



1 **Q. Please state your name and business address.**

2 **A.** My name is Matthew T. Hanson and my business address is 290 W. Nationwide  
3 Boulevard, Columbus, OH 43215.

4 **Q. By whom are you employed and in what capacity?**

5 **A.** I am employed by NiSource Corporate Services Company (“NCSC”). I assumed my  
6 current position as Director of Financial Planning in September 2012.

7 **Q. Are you the same Matthew T. Hanson who submitted direct testimony**  
8 **in this case?**

9 **A.** Yes, I previously submitted Columbia Statement No. 9.

10 **Q. What is the purpose of this rebuttal testimony?**

11 **A.** My rebuttal testimony will respond to adjustments proposed by Office of Consumer  
12 Advocate (“OCA”) Witness Morgan and Bureau of Investigation & Enforcement  
13 (“I&E”) Witness Keller with respect to Company Labor and associated benefits,  
14 rents and leases, NCSC – Shared Services and NCSC – NGD Shared Operations.

15 **Q. Are the labor and employee benefits adjustments proposed in the**  
16 **testimony of Witness Morgan from the OCA appropriate?**

17 **A.** No. Witness Morgan proposes to remove the incremental labor cost of \$519,000  
18 related to training. The basis for this removal is completely flawed. Witness  
19 Morgan points to an answer Columbia provided in I&E-RE-26 Attachment A as  
20 support for denying this expense. The response by Columbia to I&E RE-26  
21 specifically addressed inquiries by I&E related to Materials and Supplies expenses.

1 These costs are specifically related to materials and supplies. Labor costs do not  
2 enter that calculation but are instead included in the Labor line of the budget.  
3 Columbia correctly noted to Witness Morgan in a follow up inquiry (OCA 7-008)  
4 that there were no labor costs included in the Material and Supplies expense. The  
5 response is included as Exhibit MTH-1R. This response, however, has no bearing  
6 on the Labor claim. Mr. Morgan states that the Company's labor expense budget  
7 includes all labor costs. Columbia's FTY budget labor expense is \$28,076,000, and  
8 its FFRY budget labor expense is \$30,142,000. These are the same amounts shown  
9 on Witness Morgan's Schedule LKM-8, which include the training initiative amount  
10 of \$519,361. Thus, the training costs are reflected in the budget and there is no basis  
11 to remove them. Training costs are a valid and ongoing part of the Company's O&M  
12 budget and the expected incremental costs have previously been provided in OCA  
13 4-039 Attachment A, which is attached hereto as Exhibit MTH-2R.

14 **Q. Witness Morgan also asserts that training is a planned activity only for**  
15 **the FTY and should be excluded from the FFRY. Please comment.**

16 **A.** Increased training has begun in 2015. However, the training is anticipated to  
17 continue at this ongoing level in the future. Columbia Witness Davidson addresses  
18 training initiatives on pages 33-34 of his direct testimony and OCA 4-48  
19 Attachment A, which is attached hereto as Exhibit MTH-3R, provides a breakout of  
20 training costs through 2019.

1 **Q. Do you agree with the other labor and employee benefits adjustments**  
2 **made by Witness Morgan?**

3 **A.** No. Witness Morgan increases the capital percentage applied to new employees to  
4 40% from 20%. Columbia uses 20% as the average capital percentage for new  
5 employees as new employees spend more time in introductory training than the  
6 more senior employees already at the Company. Also, new field employees typically  
7 spend more time on O&M projects versus capital. A description of the plan for  
8 increased training initiatives is addressed by Columbia Witness Davidson on pages  
9 33-34 of his testimony. Training hours are not capitalized and this results in a  
10 heavier weighting of O&M versus capital for new employees. The result of Witness  
11 Morgan's calculations was to reduce the Company's claim by \$6,410 per new  
12 employee added. The witness's calculation is flawed and should be rejected.  
13 Further compounding the issue is that the witness reduces the incremental  
14 employees in the Company's claim to 25 by performing an average cost calculation  
15 which uses the Company's claim of \$50,000 expense per new employee instead of  
16 the witness's own calculation of \$43,590. Witness Morgan uses just the  
17 incremental expense for additional headcount in the FTY of \$1,240,112 and divides  
18 this by \$50,000 to arrive at 25 incremental heads. However, Witness Morgan  
19 completely ignores the incremental expense in the FFRY and does nothing to justify  
20 his position or to support it other than providing a rudimentary mathematical  
21 calculation with no basis. The blanket application of 25 incremental heads for both

