

**CASCADE NATURAL GAS CORPORATION**  
 2023 Affiliated Interest Report and Subsidiary Transactions report to the  
 Washington Utilities and Transportation Commission

This report provides the information required per WAC 480-90-264 for the 2023 calendar year.

1. **WAC 480-90-264 (1) – The affiliated interest and subsidiary transaction report must include a corporate organizational chart of the utility and its affiliated interest and subsidiaries.**

See the attached organizational chart.

2. **WAC 480-90-264 (1) – Provide a summary of all transactions, except transactions at tariff rates, that occurred between the utility and its affiliated interests and the utility and its subsidiaries.**

<b>Affiliated Interest Shared Services Expense</b>			
<b>Account</b>	<b>Description</b>	<b>Total Company</b>	<b>Total Washington</b>
	MDU/MDUR/IGC Consulting-Cap Exp	\$3,194,438.33	\$2,398,064.85
426.1	Donations	185,809.86	139,986.07
426.2	Life Insurance	(173,301.66)	(130,097.53)
426.4	Political Activities	640,449.14	535,893.66
813	Other Gas Supply Expenses	416,666.83	312,791.81
870	Operation Supervision and Engineering	1,657,413.41	1,252,182.10
872	Compressor Station Operating Expense	47,657.39	47,657.39
874	Mains & Services Expenses	45,221.42	33,947.74
875	Measuring & Regulating Station Expenses General	86,235.32	64,736.83
876	Measuring & Regulating Station Expenses Industrial	(9.25)	(6.94)
878	Meter & Housing Regulator Expenses	299,433.21	224,784.51
879	Customer Installation Expense	(2.20)	(1.65)
880	Other Expenses	894,355.78	674,190.73
881	Rents	149,075.69	122,099.74
885	Maintenance Supervision and Engineering	29,722.47	22,272.95
887	Maintenance Mains	176,315.62	19,042.71
888	Compressor Station Maintenance	396,312.25	396,312.25
892	Maintenance of Service	409.70	307.56
894	Maintenance of Other Equipment	92.24	69.24
901	Supervision	48,515.66	36,420.71
902	Meter Reading Expenses	113,170.61	84,957.15
903	Customer Records & Collection Expenses	6,234,287.28	4,680,079.38
904	Uncollectible Accounts	30,142.42	22,627.92
908	Customer Assistance Expenses	43,369.05	36,396.35

909	Informational & Instructional Advertising Expenses	81,361.27	61,077.87
913	Promotional Advertising	750.00	0.00
920	Administrative & General Salaries	10,225,654.06	7,676,398.28
921	Office Supplies & Expenses	5,843,984.71	4,391,599.27
923	Outside Services Employed	678,743.79	515,768.56
925	Injuries & Damages	27,732.89	22,418.15
926	Employee Pensions & Benefits	68,311.53	51,281.47
930.1	General Advertising Expenses	46,275.63	35,237.73
930.2	Misc. General Expenses	663,149.96	500,396.47
931	Rents	2,045,712.00	1,535,716.10
932	Maintenance of general plant	86.23	64.74
	Grand Total	<b>\$34,197,542.64</b>	<b>\$25,764,674.17</b>

<b>PAYMENTS BY THE UTILITY TO THE AFFILIATE</b>		
<b>Affiliated Interest</b>	<b>Total Company</b>	<b>Total Washington</b>
Knife River Corporation	\$43,488.75	\$0.00
Montana-Dakota Utilities Co.	\$18,200,644.29	\$13,663,223.67
MDU Resources Group, Inc.	\$10,754,193.61	\$8,073,173.14
Intermountain Gas Company	\$1,005,129.01	\$754,550.35
Centennial Holdings Capital LLC	\$2,569,410.87	\$1,928,856.74
Future Source Capital Corp	\$1,408.01	\$1,056.99

<b>PAYMENTS BY THE AFFILIATE TO THE UTILITY</b>		
<b>Affiliated Interest</b>	<b>Total Company</b>	<b>Total Washington</b>
Future Source Capital Corp.	\$84,432.00	\$63,383.10
Intermountain Gas Co.	\$33,494.77	\$25,144.52
Centennial Holdings Capital LLC	\$127,826.94	\$95,959.68

3. **WAC 480-90-264(2)** – When total transactions with an affiliated interest or subsidiary equal or exceed one hundred thousand dollars, the utility must provide:

(a) **A balance sheet and income statement for such affiliated interest.**

Below are the Income Statements and Balance Sheets for each company where transactions with Cascade Natural Gas Corporation exceeded \$100,000 in 2023.

**MDU Resources Group, Inc.**

<b>Year ended December 31,</b>	<b>2023</b>
<b>Balance sheet data (000's)</b>	
ASSETS	
Current assets:	
Cash and cash equivalents	\$33,039
Receivables, net	6,568
Accounts rec from subsidiaries	30,526
Prepayments and other current assets	8,261
<b>Total Current Assets</b>	<b>\$78,394</b>
Noncurrent Assets	
Investments	\$37,722
Investments in subsidiaries	3,146,122
Notes receivable from subsidiaries	58,000
Deferred income taxes	12,596
Operating lease right-of-use assets	31
Other	2,593
<b>Total Noncurrent Assets</b>	<b>\$3,257,064</b>
<b>Total Assets</b>	<b>\$3,335,458</b>
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current liabilities:	
Accounts payable	\$4,264
Accts pay to subsidiaries	3,435
Notes payable to subsidiaries	134,107
Taxes payable	542
Dividends payable	25,461
Accrued compensation	9,651
Operating lease liab. due within one year	25
Other accrued liabilities	8,008
<b>Total Current Liabilities</b>	<b>\$185,493</b>
Noncurrent liabilities:	
Long-term debt	\$189,048
Operating lease liabilities	6
Other	55,678
<b>Total Noncurrent Liabilities</b>	<b>\$244,732</b>
Commitments and contingencies	
Stockholders' equity:	
Common stock	\$203,689
Other paid-in capital	1,466,235
Retained earnings	1,253,693
Accumulated other comprehensive loss	(18,384)
<b>Total Stockholders' Equity:</b>	<b>\$2,905,233</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$3,335,458</b>

**Year ended December 31, 2023**  
**Income statement data (000's)**

Operating expenses	\$14,959
Operating loss	(14,959)
Realized gain on tax-free exchange of the retained shares in Knife River	186,556
Interest expense	16,099
Income (loss) before income taxes	155,498
Income tax benefit	(7,705)
Equity in earnings of subsidiaries from continuing operations	317,222
Income from continuing operations	480,425
Equity in earnings (loss) of subsidiaries from discontinued operations	(17,922)
Discontinued operations, net of tax	(47,796)
Net income	\$414,707
Comprehensive income	\$414,600

**Intermountain Gas Company**

**Year ended December 31, 2023**  
**Balance sheet data (000's)**

ASSETS

Current assets:

Cash and cash equivalents	\$3,225
Receivables, net	57,246
Inventories	4,973
Current regulatory assets	2,179
Prepayments and other current assets	18,011

**Total Current Assets** **\$85,634**

Noncurrent Assets:

Property, plant and equipment	\$991,807
Less accumulated depreciation and amortization	335,723
<b>Net property, plant, and equipment</b>	<b>\$656,084</b>
Regulatory assets	\$1,466
Investments	50
Operating lease right-of-use-assets	473
Materials and supplies inventory - at average cost	6,243
Other	2,202

**Total Noncurrent Assets** **\$666,518**

**Total Assets** **\$752,152**

LIABILITIES AND MEMBER'S EQUITY

Current liabilities:

Short-term borrowings	\$45,000
-----------------------	----------

Accounts payable	31,299
Taxes payable	6,263
Dividends payable	3,540
Accrued compensation	2,543
Regulatory liabilities due within one year	18,529
Operating lease liabilities due within one year	151
Other accrued liabilities	20,620
<b>Total Current Liabilities</b>	<b>\$127,945</b>

Noncurrent Liabilities:

Long-term debt	\$225,086
Deferred income taxes	28,930
Regulatory liabilities	54,471
Accrued provision-pension and benefits	3,652
Asset retirement obligations	98,801
Operating lease liabilities	321
Customer advances	12,086
Other	457
<b>Total Noncurrent Liabilities</b>	<b>\$423,804</b>

Member's equity:

Member's equity, 100% owned at December 31.	\$1,513
Other paid-in capital	103,296
Retained earnings	96,148
Accumulated other comprehensive loss	(54)
<b>Total Member's Equity:</b>	<b>\$200,403</b>
<b>Total Liabilities and Member's Equity</b>	<b>\$752,152</b>

**Year ended December 31, 2023**  
**Income statement data (000's)**

Operating revenues	\$422,998
Operating expenses:	
Purchased natural gas sold	\$284,426
Operation and maintenance	64,966
Depreciation and amortization	23,040
Taxes other than income	15,004
<b>Total Operating Expenses</b>	<b>\$387,436</b>
Operating income	\$35,562
Other income (expense)	1,054
Interest expense	11,923
<b>Income (loss) before taxes</b>	<b>\$24,693</b>
Income taxes	\$5,538
<b>Net Income</b>	<b>\$19,155</b>

**Montana-Dakota Utilities Co.**

**Year ended December 31, 2023**  
**Balance sheet data (000's)**

ASSETS

Current assets:

Cash and cash equivalents	\$5,193
Receivables, net	99,535
Inventories	32,819
Current regulatory assets	46,824
Prepayments and other current assets	4,400

Total Current Assets	\$188,771
----------------------	-----------

Noncurrent Assets:

Property, plant and equipment	\$3,310,697
Less accumulated depreciation and amortization	940,641

Net property, plant and equipment	\$2,370,056
-----------------------------------	-------------

Goodwill	\$4,812
Regulatory assets	160,302
Investments	30,120
Operating lease right-of-use-assets	19,123
Materials and supplies inventory - at average cost	39,611
Other	37,334

Total Noncurrent Assets	\$2,661,358
-------------------------	-------------

Total Assets	\$2,850,129
--------------	-------------

LIABILITIES AND MEMBER'S EQUITY

Current liabilities:

Long-term debt due within one year	\$60,700
Accounts payable	65,049
Taxes payable	20,325
Dividends payable	11,600
Accrued compensation	19,600
Regulatory liabilities due within one year	46,973
Operating lease liabilities due within one year	1,075
Other accrued liabilities	32,315

Total Current Liabilities	\$257,637
---------------------------	-----------

Noncurrent Liabilities:

Long-term debt	\$942,782
Deferred income taxes	252,248
Regulatory liabilities	217,208
Accrued provision-pension and benefits	33,633
Asset retirement obligations	139,816

SHADED INFORMATION IS DESIGNATED AS CONFIDENTIAL PER WAC 480-07-160  
 REDACTED

Operating lease liabilities	17,799
Customer advances	20,459
Other	3,268
<b>Total Noncurrent Liabilities</b>	<b>\$1,627,213</b>

Member's equity:

Member's equity, 100% owned at December 31.	\$1
Other paid-in capital	191,372
Retained earnings	774,089
Accumulated other comprehensive loss	(183)
<b>Total Member's Equity:</b>	<b>\$965,279</b>
<b>Total Liabilities and Member's Equity</b>	<b>\$2,850,129</b>

**Year ended December 31, 2023**  
**Income statement data (000's)**

Operating revenues	\$778,467
Operating expenses:	
Fuel and purchased power	\$107,881
Purchased natural gas sold	239,144
Operation and maintenance	195,302
Depreciation and amortization	95,323
Taxes other than income	30,295
<b>Total Operating Expenses</b>	<b>\$667,945</b>
Operating income	\$110,522
Other income (expense)	9,547
Interest expense	38,774
<b>Income (loss) before taxes</b>	<b>\$81,295</b>
Income taxes	(\$1,472)
<b>Net Income</b>	<b>\$82,767</b>

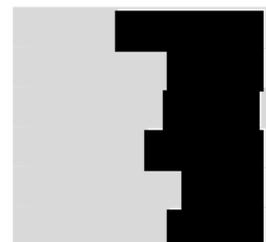
**Centennial Holdings Capital LLC**

**Year ended December 31, 2023**  
**Balance sheet data**

ASSETS

Current assets:

Cash and cash equivalents	
Accounts Receivable	
Accounts Receivable-Intercompany	
Notes Receivable-Current	
Interest Receivable	
Prepayments and other current assets	



SHADED INFORMATION IS DESIGNATED AS CONFIDENTIAL PER WAC 480-07-160  
 REDACTED

Total Current Assets	
Total Investments	
Property, plant, and equipment	
Accumulated depreciation, depletion, and amortization	
Net Property, Plant, and Equipment	
Operating lease right-of-use assets	
Total Assets	
<b>LIABILITIES AND EQUITY</b>	
Current liabilities:	
Long-term debt due within one year	
Accounts payable	
Accounts payable-Intercompany	
Income taxes payable	
Other taxes payable	
Operating lease current liability	
Accrued liabilities-other	
Total Current Liabilities	
Deferred Credits and Other Liabilities	
Deferred income taxes	
Operating lease liability-noncurrent	
Other deferred costs	
Other deferred costs - Intercompany	
Total Deferred Charges and Other Liabilities	
Total Liabilities	
Common stockholder's equity	
Other paid-in capital	
Retained earnings	
Accumulated other comprehensive loss	
Total Stockholders' Equity	
Total Liabilities and Equity	

Year ended December 31, 2023  
 Income statement data (000's)

Operating revenues	
Operating expenses:	
Operations	
Depreciation, depletion, and amortization	
Taxes, other than income	
Gain or loss on disposal of assets	
Total Operating Expenses	
Operating Income (loss)	

SHADED INFORMATION IS DESIGNATED AS CONFIDENTIAL PER WAC 480-07-160  
 REDACTED

Interest income		
Interest income-Intercompany		
<b>Total Interest Income</b>		
Other Income (Expense)		
<b>Total Other Income (Expense)</b>		
Income (loss) before taxes		
Provision for income taxes		
Income tax expense (benefit)		
Income tax expense (benefit)-deferred		
<b>Income taxes</b>		
<b>Net Income (Loss)</b>		

**(b) A description of the products or services provided to or from the utility and each such affiliated interest or subsidiary.**

- MDU Resources Group, Inc, the parent Company to Cascade Natural Gas Corporation, provides management/consulting/legal services to Cascade Natural Gas Corporation.
- Montana-Dakota Utilities Co. (MDU) – Cascade provides 24/7 gas control monitoring of MDU’s distribution system and provides notification to the appropriate personnel when a problem is detected.
- Intermountain Gas Co. (IGC) - Cascade provides 24/7 gas control monitoring of IGC’s distribution system and provides notification to the appropriate personnel when a problem is detected.
- Centennial Holdings Capital LLC carries various liability insurance policies on behalf of Cascade Natural Gas Corporation.

