



UTILITIES CO.

A Division of MDU Resources Group, Inc.

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

December 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 (154th 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 \$0.20 per dk since the December 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 change in pipeline rates as shown on Attachment C, having no effect on the cost of gas for 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 January 2017.

The net effect of this filing, calculated pursuant to the terms of Rate 88, is an increase of \$0.20 per dk for residential customers and firm general customers, an increase of \$0.196 per dk for small and large interruptible customers and an increase of \$0.195 per dk for Air Force interruptible customers from the currently effective rates.

Exhibit B shows the calculation of the current gas cost adjustment that will be applicable to Montana-Dakota's customers for the month of January 2017. The average cost of gas for firm customers, adjusted for losses, is \$4.134.

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. In addition, Montana-Dakota has submitted a renewal of the Application for Trade Secret Protection under

separate cover to renew the request of confidential treatment of portions of the cost of gas calculation for 2017.

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

Montana-Dakota purchases propane supplies from various wholesale suppliers. There is no change in the cost of propane from that established in the December 2016 PGA filing.

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

These proposed adjustments, calculated in accordance with Rate 88, will amount to an increase of approximately \$621,700 for natural gas customers during the month of January 2017. All of Montana-Dakota's retail natural gas customers in North Dakota may be affected by this proposal. There were 107,987 natural gas customers and 339 propane customers in North Dakota as of November 30, 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.

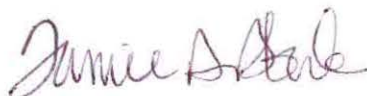
Montana-Dakota respectfully requests that this filing be accepted as being in full compliance with the filing requirements of this Commission.

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,

A handwritten signature in red ink that reads "Tamie A. Aberle". The signature is written in a cursive style with a large initial "T".

Tamie A. Aberle
Director of Regulatory Affairs

Attachment

Attachment A

**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

154th Revised Sheet No. 3

Canceling 153rd 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	\$4.015	\$4.015
Air Force Rate 64 Minot Air Force Base PAR Site	7	\$2,000.00 per month \$175.00 per month			
Firm Service			\$0.329	\$4.015	\$4.344
Interruptible Service - PAR			\$0.177	\$2.956	\$3.133
Interruptible Service - MAFB			\$0.177	\$2.859	\$3.036
Firm General Service Rate 70 Meters rated < 500 cubic feet Meters rated > 500 cubic feet	13	\$0.67 per day \$1.90 per day	\$0.730	\$4.015	\$4.745
Small Interruptible Gas Rate 71	14	\$175.00 per month	(Maximum) \$1.112	\$2.956	(Maximum) \$4.068
Optional Seasonal Gas Service Rate 72 Meters rated < 500 cubic feet Meters rated > 500 cubic feet	15	\$0.67 per day \$1.90 per day	\$0.730	\$4.121	\$4.851
Transportation Service Small Interruptible Rate 81 Maximum Minimum Fuel Charge Large Interruptible Rate 82 Maximum Minimum Fuel Charge	24	\$175.00 per month \$1,000.00 per month 	\$0.668 \$0.102 \$0.297 \$0.061	\$0.014 \$0.014	
Large Interruptible Gas Rate 85	27	\$1,000.00 per month	(Maximum) \$0.718	\$2.956	(Maximum) \$3.674
Residential Propane Rate 90	32	\$0.6443 per day	\$0.000	\$5.341	\$5.341
Firm General Propane Rate 92 Meters rated < 500 cubic feet Meters rated > 500 cubic feet	34	\$0.67 per day \$1.90 per day	\$0.730	\$5.341	\$6.071

