

**MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
RESIDENTIAL AND GENERAL SERVICE
EFFECTIVE JULY 2015**

Billing Determinants	Rate 1/	Amount
<u>Demand Charges</u>		
<i>Transportation</i>		
FT-1 MDDQ	dk/Month	\$9.21000
FTN-1 MDDQ	dk/Month	0.24274
Northern Border et. al.	dk/Month	0.36370
T-FTG-1 MDDQ	dk/Month	9.86250
<i>Storage</i>		
FS-1 Capacity Reservation	dk/Month	0.01757
FS-1 Deliverability Reservation	dk/Month	2.01507
<i>Total Demand Charges</i>		
<u>Commodity Charges</u>		
<i>Transportation Charges</i>		
FT-1 Commodity	dk	0.02982
Fuel - Transp. WBI	dk	
Electric Power WBI	dk	0.00668
Fuel - Transp. NB	dk	3.56000
T-FTG-1 Commodity	dk	0.06433
Fuel - Transp. NW	dk	
SDIP	dk	2.39800
Source Gas	dk	1.07562
<i>Storage Charges</i>		
FS-1 Injection	dk	0.01221
FS-1 Withdrawal	dk	0.01221
Fuel - Storage	dk	
Electric Power WBI	dk	0.00056
<i>Gas Commodity Charges</i>		
Gas Commodity - System	dk	2/
<i>Total Commodity Charges</i>		42,590,704
<u>Return on Rate Base</u>		
Demand Charges 3/		105,119
Prepaid Commodity Balances 3/		63,196
Cycle Storage Balances 3/		415,336
<i>Total Return</i>		583,651
<i>Total Gas Costs</i>		\$65,076,752
<i>Residential and General Service dk Requirements 4/</i>		15,544,215
Average Cost of Gas per dk		\$4.187
Average Cost of Gas as Adjusted for Losses @ 99.55%		4.206
Less: Gas Cost Level in Rates 5/		3.886
<i>Current Gas Cost Adjustment</i>		\$0.320

1/ WBI Energy's Thirteenth Revised Sheet No. 12, Third Revised Sheet No. 15, Fourteenth Revised Sheet No. 18 and SENDOUT Model for Gas Commodity.

2/ Weighted cost of gas for the month of July 2015.

3/ Exhibit C.

4/ Normalized dk sales for the twelve months ended April 30, 2015, adjusted for losses at .45%.

5/ Gas Cost Level in Current Tariff Rates Case No. PU-15-008 effective June 1, 2015:

Cost of Purchased Gas	\$3.869
Adjustment for Distribution Losses	0.9955
Gas Cost Level in Base Tariff Rates	\$3.886

**MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
INTERRUPTIBLE
EFFECTIVE JULY 2015**

<u>Interruptible Billing Determinants 1/</u>	<u>Rate 2/</u>	<u>Amount</u>
<u>Demand Charges</u>		
<i>Transportation</i>		
FT-1 MDDQ	dk/Month	\$9.21000
FTN-1 MDDQ	dk/Month	0.24274
Northern Border et. al.	dk/Month	0.36370
T-FTG-1 MDDQ	dk/Month	9.86250
<i>Storage</i>		
FS-1 Capacity Reservation	dk/Month	0.01757
FS-1 Deliverability Reservation	dk/Month	2.01507
<i>Total Demand Charges</i>		
<u>Commodity Charges</u>		
<i>Transportation Charges</i>		
FT-1 Commodity	dk	0.02982
Fuel - Transp. WBI	dk	
Electric Power WBI	dk	0.00668
Fuel - Transp. NB	dk	3.56000
T-FTG-1 Commodity	dk	0.06433
Fuel - Transp. NW	dk	
SDIP	dk	2.39800
Source Gas	dk	1.07562
<i>Storage Charges</i>		
FS-1 Injection	dk	0.01221
FS-1 Withdrawal	dk	0.01221
Fuel - Storage	dk	2.54100
Electric Power WBI	dk	0.00056
<i>Gas Commodity Charges</i>		
Gas Commodity	dk	3/
<i>Total Commodity Charges</i>		<u>18,736,364</u>
<u>Return on Rate Base</u>		
Demand Charges 4/		12,815
Transportation Balances 4/		7,704
Cycle Storage Balances 4/		50,633
<i>Total Return</i>		<u>71,152</u>
<i>Total Gas Costs</i>		\$21,434,161
<i>Interruptible Service dk Requirements</i>		6,993,666
Average Cost of Gas per dk		\$3.065
Average Cost of Gas as Adjusted for Losses @ 99.55%		3.079
Less: Gas Cost Level in Rates 5/		2.775
<i>Current Gas Cost Adjustment</i>		<u><u>\$0.304</u></u>

