



MONTANA-DAKOTA

UTILITIES CO.

A Division of MDU Resources Group, Inc.

MONTANA-DAKOTA UTILITIES CO.

CASE NO. PU-13-_____

INTERIM APPLICATION

Volume No. III

**In the Matter of the Application of Montana-Dakota
Utilities Co. for Authority to Establish Increased Rates
for Natural Gas Service in the State of North Dakota**

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF NORTH DAKOTA

In the Matter of the Application of)
MONTANA-DAKOTA UTILITIES CO., a)
Division of MDU Resources Group, Inc.,) Case No. PU-13-____
for Authority to Establish Increased)
Rates for Natural Gas Service)

APPLICATION AND NOTICE FOR
INTERIM INCREASE IN NATURAL GAS RATES

COMES NOW Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., and respectfully moves that the North Dakota Public Service Commission (Commission) authorize, on an interim basis, rate relief of \$4,457,000 to be effective within 60 days.

I.

Montana-Dakota is entitled to interim rate relief as more fully set forth in the Application and Notice, Testimony and Exhibits, and supporting Statements filed in this Case.

II.

The following rate schedules set forth in Appendix A hereto are proposed on an interim basis to be effective within 60 days:

6 th Revised Sheet No. 4	Residential Gas Service Rate 60
4 th Revised Sheet No. 7	Air Force Rate 64
6 th Revised Sheet No. 13	Firm General Gas Service Rate 70
1 st Revised Sheet No. 13.1	Firm General Gas Service Rate 70
6 th Revised Sheet No. 14	Small Interruptible General Gas Service Rate 71
3 rd Revised Sheet No. 14.1	Small Interruptible General Gas Service Rate 71
7 th Revised Sheet No. 15	Optional Seasonal General Gas Service Rate 72
1 st Revised Sheet No. 15.1	Optional Seasonal General Gas Service Rate 72
5 th Revised Sheet No. 24.1	Transportation Service Rates 81 and 82
3 rd Revised Sheet No. 27	Large Interruptible General Gas Service Rate 85
1 st Revised Sheet No. 27.1	Large Interruptible General Gas Service Rate 85

6 th Revised Sheet No. 32	Residential Propane Service Rate 90
6 th Revised Sheet No. 34	Firm General Propane Service Rate 92
1 st Revised Sheet No. 34.1	Firm General Propane Service Rate 92

The Rate Summary Sheet will be submitted in compliance with the Commission's authorization of the requested interim increase.

III.

The requested interim relief as shown in Appendix B is computed pursuant to the requirements of the North Dakota Century Code, Sections 49-05-04 through 49-05-06 and is in full compliance therewith.

IV.

The requested interim rate increase of \$4,457,000 is calculated based upon the adjustments and methodologies contained in the Company's last North Dakota natural gas rate Order (Case No. PU-399-04-97). The return on equity is reflective of the return on equity being proposed in this case, which is lower than the return on equity currently authorized by the Commission.

V.

The tariff sheets provided in Appendix A designate that the amounts billed for the Basic Service Charge and the Distribution Delivery Charge under the Residential, Firm General, Air Force and Transportation rate schedules are subject to an interim increase of 16.442%. Customers taking service under Small Interruptible Sales Service Rate 71 and Large Interruptible Sales Service Rate 85 are subject to an interim increase of 8.870% and 9.835%, respectively. This represents the percentage increase in distribution revenues based on the amount of revenue to be collected on an interim basis. The Cost of Gas will not

be subject to the interim increase. The amount billed will be shown as a separate line item on a customer's bill. The workpapers supporting the interim rate increases are included in Appendix C.

Montana-Dakota respectfully requests that the North Dakota Public Service Commission grant interim rate relief in the amount of \$4,457,000, by authorizing the schedule of charges attached hereto as Appendix A, to become effective within 60 days.

Dated this 18th day of September, 2013.

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

By: Garret Senger
Garret Senger
Vice President, Regulatory Affairs and
Chief Accounting Officer



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
6th Revised Sheet No. 4
Canceling 5th Revised Sheet No. 4

RESIDENTIAL GAS SERVICE Rate 60

Page 1 of 1

Availability:

In all communities served for all domestic uses. See Rate 100, §V.3, for definition on class of service.

Rate:

Basic Service Charge:	\$0.30 per day
Distribution Delivery Charge:	\$.812 per dk
Cost of Gas:	Determined Monthly- See Rate Summary Sheet for Current Rate
Interim Rate Increase:	16.442% of amount billed under Basic Service Charge and Distribution Delivery Charge

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Cost of Gas:

The cost of gas includes all applicable cost of gas items as defined in Cost of Gas – Natural Gas Rate 88 or any amendments or alterations thereto. The cost of gas component is subject to change on a monthly basis.

Distribution Delivery Stabilization Mechanism:

Service under this rate schedule is subject to an adjustment for the effects of weather in accordance with the Distribution Delivery Stabilization Mechanism Rate 87 or any amendments or alterations thereto.

General Terms and Conditions:

The foregoing schedule is subject to Rates 100 through 124 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

Date Filed: September 18, 2013

Effective Date:

Issued By: Tamie A. Aberle
Director - Regulatory Affairs

Case No.: PU-13-__



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
4th Revised Sheet No. 7
Canceling 3rd Revised Sheet No. 7

AIR FORCE Rate 64

Page 1 of 2

Availability:

Minot Air Force Base near Minot, North Dakota, and the Perimeter Acquisition Radar (PAR) Site, near Concrete, North Dakota. The Air Force shall make an election of its requirements under each available service and such requirements shall be set forth in a service agreement with the Company.

Rate:

Basic Service Charge:

Minot Air Force Base	\$1,000.00 per month
Perimeter Acquisition Radar (PAR) Site	\$135.00 per month

Distribution Delivery Charge:

Firm Service	\$.138 per dk
Interruptible Service	\$.120 per dk

Cost of Gas:

Determined Monthly- See Rate Summary Sheet for Current Rate

Interim Rate Increase:

16.442% of amount billed under Basic Service Charge and Distribution Delivery Charge

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Cost of Gas:

The cost of gas includes all applicable cost of gas items as defined in Cost of Gas – Natural Gas Rate 88 or any amendments or alterations thereto. The cost of gas component is subject to change on a monthly basis.

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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
6th Revised Sheet No. 13
Cancelling 5th Revised Sheet No. 13

FIRM GENERAL GAS SERVICE Rate 70

Page 1 of 2

Availability:

In all communities served for all purposes except for resale. See Rate 100, §3, for definition on class of service.

Rate:

Basic Service Charge:

For customers with meters rated under
500 cubic feet per hour

\$0.52 per day

For customers with meters rated over
500 cubic feet per hour

\$1.75 per day

Distribution Delivery Charge:

\$.597 per dk

Cost of Gas:

Determined Monthly- See
Rate Summary Sheet for
Current Rate

Interim Rate Increase:

16.442% of amount billed under
Basic Service Charge and
Distribution Delivery Charge

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Cost of Gas:

The cost of gas includes all applicable cost of gas items as defined in Cost of Gas – Natural Gas Rate 88 or any amendments or alterations thereto. The cost of gas component is subject to change on a monthly basis.

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Montana-Dakota Utilities Co.

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400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7
1st Revised Sheet No. 13.1
Cancelling Original Sheet No. 13.1

FIRM GENERAL GAS SERVICE Rate 70

Page 2 of 2

Distribution Delivery Stabilization Mechanism:

Service under this rate schedule is subject to an adjustment for the effects of weather in accordance with the Distribution Delivery Stabilization Mechanism Rate 87 or any amendments or alterations thereto.

General Terms and Conditions:

The foregoing schedule is subject to Rates 100 through 124 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

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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
6th Revised Sheet No. 14
Canceling 5th Revised Sheet No. 14

SMALL INTERRUPTIBLE GENERAL GAS SERVICE Rate 71

Page 1 of 3

Availability:

In all communities served for all interruptible general gas service customers whose interruptible natural gas load will exceed an input rate of 2,500,000 Btu per hour, metered at a single delivery point and whose use of natural gas will not exceed 100,000 dk annually. The rates herein are applicable only to customer's interruptible load. Customer's firm natural gas requirements must be separately metered or specified in a firm service agreement. Customer's firm load shall be billed at Firm General Gas Service Rate 70. For interruptible purposes, the maximum daily firm requirement shall be set forth in the firm service agreement.

Rate:

Basic Service Charge:	\$100.00 per month	
Distribution Delivery Charge:	<u>Maximum</u> \$.871 per dk	<u>Minimum</u> \$.427 per dk
Cost of Gas:	Determined Monthly- See Rate Summary Sheet for Current Rate	
Interim Rate Increase:	8.870% of amount billed under Basic Service Charge and Distribution Delivery Charge	

The Distribution Delivery Charge shall be set forth in the service agreement required as provided in the General Terms and Conditions for service. Such rate, as adjusted to reflect changes in the Cost of Gas, shall apply for the term of the agreement regardless of a change in the rates set forth above.

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

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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
3rd Revised Sheet No. 14.1
Canceling 2nd Revised Sheet No. 14.1

SMALL INTERRUPTIBLE GENERAL GAS SERVICE Rate 71

Page 2 of 3

Cost of Gas:

The cost of gas includes all applicable cost of gas items as defined in Cost of Gas – Natural Gas Rate 88 or any amendments or alterations thereto. The cost of gas component is subject to change on a monthly basis.

General Terms and Conditions:

1. **PRIORITY OF SERVICE** – Deliveries of gas under this schedule shall be subject at all times to the prior demands of customers served on the Company's firm general gas service rates, and the Company shall have the right to interrupt deliveries to customers under this schedule without being required to give previous notice of intention to so interrupt whenever, in Company's sole judgment, it may be necessary to do so to protect the interest of its customers whose capacity requirements are otherwise and hereby given preference. The priority of service and allocation of capacity shall be accomplished in accordance with the provisions of Rate 100, §V.10.
2. **PENALTY FOR FAILURE TO CURTAIL OR INTERRUPT** – If customer fails to curtail or interrupt their use of gas hereunder when requested to do so by the Company, any gas taken shall be billed at the Firm General Gas Service Rate 70 (distribution delivery charge and cost of gas), plus either an amount equal to any penalty payments or overrun charges the Company is required to make to its interconnecting pipeline(s) under the terms of its contract(s) as a result of such failure to curtail or interrupt, or \$50.00 per dk of gas used in excess of the volume of gas to which customer was requested to curtail or interrupt, whichever amount is greater. The Company, in its discretion, may shut off customer's supply of gas in the event of customer's failure to curtail or interrupt use of gas when requested to do so by the Company.
3. **AGREEMENT** – Customer will be required to enter into an agreement for service hereunder for a minimum term of 12 months. Written notice of termination by either Company or customer must be given at least 60 days prior to the end of the initial term. Absent such termination notice, the agreement shall continue for additional terms of equal length until written notice is given, as provided herein, prior to the end of any subsequent term. Upon expiration of service, the customer may apply for and receive, at the sole discretion of the Company, gas service under this rate or another appropriate rate schedule for the customer's operations.

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Director – Regulatory Affairs

Case No.: PU-13-



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
7th Revised Sheet No. 15
Cancelling 6th Revised Sheet No. 15

OPTIONAL SEASONAL GENERAL GAS SERVICE Rate 72

Page 1 of 2

Availability:

In all communities served for all purposes except for resale. See Rate 100, §V.3, for definition on class of service.

Rate:

Basic Service Charge:

For customers with meters rated
under 500 cubic feet per hour \$0.52 per day

For customers with meters rated
over 500 cubic feet per hour \$1.75 per day

Distribution Delivery Charge: \$.597 per dk

Cost of Gas:

Winter- Service rendered October 1 through May 31
Determined Monthly-
See Rate Summary
Sheet for Current Rate

Summer- Service rendered June 1 through
September 30
Determined Monthly-
See Rate Summary
Sheet for Current Rate

Interim Rate Increase: 16.442% of amount billed
under Basic Service Charge
and Distribution Delivery
Charge

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

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Director – Regulatory Affairs

Case No.: PU-13-___



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
1st Revised Sheet No. 15.1
Cancelling Original Sheet No. 15.1

OPTIONAL SEASONAL GENERAL GAS SERVICE Rate 72

Page 2 of 2

Cost of Gas:

The cost of gas includes all applicable cost of gas items as defined in Cost of Gas – Natural Gas Rate 88 or any amendments or alterations thereto. The cost of gas component is subject to change on a monthly basis.

General Terms and Conditions:

1. The customer agrees to contract for service under the Optional Seasonal General Gas Service Rate 72 for a minimum of one year.
2. The foregoing schedule is subject to Rates 100 through 124 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

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Case No.: PU-13-___



Montana-Dakota Utilities Co.

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400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7
5th Revised Sheet No. 24.1
Canceling 4th Revised Sheet No. 24.1

TRANSPORTATION SERVICE Rates 81 and 82

Page 2 of 10

Rate:

Under Rate 81 or 82, customer shall pay the applicable Basic Service Charge plus a negotiated rate not more than the maximum rate or less than the minimum rate specified below. In the event customer also takes service under Rate 71 or Rate 85, the Basic Service Charge applicable under Rate 81 or Rate 82 shall be waived.

