

Budget Training

N:/GROUP/BUDGET/TRAINING//2008 Training/Annual Training Manual.ppt

2009 & 2010 Budget (Calendar Year 2008)



June 27, 2008 IBS in CHI
June 30, 2008 MERC MGU UPCO
June 30, 2008 WPSC in GB
July 1, 2008 IBS (non-CFO) in GB
July 1, 2008 PGL NSG in CHI
July 2, 2008 IBS (CFO) in GB
July 7, 2008 Non-Regs in GB

Index

<u>Subject</u>	<u>Page #</u>
IFRIS Accounting	3
Roles and Responsibilities	4-5
Assumptions – General	6-11
Budget Support	12
Budgets Home Page	13-14
Cognos Access	15-17
Cognos Applications	18
Cognos Toolbar	19
Cognos Annotations	20-21
Cognos Quick Commands	22-23
Cognos Versions and Periods	24-27
Labor Application	29-48
Non-Labor Application	49-54
Clearing Application	55-57
Capital Application	59-72
Calendar by Company	73-77
IBS Accounting Rules	78-80
2009 PGL/NSG Rate Case Filing	81-83
Miscellaneous	84
Questions	85
Course Evaluation	86

IFRIS Accounting



Corporate Labor

<u>Today's</u>	<u>Budget</u>
<u>Training</u>	<u>Preparation</u>

- | | | |
|-----------|----------|----------|
| ■ RC | Your own | Your own |
| ■ Proc 1 | Your own | Your own |
| ■ Proc 2 | 5203 | Optional |
| ■ Product | Your own | Your own |

Roles & Responsibilities

- Budget Coordinators & Preparers
 - Analyze data
 - Facilitate the budget process within business unit/department
 - Understand budget process, timelines and dependencies
 - Solicit information from stakeholders to create budgets
 - Create Home Center level budgets
 - Know and use Cognos system
 - Ensure data entered into budget system is accurate
 - Receive review and approval from appropriate leader(s) for budget information

Roles & Responsibilities

- Budget Group
 - Maintain budget processes and systems
 - Distribute budget assumptions
 - Develop and communicate schedule
 - Provide reports
 - Train on Cognos tools
 - Review data for integrity and income statement/balance sheet relationship
 - Coordinate with Regulatory Affairs to ensure Budget complies with regulatory mandates

Assumptions - General

- Review individual company Assumptions Letters on the PowerNet
 - Determine if there are considerations to be made when preparing budgets
- Consider whether a company will file a rate case and what is needed to support a rate case
- External Costs to Achieve will be budgeted by the PMO (Project Management Office) in Home Center A12
- Internal labor related to Costs to Achieve should be budgeted by individual Home Centers

Assumptions - General

- June 30th actual account balances will be loaded in Cognos after the books are closed in mid-July
- Synergies must be incorporated into the 2009 and 2010 budgets
 - Synergy targets should be consistent with cash flow information provided to Project Score Project Management Office (PMO) on a cash flow basis
 - Budgets should include synergy stretch goals
 - Integration teams have the details on a project basis

Assumptions - General

- Create labor and non-labor budgets for years 2009-2010
- Create capital budgets for the remainder of 2008 and 2009-2018
 - Monthly cash flows (capital expenditures) are needed for the remainder of 2008, 2009 and 2010
 - Annual cash flows (capital expenditures) are needed for 2011-2018

Assumptions - General

- Centrally Managed Items
 - All centrally managed items will be budgeted by an IBS function **AND** be included in the budget of an IBS HC. The IBS functions need to work with the operating companies to determine the dollars that should be included in the centrally managed HC's. These items will be kept separate from the costs associated with running the IBS function. Unique HC's will be created if they do not already exist. The exception to this rule is ITS. They will continue to budget as they had in the past, keeping their centrally managed items within their existing HC's and products and services.
 - Items Include:
 - Relocation Costs, Social Funds, Tuition Reimbursement, etc.
 - A complete list of items is available on the following PowerNet site

[https://powernet.wpsr.com/wcm/pn_prod/PowerNet/content/fa/Budgets/2009-2010_Cycle/IBS_Centrally_Budgeted_Items\(1\).xls](https://powernet.wpsr.com/wcm/pn_prod/PowerNet/content/fa/Budgets/2009-2010_Cycle/IBS_Centrally_Budgeted_Items(1).xls)

Assumptions - General

■ Centrally Managed Items

IFRIS Home Center Logic – For the Derivation of the Home Center

■ Basic Assumptions:

- This applies to all companies
- Any inter-unit transaction would be impacted, including UPCO-WPSC, PGL-NSG, etc.
- Ensure the HC's align with where the dollars are or will be budgeted
- Logic applies to Actuals and Budgets
- For labor, the HC is currently provided on the transactions, and this will continue
- Whenever non-labor should go to a specific HC, users will provide an HC on the transaction

■ Processing Logic:

- Step 1: If the Resource Type is present in the centrally managed table, set the HC to the value found in the table
- Step 2: If the Resource Type is not present in the centrally managed table and the HC is provided, keep the HC that was provided
- Step 3: If the Resource Type is NOT in the centrally managed table and the passed in HC is blank, set the HC to the value in the RC field

■ Follow-up Logic:

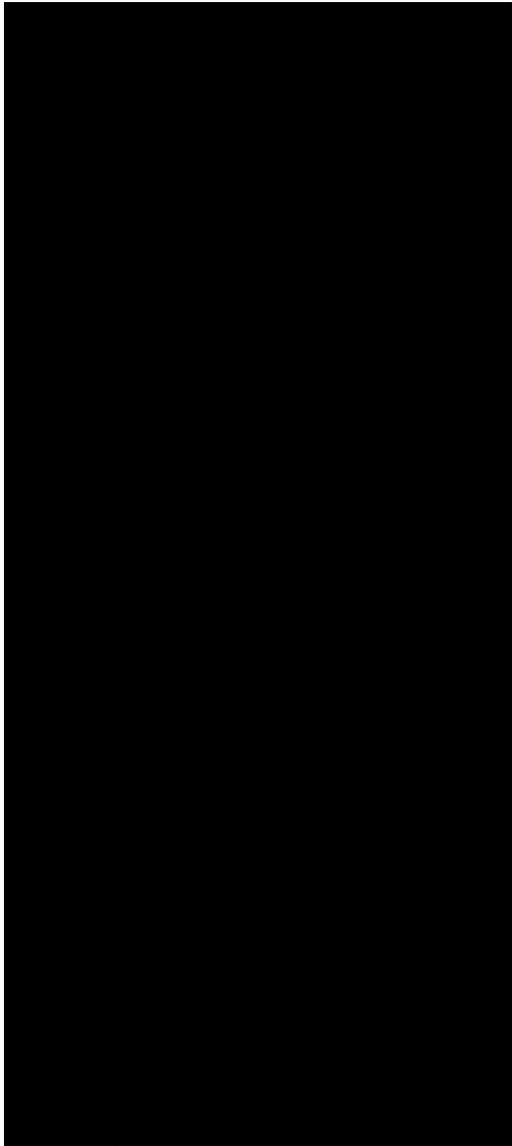
- Validate that the HC is valid

Assumptions - General

- Centrally Budgeted Items
 - One function is responsible for determining the dollar amount that will be included in the Integrys budget. The function passes that information along to the DA's or other parties responsible for putting the dollars in their operating company's budget. Centrally budgeted items are **NOT** included in the IBS HC budget. Examples include taxes, interest and gas purchasing. It is up to the DA, or other responsible party, to decide where within their operating company's budget these charges will reside (either a unique HC or an existing HC).
 - Items Include:
 - Interest Expense
 - Taxes (including payroll taxes)
 - Short-term incentives for all employees except IBS will be Centrally Budgeted, i.e. in the business unit where the employees reside. IBS short term incentives will be budgeted in HC A30. Executive incentives will be Centrally Managed, i.e., budgeted in HC A30 for all executives.