Date Filed: December 8, 2016

Effective Date: January 1, 2017

Issued By: Tamie A. Aberle
Director - Regulatory Affairs

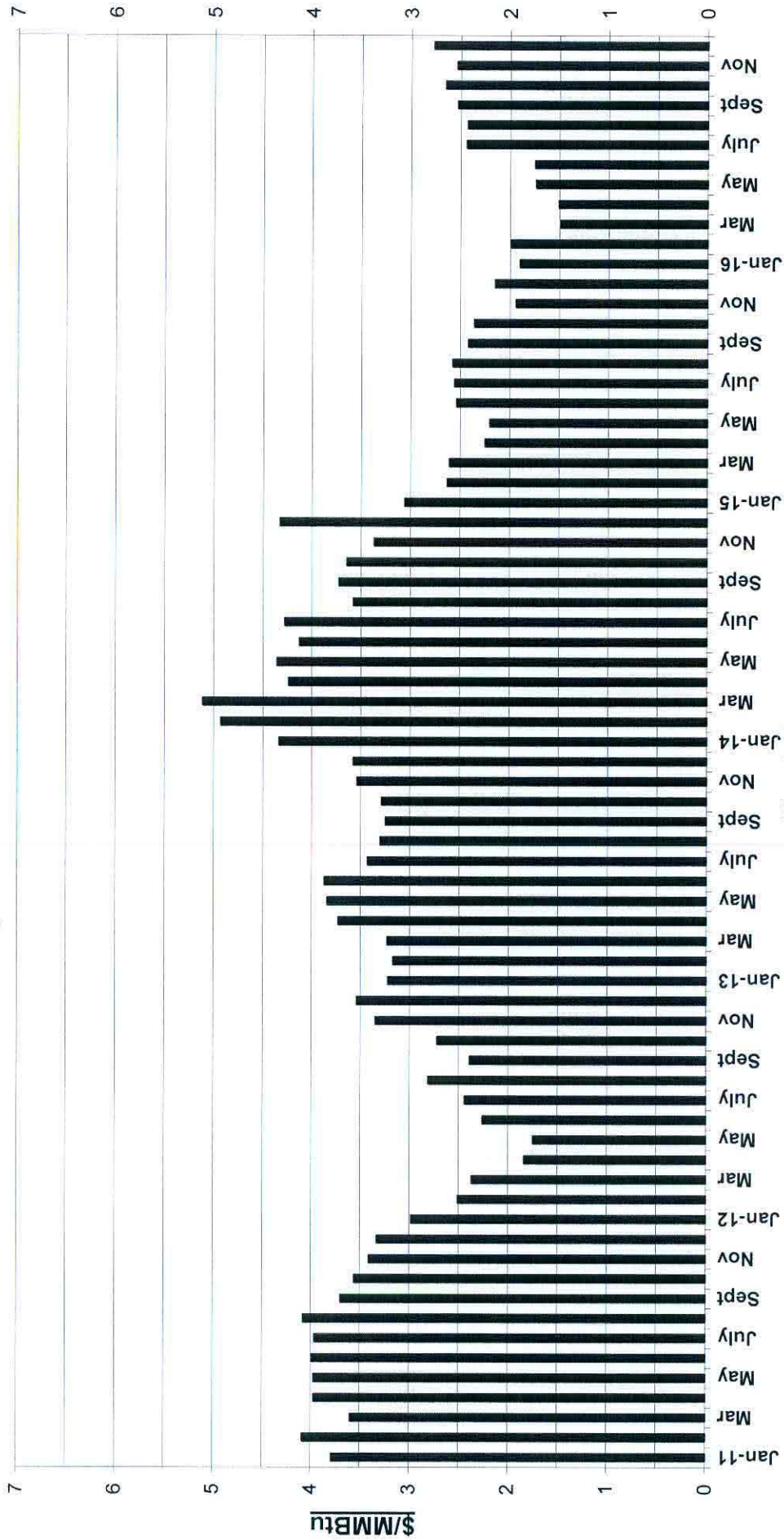
Case No.: PU-16-008

**Montana-Dakota Utilities Co.
Market Conditions for Regional Natural Gas
January 2017**

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 natural gas futures prices have been trading in the same range for the last few months, however, gas future prices have now rebounded at a rapid rate recently due to cooler than normal temperatures being forecasted in most regions in the country. This should help eliminate the national record storage levels which are at five years highs with January demand outlook closer to normal now than was forecasted earlier. The EIA reported the national storage level as of November 25, 2016 at 6.3 percent above the five-year average and .6 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 2011-2016



From Inside F.E.R.C.'s Gas Market Report
Annual Averages: - 2014-\$4.17; 2015-\$2.44; 2016-\$2.15

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

Foothills Pipe Lines Ltd.

