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IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE)	
APPLICATION OF ROCKY)	CASE NO. PAC-E-10-07
MOUNTAIN POWER FOR)	
APPROVAL OF CHANGES TO ITS)	Rebuttal Testimony of Erich D. Wilson
ELECTRIC SERVICE SCHEDULES)	
AND A PRICE INCREASE OF \$27.7)	
MILLION, OR APPROXIMATELY)	
13.7 PERCENT)	

ROCKY MOUNTAIN POWER

CASE NO. PAC-E-10-07

November 2010

1 Q. **Please state your name, business address and present position with**
2 **PacifiCorp dba Rocky Mountain Power (the “Company”).**

3 A. My name is Erich D. Wilson. My business address is 825 NE Multnomah, Suite
4 1800, Portland, Oregon 97232. My present position is Director, Human
5 Resources.

6 Q. **Have you filed direct testimony in this case?**

7 A. No.

8 **Qualifications**

9 Q. **Please briefly describe your education and business experience.**

10 A. I have been employed as the Director of Human Resources since March 2006.
11 From March 2001 to March 2006, I was the Director of Compensation for the
12 Company. Prior to coming to the Company, I held various positions within the
13 area of human resources (operations, benefits and staffing), but for the majority of
14 my career I have directed the design and administration of compensation
15 programs. I received a Bachelor’s degree in Economics (Business) from the
16 University of California, San Diego in 1992. In addition, I achieved the Certified
17 Compensation Professional status from the American Compensation Association
18 in 1999 and have kept this certification current through attending various
19 educational programs and seminars.

20 Q. **Please describe your present duties.**

21 A. My primary responsibilities include managing the Company’s human resource
22 function, including compensation, benefits, compliance, staffing, training and
23 development, employee and labor relations, and payroll. I focus on assisting the

1 Company in attracting, retaining, and motivating qualified employees along with
2 the administration of all associated human resource programs and employee
3 experiences.

4 **Purpose and Overview of Rebuttal Testimony**

5 **Q. What is the purpose of your rebuttal testimony?**

6 A. The purpose of my rebuttal testimony is to demonstrate why the Commission
7 should reject certain labor related adjustments proposed by PacifiCorp Idaho
8 Industrial Customers witness Mr. Greg R. Meyer and Idaho Public Utilities
9 Commission Staff witness Mr. Donn English. Specifically, I address the
10 following:

- 11 • The Company's incentive program is not a "bonus", is structured to provide
12 benefits to customers consistent with Commission precedent, and is part of the
13 Company's total market-based compensation package. The removal of
14 incentive expense would therefore result in below-market compensation.
- 15 • 2009 and 2010 base wage expense is reasonable and consistent with the
16 competitive market in which the Company competes in for labor.
- 17 • Supplemental Executive Retirement Plan ("SERP") expense is related to a
18 market competitive benefit offering.

19 **Q. Please briefly describe the Company's compensation philosophy.**

20 A. The Company's primary objective in establishing employee compensation is to
21 provide pay at the market average. Compensation at the market average
22 (competitive level) is critical to attracting and retaining qualified employees to
23 support the business and our customers.

1 In order to encourage superior performance, a certain percentage of each
2 employee's market compensation must be "at risk." The Company's Annual
3 Incentive Plan is structured so that each employee has the opportunity to receive
4 total compensation at the market average, so long as the employee performs at an
5 acceptable level. In exceptional performance years, an employee's incentive may
6 be more than target and in low performance years may be below target, but on
7 average, the incentive is generally at the guideline level. If the individual fails to
8 earn the full guideline incentive, that individual will be paid less than the
9 competitive total cash compensation in the marketplace for that year. Central to
10 the Company's approach to total compensation is that, while certain employees
11 may be paid more than or less than market in a given year as a result of the
12 incentive portion of compensation, on an overall basis the base compensation and
13 incentive will result in a level of compensation commensurate with the market.
14 Stated another way, in the unlikely event every employee performed at exactly the
15 same level, each employee would be paid only at the market average.

16 **Q. Has the Company made changes to the Annual Incentive Plan in response to**
17 **Commission feedback?**

18 **A. Yes. In 2006, the Company adjusted its Annual Incentive Plan in response to**
19 **feedback from the Commissions that represent our customers. Prior to that time,**
20 **the Company sought recovery of all awards made to employees under the plan,**
21 **whether or not those awards resulted in total employee compensation that was**
22 **above a target (competitive market) level. Under the current plan, the Company**
23 **is only seeking recovery of incentive awards that, in total, result in employee**

1 compensation at the competitive market level.

2 **Total Compensation**

3 **Q. How does the Company determine the total cash compensation package for**
4 **each position?**

5 A. At least annually, the Company collects market data for comparable jobs and
6 calculates the average data point for total cash compensation by position. To do
7 so, we use a variety of compensation studies put out by various
8 experts/organizations, including Hewitt Associates, Towers Watson, and Mercer.
9 In addition, the Company also uses an on-line tool called MarketPay.com.
10 MarketPay.com provides electronic access to all of the compensation studies we
11 have traditionally used and some additional surveys, allowing us to more
12 efficiently perform information searches and job and pay comparisons.

13 After the Company determines the appropriate level of total cash
14 compensation for a position, it then determines the portion of that compensation
15 that will constitute the “at-risk” portion that is, the “target” incentive pay. The
16 Company sets the “at-risk” portion by reviewing market compensation using the
17 various compensation studies described above. The “at-risk” portion is typically
18 in the 10-25 percent range; however, incentive pay for a few employees is set as
19 high as 75 percent. Generally speaking, the higher the position is within the
20 Company, the higher the percentage of target incentive pay. The remaining
21 percentage of total compensation is referred to as “base compensation.”

1 **Annual Incentive Plan**

2 **Q. What is the objective of the Annual Incentive Plan?**

3 A. The objective of the Annual Incentive Plan is to provide employees with incentive
4 to perform at an above-average level. This is achieved by putting a percentage of
5 the competitive total compensation "at risk." If an employee performs at an
6 acceptable level for the position, the employee will receive the target incentive
7 amount which will allow the employee to earn compensation comparable to
8 similar positions in the market. If an employee fails to perform at an acceptable
9 level, the employee will receive less than the target incentive or no incentive at
10 all. When this situation occurs, the employee will be paid less than the
11 comparable total cash compensation in the marketplace for that year. Conversely,
12 for exceptional performance, an employee may receive above his or her target
13 incentive level.

14 The ability to earn a higher-than-target incentive payment provides the
15 employee with an incentive to exceed average performance. This opportunity is
16 an essential counterbalance to the risk the employee faces that his or her
17 performance in a particular year will be less than acceptable, with the
18 consequence that total compensation will be less than market in that year. The
19 symmetry of the incentive element provides the Company with the financial tool
20 to encourage exceptional performance and discourage less than acceptable
21 performance. As would be expected from a well-designed, symmetrical plan, the
22 average incentive element is approximately at the target incentive level.

1 **Q. Is incentive compensation a greater benefit to customers than compensation**
2 **consisting solely of base compensation?**

3 A. Yes. In the Company's experience, a higher level of overall employee
4 performance is achieved when a portion of pay is "at risk." In addition, the
5 Company's incentive compensation plan enables the Company to attract and
6 retain talented employees in the increasingly competitive market for skilled labor.
7 Therefore, while the total cost of the Company's base plus incentive
8 compensation program is equal to market average total cash compensation (just as
9 a salary-only program would be) the benefit to customers is greater.

