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May 31, 2017

Oregon Public Utility Commission
P.O. Box 1088
Salem, OR 97308-1088

Attn: Filing Center

RE: RG-44, Cascade Natural Gas Corporation's 2016 Affiliated Interest Report
And Cost Allocation Manual

Pursuant to OAR 860-027-0100 and OAR 860-027-0048(6), Cascade Natural Gas Corporation ("Cascade" or the "Company") herewith submits its 2016 Affiliated Interest Report and its Cost Allocation Manual.

Please contact me at (509) 734-4593 if you have any questions regarding this filing.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael Parvinen", is written over a horizontal line.

Michael Parvinen
Director, Regulatory Affairs

Enclosures

In the Community to Serve®

CASCADE NATURAL GAS CORPORATION

Affiliated Interest Report for the Calendar Year 2016

I. An Organizational chart showing the parent company, all subsidiaries, and the percentage of ownership for each.

See the attached organizational chart.

A. Changes in the list of directors and, or other changes in the list of directors and or officers in common to the regulated utility and the affiliated interest.

Please see the attached lists.

B. Changes in successive ownership between the regulated utility and the affiliated interest.

Please see the attached organizational chart for Cascade's affiliates.

C. A narrative description of the affiliated entity with which the regulated utility does business.

- MDU Resources Group Inc. - Parent Company to Cascade Natural Gas Corporation. Provides management/consulting/legal services to Cascade Natural Gas Corporation.
- Knife River Corporation - A subsidiary of MDU Resources. Provides asphalt services for Cascade Natural Gas Corporation. In addition, Cascade leases part of the facility with Knife River and provides distribution system transportation (Tariff Schedule 163) for a Knife River subsidiary company in Central Oregon.
- Centennial Holdings Capital LLC - A subsidiary of MDU Resources. Carries various liability insurance policies on behalf of Cascade Natural Gas Corporation.
- Montana-Dakota Utilities Co. (MDU) – A subsidiary of MDU Resources. Cascade provides 24/7 gas control monitoring of MDU's distribution system and provides notification to the appropriate personnel when a problem is detected.
- Intermountain Gas Co. (IGC) - A subsidiary of MDU Resources. Cascade provides 24/7 gas control monitoring of IGC's distribution system and provides notification to the appropriate personnel when a problem is detected.
- FutureSource Capital Corp. – A subsidiary of Centennial Holdings Capital. Owner of MDUR corporate office buildings and land.

D. A balance sheet and income statement for the twelve months ending December 31, 2016.

Knife River Corporation is part of MDU Resources Construction Materials and Contracting. Below is select Income Statement and Balance Sheet information from the MDU Resources Group Inc. 2016 Annual Report.

Construction Materials and Contracting	
Year ended December 31,	2016
Income statement data (Dollars in thousands)	
Operating revenues	\$1,873,696
Intersegment revenues	574
Operating expenses:	
Operation and maintenance	1,595,440
Depreciation, depletion and amortization	58,413
Taxes, other than income	41,840
Total operating expenses	1,695,693
Operating income	178,577
Interest expense	15,265
Income (loss) before taxes	163,312
Income taxes	60,625
Earnings (loss) on common stock	\$102,687

Construction Materials and Contracting	
Year ended December 31,	2016
Balance sheet data (000's)	
Property, plant and equipment	\$1,549,375
Less accumulated depreciation, depletion and amortization	886,656
Net property, plant and equipment	662,719
Other assets	557,741
Total identifiable assets	\$1,220,460

MDU Resources Group, Inc. / Montana-Dakota Utilities Co.

Year ended December 31,	2016
Balance sheet data (000's)	
ASSETS	
Current assets:	
Cash and cash equivalents	\$4,159
Receivables, net	80,467
Accounts rec from subsidiaries	34,424
Inventories	17,352
Prepayments and other current assets	24,531
	160,933
Investments	70,370
Investments in subsidiaries	1,603,874
Property, plant and equipment	2,502,264
Less accumulated depreciation, depletion And amortization	756,191
Net property, plant and equipment	1,746,073
Deferred charges and other assets	
Goodwill	4,812
Other	183,654
Total deferred charges and other assets	188,466
Total identifiable assets	\$3,769,716
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current liabilities:	
Long-term debt due within one year	\$ 110
Accounts payable	37,697
Accts pay to subsidiaries	5,592
Taxes payable	14,992
Dividends payable	37,767
Accrued compensation	16,086
Other accrued liabilities	34,929
	147,173
Long-term debt	679,667
Deferred credits and other liabilities:	
Deferred income taxes	270,126
Other	356,506
Total deferred credits and other liabilities	626,632
Stockholders' equity:	
Preferred stocks	15,000
Common stock	195,843

Other paid-in capital	1,232,478
Retained earnings	912,282
Accumulated other comprehensive loss	(35,733)
Treasury stock at cost – 538,921 shares	(3,626)
Total stockholders' equity:	2,316,244
Total liabilities and stockholders' equity	\$3,769,716

Year ended December 31,	2016
Income statement data (000's)	
Operating revenues	\$561,266
Operating expenses	469,062
Operating income	92,204
Other income	1,491
Interest expense	31,519
Income (loss) before taxes	62,176
Income taxes	6,355
Dividends declared on preferred stocks	685
Net Income	55,136

Centennial Holdings Capital LLC

Year ended December 31,	2016
Balance sheet data	
Property, plant and equipment	49,229,052
Less accumulated depreciation, depletion And amortization	(14,100,483)
Net property, plant and equipment	35,128,569
Non current investments	10,448,780
Deferred tax asset	553,113
Total identifiable assets	\$46,130,462

Year ended December 31,	2016
Income statement data (000's)	
Operating revenues	\$8,643,222
Operating expenses:	
Operations	2,831,306
Depreciation	2,067,352
Taxes other than income	137,981

Gain on disp. of property	(49,990)
Loss on disp. of property	3,584
Total operating expenses	4,990,233
Operating income	3,652,989
Interest income	404,193
Intercompany interest income	449,887
Other deductions	245,254
Income (loss) before taxes	4,261,815
Income taxes	1,531,579
Net Income	\$2,730,236

Intermountain Gas Company

Year ended December 31,	2016
Balance sheet data (000's)	
Property, plant and equipment	629,967
Less accumulated depreciation, depletion and amortization	(235,081)
	394,886
Deferred charges and other assets:	21,739
Total identifiable assets	\$416,625

Year ended December 31,	2016
Income statement data (000's)	
Operating revenues	\$258,186
Operating expenses:	
Purchased natural gas sold	164,394
Operations	48,220
Depreciation and amortization	20,255
Taxes other than income	10,942
Total operating expenses	243,811
Operating income	14,375
Other income	34
Interest expense	4,137
Income (loss) before taxes	10,272
Income taxes	1,962
Net Income	\$8,310