On October 31, 2016, TransCanada filed new rates for the Foothills Pipe Lines Ltd. System with the National Energy Board (NEB) to be effective January 1, 2017.

Approximate impact on Montana-Dakota's cost of gas: 0.000 cents per dk.

MONTANA-DAKOTA UTILITIES CO.
COST OF GAS TARIFF SHEET
NORTH DAKOTA GAS
EFFECTIVE JANUARY 2017

	Firm			
	Residential & General Service	Optional Seasonal	Small & Large Interruptible	Air Force Interruptible
<u>Gas Cost Adjustment:</u>				
Gas Cost Level (Exhibit B)	\$4.134	\$4.240	\$3.103	\$3.089
Prior Filed Gas Cost	3.934	4.041	2.907	2.894
Current Gas Cost Adjustment	\$0.200	\$0.199	\$0.196	\$0.195
<u>Surcharge Adjustment:</u>				
Current Adjustment	(\$0.112)	(\$0.112)	(\$0.147)	(\$0.230)
Prior Filed Adjustment	(0.112)	(0.112)	(0.147)	(0.230)
Change in Surcharge Adjustment	\$0.000	\$0.000	\$0.000	\$0.000
Gas Cost Level	\$4.134	\$4.240	\$3.103	\$3.089
Plus: Surcharge	(0.112)	(0.112)	(0.147)	(0.230)
Total Gas Cost Level in Tariff Rates	\$4.022	\$4.128	\$2.956	\$2.859
<u>Grain Drying Margin Sharing</u>				
Current Adjustment	(\$0.007)	(\$0.007)	\$0.000	\$0.000
Prior Filed Adjustment	(0.007)	(0.007)	0.000	0.000
Change in Grain Drying Margin Sharing	\$0.000	\$0.000	\$0.000	\$0.000
Total Cost of Gas Items	\$4.015	\$4.121	\$2.956	\$2.859
Net Increase (Decrease) in Gas Costs	\$0.200	\$0.199	\$0.196	\$0.195

**MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
RESIDENTIAL AND GENERAL SERVICE
EFFECTIVE JANUARY 2017**

	Amount
Total Gas Costs 1/	\$67,604,423
Residential and General Service dk Requirements 2/	16,429,851
Average Cost of Gas per dk	\$4.115
Average Cost of Gas as Adjusted for Losses @ 99.55%	4.134
Less: Gas Cost Level in Rates 3/	3.934
Current Gas Cost Adjustment	\$0.200

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 September 30, 2016, adjusted for losses at .45%.

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

Cost of Purchased Gas	\$3.916
Adjustment for Distribution Losses	0.9955
Gas Cost Level in Base Tariff Rates	\$3.934

**MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
OPTIONAL SEASONAL - RATE 72
EFFECTIVE JANUARY 2017**

Total Gas Costs 1/	\$67,604,423
Less: Annual MDDQ Costs	<u>17,556,747</u>
Total Gas Costs excluding MDDQ	\$50,047,676
Firm Service Requirements 1/	16,429,851
Other Gas Costs per Dk (excluding MDDQ)	\$3.046
<u>Winter - October - May</u>	
Annual MDDQ Costs 1/	\$17,556,747
Winter Firm Service Requirements	14,937,593
MDDQ Costs per Winter Dk	\$1.175
Add: Other Gas Costs per Dk	<u>3.046</u>
Winter Seasonal Rate	\$4.221
Winter Seasonal Rate, adjusted for losses 2/	\$4.240
Less: Gas Cost Level in Rates 3/	<u>4.041</u>
Current Gas Cost Adjustment	<u><u>\$0.199</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 December 1, 2016:

	<u>Winter</u>
Cost of Purchased Gas	\$4.023
Adjustment for Distribution Losses	0.9955
Gas Cost Level in Base Tariff Rates	\$4.041

**MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
INTERRUPTIBLE
EFFECTIVE JANUARY 2017**

	Amount
Total Gas Costs 1/	\$19,148,472 ✓
Interruptible Service dk Requirements	6,198,292 ✓
Average Cost of Gas per dk	\$3.089 ✓
Average Cost of Gas as Adjusted for Losses @ 99.55%	3.103 ✓
Less: Gas Cost Level in Rates 2/	2.907 ✓
Current Gas Cost Adjustment	\$0.196 ✓