**(c) A description of the Pricing Basis or Costing Method, and procedures for allocating costs for such products or services, and the amount and the accounts charged during the year.**

Attached is the Cost Allocation Manual which describes the costing method procedures for Cascade Natural Gas Corporation.

**(d) A Description of Terms of any Loans between the utility and each such affiliated interest or subsidiary and a listing of the year-end loan amounts and maximum loan amounts outstanding during the year.**

No loans were made to an affiliate or subsidiary during 2023.

**(e) A Description of the terms and total amount of any obligation or liability assumed by the utility for each such affiliated interest or subsidiary.**

None.

**(f) A Description of the activities of each such affiliated interest or subsidiary with which the utility has transactions.**

- MDU Resources Group, Inc, the parent Company to Cascade Natural Gas Corporation, provides management/consulting/legal services to Cascade Natural Gas Corporation.
- Montana-Dakota Utilities Co. (MDU) – Cascade provides 24/7 gas control monitoring of MDU’s distribution system and provides notification to the appropriate personnel when a problem is detected.
- Intermountain Gas Co. (IGC) - Cascade provides 24/7 gas control monitoring of IGC’s distribution system and provides notification to the appropriate personnel when a problem is detected.
- Centennial Holdings Capital LLC carries various liability insurance policies on behalf of Cascade Natural Gas Corporation.

**(g) A List of all common officers and Directors between the gas utility and each such affiliated interest or subsidiary, along with their titles in each organization.**

Please see the attached lists.

# Attachments

## **Cascade Natural Gas Corporation**

### **Primary Address**

8113 West Grandridge Boulevard  
Kennewick, Washington 99336-7166

<b>Management Name</b>	<b>Title</b>
Kivisto, Nicole A.	Director
Sanderson, Paul R.	Director
Senger, Garret	Director
Vollmer, Jason L.	Director
Chiles, Mark A.	Vice President - Regulatory Affairs and Customer Service
Darras, Patrick C.	Vice President – Engineering and Operations Services
Gilchrist, Hart	Vice President - Safety, Process Improvement and Operations Systems
Jones, Anne M.	Vice President and Chief Human Resources Officer
Kivisto, Nicole A.	Chair of the Board, President and Chief Executive Officer
Link, Margaret (Peggy) A.	Vice President and Chief Information Officer
Madison, Scott W.	Executive Vice President - Business Development and Gas Supply
Martuscelli, Eric P.	Vice President – Field Operations
Nygard, Tammy J.	Controller
Sanderson, Paul R.	Chief Legal Officer and Secretary
Senger, Garret	Chief Utilities Officer
Vollmer, Jason L.	Treasurer
Waldon, Allison R.	Assistant Secretary

## **Montana-Dakota Utilities Co.**

### **Primary Address**

400 North Fourth Street  
Bismarck, North Dakota 58501-4092

<b>Management Name</b>	<b>Title</b>
Kivisto, Nicole A.	Director
Sanderson, Paul R.	Director
Senger, Garret	Director
Vollmer, Jason L.	Director
Chiles, Mark A.	Vice President - Customer Service
Darras, Patrick C.	Vice President – Engineering and Operations Services
Gilchrist, Hart	Vice President - Safety, Process Improvement and Operations Systems
Jones, Anne M.	Vice President and Chief Human Resources Officer
Kivisto, Nicole A.	Chair of the Board, President and Chief Executive Officer
Link, Margaret (Peggy) A.	Vice President and Chief Information Officer
Madison, Scott W.	Executive Vice President - Business Development and Gas Supply
Martuscelli, Eric P.	Vice President – Field Operations
Nygard, Tammy J.	Controller
Sanderson, Paul R.	Chief Legal Officer and Secretary
Senger, Garret	Chief Utilities Officer
Skabo, Jay	Vice President – Electric Supply
Vollmer, Jason L.	Treasurer
Waldon, Allison R.	Assistant Secretary

## **MDU Resources Group, Inc.**

### **Primary Address**

1200 West Century Ave  
Bismarck, North Dakota 58503

<b>Management Name</b>	<b>Title</b>
Anderson, Darrel T.	Director
Gemmel, James H.	Director
Goodin, David L.	Director
Johnson, Dennis W.	Director and Chair of the Board
Kivisto, Nicole A.	Director
Rosenthal, Dale S.	Director
Ryan, Edward A.	Director
Sparby, David M.	Director
Wang, Chenxi	Director
Jones, Anne M.	Vice President and Chief Human Resources Officer
Kivisto, Nicole A.	President and Chief Executive Officer
Link, Margaret (Peggy) A.	Vice President and Chief Information Officer
Miller, Brent L.	Assistant Treasurer
Riehl, Adrienne L.	Assistant General Counsel and Assistant Secretary
Sanderson, Paul R.	Vice President, Chief Legal Officer and Secretary
Sievert, Stephanie A.	Vice President, Chief Accounting Officer and Controller
Vollmer, Jason L.	Vice President, Chief Financial Officer and Treasurer
Waldon, Allison	Assistant Secretary

## **Intermountain Gas Company**

### **Primary Address**

555 South Cole Road  
Boise, Idaho 83709

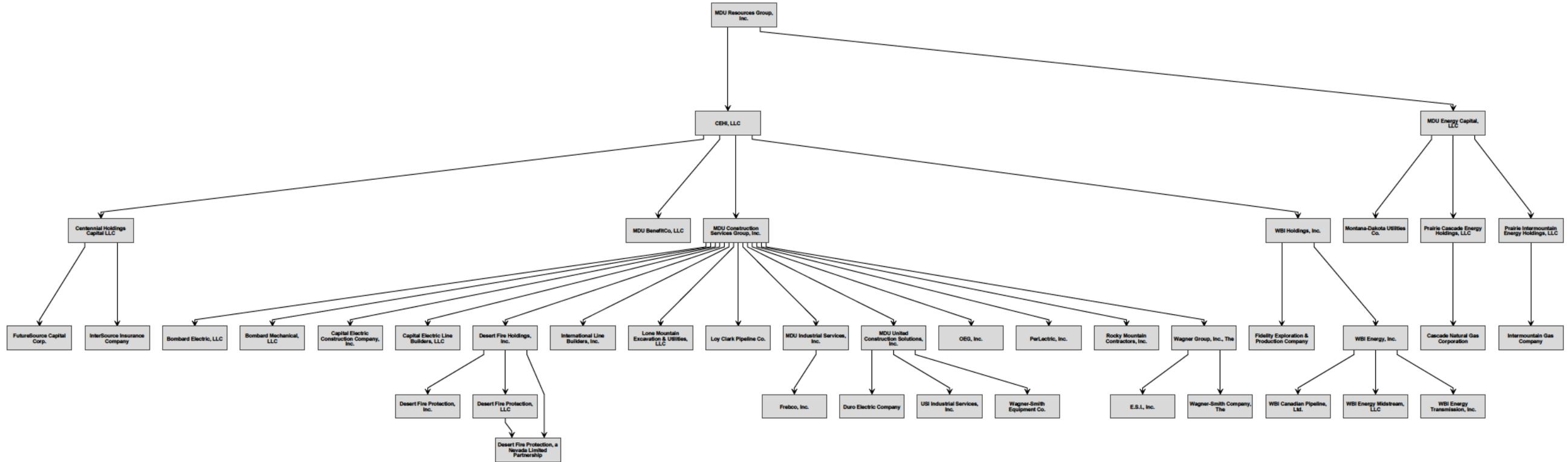
<b>Management Name</b>	<b>Title</b>
Kivisto, Nicole A.	Director
Sanderson, Paul R.	Director
Senger, Garret	Director
Vollmer, Jason L.	Director
Chiles, Mark A.	Vice President – Regulatory Affairs and Customer Service
Darras, Patrick C.	Vice President – Engineering and Operations Services
Gilchrist, Hart	Vice President - Safety, Process Improvement and Operations Systems
Jones, Anne M.	Vice President and Chief Human Resources Officer
Kivisto, Nicole A.	Chair of the Board, President and Chief Executive Officer
Link, Margaret (Peggy) A.	Vice President and Chief Information Officer
Madison, Scott W.	Executive Vice President - Business Development and Gas Supply
Martuscelli, Eric P.	Vice President – Field Operations
Nygard, Tammy J.	Controller
Sanderson, Paul R.	Chief Legal Officer and Secretary
Senger, Garret	Chief Utilities Officer
Vollmer, Jason L.	Treasurer
Waldon, Allison R.	Assistant Secretary

## **Centennial Holdings Capital LLC**

### **Primary Address**

1200 West Century Ave  
Bismarck, North Dakota 58503

<b>Management Name</b>	<b>Title</b>
Kivisto, Nicole A.	Manager
Sanderson, Paul R.	Manager
Vollmer, Jason L.	Manager
Kivisto, Nicole A.	Chair of the Board, President and Chief Executive Officer
Sanderson, Paul R.	Chief Legal Officer and Secretary
Vollmer, Jason L.	Vice President and Treasurer



# Cascade Natural Gas

## Cost Allocation Manual

2023



*In the Community to Serve®*

# 2023 Cost Allocation Manual

---

## Table of Contents

Overview .....	1
MDU Resources Group, Inc. (MDUR) Allocations .....	3
Shared Services .....	3
Payroll Shared Services .....	3
Human Resources .....	3
Business Services .....	4
Enterprise Information Technology .....	4
Administrative and General Services .....	4
FutureSource .....	6
Cascade Natural Gas Allocation of Cost to/from Others .....	7
Allocations to/from other MDUR Companies .....	7
Allocations to other Utility Companies .....	7
Cascade Natural Gas Allocations to Utility Segment .....	8
Revenues .....	8
O&M Expense .....	9
Facility Expense Allocations .....	9
Labor/Reimbursable expense allocations .....	9
Taxes Other than Income .....	10
Income Taxes .....	10
Plant in service/work in progress/reserve/depreciation .....	11
Prepayments .....	11
Customer Advances .....	11
Other rate base items .....	11
Cascade Natural Gas Allocations to State Jurisdictions .....	11
Exhibit I- MDUR Corporate Overhead factor .....	16

# 2023 Cost Allocation Manual

---

Exhibit II- Montana-Dakota/Great Plains Overhead factor .....	16
Exhibit III- Montana-Dakota/Great Plains Customer Allocation Factors .....	17
Exhibit IV- MDUR Shared Services Pricing Methodology .....	18
Exhibit V- Utility Operations Support Allocation Methodology .....	28
Exhibit VI- Cascade Natural Gas Allocation Factors .....	36

# 2023 Cost Allocation Manual

---

## Overview

Cascade Natural Gas Corporation (CNG), a gas distribution company operating in the states of Washington and Oregon, is a subsidiary of MDU Resources Group, Inc. Cascade Natural Gas Corporation has its' own set of financial records. The operations of Cascade Natural Gas Corporation are under the direction of one Utility Group (UG) executive leadership team.

Montana-Dakota Utilities Co. (Montana-Dakota) and Great Plains Natural Gas Company (Great Plains), both subsidiaries of MDU Resources Group, Inc. (MDUR), conduct business in five states with two regulated utility segments 1) electric operations (comprised of generation, transmission, and distribution operations) and 2) gas distribution operations.

Montana-Dakota and Great Plains are one legal entity and have one set of financial records. However, utility related rate base and income statement items, whether directly assigned or allocated, are captured in a unique financial ledger to provide for regulatory reporting. The operations of both Montana-Dakota and Great Plains are under the direction of one Utility Group (UG) executive leadership team.

