



UTILITIES CO.

A Division of MDU Resources Group, Inc.

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

September 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 (151<sup>st</sup> Revised Sheet No. 3) showing the proposed natural gas rates, to be effective with service rendered October 1, 2016.

Montana-Dakota purchases gas supplies under a number of contracts. The commodity cost of gas has increased \$0.072 per dk since the September 1, 2016 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, increasing the cost of gas by \$0.003 per dk. The grain drying margin sharing credit decreased by \$0.002 and the market based pricing differential credit was eliminated resulting in an increase of \$0.011 per dk.

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

The net effect of this filing, calculated pursuant to the terms of Rate 88, is an increase of \$0.286 per dk for residential customers and firm general customers, a decrease of \$0.033 per dk for small and large interruptible customers and a decrease of \$0.046 per dk for Air Force interruptible customers from the currently effective rates.

Exhibit B shows the calculation of the current gas cost adjustment that will be applicable to Montana-Dakota's customers for the month of October 2016. The average cost of gas for firm customers, adjusted for losses, is \$3.767.

Exhibit B-1- Confidential contains confidential information on gas commodity pricing and is

designated as Trade Secret in accordance with the Commission's March 23, 2016 Order in Case No. PU-16-008. Exhibit B-1 – Public Copy is also enclosed.

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.

Exhibit D shows the calculation of the surcharge adjustment that will apply during the period October 1, 2016 through September 30, 2017. The total surcharge is (\$0.112) per dk residential and general service customers, (\$0.147) per dk for small and large interruptible customers and (\$0.23) per dk for the Air Force, or an increase of \$0.198 per dk for residential and general service customers, a decrease of \$0.129 per dk for small and large interruptible customers and a decrease of \$0.141 per dk for the Air Force from the adjustment effective October 1, 2015.

Pursuant to the Order in Case No. PU-15-90, Exhibit E shows the amortization of the interruptible market based pricing differential balance through September 30, 2016. The remaining balance has been applied to the surcharge adjustment for firm service customers to be effective October 1, 2016 through September 30, 2017 shown in Exhibit D.

Exhibit F shows the grain drying margin sharing provision pursuant to the terms of Rate 88. Ninety percent of the margin revenues collected from grain drying customers served under interruptible service rates will be credited to residential and firm general service customers through the COG. A credit of \$0.007 per dk will be applicable to all residential and general service customers due to the grain drying margin sharing provision for the period October 1, 2016 through September 30, 2017.

Exhibit G shows the calculation of the current cost of gas – propane that will be applicable to Montana-Dakota's customers for the month of October 2016. The average cost of propane for all customers, adjusted for losses, is \$4.062.

Montana-Dakota purchases propane supplies from various wholesale suppliers. The cost of propane did not change since the last August COG filing but the market based pricing differential credit decreased by \$0.011 per dk.

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 October 2016.

These proposed adjustments, calculated in accordance with Rate 88 and Rate 99, will amount to an increase of approximately \$321,300 for natural gas customers during the month of October 2016. All of Montana-Dakota's retail natural gas customers in North

Dakota may be affected by this proposal. There were 107,072 natural gas customers and 343 propane customers in North Dakota as of August 31, 2016.

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  
151<sup>st</sup> Revised Sheet No. 3  
Canceling 150<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	\$3.648	\$3.648
Air Force Rate 64	7				
Minot Air Force Base		\$2,000.00 per month			
PAR Site		\$175.00 per month			
Firm Service			\$0.329	\$3.648	\$3.977
Interruptible Service - PAR			\$0.177	\$2.577	\$2.754
Interruptible Service - MAFB			\$0.177	\$2.482	\$2.659
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	\$3.648	\$4.378
Small Interruptible Gas Rate 71	14	\$175.00 per month	(Maximum) \$1.112	\$2.577	(Maximum) \$3.689
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	\$3.755	\$4.485
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	\$2.577	(Maximum) \$3.295
Residential Propane Rate 90	32	\$0.6443 per day	\$0.000	\$2.816	\$2.816
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	\$2.816	\$3.546

Date Filed: September 8, 2016

Effective Date: October 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  
October 2016**

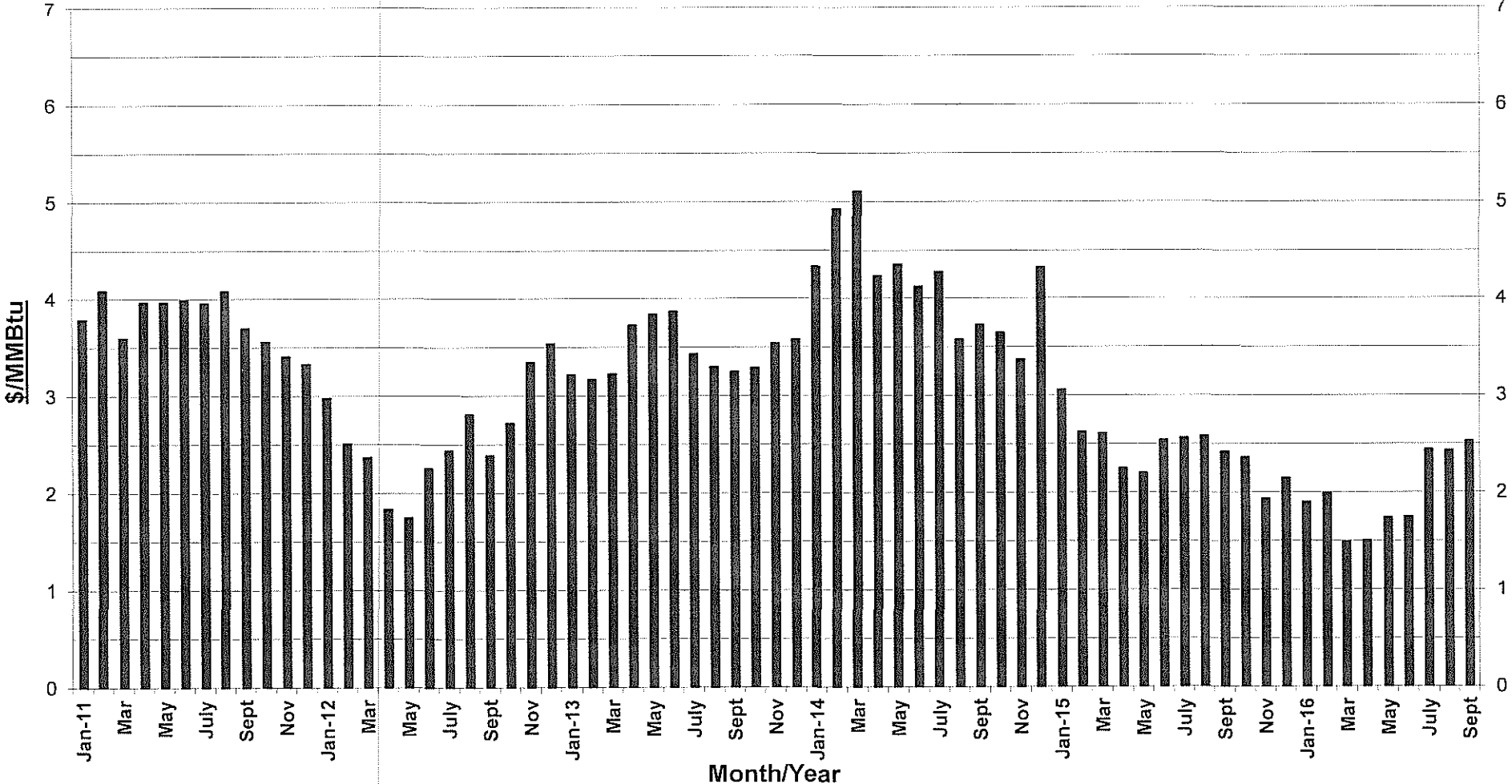
The established monthly price for the Rocky Mountain CIG Index has increased from the previous filing. The CIG Rocky Mountain Index is based on a price discovery survey by several natural gas periodicals, including "Inside FERC Gas Market" report and "Gas Daily" by McGraw-Hill Companies, of prices paid 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.

The supply of gas remaining flat to previous months along with increased demand from electric generation resulting in injections to storage being below normal likely contributed to the increase in the index price from the previous month. The EIA reported the national storage level as of August 26, 2016, at 10.9 percent above the five-year average and 7.5 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>.

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# 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-\$1.98

**Montana-Dakota Utilities Co.  
Pipeline Rate Changes Since Last Annual COG  
North Dakota  
October 2016 COG**

**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: 0.1 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: (0.2) cents per dk

**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: 0.0 cents per dk.

**WBI Energy Transmission, Inc. Docket No. RP16-671-000**

On March 1, 2016, WBI Energy Transmission, Inc. (WBI Energy) filed its semi-annual fuel and electric power reimbursement adjustments with the FERC in Docket No. RP16-671-000, reflecting revisions to the fuel and electric power components of WBI Energy's storage and transportation rates effective April 1, 2016.

