



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

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 2020

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 31st 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. Email both the report and cover sheet to PUC.FilingCenter@state.or.us no later than March 31st.

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.

FULL NAME OF GAS UTILITY			
Cascade Natural Gas Corporation			
ADDRESS: PO BOX OR STREET NUMBER	CITY	STATE	ZIP CODE
8113 W. Grandridge Blvd.	Kennewick	WA	99336
CERTIFICATION: I CERTIFY THAT THE INFORMATION REPORTED IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.			
SIGNATURE	TITLE	DATE	
/s/ Mark Chiles	VP, Regulatory Affairs and Customer Service	03/25/2020	

Schedule B: Gas Utility New Construction Budget (System)	COMPANY: Cascade Natural Gas Corporation	BUDGET YEAR: 2020
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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											
Total Production and Storage Projects											
Major Transmission Projects:											
Non-Major Transmission Projects											
Total Transmission Projects											
Distribution (See Instruction 3):											
Mains				52,231							
Measuring & Reg. Sta. Equipment				7,060							
Compressor Station Equipment				0							
Services				22,435							
Meters and Regulators				5,239							
Meter Installations				364							
Other (Land, Equipment, Structures)				961							
Total Distribution				88,290	79,039	71,882	80,222	61,388		380,821	
Major General Plant Projects:											
Enterprise Work Asset Management (FP-101480)	100%	12/31/2024	1,397	1,676							
Customer Self-Service Web/IVR (FP-200064)	100%	12/31/2019	1,799	179							
Aberdeen – New Operations Building (FP-307044)	100%	06/30/2020	530	2,544							
CC&B Upgrade to v.2.6+ (FP-316182)	100%	12/31/2021	670	358							
Remodel Bremerton District Office (FP-318352)	100%	10/30/2020	0	1,463							
Compressor Station-William's lateral-Walla Walla (FP-318743)											
Upgrade Williams' facilities-Othello Gate (FP-318808)	100%	05/31/2024	0	714							
Upgrade Williams' facilities-Othello lateral (FP-318987)	100%	07/01/2020	201	854							
	100%	09/30/2020	2,511	2,440							
Non-Major General Plant Projects				9,083							
Total General Plant Projects				19,311	7,413	8,512	7,734	4,411		47,381	
Total New Construction Budget				107,601	86,452	80,394	87,956	65,799		428,202	

INSTRUCTIONS

1. Report percent ownership, scheduled operating dates, and expenditures required to complete project for major production, transmission, and general plant projects.
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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			
Major Production and Storage Projects:											
Non-Major Production and Storage Projects											
Total Production and Storage Projects											
Major Transmission Projects:											
Non-Major Transmission Projects											
Total Transmission Projects											
Distribution (See Instruction 3):											
Mains				11,075							
Measuring & Reg. Sta. Equipment				913							
Compressor Station Equipment				0							
Services				5,048							
Meters and Regulators				1,347							
Meter Installations				93							
Other (Land, Equipment, Structures)				251							
Total Distribution				18,727	20,304	18,265	17,995	12,451		87,742	
Major General Plant Projects:											
Enterprise Work Asset Management (FP-101480)	100%	12/31/2024	348	416							
Customer Self-Service Web/IVR (FP-200064)	100%	12/31/2019	444	45							
Aberdeen – New Operations Building (FP-307044)	100%	06/30/2020	0	0							
CC&B Upgrade to v.2.6+ (FP-316182)	100%	12/31/2021	168	89							
Remodel Bremerton District Office (FP-318352)	100%	10/30/2020	0	0							
Compressor Station-William’s lateral-Walla Walla (FP-318743)											
Upgrade Williams’ facilities-Othello Gate (FP-318808)	100%	05/31/2024	0	0							
Upgrade Williams’ facilities-Othello lateral (FP-318987)	100%	07/01/2020	0	0							
	100%	09/30/2020	0	0							
Non-Major General Plant Projects				1,486							
Total General Plant Projects				2,036	2,356	2,470	2,275	1,026		10,163	
Total New Construction Budget				20,763	22,660	20,735	20,270	13,477		97,905	