II. Service Payments by Cascade to an Affiliate

MDU Resources Group, Inc.			
Account	Description	Total Company	Total Oregon
	MDU/MDUR Consulting - Cap Exp	\$ 1,092,388.73	\$ 270,147.73
426.1	Donations	\$ 12,384.55	\$ 3,062.70
426.4	Political Activities	\$ 24,026.40	\$ 5,941.75
426.5	Other	\$ 631.73	\$ 156.23
813	Other Gas Supply Expenses	\$ 204,114.54	\$ 50,477.49
875	Measuring & Regulating Station Expenses General	\$ 117,980.37	\$ 29,176.54
880	Other Expenses	\$ 589,845.44	\$ 145,868.84
881	Rents	\$ -	\$ -
902	Meter Reading Expenses	\$ 148,054.60	\$ 36,613.85
903	Customer Records & Collection Expenses	\$ 6,429,386.39	\$ 1,589,987.15
909	Informational & Instructional Advertising Expenses	\$ 20,037.44	\$ 4,955.25
913	Promotional Advertising	\$ 41.10	\$ 10.17
920	Administrative & General Salaries	\$ 4,596,117.99	\$ 1,136,619.93
921	Office Supplies & Expenses	\$ 2,206,639.39	\$ 545,702.00
922	Administrative Expenses Transferred Credit	\$ (172,133.18)	\$ (42,568.54)
923	Outside Services Employed	\$ 339,016.10	\$ 83,838.68
925	Injuries & Damages	\$ 52.00	\$ 12.86
926	Employee Pensions & Benefits	\$ (94,211.52)	\$ (23,298.48)
930.1	General Advertising Expenses	\$ 20,803.97	\$ 5,144.81
930.2	Misc. General Expenses	\$ 427,431.98	\$ 105,703.92
931	Rents	\$ 1,604,464.85	\$ 396,784.12
	Other Svc (Intercompany)	\$ 675,700.57	\$ 211,390.36
	Grand Total	\$ 18,242,773.44	\$ 4,555,727.37

Name	Description	Total Company	Total Oregon
Knife River Corporation	931 Rent/Various Tariff Distribution	\$74,373.51	\$74,373.51
Centennial Holdings Capital LLC	928 Injuries & Damages	\$1,293,546.10	\$319,893.95
Future Source Capital Corp.	921 Office Supplies & Expenses	\$26,816.48	\$6,631.72

SERVICE PAYMENTS BY THE AFFILIATE TO THE UTILITY			
Name	Description	Total Company	Total Oregon
Knife River Corporation	887 Maint. Of Mains	\$ 15,532.52	\$ 15,532.52
Intermountain Gas Co.	24/7 gas control monitoring	\$489,148.70	\$120,966.47
Montana Dakota Utilities Co.	24/7 gas control monitoring	\$214,354.30	\$53,009.82

Descriptions of Basis Pricing

Attached is the Cost Allocation Manual which describes the costing method procedures for Cascade Natural Gas Corporation.

III. Intercompany loans to Cascade from an affiliate or loans from an affiliate to Cascade

A. Month-end amounts outstanding for short term and long term loans.

Cascade made no loans to any of the affiliates during 2016, and no affiliate loaned Cascade money in 2016.

B. The highest amount during the year.

Not applicable.

C. A description of the terms and conditions for loans including interest rate.

Not applicable.

D. The total amount of interest charged and the weighted average rate of interest.

Not applicable.

E. Commission Order approving the transactions.

Not applicable.

IV. Parent guaranteed debt of affiliate

None.

V. Transactions other than services

None.

Attachments

**2016 Affiliated Interest Report
Attachments**

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Cascade Natural Gas Corporation

Primary Address

8113 West Grandridge Boulevard
Kennewick, Washington 99336-7166

Directors

	<u>Title</u>
David L. Goodin	Director
Nicole A. Kivisto	Director
Daniel S. Kuntz	Director
Doran N. Schwartz	Director

Officers

	<u>Title</u>
Mark A. Chiles	Vice President - Regulatory Affairs and Customer Service
David L. Goodin	Chairman of the Board
Anne M. Jones	Vice President - Human Resources
Nicole A. Kivisto	President and Chief Executive Officer
Julie A. Krenz	Assistant Secretary
Daniel S. Kuntz	General Counsel and Secretary
Karl A. Liepitz	Assistant Secretary
Margaret (Peggy) A. Link	Chief Information Officer
Scott W. Madison	Executive Vice President - Western Region Operations, Business Development and Strategy
Eric P. Martuscelli	Vice President - Operations
Tammy J. Nygard	Controller
Garret Senger	Executive Vice President – Regulatory Affairs, Customer Service and Gas Supply
Jason L. Vollmer	Treasurer

Montana-Dakota Utilities Co.

Primary Address

400 North Fourth Street
Bismarck, North Dakota 58501-4092

Officers

	<u>Title</u>
Mark A. Chiles	Vice President - Customer Service
Patrick C. Darras	Vice President – Operations
Kirsti B. Hourigan	Assistant Secretary
Anne M. Jones	Vice President - Human Resources
Nicole A. Kivisto	President and Chief Executive Officer
Julie A. Krenz	Assistant Secretary
Daniel S. Kuntz	General Counsel and Secretary
Karl A. Liepitz	Assistant Secretary
Margaret (Peggy) A. Link	Chief Information Officer
Scott W. Madison	Executive Vice President - Business Development and Strategy
Tammy J. Nygard	Controller
Garret Senger	Executive Vice President – Regulatory Affairs, Customer Service and Gas Supply
Jay Skabo	Vice President - Electric Supply

Committee Members

	<u>Title</u>
David L. Goodin	Managing Committee Chairman
Nicole A. Kivisto	Managing Committee Member
Daniel S. Kuntz	Managing Committee Member
Doran N. Schwartz	Managing Committee Member

Intermountain Gas Company

Primary Address

555 South Cole Road
Boise, Idaho 83709

Directors

	<u>Title</u>
David L. Goodin	Director
Nicole A. Kivisto	Director
Daniel S. Kuntz	Director
Doran N. Schwartz	Director

Officers

	<u>Title</u>
Mark A. Chiles	Vice President - Regulatory Affairs and Customer Service
Hart Gilchrist	Vice President - Operations
David L. Goodin	Chairman of the Board
Anne M. Jones	Vice President - Human Resources
Nicole A. Kivisto	President and Chief Executive Officer
Julie A. Krenz	Assistant Secretary
Daniel S. Kuntz	General Counsel and Secretary
Karl A. Liepitz	Assistant Secretary
Margaret (Peggy) A. Link	Chief Information Officer
Scott W. Madison	Executive Vice President - Western Region Operations, Business Development and Strategy
Tammy J. Nygard	Controller
Garret Senger	Executive Vice President – Regulatory Affairs, Customer Service and Gas Supply
Jason L. Vollmer	Treasurer

Centennial Holdings Capital LLC

Officers

	<u>Title</u>
David L. Goodin	Chairman of the Board
Daniel S. Kuntz	General Counsel and Secretary
Doran N. Schwartz	President and Chief Executive Officer
Jason L. Vollmer	Vice President and Treasurer

Managers

	<u>Title</u>
David L. Goodin	Manager
Daniel S. Kuntz	Manager
Doran N. Schwartz	Manager

Future Source Capital Corp.

