

## Q&A with the Administrator

**E**mployees in Billings, Folsom, Phoenix and Salt Lake City had recent opportunities to visit with Western's Administrator **Mike Hacskaylo** and get answers directly from him about some issues on their minds. We thought others might be interested in some of their questions and in the Administrator's answers.

If you have questions about events and activities at Western that you'd like to get answered, send them to Corporate Communications, A0600. We'll find the right person to provide an answer and feature the Qs&As in a future issue.



Western Administrator, **Mike Hacskaylo**, discusses issues with Billings employees during a recent visit. (photo by Connie Hilzendeger)

**Q:** *If Western gains authority to use revenues to finance our purchase power program, does*

*this mean we'll move to a market-based rates system?*

**A:** No. Reclamation law requires us to set rates based on cost and we'll continue to do that unless the law provides otherwise.

**Q:** *What can our region do about filling our vacant positions and increasing our overall staffing numbers?*

*We need more people to meet the demands the changes in the industry are placing upon us. It's very difficult to compete when other organizations can pay more than the Federal salary scale allows. It's particularly difficult to recruit people with high-tech skills. Can the FTE ceiling be lifted?*

**A:** We are looking at ways to streamline our hiring practices to speed up the process we use to get people on board, including the use of

Quickhire, an Internet-based application process. We currently use a number of incentives to help bridge the pay gap between Federal salaries and private industry, including retention allowances and the ability to bring people in at higher than a step 1 in certain cases. Right now, we are not facing pressure from the Department on our FTE ceiling. In fact, we are currently underexecuting our ceiling by about 25 FTE. The issue for us is finding the dollars to pay for the employees we are hiring within our current budget restrictions.

**Q:** *What's the future of construction funding at Western?*

**A:** Our ability to fund construction projects for rehabilitation, repairs, replacements and upgrades is good if our customers continue to support this part of our program. I do not see any major new construction projects—for example, COTPSize—on the horizon.

**Q:** *Will Western work on additional wind projects such as the study recently done in Upper Great Plains to evaluate the feasibility of adding wind generation to the grid? Will we add wind generation to our portfolio of power products?*

**A:** We will continue to provide support to DOE initiatives such as Wind Powering America where we are able without spending customers' dollars. We have no current plans to add wind power to our current resource mix. We will mostly work with our customers in this area to link them up with those organizations promoting and facilitating the development of alternative energy resources such as wind and solar power. We have had great success in leveraging a very small investment in this area.

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***Will Western be joining a regional transmission organization?***



Western is working with the various RTOs being considered or in place around Western's service area. SN Manager **Jerry Toeny** is on the California Independent System Operator Board of Governors. Employees from around Western are involved in other RTOs being formed or considered: Desert STAR, a Rocky Mountain RTO, a Northwest RTO and, through MAPP, a Midwest RTO. Western will do a business case analysis on joining RTOs and work with the organizations to eliminate obstacles to Western's participation. In compliance with FERC Order No. 2000, Western will submit a status report on ISO participation to FERC by Oct. 15.



***What's the possibility of Western moving totally to using revenues to cover our annual operating costs?***



Part of our program is already funded with revenues. As the Federal budget continues to face pressure, we expect to continue to work with our customers to seek alternative financing options for our purchase power program, where this makes good business sense for them and for us. We will also continue to work with our Congressional oversight committees to provide them the information they need and to develop funding mechanisms that allow us to continue to achieve our mission to market Federal hydropower in this fast-paced changing industry.



***What's the status of restructuring legislation?***



In mid-June many industry experts were predicting that restructuring at the Federal level would not get out the gate this Congress. But the Senate plans to bring a restructuring bill to the floor for action late this



week (week of June 26). Stay tuned.



*(Editors note: The Senate passed S. 2071, The Electric Reliability 2000 Act on June 30. The House of Representatives also passed a reliability bill. The next step is work out differences in two bills through a conference committee.)*

***What's the status on filling the CFO position?***



There were 25 applicants. The ranking and rating panel met in June and interviews were held in early July. I am moving forward to fill this position as quickly as possible. Having a permanent CFO in place is critical to our sound financial future.



***What's the likelihood of future buyout opportunities? We have an aging workforce with a sizeable number of people who are retirement eligible but, without an incentive, are not likely to retire in the next few years.***

DOE currently has buyout authority and is determining where and under



what conditions it will offer buyouts. We expect to hear sometime late this summer or early fall and expect people will only have a very short time to



decide—maybe 30 days or less. We expect buyouts—if they are offered—will only be for certain positions.

***What is the status of DOE's flexiplace plan? Are we going to be making changes to our current program?***

Western is currently negotiating with the AFGE on this and other topics. In the meantime, we'll continue to offer flexiplace for certain situations under our current plan. ❧