



UTILITIES CO.

A Division of MDU Resources Group, Inc.

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

January 8, 2016

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-16-008

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 (145<sup>th</sup> Revised Sheet No. 3) 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 decreased \$0.215 per dk since the January 1, 2016 rates due to a decrease in the overall commodity price of gas. Attachment B explains the reasons for the decrease in the market price of gas. There has also been a change in pipeline rates as shown on Attachment C, which had no impact on the cost of gas. In addition, Montana-Dakota has increased its firm transportation capacity resulting in a system wide change in demand allocation and a decrease of approximately \$0.008 per dk in North Dakota.

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 February 2016.

The net effect of this filing, calculated pursuant to the terms of Rate 88, is a decrease of \$0.223 per dk for residential customers and firm general customers, a decrease of \$0.220 per dk for small and large interruptible customers and a decrease of \$0.219 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 February 2016. The average cost of gas for firm customers, adjusted for losses, is \$3.646.

Montana-Dakota has submitted an Application for Trade Secret Protection to the Commission in Case No. PU-16-8 requesting confidential treatment of portions of the cost

of gas calculation. The confidential cost of gas information will be provided upon entry of an Order regarding that application.

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. There is no change in the cost of propane from that established in the January 2016 PGA filing.

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

These proposed adjustments, calculated in accordance with Rate 88, will amount to a decrease of approximately \$581,900 for natural gas customers during the month of February 2016. All of Montana-Dakota's retail natural gas customers in North Dakota may be affected by this proposal. There were 107,378 natural gas customers and 343 propane customers in North Dakota as of December 31, 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. Karl A. Liepitz  
Senior Attorney  
MDU Resources Group, Inc.  
P. O. Box 5650  
Bismarck, ND 58506-5650

Montana-Dakota submitted a check on January 8, 2016 to the North Dakota Public Service Commission for \$600 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](mailto: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

145<sup>th</sup> Revised Sheet No. 3

Canceling 144<sup>th</sup> 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	\$3.316	\$3.316
Air Force Rate 64	7				
Minot Air Force Base		\$2,000.00 per month			
PAR Site		\$175.00 per month			
Firm Service			\$0.329	\$3.316	\$3.645
Interruptible Service - PAR			\$0.177	\$2.571	\$2.748
Interruptible Service - MAFB			\$0.177	\$2.488	\$2.665
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	\$3.316	\$4.046
Small Interruptible Gas Rate 71	14	\$175.00 per month	(Maximum) \$1.112	\$2.571	(Maximum) \$3.683
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	\$3.414	\$4.144
Transportation Service	24				
Small Interruptible Rate 81		\$175.00 per month			
Maximum			\$0.668		
Minimum			\$0.102		
Fuel Charge				\$0.012	
Large Interruptible Rate 82		\$1,000.00 per month			
Maximum			\$0.297		
Minimum			\$0.061		
Fuel Charge				\$0.012	
Large Interruptible Gas Rate 85	27	\$1,000.00 per month	(Maximum) \$0.718	\$2.571	(Maximum) \$3.289
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: January 8, 2016

