

September 10, 2013

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-13-

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 two (2) copies of a Cost of Gas (COG) change pursuant to the terms of Rates 88 and 99.

Attachment A is the Rate Summary Sheet (117th Revised Sheet No. 3) showing the proposed natural gas rates, to be effective with service rendered October 1, 2013.

Montana-Dakota purchases gas supplies under a number of contracts. The commodity cost of gas has decreased \$0.030 per dk since the last filing due to a decrease in the overall commodity 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, increasing the cost of gas by \$0.051 per dk. In addition, this filing reflects the annual change in the surcharge adjustment, which is an increase of \$0.137 per dk for residential and firm general service customers. The market based pricing differential credit increased by \$0.002 per dk resulting in a net increase of \$0.156 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 the market based pricing differential provision that will apply during the month of October 2013.

The net effect of this filing, calculated pursuant to the terms of Rate 88, is an increase of \$0.156 per dk for residential customers and firm general customers, an increase of \$0.255 per dk for small and large interruptible customers and an increase of \$0.581 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 2013. The average cost of gas for firm customers, adjusted for losses, is \$4.641.

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 D shows the calculation of the surcharge adjustment that will apply during the period October 1, 2013 through September 30, 2014. The total surcharge is \$0.024 per dk residential and general service customers, \$0.116 per dk for small and large interruptible customers and \$0.181 per dk for the Air Force, or an increase of \$0.137 per dk for residential and general service customers, an increase of \$0.231 per dk for small and large interruptible customers and an increase of \$0.558 per dk for the Air Force from the adjustment effective October 1, 2012.

Exhibit E 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 \$0.012 per dk will be applicable to all residential and general service customers for the period October 1, 2013 through September 30, 2014. This reflects a decrease of \$0.002 per dk to residential and firm general customers from the current adjustment.

Exhibit F shows the calculation of the current cost of gas – propane that will be applicable to Montana-Dakota's customers for the month of October 2013. The average cost of propane for all customers, adjusted for losses, is \$12.075 per dk.

These proposed adjustments, calculated in accordance with Rate 88 and Rate 99, will amount to an increase of approximately \$188,500 for natural gas customers and an increase of approximately \$6,140 for propane customers during the month of October 2013. All of Montana-Dakota's retail natural gas and propane customers in North Dakota may be affected by this proposal. There were 98,931 natural gas and 342 propane customers in North Dakota as of August 31, 2013.

Please refer all inquiries regarding this filing to:

Ms. Rita A. Mulkern
Director of Regulatory Affairs
Montana-Dakota Utilities Co.
400 North Fourth Street
Bismarck, ND 58501

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

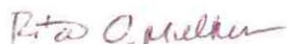
Mr. Daniel S. Kuntz
Associate General Counsel
MDU Resources Group, Inc.
P. O. Box 5650
Bismarck, ND 58506-5650

Montana-Dakota submitted a check for the amount of \$550 in accordance with North Dakota Century Code Section 49-05-05 on January 10, 2013. This payment will cover the filing fee associated with the monthly COG filings.

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,



Rita A. Mulkern
Director of 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
117th Revised Sheet No. 3
Canceling 116th Revised Sheet No. 3

RATE SUMMARY SHEET

Page 1 of 2

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	\$4.653	\$5.465
Air Force Rate 64	7				
Minot Air Force Base		\$1,000.00 per month			
PAR Site		\$135.00 per month			
Firm Service			\$0.138	\$4.653	\$4.791
Interruptible Service - PAR			\$0.120	\$3.793	\$3.913
Interruptible Service - MAFB			\$0.120	\$3.841	\$3.961
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	\$4.653	\$5.250
Small Interruptible Gas Rate 71	14	\$100.00 per month	(Maximum) \$0.871	\$3.793	(Maximum) \$4.664
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	\$0.597	\$4.738	\$5.335
Transportation Service	24				
Small Interruptible Rate 81		\$150.00 per month			
Maximum			\$0.427		
Minimum			\$0.102		
Fuel Charge				\$0.017	
Large Interruptible Rate 82		\$725.00 per month			
Maximum			\$0.298		
Minimum			\$0.061		
Fuel Charge				\$0.017	
Large Interruptible Gas Rate 85	27	\$675.00 per month	(Maximum) \$0.719	\$3.793	(Maximum) \$4.512
Residential Propane Rate 90	32	\$0.30 per day	\$0.812	\$11.286	\$12.098
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	\$11.286	\$11.883

Date Filed: September 10, 2013

Effective Date:

Issued By: Tamie A. Aberle
Director - Regulatory Affairs

Case No.:

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

October 2013

The established monthly price for the Rocky Mountain CIG Index has decreased from the previous filing. 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 reflective of natural gas prices in the Rocky Mountain region and indicative of the supplies Montana-Dakota purchases for its requirements.

The decrease in natural gas prices is likely a result of the average U.S. temperature being somewhat normal and the cost of gas remaining fairly stable. Storage inventories continue to be slightly above the five year average. The Energy Information Administration (EIA) reported storage levels nationwide as of August 30, 2013 to be 1.4 percent below the five-year average and 6.2 percent below last year’s storage 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 4 through 17.

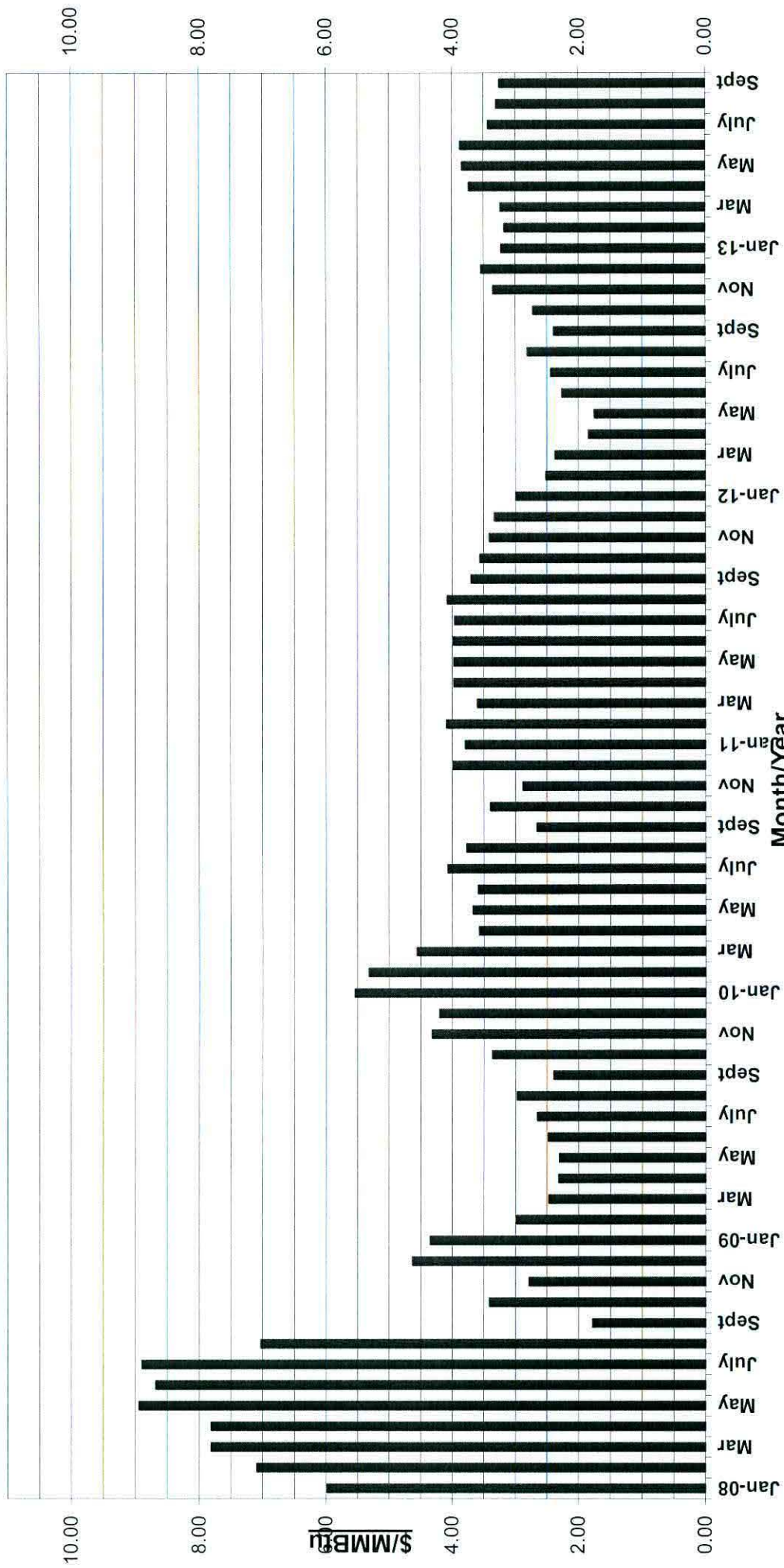
**Montana-Dakota Utilities Co.
Market Conditions for Regional Propane
October 2013**

Montana-Dakota uses two 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 October 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. As seasonal usage increases, this 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 2008-2013YTD



From Inside F.E.R.C.'s Gas Market Report
Annual Averages: - 2011-\$3.79; 2012-\$2.58; 2013YTD - \$3.45

*Independent Statistics & Analysis*U.S. Energy Information
Administration

September 2013

Short-Term Energy Outlook (STEO)

Highlights

- Monthly average crude oil prices increased for the fourth consecutive month in August 2013, as supply disruptions in Libya increased and concerns over the conflict in Syria intensified. The U.S. Energy Information Administration's (EIA) forecast for Brent crude oil spot price, which averaged \$108 per barrel during the first half of 2013, averages \$109 per barrel over the second half of 2013 and \$102 per barrel in 2014, \$5 per barrel and \$2 per barrel higher than forecast in last month's STEO, respectively. Projected West Texas Intermediate (WTI) crude oil prices average \$101 per barrel during the fourth quarter of 2013 and \$96 per barrel during 2014. Energy price forecasts are highly uncertain and could differ significantly from the projected levels. The current values of futures and options contracts suggest the lower and upper limits of the 95% confidence interval for the market's expectations of monthly average WTI prices in December 2013 at \$86 per barrel and \$131 per barrel, respectively.
- In August, unplanned disruptions among the Organization of the Petroleum Exporting Countries (OPEC) and non-OPEC producers reached an estimated 2.7 million barrels per day (bbl/d), the highest level since at least January 2011 (see [EIA Estimates of Crude Oil and Liquid Fuels Supply Disruptions](#) and [Status of Libyan Loading Ports and Oil and Natural Gas Fields](#)). Of this volume, 0.6 million bbl/d was attributable to non-OPEC producers, while OPEC producers accounted for the remaining 2.1 million bbl/d of outages. OPEC disruptions reached the highest level since at least January 2009, when EIA began tracking this information.
- EIA's forecast for the regular gasoline retail price averages \$3.44 per gallon in the fourth quarter of 2013, 11 cents per gallon higher than in last month's STEO. The annual average regular gasoline retail, which was \$3.63 per gallon in 2012, is expected to be \$3.55 per gallon in 2013 and \$3.43 per gallon in 2014. As in the case of crude oil, the current value of futures and options contracts suggests a wide uncertainty in market expectations.
- U.S. crude oil production increased to an average of 7.6 million bbl/d in August, the highest monthly level of production since 1989. EIA forecasts U.S. total crude oil production will average 7.5 million bbl/d in 2013 and 8.4 million bbl/d in 2014, about 0.1 million bbl/d and 0.2 million bbl/d higher, respectively, than forecast in last month's STEO.

- Natural gas working inventories ended August at an estimated 3.2 trillion cubic feet (Tcf), 0.21 Tcf below the level at the same time a year ago and 0.04 Tcf above the five-year average (2008-12). EIA expects the Henry Hub natural gas spot price, which averaged \$2.75 per million British thermal units (MMBtu) in 2012, will average \$3.68 per MMBtu in 2013 and \$3.91 per MMBtu in 2014.