Approximate impact on Montana-Dakota's cost of gas: (1.3) cents per dk.

**NorthWestern Energy**

On May 31, 2016, NorthWestern Energy filed an application for approval to implement rates related to its Unreflected Gas Cost and Gas Transportation Adjustment Clause Balance in Docket No. D2015.7.53 to be effective July 1, 2016.

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

**Federal Energy Regulatory Commission Annual Charges Unit Charge**

On June 24, 2016, the Federal Energy Regulatory Commission filed its annual charges unit charge (ACA) to be applied to its fiscal year 2017 for recovery of FY 2016 Current year and 2015 True-Up as \$0.0013 per Dekatherm. The new ACA surcharge will become effective October 1, 2016.

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

**WBI Energy Transmission, Inc. Docket No. RP16-1210-000**

On August 31, 2016, WBI Energy Transmission, Inc. (WBI Energy) filed its semi-annual fuel and electric power reimbursement adjustments with the FERC in Docket No. RP16-1210-000, reflecting revisions to the fuel and electric power components of WBI Energy's storage and transportation rates effective October 1, 2016.

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

MONTANA-DAKOTA UTILITIES CO.  
COST OF GAS TARIFF SHEET  
NORTH DAKOTA GAS  
EFFECTIVE OCTOBER 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)	\$3.767	\$3.874	\$2.724	\$2.712
Prior Filed Gas Cost	3.692	2.594	2.628	2.617
Current Gas Cost Adjustment	\$0.075	\$1.280	\$0.096	\$0.095
<b><u>Surcharge Adjustment:</u></b>				
Current Adjustment	(\$0.112)	(\$0.112)	(\$0.147)	(\$0.230)
Prior Filed Adjustment	(0.310)	(0.310)	(0.018)	(0.089)
Change in Surcharge Adjustment	\$0.198	\$0.198	(\$0.129)	(\$0.141)
Gas Cost Level	\$3.767	\$3.874	\$2.724	\$2.712
Plus: Surcharge	(0.112)	(0.112)	(0.147)	(0.230)
<b>Total Gas Cost Level in Tariff Rates</b>	<b><u>\$3.655</u></b>	<b><u>\$3.762</u></b>	<b><u>\$2.577</u></b>	<b><u>\$2.482</u></b>
<b><u>Market Based Pricing Differential</u></b>				
Current Adjustment	\$0.000	\$0.000	\$0.000	\$0.000
Prior Filed Adjustment	(0.011)	(0.011)	0.000	0.000
Change in Market Based Pricing	\$0.011	\$0.011	\$0.000	\$0.000
<b><u>Grain Drying Margin Sharing</u></b>				
Current Adjustment	(\$0.007)	(\$0.007)	\$0.000	\$0.000
Prior Filed Adjustment	(0.009)	(0.009)	0.000	0.000
Change in Grain Drying Margin Sharing	\$0.002	\$0.002	\$0.000	\$0.000
<b>Total Cost of Gas Items</b>	<b><u>\$3.648</u></b>	<b><u>\$3.755</u></b>	<b><u>\$2.577</u></b>	<b><u>\$2.482</u></b>
<b>Net Increase (Decrease) in Gas Costs</b>	<b><u>\$0.286</u></b>	<b><u>\$1.491</u></b>	<b><u>(\$0.033)</u></b>	<b><u>(\$0.046)</u></b>

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

**Cost of Gas - Propane**

Current Propane Cost (Exhibit D, Page 1)	\$4.062
Prior Filed Propane Cost	<u>4.062</u>
Current Propane Cost Adjustment	<u><u>\$0.000</u></u>

**Surcharge Adjustment**

Current Adjustment	(\$1.246)
Prior Filed Adjustment	<u>(1.246)</u>
Change in Surcharge Adjustment	\$0.000

**Market Based Pricing Differential**

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

**Net Increase (Decrease) in Gas Costs**

\$0.011

Propane Cost Level	\$4.062
Plus: Surcharge	<u>(1.246)</u>
Total Propane Cost Level in Rates	<u><u>\$2.816</u></u>

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

	Amount
Total Gas Costs 1/	\$61,524,817
Residential and General Service dk Requirements 2/	16,408,781
Average Cost of Gas per dk	\$3.750
Average Cost of Gas as Adjusted for Losses @ 99.55%	3.767
Less: Gas Cost Level in Rates 3/	3.692
<b>Current Gas Cost Adjustment</b>	<b>\$0.075</b>

- 1/ Includes all pipeline demand and commodity charges. See Exhibit B, pages 5-19 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 June 30, 2016, adjusted for losses at .45%.
- 3/ Gas Cost Level in Current Tariff Rates Case No. PU-16-008 effective September 1, 2016:
- |                                     |         |
|-------------------------------------|---------|
| Cost of Purchased Gas               | \$3.675 |
| Adjustment for Distribution Losses  | 0.9955  |
| Gas Cost Level in Base Tariff Rates | \$3.692 |

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

Total Gas Costs 1/	\$61,524,817
Less: Annual MDDQ Costs	<u>17,667,851</u>
Total Gas Costs excluding MDDQ	\$43,856,966
Firm Service Requirements 1/	16,408,781
Other Gas Costs per Dk (excluding MDDQ)	\$2.673
<u>Winter - October - May</u>	
Annual MDDQ Costs 1/	\$17,667,851
Winter Firm Service Requirements	14,918,437
MDDQ Costs per Winter Dk	\$1.184
Add: Other Gas Costs per Dk	<u>2.673</u>
Winter Seasonal Rate	\$3.857
Winter Seasonal Rate, adjusted for losses 2/	\$3.874
Less: Gas Cost Level in Rates 3/	<u>2.594</u>
<b>Current Gas Cost Adjustment</b>	<b><u><u>\$1.280</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 September 1, 2016:

	<u>Summer</u>
Cost of Purchased Gas	\$2.582
Adjustment for Distribution Losses	0.9955
Gas Cost Level in Base Tariff Rates	\$2.594

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

	Amount
Total Gas Costs 1/	\$16,810,344
Interruptible Service dk Requirements	6,198,292
Average Cost of Gas per dk	\$2.712
Average Cost of Gas as Adjusted for Losses @ 99.55%	2.724
Less: Gas Cost Level in Rates 2/	2.628
<b>Current Gas Cost Adjustment</b>	<b>\$0.096</b>

1/ Includes all pipeline demand and commodity charges. See Exhibit B, pages 5-19 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 September 1, 2016:

Cost of Purchased Gas	\$2.616
Adjustment for Distribution Losses	0.9955
Gas Cost Level in Base Tariff Rates	\$2.628

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

	<u>Amount</u>
Total Gas Costs 1/	\$1,299,475
Air Force Interruptible dk Requirements	479,120
Average Cost of Gas per dk	\$2.712
Less: Gas Cost Level in Rates 2/	<u>2.617</u>
<b>Current Gas Cost Adjustment</b>	<b><u><u>\$0.095</u></u></b>

1/ Includes all pipeline demand and commodity charges. See Exhibit B, pages 5-19 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 September 1, 2016:  
Cost of Purchased Gas \$2.617

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

WBI Energy Transmission, Inc. - Exhibit B, pages 9 - 13 for Schedules FT-1, FTN-1, and FS-1.

Northern Border Pipeline Company - Exhibit B, page 14 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 15-16 for Schedule FT-D.

NorthWestern Energy - Exhibit B, page 17 for Schedule T-FTG-1.

South Dakota Intrastate Pipeline - Exhibit B, page 18 for Rate 1.

SourceGas Distribution LLC - Exhibit B, Page 19 for Schedule TC.

**MONTANA-DAKOTA UTILITIES CO.  
CALCULATION OF NORTHERN BORDER ET AL RATE  
OCTOBER 2016 PGA**

<b>Northern Border 1/</b>	
Monchy to Mina Mileage	506.0943
Maximum Rate	<u>\$0.0286</u>
Maximum Rate Per 100 Miles	\$0.1447
<b>Foothills (FT) Zone 9</b>	
Rate (Canadian GJ/d) 2/	\$0.0730
GJ/d conversion to MMBtu	1.0551
Currency Exchange Rate 3/	<u>0.7630</u>
	0.0588
<b>NOVA - FT-D</b>	
Demand Rate (Canadian GJ/d) 4/	\$0.1755
GJ/d conversion to MMBtu	1.0551
Currency Exchange Rate 3/	<u>0.7630</u>
	0.1413
<b>Northern Border Et Al Rate</b>	<u><u>\$0.3448</u></u>

- 1/ T-1 & T-1B Daily Reservation Rate, Port of Morgan, MT to Ventura, IA effective January 1, 2013.
- 2/ Rate Schedule FT, Firm Service Zone 9, proposed rates effective January 1, 2016.
- 3/ Exchange rate per September 2, 2016 Gas Daily.
- 4/ FT-D Demand Rate per Month, Empress/McNeill Border, proposed interim rates effective January 1, 2016 (expressed as a daily rate). Includes a 10% discount rate.

