



## e-FILING REPORT COVER SHEET

COMPANY NAME:

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:

Report is required by:  OAR  
 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.

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 2022**

**GENERAL INSTRUCTIONS**


1. 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.
2. 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 [http://www.puc.state.or.us/eFiling/eReports/efiling\\_report\\_cover\\_sheet\\_FM050.pdf](http://www.puc.state.or.us/eFiling/eReports/efiling_report_cover_sheet_FM050.pdf). Email both the report and cover sheet to [PUC.FilingCenter@state.or.us](mailto:PUC.FilingCenter@state.or.us) 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**

1. Project Description: Include a brief technical specification of the project, ownership, if jointly owned, operating date, stage of construction, and other relevant information.
2. 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.
3. 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.
4. 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> Cascade Natural Gas Corporation			
<b>ADDRESS: PO BOX OR STREET NUMBER</b> 8113 W. Grandridge Blvd.	<b>CITY</b> Kennewick	<b>STATE</b> WA	<b>ZIP CODE</b> 99336
<b>CERTIFICATION: I CERTIFY THAT THE INFORMATION REPORTED IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.</b>			
<b>SIGNATURE</b> 	<b>TITLE</b> VP, Reg. Affairs & Cust Svc	<b>DATE</b> 3-28-22	

- 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			
Major Production and Storage Projects:											
Non-Major Production and Storage Projects											
<b>Total Production and Storage Projects</b>											
Major Transmission Projects:											
Non-Major Transmission Projects											
<b>Total Transmission Projects</b>											
Distribution (See Instruction 3):											
Mains				62,503							
Measuring & Reg. Sta. Equipment				7,114							
Compressor Station Equipment				59							
Services				21,430							
Meters and Regulators				7,382							
Meter Installations				0							
Other (Land, Equipment, Structures)				40							
<b>Total Distribution</b>				<b>98,528</b>	<b>87,389</b>	<b>68,683</b>	<b>65,607</b>	<b>65,711</b>			<b>385,918</b>
Major General Plant Projects:											
Enterprise Work Asset Management (FP-101480)	100%	12/31/2026	4,260	1,782							
Customer Self-Service Web/IVR (FP-200064)	100%	12/31/2026	1,978	64							
GIS ERSI System Upgrade (FP-316019)	100%	12/31/2024	147	1,022							
Construct Williams' facilities-Northwest gate for Aberdeen area (FP-317063)	100%	08/02/2023	0	0							
Upgrade Williams' facilities-Kennewick south town border station (FP-320034)	100%	08/30/2023	0	251							
Upgrade Williams' facilities-Richland Y town border station (FP-320155)	100%	12/01/2023	0	503							

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<b>Non-Major General Plant Projects</b>			<b>10,582</b>							
<b>Total General Plant Projects</b>			<b>14,204</b>	<b>12,123</b>	<b>4,996</b>	<b>4,553</b>	<b>4,364</b>			<b>40,240</b>
<b>Total New Construction Budget</b>			<b>112,732</b>	<b>99,512</b>	<b>73,679</b>	<b>70,160</b>	<b>70,075</b>			<b>426,158</b>

**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>											
<b>Non-Major Production and Storage Projects</b>											
<b>Total Production and Storage Projects</b>											
<b>Major Transmission Projects:</b>											
<b>Non-Major Transmission Projects</b>											
<b>Total Transmission Projects</b>											
<b>Distribution (See Instruction 3):</b>											
Mains				12,038							
Measuring & Reg. Sta. Equipment				4,473							
Compressor Station Equipment				0							
Services				6,194							
Meters and Regulators				1,915							
Meter Installations				0							
Other (Land, Equipment, Structures)				0							
<b>Total Distribution</b>				<b>24,620</b>	<b>20,834</b>	<b>16,894</b>	<b>17,312</b>	<b>16,100</b>		<b>95,760</b>	
<b>Major General Plant Projects:</b>											
Enterprise Work Asset Management (FP-101480)	100%	12/31/2026	1,064	447							
Customer Self-Service Web/IVR (FP-200064)	100%	12/31/2026	489	16							
GIS ERSI System Upgrade (FP-316019)	100%	12/31/2024	37	257							
Construct Williams' facilities-Northwest gate for Aberdeen area (FP-317063)	100%	08/02/2023	0	0							
Upgrade Williams' facilities-Kennewick south town border station (FP-320034)	100%	08/30/2023	0	0							
Upgrade Williams' facilities-Richland Y town border station (FP-320155)	100%	12/01/2023	0	0							

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Non-Major General Plant Projects			3,226							
Total General Plant Projects			3,946	3,380	1,265	1,154	1,108			10,853
Total New Construction Budget			28,566	24,214	18,159	18,466	17,208			106,613

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#### **Utility Group Enterprise Work Asset Management (FP-101480) – \$5,014,837.69 (CY 2022-2026 Budget plus actual expenditures of \$4,259,528.86 through 2021)**

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.
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.

#### **Utility Group Customer Self-Service Web/IVR (FP-200064) – \$323,634.14 (CY 2022-2026 Budget plus actual expenditures of \$1,977,721.25 through 2021)**

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.

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#### **Utility Group GIS ESRI System Upgrade (FP-316019) – \$1,553,582.66 (CY 2022-2024 Budget plus actual expenditures of \$146,935.78 through 2021)**

1. Project Description: Retire 6-year-old ArcGIS/ArcFM 10.2.1 software due to limited compatibility with existing software, hardware, and is nearing end-of-life support. Upgrade application to ArcGIS/ArcFM 10.6.1 to extend life of the application and geometric network. 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: Extended support will allow our GIS team time to plan for future technology implementations/upgrades including the ESRI ArcGIS 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 2024.

#### **Construct Williams' Facilities Northwest Gate for Aberdeen area South of Elma, WA (FP-317063) - \$1,059,885.18 (CY 2022 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. Planning is scheduled for 2022 and construction is scheduled for 2023.
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 2023 budget year. No costs will be incurred in 2022. The project was delayed due to other reinforcements that are being completed in 2022 to help address capacity issues on this system.

#### **Upgrade Williams' Facilities at Kennewick south Town Border Station (FP-320034) - \$1,509,700.00 (CY 2022-2023 Budget)**

1. Project Description: Cascade Natural Gas is planning to sign a facilities agreement for a new town border station in Kennewick. Williams will design, permit, construct, own, operate, and maintain these facilities. Planning is scheduled for 2022 and construction is scheduled for 2023.
2. Need for the Project: This project is required to help maintain adequate pressure in the distribution system. Due to core growth, system pressures have been declining and this project will allow core growth to continue as planned and maintain a reliable service to the existing core customers.
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



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God. Further system reinforcements are being discussed to prolong the installation of the town border station but for only another year or two before it would otherwise still be required.

4. Reconciliation with Prior Budget: Previous year budget item and is not planned to reoccur. This project was delayed until the 2022-2023 budget years. The project was delayed because enough system capacity existed for an additional year of core growth.

### **Upgrade Williams' Facilities at Richland Y Town Border Station (FP-320155) - \$1,509,350.00 (CY 2022-2023 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: 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. Replacing and upgrading the Richland Y station helps increase the pressure and capacity that will be allowed to be connected to help resolve those demands. Other pipeline alternatives have been considered but do not satisfy the capacity or pressure requirements needed.
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: Previous budget item and is not planned to reoccur. Project has been deferred to 2022-2023. Project design, permitting and immediate necessity of the project were all considered in the delay of the project by a year. The company is also trying to spread out the number of town border stations in a project year with Williams as well.