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September 15, 2008

***Via Electronic and U.S. Mail***

Public Utility Commission  
Attn: Filing Center  
550 Capitol St. NE #215  
P.O. Box 2148  
Salem OR 97308-2148

Re: In the Matter of PORTLAND GENERAL ELECTRIC COMPANY  
Request for a General Rate Revision  
**Docket No. UE 197**

Dear Filing Center:

On behalf of the Industrial Customers of Northwest Utilities (“ICNU”) in the above-referenced docket, enclosed please find an original and five copies of:

- Surrebuttal Testimony and Exhibits of Ellen Blumenthal (filed jointly on behalf of ICNU and Citizens Utility Board of Oregon).

Thank you for your assistance regarding this matter.

Sincerely yours,

/s/ Brendan E. Levenick  
Brendan E. Levenick

Enclosures

cc: Service List

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing documents on behalf of the Industrial Customers of Northwest Utilities upon the parties, on the service list, by causing the same to be deposited in the U.S. Mail, postage-prepaid.

Dated at Portland, Oregon, this 15th day of September, 2008.

/s/ Brendan E. Levenick  
Brendan E. Levenick

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**BEFORE THE PUBLIC UTILITY COMMISSION**

**OF OREGON**

**UE 197**

In the Matter of the Revised Tariff )  
Schedules for Electric Service in Oregon )  
filed by PORTLAND GENERAL )  
ELECTRIC COMPANY )  
\_\_\_\_\_ )

**SURREBUTTAL TESTIMONY AND EXHIBITS**

**OF**

**ELLEN BLUMENTHAL**

**ON BEHALF OF**

**THE INDUSTRIAL CUSTOMERS OF NORTHWEST UTILITIES**

**AND**

**CITIZENS' UTILITY BOARD OF OREGON**

**SEPTEMBER 15, 2008**

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**I. INTRODUCTION**

**Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

**A.** My name is Ellen Blumenthal. My business address is 13517 Queen Johanna Court, Corpus Christi, Texas 78418. My qualifications appear in ICNU-CUB Exhibit 101.

**Q. ARE YOU THE SAME ELLEN BLUMENTHAL WHO FILED DIRECT TESTIMONY IN THIS DOCKET?**

**A.** Yes, I am.

**Q. WHAT IS THE PURPOSE OF THIS SURREBUTTAL TESTIMONY?**

**A.** I address the issues raised by Portland General Electric Company (“PGE” or “Company”) in its Rebuttal Testimony regarding my recommendations for wage and salary expenses.

**Q. HOW IS YOUR TESTIMONY ORGANIZED?**

**A.** In Section II of my testimony, I will address the wage and salary issues raised by PGE in its Rebuttal Testimony. In Section III, I will discuss the issues related to employee benefits raised by the Company.

**Q. WHAT IS THE PURPOSE OF REBUTTAL TESTIMONY?**

**A.** The general purpose of Rebuttal Testimony is to identify specific items with which the utility has found errors in the testimony and calculations of other parties and to provide better data or information and corrected calculations. The goal of PGE’s Rebuttal Testimony, however, seems to be to confuse the wages and salaries and benefits issues rather than clarify them. As discussed below, most of the Company’s complaints are either inaccurate, misleading, or are due to the failure of PGE to provide accurate and consistent information in responses to data requests.

1           In several places in its Rebuttal Testimony, PGE refers to information that was  
2 provided in its direct case in Docket UE 180, but that was not submitted as evidence in  
3 this docket. PGE assumes a great deal by failing to provide all information in this docket.  
4 In my experience, every rate case is separate and stands alone. The regulator must decide  
5 the issues in this case based on the record in this case. Explanations or data provided in  
6 other dockets are not part of the record in this case and therefore are not relevant.

7 **Q. HAVE YOU RECOMPUTED WAGES AND SALARIES BASED ON PGE'S**  
8 **REBUTTAL TESTIMONY?**

9 **A.** Yes. While I do not agree with much of the testimony in PGE/1400, I have recalculated  
10 wages and salaries using PGE's supplemental response to OPUC DR 203 and  
11 information provided in responses to ICNU-CUB data requests that address PGE's  
12 Rebuttal Testimony.

## 13                                   **II. WAGES AND BENEFITS**

14 **Q. PGE STATES IN ITS REBUTTAL TESTIMONY THAT YOU HAVE MADE**  
15 **ERRORS, HAVE BEEN ARBITRARY, AND HAVE MISREPRESENTED ITS**  
16 **BUDGET PROCESS. DO YOU AGREE?**

17 **A.** No, I do not agree. PGE has provided conflicting information not only in responses to  
18 discovery, but also in its Rebuttal Testimony. There are disagreements between ICNU-  
19 CUB, PGE, and Staff with regard to the reasonable and necessary number of full-time  
20 equivalents (FTEs) and the related costs that should be included in rates for the 2009  
21 future test year. The basic disagreement centers around whether the reasonable and  
22 necessary wages and salaries and other employee related costs should be set based on  
23 PGE's proposed 2009 budget or on information based on historical trends.

1 ICNU-CUB does not recommend that rates be set based on PGE's budget because  
2 we have not had the opportunity to thoroughly and completely review and understand the  
3 underlying assumptions, calculations, and instructions upon which PGE's budget is  
4 based.