**MONTANA-DAKOTA UTILITIES CO.  
NORTHWESTERN ENERGY DEMAND AND COMMODITY CHARGES  
OCTOBER 2016 PGA**

<u>Demand:</u>	<u>Billing Determinants</u>	<u>Rate</u>	<u>Annual Charge</u>
Monthly Meter Charges 1/	12	\$385.85	\$4,630
MDDQ 2/	6,700	9.887752	794,975
			<u>799,605</u>
Demand charge per dk			<u><u>\$9.94534</u></u>
<u>Commodity: 3/</u>			
Transportation			\$0.074928
GTAC			<u>(0.007528)</u>
			<u><u>\$0.067400</u></u>

- 1/ One meter rated at >30,000 cubic feet per hour.  
 2/ Firm Transportation Reservation Rate (T-FTG-1)  
 40th Revised Sheet No. 80.1, effective July 1, 2016.  
 3/ Firm Transmission Commodity Rate (T-FTG-1)  
 40th Revised Sheet No. 80.1, effective July 1, 2016.

MONTANA-DAKOTA UTILITIES CO.  
SOURCE GAS TRANSPORTATION CHARGES  
OCTOBER 2016 PGA

<u>Demand:</u>	<u>Billing Determinants</u>	<u>Rate</u>	<u>Total</u>
Administrative Fee 1/	12	\$650	\$7,800
MDDQ 2/	2,000	7.00000	168,000
Total			<u>\$175,800</u>
Demand charge per dk			<u>\$7.32500</u>
<u>Commodity: 2/</u>			
Transportation			<u>\$0.08</u>

1/ Two meters @ \$325/meter. Source Gas WY Rate Schedule TC, Original Sheet No. 9.

2/ Discount Agreement for Montana-Dakota Utilities Co. on Firm Transportation Service Agreement #6000189 effective January 1, 2016 through March 31, 2019.

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.

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	2.105%	(0.423)%	1.682%
L&U REIMBURSEMENT	0.000%	(0.526)%	(0.526)%

GATHERING - FIRM AND INTERRUPTIBLE

	<u>CURRENT PERCENTAGE</u>	<u>DEFERRAL PERCENTAGE</u>	<u>TOTAL PERCENTAGE</u>
FUEL USE REIMBURSEMENT	5.058%	(0.452)%	4.606%
L&U REIMBURSEMENT	(0.412)%	(0.283)%	(0.695)%

STORAGE - RATE SCHEDULES FS-1 AND IS-1

	<u>CURRENT PERCENTAGE</u>	<u>DEFERRAL PERCENTAGE</u>	<u>TOTAL PERCENTAGE</u>
FUEL USE REIMBURSEMENT	0.669%	(0.324)%	0.345%
L&U REIMBURSEMENT	0.000%	(0.401)%	(0.401)%

Issued On: August 31, 2016  
 Docket Number:  
 FERC Order Date:

Effective On: October 1, 2016

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	0.698	0.108	0.806

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	0.050	(0.134)	(0.084)

Issued On: August 31, 2016  
Docket Number:  
FERC Order Date:

Effective On: October 1, 2016

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) \$ 229.87/10 <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 \$ 5.45/GJ FT-D Demand Rate for Group 2 Delivery Points \$ 5.08/GJ FT-D Demand Rate for Group 3 Delivery Points \$ 6.09/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	11.75	
	20 years	7.81	
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>	
	2016732105	\$ 143.73	/10 <sup>3</sup> m <sup>3</sup> / month
	2016732103	\$ 143.73	/10 <sup>3</sup> m <sup>3</sup> / month
	2016732101	\$ 143.73	/10 <sup>3</sup> m <sup>3</sup> / month
	2016732102	\$ 143.73	/10 <sup>3</sup> m <sup>3</sup> / month
	2016732106	\$ 143.73	/10 <sup>3</sup> m <sup>3</sup> / month
	2011475772	\$ 9,250.00	/ month
	2016732104	\$ 805.00	/ month
	2003004522	Applicable IT-R and IT-D Rate	
	2011476052 /	\$ 0.1665	/ GJ subject to
	2011476054	\$ 717,000.00	Minimum Annual Charge
	2011475056 / 2011476092 /	\$ 0.095	/ GJ and
	2016721799	\$ 1,000.00	/ month
14. Rate Schedule CO <sub>2</sub>	<u>Tier</u>	<u>CO<sub>2</sub> Rate (\$/10<sup>3</sup>m<sup>3</sup>)</u>	
	1	544.24	
	2	430.63	
	3	279.70	
15. Monthly Abandonment Surcharge <sup>2</sup>	\$11.94/10 <sup>3</sup> m <sup>3</sup> /month	\$0.32/GJ/month	
16. Daily Abandonment Surcharge <sup>3</sup>	\$ 0.39/10 <sup>3</sup> m <sup>3</sup> /day	\$0.0104/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, LRS-3, and the following Rate Schedules OS: 2016732105, 2016732103, 2016732101, 2016732102, and 2016732106.

3. Daily Abandonment Surcharge applicable to Rate Schedules IT-R, IT-D, LRS, the following Rate Schedules OS: 2011476052, 2011476054, 2011475056, 2011476092, 2016721799, 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)	(T-D Rate per Day (\$/GJ)
2000	ALBERTA-B.C. BORDER	5.08	0.1832
31111	ALLIANCE CLAIRMONT INTERCONNECT APN	5.08	0.1832
31110	ALLIANCE EDSON INTERCONNECT APN	5.08	0.1832
31112	ALLIANCE SHELL CREEK INTERCONNECT APGC	5.08	0.1832
3002	BOUNDARY LAKE BORDER	5.08	0.1832
1958	EMPRESS BORDER	5.94	0.2141
3886	GORDONDALE BORDER	5.08	0.1832
6404	MCNEILL BORDER	5.94	0.2141

Group 2 Delivery Point Number	Group 2 Delivery Point Name	FT-D Demand Rate per Month Price Point "Z" (\$/GJ)	(T-D Rate per Day (\$/GJ)	Subject to ATCO Pipelines Franchise Fees <sup>1</sup>
31000	A.T. PLASTICS SALES APN	5.08	0.1832	Yes
31001	ADM AGRI INDUSTRIES SALES APN	5.08	0.1832	Yes
3880	AECO INTERCONNECTION	5.08	0.1832	
31003	AGRIUM CARSELAND SALES APS	5.08	0.1832	
31002	AGRIUM FT. SASK SALES APN	5.08	0.1832	Yes
31004	AGRIUM REDWATER SALES APN	5.08	0.1832	
31005	AINSWORTH SALES APGP	5.08	0.1832	
31006	AIR LIQUIDE SALES APN	5.08	0.1832	
3214	AQUINU RIVER WEST SALES	5.08	0.1832	
31007	ALBERTA ENVIROFUELS SALES APN	5.08	0.1832	Yes <sup>2</sup>
31008	ALBERTA HOSPITAL SALES APN	5.08	0.1832	Yes
3868	ALBERTA-MONTANA BORDER	5.08	0.1832	
3297	ALDER FLATS SOUTH NO 2 SALES	5.08	0.1832	
3059	ALLISON CREEK SALES	5.08	0.1832	
31009	ALTASTEEL SALES APN	5.08	0.1832	Yes <sup>2</sup>
3562	AMOCO SALES (BP SALES TAP)	5.08	0.1832	
31012	APL JASPER SALES APN	5.08	0.1832	Yes
3488	ARDLEY SALES	5.08	0.1832	
3237	ASPEN SALES	5.08	0.1832	
3662	ATUSIS CREEK EAST SALES	5.08	0.1832	
3216	AURORA NO 2 SALES	5.08	0.1832	
3135	AURORA SALES	5.08	0.1832	
3288	BANTRY SALES	5.08	0.1832	
3423	BASHAW WEST SALES	5.08	0.1832	
31013	BAYMAG SALES APS	5.08	0.1832	
31014	BEAR CREEK COGEN SALES APGP	5.08	0.1832	
3299	BEAR RIVER WEST SALES	5.08	0.1832	
3068	BEAVER HILLS SALES	5.08	0.1832	
3268	BENBOW SOUTH SALES	5.08	0.1832	
3933	BIG EDDY INTERCONNECTION	5.08	0.1832	
3655	BIG PRAIRIE SALES	5.08	0.1832	
3067	BIGSTONE SALES	5.08	0.1832	
3285	BILBO SALES	5.08	0.1832	
3468	BLEAK LAKE SALES	5.08	0.1832	
3295	BOOTIS HILL SALES	5.08	0.1832	
3225	BOTHA SALES	5.08	0.1832	
3259	BOULDER CREEK SALES	5.08	0.1832	
3164	BRAINARD LAKE SALES	5.08	0.1832	
3289	BRAZEAU EAST SALES	5.08	0.1832	
3918	BUFFALO CREEK INTERCONNECTION	5.08	0.1832	
31015	BURDETT COGEN SALES APS	5.08	0.1832	
3265	BURNT TIMBER SALES	5.08	0.1832	
3204	CABIN SALES	5.08	0.1832	
3293	CADOGAN SALES	5.08	0.1832	
3109	CALDWELL SALES	5.08	0.1832	
31016	CALGARY ENERGY CENTRE SALES APS	5.08	0.1832	Yes
3262	CALUMET RIVER SALES	5.08	0.1832	
3634	CANOE LAKE SALES	5.08	0.1832	
3165	CANOE LAKE SALES NO 2	5.08	0.1832	
3866	CARBON INTERCONNECTION	5.08	0.1832	
3484	CARIBOU LAKE SALES	5.08	0.1832	
3157	CARIBOU LAKE SOUTH SALES	5.08	0.1832	
3106	CARMON CREEK SALES	5.08	0.1832	
3248	CARMON CREEK EAST SALES	5.08	0.1832	
3101	CAROLINE SALES	5.08	0.1832	
31017	CARSELAND COGEN SALES APS	5.08	0.1832	
3275	CARSON CREEK SALES	5.08	0.1832	
3495	CAVALIER SALES	5.08	0.1832	
31018	CHAIN LAKES COOP SALES APS	5.08	0.1832	
3907	CHANCELLOR INTERCONNECTION	5.08	0.1832	
3665	CHAUVIN SALES	5.08	0.1832	
3151	CHEECHAM WEST NO 2 SALES	5.08	0.1832	
3622	CHEECHAM WEST SALES	5.08	0.1832	
6014	CHEVRON AURORA SALES	5.08	0.1832	
31019	CHEVRON FT. SASK SALES APN	5.08	0.1832	Yes

