



e-FILING REPORT COVER SHEET

COMPANY NAME: Cascade Natural Gas Corporation

DOES REPORT CONTAIN CONFIDENTIAL INFORMATION?  No  Yes If yes, submit a redacted public version (or a cover letter) by email. Submit the confidential information as directed in OAR 860-001-0070 or the terms of an applicable protective order.

Select report type:  RE (Electric)  RG (Gas)  RW (Water)  RT (Telecommunications)  
 RO (Other, for example, industry safety information)

Did you previously file a similar report?  No  Yes, report docket number: RG-12

Report is required by:  OAR 860-027-0015

Statute

Order

Note: A one-time submission required by an order is a compliance filing and not a report (file compliance in the applicable docket)

Other

(For example, federal regulations, or requested by Staff)

Is this report associated with a specific docket/case?  No  Yes, docket number:

List Key Words for this report. We use these to improve search results.

Gas Utility New Construction Budget 2024

Send the completed Cover Sheet and the Report in an email addressed to [PUC.FilingCenter@state.or.us](mailto:PUC.FilingCenter@state.or.us)

Send confidential information, voluminous reports, or energy utility Results of Operations Reports to PUC Filing Center, PO Box 1088, Salem, OR 97308-1088 or by delivery service to 201 High Street SE Suite 100, Salem, OR 97301.



## GAS UTILITY NEW CONSTRUCTION BUDGET FOR 2024

### GENERAL INSTRUCTIONS

- Each energy utility operating within the State of Oregon and having gross operating revenues of \$50,000 or more per year is required to file a New Construction Budget annually on or before March 31<sup>st</sup> and report information on new construction, extensions, and new additions to property of the utility in accordance with Oregon Administrative Rule 860-027-0015.


The New Construction Budget report should be completed and filed with the Public Utility Commission of Oregon Filing Center. Complete the e-Filing Report Cover Sheet found at <https://www.oregon.gov/puc/forms/Pages/default.aspx?wp6900=se:%22Report+Cover+Sheet%22>. Email both the report and cover sheet to [PUC.FilingCenter@puc.oregon.gov](mailto:PUC.FilingCenter@puc.oregon.gov) no later than March 31<sup>st</sup>.

For major projects (total project cost greater than \$1,000,000) a narrative supplying the following information is required:

### PROJECT NARRATIVE

- Project Description:** Include a brief technical specification of the project, ownership, if jointly owned, operating date, stage of construction, and other relevant information.
- Need for the Project:** Attach all prepared information documenting the need for the project, including the specific need the project is intended to fill. Economic comparisons with alternatives are to be provided. All the underlying assumptions of the economic analyses are to be specified.
- Contingencies:** Provide a listing of existing or potential future problems which might impact the final cost or successful completion and operation of the project, such as licensing problems, labor difficulties, litigation, etc.
- Reconciliation with Prior Budget:** Each successive year's budget can be expected to reflect differing estimates of project costs as the project progresses. For each major project, prepare a reconciliation with the prior budget's estimates and provide specific reasons for the changes.

In addition, please attach copies of prepared documentation or plans describing transmission, distribution, and general plant projects located in Oregon exceeding \$100,000 in total cost and for which construction will commence in the budget year. Information submitted should contain a brief project description, location, and total budgeted cost.

|   |   |                        |                          |
|---|---|------------------------|--------------------------|
| <b>FULL NAME OF GAS UTILITY</b><br>Cascade Natural Gas Corporation  |   |                        |                          |
| <b>ADDRESS: PO BOX OR STREET NUMBER</b><br>8113 W. Grandridge Blvd.   | <b>CITY</b><br>Kennewick                    | <b>STATE</b><br>WA     | <b>ZIP CODE</b><br>99336 |
| <b>CERTIFICATION: I CERTIFY THAT THE INFORMATION REPORTED IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.</b> |   |                        |                          |
| <b>SIGNATURE</b><br>         | <b>TITLE</b><br>VP - Reg Affairs & Cust Svc | <b>DATE</b><br>3-26-24 |                          |

|  |   |                      |
|--|---|----------------------|
| Schedule B: Gas Utility New Construction Budget (System) | COMPANY:<br>Cascade Natural Gas Corporation | BUDGET YEAR:<br>2024 |
|--|---|----------------------|

- INSTRUCTIONS**
1. Report percent ownership, scheduled operating dates, and expenditures required to complete project for major production, transmission, and general plant projects.
  2. Major projects are defined as those projects having a total estimated cost to completion exceeding \$1,000,000.
  3. Under "Distribution," report specific line item expenditures for the budget year only. All expenditures for distribution following the budget year should be aggregated for the year and only total distribution expenditures reported for the period.
  4. Non-major project expenditures within each category should be aggregated and only the totals reported.
  5. Report all expenditures in thousands of dollars.

