Manager Information Security (New for 2021)	Responsible for providing communications support for internal and external communications. Evaluates and utilizes best platform for communication, including social media. Keeps current of industry and communication trends, monitoring communication efficacy and data as available to support the communications team by providing input to the overall communications plan. Assists in the development of key messages, composing press releases and preparing other communications materials (including website).
Network Specialist/ Manager/ Engineer (New for 2021)	Designs integrated IT infrastructure systems to support the organization's business needs. Analyzes and interprets business needs and delivers network solutions. Designs, installs, configures, and supports IT networks, including maintenance and troubleshooting. Develops and maintains documentation/policy relating to procedures, processes and standards. Plans, tests and implements upgrades and patches for networking equipment. Tunes network hardware and software to ensure optimum performance, resource utilization, and capabilities enhancement (technology strategy and road maps).



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## 2021 Management Salary Survey of Local Distribution Companies



### Human Resources

Human Resources Manager	NOT the head of function. Develops and implements human resources programs, including compensation, benefits, recruitment, performance management, labour relations/negotiations, training and development, assists in policy development, HR planning, record keeping or payroll etc. May supervise a team of HR professionals or support staff. Reports to a senior HR professional (Director or VP or equivalent).
Human Resources Generalist	Assists in the development and implementation of human resources policies and programs by providing support and guidance to managers and employees in the areas of compensation, labour relations, employee relations, performance management, benefits, recruitment, training and HRIS systems. Acts as a business partner to the organization in the areas of human capital. May assist in the preparation of negotiations.
Human Resources Coordinator	Administrative support to one or more functional areas of HR and/or Safety. Processes, coordinates and enters into a HRIS or other system, a variety of documents including employment applications, benefits, compensation and payroll changes and confidential employee information. Responds to routine employment questions and distributes and maintains manuals and employee program communications.
Payroll	Performs the payroll coordination and administration. Maintains the organizations internal or external payroll system. Prepares monthly requisitions for WSIB, Employee Health Tax, Receiver General, OMERS Pension and Union Dues. Administers employee pension program and provides pension calculation estimates as requested. Reconciles monthly payroll for year-end finance procedures. Prepares annual T4's and T4A's and OMERS Pension and responds to inquiries from employees and pensioners regarding the pension plan.
Manager, Health & Safety	Accountable for the development and implementation of occupational health, safety and environmental programs, including training, maintenance of safe working conditions, investigation and reporting of workplace accidents. Also identifies areas of potential risk and makes recommendations to reduce or eliminate potential accident or health hazards in compliance with government regulations.

### Business Development / Non-Regulated Business

Executive Role - Non-Regulated Business	Reporting to either/or the CEO or the Board, this role is responsible for non-regulated revenue streams, and achieving growth/revenue targets for the organization. This includes the development of new offerings, enhancing existing offerings or creating value for clients by diversifying the organization's services. They are responsible for maintaining and growing client relationships as well as building relationships with additional clients in the market. May be supported by analytical staff or more junior business development roles.
Non-Executive Role - Non-Regulated Business	Reporting to an executive within an LDC or an executive in a sister/non regulated company, this role is responsible for non-regulated revenue generation. They will have growth/revenue targets for the organization and are focused on maintaining/growing relationships with clients by enhancing existing offerings or creating value by diversifying the organization's services. They may also support the development of additional market offerings.



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## E. Regions

