

Case No. PAC-E-05-1
Exhibit No. 14
Witness: Daniel J. Rosborough

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

PACIFICORP

Exhibit Accompanying Direct Testimony of Daniel J. Rosborough

Pension Expense – Allocation & Reconciliation

January 2005

Allocation of Fiscal Year 2004 and 2005 Expenses

	Fiscal Year 2004 Expense	Fiscal Year 2005 Expense
PacifiCorp Retirement Plan		
Bridger Coal Company	\$ 2,124,239	\$ 1,916,939
Glenrock Coal Company	258,745	177,073
Energy West	<u>1,159,365</u>	<u>1,123,414</u>
Subtotal Mines	\$ 3,542,349	\$ 3,217,426
Credit Union	\$ 43,513	\$ 67,554
Enstor	46,601	96,774
PERCO	33,564	57,941
PFS	14,299	22,546
PPM	<u>453,062</u>	<u>834,952</u>
Subtotal Non-Regulated	\$ 591,039	\$ 1,079,767
Electric Operations	<u>\$ 14,772,612</u>	<u>\$ 31,477,807</u>
Total	\$ 18,906,000	\$ 35,775,000

PacifiCorp Retirement Plan Electric Operations

Reconciliation of Projected FY 2006 Expense to Actual FY 2005 Expense (millions)

Actual Fiscal Year 2005 Expense	\$ 31.5
Impact of lower discount rate on service cost and interest cost	0.3
Increase in interest cost due to additional benefit accruals during FY 2005	1.6
Impact of projected unfavorable asset return during FY 2005 and continued recognition of deferred asset losses	3.7
Impact of projected increase in unrecognized net loss primarily attributable to the current and cumulative unfavorable asset experience	5.5
Impact of projected increase in unrecognized net loss attributable to the lower discount rate	5.9
	<hr/>
Projected Fiscal Year 2006 Expense	\$ 48.5

Projection Assumptions

- Discount rates: 6.25% for FY 2005 and 6.00% for FY 2006
- Expected long-term return on assets: 8.75% for FY 2005 and FY 2006
- Active participant increase of 250, based on actual 2003 hires
- Pay increases of 4%
- 4% rate of return on market value of assets during 2004

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Defined Benefit Plan Comparison

January 2005

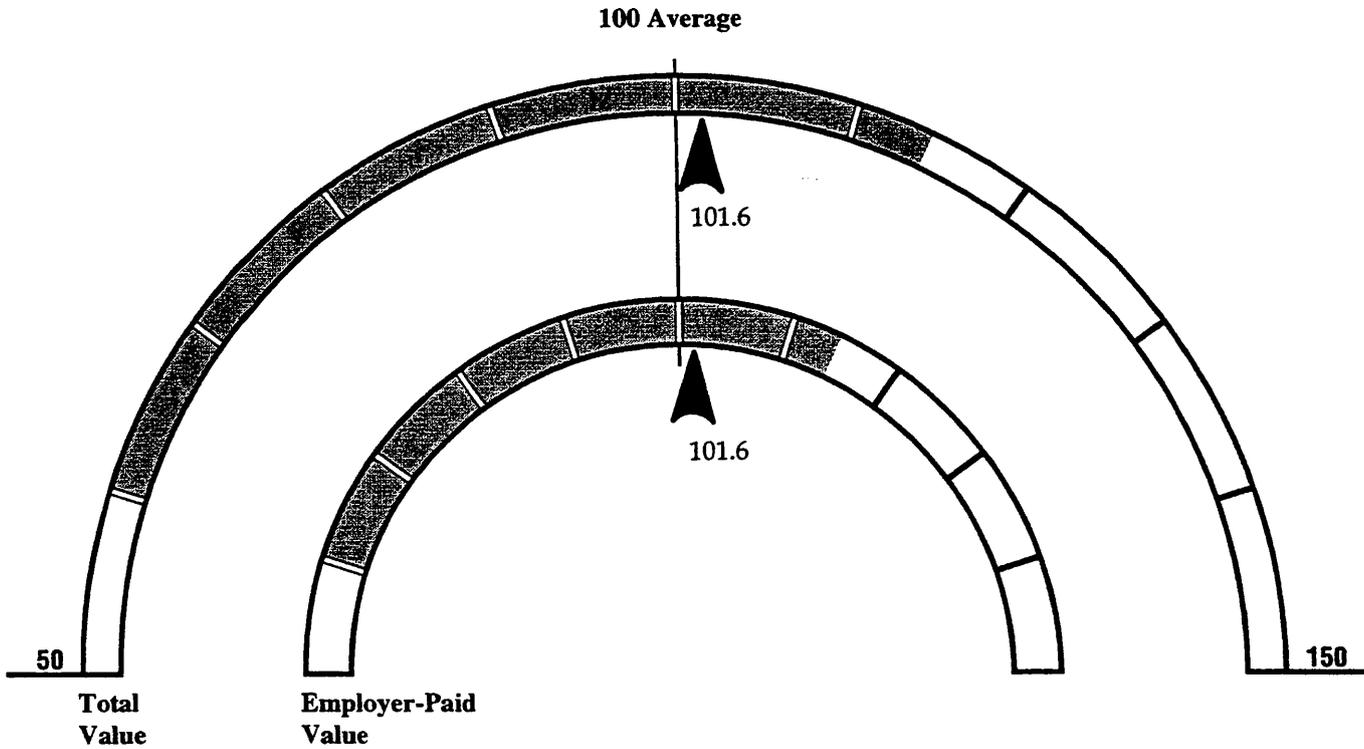
The following analysis compares the “value” of PacifiCorp’s defined benefit retirement program against the defined benefit retirement plans of a comparator list of companies. The companies included in the universe are:

Arizona Public Service
Cinergy Corp.
DQE, Inc.
Duke Energy Corporation
Edison International
Entergy Services, Inc.
Northwest Natural
Questar Corporation
Reliant Resources, Inc.
Salt River Project
Southern California Gas Company
Southern Company

The top bar in the illustration compares the value of the overall plan to the average value of the plans of the universe of companies. The second bar compares the plans again on the basis of the employer-funded value.

For example, on the **Defined Benefit Pension** comparison, PacifiCorp’s plan is 1.6% more valuable than the average plan. Because the plan is entirely company paid, the values are the same on both bases.

Retirement: Defined Benefit Pension Versus 11 Base Companies with Plans



Ranking Among Plans in Study	Employer-Paid Index	Total Index
First	114.2	114.2
Fourth	111.5	111.5
Seventh	102.1	102.1
Eleventh	59.8	59.8

Your Position Relative to the Base Companies	Employer-Paid Value	Total Value
Index	101.6	101.6
Ranking	7th/8th	7th/8th

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PacifiCorp Primary Health Plans – Record of Cost Increases

January 2005

PacifiCorp Active Experience

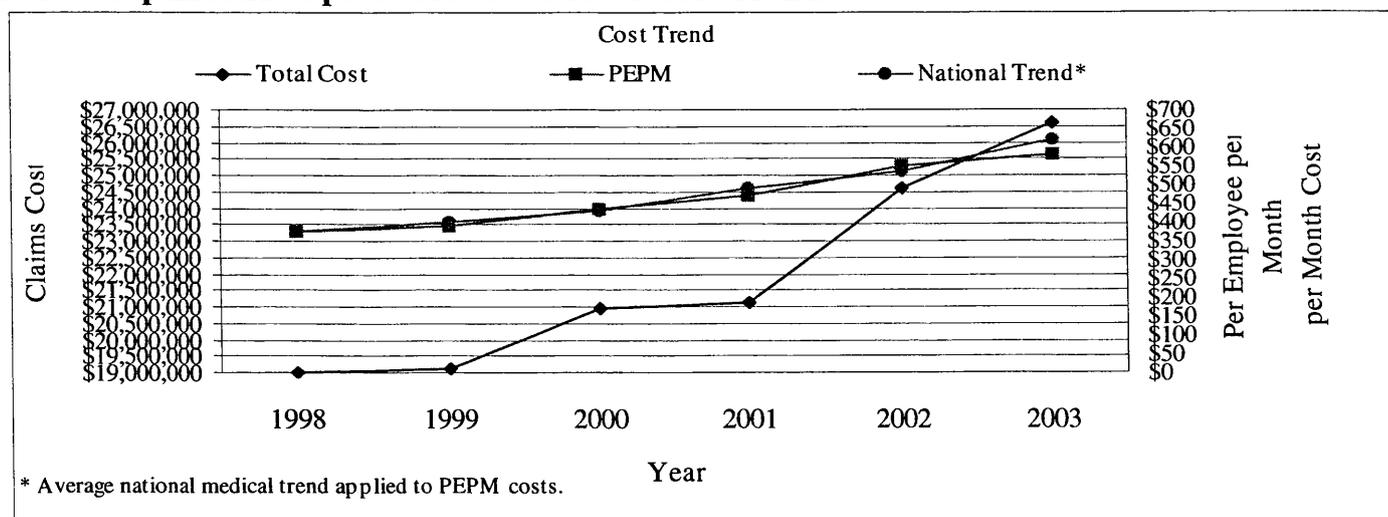
All Active Employees¹

Year	Total Cost	Enrollment	Per Employee per Month (PEPM)	Change	National Trend Applied to PEPM ²	National Trend	Change
1998	\$26,196,533	5,836	\$374.07	N/A	\$374.07	N/A	N/A
1999	\$26,908,221	5,728	\$391.47	4.7%	\$403.71	7.9%	7.9%
2000	\$28,131,020	5,182	\$452.38	15.6%	\$433.83	10.8%	7.5%
2001	\$26,801,450	4,570	\$488.72	8.0%	\$505.75	11.8%	16.6%
2002	\$31,224,699	4,605	\$565.05	15.6%	\$555.37	13.6%	9.8%
2003	\$33,362,776	4,683	\$593.69	5.1%	\$637.12	12.8%	14.7%