Budget Support

Questions about budget preparation and the Cognos tool should be directed to the Budgets Group



Other Information

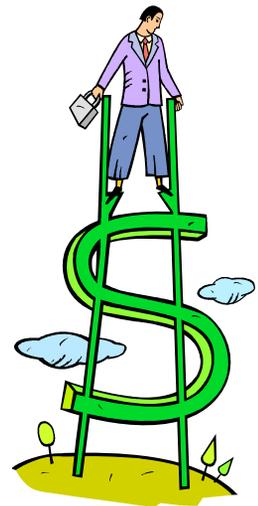
Director-Budgets & Forecasts
Manager-Budgets

Supports MERC/MGU
Supports PGL/NSG

Supports IBS

Supports WPSC/UPCO

PGL/NSG
TEGE
UPPCO
WPSC
MGU
MERC



PGL, NSG, MGU, MERC
WPSC, UPPCO

Fleet/Off Furn/Comp Hdwr PC's/Tools/Telecom Equip
(for all companies other than to UPPCO)
Generation
Land
Gas Production/Gas Transmission/Gas Distribution
Electric Distribution (excl Substations)
Structures
Substations/ATC Projects
UPPCO-Fleet/Off Furn/Comp Hdwr PC's/Tools/Telecom Equip
Capital Software

Other

IFRIS Helpline 920-433-1843 GB
ITS Helpdesk 312-240-4357 CHI
ITS Helpdesk 920-617-7200 or ext 7200 GB
PowerNet Budgets Home Page and IFRIS Information Home Page

Budgets Home Page

- Log on to PowerNet
- Click on Business Units & Departments
- Click on Budgets
- OR, set up a favorite link to:

https://powernet.wpsr.com/wcm/pn_prod/PowerNet/content/fa/Budgets/index.jsp



[PowerNet](#) >

Business Units & Departments



Budgets Home Page

- Information
 - Budget Support
 - Budget Preparers
 - Budget Schedule & Calendar
 - 2009-2010 Cycle
 - Includes Assumptions Letters
 - Cognos Applications
 - Other



Budgets
2008-2009 Cycle
2009-2010 Cycle
Archived Budget Applications
Budget Group Process
Budget Reports
Budget Training Manuals
Dashboard
Earnings Update
IBS
MERC
MGU
Non-Regulated
PGL & NSG
UPPCo
WPSC
WRPC



PowerNet > [Finance & Accounting](#) >

Budgets

Budget Support ● [Budget Support](#)

Budget Preparers ● [Budget Preparers](#)

Budget Schedule and Calendar ● [Filing Update Schedule](#)
● [Budget Schedule](#)
● [Reforecast Calendar](#)



Cognos Access



Budgets
2008-2009 Cycle
2009-2010 Cycle
Archived Budget Applications
Budget Group Process
Budget Reports
Budget Training Manuals
Dashboard
Earnings Update
IBS
MERC
MGU
Non-Regulated
PGL & NSG
UPPCo
WPSC
WRPC

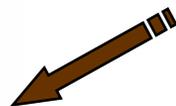
User set up

- Security to edit and view data for assigned nodes is controlled by the Budgets group
- Nodes are accessed through applications listed on the Budgets Home Page as shown.

- Click on the respective company name



- Click on the application to make changes (Capital, Clearing, Labor, Non-Labor)



 BSIN
 Capital
 Clearing
 Financials
 Labor
 Non-Labor

Cognos Access

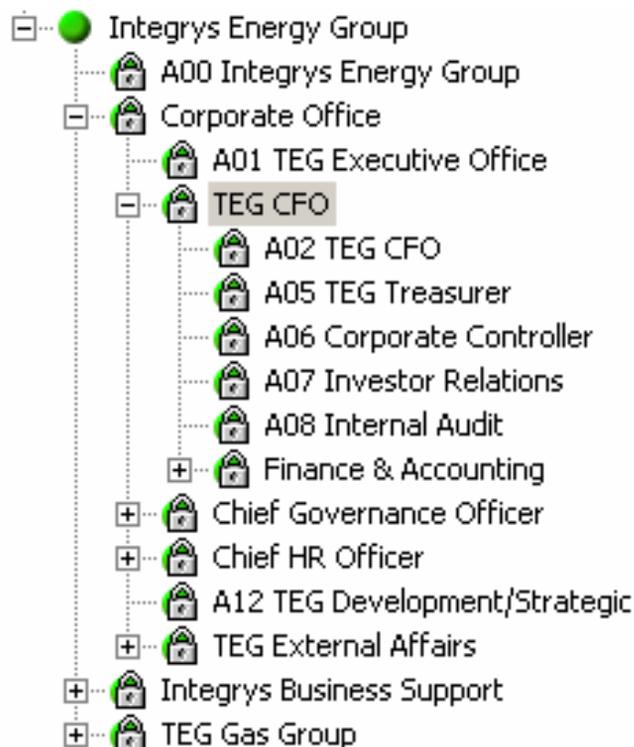
- To open a node for viewing or editing:
 - Click on the name of the node on the left side of the screen
 - Then click on the node in the center of the screen (blue link).

The screenshot displays a Cognos Access interface. On the left, a tree view shows a hierarchy of nodes. The 'TEG CFO' node is selected and highlighted. Below it are sub-nodes: A02 TEG CFO, A05 TEG Treasurer, A06 Corporate Controller, A07 Investor Relations, A08 Internal Audit, Finance & Accounting, Chief Governance Officer, Chief HR Officer, A12 TEG Development/Strategic F, and TEG External Affairs. On the right, a list of blue links is displayed, corresponding to the nodes in the tree. The first link is 'TEG CFO (All)', followed by 'A02 TEG CFO', 'A05 TEG Treasurer', 'A06 Corporate Controller', 'A07 Investor Relations', 'A08 Internal Audit', and 'Finance & Accounting'.

Node Name (Left)	Link (Right)
TEG CFO	TEG CFO (All)
A02 TEG CFO	A02 TEG CFO
A05 TEG Treasurer	A05 TEG Treasurer
A06 Corporate Controller	A06 Corporate Controller
A07 Investor Relations	A07 Investor Relations
A08 Internal Audit	A08 Internal Audit
Finance & Accounting	Finance & Accounting
Chief Governance Officer	
Chief HR Officer	
A12 TEG Development/Strategic F	
TEG External Affairs	

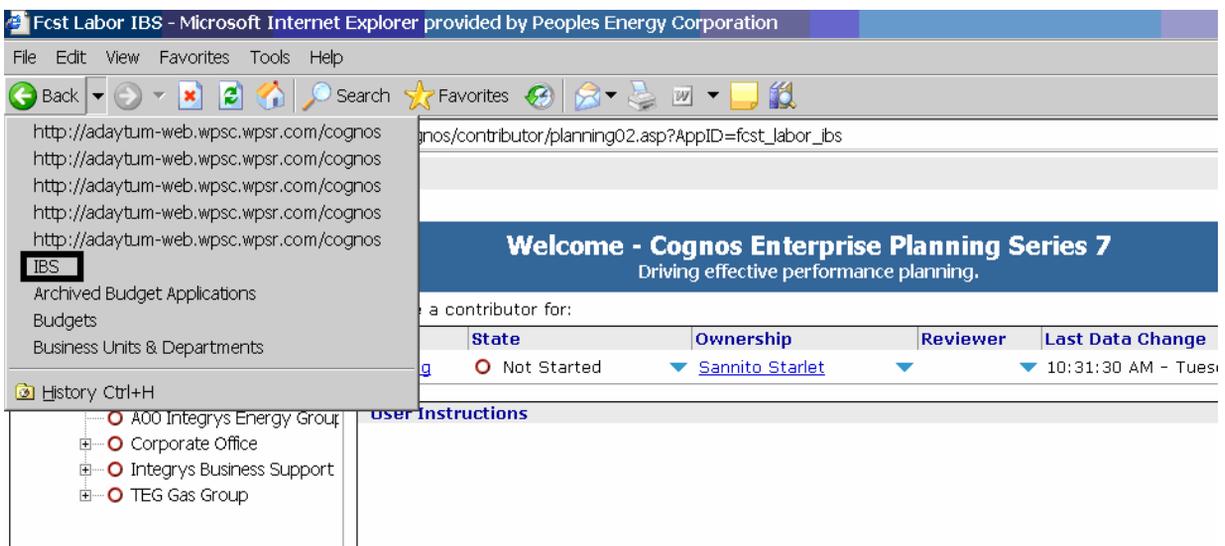
Cognos Access

- Based on security, users may have access to one or more nodes or a rollup of nodes, which can be expanded by clicking on the + sign.
- Rollup nodes may be collapsed by clicking on the – sign.
- Users should verify that the list of nodes is correct. If any are missing or not needed, contact the Budgets Group promptly.



