

MONTANA-DAKOTA UTILITIES CO.

CASE NO. PU-17-_____

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**MONTANA-DAKOTA UTILITIES CO.
PLANT IN SERVICE
GAS UTILITY - NORTH DAKOTA
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2016**

<u>Function</u>	<u>Per Books Plant</u>		
	<u>2015</u>	<u>2016</u>	<u>Average</u>
Distribution	\$195,869,572	\$205,905,424	\$200,887,498
General	11,861,870	12,453,137	12,157,504
Intangible Plant - General	5,143,658	5,195,880	5,169,769
Common	14,745,681	13,394,871	14,070,276
Intangible Plant - Common	12,887,076	13,048,910	12,967,993
Acquisition Adjustment	<u>97,266</u>	<u>97,266</u>	<u>97,266</u>
Total Plant in Service	<u><u>\$240,605,123</u></u>	<u><u>\$250,095,488</u></u>	<u><u>\$245,350,306</u></u>

MONTANA-DAKOTA UTILITIES CO.
PLANT IN SERVICE
GAS UTILITY - NORTH DAKOTA
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2016

Acct. No.	Account	Per Books Plant		
		2015	2016	Average
	<u>Distribution Plant</u>			
374.1	Land	\$861,114	\$912,517	\$886,816
374.2	Rights of Way	252,390	497,941	375,165
375	Structures & Improvements	337,973	504,327	421,150
376	Mains	114,217,098	119,290,437	116,753,768
378	Meas. & Reg. Equip. -General	1,483,340	1,629,544	1,556,442
379	Meas.& Reg. Equip. - City Gate	4,379,202	4,995,081	4,687,141
380	Services	40,218,142	42,626,597	41,422,370
381	Positive Meters	28,154,555	29,187,760	28,671,157
383	Service Regulators	3,752,367	3,922,782	3,837,575
385	Ind. Meas. & Reg. Station Equip.	827,646	896,529	862,087
386.1	Misc. Property on Cust. Premise	1,680	1,680	1,680
386.2	CNG Refueling Stations	113,207	113,207	113,207
387.1	Cathodic Protection Equip.	832,945	886,491	859,718
387.2	Other Distribution Equip.	437,913	440,531	439,222
	Total Distribution Plant	<u>\$195,869,572</u>	<u>\$205,905,424</u>	<u>\$200,887,498</u>
	<u>General Plant</u>			
389	Land	\$274,522	\$274,522	\$274,522
390	Structures and Improvements	2,155,035	2,194,820	2,174,928
391.1	Office Furniture & Equipment	48,502	48,502	48,502
391.3	Personal Computers	181,884	122,721	152,302
392.1	Trans. Equip., Non-Unitized	183,945	174,810	179,378
392.2	Trans. Equip., Unitized	3,700,552	3,906,765	3,803,658
393	Stores Equipment	6,023	6,023	6,023
394.1	Miscellaneous Tolls - Nonunitized	957,725	1,234,898	1,096,312
395	Laboratory Equipment	140,478	140,704	140,591
396.1	Work Equipment Trailers	326,432	388,924	357,678
396.2	Power Operated Equip.	3,333,595	3,351,470	3,342,532
397.1	Fixed Radio Comm. Equip.	407,104	456,983	432,044
397.2	Mobile Radio Comm. Equip.	126,584	133,274	129,929
397.3	General Tele. Comm. Equip.	2,295	2,295	2,295
398	Miscellaneous Equipment	17,194	16,426	16,810
	Total General Plant	<u>\$11,861,870</u>	<u>\$12,453,137</u>	<u>\$12,157,504</u>
303	Intangible Plant - General	\$5,143,658	\$5,195,880	\$5,169,769

MONTANA-DAKOTA UTILITIES CO.
PLANT IN SERVICE
GAS UTILITY - NORTH DAKOTA
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2016

Acct. No.	Account	Per Books Plant		
		2015	2016	Average
	<u>Common Plant</u>			
389	Land	\$472,622	\$457,669	\$465,146
390	Structures and Improvements	10,183,193	8,857,467	9,520,330
391.1	Office Furniture & Equipment	461,718	440,329	451,023
391.3	Personal Computers	295,678	333,926	314,802
391.5	Other Computer Equipment	528,817	516,519	522,668
392.1	Trans. Equip., Non-Unitized	456	75,943	38,200
392.2	Trans. Equip., Unitized	1,127,451	1,016,972	1,072,211
392.3	Aircraft Equipment	796,013	776,936	786,475
393	Stores Equipment	9,619	9,218	9,418
394.1	Miscellaneous Tools	86,701	106,339	96,520
394.3	Vehicle Maint. Equip.	15,307	14,774	15,041
394.4	Vehicle Refueling Equip.	1,968	1,921	1,944
397.1	Fixed Radio Comm. Equip.	231,662	233,083	232,373
397.2	Mobile Radio Comm. Equip.	166,670	173,367	170,018
397.3	General Tele. Comm. Equip.	114,645	119,014	116,830
397.5	Supervisory & Telemetering	4,907	4,790	4,848
397.8	Network Equipment	28,455	41,781	35,118
398	Miscellaneous Equipment	219,799	214,823	217,311
	Total Common Plant	<u>\$14,745,681</u>	<u>\$13,394,871</u>	<u>\$14,070,276</u>
303	Intangible Plant - Common	12,887,076	13,048,910	12,967,993
	Acquisition Adjustment	<u>97,266</u>	<u>97,266</u>	<u>97,266</u>
	Total Gas Plant in Service	<u><u>\$240,605,123</u></u>	<u><u>\$250,095,488</u></u>	<u><u>\$245,350,306</u></u>

