MONTANA-DAKOTA
UTILITIES CO.
A Division of MDU Resources Group, Inc.

400 North Fourth Street
Bismarck, ND 58501
(701) 222-7900

September 10, 2009

Executive Secretary
North Dakota Public Service
Commission
State Capitol Building
Bismarck, ND 58505

Re: Cost of Gas Adjustment
(COG) Rate 88 and Rate 99
Case No. PU-09-___

In accordance with North Dakota Century Code Section 49-05-05, Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., respectfully submits an original and seven (7) copies of a Cost of Gas (COG) change pursuant to the terms of Rates 88 and 99.

Attachment A is the Rate Summary Sheet (79th Revised Sheet No. 3) showing the proposed natural gas and propane rates, to be effective with service rendered October 1, 2009.

Starting with this filing, Montana-Dakota will be submitting COG changes for natural gas under Rate 88 and propane under Rate 99 in one submission.

Montana-Dakota purchases gas supplies under a number of contracts. The commodity cost of gas has decreased $0.536 per dk since the last filing due to a decrease in the overall market price of gas. Attachment B explains the reasons for the decrease in the market price of gas. There has also been a change in pipeline rates, as shown on Attachment C page 2, increasing the cost of gas $0.024 per dk. In addition, this filing reflects the annual change in the surcharge adjustment, which is a decrease of $1.360 per dk for residential and firm general service customers and the market based pricing differential, which resulted in a decrease of $0.003 per dk for residential and firm general customers.

The COG tariff sheet, Exhibit A page 1, summarizes the gas cost adjustment, calculated pursuant to the terms of Rate 88, and the surcharge adjustment and market based pricing differential provision that will apply during the month of October 2009.

The net effect of this filing, calculated pursuant to the terms of Rate 88, is a decrease of $1.875 per dk for residential and firm general service customers, a decrease of $1.014 per dk for small and large interruptible customers and a decrease of $0.653 per dk for Air Force interruptible customers from the currently effective rates.

Exhibit B shows the calculation of the current gas cost adjustment that will be applicable to Montana-Dakota's customers for the month of October 2009. The average cost of gas for firm customers, adjusted for losses, is $4.140.

Exhibit C shows the calculation of the return on storage inventory balances and prepaid demand and commodity balances using the calculation procedure set forth in Rate 88. The overall rate of return of 8.791% was authorized by the Commission in Case No. PU-04-97.

Exhibit E shows the calculation of the surcharge adjustment that will apply during the period October 1, 2009 through September 30, 2010. The total surcharge is a negative $0.515 per dk for residential and general service customers, a negative $0.152 per dk for small and large interruptible customers and $0.024 per dk for the Air Force, or a decrease of $1.360 per dk for residential and general service customers, a decrease of $0.501 per dk for small and large interruptible customers and a decrease of $0.143 per dk for the Air Force from the adjustment effective October 1, 2008.

Exhibit F shows the calculation of the interruptible market based pricing differential pursuant to the terms of Rate 88. Fifty percent of the non-gas commodity revenues received from small and large interruptible sales in excess of the authorized level are credited to residential and firm general service customers through the COG. A credit of $0.011 per dk will be applicable to all residential and general service customers for the period October 1, 2009 through September 30, 2010. This reflects a decrease of $0.003 per dk to customers from the current adjustment.

Montana-Dakota purchases propane supplies from various wholesale suppliers. The cost of propane has increased since the last COG filing due to an increase in the market price of propane. Attachment B page 2 explains the reasons for the increase in the market price of propane.

Exhibit A, page 2 summarizes the cost of gas – propane calculated pursuant to the terms of Rate 99, which will apply during the month of October 2009. The net effect of this filing is an increase of $0.326 per dk for all customers from the currently effective rates, which reflects the annual change in the market based pricing differential from Exhibit F.

Exhibit D shows the calculation of the current cost of gas – propane that will be applicable to Montana-Dakota's customers for the month of October 2009. The average cost of propane for all customers, adjusted for losses, is $8.234 per dk. A market based pricing differential credit of $0.011 per dk will be applicable to all residential and general service customers for the period October 1, 2009 through September 30, 2010. This reflects a decrease of $0.003 per dk to customers from the current adjustment.

These proposed adjustments, calculated in accordance with Rates 88 and 99, will amount to a decrease of approximately $1,826,600 for natural gas customers and an increase of approximately $900 for propane customers during the month of October 2009. All of Montana-Dakota's retail gas and propane customers in North Dakota may be affected by this proposal. There were 90,872 natural gas customers and 334 propane customers in North Dakota as of August 31, 2009.

Please refer all inquiries regarding this filing to:

Ms. Rita A. Mulkern
Regulatory Analysis Manager
Montana-Dakota Utilities Co.
400 North Fourth Street
Bismarck, ND 58501

Also, please send copies of all written inquiries, correspondence and pleadings to:

Mr. Daniel S. Kuntz
Associate General Counsel
MDU Resources Group, Inc.
P. O. Box 5650
Bismarck, ND 58506-5650

Montana-Dakota submitted a check for the amount of $1,200 in accordance with North Dakota Century Code Section 49-05-05 on January 9, 2009. This payment will cover the filing fee associated with the monthly COG filings for January through December, 2009.

Montana-Dakota respectfully requests that this filing be accepted as being in full compliance with the filing requirements of this Commission.

Please acknowledge receipt by stamping or initialing the duplicate copy of this letter attached hereto and returning the same in the enclosed self-addressed stamped envelope.

Sincerely,

Donald R. Ball

Donald R. Ball
Vice President – Regulatory Affairs

Attachment

Attachment A

Rate Summary Sheet
(Proposed)

Montana-Dakota Utilities Co.
A Division of MDU Resources Group, Inc.
400 N 4th Street
Bismarck, ND 58501

State of North Dakota
Gas Rate Schedule

NDPSC Volume 7
79th Revised Sheet No. 3
Canceling 78th Revised Sheet No. 3

RATE SUMMARY SHEET

Rate Schedule	Sheet No.	Basic Service Charge	Distribution Delivery Charge	COG Items	Total Rate/ Dk
Residential Rate 60	4	$0.30 per day	$0.812	$3.614	$4.426
Air Force Rate 64	7				
Minot Air Force Base		$1,000.00 per month			
PAR Site		$135.00 per month			
Firm Service			$0.138	$3.614	$3.752
Interruptible Service - PAR			$0.120	$3.054	$3.174
Interruptible Service - MAFB			$0.120	$3.216	$3.336
Firm General Service Rate 70	13				
Meters rated < 500 cubic feet		$0.52 per day			
Meters rated > 500 cubic feet		$1.75 per day	$0.597	$3.614	$4.211
			(Maximum)		(Maximum)
Small Interruptible Gas Rate 71	14	$100.00 per month	$0.871	$3.054	$3.925
Optional Seasonal Gas					
Service Rate 72	15				
Meters rated < 500 cubic feet		$0.52 per day			
Meters rated > 500 cubic feet		$1.75 per day			
Winter Gas Usage			$0.597	$3.704	$4.301
Summer Gas Usage			$0.597	$2.752	$3.349
Transportation Service	24				
Small Interruptible Rate 81		$150.00 per month			
Maximum			$0.427		
Minimum			$0.102		
Fuel Charge				$0.014	
Large Interruptible Rate 82		$725.00 per month			
Maximum			$0.298		
Minimum			$0.061		
Fuel Charge				$0.014	
			(Maximum)		(Maximum)
Large Interruptible Gas Rate 85	27	$675.00 per month	$0.719	$3.054	$3.773
Residential Propane Rate 90	32	$0.30 per day	$0.812	$7.676	$8.488
Firm General Propane Rate 92	34				
Meters rated < 500 cubic feet		$0.52 per day			
Meters rated > 500 cubic feet		$1.75 per day	$0.597	$7.676	$8.273

Date Filed: September 10, 2009 **Effective Date:**

Issued By: Donald R. Ball
Vice President - Regulatory Affairs **Case No.:**

Montana-Dakota Utilities Co.
Market Conditions for Regional Natural Gas

October 2009

The established September monthly price for the Rocky Mountain CIG Index decreased from the previous month. The CIG Rocky Mountain Index is based on a price discovery survey by several natural gas periodicals, including "Inside FERC Gas Market" report and "Gas Daily" by McGraw-Hill Companies, of prices paid by willing sellers and buyers of quantities of gas in that region. That price is most reflective of natural gas prices in the Rocky Mountain region and indicative of a majority of the supplies Montana-Dakota purchases for its requirements.

Factors contributing to the decrease in natural gas prices are robust supplies of domestically produced natural gas, historically high volumes of natural gas in storage and weak demand for cooling in the northern 48 states. Economic factors also affected natural gas spot prices. The Energy Information Administration (EIA) reported storage levels nationwide as of August 28, 2009 were 17.8 percent above the five-year average and 17.3 percent above last year's balance.

The EIA provides various publications on energy issues. The information is available on their website: http://www.eia.doe.gov.

The September Short-Term Energy Outlook specific to natural gas prices, supply and demand is provided as pages 3 through 12.

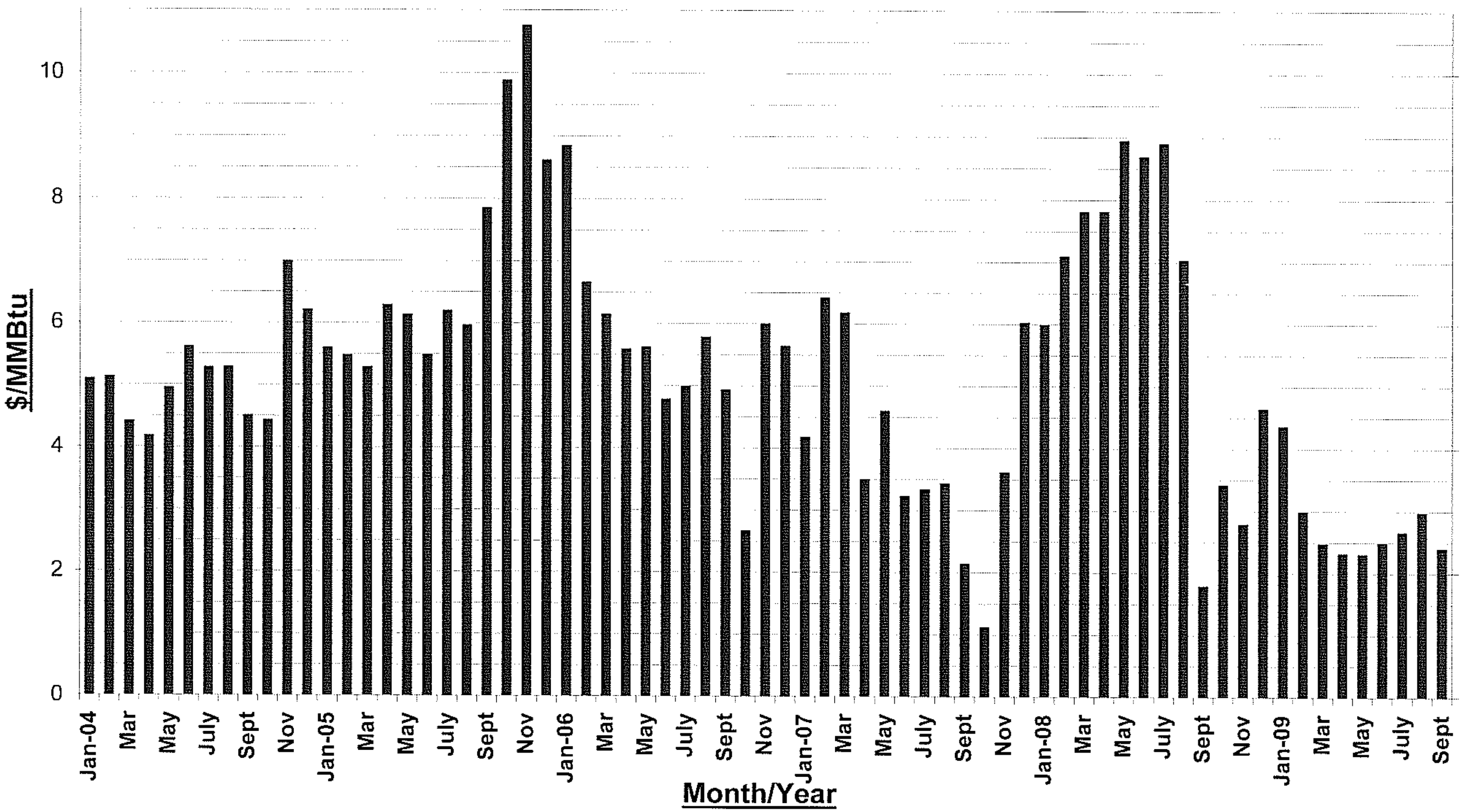
Montana-Dakota Utilities Co.
Market Conditions for Regional Propane
October 2009