10 **Q. How is the incentive compensation plan implemented?**

11 A. The Company's Annual Incentive Plan provides incentive awards based on the
12 following: (1) the employee's performance against individual goals; (2) the
13 employee's performance against group goals including safety goals; and (3)
14 success in addressing new issues and opportunities that may arise during the
15 course of the year.

16 **Q. What are the individual goals and how are they set?**

17 A. Individual employee goals start with the goals set for the Company as a whole.
18 Each year, the Company President, in conjunction with MidAmerican Energy
19 Holdings Company, sets the overall goals for the Company. All of these goals
20 focus on delivering safe and reliable electric service and providing excellent
21 customer service. Goals include safety goals such as reducing lost time,
22 recordable, preventable, and restricted duty incidents. Customer service related
23 goals include implementing local and regional customer service improvements,

1 improving visibility and relations with industrial customers and consumer
2 associations, and improving overall customer satisfaction. Some goals relate to
3 operating within established budgets, including maintaining operating costs,
4 controlling the cost of capital expenditures, and achieving operational efficiencies
5 that allow the Company to remain a low-cost utility. Other key goals relate to
6 operational performance, major project delivery, organizational planning and
7 development, and quality of service and regulatory commitments. The
8 achievement of each and every one of these goals will serve to benefit our
9 customers.

10 **Q. How do the Company goals relate to individual employee goals?**

11 A. These Company-wide goals serve as the foundation for the goals set for each
12 individual employee. Thus, when an individual employee sets his or her own
13 individual goals for the year, they are set by reference to how that employee's
14 position can advance the overall goals of the Company. The employee's
15 performance on individual goals accounts for approximately 70 percent of his or
16 her overall evaluation.

17 **Q. What are the group goals?**

18 A. In addition to performance against individual goals, all employees are evaluated
19 against six common or "group" goals. These group goals describe the
20 characteristics the Company believes are important to the success of all
21 employees, *i.e.*, customer focus, job knowledge, planning and decision making,
22 productivity, building relationships and leadership. The employee's performance
23 with respect to these group goals accounts for approximately 30 percent of the

1 employee's overall evaluation.

2 **Q. Explain the third category.**

3 A. In the course of any one year, challenges will arise that were not contemplated by
4 the goals set at the beginning of the year. For instance, the Company may
5 become involved in a significant transaction, such as a purchase or sale, or the
6 Company may contend with unexpected outage conditions. In these cases, some
7 percentage of the employee's evaluation may reflect his or her performance under
8 these unforeseen conditions.

9 **Q. Are any of the employees judged on the financial performance of the**
10 **Company?**

11 A. No. While all employees are expected to operate within applicable budgets,
12 corporate financial performance and returns are not a factor in determining the
13 amount of incentive compensation awarded under the plan. The Company does
14 maintain a separate Long-Term Incentive Plan, ("LTIP"), for executives that
15 awards bonuses based on overall corporate performance; however, the Company
16 does not seek recovery of the costs of the LTIP from our customers.

17 **Q. What level of incentive compensation does the Company expect to pay out on**
18 **a year on year basis?**

19 A. The Company expects to pay out, on a year after year basis, the target level of
20 incentive compensation. The Company's pay philosophy is to provide total
21 compensation at the market average. Absent incentive compensation, each
22 employee's compensation would be significantly less than market average.

1 **Q. Does the Company recommend the full target level of incentive compensation**
2 **plus base compensation be included in rates?**

3 A. Yes, for several reasons. First, customers should fully support the cost of
4 incentive compensation because, as I previously mentioned, it is an essential
5 component of an overall market-based competitive compensation program.
6 Reducing customer support for incentive pay would result in under-market
7 salaries, making it impossible for the Company to recruit and maintain a qualified
8 labor force, which would in turn make it impossible for the Company to provide
9 safe and reliable service. Moreover, the goals of the plan are designed to
10 encourage superior performance on the part of our employees to pursue the goals
11 that directly benefit our customers—safety, reliability, and customer service. This
12 is precisely the type of prudently designed incentive plan that provides direct
13 benefits to customers.

14 **Q. Will allowing recovery of the entire Incentive Plan expense result in**
15 **ratepayers bearing the cost of a compensation plan that provides employees**
16 **higher than average market pay?**

17 A. No. Overall, total employee base pay plus incentives is equal to market average
18 pay. Employees who excel may earn more and employees who underperform
19 may earn less, but most employees will earn market average pay and the total
20 expense, including incentive pay, will be equivalent to market average pay for all
21 employees.

1 **Q. Please describe Mr. Meyer's proposed adjustment to the incentive portion of**
2 **PacifiCorp's total compensation package.**

3 A. Mr. Meyer proposes to remove 50 percent of the incentive portion of the
4 compensation package, resulting in a \$653,753 disallowance on an Idaho-
5 allocated basis. Mr. Meyer bases this recommendation on a faulty conclusion that
6 the goals used to measure performance under the incentive plan are not well
7 defined, are hard to quantify, relate to normal duties of an employee's job, do not
8 motivate the employees and may enhance shareholder value.

9 **Q. Has Mr. Meyer alleged that the Company's overall level of compensation is**
10 **unreasonable?**

11 A. No. Mr. Meyer attacks the incentive portion of the total compensation but does
12 not allege that the Company's total level of compensation is unreasonably high
13 compared with the market. It would appear that if the Company proposed the
14 same total level of compensation but structured it as purely base compensation,
15 Mr. Meyer would not have a basis for adjusting the overall level of compensation,
16 with the exception of the limited adjustments I address below.

17 **Q. Do you agree with Mr. Meyer's proposed adjustment?**

18 A. No. Mr. Meyer's adjustment would exclude legitimate costs of the total
19 compensation package that he has not demonstrated to be unreasonable or
20 imprudent. From an overall standpoint, reducing incentive costs will result in
21 employees being underpaid. As I explained, incentive pay is not "extra pay" or a
22 "bonus." Rather, incentive pay is an integral portion of a competitive level of
23 pay.

1 Over the past few years, there has been a significant shift by companies to
2 deliver compensation in the form of both base pay and incentive. This
3 compensation structure allows the company to place emphasis on employee
4 performance in areas critical to employees and customers such as safety,
5 reliability, and customer service. Customers clearly benefit when employees are
6 incentivized to focus on these activities.

7 It is critical to understand the “at risk” portion of total compensation is not
8 a bonus. A bonus is something unexpected. The “at risk” compensation is not
9 unexpected—in fact, it is the opposite. The “at risk” portion of total
10 compensation is expected by the employee but only if the employee performs at
11 or above an acceptable level. Any reduction beyond the competitive target
12 incentive level would place the Company in a position of not being able to offer
13 competitive pay levels and placing operational and customer objectives at risk.