MONTANA-DAKOTA UTILITIES CO.
DETAILED COST OF PLANT
GAS UTILITY
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2016

Acct. No.	Account	Balance @ 12/31/2015	Additions	Retirements	Transfers	Balance @ 12/31/2016
	<u>Distribution Plant</u>					
374.1	Land	\$1,016,239	\$45,437		\$10,875	\$1,072,551
374.2	Rights of Way	431,148	255,100		(10,875)	675,373
375	Structures & Improvements	842,394	383,848	(2,645)		1,223,597
376	Mains	205,779,701	6,555,480	(605,695)	(32,922)	211,696,564
378	Meas. & Reg. Equip.-General	3,438,764	234,990	22	(1,338)	3,672,438
379	Meas. & Reg. Equip.-City Gate	6,204,779	437,419	(8,268)	5,150	6,639,080
380	Services	94,007,382	6,524,405	(410,494)	23,638	100,144,931
381	Positive Meters	70,002,134	2,597,855	(417,093)		72,182,896
383	Service Regulators	9,356,598	429,216	(56,446)		9,729,368
385	Ind. Meas. & Reg. Station Eqpt.	1,276,281	90,104	(3,815)	2,074	1,364,644
386.1	Misc. Property on Customer Premise	1,680				1,680
386.2	CNG Refueling Stations	113,207				113,207
387.1	Cathodic Protection Equip.	3,157,815	153,640	(26,825)		3,284,630
387.2	Other Distribution Equip.	663,051	36,631	(15,090)		684,592
	Total Distribution Plant	\$396,291,173	\$17,744,125	(\$1,546,349)	(\$3,398)	\$412,485,551
	<u>General Plant</u>					
389	Land	\$1,519,439			\$866,497	\$2,385,936
390	Structures and Improvements	8,943,375	59,003	(1,777)	4,339,789	13,340,390
391.1	Furniture and Fixtures	288,341	4,121	(1,115)	156,053	447,400
391.3	Computer Equip. - PC	363,388		(86,841)	49,895	326,442
391.5	Computer Equip. - Other	0				0
392.1	Trans. Equip., Non-Unitized	456,602		(13,283)		443,319
392.2	Trans. Equip., Unitized	9,713,348	1,528,796	(1,270,125)	(118,505)	9,853,514
393	Stores Equipment	57,183				57,183
394.1	Miscellaneous Tools - Utilized	2,982,790	569,100		10,594	3,562,484
394.3	Vehicle Maintenance Equipment	5,923			30,450	36,373

**MONTANA-DAKOTA UTILITIES CO.
DETAILED COST OF PLANT
GAS UTILITY
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2016**

Acct. No.	Account	Balance @ 12/31/2015	Additions	Retirements	Transfers	Balance @ 12/31/2016
394.4	Vehicle Refueling Equipment					0
395	Laboratory Equipment	195,762		(2,167)		193,595
396.1	Work Equipment Trailers	804,548	229,235	(44,293)	(7,782)	981,708
396.2	Power Operated Equip.	8,408,368	5,508,584	(5,342,618)	(107,681)	8,466,653
397.1	Fixed Radio Comm. Equipment	995,297	70,308	(20,763)	33,184	1,078,026
397.2	Moblile Radio Comm. Equipment	392,159	10,997			403,156
397.3	General Telephone Comm. Equipment	16,430			59,387	75,817
397.8	Network Equipment					0
398	Miscellaneous Equipment	42,189		(1,371)	16,412	57,230
	Total General Plant	<u>\$35,185,142</u>	<u>\$7,980,144</u>	<u>(\$6,784,353)</u>	<u>\$5,328,293</u>	<u>\$41,709,226</u>
303	Intangible Plant - General	6,467,430	81,336		(5,886)	6,542,880
	Common Plant - Gas 1/	30,343,027				23,433,876
	Common Intangible Plant 2/	30,525,275				30,472,126
	Total Gas Plant in Service	<u><u>\$498,812,047</u></u>	<u><u>\$25,805,605</u></u>	<u><u>(\$8,330,702)</u></u>	<u><u>\$5,319,009</u></u>	<u><u>\$514,643,659</u></u>

1/ Common Plant is assigned by state on an actual site and use basis when applicable, and the remainder is allocated by state to gas and electric on a plant in service basis. Total common changes for the twelve months ended December 31, 2016 are:

Common Utility	Balance @ 12/31/2015	Additions	Retirements	Transfers	Balance @ 12/31/2016
Account 1010	\$78,852,761	\$4,004,540	(\$6,890,958)	(\$5,952,538)	\$70,013,805
Account 1111	54,586,283	1,332,920			55,919,203
Total	<u><u>\$133,439,044</u></u>	<u><u>\$5,337,460</u></u>	<u><u>(\$6,890,958)</u></u>	<u><u>(\$5,952,538)</u></u>	<u><u>\$125,933,008</u></u>

**MONTANA-DAKOTA UTILITIES CO.
ACCUMULATED RESERVE FOR DEPRECIATION
GAS UTILITY - NORTH DAKOTA
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2016**