Basic Service Charge:

Rate 81	\$150.00 per month
Rate 82	\$725.00 per month

	<u>Rate 81</u>	<u>Rate 82</u>
Maximum Rate per dk	\$0.427	\$0.298
Minimum Rate per dk	\$0.102	\$0.061
Balancing Charge per dk	\$0.300	\$0.300

Interim Rate Increase: 16.442% of amount billed under Basic Service Charge and Distribution Delivery Charge

Fuel Charge: Applicable to all dk transported to customer located within the distribution system. Charge does not apply to transmission level customers. See Rate Summary Sheet for currently effect charge.

General Terms and Conditions:

1. CRITERIA FOR SERVICE: In order to receive the service, customer must qualify under one of the Company's applicable natural gas transportation service rates and comply with the general terms and conditions of the service provided herein. The customer is responsible for making all arrangements for transporting the gas from its source to the Company's interconnection with the delivering pipeline(s).

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Director – Regulatory Affairs

Case No.: PU-13-___



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
3rd Revised Sheet No. 27
Cancelling 2nd Revised Sheet No. 27

LARGE INTERRUPTIBLE GENERAL GAS SERVICE Rate 85

Page 1 of 3

Availability:

In all communities served for all interruptible general gas service customers whose interruptible natural gas load will exceed 100,000 dk annually as metered at a single delivery point. The rates herein are applicable only to customer's interruptible load. Customer's firm natural gas requirements must be separately metered or specified in a firm service agreement. Customer's firm load shall be billed at Firm General Gas Service Rate 70. For interruption purposes, the maximum daily firm requirement shall be set forth in the firm service agreement.

This rate schedule shall not apply for service to U.S. Government installations, which are covered by separate special contracts.

The Company reserves the right to refuse the initiation of service under this rate schedule based on the availability of gas supply.

Rate:

Basic Service Charge:	\$675.00 per month	
Distribution Delivery Charge:	<u>Maximum</u> \$.719 per dk	<u>Minimum</u> \$.298 per dk
Cost of Gas:	Determined Monthly- See Rate Summary Sheet for Current Rate	
Interim Rate Increase:	9.835% of amount billed under Basic Service Charge and Distribution Delivery Charge	

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

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Director – Regulatory Affairs

Case No.: PU-13-____



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
1st Revised Sheet No. 27.1
Cancelling Original Sheet No. 27.1

LARGE INTERRUPTIBLE GENERAL GAS SERVICE Rate 85

Page 2 of 3

Cost of Gas:

The cost of gas includes all applicable cost of gas items as defined in Cost of Gas – Natural Gas Rate 88 or any amendments or alterations thereto. The cost of gas component is subject to change on a monthly basis.

General Terms and Conditions:

1. PRIORITY OF SERVICE – Deliveries of gas under this schedule shall be subject at all times to the prior demands of customers served on the Company's firm general gas service rates, and the Company shall have the right to interrupt deliveries to customers under this schedule without being required to give previous notice of intention to so interrupt whenever, in Company's sole judgment, it may be necessary to do so to protect the interest of its customers whose capacity requirements are otherwise and hereby given preference. The priority of service and allocation of capacity shall be accomplished in accordance with the provisions of Rate 100, §V.10.
2. PENALTY FOR FAILURE TO CURTAIL OR INTERRUPT – If customer fails to curtail or interrupt their use of gas hereunder when requested to do so by the Company, any gas taken shall be billed at the Firm General Gas Service Rate 70 (distribution delivery charge and cost of gas), plus either an amount equal to any penalty payments or overrun charges the Company is required to make to its interconnecting pipeline(s) under the terms of its contract(s) as a result of such failure to curtail or interrupt, or \$50.00 per dk of gas used in excess of the volume of gas to which customer was requested to curtail or interrupt, whichever amount is greater. The Company, in its discretion, may shut off customer's supply of gas in the event of customer's failure to curtail or interrupt use of gas when requested to do so by the Company.
3. AGREEMENT – Customer will be required to enter into an agreement for service hereunder for a minimum term of 12 months. Written notice of termination by either Company or customer must be given at least 90 days prior to the end of the initial term. Absent execution of such termination notice, the agreement shall continue for additional terms of equal length until written notice is given as provided herein, prior to the end of any subsequent term. Upon expiration of service, the customer may apply for and receive, at the sole discretion of the Company, gas service under this rate or another appropriate rate schedule for the customer's operations.

Date Filed: September 18, 2013

Effective Date:

Issued By: Tamie A. Aberle
Director – Regulatory Affairs

Case No.: PU-13-___



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
6th Revised Sheet No. 32
Canceling 5th Revised Sheet No. 32

RESIDENTIAL PROPANE SERVICE Rate 90

Page 1 of 2

Availability:

For the community of Hettinger for all domestic purposes. See Rate 100, §V.3, for definition on class of service.

Rate:

Basic Service Charge:	\$0.30 per day
Distribution Delivery Charge:	\$.812 per dk
Cost of Gas:	Determined Monthly- See Rate Summary Sheet for Current Rate
Interim Rate Increase:	16.442% of amount billed under Basic Service Charge and Distribution Delivery Charge

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Cost of Gas:

The cost of gas as defined in Cost of Gas - Propane Rate 99 or any amendments or alterations thereto. The cost of propane component is subject to change on a monthly basis.

Distribution Delivery Stabilization Mechanism:

Service under this rate schedule is subject to an adjustment for the effects of weather in accordance with the Distribution Delivery Stabilization Mechanism Rate 87 or any amendments or alterations thereto.

Date Filed:	September 18, 2013	Effective Date:	
Issued By:	Tamie A. Aberle Director – Regulatory Affairs	Case No.:	PU-13-___



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
6th Revised Sheet No. 34
Cancelling 5th Revised Sheet No. 34

FIRM GENERAL PROPANE SERVICE Rate 92

Page 1 of 2

Availability:

For the community of Hettinger for all purposes except for resale. See Rate 100, §V.3, for definition on class of service.

Rate:

Basic Service Charge:

For customers with meters rated
under 500 cubic feet per hour \$0.52 per day

For customers with meters rated
over 500 cubic feet per hour \$1.75 per day

Distribution Delivery Charge: \$.597 per dk

Cost of Gas: Determined Monthly- See Rate
Summary Sheet for Current Rate

Interim Rate Increase: 16.442% of amount billed under Basic
Service Charge and Distribution Delivery
Charge

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Cost of Gas:

The cost of propane as defined in Cost of Gas - Propane Rate 99 or any amendments or alterations thereto. The cost of propane component is subject to change on a monthly basis.

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Director – Regulatory Affairs

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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
1st Revised Sheet No. 34.1
Cancelling Original Sheet No. 34.1

FIRM GENERAL PROPANE SERVICE Rate 92

Page 2 of 2

Distribution Delivery Stabilization Mechanism:

Service under this rate schedule is subject to an adjustment for the effects of weather in accordance with the Distribution Delivery Stabilization Mechanism Rate 87 or any amendments or alterations thereto.

General Terms and Conditions:

1. The Company may at its discretion and upon thirty days notice, disconnect service to a customer utilizing a second source of propane. Any customer so disconnected shall not be eligible for service hereunder for one year from date of disconnection and shall be subject to reconnection charges to restore service after the one-year period.
2. The foregoing schedule is subject to Rates 100 through 124 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

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Director – Regulatory Affairs

Case No.: PU-13-____

Tariffs Reflecting Proposed Changes



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
5th Revised Sheet No. 4
Canceling 4th Revised Sheet No. 4

RESIDENTIAL GAS SERVICE Rate 60

Page 1 of 1

Availability:

In all communities served for all domestic uses. See Rate 100, §V.3, for definition on class of service.

Rate:

Basic Service Charge:	\$0.30 per day
Distribution Delivery Charge:	\$.812 per dk
Cost of Gas:	Determined Monthly- See Rate Summary Sheet for Current Rate
<u>Interim Rate Increase:</u>	<u>16.442% of amount billed under Basic Service Charge and Distribution Delivery Charge</u>

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Cost of Gas:

The cost of gas includes all applicable cost of gas items as defined in Cost of Gas – Natural Gas Rate 88 or any amendments or alterations thereto. The cost of gas component is subject to change on a monthly basis.

Distribution Delivery Stabilization Mechanism:

Service under this rate schedule is subject to an adjustment for the effects of weather in accordance with the Distribution Delivery Stabilization Mechanism Rate 87 or any amendments or alterations thereto.

General Terms and Conditions:

The foregoing schedule is subject to Rates 100 through 124 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

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Case No.:



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
3rd Revised Sheet No. 7
Canceling 2nd Revised Sheet No. 7

AIR FORCE Rate 64

Page 1 of 2

Availability:

Minot Air Force Base near Minot, North Dakota, and the Perimeter Acquisition Radar (PAR) Site, near Concrete, North Dakota. The Air Force shall make an election of its requirements under each available service and such requirements shall be set forth in a service agreement with the Company.

Rate:

Basic Service Charge:

Minot Air Force Base	\$1,000.00 per month
Perimeter Acquisition Radar (PAR) Site	\$135.00 per month

Distribution Delivery Charge:

Firm Service	\$.138 per dk
Interruptible Service	\$.120 per dk

Cost of Gas:

Determined Monthly- See Rate Summary Sheet for Current Rate

Interim Rate Increase:

16.442% of amount billed under Basic Service Charge and Distribution Delivery Charge

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Cost of Gas:

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Montana-Dakota Utilities Co.

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400 N 4th Street
Bismarck, ND 58501

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5th Revised Sheet No. 13
Cancelling 4th Revised Sheet No. 13

FIRM GENERAL GAS SERVICE Rate 70

Page 1 of 2

Availability:

In all communities served for all purposes except for resale. See Rate 100, §3, for definition on class of service.

Rate:

Basic Service Charge:

For customers with meters rated under
500 cubic feet per hour \$0.52 per day

For customers with meters rated over
500 cubic feet per hour \$1.75 per day

Distribution Delivery Charge: \$.597 per dk

Cost of Gas: Determined Monthly- See
Rate Summary Sheet for
Current Rate

Interim Rate Increase: 16.442% of amount billed under
Basic Service Charge and
Distribution Delivery Charge

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Cost of Gas:

The cost of gas includes all applicable cost of gas items as defined in Cost of Gas – Natural Gas Rate 88 or any amendments or alterations thereto. The cost of gas component is subject to change on a monthly basis.

Date Filed:

Effective Date:

Issued By:

Case No.:



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
Original Sheet No. 13.1

FIRM GENERAL GAS SERVICE Rate 70

Page 2 of 2

Distribution Delivery Stabilization Mechanism:

Service under this rate schedule is subject to an adjustment for the effects of weather in accordance with the Distribution Delivery Stabilization Mechanism Rate 87 or any amendments or alterations thereto.

General Terms and Conditions:

The foregoing schedule is subject to Rates 100 through 124 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

Date Filed:

Effective Date:

Issued By:

Case No.:



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
5th Revised Sheet No. 14
Canceling 4th Revised Sheet No. 14

SMALL INTERRUPTIBLE GENERAL GAS SERVICE Rate 71

Page 1 of 3

Availability:

In all communities served for all interruptible general gas service customers whose interruptible natural gas load will exceed an input rate of 2,500,000 Btu per hour, metered at a single delivery point and whose use of natural gas will not exceed 100,000 dk annually. The rates herein are applicable only to customer's interruptible load. Customer's firm natural gas requirements must be separately metered or specified in a firm service agreement. Customer's firm load shall be billed at Firm General Gas Service Rate 70. For interruptible purposes, the maximum daily firm requirement shall be set forth in the firm service agreement.

Rate:

Basic Service Charge:	\$100.00 per month	
Distribution Delivery Charge:	<u>Maximum</u> \$.871 per dk	<u>Minimum</u> \$.427 per dk
Cost of Gas:	Determined Monthly- See Rate Summary Sheet for Current Rate	
<u>Interim Rate Increase:</u>	<u>8.870% of amount billed under Basic Service Charge and Distribution Delivery Charge</u>	

The Distribution Delivery Charge shall be set forth in the service agreement required as provided in the General Terms and Conditions for service. Such rate, as adjusted to reflect changes in the Cost of Gas, shall apply for the term of the agreement regardless of a change in the rates set forth above.

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Date Filed:

Effective Date:

Issued By:

Case No.:



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

2nd Revised Sheet No. 14.1

Canceling 1st Revised Sheet No. 14.1

SMALL INTERRUPTIBLE GENERAL GAS SERVICE Rate 71

Page 2 of 3

Cost of Gas:

The cost of gas includes all applicable cost of gas items as defined in Cost of Gas – Natural Gas Rate 88 or any amendments or alterations thereto. The cost of gas component is subject to change on a monthly basis.

