

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

CASCADE NATURAL GAS
CORPORATION,

Respondent.

DOCKET UG-240008

**CASCADE NATURAL GAS CORPORATION
SECOND EXHIBIT TO THE
DIRECT TESTIMONY OF PATRICK C. DARRAS**

March 29, 2024

2021 – 2023 Project Detail for projects over \$10 Million

FP-316429 (2021 – 2023 total \$12.5)

Work Order Authorization – see “FP316429 – WO 286039”

Variance Explanation:

The variance is a timing difference. The project was originally budgeted for roughly \$12 million, expected to begin construction in September 2022, with final construction and in-service to occur in 2023. The construction start date was pushed to 2023 due to lack of construction services resources and winter construction concerns. When the project was moved entirely to 2023, the amount budgeted for 2022 did not follow the project. The 2022 portion of the project was identified as “unbudgeted” in 2023 even though the 2022 amount had previously been authorized in 2022.

FP-316872 (2021 – 2023 total \$14.6)

Work Order Authorization – see “FP316872 – WO 284615”

Variance Explanation:

This project overran due to project scope changes, contractor costs increasing due to subcontractors not being able to complete complex HDD bores. The project was also extended to comply with railroad inspection schedule issues and increased work to accommodate the project completion time extension.

FP-319055 (2021 – 2023 total \$10.5)

Work Order Authorization – see “FP319055 – WO 279575”

Variance Explanation:

USACE¹ permitting issues turned this project into a two-year build. There were seven change orders in all, which led to most of the overages, in addition to higher construction costs than originally estimated.

- Change Order #1 - Standby due to alignment conflicts.
- Change Order #2 - CDF fill for the special canal crossing that was not on the original bid package. The Irrigation District wanted special casing and lining of their canal on our crossing.
- Change Order #3 - mobilization to part of the alignment as the USACE permit was not ready.
- Change Order #4 - Standby for a few days as the City hadn't previously approved a traffic control plan thoroughly enough and shut Cascade down even though we had their permit.
- Change Order #5 – City-imposed work time constraints due to being a school area that was not originally on the bid package.
- Change Order #6 - Mobilize back to the site and 2% increase for 2024 remaining work.
- Change Order #7 - Additional cleaning and pigging of the pipe to clear debris from wait times the project incurred.

¹ U.S. Army Corps of Engineers

Work Order Authorization Information

Header Detail

Work Order: 286039	Company: 00047-Cascade Natural Gas Co.
Work Order Title: RF; 8" HP; ABER; 12,500' BASICH BLV	Business Segment: Natural Gas [G]
Wo Type Description: CNG-G-Mains-New GR - WO	Functional Class: Gas Distribution
Work Order Group:	Department Code: 669
Current Revision: 1	Department Description: 669 : Dir. Eng. Services
Funding Project: FP-316429	Budget Description: RF; 6" HP; ABER; 12,500' BASICH BLV
Funding Project Desc: RF; 8" HP; ABER; 12,500' BASICH BLV	Estimated Annual Revenue: \$0
Eligible for AFUDC: yes	Eligible for CPI: yes
Reason Code: Capital Reinf/Betr - Nonrevenu	Reimbursement Type: None
WO Description: 8" HP REINFORCEMENT IN ABERDEEN. FROM NEAR R-77, WEST NEAR VALLEY ROAD, SOUTH ALONG BPA ROW TO BASICH BLVD, SOUTH ON OAK ST AND TERMINATES NEAR WEST END PLAY FIELD. WILL REG DOWN TO DISTRIBUTION PRESSURE AND PROCEED APPROX. 12,500 FT TO 8 IN. TRUNK MAIN. Total Design Costs from	Retirement Type:
Major Location: Aberdeen District	Status: in service
Asset Location: (47031000) Aberdeen	
Estimated Start Date: Mar 15, 2022	Estimated Completion Date: Sep 30, 2024
	Estimated In-Service Date: Jul 31, 2023
Notes: Work Order to cover budgeted construction costs for 2021. Cost already incurred on WO 251913 will be transferred to this WO. Then WO 251913 will be cancelled. - Scott Wanner 03-17-21	