Montana-Dakota uses three regional bulk wholesale propane suppliers for obtaining the lowest prices for Hettinger customers. Each time Montana-Dakota purchases propane, it requests a price quote from each supplier for a specific delivery date and quantity in truckloads, delivering 8,000 to 12,000 gallons. Montana-Dakota selects the lowest price, all other things being equal.

The September prices for propane have increased from the previous level. A change in the price of propane is generally driven by a combination of crude oil prices, weather, demand and inventory levels. An increase in energy prices, including crude oil, has resulted in an increase in the price of propane.

The Department of Energy's (DOE) Energy Information Administration (EIA) provides various publications on Energy issues. The information is available on their website: http://www.eia.doe.gov

CIG Rocky Mountains Index
Monthly Gas Prices 2004-2009 YTD



From Inside F.E.R.C.'s Gas Market Report
Annual Averages: - 2007-$3.97; 2008-$6.24; 2009YTD-$2.77

www.eia.doe.gov
Energy Information Administration

September 2009

Short-Term Energy Outlook

September 9, 2009 Release

Highlights

- Volatility persists for crude oil spot prices, although over narrower ranges than seen earlier this year and last year. EIA expects the price of West Texas Intermediate (WTI) crude oil to average about $70 per barrel in the fourth quarter of 2009, a $27-increase over the first quarter of the year. The forecast for average WTI prices rises gradually to about $75 per barrel by December 2010 as world economic conditions improve.

- EIA expects the monthly average regular-grade gasoline retail price to fall from $2.62 per gallon in August and September to an average of $2.56 per gallon over the fourth quarter of 2009. Higher crude oil prices next year contribute to an increase in the annual average gasoline retail price from $2.34 per gallon in 2009 to $2.70 in 2010. Projected annual average diesel fuel retail prices are $2.47 and $2.88 per gallon in 2009 and 2010, respectively.

- EIA projects the monthly Henry Hub natural gas spot price to average $2.32 per thousand cubic feet (Mcf) in October, the lowest monthly average spot price since September 2001. Natural gas inventories likely will set a new record high at the end of this year's injection season (October 31) reaching more than 3.8 trillion cubic feet (Tcf). The projected Henry Hub annual average spot price increases from $3.65 per Mcf in 2009 to $4.78 in 2010. However, upward price pressure next year is limited by the sensitivity of natural gas use in the electric power sector to higher natural gas prices and continued expansion of U.S. natural gas production from shale formations.

- EIA expects electricity retail prices to show year-over-year declines next year for the first time since early 2003 because of lower fossil fuel costs for generation. The projected annual average 2010 residential electricity price of 11.4 cents per kilowatthour is about 2 percent lower than the 2009 average.

Global Petroleum

Global Petroleum Overview. WTI oil prices hovered in the $67-to-$74-per-barrel range in August as expectations of an economic recovery and higher oil consumption in the future were weighed against weak current demand and high inventories. As long as oil prices remain in their current range, EIA expects the Organization of the Petroleum Exporting Countries (OPEC) to maintain its existing production targets.

Global Petroleum Consumption. Preliminary data indicate that global oil consumption declined by 3 million barrels per day (bbl/d) in the second quarter of 2009 compared with year-earlier levels. Members of the Organization for Economic Cooperation and Development (OECD) accounted for most of the decline; total non-OECD consumption was virtually unchanged. The current macroeconomic outlook assumes that the world economy begins to recover at the end of this year, led by non-OECD Asia. As a result, EIA expects world oil consumption to grow in the fourth quarter of 2009 compared with year-earlier levels, the first such growth in 5 quarters. Projected world oil consumption grows by 0.9 million bbl/d in 2010, with relatively strong growth in non-OECD countries being partially offset by a slight decline in OECD consumption (World Liquid Fuels Consumption Chart).

Non-OPEC Supply. Total non-OPEC supply averaged 50.1 million bbl/d in the second quarter of 2009, about 0.3 million bbl/d higher than in the second quarter of 2008. The largest amount of growth came from Central and South America (0.3 million bbl/d) and the Former Soviet Union (0.3 million bbl/d), which was offset by a 0.3 million bbl/d decline in Europe. Over the forecast period, higher output from Brazil, the United States, Azerbaijan, Kazakhstan, and Canada offsets falling production in Mexico and the North Sea (Non-OPEC Crude Oil and Liquid Fuels Production Growth Chart).

OPEC Supply. OPEC crude oil production was 28.7 million bbl/d in the second quarter of 2009, similar to first quarter levels, but down 3 million bbl/d from peak production in the third quarter of 2008. The combination of higher prices and OPEC's historical tendency for weaker compliance with production targets over time (see *This Week in Petroleum*, August 12, 2009) suggests that OPEC crude oil production could rise over the remainder of the year, unless prices fall sharply from current levels. Projected OPEC crude oil production climbs to 29.3 million bbl/d in the second half of 2009, then averages 28.9 million bbl/d in 2010.

Global Petroleum Inventories. Based on preliminary data, OECD commercial oil inventories stood at 2.74 billion barrels at the end of the second quarter of 2009. At 61 days of forward cover, OECD commercial inventories were well above average levels for that time of year (Days of Supply of OECD Commercial Stocks Chart). EIA expects OECD oil inventories to remain at above-average levels throughout the forecast period because of weakness in global oil consumption and continuing contango in the futures market, i.e., relatively high future prices compared with current prices.

Crude Oil Prices. Equity-market and exchange-rate expectations continue to be cited by market analysts as proximate causes of oil-price behavior, in addition to changing expectations of global oil consumption growth. EIA projects that WTI crude oil prices will average $69 per barrel in the second half of 2009, $19 per barrel lower than in the second half of 2008 (Crude Oil Prices Chart). This projection is largely unchanged from last month's *Outlook* and reflects the view that an expected economic upturn will restore oil demand growth and gradually work off the surplus oil inventories. Although a consensus seems to be forming that the global economic downturn may have bottomed out, there still remains considerable uncertainty regarding the timing and pattern of any economic recovery.

U.S. Crude Oil and Liquid Fuels

U.S. Petroleum Consumption. EIA forecasts total consumption of liquid fuels and other petroleum products to decrease by about 800,000 bbl/d (4 percent) in 2009 (U.S. Petroleum Products Consumption Growth Chart) compared with 2008. During the first half of the year, consumption declined by almost 1.25 million barrels per day (6.3 percent) from the same period last year, one of the steepest declines on record. The year-over-year projected decline in petroleum consumption slows to 300,000 barrels per day (1.6 percent) in the second half of 2009 as economic recovery begins to take hold. Monthly average motor gasoline consumption in June showed an increase over the same month from the prior year for the first time since September 2007 and continues to grow over year-ago levels through the forecast. The modest economic recovery projected for 2010 contributes to a 260,000-bbl/d (1.4 percent) increase in total liquid fuels consumption, led by increases of 110,000 bbl/d (2.9 percent) in distillate consumption, 60,000 bbl/d (0.6 percent) in motor gasoline consumption, and 10,000 bbl/d (0.7 percent) in jet fuel consumption.

U.S. Petroleum Supply. EIA projects total U.S. crude oil production to average 5.24 million barrels per day in 2009 and increase to an average of 5.30 million bbl/d in 2010 (U.S. Crude Oil Production Chart). Crude oil production from the new Thunder Horse, Tahiti, Shenzi, and Atlantis Federal offshore fields accounts for about 14 percent of Lower-48 crude oil production in the fourth quarter of 2010.

U.S. Petroleum Product Prices. EIA expects the monthly average regular-grade gasoline retail price to fall from $2.62 per gallon in August and September to an average $2.56 per gallon over the last 3 months of the year. Higher projected crude oil prices in 2010 (about $12 per barrel, or 29 cents per gallon, higher than the 2009 average) increase regular-grade gasoline prices to an average of $2.70 per gallon next year. Projected diesel fuel retail prices, which averaged $2.63 per gallon in August, increase over the next few months to average $2.74 during the fourth quarter of 2009 as the winter heating fuel season begins.

Natural Gas

U.S. Consumption. EIA projects that total natural gas consumption will likely decline by 2.4 percent in 2009 and remain flat in 2010 (Total U.S. Natural Gas Consumption Growth Chart). Despite low relative prices for much of the year, industrial natural gas consumption declined by 12 percent in the first 6 months of 2009 compared with the same period last year. EIA expects this year-over-year consumption decline will continue through the second half of the year for industrial users, although the trend will be less pronounced. Conversely, EIA expects natural gas use in the electric power sector will increase by 4.3 percent on a year-over-year basis during the second half of 2009 as natural gas continues to compete with coal for a share of the baseload power supply at current prices.

EIA expects natural gas consumption will increase slightly in the commercial and industrial sectors in 2010 as a result of improved economic conditions and low prices. Consumption remains relatively flat in the residential and electric power sectors next year. The anticipated addition of new coal-fired generating capacity and rising natural gas prices limits the potential for significant increases beyond the forecast 2009 level in natural gas consumption by electric generators.

U.S. Production and Imports. EIA expects total U.S. marketed natural gas production to increase by 0.9 percent in 2009 and fall by 3.5 percent in 2010. Despite a 20-percent drop in prices and a 45-percent drop in working natural gas drilling rigs since the start of the year, total natural gas production increased slightly from January to June 2009. This current production trend reflects significant improvements in horizontal drilling technology and robust productivity from shale gas discoveries in Louisiana, Oklahoma, Arkansas, and Pennsylvania. While lower prices have caused a reduction in drilling activity by all rig types, according to data compiled by Smith International, working horizontal rigs have fallen by only 27 percent since the start of the year compared with a 65-percent decrease among vertically-directed rigs. Working horizontal drilling rigs now represent more than half of the active natural gas drilling fleet.