Primary Address

P.O. Box 5650
Bismarck, North Dakota 58506-5650
1200 West Century Avenue
Bismarck, North Dakota 58503

Directors

	<u>Title</u>
David L. Goodin	Director
Daniel S. Kuntz	Director
Doran N. Schwartz	Director

Officers

	<u>Title</u>
David L. Goodin	Chairman of the Board
Julie A. Krenz	Assistant Secretary
Daniel S. Kuntz	General Counsel and Secretary
Doran N. Schwartz	President and Chief Executive Officer
Jason L. Vollmer	Vice President and Treasurer

Knife River Corporation

Primary Address

P.O. Box 5568
Bismarck, North Dakota 58506-5568
1150 West Century Avenue
Bismarck, North Dakota 58503

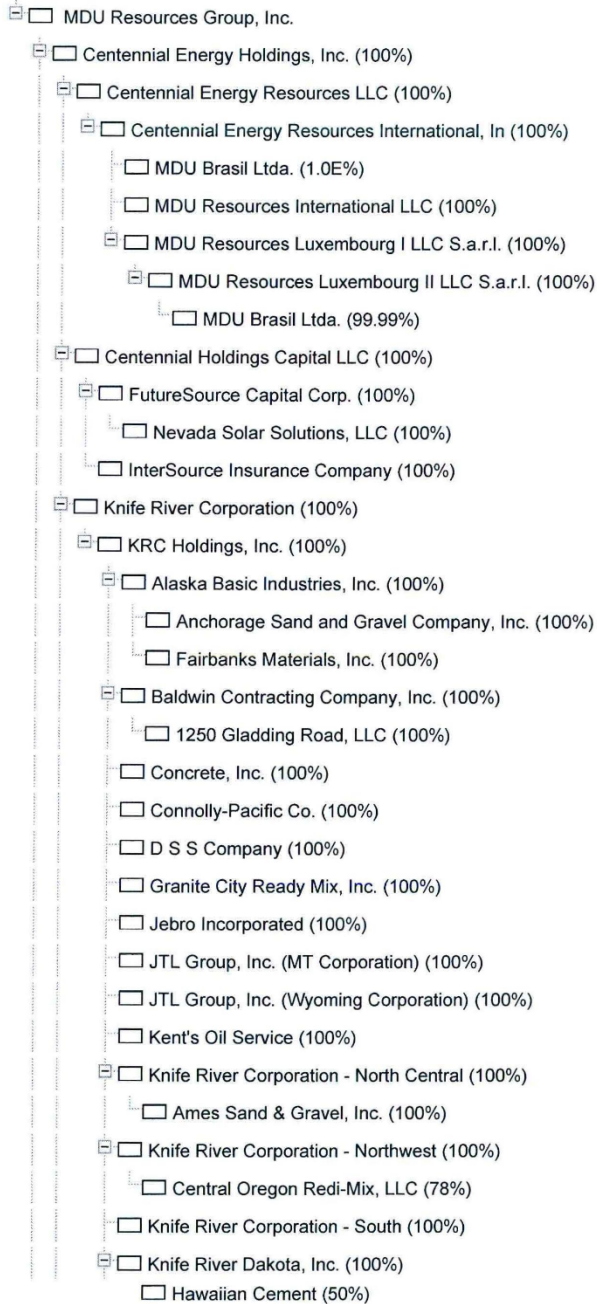
Directors

	<u>Title</u>
David C. Barney	Director
David L. Goodin	Director
Daniel S. Kuntz	Director
Doran N. Schwartz	Director

Officers

	<u>Title</u>
David C. Barney	President and Chief Executive Officer
Nancy K. Christenson	Vice President – Administration and Treasurer
Christopher B. Ford	Chief Accounting Officer
David L. Goodin	Chairman of the Board
Trevor J. Hastings	Vice President – Business Development and Operations Support
Daniel S. Kuntz	General Counsel and Secretary
Karl A. Liepitz	Assistant Secretary

CorpCharts - MDU Resources Group, Inc. - as of 03/14/2017



- Knife River Hawaii, Inc. (100%)
 - Hawaiian Cement (50%)
 - Knife River Marine, Inc. (100%)
 - Knife River Midwest, LLC (100%)
 - LTM, Incorporated (100%)
 - Northstar Materials, Inc. (100%)
 - WHC, Ltd. (100%)
- MDU Construction Services Group, Inc. (100%)
 - BEH Electric Holdings, LLC (100%)
 - Bombard Electric, LLC (100%)
 - Bell Electrical Contractors, Inc. (100%)
 - BMH Mechanical Holdings, LLC (100%)
 - Bombard Mechanical, LLC (100%)
 - Capital Electric Construction Company, Inc. (100%)
 - Capital Electric Line Builders, Inc. (100%)
 - Continental Line Builders, Inc. (100%)
 - Desert Fire Holdings, Inc. (100%)
 - Desert Fire Protection, a Nevada Limited Part (99%)
 - Desert Fire Protection, Inc. (100%)
 - Desert Fire Protection, LLC (100%)
 - Desert Fire Protection, a Nevada Limited Part (1%)
 - Independent Fire Fabricators, LLC (100%)
 - Harp Engineering, Inc. (100%)
 - International Line Builders, Inc. (100%)
 - LME&U Holdings, LLC (100%)
 - Lone Mountain Excavation & Utilities, LLC (100%)
 - Loy Clark Pipeline Co. (100%)
 - MAAK Holdings, Inc. (100%)
 - MDU Industrial Services, Inc. (100%)
 - Frebco, Inc. (100%)
 - Wagner Industrial Electric, Inc. (100%)
 - MDU United Construction Solutions, Inc. (100%)
 - Duro Electric Company (100%)
 - USI Industrial Services, Inc. (100%)
 - Wagner-Smith Equipment Co. (100%)
 - Nevada Valley Solar Solutions I, LLC (100%)

- On Electric Group, Inc. (100%)
- Rocky Mountain Contractors, Inc. (100%)
- Wagner Group, Inc., The (100%)
 - E.S.I., Inc. (100%)
 - Wagner-Smith Company, The (100%)
 - Wagner-Smith Pumps & Systems, Inc. (100%)
- WBI Holdings, Inc. (100%)
 - Fidelity Exploration & Production Company (100%)
 - Fidelity Oil Co. (100%)
 - WBI Energy Services, Inc. (100%)
 - Prairielands Energy Marketing, Inc. (100%)
 - WBI Energy, Inc. (100%)
 - WBI Canadian Pipeline, Ltd. (100%)
 - WBI Energy Midstream, LLC (100%)
 - WBI Energy Transmission, Inc. (100%)
 - WBI Energy Wind Ridge Pipeline, LLC (100%)
- Great Plains Natural Gas Co. (100%)
- MDU Energy Capital, LLC (100%)
 - Prairie Cascade Energy Holdings, LLC (100%)
 - Cascade Natural Gas Corporation (100%)
 - Prairie Intermountain Energy Holdings, LLC (100%)
 - Intermountain Gas Company (100%)
- MDU Holdings, LLC (100%)
- Montana-Dakota Utilities Co. (100%)
 - Big Stone-Grant Industrial Development and Tr (22.20%)

Cascade Natural Gas

Cost Allocation Manual
2016



In the Community to Serve[®]

