



e-FILING REPORT COVER SHEET

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REPORT NAME: Gas Utility New Construction Budget 2016

COMPANY NAME: Cascade Natural Gas Corporation

DOES REPORT CONTAIN CONFIDENTIAL INFORMATION? No Yes

If yes, please submit only the cover letter electronically. Submit confidential information as directed in OAR 860-001-0070 or the terms of an applicable protective order.

If known, please select designation: RE (Electric) RG (Gas) RW (Water) RO (Other)

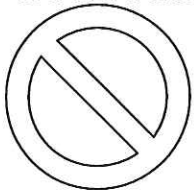
Report is required by: OAR 860-027-0015
Statute Enter statute number
Order Enter PUC Order No
Other Enter reason

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

If yes, enter docket number: RG-12(4)

List applicable Key Words for this report to facilitate electronic search:
Enter Key Words

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- Annual Fee Statement form and payment remittance or
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- Any daily safety or safety incident reports or
- Accident reports required by ORS 654.715

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PUBLIC UTILITY COMMISSION OF OREGON
 PO BOX 1088, SALEM, OR 97308-1088
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GAS UTILITY NEW CONSTRUCTION BUDGET FOR 2016

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 December 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://egov.oregon.gov/PUC/eFiling/eReports/efiling_report_cover_sheet.docx. Email both the report and cover sheet to PUC.FilingCenter@state.or.us no later than December 31st of the year preceding that for which the budget is made.

For major projects (total project cost greater than \$300,000) 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 8113 W. Grandridge Blvd.	CITY Kennewick	STATE WA	ZIP CODE 99336
CERTIFICATION: I CERTIFY THAT THE INFORMATION REPORTED IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.			
SIGNATURE 		DATE 3-31-16	DATE 3-31-16

Schedule B: Gas Utility New Construction Budget (System)

COMPANY:
Cascade Natural Gas Corporation

BUDGET YEAR:
2016

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 \$300,000.
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										
Major Transmission Projects:										
Non-Major Transmission Projects										
Total Transmission Projects										
Distribution (See Instruction 3):										
Mains				27,373						
Measuring & Reg. Sta. Equipment				6,338						
Compressor Station Equipment				0						
Services				6,062						
Meters and Regulators				4,976						
Meter Installations				0						
Other (Land, Equipment, Structures)				0						
Total Distribution				44,749	50,539	55,178	51,275	28,948		230,689

Major General Plant Projects:												
Work Management GLE-Installation (101472)	100%	05/31/2017	963	330								
JD Edwards Upgrade (302619)	100%	05/01/2016	0	308								
IVR Web Implementation (200064)	100%	12/31/2016	894	263								
Customer Care & Billing Sys. Upgrade(302571)	100%	07/01/2017	7	1,341								
GIS Enhancements (200663)	100%	12/01/2019	255	693								
GAS SCADA Enhancements (301813)	100%	12/31/2017	22	211								
PowerPlan Upgrade (302613)	100%	04/01/2016	298	208								
GPSLS Software (101481)	100%	07/31/2017	115	74								
Longview Operations Building (307020)	100%	07/31/2017	748	0								
Aberdeen Operations Building (307044)	100%	06/30/2017	0	10								
Non-Major General Plant Projects				5,483	9,606	6,714	2,713	2,018		29,972		
Total General Plant Projects				8,921	60,145	61,892	53,988	30,966		260,661		
Total New Construction Budget				53,670								

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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:										
None										
Non-Major Production and Storage Projects										
Total Production and Storage Projects										
Major Transmission Projects:										
None										
Non-Major Transmission Projects										
Total Transmission Projects										
Distribution (See Instruction 3):										
Mains				5,711						
Measuring & Reg. Sta. Equipment				2,848						
Compressor Station Equipment				0						
Services				1,818						
Meters and Regulators				1,208						
Meter Installations				0						
Other (Land, Equipment, Structures)				0						
Total Distribution				11,585	16,474	15,446	14,763	9,019		67,287
Major General Plant Projects:										
Work Management GLE-Installation (101472)				80						
JD Edwards Upgrade (302619)	100%	05/31/2017	234							
IVR Web Implementation (200064)	100%	05/01/2016	0							
Customer Care & Billing Sys. Upgrade(302571)	100%	12/31/2016	217							
GIS Enhancements (200663)	100%	07/01/2017	2							
GAS SCADA Enhancements (301813)	100%	12/01/2019	62							
PowerPlan Upgrade (302613)	100%	12/31/2017	5							
GPSLS Software (101481)	100%	04/01/2016	72							
	100%	07/31/2017	28							
Non-Major General Plant Projects				1,256	1,577	1,667	818	617		6,768
Total General Plant Projects				2,089	18,051	17,113	15,581	9,636		74,055
Total New Construction Budget				13,674	18,051	17,113	15,581	9,636		74,055