NATURAL GAS TARIFF



Canceling	40 <sup>th</sup>	Revised	Sheet No.	80.1
	39 <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
10,001 to 30,000	\$ 173.90
>30,000	\$ 385.85

PLUS:

Transmission Reservation Rate (Monthly Rate per MDDQ):

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

Transmission Commodity Rate (Monthly Rate per Therm):

Maximum	\$ 0.0074928
Minimum	\$ 0.0017935
GTAC Amortization	\$ (0.0007528) (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: July 1, 2016  
Docket No.: D2015.7.53  
Tariff Letter No. 270-G

Effective for service rendered on or after  
July 1, 2016

PUBLIC SERVICE COMMISSION  
*Allyssa Salas* Secretary

**GAS RATE SCHEDULE**

Exhibit B  
Page 18 of 19

**South Dakota Intrastate Pipeline Company**  
1415 N. Airport Rd  
Pierre, SD 57501  
Date Filed: January 24, 2001

SD P.U.C. Section No. 3  
Original Sheet No. 1  
Effective Date: January 10, 2001

TRANSPORTATION SERVICE    Rate 1

Transportation rate is \$2.398 per dekatherm.

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

NG-60-001

**STATE OF SOUTH DAKOTA  
GAS RATE SCHEDULE**

**South Dakota Intrastate Pipeline Company**

SD P.U.C. Section No. 4

Black Hills Gas Distribution, LLC  
d/b/a Black Hills Energy

Wyo. P.S.C. Tariff No. 1  
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	0.525%
	MLI	MLE	\$145.00	\$0.00	\$0.00	\$0.1040	\$0.0010	0.525%
	MLI	DSE	\$225.00	\$0.00	\$0.00	\$0.1703	\$0.0020	1.689%
Interruptible Transportation 4/	MLI	MLI	\$0.00	\$0.00	\$0.00	\$0.0844	\$0.0010	0.525%
	MLI	MLE	\$145.00	\$0.00	\$0.00	\$0.0844	\$0.0010	0.525%
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.  
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA  
RESIDENTIAL AND GENERAL SERVICE  
EFFECTIVE OCTOBER 2016

<u>Billing Determinants</u>		<u>Rate 1/</u>	<u>Amount</u>
<b><u>Demand Charges</u></b>			
<i>Transportation</i>			
FT-1 MDDQ	155,994	dk/Month \$9.21000	\$17,240,457
FTN-1 MDDQ		dk/Month 0.24274	
Northern Border et. al.		dk/Month 0.34480	
T-FTG-1 MDDQ		dk/Month 9.94534	
SourceGas		dk/Month 7.32500	
<i>Storage</i>			
FS-1 Capacity Reservation		dk/Month 0.01757	
FS-1 Deliverability Reservation		dk/Month 2.01507	
<b>Total Demand Charges</b>			21,746,916
<b><u>Commodity Charges</u></b>			
<i>Transportation Charges</i>			
FT-1 Commodity		dk 0.02972	
Fuel - Transp. WBI		dk	
Electric Power WBI		dk 0.00806	
Fuel - Transp. NB		dk	
T-FTG-1 Commodity		dk 0.06740	
Fuel - Transp. NW		dk	
SDIP		dk 2.39800	
Source Gas		dk 0.08000	
<i>Storage Charges</i>			
FS-1 Injection		dk 0.01221	
FS-1 Withdrawal		dk 0.01221	
Fuel - Storage		dk	
Electric Power WBI		dk (0.00084)	
<b><u>Gas Commodity Charges</u></b>			
Gas Commodity - System	16,408,781	dk	2/
<b>Total Commodity Charges</b>			39,036,272
<b><u>Return on Rate Base</u></b>			
Demand Charges 3/			97,231
Prepaid Commodity Balances 3/			44,188
Cycle Storage Balances 3/			600,210
<b>Total Return</b>			741,629
<b>Total Gas Costs</b>			\$61,524,817
<b>Residential and General Service dk Requirements 4/</b>			16,408,781
Average Cost of Gas per dk			\$3.750
Average Cost of Gas as Adjusted for Losses @ 99.55%			3.767
Less: Gas Cost Level in Rates 5/			3.692
<b>Current Gas Cost Adjustment</b>			<b>\$0.075</b>

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 October 2016.

3/ Exhibit C.

4/ Normalized dk sales for the twelve months ended June 30, 2016, adjusted for losses at .45%.

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

Cost of Purchased Gas	\$3.675
Adjustment for Distribution Losses	0.9955
Gas Cost Level in Base Tariff Rates	\$3.692

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

<u>Interruptible Billing Determinants 1/</u>	<u>Rate 2/</u>	<u>Amount</u>
<b><u>Demand Charges</u></b>		
<b><i>Transportation</i></b>		
FT-1 MDDQ	16,678 dk/Month	\$9.21000
FTN-1 MDDQ	dk/Month	0.24274
Northern Border et. al.	dk/Month	0.34480
T-FTG-1 MDDQ	dk/Month	9.94534
SourceGas	dk/Month	7.32500
<b><i>Storage</i></b>		
FS-1 Capacity Reservation	dk/Month	0.01757
FS-1 Deliverability Reservation	dk/Month	2.01507
<b>Total Demand Charges</b>		2,328,713
<b><u>Commodity Charges</u></b>		
<b><i>Transportation Charges</i></b>		
FT-1 Commodity	dk	0.02972
Fuel - Transp. WBI	dk	
Electric Power WBI	dk	0.00806
Fuel - Transp. NB	dk	
T-FTG-1 Commodity	dk	0.06740
Fuel - Transp. NW	dk	
SDIP	dk	2.39800
SourceGas	dk	0.08000
<b><i>Storage Charges</i></b>		
FS-1 Injection	dk	0.01221
FS-1 Withdrawal	dk	0.01221
Fuel - Storage	dk	
Electric Power WBI	dk	(0.00084)
<b><i>Gas Commodity Charges</i></b>		
Gas Commodity	6,198,292 dk	3/
<b>Total Commodity Charges</b>		14,400,895
<b><u>Return on Rate Base</u></b>		
Demand Charges 4/		10,585
Transportation Balances 4/		4,810
Cycle Storage Balances 4/		65,341
<b>Total Return</b>		80,736
<b>Total Gas Costs</b>		\$16,810,344
<b>Interruptible Service dk Requirements</b>		6,198,292
Average Cost of Gas per dk		\$2.712
Average Cost of Gas as Adjusted for Losses @ 99.55%		2.724
Less: Gas Cost Level in Rates 5/		2.628
<b>Current Gas Cost Adjustment</b>		<b>\$0.096</b>

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 October 2016.