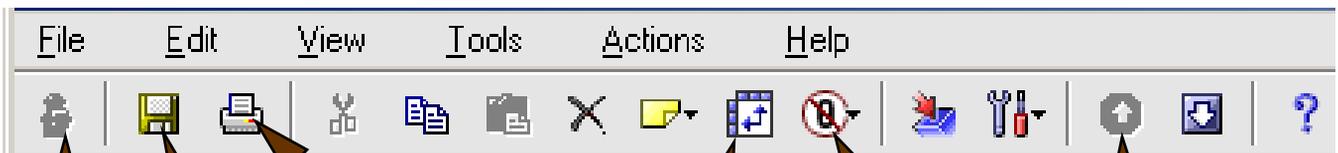
Cognos Applications

- Labor, Non-Labor, Clearing, Capital
- White Cells vs. Gray Cells
 - Updates can be made in white cells once the user takes ownership of the cube
 - Gray cells cannot be updated; they are system calculations, lists, or locked cells
- Navigation
 - To move between applications
 - Use the back button drop down on the Internet Explorer toolbar
 - Go back to the Home Page and follow log on procedures again
 - Open two sessions of PowerNet and open a Cognos application in each session



Cognos Toolbar

- Take Ownership
 - Allows the user to make changes and save data
- Save
 - Save completed work periodically and before exiting Cognos
 - Allows the user to return and edit data until estimates are complete
- Print
 - Allows user to print data at anytime
 - Follow instructions on screens as provided
- Swap Rows and Columns
 - Used to change the row and column views
- Zero Suppress
 - Eliminates rows, columns, or pages with all zeros
- Submit
 - Click on the submit icon when the data is complete
 - This locks the data; no more changes are allowed



Take
Ownership

Save

Print

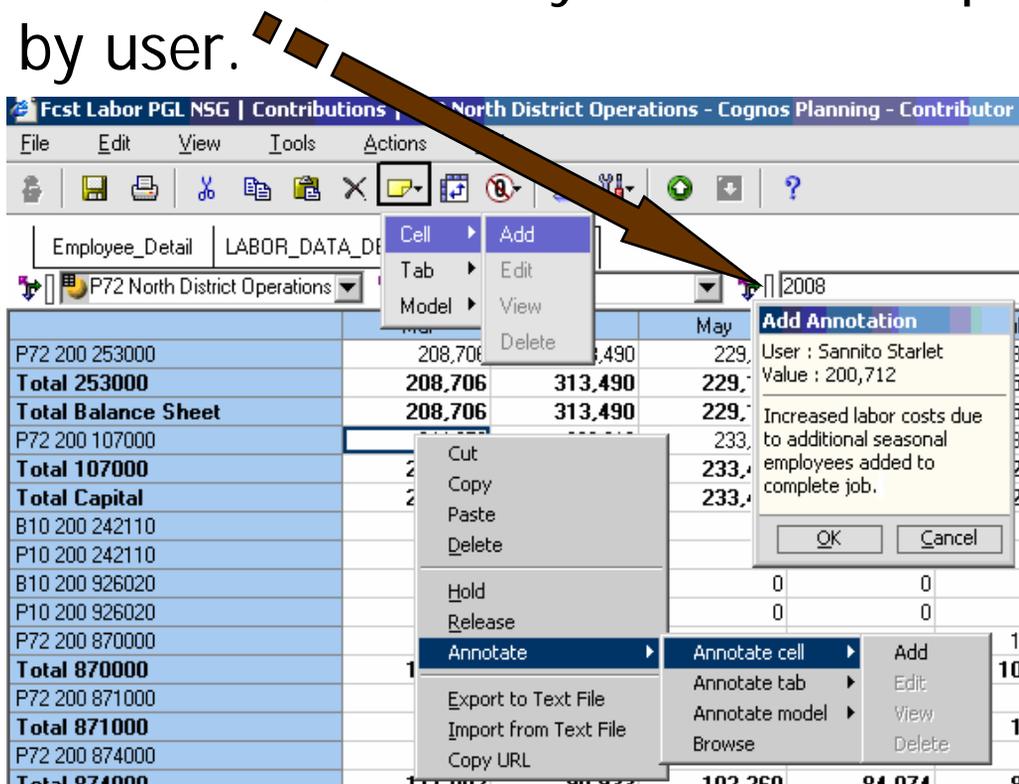
Swap
Rows
and
Columns

Zero
Suppress

Submit

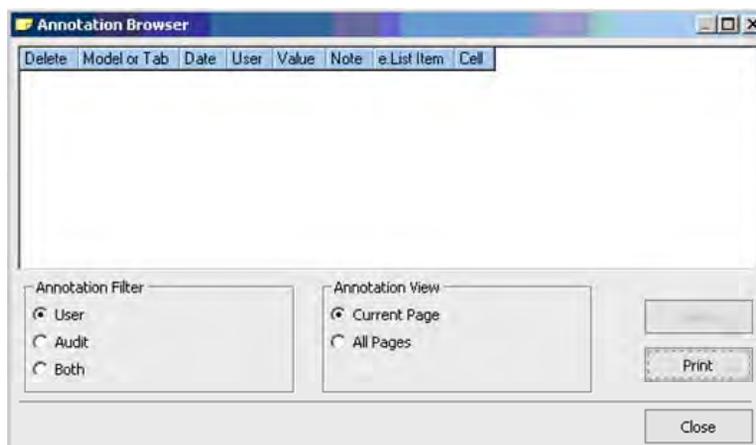
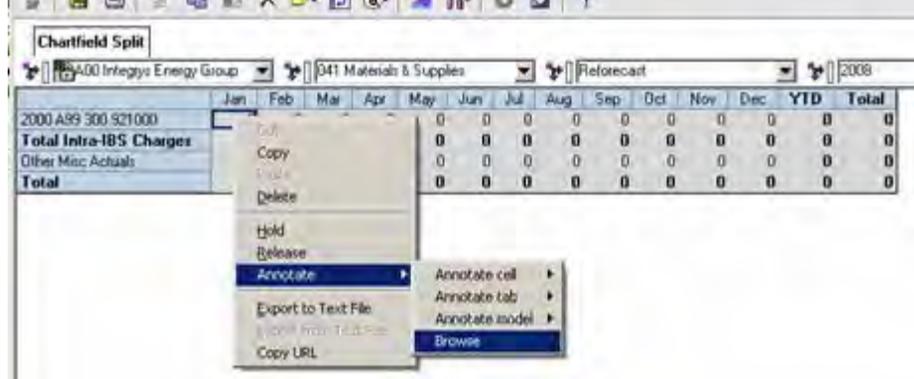
Cognos Annotations

- Annotations can be used to explain amounts within a cell, tab, or entire model. Annotations automatically include the date, time, user name, value in the cell when the annotation was added, and any comments input by user.



Cognos Annotations

- To print annotations, right click on the cell
- Click on Annotate
- Click on Browse, and select:
 - Current Page – Only cell and tab annotations for the tab displayed.
 - All Pages – All cell, tab and model annotations, regardless of which tab is displayed.



Cognos Quick Commands

- Quick commands: Makes data entry easier
- Copy Commands: Copies a value or operation to the left, right, above, or below rows and columns in a table. Performs an action on cells of the same type as the one in which they were entered (i.e. <, >, ^, |).
- Data Entry Commands: Typing a data entry command in a cell performs an action on the cell value. Data entry commands are processed when Enter is pressed. These commands are not case sensitive, they can be used across two dimensions, but not across pages.
- Commands can be combined
 - Example: Input 5K> and hit Enter; the result will put 5,000 in the current cell and all cells to the right.

Cognos Quick Commands

Command	Description	Examples
>	Copies Right	5> Copies the number 5 to the right
<	Copies Left	8< Copies the number 8 to the left
	Copies Down	7 Copies the number 7 down the column
^	Copies Up	3^ Copies the number 3 up the column
:	Copy Stopper	: Used in conjunction with a copy command to stop another command from advancing
K	Enters the cell value in thousands	5K Enters 5,000
M	Enters the cell value in millions	10M Enters 10,000,000
Add, +	Adds a number to the cell value	add5K Adds 5,000 to cell value
Subtract, Sub	Subtracts a number from the cell value	sub8 Subtracts 8 from the cell value
Multiply, Mul, *	Multiplies the cell value by a number	mul3 Multiplies the cell value by 3
Percent, per, %	Multiplies the cell value by a number entered as a percentage	per5 Gives 5% of the original cell value
Increase, Inc	Increases the cell value by a number entered as a percentage	inc9 Increases the cell value by 9%
Decrease	Decreases the cell value by a number entered as a percentage	dec6 Decreased the cell value by 6%
Divide, Div, /	Divides the cell value by the number entered	div1.1 Divides the cell value by 1.1
Reset, Res	Resets selected cell values to the last saved version	
Zero, Zer	Make the cell value a zero	
Round, Rou	Rounds the cells to the appropriate level based on input	Round100 Rounds all cells to the nearest 100, where 5475 becomes 5500
Hold, Hol	Holds the cell value from breakback calculations	
Release, Rel	Releases held cells	

Cognos Versions and Periods

IBS

- Versions & Periods Available
 - Labor/Non-Labor
 - 2009 - 12 months loaded with Jan-May 2008 Actuals and Jun-Dec 2008 Original Budget
 - 2010 - 12 months loaded with Jan-May 2008 Actuals and Jun-Dec 2008 Original Budget

Cognos Versions and Periods

MERC/NSG/PGL

- Versions & Periods Available
 - Labor/Non-Labor
 - 2009 - 12 months loaded with 2008 Reforecast
 - 2010 - 12 months loaded with 2008 Reforecast

