

**BEFORE THE
INDIANA UTILITY REGULATORY COMMISSION**

**VERIFIED PETITION OF THE BOARD OF)
DIRECTORS FOR UTILITIES OF THE)
DEPARTMENT OF PUBLIC UTILITIES OF THE CITY)
OF INDIANAPOLIS, D/B/A CITIZENS THERMAL,)
FOR (1) AUTHORITY TO ADJUST ITS RATES AND)
CHARGES FOR STEAM UTILITY SERVICE, (2))
APPROVAL OF A NEW SCHEDULE OF RATES AND)
CHARGES, AND (3) APPROVAL OF CERTAIN)
REVISIONS TO ITS TERMS AND CONDITIONS)
APPLICABLE TO STEAM UTILITY SERVICE)**

CAUSE NO. 45855

**IURC
PETITIONER'S**
EXHIBIT NO. 8-23-83
DATE 8-23-83 REPORTER UR

**DIRECT TESTIMONY
of
DAVID J. WATHEN**

**On
Behalf of
Petitioner,
CITIZENS THERMAL**

**OFFICIAL
EXHIBITS**

Petitioner's Exhibit No. 8

1 **INTRODUCTION**

2 **Q1. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A1. My name is David J. Wathen. My business address is 5 Concourse Parkway, Suite
4 1800, Atlanta, Georgia 30328.

5 **Q2. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6 A2. I have been employed by WTW (formerly known as Willis Towers Watson) since
7 1996, and my position is Managing Director, Southeast Work & Rewards Practice
8 Leader in Atlanta. I am also the leader of WTW's utility industry compensation team.
9 WTW is a leading global advisory, broking and solutions company, which has over
10 45,000 associates throughout the world, who offer solutions in the areas of employee
11 benefits, talent management, rewards, and risk and capital management.

12 **Q3. PLEASE SHARE YOUR EDUCATIONAL BACKGROUND.**

13 A3. I graduated from Vanderbilt University in 1990 with a B.A. in Economics and earned
14 an M.B.A. with an emphasis in Human Resources from The Owen Graduate School of
15 Management at Vanderbilt University in 1996.

16 **Q4. PLEASE SHARE YOUR QUALIFICATIONS IN ASSESSING UTILITY
17 COMPENSATION PROGRAMS.**

18 A4. In my 25 plus year career with WTW, I have assisted senior management and boards
19 of directors at numerous companies in designing and assessing all aspects of their
20 executive compensation programs. Since joining the firm in 1996, I have consulted
21 with numerous utilities and currently serve as the leader of the firm's utility industry
22 compensation team. I have conducted competitive assessments of total compensation

1 levels and at-risk compensation plans for numerous public power and investor-owned
2 utilities. Currently, I am providing compensation consulting services to several utility
3 clients located across North America, including Citizens Energy Group.

4 **Q5. PLEASE DESCRIBE IN GENERAL TERMS THE COMPENSATION**
5 **SERVICES WTW PROVIDES TO ITS CLIENTS.**

6 A5. WTW advises organizations throughout the globe on all aspects of their compensation
7 programs, with the goal of paying employees competitively and enabling these
8 organizations to attract, retain, motivate, and engage employees efficiently and cost-
9 effectively. Typical areas of compensation consulting assistance include pay
10 philosophy development, variable or at-risk compensation plan design, total
11 compensation benchmarking, and compensation structure development.

12 **Q6. WHY DO ORGANIZATIONS SUCH AS CITIZENS ENERGY GROUP**
13 **RETAIN A CONSULTING FIRM SUCH AS WTW FOR COMPENSATION**
14 **SERVICES?**

15 A6. Organizations retain the services of compensation consultants like WTW because they
16 need access to the expertise and resources that consulting firms have to offer regarding
17 current and emerging market practices, compensation program design and competitive
18 market data. WTW has extensive experience serving clients in the energy
19 services/utility industry, having served more than 150 energy services/utility industry
20 organizations last year alone. Because we invest heavily in our energy services/utility
21 industry capabilities, we have rich competitive industry information that enables
22 Citizens Energy Group to benchmark its compensation programs against similar

1 organizations in the U.S. Given WTW's breadth and depth of resources, we are
2 frequently engaged by companies to conduct competitive assessments of compensation
3 programs, including pay philosophy, compensation levels by position, at-risk
4 compensation plan design, and other consulting services.