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

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

Cost of Purchased Gas	\$2.616
Adjustment for Distribution Losses	0.9955
Gas Cost Level in Base Tariff Rates	\$2.628

PUBLIC COPY

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

<u>Air Force Billing Determinants</u>		<u>Rate 1/</u>	<u>Amount</u>
<b><u>Demand Charges</u></b>			
<b><i>Transportation</i></b>			
FT-1 MDDQ	1,289	dk/Month \$9.21000	\$142,460
FTN-1 MDDQ		dk/Month 0.24274	
Northern Border et. al.		dk/Month 0.34480	
T-FTG-1 MDDQ		dk/Month 9.94534	
SourceGas		dk/Month 7.32500	
<b><i>Storage</i></b>			
FS-1 Capacity Reservation		dk/Month 0.01757	
FS-1 Deliverability Reservation		dk/Month 2.01507	
<b><i>Total Demand Charges</i></b>			180,056
<b><u>Commodity Charges</u></b>			
<b><i>Transportation Charges</i></b>			
FT-1 Commodity		dk 0.02972	
Fuel - Trans. WBI		dk	
Electric Power WBI		dk 0.00806	
Fuel - Trans. NB		dk	
T-FTG-1 Commodity		dk 0.06740	
Fuel - Transp. NW		dk	
SDIP		dk 2.39800	
Source Gas		dk 0.08000	
<b><i>Storage Charges</i></b>			
FS-1 Injection		dk 0.01221	
FS-1 Withdrawal		dk 0.01221	
Fuel - Storage		dk	
Electric Power WBI		dk (0.00084)	
<b><i>Gas Commodity Charges</i></b>			
Gas Commodity	479,120	dk	2/
<b><i>Total Commodity Charges</i></b>			1,113,177
<b><u>Return on Rate Base</u></b>			
Demand Charges 3/			818
Transportation Balances 3/			372
Cycle Storage Balances 3/			5,052
<b><i>Total Return</i></b>			6,242
<b>Total Gas Costs</b>			\$1,299,475
100% Load Factor dk Requirements			479,120
Average Cost of Gas per dk			\$2.712
Less: Gas Cost Level in Rates 4/			2.617
<b>Current Gas Cost Adjustment</b>			<b>\$0.095</b>

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 October 2016.

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

4/ Gas Cost Level in Current Tariff Rates Case No. PU-16-008 effective September 1, 2016:  
Cost of Purchased Gas \$2.617

**MONTANA-DAKOTA UTILITIES CO.  
RETURN ON CYCLE STORAGE BALANCES  
AND PREPAID DEMAND AND COMMODITY BALANCES  
NORTH DAKOTA GAS  
EFFECTIVE OCTOBER 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	5,980,457	544,098	1,510,429
January 2016	3,103,639	369,752	(486,831)
February	1,708,118	280,204	(1,876,878)
March	1,244,399	250,089	(2,768,572)
April	1,300,251	248,564	(2,545,782)
May	2,926,679	293,805	(1,475,208)
June	4,738,133	331,679	(46,165)
July	6,743,310	379,227	1,368,760
August	8,706,402	442,350	2,819,911
September	10,434,364	502,161	4,077,474
October	10,580,164	507,359	4,324,529
13 month average	<u>\$5,855,133</u>	<u>\$431,056</u>	<u>\$948,500</u>
Rate of Return	7.340%	7.340%	7.340%
Return	\$429,767	\$31,640	\$69,620
Return Requirement	<u>\$600,210</u>	<u>\$44,188</u>	<u>\$97,231</u>

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

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

**MONTANA-DAKOTA UTILITIES CO.  
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ADJUSTMENT  
APPLICABLE TO NORTH DAKOTA  
FIRM  
TO BE EFFECTIVE OCTOBER 1, 2016 THROUGH SEPTEMBER 30, 2017**

(Over)/under recovered gas costs @ July 31, 2016 (\$1,979,379)

Less: Projected recovery from rates already established

	Volume	Rate	Amount
August	263,000	(\$0.310)	(81,530)
September	404,000	(0.310)	(125,240)
Market Based Pricing Differential Balance 1/			26,048
	667,000		(180,722)

Additional recovery required (\$1,798,657)

Projected sales volumes (dk)

October 2016	1,140,000		
November	1,921,000		
December	2,684,000		
January 2017	2,885,000		
February	2,420,000		
March	2,020,000		
April	1,178,000		
May	530,000		
June	266,000		
July	274,000		
August	268,000		
September	412,000		
Total			<u>15,998,000</u>

Total (over)/under recovered gas cost adjustment  
to be effective October 1, 2016 through September 30, 2017 (\$0.112)

1/ Exhibit E, Page 1 of 2.

**MONTANA-DAKOTA UTILITIES CO.  
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ADJUSTMENT  
APPLICABLE TO NORTH DAKOTA  
INTERRUPTIBLE  
TO BE EFFECTIVE OCTOBER 1, 2016 THROUGH SEPTEMBER 30, 2017**

(Over)/under recovered gas costs @ July 31, 2016 (\$136,041)

Less: Projected recovery from rates already established

	Volume	Rate	Amount
August	31,000	(\$0.018)	(558)
September	49,000	(0.018)	(882)
	80,000		(1,440)

Additional recovery required (\$134,601)

Projected sales volumes (dk)

October 2016	102,000		
November	137,000		
December	114,000		
January 2017	113,000		
February	115,000		
March	97,000		
April	59,000		
May	36,000		
June	27,000		
July	33,000		
August	31,000		
September	49,000		
Total			913,000

Total (over)/under recovered gas cost adjustment  
to be effective October 1, 2016 through September 30, 2017 (\$0.147)

**MONTANA-DAKOTA UTILITIES CO.  
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ADJUSTMENT  
APPLICABLE TO NORTH DAKOTA  
AIR FORCE INTERRUPTIBLE  
TO BE EFFECTIVE OCTOBER 1, 2016 THROUGH SEPTEMBER 30, 2017**

(Over)/under recovered gas costs @ July 31, 2016 (\$86,618)

Less: Projected recovery from rates already established

	Volume	Rate	Amount
August	8,000	(\$0.089)	(712)
September	8,000	(0.089)	(712)
	16,000		(1,424)

Additional recovery required (\$85,194)

Projected sales volumes (dk)

October 2016	30,000		
November	45,000		
December	62,000		
January 2017	60,000		
February	54,000		
March	44,000		
April	28,000		
May	16,000		
June	8,000		
July	8,000		
August	8,000		
September	8,000		
Total			371,000

Total (over)/under recovered gas cost adjustment  
to be effective October 1, 2016 through September 30, 2017 (\$0.230)

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

	(Over) Under Recovery	Refunds & Other	Interest 1/	Total Net Additions	Actual Dk Sales	Adjustment Per Dk	Total Adjustment Amount	Net Change- Additions less Adjustment	Cumulative Balance
<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)
December	29,596	0	(904)	28,692	1,823,099	(0.310)	(565,160)	593,852	(4,117,521)
January 2016	213,135	0	(893)	212,242	2,629,535	(0.310)	(815,155)	1,027,397	(3,090,124)
February	(228,054)	0	(799)	(228,853)	2,297,821	(0.310)	(712,324)	483,471	(2,606,653)
March	275,736	(11,053) 4/	(652)	264,031	1,893,033	(0.310)	(586,840)	850,871	(1,755,782)
April	(136,317)	0	(337)	(136,654)	1,372,319	(0.310)	(425,419)	288,765	(1,467,017)
May	(317,809)	0	(343)	(318,152)	911,510	(0.310)	(282,568)	(35,584)	(1,502,601)
June	(465,138)	(11) 4/	(338)	(465,487)	482,658	(0.310)	(149,624)	(315,863)	(1,818,464)
July	(250,130)	0	(455)	(250,585)	289,258	(0.310)	(89,670)	(160,915)	(1,979,379)
	<u>(\$904,476)</u>	<u>(\$67,928)</u>	<u>(\$5,765)</u>	<u>(\$978,169)</u>	<u>13,540,722</u>		<u>(\$3,771,662)</u>	<u>\$2,793,493</u>	<b><u>(\$1,979,379)</u></b>
<b>Balance @ July 31, 2016</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).

4/ Un-refunded interim balance credit in Case No. PU-15-090.