Cognos Versions and Periods

MGU/UPCO

- Versions & Periods Available
 - Labor/Non-Labor
 - 2009 - 12 months loaded with 2007 Actuals
 - 2010 - 12 months loaded with 2007 Actuals
 - 2007 - 12 months loaded with 2007 Actuals

Cognos Versions and Periods

WPSC

- Versions & Periods Available
 - Labor/Non-Labor
 - 2009 - 12 months loaded with 2008 Budget
 - 2010 - 12 months loaded with 2008 Budget
 - 2007 - 12 months loaded with 2007 Actuals

Break Time



Labor Application

■ Labor

- Complete the labor application first (prior to non-labor and capital)
- Labor is estimated by employee
- Remaining organizational design changes and expected staff reductions due to integration business cases should be reflected in labor projections
- Assume full-staff for all periods; vacancy adjustments will be done at the company level, not at an HC level
- Labor loaders are calculated in Cognos
- Capital labor dollars are assumed to be budgeted in capital projects; there is no direct tie between the Labor Application and the Capital Application

Labor Application

- Labor
 - August 15 – total labor dollars, FTE's, and headcounts must be finalized for all companies (it is not necessary to have the dollars allocated to chartfields by this date)
 - Labor dollars, headcounts, and FTE's are used in various Cognos calculations
 - Benefits
 - Payroll Taxes
 - Incentives
 - Note that Incentives will not be distributed to individual Home Centers for the 2009 Budget for any companies
 - Costs to Achieve – Internal Labor
 - Budgeted by individual Home Centers
 - Use RC A12, Proc 1 of D104, Account 920000, Product 300

Labor Application

- Employee Detail
 - List of employees by Home Center as of the June 15, 2008 payroll cut-off date
- Labor_Data_Detail
 - Monthly spread of dollars based on Employee Detail tab
- Chartfield Split
 - Monthly spread of dollars by accounting chartfields (RC, Prod, Account, etc.)
- Emp_Attr_%_Increases
 - General wage increases by pay group by year



Labor Application

■ Employee Detail

- Description – job title (if adding a position, use name or job title or combine multiple positions with same pay group and salary)
- Emp Type – regular, seasonal, or temporary
- Pay Group - executive, exempt, union, or non-union
- Hours/Wk – number of hours worked per week by employee
- Headcount – per person count
- Monthly Salary – amount person is paid per month
- Message – used to show errors if fields are not completed properly
- Status – Active or Inactive
- Start Month – the first day of the month
- End Month – the last day of the month
- FTE – Full-time equivalents based on number of hours worked per week by employee

Description	Emp Type	Pay Group	Hours/Wk	Headcount	Monthly Salary	Message	Status	Start Month	End Month	FTE
-------------	----------	-----------	----------	-----------	----------------	---------	--------	-------------	-----------	-----

Labor Application

■ Employee Detail

■ Emp Type

- Regular – typically 40 hours per week
- Temporary – typically 40 hours per week for a limited time
- Seasonal – includes interns, summer students, etc. who work 40 hours per week in the summer months and/or part-time during other months. Multiple seasonal employees with the same attributes can be entered on one line by multiplying the Standard Hours and salary by the number of employees.
 - An example of budgeting for an intern is shown below. Note this is one person, so the Headcount is shown only once, but multiple rows are used to show the varying hours throughout the year.

	Description	Emp Type	Pay Group	Hours/Wk	Headcount	Monthly Salary	Message	Status	Start Month	End Month	FTE
1 Add/Delete	Intern	Seasonal	Non Union	20	1	1,200		Active	Jan-09		0.50
2 Add/Delete	Intern	Seasonal	Non Union	20	0	1,200		Active	Jun-09	Aug-09	0.50

Labor Application

■ Employee Detail

■ Pay Groups

- Executive
- Exempt
- Non Union
- Union (WPSC UPCO WRPC)
- Union 122 (MGU)
- Union 31 (MERC)
- Union 417 (MGU)
- Union PGL (PGL)
- Union NSG (NSG)

■ Headcounts and FTE's (full-time equivalents)

- Estimates should be accurate so the overall labor increase is appropriate at company level
- Used to calculate benefits and incentives
- Used to track against actual

Labor Application

- Employee Detail
 - Monthly Salary
 - Use current salaries; do not inflate monthly salaries for future years, as this is built into the system
 - Input the monthly salary for position adds/deletes
 - Input a negative monthly salary if the position is deleted in the Add/Delete section
 - If ending a position listed in the top section, leave the monthly salary as is and choose an End Date from the drop-down list
 - When adding/deleting more than one position on a line, input the combined total monthly salaries and headcounts for all the positions. The dollars will flow to the Labor Data Detail tab.

Labor Application

- Employee Detail
 - Status
 - All employees will be in the Active status
 - All Add/Delete positions should use the Active status
 - Always use the Active status for the Budget version. The Status functionality was built into Cognos for the Reforecast process.
 - If the Status field is blank or Inactive, data will not flow through the system



Labor Application

■ Employee Detail

- Employee lists are current as of the June 15, 2008 payroll cut-off date
- Employee lists should include all current employees, vacant or proposed positions
- Home Centers with employees incorrectly mapped to them should work with other Home Center budget preparers to adjust accordingly (coordinate/negotiate)
- Add/Delete rows are available to adjust for changes in staff (new positions, seasonal positions, transfers, etc.) (see screen below)
- Employee changes due to change in hours, pay group, etc. are input on this tab (promotions, progressions, and merit increases are calculated by the system)
- Additional lines can be added upon request

	Description	Emp Type	Pay Group	Hours/Wk	Headcount	Monthly Salary	Message	Status	Start Month	End Month	FTE
2	Add/Delete			0	0	0					0.00
3	Add/Delete			0	0	0					0.00
4	Add/Delete			0	0	0					0.00
5	Add/Delete			0	0	0					0.00

Labor Application

Labor Data Detail

- Base Payroll before Add/Deletes and Position Adds/Deletes by month are calculated based on data input in the Employee Detail tab
- The monthly spread varies based on the number of work days in a month, start/end dates, and position adds/deletes
- Overtime Budget % is input as a % of Total Base Payroll by Employee Type and Pay Group
- Other Budget % is input as a % of Total Base Payroll by Employee Type and Pay Group (NOTE: annotate cells when using Other Budget %)
- A drop-down list shows estimates for Regular, Seasonal/Temp (combined), and Total
- Drop-down lists also exist for Pay Group, year, and version (Budget, Reforecast, etc.)

Employee_Detail													LABOR_DATA_DETAIL	Chartfield Split	Emp_Attr_%_Increases
Training	Regular	Non-Union	2008												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total		
BASE Payroll before Adds/Deletes	0	0	0	0	0	0	0	0	0	0	0	0	0		
Position Adds/Deletes	0	0	0	0	0	0	0	0	0	0	0	0	0		
Base Payroll before Work Day Adj	0	0	0	0	0	0	0	0	0	0	0	0	0		
Total Base Payroll	0	0	0	0	0	0	0	0	0	0	0	0	0		
Overtime Budget %															
Overtime Actual %															
OVERTIME DOLLARS	0	0	0	0	0	0	0	0	0	0	0	0	0		
Other Budget %															
OTHER PAYROLL DOLLARS	0	0	0	0	0	0	0	0	0	0	0	0	0		
TOTAL PAYROLL	0	0	0	0	0	0	0	0	0	0	0	0	0		
FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Headcount	0	0	0	0	0	0	0	0	0	0	0	0	0		

Labor Application

■ Labor Data Detail

■ Other Payroll

- Below is a partial list of items considered to be Other Payroll.
 - Commissions
 - Deferred Holiday Pay
 - Emergency Response Pay
 - Evening Shift – Regular
 - Night Shift – Regular
 - Pager Response
 - Personal Time Union Meeting
 - Standby Pay
 - Sunday Premiums
 - TRIP Time - Regular
 - Twelve Hour Shift Pay – Regular

Labor Application

- Chartfield Split
 - **IBS** Chartfield Order in Cognos
 - Business Unit
 - Responsibility Center
 - Product
 - Account
 - Product & Services (Proc 1)

UPCO	U78	100	920000	M100
WPSC	603	300	920000	M100
WPSE	005	600	146011	M100
1100	903	200	920000	M100
1200	904	200	920000	M100
2000	A53	300	920000	M100

- Chartfields are listed in Proc 1 order and subtotaled by Proc 1 field
- The capital account 107000 does not carry the Proc 1 field

Labor Application

- Chartfield Split
 - **Utility** Chartfield Order in Cognos
 - Responsibility Center
 - Product
 - Account

G06 200 920000
G06 424 920000
Total 920000

- Chartfields are listed in account number order and subtotaled by the account field
- Chartfields are further sorted by O&M, Clearing, Subsidiaries, Capital, Balance Sheet, Income Statement, and NPT
- The application only carries a Product & Service (Proc 1) if it charges IBS

Labor Application

- Chartfield Split
 - All payroll dollars must be allocated to appropriate chartfields. NOTE: IBS should direct charge as much as possible to individual companies vs. allocating \$'s thru IBS.
 - All Base and Other payroll are combined and allocated to the base Resource Types (RT)
 - Overtime is allocated to overtime RT's; overtime applies to Wage & Hour employees only
 - The chartfield list is unique for each company
 - Additional chartfields are available upon request
 - The Difference (LDD Total – Total) line must be zero by month and RT. This line shows the amount that still needs to be allocated. Allocate the dollars shown on the Labor Data Detail Total line; no more or no less.

