



Momentum Midstream is an independent midstream energy company that provides oil and gas producers with flexible, responsive and reliable midstream services linking the wellhead to the market.

- ▶ **INDUSTRY:** Oil & gas
- ▶ **LOCATION:** Durango, CO
- ▶ **EMPLOYEES:** 100
- ▶ **GL SYSTEM:** Sage 500

More Accurate Planning Delivers Bigger Pipeline Profits for Momentum Midstream

ABOUT

Momentum Midstream is an independent midstream energy company that provides oil and gas producers with flexible, responsive and reliable midstream services linking the wellhead to the market. One of their current projects, Utica East Ohio Midstream, LLC, will be building and operating the largest single location natural gas processing plant in the United States. This growth-oriented strategy has resulted in a history of consistent performance for their stakeholders, including producers, employees and investors.

CHALLENGE

In the past, Momentum relied on spreadsheets to manage their budgeting and forecasting processes, but like many companies, as they grew and their processes become more complex, it became clear that the manual process was too inefficient and error prone. Momentum's business model and revenue stream depend on them providing a turn-key natural gas production facility, not only planning for the physical capacity of over a billion dollars in property plant and equipment, but also the human capacity in terms of a trained and productive workforce. Being able to accurately forecast the resulting demand for cash over an 18-24 month pre-production cycle is paramount to our success, said Gina Aspromonte, Controller. "For each of six operating companies on separate SAGE general ledgers, we need to provide an annual budget and series of quarterly forecast revisions including projecting cash flow requirements over the course of the year. We were spending far too much time

chasing down broken links and double-checking formulas for errors."

SOLUTION

Momentum's new budgeting and planning process has helped create their annual budget 50% faster than using spreadsheets in the first year. Now that their model is set up, they expect to save even more time creating next year's budget. Managers from across the organization were able to gather together in virtual forecast planning sessions and watch how discussed strategy changes would impact their budgets. With each change to assumptions they could verify the projected effect in real time. They set up a series of drivers very specific to their business at a macro level, and were able to compare not only the financial impact but also compare these assumptions on versions and see differences between budget forecast and actuals.

"Centage gives us the capacity to communicate budgets to our employees at a more detailed level, empowering our employees to make a positive effect on our bottom line."

GINA ASPROMONTE
Controller, Momentum Midstream

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CASE STUDY

Adjustments to forecasted volume by customer and changes in processing cost are the primary focus of their operations and maintenance budget. Seeing the immediate effect of these changes is crucial in managing their performance. After processing costs, their next largest expense is personnel. They are delighted with the granular payroll tax calculations and especially how easy it is to adjust for actual start date and the natural cascade of related expenses. If people aren't hired or if they staff up a facility more quickly than planned, these personnel expenses have a dramatic impact on cash flow.

BENEFITS

Before, it would take them two or three days in Excel to show the impact of adding a major new greenfield project or selling a part of an existing asset. Now they can model major changes in a matter of hours. Minor changes are done with management in a real time strategy session. Making on the fly adjustments and seeing the decision's impact with confidence gives them better decision making information which will have a positive effect on their bottom line.

“When we started looking at solutions to help manage our process we knew we needed one that had very detailed cash forecasting capabilities and that led us to Centage. We also liked the fact that the solution has user defined drivers to create and revise our budget and forecasts automatically as we adjust these key volume and rate metrics.”

GINA ASPROMONTE
Controller, Momentum Midstream