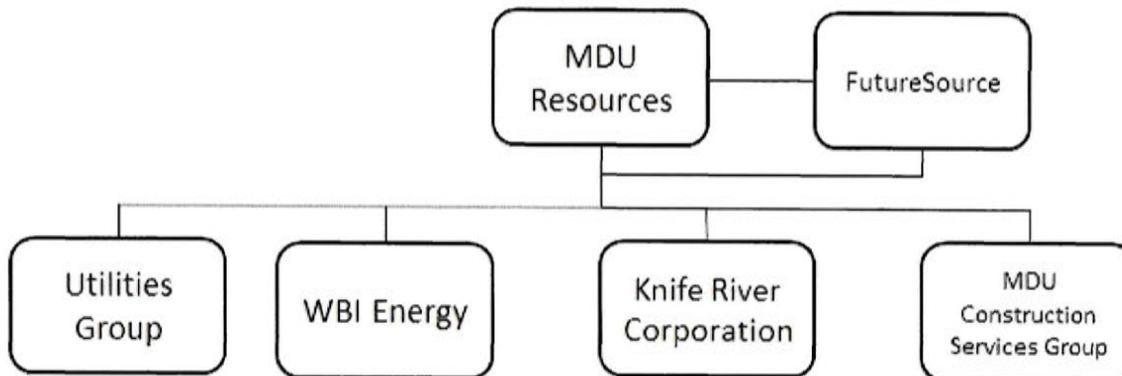
FutureSource Capital Corporation (FutureSource) is a separate legal entity that owns the corporate campus facilities that house the MDUR corporate staff and other property utilized in providing services to the operating companies within MDUR.

Below is an overview of the operational structure for the purpose of assigning costs. The diagram presented is intended to provide an overview for cost allocation only and is not intended to represent the legal structure of the Corporation. Note that costs from MDUR and FutureSource are directly assigned or allocated and charged to the operating companies (i.e. Utilities Group, WBI Energy, etc.)

# 2023 Cost Allocation Manual

---

## Corporate Level



This document is intended to provide an overview of the different types of allocations and the processes employed to direct costs to the proper utility or business segment (electric or gas) and state jurisdiction for Montana-Dakota and Great Plains.

This document will discuss the allocations to/from:

- MDUR and FutureSource to Montana-Dakota/Great Plains
- Montana-Dakota/Great Plains to Cascade Natural Gas Company (CNGC) and Intermountain Gas Corporation (IGC)
- Cascade Natural Gas Corporation (CNG) to Intermountain Gas Corporation (IGC) and Montana-Dakota/Great Plains
- Montana-Dakota to a utility segment (electric or gas)
- Utility segment to state jurisdictions

Overall, the approach to allocating costs at each level is to directly assign costs when applicable and to allocate costs based on the function or driver of the cost.

# 2023 Cost Allocation Manual

---

## **MDU Resources Group, Inc. (MDUR) Allocations**

The MDUR corporate staff consists of shared services departments (payroll, human resources, business services and enterprise information technology), and administrative and general departments.

### **Shared Services**

MDU Resources Group, Inc. has several departments that provide specific services to the operating companies. These departments have developed a pricing methodology which is updated annually for the allocation of costs to the MDUR operating companies that utilize their services. (See Exhibit IV) These departments include:

#### **Payroll Shared Services**

Payroll Shared Services department provides comprehensive payroll services for MDUR companies and employees. It processes payroll in compliance with appropriate federal, state, and local tax laws and regulations. Payroll Shared Services is also responsible for preparation, filing and payment of all payroll related federal, state, and local tax returns. It also maintains and facilitates payments and accurate reporting to payroll vendors for employee benefits and other payroll deductions. For Montana-Dakota and Great Plains, the payroll shared services department is also responsible for the accumulation of time entry records and maintenance of employee records. Montana-Dakota and Great Plains do not have any departments that provide these payroll related services.

#### **Human Resources**

Human Resources operates as "One HR" across the regulated business units of MDU Resources Group including Montana-Dakota, Great Plains, Cascade Natural Gas, Intermountain Gas, and WBI Energy. There are employees in the HR departments at each of the business units that focus on the operational function of human resources: employee relations, labor relations, staffing, and leave management. At MDU Resources, shared HR functions are performed for all the regulated businesses: compensation management, benefits administration, policy development, human resource information systems, organizational development, as well as providing support and backup for the business unit functions.

# 2023 Cost Allocation Manual

---

## **Business Services**

Business Services provides support services for facilities and administrative services (including bill printing), supply chain (purchasing and inventory), fleet, travel, and accounts payable (including unclaimed property). Business Services also creates and maintains the Corporation's national accounts for the purchase of products, goods and services. National accounts take advantage of the combined purchasing power of all the Corporation's operating companies. Business Services is committed to serving its customers by providing timely, standardized, cost-effective goods and services that support business strategies and goals.

## **Enterprise Information Technology**

Enterprise Information Technology (EIT) provides policy guidance, infrastructure related IT functions and security-focused governance. EIT seeks to increase the return on investment in technology through consolidation of common IT systems and services, while eliminating waste and duplication. EIT works to increase the quality and consistency of technology, increase functionality and service to the enterprise, provide governance for managing and controlling risk and reduce costs through economies of scale.

The EIT services get allocated to Montana Dakota using agreed upon formulas based on utilization of the services.

## **Administrative and General Services**

Administrative and general functions performed by MDUR for the benefit of the operating companies include the following departments:

- Corporate governance, accounting & planning
- Communications & public affairs
- Human resources
- Internal audit
- Investor relations
- Legal
- Risk management
- Tax and compliance
- Treasury services

## 2023 Cost Allocation Manual

---

Cascade Natural Gas receives an allocation of these corporate costs. Corporate Policy No. 50.10 states *"It is the policy of the Company to allocate MDU Resources Group, Inc.'s (MDU) administrative costs and general expenses to the MDU's business units"*. Business units described in the policy have been referred to as operating companies in this document. The policy states that costs that directly relate to a business unit will be directly assigned to the applicable business unit and only the remaining unassigned expenses will be allocated to the operating companies using the corporate allocation methodology. The allocation factor developed to apportion MDUR's unassigned administrative costs is a capitalization factor which is based on 12-month average capitalization at March 31, effective July 1 and at September 30, effective January 1 each year. MDUR has a mix of regulated and non-regulated companies. The non-regulated companies are cyclical in nature and could be impacted significantly with a downturn in the economy. It is unlikely during that same downturn their share of corporate costs would be materially different. Due to the volatility of non-regulated companies, and inconsistency between periods of other potential allocation factors, capitalization is the most appropriate allocation factor for MDUR. Capitalization includes total equity and current and non-current long-term debt (including capital lease obligations). The Corporate Overhead Allocation Factors are shown in Exhibit I. Note: as of 5/31/23 Knife River was split off from MDUR to be their own publicly traded company. Normal allocation factors changed on splits for June-December. The Corporate Overhead Allocation Factors are shown in Exhibit I.

Montana-Dakota's gas (including Great Plains) and electric business segments are reflected in the Corporate Overhead Allocation Factors in Exhibit II. Operating companies that receive allocated costs on a monthly basis from MDUR include:

- Montana Dakota – Electric utility segment
- Montana Dakota/Great Plains – Gas utility segment
- Cascade Natural Gas Corporation (CNGC)
- Intermountain Gas Company (IGC)
- WBI Energy Transmission
- WBI Midstream
- Knife River (KR) (NOTE: KR was split off from MDUR 5/31/23)
- MDU Construction Services Group, Inc. (CSG)

The corporate costs allocated to the electric and gas segments at Montana-Dakota/Great Plains are subsequently allocated to the state

## 2023 Cost Allocation Manual

---

jurisdictions Montana Dakota and Great Plains serve. Corporate costs are recorded in the administrative and general (A&G) function for Montana-Dakota/Great Plains. (See state jurisdictional allocation discussion on page 14.)

### **FutureSource**

FutureSource, a separate legal entity, owns the facilities at the corporate campus that house the MDUR corporate staff and other property utilized in providing services to all the operating companies within MDUR. These include the corporate office, computers, telephones, furniture, fixtures, and aircraft. Montana-Dakota/Great Plains acquired an interest in a portion of the land, building, hangar and aircraft with a cash contribution to FutureSource and placed these assets into rate base. The purchase of a portion of the assets (based on the net book value) was determined to be beneficial to the rate payer rather than paying a higher rate of return for the investment in the cost-of-service calculation billed by FutureSource. The investment in these assets is fluid in nature and does change over time depending on the total investment held by FutureSource. This investment is monitored annually and compared to its proximity to the Corporate Overhead Allocation Factor. The level of investment is targeted to remain relatively close to the Utility Group's Corporate Overhead Allocation Factor. Montana-Dakota/Great Plains receives a cost-of-service return from IGC and CNGC for their proportionate share of the contribution made by Montana-Dakota. The revenue received by Montana-Dakota for this cost of service is recorded in miscellaneous revenue.

Annually FutureSource calculates a cost of service for any unfunded portion of these corporate assets and bills the operating companies monthly. Components included in the cost of service for these facilities and other property include operation and maintenance expense, depreciation, property taxes, income taxes and a pretax return on the investment. The annual calculation is maintained by FutureSource and the most recent copy may be requested from the MDU Resources Corporate Planning Department. Each month Montana-Dakota /Great Plains allocates these costs to the electric and gas utility segment based on the Montana-Dakota corporate overhead factor, Exhibit II.

FutureSource also owns and operates a corporate aircraft and a hangar. Fixed costs for the aircraft are allocated to the MDUR operating companies on the MDUR corporate overhead factor referenced above (Exhibit I). The variable costs are charged to the appropriate business unit as a direct

## 2023 Cost Allocation Manual

---

charge on an hourly flight rate. These charges will at times exceed or be below the actual variable cost. A year-end true-up includes an adjustment to the excess or shortfall in such hourly billing. Flights for employees of Montana-Dakota/Great Plains are directly assigned to the appropriate utility segment and state jurisdiction based on the purpose of the trip. For trips that are not directly applicable to a utility segment/jurisdiction, costs are allocated on the employee's standard payroll allocation and subsequently allocated to the jurisdictions. Standard labor distribution allocations are discussed on page 9.

### **Cascade Natural Gas Corporation Allocation of Cost to/from Others**

#### **Allocations to/from other MDUR Companies**

Certain Montana-Dakota/Great Plains owned assets, such as the General Office/Annex facility, located at the utility headquarters in Bismarck, and the assets associated with the contribution made for FutureSource assets, are also used for the benefit of other MDUR operating companies. To cover the cost of ownership and operating costs associated with these owned assets, a revenue requirement (asset return plus annual operating expenses) is computed for the shared assets. The expense component included in the return is composed of operating and maintenance costs, depreciation, income tax and property tax expenses. The resulting revenue requirement is billed to the other MDUR operating companies, including CNGC and IGC, as a monthly fee.

Intermountain Gas owns the Customer Service Center located in Meridian, ID. To cover the cost of ownership associated with that owned asset, a revenue requirement (asset return) is computed similarly to Montana-Dakota owned assets. The expense component included in the return is composed of depreciation, income tax and property tax expenses. The resulting revenue requirement is billed to the Montana-Dakota/Great Plains and Cascade as a monthly fee. The costs are allocated based on the number of customers served by each utility.

#### **Allocations to other Utility Companies**

Montana-Dakota/Great Plains has several departments that provide services to all four utility operating companies (Montana-Dakota, Great Plains,

## 2023 Cost Allocation Manual

---

Cascade Natural Gas Co., and Intermountain Gas Company). These departments include:

- Leadership Group - composed of the Executive Group and Directors that oversee shared utility specific functions
- Customer Services - (Call Center, Scheduling and Online Services)
- Operations & Engineering Services Group – composed of shared utility group operations department functions
- Process Improvement and Operations Technology departments – composed of shared utility group department functions
- Information Technology and Communications- (Enterprise Network & Telecommunications, Enterprise Management, Enterprise Development and Integration, Field Automation, Enterprise GIS)
- Environmental
- Safety & Technical Training
- Business Development
- Gas Supply & Control
- Utility Group Controller
- Utility Group Human Resources

These operational groups have calculated the proper allocation to use to allocate the costs to the utility companies based on services performed for each utility company. Some costs may be determined within these utility group departments to be specific to one company and are allocated directly to that company. Payroll allocations and other costs will follow the proper allocations determined for the departments when the costs are to be split to each utility company. The allocation methodology is included in Exhibit V. Costs specific to a brand will be charged directly to that brand and will not go through an allocation process.

### **Cascade Natural Gas Corporation Allocations to Utility Segment**

#### **Revenues**

All sales and transportation revenues are directly assigned to the appropriate state jurisdiction. Miscellaneous service revenue, rent and other revenue is directly assigned to the utility jurisdiction where possible and common derived revenue is allocated to the utility jurisdiction based on the reason for which the revenue was received.

# 2023 Cost Allocation Manual

---

## **O&M Expense**

As operation and maintenance costs are incurred, the expense is directly assigned to a utility segment in the general ledger where possible. Expenses incurred that are common to both segments, such as administrative and general costs, are split between utility segments based on the function and/or driver of the cost. Common facility expenses and labor/reimbursable expenses are discussed below.

### **Facility Expense Allocations**

Costs for operations and maintenance of facilities are charged directly to the applicable utility jurisdiction when the facility is for the benefit of one jurisdiction.

For expenses associated with distribution operation facilities, such as a region office that serves more than one utility segment, the costs are allocated to the utility segment based on the current year 3-factor formula.