As U.S. natural gas inventories swell to record-high levels, some curtailment of production is expected. The sustained reduction in drilling activity and production curtailments are projected to result in a 5.7-percent decline in marketed production from the Lower-48 non-Gulf of Mexico (GOM) between the first and second half of the year. The projected 1.3-percent increase in Federal GOM production during the second half of 2009 over the first half results from the addition of new producing wells and continued recovery from damage sustained during last year's hurricane season.

Projected U.S. liquefied natural gas (LNG) imports increase to about 460 billion cubic feet (Bcf) in 2009 from 350 Bcf in 2008 and rise to about 660 Bcf in 2010. Maintenance to existing LNG supply facilities and delays to new liquefaction projects, in addition to higher world oil prices during the second half of 2009, contribute to the 43-Bcf downward revision in the 2009 LNG import forecast from last month's *Outlook*.

U.S. Inventories. On August 28, 2009, working natural gas in storage was 3,323 Bcf (U.S. Working Natural Gas in Storage Chart). Current inventories are now 501 Bcf above the 5-year average (2004–2008) and 489 Bcf above the level during the corresponding week last year. While weekly stocks could exceed reported end-of-month levels, EIA now expects working natural gas inventories to reach 3,840 Bcf at the end of the 2009 injection season (October 31). This would be 275 Bcf above the previous record of 3,565 Bcf reported for the end of October 2007. The working gas inventory forecast assumes weekly storage injections will average about 57 Bcf over the next 9 weeks, compared with average storage injections of about 60 Bcf per week over this period during the previous 5 years.

U.S. Prices. The Henry Hub spot price averaged $3.23 per Mcf in August, $0.25 per Mcf below the average spot price in July. Prices continue to be pushed lower as robust production adds to already high inventories. As electric power demand for air conditioning wanes, a continuation of recent natural gas supply trends could cause spot natural gas prices to fall below current projections before cooler temperatures induce higher demand for space heating. In the projections, prices rise modestly in 2010, reflecting increased economic activity and lower production levels as a result of the current drilling pullback. However, it will take some time to work off current inventory levels and enhanced production capabilities should limit significant increases in prices throughout the forecast period. On an annual basis, the projected Henry Hub spot price averages $3.65 Mcf in 2009 and $4.78 Mcf in 2010.

Electricity

U.S. Electricity Consumption. Total U.S. electricity consumption fell by 4.4 percent during the first half of the year compared with the same period in 2008, primarily because of the effect of the economic downturn on industrial electricity sales. The expected year-over-year decline in total consumption during the second half of 2009 is smaller, a 2.3-percent decline, as residential sales begin to recover (U.S. Total Electricity Consumption Chart).

U.S. Electricity Generation. While generation from coal fell by 12 percent in the first half of the year compared with the same period in 2008, natural gas generation has risen by 3 percent. Lower coal prices relative to natural gas prices next year and the planned addition of up to 10 gigawatts of coal capacity during 2009 and 2010 could mitigate or reverse the fuel-switching trend.

U.S. Retail Electricity Prices. EIA significantly lowered its electricity retail price projections through 2010 from last month's *Outlook* due to the dramatic decline in natural gas fuel costs for power generation (U.S. Residential Electricity Prices Chart). Although retail residential prices during the first half of this year are up by 5 percent from the same period last year, EIA expects prices during the second half will show little change from the second half of last year. The projected annual average 2010 residential electricity price of 11.4 cents per kilowatthour is about 2 percent lower than the 2009 price.

Coal

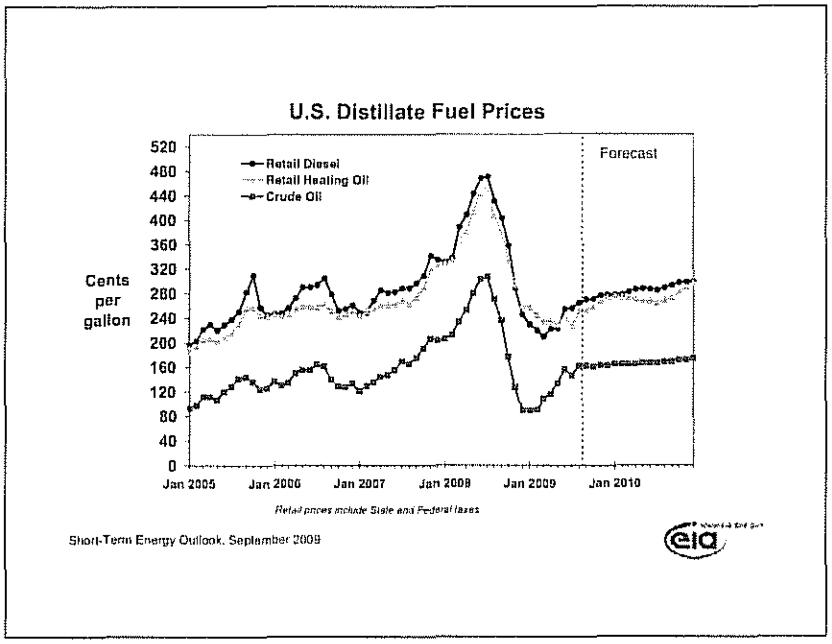
U.S. Coal Consumption. Electric-power-sector coal consumption fell by 11 percent in the first half of this year. The decline resulted from lower total electricity generation combined with increases in generation from natural gas, nuclear, hydropower, and wind. Coal is expected to regain a larger share of the baseload generation mix beginning in 2010, as natural gas prices begin to rise. Projected coal consumption in the electric power sector increases by almost 2 percent in 2010 but remains below the 1-billion short-ton level for the second consecutive year. Coal consumed for steam (retail and general industry) and coke production declined by 15 percent in the first quarter of 2009 compared with the first quarter of last year. In the forecast, lower consumption of coal in both sectors continues for the remainder of the year, followed by a combined increase in coal consumed by these sectors of more than 5 percent in 2010 (U.S. Coal Consumption Growth Chart).

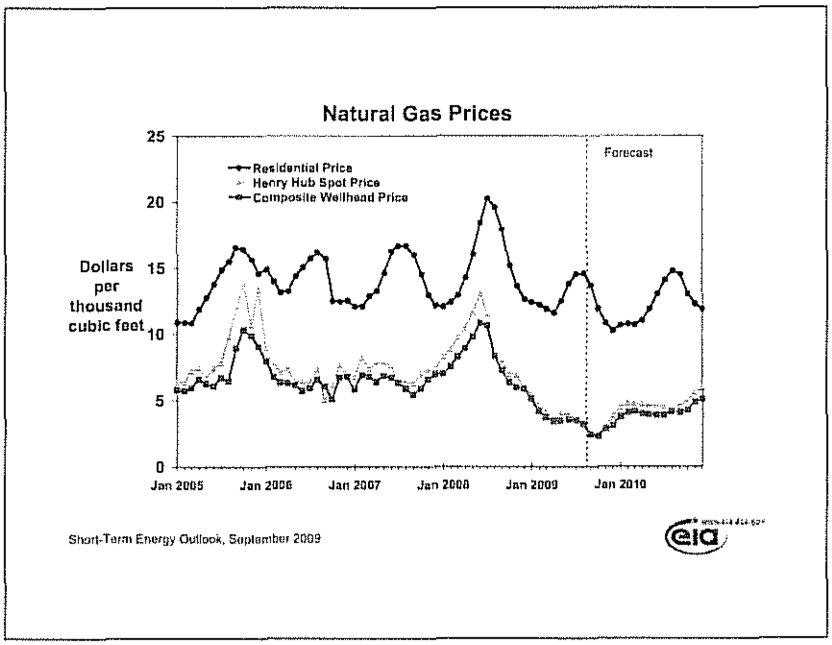
U.S. Coal Supply. Coal production for the first 6 months of 2009 fell by more than 5 percent in response to lower U.S. coal consumption, fewer exports, and higher coal inventories; these conditions persist in the forecast for the remainder of 2009. Projected production declines by 1.4 percent in 2010, despite increases in domestic consumption and exports. Reductions in coal inventories and increased imports offset the increase in U.S. coal consumption (U.S. Annual Coal Production Chart).

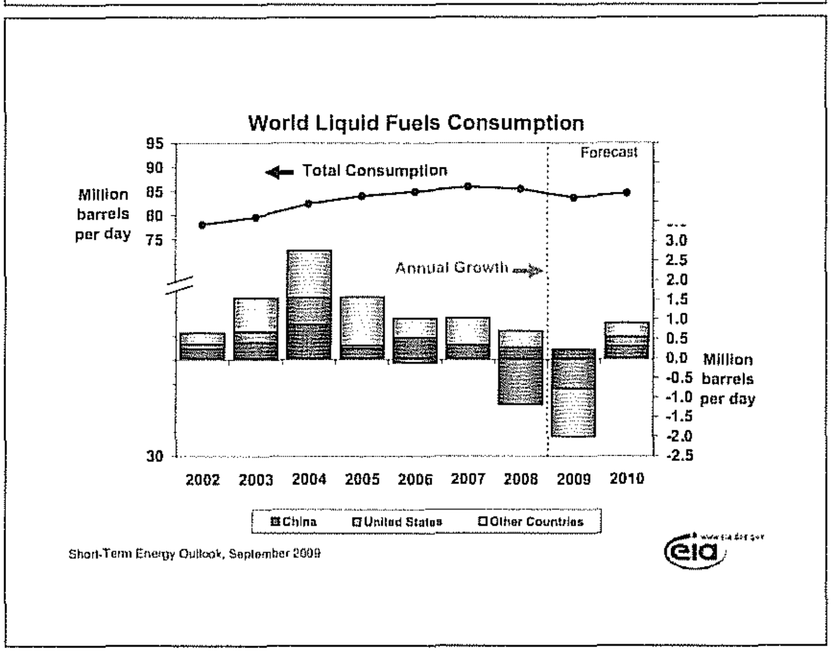
U.S. Coal Prices. The monthly average delivered electric-power-sector coal price reached a record high of $2.29 per million Btu in March 2009. The delivered cost of coal to the electric power sector had continued to rise, despite decreases in spot coal prices, lower prices for other fossil fuels, and declines in demand for coal for electricity generation, because a significant portion of power-sector coal contracts was entered into during a period of high prices for all fuels. The projected average power-sector coal price of $2.18 per million Btu for September 2009 represents the first decline in price from the same month of the prior year since 2002. Projected power-sector coal prices fall over the forecast to about $1.95 per million Btu in December 2010.

U.S. Carbon Dioxide Emissions

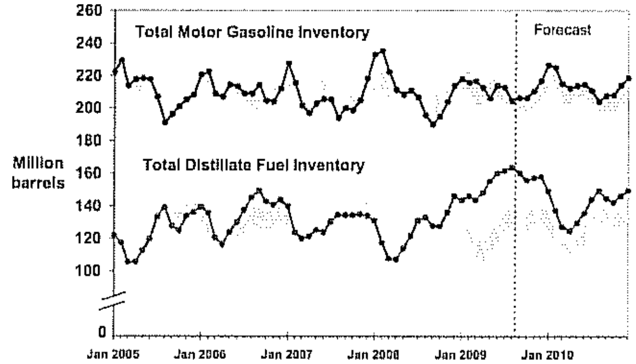
Projected carbon dioxide (CO_2) emissions from fossil fuels fall by 6.0 percent in 2009 because of the weak economic conditions and declines in the consumption of most fossil fuels (U.S. Carbon Dioxide Emissions Growth Chart). Coal leads the drop in 2009 CO_2 emissions, falling by nearly 10 percent because of fuel switching from coal to natural gas in the electric power sector. The projected recovery in the economy contributes to an expected 0.9-percent increase in CO_2 emissions in 2010.


