

December 8, 2015

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

Re: Cost of Gas Adjustment
(COG) Rate 88 and Rate 99
Case No. PU-15-008

In accordance with North Dakota Century Code Section 49-05-05, Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., respectfully submits an original and two (2) copies of a Cost of Gas (COG) change pursuant to the terms of Rates 88 and 99.

Attachment A is the Rate Summary Sheet showing the proposed natural gas rates, with currently effective distribution rates.

Montana-Dakota purchases gas supplies under a number of contracts. The commodity cost of gas has increased \$0.155 per dk since the December 1, 2015 rates due to an increase in the overall commodity price of gas. Attachment B explains the reasons for the increase in the market price of gas. There has also been a change in pipeline rates as shown on Attachment C, decreasing the cost of gas by \$0.001 per dk.

The COG tariff sheet, Exhibit A page 1, summarizes the gas cost adjustment, the surcharge adjustment, and the market based pricing differential provision, calculated pursuant to the terms of Rate 88 that will apply during the month of January 2016.

The net effect of this filing, calculated pursuant to the terms of Rate 88, is an increase of \$0.154 per dk for residential customers and firm general customers, an increase of \$0.180 per dk for small and large interruptible customers and an increase of \$0.179 per dk for Air Force interruptible customers from the currently effective rates.

Exhibit B shows the calculation of the current gas cost adjustment that will be applicable to Montana-Dakota's customers for the month of January 2016. The average cost of gas for firm customers, adjusted for losses, is \$3.869.

Montana-Dakota has submitted an Application for Trade Secret Protection under separate cover requesting confidential treatment of portions of the cost of gas calculation.

Exhibit C shows the calculation of the return on storage inventory balances and prepaid

demand and commodity balances using the calculation procedure set forth in Rate 88. The overall rate of return of 7.340% was authorized by the Commission in Case No. PU-15-90.

Montana-Dakota purchases propane supplies from various wholesale suppliers. The cost of propane increased since the last COG filing due to an increase in the market price of propane from that established in the December 2015 filing.

Exhibit A, page 2 summarizes the cost of gas – propane calculated pursuant to the terms of Rate 99, which will apply during the month of January 2016. The net effect of this filing is an increase of \$0.329 per dk for all customers from the currently effective rates.

Exhibit D shows the calculation of the current cost of gas – propane that will be applicable to Montana-Dakota's customers for the month of January 2016. The average cost of propane for all customers, adjusted for losses, is \$5.928 per dk.

Exhibit E shows the computation of the (over)/under recovered gas cost account balances.

These proposed adjustments, calculated in accordance with Rate 88, will amount to an increase of approximately \$467,600 for natural gas customers during the month of January 2016. All of Montana-Dakota's retail natural gas customers in North Dakota may be affected by this proposal. There were 107,076 natural gas customers and 343 propane customers in North Dakota as of November 30, 2015.

Please refer all inquiries regarding this filing to:

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

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

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

Montana-Dakota submitted a check on December 8, 2014 to the North Dakota Public Service Commission for \$650 pursuant to the requirements of North Dakota Century Code Section 49-05-05. This payment will cover the filing fee associated with the monthly COG

filings.

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

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

If you have any questions regarding this filing, please contact me at (701) 222-7856 or tamie.aberle@mdu.com

Sincerely,



Tamie A. Aberle
Director of Regulatory Affairs

Attachment

**Rate Summary Sheet
(Proposed)**



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7

144th Revised Sheet No. 3

Canceling 143rd Revised Sheet No. 3

RATE SUMMARY SHEET

Page 1 of 2

Rate Schedule	Sheet No.	Basic Service Charge	Distribution Delivery Charge	COG Items	Total Rate/ Dk
Residential Rate 60	4	\$0.6443 per day	\$0.000	\$3.539	\$3.539
Air Force Rate 64	7				
Minot Air Force Base		\$2,000.00 per month			
PAR Site		\$175.00 per month			
Firm Service			\$0.329	\$3.539	\$3.868
Interruptible Service - PAR			\$0.177	\$2.791	\$2.968
Interruptible Service - MAFB			\$0.177	\$2.707	\$2.884
Firm General Service Rate 70	13				
Meters rated < 500 cubic feet		\$0.67 per day			
Meters rated > 500 cubic feet		\$1.90 per day	\$0.730	\$3.539	\$4.269
Small Interruptible Gas Rate 71	14	\$175.00 per month	(Maximum) \$1.112	\$2.791	(Maximum) \$3.903
Optional Seasonal Gas Service Rate 72	15				
Meters rated < 500 cubic feet		\$0.67 per day			
Meters rated > 500 cubic feet		\$1.90 per day	\$0.730	\$3.638	\$4.368
Transportation Service	24				
Small Interruptible Rate 81		\$175.00 per month			
Maximum			\$0.668		
Minimum			\$0.102		
Fuel Charge				\$0.013	
Large Interruptible Rate 82		\$1,000.00 per month			
Maximum			\$0.297		
Minimum			\$0.061		
Fuel Charge				\$0.013	
Large Interruptible Gas Rate 85	27	\$1,000.00 per month	(Maximum) \$0.718	\$2.791	(Maximum) \$3.509
Residential Propane Rate 90	32	\$0.6443 per day	\$0.000	\$6.149	\$6.149
Firm General Propane Rate 92	34				
Meters rated < 500 cubic feet		\$0.67 per day			
Meters rated > 500 cubic feet		\$1.90 per day	\$0.730	\$6.149	\$6.879