1 the FTY and FFRY has no rational support. Moreover, Witness Morgan's proposal  
2 is both inconsistent and unfair. The Company does not agree with any reduction to  
3 the incremental headcount included in the claim but it is worth noting that the  
4 selective use of numbers to build Witness Morgan's position causes a compounding  
5 effect of the witness's reduction to the Columbia claim. Under Witness Morgan's  
6 own methodology and calculation of incremental expense per employee, the  
7 headcount he chose to reduce the claim to should have been 29 instead of 25 for the  
8 FTY (\$1,240,112 divided by \$43,590 would be 29 heads). For the FFRY, using  
9 Witness Morgan's methodology and calculation of \$43,590 per additional head, the  
10 total incremental headcount in the FFRY would be an additional 28 heads, or  
11 \$1,223,720 divided by \$43,590. With that said, no reduction to incremental  
12 headcount is appropriate. While the Company has acknowledged that the  
13 employees are added over time, the budget already takes into account the proper  
14 timing of the hiring of these individuals. There is no basis to reduce the Company's  
15 claim for incremental headcount.

16 **Q. Do you agree with the labor adjustment made by Witness Morgan**  
17 **within NCSC Shared Services?**

18 **A.** No. Witness Morgan adjusted the new employees added to reflect only those added  
19 through April 2015. This substantially understates the employee count. It is  
20 contrary to the entire forecasting process to limit employee count to experienced

1 additions only. There is no basis for this adjustment as the headcount continues to  
2 get added through the FTY. This adjustment should be rejected.

3 **Q. Do you agree with the Rents and Leases adjustment made by Witness**  
4 **Morgan for the Strabane Construction office?**

5 **A.** No, Columbia does not agree that the entire Strabane office cost should be  
6 disallowed. Columbia does, however, recommend an adjustment to its initial claim.  
7 Columbia's real estate team is working to finalize a request for proposal (RFP) to  
8 move to a draft lease agreement with an identified landlord for this office space. As  
9 a result of current negotiations, the expected annual cost is now \$73,800 for this  
10 facility. As such, we recommend that our initial claim of \$150,000 be reduced by  
11 \$76,200 to the expected cost of \$73,800.

12 **Q. Are the labor and employee benefits adjustments proposed in the**  
13 **testimony of Witness Keller from I&E appropriate?**

14 **A.** No. Witness Keller proposes adjustments based on a calculation of historical  
15 vacancy rates that the Company has carried. The witness suggests that the fact that  
16 the Company carries vacancies means that the cost of labor would be significantly  
17 reduced versus what is budgeted for Labor in the fully forecasted rate year due to  
18 the Company's approach of not budgeting vacancies. In reality, while the Company  
19 does typically carry some level of vacancies, this does not have an impact on the  
20 amount of expense incurred by the Company. The Labor line represents the level of  
21 O&M Labor expected to complete the Company's full operational workplan for the

1 year. If positions that are included in the workplan are vacant for part of the year,  
2 the assigned work must still be completed. This work gets completed either  
3 through current employees incurring incremental overtime to cover the work or by  
4 the Company hiring additional external contractors to complete the work. These  
5 incremental costs are not included in the original budget as the budget is completed  
6 assuming the vacancies are not present. If outside contractors are hired to complete  
7 the work then the Company would experience a budget overrun in Outside Services  
8 that may be offset with an underrun in the Labor line if all else remains equal. This  
9 does not, however, result in an underrun to the overall budget. As an example,  
10 there was a normal level of vacancies in 2013 and 2014. In 2014, despite carrying  
11 vacancies the Company overran the Labor budget by \$567,000. In 2013, despite  
12 carrying vacancies the Company overran the combined Labor and Outside Services  
13 budgets by over \$1.4 million. Witness Keller's adjustment should be rejected as  
14 vacancies are a normal part of the Company's business and are inherently factored  
15 into the budgeting process.

16 **Q. Does this complete your rebuttal testimony?**

17 **A.** Yes it does.