U.S. Distillate Fuel Prices
Retail Diesel
Retail Heating Oil
Crude Oil
Forecast
Cents per gallon
520
480
440
400
360
320
280
240
200
160
120
80
40
0
Jan 2005
Jan 2006
Jan 2007
Jan 2008
Jan 2009
Jan 2010
Retail prices include State and Federal taxes
Short-Term Energy Outlook, September 2009


Natural Gas Prices
Residential Price
Henry Hub Spot Price
Composite Wellhead Price
Forecast
Dollars per thousand cubic feet
25
20
15
10
5
0
Jan 2005
Jan 2006
Jan 2007
Jan 2008
Jan 2009
Jan 2010
Short-Term Energy Outlook, September 2009


World Liquid Fuels Consumption
Forecast
Total Consumption
Annual Growth
Million barrels per day
95
90
85
80
75
30
3.0
2.5
2.0
1.5
1.0
0.5
0.0
-0.5
-1.0
-1.5
-2.0
-2.5
Million barrels per day
2002
2003
2004
2005
2006
2007
2008
2009
2010
China
United States
Other Countries
Short-Term Energy Outlook, September 2009

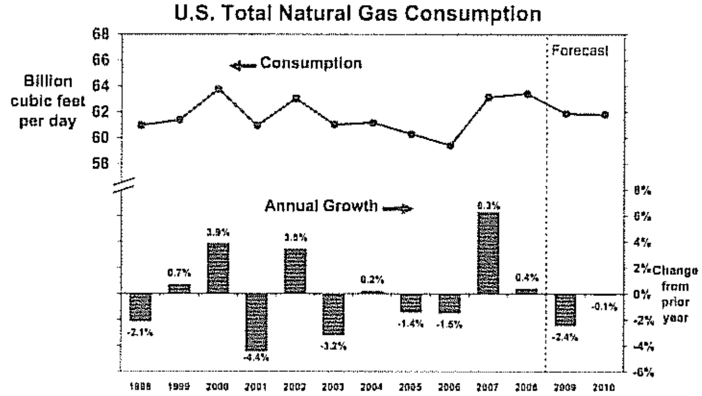
U.S. Gasoline and Distillate Inventories



NOTE: Colored bands represent "normal" range published in EIA Weekly Petroleum Status Report, Appendix A.

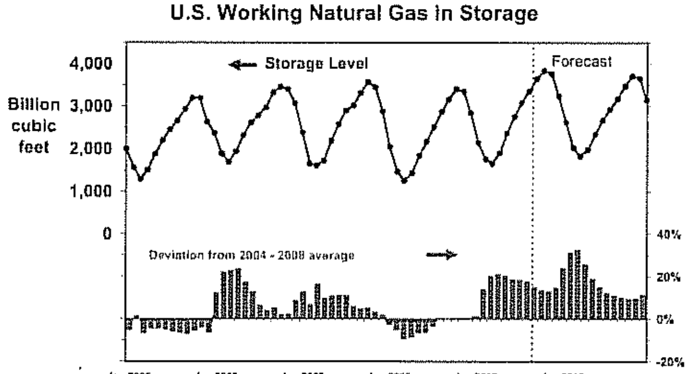
Short-Term Energy Outlook, September 2009

U.S. Total Natural Gas Consumption



Short-Term Energy Outlook, September 2009

U.S. Working Natural Gas in Storage



Short-Term Energy Outlook, September 2009

Montana-Dakota Utilities Co.
Pipeline Rate Changes Since Last Annual COG
North Dakota

Nova Gas Transmission LTD.

On November 18, 2008, TransCanada filed new rates for the Alberta System with the Alberta Energy and Utilities Board to be effective January 1, 2009. The Alberta Utilities Commission approved the new rates in Order U2008-385, dated December 22, 2008.

Approximate impact on Montana-Dakota's cost of gas – (0.2) cents per dk

Foothills Pipe Lines Ltd.

On December 1, 2008, TransCanada filed new rates for the Foothills Pipe Lines Ltd. System with the National Energy Board to be effective January 1, 2009.

Approximate impact on Montana-Dakota's cost of gas – 0.3 cents per dk

NorthWestern Energy – Docket No. D2008.12.143

On December 12, 2008, NorthWestern Energy filed with the Montana Public Service Commission (Commission) to change its rates to reflect changes in state and local taxes and fees and to track these changes such that the actual level of taxes and fees is recovered. On December 23, 2008, the Commission approved the change in rates to be effective with service rendered on or after January 1, 2009.

Approximate impact on Montana-Dakota's cost of gas – 0.0 cents per dk

Williston Basin Interstate Pipeline Company Docket No. RP09- 401-000

On February 27, 2009, Williston Basin filed its semi-annual fuel and electric power reimbursement adjustment with the FERC in Docket No. RP09-401-000, reflecting revisions to the fuel and electric power components of Williston Basin's transportation and storage rates to be effective April 1, 2009. The FERC approved the new rates in a letter order dated March 20, 2009.

Approximate impact on Montana-Dakota's cost of gas – (4.0) cents per dk

NorthWestern Energy Docket No. D2009.5.63

On May 29, 2009, NorthWestern Energy filed new rates with the Montana Public Service Commission, to reflect changes in its Gas Transportation Adjustment Clause (GTAC) in Docket No. D2009.5.63. On June 24, 2009, the Montana Public Service Commission approved the proposed tariff sheets reflecting the GTAC adjustment in Interim Order No. 7004, effective July 1, 2009.

Approximate impact on Montana-Dakota's cost of gas – (0.1) cents per dk

Northern Border Pipeline Company Docket No. RP09-915-000

On August 20, 2009, Northern Border Pipeline Company filed with the FERC its tariff sheets reflecting the Commission-approved Annual Charge Adjustment to be effective October 1, 2009. Montana-Dakota's position is that charges presented by Northern Border should reflect the costs that Northern Border incurs.

Approximate impact on Montana-Dakota's cost of gas – 0.0 cents per

Williston Basin Interstate Pipeline Company Docket No. RP09-989-000

On August 31, 2009, Williston Basin filed with the FERC its tariff sheets reflecting the Commission-approved Annual Charge Adjustment to be effective October 1, 2009. Montana-Dakota's position is that charges presented by Williston Basin should reflect the costs that Williston Basin incurs.

Approximate impact on Montana-Dakota's cost of gas – 0.0 cents per dk

Williston Basin Interstate Pipeline Company Docket No. RP09-994-000

On August 31, 2009, Williston Basin filed with the FERC its semi-annual fuel and electric power reimbursement adjustment reflecting revisions to the fuel and electric power components of Williston Basin's transportation and storage rates to be effective October 1, 2009.

Approximate impact on Montana-Dakota's cost of gas – 2.5 cents per dk

MONTANA-DAKOTA UTILITIES CO.
COST OF GAS TARIFF SHEET
NORTH DAKOTA GAS
EFFECTIVE OCTOBER 2009

	Firm			
	Residential & General Service	Optional Seasonal	Small & Large Interruptible	Air Force Interruptible
Gas Cost Adjustment:				
Gas Cost Level (Exhibit B)	$4.140	$4.230	$3.206	$3.192
Prior Gas Cost	4.652	3.790	3.719	3.702
Current Gas Cost Adjustment	($0.512)	$0.440	($0.513)	($0.510)
Surcharge Adjustment:				
Current Adjustment (Exhibit E)	($0.515)	($0.515)	($0.152)	$0.024
Prior Adjustment	0.845	0.845	0.349	0.167
Change in Surcharge Adjustment	($1.360)	($1.360)	($0.501)	($0.143)
Market Based Pricing Differential				
Current Adjustment (Exhibit F)	($0.011)	($0.011)	$0.000	$0.000
Prior Adjustment	(0.008)	(0.008)	0.000	0.000
Change in Margin Sharing Provision	($0.003)	($0.003)	$0.000	$0.000
Net Increase (Decrease) in Gas Costs	**($1.875)**	**($0.923)**	**($1.014)**	**($0.653)**
Gas Cost Level	$4.140	$4.230	$3.206	$3.192
Plus: Surcharge	(0.515)	(0.515)	(0.152)	0.024
Total Gas Cost Level in Tariff Rates	$3.625	$3.715	$3.054	$3.216

MONTANA-DAKOTA UTILITIES CO.
COST OF GAS - PROPANE TARIFF SHEET
NORTH DAKOTA PROPANE
EFFECTIVE OCTOBER 2009

Cost of Gas - Propane:	
Current Propane Cost (Exhibit D)	$8.234
Prior Propane Cost	7.905
Current Propane Cost Adjustment	$0.329
Surcharge Adjustment:	
Current Adjustment	($0.547)
Prior Adjustment	(0.547)
Change in Surcharge Adjustment	$0.000
Market Based Pricing Differential	
Current Adjustment (Exhibit F)	($0.011)
Prior Adjustment	(0.008)
Change in Margin Sharing Provision	($0.003)
Net Increase (Decrease) in Gas Costs	**$0.326**
Propane Cost Level	$8.234
Plus: Surcharge	(0.547)
Total Propane Cost Level in Rates	**$7.687**

MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
RESIDENTIAL AND GENERAL SERVICE
EFFECTIVE OCTOBER 2009

	Amount
Total Gas Costs 1/	$55,234,835
Residential and General Service dk Requirements 2/	13,404,476
Average Cost of Gas per dk	$4.121
Average Cost of Gas as Adjusted for Losses @ 99.55%	4.140
Less: Gas Cost Level in Rates 3/	4.652
Current Gas Cost Adjustment	**($0.512)**

1/ Includes all pipeline demand and commodity charges. See Exhibit B, pages 5 -14 for currently effective pipeline rates. Also includes a return on prepaid demand, commodity and cycle storage balances as shown on Exhibit C.
2/ Normalized dk sales for the twelve months ended July 31, 2009, adjusted for losses at .45%
3/ Gas Cost Level in Current Tariff Rates Case No. PU-09-628:

Cost of Purchased Gas	$4.631
Adjustment for Distribution Losses	0.9955
Gas Cost Level in Base Tariff Rates	$4.652

MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
OPTIONAL SEASONAL - RATE 72
EFFECTIVE OCTOBER 2009

Summer - June - September	
Total Gas Costs 1/	$55,234,835
Less: Annual MDDQ Costs 1/	11,501,344
Total Gas Costs excluding MDDQ	$43,733,491
Firm Service Requirements 1/	13,404,476
Other Gas Costs per Dk (excluding MDDQ)	$3.263
Summer Seasonal Rate, adjusted for losses 2/	3.278
Winter - October - May	
Annual MDDQ Costs 1/	$11,501,344
Winter Firm Service Requirements	12,135,580
MDDQ Costs per Winter Dk	$0.948
Add: Other Gas Costs per Dk	3.263
Winter Seasonal Rate	4.211
Winter Seasonal Rate, adjusted for losses 2/	$4.230
Less: Gas Cost Level in Rates 3/	3.790
Current Gas Cost Adjustment	**$0.440**

1/ Exhibit B, page 1.
2/ Loss factor of .45%.
3/ Gas Cost Level in Current Tariff Rates Case No. PU-09-628:

	Summer	Winter
Cost of Purchased Gas	$3.773	$4.721
Adjustment for Distribution Losses	0.9955	0.9955
Gas Cost Level in Base Tariff Rates	$3.790	$4.742

MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
INTERRUPTIBLE
EFFECTIVE OCTOBER 2009

	Amount
Total Gas Costs 1/	$11,180,223
Interruptible Service dk Requirements	3,502,739
Average Cost of Gas per dk	$3.192
Average Cost of Gas as Adjusted for Losses @ 99.55%	3.206
Less: Gas Cost Level in Rates 2/	3.719
Current Gas Cost Adjustment	**($0.513)**

1/ Includes all pipeline demand and commodity charges. See Exhibit B, pages 5 -14 for currently effective pipeline rates. Also includes a return on prepaid demand, commodity and cycle storage balances as shown on Exhibit C.