5 Rates should be set to recover the actual costs of providing electric service plus a  
6 reasonable return on a utility's invested capital. The Oregon Legislature takes this  
7 regulatory formula seriously, as evidenced by SB 408, which requires a true-up of the  
8 amount recovered through rates to actual taxes paid to taxing authorities. There is no  
9 evidence that PGE's 2009 future test year wage and salary costs represent the reasonable  
10 and necessary actual costs of operations for that future period.

11 **Q. HAVE YOU RECALCULATED THE REASONABLE AND NECESSARY**  
12 **WAGES AND SALARIES FOR THE 2009 FUTURE TEST YEAR USING**  
13 **INFORMATION PROVIDED BY PGE IN ITS REBUTTAL TESTIMONY AND**  
14 **IN RESPONSES TO DATA REQUESTS?**

15 **A.** Yes. Using information provided by PGE in the supplemental response to OPUC DR  
16 203 and the response to ICNU-CUB DR 311. I have updated the calculation shown at  
17 ICNU-CUB/102, which is attached as ICNU/113, Blumenthal/1.

18 **Q. WHAT INFORMATION DID PGE PROVIDE IN RESPONSE TO ICNU-CUB DR**  
19 **311?**

20 **A.** PGE provided an alternative calculation of the amounts included in the column headed  
21 "PGE" on ICNU-CUB/102. This information is reflected in the column headed "PGE"  
22 on ICNU-CUB/113, Blumenthal/1, which is my updated calculation of reasonable and  
23 necessary wages and salaries.



1 **Q. DID PGE MAKE AN ERROR IN ITS RESPONSE TO ICNU-CUB DR 311?**

2 **A.** Yes, I believe so. In its original filing, PGE was projecting the need for 2,733 full-time  
3 equivalents for the 2009 future test year, including 12 officers. PGE has now reduced  
4 that number to 2,706 FTEs, a reduction of 27 FTEs. PGE/1400, TOOMAN-TINKER/10.  
5 It appears that PGE included the 12 officers in the total number of FTEs on line 1 of  
6 Attachment 311-A and then added officer salaries again on line 2a. When this is  
7 corrected, the total wages and salaries that PGE is proposing to include in rates is  
8 \$220,462,901 rather than the \$221,372,069 reflected in the response to ICNU-CUB DR  
9 311-A. ICNU-CUB/112, Blumenthal/17-19.

10 **Q. PGE STATES AT PGE/1400, TOOMAN-TINKER/13, THAT IT NOW PROPOSES**  
11 **TO INCREASE FULL-TIME EQUIVALENTS BY 87 RATHER THAN THE**  
12 **ORIGINAL 130. ARE THE ADDITIONAL FTES FOR BIGLOW CANYON AND**  
13 **PORT WESTWARD INCLUDED IN THESE 87 FTES?**

14 **A.** No. The original 130 additional FTEs that PGE requested included the 16 FTEs  
15 previously approved by the Commission in other dockets. The 87 FTEs that PGE now  
16 claims is the incremental increase it is requesting does not include these 16 FTEs for  
17 Biglow Canyon and Port Westward.

18 **Q. PGE COMPLAINS THAT TABLE 1 IN YOUR DIRECT TESTIMONY**  
19 **MISREPRESENTS THE DIFFERENCE BETWEEN HISTORIC BUDGETED**  
20 **AND ACTUAL FULL TIME EQUIVALENTS. DO YOU AGREE?**

21 **A.** No. The purpose of the comparison provided in Table 1 of ICNU-CUB/100 is simply to  
22 demonstrate that PGE has consistently over budgeted FTEs. Including the overtime  
23 FTEs that were provided in response to ICNU-CUB DR 242 does not change this fact.

24 See ICNU-CUB/112, Blumenthal/22-23.

1

**TABLE 1**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Budgeted:						
Straight time	2,643	2,570	2,549	2,562	2,603	2,652
OverTime	95	100	90	90	93	95
	2,738	2,670	2,639	2,652	2,696	2,747
Actual:						
Straight time	2,579	2,517	2,509	2,504	2,540	2,597
OverTime	108	99	113	97	126	116
	2,687	2,616	2,622	2,601	2,666	2,713
Budgeted in excess of Actual	51	54	17	51	30	34

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Both this table and Table 1 in my direct testimony support the statement at page 6 of ICNU-CUB/100, Blumenthal/6 “If rates in this case are set using PGE’s budgeted FTEs, it [is] more likely than not that a significant number of these positions will go unfilled.” Customers should not be required to repeatedly fund unfilled positions. Furthermore, PGE has failed to demonstrate the need for these positions.

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**Q. IN ITS REBUTTAL TESTIMONY, PGE STATES THAT YOU HAVE “MISREPRESENTED” ITS BUDGETED WAGES AND SALARIES AS WELL AS ITS OVERALL BUDGETING PROCESS. DO YOU AGREE?**

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**A.** No. PGE apparently disagrees with my statement that its budget is based on assumptions which are then compounded by further assumptions.

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PGE’s wages and salaries estimate for the 2009 future test year *is* based on assumptions which are then compounded by further assumptions. At page 5 of PGE/200, the Company clearly states “We applied the following escalation rates to the 2008 budget”. The following statement in PGE’s Rebuttal Testimony only highlights the uncertainty of its 2009 estimated labor costs:

1 ...the 2009 test year forecast is based on the 2008 budget, which is  
2 escalated for inflation and updated for known and measurable changes.