Question No. OCA 7-008  
Respondent: K. Miller  
M.T. Hanson  
Page 1 of 1

**COLUMBIA GAS OF PENNSYLVANIA INC.**

R-2015-2468056

Data Requests

OCA – Set 7

Question No. OCA 7-008:

Reference the Company's response I&E-RE-26, Attachment A. The description of some of the line items appear to be labor related (e.g., Safety Training, Supervision Plant, Technical Training, Information Meeting, Manage General Expenses, Perform Civil Engineering, etc.). Please Identify all labor costs included on the line items on the Attachment. Please do not limit the labor cost identification to the line items cited as examples.

Response:

No labor costs are included in the response to I&E-RE-26; all costs are for materials and supplies.

2015 FTY Budget

	Dec '14	Jan	Feb	March	April	May	June	July	August	September	October	November	Total
Plant Training	\$ 229,321	\$ 282,215	\$ 276,771	\$ 320,163	\$ 270,414	\$ 319,710	\$ 252,588	\$ 230,346	\$ 188,213	\$ 238,858	\$ 372,524	\$ 290,633	\$ 3,271,756
Service Training	\$ 45,584	\$ 66,374	\$ 79,288	\$ 86,665	\$ 80,113	\$ 86,736	\$ 69,815	\$ 64,520	\$ 91,807	\$ 66,627	\$ 77,963	\$ 65,354	\$ 880,848
FTY Total													
	Plant Training	\$ 3,271,756.07											
	Service Training	\$ 880,847.86											

2014 HTY

	Dec '13	Jan	Feb	March	April	May	June	July	August	September	October	November	Total
Plant Training	\$ 160,566	\$ 353,833	\$ 229,124	\$ 247,265	\$ 187,210	\$ 241,029	\$ 217,951	\$ 171,500	\$ 228,077	\$ 265,613	\$ 225,793	\$ 249,198	\$ 2,777,157
Service Training	\$ 53,556	\$ 67,039	\$ 71,081	\$ 72,124	\$ 54,156	\$ 79,327	\$ 88,992	\$ 58,615	\$ 67,130	\$ 111,181	\$ 72,374	\$ 60,512	\$ 856,086
HTY Total													
	Plant Training	\$ 2,777,157											
	Service Training	\$ 856,086											

Variances	
	FTY vs. HTY
Plant Training	\$ 494,599
Service Training	\$ 24,762
	\$ 519,361