NARRATIVES

Utility Group Enterprise Work Asset Management (FP-101480) – \$7,286,872.18 (CY 2020-2024 Budget plus actual expenditures of \$1,397,174.41 through 2019)

1. Project Description: Implementation of an Enterprise/Utility wide "Asset Management" software solution. The tool will be used to track the operation, maintenance, and disposal of assets (Plant and production, vehicles, gas distribution networks, infrastructure, real estate, and facilities).
2. Need for the Project: Currently the utility company implements several different applications to support field operations and maintenance activity. For these systems to interact it requires the development and maintenance of several interfaces. Preventive and Emergency maintenance of assets have manual-based processes. We are implementing an integrated tool for Asset Management. The tool has the capabilities to support: crew management, labor skills and certifications (OQ) tracking, provide mobile workforce management, meter sampling, Meter Data Management, work order management. It can be configured to support State Commission Agency, NERC/FERC and CIP compliance requirements. It has integration with GIS, JDE and PowerPlan for fixed asset accounting and purchase ordering. Utility specific functionality includes: Compatible unit estimating, Crew management, Labor skills and certifications tracking, Fixed asset accounting integration, Mobile workforce management integration, Graphical design tool integration, Geographic information system support, Work order task analysis using Gantt view.
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) – \$178,531.96 (CY 2020 Budget plus actual expenditures of \$1,799,211.07 through 2019)

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

Aberdeen District Office/Shop/Warehouse (FP-307044) - \$ 2,543,610.94 (CY 2020 Budget plus actual expenditures of \$529,808.38 through 2019)

1. Project Description: Purchase property and construct a new District office/shop/warehouse in Grays Harbor County, WA. This purchase increases safety and efficiency of district operations and allows for all equipment and materials to be stored in one location.
2. Need for the Project: Cascade currently owns District office/shop/warehouse space at 713 West Wishkaw Street, WA. Cascade intends to obtain commission approval for the sale of this property, to purchase a single property, and to construct a new District office/shop/warehouse. With the dilapidation of the building at Cascade's current location, increasing safety concerns require Cascade to seek a new location for the safety of its employees and to improve the efficiency of its overall operations resulting in improved system safety, integrity, and reliability.
3. Contingencies: Cascade will continue to own the existing property until the purchase of said property is finalized and new facilities are constructed and operational.
4. Reconciliation with Prior Budget: This is a multi-phase project estimated to complete in 2020.

Utility Group CC&B Upgrade to v2.6+ (FP-316182) – \$620,238.66 (CY 2020/2021 Budget plus actual expenditures of \$670,450.44 through 2019)

1. Project Description: Currently the Utility Group is running Oracle's Customer Care & Billing (CC&B) v2.4 as its Customer Information and Billing System. This project involves upgrading CC&B to v2.6. This is primarily a technical upgrade to the base architecture of CC&B.
2. Need for the Project: We are in the process of preparing the billing system for the next version of Oracle CC&B by converting its legacy Cobol base code into Java modules. The next version of CC&B will only support Java modifications thus, we need to convert our Cobol custom modifications to the Java platform. This will be accomplished as an "In-place upgrade". We will deploy new code into our existing environment while we test it in both v2.4 and v2.6 environments thus greatly reducing the time it will take to do actual CC&B version changes later. In addition to the code changes, we will be re-configuring all the billing rates in the system since v2.6 introduces a new rate engine methodology.
3. Contingencies: Cascade Natural Gas will continue to use the existing system until the enhancements can be configured, tested, verified, and installed into the production environment.
4. Reconciliation with Prior Budget: Funding has been approved up to 2021 to complete this upgrade. Our intent is to accelerate this project as we gain experience at conversions/configurations.