| DESCRIPTION   | PERCENT OWNERSHIP % | SCHEDULED OPERATING DATE (MO / YR) | EXPENDITURES (B.Y. = BUDGET YEAR; B.Y.+ 1 = THE FIRST YEAR AFTER THE BUDGET YEAR, ETC.) |         |          |          |          |          |  | REQUIRED TO COMPLETE | TOTAL |
|---|---------------------|------------------------------------|---|---------|----------|----------|----------|----------|--|----------------------|-------|
|   |                     |                                    | PRIOR TO B.Y.   | B.Y.    | B.Y. + 1 | B.Y. + 2 | B.Y. + 3 | B.Y. + 4 |  |                      |       |
| <b>Major Production and Storage Projects:</b><br>Construct gas processing RNG facility at Deschutes County landfill in Bend (FP-322677) | 100%                | 09/15/2025                         | 183   | 17,896  | 3,014    | 0        | 0        | 0        |  | 21,093               |       |
| <b>Non-Major Production and Storage Projects</b>  |                     |                                    | 0   | 0       | 0        | 0        | 0        | 0        |  | 0                    |       |
| <b>Total Production and Storage Projects</b>  |                     |                                    | 183   | 17,896  | 3,014    | 0        | 0        | 0        |  | 21,093               |       |
| <b>Major Transmission Projects:</b><br>Install 8" main at Anacortes, WA (FP-324101)   | 100%                | 11/30/2024                         | 0   | 2,738   | 0        | 0        | 0        | 0        |  | 2,738                |       |
| <b>Non-Major Transmission Projects</b>  |                     |                                    | 0   | 546     | 0        | 0        | 0        | 0        |  | 546                  |       |
| <b>Total Transmission Projects</b>  |                     |                                    | 0   | 3,284   | 0        | 0        | 0        | 0        |  | 3,284                |       |
| <b>Distribution (See Instruction 3):</b>  |                     |                                    |   |         |          |          |          |          |  |                      |       |
| Mains   |                     |                                    |   | 79,625  |          |          |          |          |  |                      |       |
| Measuring & Reg. Sta. Equipment   |                     |                                    |   | 6,863   |          |          |          |          |  |                      |       |
| Compressor Station Equipment  |                     |                                    |   | 221     |          |          |          |          |  |                      |       |
| Services  |                     |                                    |   | 17,267  |          |          |          |          |  |                      |       |
| Meters and Regulators   |                     |                                    |   | 8,790   |          |          |          |          |  |                      |       |
| Meter Installations   |                     |                                    |   | 0       |          |          |          |          |  |                      |       |
| Other (Land, Equipment, Structures)   |                     |                                    |   | 0       |          |          |          |          |  |                      |       |
| <b>Total Distribution</b>   |                     |                                    |   | 112,766 | 89,075   | 84,615   | 84,874   | 85,346   |  | 456,676              |       |
| <b>Major General Plant Projects:</b>  |                     |                                    |   |         |          |          |          |          |  |                      |       |
| Enterprise Work Asset Management (FP-101480)  | 100%                | 12/31/2025                         | 7,685   | 1,252   | 697      | 0        | 0        | 0        |  | 9,634                |       |
| Customer Self-Service Web/IVR (FP-200064)   | 100%                | 12/31/2028                         | 2,233   | 187     | 233      | 130      | 130      | 130      |  | 3,043                |       |
| GIS ERSI System Upgrade (FP-316019)   | 100%                | 07/01/2025                         | 2,080   | 833     | 160      | 0        | 0        | 0        |  | 3,073                |       |
| Construct Williams' facilities-Northwest gate for Aberdeen area (FP-317063)   | 100%                | 10/02/2028                         | 0   | 0       | 0        | 0        | 525      | 3,683    |  | 4,208                |       |
| Construct Williams' facilities-Northwest gate for Baker City (FP-318466)  | 100%                | 08/30/2025                         | 965   | 0       | 856      | 0        | 0        | 0        |  | 1,821                |       |