Effective Date: February 1, 2016

Issued By: Tamie A. Aberle  
Director - Regulatory Affairs

Case No.: PU-16-008

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

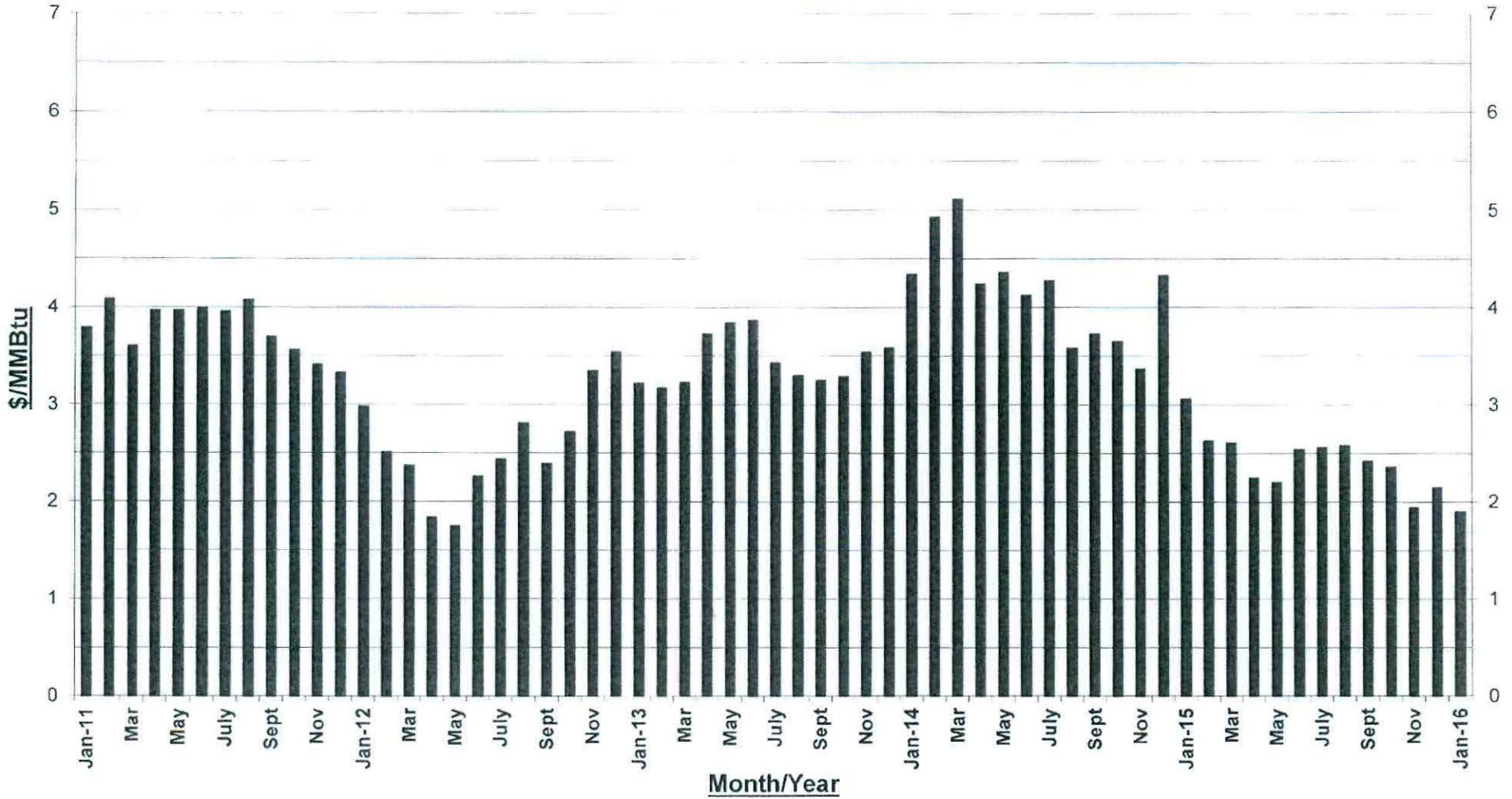
**February 2016**

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

Continuing high domestic production, storage levels at or near record levels and warmer than normal temperatures over most of the U.S. during the month of December were reasons the January CIG index decreased offsetting the normal seasonal increase in demand. The EIA reported the national storage level as of January 1, 2016, at 14.6 percent above the five-year average and 17.2 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 2011-2016YTD



From Inside F.E.R.C.'s Gas Market Report  
Annual Averages: - 2014-\$4.17; 2015-\$2.44; 2016YTD-\$1.90

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

**NorthWestern Energy**

On December 11, 2015, NorthWestern Energy filed its 2016 Electric and Natural Gas Tax Tracker filing in Docket No. D2015.10.81 to be effective January 1, 2016.

Approximate impact on Montana-Dakota's cost of gas: 0.00 cents per dk

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

	Firm			
	Residential & General Service	Optional Seasonal	Small & Large Interruptible	Air Force Interruptible
<b><u>Gas Cost Adjustment:</u></b>				
Gas Cost Level (Exhibit B)	\$3.646	\$3.744	\$2.589	\$2.577
Prior Filed Gas Cost	<u>3.869</u>	<u>3.968</u>	<u>2.809</u>	<u>2.796</u>
Current Gas Cost Adjustment	(\$0.223)	(\$0.224)	(\$0.220)	(\$0.219)
<b><u>Surcharge Adjustment:</u></b>				
Current Adjustment	(\$0.310)	(\$0.310)	(\$0.018)	(\$0.089)
Prior Filed Adjustment	<u>(0.310)</u>	<u>(0.310)</u>	<u>(0.018)</u>	<u>(0.089)</u>
Change in Surcharge Adjustment	\$0.000	\$0.000	\$0.000	\$0.000
Gas Cost Level	\$3.646	\$3.744	\$2.589	\$2.577
Plus: Surcharge	<u>(0.310)</u>	<u>(0.310)</u>	<u>(0.018)</u>	<u>(0.089)</u>
<b>Total Gas Cost Level in Tariff Rates</b>	<b><u><u>\$3.336</u></u></b>	<b><u><u>\$3.434</u></u></b>	<b><u><u>\$2.571</u></u></b>	<b><u><u>\$2.488</u></u></b>
<b><u>Market Based Pricing Differential</u></b>				
Current Adjustment	(\$0.011)	(\$0.011)	\$0.000	\$0.000
Prior Filed Adjustment	<u>(0.011)</u>	<u>(0.011)</u>	<u>0.000</u>	<u>0.000</u>
Change in Market Based Pricing	\$0.000	\$0.000	\$0.000	\$0.000
<b><u>Grain Drying Margin Sharing</u></b>				
Current Adjustment	(\$0.009)	(\$0.009)	\$0.000	\$0.000
Prior Filed Adjustment	<u>(0.009)</u>	<u>(0.009)</u>	<u>0.000</u>	<u>0.000</u>
Change in Grain Drying Margin Sharing	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Cost of Gas Items</b>	<b><u><u>\$3.316</u></u></b>	<b><u><u>\$3.414</u></u></b>	<b><u><u>\$2.571</u></u></b>	<b><u><u>\$2.488</u></u></b>
<b>Net Increase (Decrease) in Gas Costs</b>	<b><u><u>(\$0.223)</u></u></b>	<b><u><u>(\$0.224)</u></u></b>	<b><u><u>(\$0.220)</u></u></b>	<b><u><u>(\$0.219)</u></u></b>

