



MONTANA-DAKOTA

UTILITIES CO.

A Division of MDU Resources Group, Inc.

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

November 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 (153rd 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 increased \$0.175 per dk since the October 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. In addition, there has been a system wide change in demand allocation resulting in 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 grain drying margin sharing, calculated pursuant to the terms of Rate 88 that will apply during the month of December 2016.

The net effect of this filing, calculated pursuant to the terms of Rate 88, is an increase of \$0.167 per dk for residential customers and firm general customers, an increase of \$0.183 per dk for small and large interruptible customers and an increase of \$0.182 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 December 2016. The average cost of gas for firm customers, adjusted for losses, is \$3.934.

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.

Montana-Dakota purchases propane supplies from various wholesale suppliers. The cost of propane has increased since the last COG filing due to an increase in the market price of propane from that established in the November 2016 PGA filing.

Exhibit A, page 2 summarizes the cost of gas - propane calculated pursuant to the terms of Rate 99, which will apply during the month of December 2016. The net effect of this filing is an increase of \$1.976 per dk for all customers from the currently effective rates.

Exhibit D shows the calculation of the current cost of gas - propane that will be applicable to Montana-Dakota's customers for the month of December 2016. The average cost of propane for all customers, adjusted for losses, is \$6.587 per dk.

Exhibit E shows the computation of the (over)/under recovered gas cost account balances. These proposed adjustments, calculated in accordance with Rate 88, will amount to an increase of approximately \$480,400 for natural gas customers during the month of December 2016. All of Montana-Dakota's retail natural gas customers in North Dakota may be affected by this proposal. There were 107,745 natural gas customers and 339 propane customers in North Dakota as of October 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

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

153rd Revised Sheet No. 3

Canceling 152nd 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	\$3.815	\$3.815
Air Force Rate 64	7	\$2,000.00 per month \$175.00 per month			
Minot Air Force Base					
PAR Site					
Firm Service			\$0.329	\$3.815	\$4.144
Interruptible Service - PAR			\$0.177	\$2.760	\$2.937
Interruptible Service - MAFB			\$0.177	\$2.664	\$2.841
Firm General Service Rate 70	13	\$0.67 per day \$1.90 per day	\$0.730	\$3.815	\$4.545
Meters rated < 500 cubic feet					
Meters rated > 500 cubic feet					
Small Interruptible Gas Rate 71	14	\$175.00 per month	(Maximum) \$1.112	\$2.760	(Maximum) \$3.872
Optional Seasonal Gas Service Rate 72	15	\$0.67 per day \$1.90 per day	\$0.730	\$3.922	\$4.652
Meters rated < 500 cubic feet					
Meters rated > 500 cubic feet					
Transportation Service	24	\$175.00 per month \$1,000.00 per month	\$0.668 \$0.102	\$0.013	
Small Interruptible Rate 81					
Maximum					
Minimum					
Fuel Charge					
Large Interruptible Rate 82			\$0.297 \$0.061	\$0.013	
Maximum					
Minimum					
Fuel Charge					
Large Interruptible Gas Rate 85	27	\$1,000.00 per month	(Maximum) \$0.718	\$2.760	(Maximum) \$3.478
Residential Propane Rate 90	32	\$0.6443 per day	\$0.000	\$5.341	\$5.341
Firm General Propane Rate 92	34	\$0.67 per day \$1.90 per day	\$0.730	\$5.341	\$6.071
Meters rated < 500 cubic feet					
Meters rated > 500 cubic feet					