3 Exhibit PGE/1400, Tinker-Tooman/13, lines 7-9.

4 A budget is by definition based on assumptions and forecasts.

5 **Q. ARE THE WAGE AND SALARY ESCALATION RATES THAT YOU USED IN**  
6 **YOUR CALCULATION “ARBITRARY” AS PGE CLAIMS AT PAGE 15 OF**  
7 **PGE/1400, TOOMAN-TINKER?**

8 **A.** No. The rates I use are based on historical data for the years 2005 through 2007 for all  
9 classes of employees except officers. Because officers have realized increases that are  
10 substantially greater than all other classes of employees over the last few years, I did not  
11 include any salary increase for this group of employees.

12 **Q. IS PGE’S 2009 WAGE AND SALARY COST LIKELY TO BE THE AMOUNT IT**  
13 **HAS BUDGETED?**

14 **A.** No. Many factors impact the actual level of wages and salaries. There is always  
15 employee turnover even for a utility with a stable workforce. Employees change jobs  
16 within the organization, quit, are fired, and retire. The table below illustrates the  
17 dynamics of PGE’s workforce during the last ten years.

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**TABLE 2**

Year	Non-Retirement		Retirement		Reduction in Force Rehires
	Involuntary	Reduction in Force	For Cause	Reduction in Force	
1998	29	34			
1999	25	11			
2000	38	32			
2001	32	61			2
2002	26	16			2
2003	18	43		31	
2004	11	20		18	1
2005	19	34		11	2
2006	13		5	2	2
2007	29	1			5

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ICNU-CUB/112, Blumenthal/29.

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PGE points out in its testimony that “By 2009, one-third of PGE’s entire workforce will be eligible for retirement.” PGE/100, PIRO/8. Because retiring employees are generally paid much more than new hires, overall wages and salaries can decrease significantly if a number of higher paid employees retire and are replaced by lower paid employees.

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**Q. HOW DOES YOUR UPDATED WAGE AND SALARY CALCULATION DIFFER FROM ICNU-CUB/102?**

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**A.** I increased the number of full-time equivalents from 2,591 to 2,664. This increase is the direct result of including 2,612 FTEs for 2007 rather than the 2,560 in the calculation of historic growth in FTEs. I also treat officers separately in the updated calculation to mirror the calculation provided by PGE in response to ICNU-CUB DR 311. These two changes had the effect of lowering the average wage per employee for all other classes compared to the calculation at ICNU-CUB/102. My updated calculation results in an increase in my recommended wages and salaries of approximately \$1.5 million.



1 PGE makes two arguments in its rebuttal to support including these costs in the loading  
2 rate, neither of which is persuasive. First, PGE states that it “described each functional  
3 area in detail in our last general rate case.” In my experience, when a utility wishes to  
4 rely on testimony from another docket, it provides that testimony as part of the current  
5 case. The fact that PGE “described” something in another unrelated case does not satisfy  
6 its burden of proof in this case.

7 Second, PGE argues that the employee support department has been in “existence  
8 for a very long time and its costs were approved in UE 180.” I have no objection to  
9 including the same absolute dollar amount in this case that the Commission included in  
10 PGE’s rates in Docket UE 180. However, there is no evidence which indicates that these  
11 costs vary directly with payroll. Therefore, they should not be included in the payroll  
12 overhead loading rate.

13 Third, PGE argues that these costs have been fully justified because staff audited  
14 them at some time in the past and because they are included in its Allocation and Loading  
15 Manual. To my knowledge, neither of these facts supports inclusion of these costs in  
16 rates whenever PGE files for a rate increase.

17 **Q. PGE DESCRIBES THE NATURE OF THE COSTS INCLUDED IN THE**  
18 **EMPLOYEE SUPPORT LOADING AT PGE/1400, TOOMAN-TINKER/18.**  
19 **FROM THIS TESTIMONY, ARE THESE COSTS LIKELY TO VARY**  
20 **DIRECTLY WITH PAYROLL COSTS?**

21 **A.** No. The cost of administering PGE’s compensation program does not increase by \$31.30  
22 for every \$1,000 of wages and salaries. The same is true for employee training and  
23 development. Again, I have no argument with including these types of costs in rates.

1           However, they should be adjusted separately, and not included in the payroll overhead  
2           loading rate.

3   **Q.   PLEASE SUMMARIZE YOUR UPDATED RECOMMENDATIONS IN THIS**  
4   **CASE.**

5   **A.**   Based on the information provided by PGE in its rebuttal testimony and in responses to  
6           ICNU-CUB data requests related to its rebuttal testimony, I recommend that the  
7           reasonable and necessary total wages and salaries to be included in rates for the 2009  
8           future test year are \$205 million. Of this amount, 71.75 percent, or \$147 million, is the  
9           expense portion. The reasonable and necessary employee related costs to be included in  
10          rates for the 2009 future test year are \$85.8 million. In total, this represents a reduction to  
11          PGE's revenue requirement of \$36,542,606.

12 **Q.   DOES THIS CONCLUDE YOUR TESTIMONY?**

13 **A.**   Yes, it does.