Employee_Detail	LABOR_DATA_DETAIL	Chartfield Split	Emp_Attr_%_Increases																	
Training	616 NonUnion Base	2008	Budget																	
				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec					Total

Labor Application

■ Chartfield Split

- Methods to input data into chartfields:
 - Input dollars directly into cells by month and Resource Type
 - Breakback feature
 - Copy the dollars as shown in the Labor Data Detail Total line and paste them into the Total line. The dollars will spread evenly over the list of chartfields.
 - Input %'s directly into cells, press enter, and the \$'s will calculate
 - Input a number, which represents a %, into the chartfields to allocate the dollars. For example, input the number 1 in two different chartfield lines and the number 2 in another chartfield line. Cognos recognizes this as a 25%, 25%, and 50% split. Once the dollars are copied into the Total line, hit enter, and the dollars will calculate based on the split.

Total	0	0	0	0	0	0	0	0	0	0	0	0	0
Labor Data Detail Total	5,209	4,736	5,209	5,209	4,972	5,209	5,446	4,972	5,209	5,209	4,972	5,446	61,800
Difference (LDD Total - Total)	5,209	4,736	5,209	5,209	4,972	5,209	5,446	4,972	5,209	5,209	4,972	5,446	61,800

Labor Application

■ Chartfield Split

■ NPT (Non-Productive Time)

- Accounts 926020 and 242110 are shown in Cognos as NPT. Users should put all NPT dollars in account 926020. If dollars exist in account 242110 because of the Cognos Breakback feature, history, or the Reforecast, user must zero out the dollars in account 242110
- **IBS: input NPT \$'s in 926020, Proc 1=5101**
- Create a monthly spread of NPT dollars by pay group based on history, where applicable (Note that NPT varies by month, but averages approximately 15% for a large group per year) (*See the following page for an example of WPSC's actual NPT by month for 2007*)
- NPT includes vacation taken, sick time, holiday, and other paid time away from work
- NPT can vary depending on the length of service and the number of weeks of vacation employees have
- NPT should be calculated for the entire HC by pay group; it is not done by individual

Labor Application

■ Chartfield Split

■ NPT (Non-Productive Time)

- Example: WPSC 2007 NPT %'s
- Refer to notes on following page
- NPT calculated %'s were applied to base payroll, excluding overtime

WPSC 2007 Payroll					
Percent by Segment to Total					
Period	Vacation	Sick Time	Holiday	Other NPT	Total NPT %
Jan	4.45%	1.55%	5.14%	0.40%	11.55%
Feb	4.74%	1.65%	0.56%	0.28%	7.23%
Mar	7.55%	2.03%	0.47%	0.34%	10.38%
Apr	5.96%	1.66%	4.61%	0.27%	12.51%
May	6.15%	1.64%	0.52%	0.30%	8.61%
Jun	9.83%	1.28%	3.38%	0.28%	14.77%
Jul	14.90%	1.17%	5.13%	0.21%	21.40%
Aug	12.29%	1.33%	0.58%	0.24%	14.44%
Sep	8.57%	1.19%	4.95%	0.25%	14.96%
Oct	7.25%	1.27%	0.65%	0.27%	9.43%
Nov	9.66%	1.26%	0.67%	0.37%	11.95%
Dec	11.38%	1.24%	13.78%	0.25%	26.65%
Total	8.73%	1.42%	3.78%	0.29%	14.23%

Labor Application

- Chartfield Split
 - NPT (Non-Productive Time)
 - June and December were the two months that carried three bi-weeklies in 2007, hence the total goes up for those months. All other months recorded two.
 - Where a payroll cutoff happens to fall in a given year could cause some anomalies from one year to the next. For example, in 2007 the two Thanksgiving holidays fell after November's final cutoff. As such, they appear in December business. In 2008, they will fall in the final bi-weekly of November, so two days of "Holiday" will shift to November from December this year.
 - For Budget purposes, consider where the Thanksgiving holidays fall in relationship to the final November cut-off to mimic what Actuals will be doing.
 - The payment for Memorial Day falls in June.
 - Holiday amount in April will decrease significantly from now on as no employees receive Good Friday as a paid holiday. April tracks like a "non-holiday" month.
 - The holiday amount in December will be less from 2008 going forward due to the loss of Christmas Eve as a paid holiday for some companies, but PTO taken will probably see a bit of an increase.

Labor Application

- Chartfield Split
 - Proc 1 Chartfield
 - IBS is required to budget by Products & Services (using the Proc 1 chartfield)
 - All companies charging IBS must use the proper IBS Proc 1 chartfield
 - Capital Labor
 - All companies must properly charge their Home Center labor to capital accounts where appropriate
 - Budget preparer and project manager should be communicating

Labor Application

Emp_Attr_%_Increases

- A composite rate from HR includes
 - General wage increase (GWI)
 - Progressions
 - Promotions
 - Merit increases
 - NOTE: Do not add \$'s to the budget for known raises or planned promotions; these should be factored into the % from HR.
- Cognos reflects the dates of the wage increases by pay group and union rules
- This tab is locked; no input is required or allowed

Employee_Detail LABOR_DATA_DETAIL Chartfield Split Emp_Attr_%_Increases				
Budget				
	Executive	Exempt	Non Union	Union
Yr 1 -1st Inc Mo	Jan	Jan	Jan	
Yr 1 -1st Inc %	4.2000%	4.2000%	4.2000%	
Yr 1 -2nd Inc Mo				
Yr 1 -2nd Inc %				
Yr 2 -1st Inc Mo	Jan	Jan	Jan	
Yr 2 -1st Inc %	4.2000%	4.2000%	4.2000%	
Yr 2 -2nd Inc Mo				
Yr 2 -2nd Inc %				
Yr 3 -1st Inc Mo	Jan	Jan	Jan	
Yr 3 -1st Inc %	4.2000%	4.2000%	4.2000%	
Yr 3 -2nd Inc Mo				
Yr 3 -2nd Inc %				
Pay Group	Executive	Exempt	Non Union	Union

Example shown is for IBS

Non-Labor Application

- Non-Labor Inflation Rates
 - General inflation rates are 2.0% for 2009 and 1.8% for 2010.
 - Rates should be used for non-labor budget items
 - Real escalation estimates inferred by contractual agreements should be used where applicable
 - For non-IBS non-labor materials and supplies, assume an inflation rate of 5% rather than the general inflation rate
- Monthly Spreads
 - Historical monthly trends should be used to determine monthly budget amounts in lieu of “straight-lining” or dividing an annual budget by 12, which leads to monthly variances
 - Some costs are limited to specific months

Non-Labor Application

- Chartfield Split
 - **IBS** Chartfield Order in Cognos
 - Business Unit
 - Responsibility Center
 - Product
 - Account
 - Product & Services (Proc 1)

UPCO U78 100 920000 M100
WPSC 603 300 920000 M100
WPSE 005 600 146011 M100
1100 903 200 920000 M100
1200 904 200 920000 M100
2000 A53 300 920000 M100

- Chartfields are listed in Proc 1 order and subtotaled by Proc 1 field

Non-Labor Application

- Chartfield Split
 - **Utility** Chartfield Order in Cognos
 - Responsibility Center
 - Product
 - Account

G06 200 920000
G06 424 920000
Total 920000

- Chartfields are listed in account number order and subtotaled by the account field
- Chartfields are further sorted by O&M, Clearing, Subsidiaries, Capital, Balance Sheet, and Income Statement
- The application only carries a Product & Service (Proc 1) if it charges IBS

Non-Labor Application

- Chartfield Split
 - The Non-Labor tab is similar to the chartfield split tab in the Labor application
 - All dollars must be allocated to appropriate chartfields
 - The chartfield list is unique for each company
 - A Resource Type drop-down list exists. Additional Resource Types are available upon request
 - Methods to input data into chartfields
 - Input dollars directly into cells by month, chartfield, and Resource Type
 - Use the Breakback feature
 - Input %'s, enter, and \$'s will calculate

Chartfield Split				
Training		041 Materials & Supplies		Budget
				2009

Non-Labor Application

■ Chartfield Split

■ Proc 1 Chartfield

- IBS is required to budget by Products & Services (using the Proc 1 chartfield)
- All companies charging IBS must use the proper IBS Proc 1 chartfield