14 **Q. Mr. Meyer claims that the group goals are ineffective because they do not**
15 **provide employees with the quantitative goals to assess their performance**
16 **and provide for subjective evaluation by the manager. Do you agree with**
17 **these criticisms?**

18 **A.** No. First, let me emphasize that every employee has individual goals, not just
19 goals for the group to which the employee belongs. Second, shared group goals
20 are effective and quantifiable, such as goals related to safety or customer service.
21 For example, Exhibit No. 68 shows the 2009 objectives of an Engineer. One of
22 these objectives includes “OSHA Incident Rate – Maintain a safe work
23 environment for employees – Ensure Hydro Resources has 3 or less incidents in

1 2009, which will allow Hydro to achieve an incident rate of 1.6 or less.” Clearly,
2 achievement of this goal can be measured based on the number of incidents that
3 occur at hydro resources. Not every indicia of performance, however, is
4 quantifiable. For example, Exhibit No. 68 also shows as one of this employee’s
5 goals “Coordinate all work that has any potential environmental impacts with the
6 area environmental analyst. Consider any impact as far as oil spills, fish
7 (ramping, minimum flow), PBC, asbestos, or any other related environmental
8 issues in advance for all the overhaul projects and make the appropriate parties
9 aware.” This goal, although not quantifiable, is designed to motivate employee
10 behavior that will provide benefits to customers. Mr. Meyer’s “quantifiable”
11 argument should be disregarded. Moreover, PacifiCorp has found that, as long as
12 goals are specific, concrete, and observable, allowing for some management
13 discretion in making awards creates a more powerful motivator for superior
14 performance.

15 **Q. Mr. Meyer appears to argue that the fact that not all goals are quantifiable**
16 **will result in employees not understanding the goals. Do you agree?**

17 **A.** No. In fact, imposing a “quantifiable” requirement on some employee goals
18 would result in confusion for employees who have goals that are inherently
19 unquantifiable.

20 **Q. How do you respond to Mr. Meyer’s argument that some of the Company’s**
21 **performance factors should be classified as job requirements?**

22 **A.** Mr. Meyer misperceives the “at risk” portion of total compensation as a bonus.
23 As I have explained, it is not. Recognizing this, Mr. Meyer’s criticism is, in fact,

1 an acknowledgement that the Company has designed its total compensation
2 correctly. Only by performing the job requirements at acceptable levels can the
3 employee achieve total compensation at the market average.

4 As I have explained, because the Company's compensation structure
5 includes incentive payments as part of market compensation, employees meeting
6 their goals should receive a level of base and incentive compensation consistent
7 with market compensation. It is logical, then, that the employee's goals will set
8 forth what acceptable job performance is for that employee. Employees
9 exceeding these goals should receive additional incentive compensation to
10 encourage exemplary performance.

11 **Q. Mr. Meyer also criticizes the Company's incentive program on the basis that**
12 **it improves shareholder value. Has the Company tailored its goals to benefit**
13 **shareholders?**

14 **A.** No. On the contrary, the Company's focus in setting goals is to improve
15 operational efficiency, improve customer service, and promote safety, all of
16 which benefit customers. The annual goal setting process begins with discussions
17 between the manager and employee in order to ensure that the employee
18 establishes goals that align with the business and operational objectives and focus
19 on specific areas of where the employee can improve or develop for the year. The
20 goals are then documented with assigned measurements. The goals do include
21 controlling expenses, because employees can reasonably be expected to control
22 costs, which benefits customers. The goals associated with this compensation do
23 not include net income or revenues for most employees because most employees

1 are not in a position to impact revenues. The Company's LTIP contains goals
2 related to net income and revenue for those employees' best in a position to
3 impact those elements. The Company does not include costs of LTIP in its rate
4 requests.

5 **Q. Has the Incentive Plan been successful?**

6 A. Yes. Since placing a portion of total compensation at risk, the Company has seen
7 improvements in safety, customer service standards, and operational output.
8 These outcomes demonstrate that the Company's approach has been successful in
9 motivating employees in a way that results in customer benefits. While these
10 achievements may provide indirect benefits to the shareholder, that is not the
11 guiding principle in how the program is designed.

12 **Q. Can you provide examples that illustrate how goals are aligned with
13 customer benefits?**

14 A. Yes. Exhibit No. 69 contains copies of 2009 objectives for six actual employees
15 classified from analyst to manager level. (The group includes a Dispatch
16 Supervisor, Manager of Engineering and Environmental Services, Regulatory
17 Analyst, Engineer, Metering Administrator, and Finance/Accounting Analyst).
18 The names have been redacted to protect employee privacy. As you can see, each
19 employee has between one and five key objectives that serve as goals for the year.
20 Each objective is described in detail. Next, each objective is assigned a set of
21 concrete goals by which they will be measured and a weighting for that particular
22 objective. All of the employees' goals focus on objective outcomes that are very
23 closely tied to safety, reliability and customer service. None of them are tied to

1 financial outcomes. Moreover, each goal sheet reflects the significant attention
2 and effort that goes into tailoring these for each employee.

3 **Q. Do you have any further observations about Mr. Meyer's criticism of the**
4 **Company's goals?**

5 A. Yes. Mr. Meyer's arguments are narrowly focused on one element of an
6 individual's performance, that being the performance against the six defined
7 common goals. It is important to note that these six goals comprise only
8 30 percent of employees overall evaluation. Mr. Meyer's criticisms of a small
9 proportion of employee goals should not be accepted as a valid basis for
10 disallowing any incentive plan expense.

11 **Q. Do you believe that Mr. Meyer has presented any basis for disallowing any**
12 **portion of the Company's incentive program?**

13 A. No. The Company has developed an incentive program that is directly tied to
14 customer goals, has provided demonstrable benefits to customers, and is part of an
15 overall compensation package that is commensurate with the market. The
16 Company requests that the Commission reject Mr. Meyer's proposed adjustment.

17 **Q. Please describe Mr. English's proposed adjustment to the incentive portion**
18 **of PacifiCorp's total compensation package.**

19 A. Mr. English proposes to remove 100 percent of the incentive portion of the
20 compensation package, resulting in a \$1.3 million disallowance on an Idaho-
21 allocated basis.

22 **Q. Do you agree with Mr. English's proposed adjustment?**

23 A. No. Mr. English's adjustment is not based on quantifiable labor market data

1 related to our workforce requirements but is based on market generalizations. Mr.
2 English categorizes the incentive payment as a bonus; however, as I explained in
3 the opening, incentive pay is not “extra pay” but actually an essential element of
4 the compensation provided to our employees that enables them to achieve a
5 market competitive level of compensation.

6 **Q. Are there additional arguments Mr. English makes in pointing to disallowing**
7 **the company’s incentive compensation expense?**

8 A. Yes. Mr. English also states that from his assessment of the incentive plan, it is a
9 complex plan and is tied to individual performance and therefore impossible to
10 determine if the goals and incentive compensation benefits the customer or the
11 shareholder. He also then takes the view that operating budget goals tie to
12 shareholder benefit and therefore must be disallowed.

13 **Q. Do you agree with the additional arguments made by Mr. English?**

14 A. No. Again, as I state in the opening of my rebuttal as to how our compensation is
15 structured and delivered, our incentive is based on quantifiable goals that are
16 established between the manager and employee and are set to deliver operational
17 efficiency and improvements for our customers.

18 I also disagree with the position Mr. English takes that operating budget
19 goals, if used as an individual goal, should not be borne by the customer as it
20 directly benefits the shareholder. Our operating budget goals are set to drive and
21 deliver on the requirements of our business being able to provide and deliver safe
22 and reliable service to our customers. These goals are a direct benefit to our
23 customer and are set with that as the sole focus.

