



MLGW CEO SALARY REQUEST

Alex Smith, Chief HR Officer

CEO Position Qualifications

The new President & CEO will be a uniquely talented leader who has a strong technical background, a keen strategic focus and a desire and capability to instill a high-performing, customer-focused work environment.

- 10 or more years of senior management experience
- A well-established understanding of the utility business
- Demonstrated leadership and change management competencies

In addition, the successful candidate will need to possess the following critical qualities and capabilities:

- ***Customer Service Focus***
- ***Ability to Drive Change***
- ***Honesty and Integrity***
- ***Business Acumen***
- ***Collaborative and a Coalition Builder***

Salary Benchmarking

□ Data Sources

- ERI (Economic Research Institute) – Southern region; Government – Appointed or Intergovernmental; Revenue=\$2B and # of employees=2,700
- Number of employees and CEO salaries for various utility companies – collected independently from internal sources at other utility companies

□ Methodology

- Worked with compensation consultant to put recommendation together
 - Utilized median salaries from survey
 - For the other data sources we relied on the *average* salary for each small group of companies

Benchmarking Survey Results

Table reflects size of utility, type of service, and CEO base salary

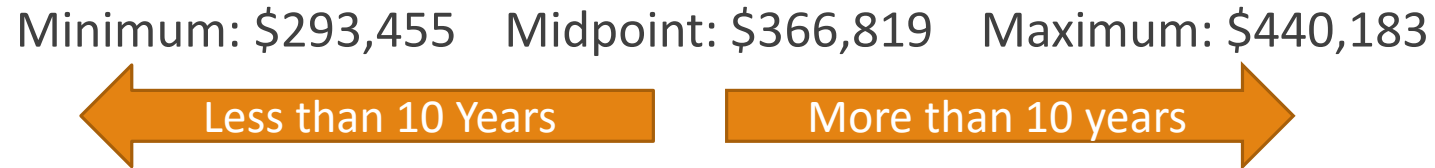
ERI Median	Market Survey Benchmark Average	Average
\$335,370	\$398,267	\$366,819

Entity*	Utility Customer Base	Services	Area of Country	Public or Private	CEO Salary
Utilities A	707,000	Energy	South	Public	\$279,605
Utilities B	N/A	Energy, Gas,	Southeast	Public	\$344,300
Utilities C	500,000	Energy, Gas, Water, Wastewater	Southeast	Public	\$447,175
Utilities D	453,000	Energy, Gas, Water, Wastewater	Southeast	Public	\$345,665
Utilities E	1.4 Million	Energy, Water	West	Public	\$348,670
Utilities F	300,000	Energy, Water, Fiber Optics	Northwest	Public	\$365,706
Utilities G	624,770	Energy	West	Public	\$460,884

*Sample benchmarking survey results

Base Salary Recommendation

Create a base salary range based on a midpoint of \$366,819 with an 80% spread from the minimum to the maximum.



Starting salary between:

- Minimum and midpoint for candidate with up to ten years of experience
- Midpoint and maximum for candidate with long-standing career in the industry and previous management experience