<u>Function</u>	Per Books Acc. Reserve		
	<u>2015</u>	<u>2016</u>	<u>Average</u>
Distribution	\$71,240,668	\$76,245,272	\$73,742,970
General	4,544,664	3,175,163	3,859,914
Intangible Plant - General	767,952	1,041,531	904,741
Common	4,767,795	4,597,411	4,682,603
Intangible Plant - Common	4,504,885	5,222,915	4,863,900
Acquisition Adjustment	<u>63,669</u>	<u>66,489</u>	<u>65,079</u>
Total Accumulated Reserve	<u><u>\$85,889,633</u></u>	<u><u>\$90,348,781</u></u>	<u><u>\$88,119,207</u></u>

**MONTANA-DAKOTA UTILITIES CO.
BOOK CHANGES IN ACCUMULATED PROVISION FOR
DEPRECIATION AND AMORTIZATION - GAS UTILITY
TWELVE MONTHS ENDING DECEMBER 31, 2016**

	Beginning Balance 12/31/15	Annual Provision	Retirements (Original Cost)	Salvage	Removal Costs	Reclass/ Adjustments	Ending Balance 12/31/16
<u>Gas Utility</u>							
Account 111 - Intangible	\$1,040,961	\$445,681				(\$182)	\$1,486,460
Account 108							
Distribution	182,893,382	13,573,292	(1,546,349)	53,960	(769,650)	(231)	194,204,404
General	13,394,059	796,877	(6,784,353)	3,213,568	(7,084)	894,659	11,507,726
Total Account 108	196,287,441	14,370,169	(8,330,702)	3,267,528	(776,734)	894,428	205,712,130
Total	<u>\$197,328,402</u>	<u>\$14,815,850</u>	<u>(\$8,330,702)</u>	<u>\$3,267,528</u>	<u>(\$776,734)</u>	<u>\$894,246</u>	<u>\$207,198,590</u>
Common 1/	\$20,075,852						\$20,558,383

1/ Common Plant is assigned by state on an actual site and use basis when applicable, and the remainder is allocated by state to gas and electric on a plant in service basis. Total common changes for the twelve months ended December 31, 2016 are:

	Beginning Balance 12/31/15	Annual Provision	Retirements (Original Cost)	Salvage	Removal Costs	Reclass/ Adjustments	Ending Balance 12/31/16
<u>Common Utility</u>							
Account 111	\$21,477,251	\$3,236,076					\$24,713,327
Account 108	27,076,006	2,935,213	(6,890,958)	1,274,174	(21,490)	1,803,023	26,175,968
Total Accounts 111 and 108	<u>48,553,257</u>	<u>6,171,289</u>	<u>(6,890,958)</u>	<u>1,274,174</u>	<u>(21,490)</u>	<u>1,803,023</u>	<u>\$50,889,295</u>

**MONTANA-DAKOTA UTILITIES CO.
SUMMARY OF WORKING CAPITAL AND
OTHER DEDUCTIONS
GAS UTILITY - NORTH DAKOTA
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2016**

<u>Working Capital</u>	Per Books		
	<u>2015</u>	<u>2016</u>	<u>Average</u>
Materials and Supplies	\$2,008,664	\$1,874,194	\$2,109,464 1/
Fuel Stocks	160,816	113,968	101,812 1/
Prepayments	51,764	57,756	232,480 1/
Unamortized Loss on Debt	717,768	558,870	638,319
Gain on Sale of Buildings	<u>(325,425)</u>	<u>(307,861)</u>	<u>(316,643)</u>
Total Working Capital	<u>\$2,613,587</u>	<u>\$2,296,927</u>	<u>\$2,765,432</u>
Customer Advances for Construction	<u>\$12,919,210</u>	<u>\$13,817,975</u>	<u>\$12,724,578 1/</u>

1/ Average of 13-month balances.

**MONTANA-DAKOTA UTILITIES CO.
WORKING CAPITAL AND OTHER DEDUCTIONS
GAS UTILITY - NORTH DAKOTA
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2016**

	<u>Materials</u>	<u>Fuel Stock</u>	<u>Prepayments</u>	<u>Unamortized Loss on Debt</u>	<u>Gain on Buildings</u>	<u>Customer Advances</u>
December 2015	\$2,008,664	\$160,816	\$51,764	\$717,768	(\$325,425)	\$12,919,210
January 2016	1,958,892	139,732	489,488	623,250	(323,961)	12,916,624
February	1,948,888	79,659	439,953	616,924	(322,498)	12,627,765
March	2,033,913	48,352	391,176	610,599	(321,034)	12,472,764
April	2,006,559	38,447	346,730	604,274	(319,570)	12,478,958
May	2,278,670	23,429	302,284	597,949	(318,107)	12,052,757
June	2,356,037	17,712	257,837	591,624	(316,643)	12,036,784
July	2,334,848	79,327	213,391	585,299	(315,179)	12,114,402
August	2,259,651	151,474	168,945	578,973	(313,715)	12,119,854
September	2,191,490	146,708	124,498	573,948	(312,252)	12,186,091
October	2,200,446	161,782	80,052	568,922	(310,788)	13,813,284
November	1,970,783	162,148	98,372	563,896	(308,324)	13,863,041
December	1,874,194	113,968	57,756	558,870	(307,861)	13,817,975
 Average	 <u>\$2,109,464</u>	 <u>\$101,812</u>	 <u>\$232,480</u>	 <u>\$638,319</u>	 <u>(\$316,643)</u>	 <u>\$12,724,578</u>