2/ Gas Cost Level in Current Tariff Rates Case No. PU-09-628:

Cost of Purchased Gas	$3.702
Adjustment for Distribution Losses	0.9955
Gas Cost Level in Base Tariff Rates	$3.719

MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
AIR FORCE INTERRUPTIBLE
EFFECTIVE OCTOBER 2009

	Amount
Total Gas Costs 1/	$2,808,815
Air Force Interruptible dk Requirements	880,000
Average Cost of Gas per dk	$3.192
Less: Gas Cost Level in Rates 2/	3.702
Current Gas Cost Adjustment	**($0.510)**

1/ Includes all pipeline demand and commodity charges. See Exhibit B, pages 5 -14 for currently effective pipeline rates. Also includes a return on prepaid demand, commodity and cycle storage balances as shown on Exhibit C, allocated to Air Force interruptible on MDDQ.
2/ Gas Cost Level in Current Tariff Rates Case No. PU-09-628:
Cost of Purchased Gas $3.702

Montana-Dakota Utilities Co.
Schedule of Applicable Effective Pipeline Rates
October 2009 PGA

Williston Basin Interstate Pipeline Company - Exhibit B, pages 6 - 8 for Schedules FT-1, FTN-1, and FS-1.

Northern Border Pipeline Company – Exhibit B, pages 9-10 for Schedule T-1.

Foothills Pipe Lines, Ltd. - Billed on a cost of service basis so there are no tariff sheets.

NOVA Gas Transmission – Exhibit B, page 11 for Schedule FT-D.

NorthWestern Energy – Exhibit B, page 12 for Schedule T-FTG-1.

South Dakota Intrastate Pipeline – Exhibit B, page 13 for Rate 1.

SourceGas Distribution LLC – Exhibit B, Page 14 for Schedule TC.

NOTICE OF CURRENTLY EFFECTIVE RATES

(ALL RATES ARE STATED IN CENTS PER DEKATHERM OR EQUIVALENT DEKATHERM AS INDICATED)

RATE SCHEDULE	UNIT	BASE TARIFF RATE	ACA SURCHARGE	TOP THROUGHPUT SURCHARGE	GAS SUPPLY REALIGNMENT SURCHARGE	BASE TARIFF RATE PLUS SURCHARGES
RATE SCHEDULE FT-1						
RESERVATION CHARGE						
MAXIMUM DAILY DELIVERY QUANTITY (MDDQ)						
MAXIMUM	RATE PER EQV. DKT PER MO.	737.928	N.A.	N.A.	N.A.	737.928
MINIMUM	RATE PER EQV. DKT PER MO.	0.000	N.A.	N.A.	N.A.	0.000
COMMODITY CHARGE						
MAXIMUM A/B/	RATE PER DKT	3.120	0.190	N.A.	N.A.	3.310
MINIMUM A/B/	RATE PER DKT	3.120	0.190	N.A.	N.A.	3.310
SCHEDULED OVERRUN CHARGE						
MAXIMUM A/B/	RATE PER DKT	30.884	0.190	N.A.	N.A.	31.074
MINIMUM A/B/	RATE PER DKT	3.120	0.190	N.A.	N.A.	3.310

A/ SHIPPER MUST REIMBURSE TRANSPORTER IN-KIND FOR TRANSPORTATION FUEL USE, LOST AND UNACCOUNTED FOR GAS. THE APPLICABLE PERCENTAGE IS 2.688%, CONSISTING OF 2.601% FOR THE CURRENT PERCENTAGE AND 0.087% FOR THE DEFERRAL PERCENTAGE. THIS PERCENTAGE SHALL BE APPLIED TO THE APPLICABLE QUANTITIES OF GAS TENDERED TO TRANSPORTER FOR SHIPPER'S ACCOUNT AT THE RECEIPT POINT(S) INTO TRANSPORTER'S TRANSMISSION FACILITIES.

B/ SHIPPER MUST REIMBURSE TRANSPORTER FOR ELECTRIC POWER USED FOR TRANSPORTATION. THE APPLICABLE RATE IS 0.506 CENTS, CONSISTING OF 0.506 CENTS FOR THE CURRENT RATE AND 0.000 CENTS FOR THE DEFERRAL RATE. THIS RATE SHALL BE APPLIED TO THE APPLICABLE QUANTITIES OF GAS TENDERED TO TRANSPORTER FOR SHIPPER'S ACCOUNT AT THE RECEIPT POINT(S) INTO TRANSPORTER'S TRANSMISSION FACILITIES.

Exhibit B
Page 6 of 14

NOTICE OF CURRENTLY EFFECTIVE RATES

(ALL RATES ARE STATED IN CENTS PER DEKATHERM OR EQUIVALENT DEKATHERM AS INDICATED)

RATE SCHEDULE	UNIT	BASE TARIFF RATE	ACA SURCHARGE	TOP THROUGHPUT SURCHARGE	GAS SUPPLY REALIGNMENT SURCHARGE	BASE TARIFF RATE PLUS SURCHARGES
RATE SCHEDULE FTN-1						
RESERVATION CHARGE						
MAXIMUM DAILY DELIVERY QUANTITY (MDDQ)						
MAXIMUM	RATE PER EQV. DKT PER MO.	47.491	N.A.	N.A.	N.A.	47.491
MINIMUM	RATE PER EQV. DKT PER MO.	1.589	N.A.	N.A.	N.A.	1.589

NOTICE OF CURRENTLY EFFECTIVE RATES

(ALL RATES ARE STATED IN CENTS PER DEKATHERM OR EQUIVALENT DEKATHERM AS INDICATED)

RATE SCHEDULE	UNIT	BASE TARIFF RATE	ACA SURCHARGE	TOP THROUGHPUT SURCHARGE	GAS SUPPLY REALIGNMENT SURCHARGE	BASE TARIFF RATE PLUS SURCHARGES
RATE SCHEDULE FS-1						
CAPACITY RESERVATION						
MAXIMUM	RATE PER EQV. DKT PER MO.	2.102	N.A.	N.A.	N.A.	2.102
MINIMUM	RATE PER EQV. DKT PER MO.	0.000	N.A.	N.A.	N.A.	0.000
CAPACITY DELIVERABILITY						
MAXIMUM	RATE PER EQV. DKT PER MO.	190.602	N.A.	N.A.	N.A.	190.602
MINIMUM	RATE PER EQV. DKT PER MO.	0.000	N.A.	N.A.	N.A.	0.000
INJECTION						
MAXIMUM A/B/	RATE PER DKT	0.888	N.A.	N.A.	N.A.	0.888
MINIMUM A/B/	RATE PER DKT	0.888	N.A.	N.A.	N.A.	0.888
WITHDRAWAL						
MAXIMUM A/B/	RATE PER DKT	0.888	N.A.	N.A.	N.A.	0.888
MINIMUM A/B/	RATE PER DKT	0.888	N.A.	N.A.	N.A.	0.888
SCHEDULED OVERRUN CHARGE						
INJECTION						
MAXIMUM A/B/	RATE PER DKT	23.920	N.A.	N.A.	N.A.	23.920
MINIMUM A/B/	RATE PER DKT	0.888	N.A.	N.A.	N.A.	0.888
WITHDRAWAL						
MAXIMUM A/B/	RATE PER DKT	23.920	N.A.	N.A.	N.A.	23.920
MINIMUM A/B/	RATE PER DKT	0.888	N.A.	N.A.	N.A.	0.888

A/ SHIPPER MUST REIMBURSE TRANSPORTER IN-KIND FOR STORAGE FUEL USE, LOST AND UNACCOUNTED FOR GAS. THE APPLICABLE PERCENTAGE IS 0.492%, CONSISTING OF 0.595% FOR THE CURRENT PERCENTAGE AND (0.103%) FOR THE DEFERRAL PERCENTAGE. THIS PERCENTAGE SHALL BE APPLIED TO THE APPLICABLE QUANTITIES OF GAS INJECTED AND/OR WITHDRAWN BY TRANSPORTER FOR SHIPPER'S ACCOUNT AT TRANSPORTER'S STORAGE FACILITIES.

B/ SHIPPER MUST REIMBURSE TRANSPORTER FOR ELECTRIC POWER USED FOR STORAGE. THE APPLICABLE RATE IS 0.608 CENTS, CONSISTING OF 0.515 CENTS FOR THE CURRENT RATE AND 0.093 CENTS FOR THE DEFERRAL RATE. THIS RATE SHALL BE APPLIED TO THE APPLICABLE QUANTITIES OF GAS INJECTED AND/OR WITHDRAWN BY TRANSPORTER FOR SHIPPER'S ACCOUNT AT TRANSPORTER'S STORAGE FACILITIES.

Northern Border Pipeline Company
FERC Gas Tariff
First Revised Volume No. 1

Seventh Revised Sheet No. 98
Superseding
Sixth Revised Sheet No. 98

STATEMENT OF RATES
2/ 3/

Rate Schedule	Long-Term Base Tariff Rate (per 100 Dth-Miles) 1/
T-1 and T-1B	
Daily Reservation Rate - Port of Morgan, MT to Ventura, IA	
Maximum	$0.0321
Minimum	$0.0000
Daily Reservation Rate - Ventura, IA to North Hayden, IN	
Maximum	$0.0345
Minimum	$0.0000
Commodity Rate - Port of Morgan, MT to North Hayden, IN	
Maximum	$0.0004
Minimum	$0.0004

1/ Applicable to any Rate Schedule T-1 U.S. Shippers Service Agreement or any Rate Schedule T-1B Service Agreement with a primary term of at least twelve consecutive months.
2/ The Settlement Base Rates, pursuant to the Stipulation at Docket No. RP06-72-000, et al., remain in effect until such rates are superseded by new base rates placed into effect consistent with the provisions of the Stipulation.
3/ Rates on this sheet are subject to the revenue retrieval provision pursuant to Article X of the Stipulation at Docket No. RP06-72-000, et al.

Issued by: Raymond D. Neppl, Vice President
Issued on: November 21, 2006 Effective on: January 1, 2007
Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. RP06-72-000, issued November 21, 2006, 17 FERC ¶ 61,217

STATEMENT OF RATES

	Commodity Rate
Annual Charge Adjustment (ACA) Rate (per Dekatherm) 1/	$0.0019
Compressor Usage Surcharge (per 100 Dekatherm-miles) 2/	$0.0026

1/ In accordance with the Commission's regulations, the authorized FERC unit charge per dekatherm is applied to physical transportation deliveries and is applicable to all transportation rate schedules. Pursuant to Section 16 of the General Terms and Conditions herein, the ACA is effectively charged at a rate of $0.0002 per 100 Dekatherm-miles.

