

Condition 17:

Organizational, start-up, or other costs associated with the creation of HoldCo will be separately tracked and will not be allocated to NWN-U customers. Post-creation of HoldCo, any remaining formation costs or other HoldCo-related costs will not appear on NWN-U's books, or the books of NWN-U's subsidiaries. NWN-U shall furnish the Commission with journal entries and supporting detail showing the nature and cost of all organizational, start-up, and other costs for HoldCo (including but not limited to management time, BOD time, in-house and outside counsel time, any consultants engaged, etc.) since the reorganization was first contemplated, as well as the accounts charged, within 120 days of a Commission order in this docket.

Response:

All costs associated with the creation of HoldCo have been separately tracked with a separate SAP project which has been used for all internal time reporting and coding of external invoices to ensure the costs are separately tracked under the HoldCo project in our general ledger. The HoldCo project in SAP records to a non-ratepayer recoverable internal order within our FERC 921 O&M costs. No journal entries will be made until the HoldCo formation has occurred.

The summary of costs since inception of the project in 2016 are summarized in the table below. Including through March 31, 2018. These costs represent the costs incurred pre-implementation of the reorganization through March 31, 2018. The supporting detail showing the nature of the cost and the accounts charged is located in the tab named 'Tracking Detail'.

Holding Company Costs Incurred From Inception of Project through Q1 2018				
	2016	2017	2018 Through Q1 only	Total
Legal Fees	20,193	532,123	136,035	688,351
Payroll & Associated Overhead	6,733	197,973	20,773	225,478
SEC Filing Fee			195,341	195,341
External Auditor Fees		14,540		14,540
Contract Labor - Consulting		4,860	4,680	9,540
	26,926	749,496	356,829	1,133,250