|   |      |            |        |         |         |        |        |        |         |
|---|------|------------|--------|---------|---------|--------|--------|--------|---------|
| Rebuild TransCanada's facilities-gate station in Prineville (FP-318744)                   | 100% | 08/09/2024 | 0      | 251     | 755     | 0      | 0      | 0      | 1,006   |
| Rebuild TransCanada's facilities-gate station in Bend (FP-318745)                         | 100% | 11/30/2026 | 0      | 0       | 252     | 1,008  | 0      | 0      | 1,260   |
| Upgrade Williams' facilities-Kennewick south town border station (FP-320034)              | 100% | 10/30/2024 | 0      | 3,211   | 0       | 0      | 0      | 0      | 3,211   |
| Upgrade Williams' facilities-Richland Y town border station (FP-320155)                   | 100% | 11/01/2025 | 0      | 1,055   | 3,471   | 0      | 0      | 0      | 4,526   |
| Implement Locusview software(FP-324020)   | 100% | 03/31/2024 | 0      | 1,056   | 0       | 0      | 0      | 0      | 1,056   |
| Construct well expansion at RNG facility at Deschutes County landfill in Bend (FP-324250) | 100% | 10/31/2026 | 0      | 0       | 0       | 1,530  | 0      | 0      | 1,530   |
| Construct warehouse for Construction Services in Mt. Vernon (FP-324297)                   | 100% | 10/15/2026 | 0      | 0       | 0       | 3,997  | 0      | 0      | 3,997   |
| Purchase Picarro leak survey equipment (FP-324556)  | 100% | 04/30/2024 | 0      | 1,205   | 0       | 0      | 0      | 0      | 1,205   |
| Purchase Picarro leak survey equipment (FP-324560)  | 100% | 04/30/2025 | 0      | 0       | 2,416   | 0      | 0      | 0      | 2,416   |
| <b>Non-Major General Plant Projects</b>   |      |            | 16,825 | 7,304   | 5,508   | 3,688  | 3,495  | 2,836  | 39,656  |
| <b>Total General Plant Projects</b>   |      |            | 29,788 | 16,354  | 14,348  | 10,353 | 4,150  | 6,649  | 81,642  |
| <b>Total New Construction Budget</b>  |      |            | 29,971 | 150,300 | 106,437 | 94,968 | 89,024 | 91,995 | 562,695 |

**INSTRUCTIONS**

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3. Under "Distribution," report specific line item expenditures for the budget year only. All expenditures for distribution following the budget year should be aggregated for the year and only total distribution expenditures reported for the period.
4. Non-major project expenditures within each category should be aggregated and only the totals reported.
5. Report all expenditures in thousands of dollars

| DESCRIPTION   | PERCENT OWNERSHIP % | SCHEDULED OPERATING DATE (MO / YR) | EXPENDITURES (B.Y. = BUDGET YEAR; B.Y.+ 1 = THE FIRST YEAR AFTER THE BUDGET YEAR, ETC.) |        |          |          |          |          | REQUIRED TO COMPLETE | TOTAL  |
|---|---------------------|------------------------------------|---|--------|----------|----------|----------|----------|----------------------|--------|
|   |                     |                                    | PRIOR TO B.Y.   | B.Y.   | B.Y. + 1 | B.Y. + 2 | B.Y. + 3 | B.Y. + 4 |                      |        |
| <b>Major Production and Storage Projects:</b><br>Construct gas processing RNG facility at Deschutes County landfill in Bend (FP-322677) | 100%                | 09/15/2025                         | 45  | 4,461  | 752      | 0        | 0        | 0        |                      | 5,258  |
| <b>Non-Major Production and Storage Projects</b>  |                     |                                    | 0   | 0      | 0        | 0        | 0        | 0        |                      | 0      |
| <b>Total Production and Storage Projects</b>  |                     |                                    | 45  | 4,461  | 752      | 0        | 0        | 0        |                      | 5,258  |
| <b>Major Transmission Projects:</b>   |                     |                                    |   |        |          |          |          |          |                      |        |
| <b>Non-Major Transmission Projects</b>  |                     |                                    |   |        |          |          |          |          |                      |        |
| <b>Total Transmission Projects</b>  |                     |                                    |   |        |          |          |          |          |                      |        |
| <b>Distribution (See Instruction 3):</b>  |                     |                                    |   |        |          |          |          |          |                      |        |
| Mains   |                     |                                    |   | 10,808 |          |          |          |          |                      |        |
| Measuring & Reg. Sta. Equipment   |                     |                                    |   | 517    |          |          |          |          |                      |        |
| Compressor Station Equipment  |                     |                                    |   | 0      |          |          |          |          |                      |        |
| Services  |                     |                                    |   | 5,311  |          |          |          |          |                      |        |
| Meters and Regulators   |                     |                                    |   | 2,308  |          |          |          |          |                      |        |
| Meter Installations   |                     |                                    |   | 0      |          |          |          |          |                      |        |
| Other (Land, Equipment, Structures)   |                     |                                    |   | 0      |          |          |          |          |                      |        |
| <b>Total Distribution</b>   |                     |                                    |   | 18,944 | 24,130   | 23,590   | 16,227   | 16,478   |                      | 99,369 |
| <b>Major General Plant Projects:</b>  |                     |                                    |   |        |          |          |          |          |                      |        |
| Enterprise Work Asset Management (FP-101480)  | 100%                | 12/31/2025                         | 1,917   | 312    | 174      | 0        | 0        | 0        |                      | 2,403  |
| Customer Self-Service Web/IVR (FP-200064)   | 100%                | 12/31/2028                         | 552   | 46     | 58       | 32       | 32       | 32       |                      | 752    |
| GIS ERSI System Upgrade (FP-316019)   | 100%                | 07/01/2025                         | 518   | 208    | 40       | 0        | 0        | 0        |                      | 766    |
| Construct Williams' facilities-Northwest gate for Baker City (FP-318466)  | 100%                | 08/30/2025                         | 965   | 0      | 855      | 0        | 0        | 0        |                      | 1,820  |
| Rebuild TransCanada's facilities-gate station in Prineville (FP-318744)   | 100%                | 08/09/2024                         | 0   | 251    | 755      | 0        | 0        | 0        |                      | 1,006  |
| Rebuild TransCanada's facilities-gate station in Bend (FP-318745)   | 100%                | 11/30/2026                         | 0   | 0      | 252      | 1,009    | 0        | 0        |                      | 1,261  |
| Implement Locusview software(FP-324020)   | 100%                | 03/31/2024                         | 0   | 263    | 0        | 0        | 0        | 0        |                      | 263    |