CPA

Modernizing Our Operations - Training and Standards  
INCREMENTAL COST SUMMARY

	2015	2016	2017	2018	2019
<b>Training:</b>					
<b>Labor Costs - Employee Only</b>					
New Employee Training & OJT	\$ 213,716	\$ 427,433	\$ 427,433	\$ 427,433	\$ 427,433
New to Role Training & OJT	\$ -	\$ -	\$ -	\$ -	\$ -
On-going Annual Retraining	\$ 200,985	\$ 803,942	\$ 803,942	\$ 803,942	\$ 803,942
	<u>\$ 414,702</u>	<u>\$ 1,231,374</u>	<u>\$ 1,231,374</u>	<u>\$ 1,231,374</u>	<u>\$ 1,231,374</u>
<b>Travel Costs</b>					
Meals & Lodging- New Hire	\$ -	\$ 97,859	\$ 97,859	\$ 97,859	\$ 97,859
Meals & Lodging- New to Role	\$ -	\$ 5,677	\$ 11,353	\$ 11,353	\$ 11,353
Meals & Lodging- Refresher	\$ -	\$ 81,924	\$ 163,848	\$ 163,848	\$ 163,848
Labor Costs associated with Travel- NH	\$ -	\$ 113,575	\$ 113,575	\$ 113,575	\$ 113,575
Labor Costs associated with Travel- NTR	\$ -	\$ 4,434	\$ 8,867	\$ 8,867	\$ 8,867
Labor Costs associated with Travel- Refresher	\$ -	\$ 98,918	\$ 197,835	\$ 197,835	\$ 197,835
Travel Total	<u>\$ -</u>	<u>\$ 402,386</u>	<u>\$ 593,337</u>	<u>\$ 593,337</u>	<u>\$ 593,337</u>
<b>Trainers</b>					
Classroom Trainers	\$ (252,410)	\$ (252,410)	\$ (252,410)	\$ (252,410)	\$ (252,410)
Guest instructors	\$ -	\$ 43,322	\$ 43,322	\$ 43,322	\$ 43,322
Outsourced Training	\$ -	\$ 5,954	\$ 5,954	\$ 5,954	\$ 5,954
Field OJT Coach	\$ 757,230	\$ 757,230	\$ 757,230	\$ 757,230	\$ 757,230
Curriculum Development - Maint. & Support	\$ -	\$ 117,541	\$ 121,655	\$ 125,913	\$ 130,320
Scheduling System - Maint. & Support	\$ -	\$ 89,135	\$ 92,255	\$ 95,484	\$ 98,826
Performance Support - Maint. & Support	\$ -	\$ 115,723	\$ 119,773	\$ 123,965	\$ 128,304
Feedback Loop - Main & Support	\$ -	\$ 62,675	\$ 64,868	\$ 67,139	\$ 69,488
	<u>\$ 504,820</u>	<u>\$ 939,170</u>	<u>\$ 952,647</u>	<u>\$ 966,597</u>	<u>\$ 981,034</u>
<b>Enhanced OQ Costs</b>					
Enhanced OQ initial Rollout	\$ -	\$ -	\$ -	\$ -	\$ -
On-going OQ Requalification	\$ 765,984	\$ 765,984	\$ 765,984	\$ 765,984	\$ 765,984
OQ Evaluator	\$ -	\$ -	\$ -	\$ -	\$ -
On-line Tests/Record Services	\$ 13,003	\$ 13,003	\$ 13,003	\$ 13,003	\$ 13,003
Proctoring/Evaluating Services	\$ -	\$ -	\$ -	\$ -	\$ -
Contractor Cost Fly-up	\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000
Travel for OQ Skill Assessment/Requal	\$ -	\$ -	\$ -	\$ -	\$ -
Labor for Travel for OQ Skill Assessment	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ 863,987</u>	<u>\$ 863,987</u>	<u>\$ 863,987</u>	<u>\$ 863,987</u>	<u>\$ 863,987</u>
<b>Facilities</b>					
Facility Lease Expense- Lease	\$ -	\$ 611,680	\$ 630,030	\$ 648,931	\$ 668,399
Operating Costs	\$ -	\$ 128,640	\$ 135,072	\$ 141,826	\$ 148,917
Total (based on prelim Real Estate est.)	<u>\$ -</u>	<u>\$ 740,320</u>	<u>\$ 765,102</u>	<u>\$ 790,757</u>	<u>\$ 817,316</u>
<b>Total Incremental Costs</b>	<u>\$ 1,783,509</u>	<u>\$ 4,177,236</u>	<u>\$ 4,406,448</u>	<u>\$ 4,446,052</u>	<u>\$ 4,487,048</u>

**One-Time Build / Development Costs**

Training Facility - Year 1 Capital Required	\$	-	\$	-	\$	-	\$	-	\$	-
Curriculum Development - Year 1 O&M	\$	1,215,748	\$	1,119,439	\$	1,119,439	\$	-	\$	-
Curriculum Development - Year 1 Capital	\$	-	\$	-	\$	-	\$	-	\$	-
Scheduling System - Year 1 O&M	\$	107,245	\$	-	\$	-	\$	-	\$	-
Scheduling System - Year 1 Capital	\$	-	\$	-	\$	-	\$	-	\$	-
Performance Support - Year 1 O&M	\$	214,340	\$	-	\$	-	\$	-	\$	-
Performance Support - Year 1 Capital	\$	-	\$	-	\$	-	\$	-	\$	-
Feedback Loop - Year 1 O&M	\$	130,978	\$	-	\$	-	\$	-	\$	-
Feedback Loop - Year 1 Capital	\$	-	\$	-	\$	-	\$	-	\$	-
	\$	1,668,311	\$	1,119,439	\$	1,119,439	\$	-	\$	-

**GRAND TOTAL O&M**

	\$	3,451,820	\$	5,296,676	\$	5,525,887	\$	4,446,052	\$	4,487,048
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**Summaries By Element and Activity**

**O&M by element**

Labor	\$	1,685,506	\$	2,768,381	\$	2,871,732	\$	2,871,732	\$	2,871,732
Outside Services	\$	1,313,751	\$	1,217,442	\$	1,217,442	\$	98,003	\$	98,003
Corporate Service Fee	\$	452,563	\$	385,074	\$	398,551	\$	412,501	\$	426,938
Building Rent	\$	-	\$	611,680	\$	630,030	\$	648,931	\$	668,399
Building Operating Costs	\$	-	\$	128,640	\$	135,072	\$	141,826	\$	148,917
Employee Expenses	\$	-	\$	185,460	\$	273,060	\$	273,060	\$	273,060
	\$	3,451,820	\$	5,296,676	\$	5,525,887	\$	4,446,052	\$	4,487,048