CASCADE NATURAL GAS CORPORATION

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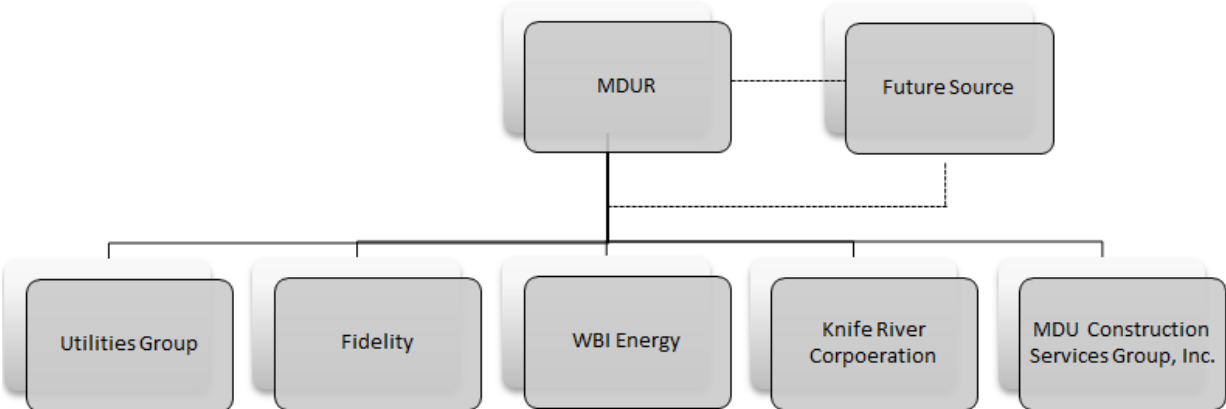
CASCADE NATURAL GAS CORPORATION

Overview

Cascade Natural Gas Corporation (Cascade), a subsidiary of MDU Resources Group, Inc. (MDUR), conducts business in two states with regulated gas distribution operations.

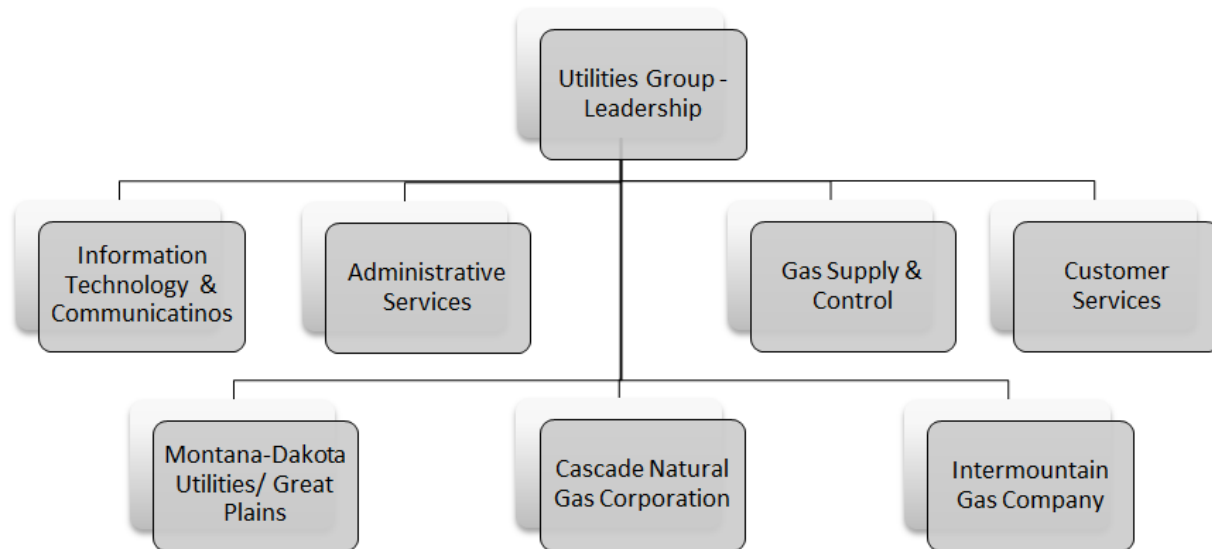
Below is an overview of the operational structure for the purpose of assigning costs. The diagrams presented are intended to provide an overview for cost allocation only and are not intended to represent the legal structure of the Corporation. Note that costs from MDUR and FutureSource are directly assigned or allocated and charged to the operating companies (i.e. Utilities Group, WBI Energy, etc.)

Corporate Level



CASCADE NATURAL GAS CORPORATION

Utility Group Level



This document is intended to provide an overview of the different types of allocations and the processes employed to direct costs to the proper utility and state jurisdiction for Cascade.

This document will discuss the allocations from:

- MDUR and FutureSource to Cascade Natural Gas
- Montana-Dakota/Great Plains (MDU) and Intermountain Gas Company (IGC) to Cascade Natural Gas
- Cascade to MDU and IGC
- State jurisdictions

Overall, the approach to allocating costs at each level is to directly assign costs when applicable and to allocate costs based on the function or driver of the cost.

MDU Resources Group, Inc. (MDUR) Allocations

The MDUR corporate staff consists of shared services departments (payroll, procurement and enterprise technology) and administrative and general departments.

CASCADE NATURAL GAS CORPORATION

Shared Services

MDU Resources Group, Inc. has several departments that provide specific services to the operating companies. These departments have developed a pricing methodology which is updated annually for the allocation of costs to the MDUR operating companies that utilize their services. (See Exhibit III)

These departments include:

Payroll Shared Services

Payroll Shared Services department provides comprehensive payroll services for MDUR companies and employees. It processes payroll in compliance with appropriate federal, state and local tax laws and regulations. Payroll Shared Services is also responsible for preparation, filing and payment of all payroll related federal, state and local tax returns. It also maintains and facilitates payments and accurate reporting to payroll vendors for employee benefits and other payroll deductions. For Cascade, the payroll shared services department is also responsible for the accumulation of time entry records and maintenance of employee records. Cascade does not have any departments that provide these payroll related services.

Procurement Shared Services

Procurement Shared Services creates and maintains the Corporation's national accounts for the purchase of products, goods and services. National accounts take advantage of the combined purchasing power of all of the Corporation's operating companies. National accounts, or preferred vendor agreements, typically are negotiated at the corporate level rather than at the local company level. Procurement Shared Services also is responsible for monitoring the level of services, quantities, discounts and rebates associated with established national accounts. Cascade has a single procurement department that places specific purchase requests for materials and services required to conduct business with approved vendors.

Enterprise Technology Service

Enterprise Technology Services (ETS) provides policy guidance, infrastructure related IT functions and security-focused governance. ETS seeks to increase the return on investment in technology through consolidation of common IT systems and services, while eliminating waste and duplication. ETS works to increase the quality and consistency of technology, increase functionality and service to the enterprise, provide governance for managing and controlling risk and reduce costs through economies of scale.

Cascade's IT department consists of Montana-Dakota/Great Plains employees physically located in Kennewick, Washington, Boise, Idaho, and Bismarck, North Dakota. This Department is responsible for supporting applications specific to the utility group such as the Customer Care & Billing System, the JD Edwards financial software, Scada and mobile applications, Enterprise GIS, and PowerPlan which is the project and fixed asset accounting software. In addition the utility group IT department develops business continuity plans in the case of disaster recovery.

