



UTILITIES CO.

A Division of MDU Resources Group, Inc.

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

September 7, 2018

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-18-008

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 (170th Revised Sheet No. 3) showing the proposed natural gas rates, to be effective with service rendered October 1, 2018.

Montana-Dakota purchases gas supplies under a number of contracts. The commodity cost of gas has increased \$0.015 per dk since the September 1, 2018 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. Attachment C shows the change in pipeline rates since the October 1, 2017 PGA filing.

The COG tariff sheet, Exhibit A page 1, summarizes the gas cost adjustment, the surcharge adjustment and the grain drying margin sharing provision, calculated pursuant to the terms of Rate 88 that will apply during the month of October 2018.

The net effect of this filing, calculated pursuant to the terms of Rate 88, is a decrease of \$0.225 per dk for residential customers and firm general customers, a decrease of \$0.010 per dk for small and large interruptible customers and an increase of \$0.004 per dk for Air Force interruptible customers from the currently effective rates, including the change in the surcharge adjustment (Exhibit D) and the grain drying margin sharing mechanism (Exhibit E).

Exhibit B shows the calculation of the current gas cost adjustment that will be applicable to Montana-Dakota's customers for the month of October 2018. The average cost of gas for firm customers, adjusted for losses, is \$3.699.

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-18-008 to renew the request of confidential treatment of portion of the cost of gas calculation for 2018.

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

Exhibit D shows the calculation of the surcharge adjustment that will apply during the period October 1, 2018 through September 30, 2019. The total surcharge is (\$0.214) per dk residential and general service customers, (\$0.021) per dk for small and large interruptible customers and (\$0.032) per dk for the Air Force, or a decrease of \$0.239 per dk for residential and general service customers, a decrease of \$0.026 per dk for small and large interruptible customers and a decrease of \$0.012 per dk for the Air Force from the adjustment effective October 1, 2017.

Exhibit E shows the grain drying margin sharing provision pursuant to the terms of Rate 88. Ninety percent of the margin revenues collected from grain drying customers served under interruptible service rates will be credited to residential and firm general service customers through the COG. A credit of \$0.013 per dk will be applicable to all residential and general service customers due to the grain drying margin sharing provision for the period October 1, 2018 through September 30, 2019. Upon issuance of an Order by the Commission in Case No. PU-17-295, the final interim revenue collected will be applied to the 2019 annual filing.

Exhibit F shows the calculation of the current cost of gas – propane that will be applicable to Montana-Dakota's customers for the month of October 2018. The average cost of propane for all customers, adjusted for losses, is \$6.477.

Montana-Dakota purchases propane supplies from various wholesale suppliers. The market price of propane has not changed since the July 1, 2018. However, the cost of propane has decreased since the last filing due to the grain drying margin sharing charge of \$0.0013 applied to propane customers resulting in a decrease of \$0.001 per dk to be effective October 1, 2018.

Exhibit A, page 2 summarizes the cost of gas – propane calculated pursuant to the terms of Rate 99, which will apply during the month of October 2018.

These proposed adjustments, calculated in accordance with Rate 88 and Rate 99, will amount to a decrease of approximately \$262,300 for natural gas customers during the month of October 2018. All of Montana-Dakota's retail natural gas and propane customers

in North Dakota may be affected by this proposal. There were 108,591 natural gas customers and 341 propane customers in North Dakota as of July 31, 2018.

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 February 8, 2018 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

170th Revised Sheet No. 3

Canceling 169th 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 ¹	4	\$0.6443 per day	\$0.000	\$3.472	\$3.472
Air Force Rate 64 ¹	7				
Minot Air Force Base		\$2,000.00 per month			
PAR Site		\$175.00 per month			
Firm Service			\$0.329	\$3.472	\$3.801
Interruptible Service - PAR			\$0.177	\$2.628	\$2.805
Interruptible Service - MAFB			\$0.177	\$2.605	\$2.782
Firm General Service Rate 70 ¹	13				
Meters rated < 500 cubic feet		\$0.67 per day			
Meters rated > 500 cubic feet		\$1.90 per day	\$0.730	\$3.472	\$4.202
Small Interruptible Gas Rate 71 ¹	14	\$175.00 per month	(Maximum) \$1.112	\$2.628	(Maximum) \$3.740
Optional Seasonal Gas ¹					
Service Rate 72	15				
Meters rated < 500 cubic feet		\$0.67 per day			
Meters rated > 500 cubic feet		\$1.90 per day	\$0.730	\$3.567	\$4.297
Transportation Service ¹	24				
Small Interruptible Rate 81		\$175.00 per month			
Maximum			\$0.668		
Minimum			\$0.102		
Large Interruptible Rate 82		\$1,000.00 per month			
Maximum			\$0.297		
Minimum			\$0.061		
Large Interruptible Gas Rate 85 ¹	27	\$1,000.00 per month	(Maximum) \$0.718	\$2.628	(Maximum) \$3.346
Residential Propane Rate 90 ¹	32	\$0.6443 per day	\$0.000	\$6.093	\$6.093
Firm General Propane Rate 92 ¹	34				
Meters rated < 500 cubic feet		\$0.67 per day			
Meters rated > 500 cubic feet		\$1.90 per day	\$0.730	\$6.093	\$6.823

1/ Interim increase of 7.357% applicable to amounts billed under Basic Service Charge and Distribution Delivery Charge.

Date Filed: September 7, 2018

Effective Date: October 1, 2018

Issued By: Tamie A. Aberle
 Director - Regulatory Affairs

Case No.: PU-18-008

**Montana-Dakota Utilities Co.
Market Conditions for Regional Natural Gas
October 2018**

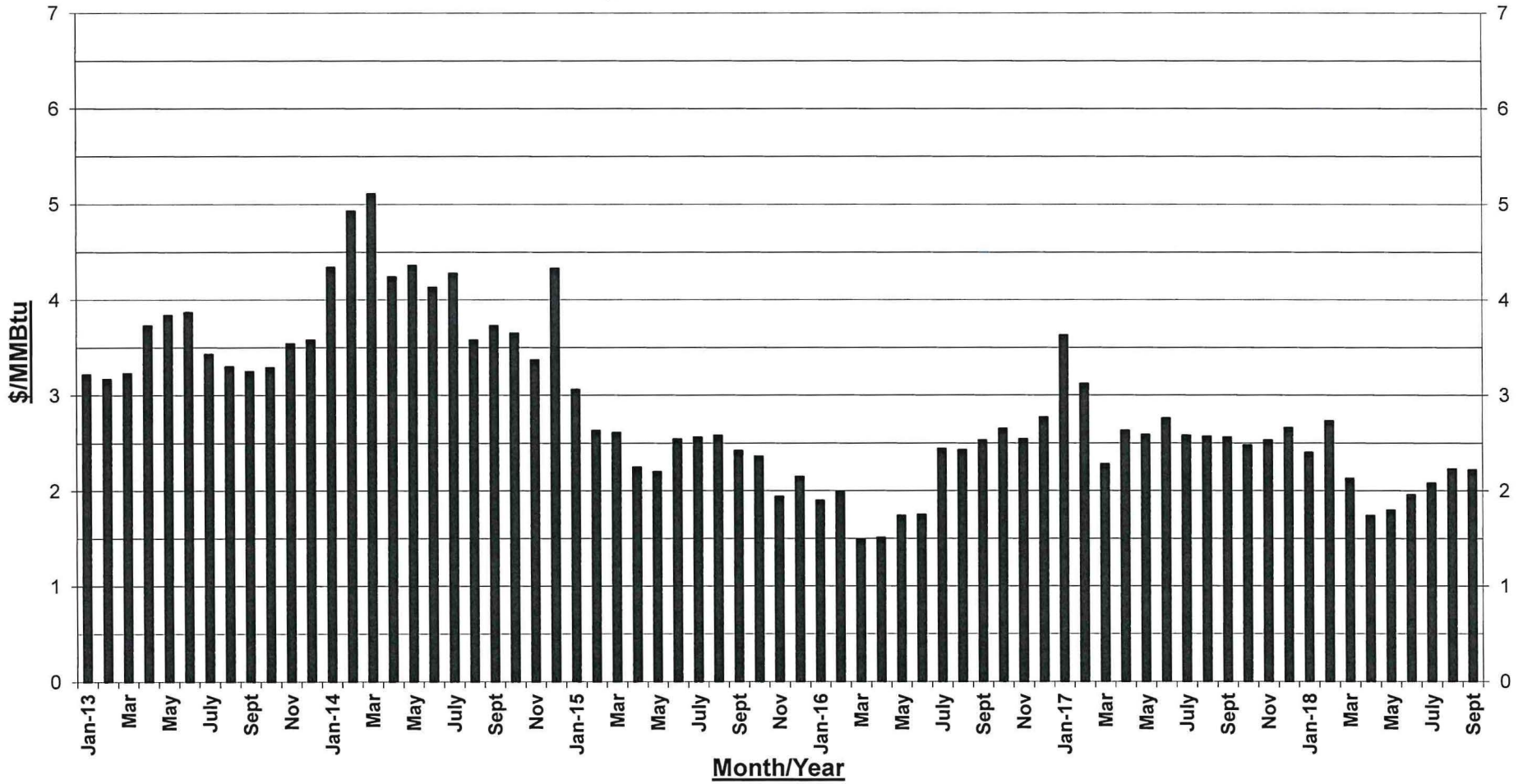
The established monthly price for the Rocky Mountain CIG Index has decrease by \$0.01/MMBTU from the previous filing to a posted \$2.22/MMBTU. The CIG Rocky Mountain Index is based on a price discovery survey by several natural gas periodicals, including “Inside FERC Gas Market” report and “Gas Daily” 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.

