

Exhibit No. ___ (TES-5)
Docket No. UE-050684
Witness: Thomas E. Schooley

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

DOCKET NO. UE-050684

Complainant,

v.

PACIFICORP, d/b/a Pacific Power &
Light Company,

Respondent.

EXHIBIT TO
TESTIMONY OF

THOMAS E. SCHOOLEY

STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

RE: PACIFICORP GENERAL RATE CASE

Adjustment 4.10a, Wages and Benefits

November 3, 2005

Pacificorp Rate Case
Adjustment 4.10a, Wages and Benefits
Summary of Staff Adjustments to Wages and Benefits

Reference	System	Washington (SO Factor)
Ex. No. _____ (TES-5) at 2	\$ (6,493,841)	\$ (540,820)
Ex. No. _____ (TES-5) at 3	\$ (278,664)	\$ (23,208)
Ex. No. _____ (TES-5), at 4	\$ (200,469)	\$ (16,695)
1* \$ (43,796)	\$ (3,647)	
2* \$ (3,000,000)	\$ (249,846)	
Ex. No. _____ (TES-5) at 5	\$ (3,117,121)	\$ (259,600)
3* \$ (654,347)	\$ (54,495)	
		<u>\$(13,788,239)</u> <u>\$(1,148,312)</u>
1* (2005 Actuarial Report page 25)	\$ 49,854,892	
26 less Ex. ___ (PMW-3) p. 4.10.19, pension (FAS 87)),	\$ 49,900,000	
net of joint venture - 97.09%	97.09% \$ (45,108)	\$ (43,796)
2* Ex. ___ (DJR-1T), page 4 at 6		
3* (2005 FAS 106 Actuarial Report pg 4)	\$ 24,026,898	
32 less Ex. ___ (PMW-3) p. 4.10.19, FAS 106),	\$ 24,700,000	
net of joint venture - 97.21%	97.21% (673,102)	\$ (654,347)

Staff Adjustment to Incentive Payment Expense

	Annual Incentive Plan (GL Account 500410):	Staff
	Source: Company Response to Staff Data Request 222b	Adjustment
	% of Total	
1	Senior Management Group (SMG) Count	98
2	SMG Base Pay	\$ 16,406,129
3	Proj SMG Award 50%	\$ 3,894,878
4	Proj SMG Pacificorp Award	21% \$ 827,092 \$ (827,092)
5	Proj SMG Business Unit Award	25% \$ 971,441 \$ (173,709)
6	Proj SMG Individual Award	44% \$ 1,706,858
7	Proj SMG Behavioral Award	10% \$ 389,488
8		
9		
10	Non-SMG Count	2,569
11	Non-SMG Base Pay	\$ 183,080,272
12	Proj Non-SMG Award 50%	\$ 24,082,252
13	Proj Non-SMG Pacificorp Award	10% \$ 2,408,225 \$ (2,408,225)
14	Proj Non-SMG BU Award	30% \$ 7,224,676 \$ (753,299)
15	Proj Non-SMG Individual Award	60% \$ 14,449,351
16		
17	Award Total	\$ 27,977,130 \$ (4,162,325)
18		
19	Less:	
20	Stock Compensation (Long Term Incentive in GL 500400):	
21	Source: Exhibit No. ___ (PMW-3), page 4.10.5	\$ (2,331,516)
22		
23	Total Staff Adjustment	\$ (6,493,841)

Staff Adjustment to Normalize Wages for Storm Costs

Source: based on Ex. ____ (PMW-3), pages 4.10.6 - 4.10.17

1 January and February Adjustments:

	STAFF January	STAFF February	Company January	Company February	Difference January	Difference February	Difference Both months
2 Bare Labor	\$ 34,714,378	\$ 32,337,985	\$ 38,460,164	\$ 31,313,456			
3 Total Annualized Labor (10-04 to 09-05 Starting Amount)	\$ 36,084,306	\$ 33,024,149	\$ 40,023,596	\$ 32,001,308			
4 Adjustments 7.7 & 7.8 (restating)	\$ 1,369,928	\$ 686,163	\$ 1,563,431	\$ 687,852	\$ (193,504)	\$ (1,688)	\$ (195,192)
5							
6							
7 10-04 - 09-05 1st Adjustment	\$ 36,084,306	\$ 33,463,313	\$ 40,023,596	\$ 32,413,651			
8 10-04 - 09-05 2nd Adjustment	\$ 36,084,306	\$ 33,463,313	\$ 40,023,596	\$ 32,413,651			
9 10-04 - 09-05 Normalized	\$ 37,235,560	\$ 34,076,743	\$ 41,212,078	\$ 33,028,929			
10 10-05 - 09-06 Adjustment	\$ 37,235,560	\$ 34,545,046	\$ 41,312,108	\$ 33,468,419			
11 Adjustments 7.9 & 7.10 (Pro forma)	\$ 1,151,254	\$ 1,520,897	\$ 1,288,512	\$ 1,467,111	\$ (137,258)	\$ 53,786	\$ (83,472)

Total

\$ (278,664)

Staff Adjustment to Non-Union Pay Raises

1	Non union pay raise adjustment:	
2		
3	Staff pay raise - 2.9% (2004) and 2.95% (2005)	\$ 8,232,480
4		
5		
6	Company pay raise - 3% (2004 and 2005)	<u>\$ 8,432,950</u>
7		
8	Staff Adjustment	<u><u>\$ (200,469)</u></u>

Staff Adjustments to Medical and Dental Expenses

		Notes/Comments
1	2005 Medical Costs per Employee per year at 90%	
2	(Attachment PC 122/Staff 177, page 2)	\$ 7,128
3	Costs based on 85% contribution	
4	(Rosborough Rebuttal Testimony, OPUC Case UE-170)	\$ 6,732 Company changed premium subsidy
5		from 90% to 85% for 2006
6		
7	Number of employees in test year per company,	
8	Ex. No. ___(PMW-3), p. 4.10.19	5,828
9	Normalized 2005 cost per employee	\$ 39,234,096
10		
11	Increase to Proforma Cost from 2005 (6 months)	5% Assumes 10% annual medical trend
12		for period rates will be in effect
13	Proforma Medical Cost	\$ 41,195,801
14	Net of Joint Venture - 96.965%	\$ 39,945,508
15		
16	Company Proposed Cost, Ex. No. ___(PMW-3), p. 4.10.5	\$ 43,062,629
17		
18	Staff Adjustment	<u>\$ (3,117,121)</u>