Global Crude Oil and Liquid Fuels

An increase in unplanned liquid fuels production disruptions in August combined with peak summer demand and exacerbated by rising concerns over the conflict in Syria and its regional implications, contributed to a tighter world oil market during the month. The total volume of world production that is offline because of unplanned outages among OPEC and non-OPEC producers in August was the highest since at least January 2011 (see [EIA Estimates of Crude Oil and Liquid Fuels Supply Disruptions](#) and [Status of Libyan Loading Ports and Oil and Natural Gas Fields](#)). Liquid fuels production disruptions in August reached 2.7 million bbl/d, with 2.1 million bbl/d of crude oil production outages from OPEC producers. This level of crude oil production outages among OPEC producers is the highest since at least January 2009, when EIA began tracking OPEC outages.

Growing non-OPEC liquid fuels production contributes to a decline in the call on OPEC crude oil and global stocks (world consumption less non-OPEC production and OPEC non-crude oil production) falling from an average 30.0 million bbl/d in 2013 to 29.4 million bbl/d in 2014.

Global Liquid Fuels Consumption. EIA projects global consumption to grow by 1.1 million bbl/d in 2013 and by another 1.2 million bbl/d in 2014, with China, the Middle East, Central and South America, and other countries outside of the Organization for Economic Cooperation and Development (OECD) accounting for essentially all consumption growth. Projected OECD liquid fuels consumption declines by 0.2 million bbl/d in both 2013 and 2014. The declines in OECD consumption are largely due to lower consumption in Europe and Japan.

Non-OECD Asia, particularly China, is the leading contributor to projected global consumption growth. EIA estimates that liquid fuels consumption in China will increase by 420,000 bbl/d in 2013 and by a further 430,000 bbl/d in 2014, compared with average annual growth of about 510,000 bbl/d from 2003 through 2012.

Non-OPEC Supply. Forecast non-OPEC liquid fuels production increases by 1.6 million bbl/d in 2013 and by 1.4 million bbl/d in 2014. The largest area of non-OPEC growth is North America, where production increases by 1.4 million bbl/d and 1.1 million bbl/d in 2013 and 2014, respectively, resulting from continued production growth in U.S. onshore tight oil formations and from Canadian oil sands.

EIA expects smaller production growth from a number of other areas, including Central & South America and Asia & Oceania. In Central & South America, forecast liquid fuels supply increases by 0.1 million bbl/d and 0.2 million bbl/d in 2013 and 2014, respectively, mainly driven by

increases in Brazil's offshore, pre-salt oilfields output. EIA expects total liquid fuels supply in Asia & Oceania to increase by 0.1 million bbl/d in 2013 and 0.2 million bbl/d in 2014. The increase in supply in 2014 in this region comes mostly from production growth in China, Malaysia, and Australia.

Of the 2.7 million bbl/d of total supply disruptions globally, approximately 0.6 million bbl/d of the outages occurred among non-OPEC producers. These estimates of unplanned liquid fuels outages exclude normal maintenance and reflect the level of volumes shut in compared with an assessment of effective production capacity, which EIA periodically updates. Sudan and South Sudan, Syria, and Yemen accounted for more than 80% of all non-OPEC disruptions, with smaller volumes shut in elsewhere, including Brazil and the North Sea.

OPEC Supply. EIA projects total OPEC liquid fuels production to decline by 0.8 million bbl/d in 2013 and 0.2 million bbl/d in 2014. These declines reflect unplanned outages of crude oil production among some OPEC producers as well as decreases in Saudi Arabia's production in response to the increase in non-OPEC supply.

Overall OPEC crude oil unplanned disruptions in August totaled about 2.1 million bbl/d. Additional details in EIA's estimates of unplanned disruptions are provided in a [supplement](#) to this release of the STEO.

Total OPEC surplus crude oil production capacity in the second quarter of 2013 averaged 2.2 million bbl/d, which is 0.2 million bbl/d above the year-ago level, but still nearly 1.0 million bbl/d lower than the historical three-year average. EIA projects OPEC surplus capacity will increase to an average of 2.5 million bbl/d in the fourth quarter of 2013, and 4.6 million bbl/d in the fourth quarter of 2014. These estimates do not include additional capacity that may be available in Iran but is currently offline because of the effects of U.S. and EU sanctions on Iran's oil sector.

OECD Petroleum Inventories. EIA estimates that OECD commercial oil inventories at the end of 2012 totaled 2.65 billion barrels, equivalent to 57.7 days of supply. OECD oil inventories are projected to end 2013 at 2.66 billion barrels (57.3 days of supply) and end 2014 at 2.69 billion barrels (58.1 days of supply).

Crude Oil Prices. After declining to a 2013 year-to-date low of \$97 per barrel on April 17, Brent crude oil spot prices increased to an average of \$111 per barrel in August. EIA projects the Brent crude oil spot price will fall to an average \$105 per barrel in December. The Brent crude oil annual average spot price declines from \$112 per barrel in 2012 to \$108 per barrel and \$102 per barrel in 2013 and 2014, respectively, reflecting the increasing supply of liquid fuels from non-OPEC countries.

The forecast WTI crude oil spot price averages \$99 per barrel in 2013 and \$96 per barrel in 2014, \$2 per barrel and \$3 per barrel higher, respectively, than last month's STEO. The [discount of WTI crude oil to Brent crude oil](#), which averaged \$18 per barrel in 2012 and increased to a

monthly average of \$21 per barrel in February 2013 before falling to \$3 per barrel in July, reached \$8 per barrel at the end of August, and averaged \$5 per barrel for the month. Supply disruptions in Libya, growing tensions in Syria, and [seasonal maintenance in the North Sea](#) contributed to Brent crude oil prices increasing more than WTI crude oil over the last two weeks of August. [EIA expects the WTI discount to average](#) \$6.50 per barrel during the fourth quarter of 2013 as U.S. refinery runs fall from summer highs and midcontinent crude oil production growth outpaces increases in capacity to transport crude oil from the region to other refining centers.

Energy price forecasts are highly uncertain, and the current values of futures and options contracts suggest that prices could differ significantly from the forecast levels ([Market Prices and Uncertainty Report](#)). WTI futures contracts for December 2013 delivery traded during the five-day period ending September 5, 2013, averaged \$106 per barrel. Implied volatility averaged 25%, establishing the lower and upper limits of the 95% confidence interval for the market's expectations of monthly average WTI prices in December 2013 at \$86 per barrel and \$131 per barrel, respectively. Last year at this time, WTI for December 2012 delivery averaged \$96 per barrel and implied volatility averaged 31%. The corresponding lower and upper limits of the 95% confidence interval were \$74 per barrel and \$126 per barrel.

U.S. Crude Oil and Liquid Fuels

After reaching a weekly peak of \$3.68 per gallon on July 22, 2013, U.S. regular gasoline retail prices averaged \$3.57 per gallon during August. The [largest declines in retail gasoline prices were seen along the West Coast](#), with ample inventories and an absence of refinery outages such as those during the summer of 2012. EIA expects regular gasoline retail prices to average \$3.44 per gallon during the fourth quarter of 2013 as crude oil prices begin to fall and the summer driving season comes to a close.

U.S. Liquid Fuels Consumption. In 2012, total liquid fuels consumption declined by 395,000 bbl/d (2.1%). Total liquid fuels consumption for the first half of 2013 rose by 70,000 bbl/d (0.4%) compared with the same period last year, led by increases in liquefied petroleum gas and distillate consumption. Projected total liquids consumption during the second half of 2013 increases 180,000 bbl/d (1%) from the same period last year, with all of the finished products contributing to that growth. However, EIA continues to expect [declining gasoline consumption](#) in 2014 as improving fuel economy of new vehicles continues to outpace growth in highway travel. Also, jet fuel consumption remains flat as increased fuel efficiencies brought about by fleet turnover more than offset increases in air freight and travel. In 2014, total consumption of liquid fuels increases by only 30,000 bbl/d (0.2%) with further declines in motor gasoline offset by higher distillate fuel consumption.

U.S. Liquid Fuels Supply. EIA expects U.S. crude oil production to rise from an average of 6.5 million bbl/d in 2012 to 7.5 million bbl/d in 2013 and 8.4 million bbl/d in 2014. The continued focus on drilling in tight oil plays in the onshore Williston, Western Gulf, and Permian basins is

expected to account for the bulk of forecast production growth over the next two years. Offshore production from the Gulf of Mexico is forecast to average 1.3 million bbl/d in 2013 and 1.4 million bbl/d in 2014.

Since reaching 12.5 million bbl/d in 2005, total U.S. liquid fuel net imports, including crude oil and petroleum products, have been falling. Total net imports fell to 7.4 million bbl/d in 2012, and EIA expects net imports to continue declining to an average of 5.4 million bbl/d by 2014. Similarly, the share of total U.S. consumption met by liquid fuel net imports peaked at more than 60% in 2005 and fell to an average of 40% in 2012. EIA expects the net import share to decline to 29% in 2014, which would be the lowest level since 1985.

U.S. Petroleum Product Prices. EIA expects that regular-grade gasoline retail prices, which averaged \$3.59 per gallon during the first half of 2013, will average \$3.60 per gallon and \$3.44 per gallon during the third and fourth quarters of 2013, respectively. As the summer driving season (April through September) comes to a close, regular gasoline retail prices are expected to average \$3.60 per gallon during the summer of 2013, 9 cents per gallon lower than in 2012. Led by falling crude oil prices, the projected U.S. average regular gasoline retail price falls from \$3.63 per gallon in 2012 to an average \$3.55 per gallon in 2013 and \$3.43 per gallon in 2014. Diesel fuel prices, which averaged \$3.97 per gallon in 2012, are projected to average \$3.96 per gallon in 2013 and \$3.82 per gallon in 2014.

The current values of futures and options contracts suggest that gasoline prices could differ significantly from this forecast. For example, there is a 18% probability that the New York Harbor reformulated gasoline blendstock for oxygenate blending (RBOB) futures price will exceed \$3.10 per gallon (consistent with a U.S. average regular gasoline retail price above \$3.75 per gallon) in December 2013.

Natural Gas

Working natural gas in storage is expected to total about 3,820 billion cubic feet (Bcf) at the end of next month, the nominal end of the 2013 injection season. Injections of natural gas into storage often continue into November, depending on weather and storage levels at the time.

This month's STEO increases the end-of-October projection for working gas in storage by about 20 Bcf from last month's forecast. In addition to the reclassification of 14 Bcf of base gas to working gas during August, cooler-than-expected August weather has moderated demand for air conditioning, allowing for more natural gas to go into storage. The new end-of-October projection is still about 100 Bcf short of the all-time high of 3,929 Bcf, reached last October. EIA expects the sum of injections from April through October will total around 2,100 Bcf, which is relatively normal compared with recent years, and much higher than last year's unusually low cumulative injection of 1,451 Bcf, which began the injection season on April 1 with higher stock levels.

U.S. Natural Gas Consumption. EIA expects that natural gas consumption, which averaged 69.7 Bcf/d in 2012, will average 69.9 Bcf/d and 69.3 Bcf/d in 2013 and 2014, respectively. Colder winter temperatures in 2013 and 2014 (compared with the record-warm temperatures in 2012) are expected to increase the amount of natural gas used for residential and commercial space heating. However, the projected year-over-year increases in natural gas prices contribute to declines in natural gas used for electric power generation from 25.0 Bcf/d in 2012 to 22.1 Bcf/d in 2013 and 21.6 Bcf/d in 2014.

U.S. Natural Gas Production and Trade. Natural gas marketed production is projected to increase from 69.2 Bcf/d in 2012 to 69.9 Bcf/d in 2013 and to 70.4 Bcf/d in 2014. Onshore production increases over the forecast period, while federal Gulf of Mexico production from existing fields declines as the economics of onshore drilling remain more favorable. Natural gas pipeline gross imports, which have fallen over the past five years, are projected to fall by 0.2 Bcf/d in 2013 and then remain near 2013 levels in 2014. LNG imports are expected to remain at minimal levels of around 0.4 Bcf/d in both 2013 and 2014.

U.S. Natural Gas Inventories. As of August 30, working gas stocks totaled 3,188 Bcf, which is 210 Bcf less than at the same time last year, and 43 Bcf greater than the five-year (2008-12) average for that week. EIA projects inventories will total 3,820 Bcf at the end of the injection season, and 1,890 Bcf at the end of March 2014, the end of the winter heating season.

U.S. Natural Gas Prices. Natural gas spot prices averaged \$3.43 per MMBtu at the Henry Hub in August, down 20 cents from the previous month's price. While prices have been declining since April, EIA expects this pattern will reverse in September as the weather becomes cooler and natural gas demand for space heating begins to become a factor. EIA expects the Henry Hub price will increase from an average of \$2.75 per MMBtu in 2012 to \$3.68 per MMBtu in 2013 and \$3.91 per MMBtu in 2014.