Approvals

Level	Approver	Approval Limit	Date Approved
Approver 7 - B	mdug_fa_approver	\$0	3/17/2021
Approver 5 - B	sorensen, renie	\$50,000	3/18/2021
Approver 4 - B	chapin, craig	\$200,000	3/18/2021
Approver 3 - B	darras, pat	\$500,000	3/19/2021
Approver 2 - B	kivisto, nicole	\$999,999,999,999	

**** Dollar Estimate in USD ****

Estimate Charge Type	Additions	Retirements	Expense	Jobbing	Total
AFUDC Debt-WO	\$16,399.62	\$0.00	\$0.00	\$0.00	\$16,399.62
Contractor Cost-WO	\$4,009,133.36	\$0.00	\$0.00	\$0.00	\$4,009,133.36
Labor-WO	\$42,800.00	\$0.00	\$0.00	\$0.00	\$42,800.00
Manual ES - WO	\$239,400.00	\$0.00	\$0.00	\$0.00	\$239,400.00
Manual GA - WO	\$7,950.00	\$0.00	\$0.00	\$0.00	\$7,950.00
Materials-WO	\$143,500.00	\$0.00	\$0.00	\$0.00	\$143,500.00
Other Direct-WO	\$38,895.00	\$0.00	\$0.00	\$0.00	\$38,895.00
Regular Charge	\$4,498,077.98	\$0.00	\$0.00	\$0.00	\$4,498,077.98
Total Estimated Costs:	\$4,498,077.98	\$0.00	\$0.00	\$0.00	\$4,498,077.98

**** Unit Estimate ****

Asset Location	Utility Account	Retirement Unit	Addition Dollars	Retirement Dollars	Add Qty	Retire Qty
** No Retirement Unit Selected **						
			\$263,749.62	\$0.00	0	0
Total Location:			\$263,749.62	\$0.00	0	0

Work Order Authorization Information

**** Unit Estimate ****					
Asset Location					
Utility Account					
Retirement Unit					
		Addition Dollars	Retirement Dollars	Add Qty	Retire Qty
(47031000) Aberdeen					
376-G-Mains-High Pressure Steel					
473762080	8" HP Steel Main-CNGC	\$4,234,328.36	\$0.00	0	0
Total Location:		\$4,234,328.36	\$0.00	0	0
Total Unit Estimate:		\$4,498,077.98	\$0.00	0	0

**** Class Codes ****	
Class Code	Value
Blanket/Specific	Specific
Budget/Non-Budget*	Budget
Construction/Install Over 30 Days*	Yes
Depr Group Control	<none>
ES/GA	M - Max
FERC*	3762-CNG Mains High Press Steel
Organization Group*	010-CNGC Northwest Region
Project Ranking*	G - System Betterments
Reimbursement*	A-Not a Reimbursable Project
Related WO/FP	FP-316429
Situs State*	WA
Tax/Accounting Treatment	
UG Major Environmental Expenditures	no

**** As-Built ****					
Asset Location					
Utility Account					
Exp Type	Retirement Unit	Job task	Dollars	Quantity	
Available for Unitization:					
(47031000) Aberdeen					
376-G-Mains-High Pressure Steel					
Addition	473762060	6" HP Steel Main-CNGC	\$55,008.00	699	
Addition	473762080	8" HP Steel Main-CNGC	\$26,561.00	0	
Addition	473762080	8" HP Steel Main-CNGC	\$10,400,000.00	15,922	
Addition	473762080	8" HP Steel Main-CNGC	\$1,063,209.00	0	
Addition	473762080	8" HP Steel Main-CNGC	\$52,024.00	0	
Addition Total:			\$11,596,802.00	16,621	
Location Total:		Addition Dollars	Add Qty	Retirement Dollars	Retire Qty
		\$11,596,802.00	16,621	\$0.00	0
Available for Unitization:		Addition Dollars	Add Qty	Retirement Dollars	Retire Qty
		\$11,596,802.00	16,621	\$0.00	0
Unit Estimate Total:		Addition Dollars	Add Qty	Retirement Dollars	Retire Qty
		\$11,596,802.00	16,621	\$0.00	0

