

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

**WUTC v. Cascade Natural Gas Corp.  
Docket UG-170929  
Public Counsel  
UG-170929**

**Request No. 51**

Date prepared: December 4, 2017

Preparer: Scott Wanner

Contact: Michael Parvinen

Telephone: 509-734-4593

**PC- 51 Re: Pro Forma Plant Additions.**

For each of the projects on Exhibit MPP-6 that are projects being implemented at the parent company or an affiliated entity for which the amount in the 2017 total column are only CNG's portion of a larger total project cost amount, please provide the following information:

- a. Total project cost and identification of the allocation method and factor used to determine the CNG amount shown on the exhibit; and
- b. Total actual project cost if the project has been completed and identification of the actual allocation method and actual allocation factors used to allocate a portion of the costs to CNG.
- c. Please explain, in detail, if a portion of the project costs are actually recorded on the books of CNG. If not, explain how the costs are charged to CNG operations and what account(s) the costs are recorded in.

**Response:**

- a. See spread sheet **PC-51.xlsx**.
- b. See spread sheet **PC-51.xlsx**.
- c. All non-allocable costs incurred by CNGC, and costs allocated from MDU & IGC to CNGC, are recorded on the books of CNGC. Only those allocable costs incurred by CNGC, which are then transferred to MDU & IGC, are not included on CNGC books.

Line No.	Function	Funding Project - Description	(b) Total Project Cost	(a) & (b) Allocation Factor [See narrative below for explanation of allocation]	Estimated In-Service Date	Account No.	2017 Total - Figures exported from "Power Plan" the company's budget and plant accounting software
1	Gas Intangible	FP-101472 - UG-PIM Installation (GL Essentials) MDU FP-100336 IGC FP-101085 CNGC FP-101472	826,926.50 731,797.79 1,322,218.64 <u>Total</u> 2,880,942.93	34.40%	12/31/2017	303.00	225,307.98
2	Gas Intangible	FP-101481 - UG-GPS Based Leak Survey - Replac MDU FP-100551 IGC FP-307513 CNGC FP-101481	177,693.03 264,283.35 315,374.88 <u>Total</u> 757,351.26	31.00%	12/31/2017	303.00	296,663.98
3	Gas Intangible	FP-101510 - UG GMS PURCHASE SOFTWARE MDU FP-100558 IGC FP-101089 CNGC FP-101510	1,884,278.44 944,598.20 1,811,291.09 <u>Total</u> 4,640,167.73	40.00%	4/30/2015	303.00	2,244.94
5	Gas Intangible	FP-200064 - UG-Customer Self-Service Web/IVR MDU FP-100575 IGC FP-101087 CNGC FP-200064	1,924,698.74 1,668,602.57 1,468,531.59 <u>Total</u> 5,061,832.90	27.10%	4/30/2018	303.00	309,856.79
6	Gas Intangible	FP-200663 - UG-GIS Enhancements MDU FP-200714 IGC FP-200891 CNGC FP-2000663	385,971.95 358,038.06 532,094.01 <u>Total</u> 1,276,104.02	27.00%	12/1/2021	303.00	287,058.23
7	Gas Intangible	FP-301813 - UG-GAS SCADA System Enhancements MDU FP-200714 IGC FP-200891 CNGC FP-2000663	385,971.95 358,038.06 532,094.01 <u>Total</u> 1,276,104.02	27.00%	12/31/2019	303.00	90,088.98
8	Gas Intangible	FP-302571 - UG-CC&B Upgrade to v2.4 MDU FP-302570 MDU(GPNG) FP-312362 IGC FP-302572 CNGC FP-302571	381,164.36 19,976.43 271,269.39 240,437.91 <u>Total</u> 912,848.09	26.60%	7/1/2017	303.00	276,670.29
9	Gas Intangible	FP-302579 - Upgrade CyberSecurity Environment MDU FP-200714 IGC FP-200891 CNGC FP-2000663	385,971.95 358,038.06 532,094.01 <u>Total</u> 1,276,104.02	26.64%	7/31/2021	303.00	21,673.94
10	Gas Intangible	FP-302616 - UG-Taleo-Human Capital Management MDU FP-302615 IGC FP-302617 CNGC FP-302616	266,845.69 90,774.42 112,575.20 <u>Total</u> 470,195.31	23.80%	12/31/2017	303.00	31,170.10
11	Gas Intangible	FP-302621 - LV Customer Website MDU FP- N/A IGC FP-302622 CNGC FP-302621	0.00 37,126.17 42,365.20 <u>Total</u> 79,491.37	50.00%	12/31/2014	303.00	(2,301.13)
12	Gas Intangible	FP-311939 - UG-PCAD Upgrade to v6.5 MDU FP-311881 MDU(GPNG) FP-311883 IGC FP-311926 CNGC FP-311939	374,226.96 20,412.13 281,145.98 249,173.22 <u>Total</u> 924,958.29	26.60%	9/30/2017	303.00	159,737.83
13	Gas Intangible	FP-315501 - UG-JDE Corporate Consolidation No Costs Yet	0.00				
14	Gas Intangible	FP-315524 - UG-PowerPlan Lease Module No Costs Yet	0.00		9/1/2017	303.00	26,444.66
15	Gas Intangible	FP-315723 - UG PS&I Enterprise Asset Mgmt CNG Investigatory costs not allocable at this stagee	0.00		12/31/2017	303.00	5,116.71

**51(a) & (b) Narrative**

Utility group software projects are shared between each of the companies that are expected to use the software. At each of those companies two work orders are created. One work order is for direct costs. These are costs that are absorbed entirely by the company that incurs them. The second work order is for allocated costs. These are the costs that will be shared by all companies at pre-determined ratios. Those ratios are determined by various methods depending on the project and can include customer count, meter count, employee count, anticipated usage by each company, etc. Based on those ratios the allocated costs incurred by a given company are then charged off to the other companies, where they will be recorded on the direct cost work order as inter-company billing.