|   |      |            |              |               |               |               |               |               |  |                |
|---|------|------------|--------------|---------------|---------------|---------------|---------------|---------------|--|----------------|
| Construct well expansion at RNG facility at Deschutes County landfill in Bend (FP-324250) | 100% | 10/31/2026 | 0            | 0             | 0             | 381           | 0             | 0             |  | 381            |
| Construct warehouse for Construction Services in Mt. Vernon (FP-324297)                   | 100% | 10/15/2026 | 0            | 0             | 0             | 997           | 0             | 0             |  | 997            |
| Purchase Picarro leak survey equipment (FP-324556)  | 100% | 04/30/2024 | 0            | 301           | 0             | 0             | 0             | 0             |  | 301            |
| Purchase Picarro leak survey equipment (FP-324560)  | 100% | 04/30/2025 | 0            | 0             | 602           | 0             | 0             | 0             |  | 602            |
| Non-Major General Plant Projects  |      |            | 4,680        | 1,684         | 1,093         | 862           | 814           | 651           |  | 9,784          |
| <b>Total General Plant Projects</b>   |      |            | <b>8,632</b> | <b>3,065</b>  | <b>3,829</b>  | <b>3,281</b>  | <b>846</b>    | <b>683</b>    |  | <b>20,336</b>  |
| <b>Total New Construction Budget</b>  |      |            | <b>8,677</b> | <b>26,470</b> | <b>28,711</b> | <b>26,871</b> | <b>17,073</b> | <b>17,161</b> |  | <b>124,963</b> |

## Project Narratives

### **Construct gas processing RNG facility in collaboration with Deschutes County landfill in Bend, OR (FP-322677) - \$20,910,567.05 (CY 2024-2025 Budget plus actual expenditures of \$183,187.15 through 2023)**

1. Project Description: Cascade Natural Gas has signed an agreement with Deschutes County to make beneficial use of landfill gas (LFG) from the Knott Landfill in Bend, OR. Cascade plans to construct a renewable natural gas (RNG) plant and related facilities to convert landfill gas to pipeline quality RNG and inject it into the Cascade distribution system. Cascade will design, permit, construct, own, operate, and maintain these facilities, and will produce and own the RNG and associated environmental attributes. Cascade estimates the RNG plant will produce an average of 3.1 million therms of RNG per year over a 20 year term. Design and permitting are scheduled for 2024, construction is scheduled to begin in late 2024, and the RNG plant is scheduled for operation in 2025.
2. Need for the project: Cascade must meet the requirements of the Washington Climate Commitment Act (CCA). Cascade recognizes the potential need to comply with an emissions reduction program in the state of Oregon, though the Oregon Climate Protection Program was invalidated in December 2023. The Oregon Department of Environmental Quality has announced a 2024 Rulemaking intended to reestablish a climate mitigation program intended to have comparable scope and emissions reductions ambitions as the invalidated program. Acquiring environmental attributes from RNG is one way the requirements of the CCA can be met. It is anticipated a similar mechanism would be included in the Oregon program. In addition, Cascade has a need to acquire RNG in order to make it available to customers on a voluntary basis. Cascade believes this project presents a financially attractive way to meet our needs versus other alternatives. Cascade has a model that evaluates the cost-effectiveness of RNG projects. The attached comparative analysis shows how the market value and revenue requirement from this project compare favorably with other projects to acquire RNG or attributes on a per dekatherm per year basis.

The subsequent model notes explain how Cascade's Cost-Effectiveness Model evaluates RNG projects:

#### **Cost Effectiveness Evaluation Model Notes**

$$C_{RNG} = I_{RNG} - AC_U - AC_D + \sum_{T=1}^{365} (P_{RNG} + VC - CIF) * Q$$
$$C_{Conventional} = \sum_{T=1}^{365} (P_{Conventional} + VC) * Q$$

Where:

$C_{RNG}$  = The all-inclusive annual cost of a proposed RNG project

$I_{RNG}$  = The annual required investment to procure a proposed RNG resource. If Cascade is simply buying the gas and/or environmental attributes, this value is zero.