■ Sales Tax

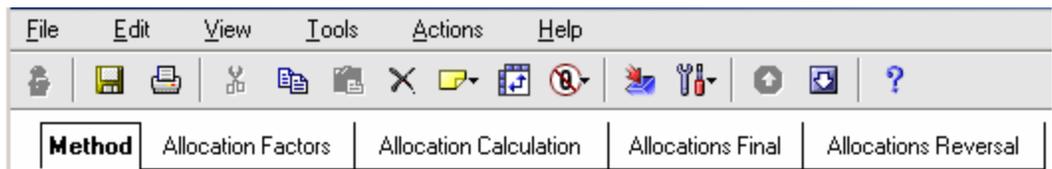
- Home Centers should budget sales tax with the cost of the product or service

Non-Labor Application

- IBS - Resource Type List
 - Standard List (excludes Centrally Managed Items)
 - RT 041 Materials & Supplies
 - RT 042 Expense Accounts-MMS
 - RT 044 Invoices
 - RT 122 Consultants Contracted
 - RT 381 Contracted Labor Costs
 - Other Resource Types - Notes
 - The following RT's appear on actual GLNW IFRIS reports; do not budget these RT as they are Centrally Managed. They should not appear on HC reports in 2009.
 - RT 595 Aircraft Usage-Nonlabor
 - RT 700 Tuition Reimbursement Payment
 - RT 714 Relocation Expense – NPO
 - RT 763 Chicago Apt Chargeback
 - RT 271 Total Non-Payroll Other
 - Expense Account items recorded in Corporate Labor and paid on employee check; these can be budgeted in RT 042 Expense Accounts or set up separately, if significant

Clearing Application

- Clearing - Not Applicable
 - Non-Regulated
 - WRPC
- Clearing - IBS
 - Used to view Allocation Factors and final estimates; no inputs
 - A portion of \$'s can go to capital, but in total, all \$'s should zero out



- Clearing - Utilities
 - MERC, MGU, NSG, PGL, UPCO, WPSC
 - Each utility inputs clearing %'s by year and chartfields

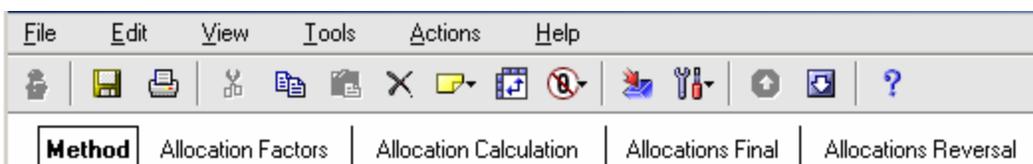


Clearing Application

- Clearing – IBS (no inputs required)
 - Method
 - Provides Resp Ctr name and Proc 1 field (Product & Service)
 - Allocation Factors
 - Provides statistical Data field and corresponding Percentage Calculation by year and chartfields

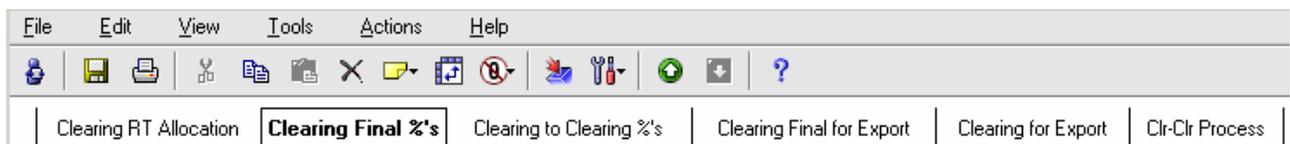
2008		2009		2010	
Data	Percentage Calc	Data	Percentage Calc	Data	Percentage Calc

- Allocation Calculation
 - Labor/Non-Labor monthly spread of %'s and dollars
- Allocations Final
 - Monthly spread of dollars allocated to other company chartfields
- Allocations Reversal
 - Reversal of monthly spread of dollars on IBS books (credits to IBS in RT's 761 and 762)



Clearing Application

- Clearing – Utilities
 - Clearing RT Allocation (no inputs)
 - Provides Resp Ctr name and Labor/Non-Labor RT's
 - Clearing Final %'s (inputs required)
 - Input %'s to RC's that receive the majority of clearing \$'s from this RC without negatively affecting the FERC account
 - If chartfields are no longer used, leave cell blank or enter 0
 - Clearing to Clearing %'s (inputs required)
 - Input %'s to other clearing RC's (Note: the sum of the %'s in Clearing Final %'s and Clearing to Clearing %'s should equal 100%)
 - If chartfields are no longer used, leave cell blank or enter 0
 - Clearing Final for Export (no inputs)
 - Creates monthly spread of \$'s based on %'s
 - Clearing for Export (no inputs)
 - Clears dollars out of clearing accounts
 - Clr-Clr Process (no inputs)
 - Clears remaining \$'s out of clearing accounts



Break Time



Capital Application

- Project
 - Can span many years
 - Has a start and stop date
 - Multiple Responsibility Centers can be charged to a single project
 - Set up, monitored, and tracked through the PeopleSoft Project Costing system
- Forecast In-Service Date
 - Estimated date the project becomes operational
 - The trigger used in Cognos to move dollars from CWIP to Plant-in-Service
 - Expenditures after this date are considered Plant-in-Service

Capital Application

- A project number is required for all capital projects
- Existing projects will be pulled into Cognos after the June books are closed in mid-July
- Capital project estimates will be created for the remainder of 2008 and 2009-2018
 - Monthly cash flows are needed for the remainder of 2008, and 2009-2010
 - Annual cash flows are needed for 2011-2018
 - All companies will use PeopleSoft Project Costing and Cognos systems
 - Need to create and retain documentation and justification
 - Used for upcoming rate case audits where applicable

Capital Application

- PeopleSoft Project Costing System
 - Projects must be set up in Project Costing system
 - Work with Property Accounting Support person for all questions on setting up projects (see Support group on page 11)
 - Projects can be for specific projects, grouped as blanket or parent projects, or child projects
 - Specific project: numbers are required for individual projects not included in a parent or blanket project
 - Blanket Project: projects that represent like capital asset purchases/construction and are less than \$100,000 can be budgeted together as one project
 - Parent Project: projects are grouped together
 - Child Project: project under a parent project
 - Budget at parent project level, not child projects

Capital Application

- Capital Project Flow
 1. Obtain approved business plans from leader(s)
 2. Set up projects in PeopleSoft Project Costing system to support business plans
 3. Project Costing generates project number
 4. Cognos obtains project numbers from Project Costing
 5. Budget Preparer inputs cash flow into Cognos by project and period

Capital Application

■ Project Number

- Project numbers consist of a 10-digit number

- The basic format is

M A S K # Y R # # #

- MASK – Describes the type of project at a very high level
- YR – Represents the year the project is expected to begin; FC may be used for future years
- # ### - Represents a randomly generated number by PeopleSoft Project Costing system
- Example: Project 0022008023 is the 23rd project set up in 2008 with a mask of 0022

Capital Application

- Project Masks
 - Describes the type of project at a very high level
 - The first four digits of a ten-digit project number
 - A list for each company is located on the Budgets Home Page under 2009-2010 Cycle
 - The lists include mask, mask description, PC account, and product
 - PowerNet Link
 - https://powernet.wpsr.com/wcm/pn_prod/PowerNet/content/fa/Budgets/2009-2010_Cycle/index.jsp

Capital Application

■ Blanket Project Masks for Electric or Gas Distribution Property

- 0001 Electric Lighting < \$25,000
- 0005 Electric Miscellaneous Jobs < \$25,000
- 0006 Electric Reject Poles
- 0007 Electric Lighting > \$25,000
- 0009 Electric Line Moves Road Changes
- 0013 Non-Revenue Gas Main Projects < \$25,000
- 0015 Meter Sets > 16M
- 0016 Gas Mains Due to Road Changes
- 0018 Gas Gate & Regulator Station Projects
- 0019 Pre-59 Wrapped Steel Gas Main Replace
- 0051 Electric & Gas Rev Extension < \$25,000
- 0052 Electric & Gas Rev Extension > \$25,000
- 0053 Electric & Gas Services
- 0055 Electric & Gas Reconstruction < \$25,000
- 0056 Electric & Gas Reconstruction > \$25,000

Capital Application

■ Capital Labor

- Capital Labor is identified in the labor application in account 107000
- Labor is not tied to specific capital projects
- Budget preparers must consider labor costs, labor loadings, allocated labor, and non-labor in project estimates
 - BDFM450.xls form – spreadsheet used to create project estimates by RT
- Project leaders must work with other Home Centers or other companies to determine resource requirements
- Need to determine if labor dollars from subsidiaries are O&M or capital
 - If capital, use account 107000, and no process number

Capital Application

- IBS Resource Type List
 - Labor (Exempt, Non-Union, Union)
 - 044 Invoices
 - 121 Programming Contracted
 - 376 Software Purchases
 - 381 Contracted Labor Costs
 - 450 Hardware/Software Maintenance
- PGL/NSG Resource Type List
 - Labor (Exempt, Non-Union, Union)
 - 041 Materials
 - 044 Outside Services
 - 868 Paving
 - 869 Piping Contracting
 - 870 Landscaping
 - Other
- MERC/MGU/UPCO/WPSC Resource Type List
 - 138 Other Financial Transactions – Level 1

Capital Application

■ Project Matrix

<u>Applicable Project Set up</u>	<u>Project Needs to be Created by Preparer</u>	<u>Cash Flow Needs to be Created/Input into Cognos</u>
New specific projects for last 6 months of current year	YES	YES
Budgeted or non-budgeted projects approved pre 7-1-08	NO	YES
New 2009-2010 specific projects	YES	YES
New 2011-2018 specific projects	YES	YES
Old 2010-2017 specific projects	NO	YES
Energy Delivery 2009-2018 blanket and Group items	NO	YES

- NOTE: Forecasted in-service dates and justification code must be input into Project Costing for all projects.