Date Filed: December 8, 2015

Effective Date: January 1, 2016

Issued By: Tamie A. Aberle
Director - Regulatory Affairs

Case No.: PU-15-008

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

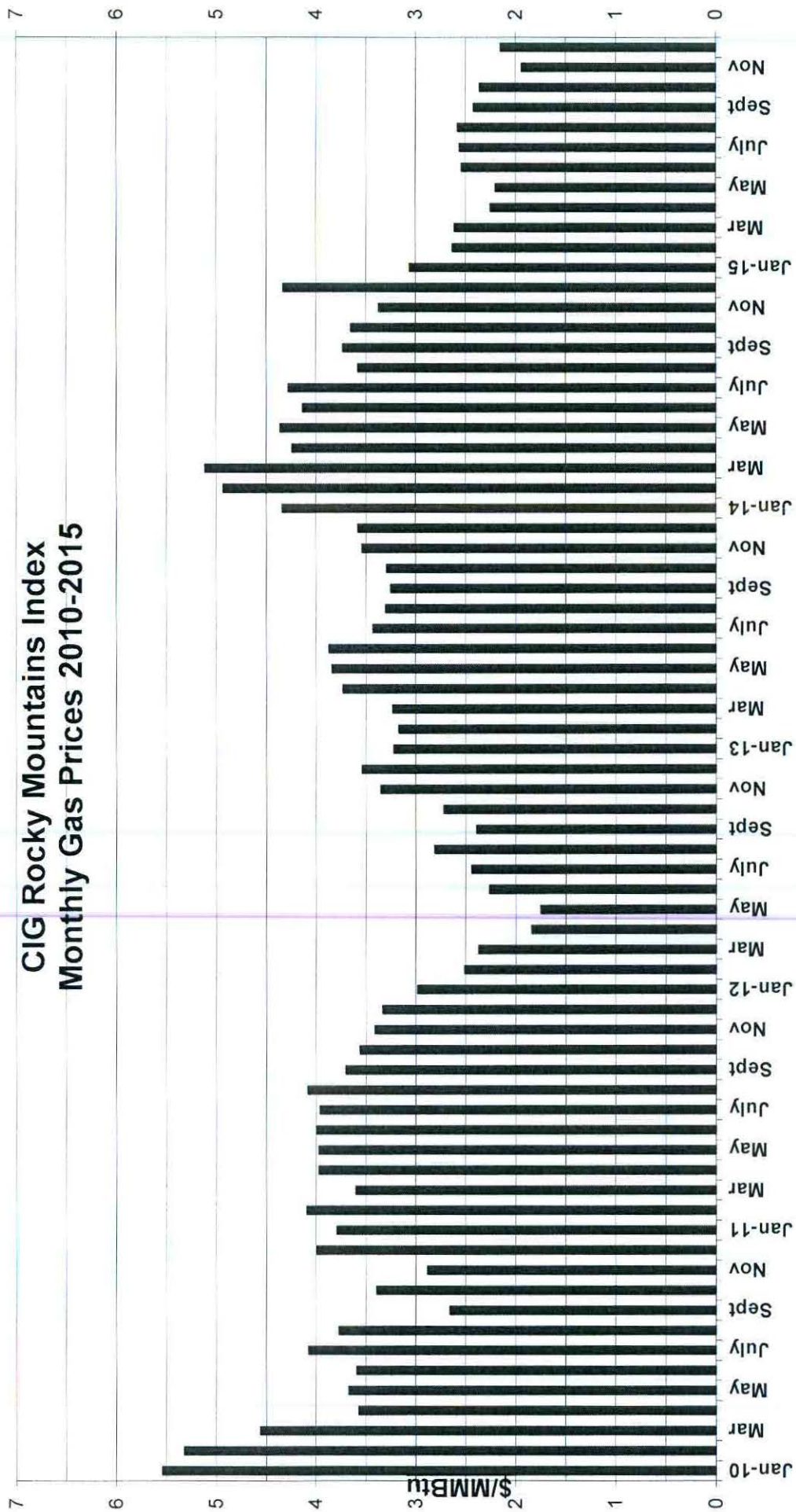
January 2016

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

Despite the onset of increased demand with the heating season the index price of natural gas increased only slightly from the previous month. Reasons for the modest increase are national storage levels being at record levels, domestic production remaining strong and temperatures throughout most of the U.S. being warmer than normal for the month of November. The EIA reported the national storage level as of November 27, 2015, at 6.7 percent above the five-year average and 15.9 percent above last year's storage balance.

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

CIG Rocky Mountains Index Monthly Gas Prices 2010-2015



Month/Year

From Inside F.E.R.C.'s Gas Market Report
Annual Averages: - 2013-\$3.45; 2014-\$4.17; 2015YTD-\$2.44

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

NOVA Gas Transmission Ltd.

On October 30, 2015, TransCanada filed new interim rates for the Alberta System with the National Energy Board (NEB) to be effective January 1, 2016.

Approximate impact on Montana-Dakota's cost of gas: 0.001 cents per dk

Foothills Pipe Lines Ltd.

On October 30, 2015, TransCanada filed new rates for the Foothills Pipe Lines Ltd. System with the National Energy Board (NEB) to be effective January 1, 2016.

Approximate impact on Montana-Dakota's cost of gas: (0.002) cents per dk

MONTANA-DAKOTA UTILITIES CO.
COST OF GAS TARIFF SHEET
NORTH DAKOTA GAS
EFFECTIVE JANUARY 2016

	Firm		Small & Large Interruptible	Air Force Interruptible
	Residential & General Service	Optional Seasonal		
<u>Gas Cost Adjustment:</u>				
Gas Cost Level (Exhibit B)	\$3.869	\$3.968	\$2.809	\$2.796
Prior Filed Gas Cost	3.715	3.815	2.629	2.617
Current Gas Cost Adjustment	\$0.154	\$0.153	\$0.180	\$0.179
<u>Surcharge Adjustment:</u>				
Current Adjustment	(\$0.310)	(\$0.310)	(\$0.018)	(\$0.089)
Prior Filed Adjustment	(0.310)	(0.310)	(0.018)	(0.089)
Change in Surcharge Adjustment	\$0.000	\$0.000	\$0.000	\$0.000
Gas Cost Level	\$3.869	\$3.968	\$2.809	\$2.796
Plus: Surcharge	(0.310)	(0.310)	(0.018)	(0.089)
Total Gas Cost Level in Tariff Rates	<u>\$3.559</u>	<u>\$3.658</u>	<u>\$2.791</u>	<u>\$2.707</u>
<u>Market Based Pricing Differential</u>				
Current Adjustment	(\$0.011)	(\$0.011)	\$0.000	\$0.000
Prior Filed Adjustment	(0.011)	(0.011)	0.000	0.000
Change in Market Based Pricing	\$0.000	\$0.000	\$0.000	\$0.000
<u>Grain Drying Margin Sharing</u>				
Current Adjustment	(\$0.009)	(\$0.009)	\$0.000	\$0.000
Prior Filed Adjustment	(0.009)	(0.009)	0.000	0.000
Change in Grain Drying Margin Sharing	\$0.000	\$0.000	\$0.000	\$0.000
Total Cost of Gas Items	<u>\$3.539</u>	<u>\$3.638</u>	<u>\$2.791</u>	<u>\$2.707</u>
Net Increase (Decrease) in Gas Costs	<u>\$0.154</u>	<u>\$0.153</u>	<u>\$0.180</u>	<u>\$0.179</u>