April 25, 2008

TO: Vikie Bailey-Goggins  
Oregon Public Utility Commission

FROM: Randy Dahlgren  
Director, Regulatory Policy & Affairs

**PORTLAND GENERAL ELECTRIC  
UE 197  
PGE Response to OPUC Data Request  
Dated April 10, 2008  
Question No. 203**

**Request:**

**Please provide worksheets in both hard copy and electronically that show the following utility labor-related information for the twelve months ending December 2002, December 2003, December 2006 and December 2007:**

- a. Actual Wages and salaries, annualized and as well as end-of-period, separated by employee category (officer, exempt, non-exempt and union). Please include paid time off and exclude overtime, bonuses and incentive pay.**
- b. Actual end-of-period employee counts for full-time, part-time FTEs as well as temporary employees for each calendar year of 2002, 2003, 2006, 2007 as well as forecasts for 2008 and 2009.**
- c. Overtime data for calendar years 2002, 2003, 2006, 2007 as well as forecasted amounts for 2008 and 2009.**
- d. Actual union wage escalation rates for 2002 through 2007 as well as forecasted amounts for 2008 and 2009.**
- e. Percentage of total wages and salaries booked to OMAG as well as percentage booked to capital by year for 2002, 2003, 2006 and 2007.**

**Response:**

PGE objects to this request on the basis that it is overly burdensome. Subject to and without waiving its objection, PGE responds as follows:



PGE Response to OPUC Data Request No. 203  
April 25, 2008  
Page 2

First, PGE does not forecast end-of-period employee counts. Instead, managers forecast required FTEs by estimating the amount of labor hours needed to fulfill their responsibilities. Second, PGE does not have 2008 and 2009 budgeted FTEs broken out by employee category. PGE budgets wages and salaries by escalating at the responsibility center (RC) level based on the employee classes within the RC. Consequently, detail for specific employee classes is not retained within the system.

- a) Attachment 175-A provides wages and salaries for 2002, 2003, 2006, and 2007, separated by employee category, omitting overtime, bonus, and incentive pay. Total forecasted wages and salaries for 2008 and 2009 are provided because PGE does not forecast these values by employee category.
- b) PGE does not forecast end-of-period employee counts and has not budgeted 2008 and 2009 FTEs by employee category. Subject to and without waiving its objection, Attachment 175-B provides actual FTEs for 2002, 2003, 2006, and 2007, separated by employee category, as well as total FTEs for 2008 and 2009.
- c) Attachment 175-C provides overtime expense for 2002, 2003, 2006, and 2007 as well as forecasted overtime expense for 2008 and 2009.
- d) Attachment 175-D contains union wage escalation rates for 2002 through 2008 for the main bargaining unit as well as the Coyote Springs/Port Westward. 2009 actual union wage escalation rates are not known at this time. The 2009 IBEW Main Agreement is not yet signed and annual wage increases for Coyote Spring and Port Westward are based on changes in the IPP market per the IPP wage survey and will not be known until the end of the year.
- e) Attachment 175-E provides the percentage of total wages and salaries booked to O&M and A&G as well as percentage booked to capital by year, for 2002, 2003, 2006, and 2007.

**UE 197**  
**Attachment 203-A**

Wages and Salaries  
2002, 2003, 2006, 2007 and 2008, 2009 Forecast

**UE 197**  
**Attachment 203-B**

FTE 2002, 2003, 2006, 2007  
and 2008, 2009 Forecast

**UE 197**  
**Attachment 203-C**

Overtime Expense  
2002, 2003, 2006, 2007 and 2008, 2009 Forecast

**UE 197**  
**Attachment 203-D**

Union Wage Escalation Rates  
2002 - 2009

**UE 197**  
**Attachment 203-E**

OMAG / Capital Labor Cost Percentages

July 17, 2008

TO: Vikie Bailey-Goggins  
Oregon Public Utility Commission

FROM: Randy Dahlgren  
Director, Regulatory Policy & Affairs

**PORTLAND GENERAL ELECTRIC  
UE 197  
PGE *Supplemental* Response to OPUC Data Request  
Dated April 10, 2008  
Question No. 203**

**Request:**

Please provide worksheets in both hard copy and electronically that show the following utility labor-related information for the twelve months ending December 2002, December 2003, December 2006 and December 2007:

- a. **Actual Wages and salaries, annualized and as well as end-of-period, separated by employee category (officer, exempt, non-exempt and union). Please include paid time off and exclude overtime, bonuses and incentive pay.**
- b. **Actual end-of-period employee counts for full-time, part-time FTEs as well as temporary employees for each calendar year of 2002, 2003, 2006, 2007 as well as forecasts for 2008 and 2009.**
- c. **Overtime data for calendar years 2002, 2003, 2006, 2007 as well as forecasted amounts for 2008 and 2009.**
- d. **Actual union wage escalation rates for 2002 through 2007 as well as forecasted amounts for 2008 and 2009.**
- e. **Percentage of total wages and salaries booked to OMAG as well as percentage booked to capital by year for 2002, 2003, 2006 and 2007.**

**Response:**

PGE objects to this request on the basis that it is overly burdensome. Subject to and without waiving its objection, PGE responds as follows:

PGE *Supplemental* Response to OPUC Data Request No. 203

July 17, 2008

Page 2

First, PGE does not forecast end-of-period employee counts. Instead, managers forecast required FTEs by estimating the amount of labor hours needed to fulfill their responsibilities. Second, PGE does not have 2008 and 2009 budgeted FTEs broken out by employee category. PGE budgets wages and salaries by escalating at the responsibility center (RC) level based on the employee classes within the RC. Consequently, detail for specific employee classes is not retained within the system.