Prices across the United States are mixed as weather moderates on a regional basis. EIA reported in their August 30 edition of *Natural Gas Weekly Update* that supply and demand are both flat, averaging 88.2 Bcf/day and 62.3Bcf/day respectively, citing Point Logic data points.

The EIA reported nationwide storage levels as of August 23, 2018 at 19.0 percent below the five-year average and 20.5 percent below last year’s balance.

The Department of Energy’s (DOE) Energy Information Administration (EIA) provides various publications on energy issues. The information is available on the DOE website: <http://www.eia.doe.gov>.

CIG Rocky Mountains Index Monthly Gas Prices 2013-2018YTD



From Inside F.E.R.C.'s Gas Market Report
Annual Averages: - 2016-\$2.15; 2017-\$2.70, 2018YTD-\$2.14

**Montana-Dakota Utilities Co.
Pipeline Rate Changes Since Last Annual COG
North Dakota
October 2018 COG**

WBI Energy Transmission, Inc. Docket No. RP17-933-000

On August 31, 2017, WBI Energy Transmission, Inc. (WBI Energy) filed its annual fuel and electric power reimbursement adjustments with the FERC in Docket No. RP17-933-000, reflecting revisions to the fuel and electric power components of WBI Energy's storage and transportation rates effective October 1, 2017.

Approximate impact on Montana-Dakota's cost of gas: 4.7 cents per dk.

NorthWestern Energy Docket No. D2017.11.86

On November 13, 2017, NorthWestern Energy filed its 2018 Electric and Natural Gas Tax Tracker filing in Docket No. D2017.11.86 to be effective January 1, 2018.

Approximate impact on Montana-Dakota's cost of gas: (0.1) cents per dk.

NOVA Gas Transmission Ltd.

On October 31, 2017, TransCanada filed new interim rates for the Alberta System with the National Energy Board (NEB) to be effective January 1, 2018.

Approximate impact on Montana-Dakota's cost of gas: (0.1) cents per dk.

Foothills Pipe Lines Ltd.

On October 31, 2017, TransCanada filed new rates for the Foothills Pipe Lines Ltd. System with the National Energy Board (NEB) to be effective January 1, 2018.

Approximate impact on Montana-Dakota's cost of gas: (0.1) cents per dk.

Northern Border Pipeline Co. Docket No. RP18-234-000

On December 4, 2017, Northern Border filed tariff records with FERC pursuant to the Settlement in Docket No. RP12-1093-000. The FERC issued a Letter Order accepting the tariff to be effective January 1, 2018.

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

WBI Energy Transmission, Inc. Docket No. RP18-511-000

On March 1, 2018, WBI Energy Transmission, Inc. filed its annual fuel and electric power reimbursement adjustments with the FERC in Docket No. RP18-511-000, reflecting revisions to the fuel and electric power components of WBI Energy's storage and transportation rates effective April 1, 2018.

Approximate impact on Montana-Dakota's cost of gas: (1.2) cents per dk.

NorthWestern Energy

On March 22, 2018, NorthWestern Energy filed its Natural Gas Delivery Service Compliance Filing reflecting the rate adjustments in Docket No. D2016.9.68 to be effective April 1, 2018. These rates are updated to reflect the property tax rate adjustments from the 2018 Electric and Natural Gas Tax Tracker filing in Docket No. D2017.11.86.

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

Northern Border Pipeline Co. Docket No. RP18-234-001

On March 27, 2018, Northern Border filed tariff records with FERC pursuant to the Settlement in Docket No. RP18-234-000. The FERC issued a Letter Order accepting the tariff to be effective April 1, 2018.

Approximate impact on Montana-Dakota's cost of gas: (0.1) cents per dk.

NorthWestern Energy

On May 31, 2018, NorthWestern Energy filed an application for approval to implement rates related to its Unreflected Gas Cost and Gas Transportation Adjustment Clause Balance in Docket No. D2017.7.58 to be effective July 1, 2018.

Approximate impact on Montana-Dakota's cost of gas: 0.1 cents per dk.

NOVA Gas Transmission Ltd.

On March 23, 2018, TransCanada filed new interim rates for the Alberta System with the National Energy Board (NEB) to be effective May 1, 2018.

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

South Dakota Intrastate Pipeline Company

On June 20, 2018, South Dakota Intrastate Pipeline Co. filed its new natural gas rates in Docket No. NG17-009 to be effective September 1, 2018.

The South Dakota Intrastate Pipeline tariff has changed to a capacity payment rather than a per unit commodity payment.

Approximate impact on Montana-Dakota's cost of gas: (2.5) cents per dk.

**MONTANA-DAKOTA UTILITIES CO.
COST OF GAS TARIFF SHEET
NORTH DAKOTA GAS
EFFECTIVE OCTOBER 2018**

	Firm		Small & Large Interruptible	Air Force Interruptible
	Residential & General Service	Optional Seasonal		
<u>Gas Cost Adjustment:</u>				
Gas Cost Level (Exhibit B)	\$3.699	\$3.794	\$2.649	\$2.637
Prior Filed Gas Cost	<u>3.684</u>	<u>2.515</u>	<u>2.633</u>	<u>2.621</u>
Current Gas Cost Adjustment	\$0.015	\$1.279	\$0.016	\$0.016
<u>Surcharge Adjustment:</u>				
Current Adjustment	(\$0.214)	(\$0.214)	(\$0.021)	(\$0.032)
Prior Filed Adjustment	<u>0.025</u>	<u>0.025</u>	<u>0.005</u>	<u>(0.020)</u>
Change in Surcharge Adjustment	(\$0.239)	(\$0.239)	(\$0.026)	(\$0.012)
Gas Cost Level	\$3.699	\$3.794	\$2.649	\$2.637
Plus: Surcharge	<u>(0.214)</u>	<u>(0.214)</u>	<u>(0.021)</u>	<u>(0.032)</u>
Total Gas Cost Level in Tariff Rates	<u><u>\$3.485</u></u>	<u><u>\$3.580</u></u>	<u><u>\$2.628</u></u>	<u><u>\$2.605</u></u>
<u>Grain Drying Margin Sharing</u>				
Current Adjustment	(\$0.013)	(\$0.013)	\$0.000	\$0.000
Prior Filed Adjustment	<u>(0.012)</u>	<u>(0.012)</u>	<u>0.000</u>	<u>0.000</u>
Change in Grain Drying Margin Sharing	(\$0.001)	(\$0.001)	\$0.000	\$0.000
Total Cost of Gas Items	<u><u>\$3.472</u></u>	<u><u>\$3.567</u></u>	<u><u>\$2.628</u></u>	<u><u>\$2.605</u></u>
Net Increase (Decrease) in Gas Costs	<u><u>(\$0.225)</u></u>	<u><u>\$1.039</u></u>	<u><u>(\$0.010)</u></u>	<u><u>\$0.004</u></u>

MONTANA-DAKOTA UTILITIES CO.
COST OF GAS - PROPANE TARIFF SHEET
NORTH DAKOTA PROPANE
EFFECTIVE OCTOBER 2018

Cost of Gas - Propane

Current Propane Cost (Exhibit F, Page 1)	\$6.477
Prior Filed Propane Cost	<u>6.477</u>
Current Propane Cost Adjustment	<u><u>\$0.000</u></u>

Surcharge Adjustment

Current Adjustment	(\$0.371)
Prior Filed Adjustment	<u>(0.371)</u>
Change in Surcharge Adjustment	\$0.000

Grain Drying Margin Sharing

Current Adjustment (Exhibit E)	(\$0.013)
Prior Adjustment	<u>(0.012)</u>
Change in Grain Drying Margin Sharing	(\$0.001)

Total Cost of Gas Items	<u><u>\$6.093</u></u>
Net Increase (Decrease) in Gas Costs	<u><u>(\$0.001)</u></u>

**MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
RESIDENTIAL AND GENERAL SERVICE
EFFECTIVE OCTOBER 2018**

	Amount
Total Gas Costs 1/	\$58,213,743
Residential and General Service dk Requirements 2/	15,808,337
Average Cost of Gas per dk	\$3.682
Average Cost of Gas as Adjusted for Losses @ 99.55%	3.699
Less: Gas Cost Level in Rates 3/	3.684
Current Gas Cost Adjustment	\$0.015

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, 2018, adjusted for losses at .45%.

3/ Gas Cost Level in Current Tariff Rates Case No. PU-18-008 effective September 1, 2018:

Cost of Purchased Gas	\$3.667
Adjustment for Distribution Losses	0.9955
Gas Cost Level in Base Tariff Rates	\$3.684

**MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
OPTIONAL SEASONAL - RATE 72
EFFECTIVE OCTOBER 2018**

Total Gas Costs 1/	\$58,213,743
Less: Annual MDDQ Costs	<u>18,382,134</u>
Total Gas Costs excluding MDDQ	\$39,831,609
Firm Service Requirements 1/	15,808,337
Other Gas Costs per Dk (excluding MDDQ)	\$2.520
<u>Winter - October - May</u>	
Annual MDDQ Costs 1/	\$18,382,134
Winter Firm Service Requirements	14,629,250
MDDQ Costs per Winter Dk	\$1.257
Add: Other Gas Costs per Dk	<u>2.520</u>
Winter Seasonal Rate	\$3.777
Winter Seasonal Rate, adjusted for losses 2/	\$3.794
Less: Gas Cost Level in Rates 3/	<u>2.515</u>
Current Gas Cost Adjustment	<u><u>\$1.279</u></u>

1/ Exhibit B, page 1.