Date Filed: November 8, 2016

Effective Date: December 1, 2016

Issued By: Tamie A. Aberle
Director - Regulatory Affairs

Case No.: PU-16-008

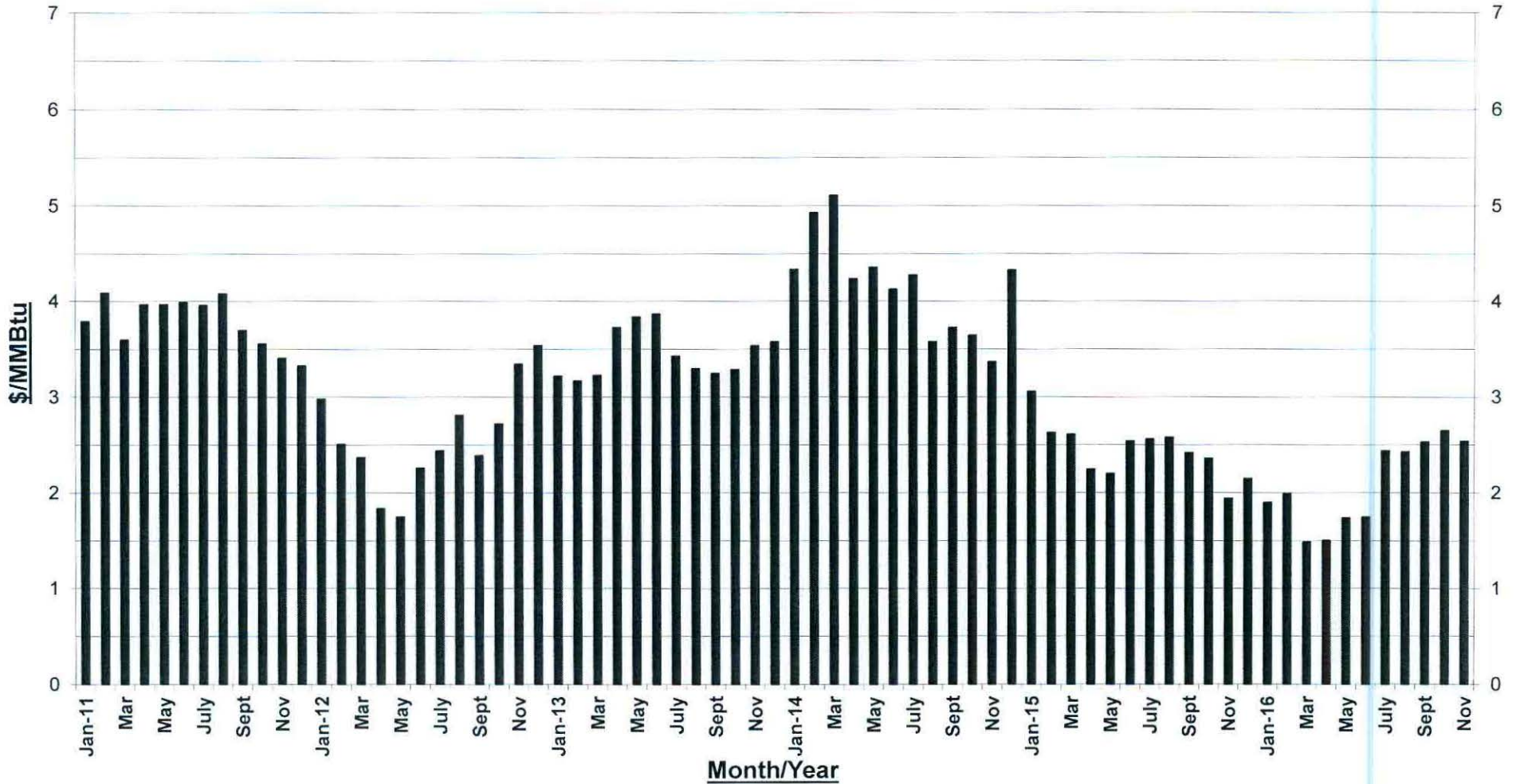
Montana-Dakota Utilities Co.
Market Conditions for Regional Natural Gas
December 2016

The established monthly price for the Rocky Mountain CIG Index is largely unchanged 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 natural gas index has been trading in the same range for the last few months. The major contributing factors are 1.) seasonal temperatures have been above normal resulting in less space heating demand 2.) continuing strong domestic production and, 3.) the national storage levels are at or near the five year highs with predictions of hitting record high inventory at the end of the injection season. The EIA reported the national storage level as of October 28, 2016 at 4.6 percent above the five-year average and 1.2 percent above last year’s record 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-\$2.09