### **Labor/Reimbursable expense allocations**

The development of standard labor distributions for Cascade Natural Gas Corporation employees is described below based on the type of employee. Standard labor distributions are used for all employees to account for certain expenses as detailed below.

Labor, benefit costs and reimbursable expenses are directly assigned to a utility segment where possible. If the expense is not direct, the appropriate utility segment is charged as follows:

#### ***Union Employees***

Time tickets are required for productive time. The employee specifies the proper utility segment, location and FERC account based on work performed. To account for non-productive time, standard payroll labor distributions are established for all employees. These standard labor distributions are calculated for union employees based on the historical actual charges by utility segment for the last 12 months.

# 2023 Cost Allocation Manual

---

## ***Non-Union Employees***

Non-union employees are not required to submit detailed time tickets with applicable general ledger accounts specified. Rather each employee has a "standard" set of general ledger accounts that split the labor costs to utility segment based on an expected ratio of work between segments. This split can be unique and is based on the employee's position. Costs are distributed based on this standard labor distribution for each employee, and the allocations are reviewed annually. Time studies are completed at least every five years.

- Payroll allocations for operations supervisors are a function of their direct reports or may be determined by time studies conducted.
- Payroll allocations for staff engineers are determined by time studies.
- Payroll allocations for General Office support staff are reviewed by the applicable department head based on the type of work performed.

Reimbursable employee expenses are directly assigned to a utility segment and FERC account when possible. For employee expenses that are applicable to more than one utility segment, such as training that is not specific to a utility segment, the employee's standard labor distribution percentages for each segment are used.

## **Taxes Other than Income**

Ad valorem taxes are reviewed by function and all functions are directly assigned except for common ad valorem taxes, which follow plant. Payroll related taxes follow the allocation of labor and revenue, and electric production taxes are directly assigned. Common taxes other than income, such as the Highway Use tax or Secretary of State filing tax are allocated on the appropriate factor to the segments.

## **Income Taxes**

Income taxes, both current and deferred, are allocated to the utility segment based on the underlying revenue or expense that generated the deferred taxes.

If the underlying income item is specific to a particular segment, the related taxes are assigned directly to that segment. If the underlying income item

## 2023 Cost Allocation Manual

---

is common to both segments, the related taxes are allocated with factors used to allocate the underlying revenue or expense.

### **Plant in service/work in progress/reserve/depreciation**

Plant in service, work in progress, reserve and depreciation expense accounts are assigned to a utility segment based on the function of property. For property that benefits both utility segments an allocation process is used.

The allocation process is based on the combination of the location of the asset and the FERC account (function) that is used to allocate the project, asset, reserve, and depreciation. See Exhibit VI for a list of the allocation factors.

### **Prepayments**

Prepaid demand and commodity charges are directly assigned to the applicable utility segment. Prepaid insurance is directly assigned where possible and common policies are allocated based on the type of policy.

### **Customer Advances**

Customer advances are directly assigned to the applicable segment.

### **Other rate base items**

Where possible, these items are directly assigned to the applicable utility segment. Common items are allocated based on the cost driver for each item.

## **Cascade Natural Gas Corporation's Allocations to State Jurisdictions**

Cascade Natural Gas Corporation utilizes an automated allocation process each month to record the income statement and rate base account activity to the financial ledger (state jurisdiction) to facilitate regulatory reporting. This process is based on the general ledger account structure used in the financial software (JD Edwards). As with other items, costs are directly assigned to a jurisdiction when possible. Costs common to more than one state jurisdiction are allocated between jurisdictions. The primary driver of the allocation is the Business Unit component of the general ledger account;

## 2023 Cost Allocation Manual

---

however, the FERC account associated with the charge is also used to determine the proper allocation method. Since operation and maintenance costs are assigned to the utility segment as incurred, this process only allocates costs between state jurisdictions. The allocation process creates a Journal Entry to the JD Edwards jurisdictional ledgers established by state and utility segment.

The allocation methodology is as follows:

The JD Edwards (JDE) software is used by Cascade Natural Gas for recording financial transactions as well as the jurisdictional allocation process for all accounts except those related to fixed assets.

The account structure within JDE consists of the following components:

Business Unit - The Business Unit is one of the primary components used for identifying the regulatory allocation of costs. It usually defines a location such as an operating region, operating district or facility (i.e. power generating facility, substation, gas regulator station), or department (i.e. human resources, engineering).

Object - The object for operations and maintenance (O&M) expense accounts represents the resource consumed (i.e. payroll or materials). For balance sheet accounts, the object represents the FERC account.

Subsidiary - The subsidiary portion of the account for O&M accounts identifies the utility segment and the FERC account. For balance sheet accounts the subsidiary represents a further breakdown of the account such as which bank for a cash account.

Revenue Accounts - Revenues are directly assigned to the jurisdiction when possible. The applicable FERC account is part of the account structure and in the case of utility billed revenue the utility segment is included. It is the combination of the business unit, utility segment and FERC that drive the allocation factor used. An example of revenue that is allocated to the jurisdictions is revenue from the Cost-of-Service calculation which is assigned an allocable location (Business Unit).

Operation and Maintenance (O&M) accounts - As costs are incurred, the approver of the expense assigns the general ledger account structure.

# 2023 Cost Allocation Manual

It is the combination of the location (Business Unit), utility segment and FERC that drive the allocation factor utilized. Locations are assigned a factor based on the geographic area for which they serve, and the FERC function assigned. For example, location (Business Unit) 230 represents the geographic location of the Sheridan, WY District. The Sheridan District serves both electric and gas and is therefore directly assigned to Wyoming for all FERC accounts. Another example is location 12900, representing the Credit and Collections Department. The Credit and Collections Department services both the electric and gas customers. The allocation of costs is based on the FERC range of accounts. The location may also be a responsibility, or department.

Location	Location Description	Sub 1	Sub 2	Utility Segment	Utility Alloc Code	Utility Allocation Description	Utility Allocation Rate	Juris Alloc Code	Juris Allocation Description	Juris Allocation Rate	Combined Effective Rate
230	Wyoming District	1560	15709999	1 Electric	00001	ELECTRIC ONLY	100.0000%	00005	WYOMING ONLY	100.000000%	100.000000%
230	Wyoming District	1580	19359999	1 Electric	00001	ELECTRIC ONLY	100.0000%	00005	WYOMING ONLY	100.000000%	100.000000%
12900	Credit & Collections	1920	19359999	1 Electric	00001	ELECTRIC ONLY	100.0000%	00026	O&M EXCLUDING FUEL & PURCHASED POWER & A&G	8.336614%	8.336614%
12900	Credit & Collections	1901	19169999	1 Electric	00001	ELECTRIC ONLY	100.0000%	00085	TOTAL COMPANY ELECTRIC CUSTOMER COUNT	11.315965%	11.315965%
12900	Credit & Collections	1580	15989999	1 Electric	00001	ELECTRIC ONLY	100.0000%	00118	ELECTRIC DISTRIBUTION PLANT	14.798583%	14.798583%

*Co	*Location	*Obj Acct	*FERC Sub 1	*FERC Sub 2	*Start Date	Stop Date	Description	Utility Alloc Code	Utility 01	Allocation Code 01
00001	230		1560	15709999	199703	203512	Wyoming District	00001	1	00005
00001	230		1580	19359999	199501	203512	Wyoming District	00001	1	00005
00001	230		28120	28120	199703	203512	Wyoming District	00002	2	00005
00001	230		2870	29359999	199501	203512	Wyoming District	00002	2	00005

00001 code = 100 % Electric

00002 code = 100 % Gas

Code 00005 = 100% allocated to WY

# 2023 Cost Allocation Manual

*Co	*Location	*Obj Acct	*FERC Sub 1	*FERC Sub 2	*Start Date	Stop Date	Description	Utility Alloc Code	Utility 01	Allocation Code 01
00001	12900		1580	15989999	200910	203512	Credit & Collections	00001	1	00118
00001	12900		1901	19169999	200501	203512	Credit & Collections	00001	1	00085
00001	12900		1920	19359999	200501	203512	Credit & Collections	00001	1	00026
00001	12900		2870	28949999	200910	203512	Credit & Collections	00002	2	00119
00001	12900		2901	29169999	200501	201508	Credit & Collections	00002	2	00086
00001	12900		2901	29169999	201509	203512	Credit & Collections	00002	2	00087
00001	12900		2920	29359999	200501	203512	Credit & Collections	00002	2	00027

**Utility Allocation Code**  
 Represents the code used to allocate costs to a business segment  
 00001 = Electric segment  
 00002 = Gas segment

**Allocation code 01**  
 Represents the code used to allocate costs to a Jurisdiction  
 00118 = Electric distribution plant  
 00085 = Total company electric customer count  
 00026 = O&M excluding fuel & purchased power and A&G  
 00119 = Gas distribution plant  
 00087 = Total company gas sales customer count  
 00027 = O&M excluding cost of gas and A&G

## Taxes Other Than Income

Taxes other than income taxes are directly assigned when possible. Ad valorem taxes are allocated based on the subsidiary, which indicates the jurisdiction and function. Payroll related taxes follow the allocation of labor, revenue taxes are directly assigned, and generation and other taxes are allocated on the applicable factor.

## Income Taxes

Federal taxes that are allocated or directly assigned to the utility segment are allocated to the segment's jurisdictions based on the factors used to allocate the underlying revenue or expense among the jurisdictions within that segment.

State taxes that are allocated or directly assigned to a utility segment, are allocated to the jurisdictions that have state income tax based on their respective state apportionments.

## Plant in Service/Work in Progress/Reserve/Depreciation Accounts

Plant in service, work in progress, reserve and depreciation expense accounts are allocated in through a similar process in the PowerPlan software based on attributes associated with the work order and asset.

## 2023 Cost Allocation Manual

---

It is the combination of the utility segment, location of the asset and the FERC account that is used to allocate the project, asset, reserve, and depreciation. The tables that are maintained in JDE for jurisdictional allocations are interfaced into PowerPlan and are used to allocate these accounts.

### **Allocation Factors**

The allocation factors are computed annually by the Regulatory Affairs and General Accounting departments and assigned to the proper Business Unit (location) effective in January each year. See Exhibit VI for a list of the allocation factors.

# 2023 Cost Allocation Manual

## Exhibit I- MDUR Corporate Overhead factor

MDU Resources Group, Inc.  
 Corporate Overhead Allocation Factor  
 January - June 2023

MDUR Corporate Factor	MDU	MDU/GP	CNGC	IGC	WBI Energy		KR	CSG
	Electric	Gas			Transmission	Midstream		
	15.5%	13.2%	15.0%	9.2%	10.9%	0.1%	27.9%	8.2%

Montana-Dakota Utilities Co.  
 CORPORATE OVERHEAD ALLOCATION FACTORS  
 June - December 2023

06/06/23  
 11:35 AM

F:\FINRPT\CORPOVER\2022\Corporate Overhead.xlsx\Jul-Dec

	.1	2	.68	.61	.60	.64	.67		
	MONTANA-DAKOTA		CNG	IGC	TOTAL	WBI	WBI NON-	CSG	
	ELECTRIC	GAS DIST			UTILITY	REGULATED			
Corporate factor	21.2	18.0	20.4	12.6	72.2	15.0	0.1	12.7	100.00

## Exhibit II- Montana-Dakota/Great Plains Overhead factor

Montana-Dakota Utilities Co.  
 Corporate Overhead Allocation Factors  
 January - June 2023

	Electric	Gas
Montana-Dakota Corporate Factor	54.1%	45.9%
Employee Factor	35.1%	64.9%
Plant Factor	73.2%	26.8%
Customer Factor	32.0%	68.0%



# 2023 Cost Allocation Manual

## Exhibit IV- MDUR Shared Services Pricing Methodology

### Pricing Methodology - Effective for 2023

Note: Any shared services amount allocated to MDU Resources are charged out to the business units on the corporate allocation factor.

#### 761 – Payroll Shared Services:

Payroll Shared Services costs are invoiced based on the number of employees paid and stated as a cost per check. The word check, for this purpose, generically refers to paper paychecks, direct deposits and pay card transactions.

Checks are charged on a tiered structure, intended to recognize the fixed or baseline effort associated with maintaining a payroll cycle and associated reporting, regardless of number of people paid. It is also intended to reward consolidation of multiple pay groups and companies where possible and to align charges with the additional effort required to maintain multiple pay groups and pay cycles.

The monthly volume for this step pricing is accumulated individually for each pay cycle processed.

Checks for weekly pay cycles, cost per check based on the number of checks written per month:  
 \$ 4.60 per check for the first 500 checks  
 \$ 1.10 per check for the next 500 checks  
 \$ 0.50 per check for each additional check

Checks for non-weekly pay cycles, cost per check based on the number of checks written per month:  
 \$ 4.60 per check for the first 1500 checks  
 \$ 1.10 per check for the next 500 checks  
 \$ 0.50 per check for each additional check

Additionally, there is a \$5.00 charge for each tax payment and \$239.00 charge for each quarterly tax filing and \$3.00 (KR/CSG) / \$6.00 (UKG companies) charge for each W2/1099/1096.

There is a \$500 per month minimum charge for each operating company.