2/ Loss factor of .45%.

3/ Gas Cost Level in Current Tariff Rates Case No. PU-18-008 effective September 1, 2018:

	<u>Summer</u>
Cost of Purchased Gas	\$2.504
Adjustment for Distribution Losses	0.9955
Gas Cost Level in Base Tariff Rates	\$2.515

**MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
INTERRUPTIBLE
EFFECTIVE OCTOBER 2018**

	Amount
Total Gas Costs 1/	\$16,345,963
Interruptible Service dk Requirements	6,198,292
Average Cost of Gas per dk	\$2.637
Average Cost of Gas as Adjusted for Losses @ 99.55%	2.649
Less: Gas Cost Level in Rates 2/	2.633
Current Gas Cost Adjustment	\$0.016

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-18-008 effective September 1, 2018:

Cost of Purchased Gas	\$2.621
Adjustment for Distribution Losses	0.9955
Gas Cost Level in Base Tariff Rates	\$2.633

**MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
AIR FORCE INTERRUPTIBLE
EFFECTIVE OCTOBER 2018**

	Amount
Total Gas Costs 1/	\$1,263,537
Air Force Interruptible dk Requirements	479,120
Average Cost of Gas per dk	\$2.637
Less: Gas Cost Level in Rates 2/	2.621
Current Gas Cost Adjustment	\$0.016

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-18-008 effective September 1, 2018:
Cost of Purchased Gas \$2.621

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

WBI Energy Transmission, Inc. - Exhibit B, pages 10 - 14 for Schedules FT-1, FTN-1, and FS-1.

Northern Border Pipeline Company - Exhibit B, page 15 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 16-17 for Schedule FT-D.

NorthWestern Energy - Exhibit B, page 18 for Schedule T-FTG-1.

South Dakota Intrastate Pipeline - Exhibit B, page 19 for Rate 1.

Black Hills Gas Distribution, LLC - Exhibit B, Page 20 for Schedule TC.

**MONTANA-DAKOTA UTILITIES CO.
CALCULATION OF NORTHERN BORDER ET AL RATE
EFFECTIVE OCTOBER 2018**

Northern Border 1/	
Monchy to Mina Mileage	506.0943
Maximum Rate	\$0.0256
Maximum Rate Per 100 Miles	<u>\$0.1296</u>
Foothills (FT) Zone 9	
Rate (Canadian GJ/d) 2/	\$0.0660
GJ/d conversion to MMBtu	1.0551
Currency Exchange Rate 3/	0.7701
	<u>0.0536</u>
NOVA - FT-D	
Demand Rate (Canadian GJ/d) 4/	\$0.1593
GJ/d conversion to MMBtu	1.0551
Currency Exchange Rate 3/	0.7701
	<u>0.1294</u>
Northern Border Et Al Rate	<u><u>\$0.3126</u></u>

- 1/ T-1 & T-1B Daily Reservation Rate, Port of Morgan, MT to Ventura, IA effective April 1, 2018.
- 2/ Rate Schedule FT, Firm Service Zone 9, rates effective January 1, 2018.
- 3/ Exchange rate per August 28, 2018 Gas Daily.
- 4/ FT-D Demand Rate per Month, Empress/McNeill Border, rates effective May 1, 2018 (expressed as a daily rate). Includes a 10% discount rate.

**MONTANA-DAKOTA UTILITIES CO.
NORTHWESTERN ENERGY DEMAND AND COMMODITY CHARGES
EFFECTIVE OCTOBER 2018**

<u>Demand:</u>	<u>Billing Determinants</u>	<u>Rate</u>	<u>Annual Charge</u>
Monthly Meter Charges 1/	12	\$393.75	\$4,725
MDDQ 2/	10,700	10.182596	1,307,445
			<u>1,312,170</u>
Demand charge per dk			<u><u>\$10.21939</u></u>
<u>Commodity: 3/</u>			
Transportation			\$0.077184
GTAC			<u>\$0.015956</u>
			<u><u>\$0.093140</u></u>

- 1/ One meter rated at >30,000 cubic feet per hour.
- 2/ Firm Transportation Reservation Rate (T-FTG-1)
47th Revised Sheet No. 80.1, effective July 1, 2018.
- 3/ Firm Transmission Commodity Rate (T-FTG-1)
47th Revised Sheet No. 80.1, effective July 1, 2018.

**MONTANA-DAKOTA UTILITIES CO.
BLACK HILLS GAS TRANSPORTATION CHARGES
EFFECTIVE OCTOBER 2018**

<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><u>\$7.32500</u></u>
 <u>Commodity: 2/</u>			
Transportation			<u><u>\$0.08</u></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.

**MONTANA-DAKOTA UTILITIES CO.
SOUTH DAKOTA INTRASTATE PIPELINE TRANSPORTATION CHARGES
MONTANA-DAKOTA UTILITIES CO.**

<u>Demand:</u>	<u>Monthly Rate 1/</u>	<u>Billing Determinants 2/</u>	<u>Total</u>
MDDQ	159,540.83	15,588	\$10.23485

1/ SD Intrastate Pipeline 1st Revised Sheet No. 1 effective September 1, 2018 through August 31, 2023. Previously, Montana-Dakota paid on a per Dk commodity transported. The allocation is now on a capacity basis.

2/ Dk daily capacity per agreement for Montana-Dakota Utilities Co. on Firm Transportation Service.

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.

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	1.688%	(0.281)%	1.407%
L&U REIMBURSEMENT	0.281%	0.413%	0.694%

GATHERING - FIRM AND INTERRUPTIBLE

	<u>CURRENT PERCENTAGE</u>	<u>DEFERRAL PERCENTAGE</u>	<u>TOTAL PERCENTAGE</u>
FUEL USE REIMBURSEMENT	5.074%	(0.060)%	5.014%
L&U REIMBURSEMENT	0.129%	0.391%	0.520%

STORAGE - RATE SCHEDULES FS-1 AND IS-1

	<u>CURRENT PERCENTAGE</u>	<u>DEFERRAL PERCENTAGE</u>	<u>TOTAL PERCENTAGE</u>
FUEL USE REIMBURSEMENT	0.485%	(0.135)%	0.350%
L&U REIMBURSEMENT	(0.134)%	0.267%	0.133%

Issued On: March 1, 2018
 Docket Number: RP18-511-000
 FERC Order Date: March 19, 2018

Effective On: April 1, 2018

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	1.189	(0.029)	1.160

GATHERING - FIRM AND INTERRUPTIBLE

	<u>CURRENT RATE</u>	<u>DEFERRAL RATE</u>	<u>TOTAL RATE</u>
ELECTRIC POWER REIMBURSEMENT	0.000	0.000	0.000

STORAGE - RATE SCHEDULES FS-1 AND IS-1

	<u>CURRENT RATE</u>	<u>DEFERRAL RATE</u>	<u>TOTAL RATE</u>
ELECTRIC POWER REIMBURSEMENT	0.000	(0.025)	(0.025)

STATEMENT OF RATES

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	\$0.0256
Minimum	\$0.0000
Daily Reservation Rate - Ventura, IA to North Hayden, IN	
Maximum	\$0.0275
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.

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) \$207.20 /10 ³ m ³ / month		
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 \$5.24 /GJ FT-D Demand Rate for Group 2 Delivery Points \$4.99 /GJ FT-D Demand Rate for Group 3 Delivery Points \$5.99 /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-3	LRS-3 Demand Rate per month \$129.55 /10 ³ m ³ / month		
8. Rate Schedule IT-R	Refer to Attachment "1" for applicable IT-R Rate for each Receipt Point		
9. Rate Schedule IT-D ¹	Refer to Attachment "2" for applicable IT-D Rate for each Delivery Point		
10. Rate Schedule FCS	The FCS Charge is determined in accordance with Attachment "1" to the applicable Schedule of Service		
11. Rate Schedule PT	The PT Charge is determined in accordance with the applicable Schedule of Service		
12. Rate Schedule OS	<u>Schedule No.</u>	<u>Charge</u>	
	2017943711	\$121.30	/10 ³ m ³ / month
	2017939621	\$121.30	/10 ³ m ³ / month
	2017939620	\$121.30	/10 ³ m ³ / month
	2017939619	\$121.30	/10 ³ m ³ / month
	2017944787	\$121.30	/10 ³ m ³ / month
	2011475772	\$9,250.00	/ month
	2017849279	\$788.00	/ month
	2003004522	Applicable IT-R and IT-D Rate	
	2011476052 /	\$0.1641	/ GJ subject to
	2011476054	\$717,000.00	Minimum Annual Charge
	2017887638 / 2011476092 /	\$0.095	/ GJ and
	2016721799 / 2016759254	\$1,000.00	/ month
13. Rate Schedule CO2	<u>Tier</u>	<u>CO₂ Rate (\$/10³m³)</u>	
	1	543.57	
	2	430.09	
	3	279.27	
14. Monthly Abandonment Surcharge ²	\$10.51 /10 ³ m ³ / month		\$0.28 /GJ/month
15. Daily Abandonment Surcharge ³	\$0.35 /10 ³ m ³ /day		\$0.0091 /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: 2017943711, 2017939621, 2017939620, 2017939619, 2017944787.