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

	Firm			
	Residential & General Service	Optional Seasonal	Small & Large Interruptible	Air Force Interruptible
<u>Gas Cost Adjustment:</u>				
Gas Cost Level (Exhibit B)	\$3.934	\$4.041	\$2.907	\$2.894
Prior Filed Gas Cost	<u>3.767</u>	<u>3.874</u>	<u>2.724</u>	<u>2.712</u>
Current Gas Cost Adjustment	\$0.167	\$0.167	\$0.183	\$0.182
<u>Surcharge Adjustment:</u>				
Current Adjustment	(\$0.112)	(\$0.112)	(\$0.147)	(\$0.230)
Prior Filed Adjustment	<u>(0.112)</u>	<u>(0.112)</u>	<u>(0.147)</u>	<u>(0.230)</u>
Change in Surcharge Adjustment	\$0.000	\$0.000	\$0.000	\$0.000
Gas Cost Level	\$3.934	\$4.041	\$2.907	\$2.894
Plus: Surcharge	<u>(0.112)</u>	<u>(0.112)</u>	<u>(0.147)</u>	<u>(0.230)</u>
Total Gas Cost Level in Tariff Rates	<u>\$3.822</u>	<u>\$3.929</u>	<u>\$2.760</u>	<u>\$2.664</u>
<u>Grain Drying Margin Sharing</u>				
Current Adjustment	(\$0.007)	(\$0.007)	\$0.000	\$0.000
Prior Filed Adjustment	<u>(0.007)</u>	<u>(0.007)</u>	<u>0.000</u>	<u>0.000</u>
Change in Grain Drying Margin Sharing	\$0.000	\$0.000	\$0.000	\$0.000
Total Cost of Gas Items	<u>\$3.815</u>	<u>\$3.922</u>	<u>\$2.760</u>	<u>\$2.664</u>
Net Increase (Decrease) in Gas Costs	<u>\$0.167</u>	<u>\$0.167</u>	<u>\$0.183</u>	<u>\$0.182</u>

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

Cost of Gas - Propane

Current Propane Cost (Exhibit D, Page 1)	\$6.587
Prior Filed Propane Cost	<u>4.611</u>
Current Propane Cost Adjustment	<u><u>\$1.976</u></u>

Surcharge Adjustment

Current Adjustment	(\$1.246)
Prior Filed Adjustment	<u>(1.246)</u>
Change in Surcharge Adjustment	\$0.000
Net Increase (Decrease) in Gas Costs	<u><u>\$1.976</u></u>

Propane Cost Level	\$6.587
Plus: Surcharge	<u>(1.246)</u>
Total Propane Cost Level in Rates	<u><u>\$5.341</u></u>

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

	Amount
Total Gas Costs 1/	\$64,261,972
Residential and General Service dk Requirements 2/	16,408,781
Average Cost of Gas per dk	\$3.916
Average Cost of Gas as Adjusted for Losses @ 99.55%	3.934
Less: Gas Cost Level in Rates 3/	3.767
Current Gas Cost Adjustment	\$0.167

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 October 1, 2016:

Cost of Purchased Gas	\$3.750
Adjustment for Distribution Losses	0.9955
Gas Cost Level in Base Tariff Rates	\$3.767

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

Total Gas Costs 1/	\$64,261,972
Less: Annual MDDQ Costs	<u>17,556,747</u>
Total Gas Costs excluding MDDQ	\$46,705,225
Firm Service Requirements 1/	16,408,781
Other Gas Costs per Dk (excluding MDDQ)	\$2.846
<u>Winter - October - May</u>	
Annual MDDQ Costs 1/	\$17,556,747
Winter Firm Service Requirements	14,918,437
MDDQ Costs per Winter Dk	\$1.177
Add: Other Gas Costs per Dk	<u>2.846</u>
Winter Seasonal Rate	\$4.023
Winter Seasonal Rate, adjusted for losses 2/	\$4.041
Less: Gas Cost Level in Rates 3/	<u>3.874</u>
Current Gas Cost Adjustment	<u><u>\$0.167</u></u>

1/ Exhibit B, page 1.

2/ Loss factor of .45%.