MONTANA-DAKOTA UTILITIES CO.
COST OF GAS - PROPANE TARIFF SHEET
NORTH DAKOTA PROPANE
EFFECTIVE JANUARY 2016

Cost of Gas - Propane

Current Propane Cost (Exhibit D, Page 1)	\$5.928
Prior Filed Propane Cost	<u>5.599</u>
Current Propane Cost Adjustment	<u><u>\$0.329</u></u>

Surcharge Adjustment

Current Adjustment	\$0.232
Prior Filed Adjustment	<u>0.232</u>
Change in Surcharge Adjustment	\$0.000

Market Based Pricing Differential

Current Adjustment	(\$0.011)
Prior Filed Adjustment	<u>(0.011)</u>
Change in Margin Sharing Provision	\$0.000

Net Increase (Decrease) in Gas Costs \$0.329

Propane Cost Level	\$5.928
Plus: Surcharge	<u>0.232</u>
Total Propane Cost Level in Rates	<u><u>\$6.160</u></u>

**MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
RESIDENTIAL AND GENERAL SERVICE
EFFECTIVE JANUARY 2016**

	Amount
Total Gas Costs 1/	\$62,248,367
Residential and General Service dk Requirements 2/	16,161,259
Average Cost of Gas per dk	\$3.852
Average Cost of Gas as Adjusted for Losses @ 99.55%	3.869
Less: Gas Cost Level in Rates 3/	3.715
Current Gas Cost Adjustment	\$0.154

1/ Includes all pipeline demand and commodity charges. See Exhibit B, pages 5-16 for currently effective pipeline rates. Also includes a return on prepaid demand, commodity and cycle storage balances as shown on Exhibit C.

2/ Normalized dk sales for the twelve months ended October 31, 2015, adjusted for losses at .45%.

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

Cost of Purchased Gas	\$3.698
Adjustment for Distribution Losses	0.9955
Gas Cost Level in Base Tariff Rates	\$3.715

**MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
OPTIONAL SEASONAL - RATE 72
EFFECTIVE JANUARY 2016**

Total Gas Costs 1/	\$62,248,367
Less: Annual MDDQ Costs	<u>17,682,663</u>
Total Gas Costs excluding MDDQ	\$44,565,704
Firm Service Requirements 1/	16,161,259
Other Gas Costs per Dk (excluding MDDQ)	\$2.758
<u>Winter - October - May</u>	
Annual MDDQ Costs 1/	\$17,682,663
Winter Firm Service Requirements	14,829,940
MDDQ Costs per Winter Dk	\$1.192
Add: Other Gas Costs per Dk	<u>2.758</u>
Winter Seasonal Rate	\$3.950
Winter Seasonal Rate, adjusted for losses 2/	\$3.968
Less: Gas Cost Level in Rates 3/	<u>3.815</u>
Current Gas Cost Adjustment	<u><u>\$0.153</u></u>

1/ Exhibit B, page 1.

2/ Loss factor of .45%.

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

	<u>Winter</u>
Cost of Purchased Gas	\$3.798
Adjustment for Distribution Losses	0.9955
Gas Cost Level in Base Tariff Rates	\$3.815

**MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
INTERRUPTIBLE
EFFECTIVE JANUARY 2016**

	Amount
Total Gas Costs 1/	\$17,329,957
Interruptible Service dk Requirements	6,198,292
Average Cost of Gas per dk	\$2.796
Average Cost of Gas as Adjusted for Losses @ 99.55%	2.809
Less: Gas Cost Level in Rates 2/	2.629
Current Gas Cost Adjustment	\$0.180

1/ Includes all pipeline demand and commodity charges. See Exhibit B, pages 5-16 for currently effective pipeline rates. Also includes a return on prepaid demand, commodity and cycle storage balances as shown on Exhibit C.

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

Cost of Purchased Gas	\$2.617
Adjustment for Distribution Losses	0.9955
Gas Cost Level in Base Tariff Rates	\$2.629

MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
AIR FORCE INTERRUPTIBLE
EFFECTIVE JANUARY 2016

	<u>Amount</u>
Total Gas Costs 1/	\$1,339,634
Air Force Interruptible dk Requirements	479,120
Average Cost of Gas per dk	\$2.796
Less: Gas Cost Level in Rates 2/	<u>2.617</u>
Current Gas Cost Adjustment	<u><u>\$0.179</u></u>

1/ Includes all pipeline demand and commodity charges. See Exhibit B, pages 5-16 for currently effective pipeline rates. Also includes a return on prepaid demand, commodity and cycle storage balances as shown on Exhibit C, allocated to Air Force interruptible on MDDQ.

2/ Gas Cost Level in Current Tariff Rates Case No. PU-15-008 effective December 1, 2015:
Cost of Purchased Gas \$2.617

**Montana-Dakota Utilities Co.
Schedule of Applicable Effective Pipeline Rates
January 2016 PGA**

WBI Energy Transmission, Inc. - Exhibit B, pages 6 - 10 for Schedules FT-1, FTN-1, and FS-1.

Northern Border Pipeline Company - Exhibit B, page 11 for Schedule T-1.

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

NOVA Gas Transmission - Exhibit B, pages 12-13 for Schedule FT-D.

