



**ENERGY  
NORTHWEST**

**General Business Unit (A&G)  
Fiscal Year 2010 Budget Review**

**Johnathan Hicks  
Corporate Financial Performance Supervisor  
March 24, 2009**

## A&G Cost Definition

- ✦ Costs not Specific to a Business Unit
- ✦ Four Separate Allocation Pools
  1. Corporate Programs
  2. Employee Benefits
  3. Organizational Overhead
  4. General Purpose Projects
- ✦ Two Allocation Methods
  - Labor (2&3)
  - Total Operating and Capital Costs (1&4)

## Budget Highlights

- ✦ A&G Budget is within the Fiscal Year 2009 Long Range Plan Target for Fiscal Year 2010
- ✦ Benefits Budget has Increased \$3 Million
- ✦ Benefits Budget Includes a 25 Position Attrition Estimate
- ✦ Corporate has Increased 5 Positions
- ✦ Fiscal Year 2009 has been Reclassified for Comparison Purposes

# A&G Budget Summary

(Dollars in Thousands)

<b>Program</b>	<b>FY 2010 Budget</b>	<b>Original FY 2009 Budget</b>	<b>Variance</b>
Corporate Programs	\$ 13,830	\$ 13,113	\$ 717
Employee Benefits	51,467	48,434	3,033
Organizational Overhead	9,041	9,123	(82)
General Purpose Projects	5,471	4,900	571
<b>Total Cost</b>	<b>\$ 79,809</b>	<b>\$ 75,570</b>	<b>\$ 4,239</b>

## A&G Full Time Equivalent Positions

	<b>FY 2010</b>	<b>Original</b>	
	<b>Budget</b>	<b>FY 2009</b>	<b>Variance</b>
	<u>Budget</u>	<u>Budget</u>	<u>Variance</u>
Corporate Programs	90	85	5
Organizational Overhead*	13	13	-
<b>Total Positions</b>	<b>103</b>	<b>98</b>	<b>5</b>

\* This represents 1% of ENW's staffing costs which supports general meetings and activities such as: Safety, NMA, Board, United Way, March of Dimes, and general training. The 13 equivalent positions are offset by reductions at other Business Units.

# Corporate Programs/ITPRC Full Time Equivalent Positions

	FY 2010 Budget	Original FY 2009 Budget	Variance
Information Services	28	29	(1)
Finance	17	17	-
Human Resources	14	14	-
Senior Management	7	7	-
Communications/Graphics	7	4	3
Board & Member Relations/Sales	5	4	1
Administrative Services	2	2	-
Performance Improvement	2	2	-
Legal	2	2	-
Const & Maint Services	2	2	-
EMS	2	1	1
Other	2	1	1
<b>Total</b>	<b>90</b>	<b>85</b>	<b>5</b>

# A&G Budget Summary

(Dollars in Thousands)

<b>Program</b>	<b>FY 2010 Budget</b>	<b>Original FY 2009 Budget</b>	<b>Variance</b>
Corporate Programs	\$ 13,830	\$ 13,113	\$ 717
Employee Benefits	51,467	48,434	3,033
Organizational Overhead	9,041	9,123	(82)
General Purpose Projects	5,471	4,900	571
<b>Total Cost</b>	<b>\$ 79,809</b>	<b>\$ 75,570</b>	<b>\$ 4,239</b>

# Corporate Programs by Organization

(Dollars in Thousands)

	FY 2010 Budget	Original FY 2009 Budget	Variance
Information Services	\$ 4,300	\$ 4,351	\$ (51)
Senior Management/other	2,650	2,625	25
Finance	1,941	1,950	(9)
Human Resources	1,460	1,543	(83)
Board & Member Relations/Sales	1,082	909	173
Communications/Graphics	988	369	619
Performance Improvement	443	415	28
Administrative Services	264	244	20
Legal	253	329	(76)
Risk Reserve	250	250	-
Licensing	199	128	71
<b>Total</b>	<b>\$13,830</b>	<b>\$13,113</b>	<b>\$ 717</b>



# Corporate Programs Key Changes

(Dollars in Thousands)

Strategic Communications Plan (includes 3 new headcount)	\$	657
Labor Escalation		194
Additional Staffing Increase (2 headcount)		142
Wellness Incentive Increase		80
Other		(33)
Reduced Human Resources Temps		(94)
Reduced IS Materials and Supplies		(229)
<b>Total Change</b>	<b>\$</b>	<b>717</b>

# A&G Budget Summary

(Dollars in Thousands)