1 The last argument made by Mr. English is that given the economic crisis
2 and financial challenges facing individuals in the U.S., the company should either
3 not seek rate increases or mitigate the increase by eliminating incentive payments
4 made to its employees. Again, I can't stress the importance of my point enough
5 that the compensation provided to our employees is set to deliver compensation at
6 the competitive market average level and this is done by blending it through both
7 base and incentive pay. Delivering pay below that level would set compensation
8 below market and in turn place risk on the customers of the company not being
9 able to attract and retain labor to provide the safe and reliable service expected
10 and required.

11 **Q. Does Mr. English propose any further adjustments to compensation?**

12 **A. Yes. Mr. English takes the position that all wage increases during 2009 and 2010**
13 **should be disallowed, as again, he views the economic crisis and financial**
14 **challenges facing individuals across the company as his key support for this**
15 **position.**

16 **Q. Do you agree with Mr. English's further adjustments and position?**

17 **A. No. First, the wage increase levels set for our union population are set as part of**
18 **the collective bargaining process typically covering multiple years and are a part**
19 **of many considerations such as work rules, benefits and retirement. These**
20 **variables together deliver a competitive set of benefits and compensation to the**
21 **union employee workgroup. These wage levels are part of contracts that were**
22 **prudently entered into by management and are known and measurable in the test**
23 **period and should be provided full cost recovery.**

1 Second, the non-represented population levels for 2009 and 2010 are set,
2 as is true for each plan year, by reviewing market data for labor wage adjustments
3 and positioned at the market average. For 2009, the level of 3.5 percent was
4 market competitive. The 2010 wage increases for non-represented employees
5 were again based on a detailed market analysis of the actions being taken in the
6 labor market. From this assessment, and also factoring in the economic crisis and
7 conditions facing our customers, the Company implemented 2010 wage increases
8 slightly below market practices and only those employees who received a base
9 compensation below \$100,000 were eligible for an increase.

10 **Q. How does the Company's 3.5 percent wage adjustment for 2009 compare to**
11 **the market in which it competes for labor?**

12 **A.** As I have noted, the company annually does a thorough assessment of the market
13 and reviews practices being undertaken by its competitors in the area of planned
14 wage increases. Exhibit No. 70 shows the analysis completed and that the results
15 for the 2009 plan year was an average increase of 3.75 percent as compared to the
16 company's wage adjustment of 3.5 percent.

17 **Q. Please describe Mr. English's proposed adjustment to PacifiCorp's SERP**
18 **benefits expense.**

19 **A.** Mr. English recommends that 100 percent of the SERP expense be removed from
20 this filing as these benefits are above and beyond those covered in more
21 conventional retirement plans. Mr. English also argues that an executive's salary
22 is already higher than the typical employee and is already receiving a larger
23 benefit than the other employees.

1 **Q. Do you agree with Mr. English's assessment and proposed adjustment to the**
2 **Supplemental Executive Retirement Plan (SERP) expense in this filing?**

3 A. No. These are not extra, unnecessary or excessive benefits. Our pay and benefits
4 philosophy continues to remain the same in that we provide programs/plans at the
5 market average (no better and no worse). The Company no longer offers the
6 SERP benefit to new participants and the expenses sought are related to one
7 active participant and past participants who, during their employment, delivered
8 value to the then current customers while also shaping the Company to benefit
9 future (current) customers. The Company honors its commitment to continue to
10 fund SERP expenses. The SERP expense is a form of retirement/pension similar
11 to the frozen benefit expense of the non-union employee population who shifted
12 on June 1, 2007 to a cash balance. Both of these changes in plan offering were
13 taken to address future volatility and competitiveness thereby reducing long term
14 expense to our customers, the expense in this filing is again based on no new
15 growth in expense.

16 **Q. Does this conclude your rebuttal testimony?**

17 A. Yes.

Case No. PAC-E-10-07
Exhibit No. 68
Witness: Erich D. Wilson

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

ROCKY MOUNTAIN POWER

Exhibit Accompanying Rebuttal Testimony of Erich D. Wilson

Example of an Engineer Goals

November 2010

2009 Performance Management

Review Period: 01/01/2009 to 12/31/2009

General Information		
Employee Information		
XXXXXX	XXXXXX	X
Last Name	First Name	Middle
Engineer - Car		
00000803		
Title		
Manager Information		
XXXXXXXX X XXXXXXXX		Dir, Engrg/Env
Name		Title

Section I - Objectives	
Weighting of Objectives: 70%	
<p><i>Keeping in mind that your goals should be a component of your department or business unit's goals, list in order of importance the main duties, tasks, projects or goals for the appraisal period. As in the past, each employee is required to have a safety goal.</i></p>	
Section I - Objectives: 1 of 4	
Objective Name	Weight 15%
Employee Commitment and Safety	
Description	
<p>A. OSHA Incident Rate - Maintain a safe work environment for employees - Ensure Hydro Resources has 3 or less incidents in 2009, which will allow Hydro to achieve an incident rate of 1.6 or less.</p> <p>B. Create two AWAIR reports.</p>	

- C. Attend and participate in 100 percent of quarterly safety meetings. Make-up for any missed.
- D. Participate in emergency response drills.
- E. Attend emergency preparedness training for work location.
- F. Have ZERO PVA's and five or less in all of Hydro.
- G. Use First Aid skills to fill the role of Medical Responder.

Measurement

Working consistently within the boundaries defined by expectations in regards to Process will be considered a 3-Level performance (Fully Effective / Meets All Targets).

The Supervisor's discretion will be applied for employees who either "do not meet" or "exceed" the stated expectations of the GOAL.

Section I - Objectives: 2 of 4

Objective Name

Weight 10%

Environmental

Description

A. Coordinate all work that has any potential environmental impacts with the area environmental analyst. Consider any impact as far as oil spills, fish (ramping, minimum flow), PBC, asbestos, or any other related environmental issues in advance for all the overhaul projects and make the appropriate parties aware.

B. Regulatory Compliance - Sustain FERC compliance performance by incurring NO formal notices of violation.

C. CMS Management - Maintain compliance with all environmental and regulatory requirements by incurring ZERO late tasks in the Compliance Management System (CMS).

Measurement

Working consistently within the boundaries defined by expectations in regards to Process will be considered a 3-Level performance (Fully Effective / Meets All Targets).

The Supervisor's discretion will be applied for employees who

either "do not meet" or "exceed" the stated expectations of the GOAL.

Section I - Objectives: 3 of 4

Objective Name

Weight 15%

Financial

Description

A. Manage the Hydro Resources CAPEX and OMAG budgets to meet the expectations for targets as set by PacifiCorp Energy for the following.

- a. BR C/C Load Control Replacement
- b. Lifton Resistors

B. Provide support where needed towards managing Hydro Resources CAPEX and OMAG budgets to meet the expectations for targets as set by PacifiCorp Energy for the following.

- a. Lemolo 1 GSU install
- b. Lemolo 2 Overhaul
- c. Lemolo 1 Low Level Headgate Actuator
- d. Oneida Replace Transformer Conductors
- e. Lemolo #2 Diversion Automation
- f. Grace ECC Design and Install
- g. Generator Cleaning - Clean 2 Generators (outside of overhaul)
- h. Swift Black Start Improvements
- i. Swift 12 Replace Transformer
- j. Swift 1 Station Service/Generator Breakers
- k. Prospect Communications Upgrade to Digital
- l. IRO Prospect In stream Flow / Automation
- m. INU NU Communications Watson Ridge
- n. Clearwater & Lemolo Canal S&D

C. Reduce OMAG expenditures by correctly identifying and capturing capital work.

D. Provide capital forecasts, O&M forecasts, and monthly accrual by established deadlines.

Measurement

Working consistently within the boundaries defined by expectations in regards to Process will be considered a 3-Level performance (Fully Effective / Meets All Targets).