NorthWestern Energy - Exhibit B, page 14 for Schedule T-FTG-1.

South Dakota Intrastate Pipeline - Exhibit B, page 15 for Rate 1.

SourceGas Distribution LLC - Exhibit B, Page 16 for Schedule TC.

NOTICE OF CURRENTLY EFFECTIVE RATES

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

RATE SCHEDULE	UNIT	BASE TARIFF RATE	TOP THROUGHPUT SURCHARGE	GAS SUPPLY REALIGNMENT SURCHARGE	BASE TARIFF RATE PLUS SURCHARGES
RATE SCHEDULE FT-1					
RESERVATION CHARGE					
MAXIMUM DAILY DELIVERY QUANTITY (MDDQ)					
MAXIMUM	RATE PER EQV. DKT PER MO.	921.000	N.A.	N.A.	921.000
MINIMUM	RATE PER EQV. DKT PER MO	0.000	N.A.	N.A.	0.000
COMMODITY CHARGE					
MAXIMUM A/B/C/	RATE PER DKT	2.842	N.A.	N.A.	2.842
MINIMUM A/B/C/	RATE PER DKT	2.842	N.A.	N.A.	2.842
SCHEDULED OVERRUN CHARGE					
MAXIMUM A/B/C/	RATE PER DKT	32.112	N.A.	N.A.	32.112
MINIMUM A/B/C/	RATE PER DKT	2.842	N.A.	N.A.	2.842
VOLUMETRIC CAPACITY RELEASE CHARGE					
MAXIMUM	RATE PER DKT	30.279	N.A.	N.A.	30.279
MINIMUM	RATE PER DKT	0.000	N.A.	N.A.	0.000

- A/ SHIPPER MUST REIMBURSE TRANSPORTER IN-KIND FOR TRANSPORTATION FUEL USE AND LOST AND UNACCOUNTED FOR GAS. THE APPLICABLE PERCENTAGES ARE REFLECTED ON SHEET NO. 21A. THESE PERCENTAGES SHALL BE APPLIED TO THE APPLICABLE QUANTITIES OF GAS TENDERED TO TRANSPORTER FOR SHIPPER'S ACCOUNT AT THE RECEIPT POINT(S) INTO TRANSPORTER'S TRANSMISSION FACILITIES.
- B/ SHIPPER MUST REIMBURSE TRANSPORTER FOR ELECTRIC POWER USED FOR TRANSPORTATION. THE APPLICABLE RATE IS REFLECTED ON SHEET NO. 21B. THIS RATE SHALL BE APPLIED TO THE APPLICABLE QUANTITIES OF GAS TENDERED TO TRANSPORTER FOR SHIPPER'S ACCOUNT AT THE RECEIPT POINT(S) INTO TRANSPORTER'S TRANSMISSION FACILITIES.
- C/ SHIPPER MUST REIMBURSE TRANSPORTER FOR THE ACA SURCHARGE. SUCH SURCHARGE SHALL BE THE ACA UNIT CHARGE SPECIFIED IN THE ANNUAL NOTICE ISSUED BY THE FERC ENTITLED "FY [YEAR] GAS ANNUAL CHARGES CORRECTION FOR ANNUAL CHARGES UNIT CHARGE."

Issued On: February 27, 2015
 Docket Number: RP15-540-000
 FERC Order Date: March 18, 2015

Effective On: April 1, 2015

NOTICE OF CURRENTLY EFFECTIVE RATES

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

RATE SCHEDULE	UNIT	BASE TARIFF RATE	TOP THROUGHPUT SURCHARGE	GAS SUPPLY REALIGNMENT SURCHARGE	BASE TARIFF RATE PLUS SURCHARGES
RATE SCHEDULE FTN-1					
RESERVATION CHARGE					
MAXIMUM DAILY DELIVERY QUANTITY (MDDQ)					
MAXIMUM	RATE PER EQV. DKT PER MO.	24.274	N.A.	N.A.	24.274
MINIMUM	RATE PER EQV. DKT PER MO.	1.263	N.A.	N.A.	1.263
VOLUMETRIC CAPACITY RELEASE CHARGE					
MAXIMUM	RATE PER DKT	0.798	N.A.	N.A.	0.798
MINIMUM	RATE PER DKT	0.042	N.A.	N.A.	0.042

NOTICE OF CURRENTLY EFFECTIVE RATES

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

RATE SCHEDULE	UNIT	BASE TARIFF RATE	TOP THROUGHPUT SURCHARGE	GAS SUPPLY REALIGNMENT SURCHARGE	BASE TARIFF RATE PLUS SURCHARGES
RATE SCHEDULE FS-1					
CAPACITY RESERVATION CHARGE					
MAXIMUM	RATE PER EQV. DKT PER MO.	1.757	N.A.	N.A.	1.757
MINIMUM	RATE PER EQV. DKT PER MO.	0.000	N.A.	N.A.	0.000
CAPACITY DELIVERABILITY CHARGE					
MAXIMUM	RATE PER EQV. DKT PER MO.	201.507	N.A.	N.A.	201.507
MINIMUM	RATE PER EQV. DKT PER MO.	0.000	N.A.	N.A.	0.000
INJECTION CHARGE					
MAXIMUM A/B/	RATE PER DKT	1.221	N.A.	N.A.	1.221
MINIMUM A/B/	RATE PER DKT	1.221	N.A.	N.A.	1.221
WITHDRAWAL CHARGE					
MAXIMUM A/B/	RATE PER DKT	1.221	N.A.	N.A.	1.221
MINIMUM A/B/	RATE PER DKT	1.221	N.A.	N.A.	1.221
SCHEDULED OVERRUN CHARGE					
INJECTION					
MAXIMUM A/B/	RATE PER DKT	18.683	N.A.	N.A.	18.683
MINIMUM A/B/	RATE PER DKT	1.221	N.A.	N.A.	1.221
WITHDRAWAL					
MAXIMUM A/B/	RATE PER DKT	18.683	N.A.	N.A.	18.683
MINIMUM A/B/	RATE PER DKT	1.221	N.A.	N.A.	1.221