Work Order Authorization Information

Header Detail

Work Order: 284615		Company: 00047-Cascade Natural Gas Co.	
Work Order Title: 8" HP Main Yakima		Business Segment: Natural Gas [G]	
Wo Type Description: CNG-G-Mains-New GR - WO		Functional Class: Gas Distribution	
Work Order Group:		Department Code: 669	
Current Revision: 1		Department Description: 669 : Dir. Eng. Services	
Funding Project: FP-316872		Budget Description: RF; 8" HP; YAKIMA; 18,500'	
Funding Project Desc: RF; 8" HP; YAKIMA; 18,500'		Estimated Annual Revenue: \$0	
Eligible for AFUDC: yes		Eligible for CPI: yes	
Reason Code: Capital Reinf/Betr - Nonrevenu		Reimbursement Type: None	
WO Description: This WO will install about half of the estimated 18,500' of 8" (S) HP line to migrate high pressure to the west side of Yakima to alleviate pressure deficiency due to substansial growth.		Retirement Type:	
Major Location: Yakima District		Status: posted to CPR	
Asset Location: (47968000) Yakima			
Estimated Start Date: Mar 15, 2021		Estimated Completion Date: Oct 28, 2021	
		Estimated In-Service Date: Oct 28, 2021	
Notes:			

Approvals

Level	Approver	Approval Limit	Date Approved
Approver 7 - B	mdug_fa_approver	\$0	12/9/2020
Approver 5 - B	sorensen, renie	\$50,000	12/9/2020
Approver 4 - B	chapin, craig	\$200,000	12/9/2020
Approver 3 - B	darras, pat	\$500,000	12/10/2020
Approver 2 - B	kivisto, nicole	\$999,999,999,999	12/10/2020

**** Dollar Estimate in USD ****

Estimate Charge Type	Additions	Retirements	Expense	Jobbing	Total
Contractor Cost-WO	\$2,000,000.00	\$0.00	\$0.00	\$0.00	\$2,000,000.00
Labor Loading-WO	\$22,000.00	\$0.00	\$0.00	\$0.00	\$22,000.00
Labor-WO	\$44,000.00	\$0.00	\$0.00	\$0.00	\$44,000.00
Manual ES - WO	\$249,750.00	\$0.00	\$0.00	\$0.00	\$249,750.00
Manual GA - WO	\$17,400.00	\$0.00	\$0.00	\$0.00	\$17,400.00
Materials-WO	\$600,000.00	\$0.00	\$0.00	\$0.00	\$600,000.00
Other Direct-WO	\$500,000.00	\$0.00	\$0.00	\$0.00	\$500,000.00
Regular Charge	\$3,433,150.00	\$0.00	\$0.00	\$0.00	\$3,433,150.00
Total Estimated Costs:	\$3,433,150.00	\$0.00	\$0.00	\$0.00	\$3,433,150.00

**** Unit Estimate ****

Asset Location	Utility Account	Retirement Unit	Addition Dollars	Retirement Dollars	Add Qty	Retire Qty
(47968000) Yakima	376-G-Mains-High Pressure Steel					

Work Order Authorization Information

**** Unit Estimate ****					
Asset Location					
Utility Account					
Retirement Unit					
		Addition Dollars	Retirement Dollars	Add Qty	Retire Qty
(47968000) Yakima					
376-G-Mains-High Pressure Steel					
473762080	8" HP Steel Main-CNGC	\$3,433,150.00	\$0.00	0	0
Total Location:		\$3,433,150.00	\$0.00	0	0
Total Unit Estimate:		\$3,433,150.00	\$0.00	0	0

**** Class Codes ****	
Class Code	Value
Blanket/Specific	Specific
Budget/Non-Budget*	Budget
Construction/Install Over 30 Days*	Yes
Depr Group Control	<none>
ES/GA	M - Max
FERC*	3762-CNG Mains High Press Steel
Project Ranking*	G - System Betterments
Reimbursement*	A-Not a Reimbursable Project
Situs State*	WA
Tax/Accounting Treatment	
UG Major Environmental Expenditures	no