5 **Q7. PLEASE SUMMARIZE THE GENERAL APPROACH THAT IS USED BY**
6 **WTW IN CONDUCTING AN EXECUTIVE COMPENSATION**
7 **BENCHMARKING STUDY.**

8 A7. An executive compensation benchmarking study can vary in depth and breadth of
9 analyses, but a study covering compensation benchmarking for one of our utility clients
10 would typically entail the following:

- 11 1. Review and validate the executive compensation philosophy
- 12 2. Review key duties and responsibilities of executive positions to be included in
- 13 the analysis and identify applicable compensation survey benchmark matches
- 14 3. Benchmark analysis of selected executive positions using applicable industry-
- 15 specific and/or general industry surveys covering the following market pay
- 16 components:
 - 17 a. Base salary
 - 18 b. Short-term at-risk compensation
 - 19 c. Total cash compensation (base salary + short-term at-risk
 - 20 compensation)
 - 21 d. Long-term at-risk compensation
 - 22 e. Total direct compensation (total cash compensation + long-term at-risk
 - 23 compensation)
- 24 4. Assess gaps to market in levels of compensation
- 25 5. Identify possible compensation adjustments that would better align
- 26 compensation with competitive market levels

27 **Q8. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS GENERAL RATE**
28 **CASE PROCEEDING FOR PETITIONER CITIZENS THERMAL?**

29 A8. The primary purpose of my testimony is to provide the Commission with an executive
30 compensation study examining competitive compensation levels for peer organizations

1 that are reflective of Citizens Energy Group's market for executive talent as defined in
2 the company's executive compensation philosophy.

3 The study WTW conducted demonstrates that the target total cash
4 compensation (base salary + short-term at-risk compensation) provided to Citizens
5 Energy Group executives aligns with the primary market reference point of
6 municipal/public power utilities and investor-owned utilities as defined in the executive
7 compensation philosophy established by Citizens Energy Group's Board of Directors
8 (the "Board") and is reasonable relative to the competitive market for executive talent
9 for similar industry positions. On the other hand, Citizens Energy Group's executive
10 target total cash compensation falls well below market target total direct compensation
11 (target total cash compensation + long-term at-risk compensation), as Citizens Energy
12 Group eliminated the long-term at-risk compensation plan in 2014. In reaching these
13 conclusions, WTW specifically focused on the following aspects of the Citizens Energy
14 Group compensation program:

- 15 • Executive compensation philosophy; and
- 16 • Competitive market positioning of target total cash compensation.

17 **OVERVIEW OF CITIZENS ENERGY GROUP'S EXECUTIVE COMPENSATION PHILOSOPHY**

18 **Q9. DOES CITIZENS ENERGY GROUP HAVE A DEFINED EXECUTIVE**
19 **COMPENSATION PHILOSOPHY?**

20 A9. Yes, Citizens Energy Group's executive compensation philosophy, as defined by the
21 Board, is to provide target total direct compensation that is competitive with the market
22 median (50th percentile) of comparably-sized utility organizations for jobs of similar

1 responsibility. The Board has reviewed and affirmed this executive compensation
2 philosophy each year since at least 2014. The primary market for executive talent is
3 defined by the Board as a blend of similarly-sized investor-owned and municipal/public
4 power utilities. In addition, the Board identified the general industry as a secondary
5 market for executive talent, particularly for functional roles (*i.e.*, Finance, Information
6 Technology, Human Resources, etc.).

7 **Q10. HOW DOES CITIZENS ENERGY GROUP'S EXECUTIVE COMPENSATION**
8 **PHILOSOPHY COMPARE WITH OTHER UTILITIES?**

9 A10. WTW examined the proxy disclosures for 10 investor-owned utilities that are
10 comparable in size to Citizens Energy Group (*e.g.*, revenues ranged from
11 approximately one-half to two times Citizens Energy Group's annual revenues of \$886
12 million) and participate in the 2021 Willis Towers Watson Energy Services Industry
13 Executive Compensation Database. Peer companies examined are listed in Attachment
14 DJW-1.

15 Based on WTW's review, we believe Citizens Energy Group's executive
16 compensation philosophy remains well-aligned with investor-owned utility peers as
17 almost all of the utility peers (8 of 10 utility peers) position their target total direct
18 compensation at the market median (50th percentile) for some or all pay elements (2
19 utility peers did not disclose a targeted market pay position). Likewise, our consulting
20 experience suggests that larger municipal/public power utilities, as well as general
21 industry companies typically target executive total direct compensation at the market
22 median (50th percentile).