The Supervisor's discretion will be applied for employees who either "do not meet" or "exceed" the stated expectations of the GOAL.

Section I - Objectives: 4 of 4

Objective Name

Weight 30%

Operational Performance

Description

A. Equivalent Availability - Achieve a minimum 97.9% accuracy on the unit availability forecast for the five major river systems.

- a. Utilize the web based alarm management system to respond to outages.
- b. Enhance Alarm System
 - i. Reduce nuisance alarms
 - ii. Review for standard naming & rectify
 - iii. Identify specifically alarms that the operators think are not convenient.
 - iv. Setup a team to evaluate alarms from item 1 above and develop a mitigate
 - v. Gather Every alarm that we have in to a common spreadsheet/database with the ability to sort on any column.
 - vi. Setup a team to evaluate & document common practices & develop an implementation plan.
- c. Support in adding the following plants to the alarm/control management system:
 - i. Lemolo1 - Sept 2009
 - ii. Lemolo2 - Sept 2009
 - iii. Copco 2- February 2008

B. Forced Outages - Prioritize work load to provide immediate and concise project management support to minimize forced outage durations.

C. Specifications - Engineering specifications, detailed descriptions of acceptable materials, equipment, work practices, and scheduling constraints will be provided to ensure that complete and accurate project bids are obtained.

D. Critical Drawings - Support production managers in identifying and updating critical plant drawings and operational procedures.

E. Drawings - Engineering drawings will be developed and/or modified in accordance with "Engineering Procedures - Hydro CAD Standards."

- F. NERC CIPs - Develop internal procedures and implement a process to ensure compliance with NERC standards.
- a. Become SC by March 2009
 - b. Become AC by Dec 2009
 - c. Training on new requirements - June 2009.

G. Concept Programming

- a. Develop an upgrade path to Concept 2.6
 - b. Schedule
 - c. Implementation Plan
 - d. Develop a security solution to meet NERC Standards
 - i. Develop solution - June 2008
 - ii. Implement solution - November 2008
- H. Manage Concept License
- I. Intellution HMI
- a. Manage iFix License
 - b. Develop an upgrade path to iFix 4.5
 - i. Schedule
 - ii. Implementation Plan
 - iii. Execution
- J. Develop an Alarm Summary O&M Document
- a. Train NU Operators / Techs
 - b. Train East Operators/ Techs
- K. Move to an Intellution Domain/Security solution at the following plants
- a. JCB
 - b. Copco
 - c. TCC
 - d. Soda Springs
 - e. L1
 - f. L2
 - g. Slide Creek
 - h. Soda
 - i. Grace
- L. PI Data - Data currently in PI and the ability to continue to use PI is considered critical to the business and the system will be maintained with the highest priority.
- a. Build new screens for Cutler 1 & 2
 - b. Build new screens for Lemolo 2
 - c. Build new screens for Copco

Measurement

Working consistently within the boundaries defined by expectations in regards to Process will be considered a 3-Level performance (Fully Effective / Meets All Targets).

The Supervisor's discretion will be applied for employees who either "do not meet" or "exceed" the stated expectations of the GOAL.

Case No. PAC-E-10-07
Exhibit No. 69
Witness: Erich D. Wilson

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

ROCKY MOUNTAIN POWER

Exhibit Accompanying Rebuttal Testimony of Erich D. Wilson

Example of Six Employee Goals

November 2010

2009 Performance Management

Review Period: 01/01/2009 to 12/31/2009

General Information		
Employee Information		
XXXX	XXXX	X
Last Name	First Name	Middle
Supervisor, Dispatch		00001027
Title		
Manager Information		
XXX X XXXX	Mgr, Dispatch	
Name	Title	

Section I - Objectives	
Weighting of Objectives: 70%	
<p><i>Keeping in mind that your goals should be a component of your department or business unit's goals, list in order of importance the main duties, tasks, projects or goals for the appraisal period. As in the past, each employee is required to have a safety goal.</i></p>	
Section I - Objectives: 1 of 5	
Objective Name	Weight 10%
Safety and Employee Commitment Goals	
Description	
<p>To ensure that Pacific Power T&D Operations' employees understand that safety is our number one priority, our goal is to increase safety awareness and compliance at all levels within Transmission and Distribution (T&D) Operations. This requires T&D Operations to develop a true "Safety Culture", implement an accident free work environment philosophy, and actively support and deliver the MidAmerican/Pacific Power</p>	

Health and Safety Improvement Plan for T&D Operations

Measurement

The deliverables for T&D Dispatch to achieve this are as follows:

- Meet or exceed Pacific Power lost time accident rate target
- Meet or exceed Pacific Power recordable incident rate
- Meet or exceed Pacific Power preventable vehicle accident rate
- Maintain 85% of department first aid and CPR trained
- Deliver MidAmerican Energy Holding Company Safety Improvement Plan
- Deliver safety training to all T&D Dispatch employees as outlined by the Health & Safety Department

Section I - Objectives: 2 of 5

Objective Name

Weight 20%

Operational Excellence

Description

T&D Operations' goal is to ensure that high standards are met for our operations and system performance.

T&D has implemented initiatives to ensure that our operations operate as centers of excellence. To demonstrate this, T&D commits to improving service quality by achieving targeted metrics in states we serve.

Measurement

The deliverables for T&D Dispatch to achieve this are as follows:

- Deliver Grid Operations and Dispatch transmission switching orders with no more than 3 switching errors. (Dispatch & Grid control errors in total)
- Deliver Dispatch distribution switching orders with no more than 6 switching errors. (PCC & SCC control errors in total)
- Training delivered to dispatchers per schedule
- Achieve the system annual average interruption frequency index (SAIFI) per customer in Rocky Mountain Power
- Achieve the system annual average interruption duration index (SAIDI) per customer in Rocky Mountain Power
- Achieve the annual customer average interruption duration index (CAIDI) per occurrence in Rocky Mountain Power
- Achieve a system annual average interruption frequency index (SAIFI) per customer in Pacific Power
- Achieve a system annual average interruption duration index (SAIDI) per customer in Pacific Power
- Achieve an annual customer average interruption duration

index (CAIDI) per occurrence in Pacific Power

Section I - Objectives: 3 of 5

Objective Name

Weight 20%

Customer Service

Description

T&D Operations' goal for customer service is to continue focusing on delivering reliability, dependability, and exceptional services to our customers. This has required T&D Operations to develop and execute plans to improve stakeholder satisfaction, customer service levels and customer perceptions.

Measurement

The deliverables for T&D Dispatch to achieve this are as follows:

- No more than 230 commission complaints in Pacific Power
- No more than 266 commission complaints in Rocky Mountain Power
- No more than 188 customer guarantee failures in Pacific Power
- No more than 217 customer guarantee failures in Rocky Mountain Power
- Restore 85% of customers off supply within 3 hours in Pacific Power
- Restore 85% of customers off supply within 3 hours in Rocky Mountain Power
- Maintain Call to Assign time of 40 minutes for PacifiCorp
- Improve Pacific Power residential customer satisfaction to first quartile ranking in Western Region as measured by J.D. Power survey
- Improve Pacific Power small and medium size business satisfaction to second quartile ranking in Western Region as measured by J.D. Power survey
- Improve Pacific Power large industrial customer satisfaction to number 1 as measured by TQS Research Inc survey
- Maintain Rocky Mountain Power residential customer third quartile satisfaction ranking in Western Region as measured by J.D. Power survey
- Maintain Rocky Mountain Power small and medium size business third quartile satisfaction ranking in Western Region as measured by J.D. Power survey.