**MONTANA-DAKOTA UTILITIES CO.
AVERAGE UTILITY CAPITAL STRUCTURE
TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017-2018**

	Balance	Ratio	Cost	Required Return
<u>Per Books 2016</u>				
Long Term Debt 1/	\$575,451,153	42.587%	5.448%	2.320%
Short Term Debt 2/	82,230,080	6.085%	1.249%	0.076%
Preferred Stock 3/	15,308,600	1.133%	4.581%	0.052%
Common Equity 4/	678,262,453	50.195%	10.000%	5.020%
Total	<u>\$1,351,252,286</u>	<u>100.000%</u>		<u>7.468%</u>

<u>Projected 2017</u>				
Long Term Debt 1/	\$600,440,903	42.728%	5.250%	2.243%
Short Term Debt 2/	73,107,435	5.202%	2.216%	0.115%
Preferred Stock 3/	7,654,300	0.545%	4.581%	0.025%
Common Equity 4/	724,059,344	51.525%	10.000%	5.153%
Total	<u>\$1,405,261,982</u>	<u>100.000%</u>		<u>7.536%</u>

<u>Projected 2018</u>				
Long Term Debt 1/	\$642,930,015	43.036%	5.282%	2.273%
Short Term Debt 2/	89,161,765	5.968%	2.831%	0.169%
Preferred Stock 3/	0	0.000%	0.000%	0.000%
Common Equity 4/	761,853,315	50.996%	10.000%	5.100%
Total	<u>\$1,493,945,095</u>	<u>100.000%</u>		<u>7.542%</u>

- 1/ Schedule D-1, page 1.
2/ Schedule D-1, page 6.
3/ Schedule D-2, page 1.
4/ Schedule D-3, page 1.

**MONTANA-DAKOTA UTILITIES CO.
AVERAGE LONG-TERM DEBT
TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017-2018**

	Balance Outstanding	Annual Cost	Adjusted Embedded Cost
Balance at 12/31/2015	\$580,455,919	\$32,292,874	5.563%
Balance at 12/31/2016	\$570,000,000	\$30,341,290	5.323%
Minot Air Force Base Payable	446,386	26,783	6.000%
Amortization of Gain/Loss		43,469 ^{1/}	
Total @ 12/31/2016	<u>\$570,446,386</u>	<u>\$30,411,542</u>	<u>5.331%</u>
Average @ 12/31/2016	<u>\$575,451,153</u>	<u>\$31,352,208</u>	<u>5.448%</u>
Balance at 12/31/2017	\$630,000,000	\$32,567,090	5.169%
Minot Air Force Base Payable	435,420	26,125	6.000%
Amortization of Gain/Loss		43,469 ^{1/}	
Total @ 12/31/2017	<u>\$630,435,420</u>	<u>\$32,636,684</u>	<u>5.177%</u>
Average @ 12/31/2017	<u>\$600,440,903</u>	<u>\$31,524,113</u>	<u>5.250%</u>
Balance at 12/31/2018	655,000,000	35,219,840	5.377%
Minot Air Force Base Payable	424,610	25,477	6.000%
Amortization of Gain/Loss		43,469 ^{1/}	
Total @ 12/31/18	<u>\$655,424,610</u>	<u>\$35,288,786</u>	<u>5.384%</u>
Average @ 12/31/2018	<u>\$642,930,015</u>	<u>\$33,962,735</u>	<u>5.282%</u>

1/ Schedule D-1, page 5.

**MONTANA-DAKOTA UTILITIES CO.
LONG-TERM DEBT CAPITAL
PROJECTED DECEMBER 31, 2016**

Description	Date of Issuance	Date of Maturity	Interest Rate	Principal Amount of Issue	Gross Proceeds	Underwriters' Commission		Loss on Reacquirement Redemption and Issuance Expense	
						Amount	% Gross Proceeds	Amount	% Gross Proceeds
<u>Unsecured Long-Term Debt</u>									
5.98% - Senior Note	12/15/2003	12/15/2033	5.980%	\$30,000,000	\$30,000,000	\$624,465	2.082%	0	0.000%
6.33% - Senior Note	8/24/2006	8/24/2026	6.330%	100,000,000	100,000,000	344,061	0.344%	10,532,009	10.532%
6.04% - Senior Note	9/16/2008	9/16/2018	6.040%	100,000,000	100,000,000	362,431	0.362%	0	0.000%
5.18% - Senior Note	4/15/2014	4/15/2044	5.180%	50,000,000	50,000,000	239,178	0.478%	0	0.000%
4.24% - Senior Note	7/15/2014	7/15/2024	4.240%	60,000,000	60,000,000	291,263	0.485%	0	0.000%
4.34% - Senior Note	7/15/2014	7/15/2026	4.340%	40,000,000	40,000,000	197,042	0.493%	0	0.000%
3.78% - Senior Note	10/29/2015	10/30/2025	3.780%	87,000,000	87,000,000	471,997	0.543%	0	0.000%
4.87% - Senior Note	10/29/2015	10/30/2045	4.870%	11,000,000	11,000,000	59,461	0.541%	0	0.000%
4.03% - Senior Note	12/10/2015	12/10/2030	4.030%	52,000,000	52,000,000	286,355	0.551%	0	0.000%
4.15% - Senior Note	11/21/2016	11/21/2046	4.150%	40,000,000	40,000,000	226,084	0.565%	0	0.000%
Total Long-Term Debt Capital				<u>\$570,000,000</u>	<u>\$570,000,000</u>	<u>\$3,102,337</u>		<u>\$10,532,009</u>	