General Terms and Conditions:

1. PRIORITY OF SERVICE – Deliveries of gas under this schedule shall be subject at all times to the prior demands of customers served on the Company's firm general gas service rates, and the Company shall have the right to interrupt deliveries to customers under this schedule without being required to give previous notice of intention to so interrupt whenever, in Company's sole judgment, it may be necessary to do so to protect the interest of its customers whose capacity requirements are otherwise and hereby given preference. The priority of service and allocation of capacity shall be accomplished in accordance with the provisions of Rate 100, §V.10.
2. PENALTY FOR FAILURE TO CURTAIL OR INTERRUPT – If customer fails to curtail or interrupt their use of gas hereunder when requested to do so by the Company, any gas taken shall be billed at the Firm General Gas Service Rate 70 (distribution delivery charge and cost of gas), plus either an amount equal to any penalty payments or overrun charges the Company is required to make to its interconnecting pipeline(s) under the terms of its contract(s) as a result of such failure to curtail or interrupt, or \$50.00 per dk of gas used in excess of the volume of gas to which customer was requested to curtail or interrupt, whichever amount is greater. The Company, in its discretion, may shut off customer's supply of gas in the event of customer's failure to curtail or interrupt use of gas when requested to do so by the Company.
3. AGREEMENT – Customer will be required to enter into an agreement for service hereunder for a minimum term of 12 months. Written notice of termination by either Company or customer must be given at least 60 days prior to the end of the initial term. Absent such termination notice, the agreement shall continue for additional terms of equal length until written notice is given, as provided herein, prior to the end of any subsequent term. Upon expiration of service, the customer may apply for and receive, at the sole discretion of the Company, gas service under this rate or another appropriate rate schedule for the customer's operations.

Date Filed:

Effective Date:

Issued By:

Case No.:



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
6th Revised Sheet No. 15
Canceling 5th Revised Sheet No. 15

OPTIONAL SEASONAL GENERAL GAS SERVICE Rate 72

Page 1 of 2

Availability:

In all communities served for all purposes except for resale. See Rate 100, §V.3, for definition on class of service.

Rate:

Basic Service Charge:

For customers with meters rated
under 500 cubic feet per hour

\$0.52 per day

For customers with meters rated
over 500 cubic feet per hour

\$1.75 per day

Distribution Delivery Charge:

\$.597 per dk

Cost of Gas:

Winter- Service rendered October 1 through May 31

Determined Monthly-
See Rate Summary
Sheet for Current Rate

Summer- Service rendered June 1 through
September 30

Determined Monthly-
See Rate Summary
Sheet for Current Rate

Interim Rate Increase:

16.442% of amount billed
under basic Service Charge
and Distribution Delivery
Charge

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Date Filed:

Effective Date:

Issued By:

Case No.:



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
Original Sheet No. 15.1

OPTIONAL SEASONAL GENERAL GAS SERVICE Rate 72

Page 2 of 2

Cost of Gas:

The cost of gas includes all applicable cost of gas items as defined in Cost of Gas – Natural Gas Rate 88 or any amendments or alterations thereto. The cost of gas component is subject to change on a monthly basis.

General Terms and Conditions:

1. The customer agrees to contract for service under the Optional Seasonal General Gas Service Rate 72 for a minimum of one year.
2. The foregoing schedule is subject to Rates 100 through 124 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

Date Filed:

Effective Date:

Issued By:

Case No.:



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
4th Revised Sheet No. 24.1
Canceling 3rd Revised Sheet No. 24.1

TRANSPORTATION SERVICE Rates 81 and 82

Page 2 of 10

Rate:

Under Rate 81 or 82, customer shall pay the applicable Basic Service Charge plus a negotiated rate not more than the maximum rate or less than the minimum rate specified below. In the event customer also takes service under Rate 71 or Rate 85, the Basic Service Charge applicable under Rate 81 or Rate 82 shall be waived.

Basic Service Charge:

Rate 81	\$150.00 per month
Rate 82	\$725.00 per month

	<u>Rate 81</u>	<u>Rate 82</u>
Maximum Rate per dk	\$0.427	\$0.298
Minimum Rate per dk	\$0.102	\$0.061
Balancing Charge per dk	\$0.300	\$0.300

<u>Interim Rate Increase:</u>	<u>16.442% of amount billed under Basic Service Charge and Distribution Delivery Charge</u>
-------------------------------	---

Fuel Charge:	Applicable to all dk transported to customer located within the distribution system. Charge does not apply to transmission level customers. See Rate Summary Sheet for currently effect charge.
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General Terms and Conditions:

1. CRITERIA FOR SERVICE: In order to receive the service, customer must qualify under one of the Company's applicable natural gas transportation service rates and comply with the general terms and conditions of the service provided herein. The customer is responsible for making all arrangements for transporting the gas from its source to the Company's interconnection with the delivering pipeline(s).

Date Filed:

Effective Date:

Issued By:

Case No.:



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
2nd Revised Sheet No. 27
Cancelling 1st Revised Sheet No. 27

LARGE INTERRUPTIBLE GENERAL GAS SERVICE Rate 85

Page 1 of 3

Availability:

In all communities served for all interruptible general gas service customers whose interruptible natural gas load will exceed 100,000 dk annually as metered at a single delivery point. The rates herein are applicable only to customer's interruptible load. Customer's firm natural gas requirements must be separately metered or specified in a firm service agreement. Customer's firm load shall be billed at Firm General Gas Service Rate 70. For interruption purposes, the maximum daily firm requirement shall be set forth in the firm service agreement.

This rate schedule shall not apply for service to U.S. Government installations, which are covered by separate special contracts.

The Company reserves the right to refuse the initiation of service under this rate schedule based on the availability of gas supply.

Rate:

Basic Service Charge: \$675.00 per month

Distribution Delivery Charge: Maximum \$.719 per dk Minimum \$.298 per dk

Cost of Gas: Determined Monthly- See Rate Summary Sheet for Current Rate

Interim Rate Increase: 9.835% of amount billed under Basic Service Charge and Distribution Delivery Charge

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Date Filed:

Effective Date:

Issued By:

Case No.:



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
Original Sheet No. 27.1

LARGE INTERRUPTIBLE GENERAL GAS SERVICE Rate 85

Page 2 of 3

Cost of Gas:

The cost of gas includes all applicable cost of gas items as defined in Cost of Gas – Natural Gas Rate 88 or any amendments or alterations thereto. The cost of gas component is subject to change on a monthly basis.

General Terms and Conditions:

1. PRIORITY OF SERVICE – Deliveries of gas under this schedule shall be subject at all times to the prior demands of customers served on the Company's firm general gas service rates, and the Company shall have the right to interrupt deliveries to customers under this schedule without being required to give previous notice of intention to so interrupt whenever, in Company's sole judgment, it may be necessary to do so to protect the interest of its customers whose capacity requirements are otherwise and hereby given preference. The priority of service and allocation of capacity shall be accomplished in accordance with the provisions of Rate 100, §V.10.
2. PENALTY FOR FAILURE TO CURTAIL OR INTERRUPT – If customer fails to curtail or interrupt their use of gas hereunder when requested to do so by the Company, any gas taken shall be billed at the Firm General Gas Service Rate 70 (distribution delivery charge and cost of gas), plus either an amount equal to any penalty payments or overrun charges the Company is required to make to its interconnecting pipeline(s) under the terms of its contract(s) as a result of such failure to curtail or interrupt, or \$50.00 per dk of gas used in excess of the volume of gas to which customer was requested to curtail or interrupt, whichever amount is greater. The Company, in its discretion, may shut off customer's supply of gas in the event of customer's failure to curtail or interrupt use of gas when requested to do so by the Company.
3. AGREEMENT – Customer will be required to enter into an agreement for service hereunder for a minimum term of 12 months. Written notice of termination by either Company or customer must be given at least 90 days prior to the end of the initial term. Absent execution of such termination notice, the agreement shall continue for additional terms of equal length until written notice is given as provided herein, prior to the end of any subsequent term. Upon expiration of service, the customer may apply for and receive, at the sole discretion of the Company, gas service under this rate or another appropriate rate schedule for the customer's operations.

Date Filed:

Effective Date:

Issued By:

Case No.:



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
5th Revised Sheet No. 32
Canceling 4th Revised Sheet No. 32

RESIDENTIAL PROPANE SERVICE Rate 90

Page 1 of 2

Availability:

For the community of Hettinger for all domestic purposes. See Rate 100, §V.3, for definition on class of service.

Rate:

Basic Service Charge: \$0.30 per day

Distribution Delivery Charge: \$.812 per dk

Cost of Gas: Determined Monthly- See Rate
Summary Sheet for Current Rate

Interim Rate Increase: 16.442% of amount billed under Basic Service
Charge and Distribution Delivery Charge

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Cost of Gas:

The cost of gas as defined in Cost of Gas - Propane Rate 99 or any amendments or alterations thereto. The cost of propane component is subject to change on a monthly basis.

Distribution Delivery Stabilization Mechanism:

Service under this rate schedule is subject to an adjustment for the effects of weather in accordance with the Distribution Delivery Stabilization Mechanism Rate 87 or any amendments or alterations thereto.

Date Filed:

Effective Date:

Issued By:

Case No.:



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
5th Revised Sheet No. 34
Cancelling 4th Revised Sheet No. 34

FIRM GENERAL PROPANE SERVICE Rate 92

Page 1 of 2

Availability:

For the community of Hettinger for all purposes except for resale. See Rate 100, §V.3, for definition on class of service.

Rate:

Basic Service Charge:

For customers with meters rated
under 500 cubic feet per hour \$0.52 per day

For customers with meters rated
over 500 cubic feet per hour \$1.75 per day

Distribution Delivery Charge: \$.597 per dk

Cost of Gas: Determined Monthly- See Rate
Summary Sheet for Current Rate

Interim Rate Increase: 16.442% of amount billed under Basic
Service Charge and Distribution Delivery
Charge

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Cost of Gas:

The cost of propane as defined in Cost of Gas - Propane Rate 99 or any amendments or alterations thereto. The cost of propane component is subject to change on a monthly basis.

Date Filed:

Effective Date:

Issued By:

Case No.:



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
Original Sheet No. 34.1

FIRM GENERAL PROPANE SERVICE Rate 92

Page 2 of 2

Distribution Delivery Stabilization Mechanism:

Service under this rate schedule is subject to an adjustment for the effects of weather in accordance with the Distribution Delivery Stabilization Mechanism Rate 87 or any amendments or alterations thereto.

General Terms and Conditions:

1. The Company may at its discretion and upon thirty days notice, disconnect service to a customer utilizing a second source of propane. Any customer so disconnected shall not be eligible for service hereunder for one year from date of disconnection and shall be subject to reconnection charges to restore service after the one-year period.
2. The foregoing schedule is subject to Rates 100 through 124 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

Date Filed:

Effective Date:

Issued By:

Case No.:

MONTANA-DAKOTA UTILITIES CO.
PROJECTED OPERATING INCOME AND RATE OF RETURN - INTERIM
REFLECTING ADDITIONAL REVENUE REQUIREMENTS
PROJECTED 2014
(000s)

	Before Additional Revenue Requirements 1/	Additional Revenue Requirements	Reflecting Additional Revenue Requirements
Operating Revenues			
Sales	\$105,223	\$4,457	\$109,680
Transportation	1,866		1,866
Other	1,247		1,247
Total Revenues	<u>108,336</u>	<u>4,457</u>	<u>112,793</u>
Operating Expenses			
Operation and Maintenance			
Cost of Gas	79,840		79,840
Other O&M	17,371		17,371
Total O&M	<u>97,211</u>		<u>97,211</u>
Depreciation	5,637		5,637
Taxes Other Than Income	1,563		1,563
Income Taxes	568	1,691 2/	2,259
Total Expenses	<u>104,979</u>	<u>1,691</u>	<u>106,670</u>
Operating Income	<u>\$3,357</u>	<u>\$2,766</u>	<u>\$6,123</u>
Rate Base	<u>\$77,691</u>		<u>\$77,691</u>
Rate of Return			
	<u>4.321%</u>		<u>7.881%</u>

1/ Page 2.

2/ Reflects state and federal taxes at 37.9445%.