1999-2003				58.7%			70.3%
			Annual		Cumulative (since 1999)		
Total experience savings amount for 1999:			\$841,501		\$841,501		
Total experience savings amount for 2000:			(\$1,153,425)		(\$311,925)		
Total experience savings amount for 2001:			\$933,779		\$621,854		
Total experience savings amount for 2002:			(\$534,996)		\$86,858		
Total experience savings amount for 2003:			\$2,441,002		\$2,527,861		

Active Electric Operations¹

Year	Total Cost	Enrollment	PEPM	Change	National Trend Applied to PEPM ²	National Trend	Change
1998	\$19,017,495	4,251	\$372.80	N/A	\$372.80	N/A	N/A
1999	\$19,113,446	4,108	\$387.73	4.0%	\$402.35	7.9%	7.9%
2000	\$20,961,159	4,002	\$436.47	12.6%	\$429.69	10.8%	6.8%
2001	\$21,097,755	3,738	\$470.34	7.8%	\$487.96	11.8%	13.6%
2002	\$24,622,509	3,720	\$551.58	17.3%	\$534.49	13.6%	9.5%
2003	\$26,617,049	3,827	\$579.59	5.1%	\$621.93	12.8%	16.4%
1999-2003				55.5%			66.8%
			Annual		Cumulative (since 1999)		
Total experience savings amount for 1999:			\$720,984		\$720,984		
Total experience savings amount for 2000:			(\$325,921)		\$395,063		
Total experience savings amount for 2001:			\$790,190		\$1,185,253		
Total experience savings amount for 2002:			(\$763,036)		\$422,217		
Total experience savings amount for 2003:			\$1,944,641		\$2,366,858		

PacifiCorp Electric Operations vs. National Cost Trend



¹ Includes HMO premiums, UHC paid claims, UHC expenses, UBH paid claims, and UBH expenses; includes COBRA/LTD/LOA and non-regulated plans and excludes opt-outs

² National trend weighted by product

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Summary of PacifiCorp Health Care Programs