1 **Q11. IN YOUR OPINION, WHY IS BENCHMARKING WITH A PEER GROUP AN**
2 **APPROPRIATE WAY FOR THE BOARD TO ASSESS THE COMPETITIVE**
3 **POSITION OF EXECUTIVE COMPENSATION?**

4 A11. A compensation benchmarking study enables the Board to assess the competitive
5 position of executive compensation relative to a defined peer group, representing the
6 company's defined market for executive talent, and ensures alignment with the Board's
7 articulated executive compensation philosophy. By understanding the competitive
8 levels and mix of pay the Board is able to determine what adjustments, if any, are
9 needed to ensure a competitive compensation package is in place to continue to attract,
10 retain and motivate the executive talent needed to successfully lead the utilities and
11 other businesses operated and managed by Citizens Energy Group.

12 **Q12. IS THE EXECUTIVE COMPENSATION PHILOSOPHY ALIGNED PEER**
13 **GROUP OF INVESTOR-OWNED UTILITIES AND MUNICIPAL/PUBLIC**
14 **POWER UTILITIES USED TO MEASURE THE COMPETITIVENESS OF**
15 **EXECUTIVE COMPENSATION APPROPRIATE IN YOUR OPINION?**

16 A12. Yes. The 25 company peer group WTW used to assess the competitiveness of
17 executive compensation at Citizens Energy Group is based on utilities comparable in
18 size to Citizens Energy Group (revenues ranging from approximately one-half to two
19 times Citizens Energy Group revenues of \$886 million) that participated in the 2021
20 Willis Towers Watson Energy Services Industry Executive Compensation Database.
21 When developing a relevant peer group for benchmarking, a competitive range of one-
22 half to two times revenues is a standard practice in our business and is also utilized by

1 Institutional Shareholder Services, a noted proxy advisor firm. The peer group used
2 for benchmarking executive positions at Citizens Energy Group (consisting primarily
3 of investor-owned utilities and municipal/public power utilities) was chosen, as it
4 reflects the primary market where the company competes for executive talent.

5 **Q13. DO OTHER MUNICIPAL AND PUBLIC POWER UTILITIES, LIKE**
6 **CITIZENS ENERGY GROUP, INCLUDE INVESTOR-OWNED UTILITIES IN**
7 **THEIR PEER GROUPS FOR BENCHMARKING EXECUTIVE POSITIONS?**

8 A13. Yes. Based on my consulting experience, other large municipal and public power
9 utilities include investor-owned utilities in their executive compensation benchmarking
10 peer group. It is appropriate for them to do so, because these utilities need to be able
11 to attract and retain executives with the requisite experience and expertise needed to
12 manage large, complex organizations covering vertically integrated operations,
13 multiple business/operating units and/or support functions needed to provide safe,
14 reliable and cost effective services to customers.

15 As noted in Petitioner's witness Jodi L. Whitney's testimony, Citizens Energy
16 Group's officers are responsible for managing long-term strategic objectives, financial
17 objectives, regulatory initiatives and overall operations for Citizens Energy Group's
18 seven utilities. The utilities cover water, wastewater, natural gas and steam operations
19 with four utilities regulated by the Commission under the municipal ratemaking statute
20 and three regulated as investor-owned utilities. Given the complexity of operations and
21 requisite experience, managerial and other skills needed to effectively run such an

organization, Citizens Energy Group has found investor-owned utilities to provide a strong talent pool to meet their executive leadership needs.

SUMMARY OF WTW'S EXECUTIVE COMPENSATION BENCHMARKING STUDY

Q14. DID YOU CONDUCT A COMPETITIVE BENCHMARKING ANALYSIS OF CITIZENS ENERGY GROUP'S EXECUTIVE COMPENSATION REFLECTIVE OF THE BOARD'S DEFINED MARKET FOR EXECUTIVE TALENT?

A14. Yes. The results of that analysis are included as Attachment DJW-2.

Q15. PLEASE DESCRIBE HOW THE STUDY WAS CONDUCTED.

A15. WTW assessed the competitiveness of Citizens Energy Group's target total cash compensation for 12 executive positions as compared against market target total direct compensation. Target total cash compensation for Citizens Energy Group's officers is defined as base salary + short-term at-risk compensation, as the long-term at-risk compensation plan was eliminated by the Board in September of 2014.