$AC_U$  = Avoided upstream costs

$AC_D$  = Avoided distribution system costs

$P_{RNG}$  = Daily price of renewable natural gas being evaluated

Q = Daily quantity of gas being evaluated

$VC$  = Variable cost to move one dekatherm of gas to Cascade's distribution system. This value can be zero if a project connects directly to the Company's system.

$CIF$  = Carbon Intensity Factor. This is calculated by multiplying the Company's expected carbon compliance cost by 1 minus the ratio of a proposed project's carbon intensity to conventional gas' carbon intensity. For the purpose of compliance with the CCA and CPP, the CIP factor is just Cascade's

expected carbon compliance cost in the various jurisdictions, as these rules do not account for the variable carbon intensities of various sources of RNG. This project uses the Social Cost of Carbon as the cost of carbon compliance

$C_{Conventional}$  = The all-inclusive annual cost of conventional natural gas.

$P_{Conventional}$  = The average expected price of conventional gas. This value is only used when a project displaces the need for conventional gas, as is the case with the Knott Landfill.

If  $C_{Conventional} \geq C_{RNG}$ , the project will have a positive Potential Market Value. It can be considered cost effective and should be acquired. If not, the Potential Market Value of the project and projected impacts to Revenue Requirement should be evaluated relative to other options to meet emissions reduction requirements, as is demonstrated in the executive analysis.

3. Contingencies: Existing or potential future problems which might impact the final cost or successful completion and operation of the project include but are not limited to: permitting, adverse weather, excessive material lead times, insufficient materials, inflation in the cost of materials and labor, delayed property acquisition, lack of public right-of-way, lack of skilled labor, lack of contractor services, contract disputes and acts of God.
4. Reconciliation with prior year budget: This is a multi-year project estimated to be complete in 2025. Every year the budget is reviewed and updated as necessary.

### **Construct well expansion at Deschutes County Landfill in Bend, OR (FP-324250) - \$1,529,843.30 (CY 2026 Budget)**

1. Project Description: Cascade Natural Gas has signed an agreement with Deschutes County to make beneficial use of landfill gas (LFG) from the Knott Landfill in Bend, OR. Cascade plans to construct a renewable natural gas (RNG) plant and related facilities to convert landfill gas to pipeline quality RNG and inject it into the Cascade distribution system per FP-322677. The landfill gas is gathered for RNG processing via a well field. It will be necessary to expand the RNG production wells and RNG collection system to continue to optimize the gathering of landfill gas for RNG processing as the landfill develops. FP-324250 is for expansion of the RNG well field and RNG collection system. Per current plans, Cascade anticipates it will be necessary to expand these facilities in 2026. Cascade will design, permit, construct, operate and maintain the RNG production and collection expansion facilities. Deschutes County will own the RNG production wells RNG collection system expansion. Cascade will provide a capital contribution in aid of construction toward the expenditures to construct the RNG production wells and RNG collection system expansion and amortize the expenditures over a 20 year term.
2. Need for the Project: As the Deschutes County landfill expands and develops, it will be necessary to expand the RNG projection wells and RNG collection system to continue to optimize the gathering of landfill gas for processing into RNG.
3. Contingencies: Existing or potential future problems which might impact the final cost or successful completion and operation of the project include but are not limited to: permitting, adverse weather, excessive material lead times, insufficient materials, inflation in the cost of materials and labor, lack of skilled labor, lack of contractor services, contract disputes and acts of God.
4. Reconciliation with Prior Budget: This project is estimated to be complete in 2026. Every year the budget is reviewed and updated as necessary.



## **Replace 8” main transmission line across the Swinomish Channel in Mt Vernon, WA (FP-324101) - \$2,737,819.22 (CY 2024 Budget)**

1. **Project Description:** The 8-inch Anacortes Transmission replacement project includes the replacement of approximately 2,946 feet of 8-inch diameter steel transmission main. The 8-inch Anacortes Transmission line is an intrastate transmission pipeline that starts at Cascade’s town border station in Sedro Woolley, WA and ends in Anacortes, WA. The existing pipeline segment is being replaced with 8-inch diameter steel transmission main. Replacement segment crosses the Swinomish Channel, which requires significant environmental permitting.
2. **Need for the Project:** The segment of the 8-inch Anacortes Transmission Line that is being replaced was installed in 1957. The pipeline segment (Work Order #'s: MTVL1-1) was identified in CNGC’s Maximum Allowable Operating Pressure (MAOP) Determination and Validation Plan, in accordance with WUTC Docket PG-150120, as lacking sufficient documentation to validate the pipeline segments MAOP. Replacement was chosen as the best option to address the missing documentation and to validate the pipeline segments MAOP based on the age of the pipeline segment with known integrity concerns.
3. **Contingencies:** The plan is to have this project in service by the end of 2024, but the project requires extensive permitting which may push completion into 2025.
4. **Reconciliation with Prior Budget:** A total of \$2,737,819.22 is budgeted for 2024.

