



UTILITIES CO.

A Division of MDU Resources Group, Inc.

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

March 8, 2017

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-17-008

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 (157th Revised Sheet No. 3) showing the proposed natural gas rates, with currently effective distribution rates.

Montana-Dakota purchases gas supplies under a number of contracts. The commodity cost of gas has decreased \$0.440 per dk since the March 1, 2017 rates due to a decrease in the overall commodity price of gas. Attachment B explains the reasons for the decrease in the market price of gas. There has also been a change in pipeline rates as shown on Attachment C, increasing the cost of gas by \$0.007 per dk.

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 April 2017.

The net effect of this filing, calculated pursuant to the terms of Rate 88, is a decrease of \$0.433 per dk for residential customers and firm general customers, a decrease of \$0.434 per dk for small and large interruptible customers and a decrease of \$0.432 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 April 2017. The average cost of gas for firm customers, adjusted for losses, is \$3.856.

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. Montana-Dakota has submitted a renewal of the Application for Trade Secret Protection to the Commission in

Case No. PU-17-008 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. The cost of propane decreased since the March 1, 2017 rates due to a decrease in the market price of propane.

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 April 2017. The net effect of this filing is a decrease of \$1.207 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 April 2017. The average cost of propane for all customers, adjusted for losses, is \$7.685 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 a decrease of approximately \$550,400 for natural gas customers during the month of April 2017. All of Montana-Dakota's retail natural gas customers in North Dakota may be affected by this proposal. There were 108,361 natural gas customers and 339 propane customers in North Dakota as of February 28, 2017.

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
Assistant General Counsel
MDU Resources Group, Inc.
P. O. Box 5650
Bismarck, ND 58506-5650

Montana-Dakota submitted a check on January 9, 2017 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

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

157th Revised Sheet No. 3

Canceling 156th 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	\$3.737	\$3.737
Air Force Rate 64	7				
Minot Air Force Base		\$2,000.00 per month			
PAR Site		\$175.00 per month			
Firm Service			\$0.329	\$3.737	\$4.066
Interruptible Service - PAR			\$0.177	\$2.673	\$2.850
Interruptible Service - MAFB			\$0.177	\$2.577	\$2.754
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	\$3.737	\$4.467
Small Interruptible Gas Rate 71	14	\$175.00 per month	(Maximum) \$1.112	\$2.673	(Maximum) \$3.785
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	\$3.845	\$4.575
Transportation Service	24				
Small Interruptible Rate 81		\$175.00 per month			
Maximum			\$0.668		
Minimum			\$0.102		
Fuel Charge				\$0.013	
Large Interruptible Rate 82		\$1,000.00 per month			
Maximum			\$0.297		
Minimum			\$0.061		
Fuel Charge				\$0.013	
Large Interruptible Gas Rate 85	27	\$1,000.00 per month	(Maximum) \$0.718	\$2.673	(Maximum) \$3.391
Residential Propane Rate 90	32	\$0.6443 per day	\$0.000	\$6.439	\$6.439
Firm General Propane Rate 92	34				
Meters rated < 500 cubic feet		\$0.67 per day			
Meters rated > 500 cubic feet		\$1.90 per day	\$0.730	\$6.439	\$7.169