To conduct this analysis, we reviewed compensation data provided to us by Citizens Energy Group and examined competitive market data from the 2021 Willis Towers Watson Energy Services Industry Executive Compensation Database. This database is comprised of compensation data for over 135 energy services companies, including investor-owned, municipal and public power utilities. WTW has been conducting this survey for over 25 years.

In assessing the competitiveness of Citizens Energy Group's executive compensation, we examined market data from the 2021 Willis Towers Watson Energy

Services Industry Executive Compensation Database, including a custom peer group reflecting 25 regulated utilities with revenues in a range of approximately one-half to two times Citizens Energy Group's revenues of \$886 million, as the primary market reference point for comparison (See Attachment DJW-3 for a listing of the peer companies).

Q16. PLEASE SUMMARIZE HOW CITIZENS ENERGY GROUP'S EXECUTIVE COMPENSATION COMPARED TO THE MARKET MEDIAN.

A16. The table below summarizes the aggregate variance of compensation for the Citizens Energy Group executives as compared to the market median (50th percentile) for each pay component of the utility peers examined by WTW:

| | Aggregate Variance from Market Median (50 th Percentile) | | |
|----------------------------------|---|--------------------------------|----------------------------------|
| | Base Salary | Target Total Cash Compensation | Target Total Direct Compensation |
| Citizens Energy Group Executives | -4% | -2% | -42% |

When determining the competitiveness of compensation relative to market, WTW defines an executive position as being competitive or "at market" if compensation is within +/-15% of the market rate of compensation.

In aggregate, Citizens Energy Group executive pay falls within the competitive range of the market for base salary and target total cash compensation (base salary + short-term at-risk compensation), but falls well below the competitive market range when compared to the Board's targeted market position of the 50th percentile of target total direct compensation (base salary + short-term at-risk compensation + long-term

1 at-risk compensation), which is due primarily to the lack of long-term at-risk
2 compensation given the elimination of this plan in 2014.

3 **Q17. ARE YOU FAMILIAR WITH THE AT-RISK INCENTIVE COMPENSATION**
4 **AVAILABLE TO CITIZENS ENERGY GROUP EXECUTIVES?**

5 A17. Yes.

6 **Q18. IN YOUR OPINION IS THE AT-RISK INCENTIVE COMPENSATION**
7 **PROVIDED FOR CITIZENS ENERGY GROUP EXECUTIVES ALIGNED**
8 **WITH COMPETITIVE UTILITY MARKET PRACTICE?**

9 A18. No. While Citizens Energy Group's inclusion of a short-term at-risk incentive plan for
10 executives is aligned with utility market practice, the lack of a long-term at-risk
11 incentive plan is the primary driver of executive compensation being 42% below the
12 market median, on average, of the utility peer group. The use of short and long-term
13 at-risk compensation plans for executives is almost universal among investor-owned
14 utilities. As it relates to the 25 regulated utility peer group used for benchmarking
15 Citizens Energy Group executive compensation, almost two-thirds of the peers utilize
16 a short-term at-risk compensation plan and a majority utilize a long-term at-risk
17 compensation plan for their senior executive positions.

1 **CONCLUSION**

2 **Q19. WHAT ARE THE CONCLUSIONS OF YOUR ANALYSIS OF**
3 **COMPENSATION FOR THE OFFICERS OF CITIZENS ENERGY GROUP**
4 **WHEN COMPARED TO THE PEER GROUP DETERMINED BY THE**
5 **BOARD?**

6 A19. Overall, our analysis of utility peers aligned with the Board's articulated executive
7 compensation philosophy indicates that Citizens Energy Group's executive
8 compensation is generally competitive with the utility peers' market median base salary
9 and target total cash compensation but falls well below the market median competitive
10 range for target total direct compensation. Given the competitive market for talent,
11 Citizens Energy Group must provide market competitive compensation in order to be
12 able to attract, retain and motivate officers needed to successfully run Citizens Energy
13 Group's seven utilities and other businesses.

14 **Q20. DOES THIS CONCLUDE YOUR PREPARED TESTIMONY?**

15 A20. Yes.

VERIFICATION

The undersigned affirms under the penalties for perjury that the foregoing testimony is true to the best of his knowledge, information and belief.