There is a premium charge of \$50 per transaction for specific off cycle checks and back-pay calculations. Examples of transactions included in the premium charge schedule are missing hours, refunded deductions, length of service awards submitted too late for inclusion in a scheduled payroll process, and back pay calculation because an increase was submitted after the pay period that includes the effective date. Examples of transactions excluded from the premium charge calculation are bonus payments, final paychecks, certified wage settlements, or any payment required as a result of a Shared Service or system error.

#### 766 – Time Entry Shared Services:

Service provided 100% to the MDU Utility Group.

	MDUR	MDU/GP	CNG	IGC	WBIE	KRC	CSG*	Total
Average Number of Employees	268	1,037	332	235				1,872
Total weighted allocation factor	14.31%	55.40%	17.74%	12.55%				100%

\* Time Entry Shared Services manually keys time entry for Desert Fire. Payroll Shared Services and Desert Fire agree to use two times the amount of the cost per check rather than separate a time entry charge. The two methods are comparable.

#### 970 – Human Resources – Shared Services:

Human Resources costs for the MDU Resources HR team are based on employees served. The average number of employees at each company for 12 months ending June 30 is calculated, then further broken down to whether they are on the Corporate-held benefit plans and/or retirement plans.

An allocation for each individual HR team member is calculated based on which group(s) of employees they serve. For example, an HR Generalist whose functions serve the Regulated companies would have an allocation to MDUR, MDUG, and WBI. A Benefits Analyst who is responsible for the Health & Welfare plans would have an allocation to the regulated companies as well as KRC and CSG companies who participate in the Corporate plans.

These individual allocations are all combined into one aggregate allocation to be used by all MDUR shared service HR employees. The reason for this method is that the same work would need to be absorbed should a vacancy occur. Human Resources has three individuals that are not considered shared services and are allocated on the corporate overhead allocation factor.

	MDUR	MDU/GP	CNG	IGC	WBIE	WBIT	WBIM	KRC	CSG	Total
Allocation %	6.62%	25.12%	8.16%	5.74%		13.63%	2.11%	19.21%	19.41%	100%

#### 762 – Business Services:

This allocation factor is derived from the results of the following four responsibilities. After allocating the projected (budget) costs for the following four responsibilities to each business unit, based on the weighted allocation factor of each of these four responsibilities, each business unit total is summed and divided by the total cost resulting in the following allocation percentages. Individuals in this responsibility provide oversight and support for the following four responsibilities.

	MDUR	MDU/GP	CNG	IGC	WBIE	WBIT	WBIM	KRC	CSG	Total
Allocation %	18.23%	28.34%	14.80%	11.65%	0.87%	4.53%	0.54%	13.45%	7.59%	100%

# 2023 Cost Allocation Manual

## 763 – Fleet and Travel:

Fleet and Travel Departments costs are invoiced based on five weighted factors from the previous year:

- Travel – based on corporate factor
- Managed Units
- National Account Spend
- Construction Equipment Acquisitions
- Fleet Acquisitions

	MDUR	MDU/GP	CNG	IGC	WBIE	WBIT	WBIM	KRC	CSG	Total
% of Travel Corporate		36.10%	14.40%	6.60%		8.80%	0.30%	24.90%	8.90%	100%
# Managed Units		47	407	272					160	886
% of Managed Units		5.30%	45.94%	30.70%					18.06%	100%
National Account Spend	\$1,279,624	\$14,318,256	\$5,948,093	\$4,260,342		\$6,418,337	\$92,116	\$130,542,034	\$64,310,089	\$227,168,891
% of National Account Spend	0.56%	6.30%	2.62%	1.88%		2.83%	0.04%	57.46%	28.31%	100%
# Construction Equip Acquisitions		54	18	9		9		173	53	316
% of Construction Equip Acquisitions		17.09%	5.69%	2.85%		2.85%		54.75%	16.77%	100%
# Fleet Acquisitions		40	15	22		27	1	217	204	528
% of Fleet Acquisitions		7.61%	2.85%	4.18%		5.13%	0.19%	41.26%	38.78%	100%
<b>Weighted Allocation Factors:</b>										
Travel Corporate	21.70%	The percent of time spent on corporate travel.								
# Managed Units	15.66%	The percent of time spent on managed units.								
National Acct Spend	15.66%	The percent of time spent on national accounts.								
Construction Equip Acquis	23.49%	The percent of time spent on the acquisition of construction equipment assets.								
Fleet Acquis	23.49%	The percent of time spent on the acquisition of vehicle assets.								
	MDUR	MDU/GP	CNG	IGC	WBIE	WBIT	WBIM	KRC	CSG	Total
Total weighted allocation factor	0.09%	15.45%	12.74%	8.18%		4.23%	0.12%	36.95%	22.24%	100%

## 764 – Supply Chain:

There are several individuals that are primarily focused on the Utility Group and some that have multiple business unit responsibilities.

Allocations are based on two weighted factors from previous year:

- Purchase Order Dollars Count
- Purchase Order Line Count

	MDUR	MDU/GP	CNG	IGC	WBIE	WBIT	WBIM	KRC	CSG	Total
Purchase Order Dollar Count	1,699,892	183,316,365	71,828,914	39,932,236						296,777,407
% of Purchase Orders Dollar Count	0.57%	61.77%	24.20%	13.46%						100%
Purchase Order Line Count	219	29,579	10,182	4,798						44,778
% of Purchase Order Line Count	0.49%	66.06%	22.74%	10.71%						100%
<b>Weighted Allocation Factors:</b>										
PO Dollar Count	95.00%	The percent of dollars processed through purchase orders processed by Company.								
PO Line Count	5.00%	The percent of lines on purchase orders processed by Company.								
	MDUR	MDU/GP	CNG	IGC	WBIE	WBIT	WBIM	KRC	CSG	Total
Total weighted allocation factor	0.57%	61.98%	24.13%	13.32%						100%

# 2023 Cost Allocation Manual

## 767 – Accounts Payable:

Costs are invoiced based on three weighted factors from previous year:

- Number of Payments
- Number of Vouchers
- Number of Unclaimed Property reports

	MDUR	MDU/GP	CNG	IGC	WBIE	WBIT	WBIM	KRC	CSG	Total
# of Payments - 8/1/2021 through 7/31/2022	2,726	28,144	16,803	17,989		7,885	1,505		781	75,832
% of Payments	3.59%	37.11%	22.16%	23.72%		10.40%	1.99%		1.03%	100%
# of Vouchers - 8/1/2021 through 7/31/2022	3,985	44,910	29,766	23,289		11,778	1,792		1,495	117,015
% of Vouchers	3.40%	38.38%	25.44%	19.90%		10.07%	1.53%		1.28%	100%
# of States Filed in - 2021	1	38	27	38		4		18	7	133
% of UP	0.75%	28.57%	20.30%	28.57%		3.01%		13.54%	5.26%	100%
<b>Weighted Allocation Factors:</b>										
# of Payments	20.00%	The percent of time spent on processing payments, setting up address book records, 1099s, etc.								
# of Vouchers	65.00%	The percent of time spent on vouchering and reviewing invoices								
# of UP	15.00%	The percent of time spent filing unclaimed property reports.								
Total weighted allocation factor	3.05%	36.59%	23.85%	22.16%		9.09%	1.42%	2.03%	1.81%	100%

## 770 – Buildings and Grounds: 20

This allocation is based on Jira tickets and labor hours spent by location from the previous year

	MDUR	MDU/GP	CNG	IGC	WBIE	KRC	CSG	Total
Jira Tickets logged %	49.30%	31.95%	3.61%	0.94%	6.70%	7.50%		100%
Hours spent	54.09%	32.77%	0.04%	0.02%	5.06%	8.02%		100%
Total weighted allocation factor	52.20%	32.50%	1.40%	0.40%	5.70%	7.80%		100%

## Enterprise Information Technology (EIT):

There are several EIT departments, and each is billed out based on its own criteria. They are as follows:

**Application Services (765)** – The allocations are based on time tracked history for the 12 months of the prior year. The MDUG portion is further divided by meter count and the WBI portion is further divided by the WBI corporate factor.

	MDUR	MDU/GP	CNG	IGC	WBIE	WBIT	WBIM	KRC	CSG	Total
12-month workload	10,232	5,210	3,516	4,545		3,366	34	1,354	550	28,807
% of 12 month workload	35.52%	18.09%	12.20%	15.78%		11.68%	0.12%	4.70%	1.91%	100%

**Definition of 765:** This team is made up of software developers providing integrations to systems and software changes.

**Operational Technology (768)** – The allocations are based on projected workload. This department is 100% direct allocated based on the projects assigned.

	MDUR	MDU/GP	CNG	IGC	WBIE	WBIT	WBIM	KRC	CSG	Total
12-month workload	1,456	4,663	348	709		1,144				8,320
% of 12 month workload	19.51%	54.34%	4.37%	7.45%		14.33%				100%

**Definition of 768:** This team is made up of security and infrastructure technicians.

# 2023 Cost Allocation Manual

**Customer Relations (965)** – Enterprise charges for the customer relations group are invoiced using three weighted allocation factors. The factors are as follows:

1. Direct charge for employees working for a specific business, work is only completed for businesses identified in methodology below.
2. Number of computing devices supported by the help desk (85%)
3. Number of mobile devices supported by the help desk (15%)

The metric used to determine device counts is devices that have checked into LANDesk at allocation time (August) and active devices in MobileIron.

	MDUR	MDU/GP	CNG	IGC	WBIE	WBIT	WBIM	KRC	CSG	Total
Direct Charges			51.60%	48.40%						100%
Factor- 4.78%			2.47%	2.31%						4.78%
Computing Device Counts	447	1,057	507	584	47	324	26	2,732	2,474	8,198
% of Device Count	5.45%	12.89%	6.19%	7.12%	0.57%	3.95%	0.32%	33.33%	30.18%	100%
% of Device Factor- 80.93% (95.22% x 85%)	4.41%	10.43%	5.00%	5.76%	0.46%	3.20%	0.26%	26.98%	24.43%	80.93%
Mobile Device Counts	61	589	309	177	11	141	35	2,471	3,727	7,521
% of Device Count	0.81%	7.83%	4.11%	2.34%	0.15%	1.88%	0.47%	32.86%	49.55%	100%
% of Device Factor- 14.29% (95.22% x 15%)	0.12%	1.12%	0.59%	0.33%	0.02%	0.27%	0.07%	4.70%	7.09%	14.29%
Total weighted allocation factor	4.53%	11.55%	8.06%	8.41%	0.48%	3.47%	0.34%	31.66%	31.50%	100%

**Definition of 965:** This team is made up of help desk agents who support company owned devices and software.

**Communications (971)** – Enterprise charges for the communications group are invoiced using four weighted allocation factors. The factors are as follows:

1. Direct charge for employee hours working for a specific business (MDUG portion is split by meter count).
2. Wide Area Network/Local Area Network/Metropolitan Area Network- Number of business unit locations
3. Internet/Firewall Access – Number of computing devices
4. IP Telephony

The costs are invoiced based on the following percentages:

	MDUR	MDU/GP	CNG	IGC	WBIE	WBIT	WBIM	KRC	CSG	Total
Direct Charges		39.26%	26.49%	34.25%						100%
Factor- 7.51%		2.95%	1.99%	2.57%						7.51%
WAN/LAN/MAN	9	72	115	25	1	188	1	294	117	822
% of Business Unit Locations	1.10%	8.76%	13.99%	3.04%	0.12%	22.87%	0.12%	35.77%	14.23%	100%
Factor- 36.99%	0.40%	3.24%	5.18%	1.13%	0.04%	8.46%	0.04%	13.23%	5.27%	36.99%
Internet Access/Firewall Computing Devices	447	1,057	507	584	47	324	26	2,732	2,474	8,198
% of Computing Device Counts	5.45%	12.89%	6.19%	7.12%	0.57%	3.95%	0.32%	33.33%	30.18%	100%
Factor- 37.00%	2.02%	4.77%	2.29%	2.63%	0.21%	1.46%	0.12%	12.34%	11.16%	37.00%
IP Telephone	298	837	409	383	69	165	17	2,097	305	4,580
% of Handsets	6.51%	18.27%	8.93%	8.36%	1.51%	3.60%	0.37%	45.79%	6.66%	100%
Factor- 18.50%	1.20%	3.38%	1.65%	1.55%	0.26%	0.67%	0.07%	8.47%	1.23%	18.50%
Total weighted allocation factor	3.62%	14.34%	11.11%	7.88%	0.54%	10.59%	0.23%	34.03%	17.66%	100%

**Definition of 971:** This team supports the wide area network and phones. This includes switches, routers and firewalls.

# 2023 Cost Allocation Manual

**Operations (972)** – Enterprise charges for the operations group are invoiced using three separate factors

(1) 9.82% are direct charges that are costs directly related to the AS/400 computer and are invoiced upon the AS/400 allocation as agreed to by MDU and WBI and CCB Oracle support costs and are allocated by meter counts for MDUG

The remaining 90.18% of the costs are based upon the number of servers that are supported for each business unit. These servers are then broken out between full service servers and shared service servers. Full service servers have a greater weighting factor since they require more dedicated time and cost more.

(2) Full Service Servers – 67.64% (90.18% x 75%)  
 (3) Shared Service Servers 22.54% (90.18% x 25%).