- a) Attachment 175-A provides wages and salaries for 2002, 2003, 2006, and 2007, separated by employee category, omitting overtime, bonus, and incentive pay. Total forecasted wages and salaries for 2008 and 2009 are provided because PGE does not forecast these values by employee category.
- b) PGE does not forecast end-of-period employee counts and has not budgeted 2008 and 2009 FTEs by employee category. Subject to and without waiving its objection, Attachment 175-B provides actual FTEs for 2002, 2003, 2006, and 2007, separated by employee category, as well as total FTEs for 2008 and 2009.
- c) Attachment 175-C provides overtime expense for 2002, 2003, 2006, and 2007 as well as forecasted overtime expense for 2008 and 2009.
- d) Attachment 175-D contains union wage escalation rates for 2002 through 2008 for the main bargaining unit as well as the Coyote Springs/Port Westward. 2009 actual union wage escalation rates are not known at this time. The 2009 IBEW Main Agreement is not yet signed and annual wage increases for Coyote Spring and Port Westward are based on changes in the IPP market per the IPP wage survey and will not be known until the end of the year.
- e) Attachment 175-E provides the percentage of total wages and salaries booked to O&M and A&G as well as percentage booked to capital by year, for 2002, 2003, 2006, and 2007.

*Supplemental Response (July XX, 2008):*

Attachment 203-F provides an updated listing of actual and forecasted FTEs for 2002, 2003, 2006, 2007, 2008, and 2009. Specifically, this attachment adjusts the 2007 actual FTEs to the correct levels as listed on PGE's 2007 Results of Operations Report (see pages 28 and 30 of Report work papers). This correction states 2007 FTEs in the same manner as 2002, 2003, and 2006 actuals and makes them comparable to the 2008 budgeted and 2009 forecasted FTEs (i.e., they represent a comparable level of effort and hours needed to perform PGE's regulated activities).



**UE 197**  
**Attachment 203-F**

Updated Attachment 203-B

FTE 2002, 2003, 2006, 2007  
and 2008, 2009 Forecast

UE 197

PGE's Response to OPUC Data Request No. 203

Attachment 203-A

**Wages and Salaries by Employee Class**

	Exempt	Hourly	Officer	Union	Grand Total
2002 Actual	85,364,000	19,818,741	2,634,000	49,312,370	157,129,111
2003 Actual	83,665,772	20,887,774	2,480,666	49,780,966	156,815,178
2006 Actual	94,529,364	22,682,115	2,817,048	53,066,886	173,095,413
2007 Actual	100,248,092	23,790,819	3,174,109	54,466,831	181,679,851
2008 Budget	n/a	n/a	n/a	n/a	198,409,900
2009 Forecast	n/a	n/a	n/a	n/a	209,609,741

UE 197

PGE's Response to OPUC Data Request No. 203

Attachment 203-B

### FTE by Employee Class

	Exempt	Hourly	Officer	Union	Grand Total
2002 Actual	1,165	564	15	852	2,596
2003 Actual	1,124	574	14	826	2,538
2006 Actual	1,169	573	14	798	2,554
2007 Actual	1,153	584	13	809	2,560
2008 Budget	n/a	n/a	n/a	n/a	2,692
2009 Forecast	n/a	n/a	n/a	n/a	2,733

UE 197

PGE's Response to OPUC Data Request No. 203-C

**Overtime Wages and Salaries (\$000)**

<u>Year</u>	<u>Overtime Expense</u>
2002 Actual	11,789,849
2003 Actual	11,228,772
2006 Actual	15,598,144
2007 Actual	14,745,517
2008 Budget	11,994,410
2009 Forecast	12,909,269

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UE 197

Attachment 203-D

**IBEW Main Agreement**

Date of Change	Percent Increase
03/01/2002	4.00%
3/1/2003	2.00%
9/1/2003	2.00%
3/1/2004	1.00%
3/1/2005	3.00%
3/1/2006	3.00%
3/1/2007	3.00%
3/1/2008	2.00%
9/1/2008	2.00%
03/01/2009 *	N/A

**Coyote Springs and Port Westward**

Date of Change	Percent Increase
12/18/2002	3.00%
12/17/2003	3.00%
12/29/2004	3.20%
12/28/2005	4.00%
12/21/2006	3.00%
07/23/2007 **	12.80%
12/10/2007 **	5.62%
Dec 2008 ***	N/A

\* Changes to Union wages are a negotiated benefit. The 2009 IBEW Main Agreement is not yet signed. Negotiations are on-going and thus, for purposes of forecasting, PGE has assumed that the 2009 increase in union wages and benefits will be in line with non-union escalation.

\*\* The contract shifted incentives into wages and incentives went down by 10% as an off-set to the wage increase

\*\*\* Annual wage increases for Coyote Spring and Port Westward are based on changes in the IPP market per the IPP wage survey. The contract specifies that PGE will provide at least the same percentage increase as the surveyed "Operations/Maintenance Technician I."