<b>Program</b>	<b>FY 2010 Budget</b>	<b>Original FY 2009 Budget</b>	<b>Variance</b>
Corporate Programs	\$ 13,830	\$ 13,113	\$ 717
Employee Benefits	51,467	48,434	3,033
Organizational Overhead	9,041	9,123	(82)
General Purpose Projects	5,471	4,900	571
<b>Total Cost</b>	<b>\$ 79,809</b>	<b>\$ 75,570</b>	<b>\$ 4,239</b>

# Employee Benefit Costs

(Dollars in Thousands)

<b>Description</b>	<b>FY 2010 Budget</b>	<b>Original FY 2009 Budget</b>	<b>Variance</b>
Medical Benefits	\$ 13,210	\$ 11,703	\$ 1,507
F.I.C.A.	7,806	8,817	(1,011)
State Retirement	9,398	10,184	(786)
Employee 401k Match	3,105	2,074	1,031
Personal Time/Holidays	14,497	12,955	1,542
Unemployment/Disability/Other	2,251	1,501	750
Risk Reserve	1,200	1,200	-
<b>Total</b>	<b>\$ 51,467</b>	<b>\$ 48,434</b>	<b>\$ 3,033</b>

## Employee Benefits Key Changes (Dollars in Thousands)

Increased Staffing (37 Positions)	\$ 1,340
401(k) Match Increase	911
Additional Wage Increases	717
Medical Increases for last half of FY10	559
BU VEBA Contribution	536
HC Supplemental Increases	450
Workers' Compensation Claim Assumption Increase	265
Unemployment Rate Decrease	(52)
Other	(109)
PERS Rate Decrease	(331)
Outage Overtime/Temp Decrease	(1,253)
<b>Total Change</b>	<b><u><u>\$ 3,033</u></u></b>

# A&G Budget Summary

(Dollars in Thousands)

<b>Program</b>	<b>FY 2010 Budget</b>	<b>Original FY 2009 Budget</b>	<b>Variance</b>
Corporate Programs	\$ 13,830	\$ 13,113	\$ 717
Employee Benefits	51,467	48,434	3,033
Organizational Overhead	9,041	9,123	(82)
General Purpose Projects	5,471	4,900	571
<b>Total Cost</b>	<b>\$ 79,809</b>	<b>\$ 75,570</b>	<b>\$ 4,239</b>

# Organizational Overhead

(Dollars in Thousands)

<b>Description</b>	<b>FY 2010 Budget</b>	<b>Original FY 2009 Budget</b>	<b>Variance</b>
At-Risk Compensation/Retention/ Employee Recognition	\$ 5,418	\$ 5,268	\$ 150
Relocation	1,870	2,372	(502)
Indirect Labor	981	923	58
Tuition	772	560	212
<b>Total</b>	<b>\$ 9,041</b>	<b>\$ 9,123</b>	<b>\$ (82)</b>

# A&G Budget Summary

(Dollars in Thousands)

<b>Program</b>	<b>FY 2010 Budget</b>	<b>Original FY 2009 Budget</b>	<b>Variance</b>
Corporate Programs	\$ 13,830	\$ 13,113	\$ 717
Employee Benefits	51,467	48,434	3,033
Organizational Overhead	9,041	9,123	(82)
General Purpose Projects	5,471	4,900	571
<b>Total Cost</b>	<b>\$ 79,809</b>	<b>\$ 75,570</b>	<b>\$ 4,239</b>

# General Purpose Projects

(Dollars in Thousands)

<u>Description</u>	<u>FY 2010 Budget</u>	<u>Original FY 2009 Budget</u>	<u>Variance</u>
<b><u>Capital Projects</u></b>			
Information Technology	\$ 5,462	\$ 4,765	\$ 697
<b><u>Expense Projects</u></b>			
Information Technology	\$ 60	\$ 150	\$ (90)
CDC - Downtown Building	(51)	(15)	(36)
Total Expense Projects	9	135	(126)
<b>Total General Purpose Projects</b>	<b>\$ 5,471</b>	<b>\$ 4,900</b>	<b>\$ 571</b>



## Business Unit Allocations

<u>Description</u>	<u>Dollars</u>	<u>Percent</u>
Project 1	\$ 178	0.23%
Columbia	74,807	94.18%
Project 3	77	0.10%
Packwood	357	0.47%
Nine Canyon Wind Project	694	0.92%
Business Development Fund	3,116	4.10%
<b>Total</b>	<b><u>\$ 79,229</u></b>	<b><u>100.00%</u></b>

Note: Excludes CDC Net Revenue and other non-allocated costs.