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 December 1, 2016:

Cost of Purchased Gas	\$2.894
Adjustment for Distribution Losses	0.9955
Gas Cost Level in Base Tariff Rates	\$2.907 ✓

**Montana-Dakota Utilities Co.
Schedule of Applicable Effective Pipeline Rates
January 2017 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
JANUARY 2017 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/	\$0.0750
GJ/d conversion to MMBtu	1.0551
Currency Exchange Rate 3/	<u>0.7501</u>
	0.0594
NOVA - FT-D	
Demand Rate (Canadian GJ/d) 4/	\$0.1755
GJ/d conversion to MMBtu	1.0551
Currency Exchange Rate 3/	<u>0.7501</u>
	0.1389
Northern Border Et Al Rate	<u><u>\$0.3430</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, 2017.

3/ Exchange rate per December 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
JANUARY 2017 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			\$0.0749280
GTAC			<u>(\$0.0075280)</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.
BLACK HILLS GAS TRANSPORTATION CHARGES
JANUARY 2017 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. Black Hills 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."

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 REIMBURESEMENT	0.000%	(0.401)%	(0.401)%

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/ -----
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
	2016800075	\$ 143.73	/10 ³ m ³ / month
	2016805891	\$ 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, 2016800075, and 2016805891.

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	AQUINU 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	
3248	CARMON CREEK EAST SALES	5.08	0.1832	
3106	CARMON CREEK 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	
31019	CHEVRON FT. SASK SALES APN	5.08	0.1832	Yes
3097	CHICKADEE CREEK SALES	5.08	0.1832	

NATURAL GAS TARIFF



Canceling	<u>40th</u>	Revised	Sheet No.	<u>80.1</u>
	<u>39th</u>	Revised	Sheet No.	<u>80.1</u>

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
Alisha Salem 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

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 JANUARY 2017**

<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 0.34300	
T-FTG-1 MDDQ		dk/Month 9.94534	
Black Hills Gas		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			<u>21,607,253</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	
Black Hills 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)	
<u>Gas Commodity Charges</u>			
Gas Commodity - System	16,429,851	dk	2/ <u>45,320,584</u>
Total Commodity Charges			
<u>Return on Rate Base</u>			
Demand Charges 3/			102,869
Prepaid Commodity Balances 3/			29,684
Cycle Storage Balances 3/			<u>544,033</u>
Total Return			676,586
Total Gas Costs			\$67,604,423
Residential and General Service dk Requirements 4/			16,429,851
Average Cost of Gas per dk			\$4.115
Average Cost of Gas as Adjusted for Losses @ 99.55%			4.134
Less: Gas Cost Level in Rates 5/			<u>3.934</u>
Current Gas Cost Adjustment			<u><u>\$0.200</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 January 2017.

3/ Exhibit C.

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

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

Cost of Purchased Gas	\$3.916
Adjustment for Distribution Losses	0.9955
Gas Cost Level in Base Tariff Rates	\$3.934

**MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
INTERRUPTIBLE
EFFECTIVE JANUARY 2017**

<u>Interruptible Billing Determinants 1/</u>	<u>Rate 2/</u>	<u>Amount</u>
<u>Demand Charges</u>		
<u>Transportation</u>		
FT-1 MDDQ	16,679 dk/Month	\$9.21000
FTN-1 MDDQ	dk/Month	0.24274
Northern Border et. al.	dk/Month	0.34300
T-FTG-1 MDDQ	dk/Month	9.94534
Black Hills Gas	dk/Month	7.32500
<u>Storage</u>		
FS-1 Capacity Reservation	dk/Month	0.01757
FS-1 Deliverability Reservation	dk/Month	2.01507
Total Demand Charges		2,327,951
<u>Commodity Charges</u>		
<u>Transportation Charges</u>		
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
Black Hills Gas	dk	0.08000
<u>Storage Charges</u>		
FS-1 Injection	dk	0.01221
FS-1 Withdrawal	dk	0.01221
Fuel - Storage	dk	
Electric Power WBI	dk	(0.00084)
<u>Gas Commodity Charges</u>		
Gas Commodity	6,198,292 dk	3/
Total Commodity Charges		16,746,401
<u>Return on Rate Base</u>		
Demand Charges 4/		11,269
Transportation Balances 4/		3,252
Cycle Storage Balances 4/		59,599
Total Return		74,120
Total Gas Costs		\$19,148,472
Interruptible Service dk Requirements		6,198,292
Average Cost of Gas per dk		\$3.089
Average Cost of Gas as Adjusted for Losses @ 99.55%		3.103
Less: Gas Cost Level in Rates 5/		2.907
Current Gas Cost Adjustment		\$0.196