NARRATIVES

Work Management-GL Essentials (101472) - \$ 330,237

1. Project Description: GL Essentials is designed to schedule, track, execute and archive field data inspections for a variety of assets and business processes. It is designed to manage compliance activities for assets that are defined and maintained in an ESRI Geo-database, or for assets defined and maintained in the Essentials Asset Register. The Essentials Scheduling and Tracking module is used to manage the compliance activities, while the Essentials Field Manager application provides a set of electronic forms to support the automated (non-paper based) field data capture. Configuration, hardware, and software implementation began in 2011.
2. Need for the project: Implementation of the GL Essentials software transitions O&M record keeping from multiple databases and paper formats to a single operational repository of data and activity at Cascade Natural Gas Company. Project also includes the consolidation of existing systems at Montana Dakota Utilities, Great Plains Natural Gas, and Intermountain Gas Company onto a common database for O&M activities and reporting. Essentials interfaces with the ESRI GIS, allowing field personnel the opportunity to view O&M record data from the GIS system while in the field. Also, automates scheduling of O&M activities, and provides reporting and notification of activities before they are out of compliance.
3. Contingencies: Cascade Natural Gas will continue to use the existing electronic document management systems until the new GL Essentials is ready for production.
4. Reconciliation with prior year budget: This is a continued phase in the project. The project is has been extended in order to complete additional interfaces and modules. The first module is expected to be in production early 2016. We anticipated this project to be multi-year completing in 2018. The extended time frame is due to more complicated dependencies within the systems and business processes at Cascade Natural Gas.

JDE Upgrade (302619) – \$ 308,238

1. Project Description: The Utility Group and MDU Resources Group, Inc. have been using the JD Edwards financial applications since January 1, 1995. Companies are currently on the EnterpriseOne release 9.0 Update 2 and the support for this release terminates in November 2015. Extended support is available for an additional fee over and above our annual maintenance. Original project plan laid out included installing release 9.1 in test environment (done), retrofit required modifications to this release (working with users to define which ones are still required), update release 9.1 to 9.2 in April when released, execute acceptance testing with a go live early summer of 2015. We have since learned that release 9.2 will not be available till after September 2015 and a new project plan will need to be developed with the user community. A go live of the financials in 4th quarter is not normally acceptable under SOX 404 compliance requirements and will need to be moved to 2016.
2. Need for the Project: It is important to stay on a supported release.
3. Contingencies: There are two options if an upgrade is not made: The first one and least desirable is to continue using an unsupported release. This would require internal staff to modify application for such items as payroll tax changes (income, FICA, Social Security, Medicare), w-2 changes, and 1099 changes to name a few. The second option is to purchase Extended Support which would be added onto the current annual maintenance cost. This information is being requested.
4. Reconciliation with Prior Budget: This is new budget request for 2016. We have more insight into the requirements necessary to complete this upgrade and have submitted an authorization which has CNG share at \$137,392.

CNG IVR-WEB Implementation (200064) - \$ 263,371

1. Project Description: IVR-WEB is designed to provide utility customers self-service functionality for all utility brands: MDU, GPNG, CNG 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, similar functionality with their utility bills. Providing self-service to CNG's utility customers will have an impact on the number of customer service agents needed to handle in-bound calls.

3. Contingencies: IGC was the only brand that had IVR-WEB available to their utility customers with their legacy CIS applications. This project will provide this base line function plus more to all of the utility customers as migration of each brand to CC&B continues.
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 functions made available to the utility customers.

CC&B Upgrade (302571) – \$ 1,341,477

1. Project Description: CC&B is the new customer information system selected for all utilities part of the Utility Group. Implementation began in 2007 and completed in 2015 with all utilities sharing costs across the entire project. CNG went live in 2010, MDU in 2013, GPNG in 2015 and IGC in 2015. The version 2.2 was the version implemented for all four brands
2. Need for the project: We need to upgrade to a supported release of CC&B which also provides for updated technical tools and positions in a favorably to migrate to new releases in future years.
3. Contingencies: Currently we are evaluating the short comings if we do not upgrade CC&B to supported release at this time and what other options would be available to us to continue meeting business and customer needs.
4. Reconciliation with prior year budget: Depending on the final recommended and selected option there may be an impact the submitted budget amount and it appears to be a reduction.