**O&M by activity**

Training Facilities	\$	-	\$	740,320	\$	765,102	\$	790,757	\$	817,316
Training- State Org Trainee	\$	1,180,686	\$	1,997,359	\$	1,997,359	\$	1,997,359	\$	1,997,359
Training- State Org Travel	\$	-	\$	402,386	\$	593,337	\$	593,337	\$	593,337
Training- State Org (Trainer costs)	\$	504,820	\$	554,096	\$	554,096	\$	554,096	\$	554,096
Training Curriculum	\$	1,215,748	\$	1,236,980	\$	1,241,094	\$	125,913	\$	130,320
Training IT Platforms	\$	452,563	\$	267,533	\$	276,896	\$	286,588	\$	296,618
Training- Outside Services	\$	98,003	\$	98,003	\$	98,003	\$	98,003	\$	98,003
	\$	3,451,820	\$	5,296,676	\$	5,525,887	\$	4,446,052	\$	4,487,048

**NEW Inputs to Updated Budget**

Training Facilities	\$	-	\$	740,320	\$	765,102	\$	790,757	\$	817,316
Training Common Org (Co 12)	\$	278,000	\$	288,378	\$	298,471	\$	308,917	\$	319,730
Training- State Org Trainee	\$	1,180,686	\$	1,997,359	\$	1,997,359	\$	1,997,359	\$	1,997,359
Training- State Org Travel	\$	-	\$	402,386	\$	593,337	\$	593,337	\$	593,337
Training- State Org Trainer	\$	504,820	\$	554,096	\$	554,096	\$	554,096	\$	554,096
Training Curriculum	\$	1,215,748	\$	1,236,980	\$	1,241,094	\$	125,913	\$	130,320
Training IT Platforms	\$	452,563	\$	267,533	\$	276,896	\$	286,588	\$	296,618
Training- Outside Services	\$	98,003	\$	98,003	\$	98,003	\$	98,003	\$	98,003
Total Training	\$	3,729,820	\$	5,585,054	\$	5,824,358	\$	4,754,969	\$	4,806,778

**Modernizing Our Operations - Damage Prevention**

**Incremental Cost Summary**

Ticket Risk Assessment		\$	26,054	\$	26,054	\$	26,054	\$	26,054	
Culture and Outreach	\$	7,000	\$	7,000	\$	7,000	\$	7,000	\$	7,000
Total Damage Prevention	\$	7,000	\$	33,054	\$	33,054	\$	33,054	\$	33,054