**MONTANA-DAKOTA UTILITIES CO.
INCOME STATEMENT - INTERIM
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2012
PROJECTED 2013 AND 2014
(000s)**

	Per Books	Projected 2013	Projected 2014
Operating Revenues			
Sales	\$81,977	\$99,616	\$105,223
Transportation	1,882	1,849	1,866
Other	1,096	1,241	1,247
Total Revenues	<u>84,955</u>	<u>102,706</u>	<u>108,336</u>
Operating Expenses			
Operation and Maintenance			
Cost of Gas	58,003	75,351	79,840
Other O&M	16,620	17,019	17,371
Total O&M	<u>74,623</u>	<u>92,370</u>	<u>97,211</u>
Depreciation and Amortization	3,723	4,919	5,637
Taxes Other Than Income	1,599	1,511	1,563
Current Income Taxes	(2,887)	696	568
Deferred Income Taxes	4,028		
Total Expenses	<u>81,086</u>	<u>99,496</u>	<u>104,979</u>
Operating Income	<u>\$3,869</u>	<u>\$3,210</u>	<u>\$3,357</u>
Rate Base	<u>\$48,045</u>	<u>\$64,725</u>	<u>\$77,691</u>
Rate of Return	<u>8.053%</u>	<u>4.959%</u>	<u>4.321%</u>

MONTANA-DAKOTA UTILITIES CO.
SUMMARY OF REVENUES - INTERIM
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2012
PROJECTED 2013-2014
(000s)

	Per Books	Projected 2013	Projected 2014
<u>Sales</u>			
Residential	\$44,240	\$55,538	\$57,715
Firm General	30,879	38,685	40,104
Air Force	1,754	2,305	2,305
Small Interruptible	3,161	2,975	4,986
Large Interruptible	95	113	113
Unbilled Revenue	1,848	0	0
Total Sales	<u>\$81,977</u>	<u>\$99,616</u>	<u>\$105,223</u>
<u>Transportation</u>			
Small Interruptible	\$529	\$555	\$564
Large Interruptible	1,342	1,294	1,302
Unbilled Revenue	11	0	0
Total Transportation	<u>\$1,882</u>	<u>\$1,849</u>	<u>\$1,866</u>
 Total Sales and Transportation	 <u>\$83,859</u>	 <u>\$101,465</u>	 <u>\$107,089</u>
<u>Other Operating Revenue</u>			
Miscellaneous Service Revenue	\$484	\$484	\$484
Rent from Property	516	567	567
Other Revenue	96	190	196
Total Other Revenue	<u>\$1,096</u>	<u>\$1,241</u>	<u>\$1,247</u>
 Total Operating Revenue	 <u>\$84,955</u>	 <u>\$102,706</u>	 <u>\$108,336</u>

**MONTANA-DAKOTA UTILITIES CO.
SALES AND TRANSPORTATION REVENUE - INTERIM
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2012
PROJECTED 2013-2014**

	Per Books		Projected 2013		Projected 2014	
	Dk	Revenue	Dk	Revenue	Dk	Revenue
<u>Sales</u>						
Residential	6,762,593	\$44,239,670	7,973,146	\$55,538,030	8,285,778	\$57,715,371
Firm General	5,426,754	30,879,471	6,201,180	38,684,933	6,429,931	40,103,576
Air Force	504,464	1,754,125	552,500	2,304,778	552,500	2,304,778
Small Interruptible	743,874	3,160,830	655,954	2,974,789	1,107,934	4,985,865
Large Interruptible	24,626	95,068	24,626	113,450	24,626	113,450
Unbilled Revenue		1,848,410				
Total Sales	13,462,311	\$81,977,574	15,407,406	\$99,615,980	16,400,769	\$105,223,040
<u>Transportation</u>						
Small Interruptible	954,759	\$528,912	1,032,664	\$554,348	1,050,534	\$563,778
Large Interruptible	5,129,954	1,342,065	4,810,572	1,294,166	4,810,572	1,302,628
Unbilled Revenue		10,926				
Total Transportation	6,084,713	\$1,881,903	5,843,236	\$1,848,514	5,861,106	\$1,866,406
 Total Throughput	<u>19,547,024</u>	<u>\$83,859,477</u>	<u>21,250,642</u>	<u>\$101,464,494</u>	<u>22,261,875</u>	<u>\$107,089,446</u>

**MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - NORTH DAKOTA
SUMMARY OF REVENUES - INTERIM
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012**

Rate Reporting Class	Projected 2013			Projected 2014		
	Billing Units	Dk	Revenue	Billing Units	Dk	Revenue
Sales						
Residential						
Residential	86,057	7,955,109	\$55,403,773	89,439	8,267,741	\$57,581,114
Propane	274	18,037	\$134,257	274	18,037	134,257
Total Residential	<u>86,331</u>	<u>7,973,146</u>	<u>55,538,030</u>	<u>89,713</u>	<u>8,285,778</u>	<u>57,715,371</u>
Air Force						
Firm	1	32,291	166,498	1	32,291	166,498
Interruptible	2	520,209	2,138,280	2	520,209	2,138,280
Total Air Force	<u>3</u>	<u>552,500</u>	<u>2,304,778</u>	<u>3</u>	<u>552,500</u>	<u>2,304,778</u>
Firm General						
Firm General	13,121	6,159,419	38,429,994	13,543	6,388,170	39,848,637
Seasonal	17	15,450	91,900	17	15,450	91,900
Propane	71	26,311	163,039	71	26,311	163,039
Total Firm General	<u>13,209</u>	<u>6,201,180</u>	<u>38,684,933</u>	<u>13,631</u>	<u>6,429,931</u>	<u>40,103,576</u>
Interruptible						
Small Interruptible 2/	70	655,954	2,974,789	86	1,107,934	4,985,865
Large Interruptible	1	24,626	113,450	1	24,626	113,450
Total Interruptible	<u>71</u>	<u>680,580</u>	<u>3,088,239</u>	<u>87</u>	<u>1,132,560</u>	<u>5,099,315</u>
Total Sales	<u>99,614</u>	<u>15,407,406</u>	<u>\$99,615,980</u>	<u>103,434</u>	<u>16,400,769</u>	<u>\$105,223,040</u>
Transportation						
Small Interruptible	63	1,032,664	554,348	64	1,050,534	563,778
Large Interruptible	7	4,810,572	1,294,166	7	4,810,572	1,302,628
Total Transportation	<u>70</u>	<u>5,843,236</u>	<u>\$1,848,514</u>	<u>71</u>	<u>5,861,106</u>	<u>\$1,866,406</u>
Total Sales & Transportation	<u>99,684</u>	<u>21,250,642</u>	<u>\$101,464,494</u>	<u>103,505</u>	<u>22,261,875</u>	<u>\$107,089,446</u>

1/ Rates effective with service rendered on and after 9/19/07, Docket No. PU-07-618, for firm, IT and Transportation and 8/1/12, Docket No. PU-12-452 for seasonal firm. COG effective June 2013 with annual gas costs.

2/ Excludes grain drying sales.

**MONTANA-DAKOTA UTILITIES CO.
OTHER OPERATING REVENUE - INTERIM
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2012
PROJECTED 2013-2014
(000s)**

	Per Books	Projected 2013	Projected 2014
<u>Miscellaneous Service Revenue</u>			
NSF Check fees, MAFB Dist. System	\$461	\$461	\$461
Other Misc. Service Revenue	23	23	23
Total	<u>\$484</u>	<u>\$484</u>	<u>\$484</u>
Rent from Property 1/	\$516	\$567	\$567
<u>Other Revenue</u>			
Late Payment Revenue 2/	\$0	\$101	\$107
Other Revenue 3/	96	89	89
	<u>\$96</u>	<u>\$190</u>	<u>\$196</u>
Total	<u>\$1,096</u>	<u>\$1,241</u>	<u>\$1,247</u>

1/ Projected 2013-2014 reflects current levels.

2/ Projected 2013-2014 based on a percentage of 2012 late payment revenue to 2012 sales and transportation revenue.

3/ Restates penalty revenue to a three year average.

**MONTANA-DAKOTA UTILITIES CO.
OPERATION & MAINTENANCE EXPENSE - INTERIM
GAS UTILITY - NORTH DAKOTA
PROJECTED 2013
(000s)**

Function	Total	Cost of Gas	Labor	Benefits	Subcontract Labor	Materials	Vehicles & Work Equip.	Company Consumption	Uncollectible Accounts
Cost of Gas	\$75,351	\$75,351							
Other Gas Supply	121		\$83		\$11		\$1		
Production	0		0		0	\$0	0		
Distribution	7,974		5,569		1,006	643	602	\$137	\$10
Customer Accounting	2,246		1,323		105	1	52	1	112
Customer Service & Info	241		135				4		
Sales	123		88		0		3	9	
Administrative and General	6,314		1,767	\$2,258	253	29	17	41	
Total Other O&M	17,019	0	8,965	2,258	1,375	673	679	188	122
Total O&M	<u>\$92,370</u>	<u>\$75,351</u>	<u>\$8,965</u>	<u>\$2,258</u>	<u>\$1,375</u>	<u>\$673</u>	<u>\$679</u>	<u>\$188</u>	<u>\$122</u>

**MONTANA-DAKOTA UTILITIES CO.
OPERATION & MAINTENANCE EXPENSE - INTERIM
GAS UTILITY - NORTH DAKOTA
PROJECTED 2013
(000s)**

Function	Postage	Software Maintenance	Building Rental	Advertising	Industry Dues	Insurance	Regulatory Commission Expense	All Other O&M
Cost of Gas								\$0
Other Gas Supply		\$2						24
Production		0						0
Distribution	\$1	7	\$96					(97)
Customer Accounting	327	115						210
Customer Service & Info Sales				\$89				13
Administrative and General	63	184	188	22	\$68	\$408	\$113	903
Total Other O&M	391	308	284	111	68	408	113	1,076
Total O&M	\$391	\$308	\$284	\$111	\$68	\$408	\$113	\$1,076

**MONTANA-DAKOTA UTILITIES CO.
OPERATION & MAINTENANCE EXPENSE - INTERIM
GAS UTILITY - NORTH DAKOTA
PROJECTED 2014
(000s)**

Function	Total	Cost of Gas	Labor	Benefits	Subcontract Labor	Materials	Vehicles & Work Equip.	Company Consumption	Uncollectible Accounts
Cost of Gas	\$79,840	\$79,840							
Other Gas Supply	125		\$86		\$11		\$1		
Production	0		0		0	\$0	0		
Distribution	8,164		5,759		1,006	643	604	\$137	\$10
Customer Accounting	2,311		1,368		105	1	52	1	119
Customer Service & Info	246		140				4		
Sales	127		91		0		3	9	
Administrative and General	6,398		1,827	\$2,218	253	29	17	41	
Total Other O&M	17,371	0	9,271	2,218	1,375	673	681	188	129
Total O&M	\$97,211	\$79,840	\$9,271	\$2,218	\$1,375	\$673	\$681	\$188	\$129

**MONTANA-DAKOTA UTILITIES CO.
OPERATION & MAINTENANCE EXPENSE - INTERIM
GAS UTILITY - NORTH DAKOTA
PROJECTED 2014
(000s)**

Function	Postage	Software Maintenance	Building Rental	Advertising	Industry Dues	Insurance	Regulatory Commission Expense	All Other O&M
Cost of Gas								\$0
Other Gas Supply		\$2						25
Production		0						0
Distribution	\$1	7	\$96					(99)
Customer Accounting	335	115						215
Customer Service & Info				\$89				13
Sales				0				24
Administrative and General	64	184	188	22	\$68	\$450	\$113	924
Total Other O&M	400	308	284	111	68	450	113	1,102
Total O&M	\$400	\$308	\$284	\$111	\$68	\$450	\$113	\$1,102

**MONTANA-DAKOTA UTILITIES CO.
PROJECTED COST OF GAS - INTERIM
GAS UTILITY - NORTH DAKOTA
PROJECTED 2013 - 2014
(000s)**

	Projected Dk Sales	Dk Adjusted for Distribution Losses 1/	Commodity Charge 2/	Projected Cost of Gas
<u>Projected 2013</u>				
Residential	7,973	8,009	\$4.946	\$39,613
Firm General Service	6,201	6,229	4.946	30,809
Air Force				
Firm	32	32	4.946	158
Interruptible - Contract	455	455	3.962	1,803
Interruptible	65	65	3.962	258
Total Air Force	<u>552</u>	<u>552</u>		<u>2,219</u>
Small Interruptible	656	659	3.962	2,611
Large Interruptible	25	25	3.962	99
Total	<u>15,407</u>	<u>15,474</u>		<u>\$75,351</u>
<u>Projected 2014</u>				
Residential	8,286	8,323	\$4.946	\$41,166
Firm General Service	6,430	6,459	4.946	31,946
Air Force				
Firm	32	32	4.946	158
Interruptible - Contract	455	455	3.962	1,803
Interruptible	65	65	3.962	258
Total Air Force	<u>552</u>	<u>552</u>		<u>2,219</u>
Small Interruptible	1,108	1,113	3.962	4,410
Large Interruptible	25	25	3.962	99
Total	<u>16,401</u>	<u>16,472</u>		<u>\$79,840</u>

1/ Distribution loss factor of .45%. Air Force Interruptible - Contract is not adjusted for losses because it takes service at the transmission level.

2/ June 2013 cost of gas adjusted to reflect annual commodity costs.

MONTANA-DAKOTA UTILITIES CO.
LABOR EXPENSE - INTERIM
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2012
PROJECTED 2013 - 2014
(000s)

	Per Books	Projected	
		2013 1/	2014 2/
Other Gas Supply	\$80	\$83	\$86
Production	48	0	0
Distribution	5,309	5,569	5,759
Customer Accounts	1,261	1,323	1,368
Customer Service	129	135	140
Sales	84	88	91
A&G	1,684	1,767	1,827
Total Labor Expense	<u>\$8,595</u>	<u>\$8,965</u>	<u>\$9,271</u>

1/ Reflects a projected 4.90% increase excluding landfill.

2/ Reflects a projected 3.41% increase excluding landfill.

**MONTANA-DAKOTA UTILITIES CO.
BENEFITS EXPENSE - INTERIM
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2012
PROJECTED 2013-2014
(000s)**

	Per Books	Projected	
		2013 1/	2014 2/
Medical/Dental	\$828	\$936	\$983
Pension expense	(82)	230	107
Post-retirement	335	46	46
401K	886	1,017	1,052
Workers compensation	28	29	30
Total Benefits Expense	<u>\$1,995</u>	<u>\$2,258</u>	<u>\$2,218</u>

1/ Excluding landfill, medical, pension, post-retirement and 401K based on 2013 loading factor of 10.44% for medical, 2.56% for pension, 0.51% for post retirement, and 11.34% for 401K. Workers compensation expense is based on the ratio of 2012 workers compensation to 2012 labor expense.