## **Utility Group Work Asset Management (FP-101480) – \$1,948,802.82 (CY 2024-2025 Budget plus actual expenditures of \$7,685,356.99 through 2023)**

1. **Project Description:** Implementation of an Enterprise/Utility wide "Asset Management" software solution (Maximo). The tool will be used to track the operation, maintenance, construction, and disposal of assets (plant and production, gas distribution networks, infrastructure, and facilities). The project is currently broken up into three phases: Phase 1: Inspection and Maintenance, Phase 2: Construction, Phase 3: Large Gas Facilities Inspection and Maintenance.
2. **Need for the Project:** Currently the utility company implements several different applications to support field operations, maintenance, and construction activity. For these systems to interact it requires the development and maintenance of several interfaces. Preventive maintenance and inspections of assets have historically had manual-based processes. We are implementing an integrated tool for Asset Management. The tool has the capabilities to support crew management, labor skills, provide mobile workforce management, inspection and maintenance work order management. Phase 1: Inspection and Maintenance was completed December 31, 2021. It has currently been configured to support many state Commission Agency, NERC/FERC and CIP compliance requirements. Integrations were also created into GIS. During Phase 2 electronic construction processes will be built and deployed. Utility specific functionality including design and estimating, crew management, labor skills and certifications tracking, Fixed Asset accounting integration, mobile workforce management integration, electronic as-builts, graphical design tool integration, Geographic Information System support will be built and deployed. On February 26, 2024 the following components for Phase 2 were deployed for use in the Production environment: Initiate, Design and Estimating.
3. **Contingencies:** This project will be completed in phases. Each phase includes implementation in several specific functional areas. During the development phase Cascade will continue to use its existing operations-based systems and manual business processes until the new functions are rolled into production.

4. Reconciliation with prior year budget: Every year the budget is reviewed and updated as necessary. Currently this project is in the design and build stage of Phase 2: Electronic Construction.

**Utility Group CNG IVR-WEB Implementation (FP-200064) – \$809,931.82 (CY 2024-2028 Budget plus actual expenditures of \$2,232,686.09 through 2023)**

1. Project Description: IVR-WEB is designed to provide utility customers common self-service functionality for all utility brands: CNG (Cascade), MDU, GPNG, and IGC.
2. Need for the Project: CNG's utility customers are accustomed to being able to view and pay bills via an IVR or WEB site. They are requesting and, in some cases demanding, increased functionality with their utility bills and service requests. Increasing the self-service functions to CNG's utility customers will have a positive impact on the number of customer service agents required to handle in-bound calls.
3. Contingencies: This continual project will extend more features to the existing base line functions provided to all CNG utility customers.
4. Reconciliation with Prior Budget: The IVR-WEB applications are a utility-wide platform. The costs of the entire project are being shared across the entire utility group in order that the first utility to implement is not unduly burdened. Cascade was the first to implement followed by Montana-Dakota Utilities Co. in 2013. Post implementation activity continues expanding the self-service features made available to the utility customers.

**Utility Group CNGC GIS ESRI System Upgrade (FP-316019) - \$993,836.42 (CY 2024-2025 Budget plus actual expenditures of \$2,079,311.07 through 2023)**

1. Project Description: Retire 5-year-old ArcGIS/ArcFM 10.6.1 software and 20-year-old geometric network technology due to limited compatibility with existing software, hardware, and is nearing end-of-life support. Upgrade application to ArcGIS Pro to accommodate Esri's new Utility Network technology. Cascade needs to upgrade their GIS software to continue to provide value added products and services to our internal and external customers.
2. Need for the Project: We have completed the design phase for Utility Network. This will allow our GIS team time to develop and deploy the future technology implementations/upgrades including the ESRI ArcGIS Pro and Utility Network. The Utility Network is the main component we will work with when managing our pipeline network within ArcGIS. Combined with a service-based transaction model, attribute rules, editing tools, and more, it will allow us to completely model and analyze our complex gas pipeline network system.
3. Contingencies: During the development and implementation phase end-users can access the existing system until the upgrade is rolled out into production.
4. Reconciliation with Prior Budget: This is a multi-phase project estimated to be complete in 2025.

**Construct William's Facilities Northwest Gate for Aberdeen area South of Elma, WA (FP-317063) - \$4,207,282.26 (CY 2027-2028 Budget)**

1. Project Description: Cascade Natural Gas is planning to sign a facilities agreement for a new town border station in Satsop, WA. Williams will design, permit, construct, own, operate, and maintain these facilities.

2. Need for the project: This project is to add capacity to the Grey's Harbor lateral, this lateral is currently at capacity and requires a reinforcement to support core and industrial growth.
3. Contingencies: Possible existing or potential future costs and schedule risks include but are not limited to: permitting, adverse weather, excessive material lead times, insufficient materials, lack of skilled labor, lack of contractor services, inflation, material delays, contract disputes and acts of God.
4. Reconciliation with prior year budget: This project has been delayed until the 2028 budget year. Design will be completed in 2027. No costs will be incurred until 2027. The project was delayed due to other reinforcements that were completed in 2023 and will be completed in 2024 to help address capacity issues on this system.