	MDUR	MDUGP	CNG	IGC	WBIE	WBIT	WBIM	KRC	CSG	Total
Direct Charges	3.46%	40.92%	23.06%	27.43%	4.85%				0.28%	100%
Factor- 9.82%	0.34%	4.02%	2.26%	2.69%	0.48%				0.03%	9.82%
Full Service Servers	503	270	1		45	3	1	148	36	1,007
% of Full Service Servers	49.95%	26.81%	0.10%		4.47%	0.30%	0.10%	14.70%	3.57%	100%
Factor- 67.64%	33.78%	18.14%	0.07%		3.02%	0.20%	0.07%	9.94%	2.42%	67.64%
Shared Service Servers		68	20	197	8		1	9	30	333
% of Full Service Servers		20.42%	6.01%	59.16%	2.40%		0.30%	2.70%	9.01%	100%
Factor- 22.54%		4.60%	1.35%	13.34%	0.54%		0.07%	0.61%	2.03%	22.54%
Total weighted allocation factor	34.12%	26.76%	3.69%	16.03%	4.04%	0.20%	0.13%	10.55%	4.48%	100%

**Definition of 972:** This team is responsible for administration of the enterprise servers.

**Security (977)** – Enterprise charges for the security group are distributed via the number of computing devices (90.00%) and mobile devices (10.00%). Costs are invoiced based on the following percentages:

	MDUR	MDUGP	CNG	IGC	WBIE	WBIT	WBIM	KRC	CSG	Total
Computing Device Counts	447	1,057	507	584	47	324	26	2,732	2,474	8,198
% of Device Factor- 90%	4.91%	11.60%	5.57%	6.41%	0.52%	3.56%	0.28%	29.99%	27.16%	90.0%
Mobile Device Counts	61	589	309	177	11	141	35	2,471	3,727	7,521
% of Device Factor- 10%	0.08%	0.78%	0.41%	0.23%	0.02%	0.19%	0.05%	3.29%	4.95%	10.0%
Total weighted allocation factor	4.99%	12.39%	5.98%	6.64%	0.53%	3.74%	0.33%	33.28%	32.12%	100%

**Definition of 977:** This team supports the cyber security initiatives.

**ERP (956)** – The allocations are based on time tracked history for the 12 months of the prior year. The MDUG portion is further divided by employee count by brand and the WBI portion is further divided by the WBI corporate factor.

	MDUR	MDUGP	CNG	IGC	WBIE	WBIT	WBIM	KRC	CSG	Total
12-month work load	997	1,247	842	1,088		899	9	105	130	5,317
% of 12-month work load	18.75%	23.46%	15.83%	20.46%		16.91%	0.17%	1.98%	2.44%	100%

**Definition of 956:** This team supports the accounting/HR, enterprise asset management and enterprise document management systems.

**Scada (968)** – The allocations are based on time tracked history for the 12 months of the prior year. The MDUG portion is further divided by gas meter count and the WBI portion is allocated to WBI Transmission as the systems supported are related directly to Transmission.

	MDUR	MDUGP	CNG	IGC	WBIE	WBIT	WBIM	KRC	CSG	Total
12-month work load	5	1,016	1,018	1,315		2,541				5,895
% of 12-month work load	0.09%	17.23%	17.26%	22.32%		43.10%				100%

**Definition of 968:** This team supports the gas SCADA and measurement accounting systems.

**Finance & Compliance (982)** – Costs for the EIT finance and compliance group are invoiced based on a weighting of the combined methodologies of the nine previous EIT responsibilities.

	MDUR	MDUGP	CNG	IGC	WBIE	WBIT	WBIM	KRC	CSG	Total
% of Total Governance & Administration	15.48%	18.80%	9.35%	11.99%	0.87%	9.29%	0.20%	19.51%	14.51%	100%

**Definition of 982:** This team supports EIT software licensing, vendor management, budgeting, compliance, EIT Governance, Project Management Office, IT Asset Management, and mobile related items.

# 2023 Cost Allocation Manual

## Allocation Methodology for MDUR for June-December 2023

### 766 – Time Entry Shared Services:

Service provided 100% to the MDU Utility Group.

	MDUR	MDU/GP	CNG	IGC	WBIE	CSG*	Total
Average Number of Employees	268	1,037	332	236			1,872
Total weighted allocation factor	14.31%	55.40%	17.74%	12.55%			100%

\* Time Entry Shared Services manually keys time entry for Desert Fire. Payroll Shared Services and Desert Fire agree to use two times the amount of the cost per check rather than separate a time entry charge. The two methods are comparable.

### 970 – Human Resources – Shared Services:

Human Resources costs for the MDU Resources HR team are based on employees served. The average number of employees at each company for 12 months ending June 30 is calculated, then further broken down to whether they are on the Corporate-held benefit plans and/or retirement plans.

An allocation for each individual HR team member is calculated based on which group(s) of employees they serve. For example, an HR Generalist whose functions serve the Regulated companies would have an allocation to MDUR, MDUG, and WBI. A Benefits Analyst who is responsible for the Health & Welfare plans would have an allocation to the regulated companies as well as CSG companies who participate in the Corporate plans.

These individual allocations are all combined into one aggregate allocation to be used by all MDUR shared service HR employees. The reason for this method is that the same work would need to be absorbed should a vacancy occur. Human Resources has three individuals that are not considered shared services and are allocated on the corporate overhead allocation factor.

	MDUR	MDU/GP	CNG	IGC	WBIE	WBIT	WBIM	CSG	Total
Allocation %	7.87%	29.88%	9.68%	6.83%		16.22%	2.52%	27.00%	100%

### 762 – Business Services:

This allocation factor is derived from the results of the following four responsibilities. After allocating the projected (budget) costs for the following four responsibilities to each business unit, based on the weighted allocation factor of each of these four responsibilities, each business unit total is summed and divided by the total cost resulting in the following allocation percentages. Individuals in this responsibility provide oversight and support for the following four responsibilities.

	MDUR	MDU/GP	CNG	IGC	WBIE	WBIT	WBIM	CSG	Total
Allocation %	18.98%	31.88%	16.10%	12.68%	0.94%	5.71%	0.54%	13.17%	100%

# 2023 Cost Allocation Manual

## 763 – Fleet and Travel:

Fleet and Travel Departments costs are invoiced based on five weighted factors from the previous year:

- Travel – based on corporate factor
- Managed Units
- National Account Spend
- Construction Equipment Acquisitions
- Fleet Acquisitions

	MDUR	MDU/GP	CNG	IGC	WBIE	WBIT	WBIM	CSG	Total
% of Travel Corporate		44.40%	18.90%	9.60%		15.50%	0.10%	11.50%	100%
# Managed Units		47	407	272				160	886
% of Managed Units		5.30%	45.94%	30.70%				18.06%	100%
National Account Spend	\$1,279,624	\$14,318,256	\$5,948,093	\$4,260,342		\$6,418,337	\$92,116	\$64,310,089	\$96,626,857
% of National Account Spend	1.32%	14.82%	6.16%	4.41%		6.64%	0.10%	66.55%	100%
# Construction Equip Acquisitions		54	18	9		9		53	143
% of Construction Equip Acquisitions		37.76%	12.59%	6.29%		6.30%		37.06%	100%
# Fleet Acquisitions		40	15	22		27	1	204	309
% of Fleet Acquisitions		12.95%	4.85%	7.12%		8.74%	0.32%	66.02%	100%
<b>Weighted Allocation Factors:</b>									
Travel Corporate	21.70%	The percent of time spent on corporate travel.							
# Managed Units	15.66%	The percent of time spent on managed units.							
National Acct Spend	15.66%	The percent of time spent on national accounts							
Construction Equip Acquis	23.49%	The percent of time spent on the acquisition of construction equipment assets.							
Fleet Acquis	23.49%	The percent of time spent on the acquisition of vehicle assets.							
	MDUR	MDU/GP	CNG	IGC	WBIE	WBIT	WBIM	CSG	Total
Total weighted allocation factor	0.21%	24.70%	16.36%	10.73%		7.93%	0.11%	39.96%	100%

## 764 – Supply Chain:

There are several individuals that are primarily focused on the Utility Group and some that have multiple business unit responsibilities.

Allocations are based on two weighted factors from previous year:

- Purchase Order Dollars Count
- Purchase Order Line Count

	MDUR	MDU/GP	CNG	IGC	WBIE	WBIT	WBIM	CSG	Total
Purchase Order Dollar Count	1,699,892	183,316,365	71,828,914	39,932,236					296,777,407
% of Purchase Orders Dollar Count	0.57%	61.77%	24.20%	13.46%					100%
Purchase Order Line Count	219	29,579	10,182	4,798					44,778
% of Purchase Order Line Count	0.49%	66.06%	22.74%	10.71%					100%
<b>Weighted Allocation Factors:</b>									
PO Dollar Count	95.00%	The percent of dollars processed through purchase orders processed by Company.							
PO Line Count	5.00%	The percent of lines on purchase orders processed by Company.							
	MDUR	MDU/GP	CNG	IGC	WBIE	WBIT	WBIM	CSG	Total
Total weighted allocation factor	0.57%	61.98%	24.13%	13.32%					100%

# 2023 Cost Allocation Manual

## 767 – Accounts Payable:

Costs are invoiced based on three weighted factors from previous year:

- Number of Payments
- Number of Vouchers
- Number of Unclaimed Property reports

	MDUR	MDU/GP	CNG	IGC	WBIE	WBIT	WBIM	CSG	Total
# of Payments - 8/1/2021 through 7/31/2022	2,725	28,144	16,803	17,989		7,885	1,505	781	75,832
% of Payments	3.59%	37.11%	22.16%	23.72%		10.40%	1.99%	1.03%	100%
# of Vouchers - 8/1/2021 through 7/31/2022	3,985	44,910	29,766	23,289		11,778	1,792	1,495	117,015
% of Vouchers	3.40%	38.38%	25.44%	19.90%		10.07%	1.53%	1.28%	100%
# of States Filed In - 2021	1	38	27	38		4		7	115
% of UP	0.87%	33.04%	23.48%	33.04%		3.48%		6.09%	100%
<b>Weighted Allocation Factors:</b>									
# of Payments	20.00%	The percent of time spent on processing payments, setting up address book records, 1099s, etc.							
# of Vouchers	65.00%	The percent of time spent on vouchering and reviewing invoices							
# of UP	15.00%	The percent of time spent filing unclaimed property reports.							
<b>Total weighted allocation factor</b>	<b>3.07%</b>	<b>37.26%</b>	<b>24.32%</b>	<b>22.83%</b>		<b>9.16%</b>	<b>1.42%</b>	<b>1.94%</b>	<b>100%</b>

## 770 – Buildings and Grounds: 20

This allocation is based on Jira tickets and labor hours spent by location from the previous year

	MDUR	MDU/GP	CNG	IGC	WBIE	CSG	Total
Jira Tickets logged %	53.30%	34.54%	3.90%	1.02%	7.24%		100%
Hours spent	58.81%	35.63%	0.04%	0.02%	5.50%		100%
<b>Total weighted allocation factor</b>	<b>56.84%</b>	<b>35.24%</b>	<b>1.42%</b>	<b>0.38%</b>	<b>6.12%</b>		<b>100%</b>

## Enterprise Information Technology (EIT):

There are several EIT departments, and each is billed out based on its own criteria. They are as follows.

**Application Services (765)** – The allocations are based on time tracked history for the 12 months of the prior year. The MDUG portion is further divided by meter count and the WBI portion is further divided by the WBI corporate factor.

	MDUR	MDU/GP	CNG	IGC	WBIE	WBIT	WBIM	CSG	Total
12-month workload	10,232	5,210	3,516	4,545		3,366	34	550	27,453
% of 12-month workload	37.27%	18.98%	12.81%	16.56%		12.26%	0.12%	2.00%	100%

**Definition of 765:** This team is made up of software developers providing integrations to systems and software changes.

**Operational Technology (768)** – The allocations are based on projected workload. This department is 100% direct allocated based on the projects assigned.

	MDUR	MDU/GP	CNG	IGC	WBIE	WBIT	WBIM	CSG	Total
12-month workload	1,456	4,663	348	709		1,144			8,320
% of 12-month workload	19.51%	54.34%	4.37%	7.45%		14.33%			100%

**Definition of 768:** This team is made up of security and infrastructure technicians.

# 2023 Cost Allocation Manual

**ERP (956)** – The allocations are based on time tracked history for the 12 months of the prior year. The MDUG portion is further divided by employee count by brand and the WBI portion is further divided by the WBI corporate factor:

	MDUR	MDU/GP	CNG	IGC	WBIE	WBIT	WBIM	CSG	Total
12-month work load	997	1,247	842	1,088		899	9	130	5,212
% of 12-month work load	19.13%	23.93%	16.15%	20.87%		17.25%	0.17%	2.50%	100%

**Definition of 956:** This team supports the accounting/HR, enterprise asset management and enterprise document management systems.

**Scada (968)** – The allocations are based on time tracked history for the 12 months of the prior year. The MDUG portion is further divided by gas meter count and the WBI portion is allocated to WBI Transmission as the systems supported are related directly to Transmission.