General and Administrative Services

Administrative and general functions performed by MDUR for the benefit of the operating companies include the following departments:

- Corporate governance, accounting & planning
- Communications & public affairs
- Human resources
- Internal audit
- Investor relations

CASCADE NATURAL GAS CORPORATION

- Legal
- Risk management
- Tax and compliance
- Travel
- Treasury services

Cascade receives an allocation of these corporate costs. Corporate Policy No. 50.9 states “*It is the policy of the Company to allocate MDU Resources Group, Inc.’s (MDU) administrative costs and general expenses to the MDU’s business units*”. Business units described in the policy have been referred to as operating companies in this document. The policy states that costs that directly relate to a business unit will be directly assigned to the applicable business unit and only the remaining unassigned expenses will be allocated to the operating companies using the corporate allocation methodology. The allocation factor developed to apportion MDUR’s unassigned administrative costs is a capitalization factor which is based on 12 month average capitalization at March 31, effective July 1 and at September 30, effective January 1 each year. Capitalization includes total equity and current and non-current long-term debt (including capital lease obligations). The computation of the Corporate Overhead Allocation Factors is shown in Exhibit I.

Cascade is reflected as CNGC in the Corporate Overhead Allocation Factors in Exhibit I. Operating companies that receive allocated costs on a monthly basis from MDUR include:

- Montana Dakota – Electric utility segment
- Montana Dakota/Great Plains – Gas utility segment
- Cascade Natural Gas Corporation (CNGC)
- Intermountain Gas Company (IGC)
- Fidelity
- WBI Energy Transmission
- WBI Midstream
- Knife River (KR)
- MDU Construction Services Group, Inc.

The corporate costs allocated to Cascade are subsequently allocated to the state jurisdictions. Corporate costs are recorded in the administrative and general (A&G) function for Cascade. (See state jurisdictional allocation discussion on page 8.)

Montana-Dakota/Great Plains Allocation of Cost to/from Others

Allocations to/from other MDUR Companies

Certain Montana-Dakota/Great Plains owned assets, such as the General Office/Annex facility, located at the utility headquarters in Bismarck, and the assets associated with the contribution made for FutureSource assets, are also used for the benefit of other MDUR operating companies. To cover the cost of ownership and operating costs associated with these owned assets, a revenue requirement (asset return plus annual operating expenses) is computed for the shared assets. The expense component included in the return is composed of operating and maintenance costs, depreciation, income tax and property tax expenses. The resulting revenue requirement is billed to the other MDUR operating companies, including CNGC and IGC, as a monthly fee. The costs are allocated based on the number of customers served by each utility.

Intermountain Gas owns the customer care center located in Meridian, ID. To cover the cost of ownership and operating costs associated with that owned asset, a revenue requirement (asset return plus annual operating expenses)

CASCADE NATURAL GAS CORPORATION

is computed similarly to Montana-Dakota owned assets. The expense component included in the return is composed of operating and maintenance costs, depreciation, income tax and property tax expenses. The resulting revenue requirement is billed to the Montana-Dakota/Great Plains and Cascade as a monthly fee. The costs are allocated based on the number of customers served by each utility.

Certain Cascade owned assets, such as the portion of the General Office facility used for Shared Services (i.e. Gas Control, IT), located at the utility headquarters in Kennewick, are also used for the benefit of other MDUR operating companies. To cover the cost of ownership and operating costs associated with these owned assets, a revenue requirement (asset return plus annual operating expenses) is computed for the shared assets. The expense component included in the return is composed of operating and maintenance costs, depreciation, income tax and property tax expenses. The resulting revenue requirement is billed to the other MDUR operating companies, including MDU and IGC, as a monthly fee. The costs are allocated based on the number of customers served by each utility.

Allocations to other Utility Companies

Montana-Dakota/Great Plains has several departments that provide services to all four utility operating companies (Montana-Dakota, Great Plains, Cascade Natural Gas Co. and Intermountain Gas Company). These departments include:

- Leadership Group - composed of the Executive Group and Directors that oversee shared utility specific functions
- Customer Services - (Call Center, Scheduling and Online Services)
- Information Technology and Communications- (Management Information Systems, Technology and Compliance)
- Administrative Services - (Procurement, Office Services, Fleet Operations)
- Gas Supply & Control

These operational groups have calculated the proper allocation to use to allocate the costs to the utility companies based on services performed for each utility company. The allocation methodology is included in Exhibit IV.

Standard Labor Distributions

Labor/Reimbursable expense allocations

The development of standard labor distributions for Cascade employees is described below based on the type of employee. Standard labor distributions are used for all employees to account for certain expenses as detailed below.

Labor, benefit costs and reimbursable expenses are directly assigned to a jurisdiction where possible. If the expense is not direct, the appropriate jurisdiction is charged as follows:

Union Employees

Time tickets are required for productive time. The employee specifies the proper location and FERC account based on work performed. To account for non-productive time, standard payroll labor distributions are established for all employees. These standard labor distributions are calculated for union employees based on the historical actual charges.

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Non-Union Employees

Non-union employees are not required to submit detailed time tickets with applicable general ledger accounts specified. Rather each employee has a “standard” set of general ledger accounts that split the labor costs based on an expected ratio of work. This split can be unique and is based on the employee’s position. Costs are distributed based on this standard labor distribution for each employee, and the allocations are reviewed periodically.

Cascade Allocations to State Jurisdictions

Cascade utilizes an automated allocation process each month to record the income statement and rate base account activity to the financial ledger (state jurisdiction) to facilitate regulatory reporting. This process is based on the general ledger account structure used in the financial software (JD Edwards). As with other items, costs are directly assigned to a jurisdiction when possible. Costs common to more than one state jurisdiction are allocated between jurisdictions. The primary driver of the allocation is the Business Unit component of the general ledger account; however, the FERC account associated with the charge is also used to determine the proper allocation method. The allocation process creates a Journal Entry to the JD Edwards jurisdictional ledgers established by state.

The allocation methodology is as follows:

The JD Edwards (JDE) software is used by Cascade for recording financial transactions as well as the jurisdictional allocation process for all accounts except those related to fixed assets.

The account structure within JDE consists of the following components:

Business Unit - The Business Unit is one of the primary components used for identifying the regulatory allocation of costs. It usually defines a location such as an operating region, operating district or facility (i.e. gas regulator station), or department (i.e. human resources, engineering).

Object – The object for operations and maintenance (O&M) expense accounts represents the resource consumed (i.e. payroll or materials). For balance sheet accounts, the object represents the FERC account.

Subsidiary – The subsidiary portion of the account for O&M accounts identifies the utility segment (2 represents gas) and the FERC account. For balance sheet accounts the subsidiary represents a further breakdown of the account such as which bank for a cash account.

Revenue Accounts – Revenues are directly assigned to the jurisdiction when possible. The applicable FERC account is part of the account structure. It is the combination of the business unit, and FERC that drive the allocation factor used. An example of revenue that is allocated to the jurisdictions is revenue from the cost of service calculation which is assigned an allocable location (Business Unit).

Operation and Maintenance (O&M) accounts – As costs are incurred, the approver of the expense assigns the general ledger account structure.