- A/ SHIPPER MUST REIMBURSE TRANSPORTER IN-KIND FOR STORAGE FUEL USE AND LOST AND UNACCOUNTED FOR GAS. THE APPLICABLE PERCENTAGES ARE REFLECTED ON SHEET NO. 21A. THESE PERCENTAGES SHALL BE APPLIED TO THE APPLICABLE QUANTITIES OF GAS INJECTED AND/OR WITHDRAWN BY TRANSPORTER FOR SHIPPER'S ACCOUNT AT TRANSPORTER'S STORAGE FACILITIES.
- B/ SHIPPER MUST REIMBURSE TRANSPORTER FOR ELECTRIC POWER USED FOR STORAGE. THE APPLICABLE RATE IS REFLECTED ON SHEET NO. 21B. THIS RATE SHALL BE APPLIED TO THE APPLICABLE QUANTITIES OF GAS INJECTED AND/OR WITHDRAWN BY TRANSPORTER FOR SHIPPER'S ACCOUNT AT TRANSPORTER'S STORAGE FACILITIES.

Issued On: February 27, 2015
 Docket Number: RP15-540-000
 FERC Order Date: March 18, 2015

Effective On: April 1, 2015

NOTICE OF CURRENTLY EFFECTIVE RATES

 FUEL USE AND LOST AND UNACCOUNTED FOR GAS ("L&U") REIMBURSEMENT PERCENTAGES

TRANSPORTATION - RATE SCHEDULES FT-1 AND IT-1

	<u>CURRENT PERCENTAGE</u>	<u>DEFERRAL PERCENTAGE</u>	<u>TOTAL PERCENTAGE</u>
FUEL USE REIMBURSEMENT	1.618%	(0.191)%	1.427%
L&U REIMBURSEMENT	(0.074)%	0.001%	(0.073)%

GATHERING - FIRM AND INTERRUPTIBLE

	<u>CURRENT PERCENTAGE</u>	<u>DEFERRAL PERCENTAGE</u>	<u>TOTAL PERCENTAGE</u>
FUEL USE REIMBURSEMENT	4.868%	(0.620)%	4.248%
L&U REIMBURSEMENT	(0.003)%	(0.001)%	(0.004)%

STORAGE - RATE SCHEDULES FS-1 AND IS-1

	<u>CURRENT PERCENTAGE</u>	<u>DEFERRAL PERCENTAGE</u>	<u>TOTAL PERCENTAGE</u>
FUEL USE REIMBURSEMENT	0.948%	(0.015)%	0.933%
L&U REIMBURSEMENT	(0.143)%	0.000%	(0.143)%

Issued On: August 31, 2015
 Docket Number: RP15-1228-000
 FERC Order Date: September 18, 2015

Effective On: October 1, 2015

NOTICE OF CURRENTLY EFFECTIVE RATES

ELECTRIC POWER REIMBURSEMENT RATES (CENTS/DKT)

TRANSPORTATION - RATE SCHEDULES FT-1 AND IT-1

	<u>CURRENT RATE</u>	<u>DEFERRAL RATE</u>	<u>TOTAL RATE</u>
ELECTRIC POWER REIMBURSEMENT	0.690	(0.105)	0.585

GATHERING - FIRM AND INTERRUPTIBLE

	<u>CURRENT RATE</u>	<u>DEFERRAL RATE</u>	<u>TOTAL RATE</u>
ELECTRIC POWER REIMBURSEMENT	0.000	0.000	0.000

STORAGE - RATE SCHEDULES FS-1 AND IS-1

	<u>CURRENT RATE</u>	<u>DEFERRAL RATE</u>	<u>TOTAL RATE</u>
ELECTRIC POWER REIMBURSEMENT	0.000	0.056	0.056

STATEMENT OF RATES
2/ 3/

Rate Schedule	Long-Term Base Tariff Rate (per 100 Dth-Miles) 1/
T-1 and T-1B	
Daily Reservation Rate - Port of Morgan, MT to Ventura, IA	
Maximum	\$0.0286
Minimum	\$0.0000
Daily Reservation Rate - Ventura, IA to North Hayden, IN	
Maximum	\$0.0307
Minimum	\$0.0000
Commodity Rate - Port of Morgan, MT to North Hayden, IN	
Maximum	\$0.0004
Minimum	\$0.0004

- 1/ Applicable to any Rate Schedule T-1 U.S. Shippers Service Agreement or any Rate Schedule T-1B Service Agreement with a primary term of at least twelve consecutive months.
- 2/ The Settlement Rates, pursuant to Articles II and VII of the September 27, 2012, Stipulation at Docket Nos. RP06-72-000, et al., remain in effect until such rates are superseded by new rates placed into effect consistent with the provisions of the Stipulation.
- 3/ Rates in this section are subject to the revenue retrieval provision pursuant to Article V.A of the September 27, 2012, Stipulation at Docket Nos. RP06-72-000, et al.