Date Filed: March 8, 2017

Effective Date: April 1, 2017

Issued By: Tamie A. Aberle
Director - Regulatory Affairs

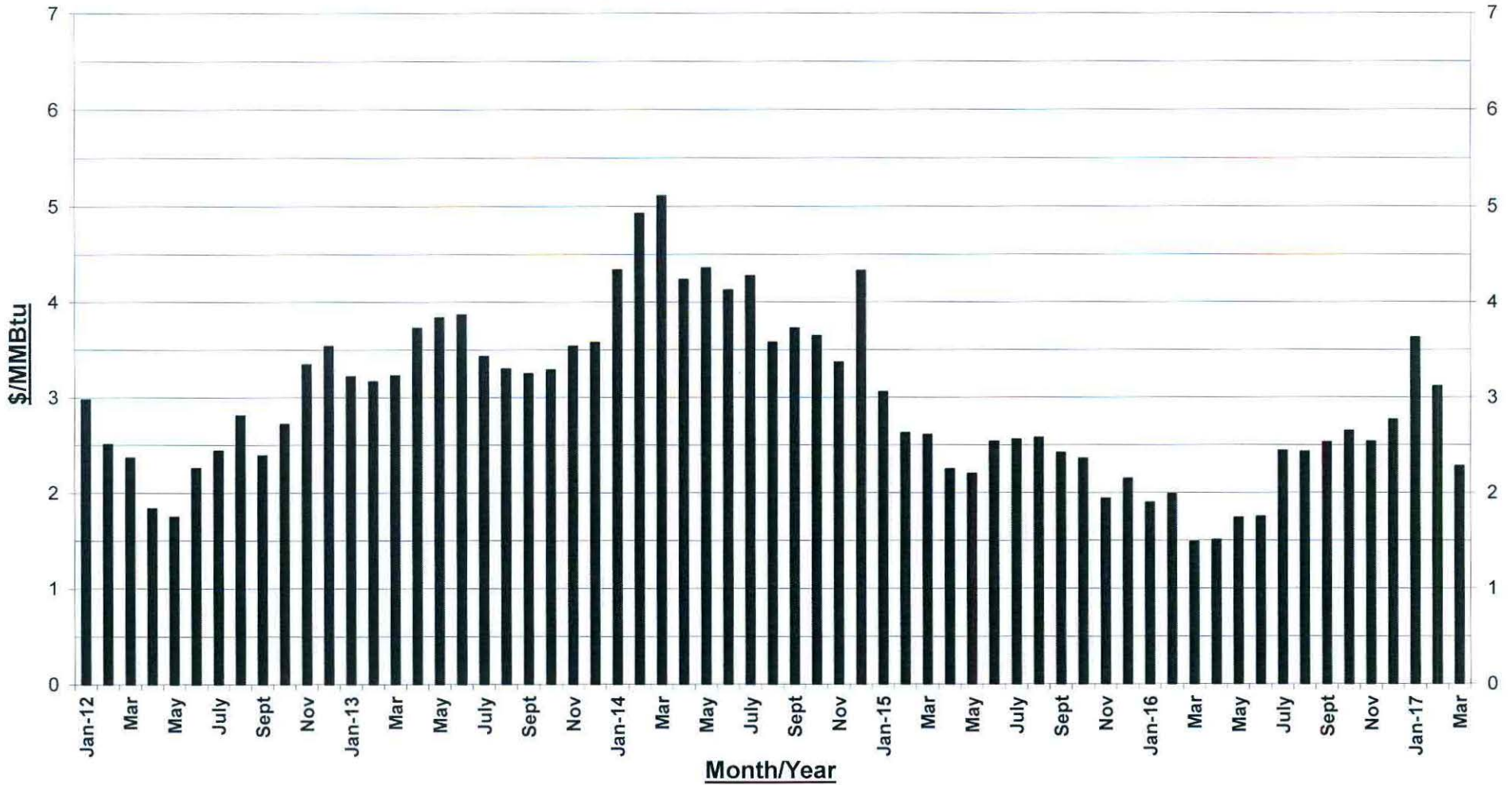
Case No.: PU-17-008

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

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

The natural gas futures prices have been dropped substantially during the past month as warmer than normal weather blanketed much of the U.S. resulting in reduced demand for space heating. The current national storage balance is in the range of the five year average and strong domestic supply should help maintain storage level near this range. The EIA reported the national storage level as of February 24, 2017 at 14.3 percent above the five-year average and 7.3 percent below last year’s storage balance. The EIA provides various publications on energy issues. The information is available on their website: <http://www.eia.gov>.