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It is the combination of the location (Business Unit), and FERC that drive the allocation factor utilized. Locations are assigned a factor based on the geographic area for which they serve and the FERC function assigned. For example, location (Business Unit) 47041 represents the geographic location of the Bend, Oregon District. The Bend District is therefore directly assigned to Oregon for all FERC accounts.

Another example is location 4767000, representing the Credit and Collections Department. The allocation of costs is based on the FERC range of accounts. The location may also be a responsibility, or department. An allocation code is used to split the costs between the states. The most common allocation factor is the 3-factor formula (customer, employee and plant). However, the customer ratio, employee ratio, gross plant ratio, and rate base ratio are also used. See Exhibit II for the allocation factor calculations.

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	*Co	*Location	*Obj Acct	*FERC Sub 1	*FERC Sub 2	*Start Date	Stop Date	Description	Utility Alloc Code	Utility 01	Allocation Code 01
<input checked="" type="radio"/>	00047	47041		2870	29359999	200601	203512	Central OR District	00002	2	00038
<input type="radio"/>	00047	47041		4261	42659999	201208	203512	Bend District-BTL	00002	2	00038
<input type="radio"/>	00047	47041	4081	0	99999999	200601	203512	Central OR District-4081	00002	2	00038
<input type="radio"/>	00047	47041	5981	4261	4261	200902	201207	Central OR District	00002	2	00038
<input type="radio"/>	00047	47041	5984	4263	4263	201111	201207	OR 5984	00002	2	00038

Code 00038 = 100% allocated to Oregon

	*Co	*Location	*Obj Acct	*FERC Sub 1	*FERC Sub 2	*Start Date	Stop Date	Description	Utility Alloc Code	Utility 01	Allocation Code 01
<input checked="" type="radio"/>	00047	4767000		0000	99999	201101	203512	Customer Service Allocated C...	00002	2	00100
<input type="radio"/>	00047	4767000	5211	4264	4264	201101	203512	Labor Rel & Comp	00002	2	00100
<input type="radio"/>	00047	4767000	5984	4263	4263	201108	203512	Corporate 5984	00002	2	00100
	*Co	*Location	*Obj Acct	*FERC Sub 1	*FERC Sub 2	*Start Date	Stop Date	Description	Utility Alloc Code	Utility 01	Allocation Code 01
<input checked="" type="radio"/>	00047	47042		2870	29359999	200601	203512	Pendleton District	00002	2	00038
<input type="radio"/>	00047	47042		4261	42659999	200601	203512	Pendleton District-BTL	00002	2	00038
<input type="radio"/>	00047	47042	4081	0	99999999	200601	203512	Pendleton District-4081	00002	2	00038

Allocation Code 01 Represents the code used to allocate to a Jurisdiction
 00038 = Oregon
 00048 = Washington
 00100 = 3 Factor Formula (customer, employee, plant)
 00101 = Customer Ratio
 00102 = Employee Ratio
 00103 = Gross Plant Ratio

	Co	Juris Alloc Code	Juris Start Date	Juris Stop Date	Description 10	State 01	Percent 01	State 02	Percent 02
<input checked="" type="radio"/>	00047	00100	201501	201512	3 Factor formula -(customer, employee, plant)	OR	24.270000	WA	75.730000
<input type="radio"/>	00047	00101	201501	201512	Customer Ratio	OR	24.940000	WA	75.060000
<input type="radio"/>	00047	00102	201501	201512	Employee Ratio	OR	25.440000	WA	74.560000
<input type="radio"/>	00047	00103	201501	201512	Gross Plant Ratio	OR	22.420000	WA	77.580000
<input type="radio"/>	00047	00104	201501	201512	Rate Base Ratio	OR	23.540000	WA	76.460000

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Exhibit I- MDUR Corporate Overhead factor

MDU Resources Group Inc.
Corporate Overhead Allocation Factors
January- June 2015

	MDU Electric	MDU/GP Gas	CNGC	IGC	WBI Energy	Fidelity	WBI Non- Regulated	KR	CSG
MDUR corporate factor	10.6%	7.9%	10.4%	6.9%	5.6%	26.9%	4.9%	20.2%	6.6%

	Utilities Group	WBI Holdings			Knife River	Construction Services	Total
	Transmission	Fidelity	Other				
Debt and Equity							
Short-term borrowings	\$4,725,000						\$4,725,000
LTD due within one year	17,881,342	\$1,266,056	\$6,120,496	\$1,110,555	\$14,749,607	\$5,013,969	46,142,025
Long-term debt	820,826,670	119,857,876	579,428,942	105,136,553	364,144,141	76,620,712	2,066,014,894
Total Debt	843,433,012	121,123,932	585,549,438	106,247,108	378,893,748	81,634,681	2,116,881,919
Stockholders' equity:							
Preferred stock	15,000,000						15,000,000
Common stock	191,925,108	149	720	131	800,000	1,000	192,727,108
Other paid-in capital	1,521,081,527	97,970,621	473,619,385	85,937,560	485,948,676	134,430,866	2,798,988,636
Retained earnings	1,674,807,588	56,537,562	273,319,542	49,593,440	149,530,017	110,166,923	2,313,955,072
Accumulated other comprehensive loss	(40,827,124)	(2,185,717)	(10,566,414)	(1,917,261)	(19,404,583)	(2,153,395)	(77,054,494)
Treasury stock	(3,625,813)						(3,625,813)
Total common stockholders' equity	3,343,361,287	152,322,614	736,373,233	133,613,870	616,874,110	242,445,394	5,224,990,509
Total stockholders' equity	3,358,361,287	152,322,614	736,373,233	133,613,870	616,874,110	242,445,394	5,239,990,509
Total liabilities and stockholders' equity	4,201,794,299	273,446,546	1,321,922,671	239,860,979	995,767,858	324,080,075	7,356,872,429
Investment in Subsidiaries	2,447,121,024						2,447,121,024
Capitalization	\$1,754,673,276	\$273,446,546	\$1,321,922,671	\$239,860,979	\$995,767,858	\$324,080,075	\$4,909,751,405
	35.8%	5.6%	26.9%	4.9%	20.2%	6.6%	100.0%

	2014 Year End Capitalization	Share of Corp. Allocation	Corporate Allocation	Electric	Gas
Montana-Dakota 1/	\$952,540	51.7%	18.5%	10.6%	7.9%
Cascade	537,073	29.1%	10.4%		10.4%
Intermountain	353,195	19.2%	6.9%		6.9%
Total Utilities Group	\$1,842,808	100.0%	35.8%	10.6%	25.2%

1/ Electric and gas segments allocated on Montana-Dakota's Corporate Overhead Factor

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Exhibit II- Cascade Allocation Factors

Cascade Natural Gas Corporation CY 2014 Allocation Factors			
Cascade Natural Gas Corporation State Allocation Formulas 2014			
	Washington	Oregon	Total
Customers	75.06%	24.94%	100.00%
Employees	74.56%	25.44%	100.00%
Gross Plant	77.58%	22.42%	100.00%
3-Factor Formula:	75.73%	24.27%	100.00%
Rate Base Ratio	76.46%	23.54%	100.00%