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

	Amount
Total Gas Costs 1/	\$58,661,716
Residential and General Service dk Requirements 2/	16,161,259
Average Cost of Gas per dk	\$3.630
Average Cost of Gas as Adjusted for Losses @ 99.55%	3.646
Less: Gas Cost Level in Rates 3/	3.869
<b>Current Gas Cost Adjustment</b>	<b>(\$0.223)</b>

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-16-008 effective January 1, 2016:

Cost of Purchased Gas	\$3.852
Adjustment for Distribution Losses	0.9955
Gas Cost Level in Base Tariff Rates	\$3.869

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

Total Gas Costs 1/	\$58,661,716
Less: Annual MDDQ Costs	<u>17,590,851</u>
Total Gas Costs excluding MDDQ	\$41,070,865
Firm Service Requirements 1/	16,161,259
Other Gas Costs per Dk (excluding MDDQ)	\$2.541
<u>Winter - October - May</u> Annual MDDQ Costs 1/	\$17,590,851
Winter Firm Service Requirements	14,829,940
MDDQ Costs per Winter Dk	\$1.186
Add: Other Gas Costs per Dk	<u>2.541</u>
Winter Seasonal Rate	\$3.727
Winter Seasonal Rate, adjusted for losses 2/	\$3.744
Less: Gas Cost Level in Rates 3/	<u>3.968</u>
<b>Current Gas Cost Adjustment</b>	<b><u><u>(\$0.224)</u></u></b>

1/ Exhibit B, page 1.

2/ Loss factor of .45%.

3/ Gas Cost Level in Current Tariff Rates Case No. PU-16-008 effective January 1, 2016:

	<u>Winter</u>
Cost of Purchased Gas	\$3.950
Adjustment for Distribution L	0.9955
Gas Cost Level in Base Tari	\$3.968

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

	Amount
Total Gas Costs 1/	\$15,971,273
Interruptible Service dk Requirements	6,198,292
Average Cost of Gas per dk	\$2.577
Average Cost of Gas as Adjusted for Losses @ 99.55%	2.589
Less: Gas Cost Level in Rates 2/	2.809
<b>Current Gas Cost Adjustment</b>	<b>(\$0.220)</b>

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-16-008 effective January 1, 2016:

Cost of Purchased Gas	\$2.796
Adjustment for Distribution Losses	0.9955
Gas Cost Level in Base Tariff Rates	\$2.809

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

	Amount
Total Gas Costs 1/	\$1,234,614
Air Force Interruptible dk Requirements	479,120
Average Cost of Gas per dk	\$2.577
Less: Gas Cost Level in Rates 2/	2.796
<b>Current Gas Cost Adjustment</b>	<b>(\$0.219)</b>

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-16-008 effective January 1, 2016:  
Cost of Purchased Gas \$2.796

**Montana-Dakota Utilities Co.**  
**Schedule of Applicable Effective Pipeline Rates**  
**February 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."

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.