NGD

Modernizing Our Operations - Training and Standards  
INCREMENTAL COST SUMMARY

OCA 4-048  
Attachment A  
Page 2 of 2

	2014	2015	2016	2017	2018	2019
<b>Training:</b>						
Labor Costs - Employee Only						
New Employee Training & OJT	\$ -	\$ 695,429	\$ 1,366,545	\$ 1,819,922	\$ 1,819,922	\$ 1,819,922
New to Role Training & OJT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
On-going Annual Retraining	\$ -	\$ 571,088	\$ 2,619,850	\$ 3,432,743	\$ 3,432,743	\$ 3,432,743
	\$ -	\$ 1,266,517	\$ 3,986,394	\$ 5,252,665	\$ 5,252,665	\$ 5,252,665
<b>Travel Costs</b>						
Meals & Lodging- New Hire	\$ -	\$ -	\$ 160,360	\$ 537,601	\$ 537,601	\$ 537,601
Meals & Lodging- New to Role	\$ -	\$ -	\$ 1,291	\$ 74,665	\$ 74,665	\$ 74,665
Meals & Lodging- Refresher	\$ -	\$ -	\$ 207,383	\$ 884,081	\$ 884,081	\$ 884,081
Labor Costs associated with Travel- NH	\$ -	\$ -	\$ 245,440	\$ 482,493	\$ 482,493	\$ 482,493
Labor Costs associated with Travel- NTR	\$ -	\$ -	\$ 23,321	\$ 55,213	\$ 55,213	\$ 55,213
Labor Costs associated with Travel- Refresher	\$ -	\$ -	\$ 312,369	\$ 812,071	\$ 812,071	\$ 812,071
Travel Total	\$ -	\$ -	\$ 950,163	\$ 2,846,124	\$ 2,846,124	\$ 2,846,124
<b>Trainers</b>						
Classroom Trainers	\$ -	\$ (378,615)	\$ (631,025)	\$ (883,435)	\$ (883,435)	\$ (883,435)
Guest Instructors	\$ -	\$ -	\$ 111,552	\$ 155,147	\$ 160,147	\$ 160,147
Outsourced Training	\$ -	\$ -	\$ 15,330	\$ 21,321	\$ 22,321	\$ 22,321
Field OJT Coach	\$ -	\$ 1,893,075	\$ 2,650,305	\$ 2,776,510	\$ 2,776,510	\$ 2,776,510
Curriculum Development - Maint. & Support	\$ -	\$ -	\$ 498,019	\$ 515,450	\$ 533,491	\$ 552,163
Scheduling System - Maint. & Support	\$ -	\$ -	\$ 374,296	\$ 387,396	\$ 400,955	\$ 414,988
Performance Support - Maint. & Support	\$ -	\$ -	\$ 485,940	\$ 502,948	\$ 520,551	\$ 538,770
Feedback Loop - Main & Support	\$ -	\$ -	\$ 263,182	\$ 272,393	\$ 281,927	\$ 291,795
	\$ -	\$ 1,514,460	\$ 3,767,599	\$ 3,747,730	\$ 3,812,467	\$ 3,873,259
<b>Enhanced OQ Costs</b>						
Enhanced OQ Initial Rollout	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
On-going OQ Requalification	\$ -	\$ 1,493,254	\$ 1,721,185	\$ 2,533,989	\$ 3,267,954	\$ 3,267,954
OQ Evaluator	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
On-line Tests/Record Services	\$ -	\$ 23,349	\$ 27,047	\$ 41,518	\$ 54,601	\$ 54,601
Proctoring/Evaluating Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contractor Cost Fly-up	\$ -	\$ 212,500	\$ 255,000	\$ 315,500	\$ 364,000	\$ 364,000
Travel for OQ Skill Assessment/Requal	\$ -	\$ -	\$ 3,925	\$ 332,320	\$ 332,320	\$ 332,320
Labor for Travel for OQ Skill Assessment	\$ -	\$ -	\$ 99,072	\$ 362,100	\$ 362,100	\$ 362,100
	\$ -	\$ 1,729,103	\$ 2,106,229	\$ 3,585,427	\$ 4,380,975	\$ 4,380,975
<b>Facilities</b>						
Facility Lease Expense- Lease	\$ -	\$ -	\$ 1,605,353	\$ 2,798,015	\$ 2,881,955	\$ 2,968,414
Operating Costs	\$ -	\$ -	\$ 377,880	\$ 693,048	\$ 727,700	\$ 764,085
Total (based on prelim Real Estate est.)	\$ -	\$ -	\$ 1,983,233	\$ 3,491,063	\$ 3,609,655	\$ 3,732,499
<b>Total Incremental Costs</b>	\$ -	\$ 4,510,080	\$ 12,793,619	\$ 18,923,009	\$ 19,901,886	\$ 20,085,522
<b>One-Time Build / Development Costs</b>						
Training Facility - Year 1 Capital Required	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Curriculum Development - Year 1 O&M	\$ -	\$ 4,700,725	\$ 4,700,725	\$ 4,700,725	\$ -	\$ -
Curriculum Development - Year 1 Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Scheduling System - Year 1 O&M	\$ -	\$ 387,020	\$ -	\$ -	\$ -	\$ -
Scheduling System - Year 1 Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Performance Support - Year 1 O&M	\$ -	\$ 900,049	\$ -	\$ -	\$ -	\$ -
Performance Support - Year 1 Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Feedback Loop - Year 1 O&M	\$	-	\$	549,999	\$	-	\$	-	\$	-	\$	-
Feedback Loop - Year 1 Capital	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
	\$	-	\$	6,537,793	\$	4,700,725	\$	4,700,725	\$	-	\$	-