Natural gas futures prices for December 2013 delivery (for the five-day period ending September 5, 2013) averaged \$3.87 per MMBtu. Current options and futures prices imply that market participants place the lower and upper bounds for the 95% confidence interval for December 2013 contracts at \$2.98 per MMBtu and \$5.04 per MMBtu, respectively. At this time a year ago, the natural gas futures contract for December 2012 averaged \$3.20 per MMBtu and the corresponding lower and upper limits of the 95% confidence interval were \$2.20 per MMBtu and \$4.65 per MMBtu.

Coal

Based on preliminary monthly data for July 2013, coal production totaled 88.9 million short tons (MMst) for the month, the highest level since August 2012 and up 3.0% from the previous July's total. Coal production in the Appalachian and Western regions was up 3.0% and 4.8%, respectively. Although Interior region production declined by 2.8% year-over-year in July, Illinois

basin production did increase slightly. July also saw a significant reduction in coal inventories held by electric power producers.

U.S. Coal Supply. Coal production in the first half of 2013 was 486 MMst, 21 MMst (4.2%) lower than in the same period of 2012. EIA projects higher production in all regions during the second half of 2013 compared with the same period last year, with total coal production of 1,013 MMst in 2013. Coal production is forecast to grow by 3.0% in 2014 to 1,044 MMst as inventories stabilize and consumption increases.

Inventory draws are expected to meet most of the growth in consumption in 2013. Total coal inventories fell by 19 MMst during the first half of 2013. EIA forecasts an additional 9 MMst of inventory withdrawals over the second half of 2013.

U.S. Coal Consumption. EIA estimates that total coal consumption for the first half of 2013 was 446 MMst, or 36 MMst (8.7%) higher than the amount of coal consumed in the first six months of 2012. The increase was primarily a result of consumption growth in the electric power sector because of higher electricity demand and higher natural gas prices. EIA expects that this trend will continue in the second half of 2013 with total coal consumption for the year of 942 MMst (a 5.8% increase over 2012). Consumption grows at a more modest rate of 1.8% to 959 MMst in 2014.

U.S. Coal Exports. EIA estimates that first half 2013 exports totaled 61.3 MMst, which was 4.9 MMst lower than the same period last year. Exports for the next six months are expected to continue declining, with second-half exports totaling 54 MMst, down 6 MMst from last year. Exports are projected to total 109 MMst in 2014. Continuing economic weakness in Europe (the largest regional importer of U.S. coal), slowing Asian demand growth, increasing supply in other coal-exporting countries, and falling international coal prices are the primary reasons for the expected decline in U.S. coal exports.

U.S. Coal Prices. EIA expects nominal annual average coal prices to the electric power industry to fall for the first time since 2000, from \$2.40 per MMBtu in 2012 to \$2.36 per MMBtu in 2013. EIA forecasts average delivered coal prices of \$2.39 per MMBtu in 2014.

Electricity

In late August, owners of the [Vermont Yankee nuclear station](#) announced a decision to retire the plant next year, making it the fifth announced retirement of a nuclear power reactor in the past 12 months (San Onofre units 2 and 3 in California, Kewaunee unit 1 in Wisconsin, and Crystal River unit 3 in Florida). Operators of these plants have cited [declining profitability and concerns over maintenance costs](#) as important factors in the retirement decisions. Vermont Yankee contributed about 4% of the average monthly electricity retail sales in New England. Natural gas has become the dominant fuel used for power generation in that region in recent years,

accounting for 52% of total generation during 2012. New England also imports a significant amount of electricity from Canada.

U.S. Electricity Consumption. Residential electricity sales during the first half of this year increased by 3.4% over the same period last year. EIA expects that residential sales during the second half of 2013 will fall by 1.9% compared with the same period last year, in response to milder temperatures during the third quarter of this year. Forecast retail sales of electricity to the residential sector fall by 1.1% in 2014 while commercial sector retail electricity sales remain relatively flat and industrial sales grow by 2.1%.

U.S. Electricity Generation. EIA expects total U.S. electricity generation will grow by 0.2% in 2013 and by 0.4% in 2014. Higher prices for natural gas delivered to electric generators push down natural gas-fired generation by 9.6% during 2013. Much of this generation is picked up by coal generation, which EIA expects will grow by 7.1% this year. Nuclear generation during 2013 is expected to be 0.4% lower than generation last year, primarily as a result of unplanned outages this year. As discussed below, generation from renewable sources, particularly wind, increases in both 2013 and 2014.

U.S. Electricity Retail Prices. Generation fuel costs and [wholesale electricity prices](#) have increased this year after a considerable decline in 2012. Changes in the costs of providing electricity are not immediately reflected on retail customer bills because state regulatory commissions must approve rate changes in many areas of the country. EIA expects the residential retail price of electricity in 2013 will grow by 2.2% to an average of 12.1 cents per kilowatthour. Prices are expected to grow by another 1.5% in 2014.

Renewables and Carbon Dioxide Emissions

U.S. Electricity and Heat Generation from Renewables. EIA projects renewable energy consumption for electricity and heat generation to increase by 3.3% in 2013. While hydropower declines by 3.8%, nonhydropower renewables used for electricity and heat generation grow by an average of 7.8% in 2013. In 2014, the growth in renewables consumption for electric power and heat generation is projected to continue at a rate of 3.8%, as a 3.2% increase in hydropower is combined with a 4.1% increase in nonhydropower renewables.

EIA estimates that wind capacity will increase by 3.9% this year to about 61 gigawatts and reach nearly 69 gigawatts in 2014. However, electricity generation from wind is projected to increase by 18% in 2013, as capacity that came [on line at the end of 2012](#) is available for all of 2013. Wind-powered generation is projected to grow by 5% in 2014 and will contribute over 4% of total electricity generation.

EIA expects continued robust growth in the generation of solar energy, although the amount of [utility-scale generation](#) remains a small share of total U.S. generation, about 0.3% by 2014. Utility-scale capacity, which until recently experienced little growth compared with customer-

sited distributed generation capacity, is projected to more than double between 2012 and 2014. Photovoltaics (PV) accounted for all [utility-scale solar growth](#) in 2012, but EIA expects that several large solar thermal generation projects will enter service in 2013 and 2014. However, PV is still expected to account for most of the capacity additions in 2013 and 2014. Solar generation by the electric power sector increases 81% in 2013 and 76% in 2014.

U.S. Liquid Biofuels. Smaller corn harvests due to widespread drought resulted in U.S. fuel ethanol production falling from an average of approximately 900,000 bbl/d (13.9 billion gallons per year) in the first half of 2012 to an average of 820,000 bbl/d (12.6 billion gallons per year) from July 2012 through March 2013. Forecast ethanol production increases to an average 890,000 bbl/d in 2014. Biodiesel production, which averaged 63,000 bbl/d (1.0 billion gallons per year) in 2012, has been rising this year and [reached a record level](#) of 113 million gallons (89,000 bbl/d) in June 2013. Biodiesel production is forecast to average about 81,000 bbl/d in 2013 and 87,000 bbl/d in 2014.

The U.S. Environmental Protection Agency's (EPA) final rule for the 2013 RFS program year maintains the statutory target of 16.55 billion ethanol-equivalent gallons of total renewable fuels. It would require refiners and importers of gasoline and diesel fuel to deliver RINs equivalent to the 2013 renewable volume obligation (RVO) of 9.63% of the gasoline or diesel fuel they sell domestically (not counting the biofuels blended into it). This forecast assumes that the 2014 renewable fuel standards are identical to those for 2013.

U.S. Energy-Related Carbon Dioxide Emissions. EIA estimates that carbon dioxide emissions from fossil fuels [declined by 4.0% in 2012](#), and projects increases of 2.0% in 2013 and 0.5% in 2014. The increase in emissions over the forecast period primarily reflects the projected increase in coal use for electricity generation, especially in 2013 as it rebounds from the 2012 decline.

U.S. Economic Assumptions

EIA uses the IHS/Global Insight (GI) macroeconomic model with EIA's energy price forecasts as model inputs to develop the economic projections in the STEO. The GI simulation used in this STEO assumes that the spending cuts mandated in the Budget Control Act of 2011 (sequestration) are replaced by a combination of tax and spending changes that are implemented in 2014. In addition, GI assumes there will be an agreement reached to increase the amount of debt that can be issued by the U.S. Treasury.

U.S. Current Trends. The [U.S. Census Bureau](#) reported that new orders for manufactured durable goods fell 7.3% in July, following a revised 3.9% increase in June. However, the July decrease is 0.6% if the transportation sector is excluded. The [U.S. Commerce Department](#) also reported that sales of new single-family homes increased by over 6.8% from July 2012 to July 2013, and fell 13.4% from June 2013 to July 2013. The [Federal Reserve Board](#) reported that total U.S. industrial production was unchanged from June to July 2013, while capacity utilization

fell by 0.1% over the same time period. The [U.S. Bureau of Economic Analysis](#) revised up real GDP annualized growth from the first to the second quarter of 2013 to 2.5% (from 1.7%).

U.S. Production and Income. The STEO assumes 1.6% real U.S. GDP growth in 2013, rising to 2.6% in 2014. Year-on-year real GDP growth begins to accelerate in the second half of 2014, eventually rising to 3.2% in the fourth quarter of 2014. Forecast real disposable income increases 0.4% in 2013 and 3.5% in 2014. Total industrial production grows almost one percentage point faster than real GDP in 2013 at 2.5%, and its projected growth of 3.3% in 2014 is still well above the growth rate of real GDP.

U.S. Expenditures. Private real fixed investment growth averages 6.0% and 7.8% over 2013 and 2014, respectively. Real consumption expenditures grow faster than real GDP in 2013, at 1.9%, but slow below the rate of real GDP growth in 2014, at 2.3%. Export growth triples from 1.7% to 5.1% over the same two years. Government expenditures fall 3.0% in 2013, and rise by 0.1% in 2014.

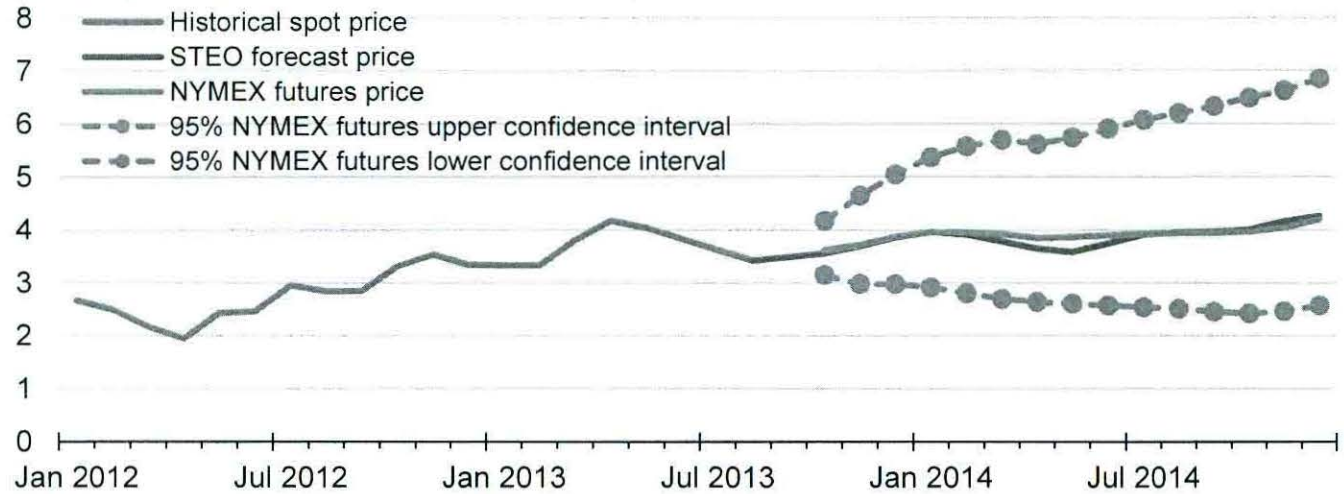
U.S. Employment, Housing, and Prices. The unemployment rate in the forecast averages 7.6% over 2013, and gradually falls to 7.0% at the end of 2014. This is accompanied by nonfarm employment growth averaging 1.6% in 2013 and 1.5% in 2014. Consistent with an improving housing sector, housing starts grow an average of 22.7% and 26.8% in 2013 and 2014, respectively. Both consumer and producer price indexes continue to increase at a moderate pace.