CIG Rocky Mountains Index Monthly Gas Prices 2012-2017YTD



From Inside F.E.R.C.'s Gas Market Report
Annual Averages: - 2015-\$2.44; 2016-\$2.15, 2017YTD-\$3.01

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

WBI Energy Transmission, Inc. Docket No. RP17-485-000

On March 1, 2017, WBI Energy Transmission, Inc. (WBI Energy) filed its annual fuel and electric power reimbursement adjustments with the FERC in Docket No. RP17-485-000, reflecting revisions to the fuel and electric power components of WBI Energy's storage and transportation rates effective April 1, 2017.

Approximate impact on Montana-Dakota's cost of gas: 0.7 cents per dk.

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

	Firm			
	Residential & General Service	Optional Seasonal	Small & Large Interruptible	Air Force Interruptible
<u>Gas Cost Adjustment:</u>				
Gas Cost Level (Exhibit B)	\$3.856	\$3.964	\$2.820	\$2.807
Prior Filed Gas Cost	4.289	4.398	3.254	3.239
Current Gas Cost Adjustment	(\$0.433)	(\$0.434)	(\$0.434)	(\$0.432)
<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	\$3.856	\$3.964	\$2.820	\$2.807
Plus: Surcharge	(0.112)	(0.112)	(0.147)	(0.230)
Total Gas Cost Level in Tariff Rates	\$3.744	\$3.852	\$2.673	\$2.577
<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	\$3.737	\$3.845	\$2.673	\$2.577
Net Increase (Decrease) in Gas Costs	(\$0.433)	(\$0.434)	(\$0.434)	(\$0.432)

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

Cost of Gas - Propane

Current Propane Cost (Exhibit D, Page 1)	\$7.685
Prior Filed Propane Cost	<u>8.892</u>
Current Propane Cost Adjustment	<u><u>(\$1.207)</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>(\$1.207)</u></u>

Propane Cost Level	\$7.685
Plus: Surcharge	<u>(1.246)</u>
Total Propane Cost Level in Rates	<u><u>\$6.439</u></u>

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

	Amount
Total Gas Costs 1/	\$62,657,558
Residential and General Service dk Requirements 2/	16,320,742
Average Cost of Gas per dk	\$3.839
Average Cost of Gas as Adjusted for Losses @ 99.55%	3.856
Less: Gas Cost Level in Rates 3/	4.289
Current Gas Cost Adjustment	(\$0.433)

- 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 December 31, 2016, adjusted for losses at .45%.
- 3/ Gas Cost Level in Current Tariff Rates Case No. PU-17-008 effective March 1, 2017:
- | | |
|-------------------------------------|---------|
| Cost of Purchased Gas | \$4.270 |
| Adjustment for Distribution Losses | 0.9955 |
| Gas Cost Level in Base Tariff Rates | \$4.289 |

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

Total Gas Costs 1/	\$62,657,558 ✓
Less: Annual MDDQ Costs	<u>17,572,008</u> ✓
Total Gas Costs excluding MDDQ	\$45,085,550 ✓
Firm Service Requirements 1/	16,320,742 ✓
Other Gas Costs per Dk (excluding MDDQ)	\$2.762 ✓
<u>Winter - October - May</u>	
Annual MDDQ Costs 1/	\$17,572,008 ✓
Winter Firm Service Requirements	14,838,394 ✓
MDDQ Costs per Winter Dk	\$1.184 ✓
Add: Other Gas Costs per Dk	<u>2.762</u> ✓
Winter Seasonal Rate	\$3.946 ✓
Winter Seasonal Rate, adjusted for losses 2/	\$3.964 ✓
Less: Gas Cost Level in Rates 3/	<u>4.398</u> ✓
Current Gas Cost Adjustment	<u><u>(\$0.434)</u></u> ✓

1/ Exhibit B, page 1.

2/ Loss factor of .45%.