GIS Enhancements (200663) - \$ 692,500

1. Project Description: The GIS Enhancements project is designed to augment and enhance the current GIS deployment. A base configuration of GIS was deployed at CNG in the past few years but additional functionality has been required to meet the increasing needs of the business. We are implementing a repository to store as-builts and project related paperwork (allowing us to view this data from GIS). We are purchasing additional GIS licenses and tools to meet the growing demand for GIS data.
2. Need for the Project: Numerous business systems now interface or require information from CNG's GIS system. Additionally, many regulatory reports are completed using information from GIS. We need to continue to enhance this system to meet the needs of the various departments at CNG. We are also enhancing the Landbase components within the environment to increase spatial accuracy.
3. Contingencies: Cascade Natural Gas will continue to use the existing system until the enhancements can be completed.
4. Reconciliation with Prior Budget: This is the continuation of the multi-year project; prior phases have been implemented. We will continue to update our CNGC landbase, enhance the existing GIS web tools, and add necessary tools to create a highly effective GIS system. Additionally a number of GIS related PHMSA regulations are on the horizon which will require new components.

WR-GAS SCADA Enhancements (301813) - \$ 211,247

1. Project Description: To ensure the greatest efficiencies are being met, as it related to the SCADA system, this project is to enhance the business continuity and operability of the existing SCADA system. As we continue to implement the various components of the Control Room Management rules, we endeavor to implement the most efficient, highly available system as possible. We will also add functionality which allows SCADA information to be accessed by users throughout the company.
2. Need for the Project: Numerous users now interface or require information from the SCADA system. Additionally many regulatory requirements have driven us to make changes to this environment. We need to continue to enhance this system to meet the regulatory requirements and needs of the various departments at CNG.
3. Contingencies: Cascade Natural Gas will continue to use the existing processes until the implementation of the enhancements.
4. Reconciliation with Prior Budget: First phase of enhancements related to the Gas Control Room in Kennewick were completed in 2014 - 2015. We are now working phase two which are Cybersecurity related enhancements

to meet regulatory guidelines for SCADA system isolation. Expect a majority of these enhancements to be completed in 2016.

PowerPlan Upgrade (302613) – \$ 208,502

1. Project Description: The Utility Group has implemented PowerPlan modules in all four utilities. Current release goes off vendor support in 2016 and the Utility Group has decided to purchase PowerPlan's Tax Repairs module which requires a more recent version than the one currently in production.
2. Need for the project: To stay on a supported release and allow us to expand to an in house supported Tax Repairs process.
3. Contingencies: Program fixes for our current release will have an added cost not being on a supported version. We will also be unable to implement the Tax Repairs module and would need to continue paying Ernst & Young to perform this service for the Utility Group.
4. Reconciliation with prior year budget: We have changed CNG's 2016 share to \$183,549.

Utility Group GPS Based Leak Survey Software project (101481) – \$ 74,079

1. Project Description: GPS Based Leak Survey Software project is intended to design, create and implement a computer based Leak Survey system to replace the existing paper process. It is designed to manage compliance activities for Leak Survey that are defined and maintained via a paper process utilizing maps and assets in an ESRI mapping system. The Leak Survey system would utilize GPS enabled devices giving feedback regarding the inspection process. The hardware and software tools would be used to manage the inspection process while utilizing back office hardware and software to monitor and report on the inspection activities.
2. Need for the project: Implementation of the GPS Based Leak Survey Software will help streamline the O&M record keeping paper formats to a single operational repository of data and activity at Cascade Natural Gas Company. GPS Based Leak Survey Software interfaces with the ESRI GIS, allowing field personnel the opportunity to view O&M record data from the GIS system while in the office. Also, automates scheduling of Leak Survey activities, and provides reporting and notification of activities before they are out of compliance.
3. Contingencies: Cascade Natural Gas will continue to use the existing paper document management systems, until the new GPS Based Leak Survey Software is ready for production.
4. Reconciliation with prior year budget: This is a continued phase in the project. The project is anticipated to be multi-year. The extended time frame is due to enhancements to the software by the vendor, more complicated dependencies within the systems, and business processes challenges at CNGC. Business units are meeting to build requirements for new systems and then evaluate available vendors in 2016.

Longview District Office/Shop/Warehouse (307020) - \$ 0 (2016 Spending)

1. Project Description: Purchase property and construct a new District office/shop/warehouse in Cowlitz 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 1332 Vandercook Way in Longview, WA and 209 Douglas Street in Kelso, WA. Cascade intends to obtain commission approval for the sale of these properties, 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 properties 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 2017.

Aberdeen District Office/Shop/Warehouse (307044) - \$ 10,000

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 2017.