Cascade Natural Gas Corporation Average No. of Employees 2014			
Source: Customers Per Employee ref	Washington District Employees (1)	Oregon District Employees (1)	
Mo-Yr			
Dec-13	154	56	
Jan-14	165	56	
Feb-14	165	56	
Mar-14	166	56	
Apr-14	166	57	
May-14	170	57	
Jun-14	174	58	
Jul-14	174	60	
Aug-14	169	57	
Sep-14	172	58	
Oct-14	167	59	
Nov-14	168	59	
Dec-14	169	55	
	2,179	744	
Average of Monthly Averages	168	57	226
Percentage	74.56%	25.44%	100.00%

(1) Excludes Interstate employees

Cascade Natural Gas Corporation Gross Plant Percentage 2014				Cascade Natural Gas Corporation Average Number of Customers 2014			Cascade Natural Gas Corporation Rate Base Ratio 2014		
	Washington Incl. CCNC	Oregon Incl. CCNC	Total		Average No. of Customers	Percentage	The following percentages are used for allocating interest on debt:		
Avg. of Mo. Avg.s				Washington			2014 Average Rate Base	Plant Formula	
	607,126,362	175,487,064	782,613,426	Oregon	202,195	75.06%			
					67,182	24.94%			
				Total	269,377	100.00%	Washington	228,079,689	76.46%
							Oregon	70,217,372	23.54%
Percentage	77.58%	22.42%	100.00%						100.00%

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Exhibit III- MDUR Shared Services Pricing Methodology

MDU Resources Shared Services Pricing Methodology - Effective for 2015

Note: MDU Resources' use of Shared Services – MDU Resources costs for each shared services function is charged based on the corporate allocation factor.

761 – Payroll Shared Services:

Payroll Shared Services costs are invoiced based on the number of employees paid and stated as a cost per check. The word check, for this purpose, generically refers to paper paychecks, direct deposits and paycard transactions.

Checks are charged on a tiered structure, intended to recognize the fixed or baseline effort associated with maintaining a payroll cycle and associated reporting, regardless of number of people paid. It is also intended to reward consolidation of multiple pay groups and companies where possible and to align charges with the additional effort required to maintain multiple pay groups and pay cycles.

The monthly volume for this step pricing is accumulated individually for each pay cycle processed.

Checks for weekly pay cycles, cost per check based on the number of checks written per month:

- \$ 4.25 per check for the first 500 checks
- \$ 0.75 per check for the next 500 checks
- \$ 0.00 per check for each additional check

Checks for non-weekly pay cycles, cost per check based on the number of checks written per month:

- \$ 4.25 per check for the first 1000 checks
- \$ 0.75 per check for the next 1000 checks
- \$ 0.00 per check for each additional check

Additionally, there will be a \$3.00 charge for each tax payment and \$240.00 charge for each quarterly tax filing

There is a \$500 per month minimum charge for each operating company.

There is a premium charge of \$50 per transaction for specific off cycle checks and back-pay calculations. Examples of transactions included in the premium charge schedule are missing hours, refunded deductions, length of service awards submitted too late for inclusion in a scheduled payroll process, and back pay calculation because an increase was submitted after the pay period that includes the effective date. Examples of transactions excluded from the premium charge calculation are bonus payments, final paychecks, certified wage settlements, or any payment required as a result of a Shared Service or system error.

762 – Procurement Shared Services:

Procurement Shared Services costs are invoiced based on five separate factors, all carrying an equal weight of 20%. The factors are:

- Number of Visa Cards as of 8/1/14
- Total Visa Spend for 2013
- National Account Spend for 2013
- Number of Construction Equipment Acquisitions in 2013
- Number of Fleet Acquisitions in 2013

	MDUR	MDU	WBIE	FEPC	KRC	CSG	CNG	IMG	Total
# VISA cards	141	805	364	155	845	659	282	88	3,339
% of VISA cards	4.22%	24.11%	10.90%	4.64%	25.31%	19.74%	8.45%	2.64%	100%
VISA spend	2,158,498	6,589,113	3,337,060	1,464,610	9,190,014	7,644,519	2,984,769	1,567,358	34,935,930
% of Total VISA spend	6.18%	18.86%	9.55%	4.19%	26.31%	21.88%	8.54%	4.49%	100%
National Account Spend	2,026,585	3,244,617	1,831,527	79,372	20,683,247	13,945,478	1,255,335	888,731	43,954,891
% of National Account Spend	4.61%	7.38%	4.17%	0.18%	47.06%	31.73%	2.86%	2.02%	100%

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	MDUR	MDU	WBIE	FEPC	KRC	CSG	CNG	IMG	Total
# Construction Equip Acquisitions	0	55	8	2	87	40	14	7	213
% of Construction Equip Acquisitions	0.00%	25.82%	3.76%	0.94%	40.85%	18.78%	6.57%	3.29%	100%
# Fleet Acquisitions	0	43	35	11	189	232	43	19	572
% of Fleet Acquisitions	0.00%	7.52%	6.12%	1.92%	33.04%	40.56%	7.52%	3.32%	100%
Total weighted allocation factor	3.00%	16.74%	6.90%	2.37%	34.51%	26.54%	6.79%	3.15%	100.00%

766 –Time Entry Shared Services:

Service provided 100% to the MDU Utility Group.

767 –Accounts Payable Shared Services:

Accounts Payable Shared Services costs are invoiced based on three factors:

- Number of payments processed based on activity from 7/1/13 through 6/30/14 (25%)
- Number of vouchers processed by AP Shared Services staff based on activity from 7/1/13 through 6/30/14 (75%)

	MDUR	MDU	WBIE	FEPC	KRC	CSG	CNG	IGC	Total
# of Payments	2556	52880	0	0	0	1522	27126	26222	110,306
% of payments	2.32%	47.94%	0.00%	0.00%	0.00%	1.38%	24.59%	23.77%	100%
# of Vouchers	3,046	11,879	0	0	0	1,389	1,333	1,246	18,893
% of vouchers	16.12%	62.88%	0.00%	0.00%	0.00%	7.35%	7.06%	6.60%	100%
Totals	12.7%	59.1%	0.0%	0.0%	0.0%	5.9%	11.4%	10.9%	100.00%

Enterprise Technology Services (ETS):

There are several ETS departments, and each is billed out based on its own criteria. They are as follows:

Application Services (765) 100% of these costs are based on the corporate factor.

Customer Relations (965) – Two factors are used in the invoicing of the enterprise costs associated with customer relations. 85.8% of the costs are associated with the help desk. Those costs are invoiced based upon the number of devices supported by customer relations. The metric used to determine device counts is devices that have checked into active directory during a 60 day period in the summer of 2014. The remaining 14.2% of the costs are for costs specific to the AS/400 are invoiced upon the AS/400 allocation as agreed to by MDU and WBI.

	MDUR	MDU	WBIE	FEPC	KRC	CSG	CNG	IMG	Total
Device Counts	287	1,080	460	313	1,820	1305	432	626	6,323
% of Device Counts	4.54%	17.08%	7.28%	4.95%	28.78%	20.64%	6.83%	9.90%	100%
Totals	4.54%	17.08%	7.28%	4.95%	28.78%	20.64%	6.83%	9.90%	100.00%

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Communications & Security (971) – Now includes 977.