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

	(Over) Under Recovery	Refunds & Other	Interest 1/	Total Net Additions	Actual Dk Sales	Adjustment Per Dk	Total Adjustment Amount	Net Change- Additions less Adjustment	Cumulative Balance
<b>Balance @ July 31, 2015</b>									<b><u>\$17,007</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)
December	(17,661)	0	(8)	(17,669)	75,171	(0.018)	(1,352)	(16,317)	(59,702)
January 2016	8,962	0	(13)	8,949	89,100	(0.018)	(1,604)	10,553	(49,149)
February	(21,344)	0	(13)	(21,357)	97,434	(0.018)	(1,755)	(19,602)	(68,751)
March	(6,540)	(3) 3/	(17)	(6,560)	74,016	(0.018)	(1,331)	(5,229)	(73,980)
April	(28,349)	0	(14)	(28,363)	62,925	(0.018)	(1,133)	(27,230)	(101,210)
May	(16,788)	0	(24)	(16,812)	53,244	(0.018)	(959)	(15,853)	(117,063)
June	(14,890)	0	(26)	(14,916)	50,544	(0.018)	(909)	(14,007)	(131,070)
July	(5,302)	0	(33)	(5,335)	20,228	(0.018)	(364)	(4,971)	(136,041)
	<u>(\$124,213)</u>	<u>(\$3)</u>	<u>(\$151)</u>	<u>(\$124,367)</u>	<u>701,491</u>		<u>\$28,681</u>	<u>(\$153,048)</u>	<u><u>(\$136,041)</u></u>
<b>Balance @ July 31, 2016</b>									

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

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

3/ Un-refunded interim balance credit in Case No. PU-15-090.

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

	(Over) Under Recovery	Refunds & Other	Interest 1/	Total Net Additions	Actual Dk Sales	Adjustment Per Dk	Total Adjustment Amount	Net Change- Additions less Adjustment	Cumulative Balance
<b>Balance @ July 31, 2015</b>									<b><u>(\$21,765)</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)
December	(13,833)	0	(8)	(13,841)	43,257	(0.089)	(3,849)	(9,992)	(53,697)
January 2016	9,844	0	(12)	9,832	58,461	(0.089)	(5,203)	15,035	(38,662)
February	(15,421)	0	(10)	(15,431)	66,441	(0.089)	(5,914)	(9,517)	(48,179)
March	(231)	0	(12)	(243)	53,214	(0.089)	(4,735)	4,492	(43,687)
April	(18,508)	0	(8)	(18,516)	42,891	(0.089)	(3,817)	(14,699)	(58,386)
May	(10,019)	0	(14)	(10,033)	33,614	(0.089)	(2,993)	(7,040)	(65,426)
June	(9,750)	0	(15)	(9,765)	12,959	(0.089)	(1,153)	(8,612)	(74,038)
July	(12,983)	0	(18)	(13,001)	4,727	(0.089)	(421)	(12,580)	(86,618)
	<u>(\$90,736)</u>	<u>\$0</u>	<u>(\$105)</u>	<u>(\$90,841)</u>	<u>350,047</u>		<u>(\$25,988)</u>	<u>(\$64,853)</u>	<b><u>(\$86,618)</u></b>
<b>Balance @ July 31, 2016</b>									

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

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

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

	Residential and Firm General				Seasonal	Total
	1/	2/	3/	Total		
<u>August 2015</u>						
Cost of Gas - Actual	\$3.63370	\$2.31813	\$3.63370		\$3.08397	
Cost of Gas - Recovered	4.20600	4.20600	4.20600		3.06000	
(Over) Under recovery per dk	(\$0.57230)	(\$1.88787)	(\$0.57230)		\$0.02397	
dk billed	0 4/	294,017	(27,655)	266,362	3,159	269,521
(Over) Under recovery	\$0	(\$555,068)	\$15,826	(\$539,242)	\$76	(\$539,166)
<u>September 2015</u>						
Cost of Gas - Actual	\$4.60152	\$3.63370	\$4.60152		\$3.03646	
Cost of Gas - Recovered	4.20600	4.20600	4.20600		3.06000	
(Over) Under recovery per dk	\$0.39552	(\$0.57230)	\$0.39552		(\$0.02354)	
dk billed	0 4/	211,520	83,960	295,480	1,812	297,292
(Over) Under recovery	\$0	(\$121,051)	\$33,208	(\$87,843)	(\$43)	(\$87,886)
<u>October 2015</u>						
Cost of Gas - Actual	\$4.74630	\$4.60152	\$4.74630		\$2.96649	
Cost of Gas - Recovered	4.06200	4.20600	4.20600		3.06000	
(Over) Under recovery per dk	\$0.68430	\$0.39552	\$0.54030		(\$0.09351)	
dk billed	150,265	249,968	3,564	403,797	388	404,185
(Over) Under recovery	\$102,826	\$98,867	\$1,926	\$203,619	(\$36)	\$203,583
<u>November 2015</u>						
Cost of Gas - Actual	\$3.98523	\$4.74630	\$3.98523		\$3.79028	
Cost of Gas - Recovered	4.06200	4.06200	4.06200		4.16300	
(Over) Under recovery per dk	(\$0.07677)	\$0.68430	(\$0.07677)		(\$0.37272)	
dk billed	0 4/	610,874	259,225	870,099	392	870,491
(Over) Under recovery	\$0	\$418,021	(\$19,901)	\$398,120	(\$146)	\$397,974
<u>December 2015</u>						
Cost of Gas - Actual	\$3.93443	\$3.98523	\$3.93443		\$3.92965	
Cost of Gas - Recovered	3.71500	4.06200	4.06200		4.16300	
(Over) Under recovery per dk	\$0.21943	(\$0.07677)	(\$0.12757)		(\$0.23335)	
dk billed	562,865	1,317,263	(57,627)	1,822,501	598	1,823,099
(Over) Under recovery	\$123,510	(\$101,126)	\$7,351	\$29,735	(\$139)	\$29,596
<u>January 2016</u>						
Cost of Gas - Actual	\$3.66307	\$3.93443	\$3.66307		\$3.70683	
Cost of Gas - Recovered	3.86900	3.71500	3.71500		3.81500	
(Over) Under recovery per dk	(\$0.20593)	\$0.21943	(\$0.05193)		(\$0.10817)	
dk billed	916,420	1,808,879	(96,512)	2,628,787	748	2,629,535
(Over) Under recovery	(\$188,718)	\$396,922	\$5,012	\$213,216	(\$81)	\$213,135

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

	Residential and Firm General				Seasonal	Total
	1/	2/	3/	Total		
<u>February 2016</u>						
Cost of Gas - Actual	\$3.85570	\$3.66307	\$3.85570		\$3.68144	
Cost of Gas - Recovered	3.64600	3.86900	3.86900		3.96800	
(Over) Under recovery per dk	\$0.20970	(\$0.20593)	(\$0.01330)		(\$0.28656)	
dk billed	667,074	1,796,628	(166,491)	2,297,211	610	2,297,821
(Over) Under recovery	\$139,886	(\$369,980)	\$2,214	(\$227,880)	(\$174)	(\$228,054)
<u>March 2016</u>						
Cost of Gas - Actual	\$3.59047	\$3.85570	\$3.59047		\$3.25085	
Cost of Gas - Recovered	3.64600	3.64600	3.64600		3.74400	
(Over) Under recovery per dk	(\$0.05553)	\$0.20970	(\$0.05553)		(\$0.49315)	
dk billed	0 4/	1,436,914	455,532	1,892,446	587	1,893,033
(Over) Under recovery	\$0	\$301,321	(\$25,296)	\$276,025	(\$289)	\$275,736
<u>April 2016</u>						
Cost of Gas - Actual	\$2.92262	\$3.59047	\$2.92262		\$2.99356	
Cost of Gas - Recovered	3.25300	3.64600	3.64600		3.74400	
(Over) Under recovery per dk	(\$0.33038)	(\$0.05553)	(\$0.72338)		(\$0.75044)	
dk billed	420,071	1,035,137	(83,356)	1,371,852	467	1,372,319
(Over) Under recovery	(\$138,783)	(\$57,481)	\$60,298	(\$135,966)	(\$351)	(\$136,317)
<u>May 2016</u>						
Cost of Gas - Actual	\$2.26638	\$2.92262	\$2.26638		\$2.91508	
Cost of Gas - Recovered	2.99100	3.25300	3.25300		3.35100	
(Over) Under recovery per dk	(\$0.72462)	(\$0.33038)	(\$0.98662)		(\$0.43592)	
dk billed	235,836	791,474	(116,378)	910,932	578	911,510
(Over) Under recovery	(\$170,891)	(\$261,487)	\$114,821	(\$317,557)	(\$252)	(\$317,809)
<u>June 2016</u>						
Cost of Gas - Actual	\$1.39593	\$2.26638	\$1.39593		\$3.22103	
Cost of Gas - Recovered	3.11100	2.99100	2.99100		3.09000	
(Over) Under recovery per dk	(\$1.71507)	(\$0.72462)	(\$1.59507)		\$0.13103	
dk billed	141,212	365,689	(26,195)	480,706	1,952	482,658
(Over) Under recovery	(\$242,191)	(\$264,986)	\$41,783	(\$465,394)	\$256	(\$465,138)
<u>July 2016</u>						
Cost of Gas - Actual	\$3.85885	\$1.39593	\$3.85885		\$2.70888	
Cost of Gas - Recovered	3.11100	3.11100	3.11100		2.01300	
(Over) Under recovery per dk	\$0.74785	(\$1.71507)	\$0.74785		\$0.69588	
dk billed	0 4/	189,317	96,502	285,819	3,439	289,258
(Over) Under recovery	\$0	(\$324,692)	\$72,169	(\$252,523)	\$2,393	(\$250,130)

1/ Consumed in current month.