3/ Gas Cost Level in Current Tariff Rates Case No. PU-17-008 effective March 1, 2017:

	<u>Winter</u>
Cost of Purchased Gas	\$4.378 ✓
Adjustment for Distribution Losses	0.9955 ✓
Gas Cost Level in Base Tariff Rates	\$4.398

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

	Amount
Total Gas Costs 1/	\$17,396,417
Interruptible Service dk Requirements	6,198,292
Average Cost of Gas per dk	\$2.807
Average Cost of Gas as Adjusted for Losses @ 99.55%	2.820
Less: Gas Cost Level in Rates 2/	3.254
Current Gas Cost Adjustment	(\$0.434)

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-17-008 effective March 1, 2017:

Cost of Purchased Gas	\$3.239
Adjustment for Distribution Losses	0.9955
Gas Cost Level in Base Tariff Rates	\$3.254

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

Black Hills Gas Distribution, LLC - Exhibit B, Page 19 for Schedule TC.

**MONTANA-DAKOTA UTILITIES CO.
CALCULATION OF NORTHERN BORDER ET AL RATE
APRIL 2017 PGA**

Northern Border 1/	
Monchy to Mina Mileage	506.0943
Maximum Rate	\$0.0286
Maximum Rate Per 100 Miles	<u>\$0.1447</u>
Foothills (FT) Zone 9	
Rate (Canadian GJ/d) 2/	\$0.0750
GJ/d conversion to MMBtu	1.0551
Currency Exchange Rate 3/	<u>0.7493</u>
	0.0593
NOVA - FT-D	
Demand Rate (Canadian GJ/d) 4/	\$0.1836
GJ/d conversion to MMBtu	1.0551
Currency Exchange Rate 3/	<u>0.7493</u>
	0.1452
Northern Border Et Al Rate	<u><u>\$0.3492</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 March 2, 2017 Gas Daily.
- 4/ FT-D Demand Rate per Month, Empress/McNeill Border, proposed interim rates effective January 1, 2017 (expressed as a daily rate). Includes a 10% discount rate.

**MONTANA-DAKOTA UTILITIES CO.
NORTHWESTERN ENERGY DEMAND AND COMMODITY CHARGES
APRIL 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	10.323733	830,028
			<u>834,658</u>
Demand charge per dk			<u><u>\$10.38132</u></u>
<u>Commodity: 3/</u>			
Transportation			\$0.0799510
GTAC			<u>(\$0.0075280)</u>
			<u><u>\$0.072423</u></u>

- 1/ One meter rated at >30,000 cubic feet per hour.
 2/ Firm Transportation Reservation Rate (T-FTG-1)
 41st Revised Sheet No. 80.1, effective January 1, 2017.
 3/ Firm Transmission Commodity Rate (T-FTG-1)
 41st Revised Sheet No. 80.1, effective January 1, 2017.

**MONTANA-DAKOTA UTILITIES CO.
BLACK HILLS GAS TRANSPORTATION CHARGES
APRIL 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, First Revised 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	1.893%	(0.207)%	1.686%
L&U REIMBURSEMENT	(0.316)%	(0.441)%	(0.757)%

GATHERING - FIRM AND INTERRUPTIBLE

	<u>CURRENT PERCENTAGE</u>	<u>DEFERRAL PERCENTAGE</u>	<u>TOTAL PERCENTAGE</u>
FUEL USE REIMBURSEMENT	4.988%	(0.245)%	4.743%
L&U REIMBURSEMENT	(0.266)%	(0.066)%	(0.332)%

STORAGE - RATE SCHEDULES FS-1 AND IS-1

	<u>CURRENT PERCENTAGE</u>	<u>DEFERRAL PERCENTAGE</u>	<u>TOTAL PERCENTAGE</u>
FUEL USE REIMBURSEMENT	0.698%	(0.289)%	0.409%
L&U REIMBURSEMENT	(0.182)%	(0.175)%	(0.357)%

Issued On: March 1, 2017
 Docket Number:
 FERC Order Date:

Effective On: April 1, 2017

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	1.280	0.192	1.472

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	0.328	0.103	0.431

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) \$ 247.10/10 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 \$ 5.95/GJ FT-D Demand Rate for Group 2 Delivery Points \$ 5.69/GJ FT-D Demand Rate for Group 3 Delivery Points \$ 6.83/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> 20 years	<u>Effective LRS Rate (\$/10³m³/day)</u> 7.97
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	The PT Charge is determined in accordance with the applicable Schedule of Service	
13. Rate Schedule OS	<u>Schedule No.</u>	<u>Charge</u>
	2016800075	\$ 161.20 /10 ³ m ³ / month
	2016800076	\$ 161.20 /10 ³ m ³ / month
	2016800077	\$ 161.20 /10 ³ m ³ / month
	2016800078	\$ 161.20 /10 ³ m ³ / month
	2016805891	\$ 161.20 /10 ³ m ³ / month
	2011475772	\$ 9,250.00 / month
	2016732104	\$ 805.00 / month
	2003004522	Applicable IT-R and IT-D Rate
	2011476052 /	\$ 0.1871 / 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	554.29
	2	438.58
	3	284.76
15. Monthly Abandonment Surcharge ²	\$11.38/10 ³ m ³ /month	\$0.30/GJ/month
16. Daily Abandonment Surcharge ³	\$0.37/10 ³ m ³ /day	\$0.0099/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: 2016800075, 2016800076, 2016800077, 2016800078, 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	5.69	0.2058
31111	ALLIANCE CLAIRMONT INTERCONNECT APN	5.69	0.2058
31110	ALLIANCE EDSON INTERCONNECT APN	5.69	0.2058
31112	ALLIANCE SHELL CREEK INTERCONNECT APGC	5.69	0.2058
3002	BOUNDARY LAKE BORDER	5.69	0.2058
1958	EMPRESS BORDER	6.19	0.2240
3886	GORDONDALE BORDER	5.69	0.2058
6404	MCNEILL BORDER	6.19	0.2240