Remodel Bremerton District Office (FP-318352) - \$1,463,461.90 (CY 2020 Budget)

1. Project Description: Remodel existing district office located at 6313 Kitsap Way, Bremerton, WA 98312.
2. Need for the Project: There is currently not enough space/offices for the number of employees on staff. The office space needs to be reconfigured to accommodate the needs of the district.
3. Contingencies: Construction has begun
4. Reconciliation with Prior Budget: This is a multi-phase project estimated to complete in 2020.

Install Compressor Station on William's Lateral in Walla Walla (FP-318743) - \$1,950,380 (CY 2020-2024 Budget)

1. Project Description: Cascade Natural Gas has entered into a new facilities agreement with Williams Northwest Pipeline. Williams will design, permit, construct, own, operate, and maintain a 300 HP electric drive, single stage compressor installed next to the Milton/Freewater meter station. Construction is to commence during the summer of 2020 with the compressor in service by fall 2020.
2. Need for the project: Cascade Natural Gas has requested increased capacity from Williams on the Williams Walla Walla lateral. In order for Williams to meet the increased capacity needs it was determined that a compressor was required and is the most cost-efficient solution.
3. Contingencies: The cost estimate provided by Williams assumes construction during the normal construction season. Delays could impose additional costs but, in the meantime, all scheduled milestones are being completed.
4. Reconciliation with prior year budget: New budget item this year.

Upgrade William's Facilities at Othello Gate Station (FP-318808) - \$854,424.80 (CY 2020 Budget plus actual expenditures of \$200,705.19 through 2019)

1. Project Description: Cascade Natural Gas has renewed its facilities agreement for the Othello Gate, in Othello, WA, with Williams Northwest Pipeline (Williams). Williams will design, permit, construct, own, operate, and maintain the upgraded interconnect facilities to accommodate Cascade's request. The agreement has been executed with a prepayment schedule that sums a total of \$855,703 and with nine regularly scheduled payments, of \$108,00 and \$91,250, ending on July 1, 2020. Construction is to commence in Mid-2020 and to be completed by mid to late summer with the station in-service.
2. Need for the project: This upgrade increases station capacity from 4,845 MSCFD to 14,524 MSCFD. The need for this project is driven by the customer growth and demand, which has surpassed the pre-project physical design and contract capacities of the Othello Gate Station.

3. Contingencies: Possible existing or potential future cost and schedule risks include, but are not limited to, permitting, adverse weather, excessive material lead times, insufficient materials, delayed property acquisition, lack of public rights-of-way, lack of skilled labor, lack of contractor services, contract disputes and other acts of God.
4. Reconciliation with prior year budget: New budget item this reporting year and is not planned to reoccur.

Upgrade William's Facilities at Othello Lateral (FP-318987) - \$2,439,999.38 (CY 2020 Budget plus actual expenditures of \$2,510,543.97 through 2019)

1. Project Description: Cascade Natural Gas has entered into a facilities agreement for the Othello Lateral, in Othello, WA, with Williams Northwest Pipeline (Williams). Williams will design, permit, construct, own, operate, and maintain the upgraded pipeline facilities to accommodate Cascade's request. The agreement has been executed with a prepayment schedule that sums a total of \$4,572,718 and with six scheduled payments of \$1,000,000, \$750,000, and \$572,718. The prepayment schedule ends May 5th, 2020. Construction is to commence in Mid-2020 and to be completed by mid to late summer with the pipeline in-service.
2. Need for the Project: This upgrade increases William's Othello Lateral incremental capacity to 9,575 MSCFD. The need for this project is driven by the customer growth and demand, which has surpassed the pre-project physical design and contract capacities of William's Othello Lateral.
3. Contingencies: Possible existing or potential future cost and schedule risks include, but are not limited to, permitting, adverse weather, excessive material lead times, insufficient materials, delayed property acquisition, lack of public rights-of-way, lack of skilled labor, lack of contractor services, contract disputes, other acts of God.
4. Reconciliation with Prior Budget: New budget item this reporting year and is not planned to reoccur.