David J. Wathen

Attachment DJW-1 to the Direct Testimony of David J. Wathen

Executive Compensation Philosophy Analysis Peer Group

1. Avista Corporation
2. Black Hills Corporation
3. Chesapeake Utilities Corporation
4. Essential Utilities, Inc.
5. Idaho Power Company
6. NorthWestern Energy
7. NW Natural
8. Otter Tail Power Company
9. PNM Resources, Inc.
10. South Jersey Industries

Citizens Energy Group

Executive Compensation Benchmarking Analysis for FY2023

September 21, 2022

Introduction

Background

The Compensation and Finance Committee of the Board of Directors of Citizens Energy Group (“Citizens”) engaged Willis Towers Watson (WTW) to conduct a competitive market review of Citizens’ top twelve (12) positions

- The table below summarizes Citizens’ executive compensation philosophy that was defined by the Compensation and Finance Committee:

| Component | Philosophy |
|--|--|
| Market for Talent | <ul style="list-style-type: none"> • Investor-Owned Utilities • Municipal/Public Power Utilities (“Public Power”) • General Industry |
| Competitive Market Pay Reference Point | <ul style="list-style-type: none"> • Primary market reference point is investor-owned utilities and municipal/public power utilities • Secondary market reference point (functional roles) is general industry |
| Targeted Market Pay Position | <ul style="list-style-type: none"> • Market 50th percentile |
| Targeted Market Pay Component | <ul style="list-style-type: none"> • Target total direct compensation (base salary + short-term incentive + long-term incentive) |

Introduction

Background (*continued*)

Given Citizens' defined executive compensation philosophy, the Board and Management requested an analysis of competitive compensation data from the following two market perspectives:

1. Combined Investor-Owned and Public Power Utilities
 - Reflects the primary market for executive talent as defined by the Board and Management
 - Data comprises investor-owned utilities, municipal/public power and joint action agencies
2. General Industry
 - Reflects the secondary market for talent for selected functional roles (e.g., HR, Finance, IT, etc.) as defined by the Board and Management

Executive Summary

Primary Market for Talent: Investor Owned and Public Power Utilities

Based on the investor owned and public power utility data reviewed, the table below presents the variance of each executive's base salary, target total cash and target total direct compensation relative to the market

| Investor Owned and Public Power Utilities | | | | | | | | | | | |
|---|---|--------------------------|------------------|-------------------|-------------|--------------------|------------------|--------|-------------------|--------|------|
| Executive | | CEG Current Compensation | | | | Median Market Data | | | | | |
| Position | Base | STI | TTC ¹ | TTDC ² | Base | % Diff | TTC ¹ | % Diff | TTDC ² | % Diff | |
| Harrison | President & Chief Executive Officer | \$823,524 | 80% | \$1,482,343 | \$1,482,343 | 4% | | | | -6% | -56% |
| Jackson | SVP, Chief Financial Officer | \$415,000 | 45% | \$601,750 | \$601,750 | -3% | | | | 3% | -42% |
| Strohl | SVP, Chief Customer Officer | \$414,602 | 45% | \$601,173 | \$601,173 | -2% | | | | 1% | -34% |
| Perkins | SVP, General Counsel | \$400,000 | 45% | \$580,000 | \$580,000 | -7% | | | | -1% | -44% |
| Willman | VP, Water Operations | \$338,781 | 35% | \$457,354 | \$457,354 | -5% | | | | -4% | -35% |
| Jacob | VP, Capital Programs & Engineering | \$321,631 | 35% | \$434,202 | \$434,202 | 2% | | | | 6% | -25% |
| Ghio | VP, Energy Operations | \$312,966 | 35% | \$422,504 | \$422,504 | -2% | | | | 1% | -30% |
| Lucas | VP, Information Technology | \$304,904 | 35% | \$411,620 | \$411,620 | -5% | | | | 2% | -34% |
| Whitney | VP, Human Resources & Chief Diversity Officer | \$300,237 | 35% | \$405,320 | \$405,320 | -9% | | | | -5% | -39% |
| Popp | VP, Customer Operations | \$290,597 | 35% | \$392,306 | \$392,306 | -9% | | | | -3% | -37% |
| Karner | VP, Controller | \$275,888 | 35% | \$372,449 | \$372,449 | 2% | | | | 11% | -17% |
| Sutherland | VP, Regulatory & External Affairs | \$240,000 | 35% | \$324,000 | \$324,000 | -24% | | | | -21% | -44% |
| | | | | | | | | | | | |
| Aggregate ³ | | | | | | -4% | | -2% | | | -42% |

Source: Willis Towers Watson Analysis; Citizens' Management

¹ TTC (Target Total Cash) = base salary + target short-term incentive

² TTDC (Target Total Direct Compensation) = base salary + target short-term incentive; for Citizens, TTC equals TTDC because Citizens does not provide long-term incentives.