Section I - Objectives: 4 of 5

Objective Name

Weight 5%

Financial

Description

Pacific Power T&D Operations' financial goal is to retain the financial integrity of MidAmerican by achieving its financial targets.

Measurement

The deliverables for T&D Dispatch to achieve this are as follows:

- Achieve Pacific Power OMAG budget

Efficiency initiatives have been put in place to ensure that T&D Operations is maximizing the MidAmerican investment.

The deliverables for T&D Dispatch to achieve this are as follows:

- Reduce dispatch 2009 overtime hours 5% from the dispatch overtime hours for 2008

Section I - Objectives: 5 of 5

Objective Name

Weight 15%

Regulatory Integrity/Compliance

Description

Pacific Power T&D Operations' regulatory goal is to ensure that we maintain our regulatory integrity. This requires T&D Operations to implement MEHC commitments and meet state mandates.

Measurement

The deliverables for T&D dispatch to achieve this are as follows:

- Compliant with WECC/NERC reliability standards
- Conduct an annual evacuation drill of PCC and apply our business continuity plan for short term denial of access
- Conduct an annual evacuation drill of SCC and apply our business continuity plan for short term denial of access
- Provide annual refresher training to sub transmission dispatchers on the manual load shed plan (Review the plan, identify overlap of all load shed programs)
- Provide annual refresher training to sub transmission dispatchers on Load Shed/Restore (LSR) functionality in Ranger to manually shed load
- Annually review the manual load shed plan data and make any

required additions/edits (Add new circuits, review critical circuits, etc)
•Provide annual refresher training for state commission outage notifications with outage coordinators

2009 Performance Management

Review Period: 01/01/2009 to 12/31/2009

General Information

Employee Information

XXXXXXXXXX

XXXXXX

Last Name

First Name

Middle

Mgr, Engrg/Env

00001027

Portland, OR

Title

Manager Information

XXXX X XXXXXXXX

Dir, Engrg/Env

Name

Title

Section I - Objectives

Weighting of Objectives: 70%

Keeping in mind that your goals should be a component of your department or business unit's goals, list in order of importance the main duties, tasks, projects or goals for the appraisal period. As in the past, each employee is required to have a safety goal.

Section I - Objectives: 1 of 6

Objective Name

Weight 10%

Safety

Description

Attend minimum of four safety meetings and maintain work space consistent office safety practices.
Attend one special safety training such as APM, CPR, Defensive driving, First aid.
Participate in safety/fire drills as instructed.

Measurement

Track attendance at safety meetings as well as for the special training.

Section I - Objectives: 2 of 6

Objective Name

Weight 15%

10 year Capital Budget

Lead efforts to develop 2010-2019 Capital Plan

Description

Develop Strategies and Policies for inclusion of Transmission and Distribution projects in 10 year capital plan.

Develop draft ASR for PP and RMP by June 1, 2009 and final ASR by)October 30, 2009

Manage the development of SAD's for PP for New Connects and Asset Renewal / Replacement by other work groups with a target date to issue draft by 5/15/2009 and for the SAD for Reinforcement to be issued by 6/1/2009.

Measurement

Track the dates when budget inputs and subsequent changes were made to meet deadlines established by corporate .

Track the dates when draft and final ASR's are issued.

Track the dates when draft of SAD for New connect and Reinforcement are issued.

Section I - Objectives: 3 of 6

Objective Name

Weight 10%

Evaluate and analyze special substation equipments

such as synchronous condensers, phase shifters, reactors and series capacitors.

Description

Prepare a detailed list of all spacial equipments with all pertinent data required to conduct various analysis by end of Q1

Prepare draft report on life assessment and risk of series capacitors by end of Q3.

Prepare final report on life assessment and risk of series capacitors by 12/31/09.

Measurement

Record the date when the draft report on all life assessment and risk was issued for comments

Record the date when the final report on life assessment and risk was issued for comments

Section I - Objectives: 4 of 6

Objective Name

Weight 15%

Support activities to support the compliance with NERC/WECC Reliability Standards.

Description

Conduct annual update of critical substation list to implement physical security measures to meet NERC standards on Critical Infrastructure Protection System(CIPS).

Update SPS, UVLS and UFLS lists to support maintenance plans required per NERC PRC standards.

Measurement

Track the dates of completion of updates as required by NERC compliance PMO, typically by the end of the year.

Section I - Objectives: 5 of 6

Objective Name

Weight 10%

Establish the use of Navigant Program to determine project benefit to cost ratio for setting priorities.

Description

Review and update various parameters used in the model such as cost of outage, probability of outage of various elements by 4/15/09
Work with Area Planners to evaluate subtransmission projects required for single contingency (N-1) conditions by 12/30/2009

Measurement

Track the date Navigant model is updated with required parameters.

Track the date when projects are evaluated using Navigant model.

Section I - Objectives: 6 of 6

Objective Name

Weight 10%

Other duties and special assignments as required such as updating maintenance policies.

Description

Perform all other duties and special assignments in a timely and efficient manner

Measurement

Complete assignments as requested.

2009 Performance Management

Review Period: 01/01/2009 to 12/31/2009

General Information		
Employee Information		
XXXXXXXX	XXXXXX	X
Last Name	First Name	Middle
Analyst, Rgltry - Car		
00002000		
Title		
Manager Information		
XXXXXX X XXXXXXXX		Dir, COS, Pricing, Doc Ctr
Name		Title

Section I - Objectives	
Weighting of Objectives: 70%	
<p><i>Keeping in mind that your goals should be a component of your department or business unit's goals, list in order of importance the main duties, tasks, projects or goals for the appraisal period. As in the past, each employee is required to have a safety goal.</i></p>	
Section I - Objectives: 1 of 5	
Objective Name	Weight 30%
Cost of Service Analysis	
Description	
<p>Prepare cost of service studies as required. Prepare analyses accurately and timely. Understand major issues and key drivers for each class' cost of service. Effectively respond to problems as they arise.</p>	
Measurement	

Requested analyses delivered within timeframes provided.
Analyses delivered at a high level of quality. Able to respond to questions or issues that arise from the analysis.

Section I - Objectives: 2 of 5

Objective Name

Weight 20%

Pricing Analysis

Description

Prepare pricing analyses as required for general rate cases, semi-annual normalized revenues and other activities. Prepare analyses accurately and timely. Understand pricing issues and respond as appropriate.

Create price comparisons as requested that accurately convey PacifiCorp's prices and help to educate customers of potential rate impacts as appropriate. Support business units on pricing issues as required.

Measurement

Requested analyses delivered within timeframes provided. Analyses delivered at a high level of quality. Able to respond to questions or issues that arise from the analysis.

After peer review, all pricing comparisons/ support are submitted without error. When appropriate and reasonable, make use of CPI charts and data from other utilities. All requests responded to within timeframe or if one is not provided within a reasonable amount of time.