2/ Rate is charged in accordance with Section 45 of the General Terms and Conditions.

TABLE OF RATES, TOLLS & CHARGES

Service	Rates, Tolls and Charges
1. Rate Schedule FT-R	Refer to Attachment "1" for applicable FT-R Demand Rate per month & Surcharge for each Receipt Point Average Firm Service Receipt Price (AFSRP) $183.99/$10^3m^3$
2. Rate Schedule FT-RN	Refer to Attachment "1" for applicable FT-RN Demand Rate per month & Surcharge for each Receipt Point
3. Rate Schedule FT-D	FT-D Demand Rate per month $ 4.87/GJ
4. Rate Schedule STFT	STFT Bid Price. Minimum bid of 100% of FT-D Demand Rate
5. Rate Schedule FT-DW	FT-DW Bid Price. Minimum bid of 125% of FT-D Demand Rate
6. Rate Schedule FT-A	FT-A Commodity Rate $ 0.50/10^3m^3
7. Rate Schedule FT-P	Refer to Attachment "2" for applicable FT-P Demand Rate per month
8. Rate Schedule LRS	Contract Term — Effective LRS Rate ($/$10^3m^3$/day) 1-5 years — 10.28 6-10 years — 8.59 15 years — 7.71 20 years — 6.84
9. Rate Schedule LRS-2	LRS-2 Rate per month $50,000
10. Rate Schedule LRS-3	LRS-3 Demand Rate per month $129.55/$10^3m^3$
11. Rate Schedule IT-R	Refer to Attachment "1" for applicable IT-R Rate & Surcharge for each Receipt Point
12. Rate Schedule IT-D	IT-D Rate $ 0.1759/GJ
13. Rate Schedule FCS	The FCS Charge is determined in accordance with Attachment "1" to the applicable Schedule of Service
14. Rate Schedule PT	Schedule No — PT Rate — PT Gas Rate 9006-01000-0 — $ 60.50/d — 1.0 10^3m^3/d 9009-01001-1 — $660.00/d — 50.0 10^3m^3/d
15. Rate Schedule OS	Schedule No. — Charge 2008333534 — $ 212.00 / month 2009367515 — $ 45.00 / month 2009367513 — $ 90.00 / month 2009227545 — $ 9.00 / month 2009367511 — $ 6.00 / month 2009367517 — $ 5.00 / month 2009367518 — $ 48.00 / month 2009367514 — $ 146.00 / month 2009369554 — $ 350.00 / month 2009367512 — $ 1,671.00 / month 2009367516 — $ 18.00 / month 2009367441 — $ 43.00 / month 2009367265 — $ 169.00 / month 2009367442 — $ 88.00 / month 2009376113 — $ 185.00 / month 2009367266 — $ 9.00 / month 2003004522 — $ 83,333.00 / month
16. Rate Schedule CO_2	Tier — CO_2 Rate ($/$10^3m^3$) 1 — 553.44 2 — 438.58 3 — 294.62

NATURAL GAS TARIFF

NorthWestern Energy

	16th	Revised	Sheet No.	80.1
Canceling	15th	Revised	Sheet No.	80.1

Schedule No. T-FTG-1

TRANSPORTATION BUSINESS UNIT
FIRM TRANSPORTATION NATURAL GAS SERVICE

APPLICABILITY: Applicable to Shippers for firm transportation service on the Utility Transmission System under the terms of a Firm Gas Transportation Service Agreement (Agreement) between the Utility Transportation Business Unit (Utility) and Shipper and as subject to Rate Schedule General Terms and Operating Conditions (Rate Schedule GTC-1).

RATES: Net Monthly Bill:

Monthly Service Charge per Meter:

Meters Rated @ Cu. Ft. per hour	Per Meter Charge
5,001 to 10,000	$ 100.75
10,001 to 30,000	$ 144.90
>30,000	$ 321.50

PLUS:

Transmission Reservation Rate (Monthly Rate per MDDQ):

Maximum Monthly Reservation Rate for Maximum Daily Delivery Quantity (MDDQ)	$ 8.238700	

Transmission Commodity Rate (Monthly Rate per Dkt):

Maximum	$ 0.062431	
Minimum	$ 0.017935	
GTAC Amortization	$ (0.001275)	(R)
Balancing Penalty Rate	Higher of $25.00 / Dkt. Or 150% of Market Price	

PLUS:

OTHER APPLICABLE CHARGES: All charges contained on other applicable rate schedules approved by the Public Service Commission of Montana.

GAS TRANSPORTATION ADJUSTMENT CLAUSE: Pursuant to MPSC Order the above GTAC Amortization shall be in effect until the balance is extinguished.

MINIMUM BILL: Per respective contracts.

(continued)

Commission Approved: June 23, 2009
Docket No.: D2009.5.63, Interim Order No. 7004
Tariff Letter No. 155-G

Effective for service rendered on or after
July 1, 2009

PUBLIC SERVICE COMMISSION

Secretary

GAS RATE SCHEDULE

South Dakota Intrastate Pipeline Company
1415 N. Airport Rd
Pierre, SD 57501
e Filed: January 24, 2001

SD P.U.C. Section No. 3
Original Sheet No. 1

Effective Date: January 10, 2001

TRANSPORTATION SERVICE Rate 1

Transportation rate is $2.398 per dekatherm.

Issued By: Lisa A. Murphy, Vice President-Chief Financial Officer

STATE OF SOUTH DAKOTA
GAS RATE SCHEDULE

South Dakota Intrastate Pipeline Company

SD P.U.C. Section No. 4

PUBLIC SERVICE COMMISSION OF WYOMING

SourceGas Distribution LLC

Wyo. P.S.C. Tariff No. 5
First Revised Sheet No. 12
Cancels Original Sheet No. 12

Statement of Firm and Interruptible Transportation Service Rates
Applicable to Shippers Not Receiving
Choice Gas Service
Rate Schedule TC 1/
Casper Division

Division	Receipt Point	Delivery Point	Monthly Customer Charge	Maximum Transportation Charge 2/	Minimum Transportation Charge 2/	Fuel Reimbursement Quantity Percentage 3/
TC (Casper) Firm Transportation	MLI	MLI	$0.00	$1.0551	$0.0100	0.781%
	MLI	MLE	$163.00	$1.0551	$0.0100	0.781%
	MLI	DSE	$163.00	$2.0988	$0.0200	3.425%
Interruptible Transportation 4/	MLI	MLI	$0.00	$0.8439	$0.0100	0.781%
	MLI	MLE	$163.00	$0.8439	$0.0100	0.781%
Administrative Fee 5/			$325.00			

1/ Casper Division service area is defined on Sheet Nos. 3 and 4 of this Tariff.

2/ All charges are per Dekatherm.

3/ For fuel, lost and unaccounted for gas, SourceGas shall be entitled to retain the stated percentage of all Dekatherms received for transportation, unless otherwise agreed in writing.

4/ Interruptible Transportation Service is not available to DSE customers. The Customer Charge will be charged only for those months gas actually flows.

5/ In addition to the transportation charges stated above, Shippers are responsible for the monthly administrative fee as stated, applicable to each meter located at the customer location. For Interruptible Transportation Shippers, the Administrative Fee will be charged only for those months gas actually flows. Firm Transportation Shippers will be charged each month, regardless of gas flow.

Abbreviations (as defined in the General Terms and Conditions of this Tariff):

MLI Mainline System Interconnect
MLE Mainline System End-user
DSE Distribution System End-user

Date Issued: June 8, 2007
By: Bentley W. Breland

Date Effective: June 15, 2007
Title: Senior Vice President

MONTANA-DAKOTA UTILITIES CO.
RETURN ON CYCLE STORAGE BALANCES
AND PREPAID DEMAND AND COMMODITY BALANCES
NORTH DAKOTA GAS
EFFECTIVE OCTOBER 2009

	General Service		
	Storage Balance 1/	Prepaid Commodity Balance 2/	Prepaid Demand
October 2008	$11,590,437	$1,100,150	$3,040,391
November	10,346,230	998,226	2,461,118
December	4,059,007	621,772	1,157,690
January 2009	(535,124)	246,050	(397,864)
February	(3,569,219)	(7,421)	(1,320,609)
March	(5,566,203)	(172,337)	(1,909,458)
April	(5,393,708)	(168,880)	(1,736,211)
May	(2,569,203)	(92,142)	(1,023,608)
June	2,213,143	47,984	(39,684)
July	6,935,726	213,456	994,456
August	10,257,395	337,381	2,006,789
September	11,753,579	620,418	2,808,159
October	11,576,363	583,017	3,068,018
13 month average	$3,930,648	$332,898	$700,707
Rate of Return	8.791%	8.791%	8.791%
Return	$345,543	$29,265	$61,599
Return Requirement	$478,045	$40,487	$85,220

1/ Monthly balance from SENDOUT Model, allocated to North Dakota on ratio of storage capacity MDDQ.
2/ Monthly balance allocated to North Dakota on sales volumes.

MONTANA-DAKOTA UTILITIES CO.
COST OF GAS - PROPANE
NORTH DAKOTA
EFFECTIVE OCTOBER 2009

Cost of Purchased Propane	$22,131
Gallons Purchased	29,508
Projected dk Sales	2,700
Propane Cost per Dk	$8.197
Average Cost of Propane as Adjusted for Losses @ 99.55%	8.234
Less: Propane Cost Level in Rates 1/	7.905
Current Propane Cost Adjustment	$0.329

1/ Propane Cost Level in Current Rates - Case No. PU-09-156

MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ADJUSTMENT
APPLICABLE TO NORTH DAKOTA
FIRM
TO BE EFFECTIVE OCTOBER 1, 2009 THROUGH SEPTEMBER 30, 2010

(Over)/under recovered gas costs @ July 31, 2009 ($6,530,761)

Less: Projected recovery from rates already established

	Volume	Rate	Amount
August	257,000	$0.845	217,165
September	443,680	0.845	374,910
	700,680		592,075

Additional recovery required ($7,122,836)

Projected sales volumes (dk)

October 2009	922,300	
November	1,674,000	
December	2,300,200	
January 2010	2,542,820	
February	1,983,560	
March	1,681,220	
April	990,190	
May	522,250	
June	281,290	
July	239,730	
August	258,000	
September	447,680	
Total		13,843,240

Total (over)/under recovered gas cost adjustment
to be effective October 1, 2009 through September 30, 2010 **($0.515)**

MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ADJUSTMENT
APPLICABLE TO NORTH DAKOTA
INTERRUPTIBLE
TO BE EFFECTIVE OCTOBER 1, 2009 THROUGH SEPTEMBER 30, 2010

(Over)/under recovered gas costs @ July 31, 2009 ($92,116)

Less: Projected recovery from rates already established

	Volume	Rate	Amount
August	47,000	$0.349	16,403
September	40,000	0.349	13,960
	87,000		30,363
Additional recovery required			($122,479)

Projected sales volumes (dk)

October 2009	62,000	
November	83,000	
December	104,000	
January 2010	111,000	
February	94,000	
March	81,000	
April	56,000	
May	48,000	
June	43,000	
July	39,000	
August	47,000	
September	40,000	
Total		808,000

Total (over)/under recovered gas cost adjustment to be effective October 1, 2009 through September 30, 2010	**($0.152)**

MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ADJUSTMENT
APPLICABLE TO NORTH DAKOTA
AIR FORCE INTERRUPTIBLE
TO BE EFFECTIVE OCTOBER 1, 2009 THROUGH SEPTEMBER 30, 2010