**Construct William's facilities gate station near Pocahontas Road and 23<sup>rd</sup> Street in northwest Baker City, OR (FP-318466) - \$855,610.00 (CY 2025 Budget plus actual expenditures of \$964,973.71 through 2023)**

1. Project Description: Cascade Natural Gas has signed a facilities agreement for a new town border station in Baker City, OR. Williams will design, permit, construct, own, operate, and maintain these facilities. Planning and design are scheduled for 2022-2023 and construction is scheduled for 2025.
2. Need for the project: The project may be needed to add capacity to the distribution system in Baker City to meet core growth. Cascade is working with ETO on targeted DSM to offset a gate upgrade.
3. Contingencies: Possible existing or potential future costs and schedule risks include but are not limited to: permitting, adverse weather, excessive material lead times, insufficient materials, lack of skilled labor, lack of contractor services, inflation, material delays, contract disputes and acts of God. Project will depend on actual growth experienced and DSM load reduction.
4. Reconciliation with prior year budget: This project has been delayed until the 2025 budget year to allow time for DSM. No costs will be incurred in 2024. The project payments were submitted to William's for design in 2022-2023 and construction has been delayed to 2025 subsequent to the 2023 Approved Budget being created. Project will be reassessed in 2025 IRP.

**Rebuild TransCanada's facilities gate station in Prineville, OR (FP-318744) - \$1,006,025.00 (CY 2024-2025 Budget)**

1. Project Description: The Prineville gate is currently undersized and needs to be upgraded to meet IRP core growth. The TransCanada facilities at the Prineville gate need to be upgraded and an actual quote to do the work has been provided, confirming a smaller scope than was previously budgeted for.
2. Need for the project: The project is needed to add capacity to the Prineville distribution system to meet core growth.
3. Contingencies: Possible existing or potential future costs and schedule risks include but are not limited to: permitting, adverse weather, excessive material lead times, insufficient materials, lack of skilled labor, lack of contractor services, inflation, material delays, contract disputes and acts of God.

4. Reconciliation with prior year budget: In 2022 capital budget this project was planned for 2023. In the 2023 capital budget this project was pushed to construction in 2024 and preliminary design work in 2023. It is new to this list since the estimated budget amount was increased to over \$1 million dollars in the 2023 approved capital budget. In 2024, the actual scope of the replacement to TC Energy's facilities was confirmed with the other company and the budget was reduced accordingly.

**Rebuild TransCanada's facilities gate station in Bend, OR (FP-318745) - \$1,260,250.00 (CY 2025-2026 Budget)**

1. Project Description: The Bend gate is currently undersized and needs to be upgraded to meet IRP core growth. The TransCanada facilities at the Bend gate need to be upgraded.
2. Need for the project: The project is needed to add capacity to the Bend distribution system to meet core growth.
3. Contingencies: Possible existing or potential future costs and schedule risks include but are not limited to: permitting, adverse weather, excessive material lead times, insufficient materials, lack of skilled labor, lack of contractor services, inflation, material delays, contract disputes and acts of God.
4. Reconciliation with prior year budget: In 2022 capital budget this project was planned for 2023. In the 2023 capital budget this project was pushed to construction in 2024 and preliminary design work in 2023, however by the end of the year, construction was pushed to 2025 and design was pushed to 2024. It is new to this list since the estimated budget amount was increased to over \$1 million dollars in the 2023 approved capital budget.

**Upgrade William's Facilities at Kennewick south Town Border Station (FP-320034) - \$3,211,048.41 (CY 2024 Budget)**

1. The South Kennewick distribution system requires a reinforcement due to low pressures during cold weather events. These low pressures risk the reliability to feed the core customers to a large portion of the East and South Kennewick system. To resolve the pressure problems, Cascade proposes a new Gate station fed from Williams NWP.
2. Need for the Project: The project is needed to prevent outages during low pressure events and allow for system growth and reliability.
3. Contingencies: Possible existing or potential future costs and schedule risks include but are not limited to: permitting, adverse weather, excessive material lead times, insufficient materials, delayed property acquisition, lack of public right-of-way, lack of skilled labor, lack of contractor services, contract disputes and acts of God.
4. Reconciliation with Prior Budget: Budget has been updated with Gate Station cost provided by Williams NWP.

**Upgrade William's Facilities at Richland Y Town Border Station (FP-320155) - \$4,525,780.40 (CY 2024-2025 Budget)**

1. Project Description: This funding project covers Williams Facility costs for replacing and upgrading their side of the Richland Y Town Border Station. Costs incurred include but are not limited to: design, permitting, construction, owning, operating, and maintaining the station.