This report was prepared by the U.S. Energy Information Administration (EIA), the statistical and analytical agency within the U.S. Department of Energy. By law, EIA's data, analyses, and forecasts are independent of approval by any other officer or employee of the United States Government. The views in this report therefore should not be construed as representing those of the U.S. Department of Energy or other federal agencies.



Henry Hub Natural Gas Price

dollars per million btu



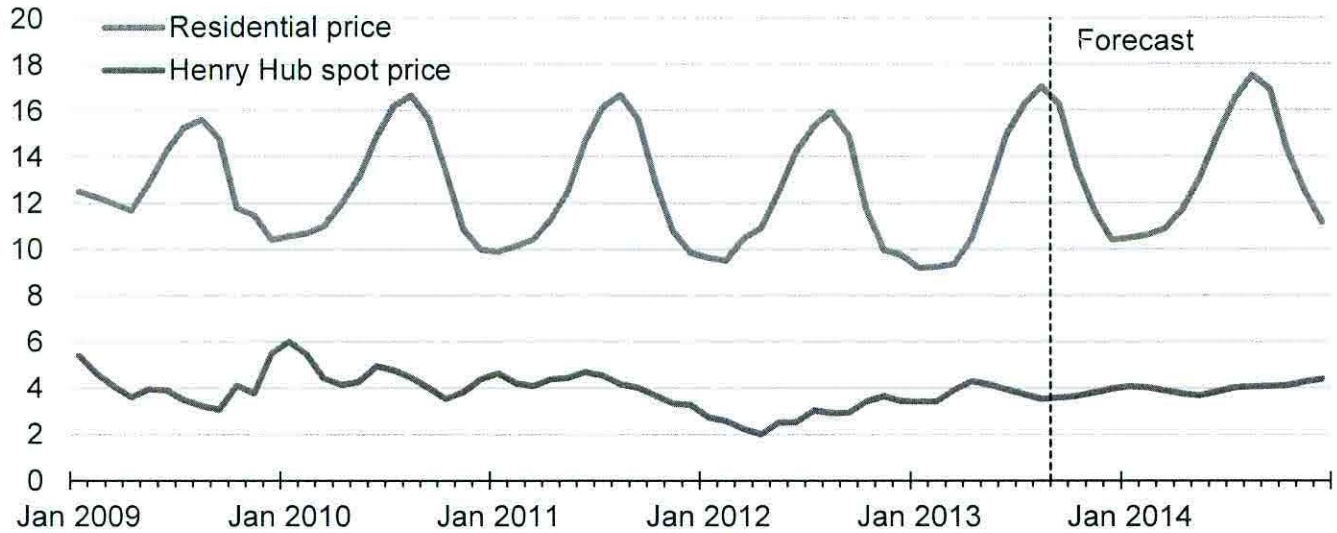
Note: Confidence interval derived from options market information for the 5 trading days ending September 5, 2013. Intervals not calculated for months with sparse trading in near-the-money options

Source: Short-Term Energy Outlook, September 2013



U.S. Natural Gas Prices

dollars per thousand cubic feet



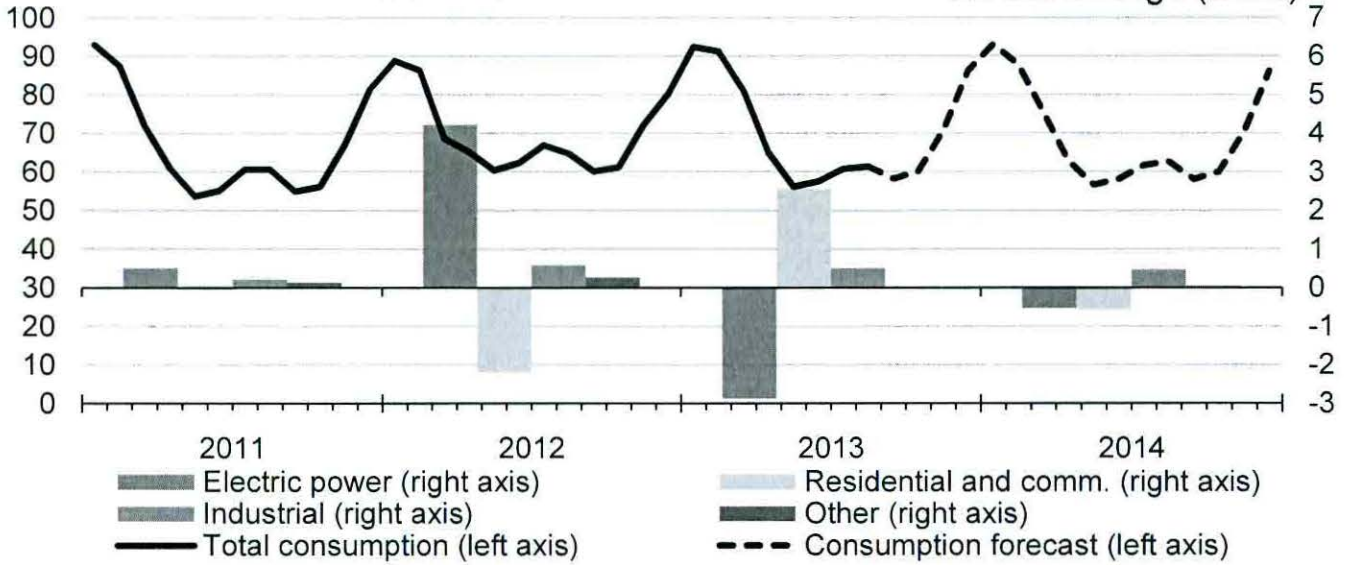
Source: Short-Term Energy Outlook, September 2013

U.S. Natural Gas Consumption

billion cubic feet per day (bcf/d)



annual change (bcf/d)



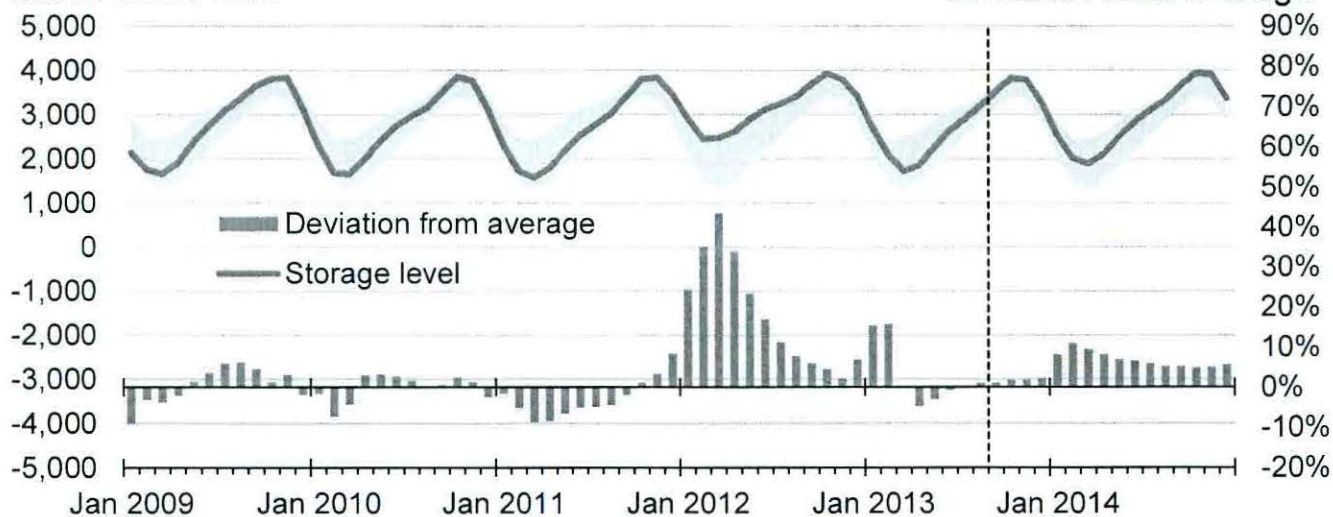
Source: Short-Term Energy Outlook, September 2013

U.S. Working Natural Gas in Storage



billion cubic feet

deviation from average



Note: Colored band around storage levels represents the range between the minimum and maximum from Jan. 2008 - Dec. 2012.

Source: Short-Term Energy Outlook, September 2013

**Montana-Dakota Utilities Co.
Pipeline Rate Changes Since Last Annual COG
North Dakota
October 2013 COG**

Foothills Pipe Lines Ltd.

On October 31, 2012, TransCanada filed new rates for the Foothills Pipe Lines Ltd. System with the National Energy Board effective January 1, 2013.

NOVA Gas Transmission Ltd. (NGTL)

TransCanada filed new rates for the Alberta System with the National Energy Board (NEB) effective January 1, 2013. On August 12, 2013, TransCanada reached a settlement with shippers and other interested parties regarding the NGTL System annual revenue requirement for the years 2013 and 2014. NGTL filed an application with the NEB for approval of the settlement and final 2013 rates, as well as changes to existing interim rates to reflect the settlement, effective September 1, 2013, pending adjudication of the application.

Approximate impact on Montana-Dakota's cost of gas: (0.5) cents per dk

NorthWestern Energy

On December 12, 2012, NorthWestern Energy filed its 2013 Electric and Natural Gas State and Local Tax and Fee Tracker filing in Docket No. D2012.12.124 effective January 1, 2013. On December 24, 2012, NorthWestern Energy filed revised rate schedules. On December 26, 2012, the Montana Public Service Commission issued a Letter Order for rates effective January 1, 2013.

Approximate impact on Montana-Dakota's cost of gas: 0.1 cents per dk

Northern Border Pipeline Company Docket No. RP13-403-000

On December 19, 2012, Northern Border filed tariff records with the FERC in compliance with an order issued December 5, 2012 pursuant to the Settlement in Docket No. RP12-1093-000. On January 17, 2013, the FERC issued a Letter Order accepting the tariff effective January 1, 2013.

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

WBI Energy Transmission, Inc. Docket No. RP13-621-000

On March 1, 2013, WBI Energy filed its semi-annual fuel and electric power reimbursement adjustment with the FERC in Docket No. RP13-621-000, reflecting

revisions to the fuel and electric power components of WBI Energy's transportation and storage rates effective April 1, 2013. On March 18, 2013, the FERC issued a Letter Order accepting the tariff effective April 1, 2013.

Approximate impact on Montana-Dakota's cost of gas: (2.2) cents per dk

NorthWestern Energy Docket No. D2012.9.94

On September 28, 2012, NorthWestern Energy filed an application to increase natural gas rates in Montana with the Montana Public Service Commission. On March 20, 2013, the Montana Public Service Commission issued an interim order authorizing NorthWestern to implement an interim increase effective April 1, 2013.

On May 7, 2013, the Montana PSC issued its Final Order authorizing Northwestern to increase its rates effective June 1, 2013. Northwestern refunded to customers the difference between the current level of interim rates that had been in effect since April 1, 2013 and the final rates approved in its Final Order for service rendered on or after June 1, 2013.

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

NorthWestern Energy Docket No. D2013.5.34

On May 31, 2013, NorthWestern Energy filed its Annual Unreflected Gas Cost Account, Projected Gas Cost and Gas Transportation Adjustment Clause balances with the Montana Public Service Commission (Commission) in Docket No. 2013.5.34. On June 18, 2013, the Commission approved the changes effective July 1, 2013 on an interim basis.

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

WBI Energy Transmission, Inc. Docket No. RP13-1224-000

On August 2, 2013, WBI Energy filed to revise its Annual Charge Adjustment (ACA) surcharge in Docket No. RP13-1224-000 with the FERC effective October 1, 2013.

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

WBI Energy Transmission, Inc. Docket No. RP13-1292-000

On August 30, 2013, WBI Energy filed its semi-annual fuel and electric power reimbursement adjustment with the FERC in Docket No. RP13-1292-000, reflecting revisions to the fuel and electric power components of WBI Energy's transportation and storage rates effective October 1, 2013.