Enterprise charges for the communications group are invoiced using three separate factors. They and their estimated % of work are:

1. Wide Area Network/Local Area Network/Metropolitan Area Network- Number of business unit locations (20%)
2. Internet/Security – Number of user accounts (30%)
3. Handsets – Number of IP devices (50%)

Each of these three areas is assigned a percentage (identified above). Those portions of the costs are invoiced via the above identified denominators.

For 2014 the costs are invoiced based on the following percentages:

	MDUR	MDU	WBIE	FEPC	KRC	CSG	CNG	IMG	Total
WAN/LAN/MAN	2	40	100	8	190	59	18	13	430
% of Business Unit Locations	0.47%	9.30%	23.26%	1.86%	44.19%	13.72%	4.19%	3.02%	100%
Internet Access/Firewall	287	1080	460	313	1820	1305	432	626	6323
% of User Accounts	4.54%	17.08%	7.28%	4.95%	28.78%	20.64%	6.83%	9.90%	100%
Security									
% of Handsets	16.50%	16.70%	16.70%	16.70%	16.70%	16.70%	0.00%	0.00%	100%
Totals	9.70%	15.33%	15.19%	10.21%	25.82%	17.29%	2.89%	3.57%	100.00%

Operations (972) – Enterprise costs for the operations group are invoiced based upon the number of servers that are supported for a particular business unit.

For 2014 the costs are invoiced based on the following percentages:

	MDUR	MDU	WBIE	FEPC	KRC	CSG	CNG	IMG	Total
Full Service Servers	178	147	85	64	196	104	33	90	897
% of Full Service Servers	19.84%	16.39%	9.48%	7.13%	21.85%	11.59%	3.68%	10.03%	100%
Totals	19.84%	16.39%	9.48%	7.13%	21.85%	11.59%	3.68%	10.03%	100%

Security (977) – This is now included in 971.

Finance and Administration (982) –. Costs for the finance and administration group are invoiced based upon the combined methodologies of the four previously identified ETS groups.

	MDUR	MDU	WBIE	FEPC	KRC	CSG	CNG	IMG	Total
% of Total Finance & Administration	21.32%	14.35%	11.24%	7.29%	22.70%	13.78%	3.49%	5.83%	100%

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Exhibit IV- Utility Operations Support Allocation Methodology

Utility Operations Support Labor Distribution Allocation Methodology

Leadership Group:

- Includes Executive Vice Presidents & Directors
- Oversees all shared, utility specific functions in the following areas:
 - Customer Services
 - Administrative Services
 - Information Technology & Communications
 - Engineering and Operations Procedures
 - Gas Supply and Gas Control
- Allocation methodology:
 - Equal portion allocated to each utility company, or brand
 - For portion allocated to Montana-Dakota/Great Plains, if there is involvement with non-utility work allocate 1% (including 0.25% for Great Plains) to non-utility based on historical estimates, with remainder allocated to gas and electric based on meter count.
 - For portion allocated to Montana-Dakota/Great Plains, if there is no involvement with non-utility work, allocate between gas and electric based on meter count.

Customer Services:

- Director
 - 35% to CNG, 30% to IGC, 35% Montana-Dakota/Great Plains¹ (1% to non-utility) and remainder split between gas and electric meter count.
- Management team
 - Supervisors: Front line supervision for Customer Service Center
 - 30% to CNG, 30% to IGC, 40% Montana-Dakota/Great Plains¹ (2% to non-utility) and remainder allocated to gas and electric based on the estimate of time required to supervise
 - Manager: Customer service
 - 30% CNG, 20% IGC, 50% Montana-Dakota/Great Plains¹ (2% to non-utility) and remainder allocated to gas and electric meter count.
- Credit
 - Responsible for credit and collections for the Utility Group
 - Allocation Methodology
 - Most agents only handle credit activity for one brand, they charge all time to that brand
 - For agents that handle multiple brands, time is charged based on how much time is spent on each brand

¹ Based on estimated time using history

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- For agents that only handle credit activity for Montana-Dakota/Great Plains:
 - Allocated to gas and electric based on meter count

For agents that handle credit for Montana-Dakota/Great Plains and another brand, the portion is allocated to each utility based on average time spent in each utility with the Montana-Dakota/Great Plains portion allocated to gas and electric based on meter count.

- Scheduling
 - Responsible for scheduling field work for employees performing work in the field for the Utility Group
 - Responsible for emergency response 24/7
 - Allocation Methodology:
 - Management team:
 - Manager 20% IGC, 30% CNG, 50% Montana-Dakota/Great Plains¹ allocated to gas and electric based on meter count.
 - Team Leads 25% IGC, 25% CNG, 50% Montana-Dakota/Great Plains¹ allocated to gas and electric based on meter count.
 - For employees that only schedule one brand, charge time to that brand
 - For employees that schedule both IGC and CNG, split time 50/50 based on estimated time required
 - For employees who schedule all brands, split evenly
 - For employees that only schedule Montana-Dakota/Great Plains:
 - Allocated between gas and electric based on meter count
 - For employees that schedule credit for Montana-Dakota/Great Plains and another brand, the portion is allocated to each utility based on the shared utility. The Montana-Dakota/Great Plains allocation is based on the gas and electric meter count.
- Customer Service
 - Responsible for handling all inbound calls during regular operating hours
 - Allocation Methodology:
 - Teams leads and Customer Care Representatives (CCR's) when only responsible for one brand, charge all that time to one brand
 - For employees covering multiple brands, estimates are routinely made for allocations for the pay period
 - For employees responsible for Montana-Dakota/Great Plains:
 - 3% (including 0.5% for Great Plains) is charged to non-utility for credit activity associated with non-utility charges, based on best estimate of time required
 - Remainder is allocated between gas and electric based on meter count

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- For employees responsible for Montana-Dakota/Great Plains and another brand, the portion allocated to non-utility is reduced accordingly to 3% (including 0.5% for Great Plains) of the total associated with Montana-Dakota/Great Plains.
- Customer Programs & Support
 - Responsible for inbound self-service, web help, customer program transactions, and analytical support for the Utility Group
 - Allocation Methodology:
 - Manager
 - 30% IGC, 30% CNG, 40% Montana-Dakota/Great Plains¹ (allocate to gas and electric based on meter count)
 - Based on additional time for Montana-Dakota/Great Plains on social media updates & Credit Dept. responsibilities
 - Supervisor, Team Lead, and Support Staff
 - Equal portion allocated to each brand
 - For portion allocated to Montana-Dakota/Great Plains, if there is involvement with non-utility work allocate 1% (including 0.25% for GPNG) to non-utility, based on historical estimates, with remainder allocated to gas and electric based on meter count.
 - For portion allocated to Montana-Dakota/Great Plains, if there is no involvement with non-utility work, allocated to gas and electric based on meter count.
- Note: Exceptions may be made on an individual basis from these guidelines
 - Employees may be assigned special projects, and allocation methodology may be changed accordingly.
 - Labor allocation may always be made on an actual time spent basis rather than these guidelines.
 - Supervisors may alter these guidelines based on their individual scenario.