3. Daily Abandonment Surcharge applicable to Rate Schedules IT-R, IT-D, LRS, the following Rate Schedules OS: 2011476052, 2011476054, 2017887638, 2011476092, 2016721799, 2016759254, 2003004522, and if applicable Over-Run Gas.

Group 1 Delivery Point Number	Group 1 Delivery Point Name	FT-D Demand Rate Price Point "Z" (\$/GJ/mo)	IT-D Rate (\$/GJ/d)
2000	ALBERTA-B.C. BORDER	4.99	0.1805
31111	ALLIANCE CLAIRMONT INTERCONNECT APN	4.99	0.1805
31110	ALLIANCE EDSON INTERCONNECT APN	4.99	0.1805
31112	ALLIANCE SHELL CREEK INTERCONNECT APGC	4.99	0.1805
3002	BOUNDARY LAKE BORDER	4.99	0.1805
1958	EMPRESS BORDER	5.38	0.1945
3886	GORDONDALE BORDER	4.99	0.1805
6404	MCNEILL BORDER	5.38	0.1945

Group 2 Delivery Point Number	Group 2 Delivery Point Name	FT-D Demand Rate Price Point "Z" (\$/GJ/mo)	IT-D Rate (\$/GJ/d)	Subject to ATCO Pipelines Franchise Fees ¹
31000	A.T. PLASTICS SALES APN	4.99	0.1805	Yes
31001	ADM AGRI INDUSTRIES SALES APN	4.99	0.1805	Yes
3880	AECO INTERCONNECTION	4.99	0.1805	
31003	AGRIUM CARSELAND SALES APS	4.99	0.1805	
31002	AGRIUM FT. SASK SALES APN	4.99	0.1805	Yes
31004	AGRIUM REDWATER SALES APN	4.99	0.1805	
31005	AINSWORTH SALES APGP	4.99	0.1805	
31006	AIR LIQUIDE SALES APN	4.99	0.1805	
3214	AQUINU RIVER WEST SALES	4.99	0.1805	
31007	ALBERTA ENVIROFUELS SALES APN	4.99	0.1805	Yes ²
31008	ALBERTA HOSPITAL SALES APN	4.99	0.1805	Yes
3868	ALBERTA-MONTANA BORDER	4.99	0.1805	
3297	ALDER FLATS SOUTH NO 2 SALES	4.99	0.1805	
3059	ALLISON CREEK SALES	4.99	0.1805	
31009	ALTASTEEL SALES APN	4.99	0.1805	Yes ²
3562	AMOCO SALES (BP SALES TAP)	4.99	0.1805	
31012	APL JASPER SALES APN	4.99	0.1805	Yes
3488	ARDLEY SALES	4.99	0.1805	
3237	ASPEN SALES	4.99	0.1805	
3662	ATUSIS CREEK EAST SALES	4.99	0.1805	
3216	AURORA NO 2 SALES	4.99	0.1805	
3135	AURORA SALES	4.99	0.1805	
3288	BANTRY SALES	4.99	0.1805	
3423	BASHAW WEST SALES	4.99	0.1805	
31013	BAYMAG SALES APS	4.99	0.1805	
31014	BEAR CREEK COGEN SALES APGP	4.99	0.1805	
3299	BEAR RIVER WEST SALES	4.99	0.1805	
3068	BEAVER HILLS SALES	4.99	0.1805	
3268	BENBOW SOUTH SALES	4.99	0.1805	
3933	BIG EDDY INTERCONNECTION	4.99	0.1805	
3655	BIG PRAIRIE SALES	4.99	0.1805	
3067	BIGSTONE SALES	4.99	0.1805	
3285	BILBO SALES	4.99	0.1805	
3468	BLEAK LAKE SALES	4.99	0.1805	
3295	BOOTIS HILL SALES	4.99	0.1805	
3225	BOTHA SALES	4.99	0.1805	
3259	BOULDER CREEK SALES	4.99	0.1805	

NATURAL GAS TARIFF



Canceling $\frac{47^{\text{th}}}{46^{\text{th}}}$ Revised Revised

Sheet No. 80.1
Sheet No. 80.1

Schedule No. T-FTG-1

TRANSPORTATION BUSINESS UNIT
FIRM TRANSPORTATION NATURAL GAS SERVICE

APPLICABILITY: Applicable to Shippers for firm transportation service on the Utility Transmission System under the terms of a Firm Gas Transportation Service Agreement (Agreement) between the Utility Transportation Business Unit (Utility) and Shipper and as subject to Rate Schedule General Terms and Operating Conditions (Rate Schedule GTC-1).

	<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 @ Cu. Ft. per hour			
5,000 to 10,000	\$ 123.50		\$ 123.50
10,001 to 30,000	\$ 177.45		\$ 177.45
>30,000	\$ 393.75		\$ 393.75
PLUS:			
Transmission Reservation Rate (MDDQ):			
Maximum Monthly Reservation Rate for Maximum Daily Delivery Quantity (MDDQ)	\$ 1.0182596	\$ 0.3059828	\$ 0.7122768
Transmission Commodity Rate (Therm):			
Maximum	\$ 0.0077184	\$ 0.0023209	\$ 0.0053975
Minimum	\$ 0.0017935		\$ 0.0017935
GTAC Amortization	\$ 0.0015956		\$ 0.0015956
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)



STATE OF SOUTH DAKOTA
GAS RATE SCHEDULE

Exhibit B
Page 19 of 20

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

SD P.U.C. Section 3
1st Revised Sheet No. 1
Cancelling Original Sheet No. 1

FIRM TRANSPORTATION SERVICE Rate 1

Transportation rate is \$159,540.83 monthly for Firm Service effective September 1, 2018 through August 31, 2023.

R

The Transportation rate is \$149,663.42 monthly for Firm Service effective September 1, 2023, if South Dakota Intrastate Pipeline Company has not submitted a new application for rates, with an effective date prior to August 31, 2023.

N
N
N

Revenue credits shall be applicable as set forth in the Contract for Firm Transportation Service.

N

All general terms and conditions of Service shall be set forth in a Firm Transportation Service Agreement executed by the customer and South Dakota Intrastate Pipeline Company

N
N

Date Filed: June 20, 2018

Effective Date: September 1, 2018

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

Docket No.: NG17-009



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	0.351%
	MLI	MLE	\$145.00	\$0.00	\$0.00	\$0.1040	\$0.0010	0.351%
	MLI	DSE	\$225.00	\$0.00	\$0.00	\$0.1703	\$0.0020	1.743%
Interruptible Transportation 4/	MLI	MLI	\$0.00	\$0.00	\$0.00	\$0.0844	\$0.0010	0.351%
	MLI	MLE	\$145.00	\$0.00	\$0.00	\$0.0844	\$0.0010	0.351%
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. Further details are given on Sheet No. 56 section 14A.
- 4/ Interruptible Transportation Service is not available to Distribution System End-user Customers. The Customer Charge will be charged only for those months gas actually flows.
- 5/ In addition to the transportation charges stated above, Shippers are responsible for the monthly administrative fee as stated, applicable to each meter located at the Customer location. For Interruptible Transportation Shippers, the Administrative Fee will be charged only for those months gas actually flows. Firm Transportation Shippers will be charged each month, regardless of gas flow.
- 6/ Per Dth of MDTQ per month.

Abbreviations (as defined in the General Terms and Conditions of this Tariff):

- MLI Mainline System Interconnect
- MLE Mainline System End-user
- DSE Distribution System End-user
- MDTQ Maximum Daily Transportation Quantity

**MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
RESIDENTIAL AND GENERAL SERVICE
EFFECTIVE OCTOBER 2018**

<u>Billing Determinants</u>		<u>Rate 1/</u>	<u>Amount</u>
<u>Demand Charges</u>			
<i>Transportation</i>			
FT-1 MDDQ	153,187	dk/Month \$9.21000	\$16,930,227
FTN-1 MDDQ		dk/Month 0.24274	
Northern Border et. al.		dk/Month 0.31260	
T-FTG-1 MDDQ		dk/Month 10.21939	
Black Hills Gas		dk/Month 7.32500	
SDIP		dk/Month 10.23485	
<i>Storage</i>			
FS-1 Capacity Reservation		dk/Month 0.01757	
FS-1 Deliverability Reservation		dk/Month 2.01507	
<i>Total Demand Charges</i>			22,303,655
<u>Commodity Charges</u>			
<i>Transportation Charges</i>			
FT-1 Commodity		dk 0.02972	
Fuel - Transp. WBI		dk	
Electric Power WBI		dk 0.01160	
Fuel - Transp. NB		dk	
T-FTG-1 Commodity		dk 0.09314	
Fuel - Transp. NW		dk	
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 (0.00025)	
<i>Gas Commodity Charges</i>			
Gas Commodity - System	15,808,337	dk 2.13700 2/	
<i>Total Commodity Charges</i>			35,515,152
<u>Return on Rate Base</u>			
Demand Charges 3/			90,796
Prepaid Commodity Balances 3/			21,907
Cycle Storage Balances 3/			282,233
<i>Total Return</i>			394,936
<i>Total Gas Costs</i>			\$58,213,743
<i>Residential and General Service dk Requirements 4/</i>			15,808,337
Average Cost of Gas per dk			\$3.682
Average Cost of Gas as Adjusted for Losses @ 99.55%			3.699
Less: Gas Cost Level in Rates 5/			3.684
<i>Current Gas Cost Adjustment</i>			\$0.015

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

2/ Weighted cost of gas for the month of October 2018.