<u>Description</u>	<u>Net Proceeds</u>		<u>Cost of Money 1/</u>	<u>Principal</u>	<u>Annual Cost</u>	<u>Embedded Cost</u>
	<u>Amount</u>	<u>Per Unit</u>		<u>Outstanding</u>		
<u>Unsecured Long-Term Debt</u>						
5.98% - Senior Note	29,375,535	97.918%	6.210%	30,000,000	1,863,000	
6.33% - Senior Note	89,123,930	89.124%	7.514%	100,000,000	7,514,000	
6.04% - Senior Note	99,637,569	99.638%	6.181%	100,000,000	6,181,000	
5.18% - Senior Note	49,760,822	99.522%	5.280%	50,000,000	2,640,000	
4.24% - Senior Note	59,708,737	99.515%	4.346%	60,000,000	2,607,600	
4.34% - Senior Note	39,802,958	99.507%	4.442%	40,000,000	1,776,800	
3.78% - Senior Note	86,528,003	99.457%	3.883%	87,000,000	3,378,210	
4.87% - Senior Note	10,940,539	99.459%	4.964%	11,000,000	546,040	
4.03% - Senior Note	51,713,645	99.449%	4.122%	52,000,000	2,143,440	
4.15% - Senior Note	39,773,916	99.435%	4.228%	40,000,000	1,691,200	
Total Long-Term Debt Capital	<u>\$556,365,654</u>			<u>\$570,000,000</u>	<u>\$30,341,290</u>	5.323%

1/ Yield to maturity based upon the life, net proceeds and semiannual compounding of stated interest rate.

**MONTANA-DAKOTA UTILITIES CO.
LONG-TERM DEBT CAPITAL
PROJECTED DECEMBER 31, 2017**

Description	Date of Issuance	Date of Maturity	Interest Rate	Principal Amount of Issue	Gross Proceeds	Underwriters' Commission		Loss on Reacquisition Redemption and Issuance Expense	
						Amount	% Gross Proceeds	Amount	% Gross Proceeds
Unsecured Long-Term Debt									
5.98% - Senior Note	12/15/2003	12/15/2033	5.980%	\$30,000,000	\$30,000,000	\$624,465	2.082%	0	0.000%
6.33% - Senior Note	8/24/2006	8/24/2026	6.330%	100,000,000	100,000,000	344,061	0.344%	10,532,009	10.532%
6.04% - Senior Note	9/16/2008	9/16/2018	6.040%	100,000,000	100,000,000	362,431	0.362%	0	0.000%
5.18% - Senior Note	4/15/2014	4/15/2044	5.180%	50,000,000	50,000,000	239,178	0.478%	0	0.000%
4.24% - Senior Note	7/15/2014	7/15/2024	4.240%	60,000,000	60,000,000	291,263	0.485%	0	0.000%
4.34% - Senior Note	7/15/2014	7/15/2026	4.340%	40,000,000	40,000,000	197,042	0.493%	0	0.000%
3.78% - Senior Note	10/29/2015	10/30/2025	3.780%	87,000,000	87,000,000	471,997	0.543%	0	0.000%
4.87% - Senior Note	10/29/2015	10/30/2045	4.870%	11,000,000	11,000,000	59,461	0.541%	0	0.000%
4.03% - Senior Note	12/10/2015	12/10/2030	4.030%	52,000,000	52,000,000	286,355	0.551%	0	0.000%
4.15% - Senior Note	11/21/2016	11/21/2046	4.150%	40,000,000	40,000,000	226,084	0.565%	0	0.000%
3.73% - Senior Note	3/21/2017	3/31/2037	3.730%	40,000,000	40,000,000	172,131	0.430%	0	0.000%
3.36% - Senior Note	3/21/2017	3/31/2032	3.360%	20,000,000	20,000,000	86,065	0.430%	0	0.000%
Total Long-Term Debt Capital				\$630,000,000	\$630,000,000	\$3,360,533		\$10,532,009	

Description	Net Proceeds		Cost of Money 1/	Principal	Annual Cost	Embedded Cost
	Amount	Per Unit		Outstanding		
Unsecured Long-Term Debt						
5.98% - Senior Note	29,375,535	97.918%	6.210%	30,000,000	1,863,000	
6.33% - Senior Note	89,123,930	89.124%	7.514%	100,000,000	7,514,000	
6.04% - Senior Note	99,637,569	99.638%	6.181%	100,000,000	6,181,000	
5.18% - Senior Note	49,760,822	99.522%	5.280%	50,000,000	2,640,000	
4.24% - Senior Note	59,708,737	99.515%	4.346%	60,000,000	2,607,600	
4.34% - Senior Note	39,802,958	99.507%	4.442%	40,000,000	1,776,800	
3.78% - Senior Note	86,528,003	99.457%	3.883%	87,000,000	3,378,210	
4.87% - Senior Note	10,940,539	99.459%	4.964%	11,000,000	546,040	
4.03% - Senior Note	51,713,645	99.449%	4.122%	52,000,000	2,143,440	
4.15% - Senior Note	39,773,916	99.435%	4.228%	40,000,000	1,691,200	
3.73% - Senior Note	39,827,869	99.570%	3.795%	40,000,000	1,518,000	
3.36% - Senior Note	19,913,935	99.570%	3.539%	20,000,000	707,800	
Total Long-Term Debt Capital	\$616,107,458			\$630,000,000	\$32,567,090	5.169%

1/ Yield to maturity based upon the life, net proceeds and semiannual compounding of stated interest rate.