Capital Application

- Project Attributes
 - List of projects for an RC
 - Informational; no inputs
- Input Project Cash Flow
 - Drop-down list of projects
 - Input monthly cash flows by project and PC account
- Project_Calculations
 - Calculates Work-in-Progress and Closings
 - Informational; no inputs

Project Attributes	Input Project Cash Flow	Project_Calculations	
Attributes	862 100 ENERGY SUPPLY C	Budget	
	In Service Date	Budget Year	AFUDC Calc

Capital Application

- Input Project Cash Flow
 - AFUDC Calc
 - Projects with a Y or N will appear
 - An indicator from Project Costing that determines if AFUDC is calculated on the project or not
 - Preparer has no control over the indicator; it is informational only
 - Budget Year
 - Appears as the year the expenditures of the project begin (input in Project Costing, transferred to Cognos)
 - In-Service Date
 - Verify the date is appropriate for the project

Project Attributes											
Input Project Cash Flow			Project Calculations								
0027007075 STORAGE CONSC			All Resource Types			Training			Budget		
	Jun-08 YTD WIP	Retirements	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	2008	Jan-09	F
391200	0	0	0	0	0	0	0	0	0	0	0
Basic Cost	0	0	0	0	0	0	0	0	0	0	0
670000	0	0	0	0	0	0	0	0	0	0	0
680000	0	0	0	0	0	0	0	0	0	0	0
RS	0	0	0	0	0	0	0	0	0	0	0
BCRS	0	0	0	0	0	0	0	0	0	0	0

RS-Removal & Salvage

Capital Application

- Input Project Cash Flow
 - Jun-08 YTD WIP
 - Work-in-Progress will be included for existing projects
 - Review amounts shown to determine remaining cash flows
 - Retirements
 - All projects that have replacements have retirements
 - Enter if the retirement \$'s are material (over \$100,000)
 - Monthly Spread
 - Input monthly expenditures using the appropriate six-digit PC account
 - Input capital costs only; no O&M

Project Attributes											
Input Project Cash Flow											
Project Calculations											
0027007075 STORAGE CONSC											
All Resource Types											
Training											
Budget											
	Jun-08 YTD WIP	Retirements	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	2008	Jan-09	F
391200	0	0	0	0	0	0	0	0	0	0	0
Basic Cost	0	0	0	0	0	0	0	0	0	0	0
670000	0	0	0	0	0	0	0	0	0	0	0
680000	0	0	0	0	0	0	0	0	0	0	0
RS	0	0	0	0	0	0	0	0	0	0	0
BCRS	0	0	0	0	0	0	0	0	0	0	0

Capital Application

- **CA or CPCN (WPSC Only)**
 - Plan ahead and get approval prior to budget process
 - If a CA or CPCN is expected prior to completion of the rate case audit (i.e., June 30), then include it in the budget. If expected between June 30 and late November, then the various revenue requirements need to be identified on spreadsheets for exhibits in the case.
 - CA = Certificate of Authority
 - Required by PSCW
 - Gas distribution projects greater than \$1,500,000
 - Required for gas projects to service new areas
 - Electric projects greater than \$7,898,000
 - CPCN = Certificate of Public Convenience and Necessity
 - Required by PSCW
 - Construction of power plants greater than 100 MW
 - PSCW determines if a project can be built and where, if approved
 - Contact Rick Moras or Dave Kyto with questions

Calendar by Company-IBS



July 1	Cognos system opens up for IBS Budget Preparers
July 14	Tentative Date for when 6/30 Balance Sheet balances loaded into Cognos- dependent on month-end close
July 31	1st deadline for Budget Preparers to complete O&M and Capital Budget
Aug 1	Intercompany Billing - 1st Run
Aug 4 - 15	IBS review of cross charges with Internal Mangement and Business Units
Aug 15	2nd Deadline to make additional Cognos input changes to O&M and Capital
Aug 15	Intercompany Billing - 2nd Run
Aug 18 -22	Final IBS review of cross charges with Internal Mangement and Business Units
Aug 22	Final Deadline to make additional Cognos input changes to O&M and Capital
Aug 22	Intercompany Billing - Final Run
Aug 25 - 29	Depreciation and taxes calculations
Sep 1- 4	Financing calculated
Sep 5	Capital Charge calculated and entered by General Ledger. IBS Budget Complete

NOTE: Mike O'Neil sent this calendar via e-mail to all IBS budget preparers, coordinators, and leaders on May 27, 2008 at 5:09 PM; see next slide

Calendar by Company-IBS

To: All IBS Budget Preparers and Budget Coordinators
Copy To : IBS Leaders

Attached please find a high level Budget Schedule for IBS. This can be used to assist you in planning the work you are involved in as part of the creation and review of the 09/10 IBS Budget. The Senior Leaders of IBS will be meeting on June 3 and will utilize this schedule to facilitate the overall IBS planning process.

IBS has an earlier deadline than the other Integrys companies to complete their Budget since it bills out and manages cost on behalf of other Integrys Business Units. In order for the other Business Units to finalize their Budgets they need to know what cost IBS charges them. The schedule identifies that the Cognos system will open on July 1 to work on 2009 and 2010 O&M Budget and building the Balance Sheet and Capital budgets for the remainder of 2008 (July 1, 2008 - Dec 31, 2008), 2009 and 2010 based on June 30, 2008 actual balances.

The Budget department along with subject matter experts from throughout the organization have been working on a Budget Integration Project to create a more efficient, scalable, transparent and timely budget/forecast process. Additionally the IBS Cost Accounting Committee (ICAC) is looking into the way things were budgeted for by IBS last year and how actual charges are now being recorded to see if there are any discrepancies. ICAC is also revisiting the HC's which need to be budgeted and may be splitting out some things to separate HC's for easier tracking and reporting. Also they are analyzing a list of what needs to be centrally managed and budgeted (carries an IBS HC across the family) vs. things that are centrally budgeted but will not be tracked with an IBS HC (interest expense, taxes, gas supply, etc...).

Additional communication and training will be provided so that everyone is aware of how things should be budgeted for in this budget cycle and of any changes from the way things worked last year.

If you have any questions please feel free to contact Starlet Sannito (GB dial 820 4372, CHI dial 04372) or myself (GB dial 820 3868, CHI dial 03868).

Thank you.
Mike O'Neil
Manager - Budgets

Calendar by Company

<u>ITEM</u>	<u>DATE</u>		
	<i>TEG</i>	<i>IBS</i>	<i>PGL/NSG</i>
Cognos Open	July 1	July 1	July 1
Labor Due	Aug 15	Aug 15	Aug 15
O&M Deadline	Aug 22	Aug 22	Aug 29
BSIN Due	Aug 22	Aug 22	Aug 29
Capital Deadline	Aug 22	Aug 15	Aug 15
Depreciation	Aug 27	Aug 22 – 26	Aug 25 – 28
Financing	Oct 22 – 23	Sep 2 - 4	Sep 5 – 9
Consolidated	Oct 15 – 31	Oct 15 – 31	Oct 15 – 31
TEG Staff Review	Nov 6	Nov 6	Nov 6
TEG Board Approval	Dec 18	Dec 18	Dec 18

- NOTE for IBS: The dates above are high-level; please follow the calendar and e-mail on pages 71-72.