**** As-Built ****					
Asset Location					
Utility Account					
Exp Type	Retirement Unit	Job task	Dollars	Quantity	
Used in Unitization:					
(47968000) Yakima					
376-G-Mains-High Pressure Steel					
Addition	473762080	8" HP Steel Main-CNGC	\$13,891.00	0	
Addition	473762080	8" HP Steel Main-CNGC	\$321,541.00	10,224	
Addition	473762080	8" HP Steel Main-CNGC	\$6,134,136.00	0	
Addition	473762080	8" HP Steel Main-CNGC	\$250,627.00	0	
Addition	473762080	8" HP Steel Main-CNGC	\$48,374.00	0	
			Addition Total:	10,224	
			\$6,768,569.00		
		<u>Addition Dollars</u>	<u>Add Qty</u>	<u>Retirement Dollars</u>	<u>Retire Qty</u>
Location Total:		\$6,768,569.00	10,224	\$0.00	0
		<u>Addition Dollars</u>	<u>Add Qty</u>	<u>Retirement Dollars</u>	<u>Retire Qty</u>
Used in Unitization:		\$6,768,569.00	10,224	\$0.00	0
		<u>Addition Dollars</u>	<u>Add Qty</u>	<u>Retirement Dollars</u>	<u>Retire Qty</u>
Unit Estimate Total:		\$6,768,569.00	10,224	\$0.00	0

Work Order Authorization Information

Header Detail

Work Order: 279575	Company: 00047-Cascade Natural Gas Co.
Work Order Title: RF; 12" & 6" HP; RICH; 3.3 mi	Business Segment: Natural Gas [G]
Wo Type Description: CNG-G-Mains-New GR - WO	Functional Class: Gas Distribution
Work Order Group:	Department Code: 669
Current Revision: 1	Department Description: 669 : Dir. Eng. Services
Funding Project: FP-319055	Budget Description: RF; 12" HP; RICH; 2.5 mi
Funding Project Desc: RF; 12" & 6" HP; RICH; 3.3 mi	Estimated Annual Revenue: \$0
Eligible for AFUDC: yes	Reimbursement Type: None
Eligible for CPI: yes	Retirement Type:
Reason Code: Capital Reinf/Betr - Grth/Rev	
WO Description: Installing 3.3 miles of 12" and 6" pipeline. The high-pressure feed into Richland is at capacity with large flows at the end of the line and additional growth inquiries that come in that area frequently. This installment helps allow more immediate capacity while setting up a great trunkline for future extensions and connecting to our Kennewick HP system.	
Major Location: Kennewick District	Status: posted to CPR
Asset Location: (47744000) Richland	
Estimated Start Date: May 02, 2020	Estimated Completion Date: Aug 30, 2023
	Estimated In-Service Date: Aug 30, 2023
Notes: Project is budgeted in 2022 and all construction costs will hit the 2022 budget. Some engineering and design costs will hit the 2021 budget as part of the required project planning.	

Approvals

Level	Approver	Approval Limit	Date Approved
Approver 7 - B	mdug_fa_approver	\$0	9/16/2021
Approver 5 - B	sorensen, renie	\$50,000	9/22/2021
Approver 4 - B	chapin, craig	\$200,000	9/22/2021
Approver 3 - B	darras, pat	\$500,000	9/27/2021
Approver 2 - B	kivisto, nicole	\$999,999,999,999	9/27/2021

**** Dollar Estimate in USD ****

Estimate Charge Type	Additions	Retirements	Expense	Jobbing	Total
AFUDC Debt-WO	\$84,910.67	\$0.00	\$0.00	\$0.00	\$84,910.67
Contractor Cost-WO	\$4,351,385.00	\$0.00	\$0.00	\$0.00	\$4,351,385.00
Labor-WO	\$34,650.00	\$0.00	\$0.00	\$0.00	\$34,650.00
Manual ES - WO	\$239,400.00	\$0.00	\$0.00	\$0.00	\$239,400.00
Manual GA - WO	\$7,950.00	\$0.00	\$0.00	\$0.00	\$7,950.00
Materials-WO	\$922,511.00	\$0.00	\$0.00	\$0.00	\$922,511.00
Other Direct-WO	\$63,000.00	\$0.00	\$0.00	\$0.00	\$63,000.00
Regular Charge	\$5,703,806.67	\$0.00	\$0.00	\$0.00	\$5,703,806.67
Total Estimated Costs:	\$5,703,806.67	\$0.00	\$0.00	\$0.00	\$5,703,806.67