Approximate impact on Montana-Dakota's cost of gas: 5.1 cents per dk

MONTANA-DAKOTA UTILITIES CO.
COST OF GAS TARIFF SHEET
NORTH DAKOTA GAS
EFFECTIVE OCTOBER 2013

	Firm		Small & Large Interruptible	Air Force Interruptible
	Residential & General Service	Optional Seasonal		
Gas Cost Adjustment:				
Gas Cost Level (Exhibit B)	\$4.641	\$4.726	\$3.677	\$3.660
Prior Gas Cost	4.620	3.722	3.653	3.637
Current Gas Cost Adjustment	\$0.021	\$1.004	\$0.024	\$0.023
Surcharge Adjustment:				
Current Adjustment (Exhibit D)	\$0.024	\$0.024	\$0.116	\$0.181
Prior Adjustment	(0.113)	(0.113)	(0.115)	(0.377)
Change in Surcharge Adjustment	\$0.137	\$0.137	\$0.231	\$0.558
Market Based Pricing Differential				
Current Adjustment (Exhibit E)	(\$0.012)	(\$0.012)	\$0.000	\$0.000
Prior Adjustment	(0.010)	(0.010)	0.000	0.000
Change in Margin Sharing Provision	(\$0.002)	(\$0.002)	\$0.000	\$0.000
Net Increase (Decrease) in Gas Costs	\$0.156	\$1.139	\$0.255	\$0.581
Gas Cost Level	\$4.641	\$4.726	\$3.677	\$3.660
Plus: Surcharge	0.024	0.024	0.116	0.181
Total Gas Cost Level in Tariff Rates	\$4.665	\$4.750	\$3.793	\$3.841

MONTANA-DAKOTA UTILITIES CO.
COST OF GAS - PROPANE TARIFF SHEET
NORTH DAKOTA PROPANE
EFFECTIVE OCTOBER 2013

Cost of Gas - Propane

Current Propane Cost (Exhibit F)	\$12.075
Prior Propane Cost	<u>9.880</u>
Current Propane Cost Adjustment	<u><u>\$2.195</u></u>

Surcharge Adjustment

Current Adjustment	(\$0.777)
Prior Adjustment	<u>(0.777)</u>
Change in Surcharge Adjustment	\$0.000

Market Based Pricing Differential

Current Adjustment (Exhibit E)	(\$0.012)
Prior Adjustment	<u>(0.010)</u>
Change in Margin Sharing Provision	(\$0.002)

Net Increase (Decrease) in Gas Costs

\$2.193

Propane Cost Level	\$12.075
Plus: Surcharge	<u>(0.777)</u>
Total Propane Cost Level in Rates	<u><u>\$11.298</u></u>

**MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
RESIDENTIAL AND GENERAL SERVICE
EFFECTIVE OCTOBER 2013**

	Amount
Total Gas Costs 1/	\$67,885,210
Residential and General Service dk Requirements 2/	14,693,478
Average Cost of Gas per dk	\$4.620
Average Cost of Gas as Adjusted for Losses @ 99.55%	4.641
Less: Gas Cost Level in Rates 3/	4.620
Current Gas Cost Adjustment	\$0.021

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, 2013, adjusted for losses at .45%.

3/ Gas Cost Level in Current Tariff Rates Case No. PU-13-008 effective September 1, 2013:

Cost of Purchased Gas	\$4.599
Adjustment for Distribution Losses	0.9955
Gas Cost Level in Base Tariff Rates	\$4.620

**MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
OPTIONAL SEASONAL - RATE 72
EFFECTIVE OCTOBER 2013**

Total Gas Costs 1/	\$67,885,210
Less: Annual MDDQ Costs 1/	<u>13,121,509</u>
Total Gas Costs excluding MDDQ	\$54,763,701
Firm Service Requirements 1/	14,693,478
Other Gas Costs per Dk (excluding MDDQ)	\$3.727
<u>Winter - October - May</u>	
Annual MDDQ Costs 1/	\$13,121,509
Winter Firm Service Requirements	13,418,246
MDDQ Costs per Winter Dk	\$0.978
Add: Other Gas Costs per Dk	<u>3.727</u>
Winter Seasonal Rate	\$4.705
Winter Seasonal Rate, adjusted for losses 2/	\$4.726
Less: Gas Cost Level in Rates 3/	<u>3.722</u>
Current Gas Cost Adjustment	<u><u>\$1.004</u></u>

1/ Exhibit B, page 1.

2/ Loss factor of .45%.

3/ Gas Cost Level in Current Tariff Rates Case No. PU-13-008 effective September 1, 2013:

	<u>Summer</u>
Cost of Purchased Gas	\$3.705
Adjustment for Distribution Losses	0.9955
Gas Cost Level in Base Tariff Rates	\$3.722

**MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
INTERRUPTIBLE
EFFECTIVE OCTOBER 2013**

	Amount
Total Gas Costs 1/	\$12,819,674
Interruptible Service dk Requirements	3,502,739
Average Cost of Gas per dk	\$3.660
Average Cost of Gas as Adjusted for Losses @ 99.55%	3.677
Less: Gas Cost Level in Rates 2/	3.653
Current Gas Cost Adjustment	\$0.024

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-13-008 effective September 1, 2013:

Cost of Purchased Gas	\$3.637
Adjustment for Distribution Losses	0.9955
Gas Cost Level in Base Tariff Rates	\$3.653

**MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
AIR FORCE INTERRUPTIBLE
EFFECTIVE OCTOBER 2013**

	Amount
Total Gas Costs 1/	\$3,220,712
Air Force Interruptible dk Requirements	880,000
Average Cost of Gas per dk	\$3.660
Less: Gas Cost Level in Rates 2/	3.637
Current Gas Cost Adjustment	\$0.023

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-13-008 effective September 1, 2013:
Cost of Purchased Gas \$3.637

Montana-Dakota Utilities Co.
Schedule of Applicable Effective Pipeline Rates
October 2013 PGA

WBI Energy Transmission, Inc. - Exhibit B, pages 6 - 8 for Schedules FT-1, FTN-1, and FS-1.

Northern Border Pipeline Company - Exhibit B, page 9 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, pages 10-11 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	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.	737.928
MINIMUM	RATE PER EQV. DKT PER MO	0.000	N.A.	N.A.	0.000
COMMODITY CHARGE					
MAXIMUM A/B/C/	RATE PER DKT	3.120	N.A.	N.A.	3.120
MINIMUM A/B/C/	RATE PER DKT	3.120	N.A.	N.A.	3.120
SCHEDULED OVERRUN CHARGE					
MAXIMUM A/B/C/	RATE PER DKT	30.884	N.A.	N.A.	30.884
MINIMUM A/B/C/	RATE PER DKT	3.120	N.A.	N.A.	3.120
VOLUMETRIC CAPACITY RELEASE CHARGE					
MAXIMUM	RATE PER DKT	24.261	N.A.	N.A.	24.261
MINIMUM	RATE PER DKT	0.000	N.A.	N.A.	0.000

-
- A/ SHIPPER MUST REIMBURSE TRANSPORTER IN-KIND FOR TRANSPORTATION FUEL USE, LOST AND UNACCOUNTED FOR GAS. THE APPLICABLE PERCENTAGE IS 2.766%, CONSISTING OF 3.057% FOR THE CURRENT PERCENTAGE AND (0.291%) 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 1.230 CENTS, CONSISTING OF 1.300 CENTS FOR THE CURRENT RATE AND (0.070) 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.
 - C/ SHIPPER MUST REIMBURSE TRANSPORTER FOR THE ACA SURCHARGE. SUCH SURCHARGE SHALL BE THE ACA UNIT CHARGE SPECIFIED IN THE ANNUAL NOTICE ISSUED BY THE FERC ENTITLED "FY [YEAR] GAS ANNUAL CHARGES CORRECTION FOR ANNUAL CHARGES UNIT CHARGE."

Issued On: August 30, 2013
 Docket Number:
 FERC Order Date:

Effective On: October 1, 2013

NOTICE OF CURRENTLY EFFECTIVE RATES

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

RATE SCHEDULE	UNIT	BASE TARIFF RATE	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.	47.491
MINIMUM	RATE PER EQV. DKT PER MO.	1.589	N.A.	N.A.	1.589
VOLUMETRIC CAPACITY RELEASE CHARGE					
MAXIMUM	RATE PER DKT	1.561	N.A.	N.A.	1.561
MINIMUM	RATE PER DKT	0.052	N.A.	N.A.	0.052

Issued On: August 2, 2013
 Docket Number:
 FERC Order Date:

Effective On: October 1, 2013

NOTICE OF CURRENTLY EFFECTIVE RATES

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

RATE SCHEDULE	UNIT	BASE TARIFF RATE	TOP THROUGHPUT SURCHARGE	GAS SUPPLY REALIGNMENT SURCHARGE	BASE TARIFF RATE PLUS SURCHARGES

RATE SCHEDULE FS-1					

CAPACITY RESERVATION CHARGE					
MAXIMUM	RATE PER EQV. DKT PER MO.	2.102	N.A.	N.A.	2.102
MINIMUM	RATE PER EQV. DKT PER MO.	0.000	N.A.	N.A.	0.000
CAPACITY DELIVERABILITY CHARGE					
MAXIMUM	RATE PER EQV. DKT PER MO.	190.602	N.A.	N.A.	190.602
MINIMUM	RATE PER EQV. DKT PER MO.	0.000	N.A.	N.A.	0.000
INJECTION CHARGE					
MAXIMUM A/B/	RATE PER DKT	0.888	N.A.	N.A.	0.888
MINIMUM A/B/	RATE PER DKT	0.888	N.A.	N.A.	0.888
WITHDRAWAL CHARGE					
MAXIMUM A/B/	RATE PER DKT	0.888	N.A.	N.A.	0.888
MINIMUM A/B/	RATE PER DKT	0.888	N.A.	N.A.	0.888
SCHEDULED OVERRUN CHARGE					
INJECTION					
MAXIMUM A/B/	RATE PER DKT	23.920	N.A.	N.A.	23.920
MINIMUM A/B/	RATE PER DKT	0.888	N.A.	N.A.	0.888
WITHDRAWAL					
MAXIMUM A/B/	RATE PER DKT	23.920	N.A.	N.A.	23.920
MINIMUM A/B/	RATE PER DKT	0.888	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 0.996%, CONSISTING OF 1.163% FOR THE CURRENT PERCENTAGE AND (0.167%) 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 0.131 CENTS, CONSISTING OF 0.098 CENTS FOR THE CURRENT RATE AND 0.033 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.

Issued On: August 30, 2013
 Docket Number:
 FERC Order Date:

Effective On: October 1, 2013

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

PART 4.1
4.1 - Statement of Rates
T-1 and T-1B - Long Term Base Tariff Rates
v.2.0.0 Superseding v.1.0.0

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	\$0.0286
Minimum	\$0.0000
Daily Reservation Rate - Ventura, IA to North Hayden, IN	
Maximum	\$0.0307
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 Rates, pursuant to Articles II and VII of the September 27, 2012, Stipulation at Docket Nos. RP06-72-000, et al., remain in effect until such rates are superseded by new rates placed into effect consistent with the provisions of the Stipulation.
- 3/ Rates in this section are subject to the revenue retrieval provision pursuant to Article V.A of the September 27, 2012, Stipulation at Docket Nos. RP06-72-000, et al.