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)%

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

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

PAR1 4.1  
4.1 - Statement of Rates  
T-1 and T-1B - Long Term Base Tariff Rates  
v.2.0.0 Superseding v.1.0.0

STATEMENT OF RATES  
2/ 3/

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

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

Service	Rates, Tolls and Charges		
1. Rate Schedule FT-R	Refer to Attachment "1" for applicable FT-R Demand Rate per month based on a three year term (Price Point "B") & Surcharge for each Receipt Point Average Firm Service Receipt Price (AFSRP) \$ 225.73/10 <sup>3</sup> m <sup>3</sup>		
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 <sup>1</sup>	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 <sup>1</sup>	Refer to Attachment "3" for applicable FT-P Demand Rate per month		
7. Rate Schedule LRS	<u>Contract Term</u>	<u>Effective LRS Rate (\$/10<sup>3</sup>m<sup>3</sup>/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 <sup>3</sup> m <sup>3</sup>	
9. Rate Schedule IT-R	Refer to Attachment "1" for applicable IT-R Rate for each Receipt Point		
10. Rate Schedule IT-D <sup>1</sup>	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 <sup>3</sup> m <sup>3</sup> /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>CO<sub>2</sub> Rate (\$/10<sup>3</sup>m<sup>3</sup>)</u>	
	1	542.06	
	2	428.98	
	3	279.71	
15. Monthly Abandonment Surcharge <sup>2</sup>	\$12.45/10 <sup>3</sup> m <sup>3</sup> /month	\$0.33/GJ/month	
16. Daily Abandonment Surcharge <sup>3</sup>	\$ 0.41/10 <sup>3</sup> m <sup>3</sup> /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-P, 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.

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 <sup>1</sup>
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 <sup>2</sup>
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 <sup>2</sup>
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



	39 <sup>th</sup>	Revised	Sheet No.	80.1
Canceling	38 <sup>th</sup>	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	\$ 120.95	(I)
10,001 to 30,000	\$ 173.90	(I)
>30,000	\$ 385.85	(I)

PLUS:

Transmission Reservation Rate (Monthly Rate per MDDQ):

Maximum Monthly Reservation Rate for Maximum Daily Delivery Quantity (MDDQ)	\$ 0.9887752	(I)
--------------------------------------------------------------------------------	--------------	-----

Transmission Commodity Rate (Monthly Rate per Therm):

Maximum	\$ 0.0074928	(I)
Minimum	\$ 0.0017935	
GTAC Amortization	\$ (0.0008111)	
Balancing Penalty Rate	Higher of \$25.00/ Dekatherm Or 150% of Market Price	

PLUS:

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

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

MINIMUM BILL: Per respective contracts.

(continued)

**GAS RATE SCHEDULE**

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

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

Date Filed: January 24, 2001

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

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 FEBRUARY 2016**

	General Service		
	Storage Balance 1/	Prepaid Commodity Balance 2/	Prepaid Demand
October 2015	\$10,020,140	\$761,965	\$4,172,213
November	8,630,669	692,474	3,256,622
December	6,021,078	534,592	1,602,163
January 2016	2,718,858	340,537	(441,755)
February	363,606	202,130	(1,949,419)
March	(731,129)	137,798	(2,837,806)
April	(535,221)	146,604	(2,600,606)
May	736,171	203,143	(1,497,779)
June	2,543,901	283,532	(42,440)
July	4,557,728	373,530	1,399,178
August	6,884,114	477,654	2,849,025
September	8,873,532	566,026	4,105,480
October	9,272,899	583,740	4,352,452
13 month average	<u>\$4,565,873</u>	<u>\$407,979</u>	<u>\$951,333</u>
Rate of Return	7.340%	7.340%	7.340%
Return	\$335,135	\$29,946	\$69,828
Return Requirement	<u>\$468,048</u>	<u>\$41,822</u>	<u>\$97,521</u>

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

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

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

	<u>(Over) Under</u> <u>Recovery</u>	<u>Refunds &amp;</u> <u>Other</u>	<u>Interest 1/</u>	<u>Total Net</u> <u>Additions</u>	<u>Actual Dk</u> <u>Sales</u>	<u>Adjustment</u> <u>Per Dk</u>	<u>Total</u> <u>Adjustment</u> <u>Amount</u>	<u>Net Change-</u> <u>Additions less</u> <u>Adjustment</u>	<u>Cumulative</u> <u>Balance</u>
<b>Balance @ July 31, 2015</b>									<b><u>(\$4,772,872)</u></b>
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)
November	397,974	0	(583)	397,391	870,491	(0.310)	(269,852)	667,243	(4,711,373)
<b>Balance @ November 30, 2015</b>									<b><u>(\$4,711,373)</u></b>

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 &amp; 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>
<b>Balance @ July 31, 2015</b>									<b><u><u>\$17,007</u></u></b>
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)
November	(7,526)	0	(4)	(7,530)	64,474	(0.018)	(1,161)	(6,369)	(43,385)
<b>Balance @ November 30, 2015</b>									<b><u><u>(\$43,385)</u></u></b>

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 &amp; 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>
<b>Balance @ July 31, 2015</b>									<b><u><u>(\$21,765)</u></u></b>
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)
November	(1,427)	0	(5)	(1,432)	23,100	(0.089)	(2,057)	625	(43,705)
<b>Balance @ November 30, 2015</b>									<b><u><u>(\$43,705)</u></u></b>

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

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