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	5.69	0.2058	Yes
31001	ADM AGRI INDUSTRIES SALES APN	5.69	0.2058	Yes
3880	AECO INTERCONNECTION	5.69	0.2058	
31003	AGRIUM CARSELAND SALES APS	5.69	0.2058	
31002	AGRIUM FT. SASK SALES APN	5.69	0.2058	Yes
31004	AGRIUM REDWATER SALES APN	5.69	0.2058	
31005	AINSWORTH SALES APGP	5.69	0.2058	
31006	AIR LIQUIDE SALES APN	5.69	0.2058	
3214	AKUINU RIVER WEST SALES	5.69	0.2058	
31007	ALBERTA ENVIROFUELS SALES APN	5.69	0.2058	Yes ²
31008	ALBERTA HOSPITAL SALES APN	5.69	0.2058	Yes
3868	ALBERTA-MONTANA BORDER	5.69	0.2058	
3297	ALDER FLATS SOUTH NO 2 SALES	5.69	0.2058	
3059	ALLISON CREEK SALES	5.69	0.2058	
31009	ALTASTEEL SALES APN	5.69	0.2058	Yes ²
3562	AMOCO SALES (BP SALES TAP)	5.69	0.2058	
31012	APL JASPER SALES APN	5.69	0.2058	Yes
3488	ARDLEY SALES	5.69	0.2058	
3237	ASPEN SALES	5.69	0.2058	
3662	ATUSIS CREEK EAST SALES	5.69	0.2058	
3216	AURORA NO 2 SALES	5.69	0.2058	
3135	AURORA SALES	5.69	0.2058	
3288	BANTRY SALES	5.69	0.2058	
3423	BASHAW WEST SALES	5.69	0.2058	
31013	BAYMAG SALES APS	5.69	0.2058	
31014	BEAR CREEK COGEN SALES APGP	5.69	0.2058	
3299	BEAR RIVER WEST SALES	5.69	0.2058	
3068	BEAVER HILLS SALES	5.69	0.2058	
3268	BENBOW SOUTH SALES	5.69	0.2058	
3933	BIG EDDY INTERCONNECTION	5.69	0.2058	
3655	BIG PRAIRIE SALES	5.69	0.2058	
3067	BIGSTONE SALES	5.69	0.2058	
3285	BILBO SALES	5.69	0.2058	
3468	BLEAK LAKE SALES	5.69	0.2058	
3295	BOOTIS HILL SALES	5.69	0.2058	
3225	BOTHA SALES	5.69	0.2058	
3259	BOULDER CREEK SALES	5.69	0.2058	
3164	BRAINARD LAKE SALES	5.69	0.2058	
3289	BRAZEAU EAST SALES	5.69	0.2058	
3670	BRAZEAU SOUTH SALES	5.69	0.2058	
3918	BUFFALO CREEK INTERCONNECTION	5.69	0.2058	
31015	BURDETT COGEN SALES APS	5.69	0.2058	
3678	BURNT RIVER SALES	5.69	0.2058	
3265	BURNT TIMBER SALES	5.69	0.2058	
3204	CABIN SALES	5.69	0.2058	
3293	CADOGAN SALES	5.69	0.2058	
3109	CALDWELL SALES	5.69	0.2058	
31016	CALGARY ENERGY CENTRE SALES APS	5.69	0.2058	Yes
3266	CALUMET RIVER NO 2 SALES	5.69	0.2058	
3262	CALUMET RIVER SALES	5.69	0.2058	
3634	CANOE LAKE SALES	5.69	0.2058	
3165	CANOE LAKE SALES NO 2	5.69	0.2058	
3866	CARBON INTERCONNECTION	5.69	0.2058	
3484	CARIBOU LAKE SALES	5.69	0.2058	
3157	CARIBOU LAKE SOUTH SALES	5.69	0.2058	
3106	CARMON CREEK SALES	5.69	0.2058	
3101	CAROLINE SALES	5.69	0.2058	
31017	CARSELAND COGEN SALES APS	5.69	0.2058	
3275	CARSON CREEK SALES	5.69	0.2058	
3495	CAVALIER SALES	5.69	0.2058	
31018	CHAIN LAKES COOP SALES APS	5.69	0.2058	
3907	CHANCELLOR INTERCONNECTION	5.69	0.2058	
3669	CHAPEL ROCK SALES	5.69	0.2058	
3665	CHAUVIN SALES	5.69	0.2058	
3151	CHEECHAM WEST NO 2 SALES	5.69	0.2058	
3622	CHEECHAM WEST SALES	5.69	0.2058	

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).

	<u>Total Rate</u>	<u>Tax Portion of Rate</u>	<u>Rate Without Tax</u>
RATES: Net Monthly Bill:			
Monthly Service Charge per Meter:			
Meters Rated @			
<u>Cu. Ft. per hour</u>			
5,000 to 10,000	\$ 95.25		\$ 95.25
10,001 to 30,000	\$ 136.90		\$ 136.90
>30,000	\$ 303.75		\$ 303.75
PLUS:			
Transmission Reservation Rate (MDDQ):			
Maximum Monthly Reservation Rate for Maximum Daily Delivery Quantity (MDDQ)	\$ 1.0323733	\$ 0.2538910	\$ 0.7784823
Transmission Commodity Rate (Therm):			
Maximum	\$ 0.0079951	\$ 0.0020959	\$ 0.0058992
Minimum	\$ 0.0017935		\$ 0.0017935
GTAC Amortization	\$ (0.0007528)		\$ (0.0007528)
Balancing Penalty Rate	Higher of \$25.00/ Dekatherm Or 150% of Market Price		

TAX PORTION OF RATE: This rate represents the amount charged to customers for state and local taxes and fees and is separately disclosed on customer's bill.