January 2005

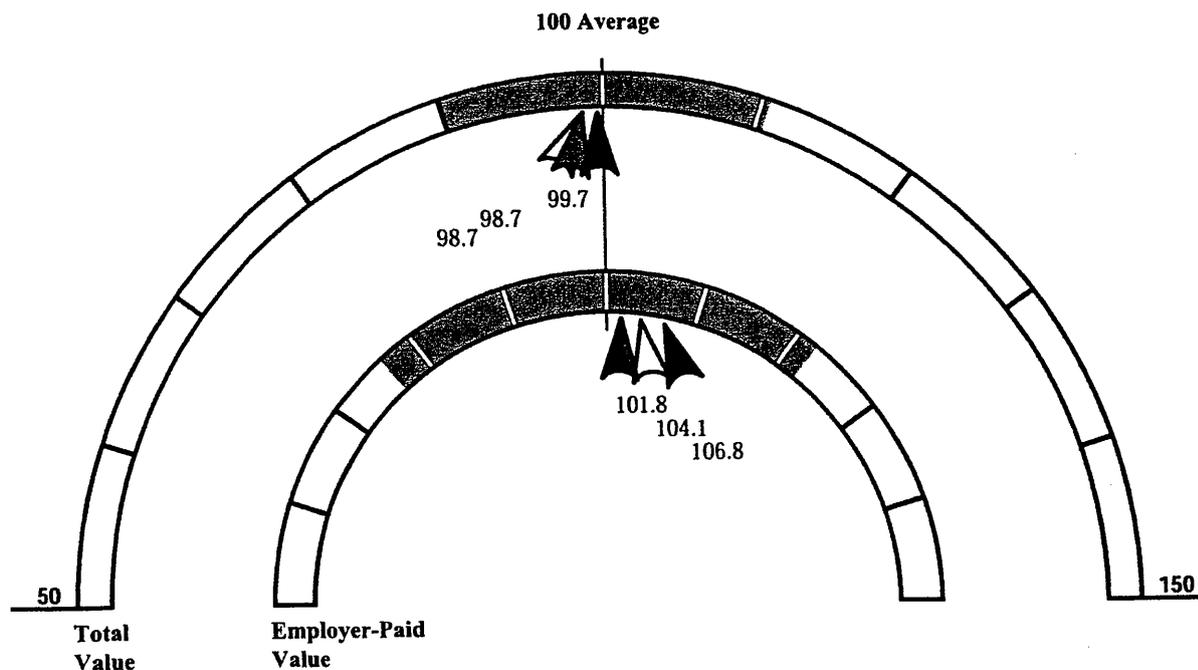
The following analysis compares the “value” of PacifiCorp’s health care programs against a comparator list of companies. The companies included in the universe are:

Arizona Public Service
Cinergy Corp.
DQE, Inc.
Duke Energy Corporation
Edison International
Entergy Services, Inc.
Northwest Natural
Questar Corporation
Reliant Resources, Inc.
Salt River Project
Southern California Gas Company
Southern Company

The top bar in the illustration compares the value of the overall plans to the average value of the plans of the universe of companies. The second bar compares the plans again on the basis of the employer funded value.

On the comparison, using the arrow outlined in black (this arrow compares plans using a 92% company subsidy for PacifiCorp’s medical plan, which is the subsidy in effect during 2003), PacifiCorp’s total healthcare plans are 98.7% of the average plan value. On the comparison of Employer Provided value (the second bar), PacifiCorp subsidizes approximately 4.1 percent more of the plan cost than the average company. The company is transitioning to a lower medical subsidy (90% of plan cost) over time, which will be complete in 2005. Using the gray arrow, the 90% subsidy, based on 2002 plan design, is shown as 98.7% for the overall plan and 101.8% for the company provided value.

All Preretirement Health Care: Medical, Dental, Vision, and Hearing



Ranking Among Plans in Study	Employer-Paid Index	Total Index
First	122.2	110.5
Fourth	107.7	103.0
Seventh	94.2	100.4
Eleventh	76.4	90.1

Your Position Relative to the Base Companies	Employer-Paid Value Index	Employer-Paid Value Ranking	Total Value Index	Total Value Ranking
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▶ Current Medical	106.8	5th/6th	99.7	7th/8th
▷ Revised Med + 92% Subsidy	104.1	6th/7th	98.7	7th/8th
▶ Revised Med + 90% Subsidy	101.8	6th/7th	98.7	7th/8th