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

	<u>Winter</u>
Cost of Purchased Gas	\$3.857
Adjustment for Distribution Losses	0.9955
Gas Cost Level in Base Tariff Rates	\$3.874

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

	Amount
Total Gas Costs 1/	\$17,939,698
Interruptible Service dk Requirements	6,198,292
Average Cost of Gas per dk	\$2.894
Average Cost of Gas as Adjusted for Losses @ 99.55%	2.907
Less: Gas Cost Level in Rates 2/	2.724
Current Gas Cost Adjustment	\$0.183

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 October 1, 2016:

Cost of Purchased Gas	\$2.712
Adjustment for Distribution Losses	0.9955
Gas Cost Level in Base Tariff Rates	\$2.724

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

	Amount
Total Gas Costs 1/	\$1,386,757
Air Force Interruptible dk Requirements	479,120
<hr/>	
Average Cost of Gas per dk	\$2.894
Less: Gas Cost Level in Rates 2/	2.712
Current Gas Cost Adjustment	\$0.182

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 October 1, 2016:
Cost of Purchased Gas \$2.712

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

Northern Border 1/	
Monchy to Mina Mileage	506.0943
Maximum Rate	<u>\$0.0286</u>
Maximum Rate Per 100 Miles	\$0.1447
Foothills (FT) Zone 9	
Rate (Canadian GJ/d) 2/	\$0.0730
GJ/d conversion to MMBtu	1.0551
Currency Exchange Rate 3/	<u>0.7474</u>
	0.0576
NOVA - FT-D	
Demand Rate (Canadian GJ/d) 4/	\$0.1755
GJ/d conversion to MMBtu	1.0551
Currency Exchange Rate 3/	<u>0.7474</u>
	0.1384
Northern Border Et Al Rate	<u><u>\$0.3407</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 November 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
DECEMBER 2016 PGA**

<u>Demand:</u>	<u>Billing</u>	<u>Rate</u>	<u>Annual</u>
<u>Monthly Meter Charges 1/</u>	<u>Determinants</u>		<u>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
DECEMBER 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.

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

Effective On: April 1, 2015

NOTICE OF CURRENTLY EFFECTIVE RATES

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

TRANSPORTATION - RATE SCHEDULES FT-1 AND IT-1

	<u>CURRENT PERCENTAGE</u>	<u>DEFERRAL PERCENTAGE</u>	<u>TOTAL PERCENTAGE</u>
FUEL USE REIMBURSEMENT	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: RP16-1210-000
 FERC Order Date: September 21, 2016

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)

STATEMENT OF RATES

2/ 3/

Rate Schedule	Long-Term Base Tariff Rate (per 100 Dth-Miles) 1/
<hr/>	
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 ³ m ³		
2. Rate Schedule FT-RN	Refer to Attachment "1" for applicable FT-RN Demand Rate per month & Surcharge for each Receipt Point		
3. Rate Schedule FT-D ¹	Refer to Attachment "2" for applicable FT-D Demand Rate per month based on a one year term (Price Point "Z") & Surcharge for each Group 1 or Group 2 Delivery Point Average FT-D Demand Rate for Group 1 Delivery Points \$ 5.45/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 ¹	Refer to Attachment "3" for applicable FT-P Demand Rate per month		
7. Rate Schedule LRS	<u>Contract Term</u>	<u>Effective LRS Rate (\$/10³m³/day)</u>	
	1-5 years	11.75	
	20 years	7.81	
8. Rate Schedule LRS-3	LRS-3 Demand Rate per month \$ 129.55/10 ³ m ³		
9. Rate Schedule IT-R	Refer to Attachment "1" for applicable IT-R Rate for each Receipt Point		
10. Rate Schedule IT-D ¹	Refer to Attachment "2" for applicable IT-D Rate for each Delivery Point		
11. Rate Schedule FCS	The FCS Charge is determined in accordance with Attachment "1" to the applicable Schedule of Service		
12. Rate Schedule PT	<u>Schedule No.</u>	<u>PT Rate</u>	<u>PT Gas Rate</u>
	9009-01001-1	\$ 660.00/d	50.0 10 ³ m ³ /d
13. Rate Schedule OS	<u>Schedule No.</u>	<u>Charge</u>	
	2016732105	\$ 143.73	/10 ³ m ³ / month
	2016732103	\$ 143.73	/10 ³ m ³ / month
	2016732101	\$ 143.73	/10 ³ m ³ / month
	2016732102	\$ 143.73	/10 ³ m ³ / month
	2016732106	\$ 143.73	/10 ³ m ³ / 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 / 2016759254	\$ 1,000.00	/ month
14. Rate Schedule CO2	<u>Tier</u>	<u>CO₂ Rate (\$/10³m³)</u>	
	1	544.24	
	2	430.63	
	3	279.70	
15. Monthly Abandonment Surcharge ²	\$11.94/10 ³ m ³ /month	\$0.32/GJ/month	
16. Daily Abandonment Surcharge ³	\$ 0.39/10 ³ m ³ /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, 2016759254, 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	5.08	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)	IT-D Rate per Day (\$/GJ)	Subject to ATCO Pipelines Franchise Fees ¹
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	AKUINU RIVER WEST SALES	5.08	0.1832	
31007	ALBERTA ENVIROFUELS SALES APN	5.08	0.1832	Yes ²
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 ²
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	
3670	BRAZEAU SOUTH 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	
3669	CHAPEL ROCK SALES	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	