**** Unit Estimate ****

Asset Location	Utility Account	Retirement Unit	Addition Dollars	Retirement Dollars	Add Qty	Retire Qty
** No Retirement Unit Selected **						
			\$84,910.67	\$0.00	0	0
Total Location:			\$84,910.67	\$0.00	0	0

Work Order Authorization Information

**** Unit Estimate ****

Asset Location					
Utility Account					
Retirement Unit		Addition Dollars	Retirement Dollars	Add Qty	Retire Qty
(47744000) Richland					
376-G-Mains-High Pressure Steel					
473762060	6" HP Steel Main-CNGC	\$1,484,071.00	\$0.00	0	0
473762120	12" HP Steel Main-CNGC	\$4,134,825.00	\$0.00	13,728	0
Total Location:		\$5,618,896.00	\$0.00	13,728	0
Total Unit Estimate:		\$5,703,806.67	\$0.00	13,728	0

**** Class Codes ****

Class Code	Value
Blanket/Specific	Specific
Budget/Non-Budget*	Budget
Construction/Install Over 30 Days*	Yes
Depr Group Control	<none>
ES/GA	M - Max
FERC*	3762-CNG Mains High Press Steel
Project Ranking*	G,E-Reinforcements/Betterments
Reimbursement*	A-Not a Reimbursable Project
Situs State*	WA
Tax/Accounting Treatment	

**** As-Built ****

Asset Location					
Utility Account					
Exp Type	Retirement Unit	Job task	Dollars	Quantity	
Used in Unitization:					
(47744000) Richland					
376-G-Mains-High Pressure Steel					
Addition	473762060	6" HP Steel Main-CNGC	\$4,968.32	0	
Addition	473762060	6" HP Steel Main-CNGC	\$1,345,468.19	0	
Addition	473762060	6" HP Steel Main-CNGC	\$322,511.08	6,019	
Addition	473762060	6" HP Steel Main-CNGC	\$14,611.73	0	
Addition	473762060	6" HP Steel Main-CNGC	\$10,136.55	0	
Addition	473762060	6" HP Steel Main-CNGC	\$20,216.18	0	
Addition	473762080	8" HP Steel Main-CNGC	\$3,652.93	0	
Addition	473762080	8" HP Steel Main-CNGC	\$336,367.05	0	
Addition	473762080	8" HP Steel Main-CNGC	\$1,242.08	0	
Addition	473762080	8" HP Steel Main-CNGC	\$80,627.77	573	
Addition	473762080	8" HP Steel Main-CNGC	\$5,054.04	0	
Addition	473762120	12" HP Steel Main-CNGC	\$58,963.83	0	
Addition	473762120	12" HP Steel Main-CNGC	\$14,490.93	0	
Addition	473762120	12" HP Steel Main-CNGC	\$3,924,282.24	0	
Addition	473762120	12" HP Steel Main-CNGC	\$940,657.30	10,602	
Addition	473762120	12" HP Steel Main-CNGC	\$42,617.55	0	
Addition Total:			\$7,125,867.77	17,194	
Location Total:		Addition Dollars	Add Qty	Retirement Dollars	Retire Qty
		\$7,125,867.77	17,194	\$0.00	0
Used in Unitization:		Addition Dollars	Add Qty	Retirement Dollars	Retire Qty
		\$7,125,867.77	17,194	\$0.00	0
Unit Estimate Total:		Addition Dollars	Add Qty	Retirement Dollars	Retire Qty
		\$7,125,867.77	17,194	\$0.00	0

Work Order Authorization Information