UE 197

PGE's Response to OPUC Data Request No. 203

Attachment 203-E

## OMAG and Capital Labor

Year	Labor Expense	
	% OMAG	% Capital
2002 Actual	68.43%	31.57%
2003 Actual	69.86%	30.14%
2006 Actual	72.68%	27.32%
2007 Actual	71.75%	28.25%

### FTE by Employee Class

	Exempt	Hourly	Officer	Union	Grand Total
2002 Actual	1,165	564	15	852	2,596
2003 Actual	1,124	574	14	826	2,538
2006 Actual	1,169	573	14	798	2,554
2007 Actual	1,205	581	15	811	2,612
2008 Budget	n/a	n/a	n/a	n/a	2,692
2009 Forecast	n/a	n/a	n/a	n/a	2,733

September 5, 2008

TO: Brad Van Cleve  
Industrial Customers of NW Utilities

FROM: Randy Dahlgren  
Director, Regulatory Policy & Affairs

**PORTLAND GENERAL ELECTRIC  
UE 197  
PGE Response to ICNU Data Request 11.311  
Dated August 21, 2008  
Question No. 311**

**Request:**

**Refer to ICNU-CUB/Blumenthal/1. Does PGE disagree with the values in the column headed "PGE"? If PGE disagrees with any of these values, provide the "PGE" value and support for each of these.**

**Response:**

Attachment 311-A contains a more explicit version of the column headed "PGE" with references to supporting data.



**UE 197**  
**Attachment 311-A**

References to Supporting Data

<u>Line #</u>	<u>PGE</u>	<u>Support</u>
1 # of FTEs	2,706	PGE Exhibit 1400, Page 10, Table 4
2 Wage per (non-officer) employee	\$ 75,764	PGE Response to CUB Data Request No. 088
2a Officer wages	\$ 3,445,416	PGE Response to CUB Data Request No. 088
3 Adjusted base wages	\$ 208,462,800	(Line 1 x Line 2) + Line 2a
4 OT wages	\$ 12,909,269	
5 Total wages	<u>\$ 221,372,069</u>	
6 Portion to expense	71.75%	PGE Response to OPUC Data Request No. 203, Attachment 203-E
7 Payroll expense	\$ 158,834,460	
8 Payroll capitalized	\$ 62,537,610	
9 Total wages	<u><u>\$ 221,372,069</u></u>	

May 20, 2008

TO: Brad Van Cleve  
Industrial Customers of NW Utilities

FROM: Randy Dahlgren  
Director, Regulatory Policy & Affairs

**PORTLAND GENERAL ELECTRIC  
UE 197  
PGE Response to ICNU Data Request 5.242  
Dated May 7, 2008  
Question No. 242**

**Request:**

**For each of the calendar years 2001 through 2007, provide a list of the positions authorized to be filled at the end of each year. Provide by job title the number of positions authorized, the number filled, the number vacant, and the approved salary range.**

**Response:**

PGE objects to this request on the basis that it is overly burdensome. Without waiving objection, PGE replies as follows:

PGE's Human Resources system maintains a master list of vacancies that includes authorized and non-authorized positions. The HR electronic system does not specify which positions are authorized. PGE's budgets reflect authorized positions only. Reviewing many budget spreadsheets for each of the past seven years to isolate all vacant authorized positions is overly burdensome. Attachment 242-A provides a comparison of actual and budgeted FTEs for calendar years 2002 through 2007, summarized by functional area. This comparison was also provided in the UE 197 FTE Workshop on May 08, 2008.

**UE 197**  
**Attachment 242-A**

Budget and Actual FTE

# Actual and Budget FTE 2000 - 2009

Actual Straight-Time FTE	2002	2003	2004	2005	2006	2007
Administrative and General	596	586	585	594	635	650
Customer Accounts	473	478	495	502	503	506
Customer Service	74	68	72	70	73	80
Generation	465	438	411	387	391	405
Transmission and Distribution	<u>972</u>	<u>947</u>	<u>946</u>	<u>951</u>	<u>937</u>	<u>957</u>
Total	2,579	2,517	2,509	2,504	2,540	2,597

Budget Straight-Time FTE	2002	2003	2004	2005	2006	2007	2008	2009	UE 180 2007
Administrative and General	586	580	584	591	609	643	656	665	611
Customer Accounts	484	480	489	508	512	524	526	535	520
Customer Service	68	69	70	63	69	68	76	81	67
Generation	469	456	422	399	415	423	431	437	428
Transmission and Distribution	<u>1,036</u>	<u>985</u>	<u>984</u>	<u>1,001</u>	<u>998</u>	<u>994</u>	<u>1,003</u>	<u>1,007</u>	<u>1,003</u>
Total	2,643	2,570	2,549	2,562	2,603	2,652	2,692	2,725	2,629

2006 actuals include 4 FTE for RC 929, 2007 Actuals include 6 FTE for RC 929, and 2007 Budget includes 1 FTE for RC 929 RC 929 is Advanced Metering Infrastructure, which is included in the category 'Customer Service'.