2/ Excluding landfill, medical reflects an increase of 5%, pension reflects a decrease of 53.59% and post-retirement reflects a decrease of 0.76% based on an actuarial study. 401K reflects the labor increase of 3.41%. Workers compensation expense is based on the ratio of 2012 workers compensation to 2012 labor expense.

**MONTANA-DAKOTA UTILITIES CO.
SUBCONTRACT LABOR - INTERIM
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2012
PROJECTED 2013 - 2014
(000s)**

	Per Books	Projected	
		2013 1/	2014 1/
Other Gas Supply	\$11	\$11	\$11
Production	23	0	0
Distribution	1,006	1,006	1,006
Customer Accounts	105	105	105
Sales	0	0	0
A&G	253	253	253
Total Subcontract Labor	<u>\$1,398</u>	<u>\$1,375</u>	<u>\$1,375</u>

1/ Projected to remain at the 2012 level excluding landfill.

MONTANA-DAKOTA UTILITIES CO.
MATERIALS - INTERIM
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2012
PROJECTED 2013-2014
(000s)

	Per Books	Projected	
		2013 1/	2014 1/
Production	\$16	\$0	\$0
Distribution	643	643	643
Customer Accounting	1	1	1
A&G	29	29	29
Total Materials	<u>\$689</u>	<u>\$673</u>	<u>\$673</u>

1/ Projected to remain at the 2012 level, excluding landfill.

**MONTANA-DAKOTA UTILITIES CO.
VEHICLES AND WORK EQUIPMENT - INTERIM
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2012
PROJECTED 2013-2014
(000s)**

	Per Books	Projected	
		2013 1/	2014 1/
Other Gas Supply	\$1	\$1	\$1
Production	1	0	0
Distribution	593	602	604
Customer Accounting	51	52	52
Customer Service	4	4	4
Sales	4	3	3
A&G	17	17	17
Total Vehicle and Work Equipment	<u>\$671</u>	<u>\$679</u>	<u>\$681</u>

1/ Based on projected plant and current depreciation rates, excluding landfill.

**MONTANA-DAKOTA UTILITIES CO.
COMPANY CONSUMPTION - INTERIM
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2012
PROJECTED 2013-2014
(000s)**

<u>Total</u>	Per Books	Projected	
		2013	2014
Distribution	\$124	\$137	\$137
Customer Accounting	1	1	1
Sales	8	9	9
A&G	39	41	41
Total Company Consumption	<u>\$172</u>	<u>\$188</u>	<u>\$188</u>
<u>Electric</u>			
Distribution	\$63	\$63	\$63
Customer Accounting			
Sales	5	5	5
A&G	31	31	31
Total Electric	<u>\$99</u>	<u>\$99</u>	<u>\$99</u>
<u>Gas 1/</u>			
Distribution	\$61	\$74	\$74
Customer Accounting	1	1	1
Sales	3	4	4
A&G	8	10	10
Total Gas	<u>\$73</u>	<u>\$89</u>	<u>\$89</u>

1/ Reflects a 21.66% increase to reflect normalized firm general sales at current rates.

**MONTANA-DAKOTA UTILITIES CO.
 UNCOLLECTIBLE ACCOUNTS - INTERIM
 GAS UTILITY - NORTH DAKOTA
 TWELVE MONTHS ENDING DECEMBER 31, 2012
 PROJECTED 2013-2014
 (000s)**

	Per Books	Projected	
		2013 1/	2014 1/
Distribution	\$9	\$10	\$10
Customer Accounting	102	112	119
Total Uncollectible Accounts	\$111	\$122	\$129

1/ Based on five year average ratio of write-offs applied to projected revenues.

**MONTANA-DAKOTA UTILITIES CO.
POSTAGE - INTERIM
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2012
PROJECTED 2013-2014
(000s)**

	Per Books	Projected	
		2013 1/	2014 2/
Distribution	\$1	\$1	\$1
Customer Accounting	318	327	335
A&G	61	63	64
Total Postage	<u>\$380</u>	<u>\$391</u>	<u>\$400</u>

1/ Reflects 2.73% increase in postage rates effective January 2013.

2/ Reflects an increase of 2.3% based on three year average change in the Consumer Price Index.

**MONTANA-DAKOTA UTILITIES CO.
SOFTWARE MAINTENANCE- INTERIM
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2012
PROJECTED 2013-2014
(000s)**

	Per Books	Projected	
		2013 2/	2014 2/
Other Gas Supply	\$2	\$2	\$2
Production	1	0	0
Distribution	7	7	7
Customer Accounting	115	115	115
A&G 1/	101	184	184
Total Software Maintenance	<u>\$226</u>	<u>\$308</u>	<u>\$308</u>

1/ Projected 2013 - 2014 reflect implementation of new software maintenance programs that support or protect current software programs.
2/ Excludes landfill.

MONTANA-DAKOTA UTILITIES CO.
BUILDING RENTAL - INTERIM
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2012
PROJECTED 2013-2014
(000s)

	Per Books	Projected	
		2013 1/	2014 1/
Distribution	\$71	\$96	\$96
A&G	150	188	188
Total Building Rental	<u>\$221</u>	<u>\$284</u>	<u>\$284</u>

1/ Projected 2013-2014 reflect current levels.

**MONTANA-DAKOTA UTILITIES CO.
ADVERTISING EXPENSE - INTERIM
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2012
PROJECTED 2013-2014
(000s)**

	Per Books	Projected	
		2013 1/	2014 1/
Informational	\$91	\$89	\$89
Promotional	30		
Institutional	33	22	22
Total Advertising Expense	<u>\$154</u>	<u>\$111</u>	<u>\$111</u>

1/ Eliminates promotional advertising expense and advertising expenses not applicable to North Dakota gas operations.

**MONTANA-DAKOTA UTILITIES CO.
INDUSTRY DUES - INTERIM
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2012
PROJECTED 2013-2014
(000s)**

	Per Books	Projected	
		2013	2014
American Gas Association	\$29	\$34 2/	\$34
Bismarck-Mandan Development Association	3	3	3
Common Ground Alliance	1	0 2/	0
Consortium for Energy Efficiency	1		
Energy Solutions Center	2	3 2/	3
Forward Devils Lake Corporation	1	1 2/	1
Garrison Chamber of Commerce	1	1 2/	1
Jamestown Area Chamber of Commerce	1	1 2/	1
Midwest Energy Association	12	9 2/	9
Minot Area Chamber of Commerce	2	2 2/	2
Minot Area Development Corporation	7	2 2/	2
National Assoc. of Regulatory Utility Commissioners	1	1	1
North Dakota Petroleum Council	1	1 2/	1
Utilities Telecom Council	1	1	1
Utility Solid Waste Activities Group	2	2 2/	2
Valley Development Group		1 2/	1
Dues under \$500	5	6	6
Other/Corporate Charges 1/	28	0	0
Total Industry Dues	\$98	\$68	\$68

1/ Reflects dues not applicable to North Dakota gas operations.
2/ Reflects actual 2013 amount.

**MONTANA-DAKOTA UTILITIES CO.
INSURANCE EXPENSE - INTERIM
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2012
PROJECTED 2013-2014
(000s)**

Insurance Expense	Per Books	Projected	
		2013 1/	2014 2/
Director's & Officer's Liability Insurance	\$26	\$27	\$28 2/
Excess Liability			
Fiduciary & Employee Benefits Liability	11	10	10 2/
Public Liab. & Property Ins. Damage of Others	218	210	221 2/
All Risk	168	160	190 3/
Blanket Crime	1	1	1 2/
Self Insurance	162	0	0
Total Insurance Expense	\$586	\$408	\$450

1/ Reflects insurance expense at the current level for 2013.

2/ Reflects projected increase of 5%.

3/ Reflects projected increase of 20%.

**MONTANA-DAKOTA UTILITIES CO.
REGULATORY COMMISSION EXPENSE - INTERIM
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2012
PROJECTED 2013-2014
(000s)**

		Projected	
	Per Books	2013 1/	2014 1/
Regulatory Commission Expense	<u>\$91</u>	<u>\$113</u>	<u>\$113</u>

1/ Reflects a three year amortization of rate case expense and an ongoing level of regulatory commission expense.

MONTANA-DAKOTA UTILITIES CO.
OTHER O&M - INTERIM
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2012
PROJECTED 2013-2014
(000s)

Function	Per Books O&M	Total items adjusted individually 1/	All Other	Projected	
				2013 2/	2014 2/
Other Gas Supply	\$117	\$94	\$23	\$24	\$25
Production	271	89	182	0	0
Distribution	7,668	7,763	(95)	(97)	(99)
Customer Accounting	2,159	1,954	205	210	215
Customer Service & Information	237	224	13	13	13
Sales	148	126	22	23	24
Administrative and General	6,020	5,137	883	903	924
Total Other O&M	<u>\$16,620</u>	<u>\$15,387</u>	<u>\$1,233</u>	<u>\$1,076</u>	<u>\$1,102</u>

1/ Pages 27-28.

2/ Reflects an increase of 2.3% based on three year average change in the Consumer Price Index, excluding landfill.

**MONTANA-DAKOTA UTILITIES CO.
OPERATION & MAINTENANCE EXPENSE - INTERIM
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2012
(000s)**

Function	Per Books	Cost of Gas	Labor	Benefits	Subcontract Labor	Materials	Vehicles & Work Equip.	Company Consumption	Uncollectible Accounts
Cost of Gas	\$58,003	\$58,003							
Other Gas Supply	117		\$80		\$11		\$1		
Production	271		48		23	\$16	1		
Distribution	7,668		5,309		1,006	643	593	\$124	\$9
Customer Accounting	2,159		1,261		105	1	51	1	102
Customer Service & Info	237		129				4		
Sales	148		84		0		4	8	
Administrative and General	6,020		1,684	\$1,995	253	29	17	39	
Total Other O&M	16,620	0	8,595	1,995	1,398	689	671	172	111
Total O&M	\$74,623	\$58,003	\$8,595	\$1,995	\$1,398	\$689	\$671	\$172	\$111

**MONTANA-DAKOTA UTILITIES CO.
OPERATION & MAINTENANCE EXPENSE - INTERIM
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2012
(000s)**

Function	Postage	Software Maintenance	Building Rental	Advertising	Industry Dues	Insurance	Regulatory Commission Expense	Total Items adjusted individually	All Other O&M
Cost of Gas								\$58,003	\$0
Other Gas Supply		\$2						94	23
Production		1						89	182
Distribution	\$1	7	\$71					7,763	(95)
Customer Accounting	318	115						1,954	205
Customer Service & Info				\$91				224	13
Sales				30				126	22
Administrative and General	61	101	150	33	\$98	\$586	\$91	5,137	883
Total Other O&M	380	226	221	154	98	586	91	15,387	1,233
Total O&M	\$380	\$226	\$221	\$154	\$98	\$586	\$91	\$73,390	\$1,233

**MONTANA-DAKOTA UTILITIES CO.
SUMMARY OF DEPRECIATION EXPENSE - INTERIM
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2012
PROJECTED 2013-2014
(000s)**

	Per Books	Projected	
		2013 1/	2014 1/
Production	\$160	\$80	\$0
Distribution	3,000	3,890	4,383
General	177	170	154
General Intangible	55	100	112
Common	225	328	370
Common Intangible	103	348	615
Acquisition Adjustment	3	3	3
Total	\$3,723	\$4,919	\$5,637

1/ Excludes landfill.

MONTANA-DAKOTA UTILITIES CO.
ACCUMULATED RESERVE FOR DEPRECIATION - INTERIM
GAS UTILITY - NORTH DAKOTA
PROJECTED 2013
(000s)

	2012 Year End Acc. Reserve for Depr.	2013 Average Plant In Service 1/	Depreciation/ Amortization Rate 2/	2013			2013 Average Balance
				Depreciation/ Amortization Expense	Retirements/ Removal 5/	Ending Balance	
Production	\$317	\$2,417	3.33%	\$80	(\$397) 7/	0	158
Distribution	59,735	122,711	3.17%	3,890	(281)	63,344	61,539
<u>General</u>							
Other	452	1,635	5.46%	89	(132)	409	431
Structures & Improvements	763	2,046	3.09%	63	(223)	603	683
Computer Equipment	20	92	19.20%	18	(6)	32	26
Vehicles	2,236	3,191	0.80%	26	(655)	1,607	1,921
Work Equipment	450	2,716	0.67%	18	(132)	336	393
Total General	3,921	9,680		214	(1,148)	2,987	3,454
General Intangible	438	3,581	3/	100	0	538	488
<u>Common</u>							
Other	720	2,091	4.92%	103	(59)	764	742
Structures & Improvements	2,166	5,858	2.25%	132	(177)	2,121	2,144
Computer Equipment	223	603	15.49%	93	(18)	298	260
Vehicles	510	840	4.08%	34	(42)	502	506
Total Common	3,619	9,392		362	(296)	3,685	3,652
Common Intangible	2,878	7,196	3/	348	0	3,226	3,052
Acquisition Adjustment	55	97	4/	3		58	57
Total Gas Plant in Service	\$70,963	\$155,074		\$4,997	(\$2,122)	\$73,838	\$72,400
Depreciation Expense				\$4,919	6/		

1/ Page 40.