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)

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

STATE OF SOUTH DAKOTA
GAS RATE SCHEDULE

NG-00-001

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 DECEMBER 2016**

<u>Billing Determinants</u>		<u>Rate 1/</u>	<u>Amount</u>
<u>Demand Charges</u>			
<i>Transportation</i>			
FT-1 MDDQ	155,014	dk/Month \$9.21000	\$17,132,147
FTN-1 MDDQ		dk/Month 0.24274	
Northern Border et. al.		dk/Month 0.34070	
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	
<i>Total Demand Charges</i>			<u>21,603,561</u>
<u>Commodity Charges</u>			
<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)	
<i>Gas Commodity Charges</i>			
Gas Commodity - System	16,408,781	dk	2/ <u>42,096,416</u>
<i>Total Commodity Charges</i>			
<u>Return on Rate Base</u>			
Demand Charges 3/			103,360
Prepaid Commodity Balances 3/			27,553
Cycle Storage Balances 3/			431,082
<i>Total Return</i>			<u>561,995</u>
<i>Total Gas Costs</i>			\$64,261,972
<i>Residential and General Service dk Requirements 4/</i>			16,408,781
Average Cost of Gas per dk			\$3.916
Average Cost of Gas as Adjusted for Losses @ 99.55%			3.934
Less: Gas Cost Level in Rates 5/			3.767
Current Gas Cost Adjustment			<u><u>\$0.167</u></u>

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

2/ Weighted cost of gas for the month of December 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 October 1, 2016:

Cost of Purchased Gas	\$3.750
Adjustment for Distribution Losses	0.9955
Gas Cost Level in Base Tariff Rates	\$3.767

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

<u>Interruptible Billing Determinants 1/</u>	<u>Rate 2/</u>	<u>Amount</u>
<u>Demand Charges</u>		
<i>Transportation</i>		
FT-1 MDDQ	16,679 dk/Month	\$9.21000 \$1,843,363
FTN-1 MDDQ	dk/Month	0.24274
Northern Border et. al.	dk/Month	0.34070
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
Total Demand Charges		2,327,568
<u>Commodity Charges</u>		
<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
SourceGas	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)
<i>Gas Commodity Charges</i>		
Gas Commodity	6,198,292 dk	3/ <u>15,550,564</u>
Total Commodity Charges		15,550,564
<u>Return on Rate Base</u>		
Demand Charges 4/		11,323
Transportation Balances 4/		3,018
Cycle Storage Balances 4/		47,225
Total Return		61,566
Total Gas Costs		\$17,939,698
Interruptible Service dk Requirements		6,198,292
Average Cost of Gas per dk		\$2.894
Average Cost of Gas as Adjusted for Losses @ 99.55%		2.907
Less: Gas Cost Level in Rates 5/		2.724
Current Gas Cost Adjustment		\$0.183

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 December 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 October 1, 2016:

Cost of Purchased Gas	\$2.712
Adjustment for Distribution Losses	0.9955
Gas Cost Level in Base Tariff Rates	\$2.724

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

<u>Air Force Billing Determinants</u>		<u>Rate 1/</u>	<u>Amount</u>
<u>Demand Charges</u>			
<i>Transportation</i>			
FT-1 MDDQ	1,290	dk/Month \$9.21000	\$142,571
FTN-1 MDDQ		dk/Month 0.24274	
Northern Border et. al.		dk/Month 0.34070	
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	
Total Demand Charges			179,962
<u>Commodity Charges</u>			
<i>Transportation Charges</i>			
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	
<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)	
<i>Gas Commodity Charges</i>			
Gas Commodity	479,120	dk	2/
Total Commodity Charges			1,202,036
<u>Return on Rate Base</u>			
Demand Charges 3/			875
Transportation Balances 3/			233
Cycle Storage Balances 3/			3,651
Total Return			4,759
Total Gas Costs			\$1,386,757
100% Load Factor dk Requirements			479,120
Average Cost of Gas per dk			\$2.894
Less: Gas Cost Level in Rates 4/			2,712
Current Gas Cost Adjustment			\$0.182