**MONTANA-DAKOTA UTILITIES CO.
LONG-TERM DEBT CAPITAL
PROJECTED DECEMBER 31, 2018**

Description	Date of Issuance	Date of Maturity	Interest Rate	Principal Amount of Issue	Gross Proceeds	Underwriters' Commission		Loss on Reacquisition Redemption and Issuance Expense	
						Amount	% Gross Proceeds	Amount	% Gross Proceeds
Unsecured Long-Term Debt									
5.98% - Senior Note	12/15/2003	12/15/2033	5.980%	\$30,000,000	\$30,000,000	\$624,465	2.082%	0	0.000%
6.33% - Senior Note	8/24/2006	8/24/2026	6.330%	100,000,000	100,000,000	344,061	0.344%	10,532,009	10.532%
5.18% - Senior Note	4/15/2014	4/15/2044	5.180%	50,000,000	50,000,000	239,178	0.478%	0	0.000%
4.24% - Senior Note	7/15/2014	7/15/2024	4.240%	60,000,000	60,000,000	291,263	0.485%	0	0.000%
4.34% - Senior Note	7/15/2014	7/15/2026	4.340%	40,000,000	40,000,000	197,042	0.493%	0	0.000%
3.78% - Senior Note	10/29/2015	10/30/2025	3.780%	87,000,000	87,000,000	471,997	0.543%	0	0.000%
4.87% - Senior Note	10/29/2015	10/30/2045	4.870%	11,000,000	11,000,000	59,461	0.541%	0	0.000%
4.03% - Senior Note	12/10/2015	12/10/2030	4.030%	52,000,000	52,000,000	286,355	0.551%	0	0.000%
4.15% - Senior Note	11/21/2016	11/21/2046	4.150%	40,000,000	40,000,000	226,084	0.565%	0	0.000%
3.73% - Senior Note	3/21/2017	3/31/2037	3.730%	40,000,000	40,000,000	172,131	0.430%	0	0.000%
3.36% - Senior Note	3/21/2017	3/31/2032	3.360%	20,000,000	20,000,000	86,065	0.430%	0	0.000%
6.85% - Senior Note	9/30/2018	9/30/2028	6.850%	125,000,000	125,000,000	856,250	0.685%	0	0.000%
Total Long-Term Debt Capital				\$655,000,000	\$655,000,000	\$3,854,352		\$10,532,009	

Description	Net Proceeds		Cost of Money 1/	Principal Outstanding	Annual Cost	Embedded Cost
	Amount	Per Unit				
Unsecured Long-Term Debt						
5.98% - Senior Note	29,375,535	97.918%	6.210%	30,000,000	1,863,000	
6.33% - Senior Note	89,123,930	89.124%	7.514%	100,000,000	7,514,000	
5.18% - Senior Note	49,760,822	99.522%	5.280%	50,000,000	2,640,000	
4.24% - Senior Note	59,708,737	99.515%	4.346%	60,000,000	2,607,600	
4.34% - Senior Note	39,802,958	99.507%	4.442%	40,000,000	1,776,800	
3.78% - Senior Note	86,528,003	99.457%	3.883%	87,000,000	3,378,210	
4.87% - Senior Note	10,940,539	99.459%	4.964%	11,000,000	546,040	
4.03% - Senior Note	51,713,645	99.449%	4.122%	52,000,000	2,143,440	
4.15% - Senior Note	39,773,916	99.435%	4.228%	40,000,000	1,691,200	
3.73% - Senior Note	39,827,869	99.570%	3.795%	40,000,000	1,518,000	
3.36% - Senior Note	19,913,935	99.570%	3.539%	20,000,000	707,800	
6.85% - Senior Note	124,143,750	99.315%	7.067%	125,000,000	8,833,750	
Total Long-Term Debt Capital	\$640,613,639			\$655,000,000	\$35,219,840	5.377%

1/ Yield to maturity based upon the life, net proceeds and semiannual compounding of stated interest rate.

**MONTANA-DAKOTA UTILITIES CO.
AMORTIZATION OF LOSS ON REACQUIRED DEBT
TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017-2018**

<u>Acct. 1890 - Unamortized Loss</u>	<u>Amortization</u>
PCN Notes Loss/Unamortized Expense - 2016	\$43,469
PCN Notes Loss/Unamortized Expense - 2017	43,469
PCN Notes Loss/Unamortized Expense - 2018	43,469

**MONTANA-DAKOTA UTILITIES CO.
AVERAGE SHORT-TERM DEBT
TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017-2018**

	Balance Outstanding	Annual Cost	Average Cost
<u>2016</u>			
Average Balance 1/	\$82,230,080	\$677,456	0.824%
Amortization of Fees 2/		350,004	
Total	<u>\$82,230,080</u>	<u>\$1,027,460</u>	<u>1.249%</u>
 <u>Projected 2017</u>			
Average Balance 1/	\$73,107,435	\$1,269,396	1.736%
Amortization of Fees 2/		350,611	
Total	<u>\$73,107,435</u>	<u>\$1,620,007</u>	<u>2.216%</u>
 <u>Projected 2018</u>			
Average Balance 1/	\$89,161,765	\$2,173,584	2.438%
Amortization of Fees 2/		350,611	
Total	<u>\$89,161,765</u>	<u>\$2,524,195</u>	<u>2.831%</u>

1/ Twelve month average balance.