**Grand Total Ongoing O&M** \$ - \$ 11,047,873 \$ 17,494,344 \$ 23,623,734 \$ 19,901,886 \$ 20,085,522

**Summaries By Element and Group**

<b>O&amp;M</b>												
Labor	\$	-	\$	4,274,231	\$	8,533,944	\$	11,568,074	\$	12,308,039	\$	12,308,039
Outside Services	\$	-	\$	4,936,574	\$	4,982,772	\$	5,057,743	\$	418,601	\$	418,601
Corporate Service Fee	\$	-	\$	1,837,068	\$	1,621,437	\$	1,678,187	\$	1,736,924	\$	1,797,716
Building Rent	\$	-	\$	-	\$	1,605,353	\$	2,798,015	\$	2,881,955	\$	2,968,414
Building Operating Costs	\$	-	\$	-	\$	377,880	\$	693,048	\$	727,700	\$	764,085
Employee Expenses	\$	-	\$	-	\$	372,958	\$	1,828,667	\$	1,828,667	\$	1,828,667
	\$	-	\$	11,047,873	\$	17,494,344	\$	23,623,734	\$	19,901,886	\$	20,085,522

<b>O&amp;M</b>												
Training Facilities	\$	-	\$	-	\$	1,983,233	\$	3,491,063	\$	3,609,655	\$	3,732,499
Training- Stateorg	\$	-	\$	2,759,771	\$	5,707,580	\$	7,786,654	\$	8,520,619	\$	8,520,619
Training- State org	\$	-	\$	-	\$	1,053,160	\$	3,540,544	\$	3,540,544	\$	3,540,544
Training- State Org (Trainer costs)	\$	-	\$	1,514,460	\$	2,146,162	\$	2,069,543	\$	2,075,543	\$	2,075,543
Training Curriculum	\$	-	\$	4,700,725	\$	5,198,744	\$	5,216,175	\$	533,491	\$	552,163
Training IT Platforms	\$	-	\$	1,837,068	\$	1,123,418	\$	1,162,737	\$	1,203,433	\$	1,245,553
Training- Outside Services	\$	-	\$	235,849	\$	282,047	\$	357,018	\$	418,601	\$	418,601
	\$	-	\$	11,047,873	\$	17,494,344	\$	23,623,734	\$	19,901,886	\$	20,085,522

**NEW Inputs to Updated Budget**

Training Facilities	\$	-	\$	-	\$	1,983,233	\$	3,491,063	\$	3,609,655	\$	3,732,499
Training Common Org (Co 12)	\$	-	\$	1,169,375	\$	1,211,571	\$	1,253,334	\$	1,297,200	\$	1,342,601
Training- State Org Trainee	\$	-	\$	2,759,771	\$	5,707,580	\$	7,786,654	\$	8,520,619	\$	8,520,619
Training- State Org Travel	\$	-	\$	-	\$	1,053,160	\$	3,540,544	\$	3,540,544	\$	3,540,544
Training- State Org Trainer	\$	-	\$	1,514,460	\$	2,146,162	\$	2,069,543	\$	2,075,543	\$	2,075,543
Training Curriculum	\$	-	\$	4,700,725	\$	5,198,744	\$	5,216,175	\$	533,491	\$	552,163
Training IT Platforms	\$	-	\$	1,837,068	\$	1,123,418	\$	1,162,737	\$	1,203,433	\$	1,245,553
Training- Outside Services	\$	-	\$	235,849	\$	282,047	\$	357,018	\$	418,601	\$	418,601
Total Training	\$	-	\$	12,217,248	\$	18,705,915	\$	24,877,068	\$	21,199,086	\$	21,428,123
Budget 1580 (HSE)	\$	1,422,007	\$	2,074,230								
Budget 2540 (Technical Training)	\$	3,165,678										
Budget 2550 (Instructional Design)	\$	469,010										
Budget 2560 (Customer Ops Training)	\$	505,633										
Budget 2570 (Leadership) w/o IT adds and Consulting	\$	1,341,274	\$	2,732,894								
	\$	6,903,602										

**Modernizing Our Operations - Damage Prevention**

**Incremental Cost Summary**

Ticket Risk Assessment	\$	-	\$	203,000	\$	158,000	\$	158,000	\$	158,000	\$	158,000
GPS	\$	-	\$	699,000	\$	1,257,200	\$	1,368,200	\$	2,428,075	\$	2,428,075
Culture and Outreach	\$	-	\$	38,000	\$	38,000	\$	38,000	\$	38,000	\$	38,000
Total Damage Prevention	\$	-	\$	940,000	\$	1,453,200	\$	1,564,200	\$	2,624,075	\$	2,624,075