

**Maritime Electric**

**IR-12** According to Table 4-6 (page 36 of the Application), Maritime Electric is forecasting capital contributions of \$10.25 million in 2024 and \$8.75 million in 2025.

- a) Please explain the increased capital contributions in 2024 and 2025.
- b) Do the capital contributions in Table 4-6 include Government funding available for the CIS and advanced metering infrastructure?

**Response:**

**THIS IS AN ABRIDGED VERSION OF THE CONFIDENTIAL RESPONSE  
FILED WITH THE COMMISSION.**

- a. The increased capital contributions in 2024 and 2025 are associated with forecast funding of certain projects, which is subject to a formal funding agreement to be signed pending regulatory approval.
- b. See response to IR-12 (a).

**Maritime Electric**

**IR-40** Please provide a detailed breakdown of compensation paid, or forecasted to be paid, to MECL’s senior management and executive position employees for the years 2019 to 2025 (inclusive). The breakdown should clearly show the compensation paid to each senior management and executive position, identifying the title of the position and a breakdown of the compensation paid by salary, bonus(es), stock option(s), and any other compensation paid or payable.

The abridged version [of the response to IR-40] shall:

- a) Provide the total aggregate compensation to the executive team, and the total aggregate compensation paid to senior management, in each year;
- b) Identify the number of paid positions that make up the aggregate executive compensation and the number of paid positions that make up the aggregate senior management compensation;
- c) Provide a breakdown of the total aggregate compensation to show the amount paid for various components of the compensation package, including (but not limited to) base salary, short-term incentive plans, long-term incentive plans, retirement plans, stock options, vehicle allowances, bonuses, and any other remuneration.

**Response:**

**THIS IS AN ABRIDGED VERSION OF THE CONFIDENTIAL RESPONSE  
FILED WITH THE COMMISSION.**

The administration of Executive compensation is the responsibility of the Company’s Human Resources and Corporate Governance (“HR&CG”) Committee of the Board of Directors.<sup>1</sup> The HR&CG Committee recognizes the need to provide a total compensation package that will attract and retain qualified and experienced Executives as well as align the level of compensation for each Executive to their level of responsibility.

Similarly, it is the responsibility of the Company’s Executives to review and administer the compensation program for the Senior Management group. The Senior Management compensation program is intended to also provide a competitive total compensation package that will attract and retain qualified and experienced individuals from the Canadian utility or industrial market based on their level of responsibility.

To meet the overall compensation program objectives for Executives and Senior Management, the HR&CG Committee and Executives annually review survey data gathered by independent professional compensation consultants, Korn Ferry Hay Group (“Korn Ferry”), compared to a wide group of comparable Canadian commercial industrial companies. The Korn Ferry methodology is used in evaluating positions and selecting comparator groups to be used in establishing target compensation levels. Maritime Electric has consistently applied the Korn Ferry methodology for over 25 years in comparing the Company’s job evaluations, for purposes of determining compensation, to that of the external market.

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<sup>1</sup> The HR&CG Committee is comprised of six members of the Board of Directors, four of which are independent from Maritime Electric. The Board of Directors is comprised of ten members, seven of which are independent.

**General Rate Application (UE20946)  
Responses to Interrogatories  
from Commission Staff – August 11, 2022**

**Maritime Electric**

Maritime Electric targets the compensation of its Executives and Senior Management at a level approximately equivalent to the median or middle (i.e., 50<sup>th</sup> percentile) of practice among the applicable Korn Ferry comparator groups for Executive and Senior Management positions. The Canadian Commercial Industrial Market comparator group, comprised of 214 organizations from across Canada, is used in evaluating Executive positions while the Canadian All Industrial Market comparator group, comprised of 248 organizations, is used in evaluating Senior Management positions.

The following table provides the complete remuneration for the Company's Executive and Senior Management for the years requested.

	<b>No. of Positions</b>	<b>Salary (\$thousands)</b>	<b>Short-Term Incentive<sup>2</sup> (\$thousands)</b>	<b>Supplementary Employee Retirement Plan<sup>3</sup> (\$thousands)</b>	<b>Long-Term Incentive<sup>3,4</sup> (\$thousands)</b>	<b>Vehicle (\$thousands)</b>	<b>TOTAL (\$thousands)</b>
<b>Executive:</b>							
2019 Actual	4	1,063	604	161	790	42	2,660
2020 Actual	4	1,203	476	176	682	44	2,581
2021 Actual	4	1,088	652	137	741	43	2,661
2022 Forecast	4	1,141	525	155	524	43	2,388
2023 Forecast	4	1,189	553	165	661	44	2,612
2024 Forecast	4	1,229	580	175	729	45	2,758
2025 Forecast	4	1,260	601	186	733	46	2,826
<b>Senior Management:</b>							
2019 Actual	10	1,407	310	3	23	-	1,743
2020 Actual	10	1,521	267	3	10	-	1,801
2021 Actual	11	1,622	301	3	14	-	1,940
2022 Forecast	11	1,676	304	3	7	-	1,990
2023 Forecast	11	1,726	314	4	7	-	2,051
2024 Forecast	11	1,777	324	4	8	-	2,113
2025 Forecast	11	1,822	333	4	8	-	2,167

<sup>2</sup> Short-term incentives are considered bonuses. The amount of each bonus is determined by an annual assessment of corporate and personal performance in relation to approved targets (Executive targets are approved by the Board of Directors and Senior Management targets are approved by the Executive). Corporate performance is determined relative to weighted targets in the categories of customer satisfaction, productivity, reliability, safety and financial, and is approved by the Board of Directors. Personal performance is determined relative to individual targets. Executive bonuses are approved by the Board of Directors and Senior Management bonuses are approved by the Executive.

<sup>3</sup> Amounts also include payments to retired employees.

<sup>4</sup> Long-term incentives include stock options, if applicable. All long-term incentives are approved by the Board of Directors. Effective January 2022, stock options are no longer awarded to Executive.

**Maritime Electric**

**IR-41** Please confirm the dollar amount of compensation paid or forecasted to be paid to MECL's senior management and executive positions included in the revenue requirement for 2023 to 2025.

**Response:**

The dollar amount of compensation forecast to be paid to Maritime Electric's senior management and executive positions included in the revenue requirement for 2023, 2024, and 2025 is approximately \$3.5 million, \$3.7 million and \$3.8 million, respectively.