2/ Negotiation and commitment fees.

**MONTANA-DAKOTA UTILITIES CO.
AVERAGE PREFERRED STOCK
TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017-2018**

<u>Description</u>	<u>Balance Outstanding</u>	<u>Annual Cost</u>	<u>Adjusted Embedded Cost</u>
Balance at 12/31/2015	\$15,308,600	\$701,310	4.581%
2016 Redemptions:			
Balance at 12/31/2016	<u>\$15,308,600</u>	<u>\$701,310</u>	<u>4.581%</u>
Average @ 12/31/2016	<u>\$15,308,600</u>	<u>\$701,310</u>	<u>4.581%</u>
2017 Redemptions:			
4.5% Series	(10,000,000)	0	0.000%
4.7% Series	(5,000,000)	0	0.000%
5.1% Series	(308,600)	0	0.000%
Balance at 12/31/2017	<u>\$0</u>	<u>\$0</u>	<u>0.000%</u>
Average @ 12/31/2017	<u>\$7,654,300</u>	<u>\$350,655</u>	<u>4.581%</u>
Balance at 12/31/2018	<u>\$0</u>	<u>\$0</u>	<u>0.000%</u>
Average @ 12/31/2018	<u>\$0</u>	<u>\$0</u>	<u>0.000%</u>

**MONTANA-DAKOTA UTILITIES CO.
PREFERRED STOCK CAPITAL
DECEMBER 31, 2016**

Description	Date of Issuance	Call	Dividend Rate	Par Value of Issue	Gross Proceeds (000's)	Underwriters' Commission		Issuance Expense	
		(Redemption) Price				Amount	% Gross Proceeds	Amount	% Gross Proceeds
4.5% Series	01/01/51	\$105	4.5%	\$100	\$10,000				
4.7% Series	12/07/55	102	4.7%	100	5,000				
5.1% Series	05/23/61	100/102	5.1%	100	5,000	\$25,000	0.50%	\$27,452	0.549%

<u>Description</u>	<u>Net Proceeds</u>		<u>Cost of</u> <u>Money 1/ 2/</u>	<u>Principal</u> <u>Outstanding</u>	<u>December 31, 2016</u>		<u>Method</u> <u>of</u> <u>Offering</u>
	<u>Amount</u> <u>(000's)</u>	<u>Per Unit</u>			<u>Annual</u> <u>Cost</u>	<u>Embedded</u> <u>Cost</u>	
4.5% Series	\$10,000	100.000%	4.500%	\$10,000,000	\$450,000		Public
4.7% Series	5,000	100.000%	4.700%	5,000,000	235,000		Public
5.1% Series	4,948	98.951%	5.285%	308,600	16,310		Private
Total				<u>\$15,308,600</u>	<u>\$701,310</u>	<u>4.581%</u>	

1/ Yield to maturity based upon the life, net proceeds, and quarterly compounding of the stated dividend rate of each issue.

2/ 4.5% Series and 4.7% Series issue expense fully recovered.

**MONTANA-DAKOTA UTILITIES CO.
PREFERRED STOCK CAPITAL
PROJECTED DECEMBER 31, 2017**

<u>Description</u>	<u>Date of Issuance</u>	<u>Call (Redemption) Price</u>	<u>Dividend Rate</u>	<u>Par Value of Issue</u>	<u>Gross Proceeds (000's)</u>	<u>Underwriters' Commission</u>		<u>Issuance Expense</u>	
						<u>Amount</u>	<u>% Gross Proceeds</u>	<u>Amount</u>	<u>% Gross Proceeds</u>
4.5% Series	01/01/51	\$105	4.5%	\$100	\$10,000				
4.7% Series	12/07/55	102	4.7%	100	5,000				
5.1% Series	05/23/61	100/102	5.1%	100	5,000	\$25,000	0.50%	\$27,452	0.549%

<u>Description</u>	<u>Net Proceeds</u>		<u>Cost of Money 1/ 2/</u>	<u>Principal Outstanding</u>	<u>December 31, 2017</u>		<u>Method of Offering</u>
	<u>Amount (000's)</u>	<u>Per Unit</u>			<u>Annual Cost</u>	<u>Embedded Cost</u>	
4.5% Series	\$10,000	100.000%	4.500%	\$0	\$0		Public
4.7% Series	5,000	100.000%	4.700%	0	0		Public
5.1% Series	4,948	98.951%	5.285%	0	0		Private
Total				<u>\$0</u>	<u>\$0</u>	<u>0.000%</u>	

1/ Yield to maturity based upon the life, net proceeds, and quarterly compounding of the stated dividend rate of each issue.

2/ 4.5% Series and 4.7% Series issue expense fully recovered.