2/ Consumed in prior month.

3/ True-up of prior month volumes.

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

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

	<u>1/</u>	<u>2/</u>	<u>3/</u>	<u>Total</u>
<u>August 2015</u>				
Cost of Gas - Actual	\$2.99700	\$2.44812	\$2.99700	
Cost of Gas - Recovered	3.07900	3.07900	3.07900	
(Over) Under recovery per dk	(\$0.08200)	(\$0.63088)	(\$0.08200)	
dk billed	0 4/	18,633	18,381	37,014
(Over) Under recovery	<u>\$0</u>	<u>(\$11,755)</u>	<u>(\$1,507)</u>	(\$13,262)
<u>September 2015</u>				
Cost of Gas - Actual	\$3.11691	\$2.99700	\$3.11691	
Cost of Gas - Recovered	3.07900	3.07900	3.07900	
(Over) Under recovery per dk	\$0.03791	(\$0.08200)	\$0.03791	
dk billed	0 4/	29,300	7,274	36,574
(Over) Under recovery	<u>\$0</u>	<u>(\$2,403)</u>	<u>\$276</u>	(\$2,127)
<u>October 2015</u>				
Cost of Gas - Actual	\$3.02300	\$3.11691	\$3.02300	
Cost of Gas - Recovered	2.97000	3.07900	3.07900	
(Over) Under recovery per dk	\$0.05300	\$0.03791	(\$0.05600)	
dk billed	10,572	18,569	11,626	40,767
(Over) Under recovery	<u>\$561</u>	<u>\$704</u>	<u>(\$651)</u>	\$614
<u>November 2015</u>				
Cost of Gas - Actual	\$2.65281	\$3.02300	\$2.65281	
Cost of Gas - Recovered	2.97000	2.97000	2.97000	
(Over) Under recovery per dk	(\$0.31719)	\$0.05300	(\$0.31719)	
dk billed	0 4/	34,911	29,563	64,474
(Over) Under recovery	<u>\$0</u>	<u>\$1,851</u>	<u>(\$9,377)</u>	(\$7,526)
<u>December 2015</u>				
Cost of Gas - Actual	\$2.79592	\$2.65281	\$2.79592	
Cost of Gas - Recovered	2.62900	2.97000	2.97000	
(Over) Under recovery per dk	\$0.16692	(\$0.31719)	(\$0.17408)	
dk billed	7,394	49,593	18,184	75,171
(Over) Under recovery	<u>\$1,234</u>	<u>(\$15,730)</u>	<u>(\$3,165)</u>	(\$17,661)
<u>January 2016</u>				
Cost of Gas - Actual	\$2.57634	\$2.79592	\$2.57634	
Cost of Gas - Recovered	2.80900	2.62900	2.62900	
(Over) Under recovery per dk	(\$0.23266)	\$0.16692	(\$0.05266)	
dk billed	8,198	68,903	11,999	89,100
(Over) Under recovery	<u>(\$1,907)</u>	<u>\$11,501</u>	<u>(\$632)</u>	\$8,962

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

	<u>1/</u>	<u>2/</u>	<u>3/</u>	<u>Total</u>
<u>February 2016</u>				
Cost of Gas - Actual	\$2.57715	\$2.57634	\$2.57715	
Cost of Gas - Recovered	2.58900	2.80900	2.80900	
(Over) Under recovery per dk	<u>(\$0.01185)</u>	<u>(\$0.23266)</u>	<u>(\$0.23185)</u>	
dk billed	5,952	77,975	13,507	97,434
(Over) Under recovery	<u>(\$71)</u>	<u>(\$18,142)</u>	<u>(\$3,131)</u>	(\$21,344)
<u>March 2016</u>				
Cost of Gas - Actual	\$2.15122	\$2.57715	\$2.15122	
Cost of Gas - Recovered	2.58900	2.58900	2.58900	
(Over) Under recovery per dk	<u>(\$0.43778)</u>	<u>(\$0.01185)</u>	<u>(\$0.43778)</u>	
dk billed	0 4/	60,719	13,297	74,016
(Over) Under recovery	<u>\$0</u>	<u>(\$719)</u>	<u>(\$5,821)</u>	(\$6,540)
<u>April 2016</u>				
Cost of Gas - Actual	\$1.89200	\$2.15122	\$1.89200	
Cost of Gas - Recovered	2.19500	2.58900	2.58900	
(Over) Under recovery per dk	<u>(\$0.30300)</u>	<u>(\$0.43778)</u>	<u>(\$0.69700)</u>	
dk billed	4,261	53,356	5,308	62,925
(Over) Under recovery	<u>(\$1,291)</u>	<u>(\$23,358)</u>	<u>(\$3,700)</u>	(\$28,349)
<u>May 2016</u>				
Cost of Gas - Actual	\$1.70158	\$1.89200	\$1.70158	
Cost of Gas - Recovered	1.93200	2.19500	2.19500	
(Over) Under recovery per dk	<u>(\$0.23042)</u>	<u>(\$0.30300)</u>	<u>(\$0.49342)</u>	
dk billed	3,876	44,447	4,921	53,244
(Over) Under recovery	<u>(\$893)</u>	<u>(\$13,467)</u>	<u>(\$2,428)</u>	(\$16,788)
<u>June 2016</u>				
Cost of Gas - Actual	\$1.38718	\$1.70158	\$1.38718	
Cost of Gas - Recovered	2.04900	1.93200	1.93200	
(Over) Under recovery per dk	<u>(\$0.66182)</u>	<u>(\$0.23042)</u>	<u>(\$0.54482)</u>	
dk billed	3,988	41,711	4,845	50,544
(Over) Under recovery	<u>(\$2,639)</u>	<u>(\$9,611)</u>	<u>(\$2,640)</u>	(\$14,890)
<u>July 2016</u>				
Cost of Gas - Actual	\$2.87441	\$1.38718	\$2.87441	
Cost of Gas - Recovered	2.04900	2.04900	2.04900	
(Over) Under recovery per dk	<u>\$0.82541</u>	<u>(\$0.66182)</u>	<u>\$0.82541</u>	
dk billed	0 4/	14,792	5,436	20,228
(Over) Under recovery	<u>\$0</u>	<u>(\$9,790)</u>	<u>\$4,488</u>	(\$5,302)

1/ Consumed in current month.

2/ Consumed in prior month.

3/ True-up of prior month volumes.

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

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

	<u>1/</u>	<u>2/</u>	<u>Total</u>
<u>August 2015</u>			
Cost of Gas - Actual	(\$2.66949)	\$1.71814	
Cost of Gas - Recovered	3.06500	3.06500	
(Over) Under recovery per dk	<u>(\$5.73449)</u>	<u>(\$1.34686)</u>	
dk billed	2,573	0	2,573
(Over) Under recovery	<u>(\$14,757)</u>	<u>\$0</u>	(\$14,757)
<u>September 2015</u>			
Cost of Gas - Actual	\$1.71814	\$3.10299	
Cost of Gas - Recovered	3.06500	3.06500	
(Over) Under recovery per dk	<u>(\$1.34686)</u>	<u>\$0.03799</u>	
dk billed	2,887	(19)	2,868
(Over) Under recovery	<u>(\$3,889)</u>	<u>(\$1)</u>	(\$3,890)
<u>October 2015</u>			
Cost of Gas - Actual	\$3.10299	\$2.89125	
Cost of Gas - Recovered	3.06500	3.06500	
(Over) Under recovery per dk	<u>\$0.03799</u>	<u>(\$0.17375)</u>	
dk billed	6,009	(67)	5,942
(Over) Under recovery	<u>\$228</u>	<u>\$11</u>	\$239
<u>November 2015</u>			
Cost of Gas - Actual	\$2.89125	\$2.64018	
Cost of Gas - Recovered	2.95700	2.95700	
(Over) Under recovery per dk	<u>(\$0.06575)</u>	<u>(\$0.31682)</u>	
dk billed	23,469	(369)	23,100
(Over) Under recovery	<u>(\$1,544)</u>	<u>\$117</u>	(\$1,427)
<u>December 2015</u>			
Cost of Gas - Actual	\$2.64018	\$2.78366	
Cost of Gas - Recovered	2.95700	2.95700	
(Over) Under recovery per dk	<u>(\$0.31682)</u>	<u>(\$0.17334)</u>	
dk billed	44,157	(900)	43,257
(Over) Under recovery	<u>(\$13,989)</u>	<u>\$156</u>	(\$13,833)
<u>January 2016</u>			
Cost of Gas - Actual	\$2.78366	\$2.56394	
Cost of Gas - Recovered	2.61700	2.61700	
(Over) Under recovery per dk	<u>\$0.16666</u>	<u>(\$0.05306)</u>	
dk billed	58,916	(455)	58,461
(Over) Under recovery	<u>\$9,820</u>	<u>\$24</u>	\$9,844