Service	Rates, Tolls and Charges		
1. Rate Schedule FT-R	Refer to Attachment "1" for applicable FT-R Demand Rate per month based on a three year term (Price Point "B") & Surcharge for each Receipt Point Average Firm Service Receipt Price (AFSRP) \$ 225.73/10 ³ m ³		
2. Rate Schedule FT-RN	Refer to Attachment "1" for applicable FT-RN Demand Rate per month & Surcharge for each Receipt Point		
3. Rate Schedule FT-D ¹	Refer to Attachment "2" for applicable FT-D Demand Rate per month based on a one year term (Price Point "Z") & Surcharge for each Group 1 or Group 2 Delivery Point Average FT-D Demand Rate for Group 1 Delivery Points \$ 5.32/GJ FT-D Demand Rate for Group 2 Delivery Points \$ 4.55/GJ FT-D Demand Rate for Group 3 Delivery Points \$ 5.46/GJ		
4. Rate Schedule STFT	STFT Bid Price = Minimum of 100% of the applicable FT-D Demand Rate based on a one year term (Price Point "Z") for each Group 1 Delivery Point		
5. Rate Schedule FT-DW	FT-DW Bid Price = Minimum of 125% of the applicable FT-D Demand Rate based on a three year term (Price Point "Y") for each Group 1 Delivery Point		
6. Rate Schedule FT-P ¹	Refer to Attachment "3" for applicable FT-P Demand Rate per month		
7. Rate Schedule LRS	<u>Contract Term</u>	<u>Effective LRS Rate (\$/10³m³/day)</u>	
	1-5 years	11.52	
	20 years	7.66	
8. Rate Schedule LRS-3	LRS-3 Demand Rate per month \$ 129.55/10 ³ m ³		
9. Rate Schedule IT-R	Refer to Attachment "1" for applicable IT-R Rate for each Receipt Point		
10. Rate Schedule IT-D ¹	Refer to Attachment "2" for applicable IT-D Rate for each Delivery Point		
11. Rate Schedule FCS	The FCS Charge is determined in accordance with Attachment "1" to the applicable Schedule of Service		
12. Rate Schedule PT	<u>Schedule No.</u>	<u>PT Rate</u>	<u>PT Gas Rate</u>
	9009-01001-1	\$ 660.00/d	50.0 10 ³ m ³ /d
13. Rate Schedule OS	<u>Schedule No.</u>	<u>Charge</u>	
	2015659057	\$ 878.00 / month	
	2015659060	\$ 1347.00 / month	
	2015657921	\$ 12.00 / month	
	2015657920	\$ 122.00 / month	
	2015657919	\$ 67.00 / month	
	2015657918	\$ 18.00 / month	
	2015657917	\$ 303.00 / month	
	2015704650	\$ 303.00 / month	
	2011475772	\$ 9,250.00 / month	
	2015657915	\$ 1,259.00 / month	
	2003004522	Applicable IT-R and IT-D Rate	
	2011476052 /	\$ 0.1496 / GJ subject to	
	2011476054	\$ 717,000.00 Minimum Annual Charge	
	2011475056 / 2011476092 /	\$ 0.095 / GJ and	
	2011476050	\$ 1,000.00 / month	
14. Rate Schedule CO2	<u>Tier</u>	<u>CO₂ Rate (\$/10³m³)</u>	
	1	542.06	
	2	428.98	
	3	279.71	
15. Monthly Abandonment Surcharge ²	\$12.45/10 ³ m ³ /month	\$0.33/GJ/month	
16. Daily Abandonment Surcharge ³	\$ 0.41/10 ³ m ³ /day	\$0.0108/GJ/day	

1. Service under rate Schedules FT-D, FT-P and IT-D for delivery stations identified in Attachment 2, and stations identified on rate Schedules OS No. 2011476092, are subject to the ATCO Pipelines Franchise Fees pursuant to paragraph 15.13 of the General Terms and Conditions.

2. Monthly Abandonment Surcharge applicable to Rate Schedules FT-R, FT-D, FT-RN, FT-DW, STFT, and LRS-3.

3. Daily Abandonment Surcharge applicable to Rate Schedules IT-R, IT-D, LRS, the following Rate Schedules OS: 2011476052, 2011476054, 2011475056, 2011476092, 2011476050, 2003004522, and if applicable Over-Run Gas.

Effective Date: January 1, 2015 (Amended November 1, 2015)

Group 1 Delivery Point Number	Group 1 Delivery Point Name	FT-D Demand Rate per Month Price Point "Z" (\$/GJ)	IT-D Rate per Day (\$/GJ)
2000	ALBERTA-B.C. BORDER	5.01	0.1811
31111	ALLIANCE CLAIRMONT INTERCONNECT APN	4.55	0.1646
31110	ALLIANCE EDSON INTERCONNECT APN	4.55	0.1646
31112	ALLIANCE SHELL CREEK INTERCONNECT APGC	4.55	0.1646
3002	BOUNDARY LAKE BORDER	4.55	0.1646
1958	EMPRESS BORDER	5.62	0.2034
3886	GORDONDALE BORDER	4.55	0.1646
6404	MCNEILL BORDER	5.62	0.2034