Service	Rates, Tolls and Charges		
1. Rate Schedule FT-R	Refer to Attachment "1" for applicable FT-R Demand Rate per month based on a three year term (Price Point "B") & Surcharge for each Receipt Point Average Firm Service Receipt Price (AFSRP) \$ 216.99/10 ³ m 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 ³	Refer to Attachment "2" for applicable FT-D Demand Rate per month based on a one year term (Price Point "Z") & Surcharge for each Group 1 or Group 2 Delivery Point. Average FT-D Demand Rate for Group 1 Delivery Points \$ 5.70/GJ FT-D Demand Rate for Group 2 Delivery Points ¹ \$ 3.34/GJ FT-D Demand Rate for Group 3 Delivery Points ² \$ 4.00/GJ		
4. Rate Schedule STFT	STFT Bid Price = Minimum of 100% of the applicable FT-D Demand Rate based on a one year term (Price Point "Z") for each Group 1 Delivery Point		
5. Rate Schedule FT-DW	FT-DW Bid Price = Minimum of 125% of the applicable FT-D Demand Rate based on a three year term (Price Point "Y") for each Group 1 Delivery Point		
6. Rate Schedule FT-P ³	Refer to Attachment "3" for applicable FT-P Demand Rate per month		
7. Rate Schedule LRS	<u>Contract Term</u>	<u>Effective LRS Rate (\$/10³m³/day)</u>	
	1-5 years	11.07	
	6-10 years	9.25	
	15 years	8.30	
	20 years	7.36	
8. Rate Schedule LRS-2	LRS-2 Rate per month	\$ 50,000	
9. Rate Schedule LRS-3	LRS-3 Demand Rate per month	\$ 129.55/10 ³ m ³	
10. Rate Schedule IT-R	Refer to Attachment "1" for applicable IT-R Rate for each Receipt Point		
11. Rate Schedule IT-D ³	Refer to Attachment "2" for applicable IT-D Rate for each Delivery Point		
12. Rate Schedule FCS	The FCS Charge is determined in accordance with Attachment "1" to the applicable Schedule of Service		
13. Rate Schedule PT	<u>Schedule No</u> 9009-01001-1	<u>PT Rate</u> \$ 660.00/d	<u>PT Gas Rate</u> 50.0 10 ³ m ³ /d
14. Rate Schedule OS	<u>Schedule No.</u>	<u>Charge</u>	
	2013568692	\$ 14.00	/ month
	2013568691	\$ 2.00	/ month
	2013568690	\$ 2.00	/ month
	2013568689	\$ 2,125.00	/ month
	2013568688	\$ 51.00	/ month
	2013568687	\$ 138.00	/ month
	2013568686	\$ 88.00	/ month
	2013568682	\$ 20.00	/ month
	2013568681	\$ 194.00	/ month
	2013568680	\$ 210.00	/ month
	2003004522	\$ 83,333.00	/ month
	2011476052 / 2011476054	\$ 0.1097	/ GJ subject to
		\$ 717,000.00	Minimum Annual Charge
	2011475772	\$ 9,250.00	/ month
	2011475056	\$ 0.095	/ GJ and
		\$ 1,000.00	/ month
	2011476092	\$ 0.095	/ GJ and
		\$ 1,000.00	/ month
	2011494569	\$ 0.095	/ GJ and
		\$ 1,000.00	/ month

Group 1 Delivery Point Number	Group 1 Delivery Point Name	FT-D Demand Rate per Month Price Point "Z" (\$/GJ)	IT-D Rate per Day (\$/GJ)
2000	ALBERTA-B.C. BORDER	5.74	0.2076
31111	ALLIANCE CLAIRMONT INTERCONNECT APN	3.34	0.1207
31110	ALLIANCE EDSON INTERCONNECT APN	3.34	0.1207
31112	ALLIANCE SHELL CREEK INTERCONNECT APGC	3.34	0.1207
3002	BOUNDARY LAKE BORDER	3.55	0.1283
1958	EMPRESS BORDER	5.64	0.2041
3886	GORDONDALE BORDER	3.55	0.1283
6404	MCNEILL BORDER	5.64	0.2041

Group 2 Delivery Point Number	Group 2 Delivery Point Name	FT-D Demand Rate per Month Price Point "Z" (\$/GJ)	IT-D Rate per Day (\$/GJ)	Subject to ATCO Pipelines Franchise Fees ¹
31000	A.T. PLASTICS SALES APN	3.39	0.1226	Yes
31001	ADM AGRI INDUSTRIES SALES APN	3.39	0.1226	Yes
3880	AECO INTERCONNECTION	3.34	0.1207	
31003	AGRIUM CARSELAND SALES APS	3.34	0.1207	
31002	AGRIUM FT. SASK SALES APN	3.34	0.1207	Yes
31004	AGRIUM REDWATER SALES APN	3.34	0.1207	
31005	AINSWORTH SALES APGP	3.39	0.1226	
31006	AIR LIQUIDE SALES APN	3.39	0.1226	
3214	AKUINU RIVER WEST SALES	3.34	0.1207	
31007	ALBERTA ENVIROFUELS SALES APN	3.39	0.1226	Yes ²
31008	ALBERTA HOSPITAL SALES APN	3.39	0.1226	Yes
3868	ALBERTA-MONTANA BORDER	3.55	0.1283	
3059	ALLISON CREEK SALES	3.34	0.1207	
31009	ALTASTEEL SALES APN	3.39	0.1226	Yes ²
3562	AMOCO SALES (BP SALES TAP)	3.34	0.1207	
31012	APL JASPER SALES APN	3.39	0.1226	Yes
3488	ARDLEY SALES	3.34	0.1207	
3216	AURORA NO 2 SALES	3.34	0.1207	
3135	AURORA SALES	3.34	0.1207	
3423	BASHAW WEST SALES	3.34	0.1207	
31013	BAYMAG SALES APS	3.34	0.1207	
31014	BEAR CREEK COGEN SALES APGP	3.39	0.1226	
3068	BEAVER HILLS SALES	3.34	0.1207	
3933	BIG EDDY INTERCONNECTION	3.34	0.1207	
3067	BIGSTONE SALES	3.34	0.1207	
3468	BLEAK LAKE SALES	3.34	0.1207	
3225	BOTHA SALES	3.34	0.1207	
3164	BRAINARD LAKE SALES	3.34	0.1207	
3918	BUFFALO CREEK INTERCONNECTION	3.34	0.1207	
31015	BURDETT COGEN SALES APS	3.34	0.1207	
3204	CABIN SALES	3.34	0.1207	
3109	CALDWELL SALES	3.34	0.1207	
31016	CALGARY ENERGY CENTRE SALES APS	3.34	0.1207	Yes
3634	CANOE LAKE SALES	3.34	0.1207	
3165	CANOE LAKE SALES NO 2	3.34	0.1207	
3866	CARBON INTERCONNECTION	3.34	0.1207	
3484	CARIBOU LAKE SALES	3.34	0.1207	
3157	CARIBOU LAKE SOUTH SALES	3.34	0.1207	
3106	CARMON CREEK SALES	3.34	0.1207	
3101	CAROLINE SALES	3.34	0.1207	
31017	CARSELAND COGEN SALES APS	3.34	0.1207	
3495	CAVALIER SALES	3.34	0.1207	
31018	CHAIN LAKES COOP SALES APS	3.34	0.1207	
3907	CHANCELLOR INTERCONNECTION	3.34	0.1207	
3151	CHEECHAM WEST NO 2 SALES	3.34	0.1207	
3622	CHEECHAM WEST SALES	3.34	0.1207	
6014	CHEVRON AURORA SALES	3.34	0.1207	
31019	CHEVRON FT. SASK SALES APN	3.39	0.1226	Yes
3097	CHICKADEE CREEK SALES	3.34	0.1207	
3305	CHIGWELL NORTH SALES	3.34	0.1207	
3496	CHIPEWYAN RIVER SALES	3.34	0.1207	

NATURAL GAS TARIFF

NorthWestern
Energy

Canceling 33rd Revised Sheet No. 80.1
32nd 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	\$ 119.15
10,001 to 30,000	\$ 171.30
>30,000	\$ 380.15

PLUS:

Transmission Reservation Rate (Monthly Rate per MDDQ):

Maximum Monthly Reservation Rate for
Maximum Daily Delivery Quantity (MDDQ) \$ 0.9742067

Transmission Commodity Rate (Monthly Rate per Therm):

Maximum	\$ 0.0073823
Minimum	\$ 0.0017935
GTAC Amortization	\$ (0.0013032) (R)
Balancing Penalty Rate	Higher of \$25.00/ Dekatherm 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)

GAS RATE SCHEDULE

South Dakota Intrastate Pipeline Company
1415 N. Airport Rd
Pierre, SD 57501
Date 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

NG-00-001

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
Sixth Revised Sheet No. 12
Cancels Fifth Revised 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 Demand Charge 6/	Minimum Demand Charge 6/	Maximum Transportation Charge 2/	Minimum Transportation Charge 2/	Fuel Reimbursement Quantity Percentage 3/
TC (Casper) Firm Transportation	MLI	MLI	\$0.00	\$9.50	\$0.00	\$0.1040	\$0.0010	0.526%
	MLI	MLE	\$145.00	\$0.00	\$0.00	\$0.1040	\$0.0010	0.526%
	MLI	DSE	\$225.00	\$0.00	\$0.00	\$0.1978	\$0.0020	2.684%
Interruptible Transportation 4/	MLI	MLI	\$0.00	\$0.00	\$0.00	\$0.0844	\$0.0010	0.526%
	MLI	MLE	\$145.00	\$0.00	\$0.00	\$0.0844	\$0.0010	0.526%
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 therm.

3/ For fuel, lost and unaccounted for gas, the Company shall be entitled to retain the stated percentage of all therms received for transportation, unless otherwise agreed in writing. On or before March 1 of each year, the Company shall file with the Commission an application to revise the stated percentage to be effective June 1 of that year through May 31 of the following year. The Company shall calculate the stated percentage using not less than twelve (12) consecutive months of actual data.

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.

6/ Per Dth of MDTQ per month.

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

MDTQ Maximum Daily Transportation Quantity

Date Issued: March 1, 2013
By: William N. Cantrell

Date Effective: June 1, 2013
Title: President and CEO

**MONTANA-DAKOTA UTILITIES CO.
RETURN ON CYCLE STORAGE BALANCES
AND PREPAID DEMAND AND COMMODITY BALANCES
NORTH DAKOTA GAS
EFFECTIVE OCTOBER 2013**

	General Service		
	Storage Balance 1/	Commodity Balance 2/	Prepaid Demand
October 2012	\$12,647,019	\$616,455	\$3,086,520
November	11,646,866	563,795	2,521,344
December	8,000,589	427,541	1,235,777
January 2013	4,079,005	272,801	(365,590)
February	1,206,550	171,608	(1,356,493)
March	(1,423,715)	78,946	(2,036,918)
April	(3,157,116)	17,880	(1,870,955)
May	(1,416,806)	89,179	(1,094,135)
June	1,595,058	191,167	(20,504)
July	5,207,303	306,389	1,113,311
August	8,708,467	488,592	2,231,041
September	11,047,369	617,387	3,107,321
October	11,653,230	649,956	3,361,170
13 month average	<u>\$5,368,755</u>	<u>\$345,515</u>	<u>\$762,453</u>
Rate of Return	8.791%	8.791%	8.791%
Return	\$471,967	\$30,374	\$67,027
Return Requirement	<u>\$640,707</u>	<u>\$41,233</u>	<u>\$90,991</u>

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.
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ADJUSTMENT
APPLICABLE TO NORTH DAKOTA
FIRM
TO BE EFFECTIVE OCTOBER 1, 2013 THROUGH SEPTEMBER 30, 2014**

(Over)/under recovered gas costs @ July 31, 2013 \$268,918

Less: Projected recovery from rates already established

	Volume	Rate	Amount
August	278,000	(\$0.113)	(31,414)
September	477,000	(0.113)	(53,901)
	755,000		(85,315)

Additional recovery required \$354,233

Projected sales volumes (dk)

October 2013	990,000		
November	1,781,000		
December	2,449,000		
January 2014	2,644,000		
February	2,228,000		
March	1,889,000		
April	1,097,000		
May	503,000		
June	252,000		
July	262,000		
August	259,000		
September	429,000		
Total			<u>14,783,000</u>

Total (over)/under recovered gas cost adjustment
to be effective October 1, 2013 through September 30, 2014 \$0.024

**MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ADJUSTMENT
APPLICABLE TO NORTH DAKOTA
INTERRUPTIBLE
TO BE EFFECTIVE OCTOBER 1, 2013 THROUGH SEPTEMBER 30, 2014**

(Over)/under recovered gas costs @ July 31, 2013 \$162,872

Less: Projected recovery from rates already established

	Volume	Rate	Amount
August	25,000	(\$0.115)	(2,875)
September	30,000	(0.115)	(3,450)
	55,000		(6,325)

Additional recovery required \$169,197

Projected sales volumes (dk)

October 2013	56,000	
November	206,000	
December	214,000	
January 2014	151,000	
February	142,000	
March	128,000	
April	114,000	
May	96,000	
June	77,000	
July	88,000	
August	87,000	
September	97,000	
Total		<u>1,456,000</u>

Total (over)/under recovered gas cost adjustment
to be effective October 1, 2013 through September 30, 2014 \$0.116

**MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ADJUSTMENT
APPLICABLE TO NORTH DAKOTA
AIR FORCE INTERRUPTIBLE
TO BE EFFECTIVE OCTOBER 1, 2013 THROUGH SEPTEMBER 30, 2014**

(Over)/under recovered gas costs @ July 31, 2013 \$86,961

Less: Projected recovery from rates already established

	Volume	Rate	Amount
August	4,000	(\$0.377)	(1,508)
September	4,400	(0.377)	(1,659)
	8,400		(3,167)
Additional recovery required			\$90,128

Projected sales volumes (dk)

October 2013	35,000		
November	61,000		
December	84,000		
January 2014	88,000		
February	73,000		
March	63,000		
April	36,000		
May	18,000		
June	9,000		
July	9,000		
August	9,000		
September	14,000		
Total			499,000

Total (over)/under recovered gas cost adjustment
to be effective October 1, 2013 through September 30, 2014 **\$0.181**

**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, 2012									<u>(\$1,670,167)</u>
August	(\$117,641)	\$0	(\$140)	(\$117,781)	264,054	(\$0.032)	(\$8,450)	(\$109,331)	(1,779,498)
September	66,156	0	(163)	65,993	256,762	(0.032)	(8,216)	74,209	(1,705,289)
October	122,687	0	(143)	122,544	571,227	(0.113)	(37,497) 2/	160,041	(1,545,248)
November	519,117	0	(116)	519,001	1,182,061	(0.113)	(133,573)	652,574	(892,674)
December	509,484	0	(52)	509,432	1,863,462	(0.113)	(210,571)	720,003	(172,671)
January 2013	(754)	0	(10)	(764)	2,547,247	(0.113)	(287,839)	287,075	114,404
February	(166,201)	0	7	(166,194)	2,403,906	(0.113)	(271,641)	105,447	219,851
March	(455,645)	0	11	(455,634)	2,116,255	(0.113)	(239,137)	(216,497)	3,354
April	(569,359)	0	0	(569,359)	2,017,766	(0.113)	(228,008)	(341,351)	(337,997)
May	(82,661)	0	(11)	(82,672)	1,254,451	(0.113)	(141,753)	59,081	(278,916)
June	322,505	0	(11)	322,494	474,018	(0.113)	(53,564)	376,058	97,142
July	136,744	0	2	136,746	309,989	(0.113)	(35,030)	171,776	268,918
	<u>\$284,432</u>	<u>\$0</u>	<u>(\$626)</u>	<u>\$283,806</u>	<u>15,261,198</u>		<u>(\$1,655,279)</u>	<u>\$1,939,085</u>	<u>\$268,918</u>
Balance @ July 31, 2013									

1/ Interest calculated at the 90 day Treasury Note rate.

2/ Reflects 333,969.6 Dk @ (\$0.032) and 237,257.7 Dk @ (\$0.113).

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, 2012									<u><u>(\$144,649)</u></u>
August	(\$620)	\$0	(\$12)	(\$632)	34,895	\$0.064	\$2,233	(\$2,865)	(147,514)
September	20,949	0	(13)	20,936	50,462	0.064	3,230	17,706	(129,808)
October	(5,608)	0	(11)	(5,619)	61,663	(0.115)	2,121 2/	(7,740)	(137,548)
November	37,237	0	(10)	37,227	89,540	(0.115)	(10,297)	47,524	(90,024)
December	52,605	0	(5)	52,600	118,275	(0.115)	(13,602)	66,202	(23,822)
January 2013	24,783	0	(1)	24,782	99,565	(0.115)	(11,450)	36,232	12,410
February	23,033	0	1	23,034	114,013	(0.115)	(13,111)	36,145	48,555
March	1,156	0	2	1,158	93,198	(0.115)	(10,718)	11,876	60,431
April	7,751	0	2	7,753	84,523	(0.115)	(9,720)	17,473	77,904
May	25,382	0	3	25,385	68,968	(0.115)	(7,931)	33,316	111,220
June	26,648	0	5	26,653	45,241	(0.115)	(5,203)	31,856	143,076
July	15,837	0	3	15,840	34,404	(0.115)	(3,956)	19,796	162,872
	<u>\$229,153</u>	<u>\$0</u>	<u>(\$36)</u>	<u>\$229,117</u>	<u>894,747</u>		<u>(\$78,404)</u>	<u>\$307,521</u>	<u><u>\$162,872</u></u>
Balance @ July 31, 2013									

1/ Interest calculated at the 90 day Treasury Note rate.

2/ Reflects 51,466.6 Dk @ \$0.064 and 10,197.4 Dk @ (\$0.115).

**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, 2012									<u>(\$189,388)</u>
August	(\$10,033)	\$0	(\$16)	(\$10,049)	3,688	\$0.041	\$151	(\$10,200)	(199,588)
September	2,337	0	(19)	2,318	4,426	0.041	\$181	2,137	(197,451)
October	(2,128)	0	(16)	(2,144)	8,573	0.041	352 2/	(2,496)	(199,947)
November	4,068	0	(15)	4,053	35,430	(0.377)	(13,357)	17,410	(182,537)
December	25,326	0	(11)	25,315	57,310	(0.377)	(21,607)	46,922	(135,615)
January 2013	20,733	0	(7)	20,726	77,436	(0.377)	(29,193)	49,919	(85,696)
February	18,711	0	(4)	18,707	82,757	(0.377)	(31,199)	49,906	(35,790)
March	625	0	(2)	623	65,562	(0.377)	(24,717)	25,340	(10,450)
April	2,674	0	0	2,674	71,332	(0.377)	(26,892)	29,566	19,116
May	14,648	0	1	14,649	49,614	(0.377)	(18,705)	33,354	52,470
June	12,310	0	2	12,312	18,245	(0.377)	(6,878)	19,190	71,660
July	12,403	0	2	12,405	7,682	(0.377)	(2,896)	15,301	86,961
	<u>\$101,674</u>	<u>\$0</u>	<u>(\$85)</u>	<u>\$101,589</u>	<u>482,055</u>		<u>(\$174,760)</u>	<u>\$276,349</u>	<u>\$86,961</u>
Balance @ July 31, 2013									

1/ Interest calculated at the 90 day Treasury Note rate.

2/ Reflects 8,573 Dk @ \$0.041.

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

	Residential and Firm General				Seasonal	Total
	1/	2/	3/	Total		
<u>August 2012</u>						
Cost of Gas - Actual	\$4.18442	\$2.43247	\$4.18442		\$3.56351	
Cost of Gas - Recovered	3.81800	3.63400	3.63400		2.80300	
(Over) Under recovery per dk	\$0.36642	(\$1.20153)	\$0.55042		\$0.76051	
dk billed	95,183	140,447	25,626	261,256	2,798	264,054
(Over) Under recovery	\$34,877	(\$168,751)	\$14,105	(\$119,769)	\$2,128	(\$117,641)
<u>September 2012</u>						
Cost of Gas - Actual	\$4.25210	\$4.18442	\$4.25210		\$3.05523	
Cost of Gas - Recovered	4.20800	3.81800	3.81800		2.98500	
(Over) Under recovery per dk	\$0.04410	\$0.36642	\$0.43410		\$0.07023	
dk billed	88,274	153,394	13,735	255,403	1,359	256,762
(Over) Under recovery	\$3,893	\$56,206	\$5,962	\$66,061	\$95	\$66,156
<u>October 2012</u>						
Cost of Gas - Actual	\$4.24717	\$4.25210	\$4.24717		\$3.21635	
Cost of Gas - Recovered	3.78800	4.20800	4.20800		3.36900	
(Over) Under recovery per dk	\$0.45917	\$0.04410	\$0.03917		(\$0.15265)	
dk billed	237,258	226,522	105,096	568,876	2,351	571,227
(Over) Under recovery	\$108,939	\$9,990	\$4,117	\$123,046	(\$359)	\$122,687
<u>November 2012</u>						
Cost of Gas - Actual	\$4.44564	\$4.24717	\$4.44564		\$4.58364	
Cost of Gas - Recovered	4.07800	3.78800	3.78800		3.87700	
(Over) Under recovery per dk	\$0.36764	\$0.45917	\$0.65764		\$0.70664	
dk billed	410,010	702,260	69,253	1,181,523	538	1,182,061
(Over) Under recovery	\$150,736	\$322,457	\$45,544	\$518,737	\$380	\$519,117
<u>December 2012</u>						
Cost of Gas - Actual	\$4.77104	\$4.44564	\$4.77104		\$4.91168	
Cost of Gas - Recovered	4.75600	4.07800	4.07800		4.16800	
(Over) Under recovery per dk	\$0.01504	\$0.36764	\$0.69304		\$0.74368	
dk billed	583,630	1,186,902	94,018	1,864,550	(1,088)	1,863,462
(Over) Under recovery	\$8,778	\$436,357	\$65,158	\$510,293	(\$809)	\$509,484
<u>January 2013</u>						
Cost of Gas - Actual	\$4.57626	\$4.77104	\$4.57626		\$4.89303	
Cost of Gas - Recovered	4.60300	4.75600	4.75600		4.85800	
(Over) Under recovery per dk	(\$0.02674)	\$0.01504	(\$0.17974)		\$0.03503	
dk billed	820,538	1,701,236	24,640	2,546,414	833	2,547,247
(Over) Under recovery	(\$21,941)	\$25,587	(\$4,429)	(\$783)	\$29	(\$754)

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

	Residential and Firm General				Seasonal	Total
	1/	2/	3/	Total		
<u>February 2013</u>						
Cost of Gas - Actual	\$4.60611	\$4.57626	\$4.60611		\$4.83039	
Cost of Gas - Recovered	4.77400	4.60300	4.60300		4.70400	
(Over) Under recovery per dk	(\$0.16789)	(\$0.02674)	\$0.00311		\$0.12639	
dk billed	699,288	1,815,382	(111,501)	2,403,169	737	2,403,906
(Over) Under recovery	(\$117,404)	(\$48,543)	(\$347)	(\$166,294)	\$93	(\$166,201)
<u>March 2013</u>						
Cost of Gas - Actual	\$4.45521	\$4.60611	\$4.45521		\$4.85180	
Cost of Gas - Recovered	4.77400	4.77400	4.77400		4.87400	
(Over) Under recovery per dk	(\$0.31879)	(\$0.16789)	(\$0.31879)		(\$0.02220)	
dk billed	0 4/	1,449,852	665,681	2,115,533	722	2,116,255
(Over) Under recovery	\$0	(\$243,417)	(\$212,212)	(\$455,629)	(\$16)	(\$455,645)
<u>April 2013</u>						
Cost of Gas - Actual	\$4.60280	\$4.45521	\$4.60280		\$5.12309	
Cost of Gas - Recovered	4.77400	4.77400	4.77400		4.87400	
(Over) Under recovery per dk	(\$0.17120)	(\$0.31879)	(\$0.17120)		\$0.24909	
dk billed	0 4/	1,519,590	497,322	2,016,912	854	2,017,766
(Over) Under recovery	\$0	(\$484,430)	(\$85,142)	(\$569,572)	\$213	(\$569,359)
<u>May 2013</u>						
Cost of Gas - Actual	\$5.62525	\$4.60280	\$5.62525		\$5.48624	
Cost of Gas - Recovered	5.08100	4.77400	4.77400		4.87400	
(Over) Under recovery per dk	\$0.54425	(\$0.17120)	\$0.85125		\$0.61224	
dk billed	355,980	1,018,212	(120,396)	1,253,796	655	1,254,451
(Over) Under recovery	\$193,742	(\$174,317)	(\$102,487)	(\$83,062)	\$401	(\$82,661)
<u>June 2013</u>						
Cost of Gas - Actual	\$6.25927	\$5.62525	\$6.25927		\$5.78323	
Cost of Gas - Recovered	5.26700	5.08100	5.08100		5.16700	
(Over) Under recovery per dk	\$0.99227	\$0.54425	\$1.17827		\$0.61623	
dk billed	131,277	332,567	8,849	472,693	1,325	474,018
(Over) Under recovery	\$130,262	\$180,999	\$10,427	\$321,688	\$817	\$322,505
<u>July 2013</u>						
Cost of Gas - Actual	\$4.71427	\$6.25927	\$4.71427		\$4.23175	
Cost of Gas - Recovered	5.26700	5.26700	5.26700		4.35500	
(Over) Under recovery per dk	(\$0.55273)	\$0.99227	(\$0.55273)		(\$0.12325)	
dk billed	0 4/	198,314	107,739	306,053	3,936	309,989
(Over) Under recovery	\$0	\$196,780	(\$59,551)	\$137,229	(\$485)	\$136,744

1/ Consumed in current month.