3/ Exhibit C.

4/ Normalized dk sales for the twelve months ended June 30, 2018, adjusted for losses at .45%.

5/ Gas Cost Level in Current Tariff Rates Case No. PU-18-008 effective September 1, 2018:

Cost of Purchased Gas	\$3.667
Adjustment for Distribution Losses	0.9955
Gas Cost Level in Base Tariff Rates	\$3.684

**MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
INTERRUPTIBLE
EFFECTIVE OCTOBER 2018**

<u>Interruptible Billing Determinants 1/</u>	<u>Rate 2/</u>	<u>Amount</u>
<u>Demand Charges</u>		
<i>Transportation</i>		
FT-1 MDDQ	16,508 dk/Month	\$9.21000
FTN-1 MDDQ	dk/Month	0.24274
Northern Border et. al.	dk/Month	0.31260
T-FTG-1 MDDQ	dk/Month	10.21939
Black Hills Gas	dk/Month	7.32500
SDIP	dk/Month	10.23485
<i>Storage</i>		
FS-1 Capacity Reservation	dk/Month	0.01757
FS-1 Deliverability Reservation	dk/Month	2.01507
<i>Total Demand Charges</i>		2,412,759
<u>Commodity Charges</u>		
<i>Transportation Charges</i>		
FT-1 Commodity	dk	0.02972
Fuel - Transp. WBI	dk	
Electric Power WBI	dk	0.01160
Fuel - Transp. NB	dk	
T-FTG-1 Commodity	dk	0.09314
Fuel - Transp. NW	dk	
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	(0.00025)
<i>Gas Commodity Charges</i>		
Gas Commodity	6,198,292 dk	3/
<i>Total Commodity Charges</i>		13,889,422
<u>Return on Rate Base</u>		
Demand Charges 4/		10,065
Transportation Balances 4/		2,429
Cycle Storage Balances 4/		31,288
<i>Total Return</i>		43,782
<i>Total Gas Costs</i>		\$16,345,963
<i>Interruptible Service dk Requirements</i>		6,198,292
Average Cost of Gas per dk		\$2.637
Average Cost of Gas as Adjusted for Losses @ 99.55%		2.649
Less: Gas Cost Level in Rates 5/		2.633
<i>Current Gas Cost Adjustment</i>		\$0.016

1/ Reflects level of interruptible dk volumes included in Case No. PU-13-803, excluding the Air Force.

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

3/ Weighted cost of gas for the month of October 2018.

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

5/ Gas Cost Level in Current Tariff Rates Case No. PU-18-008 effective September 1, 2018:

Cost of Purchased Gas	\$2.621
Adjustment for Distribution Losses	0.9955
Gas Cost Level in Base Tariff Rates	\$2.633

PUBLIC COPY

MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
AIR FORCE INTERRUPTIBLE
EFFECTIVE OCTOBER 2018

<u>Air Force Billing Determinants</u>	<u>Rate 1/</u>	<u>Amount</u>
<u>Demand Charges</u>		
<i>Transportation</i>		
FT-1 MDDQ	1,276 dk/Month	\$9.21000
FTN-1 MDDQ	dk/Month	0.24274
Northern Border et. al.	dk/Month	0.31260
T-FTG-1 MDDQ	dk/Month	10.21939
Black Hills Gas	dk/Month	7.32500
SDIP	dk/Month	10.23485
<i>Storage</i>		
FS-1 Capacity Reservation	dk/Month	0.01757
FS-1 Deliverability Reservation	dk/Month	2.01507
<i>Total Demand Charges</i>		186,512
<u>Commodity Charges</u>		
<i>Transportation Charges</i>		
FT-1 Commodity	dk	0.02972
Fuel - Trans. WBI	dk	
Electric Power WBI	dk	0.01160
Fuel - Trans. NB	dk	
T-FTG-1 Commodity	dk	0.09314
Fuel - Transp. NW	dk	
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	(0.00025)
<i>Gas Commodity Charges</i>		
Gas Commodity	479,120 dk	3/
<i>Total Commodity Charges</i>		1,073,640
<u>Return on Rate Base</u>		
Demand Charges 3/		778
Transportation Balances 3/		188
Cycle Storage Balances 3/		2,419
<i>Total Return</i>		3,385
Total Gas Costs		\$1,263,537
100% Load Factor dk Requirements		479,120
Average Cost of Gas per dk		\$2.637
Less: Gas Cost Level in Rates 4/		2.621
Current Gas Cost Adjustment		\$0.016

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

2/ Weighted cost of gas for the month of October 2018.

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

4/ Gas Cost Level in Current Tariff Rates Case No. PU-18-008 effective September 1, 2018:
Cost of Purchased Gas \$2.621

**MONTANA-DAKOTA UTILITIES CO.
RETURN ON CYCLE STORAGE BALANCES
AND PREPAID DEMAND AND COMMODITY BALANCES
NORTH DAKOTA GAS
EFFECTIVE OCTOBER 2018**

	General Service		
	Storage Balance 1/	Commodity Balance 2/	Prepaid Demand
October 2017	\$9,806,681	\$411,451	\$4,405,113
November	8,049,618	362,743	3,527,690
December	4,892,464	268,267	1,657,040
January 2018	1,242,771	159,792	(423,205)
February	(1,859,726)	63,939	(1,906,956)
March	(3,143,872)	24,265	(2,843,834)
April	(3,156,033)	23,886	(2,621,928)
May	(1,161,030)	92,366	(1,517,811)
June	882,310	162,837	(45,098)
July	3,513,790	261,059	1,414,552
August	5,976,741	380,410	2,922,915
September	7,770,512	478,470	4,246,637
October	8,517,630	518,748	4,481,522
13 month average	<u>\$3,179,374</u>	<u>\$246,787</u>	<u>\$1,022,818</u>
Rate of Return	7.340%	7.340%	7.340%
Return	\$233,366	\$18,114	\$75,075
Return Requirement 3/	<u>\$282,233</u>	<u>\$21,907</u>	<u>\$90,796</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.
- 3/ Revenue requirement reflects federal income tax rate enacted in the 2017 Tax Cuts and Jobs Act.

MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ADJUSTMENT
APPLICABLE TO NORTH DAKOTA
FIRM
TO BE EFFECTIVE OCTOBER 1, 2018 THROUGH SEPTEMBER 30, 2019

(Over)/under recovered gas costs @ July 31, 2018 (\$3,442,975)

Less: Projected recovery from rates already established

	Volume	Rate	Amount
August	249,000	\$0.025	6,225
September	378,000	0.025	9,450
	627,000		15,675

Additional recovery required (\$3,458,650)

Projected sales volumes (dk)

October 2018	1,161,000		
November	1,967,000		
December	2,756,000		
January 2019	2,945,000		
February	2,454,000		
March	2,043,000		
April	1,179,000		
May	522,000		
June	245,000		
July	254,000		
August	254,000		
September	386,000		
Total			<u>16,166,000</u>

Total (over)/under recovered gas cost adjustment
to be effective October 1, 2018 through September 30, 2019 (\$0.214)

**MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ADJUSTMENT
APPLICABLE TO NORTH DAKOTA
INTERRUPTIBLE
TO BE EFFECTIVE OCTOBER 1, 2018 THROUGH SEPTEMBER 30, 2019**

(Over)/under recovered gas costs @ July 31, 2018 (\$17,036)

Less: Projected recovery from rates already established

	Volume	Rate	Amount
August	40,000	\$0.005	200
September	44,000	0.005	220
	84,000		420

Additional recovery required (\$17,456)

Projected sales volumes (dk)

October 2018	117,000	
November	109,000	
December	105,000	
January 2019	105,000	
February	92,000	
March	80,000	
April	53,000	
May	40,000	
June	25,000	
July	36,000	
August	40,000	
September	44,000	
Total		<u>846,000</u>

Total (over)/under recovered gas cost adjustment
to be effective October 1, 2018 through September 30, 2019 (\$0.021)

**MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ADJUSTMENT
APPLICABLE TO NORTH DAKOTA
AIR FORCE INTERRUPTIBLE
TO BE EFFECTIVE OCTOBER 1, 2018 THROUGH SEPTEMBER 30, 2019**

(Over)/under recovered gas costs @ July 31, 2018 (\$14,070)

Less: Projected recovery from rates already established

	Volume	Rate	Amount
August	5,000	(\$0.020)	(100)
September	9,000	(0.020)	(180)
	14,000		(280)

Additional recovery required (\$13,790)

Projected sales volumes (dk)

October 2018	29,000	
November	51,000	
December	73,000	
January 2019	77,000	
February	66,000	
March	54,000	
April	33,000	
May	23,000	
June	9,000	
July	8,000	
August	5,000	
September	9,000	
Total		437,000

Total (over)/under recovered gas cost adjustment
to be effective October 1, 2018 through September 30, 2019 (\$0.032)