	MDUR	MDU/GP	CNG	IGC	WBIE	WBIT	WBIM	CSG	Total
12-month work load	5	1,016	1,018	1,315		2,541			5,895
% of 12-month work load	0.09%	17.23%	17.26%	22.32%		43.10%			100%

**Definition of 968:** This team supports the gas SCADA and measurement accounting systems.

**Finance & Compliance (982)** – Costs for the EIT finance and compliance group are invoiced based on a weighting of the combined methodologies of the nine previous EIT responsibilities.

	MDUR	MDU/GP	CNG	IGC	WBIE	WBIT	WBIM	CSG	Total
% of Total Governance & Administration	17.86%	22.76%	11.50%	13.85%	1.11%	11.24%	0.29%	21.39%	100%

**Definition of 982:** This team supports EIT software licensing, vendor management, budgeting, compliance, EIT Governance, Project Management Office, IT Asset Management, and mobile related items.

**Customer Relations (965)** – Enterprise charges for the customer relations group are invoiced using three weighted allocation factors. The factors are as follows:

1. Direct charge for employees working for a specific business, work is only completed for businesses identified in methodology below.
2. Number of computing devices supported by the help desk (85%)
3. Number of mobile devices supported by the help desk (15%)

The metric used to determine device counts is devices that have checked into LANDesk at allocation time (August) and active devices in MobileIron.

	MDUR	MDU/GP	CNG	IGC	WBIE	WBIT	WBIM	CSG	Total
Direct Charges			51.60%	48.40%					100%
Factor- 4.78%			2.47%	2.31%					4.78%
Computing Device Counts	447	1,057	507	584	47	324	26	2,474	5,466
% of Device Count	8.18%	19.34%	9.27%	10.68%	0.86%	5.93%	0.48%	45.26%	100%
% of Device Factor- 80.93% (95.22% x 85%)	6.62%	15.65%	7.51%	8.65%	0.69%	4.80%	0.38%	36.63%	80.93%
Mobile Device Counts	61	589	309	177	11	141	35	3,727	5,050
% of Device Count	1.21%	11.66%	6.12%	3.51%	0.22%	2.79%	0.69%	73.80%	100%
% of Device Factor- 14.29% (95.22% x 15%)	0.17%	1.67%	0.88%	0.50%	0.03%	0.40%	0.10%	10.54%	14.29%
Total weighted allocation factor	6.79%	17.32%	10.85%	11.46%	0.48%	5.20%	0.73%	47.17%	100%

**Definition of 965:** This team is made up of help desk agents who support company owned devices and software.

# 2023 Cost Allocation Manual

**Communications (971)** – Enterprise charges for the communications group are invoiced using four weighted allocation factors. The factors are as follows:  
 1. Direct charge for employee hours working for a specific business (MDUG portion is split by meter count).  
 2. Wide Area Network/Local Area Network/Metropolitan Area Network- Number of business unit locations  
 3. Internet/Firewall Access – Number of computing devices  
 4. IP Telephony

The costs are invoiced based on the following percentages:

	MDUR	MDU/GP	CNG	IGC	WBIE	WBIT	WBIM	CSG	Total
Direct Charges		39.26%	26.49%	34.25%					100%
Factor- 7.51%		2.95%	1.99%	2.57%					7.51%
WAN/LAN/MAN	9	72	115	25	1	188	1	117	528
% of Business Unit Locations	1.70%	13.64%	21.78%	4.73%	0.19%	35.61%	0.19%	22.16%	100%
Factor- 36.99%	0.63%	5.04%	8.06%	1.75%	0.07%	13.17%	0.07%	8.20%	36.99%
Internet Access/Firewall Computing Devices	447	1,057	507	584	47	324	26	2,474	5,466
% of Computing Device Counts	8.18%	19.34%	9.27%	10.68%	0.86%	5.93%	0.48%	45.26%	100%
Factor- 37.00%	3.03%	7.15%	3.43%	3.95%	0.32%	2.19%	0.18%	16.75%	37.00%
IP Telephone	298	837	409	383	69	165	17	305	2,483
% of Handsets	12.00%	33.71%	16.47%	15.43%	2.78%	6.65%	0.68%	12.28%	100%
Factor- 18.50%	2.22%	6.24%	3.05%	2.85%	0.51%	1.23%	0.13%	2.27%	18.50%
Total weighted allocation factor	5.88%	21.38%	16.53%	11.13%	0.90%	16.59%	0.37%	27.22%	100%

**Definition of 971:** This team supports the wide area network and phones. This includes switches, routers and firewalls.

**Operations (972)** – Enterprise charges for the operations group are invoiced using three separate factors  
 (1) 9.82% are direct charges that are costs directly related to the AS/400 computer and are invoiced upon the AS/400 allocation as agreed to by MDU and WBI and CCB Oracle support costs and are allocated by meter counts for MDUG.  
 The remaining 90.18% of the costs are based upon the number of servers that are supported for each business unit. These servers are then broken out between full service servers and shared service servers. Full service servers have a greater weighting factor since they require more dedicated time and cost more.  
 (2) Full Service Servers – 67.64% (90.18% x 75%)  
 (3) Shared Service Servers 22.54% (90.18% x 25%).

	MDUR	MDU/GP	CNG	IGC	WBIE	WBIT	WBIM	CSG	Total
Direct Charges	3.46%	40.92%	23.06%	27.43%	4.85%			0.28%	100%
Factor- 9.82%	0.34%	4.02%	2.26%	2.69%	0.48%			0.03%	9.82%
Full Service Servers	503	270	1		45	3	1	36	859
% of Full Service Servers	58.55%	31.43%	0.12%		5.24%	0.35%	0.12%	4.19%	100%
Factor- 67.64%	39.61%	21.26%	0.08%		3.54%	0.24%	0.08%	2.83%	67.64%
Shared Service Servers		68	20	197	8		1	30	324
% of Full Service Servers		20.99%	6.17%	60.80%	2.47%		0.31%	9.26%	100%
Factor- 22.54%		4.73%	1.39%	13.71%	0.55%		0.07%	2.09%	22.54%
Total weighted allocation factor	39.94%	30.01%	3.73%	16.40%	4.58%	0.24%	0.15%	4.95%	100%

**Definition of 972:** This team is responsible for administration of the enterprise servers.

**Security (977)** – Enterprise charges for the security group are distributed via the number of computing devices (90.00%) and mobile devices (10.00%). Costs are invoiced based on the following percentages:

	MDUR	MDU/GP	CNG	IGC	WBIE	WBIT	WBIM	CSG	Total
Computing Device Counts	447	1,057	507	584	47	324	26	2,474	5,466
% of Device Factor- 90%	7.36%	17.40%	8.35%	9.62%	0.77%	5.33%	0.43%	40.74%	90.0%
Mobile Device Counts	61	589	309	177	11	141	35	3,727	5,050
% of Device Factor- 10%	0.12%	1.17%	0.61%	0.35%	0.02%	0.28%	0.07%	7.38%	10.0%
Total weighted allocation factor	7.48%	18.57%	8.96%	9.97%	0.79%	5.61%	0.50%	48.12%	100%

**Definition of 977:** This team supports the cyber security initiatives.

# 2023 Cost Allocation Manual

## Exhibit V- Utility Operations Support Allocation Methodology

### Leadership Group:

**President & CEO (985)** – The payroll allocations will be based on average Utility Group customer and employee counts for the President & CEO and Executive Assistant.

	MDU Elect	MDU/GP Gas	CNG	IGC	Total
Utility Group Customer Counts	119,145	255,891	313,958	411,086	1,100,080
% of Factor - 50%	5.42%	11.63%	14.27%	18.69%	50%
Utility Group Employee Counts	447	572	338	239	1596
% of Factor - 50%	14.00%	17.90%	10.60%	7.50%	50%
Total weighted allocation factor	19.4%	29.5%	24.9%	26.2%	100.0%

**Executive Vice President of Business Development & Gas Supply (701)** – The payroll allocations will be based on Utility Group customer counts.

	MDU Elect	MDU/GP Gas	CNG	IGC	Total
Utility Group Customer Counts	10.83%	23.26%	28.54%	37.37%	100%

**Vice President of Safety, Process Improvement & Operations Systems (707)** – The payroll allocations will be based on Utility Group meter counts.

	MDU Elect	MDU/GP Gas	CNG	IGC	Total
Utility Group Meter Counts	12.66%	26.26%	26.44%	34.64%	100%

**Executive Vice President of Regulatory Affairs, Customer Service & Administration (919)** – The EVP payroll allocation will be based on Utility Group meter counts. **Vice President of Regulatory Affairs and Customer Service** – The payroll allocation will be 50% for IGC & CNG Regulatory Affairs and then based on Utility Group meter counts.

	MDU Elect	MDU/GP Gas	CNG	IGC	Total
Utility Group Meter Counts	12.66%	26.26%	26.44%	34.64%	100%
Utility Group Meter Counts and 50% for Reg Affairs	6.33%	13.13%	38.22%	42.32%	100%

**Vice President of Operations & Engineering Service (960)** – The payroll allocations will be based on Utility Group customer counts.

	MDU Elect	MDU/GP Gas	CNG	IGC	Total
--	--------------	---------------	-----	-----	-------

# 2023 Cost Allocation Manual

Utility Group Customer Counts	10.83%	23.26%	28.54%	37.37%	100%
-------------------------------	--------	--------	--------	--------	------

**Vice President of Field Operations (725)** – The payroll allocations will be based on Utility Group customer counts.

	MDU Elect	MDU/GP Gas	CNG	IGC	Total
Utility Group Customer Counts	10.83%	23.26%	28.54%	37.37%	100%

## **Customer Experience Team (129, 711, 712, 714):**

The Customer Experience Team is made up of four distinct areas and provides service to all four brands within the MDU Utility Group. Those areas are Credit and Collections, Scheduling, Customer Service, and Customer Programs and Support. In addition to these departments, the Customer Service group has a management team, Consumer Specialists, and other administrative positions. Customer Service payroll costs are allocated using five (5) different methodologies: Customer Count, Customer Call Time, Cleared Order Count, Credit To-Dos, and Emails and Web Requests. Costs other than payroll will be allocated based on customer count if they provide benefit for all brands. Costs specific to a brand will be charged directly to that brand and will not go through an allocation process.

### **Customer Count**

- Based on the average customer count of each utility brand from December to November.
- Uses a customer weighting of 1 for each natural gas or electric only customer and 1.25 for each electric/natural gas combination customer.
- The following positions will be allocated based on customer count **with nonutility**:
  - Customer Service Director
  - Manager, Customer Service
  - Supervisor, Customer Service
  - Customer Service Trainer
  - Customer Service Team Lead (Support)
  - Customer Project Analyst
- The following positions will be allocated based on customer count **without nonutility**:
  - Administrative Assistant
  - Manager, Credit, Support, Program Dev
  - Supervisor, Customer Support Service
  - Customer Service Team Lead (Credit)
  - Customer Communications Coordinator
  - Customer Project Analyst I and II
  - Business Analysts I and II
  - Supervisor, Credit & Collections
  - Customer Service Team Lead
  - Manager, Scheduling
  - Scheduling Analyst
  - Scheduling Lead

### **Customer Call Time**

- Based on the total time that Customer Service Agents are handling a call.
  - Includes total talk time and after call work
  - Does not include idle time or auxiliary time

# 2023 Cost Allocation Manual

- Uses data for the preceding December to November of each year.
- The following positions will be allocated based on customer call time:
  - Customer Service Rep I, II, III, IV, and IV PT

### **Cleared Order Count**

- Based on the number of work orders cleared through the work assignment management system for each brand.
- Uses data for the preceding December to November of each year.
- The following positions will be allocated based on cleared order count:
  - Scheduler

### **Credit To-Do's**

- Based on three types of completed To-Do's.
  - accounts up for severance
  - closed accounts pending write-off
  - broken payment plans
- Uses data for the preceding December to November of each year.
- The following positions will be allocated based on credit to-do's:
  - Credit & Collections Rep I, II, and III
  - Credit Support Rep
  - Credit Specialist

### **E-mails and web requests**

Based on e-mails that include direct inquiries from customers, follow up requests from a CSR phone call, or e-mails generated by the web applications requiring account maintenance.

- Uses data for the preceding December to November of each year.
- The following positions will be allocated based on e-mails
  - Customer Support Rep I, II, and III

	MDU Elect	MDU/GP Gas	MDU Nonutility	CNG	IGC	Total
Customer Counts	11.11%	23.69%	.71%	28.00%	36.49%	100%
Customer Counts without NU	11.34%	24.17%	-	28.00%	36.49%	100%
Customer Call Time	12.46%	26.26%	-	28.51%	32.77%	100%
Cleared Order Count	15.58%	27.19%	-	21.68%	35.55%	100%
Credit To-Dos	18.45%	38.87%	-	11.98%	30.70%	100%
Emails	12.26%	25.83%	-	32.61%	29.30%	100%

### **Operations & Engineering Services Group:**

#### **Process Improvement & Operations Tech (Dept 703)**

The payroll allocations will be based on the Utility Group employee counts.

	MDU Elect	MDU/GP Gas	CNG	IGC	Total
Utility Group Employee Counts	28.0%	35.8%	21.2%	15.0%	100%

# 2023 Cost Allocation Manual

---

## Quality Control (Dept 730)

The Quality Control department provides oversight and post work review of both maintenance and construction work that is performed by both utility group employees and our contractors. The payroll allocations will be based on time studies.

