

- 1 **Q. Further to CA-NP-204, the company states that (line 17) the forecast median of the**
 2 **Canadian Commercial Industrial (CCI) executive market establishes the Company’s salary**
 3 **policy for executives and that (line 34) the forecast median of the CCI non-executive market**
 4 **establishes the Company’s salary policy for directors. NP states that the typical salary**
 5 **range is 80% to 115% of salary policy for executives (line 18) and directors (line 35).**
 6 **Footnote 1 to the reply states, “The median of the market is that point at which 50% of**
 7 **salary observations are higher and 50% of salary observations are lower. It is also**
 8 **commonly referred to as the 50th percentile.” Which executives and directors in 2015 and**
 9 **2016 are paid in excess of salary policy (and by what percentage) and at what percentile is**
 10 **that salary point in the applicable market for each of these years?**
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- 12 **A. Table 1 shows the 2015 salary, salary policy and compa-ratio for Executive and Director**
 13 **group members by position.**
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Table 1
2015 Salary, Salary Policy and Compa-ratio

Executives	Salary	Salary Policy¹	Compa-ratio²
President & CEO	\$350,000	\$359,100	97.5%
VP Engineering & Operations	\$226,000	\$266,000	85.0%
VP Finance & CFO	\$273,000	\$257,800	105.9%
VP Regulation & Planning	\$273,000	\$257,800	105.9%
Directors			
Director St. John’s Region	\$178,700	\$168,200	106.2%
Director Eastern Region	\$130,000	\$168,200	77.3%
Director Western Region	\$167,000	\$168,200	99.3%
Director Engineering	\$178,700	\$168,200	106.2%
Director Operations	\$170,000	\$168,200	101.1%
Director Operations Support	\$133,900	\$161,900	82.7%
Director Technology	\$168,300	\$161,900	104.0%
Director Human Resources & Corporate Affairs	\$166,500	\$157,500	105.7%
Director Customer & Corporate Relations	\$159,700	\$157,500	101.4%
Director Revenue & Supply	\$151,700	\$153,200	99.0%
Director Finance	\$143,700	\$147,400	97.5%

¹ Salary policy based on advice of compensation consultant Hay Group which represents the estimated 2015 market actual salary median.

² Compa-ratio is calculated by dividing the employee’s salary by the salary policy.

- 1 Table 2 shows the 2016 salary, salary policy and compa-ratio for Executive and Director group
2 members by position.

Table 2
2016 Salary, Salary Policy and Compa-ratio

Executives	Salary	Salary Policy³	Compa-ratio⁴
President & CEO	\$360,000	\$372,500	96.6%
VP Engineering & Operations	\$250,000	\$276,700	90.4%
VP Finance & CFO	\$280,000	\$267,400	104.7%
VP Regulation & Planning	\$280,000	\$267,400	104.7%
Directors			
Director St. John's Region	\$182,000	\$171,300	106.2%
Director Eastern Region	\$149,000	\$171,300	87.0%
Director Western Region	\$171,000	\$171,300	99.8%
Director Engineering	\$182,000	\$171,300	106.2%
Director Operations	\$173,000	\$171,300	101.0%
Director Operations Support	\$147,800	\$166,300	88.9%
Director Technology	\$172,500	\$166,300	103.7%
Director Human Resources & Corporate Affairs	\$170,600	\$162,400	105.0%
Director Customer & Corporate Relations	\$163,700	\$162,400	100.8%
Director Revenue & Supply	\$158,000	\$158,000	100.0%
Director Finance	\$147,300	\$151,900	97.0%

³ Policy based on advice of compensation consultant Hay Group which represents the estimated 2016 market actual salary median.

⁴ Compa-ratio is calculated by dividing the employee's salary by the salary policy.