Section I - Objectives: 3 of 5

Objective Name

Weight 5%

Net Metering

Description

Be involved with all issues relating to net metering pricing and billing rules as needed. Be involved with interpretations of how to bill net metering customers involving legal counsel as needed. Keep detailed records of the interpretations of net metering rules and their history across the six states and nationally as needed.

Measurement

All requests are responded to concerning net metering pricing and billing rules consistently. Be involved with all rulemaking and technical conferences that relate to net metering billing as able. For the filing of future net metering tariffs, make sure that the tariff has clear language and has little to no ambiguity on key issues.

Section I - Objectives: 4 of 5

Objective Name

Weight 10%

Ongoing Regular Reporting

Description

Prepare Monthly DSM Recovery Report and Semi-Annual Special Contract Revenues.

Measurement

Prepare reports within deadlines without defect. Modify reporting as conditions or requirements change. Be able to explain variances from period to period.

Section I - Objectives: 5 of 5

Objective Name

Weight 5%

Safety

Description

Work without any recordable incidents, or lost time events. Keep my workstation safe and hold others to a high standard of safety.

Measurement

Complete the year without any safety related issues for myself and co-workers. Workstation is kept free from any hazards and is ergonomically correct.

Review Period: 01/01/2009 to 12/31/2009

General Information		
Employee Information		
XXXXXX	XXXXXX	X
Last Name	First Name	Middle
Engineer - Car	0000803	
Title		
Manager Information		
XXXXXXXX X XXXXXXX	Dir, Engrg/Env	
Name	Title	

Section I - Objectives	
Weighting of Objectives: 70%	
<p>Keeping in mind that your goals should be a component of your department or business unit's goals, list in order of importance the main duties, tasks, projects or goals for the appraisal period. As in the past, each employee is required to have a safety goal.</p>	
Section I - Objectives: 1 of 4	
Objective Name	Weight 15%
Employee Commitment and Safety	
Description	
<p>A. OSHA Incident Rate - Maintain a safe work environment for employees - Ensure Hydro Resources has 3 or less incidents in 2009, which will allow Hydro to achieve an incident rate of 1.6 or less.</p> <p>B. Create two AWAIR reports.</p> <p>C. Attend and participate in 100 percent of quarterly safety meetings. Make-up for any missed.</p>	

- D. Participate in emergency response drills.
- E. Attend emergency preparedness training for work location.
- F. Have ZERO PVA's and five or less in all of Hydro.
- G. Use First Aid skills to fill the role of Medical Responder.

Measurement

Working consistently within the boundaries defined by expectations in regards to Process will be considered a 3-Level performance (Fully Effective / Meets All Targets).

The Supervisor's discretion will be applied for employees who either "do not meet" or "exceed" the stated expectations of the GOAL.

Section I - Objectives: 2 of 4

Objective Name Weight 10%

Environmental

Description

A. Coordinate all work that has any potential environmental impacts with the area environmental analyst. Consider any impact as far as oil spills, fish (ramping, minimum flow), PBC, asbestos, or any other related environmental issues in advance for all the overhaul projects and make the appropriate parties aware.

B. Regulatory Compliance - Sustain FERC compliance performance by incurring NO formal notices of violation.

C. CMS Management - Maintain compliance with all environmental and regulatory requirements by incurring ZERO late tasks in the Compliance Management System (CMS).

Measurement

Working consistently within the boundaries defined by expectations in regards to Process will be considered a 3-Level performance (Fully Effective / Meets All Targets).

The Supervisor's discretion will be applied for employees who either "do not meet" or "exceed" the stated expectations of the GOAL.

Section I - Objectives: 3 of 4

Objective Name

Weight 15%

Financial

Description

A. Manage the Hydro Resources CAPEX and OMAG budgets to meet the expectations for targets as set by PacifiCorp Energy for the following.

- a. BR C/C Load Control Replacement
- b. Lifton Resistors

B. Provide support where needed towards managing Hydro Resources CAPEX and OMAG budgets to meet the expectations for targets as set by PacifiCorp Energy for the following.

- a. Lemolo 1 GSU install
- b. Lemolo 2 Overhaul
- c. Lemolo 1 Low Level Headgate Actuator
- d. Oneida Replace Transformer Conductors
- e. Lemolo #2 Diversion Automation
- f. Grace ECC Design and Install
- g. Generator Cleaning - Clean 2 Generators (outside of overhaul)
- h. Swift Black Start Improvements
- i. Swift 12 Replace Transformer
- j. Swift 1 Station Service/Generator Breakers
- k. Prospect Communications Upgrade to Digital
- l. IRO Prospect In stream Flow / Automation
- m. INU NU Communications Watson Ridge
- n. Clearwater & Lemolo Canal S&D

C. Reduce OMAG expenditures by correctly identifying and capturing capital work.

D. Provide capital forecasts, O&M forecasts, and monthly accrual by established deadlines.

Measurement

Working consistently within the boundaries defined by expectations in regards to Process will be considered a 3-

Level performance (Fully Effective / Meets All Targets).

The Supervisor's discretion will be applied for employees who either "do not meet" or "exceed" the stated expectations of the GOAL.

Section I - Objectives: 4 of 4

Objective Name

Weight 30%

Operational Performance

Description

A. Equivalent Availability - Achieve a minimum 97.9% accuracy on the unit availability forecast for the five major river systems.

a. Utilize the web based alarm management system to respond to outages.

b. Enhance Alarm System

i. Reduce nuisance alarms

ii. Review for standard naming & rectify

iii. Identify specifically alarms that the operators think are not convenient.

iv. Setup a team to evaluate alarms from item 1 above and develop a mitigate

v. Gather Every alarm that we have in to a common spreadsheet/database with the ability to sort on any column.

vi. Setup a team to evaluate & document common practices & develop an implementation plan.

c. Support in adding the following plants to the alarm/control management system:

i. Lemolo1 - Sept 2009

ii. Lemolo2 - Sept 2009

iii. Copco 2- February 2008

B. Forced Outages - Prioritize work load to provide immediate and concise project management support to minimize forced outage durations.

C. Specifications - Engineering specifications, detailed descriptions of acceptable materials, equipment, work practices, and scheduling constraints will be provided to ensure that complete and accurate project bids are obtained.

D. Critical Drawings - Support production managers in identifying and updating critical plant drawings and operational procedures.

E. Drawings - Engineering drawings will be developed and/or modified in accordance with "Engineering Procedures - Hydro CAD Standards."

- F. NERC CIPs - Develop internal procedures and implement a process to ensure compliance with NERC standards.
 - a. Become SC by March 2009
 - b. Become AC by Dec 2009
 - c. Training on new requirements - June 2009.

- G. Concept Programming
 - a. Develop an upgrade path to Concept 2.6
 - b. Schedule
 - c. Implementation Plan
 - d. Develop a security solution to meet NERC Standards
 - i. Develop solution - June 2008
 - ii. Implement solution - November 2008

- H. Manage Concept License

- I. Intellution HMI
 - a. Manage iFix License
 - b. Develop an upgrade path to iFix 4.5
 - i. Schedule
 - ii. Implementation Plan
 - iii. Execution

- J. Develop an Alarm Summary O&M Document
 - a. Train NU Operators / Techs
 - b. Train East Operators/ Techs

- K. Move to an Intellution Domain/Security solution at the following plants
 - a. JCB
 - b. Copco
 - c. TCC
 - d. Soda Springs
 - e. L1
 - f. L2
 - g. Slide Creek
 - h. Soda
 - i. Grace

- L. PI Data - Data currently in PI and the ability to continue to use PI is considered critical to the business and the system will be maintained with the highest priority.
 - a. Build new screens for Cutler 1 & 2
 - b. Build new screens for Lemolo 2
 - c. Build new screens for Copco

Measurement

Working consistently within the boundaries defined by expectations in regards to Process will be considered a 3-Level performance (Fully Effective / Meets All Targets).