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

	(Over) Under Recovery	Refunds & Other	Interest 1/	Total Net Additions	Actual Dk Sales	Adjustment Per Dk	Total Adjustment Amount	Net Change- Additions less Adjustment	Cumulative Balance
Balance @ July 31, 2017									<u>\$333,122</u>
August	(\$280,672)	\$0	\$174	(\$280,498)	301,526	(\$0.112)	(\$33,771)	(\$246,727)	86,395
September	(181,433)	0	46	(181,387)	291,062	(0.112)	(32,598)	(148,789)	(62,394)
October	(16,634)	0	(56)	(16,690)	564,425	0.025	(34,282) 2/	17,592	(44,802)
November	166,340	0	(47)	166,293	1,262,823	0.025	31,569	134,724	89,922
December	97,260	0	61	97,321	2,007,882	0.025	50,198	47,123	137,045
January 2018	237,712	0	99	237,811	2,995,225	0.025	74,880	162,931	299,976
February	(233,299)	0	296	(233,003)	2,756,440	0.025	68,910	(301,913)	(1,937)
March	(646,482)	0	(3)	(646,485)	2,729,384	0.025	68,235	(714,720)	(716,657)
April	(1,119,946)	0	(1,053)	(1,120,999)	1,975,737	0.025	49,393	(1,170,392)	(1,887,049)
May	(591,873)	0	(2,925)	(594,798)	1,150,767	0.025	28,769	(623,567)	(2,510,616)
June	(445,537)	0	(3,970)	(449,507)	419,782	0.025	10,495	(460,002)	(2,970,618)
July	(460,026)	0	(4,841)	(464,867)	299,601	0.025	7,490	(472,357)	(3,442,975)
	<u>(\$3,474,590)</u>	<u>\$0</u>	<u>(\$12,219)</u>	<u>(\$3,486,809)</u>	<u>16,754,654</u>		<u>\$289,288</u>	<u>(\$3,776,097)</u>	<u>(\$3,442,975)</u>
Balance @ July 31, 2018									

1/ Interest calculated at Three Month Treasury Bill rate.

2/ Reflects 353,233 @ (\$0.112) and 211,192 dk @ \$0.025.

**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, 2017									<u>(\$6,460)</u>
August	(\$6,102)	\$0	(\$3)	(\$6,105)	13,796	(\$0.147)	(\$2,028)	(\$4,077)	(10,537)
September	(3,840)	0	(5)	(3,845)	46,644	(0.147)	(6,857)	3,012	(7,525)
October	241	0	(6)	235	57,036	0.005	(7,940) 2/	8,175	650
November	5,162	0	1	5,163	113,460	0.005	567	4,596	5,246
December	16,192	0	4	16,196	117,508	0.005	589	15,607	20,853
January 2018	14,017	0	15	14,032	85,749	0.005	428	13,604	34,457
February	9,042	0	34	9,076	96,400	0.005	481	8,595	43,052
March	11,368	0	46	11,414	94,478	0.005	472	10,942	53,994
April	(30,274)	0	79	(30,195)	64,940	0.005	325	(30,520)	23,474
May	(18,838)	0	36	(18,802)	53,077	0.005	265	(19,067)	4,407
June	(14,391)	0	7	(14,384)	25,899	0.005	130	(14,514)	(10,107)
July	(6,831)	0	(17)	(6,848)	16,156	0.005	81	(6,929)	(17,036)
	<u>(\$24,254)</u>	<u>\$0</u>	<u>\$191</u>	<u>(\$24,063)</u>	<u>785,143</u>		<u>(\$13,487)</u>	<u>(\$10,576)</u>	<u>(\$17,036)</u>
Balance @ July 31, 2018									

1/ Interest calculated at Three Month Treasury Bill rate.

2/ Reflects 54,112 dk @ (\$0.147) and 2,924 dk @ \$0.005.

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

	(Over) Under Recovery	Refunds & Other	Interest 1/	Total Net Additions	Actual Dk Sales	Adjustment Per Dk	Total Adjustment Amount	Net Change- Additions less Adjustment	Cumulative Balance
Balance @ July 31, 2017									<u>(\$11,652)</u>
August	(\$6,270)	\$0	(\$6)	(\$6,276)	3,420	(\$0.230)	(\$787)	(\$5,489)	(17,141)
September	(3,732)	0	(9)	(3,741)	4,008	(0.230)	(921)	(2,820)	(19,961)
October	45	0	(18)	27	7,762	(0.020)	(1,786) 2/	1,813	(18,148)
November	(3,068)	0	(19)	(3,087)	23,748	(0.020)	(475)	(2,612)	(20,760)
December	3,417	0	(14)	3,403	50,251	(0.020)	(1,005)	4,408	(16,352)
January 2018	12,161	0	(12)	12,149	60,317	(0.020)	(1,207)	13,356	(2,996)
February	2,644	0	(3)	2,641	62,330	(0.020)	(1,246)	3,887	891
March	15,570	0	1	15,571	67,831	(0.020)	(1,357)	16,928	17,819
April	(21,614)	0	26	(21,588)	49,420	(0.020)	(988)	(20,600)	(2,781)
May	(4,232)	0	(4)	(4,236)	36,316	(0.020)	(726)	(3,510)	(6,291)
June	(3,233)	0	(10)	(3,243)	10,424	(0.020)	(210)	(3,033)	(9,324)
July	(4,822)	0	(15)	(4,837)	4,558	(0.020)	(91)	(4,746)	(14,070)
	<u>(\$13,134)</u>	<u>\$0</u>	<u>(\$83)</u>	<u>(\$13,217)</u>	<u>380,385</u>		<u>(\$10,799)</u>	<u>(\$2,418)</u>	<u>(\$14,070)</u>
Balance @ July 31, 2018									

1/ Interest calculated at Three Month Treasury Bill rate.

2/ Reflects 7,762 dk @ (\$.230) and 0 dk @ (\$.020).

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

Exhibit D
Page 7 of 12

	Residential and Firm General				Seasonal	Total
	1/	2/	3/	Total		
<u>August 2017</u>						
Cost of Gas - Actual	\$3.24873	\$2.98859	\$3.24873		\$2.89202	
Cost of Gas - Recovered	4.01100	4.01100	4.01100		2.92900	
(Over) Under recovery per dk	(\$0.76227)	(\$1.02241)	(\$0.76227)		(\$0.03698)	
dk billed	0	4/ 202,739	96,153	298,892	2,634	301,526
(Over) Under recovery	\$0	(\$207,281)	(\$73,294)	(\$280,575)	(\$97)	(\$280,672)
<u>September 2017</u>						
Cost of Gas - Actual	\$3.82005	\$3.24873	\$3.82005		\$2.87433	
Cost of Gas - Recovered	4.01100	4.01100	4.01100		2.92900	
(Over) Under recovery per dk	(\$0.19095)	(\$0.76227)	(\$0.19095)		(\$0.05467)	
dk billed	0	4/ 220,691	68,690	289,381	1,681	291,062
(Over) Under recovery	\$0	(\$168,226)	(\$13,115)	(\$181,341)	(\$92)	(\$181,433)
<u>October 2017</u>						
Cost of Gas - Actual	\$4.19883	\$3.82005	\$4.19883		\$2.83740	
Cost of Gas - Recovered	3.98300	4.01100	4.01100		2.92900	
(Over) Under recovery per dk	\$0.21583	(\$0.19095)	\$0.18783		(\$0.09160)	
dk billed	211,191	339,149	13,715	564,055	370	564,425
(Over) Under recovery	\$45,581	(\$64,757)	\$2,576	(\$16,600)	(\$34)	(\$16,634)
<u>November 2017</u>						
Cost of Gas - Actual	\$3.98600	\$4.19883	\$3.98600		\$4.08543	
Cost of Gas - Recovered	3.98300	3.98300	3.98300		4.07200	
(Over) Under recovery per dk	\$0.00300	\$0.21583	\$0.00300		\$0.01343	
dk billed	0	4/ 763,746	498,678	1,262,424	399	1,262,823
(Over) Under recovery	\$0	\$164,839	\$1,496	\$166,335	\$5	\$166,340
<u>December 2017</u>						
Cost of Gas - Actual	\$4.13895	\$3.98600	\$4.13895		\$4.20728	
Cost of Gas - Recovered	3.98300	3.98300	3.98300		4.07200	
(Over) Under recovery per dk	\$0.15595	\$0.00300	\$0.15595		\$0.13528	
dk billed	0	4/ 1,411,279	595,888	2,007,167	715	2,007,882
(Over) Under recovery	\$0	\$4,234	\$92,929	\$97,163	\$97	\$97,260
<u>January 2018</u>						
Cost of Gas - Actual	\$3.90311	\$4.13895	\$3.90311		\$4.07744	
Cost of Gas - Recovered	3.98300	3.98300	3.98300		4.07200	
(Over) Under recovery per dk	(\$0.07989)	\$0.15595	(\$0.07989)		\$0.00544	
dk billed	0	4/ 2,022,240	972,093	2,994,333	892	2,995,225
(Over) Under recovery	\$0	\$315,368	(\$77,661)	\$237,707	\$5	\$237,712

