

VAPS Annual Report  
 2018 Financial Allocations  
**CONFIDENTIAL**

**COMPLAINTS**

2018 Study	
2017 Total Utility Complaints	4556
2017 Total Customer Care Spend - Labor	\$ 726,726.62
2017 Total Customer Care Spend - Non-Labor	\$ 47,683.58
<b>Cost Per Complaint - Labor</b>	<b>\$ 159.51</b>
<b>Cost Per Complaint - Non-Labor</b>	<b>\$ 10.47</b>

	BCTS	OSEE	Gas T&S	VEE	ASP	Allconnect	Appliance Repair	Gas Fuel Lines
<i>2018 Complaints</i>	0	0	0	0	193	0	0	0
<i>Labor Allocation</i>	\$ -	\$ -	\$ -	\$ -	\$ 30,785	\$ -	\$ -	\$ -
<i>Non-Labor Allocation</i>	\$ -	\$ -	\$ -	\$ -	\$ 2,020	\$ -	\$ -	\$ -
<i>Total</i>	\$ -	\$ -	\$ -	\$ -	\$ 32,805	\$ -	\$ -	\$ -

Source Information	
Department: Customer Care	
Report: Customer Complaints by area	

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**PAYMENT PROCESSING**

Cost Per Payment Processed - Labor	\$ -
Cost Per Payment Processed - Non-Labor	\$ 0.10

	BCTS	OSEE	Gas T&S	VEE	ASP	Allconnect	Appliance Repair	Gas Fuel Lines
<i>2018 Contracts/Jobs Sold</i>	299	47	15	12	192,612	12	617	719
<i>Labor Allocation</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Non-Labor Allocation</i>	\$ 29.90	\$ 56.40	\$ 1.50	\$ 14.40	\$ 231,134.40	\$ 1.20	\$ 61.70	\$ 71.90

<b>Source Information</b>	
Name:	MCL 15.243(1)(a)
Department:	Billing Services/Treasury

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**BILLING**

ASP Cost/Bill - Per MPSC ruling	\$ 0.104

	BCTS	OSEE	Gas T&S	VEE	ASP	Allconnect	Appliance Repair	Gas Fuel Lines
<i>2018 Contracts/Jobs Sold</i>	299	47	15	12	192,612	12	617	719
<i>Labor Allocation</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Non-Labor Allocation</i>	\$ 31.10	\$ 58.66	\$ 1.56	\$ 14.98	\$ 240,380	\$ 1.25	\$ 64.17	\$ 74.78

Source Information	
Name:	MCL 15.243(1)(a)
Department:	Billing Services/Treasury

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**TRAINING**

2018 Study		
Gas ASP Training costs are captured in three cost centers that are classified as Gas Utility Training O&M expense within the DCO. All costs within these cost centers are specific to ASP.		
ASP Training Cost Centers:		
120266		
120048		
120133		
Internal Orders for Gas ASP Training:		Settlement to ASP Training CCs
6501630	Gas Certification Committee	10%
6603002	BAY CITY HQ	100%
6603005	SAGINAW HQ	100%
6603008	FLINT HQ	100%
6603010	HOWELL HQ	100%
6603011	LIVONIA HQ	100%
6603012	MACOMB HQ	100%
6603014	PONTIAC HQ	100%
6603015	ROYAL OAK HQ	100%
6603018	LANSING HQ	100%
6603021	KALAMAZOO HQ	100%

2018 ASP Training Costs	\$	546,201.49
Labor Allocation	\$	546,201.49

Source Information	
Report: BI Cost Center Reporting - See cost centers listed above	

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**TOOLS**

2018 Study		
Gas ASP Tools costs are captured in a cost center that is classified as Gas Utility Tools O&M expense within the DCO. All costs within this cost center are specific to ASP.		
ASP Tools Cost Center:		
121609		

<i>2018 ASP Tools Costs</i>	\$	28,047.61
<i>Labor Allocation</i>	\$	-
<i>Non-Labor Allocation</i>	\$	28,047.61

Source Information	
Report: BI Cost Center Reporting - See cost centers listed above	

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**CORPORATE**

2018 Study	
<u>2018 Intercompany Overhead Rates</u>	
Pensions & Benefits	22.30%
Payroll Tax	8.30%
Other Comp & Benefits	2.70%
Administrative & General Salaries	7.10%
Office Supplies & Expenses	2.20%
Outside Services	3.60%
GO Property Insurance	0.00%
Injuries & Damages	0.20%
Miscellaneous General Expense	0.80%
GO Rents	0.20%
GO Maintenance of General Plant	1.00%
Depreciation	4.40%
GO Property Tax	1.80%
Return on Investment	3.40%
<b>Labor-Related Corporate Loadings</b>	<b>33.30%</b>
<b>Other Corporate Loadings</b>	<b>24.70%</b>
2018 Intercompany OH Rate	58.00%