2/ Composite depreciation rates by function.

3/ Amortized by each item within the intangible account.

4/ Amortized.

5/ Based on the three year average of retirements.

6/ Excludes depreciation on vehicles and work equipment, which are charged to a clearing account.

7/ Eliminates landfill.

MONTANA-DAKOTA UTILITIES CO.
ACCUMULATED RESERVE FOR DEPRECIATION - INTERIM
GAS UTILITY - NORTH DAKOTA
PROJECTED 2014
(000s)

	2013 Acc. Reserve for Depr.	2014 Average Plant In Service 1/	Depreciation/ Amortization Rate 2/	2014			2014 Average Balance
				Depreciation/ Amortization Expense	Retirements/ Removal 5/	Ending Balance	
Production	\$0	\$0	3.33%	\$0	\$0	\$0	\$0
Distribution	63,344	138,276	3.17%	4,383	(298)	67,429	65,386
<u>General</u>							
Other	409	1,542	5.46%	84	(120)	373	391
Structures & Improvements	603	1,778	3.09%	55	(177)	481	542
Computer Equipment	32	80	19.20%	15	(9)	38	35
Vehicles	1,607	3,150	0.80%	25	(471)	1,161	1,384
Work Equipment	336	2,803	0.67%	19	(98)	257	296
Total General	2,987	9,353		198	(875)	2,310	2,648
General Intangible	538	3,705	3/	112	0	650	594
<u>Common</u>							
Other	764	2,142	4.92%	105	(62)	807	786
Structures & Improvements	2,121	7,299	2.25%	164	(173)	2,112	2,116
Computer Equipment	298	652	15.49%	101	(24)	375	337
Vehicles	502	932	4.08%	38	(41)	499	500
Total Common	3,685	11,025		408	(300)	3,793	3,739
Common Intangible	3,226	11,080	3/	615	0	3,841	3,534
Acquisition Adjustment	58	97	4/	3		61	60
Total Gas Plant in Service	<u>\$73,838</u>	<u>\$173,536</u>		<u>\$5,719</u>	<u>(\$1,473)</u>	<u>\$78,084</u>	<u>\$75,961</u>
Depreciation Expense				<u>\$5,637</u>	6/		

1/ Page 40.

2/ Composite depreciation rates by function.

3/ Amortized by each item within the intangible account.

4/ Amortized.

5/ Based on the three year average of retirements.

6/ Excludes depreciation on vehicles and work equipment, which are charged to a clearing account.

MONTANA-DAKOTA UTILITIES CO.
SUMMARY OF TAXES OTHER THAN INCOME - INTERIM
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDED DECEMBER 31, 2012
PROJECTED 2013 - 2014
(000s)

Type of Tax	Per Books	Projected	
		2013 1/	2014 1/
Ad Valorem			
Production	\$125	\$63	\$0
Distribution	643	603	679
General	58	43	41
Common	55	54	63
Intangible	17	20	28
Total Ad Valorem Taxes	<u>898</u>	<u>783</u>	<u>811</u>
O&M Related Taxes - Other			
Payroll Taxes	653	680	704
Franchise Taxes	17	17	17
Delaware Franchise	30	30	30
Total O&M Related Taxes	<u>700</u>	<u>727</u>	<u>751</u>
Other			
Secretary of State	1	1	1
Total Other	<u>1</u>	<u>1</u>	<u>1</u>
 Total Taxes Other Than Income	 <u>\$1,599</u>	 <u>\$1,511</u>	 <u>\$1,563</u>

1/ Eliminates landfill.

**MONTANA-DAKOTA UTILITIES CO.
AD VALOREM TAXES - INTERIM
GAS UTILITY - NORTH DAKOTA
PROJECTED 2013 - 2014
(000s)**

Function	Effective Tax Rate	Projected 2013		Projected 2014	
		Plant Balance 1/	Ad Valorem Tax	Plant Balance 1/	Ad Valorem Tax
Production	2.6257%	\$2,417	\$63	\$0	\$0
Distribution	0.4909%	122,808	603	138,373	679
General	0.4436%	9,680	43	9,353	41
Common	0.5747%	9,392	54	11,025	63
Intangible	0.1882%	10,777	20	14,785	28
Total		<u>\$155,074</u>	<u>\$783</u>	<u>\$173,536</u>	<u>\$811</u>

1/ Excludes landfill.

**MONTANA-DAKOTA UTILITIES CO.
AD VALOREM TAXES - INTERIM
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDED DECEMBER 31, 2012**

<u>Function</u>	<u>Avg. Plant Balance @ 12/31/2012</u>	<u>Ad Valorem Tax @ 12/31/2012</u>	<u>Effective Tax Rate</u>	<u>Projected Effective Tax Rate 2/</u>
Production	\$4,770,840	\$125,269	2.6257%	2.6257%
Distribution	98,231,591	642,974	0.6545%	0.4909%
General	9,860,441	58,311	0.5914%	0.4436%
Common	7,182,878	55,036	0.7662%	0.5747%
Intangible 1/	6,538,199	16,407	0.2509%	0.1882%
Total	<u>\$126,583,949</u>	<u>\$897,997</u>		

1/ General and common intangible.

2/ Reflects ad valorem tax reduction of 25% in North Dakota.

**MONTANA-DAKOTA UTILITIES CO.
PAYROLL TAXES - INTERIM
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDED DECEMBER 31, 2012
PROJECTED 2013 - 2014**

	Per Books	Projected (000's)	
		2013	2014
Labor Expense	\$8,594,974	\$8,965	\$9,271
Payroll Taxes	652,676	\$680	\$704
% Payroll Taxes to Labor	7.59%		

MONTANA-DAKOTA UTILITIES CO.
CALCULATION OF INCOME TAXES - INTERIM
GAS UTILITY - NORTH DAKOTA
PROJECTED 2013 - 2014
(000s)

	Projected	
	<u>2013</u>	<u>2014</u>
Operating Revenues		
Sales Revenues	\$99,616	\$105,223
Transportation Revenue	1,849	1,866
Other Revenues	<u>1,241</u>	<u>1,247</u>
Total Operating Revenues	102,706	108,336
Operating Expenses		
Operation and Maintenance		
Cost of Gas	75,351	79,840
Other O&M	<u>17,019</u>	<u>17,371</u>
Total O&M	92,370	97,211
Depreciation and Amortization Expense	4,919	5,637
Taxes other Than Income	<u>1,511</u>	<u>1,563</u>
Total Operating Expenses	98,800	104,411
Gross Operating Income	3,906	3,925
Deductions and Adjustments to Book Income:		
Interest 1/	<u>1,804</u>	<u>2,158</u>
Total Adjustments to Taxable Income	1,804	2,158
Taxable Income	2,102	1,767
Federal & State Income Taxes	798	670
Full Normalization	<u>(102)</u>	<u>(102)</u>
Total Income Taxes	<u>\$696</u>	<u>\$568</u>

1/ Page 37.

**MONTANA-DAKOTA UTILITIES CO.
INTEREST EXPENSE - INTERIM
GAS UTILITY - NORTH DAKOTA
PROJECTED 2013 - 2014**

	Projected	
	2013	2014
Rate Base 1/	\$64,725	\$77,692
Weighted Cost of Debt	2.787%	2.778%
Interest Expense	<u>\$1,804</u>	<u>\$2,158</u>

1/ Page 38.

MONTANA-DAKOTA UTILITIES CO.
AVERAGE RATE BASE - INTERIM
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDED DECEMBER 31, 2012
PROJECTED 2013-2014
(000s)

	2012	Projected		Reference
		2013	2014	
Gas Plant in Service	\$126,584	\$155,074 1/	\$173,536 1/	Page 39
Accumulated Reserve for Depreciation	69,690	72,400	75,961	Page 47
Net Gas Plant in Service	56,894	82,674	97,575	
CWIP in Service Pending Reclassification	4,785			
Total Gas Plant in Service	61,679	82,674	97,575	
Additions				
Materials and Supplies	1,564	2,260	2,260	Page 49
Fuel Stock	46	35	35	Page 50
Prepayments	33	167	193	Page 51
Unamortized Loss on Debt	598	630	629	Page 52
Gain on Sale of Williston Office	0	(145)	(282)	Page 53
Total Additions	2,241	2,947	2,835	
Total Before Deductions	\$63,920	\$85,621	\$100,410	
Deductions				
Accumulated Deferred Income Taxes	11,027	14,316	16,139	Page 55
Accumulated Investment Tax Credits	3	0	0	
Customer Advances	4,845	6,580	6,580	Page 54
Total Deductions	15,875	20,896	22,719	
Total Rate Base	<u>\$48,045</u>	<u>\$64,725</u>	<u>\$77,691</u>	

1/ Includes CWIP in service by function.

MONTANA-DAKOTA UTILITIES CO.
PLANT IN SERVICE - INTERIM
TWELVE MONTHS ENDING DECEMBER 31, 2012
PROJECTED 2013-2014
(000s)

	Year End 2012 1/	Projected 2013 2/	Average 2013 2/	Projected 2014 2/	Average 2014 2/
Production	\$4,833	\$0	\$2,417	\$0	\$0
Distribution	112,814	132,608	122,711	143,944	138,276
General	9,986	9,373	9,680	9,333	9,353
Intangible Plant - General	3,556	3,607	3,581	3,802	3,705
Common	8,079	10,705	9,392	11,346	11,025
Intangible Plant - Common	3,761	10,632	7,196	11,528	11,080
Acquisition Adjustment	97	97	97	97	97
Total	\$143,126	\$167,022	\$155,074	\$180,050	\$173,536

1/ Includes CWIP in Service at year end.

2/ Page 40 eliminates landfill.

MONTANA-DAKOTA UTILITIES CO.
PLANT IN SERVICE - INTERIM
TWELVE MONTHS ENDING DECEMBER 31, 2012
PROJECTED 2013-2014
(000s)

	Year End	2013			Average	2014			Average
	2012 1/	Additions 2/	Retirements 3/	Balance	2013	Additions 2/	Retirements 3/	Balance	2014
Production	\$4,833	\$0	(\$4,833) 4/	\$0	\$2,417	\$0	\$0	\$0	\$0
Distribution	112,814	\$20,121	(327)	132,608	122,711	\$11,721	(385)	143,944	138,276
General									
Other	1,664	161	(218)	1,607	1,635	82	(211)	1,478	1,542
Structures & Improvements	2,190	0	(287)	1,903	2,046	0	(250)	1,653	1,778
Computer Equipment	98	0	(13)	85	92	0	(11)	74	80
Vehicles	3,272	266	(429)	3,109	3,191	490	(408)	3,191	3,150
Work Equipment	2,762	269	(362)	2,669	2,716	618	(350)	2,937	2,803
Total General	9,986	696	(1,309)	9,373	9,680	1,190	(1,230)	9,333	9,353
General Intangible	3,556	51	0	3,607	3,581	195	0	3,802	3,705
Common									
Other	2,046	163	(73)	2,136	2,091	90	(77)	2,149	2,142
Structures & Improvements	4,656	2,572	(167)	7,061	5,858	729	(253)	7,537	7,299
Computer Equipment	577	72	(21)	628	603	71	(23)	676	652
Vehicles	800	109	(29)	880	840	136	(32)	984	932
Total Common	8,079	2,916	(290)	10,705	9,392	1,026	(385)	11,346	11,025
Common Intangible	3,761	6,871	0	10,632	7,196	896	0	11,528	11,080
Acquisition Adjustment	97	0	0	97	97	0	0	97	97
Total Gas Plant in Service	\$143,126	\$30,655	(\$6,759)	\$167,022	\$155,074	\$15,028	(\$2,000)	\$180,050	\$173,536

1/ Includes CWIP in Service by function.

2/ Page 41.

3/ Based on three year average of retirements.

4/ Excludes landfill.

**MONTANA-DAKOTA UTILITIES CO.
SUMMARY - PLANT ADDITIONS - INTERIM
GAS UTILITY - NORTH DAKOTA
PROJECTED 2013-2014**

	Projected	
	<u>2013 1/</u>	<u>2014 2/</u>
Distribution	\$20,120,819	\$11,720,888
General		
Other	\$160,731	\$82,002
Vehicles	266,451	490,062
Work Equipment	269,303	618,257
Total General	<u>\$696,485</u>	<u>\$1,190,321</u>
General Intangible	\$50,508	\$194,791
Common		
Other	\$163,644	\$89,956
Structures & Improvements	2,571,738	728,526
Computer Equipment	71,703	71,509
Vehicles	109,020	135,649
Total Common	<u>\$2,916,105</u>	<u>\$1,025,640</u>
Common Intangible	<u>\$6,871,131</u>	<u>\$896,202</u>
Total Additions	<u><u>\$30,655,048</u></u>	<u><u>\$15,027,842</u></u>

1/ Pages 42-44.