The Supervisor's discretion will be applied for employees who either "do not meet" or "exceed" the stated expectations of the GOAL.

--

2009 Performance Management

Review Period: 01/01/2009 to 12/31/2009

General Information		
Employee Information		
XXXXXXXXXX	XXXXXXX	X
Last Name	First Name	Middle
Admntr, Metering - Ld/Sr	00000759	
Title		
Manager Information		
XXXXXX X XXXXXXXX	Supervisor, Engrg/Env	
Name	Title	

Section I - Objectives	
Weighting of Objectives: 70%	
<p><i>Keeping in mind that your goals should be a component of your department or business unit's goals, list in order of importance the main duties, tasks, projects or goals for the appraisal period. As in the past, each employee is required to have a safety goal.</i></p>	
Section I - Objectives: 1 of 4	
Objective Name	Weight 10%
SAFETY	
Description	

Ensure department performance meets or exceeds metering business safety goals.

Measurement

1. Attendance at scheduled safety meetings for a minimum of four safety meetings during the year. At least one safety meeting will be at a field location.
2. Deliver quarterly news bulletin for journeyman metermen, apprentices and single-phase specialists that include a highlighted safety practice or information.

Section I - Objectives: 2 of 4

Objective Name

Weight 25%

Training

Description

Train Journeyman Metermen and other employees associated with metering on new equipment, new software programs, and basic metering processes.

Measurement

Present training classes in Salt Lake, Wilsonville, and in various service center sites as needed.

Present Training sessions 10 times = 5

Present Training sessions 9 times = 4

Present Training sessions 8 times = 3

Present Training sessions 7 times = 2

Present Training sessions 6 times = 1

Section I - Objectives: 3 of 4

Objective Name

Weight 10%

Special Projects Support

Description

Provide technical support to both Journeyman Metermen and Meter Engineers on large or special projects.

Measurement

Complete projects and support as needed.

Section I - Objectives: 4 of 4

Objective Name	Weight	10%
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Meter Foreman Training

Description

Develop and deliver training for current and new meter foreman.

Measurement

Training delivered to meter foremen in Rocky Mountain Power.

2009 Performance Management

Review Period: 01/01/2009 to 12/31/2009

General Information

Employee Information

XXXXXXXX

XXXX

X

Last Name

First Name

Middle

Analyst, Fin/Actng - Ld/Sr

00002000

Title

..

..

Manager Information

XXXXXX X XXXXXXXX

Dir, Fin/Actng

Name

Title

Section I - Objectives

Weighting of Objectives: 70%

Keeping in mind that your goals should be a component of your department or business unit's goals, list in order of importance the main duties, tasks, projects or goals for the appraisal period. As in the past, each employee is required to have a safety goal.

Section I - Objectives: 1 of 5

Objective Name

Weight 30%

Delivery of Financial Targets / Performance Management

Description

Meet budget targets for general & administrative expenses and capital expenditures; Analyze monthly performance against budget, update the annual forecast and provide comprehensive variance analysis

Measurement

Continually evaluate and improve the accuracy and timeliness of the monthly reporting and forecasting process; Highlight pending risks and communicate; Develop mitigating plans, if practical; Proactively manage existing issue to closure; Develop expertise and analysis for respective stakeholders.

Section I - Objectives: 2 of 5

Objective Name

Weight 20%

Compliant Financial Systems and Processes

Description

Maintain strict compliance with all financial, legal and regulatory requirements. Identify and implement efficiency improvements. Facilitate the preparation and review of the SAP

operating budget and 10-year plan.

Measurement

Continue to enhance the planning process and the accuracy and efficiency of the budget and the 10-year model; Improve information gathering processes with stakeholders; Maintain compliance and meet required deadlines; Ensure the company's financial policies and procedures are followed.

Section I - Objectives: 3 of 5

Objective Name

Weight 5%

Improve Workforce / Climate

Description

(1) General - Develop interpersonal and professional skills and abilities, and take on challenging and rewarding tasks, which ultimately enhance the capabilities of the company. Identify opportunities to lead and take charge of issues. (2) Cross-Training - Work with HR Benefits to learn how company-wide benefit expenses for the 10-year plan are developed and prepared for budget submission. Cross-training will include gathering employee information for third party actuarial analysis, learning how year-on-year budget variance explanations are developed, learning how monthly actual to budget variance reports are developed and understand how actuals are recorded and assessed to business units.

Measurement

(1) General - Mentoring; Coaching; Priorities; Communications and Calendarized deliverables; Cross train on key processes; Document processes. (2) Cross-Training - Develop an understanding of the 10-year plan company-wide benefits budget process to suggest improvements that will increase the efficiency of putting together the 10-year plan company-wide benefits plan. Additionally, I will provide documentation that describes each account.

Section I - Objectives: 4 of 5

Objective Name

Weight 5%

Maintain a Safe Work Environment

Description

Encourage & maintain a safe work environment for employees.

Measurement

Maintain a safe work environment with no Occupational Safety and Health Administration recordable incidents; Support corporate finance health & safety efforts.

Section I - Objectives: 5 of 5

Objective Name

Weight 10%

Regulation

Description

Provide financial, accounting and analytical support to regulatory efforts in all PacifiCorp's states and the Federal Energy Regulatory Commission.

Measurement

Support Regulatory Department in rate cases, audits and informational requests; Develop expertise and analysis that supports rate case activities; Ensure accuracy of FERC accounting for actual and plan.

Case No. PAC-E-10-07
Exhibit No. 70
Witness: Erich D. Wilson

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

ROCKY MOUNTAIN POWER

Exhibit Accompanying Rebuttal Testimony of Erich D. Wilson

2009 Merit Analysis

November 2010

2009 Projected Merit Increase Analysis

Rocky Mountain Power
Exhibit No. 70 Page 1 of 1
Case No. PAC-E-10-07
Witness: Erich D. Wilson

Utility Peer Group	2008 Merit	2009 Projected Merit Increases		
	Actual	Executive	Exempt	Non-Exempt
American Electric Power	3.60%	3.60%	3.60%	3.60%
Consolidated Edison	3.75%	4.00%	4.00%	4.00%
Dominion Resources	4.00%	4.00%	4.00%	4.00%
Duke Energy	N/A	N/A	N/A	N/A
Edison International	4.00%	4.00%	4.00%	4.00%
Entergy	3.31%	3.75%	3.75%	3.75%
Exelon	3.75%	3.75%	3.75%	3.75%
FirstEnergy	3.50%	3.50%	3.50%	3.50%
FPL Group	4.00%	4.00%	4.00%	4.00%
Progress Energy	3.50%	3.75%	3.75%	3.75%
Public Services Enterprise Group	3.75%	3.50%	3.50%	3.50%
Sempra	3.60%	3.60%	3.60%	3.60%
Southern Company	3.50%	3.50%	3.50%	3.50%
TXU	3.75%	3.75%	3.75%	3.75%
Xcel	3.75%	3.75%	3.75%	3.75%
Average	3.70%	3.75%	3.75%	3.75%