Actual Overtime FTE	2002	2003	2004	2005	2006	2007
Administrative and General	3	2	2	2	2	2
Customer Accounts	20	14	17	9	13	11
Customer Service	0	0	0	0	0	0
Generation	17	17	16	14	16	21
Transmission and Distribution	<u>68</u>	<u>66</u>	<u>79</u>	<u>72</u>	<u>95</u>	<u>82</u>
Total	108	99	113	97	126	116

Budget Overtime FTE	2002	2003	2004	2005	2006	2007	2008	2009	UE 180 2007
Administrative and General	3	3	3	2	2	2	2	2	2
Customer Accounts	11	9	10	10	9	10	10	10	9
Customer Service	0	0	0	0	0	0	0	0	0
Generation	23	24	21	20	20	24	24	24	23
Transmission and Distribution	<u>58</u>	<u>63</u>	<u>56</u>	<u>57</u>	<u>61</u>	<u>59</u>	<u>57</u>	<u>58</u>	<u>58</u>
Total	95	100	90	90	93	95	92	93	92

Total Actual FTE	2002	2003	2004	2005	2006	2007
Administrative and General	599	588	587	595	637	652
Customer Accounts	492	492	512	511	517	517
Customer Service	74	68	72	70	73	80
Generation	482	455	427	402	407	426
Transmission and Distribution	<u>1,040</u>	<u>1,013</u>	<u>1,025</u>	<u>1,023</u>	<u>1,032</u>	<u>1,038</u>
Total	2,687	2,616	2,623	2,602	2,666	2,713

Total Budgeted FTE	2002	2003	2004	2005	2006	2007	2008	2009
Administrative and General	589	583	587	593	611	645	658	667
Customer Accounts	495	489	499	518	522	534	535	544
Customer Service	68	69	70	63	69	68	76	81
Generation	492	480	443	419	435	447	455	461
Transmission and Distribution	<u>1,094</u>	<u>1,048</u>	<u>1,040</u>	<u>1,058</u>	<u>1,060</u>	<u>1,054</u>	<u>1,059</u>	<u>1,066</u>
Total	2,739	2,669	2,639	2,652	2,696	2,747	2,784	2,818

Variations Between Actual and Budget (Budget - Actual)

Straight-Time FTE	2002	2003	2004	2005	2006	2007	2004 - 2007
							Average
Administrative and General	-10	-5	-1	-3	-26	-7	-9
Customer Accounts	11	2	-6	6	9	18	7
Customer Service	-6	0	-2	-7	-4	-12	-6
Generation	5	18	11	12	23	18	16
Transmission and Distribution	<u>64</u>	<u>38</u>	<u>38</u>	<u>50</u>	<u>61</u>	<u>38</u>	<u>47</u>
Total	64	53	40	58	63	55	54

Overtime FTE	2002	2003	2004	2005	2006	2007	04-07 Ave
Administrative and General	0	1	1	1	0	0	0
Customer Accounts	-8	-5	-6	1	-4	-1	-3
Customer Service	0	0	0	0	0	0	0
Generation	5	7	5	6	4	3	4
Transmission and Distribution	<u>-10</u>	<u>-3</u>	<u>-23</u>	<u>-15</u>	<u>-33</u>	<u>-22</u>	<u>-23</u>
Total	-13	1	-23	-8	-33	-21	-21

Total FTE	2002	2003	2004	2005	2006	2007	04-07 Ave
Administrative and General	-10	-4	0	-2	-26	-7	-9
Customer Accounts	3	-3	-12	7	5	17	4
Customer Service	-6	0	-2	-7	-4	-12	-6
Generation	10	25	16	17	27	20	20
Transmission and Distribution	<u>54</u>	<u>35</u>	<u>15</u>	<u>35</u>	<u>28</u>	<u>16</u>	<u>23</u>
Total	51	54	17	50	30	34	33

September 5, 2008

TO: Brad Van Cleve  
Industrial Customers of NW Utilities

FROM: Randy Dahlgren  
Director, Regulatory Policy & Affairs

**PORTLAND GENERAL ELECTRIC  
UE 197  
PGE Response to ICNU Data Request 11.308  
Dated August 21, 2008  
Question No. 308**

**Request:**

**How were the FTEs for exempt employees' overtime computed for future test year 2009? Provide all calculations, work papers, assumptions, and source documents necessary to replicate these calculations.**

**Response:**

The 2009 test year forecast does not include exempt employee overtime.

September 5, 2008

TO: Brad Van Cleve  
Industrial Customers of NW Utilities

FROM: Randy Dahlgren  
Director, Regulatory Policy & Affairs

**PORTLAND GENERAL ELECTRIC  
UE 197  
PGE Response to ICNU Data Request 11.297  
Dated August 21, 2008  
Question No. 297**

**Request:**

**Refer to PGE/1400 at page 8. Please explain how the unfilled positions that exempt employees “cover” for are reflected in PGE’s budgeted 2009 FTEs. Provide specific example and whenever possible, provide the supporting calculations.**

**Response:**

When comparing 2009 FTEs with 2007 FTEs, unfilled positions can represent either temporary vacancies (for example, see PGE Exhibit 1900, page 3, lines 6-14) or new positions. For the 2009 test year, these positions are forecasted to be filled.