1/ Reflects level of interruptible dk volumes included in Case No. PU-13-803, excluding the Air Force.

2/ WBI Energy's Thirteenth Revised Sheet No. 12, Third Revised Sheet No. 15, Fourteenth Revised Sheet No. 18 and SENDOUT Model for Gas Commodity.

3/ Weighted cost of gas for the month of July 2015.

4/ See Exhibit B, page 1. Allocated to interruptible on MDDQ.

5/ Gas Cost Level in Current Tariff Rates Case No. PU-15-008 effective June 1, 2015:

Cost of Purchased Gas	\$2.763
Adjustment for Distribution Losses	0.9955
Gas Cost Level in Base Tariff Rates	\$2.775

**MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
AIR FORCE INTERRUPTIBLE
EFFECTIVE JULY 2015**

<u>Air Force Billing Determinants</u>	<u>Rate 1/</u>	<u>Amount</u>
<u>Demand Charges</u>		
<i>Transportation</i>		
FT-1 MDDQ	dk/Month	\$9.21000
FTN-1 MDDQ	dk/Month	0.24274
Northern Border et. al.	dk/Month	0.36370
T-FTG-1 MDDQ	dk/Month	9.86250
<i>Storage</i>		
FS-1 Capacity Reservation	dk/Month	0.01757
FS-1 Deliverability Reservation	dk/Month	2.01507
<i>Total Demand Charges</i>		
<u>Commodity Charges</u>		
<i>Transportation Charges</i>		
FT-1 Commodity	dk	0.02982
Fuel - Trans. WBI	dk	
Electric Power WBI	dk	0.00668
Fuel - Trans. NB	dk	3.56000
T-FTG-1 Commodity	dk	0.06433
Fuel - Transp. NW	dk	
SDIP	dk	2.39800
Source Gas	dk	1.07562
<i>Storage Charges</i>		
FS-1 Injection	dk	0.01221
FS-1 Withdrawal	dk	0.01221
Fuel - Storage	dk	2.54100
Electric Power WBI	dk	0.00056
<u>Gas Commodity Charges</u>		
Gas Commodity	dk	2/
<i>Total Commodity Charges</i>		<u>1,393,660</u>
 <u>Return on Rate Base</u>		
Demand Charges 3/		953
Transportation Balances 3/		573
Cycle Storage Balances 3/		3,765
<i>Total Return</i>		<u>5,291</u>
 Total Gas Costs		 \$1,594,297
100% Load Factor dk Requirements		520,209
Average Cost of Gas per dk		\$3.065
Less: Gas Cost Level in Rates 4/		<u>2.763</u>
Current Gas Cost Adjustment		<u><u>\$0.302</u></u>

1/ WBI Energy's Thirteenth Revised Sheet No. 12, Third Revised Sheet No. 15, Fourteenth Revised Sheet No. 18 and SENDOUT Model for Gas Commodity.

2/ Weighted cost of gas for the month of July 2015.

3/ See Exhibit B, page 1. Allocated to 100% Load Factor on MDDQ.

4/ Gas Cost Level in Current Tariff Rates Case No. PU-15-008 effective June 1, 2015:
Cost of Purchased Gas \$2.763