Group 2 Delivery Point Number	Group 2 Delivery Point Name	FT-D Demand Rate per Month Price Point "Z" (\$/GJ)	IT-D Rate per Day (\$/GJ)	Subject to ATCO Pipelines Franchise Fees ¹
31000	A.T. PLASTICS SALES APN	4.55	0.1646	Yes
31001	ADM AGRI INDUSTRIES SALES APN	4.55	0.1646	Yes
3880	AECO INTERCONNECTION	4.55	0.1646	
31003	AGRIUM CARSELAND SALES APS	4.55	0.1646	
31002	AGRIUM FT. SASK SALES APN	4.55	0.1646	Yes
31004	AGRIUM REDWATER SALES APN	4.55	0.1646	
31005	AINSWORTH SALES APGP	4.55	0.1646	
31006	AIR LIQUIDE SALES APN	4.55	0.1646	
3214	AKUINU RIVER WEST SALES	4.55	0.1646	
31007	ALBERTA ENVIROFUELS SALES APN	4.55	0.1646	Yes ²
31008	ALBERTA HOSPITAL SALES APN	4.55	0.1646	Yes
3868	ALBERTA-MONTANA BORDER	4.55	0.1646	
3297	ALDER FLATS SOUTH NO 2 SALES	4.55	0.1646	
3059	ALLISON CREEK SALES	4.55	0.1646	
31009	ALTASTEEL SALES APN	4.55	0.1646	Yes ²
3562	AMOCO SALES (BP SALES TAP)	4.55	0.1646	
31012	APL JASPER SALES APN	4.55	0.1646	Yes
3488	ARDLEY SALES	4.55	0.1646	
3237	ASPEN SALES	4.55	0.1646	
3216	AURORA NO 2 SALES	4.55	0.1646	
3135	AURORA SALES	4.55	0.1646	
3288	BANTRY SALES	4.55	0.1646	
3423	BASHAW WEST SALES	4.55	0.1646	
31013	BAYMAG SALES APS	4.55	0.1646	
31014	BEAR CREEK COGEN SALES APGP	4.55	0.1646	
3299	BEAR RIVER WEST SALES	4.55	0.1646	
3068	BEAVER HILLS SALES	4.55	0.1646	
3268	BENBOW SOUTH SALES	4.55	0.1646	
3933	BIG EDDY INTERCONNECTION	4.55	0.1646	
3655	BIG PRAIRIE SALES	4.55	0.1646	
3067	BIGSTONE SALES	4.55	0.1646	
3285	BILBO SALES	4.55	0.1646	
3468	BLEAK LAKE SALES	4.55	0.1646	
3295	BOOTIS HILL SALES	4.55	0.1646	
3225	BOTHA SALES	4.55	0.1646	
3259	BOULDER CREEK SALES	4.55	0.1646	
3164	BRAINARD LAKE SALES	4.55	0.1646	
3289	BRAZEAU EAST SALES	4.55	0.1646	
3918	BUFFALO CREEK INTERCONNECTION	4.55	0.1646	
31015	BURDETT COGEN SALES APS	4.55	0.1646	
3265	BURNT TIMBER SALES	4.55	0.1646	
3204	CABIN SALES	4.55	0.1646	
3293	CADOGAN SALES	4.55	0.1646	
3109	CALDWELL SALES	4.55	0.1646	
31016	CALGARY ENERGY CENTRE SALES APS	4.55	0.1646	Yes
3634	CANOE LAKE SALES	4.55	0.1646	
3165	CANOE LAKE SALES NO 2	4.55	0.1646	
3866	CARBON INTERCONNECTION	4.55	0.1646	
3484	CARIBOU LAKE SALES	4.55	0.1646	
3157	CARIBOU LAKE SOUTH SALES	4.55	0.1646	
3106	CARMON CREEK SALES	4.55	0.1646	
3248	CARMON CREEK EAST SALES	4.55	0.1646	
3101	CAROLINE SALES	4.55	0.1646	
31017	CARSELAND COGEN SALES APS	4.55	0.1646	
3275	CARSON CREEK SALES	4.55	0.1646	
3495	CAVALIER SALES	4.55	0.1646	
31018	CHAIN LAKES COOP SALES APS	4.55	0.1646	
3907	CHANCELLOR INTERCONNECTION	4.55	0.1646	
3151	CHEECHAM WEST NO 2 SALES	4.55	0.1646	
3622	CHEECHAM WEST SALES	4.55	0.1646	
6014	CHEVRON AURORA SALES	4.55	0.1646	
31019	CHEVRON FT. SASK SALES APN	4.55	0.1646	Yes
3097	CHICKADEE CREEK SALES	4.55	0.1646	
3305	CHIGWELL NORTH SALES	4.55	0.1646	
3496	CHIPEWYAN RIVER SALES	4.55	0.1646	

NATURAL GAS TARIFF



Canceling 38th Revised Sheet No. 80.1
37th Revised Sheet No. 80.1

Schedule No. T-FTG-1

TRANSPORTATION BUSINESS UNIT
FIRM TRANSPORTATION NATURAL GAS SERVICE

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

RATES: Net Monthly Bill:

Monthly Service Charge per Meter:

Meters Rated @ Cu. Ft. per hour	Per Meter Charge
5,001 to 10,000	\$ 119.95
10,001 to 30,000	\$ 172.45
>30,000	\$ 382.65

PLUS:

Transmission Reservation Rate (Monthly Rate per MDDQ):

Maximum Monthly Reservation Rate for
Maximum Daily Delivery Quantity (MDDQ) \$ 0.9805387

Transmission Commodity Rate (Monthly Rate per Therm):

Maximum \$ 0.0074304
Minimum \$ 0.0017935

GTAC Amortization \$ (0.0008111) (I)

Balancing Penalty Rate Higher of \$25.00/ Dekatherm Or
150% of Market Price

PLUS:

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

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

MINIMUM BILL: Per respective contracts.

(continued)

Staff Approved: June 26, 2015
Docket No.: D2014.7.59, Interim Order 7421
Tariff Letter No. 257-G

Effective for service rendered on or after
July 1, 2015

PUBLIC SERVICE COMMISSION
Christina Z... Secretary

GAS RATE SCHEDULE

South Dakota Intrastate Pipeline Company

1415 N. Airport Rd
Pierre, SD 57501

Date Filed: January 24, 2001

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

Effective Date: January 10, 2001

TRANSPORTATION SERVICE Rate 1

Transportation rate is \$2.398 per dekatherm.

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

**STATE OF SOUTH DAKOTA
GAS RATE SCHEDULE**

NG-00-001

South Dakota Intrastate Pipeline Company

SD P.U.C. Section No. 4

SourceGas Distribution LLC

Wyo. P.S.C. Tariff No. 6
First Revised Sheet No. 9
Cancels Original Sheet No. 9

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

<u>Division</u>	<u>Receipt Point</u>	<u>Delivery Point</u>	<u>Monthly Customer Charge</u>	<u>Maximum Demand Charge 6/</u>	<u>Minimum Demand Charge 6/</u>	<u>Maximum Transportation Charge 2/</u>	<u>Minimum Transportation Charge 2/</u>	<u>Fuel Reimbursement Quantity Percentage 3/</u>
TC (Casper) Firm								
Transportation	MLI	MLI	\$0.00	\$9.50	\$0.00	\$0.1040	\$0.0010	0.499%
	MLI	MLE	\$145.00	\$0.00	\$0.00	\$0.1040	\$0.0010	0.499%
	MLI	DSE	\$225.00	\$0.00	\$0.00	\$0.1703	\$0.0020	2.246%
Interruptible Transportation 4/								
	MLI	MLI	\$0.00	\$0.00	\$0.00	\$0.0844	\$0.0010	0.499%
	MLI	MLE	\$145.00	\$0.00	\$0.00	\$0.0844	\$0.0010	0.499%
Administrative Fee 5/			\$325.00					

- 1/ Casper Division service area is defined on Sheet Nos. 2 and 3 of this Tariff.
- 2/ All charges are per therm.
- 3/ For fuel, lost and unaccounted for gas, the Company shall be entitled to retain the stated percentage of all therms received for transportation, unless otherwise agreed in writing. On or before March 1 of each year, the Company shall file with the Commission an application to revise the stated percentage to be effective June 1 of that year through May 31 of the following year. The Company shall calculate the stated percentage using not less than twelve (12) consecutive months of actual data.
- 4/ Interruptible Transportation Service is not available to DSE customers. The Customer Charge will be charged only for those months gas actually flows.
- 5/ In addition to the transportation charges stated above, Shippers are responsible for the monthly administrative fee as stated, applicable to each meter located at the customer location. For Interruptible Transportation Shippers, the Administrative Fee will be charged only for those months gas actually flows. Firm Transportation Shippers will be charged each month, regardless of gas flow.
- 6/ Per Dth of MDTQ per month.