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 January 2017.

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 December 1, 2016:

Cost of Purchased Gas	\$2.894
Adjustment for Distribution Losses	0.9955
Gas Cost Level in Base Tariff Rates	\$2.907

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MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
AIR FORCE INTERRUPTIBLE
EFFECTIVE JANUARY 2017

<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
FTN-1 MDDQ	dk/Month	0.24274
Northern Border et. al.	dk/Month	0.34300
T-FTG-1 MDDQ	dk/Month	9.94534
Black Hills Gas	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		179,991
<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
Black Hills 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)
<u>Gas Commodity Charges</u>		
Gas Commodity	479,120 dk	2/
Total Commodity Charges		1,294,474
<u>Return on Rate Base</u>		
Demand Charges 3/		871
Transportation Balances 3/		251
Cycle Storage Balances 3/		4,608
Total Return		5,730
Total Gas Costs		\$1,480,195
100% Load Factor dk Requirements		479,120
Average Cost of Gas per dk		\$3.089
Less: Gas Cost Level in Rates 4/		2.894
Current Gas Cost Adjustment		\$0.195

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 January 2017.

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 December 1, 2016:
Cost of Purchased Gas \$2.894

**MONTANA-DAKOTA UTILITIES CO.
RETURN ON CYCLE STORAGE BALANCES
AND PREPAID DEMAND AND COMMODITY BALANCES
NORTH DAKOTA GAS
EFFECTIVE JANUARY 2017**

	General Service		
	Storage Balance 1/	Commodity Balance 2/	Prepaid Demand
October 2016	\$10,967,115	\$473,214	\$4,273,761
November	10,330,936	447,463	3,500,689
December	8,090,400	349,951	1,705,379
January 2017	4,381,042	246,606	(392,758)
February	1,296,745	160,675	(1,894,381)
March	(368,074)	114,293	(2,826,239)
April	(925,462)	98,764	(2,606,531)
May	204,540	134,309	(1,514,789)
June	2,356,692	201,927	(43,201)
July	4,836,520	279,796	1,418,572
August	7,582,501	365,977	2,879,000
September	9,942,351	440,155	4,160,600
October	10,297,310	451,318	4,385,367
13 month average	<u>\$5,307,124</u>	<u>\$289,573</u>	<u>\$1,003,498</u>
Rate of Return	7.340%	7.340%	7.340%
Return	\$389,543	\$21,255	\$73,657
Return Requirement	<u>\$544,033</u>	<u>\$29,684</u>	<u>\$102,869</u>

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

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

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

	<u>(Over) Under 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)
October	206,434	26,048 2/	(473)	232,009	501,460	(0.112)	(114,625) 3/	346,634	(1,372,203)
Balance @ October 31, 2016									<u>(\$1,372,203)</u>

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

2/ To close out Market Based Pricing Differential balance that was eliminated in Case No. PU-15-90.

3/ Reflects 295,256 dk @ (\$0.310) and 206,203 dk @ (\$0.112).

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
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)
October	9,658	0	(32)	9,626	43,722	(0.147)	(3,479) 2/	13,105	(104,939)
Balance @ October 31, 2016									<u><u>(\$104,939)</u></u>

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

2/ Reflects 22,855 dk @ (\$0.018) and 20,866 dk @ (\$0.147).

**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)
October	1,745	0	(23)	1,722	8,139	(0.229)	(725) 2/	2,447	(80,031)
Balance @ October 31, 2016									<u><u>(\$80,031)</u></u>

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

2/ Reflects 8,139 dk @ (\$0.089) and 0 dk @ (\$0.229).