**SUMMARY OF COMPENSATION COST (\$000)**

Compensation category / program	2005 Actual	2006 Actual	2007 Forecast	2008 FOM	2009 Rate Cs
<b>Benefit Compensation</b>					
Health & Dental Plan	26,867	25,930	27,809	28,705	31,555
Employee Wellness Program	138	237	275	273	397
Health Reimbursement Account	1,203	1,454	1,615	1,815	1,531
Short Term Disability Insurance	227	314	404	476	634
Long Term Disability Benefits	1,487	(202)	1,505	1,355	1,358
Group Life Insurance	1,131	1,153	1,131	794	828
Employee Assistance Program	53	48	51	62	64
Retirement Savings Plan	14,593	12,224	13,620	14,228	14,656
Pension Plan	a 2	3,915	2,203	-	-
Education Plan	459	495	464	453	485
Recreation Program	23	19	13	25	26
Misc. Employee Benefits	191	163	319	395	544
Benefits Administration	347	409	497	341	427
Supp. Exec. Pension (SERP)	b -	-	-	-	-
MDCP Pens/Savings Makeup	b -	-	-	-	-
<b>Benefit Compensation Total</b>	<b>46,722</b>	<b>46,158</b>	<b>49,904</b>	<b>48,923</b>	<b>52,505</b>
<b>Wages &amp; Salaries</b>					
Straight Time	164,989	172,818	181,765	198,410	209,610
Overtime	11,751	15,598	13,045	11,994	12,909
<b>Wages &amp; Salaries Total</b>	<b>176,741</b>	<b>188,416</b>	<b>194,810</b>	<b>210,404</b>	<b>222,519</b>
<b>Incentive Compensation</b>					
Boardman Tmrwrks (PGE share)	98	53	127	108	108
Coyote Springs (PGE Share)	193	286	141	168	174
Port Westward	-	-	349	277	285
Pelton CIP (PGE Share)	2	2	2	2	2
Trojan (PGE share of PGE O&M)	-	-	-	-	-
PGE CIP	3,563	3,720	6,606	5,150	5,983
Boardman ACI (PGE share)	55	36	69	60	60
Pelton ACI	21	54	(9)	17	17
Wholesale Marketing	588	751	1,583	906	933
PGE ACI	1,741	2,236	2,464	2,365	2,434
Officer ACI	1,357	1,087	4,260	1,686	1,737
Stock Incentive Plan	-	717	2,449	3,211	2,813
Notable Achievement Awards	193	256	314	200	200
Retention/Signing Awards	37	-	-	-	-
Miscellaneous Awards	-	-	365	27	27
<b>Total Incentives</b>	<b>7,847</b>	<b>9,199</b>	<b>18,720</b>	<b>14,178</b>	<b>14,773</b>
<b>Total Compensation</b>	<b>231,310</b>	<b>243,774</b>	<b>263,435</b>	<b>273,506</b>	<b>289,797</b>

a credits set to zero  
b omitted

September 5, 2008

TO: Brad Van Cleve  
Industrial Customers of NW Utilities

FROM: Randy Dahlgren  
Director, Regulatory Policy & Affairs

**PORTLAND GENERAL ELECTRIC  
UE 197  
PGE Response to ICNU Data Request 11.316  
Dated August 21, 2008  
Question No. 316**

**Request:**

**For each of the ten calendar years 1998-2007 provide the number of employees who were fired. Provide a general description for the reason these employees were fired (misconduct, failure to perform, etc.)**

**Response:**

PGE objects to this request on the basis that it is unduly burdensome. Without waiving its objection, PGE responds as follows:

For each of the calendar years 1998-2007, Attachment 316-A lists the number of employees who were either fired ("involuntary" or "for cause") or laid off ("reduction in force"). The attachment also provides the number of employees who opted for retirement rather than be fired or laid off. The attachment also provides the number of employees who were laid off then rehired, which is in response to ICNU Data Request No. 317.

**UE 197**  
**Attachment 316-A**

Employee Information

PGE Response to ICNU Data Request No. 316  
 Attachment 316-A

	Non-Retirement		Retirement		Reduction in Force - Rehires
	Involuntary	Reduction in Force	For Cause	Reduction in Force	
1998	29	34			
1999	25	11			
2000	38	32			
2001	32	61			2
2002	26	16			2
2003	18	43		31	
2004	11	20		18	1
2005	19	34		11	2
2006	13		5	2	2
2007	29	1			5

Portland General Electric  
Updated Wage and Salary Adjustment  
Docket UE-197

<u>Line</u>		<u>PGE (a)</u>	<u>ICNU</u>
#			
1	# of FTEs per original filing	2,733	2,664
2	Adjustments	(43)	
3	Previously authorized generating plant	16	
4	Officers	(12)	(12)
5	FTEs excluding officers	2,694	2,652
2	Wage per non-Officer employee	\$ 75,764	\$ 71,700
3	Total non-officer wages	\$ 204,108,216	\$ 190,120,130
	Officer wages	3,445,416	3,174,109
4	OT wages	12,909,269	11,708,701
5	<b>Total wages</b>	<b>\$ 220,462,901</b>	<b>\$ 205,002,940</b>
6	Portion to expense	71.75%	71.75%
7	Payroll expense	\$ 158,182,131	\$ 147,095,090
8	Payroll capitalized	62,280,770	57,907,849
9	Total payroll	\$ 220,462,901	\$ 205,002,940

(a) ICNU-CUB DR 311