	Volume	Rate	Amount
(Over)/under recovered gas costs @ July 31, 2009			$14,785
Less: Projected recovery from rates already established			
August	6,200	$0.167	1,035
September	6,000	0.167	1,002
	12,200		2,037
Additional recovery required			$12,748
Projected sales volumes (dk)			
October 2009		10,900	
November		33,700	
December		56,100	
January 2010		90,400	
February		96,000	
March		81,000	
April		73,800	
May		39,900	
June		21,500	
July		10,800	
August		6,200	
September		6,000	
Total			526,300
Total (over)/under recovered gas cost adjustment to be effective October 1, 2009 through September 30, 2010			**$0.024**

MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ACCOUNT BALANCE
APPLICABLE TO NORTH DAKOTA
FIRM

	(Over) Under Recovery	Refunds & Other	Interest 1/	Total Net Additions	Actual Dk Sales	Adjustment Per Dk	Total Adjustment Amount	Net Change- Additions less Adjustment	Cumulative Balance
Balance @ July 31, 2008									**$11,725,941**
August	891,059	$0	$11,188	902,247	229,458	($0.233)	($33,640) 2/	$935,887	12,661,828
September	(334,878)	0	7,928	(326,950)	286,271	0.000	0	(326,950)	12,334,878
October	(838,712)	0	4,631	(834,081)	479,761	0.845	183,238 3/	(1,017,319)	11,317,559
November	469,987	0	1,170	471,157	969,656	0.845	819,360	(348,203)	10,969,356
December	449,232	4,160 4/	179	453,571	1,894,641	0.845	1,600,972	(1,147,401)	9,821,955
January 2009	635,716	0	694	636,410	2,891,983	0.845	2,443,726	(1,807,316)	8,014,639
February	(1,836,624)	0	1,305	(1,835,319)	2,176,867	0.845	1,839,453	(3,674,772)	4,339,867
March	(2,301,822)	0	517	(2,301,305)	2,207,860	0.845	1,865,642	(4,166,947)	172,920
April	(1,080,379)	0	14	(1,080,365)	1,571,415	0.845	1,327,846	(2,408,211)	(2,235,291)
May	(799,213)	0	(339)	(799,552)	779,790	0.845	658,923	(1,458,475)	(3,693,766)
June	(1,191,853)	0	(558)	(1,192,411)	500,265	0.845	422,724	(1,615,135)	(5,308,901)
July	(951,741)	0	(801)	(952,542)	318,720	0.845	269,318	(1,221,860)	(6,530,761)
Balance @ July 31, 2009									**($6,530,761)**

1/ Interest calculated at 90 day Treasury Note rate.
2/ Surcharge adjustment change implemented during this period. Reflects 144,378.1 Dk @ ($0.233).
3/ Surcharge adjustment change implemented during this period. Reflects 216,850.3 Dk @ $0.845.
4/ Prior period adjustment related to Minot Air Force Base account switch from firm to interruptible service.

MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ACCOUNT BALANCE
APPLICABLE TO NORTH DAKOTA
INTERRUPTIBLE

	(Over) Under Recovery	Refunds & Other	Interest 1/	Total Net Additions	Actual Dk Sales	Adjustment Per Dk	Total Adjustment Amount	Net Change-Additions less Adjustment	Cumulative Balance
Balance @ July 31, 2008									**$291,680**
August	$155,690	$0	$284	$155,974	35,230	($0.416)	($14,655) 2/	$170,629	462,309
September	(28,185)	0	292	(27,893)	37,026	0.000	0	(27,893)	434,416
October	(163,211)	0	165	(163,046)	34,765	0.349	1 3/	(163,047)	271,369
November	59,141	0	28	59,169	64,484	0.349	22,505	36,664	308,033
December	(30,525)	0	5	(30,520)	113,467	0.349	39,600	(70,120)	237,913
January 2009	154,837	0	17	154,854	157,399	0.349	54,932	99,922	337,835
February	(61,289)	0	55	(61,234)	112,404	0.349	39,228	(100,462)	237,373
March	(70,155)	0	29	(70,126)	68,683	0.349	23,971	(94,097)	143,276
April	(44,509)	0	13	(44,496)	90,480	0.349	31,578	(76,074)	67,202
May	(34,533)	0	10	(34,523)	53,654	0.349	18,725	(53,248)	13,954
June	(41,377)	0	2	(41,375)	37,946	0.349	13,243	(54,618)	(40,664)
July	(41,312)	0	(6)	(41,318)	29,037	0.349	10,134	(51,452)	(92,116)
Balance @ July 31, 2009									**($92,116)**

1/ Interest calculated at 90 day Treasury Note rate.
2/ Surcharge adjustment change implemented during this period. Reflects 35,229 Dk @ ($0.416).
3/ Surcharge adjustment change implemented during this period. Reflects 2 Dk @ $0.349.

MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ACCOUNT BALANCE
APPLICABLE TO NORTH DAKOTA
AIR FORCE

	(Over) Under Recovery	Refunds & Other	Interest 1/	Total Net Additions	Actual Dk Sales	Adjustment Per Dk	Total Adjustment Amount	Net Change- Additions less Adjustment	Cumulative Balance
Balance @ July 31, 2008									**$121,188**
August	$164,522	$0	$121	$164,643	6,154	($0.135)	($831) 2/	$165,474	286,662
September	50,064	0	182	50,246	6,042	0.000	0	50,246	336,908
October	(44,176)	0	128	(44,048)	10,916	0.167	0 3/	(44,048)	292,860
November	24,159	0	31	24,190	33,725	0.167	5,632	18,558	311,418
December	(15,997)	(4,986) 4/	5	(20,978)	56,147	0.167	9,377	(30,355)	281,063
January 2009	85,231	0	20	85,251	90,482	0.167	15,111	70,140	351,203
February	(49,634)	0	58	(49,576)	95,984	0.167	16,029	(65,605)	285,598
March	(92,358)	0	34	(92,324)	80,958	0.167	13,520	(105,844)	179,754
April	(34,462)	0	16	(34,446)	73,750	0.167	12,316	(46,762)	132,992
May	(24,668)	0	20	(24,648)	39,854	0.167	6,656	(31,304)	101,688
June	(34,614)	0	16	(34,598)	21,457	0.167	3,583	(38,181)	63,507
July	(46,922)	0	10	(46,912)	10,839	0.167	1,810	(48,722)	14,785
Balance @ July 31, 2009									**$14,785**

1/ Interest calculated at 90 day Treasury Note rate.
2/ Surcharge adjustment change implemented during this period. Reflects 6,154 Dk @ ($0.135).
3/ Surcharge adjustment change implemented during this period. Reflects 0 Dk @ $0.167.
4/ Prior period adjustment related to Minot Air Force Base account switch from firm to interruptible service.

MONTANA-DAKOTA UTILITIES CO.
CALCULATION OF (OVER) UNDER RECOVERY OF GAS COSTS
APPLICABLE TO NORTH DAKOTA
FIRM

	Residential and Firm General					
	1/	2/	3/	Total	Seasonal	Total
August 2008						
Cost of Gas - Actual	$14.60469	$22.68727	$14.60469		$8.21257	
Cost of Gas - Recovered	11.27200	10.75600	10.75600		9.92600	
(Over) Under recovery per dk	$3.33269	$11.93127	$3.84869		($1.71343)	
dk billed	85,080	8,563	132,693	226,336	3,122	229,458
(Over) Under recovery	$283,547	$102,166	$510,695	$896,408	($5,349)	$891,059
September 2008						
Cost of Gas - Actual	$4.89270	$14.60469	$4.89270		$3.70070	
Cost of Gas - Recovered	9.05100	11.27200	11.27200		10.43800	
(Over) Under recovery per dk	($4.15830)	$3.33269	($6.37930)		($6.73730)	
dk billed	102,867	130,094	51,603	284,564	1,707	286,271
(Over) Under recovery	($427,750)	$433,562	($329,193)	($323,381)	($11,497)	($334,878)
October 2008						
Cost of Gas - Actual	$5.56559	$4.89270	$5.56559		$4.77982	
Cost of Gas - Recovered	4.67500	9.05100	9.05100		8.21600	
(Over) Under recovery per dk	$0.89059	($4.15830)	($3.48541)		($3.43618)	
dk billed	216,850	171,633	91,169	479,652	109	479,761
(Over) Under recovery	$193,125	($713,700)	($317,762)	($838,337)	($375)	($838,712)
November 2008						
Cost of Gas - Actual	$5.64351	$5.56559	$5.64351		$5.58621	
Cost of Gas - Recovered	5.81800	4.67500	4.67500		4.75600	
(Over) Under recovery per dk	($0.17449)	$0.89059	$0.96851		$0.83021	
dk billed	377,040	489,913	102,674	969,627	29	969,656
(Over) Under recovery	($65,790)	$436,312	$99,441	$469,963	$24	$469,987
December 2008						
Cost of Gas - Actual	$6.26774	$5.64351	$6.26774		$6.52830	
Cost of Gas - Recovered	5.52800	5.81800	5.81800		5.89900	
(Over) Under recovery per dk	$0.73974	($0.17449)	$0.44974		$0.62930	
dk billed	720,877	980,293	193,418	1,894,588	53	1,894,641
(Over) Under recovery	$533,262	($171,051)	$86,988	$449,199	$33	$449,232
January 2009						
Cost of Gas - Actual	$5.87052	$6.26774	$5.87052		$5.99029	
Cost of Gas - Recovered	6.50700	5.52800	5.52800		5.60900	
(Over) Under recovery per dk	($0.63648)	$0.73974	$0.34252		$0.38129	
dk billed	1,064,525	1,730,326	97,029	2,891,880	103	2,891,983
(Over) Under recovery	($677,549)	$1,279,992	$33,234	$635,677	$39	$635,716

MONTANA-DAKOTA UTILITIES CO.
CALCULATION OF (OVER) UNDER RECOVERY OF GAS COSTS
APPLICABLE TO NORTH DAKOTA
FIRM

	Residential and Firm General					
	1/	2/	3/	Total	Seasonal	Total
February 2009						
Cost of Gas - Actual	$5.23013	$5.87052			$5.41379	
Cost of Gas - Recovered	6.50700	6.50700			6.58900	
(Over) Under recovery per dk	($1.27687)	($0.63648)	$0.00000		($1.17521)	
dk billed	704,352	1,472,457		2,176,809	58	2,176,867
(Over) Under recovery	($899,366)	($937,189)	$0	($1,836,555)	($69)	($1,836,624)
March 2009						
Cost of Gas - Actual	$4.62008	$5.23013	$4.62008		$4.87692	
Cost of Gas - Recovered	5.28800	6.50700	6.50700		6.58900	
(Over) Under recovery per dk	($0.66792)	($1.27687)	($1.88692)		($1.71208)	
dk billed	831,846	1,393,658	(17,709)	2,207,795	65	2,207,860
(Over) Under recovery	($555,606)	($1,779,520)	$33,415	($2,301,711)	($111)	($2,301,822)
April 2009						
Cost of Gas - Actual	$3.99783	$4.62008	$3.99783		$4.19565	
Cost of Gas - Recovered	4.77200	5.28800	5.28800		5.37000	
(Over) Under recovery per dk	($0.77417)	($0.66792)	($1.29017)		($1.17435)	
dk billed	497,743	1,109,157	(35,531)	1,571,369	46	1,571,415
(Over) Under recovery	($385,338)	($740,828)	$45,841	($1,080,325)	($54)	($1,080,379)
May 2009						
Cost of Gas - Actual	$2.50484	$3.99783	$2.50484		$4.10638	
Cost of Gas - Recovered	4.36500	4.77200	4.77200		4.85500	
(Over) Under recovery per dk	($1.86016)	($0.77417)	($2.26716)		($0.74862)	
dk billed	231,669	585,388	(37,549)	779,508	282	779,790
(Over) Under recovery	($430,941)	($453,190)	$85,129	($799,002)	($211)	($799,213)
June 2009						
Cost of Gas - Actual	$0.47085	$2.50484	$0.47085		$4.33787	
Cost of Gas - Recovered	4.15200	4.36500	4.36500		4.45500	
(Over) Under recovery per dk	($3.68115)	($1.86016)	($3.89415)		($0.11713)	
dk billed	139,102	352,600	6,063	497,765	2,500	500,265
(Over) Under recovery	($512,057)	($655,892)	($23,611)	($1,191,560)	($293)	($1,191,853)
July 2009						
Cost of Gas - Actual	$2.65627	$0.47085	$2.65627		$3.51313	
Cost of Gas - Recovered	4.38300	4.15200	4.15200		3.29200	
(Over) Under recovery per dk	($1.72673)	($3.68115)	($1.49573)		$0.22113	
dk billed	105,577	209,583	(747)	314,413	4,307	318,720
(Over) Under recovery	($182,303)	($771,508)	$1,118	($952,693)	$952	($951,741)

1/ Consumed in current month.
2/ Consumed in prior month.
3/ True-up of prior month volumes.