2. Need for the Project: This project is needed to support core growth in Richland. The Richland high-pressure system is at its capacity and is needing a new feed to support the existing core customers and allow for new growth.
3. Contingencies: Possible existing or potential future costs and schedule risks include but are not limited to: permitting, adverse weather, excessive material lead times, insufficient materials, delayed property acquisition, lack of public right-of-way, lack of skilled labor, lack of contractor services, contract disputes and acts of God.

Reconciliation with Prior Budget: Project has been deferred to 2024-2025. Design will be completed in 2024 with construction being completed in 2025. Project design, permitting and immediate necessity of the project were all considered in the delay of the project by 3 years. The company is also trying to spread out the number of town border stations in a project year with Williams as well. Project estimates for the Williams installation have increase in this timespan due to high construction and material rates experienced in the last few years.

### **Utility Group CNGC – Purchase Locusview software (FP-324020) - \$1,056,247.88 (CY 2024 Budget)**

1. Project Description: As part of the overall Utility Group Work Asset Management System (**FP-101480**) Phase 2, a new electronic mobile construct solution is needed to track the installation of parts, materials and components during construction in the field. Locusview is this solution. Locusview is tightly integrated into the work asset management software solution referenced above. The solution will eliminate the need for most of the paper forms, while leveraging electronic capabilities through data entry on iPads to gather the information currently captured through manual entry on paper or spreadsheets. Additionally, spatial mapping and GPS capabilities will be used to capture spatial data which will be integrated into the Utility GIS system. The solution will capture the information needed to meet the requirements for tracking and traceability for installed assets. Locusview will be used by Utility employees as well as Utility contractors.
2. Need for the Project: Currently the utility company leverages paper forms, spreadsheets and other documents to capture construction activities in the field. The Locusview solution offers the opportunity to capture the construction processes electronically improving accuracy and data validation. The solution leverages iPad's connected to a high accuracy GPS and electronic code scanner. Various form and asset data will be captured as the construction process is in progress. The need for this solution is the result of several business needs: 1. The need to ensure data accuracy when performing construction tasks. 2. Ability to track, more accurately, the spatial location of installed parts, materials and components during construction. This will meet the requirements for tracking and traceability. 3. The need to shorten the time it takes to update the Utility GIS system with spatial features and data. Locusview will ultimately have an integration to the GIS system and spatial features and data will be loaded directly into that system. 4. Help capture construction activities to ensure compliance with applicable laws, regulations, policies and procedures. 5. The current Work Asset Management System project (JUMP) needed a electronic mobile system for performing field data capture.
3. Contingencies: This solution is integral to the JUMP Phase 2 project as it will be the mobile solution for capturing field construction activities. This will replace the current paper, spreadsheet, manual processes for capturing construction task. These manual tasks will continue to be used until the electronic solution is implemented and in production. Estimated implementation into production is June 2024.
4. Reconciliation with prior year budget: Every year the budget is reviewed and updated as necessary. Currently this project is in the design and build stage of Phase 2: Electronic Construction and is tightly coupled with the Work Asset Management System above.

**Construct warehouse for Construction Services in Mt Vernon, WA (FP-324297) - \$3,997,457.49 (CY 2026 Budget)**

1. Project Description: This money is being budgeted for the building of new MDUG Construction Services fabrication shop and offices. These costs would be used for property purchase, design, permitting, and construction.
2. Need for the Project: Currently Construction Services shares shop and parking with the Mount Vernon District and due to both District and Construction Services expansion the room for employees to work and park have become an issue. The existing building also does not have the appropriate 3 phase power, running water/bathrooms. Purchasing new property in order to build a new larger Fab shop with attached office space.
3. Contingencies: Potential future issues are the availability and/or cost of commercial property, permitting issues, and lack of contractors.
4. Reconciliation with Prior Budget: This is budgeted for 2026.

**Purchase Picarro leak survey equipment (FP-324556) - \$1,205,160.00 (CY 2024 Budget)**

1. Project Description: This funding project is for the purchase of one Picarro Car and software to collect data in the car.
2. Need for the Project: The Picarro car will perform emissions survey for calendar year of 2024.
3. Contingencies: The Picarro car can be used for leak survey and emissions surveys but need system would need state approval for leak surveys to meet our compliance requirements.
4. Reconciliation with Prior Budget: This is the first year of the project and it will be a multi-year project to expand our Picarro car fleet.

**Purchase Picarro leak survey equipment (FP-324560) - \$2,415,840.00 (CY 2025 Budget)**

1. Project Description: This funding project is for the purchase of two Picarro Car and software to collect data in the car.
2. Need for the Project: The two additional cars would be to expand leak survey and emissions survey across Cascade service territory.
3. Contingencies: The Picarro car can be used for leak survey and emissions surveys but need system would need state approval for leak surveys to meet our compliance requirements. Limiting factor would be available workforce to perform the work.
4. Reconciliation with Prior Budget: This is the second year of the project and it be dependent on development of program.