³ Aggregate reflects the sum of the value in each column where market data are available. The "% diff" column represents the percentage difference between the Current TTC and Current TTDC columns and the market data. When market data are not available, Citizens' Current TTC and TTDC values are not included in the calculation.

Executive Summary

Secondary Market for Talent: General Industry

Based on the general industry data reviewed, the table below presents the variance of each executive's base salary, target total cash and target total direct compensation relative to the market

| Median Market Data | | | | | | | | | | | |
|--------------------|--|--------|------|------------------|------|-------------------|------|-------------------|--|--------|------|
| General Industry | | | | | | | | | | | |
| Base | | | | | | TTDC ² | | | | | |
| | | % Diff | | TTC ¹ | | % Diff | | TTDC ² | | % Diff | |
| | | | -1% | | -11% | | -59% | | | | -59% |
| | | | -14% | | -20% | | -55% | | | | -55% |
| | | | -6% | | -11% | | -46% | | | | -46% |
| | | | -14% | | -20% | | -54% | | | | -54% |
| | | | -5% | | -11% | | -42% | | | | -42% |
| | | | -1% | | -7% | | -36% | | | | -36% |
| | | | -5% | | -10% | | -39% | | | | -39% |
| | | | -14% | | -20% | | -48% | | | | -48% |
| | | | -21% | | -28% | | -54% | | | | -54% |
| | | | -8% | | -12% | | -39% | | | | -39% |
| | | | -3% | | -6% | | -30% | | | | -30% |
| | | | -19% | | -21% | | -43% | | | | -43% |
| | | | | | | | | | | | |
| | | | -9% | | -15% | | -50% | | | | -50% |

| CEG Current Compensation | | | | | |
|--------------------------|---|-------------|-----|------------------|-------------------|
| Executive | Position | Base | STI | TTC ¹ | TTDC ² |
| Harrison | President & Chief Executive Officer | \$823,524 | 80% | \$1,482,343 | \$1,482,343 |
| Jackson | SVP, Chief Financial Officer | \$415,000 | 45% | \$601,750 | \$601,750 |
| Strohl | SVP, Chief Customer Officer | \$414,602 | 45% | \$601,173 | \$601,173 |
| Perkins | SVP, General Counsel | \$400,000 | 45% | \$580,000 | \$580,000 |
| Willman | SVP, Water Operations | \$338,781 | 35% | \$457,354 | \$457,354 |
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| Popp | VP, Customer Operations | \$290,597 | 35% | \$392,306 | \$392,306 |
| Karner | VP, Controller | \$275,888 | 35% | \$372,449 | \$372,449 |
| Sutherland | VP, Regulatory & External Affairs | \$240,000 | 35% | \$324,000 | \$324,000 |
| | | | | | |
| Aggregate ³ | | \$4,438,130 | | \$6,485,022 | \$6,485,022 |

Source: Willis Towers Watson Analysis; Citizens' Management

¹ TTC (Target Total Cash) = base salary + target short-term incentive

² TTDC (Target Total Direct Compensation) = base salary + target short-term incentive + long-term incentive; for Citizens, TTC equals TTDC because Citizens does not provide long-term incentives.

³ Aggregate reflects the sum of the value in each column where market data are available. The "% diff" column represents the percentage difference between the Current TTC and Current TTDC columns and the market data. When market data are not available, Citizens' Current TTC and TTDC values are not included in the calculation.

Attachment DJW-3 to the Direct Testimony of David J. Wathen

Executive Compensation Benchmarking Analysis Peer Group

1. Avista Corporation
2. Black Hills Corporation
3. Chesapeake Utilities Corporation
4. Colorado Springs Utilities
5. El Paso Electric Company
6. Energy Northwest
7. Essential Utilities Inc.
8. Great River Energy
9. Idaho Power Company
10. JEA
11. Knoxville Utilities Board
12. Lower Colorado River Authority
13. Nebraska Public Power District
14. NorthWestern Energy
15. NW Natural
16. Oglethorpe Power Corporation
17. Old Dominion Electric Cooperative
18. Omaha Public Power District
19. Orlando Utilities Commission
20. Otter Tail Power Company
21. Pedernales Electric Cooperative
22. PNM Resources, Inc.
23. Santee Cooper
24. Snohomish County PUD
25. South Jersey Industries