## Engineering Services (Dept 769)

The Engineering Services department duties include gas modeling, working with district personnel, engineering design of capital projects, creation of cost estimates, creation of design and work plans, budget planning, etc. The payroll allocations will be based on time studies.

## Construction Services (Dept 863)

The Construction Services (CS) department provides construction management and inspection for large and high-pressure projects, as well as for projects generated by TIMP, DIMP, and MAOP Validation Plans. CS creates and manages programs and procedures for welding and fusion programs. Fabrication standards and a majority of fabrication are done by CS. The payroll allocations will be based on time studies.

## Operation Systems (Dept 864)

This department supports Operations compliance systems as well as supporting other systems that Operations and Engineering utilize. The group not only supports these efforts but also works as a liaison group between the business and enterprise information technology (EIT). The payroll allocations are based on the Utility Group meter counts.

	MDU Elect	MDU/GP Gas	CNG	IGC	Total
Utility Group Meter Counts	12.66%	26.26%	26.44%	34.64%	100%

## Operations GIS (Dept 867)

This department supports the Operations and Engineering GIS system. The group not only supports these efforts but also works as a liaison group between the business and enterprise information technology (EIT). The payroll allocations will be based on time studies. Costs specific to a brand will be charged directly to that brand and will not go through an allocation process.

## System Integrity (Dept 865)

The System Integrity department is responsible for the Utilities Distribution and Transmission Integrity Management Programs, Integrity Projects, Cascade's MAOP Validation Project, and Corrosion Control. The payroll allocations will be based on time studies.

## Safety Management System & Quality Assurance (Dept 866)

The Safety Management System and Quality Assurance (SMS/QA) department is responsible for the implementation of the utility group's safety management system. The team is responsible for reviewing, documenting, and developing processes to ensure compliance with the industry recommend practice 1173. Key objectives of our current plan include the development of an operational risk management program, SMS/QA program oversight and metrics, and completion of risk-based process audits. The payroll allocations will be based on Utility Group Meter Counts for gas and electric.

# 2023 Cost Allocation Manual

	MDU Elect	MDU/GP Gas	CNG	IGC	Total
<b>Utility Group Meter Counts</b>	12.66%	26.26%	26.44%	34.64%	100%

### Operations Policies & Procedures (Dept 923)

This department is responsible for aligning new Utility Group procedures as well as maintaining all previous company specific procedures. Each company was and is required to have and maintain these procedures per federal code 192. The payroll allocations will be based on time studies.

### Operation Services (Dept 958)

The Operation Services department provides compliance, damage prevention, and public awareness across the Utility Group. The payroll allocations will be based on time studies.

### Information Technology and Communications Group:

#### Enterprise Management, Enterprise Development and Integration, Field Automation (Dept 926)

These teams support business and technical functions that are common to all brands. Provides support to the business through data requests and augments the system by developing programs and technical solutions to accommodate business and field needs as well as regulatory requirements. The payroll allocations will be based on Utility Group meter counts.

	MDU Elect	MDU/GP Gas	CNG	IGC	Total
<b>Utility Group Meter Counts</b>	12.66%	26.26%	26.44%	34.64%	100%

### Enterprise GIS (Dept 951)

This department provides gas, electric and fiber pipeline and facilities mapping services for the Utility Group. The payroll allocations will be based on Utility Group meter counts.

	MDU Elect	MDU/GP Gas	CNG	IGC	Total
<b>Utility Group Meter Counts</b>	12.66%	26.26%	26.44%	34.64%	100%

### Environmental (Dept 889)

The Environmental Department provides environmental regulatory compliance guidance and assistance to MDU Utilities Group facilities and operations in accordance with the company environmental policy: The Company will operate efficiently to meet the needs of the present without compromising the ability of future generations to meet their own needs. Our environmental goals are:

- To minimize waste and maximize resources.
- To support environmental laws and regulations that are based on sound science and cost-effective technology; and
- To comply with or exceed all applicable environmental laws, regulations and permit requirements.

The payroll allocations will be based on time studies.

# 2023 Cost Allocation Manual

## Safety & Technical Training (Dept 720, 901)

The Safety and Technical Training department provides oversight for all things safety and technical training for the entire utility group. The payroll allocations will be based on Utility Group employee counts or time studies, depending on the employee's job functions.

	MDU Elect	MDU/GP Gas	CNG	IGC	Total
Utility Group Employee Counts	28.0%	35.8%	21.2%	15.0%	100%

## Human Resources (Dept 963)

The Human Resources payroll allocations will be based on average Utility Group customer and employee counts.

	MDU Elect	MDU/GP Gas	CNG	IGC	Total
Utility Group Customer Counts	119,145	255,891	313,958	411,086	1,100,080
% of Factor - 50%	5.42%	11.63%	14.27%	18.69%	50%
Utility Group Employee Counts	447	572	338	239	1596
% of Factor - 50%	14.00%	17.90%	10.60%	7.50%	50%
Total weighted allocation factor	19.4%	29.5%	24.9%	26.2%	100.00%

## Gas Supply (Dept 931, 933)

The payroll allocations will be based on two methodologies: Utility Group gas meter counts for Dept 931, Director of Gas Supply. Department 933 will be based on time studies. If there are employees focused on Montana-Dakota Utilities functions, which will be allocated 100% to Montana-Dakota Utilities gas segment.

	MDU Elect	MDU/GP Gas	CNG	IGC	Total
Utility Group Meter Counts	-	38.92%	26.44%	34.64%	100%

## Utility Group Controller (Dept 941)

The Controller Department provides various accounting services to the Utility Group: Fixed Assets Accounting, Revenue Accounting, Internal Controls Coordination, and Management. The payroll allocations are based on these methodologies: Utility Group customer count, Utility Group meter count, number of employees, Montana-Dakota customer factor, Utility Group corporate factor, Montana-Dakota corporate factor, and specific shared services methodologies.

- **Utility Group customer count**
  - The following positions will be allocated based on Utility Group customer count based on job duties/functions:
    - Business Analyst I and II (Revenue Accounting)
- **Utility Group meter count**
  - The following positions will be allocated based on Utility Group meter count based on job duties/functions:
    - Business Analyst II and Sr. (Customer Accounting)
- **Number of employees**
  - The following positions will be allocated based on number of employees under their supervision:

# 2023 Cost Allocation Manual

- Controller – Utility Group
- Director, Finance
- Manager, Revenue Administration
- **Montana-Dakota customer factor**
  - The following positions will be allocated based on MDU customer factor
    - Financial Analyst I, II (Revenue Accounting)
    - Financial Specialist (Revenue Accounting)
    - Financial Technician (Revenue Accounting)
    - Manager, Revenue Accounting
- **Utility Group corporate factor**
  - The following position will be allocated based on Utility Group corporate factor
    - Internal Controls Coordinator
- **Montana-Dakota corporate factor**
  - The following positions will be allocated based on MDU corporate factor
    - Financial Analyst I, II, III, IV (Gen Acctg, Reporting & Planning)
    - Financial Systems Analyst (Gen Acctg)
    - Financial Technician (Gen Acctg)
    - Manager, Accounting & Finance
    - Supv, Accounting & Finance
    - Manager, General Accounting

	MDU Elect	MDU/GP Gas	CNG	IGC	Total
Utility Group Customer Counts	10.83%	23.26%	28.54%	37.37%	100%
Utility Group Meter Counts	12.66%	26.26%	26.44%	34.64%	100%
Number of Employees: Controller*	33.5%	28.5%	21.5%	16.5%	100%
Number of Employees: Director, Finance*	34.7%	29.4%	20.5%	15.4%	100%
Number of Employees: Manager, Revenue Administration**	19.2%	40.8%	22.5%	17.5%	100%
Montana-Dakota Customer Factor	32.0%	68.0%	-	-	100%
Utility Group Corporate Factor	29.4%	24.9%	28.3%	17.4%	100%
Montana-Dakota Corporate Factor	54.1	45.9%	-	-	100%

\* MDU electric/gas split is based on the MDU Corporate Factor.

\*\* MDU electric/gas split is based on the MDU Customer Factor.

- **Utility Group Fixed Assets Accounting methodology -**
  - The following positions will be allocated based on 3-Year Averages reviewed annually:
    - Financial Analyst I, II, III, IV (Fixed Assets Accounting)
    - Supervisor, Fixed Assets Accounting
    - Manager, Fixed Assets Accounting

Costs for the Financial Analysts in the MDU Utility Group Fixed Asset Accounting group are based upon three separate methodologies based on the three major types of work performed in the department. The three major work types of work are:

1. Capital Expenditure Support (16.7% of workload)-Allocated to capital overhead (ES/GA) accounts based on 3-year average of capital expenditures.
2. Fixed Asset Life Cycle Support (68.3% of workload)-Allocated to capital overhead (ES/GA) accounts based on 3-year average of capital work orders weighted by a difficulty factor.

## 2023 Cost Allocation Manual

3. All Other Fixed Asset Accounting (15.0% of workload)-Allocated to expense (O&M) accounts based on estimate of time spent on non-project related tasks (Depreciation, ARO, Data Requests, etc.).

	MDUR*	MDU	WBIE**	KRC**	CSG**	CNG	IGC	Total
Total Allocated to ES/GA		57.51%				17.74%	9.75	85.00%
Total Allocated to O&M		10.83%				2.08%	2.08%	15.00%

\* Time devoted to CHCC companies deemed immaterial and is included in MDU amounts.

\*\* No service provided to WBIE, CSG or CSG

Costs for the Manager of the Utility Group Fixed Asset Accounting group are based upon the company workload split of the "Other Fixed Asset Accounting" time spent by the Lead Financial Analyst in charge of depreciation, ARO's, data requests, etc. No portion of these costs is allocated to capital overhead (ES/GA) as they are deemed to be non-direct construction support costs.

	MDUR*	MDU	WBIE**	KRC**	CSG**	CNG	IGC	Total
% Allocation of UGFA Manager Costs		75.00%				12.5%	12.5%	100.00%

\* Time devoted to CHCC companies deemed immaterial and is included in MDU amounts.

\*\* No service provided to WBIE, CSG or CSG

- **Utility Group Payment Processing methodology**
  - Payment Processor (Revenue Accounting)
  - Payment Processor, Lead (Revenue Accounting)

Payment Processing has been allocated by utility brand based on the number of customer payments posted to utility accounts in the 12-month period ending June 30, 2022.

	MDU/GPNG	CNG	IGC	Total
# of Payments Processed	1,407,952	813,529	722,153	2,943,634
% of Payments Processed by Brand	47.90%	27.60%	24.50%	100.00%

# 2023 Cost Allocation Manual

## Exhibit VI- Cascade Natural Gas Corporation Allocation Factors

Cascade Natural Gas Corp.  
 State Allocation Formulas  
 2023

### State Allocations

Line No	Description	WA	OR	Total
	A	B	C	D
1	<u>State Allocaters</u>			
2	Employees	73.47%	26.53%	100.00%
3	Gross Plant	77.99%	22.01%	100.00%
4	Customers	73.75%	26.25%	100.00%
5	3-Factor Formula	75.07%	24.93%	100.00%
6				
7	Rate Base Ratio	79.18%	20.82%	100.00%

## 2023 Cost Allocation Manual

11	<u>Employess</u>			
12		WA District	OR District	
13	Mo-Yr	Employees <sup>1</sup>	Employees <sup>1</sup>	Total
14	Dec-21	175	62	237
15	Jan-22	171	63	234
16	Feb-22	173	63	236
17	Mar-22	173	62	235
18	Apr-22	174	63	237
19	May-22	177	64	241
20	Jun-22	180	64	244
21	Jul-22	178	65	243
22	Aug-22	180	65	245
23	Sep-22	176	64	240
24	Oct-22	177	63	240
25	Nov-22	175	63	238
26	Dec-22	174	63	237
27	Total	2,283	824	3,107
28	AMA	176	63	239
29	Percentage	73.47%	26.53%	100.00%

## 2023 Cost Allocation Manual

35	<u>Gross Plant</u>			
36		WA Incl. CCNC	OR Incl. CCNC	Total
37	AMA	1,023,584,630	288,855,256	1,312,439,887
38	Percentage	77.99%	22.01%	100.00%
39				
40				
43	<u>Customers</u>			
44	Mo-Yr	WA <sup>2</sup>	OR <sup>2</sup>	Total
45	Jan-22	228,785	81,107	309,892
46	Feb-22	229,021	81,244	310,265
47	Mar-22	229,142	81,371	310,513
48	Apr-22	229,156	81,456	310,612
49	May-22	229,092	81,519	310,611
50	Jun-22	228,972	81,485	310,457
51	Jul-22	228,895	81,407	310,302
52	Aug-22	228,951	81,452	310,403
53	Sep-22	229,151	81,675	310,826
54	Oct-22	229,886	82,099	311,985
55	Nov-22	230,760	82,530	313,290
56	Dec-22	231,209	82,705	313,914
57	Average	229,418	81,671	311,089
58	Percentage	73.75%	26.25%	100.00%
59				
60	<sup>2</sup> CC&B Revs, Bills, and Therms File			
63				
64				
65	<u>Rate Base</u>			
67		WA	OR	Total
68	AVG Rate Base <sup>3</sup>	530,175,012	139,401,298	669,576,310
69	Percentage	79.18%	20.82%	100.00%