2/ Consumed in prior month.

3/ True-up of prior month volumes.

4/ No change in the PGA. Current month volumes are included in the true-up.

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

	1/	2/	3/	Total
<u>August 2012</u>				
Cost of Gas - Actual	\$3.47772	\$2.54310	\$3.47772	
Cost of Gas - Recovered	2.90400	2.72100	2.72100	
(Over) Under recovery per dk	\$0.57372	(\$0.17790)	\$0.75672	
dk billed	1,111	28,699	5,085	34,895
(Over) Under recovery	\$637	(\$5,105)	\$3,848	(\$620)
<u>September 2012</u>				
Cost of Gas - Actual	\$3.03367	\$3.47772	\$3.03367	
Cost of Gas - Recovered	3.28400	2.90400	2.90400	
(Over) Under recovery per dk	(\$0.25033)	\$0.57372	\$0.12967	
dk billed	1,691	33,891	14,880	50,462
(Over) Under recovery	(\$423)	\$19,443	\$1,929	\$20,949
<u>October 2012</u>				
Cost of Gas - Actual	\$3.22049	\$3.03367	\$3.22049	
Cost of Gas - Recovered	2.86600	3.28400	3.28400	
(Over) Under recovery per dk	\$0.35449	(\$0.25033)	(\$0.06351)	
dk billed	10,197	31,869	19,597	61,663
(Over) Under recovery	\$3,615	(\$7,978)	(\$1,245)	(\$5,608)
<u>November 2012</u>				
Cost of Gas - Actual	\$3.62875	\$3.22049	\$3.62875	
Cost of Gas - Recovered	3.17600	2.86600	2.86600	
(Over) Under recovery per dk	\$0.45275	\$0.35449	\$0.76275	
dk billed	2,828	73,932	12,780	89,540
(Over) Under recovery	\$1,280	\$26,209	\$9,748	\$37,237
<u>December 2012</u>				
Cost of Gas - Actual	\$3.97279	\$3.62875	\$3.97279	
Cost of Gas - Recovered	3.70800	3.17600	3.17600	
(Over) Under recovery per dk	\$0.26479	\$0.45275	\$0.79679	
dk billed	11,263	103,598	3,414	118,275
(Over) Under recovery	\$2,982	\$46,903	\$2,720	\$52,605
<u>January 2013</u>				
Cost of Gas - Actual	\$3.79584	\$3.97279	\$3.79584	
Cost of Gas - Recovered	3.56900	3.70800	3.70800	
(Over) Under recovery per dk	\$0.22684	\$0.26479	\$0.08784	
dk billed	5,613	86,221	7,731	99,565
(Over) Under recovery	\$1,273	\$22,831	\$679	\$24,783

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

	<u>1/</u>	<u>2/</u>	<u>3/</u>	<u>Total</u>
<u>February 2013</u>				
Cost of Gas - Actual	\$3.76171	\$3.79584	\$3.76171	
Cost of Gas - Recovered	3.75200	3.56900	3.56900	
(Over) Under recovery per dk	<u>\$0.00971</u>	<u>\$0.22684</u>	<u>\$0.19271</u>	
dk billed	11,274	91,539	11,200	114,013
(Over) Under recovery	<u>\$109</u>	<u>\$20,766</u>	<u>\$2,158</u>	\$23,033
<u>March 2013</u>				
Cost of Gas - Actual	\$3.79302	\$3.76171	\$3.79302	
Cost of Gas - Recovered	3.75200	3.75200	3.75200	
(Over) Under recovery per dk	<u>\$0.04102</u>	<u>\$0.00971</u>	<u>\$0.04102</u>	
dk billed	0 4/	85,186	8,012	93,198
(Over) Under recovery	<u>\$0</u>	<u>\$827</u>	<u>\$329</u>	\$1,156
<u>April 2013</u>				
Cost of Gas - Actual	\$4.06161	\$3.79302	\$4.06161	
Cost of Gas - Recovered	3.75200	3.75200	3.75200	
(Over) Under recovery per dk	<u>\$0.30961</u>	<u>\$0.04102</u>	<u>\$0.30961</u>	
dk billed	0 4/	68,573	15,950	84,523
(Over) Under recovery	<u>\$0</u>	<u>\$2,813</u>	<u>\$4,938</u>	\$7,751
<u>May 2013</u>				
Cost of Gas - Actual	\$4.55971	\$4.06161	\$4.55971	
Cost of Gas - Recovered	4.09800	3.75200	3.75200	
(Over) Under recovery per dk	<u>\$0.46171</u>	<u>\$0.30961</u>	<u>\$0.80771</u>	
dk billed	4,097	58,032	6,839	68,968
(Over) Under recovery	<u>\$1,892</u>	<u>\$17,966</u>	<u>\$5,524</u>	\$25,382
<u>June 2013</u>				
Cost of Gas - Actual	\$5.01435	\$4.55971	\$5.01435	
Cost of Gas - Recovered	4.27800	4.09800	4.09800	
(Over) Under recovery per dk	<u>\$0.73635</u>	<u>\$0.46171</u>	<u>\$0.91635</u>	
dk billed	2,981	31,390	10,870	45,241
(Over) Under recovery	<u>\$2,195</u>	<u>\$14,492</u>	<u>\$9,961</u>	\$26,648
<u>July 2013</u>				
Cost of Gas - Actual	\$4.11776	\$5.01435	\$4.11776	
Cost of Gas - Recovered	4.27800	4.27800	4.27800	
(Over) Under recovery per dk	<u>(\$0.16024)</u>	<u>\$0.73635</u>	<u>(\$0.16024)</u>	
dk billed	0 4/	23,812	10,592	34,404
(Over) Under recovery	<u>\$0</u>	<u>\$17,534</u>	<u>(\$1,697)</u>	\$15,837

- 1/ Consumed in current month.
2/ Consumed in prior month.
3/ True-up of prior month volumes.
4/ No change in the PGA. Current month volumes are included in the true-up.

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

	<u>1/</u>	<u>2/</u>	<u>Total</u>
<u>August 2012</u>			
Cost of Gas - Actual	(\$0.03135)	\$3.42229	
Cost of Gas - Recovered	<u>2.70900</u>	<u>2.70900</u>	
(Over) Under recovery per dk	(\$2.74035)	\$0.71329	
dk billed	<u>3,667</u>	<u>21</u>	\$3,688
(Over) Under recovery	<u>(\$10,048)</u>	<u>\$15</u>	(\$10,033)
<u>September 2012</u>			
Cost of Gas - Actual	\$3.42229	\$3.02027	
Cost of Gas - Recovered	<u>2.89100</u>	<u>2.89100</u>	
(Over) Under recovery per dk	\$0.53129	\$0.12927	
dk billed	<u>4,392</u>	<u>34</u>	4,426
(Over) Under recovery	<u>\$2,333</u>	<u>\$4</u>	\$2,337
<u>October 2012</u>			
Cost of Gas - Actual	\$3.02027	\$2.98421	
Cost of Gas - Recovered	<u>3.26900</u>	<u>3.26900</u>	
(Over) Under recovery per dk	(\$0.24873)	(\$0.28479)	
dk billed	<u>8,700</u>	<u>(127)</u>	8,573
(Over) Under recovery	<u>(\$2,164)</u>	<u>\$36</u>	(\$2,128)
<u>November 2012</u>			
Cost of Gas - Actual	\$2.98421	\$3.61075	
Cost of Gas - Recovered	<u>2.85300</u>	<u>2.85300</u>	
(Over) Under recovery per dk	\$0.13121	\$0.75775	
dk billed	<u>36,358</u>	<u>(928)</u>	35,430
(Over) Under recovery	<u>\$4,771</u>	<u>(\$703)</u>	\$4,068
<u>December 2012</u>			
Cost of Gas - Actual	\$3.61075	\$3.95479	
Cost of Gas - Recovered	<u>3.16200</u>	<u>3.16200</u>	
(Over) Under recovery per dk	\$0.44875	\$0.79279	
dk billed	<u>58,462</u>	<u>(1,152)</u>	57,310
(Over) Under recovery	<u>\$26,239</u>	<u>(\$913)</u>	\$25,326
<u>January 2013</u>			
Cost of Gas - Actual	\$3.95479	\$3.77855	
Cost of Gas - Recovered	<u>3.69100</u>	<u>3.69100</u>	
(Over) Under recovery per dk	\$0.26379	\$0.08755	
dk billed	<u>79,169</u>	<u>(1,733)</u>	77,436
(Over) Under recovery	<u>\$20,885</u>	<u>(\$152)</u>	\$20,733

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

	<u>1/</u>	<u>2/</u>	<u>Total</u>
<u>February 2013</u>			
Cost of Gas - Actual	\$3.77855	\$3.74507	
Cost of Gas - Recovered	<u>3.55300</u>	<u>3.55300</u>	
(Over) Under recovery per dk	\$0.22555	\$0.19207	
dk billed	<u>84,120</u>	<u>(1,363)</u>	82,757
(Over) Under recovery	<u><u>\$18,973</u></u>	<u><u>(\$262)</u></u>	\$18,711
<u>March 2013</u>			
Cost of Gas - Actual	\$3.74507	\$3.77607	
Cost of Gas - Recovered	<u>3.73500</u>	<u>3.73500</u>	
(Over) Under recovery per dk	\$0.01007	\$0.04107	
dk billed	<u>66,688</u>	<u>(1,126)</u>	65,562
(Over) Under recovery	<u><u>\$671</u></u>	<u><u>(\$46)</u></u>	\$625
<u>April 2013</u>			
Cost of Gas - Actual	\$3.77607	\$4.04346	
Cost of Gas - Recovered	<u>3.73500</u>	<u>3.73500</u>	
(Over) Under recovery per dk	\$0.04107	\$0.30846	
dk billed	<u>72,289</u>	<u>(957)</u>	71,332
(Over) Under recovery	<u><u>\$2,969</u></u>	<u><u>(\$295)</u></u>	\$2,674
<u>May 2013</u>			
Cost of Gas - Actual	\$4.04346	\$4.77187	
Cost of Gas - Recovered	<u>3.73500</u>	<u>3.73500</u>	
(Over) Under recovery per dk	\$0.30846	\$1.03687	
dk billed	<u>50,514</u>	<u>(900)</u>	49,614
(Over) Under recovery	<u><u>\$15,581</u></u>	<u><u>(\$933)</u></u>	\$14,648
<u>June 2013</u>			
Cost of Gas - Actual	\$4.77187	\$5.85080	
Cost of Gas - Recovered	<u>4.08000</u>	<u>4.08000</u>	
(Over) Under recovery per dk	\$0.69187	\$1.77080	
dk billed	<u>18,535</u>	<u>(290)</u>	18,245
(Over) Under recovery	<u><u>\$12,824</u></u>	<u><u>(\$514)</u></u>	\$12,310
<u>July 2013</u>			
Cost of Gas - Actual	\$5.85080	\$3.69463	
Cost of Gas - Recovered	<u>4.25900</u>	<u>4.25900</u>	
(Over) Under recovery per dk	\$1.59180	(\$0.56437)	
dk billed	<u>7,763</u>	<u>(81)</u>	7,682
(Over) Under recovery	<u><u>\$12,357</u></u>	<u><u>\$46</u></u>	\$12,403

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, 2013 THROUGH SEPTEMBER 30, 2014**

Balance of Accumulated Revenues 1/	\$184,398
Projected Residential & General Service Sales Volumes	<u>14,783,000</u>
Market Based Pricing Differential Provision	<u>\$0.012</u>

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

MONTANA-DAKOTA UTILITIES CO.
COST OF GAS - PROPANE
NORTH DAKOTA
EFFECTIVE OCTOBER 2013

Cost of Purchased Propane	\$33,660
Gallons Purchased	30,600
Projected dk Sales	2,800
Propane Cost per Dk	\$12.021
Average Cost of Propane as Adjusted for Losses @ 99.55%	12.075
Less: Propane Cost Level in Rates 1/	<u>9.880</u>
Current Propane Cost Adjustment	<u><u>\$2.195</u></u>

1/ Propane Cost Level in Current Rates - Case No. PU-13-008, effective June 1, 2013.