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 December 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 October 1, 2016:
Cost of Purchased Gas \$2.712

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

	General Service		
	Storage Balance 1/	Commodity Balance 2/	Prepaid Demand
October 2016	\$10,915,325	\$473,959	\$4,290,028
November	8,887,496	410,899	3,515,144
December	6,124,668	311,183	1,717,427
January 2017	2,431,063	204,840	(384,094)
February	(611,519)	117,240	(1,888,631)
March	(2,361,083)	66,869	(2,822,952)
April	(2,289,849)	69,114	(2,604,799)
May	(813,319)	115,357	(1,513,924)
June	1,386,398	184,354	(42,909)
July	4,223,762	274,175	1,418,613
August	7,192,983	367,852	2,878,791
September	9,758,016	448,156	4,160,171
October	9,824,590	450,211	4,384,897
13 month average	<u>\$4,205,272</u>	<u>\$268,785</u>	<u>\$1,008,289</u>
Rate of Return	7.340%	7.340%	7.340%
Return	\$308,667	\$19,729	\$74,008
Return Requirement	<u>\$431,082</u>	<u>\$27,553</u>	<u>\$103,360</u>

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

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

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

Cost of Purchased Propane	\$44,589
Gallons Purchased	74,315
Projected dk Sales	6,800
Propane Cost per Dk	\$6.557
Average Cost of Propane as Adjusted for Losses @ 99.55%	6.587
Less: Propane Cost Level in Rates 1/	<u>4.611</u>
Current Propane Cost Adjustment	<u><u>\$1.976</u></u>

1/ Propane Cost Level in Current Rates - Case No. PU-16-008, effective November 1, 2016.

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

	<u>(Over) Under Recovery</u>	<u>Refunds & Other</u>	<u>Interest 1/</u>	<u>Total Net Additions</u>	<u>Actual Dk Sales</u>	<u>Adjustment Per Dk</u>	<u>Total Adjustment Amount</u>	<u>Net Change- Additions less Adjustment</u>	<u>Cumulative Balance</u>
Balance @ July 31, 2016									<u>(\$1,979,379)</u>
August	\$112,833	\$0	(\$495)	\$112,338	284,793	(\$0.310)	(\$88,286)	\$200,624	(1,778,755)
September	(37,328)	0	(430)	(37,758)	315,087	(0.310)	(97,676)	59,918	(1,718,837)
Balance @ September 30, 2016									<u>(\$1,718,837)</u>

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

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

	<u>(Over) Under Recovery</u>	<u>Refunds & Other</u>	<u>Interest 1/</u>	<u>Total Net Additions</u>	<u>Actual Dk Sales</u>	<u>Adjustment Per Dk</u>	<u>Total Adjustment Amount</u>	<u>Net Change- Additions less Adjustment</u>	<u>Cumulative Balance</u>
Balance @ July 31, 2016									<u><u>(\$136,041)</u></u>
August	\$16,964	\$0	(\$34)	\$16,930	24,929	(\$0.018)	(\$449)	\$17,379	(118,662)
September	209	0	(29)	180	24,331	(0.018)	(438)	618	(118,044)
Balance @ September 30, 2016									<u><u>(\$118,044)</u></u>

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

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

	<u>(Over) Under Recovery</u>	<u>Refunds & Other</u>	<u>Interest 1/</u>	<u>Total Net Additions</u>	<u>Actual Dk Sales</u>	<u>Adjustment Per Dk</u>	<u>Total Adjustment Amount</u>	<u>Net Change- Additions less Adjustment</u>	<u>Cumulative Balance</u>
Balance @ July 31, 2016									<u><u>(\$86,618)</u></u>
August	\$3,685	\$0	(\$22)	\$3,663	3,440	(\$0.089)	(\$306)	\$3,969	(82,649)
September	(124)	0	(20)	(144)	3,534	(0.089)	(315)	171	(82,478)
Balance @ September 30, 2016									<u><u>(\$82,478)</u></u>

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