Abbreviations (as defined in the General Terms and Conditions of this Tariff):
 MLI Mainline System Interconnect
 MLE Mainline System End-user
 DSE Distribution System End-user
 MDTQ Maximum Daily Transportation Quantity

**MONTANA-DAKOTA UTILITIES CO.
RETURN ON CYCLE STORAGE BALANCES
AND PREPAID DEMAND AND COMMODITY BALANCES
NORTH DAKOTA GAS
EFFECTIVE JANUARY 2016**

	General Service		
	Storage Balance 1/	Prepaid Commodity Balance 2/	Prepaid Demand
October 2015	\$10,020,140	\$761,965	\$4,172,213
November	8,658,699	673,188	3,336,383
December	5,136,425	488,391	1,663,739
January 2016	2,507,778	335,052	(403,119)
February	382,936	211,102	(1,929,949)
March	(455,073)	162,217	(2,833,142)
April	(450,897)	162,403	(2,602,824)
May	740,178	214,975	(1,500,785)
June	2,379,631	287,444	(43,747)
July	4,032,315	360,501	1,401,210
August	6,326,655	462,350	2,854,416
September	8,506,108	557,993	4,113,781
October	9,159,487	586,682	4,361,328
13 month average	<u>\$4,380,337</u>	<u>\$404,943</u>	<u>\$968,423</u>
Rate of Return	7.340%	7.340%	7.340%
Return	\$321,517	\$29,723	\$71,082
Return Requirement	<u>\$449,028</u>	<u>\$41,511</u>	<u>\$99,273</u>

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

2/ Monthly balance allocated to North Dakota on sales volumes.

MONTANA-DAKOTA UTILITIES CO.
COST OF GAS - PROPANE
NORTH DAKOTA
EFFECTIVE JANUARY 2016

Cost of Purchased Propane	\$48,982
Gallons Purchased	90,708
Projected dk Sales	8,300
Propane Cost per Dk	\$5.901
Average Cost of Propane as Adjusted for Losses @ 99.55%	5.928
Less: Propane Cost Level in Rates 1/	<u>5.599</u>
Current Propane Cost Adjustment	<u><u>\$0.329</u></u>

1/ Propane Cost Level in Current Rates - Case No. PU-15-008, effective December 1, 2015.

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

	<u>(Over) Under Recovery</u>	<u>Refunds & Other</u>	<u>Interest 1/</u>	<u>Total Net Additions</u>	<u>Actual Dk Sales</u>	<u>Adjustment Per Dk</u>	<u>Total Adjustment Amount</u>	<u>Net Change- Additions less Adjustment</u>	<u>Cumulative Balance</u>
Balance @ July 31, 2015									<u>(\$4,772,872)</u>
August	(\$539,166)	\$0	(\$279)	(\$539,445)	269,521	\$0.209	\$56,329	(\$595,774)	(5,368,646)
September	(87,886)	0	(90)	(87,976)	297,292	0.209	62,133	(150,109)	(5,518,755)
October	203,583	(56,864) 2/	(92)	146,627	404,185	(0.310)	6,488 3/	140,139	(5,378,616)
Balance @ October 31, 2015									<u>(\$5,378,616)</u>

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

2/ United Pulse Trading billing adjustment.

3/ Reflects 253,920 dk @ \$0.209 and 150,265 dk @ (\$0.310).

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

	<u>(Over) Under Recovery</u>	<u>Refunds & Other</u>	<u>Interest 1/</u>	<u>Total Net Additions</u>	<u>Actual Dk Sales</u>	<u>Adjustment Per Dk</u>	<u>Total Adjustment Amount</u>	<u>Net Change- Additions less Adjustment</u>	<u>Cumulative Balance</u>
Balance @ July 31, 2015									<u>\$17,007</u>
August	(\$13,262)	\$0	\$1	(\$13,261)	37,014	\$0.380	\$14,066	(\$27,327)	(10,320)
September	(2,127)	0	0	(2,127)	36,574	0.380	13,898	(16,025)	(26,345)
October	614	0	0	614	40,767	(0.018)	11,285 2/	(10,671)	(37,016)
Balance @ October 31, 2015									<u>(\$37,016)</u>

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

2/ Reflects 30,195 dk @ \$0.380 and 10,572 dk @ (\$0.018).

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

	<u>(Over) Under Recovery</u>	<u>Refunds & Other</u>	<u>Interest 1/</u>	<u>Total Net Additions</u>	<u>Actual Dk Sales</u>	<u>Adjustment Per Dk</u>	<u>Total Adjustment Amount</u>	<u>Net Change- Additions less Adjustment</u>	<u>Cumulative Balance</u>
Balance @ July 31, 2015									<u><u>(\$21,765)</u></u>
August	(\$14,757)	\$0	(\$1)	(\$14,758)	2,573	\$0.365	\$939	(\$15,697)	(37,462)
September	(3,890)	0	(1)	(3,891)	2,868	0.365	1,046	(4,937)	(42,399)
October	239	0	(1)	238	5,942	(0.089)	2,169 2/	(1,931)	(44,330)
Balance @ October 31, 2015									<u><u>(\$44,330)</u></u>

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

2/ Reflects 5,942 dk @ \$0.365 and 0 dk @ (\$0.089).