MONTANA-DAKOTA UTILITIES CO.
CALCULATION OF (OVER) UNDER RECOVERY OF GAS COSTS
APPLICABLE TO NORTH DAKOTA
INTERRUPTIBLE

	1/	2/	3/	Total
August 2008				
Cost of Gas - Actual	$9.45833	$14.26227		
Cost of Gas - Recovered	10.35700	9.84300		
(Over) Under recovery per dk	($0.89867)	$4.41927	$0.00000	
dk billed	0	35,230		35,230
(Over) Under recovery	$0	$155,690	$0	$155,690
September 2008				
Cost of Gas - Actual	$3.63492	$9.45833	$3.63492	
Cost of Gas - Recovered	8.14000	10.35700	10.35700	
(Over) Under recovery per dk	($4.50508)	($0.89867)	($6.72208)	
dk billed	1	37,899	(874)	37,026
(Over) Under recovery	($3)	($34,059)	$5,877	($28,185)
October 2008				
Cost of Gas - Actual	$4.69717	$3.63492	$4.69717	
Cost of Gas - Recovered	3.78000	8.14000	8.14000	
(Over) Under recovery per dk	$0.91717	($4.50508)	($3.44283)	
dk billed	2	40,981	(6,218)	34,765
(Over) Under recovery	$2	($184,621)	$21,408	($163,211)
November 2008				
Cost of Gas - Actual	$4.63885	$4.69717	$4.63885	
Cost of Gas - Recovered	4.93100	3.78000	3.78000	
(Over) Under recovery per dk	($0.29215)	$0.91717	$0.85885	
dk billed	1	64,471	12	64,484
(Over) Under recovery	$0	$59,131	$10	$59,141
December 2008				
Cost of Gas - Actual	$5.58499	$4.63885	$5.58499	
Cost of Gas - Recovered	4.63800	4.93100	4.93100	
(Over) Under recovery per dk	$0.94699	($0.29215)	$0.65399	
dk billed	1	110,694	2,772	113,467
(Over) Under recovery	$1	($32,339)	$1,813	($30,525)
January 2009				
Cost of Gas - Actual	$5.05151	$5.58499	$5.05151	
Cost of Gas - Recovered	5.60000	4.63800	4.63800	
(Over) Under recovery per dk	($0.54849)	$0.94699	$0.41351	
dk billed	59	168,343	(11,003)	157,399
(Over) Under recovery	($32)	$159,419	($4,550)	$154,837

MONTANA-DAKOTA UTILITIES CO.
CALCULATION OF (OVER) UNDER RECOVERY OF GAS COSTS
APPLICABLE TO NORTH DAKOTA
INTERRUPTIBLE

	1/	2/	3/	Total
February 2009				
Cost of Gas - Actual	$4.43479	$5.05151	$4.43479	
Cost of Gas - Recovered	5.60000	5.60000	5.60000	
(Over) Under recovery per dk	($1.16521)	($0.54849)	($1.16521)	
dk billed	0	112,992	(588)	112,404
(Over) Under recovery	$0	($61,974)	$685	($61,289)
March 2009				
Cost of Gas - Actual	$3.91405	$4.43479	$3.91405	
Cost of Gas - Recovered	4.38400	5.60000	5.60000	
(Over) Under recovery per dk	($0.46995)	($1.16521)	($1.68595)	
dk billed	421	86,663	(18,401)	68,683
(Over) Under recovery	($198)	($100,981)	$31,024	($70,155)
April 2009				
Cost of Gas - Actual	$3.22541	$3.91405	$3.22541	
Cost of Gas - Recovered	3.86300	4.38400	4.38400	
(Over) Under recovery per dk	($0.63759)	($0.46995)	($1.15859)	
dk billed	304	87,364	2,812	90,480
(Over) Under recovery	($194)	($41,057)	($3,258)	($44,509)
May 2009				
Cost of Gas - Actual	$2.36961	$3.22541	$2.36961	
Cost of Gas - Recovered	3.44500	3.86300	3.86300	
(Over) Under recovery per dk	($1.07539)	($0.63759)	($1.49339)	
dk billed	53	53,249	352	53,654
(Over) Under recovery	($57)	($33,951)	($525)	($34,533)
June 2009				
Cost of Gas - Actual	$1.85389	$2.36961	$1.85389	
Cost of Gas - Recovered	3.22400	3.44500	3.44500	
(Over) Under recovery per dk	($1.37011)	($1.07539)	($1.59111)	
dk billed	1	36,837	1,108	37,946
(Over) Under recovery	($1)	($39,613)	($1,763)	($41,377)
July 2009				
Cost of Gas - Actual	$2.80168	$1.85389	$2.80168	
Cost of Gas - Recovered	3.44800	3.22400	3.22400	
(Over) Under recovery per dk	($0.64632)	($1.37011)	($0.42232)	
dk billed	1	30,649	(1,613)	29,037
(Over) Under recovery	($1)	($41,992)	$681	($41,312)

1/ Consumed in current month.
2/ Consumed in prior month.
3/ True-up of prior month volumes.

MONTANA-DAKOTA UTILITIES CO.
CALCULATION OF (OVER) UNDER RECOVERY OF GAS COSTS
APPLICABLE TO NORTH DAKOTA
AIR FORCE

	1/	2/	Total
August 2008			
Cost of Gas - Actual	$36.42118	$18.41952	
Cost of Gas - Recovered	9.79900	9.79900	
(Over) Under recovery per dk	$26.62218	$8.62052	
dk billed	6,192	(38)	6,154
(Over) Under recovery	$164,850	($328)	$164,522
September 2008			
Cost of Gas - Actual	$18.41952	$3.61809	
Cost of Gas - Recovered	10.31000	10.31000	
(Over) Under recovery per dk	$8.10952	($6.69191)	
dk billed	6,114	(72)	6,042
(Over) Under recovery	$49,584	$480	$50,064
October 2008			
Cost of Gas - Actual	$3.61809	$4.46633	
Cost of Gas - Recovered	8.10300	8.10300	
(Over) Under recovery per dk	($4.48491)	($3.63667)	
dk billed	5,280	5,636	10,916
(Over) Under recovery	($23,680)	($20,496)	($44,176)
November 2008			
Cost of Gas - Actual	$4.46633	$4.61736	
Cost of Gas - Recovered	3.76200	3.76200	
(Over) Under recovery per dk	$0.70433	$0.85536	
dk billed	31,046	2,679	33,725
(Over) Under recovery	$21,867	$2,292	$24,159
December 2008			
Cost of Gas - Actual	$4.61736	$5.55916	
Cost of Gas - Recovered	4.90900	4.90900	
(Over) Under recovery per dk	($0.29164)	$0.65016	
dk billed	55,746	401	56,147
(Over) Under recovery	($16,258)	$261	($15,997)
January 2009			
Cost of Gas - Actual	$5.55916	$5.02894	
Cost of Gas - Recovered	4.61700	4.61700	
(Over) Under recovery per dk	$0.94216	$0.41194	
dk billed	90,449	33	90,482
(Over) Under recovery	$85,217	$14	$85,231

MONTANA-DAKOTA UTILITIES CO.
CALCULATION OF (OVER) UNDER RECOVERY OF GAS COSTS
APPLICABLE TO NORTH DAKOTA
AIR FORCE

	1/	2/	Total
February 2009			
Cost of Gas - Actual	$5.02894	$4.41511	
Cost of Gas - Recovered	5.57500	5.57500	
(Over) Under recovery per dk	($0.54606)	($1.15989)	
dk billed	100,510	(4,526)	95,984
(Over) Under recovery	($54,884)	$5,250	($49,634)
March 2009			
Cost of Gas - Actual	$4.41511	$3.89466	
Cost of Gas - Recovered	5.57500	5.57500	
(Over) Under recovery per dk	($1.15989)	($1.68034)	
dk billed	83,925	(2,967)	80,958
(Over) Under recovery	($97,344)	$4,986	($92,358)
April 2009			
Cost of Gas - Actual	$3.89466	$3.19685	
Cost of Gas - Recovered	4.36400	4.36400	
(Over) Under recovery per dk	($0.46934)	($1.16715)	
dk billed	73,967	(217)	73,750
(Over) Under recovery	($34,715)	$253	($34,462)
May 2009			
Cost of Gas - Actual	$3.19685	$1.74850	
Cost of Gas - Recovered	3.84600	3.84600	
(Over) Under recovery per dk	($0.64915)	($2.09750)	
dk billed	40,685	(831)	39,854
(Over) Under recovery	($26,410)	$1,742	($24,668)
June 2009			
Cost of Gas - Actual	$1.74850	($1.12948)	
Cost of Gas - Recovered	3.42900	3.42900	
(Over) Under recovery per dk	($1.68050)	($4.55848)	
dk billed	21,959	(502)	21,457
(Over) Under recovery	($36,903)	$2,289	($34,614)
July 2009			
Cost of Gas - Actual	($1.12948)	$1.33310	
Cost of Gas - Recovered	3.20900	3.20900	
(Over) Under recovery per dk	($4.33848)	($1.87590)	
dk billed	10,798	41	10,839
(Over) Under recovery	($46,845)	($77)	($46,922)

1/ Consumed in prior month.
2/ True-up of prior month volumes.

MONTANA-DAKOTA UTILITIES CO.
NORTH DAKOTA GAS
INTERRUPTIBLE MARKET BASED PRICING DIFFERENTIAL
EFFECTIVE OCTOBER 1, 2009 THROUGH SEPTEMBER 30, 2010

Balance of Accumulated Revenues 1/	\$146,815
Projected Residential & General Service Sales Volumes	13,894,000
Market Based Pricing Differential Provision	\$0.011

1/ Represents 50% of margin above the approved margin from all interruptible sales.