2/ Pages 45-46.

**MONTANA-DAKOTA UTILITIES CO.
PLANT ADDITIONS - INTERIM
GAS UTILITY - NORTH DAKOTA
PROJECTED 2013**

<u>Project No.</u>	<u>Account</u>	<u>Description</u>	<u>Region</u>	<u>Amount</u>
		<u>Distribution</u>		
B12330G	376	Mains Growth	Dakota Heartland	\$823,353
B12330R	376	Mains Replace	Dakota Heartland	134,115
B15330G	376	Mains Growth	Badlands	1,392,093
B15330R	376	Mains Replace	Badlands	112,755
J177075	376	Replace Steel Main - Belfield	Badlands	45,908
J177076	376	Replace Main - Taylor	Badlands	32,136
J177077	376	Replace Main - Richardton	Badlands	32,114
J190244	376	Dickinson West 12" IP Loop Line	Badlands	(896,541)
J190576	376	Main Installation- MAFB- 3 bay munitions maint.	Dakota Heartland	15,000
J193626	376	Install 4" loop NE Minot	Dakota Heartland	86,894
J193629	376	Install main - Berthold lateral - IP	Dakota Heartland	545,031
J193779	376	Install main - Bowman loop	Badlands	110,613
J193780	376	Install main - Stanley loop	Badlands	389,317
J193794	376	Uprate S. Bismarck 60# MAOP	Dakota Heartland	192,978
J193797	376	Install 12" IP main loop - East Williston	Badlands	2,502,555
J194430	376	Install 4 miles IP main - Watford City	Badlands	227,258
J196343	376	Install 8000' main - West Ridge Center Dickinson	Badlands	75,000
J196495	376	Install main - Bakken	Badlands	222,234
J196506	376	Pheasant Run - Phase I	Dakota Heartland	5,529
J196507	376	Install 14,000' main - Koch Meadows, Dickinson	Badlands	130,000
J196778	376	Statesboro Addition - Northern Lights	Dakota Heartland	(1,427)
J199071	376	4" main extension Sierra Ridge	Badlands	70,000
J199463	376	Install 1.25"(P) main - Gladstone	Badlands	2,103
J200169	376	Heidrich Addition Loop - Minot	Dakota Heartland	201,514
	376	SW Crossings - Mains	Dakota Heartland	60,000
	376	Bolton Heights Addition	Dakota Heartland	152,900
	376	Washington Square	Dakota Heartland	41,300
	376	Highlands at North Hill	Dakota Heartland	75,000
	376	Countryside - Berthold	Dakota Heartland	200,000
	376	Spring Lake Apt.	Dakota Heartland	75,000
	376	Water Main Replacement	Dakota Heartland	30,000
J194883	376	Williston SW Industrial Loop	Badlands	120,000
B12334	378	Measuring & Regulating Equipment	Dakota Heartland	53,706
B15334	378	Measuring & Regulating Equipment	Badlands	269,303
J193789	379	Upgrade Williston border #3	Badlands	55,033
J190248	379	Dickinson West Border Station	Badlands	73,134
J190615	379	Install and Upgrades of TBS	Badlands	6,118,890
J193805	379	Town border upgrades	Badlands	548,824
J194050	379	Install SW Williston TBS	Badlands	429,698
B12333	380	Service Lines	Dakota Heartland	1,722,957
B15333	380	Service Lines	Badlands	2,040,792
J190602	380	Misc. Replacements-MAFB	Dakota Heartland	22,000
J195312	380	Install Service Lines- 5 Diamond Industrial Park	Badlands	3,480
	380	Farm Service Line	Dakota Heartland	24,000
J194842	380	Install 10 Commercial Service Lines	Badlands	5,546

**MONTANA-DAKOTA UTILITIES CO.
PLANT ADDITIONS - INTERIM
GAS UTILITY - NORTH DAKOTA
PROJECTED 2013**

<u>Project No.</u>	<u>Account</u>	<u>Description</u>	<u>Region</u>	<u>Amount</u>
B90031	381	Meters	General Office	930,516
J177155	381	Install ERTS	General Office	56,281
B90032	383	Regulators	General Office	175,302
J188087	383	Install Regulation- Bakken Industrial Park	Badlands	206,202
J196048	383	Install 5 new distribution reg. stations	Badlands	78,087
B12335, B15335	387.1	Cathodic Protection	DH/BL	102,336
		Total Distribution		<u>\$20,120,819</u>
		<u>General</u>		
B90038	392.2	Gas Vehicles	General Office	\$266,451
J193624	394.1	Crane Welding Shop Bismarck	Dakota Heartland	25,263
B12343, B15343	394.1	Minor Work Equipment	DH/BL	93,473
B90039	396.2	Gas Work Equipment	General Office	269,303
J193663	397.3	Install Mobile Mounts	General Office	22,795
B12344	397.1	Communication Equip	Dakota Heartland	19,200
		Total General		<u>\$696,485</u>
		<u>General Intangible</u>		
J177214	303	GPS Based Leak Survey Software	General Office	\$38,063
J177305	303	Purchase Gas Management System	General Office	12,445
		Total General Intangible		<u>\$50,508</u>
		<u>Common</u>		
J176898	390	Build Williston Office	Badlands	\$2,367,900
J177019	390	Replace Windows in Annex	General Office	17,977
J193603	390	Replace Card Access	General Office	7,687
J193766	390	Replace Jamestown Warehouse Windows/Doors	Dakota Heartland	35,522
J193774	390	Replace Remote Gates BSC	Dakota Heartland	14,515
J193855	390	Replace Mobile File Unit- Williston	Badlands	8,537
J193859	390	Replace Office Furniture - Williston	Badlands	119,600
J193951	391.1	Williston Video Conferencing	Badlands	1,320
B12342, B12382, B15382, B90082	391.1	Office Equipment	DH/GO/BL	26,408
B90080	391.3	Personal Computers	General Office	39,333
J144522	391.3	Toughbook Replacement- MobileUP	General Office	32,370
B90078	392.2	Vehicles	General Office	109,020
J193869	394.1	Replace Power Washer- Williston	Badlands	1,583
J195371	394.1	Purchase Mechanic Oil Containers	Badlands	1,320
B12383, B15383, B90083	394.1	Minor Work Equipment	DH/GO/BL	14,021
B12384, B15384, B90081	397.1	Communication Equip	DH/GO/BL	77,060
J193823	397.3	Purchase Call Rec System- Credit Center	General Office	11,388
J193825	397.3	Purchase Cisco VOIP	General Office	14,673
B90081	397.8	Network Equipment	General Office	2,200
J176892	398	Purchase Endpoint Link Pro	General Office	13,671
		Total Common		<u>\$2,916,105</u>

**MONTANA-DAKOTA UTILITIES CO.
PLANT ADDITIONS - INTERIM
GAS UTILITY - NORTH DAKOTA
PROJECTED 2013**

<u>Project No.</u>	<u>Account</u>	<u>Description</u>	<u>Region</u>	<u>Amount</u>
		<u>Common Intangible</u>		
J165746	303	Replace Mobile Workforce Software	General Office	\$46,896
J172806	303	Replace Customer Information System	General Office	6,586,411
J176833	303	Purchase/Install Work Management Application	General Office	52,711
J177281	303	Upgrade Powerplan/Tax/Budget software	General Office	42,925
J177297	303	Upgrade Imagerps with Image Exchange	General Office	6,930
J181432	303	Purchase IVR-Web Direct	General Office	29,555
J193716	303	Purchase Environmental Comp Software	General Office	9,964
J193902	303	Upgrade GIS Enhancement	General Office	22,159
J193905	303	Upgrade Outage Management System	General Office	73,580
		Total Common Intangible		<u>\$6,871,131</u>
		Total Plant Additions		<u><u>\$30,655,048</u></u>

**MONTANA-DAKOTA UTILITIES
PLANT ADDITIONS - INTERIM
GAS UTILITY - NORTH DAKOTA
PROJECTED 2014**

<u>Project No.</u>	<u>Account</u>	<u>Description</u>	<u>Region</u>	<u>Amount</u>
		<u>Distribution</u>		
B12330G	376	Mains Growth	Dakota Heartland	\$1,055,300
B12330R	376	Mains Replace	Dakota Heartland	196,274
B15330G	376	Mains Growth	Badlands	1,416,439
B15330R	376	Mains Replace	Badlands	34,254
	376	SW Crossings - Mains	Dakota Heartland	60,000
	376	Countryside - Berthold	Dakota Heartland	145,000
	376	Southgate - Phase II	Dakota Heartland	25,000
B12334	378	Measuring & Regulating Equipment	Dakota Heartland	81,892
B15334	378	Measuring & Regulating Equipment	Badlands	136,966
	379	TBS and Lateral	Badlands	3,000,000
B12333	380	Service Lines	Dakota Heartland	2,291,455
B15333	380	Service Lines	Badlands	2,075,798
B90031	381	Meters	General Office	946,180
B90032	383	Regulators	General Office	178,150
B12335, B15335	387.1	Cathodic Protection	DH/BL	78,180
		Total Distribution		<u>\$11,720,888</u>
		<u>General</u>		
B90038	392.2	Gas Vehicles	General Office	\$490,062
B12343, B15343	394.1	Minor Work Equipment	DH/BL	64,503
B90039	396.2	Gas Work Equipment- Comp		413,152
J193909	396.2	Purchase Bore Machine- Dickinson	Badlands	205,105
J193667	397.1	Replace Mobile Collectors	General Office	12,436
B12344	397.1	Communication Equip	Dakota Heartland	5,063
		Total General		<u>\$1,190,321</u>
		<u>General Intangible</u>		
J177214	303	GPS Based Leak Survey Software	General Office	\$64,846
J177305	303	Purchase Gas Management System	General Office	94,171
J193668	303	Purchase Meter Data Management	General Office	35,774
		Total General Intangible		<u>\$194,791</u>
		<u>Common</u>		
J177019	390	Replace Windows in Annex	General Office	\$18,163
	390	Build Watford City Office	Badlands	710,363
B12342, B12382, B15382	391.1	Office Equipment	DH/BL	5,584
B90080	391.3	Personal Computers	General Office	34,901
J144522	391.3	Toughbook Replacement- MobileUP	General Office	36,608
B90078	392.2	Vehicles	General Office	135,649
B12383, B15383, B90083	394.1	Minor Work Equipment	DH/GO/BL	11,778
J193825	397.1	Purchase Cisco VOIP	General Office	10,040

**MONTANA-DAKOTA UTILITIES
PLANT ADDITIONS - INTERIM
GAS UTILITY - NORTH DAKOTA
PROJECTED 2014**

<u>Project No.</u>	<u>Account</u>	<u>Description</u>	<u>Region</u>	<u>Amount</u>
B12384, B15384, B90084	397.1	Communication Equipment	DH/GO/BL	60,381
B90081	397.8	Network Equipment	General Office	2,173
		Total Common		<u>\$1,025,640</u>
		<u>Common Intangible</u>		
J172806	303	Replace Customer Information System	General Office	\$638,245
J176833	303	Purchase/Install Work Mgmt. Application	General Office	62,053
J177212	303	Work Asset Management	General Office	41,704
J181432	303	Purchase IVR-Web Direct	General Office	50,289
J193902	303	GIS Enhancement	General Office	24,060
J193905	303	Outage Management System	General Office	79,851
		Total Common Intangible		<u>\$896,202</u>
		Total Plant Additions		<u><u>\$15,027,842</u></u>

MONTANA-DAKOTA UTILITIES CO.
SUMMARY OF ACCUMULATED RESERVE FOR DEPRECIATION - INTERIM
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2012
PROJECTED 2013-2014
(000s)

	2012	Projected 2013 1/	Average 2013	Projected 2014 2/	Average 2014
Production	\$317	\$0	\$158	\$0	\$0
Distribution	59,735	63,344	61,539	67,429	65,386
General	3,921	2,987	3,454	2,310	2,648
General Intangible	438	538	488	650	594
Common	3,619	3,685	3,652	3,793	3,739
Common Intangible	2,878	3,226	3,052	3,841	3,534
Acquisition Adjustment	55	58	57	61	60
Total	<u>\$70,963</u>	<u>\$73,838</u>	<u>\$72,400</u>	<u>\$78,084</u>	<u>\$75,961</u>

1/ Page 30 excluding landfill.

2/ Page 31 excluding landfill.