Calendar by Company

<u>ITEM</u>	<u>DATE</u>		
	<i>MERC</i>	<i>MGU</i>	<i>WRPCo</i>
Cognos Open	July 1	July 1	July 1
Labor Due	Aug 15	Aug 15	Aug 15
O&M Deadline	Sep 12	Sep 12	Sep 12
BSIN Due	Sep 12	Sep 12	Sep 12
Capital Deadline	Sep 12	Sep 12	Sep 12
Depreciation	Sep 24 – 26	Sep 24 – 26	Sep 24 – 26
Financing	Oct 6 - 9	Oct 6 - 9	Oct 6 - 9
Consolidated	Oct 15 – 31	Oct 15 – 31	Oct 15 – 31
TEG Staff Review	Nov 6	Nov 6	Nov 6
TEG Board Approval	Dec 18	Dec 18	Dec 18

Calendar by Company

<u>ITEM</u>	<u>DATE</u>		
	<i>WPSC</i>	<i>UPPCo</i>	<i>Other Subs</i>
Cognos Open	July 1	July 1	July 1
Labor Due	Aug 15	Aug 15	Aug 15
O&M Deadline	Sep 15	Sep 12	Aug 8
BSIN Due	Sep 15	Sep 12	Aug 8
Capital Deadline	Sep 4	Sep 12	Aug 8
Depreciation	Sep 17 – 22	Sep 24 – 26	Aug 13
Financing	Oct 1 – 3 Oct 9 - 10	Oct 2 – 6 Oct 10 – 13	Aug 18
Consolidated	Oct 15 – 31	Oct 15 – 31	Oct 15 – 31
TEG Staff Review	Nov 6	Nov 6	Nov 6
TEG Board Approval	Dec 18	Dec 18	Dec 18

Accounting Rules - IBS

- IBS costs should be direct charged to a business unit whenever possible and practical, especially labor and invoices.
- Non-labor costs (requisitions, purchase orders and invoices) managed by IBS but related to a single business unit should be **paid** by that business unit and charged to the appropriate IBS home center and proc 1 (product and service).
- Non-labor costs (requisitions, purchase orders and invoices) managed by IBS for multiple entities should be **paid** by IBS. These costs must also be owned by a single home center within IBS.
- All transactions involving costs managed by IBS, charged directly to a business unit, should carry an IBS home center and proc 1 regardless of which business unit processed the payment of the item. This includes both O&M and balance sheet items.

Accounting Rules - IBS

Guidelines on when to use certain IBS HC/RC's

- A99 - If you are an IBS employee doing work for another IBS function (e.g. HR working for ITS), generally labor charges should be charged to RC A99, intra-IBS. Exceptions include executive meetings, costs to achieve for Project Score, printing costs, and telecommunications. Also, if IBS employees are doing work that benefits all of IBS, A99 would be used as well.
- A00 – This is the RC where depreciation is charged for all IBS owned assets. It is also where the inter-company receivables & payables are recorded. A00 should never be used to charge labor or invoices.
- A20 – This is the HC/RC for the IBS President & related costs only, not a “high level” IBS HC/RC to catch all costs. The costs here should be minimal.
- G&A – Each IBS function has a G&A process assigned to it. In general, this process, in combination with your own RC, should be used for the following reasons: training, performance reviews, materials & supplies, department meetings, general e-mails & voice mails, office moves, file clean up days, etc. Examples of where you would not use G&A, but instead would use the process associated with your core work would be task specific meetings such as ICAC (IBS Cost Accounting Committee), Competitive Excellence Steering committee, etc.

Accounting Rules - IBS

Generally costs incurred by an IBS function should only be charged to a proc 1 representing a product and service defined to the specific home center. In the instances where the IBS function belongs to a larger group, the IBS home center may use any proc 1 assigned to the group. Exceptions to this rule include capital and time away from work.

- Items centrally managed by IBS such as benefits, payroll taxes, incentives, outside legal and insurance, and IBS facilities costs should be charged to the applicable centrally budgeted home center and not to the home center of the function managing the cost such as HR Services or Benefits Accounting.
- Per the Affiliated Interest Agreements, absent significant business changes, IBS allocations calculations will be adjusted, if needed, on a calendar year basis during the budget process to reflect the latest available 12 months average actual data.
- Accounts numbers assigned to costs charged to the regulated utility business units must be in compliance with FERC. In general, IBS charges will go to the highest level RC within the operating company. There will be exceptions based on individual needs of the operating company. If the highest level RC is used, the FERC account used will be for A&G.
- Monthly, all costs incurred by IBS should be allocated to the business units and therefore IBS net income should reflect only the tax-affected capital charge.
- The operating companies can not charge labor into IBS except for Cost to Achieve projects or if someone is charging a capital project with IBS accounting. Non-labor charges into IBS, such as expense accounts, should be minimal.

2009 PGL/NSG Rate Case Filing- IBS support

- For 2008-2010 budget planning, estimate time and any outside costs at the Responsibility Center level only using RC PB7-PGL Rate Case or RC B14-NSG Rate Case in Cognos
- For actual time reporting in Corporate Labor, include the following IFRIS accounting to record time for PGL/NSG rate case work:
 1. Project 0570008130 - 2009 IL Rate Case Planning
 2. Use Responsibility Center PB7-PGL Rate Case or RC B14-NSG Rate Case depending on work done**
 3. If working simultaneously for both companies on a particular task in the rate case, use a 60%/40% PGL-NSG split
 4. Use normal departmental Proc 1 to record activity. Use Product 200, Natural Gas
 5. Use account 186041 Other Deferred Charges

**6/23/08: Use Responsibility Centers P00 or B00 until system validity has been resolved

2009 PGL/NSG Rate Case Filing- PGL Employees

- For 2008-2010 budget planning, estimate time and any outside costs to NSG at the Responsibility Center level only using B14-NSG Rate Case in Cognos
- For actual time reporting in Corporate Labor, include the following IFRIS accounting to record time billed to NSG rate case work:
 1. Project code 0570008130 - 2009 IL Rate Case Planning
 2. Use Responsibility Center B14-NSG Rate Case depending on work done**
 3. Use normal departmental Proc 1 to record activity. Use Product 200, Natural Gas
 4. PGL internal labor for rate case work should be forecast and recorded using normal Responsibility Center and normal departmental Proc 1 with Product 200. **DO NOT** assign Project code 0570008130 or record to PB7 – PGL Rate Case

**6/23/08: Use Responsibility Center B00 until system validity has been resolved.

2009 PGL/NSG Rate Case Filing- PGL Example

Home Center P25 – Gas Transportation Services

- Cognos:
 - PGL - Home Center P25
 - Responsibility Center – same as Home Center
 - Proc 1 – ????
 - Product - 200
 - NSG- Home Center P25
 - Responsibility Center – B14**
 - Proc 1 – ????
 - Product - 200
- Corporate Labor:
 - PGL - Home Center P25
 - Responsibility Center – same as Home Center
 - Proc 1 – ????
 - Product - 200
 - NSG- Home Center P25
 - Responsibility Center – B14 ****
 - Proc 1 – ????
 - Product – 200
 - Project - 0570008130

**6/23/08: Use Responsibility Center B00 until system validity has been resolved.

Miscellaneous

■ IBS Accounting Rules

- https://powernet.wpsr.com/wcm/pn_prod/PowerNet/content/buds/busunits/ibs/IBS_Accounting_Rules/IBS_Accounting_Rules.doc

■ Glossary and Acronyms

- https://powernet.wpsr.com/wcm/pn_prod/PowerNet/content/faq/Budgets/Home_Page_Documents/Glossary_and_Acronyms.xls

■ Business Unit and Other Chartfield Lists (see IFRIS Information Page on PowerNet)

- https://powernet.wpsr.com/wcm/pn_prod/PowerNet/content/faq/IFRIS_Information/index.jsp

■ Labor Decision Unit

- Formerly required for WPSC; no longer used or maintained

■ Operational Management Reports (IFRIS) Quick Guide

- http://wcmpowernet.wpsr.com/wcm/vipdyn/pn_edit_insite/133400/133244_p_0.doc

■ Future Training Opportunities

- Open Labs (TEG and IBS-CHI & GB)
- BSIN Application
- PowerPlay Reports
- Budget Training for Leaders

Questions



Course Evaluation

Course Name: _____

Date: _____

On a scale of 1 to 5, please rate the following items by circling the appropriate number.

1 – Strongly Disagree 2- Disagree 3 – Neutral 4 – Agree 5 – Strongly Agree

	1	2	3	4	5
1. The information presented was relevant to me. Comments:					
2. The training met my expectations Comments:					
3. I now better understand the concepts and will be able to apply it. Comments:					
4. The handouts were user-friendly. Comments:					
5. The presenter spoke in a clear and easy to understand manner. Comments:					
6. The presenter allowed time for questions. Comments:					
7. I found the training interesting. Comments:					

8. The best part of the session was _____

9. One suggestion that would help improve the value of this course is _____

10. Would you recommend this training to co-workers? Yes No

Name (Optional) _____

Please use the back for additional comments. Thank you for your feedback.