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)

Approved by Statute:
Docket No.: D2016.12.97
Tariff Letter No. 278-G

Effective for service rendered on or after
January 1, 2017

PUBLIC SERVICE COMMISSION
Mike Maas, Administrative Assistant

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 EnergyWyo. 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 APRIL 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
FTN-1 MDDQ	dk/Month	0.24274
Northern Border et. al.	dk/Month	0.34920
T-FTG-1 MDDQ	dk/Month	10.38132
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>21,632,467</u>
<u>Commodity Charges</u>		
<i>Transportation Charges</i>		
FT-1 Commodity	dk	0.02972
Fuel - Transp. WBI	dk	
Electric Power WBI	dk	0.01472
Fuel - Transp. NB	dk	
T-FTG-1 Commodity	dk	0.07242
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	0.00431
<i>Gas Commodity Charges</i>		
Gas Commodity - System	16,320,742 dk	2/
Total Commodity Charges		<u>40,444,351</u>
<u>Return on Rate Base</u>		
Demand Charges 3/		101,165
Prepaid Commodity Balances 3/		30,343
Cycle Storage Balances 3/		449,232
Total Return		<u>580,740</u>
Total Gas Costs		\$62,657,558
Residential and General Service dk Requirements 4/		16,320,742
Average Cost of Gas per dk		\$3.839
Average Cost of Gas as Adjusted for Losses @ 99.55%		3.856
Less: Gas Cost Level in Rates 5/		4.289
Current Gas Cost Adjustment		<u><u>(\$0.433)</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 April 2017.

3/ Exhibit C.

4/ Normalized dk sales for the twelve months ended December 31, 2016, adjusted for losses at .45%.

5/ Gas Cost Level in Current Tariff Rates Case No. PU-17-008 effective March 1, 2017:

Cost of Purchased Gas	\$4.270
Adjustment for Distribution Losses	0.9955
Gas Cost Level in Base Tariff Rates	\$4.289

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

<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
FTN-1 MDDQ	dk/Month	0.24274
Northern Border et. al.	dk/Month	0.34920
T-FTG-1 MDDQ	dk/Month	10.38132
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		2,330,568
<u>Commodity Charges</u>		
<i>Transportation Charges</i>		
FT-1 Commodity	dk	0.02972
Fuel - Transp. WBI	dk	
Electric Power WBI	dk	0.01472
Fuel - Transp. NB	dk	
T-FTG-1 Commodity	dk	0.07242
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	0.00431
<i>Gas Commodity Charges</i>		
Gas Commodity	6,198,292 dk	3/
Total Commodity Charges		15,002,228
<u>Return on Rate Base</u>		
Demand Charges 4/		11,083
Transportation Balances 4/		3,324
Cycle Storage Balances 4/		49,214
Total Return		63,621
Total Gas Costs		\$17,396,417
Interruptible Service dk Requirements		6,198,292
Average Cost of Gas per dk		\$2.807
Average Cost of Gas as Adjusted for Losses @ 99.55%		2.820
Less: Gas Cost Level in Rates 5/		3.254
Current Gas Cost Adjustment		(\$0.434)

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 April 2017.

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

5/ Gas Cost Level in Current Tariff Rates Case No. PU-17-008 effective March 1, 2017:

Cost of Purchased Gas	\$3.239
Adjustment for Distribution Losses	0.9955
Gas Cost Level in Base Tariff Rates	\$3.254

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

<u>Air Force Billing Determinants</u>		<u>Rate 1/</u>	<u>Amount</u>
<u>Demand Charges</u>			
<u>Transportation</u>			
FT-1 MDDQ	1,290	dk/Month \$9.21000	\$142,571
FTN-1 MDDQ		dk/Month 0.24274	
Northern Border et. al.		dk/Month 0.34920	
T-FTG-1 MDDQ		dk/Month 10.38132	
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			<u>180,191</u>
<u>Commodity Charges</u>			
<u>Transportation Charges</u>			
FT-1 Commodity		dk 0.02972	
Fuel - Trans. WBI		dk	
Electric Power WBI		dk 0.01472	
Fuel - Trans. NB		dk	
T-FTG-1 Commodity		dk 0.07242	
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 0.00431	
<u>Gas Commodity Charges</u>			
Gas Commodity	479,120	dk	2/ <u>1,159,650</u>
Total Commodity Charges			
<u>Return on Rate Base</u>			
Demand Charges 3/			857
Transportation Balances 3/			257
Cycle Storage Balances 3/			<u>3,805</u>
Total Return			4,919
Total Gas Costs			\$1,344,760
100% Load Factor dk Requirements			479,120
Average Cost of Gas per dk			\$2.807
Less: Gas Cost Level in Rates 4/			<u>3.239</u>
Current Gas Cost Adjustment			<u><u>(\$0.432)</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 April 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-17-008 effective March 1, 2017:
Cost of Purchased Gas \$3.239