<i>2018 ASP Labor Expense</i>	\$ 9,828,002.00
<b><i>Labor-Related Corporate Loadings</i></b>	<b>\$ 3,272,724.67</b>
<b><i>Other Corporate Loadings</i></b>	<b>\$ 2,427,516.49</b>

Source Information	
Name:	MCL 15.243(1)(a)
Department:	General Accounting

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**TECHNOLOGY**

		Cost	Directory ID's	Cost per person	Total Cost Per Person
2018	<b>Core SAP</b>	\$ 5,790,099.74	11,549	\$ 501	\$ 687
2018	<b>Oracle</b>	\$ 2,146,988.77	11,549	\$ 186	

Headcount	2018
ASP	23
Tech Services	15
OSEE	10
Gas T&S	1
VEE	5

	BCTS	OSEE	Gas T&S	VEE	Misc ES Services	ASP	Allconnect	Appliance Repair	Gas Fuel Lines
<i>2018 Headcount</i>	15	10	1	5	0	23	0	0	0
<i>Technology Expense</i>	\$ 10,308.80	\$ 6,872.53	\$ 687.25	\$ 3,436.27	\$ -	\$ 15,806.83	\$ -	\$ -	\$ -

Misc Es Services, Allconnect, Appliance Repair and Gas Field Fuel lines - there were never employees who directly worked for these organizations.

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**LAB SERVICES**

Labor Allocations for Standard Administrative and Overhead Functions													
Employee	Internal Labor Allocations (%)							Commercial Allocations (%)					
	Metallurgy	C&IS	Chem	NDT	EPTS	RCTS	SS	C&IS	NDT/Mat	Chem	Total Comm		
MCL 15.243(1)	5	15	15	35	5	5	5	11	2	2	15	Shared Services Department employees	
	5	15	15	35	5	5	5	11	2	2	15	Labor allocated out to billable	
	5	15	15	35	5	5	5	11	2	2	15	departments at a split of 85% Internal	
	5	15	15	40	5	5		11	2	2	15	and 15% Commercial	
	5	15	15	40	5	5		11	2	2	15		
	5	15	15	40	5	5		11	2	2	15	Lab Manager - Labor allocated to billable	
			60						40			40	C&IS Leadership - Standard labor
			60						40			40	allocations based on % of time
			60						40			40	dedicated to Internal or Commercial
			70						30			30	services
			70						30			30	
			60						40			40	C&IS Administrative Employees -
		60						40			40	Standard labor allocations based on % of	
		60						40			40	time dedicated to Internal or	
Standard allocations derived based on % of workload dedicated to supporting value added commercial operations for overhead and administrative functions. Direct labor and expenses associated with commercial operations are directly charged through SAP. \$1,294,207 in total commercial expenses in 2018, of which \$493,534 derived from standard labor allocations.								Allocated Admin & OH Labor:		\$312,363			
								Applied InterCompany OH Rate:		58%			
								Total Allocated Admin & OH Labor:		\$493,534			



# Redaction Log

Total Number of Redactions in Document: 5

## Redaction Reasons by Page

Page	Reason	Description	Occurrences
2			1
2	MCL 15.243(1)(a)	(4)(a) Information of a personal nature if public disclosure of the information would constitute a clearly unwarranted invasion of an individual's privacy	1
3	MCL 15.243(1)(a)	(4)(a) Information of a personal nature if public disclosure of the information would constitute a clearly unwarranted invasion of an individual's privacy	1
6	MCL 15.243(1)(a)	(4)(a) Information of a personal nature if public disclosure of the information would constitute a clearly unwarranted invasion of an individual's privacy	1
8	MCL 15.243(1)(a)	(4)(a) Information of a personal nature if public disclosure of the information would constitute a clearly unwarranted invasion of an individual's privacy	1

# Redaction Log

## Redaction Reasons by Exemption

Reason	Description	Pages (Count)
		2(1)
MCL 15.243(1)(a)	(4)(a) Information of a personal nature if public disclosure of the information would constitute a clearly unwarranted invasion of an individual's privacy	3(1) 6(1) 8(1) 2(1)