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

Exhibit D
Page 8 of 12

FIRM

	Residential and Firm General				Seasonal	Total
	1/	2/	3/	Total		
<u>February 2018</u>						
Cost of Gas - Actual	\$3.88561	\$3.90311	\$3.88561		\$4.23654	
Cost of Gas - Recovered	3.98300	3.98300	3.98300		4.07200	
(Over) Under recovery per dk	<u>(\$0.09739)</u>	<u>(\$0.07989)</u>	<u>(\$0.09739)</u>		<u>\$0.16454</u>	
dk billed	0 4/	1,998,040	757,693	2,755,733	707	2,756,440
(Over) Under recovery	<u>\$0</u>	<u>(\$159,623)</u>	<u>(\$73,792)</u>	<u>(\$233,415)</u>	<u>\$116</u>	<u>(\$233,299)</u>
<u>March 2018</u>						
Cost of Gas - Actual	\$3.62707	\$3.88561	\$3.62707		\$3.84280	
Cost of Gas - Recovered	4.25300	3.98300	3.98300		4.07200	
(Over) Under recovery per dk	<u>(\$0.62593)</u>	<u>(\$0.09739)</u>	<u>(\$0.35593)</u>		<u>(\$0.22920)</u>	
dk billed	855,578	2,150,140	(277,092)	2,728,626	758	2,729,384
(Over) Under recovery	<u>(\$535,531)</u>	<u>(\$209,402)</u>	<u>\$98,625</u>	<u>(\$646,308)</u>	<u>(\$174)</u>	<u>(\$646,482)</u>
<u>April 2018</u>						
Cost of Gas - Actual	\$3.10867	\$3.62707	\$3.10867		\$3.57732	
Cost of Gas - Recovered	3.72400	4.25300	4.25300		4.34400	
(Over) Under recovery per dk	<u>(\$0.61533)</u>	<u>(\$0.62593)</u>	<u>(\$1.14433)</u>		<u>(\$0.76668)</u>	
dk billed	610,616	1,577,308	(212,866)	1,975,058	679	1,975,737
(Over) Under recovery	<u>(\$375,730)</u>	<u>(\$987,284)</u>	<u>\$243,589</u>	<u>(\$1,119,425)</u>	<u>(\$521)</u>	<u>(\$1,119,946)</u>
<u>May 2018</u>						
Cost of Gas - Actual	\$2.33368	\$3.10867	\$2.33368		\$3.05036	
Cost of Gas - Recovered	3.34300	3.72400	3.72400		3.81400	
(Over) Under recovery per dk	<u>(\$1.00932)</u>	<u>(\$0.61533)</u>	<u>(\$1.39032)</u>		<u>(\$0.76364)</u>	
dk billed	266,554	1,169,247	(285,592)	1,150,209	558	1,150,767
(Over) Under recovery	<u>(\$269,038)</u>	<u>(\$719,473)</u>	<u>\$397,064</u>	<u>(\$591,447)</u>	<u>(\$426)</u>	<u>(\$591,873)</u>
<u>June 2018</u>						
Cost of Gas - Actual	\$1.81755	\$2.33368	\$1.81755		\$3.77253	
Cost of Gas - Recovered	3.34300	3.34300	3.34300		3.43300	
(Over) Under recovery per dk	<u>(\$1.52545)</u>	<u>(\$1.00932)</u>	<u>(\$1.52545)</u>		<u>\$0.33953</u>	
dk billed	0 4/	370,878	47,082	417,960	1,822	419,782
(Over) Under recovery	<u>\$0</u>	<u>(\$374,335)</u>	<u>(\$71,821)</u>	<u>(\$446,156)</u>	<u>\$619</u>	<u>(\$445,537)</u>
<u>July 2018</u>						
Cost of Gas - Actual	\$2.08447	\$1.81755	\$2.08447		\$2.54218	
Cost of Gas - Recovered	3.49000	3.34300	3.34300		2.23200	
(Over) Under recovery per dk	<u>(\$1.40553)</u>	<u>(\$1.52545)</u>	<u>(\$1.25853)</u>		<u>\$0.31018</u>	
dk billed	96,420	273,568	(73,080)	296,908	2,693	299,601
(Over) Under recovery	<u>(\$135,521)</u>	<u>(\$417,314)</u>	<u>\$91,974</u>	<u>(\$460,861)</u>	<u>\$835</u>	<u>(\$460,026)</u>

1/ Consumed in current month.

2/ Consumed in prior month.

3/ True-up of prior month volumes.

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

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

	<u>1/</u>	<u>2/</u>	<u>3/</u>	<u>Total</u>
<u>August 2017</u>				
Cost of Gas - Actual	\$2.87847	\$2.41994	\$2.87847	
Cost of Gas - Recovered	2.97200	2.97200	2.97200	
(Over) Under recovery per dk	(\$0.09353)	(\$0.55206)	(\$0.09353)	
dk billed	0 4/	10,493	3,303	13,796
(Over) Under recovery	<u>\$0</u>	<u>(\$5,793)</u>	<u>(\$309)</u>	(\$6,102)
<u>September 2017</u>				
Cost of Gas - Actual	\$2.97578	\$2.87847	\$2.97578	
Cost of Gas - Recovered	2.97200	2.97200	2.97200	
(Over) Under recovery per dk	\$0.00378	(\$0.09353)	\$0.00378	
dk billed	0 4/	41,269	5,375	46,644
(Over) Under recovery	<u>\$0</u>	<u>(\$3,860)</u>	<u>\$20</u>	(\$3,840)
<u>October 2017</u>				
Cost of Gas - Actual	\$2.93677	\$2.97578	\$2.93677	
Cost of Gas - Recovered	2.90600	2.97200	2.97200	
(Over) Under recovery per dk	\$0.03077	\$0.00378	(\$0.03523)	
dk billed	2,924	52,740	1,372	57,036
(Over) Under recovery	<u>\$90</u>	<u>\$199</u>	<u>(\$48)</u>	\$241
<u>November 2017</u>				
Cost of Gas - Actual	\$2.97358	\$2.93677	\$2.97358	
Cost of Gas - Recovered	2.90600	2.90600	2.90600	
(Over) Under recovery per dk	\$0.06758	\$0.03077	\$0.06758	
dk billed	0 4/	68,092	45,368	113,460
(Over) Under recovery	<u>\$0</u>	<u>\$2,096</u>	<u>\$3,066</u>	\$5,162
<u>December 2017</u>				
Cost of Gas - Actual	\$3.09918	\$2.97358	\$3.09918	
Cost of Gas - Recovered	2.90600	2.90600	2.90600	
(Over) Under recovery per dk	\$0.19318	\$0.06758	\$0.19318	
dk billed	0 4/	51,819	65,689	117,508
(Over) Under recovery	<u>\$0</u>	<u>\$3,502</u>	<u>\$12,690</u>	\$16,192
<u>January 2018</u>				
Cost of Gas - Actual	\$2.96751	\$3.09918	\$2.96751	
Cost of Gas - Recovered	2.90600	2.90600	2.90600	
(Over) Under recovery per dk	\$0.06151	\$0.19318	\$0.06151	
dk billed	0 4/	66,400	19,349	85,749
(Over) Under recovery	<u>\$0</u>	<u>\$12,827</u>	<u>\$1,190</u>	\$14,017

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

	1/	2/	3/	Total
<u>February 2018</u>				
Cost of Gas - Actual	\$3.12762	\$2.96751	\$3.12762	
Cost of Gas - Recovered	2.90600	2.90600	2.90600	
(Over) Under recovery per dk	<u>\$0.22162</u>	<u>\$0.06151</u>	<u>\$0.22162</u>	
dk billed	0 4/	76,961	19,439	96,400
(Over) Under recovery	<u>\$0</u>	<u>\$4,734</u>	<u>\$4,308</u>	\$9,042
<u>March 2018</u>				
Cost of Gas - Actual	\$2.73187	\$3.12762	\$2.73187	
Cost of Gas - Recovered	3.18300	2.90600	2.90600	
(Over) Under recovery per dk	<u>(\$0.45113)</u>	<u>\$0.22162</u>	<u>(\$0.17413)</u>	
dk billed	5,812	74,365	14,301	94,478
(Over) Under recovery	<u>(\$2,622)</u>	<u>\$16,480</u>	<u>(\$2,490)</u>	\$11,368
<u>April 2018</u>				
Cost of Gas - Actual	\$2.47537	\$2.73187	\$2.47537	
Cost of Gas - Recovered	2.65800	3.18300	3.18300	
(Over) Under recovery per dk	<u>(\$0.18263)</u>	<u>(\$0.45113)</u>	<u>(\$0.70763)</u>	
dk billed	3,810	53,333	7,797	64,940
(Over) Under recovery	<u>(\$696)</u>	<u>(\$24,060)</u>	<u>(\$5,518)</u>	(\$30,274)
<u>May 2018</u>				
Cost of Gas - Actual	\$1.62490	\$2.47537	\$1.62490	
Cost of Gas - Recovered	2.28100	2.65800	2.65800	
(Over) Under recovery per dk	<u>(\$0.65610)</u>	<u>(\$0.18263)</u>	<u>(\$1.03310)</u>	
dk billed	2,247	41,329	9,501	53,077
(Over) Under recovery	<u>(\$1,474)</u>	<u>(\$7,548)</u>	<u>(\$9,816)</u>	(\$18,838)
<u>June 2018</u>				
Cost of Gas - Actual	\$1.88249	\$1.62490	\$1.88249	
Cost of Gas - Recovered	2.28100	2.28100	2.28100	
(Over) Under recovery per dk	<u>(\$0.39851)</u>	<u>(\$0.65610)</u>	<u>(\$0.39851)</u>	
dk billed	0 4/	15,803	10,096	25,899
(Over) Under recovery	<u>\$0</u>	<u>(\$10,368)</u>	<u>(\$4,023)</u>	(\$14,391)
<u>July 2018</u>				
Cost of Gas - Actual	\$1.85222	\$1.88249	\$1.85222	
Cost of Gas - Recovered	2.42500	2.28100	2.28100	
(Over) Under recovery per dk	<u>(\$0.57278)</u>	<u>(\$0.39851)</u>	<u>(\$0.42878)</u>	
dk billed	1,114	8,477	6,565	16,156
(Over) Under recovery	<u>(\$638)</u>	<u>(\$3,378)</u>	<u>(\$2,815)</u>	(\$6,831)

1/ Consumed in current month.