**MONTANA-DAKOTA UTILITIES CO.
SUMMARY OF WORKING CAPITAL AND
CUSTOMER ADVANCES FOR CONSTRUCTION - INTERIM
GAS UTILITY - NORTH DAKOTA
PROJECTED 2013-2014
(000s)**

<u>Working Capital</u>	<u>2012</u>	<u>Projected</u>	
		<u>2013</u>	<u>2014</u>
Materials and Supplies	\$1,564	\$2,260	\$2,260
Fuel Stocks	46	35	35
Prepayments	33	167	193
Unamortized Loss on Debt	598	630	629
Gain on Sale of Williston Office	<u>0</u>	<u>(145)</u>	<u>(282)</u>
Total Working Capital	<u>\$2,241</u>	<u>\$2,947</u>	<u>\$2,835</u>
Customer Advances for Construction	<u>\$4,845</u>	<u>\$6,580</u>	<u>\$6,580</u>

**MONTANA-DAKOTA UTILITIES CO.
MATERIALS AND SUPPLIES - INTERIM
GAS UTILITY - NORTH DAKOTA
PROJECTED 2013-2014
(000s)**

	2012	Projected 1/	
		2013	2014
December 2011	\$1,027	\$2,100	
January 2012	1,019	2,015	
February	1,031	2,030	
March	1,117	1,885	
April	1,398	1,990	
May	2,181	2,223	
June	2,348	2,395	
July	2,458	2,507	
August	2,499	2,549	
September	2,480	2,530	
October	2,458	2,507	
November	2,461	2,510	
December	2,100	2,142	
Beginning and Ending Average	\$1,564		
13 Month Average		<u>\$2,260</u>	<u>\$2,260</u>

1/ Actuals through May 2013. June-December reflect a 2% increase from prior year.

**MONTANA-DAKOTA UTILITIES CO.
 FUEL STOCKS - INTERIM
 GAS UTILITY - NORTH DAKOTA
 PROJECTED 2013-2014
 (000S)**

	2012	Projected	
		2013	2014
December 2011	\$30		
January 2012	29		
February	26		
March	44		
April	21		
May	36		
June	26		
July	29		
August	43		
September	24		
October	30		
November	53		
December	63		
Beginning and Ending Average	\$46		
13 Month Average		<u>\$35</u>	<u>\$35</u>

MONTANA-DAKOTA UTILITIES CO.
PREPAYMENTS - INTERIM
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2012
PROJECTED 2013-2014
(000s)

	2012	Projected 1/	
		2013	2014
December 2011	\$35	\$31	\$33
January 2012	302	350	406
February	278	318	369
March	250	285	331
April	221	253	293
May	195	221	256
June	168	188	219
July	140	156	181
August	112	124	144
September	85	91	106
October	64	59	69
November	59	65	70
December	31	33	33
Beginning and Ending Average	\$33		
13 Month Average		<u>\$167</u>	<u>\$193</u>

1/ Actuals through May 2013. June 2013- December 2014 are based on projected insurance expenses.

MONTANA-DAKOTA UTILITIES CO.
UNAMORTIZED GAIN(LOSS) ON DEBT - INTERIM
GAS UTILITY - NORTH DAKOTA
FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2012
PROJECTED 2013-2014
(000s)

	2012	2013	Average	2014	Average
		Amortization 1/	2013	Amortization	2014
Unamortized Loss on Debt	\$598	\$63	\$630	(\$64)	\$629
		Balance		Balance	
		\$661		\$597	

1/ Reflects a reallocation of balance and current amortization.

MONTANA-DAKOTA UTILITIES CO.
GAIN ON SALE OF WILLISTON OFFICE - INTERIM
GAS UTILITY - NORTH DAKOTA
FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2012
PROJECTED 2013-2014
(000s)

	2012	2013			Average 2013	2014		Average 2014
	<u>2012</u>	<u>Additions 1/</u>	<u>Amortization</u>	<u>Balance</u>	<u>Average 2013</u>	<u>Amortization 2/</u>	<u>Balance</u>	<u>Average 2014</u>
Gain on Sale of Williston Office	\$0	(\$289)	\$0	(\$289)	(\$145)	\$14	(\$275)	(\$282)

1/ Gain on sale of Williston Office of \$1.1 million, allocated to North Dakota gas.

2/ Amortized over 20 years, beginning in 2014.

**MONTANA-DAKOTA UTILITIES CO.
CUSTOMER ADVANCES FOR CONSTRUCTION - INTERIM
GAS UTILITY - NORTH DAKOTA
PROJECTED 2013-2014
(000s)**

	<u>2012</u>	<u>2013 1/</u>	<u>2014</u>
December 2011	\$3,348	\$6,342	
January 2012	3,316	6,303	
February	3,310	6,349	
March	3,310	6,346	
April	3,371	6,411	
May	4,489	6,724	
June	4,506	6,724	
July	4,506	6,724	
August	4,643	6,724	
September	5,538	6,724	
October	5,761	6,724	
November	6,027	6,724	
December	6,342	6,724	
Beginning and Ending Average	\$4,845		
13 Month Average		<u>\$6,580</u>	<u>\$6,580</u>

1/ Actuals through May 2013. June - December projection remains constant.

**MONTANA-DAKOTA UTILITIES CO.
ACCUMULATED DEFERRED INCOME TAXES
ACCUMULATED INVESTMENT TAX CREDITS - INTERIM
GAS UTILITY - NORTH DAKOTA
PROJECTED 2013-2014
(000s)**

	2012	Projected 2013			Projected 2014		
		Changes	Balance	Average	Changes	Balance	Average
<u>Accumulated Deferred Income Taxes</u>							
Liberalized Depreciation	\$13,970	\$4,409 1/	\$18,379	\$16,175	(\$653) 1/	\$17,726	\$18,053
Full Normalization	902	(102) 2/	800	851	(102) 2/	698	749
Contribution in Aid of Construction	(560)		(560)	(560)		(560)	(560)
Customer Advances	(2,432)		(2,432)	(2,432)		(2,432)	(2,432)
Unamortized Loss on Debt	241	11 3/	252	247	(25) 3/	227	240
Gain on Sale of Williston Office	0	110 4/	110	55	(5) 4/	105	108
Acquisition Adjustment	(20)	1	(19)	(20)	1	(18)	(19)
Balance	<u>\$12,101</u>	<u>\$4,429</u>	<u>\$16,530</u>	<u>\$14,316</u>	<u>(\$784)</u>	<u>\$15,746</u>	<u>\$16,139</u>
<u>Accumulated Investment Tax Credits</u>							
Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

1/ Page 56 excluding landfill.

2/ Page 36.

3/ Page 57.

4/ Page 58.

MONTANA-DAKOTA UTILITIES CO.
CHANGES IN ACCUMULATED DEFERRED INCOME TAXES - INTERIM
RELATED TO PLANT IN SERVICE
GAS UTILITY - NORTH DAKOTA
PROJECTED 2013-2014
(000s)

	Projected	
	2013	2014
Plant related tax deductions		
Book depreciation	(\$4,917) 1/	(\$5,719)
Tax Depreciation		
2013 Plant additions	12,312	345
2014 Plant additions		1,212
Prior vintages	8,075	2,442
Total tax deductions	\$15,470	(\$1,720)
 Changes in Accumulated Deferred income taxes @ 37.9445%	 \$5,870	 (\$653)

1/ Excludes landfill.

MONTANA-DAKOTA UTILITIES CO.
ACCUMULATED DEFERRED INCOME TAXES ON
UNAMORTIZED GAIN(LOSS) ON DEBT - INTERIM
GAS UTILITY - NORTH DAKOTA
FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2012
PROJECTED 2013-2014
(000s)

	2012	2013	Average	2014	Average		
		Amortization 1/	2013	Amortization	2014		
			Balance		Balance		
Unamortized Loss on Debt	\$241	\$11	\$252	\$247	(\$25)	\$227	\$240

1/ Reflects a reallocation of balance and current amortization.

MONTANA-DAKOTA UTILITIES CO.
ACCUMULATED DEFERRED INCOME TAXES ON
GAIN ON SALE OF WILLISTON OFFICE - INTERIM
GAS UTILITY - NORTH DAKOTA
FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2012
PROJECTED 2013-2014
(000s)

	2012	Additions 1/	2013 Amortization	Balance	Average 2013	2014 Amortization 2/	Balance	Average 2014
Unamortized Loss on Debt	\$0	\$110	\$0	\$110	\$55	(\$5)	\$105	\$108

1/ Deferred income taxes on the gain of the sale of the Williston Office, \$1.1 million, allocated to North Dakota gas.

2/ Amortized over 20 years, beginning in 2014.

**MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - NORTH DAKOTA
CALCULATION OF INTERIM REVENUE INCREASE**

Rate Class	Projected 2014 1/					Interim Increase 2/		Effective Interim Rate 3/
	Billing Units	Dk	Distribution Revenues	Gas Costs	Total Revenues	Increase in Revenues	% Increase	
Residential	89,713	8,285,778	\$16,551,626	\$41,163,745	\$57,715,371	\$2,721,418	4.715%	16.442%
Firm General Service	13,631	6,429,931	8,159,679	31,943,897	40,103,576	1,341,614	3.345%	16.442%
Air Force								
Firm	1	32,291	6,076	160,422	166,498	999		
Interruptible	2	520,209	76,045	2,062,235	2,138,280	12,503		
Total Air Force	3	552,500	82,121	2,222,657	2,304,778	13,502	0.586%	16.442%
Small Interruptible								
Sales 3/	86	1,107,934	576,288	4,409,577	4,985,865	94,753		8.870%
Transportation	64	1,050,534	563,778	0	563,778	92,696		16.442%
Total Small IT	150	2,158,468	1,140,066	4,409,577	5,549,643	187,449	3.378%	
Large Interruptible								
Sales 3/	1	24,626	15,439	98,011	113,450	2,538		9.835%
Transportation	7	4,810,572	1,302,628	0	1,302,628			
Less: Contracts 4/	2	1,068,397	143,960	0	143,960			
	5	3,742,175	1,158,668	0	1,158,668	190,508		16.442%
Total Large IT	8	4,835,198	1,318,067	98,011	1,416,078	193,046	13.632%	
Total North Dakota	103,505	22,261,875	\$27,251,559	\$79,837,887	\$107,089,446	\$4,457,029	4.162%	

Less: Large IT Transport Contract Distribution Rev 4/ 143,960
\$27,107,599

Interim Increase \$4,457,000
16.442% Increase

1/ Statement P, Page 1, adjusted to exclude market-based distribution revenues and contract customers.

2/ Interim increase allocated to non-gas components. Percentage increase applied to distribution components only.

3/ Effective interim rate reflective of the market-based pricing differential applicable to interruptible sales service revenues that is not subject to the interim increase.

IT Sales Revenue @ maximum rate per dk	Rate 71	Rate 85
Basic Service Charge	103,200	8,100
Distribution Delivery Charge	965,011	17,706
Total Distribution Revenue	1,068,211	25,806
Effective Interim Rate for IT Sales Rates	8.870%	9.835%

4/ Interim increase not applicable to Large Interruptible Transportation Service - contracts priced below the ceiling rate.

**MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - NORTH DAKOTA
CALCULATION OF PROJECTED REVENUES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012**

Small Interruptible - Rate 71

	Projected 2014 at Minimum Rate per Dk			Projected 2014 at Maximum Rate per Dk		
	Billing Units	Rate	Revenue	Billing Units	Rate	Revenue
Bills	86	\$100.00 per month	\$103,200	86	\$100.00 per month	\$103,200
Distribution Delivery Charge	1,107,934	0.427 per dk	473,088	1,107,934	0.871 per dk	965,011
Cost of Gas	1,107,934	3.980 per dk	4,409,577	1,107,934	3.980 per dk	4,409,577
Total Revenue			<u>\$4,985,865</u>			<u>\$5,477,788</u>

Large Interruptible - Rate 85

	Projected 2014 @ Minimum Rate per Dk			Projected 2014 @ Maximum Rate per Dk		
	Billing Units	Rate	Revenue	Billing Units	Rate	Revenue
Bills	1	\$675.00 per month	\$8,100	1	\$675.00 per month	\$8,100
Distribution Delivery Charge	24,626	0.298 per dk	7,339	24,626	0.719 per dk	17,706
Cost of Gas	24,626	3.980 per dk	98,011	24,626	3.980 per dk	98,011
Total Revenue			<u>\$113,450</u>			<u>\$123,817</u>

**MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - NORTH DAKOTA
RATE 60 BILL COMPARISON
RESIDENTIAL GAS SERVICE**

<u>Month</u>	<u>Dk</u>	<u>Present Rate 1/</u>	<u>Proposed Rate 2/</u>	<u>Amount of Increase</u>	<u>% Increase</u>
January	16	\$101.78	\$105.44	\$3.66	3.60%
February	15	95.10	98.48	3.38	3.55%
March	13	84.44	87.71	3.27	3.87%
April	9	61.02	63.70	2.68	4.39%
May	5	38.20	40.40	2.20	5.76%
June	3	26.34	28.22	1.88	7.14%
July	2	20.86	22.66	1.80	8.63%
August	1	15.08	16.74	1.66	11.01%
September	2	20.56	22.31	1.75	8.51%
October	4	32.42	34.48	2.06	6.35%
November	9	61.02	63.70	2.68	4.39%
December	13	84.44	87.71	3.27	3.87%
Total	92	\$641.26	\$671.55	\$30.29	4.72%
Average Increase per Month				\$2.52	

<u>Rate 60</u>	<u>Current 1/</u>	<u>Proposed</u>
Basic Delivery Charge	\$0.30	\$0.30
Distribution Delivery	\$0.812	\$0.812
Projected Cost of Gas	4.968	\$4.968
Interim Rate 2/		16.442%

1/ Rate effective February 1, 2004

2/ Interim increase applicable to amount billed under Basic Service Charge and Distribution Delivery Charge.