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

	<u>1/</u>	<u>2/</u>	<u>Total</u>
<u>February 2016</u>			
Cost of Gas - Actual	\$2.56394	\$2.56528	
Cost of Gas - Recovered	2.79600	2.79600	
(Over) Under recovery per dk	(\$0.23206)	(\$0.23072)	
dk billed	68,097	(1,656)	66,441
(Over) Under recovery	<u>(\$15,803)</u>	<u>\$382</u>	(\$15,421)
<u>March 2016</u>			
Cost of Gas - Actual	\$2.56528	\$2.14085	
Cost of Gas - Recovered	2.57700	2.57700	
(Over) Under recovery per dk	(\$0.01172)	(\$0.43615)	
dk billed	54,140	(926)	53,214
(Over) Under recovery	<u>(\$635)</u>	<u>\$404</u>	(\$231)
<u>April 2016</u>			
Cost of Gas - Actual	\$2.14085	\$1.88202	
Cost of Gas - Recovered	2.57700	2.57700	
(Over) Under recovery per dk	(\$0.43615)	(\$0.69498)	
dk billed	43,660	(769)	42,891
(Over) Under recovery	<u>(\$19,042)</u>	<u>\$534</u>	(\$18,508)
<u>May 2016</u>			
Cost of Gas - Actual	\$1.88202	\$1.12376	
Cost of Gas - Recovered	2.18500	2.18500	
(Over) Under recovery per dk	(\$0.30298)	(\$1.06124)	
dk billed	33,832	(218)	33,614
(Over) Under recovery	<u>(\$10,250)</u>	<u>\$231</u>	(\$10,019)
<u>June 2016</u>			
Cost of Gas - Actual	\$1.12376	(\$0.63907)	
Cost of Gas - Recovered	1.92300	1.92300	
(Over) Under recovery per dk	(\$0.79924)	(\$2.56207)	
dk billed	13,302	(343)	12,959
(Over) Under recovery	<u>(\$10,630)</u>	<u>\$880</u>	(\$9,750)
<u>July 2016</u>			
Cost of Gas - Actual	(\$0.63907)	\$3.10812	
Cost of Gas - Recovered	2.04000	2.04000	
(Over) Under recovery per dk	(\$2.67907)	\$1.06812	
dk billed	4,812	(85)	4,727
(Over) Under recovery	<u>(\$12,892)</u>	<u>(\$91)</u>	(\$12,983)

1/ Consumed in prior month.

2/ True-up of prior month volumes.

**MONTANA-DAKOTA UTILITIES CO.  
NORTH DAKOTA GAS  
INTERRUPTIBLE MARKET BASED PRICING DIFFERENTIAL  
EFFECTIVE OCTOBER 1, 2016 THROUGH SEPTEMBER 30, 2017**

Rates 71 & 85 Credit - Balance @ 7/31/15	\$180,338
Additional Credits 1/	0
Reduction to Credit Balance	<u>(154,290)</u>
Balance @ 7/31/16 2/	<u><u>\$26,048</u></u>

- 1/ Effective with implementation of interim rates in Case No. PU-15-90 the margin sharing provision was stopped based on the settlement agreement approved by the Commission.
- 2/ Balance added to the surcharge adjustment.

**MONTANA-DAKOTA UTILITIES CO.  
NORTH DAKOTA GAS  
INTERRUPTIBLE MARKET BASED PRICING DIFFERENTIAL  
MARKET BASED PRICING DIFFERENTIAL CALCULATION**

<u>Reduction to Credit Bal.</u>	Firm DK Sales	Pricing Differential Provision	Total Amount
August 2015	270,341.1	(\$0.017)	(\$4,596)
September	298,184.5	(0.017)	(5,069)
October 1/	253,920.5	(0.017)	(4,317)
October 2/	150,264.9	(0.011)	(1,653)
November	873,897.6	(0.011)	(9,613)
December	1,829,271.0	(0.011)	(20,122)
January 2016	2,637,172.8	(0.011)	(29,009)
February	2,303,890.6	(0.011)	(25,343)
March	1,897,366.8	(0.011)	(20,871)
April	1,375,756.2	(0.011)	(15,133)
May	913,765.8	(0.011)	(10,051)
June	483,801.4	(0.011)	(5,322)
July	290,077.2	(0.011)	(3,191)
Total	<u>13,577,710.4</u>		<u>(\$154,290)</u>

1/ Billed @ September rate.

2/ Billed @ October rate.

**MONTANA-DAKOTA UTILITIES CO.  
NORTH DAKOTA GAS  
GRAIN DRYING MARGIN SHARING PROVISION  
EFFECTIVE OCTOBER 1, 2016 THROUGH SEPTEMBER 30, 2017**

Rate 71 Grain Drying Credit - Balance @ 7/31/15		\$141,165	
Additional Credits 1/		95,132	
Reduction to Credit Balance		<u>115,300</u>	
Balance @ 7/31/16		<u><u>\$120,997</u></u>	
Less: Projected recovery from current amortization			
	<u>Dk</u>	<u>Rate</u>	<u>Amount</u>
August	263,000	\$0.009	\$2,367
September	<u>404,000</u>	0.009	<u>3,636</u>
	667,000		\$6,003
Balance @ 9/30/16			<u><u>\$114,994</u></u>
Projected Residential & General Service Sales Volumes			15,998,000
Grain Drying Margin Sharing Provision			<u><u>\$0.007</u></u>

1/ Represents 90% of margin from Grain Drying sales as show on Exhibit F, page 2.

**MONTANA-DAKOTA UTILITIES CO.  
NORTH DAKOTA GAS  
GRAIN DRYING MARGIN SHARING PROVISION  
EFFECTIVE OCTOBER 1, 2016 THROUGH SEPTEMBER 30, 2017**

<u>Additional Credits</u>	<u>Grain Drying Sales</u>	<u>Distribution Charge</u>	<u>Distribution Delivery Revenue</u>	<u>Basic Service Charge</u>
August 2015	2,444.8	\$0.977 1/	\$2,389	\$5,775
September	1,242.8	0.977	1,214	5,775
October	1,672.1	0.977	1,634	5,740
November	12,332.6	0.977	12,049	5,775
December	5,452.3	1.112 2/	6,063	5,775
January 2016	2,603.2	1.112	2,895	5,775
February	743.5	1.112	827	5,600
March	1,417.1	1.112	1,576	5,950
April	4,306.3	1.112	4,789	5,775
May	2,201.6	1.112	2,448	5,950
June	60.3	1.112	67	5,775
July	352.7	1.112	392	5,693
Total	<u>34,829.3</u>		<u>\$36,343</u>	<u>\$69,358</u>

<u>Additional Credits</u>	<u>Total Margin</u>	<u>Grain Drying Margin Sharing Provision @ 90%</u>
August 2015	\$8,164	\$7,348
September	6,989	6,290
October	7,374	6,637
November	17,824	16,042
December	11,838	10,654
January 2016	8,670	7,803
February	6,427	5,784
March	7,526	6,773
April	10,564	9,508
May	8,398	7,558
June	5,842	5,258
July	6,085	5,477
Total	<u>\$105,701</u>	<u>\$95,132</u>

- 1/ Interim increase applicable to Distribution Delivery Charge in Case No. PU-15-090: 8.669%  
Increase in Distribution Delivery charge after refund: 5.165%  
Refund Factor 40.415%  
Inverse of Refund Factor 59.585%
- 2/ Rates implemented in Case No. PU-15-090 effective December 1, 2015.

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

Cost of Purchased Propane	\$7,683
Gallons Purchased	20,765
Projected dk Sales	1,900
Propane Cost per Dk	\$4.044
Average Cost of Propane as Adjusted for Losses @ 99.55%	4.062
Less: Propane Cost Level in Rates 1/	<u>4.062</u>
Current Propane Cost Adjustment	<u><u>\$0.000</u></u>

1/ Propane Cost Level in Current Rates - Case No. PU-15-008, effective August 1, 2016.