2/ Consumed in prior month.

3/ True-up of prior month volumes.

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

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

	<u>1/</u>	<u>2/</u>	<u>Total</u>
<u>August 2017</u>			
Cost of Gas - Actual	\$1.13327	\$2.04137	
Cost of Gas - Recovered	<u>2.95900</u>	<u>2.95900</u>	
(Over) Under recovery per dk	(\$1.82573)	(\$0.91763)	
dk billed	<u>3,449</u>	<u>(29)</u>	3,420
(Over) Under recovery	<u>(\$6,297)</u>	<u>\$27</u>	(\$6,270)
<u>September 2017</u>			
Cost of Gas - Actual	\$2.04137	\$2.96180	
Cost of Gas - Recovered	<u>2.95900</u>	<u>2.95900</u>	
(Over) Under recovery per dk	(\$0.91763)	\$0.00280	
dk billed	<u>4,067</u>	<u>(59)</u>	4,008
(Over) Under recovery	<u>(\$3,732)</u>	<u>\$0</u>	(\$3,732)
<u>October 2017</u>			
Cost of Gas - Actual	\$2.96180	\$2.77772	
Cost of Gas - Recovered	<u>2.95900</u>	<u>2.95900</u>	
(Over) Under recovery per dk	\$0.00280	(\$0.18128)	
dk billed	<u>7,886</u>	<u>(124)</u>	7,762
(Over) Under recovery	<u>\$22</u>	<u>\$23</u>	\$45
<u>November 2017</u>			
Cost of Gas - Actual	\$2.77772	\$2.95952	
Cost of Gas - Recovered	<u>2.89300</u>	<u>2.89300</u>	
(Over) Under recovery per dk	(\$0.11528)	\$0.06652	
dk billed	<u>25,560</u>	<u>(1,812)</u>	23,748
(Over) Under recovery	<u>(\$2,947)</u>	<u>(\$121)</u>	(\$3,068)
<u>December 2017</u>			
Cost of Gas - Actual	\$2.95952	\$3.08454	
Cost of Gas - Recovered	<u>2.89300</u>	<u>2.89300</u>	
(Over) Under recovery per dk	\$0.06652	\$0.19154	
dk billed	<u>49,660</u>	<u>591</u>	50,251
(Over) Under recovery	<u>\$3,304</u>	<u>\$113</u>	\$3,417
<u>January 2018</u>			
Cost of Gas - Actual	\$3.08454	\$2.95345	
Cost of Gas - Recovered	<u>2.89300</u>	<u>2.89300</u>	
(Over) Under recovery per dk	\$0.19154	\$0.06045	
dk billed	<u>64,953</u>	<u>(4,636)</u>	60,317
(Over) Under recovery	<u>\$12,441</u>	<u>(\$280)</u>	\$12,161

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

	1/	2/	Total
<u>February 2018</u>			
Cost of Gas - Actual	\$2.95345	\$3.11284	
Cost of Gas - Recovered	2.89300	2.89300	
(Over) Under recovery per dk	\$0.06045	\$0.21984	
dk billed	69,383	(7,053)	62,330
(Over) Under recovery	<u>\$4,194</u>	<u>(\$1,550)</u>	\$2,644
<u>March 2018</u>			
Cost of Gas - Actual	\$3.11284	\$2.71900	
Cost of Gas - Recovered	2.89300	2.89300	
(Over) Under recovery per dk	\$0.21984	(\$0.17400)	
dk billed	69,502	(1,671)	67,831
(Over) Under recovery	<u>\$15,279</u>	<u>\$291</u>	\$15,570
<u>April 2018</u>			
Cost of Gas - Actual	\$2.71900	\$2.46326	
Cost of Gas - Recovered	3.17000	3.17000	
(Over) Under recovery per dk	(\$0.45100)	(\$0.70674)	
dk billed	52,055	(2,635)	49,420
(Over) Under recovery	<u>(\$23,477)</u>	<u>\$1,863</u>	(\$21,614)
<u>May 2018</u>			
Cost of Gas - Actual	\$2.46326	\$1.37589	
Cost of Gas - Recovered	2.64600	2.64600	
(Over) Under recovery per dk	(\$0.18274)	(\$1.27011)	
dk billed	38,527	(2,211)	36,316
(Over) Under recovery	<u>(\$7,040)</u>	<u>\$2,808</u>	(\$4,232)
<u>June 2018</u>			
Cost of Gas - Actual	\$1.37589	\$0.18265	
Cost of Gas - Recovered	2.27100	2.27100	
(Over) Under recovery per dk	(\$0.89511)	(\$2.08835)	
dk billed	15,534	(5,110)	10,424
(Over) Under recovery	<u>(\$13,904)</u>	<u>\$10,671</u>	(\$3,233)
<u>July 2018</u>			
Cost of Gas - Actual	\$0.18265	(\$0.78793)	
Cost of Gas - Recovered	2.27100	2.27100	
(Over) Under recovery per dk	(\$2.08835)	(\$3.05893)	
dk billed	9,397	(4,839)	4,558
(Over) Under recovery	<u>(\$19,624)</u>	<u>\$14,802</u>	(\$4,822)

1/ Consumed in prior month.

2/ True-up of prior month volumes.

**MONTANA-DAKOTA UTILITIES CO.
NORTH DAKOTA GAS
GRAIN DRYING MARGIN SHARING PROVISION
EFFECTIVE OCTOBER 1, 2018 THROUGH SEPTEMBER 30, 2019**

Rate 71 Grain Drying Credit - Balance @ 7/31/17		\$202,084	
Additional Credits 1/		211,457	
Reduction to Credit Balance		<u>196,834</u>	
Balance @ 7/31/18		<u><u>\$216,707</u></u>	
Less: Projected recovery from current amortization			
	<u>Dk</u>	<u>Rate</u>	<u>Amount</u>
August	<u>249,000</u>	<u>\$0.012</u>	<u>\$2,988</u>
September	<u>378,000</u>	<u>0.012</u>	<u>4,536</u>
	<u>627,000</u>		<u>\$7,524</u>
Balance @ 9/30/18			<u><u>\$209,183</u></u>
Projected Residential & General Service Sales Volumes			16,166,000
Grain Drying Margin Sharing Provision			<u><u>\$0.013</u></u>

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

**MONTANA-DAKOTA UTILITIES CO.
NORTH DAKOTA GAS
GRAIN DRYING MARGIN SHARING PROVISION
EFFECTIVE OCTOBER 1, 2018 THROUGH SEPTEMBER 30, 2019**

<u>Additional Credits</u>	<u>Grain Drying Sales</u>	<u>Distribution Charge 1/</u>	<u>Distribution Delivery Revenue</u>	<u>Basic Service Charge</u>
August 2017	1,141.6	\$1.112	\$1,269	\$6,825
September	4,980.1	1.112	5,538	6,825
October	3,517.2	1.112	3,911	6,907
November	47,200.2	1.112	52,487	6,650
December	46,784.4	1.112	52,024	7,000
January 2018	3,744.8	1.112	4,164	6,825
February	6,868.6	1.112	7,638	6,650
March	7,934.0	1.112	8,823	7,000
April	5,788.3	1.112	6,437	6,778
May	5,726.6	1.112	6,368	6,475
June	4,047.2	1.112	4,500	6,300
July	973.1	1.112	1,082	6,475
Total	<u>138,706.1</u>		<u>\$154,241</u>	<u>\$80,710</u>

<u>Additional Credits</u>	<u>Total Margin</u>	<u>Grain Drying Margin Sharing Provision @ 90%</u>
August 2016	\$8,094	\$7,285
September	12,363	11,127
October	10,818	9,736
November	59,137	53,223
December	59,024	53,122
January 2017	10,989	9,890
February	14,288	12,859
March	15,823	14,241
April	13,215	11,894
May	12,843	11,559
June	10,800	9,720
July	7,557	6,801
Total	<u>\$234,951</u>	<u>\$211,457</u>

1/ Excludes interim revenue increase in Case No. PU-17-295. Upon issuance of an Order by the Commission, the final interim revenue collected will be applied to the 2019 annual filing.

MONTANA-DAKOTA UTILITIES CO.
COST OF GAS - PROPANE
NORTH DAKOTA
EFFECTIVE OCTOBER 2018

Cost of Purchased Propane	\$10,962
Gallons Purchased	18,579
Projected dk Sales	1,700
Propane Cost per Dk	\$6.448
Average Cost of Propane as Adjusted for Losses @ 99.55%	6.477
Less: Propane Cost Level in Rates 1/	<u>6.477</u>
Current Propane Cost Adjustment	<u><u>\$0.000</u></u>

1/ Propane Cost Level in Current Rates - Case No. PU-18-008, effective July 1, 2018.