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

	General Service		
	Storage Balance 1/	Commodity Balance 2/	Prepaid Demand
October 2016	\$10,967,115	\$473,214	\$4,273,761
November	10,413,738	458,092	3,462,679
December	6,605,160	332,299	1,616,680
January 2017	1,946,860	204,515	(428,679)
February	(288,550)	140,159	(1,919,524)
March	(2,017,883)	93,404	(2,842,102)
April	(2,182,277)	88,960	(2,616,139)
May	(726,538)	138,546	(1,520,433)
June	1,718,074	222,067	(45,882)
July	4,353,022	312,187	1,417,667
August	6,980,183	402,043	2,879,870
September	9,411,438	484,810	4,163,074
October	9,789,815	497,682	4,388,434
13 month average	<u>\$4,382,320</u>	<u>\$295,998</u>	<u>\$986,877</u>
Rate of Return	7.340%	7.340%	7.340%
Return	\$321,662	\$21,726	\$72,437
Return Requirement	<u>\$449,232</u>	<u>\$30,343</u>	<u>\$101,165</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 APRIL 2017

Cost of Purchased Propane	\$33,660
Gallons Purchased	48,086
Projected dk Sales	4,400
Propane Cost per Dk	\$7.650
Average Cost of Propane as Adjusted for Losses @ 99.55%	7.685
Less: Propane Cost Level in Rates 1/	<u>8.892</u>
Current Propane Cost Adjustment	<u><u>(\$1.207)</u></u>

1/ Propane Cost Level in Current Rates - Case No. PU-17-008, effective March 1, 2017.

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)
November	592,504	0	(514)	591,990	846,693	(0.112)	(94,829)	686,819	(685,384)
December	957,959	(3) 4/	(291)	957,665	1,908,024	(0.112)	(213,699)	1,171,364	485,980
January 2017	138,587	0	129	138,716	3,135,718	(0.112)	(351,199)	489,915	975,895
Balance @ January 31, 2017									<u>\$975,895</u>

1/ Interest calculated at the 91 day Treasury Bill 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).

4/ To close out interim reserve for refund account.

**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>(\$136,041)</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)
November	19,836	0	(39)	19,797	91,508	(0.147)	(13,451)	33,248	(71,691)
December	16,356	0	(30)	16,326	74,838	(0.147)	(11,001)	27,327	(44,364)
January 2017	20,545	0	(12)	20,533	103,849	(0.147)	(15,267)	35,800	(8,564)
Balance @ January 31, 2017									<u>(\$8,564)</u>

1/ Interest calculated at the 91 day Treasury Bill 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>(\$86,618)</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	(0.230)	(725) 2/	2,447	(80,031)
November	3,185	0	(30)	3,155	26,641	(0.230)	(6,128)	9,283	(70,748)
December	7,674	0	(30)	7,644	33,622	(0.230)	(7,733)	15,377	(55,371)
January 2017	4,349	0	(15)	4,334	73,030	(0.230)	(16,797)	21,131	(34,240)
Balance @ January 31, 2017									<u>(\$34,240)</u>

1/ Interest calculated at the 91 day Treasury Bill rate.

2/ Reflects 8,139 dk @ (\$0.089) and 0 dk @ (\$0.230).