**MONTANA-DAKOTA UTILITIES CO.
AVERAGE UTILITY COMMON EQUITY
TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017-2018**

<u>Description</u>	<u>Amount</u>
Common Equity - 12/31/2015	<u>\$659,154,381</u>
Common Equity - 12/31/2016	\$2,301,244,327
Investment in Subsidiaries	<u>1,603,873,802</u>
Utility Common Equity - 12/31/2016	<u><u>\$697,370,525</u></u>
Average @ 12/31/2016	\$678,262,453
Common Equity - 12/31/2017	\$2,357,074,938
Investment in Subsidiaries	<u>1,606,326,776</u>
Utility Common Equity - 12/31/2017	<u><u>\$750,748,162</u></u>
Average @ 12/31/2017	\$724,059,344
Common Equity - 12/31/2018	\$2,379,285,244
Investment in Subsidiaries	<u>1,606,326,776</u>
Utility Common Equity - 12/31/2018	<u><u>\$772,958,468</u></u>
Average @ 12/31/2018	<u><u>\$761,853,315</u></u>

**MONTANA-DAKOTA UTILITIES CO.
SUMMARY OF REVENUES
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2016**

	<u>Dk</u>	<u>Per Books</u>
<u>Sales</u>		
Residential	7,274,157	\$46,620,909
Firm General	6,467,226	33,024,674
Air Force	432,318	1,181,825
Small Interruptible	646,878	2,635,999
Large Interruptible	5,816	31,412
Reserve for Refunds		(24,360)
Unbilled Revenue		2,121,873
Total Sales	<u>14,826,395</u>	<u>\$85,592,332</u>
 <u>Transportation</u>		
Small Interruptible	969,309	\$790,363
Large Interruptible	4,281,954	1,326,606
Unbilled Revenue		30,661
Total Transportation	<u>5,251,263</u>	<u>\$2,147,630</u>
 Total Sales and Transportation	 <u><u>20,077,658</u></u>	 <u><u>\$87,739,962</u></u>
 <u>Other Revenue</u>		
Miscellaneous Service Revenue		\$507,095
Rent from Property		579,985
Other Revenue		3,059,034
Total Other Revenue		<u><u>\$4,146,114</u></u>
 Total Operating Revenue		 <u><u>\$91,886,076</u></u>

MONTANA-DAKOTA UTILITIES CO.
SUMMARY OF OPERATION AND MAINTENANCE EXPENSES
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2016

	Total Company	North Dakota
Cost of Gas	\$117,374,561	\$51,338,373
Other Gas Supply	761,652	356,251
Total Gas Supply	118,136,213	51,694,624
Distribution	19,145,053	8,874,515
Customer Accounting	6,910,895	2,757,308
Customer Service & Information	521,751	246,252
Sales	287,263	133,030
Administrative and General	17,615,456	7,880,939
Total Operation and Maintenance Expenses	\$162,616,631	\$71,586,668

MONTANA-DAKOTA UTILITIES CO.
SUMMARY OF OPERATION AND MAINTENANCE EXPENSES
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2016

Account No.		Total Company	North Dakota
	<u>Other Gas Supply Expenses</u>		
804	Natural Gas City Gate Purchases	\$124,049,882	\$54,732,560
805	Purchased Gas Cost Adjustments	(4,927,213)	(3,480,075)
808.1	Gas Withdrawn from Storage	22,213,331	10,210,226
808.2	Gas Delivered to Storage	(23,961,439)	(10,124,338)
813	Other Gas Supply Expenses	761,652	356,251
	Total Other Gas Supply Expenses	<u>118,136,213</u>	<u>51,694,624</u>
	<u>Distribution Expenses</u>		
	<u>Operation</u>		
870	Supervision and Engineering	2,945,089	1,350,950
871	Distribution Load Dispatching	28,623	18,753
874	Mains and Services	4,699,828	2,167,245
875	Measuring & Reg. Station Exp. - General	178,622	111,113
876	Measuring & Reg. Station Exp. - Industrial	174,365	141,413
877	Measuring & Reg. Station Exp. - City Gate	88,954	36,761
878	Meters and House Regulators	1,369,005	453,821
879	Customer Installations	1,255,383	621,433
880	Other Expenses	4,467,123	2,032,892
881	Rents	123,143	69,796
	Total Operation Expenses	<u>15,330,135</u>	<u>7,004,177</u>
	<u>Maintenance</u>		
885	Supervision & Engineering	974,578	392,625
886	Structures & Improvements	52,086	8,692
887	Mains	535,978	346,032
889	Measuring & Reg. Station Exp. - General	196,225	110,447
890	Measuring & Reg. Station Exp. - Industrial	108,966	46,207
891	Measuring & Reg. Station Exp. - City Gate	51,900	27,741
892	Services	398,091	232,675
893	Meters and House Regulators	692,915	301,284
894	Other Equipment	804,179	404,635
	Total Maintenance Expenses	<u>3,814,918</u>	<u>1,870,338</u>
	Total Distribution Expenses	<u>19,145,053</u>	<u>8,874,515</u>
	<u>Customer Accounts Expenses</u>		
	<u>Operation</u>		
901	Supervision	222,693	88,501
902	Meter Reading Expenses	534,342	218,081
903	Customer Records and Collection Exp.	5,208,191	2,068,834
904	Uncollectible Accounts	720,399	265,159
905	Misc. Customer Accounts Expenses	225,270	116,733
	Total Customer Accounts Expenses	<u>6,910,895</u>	<u>2,757,308</u>

MONTANA-DAKOTA UTILITIES CO.
SUMMARY OF OPERATION AND MAINTENANCE EXPENSES
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2016

<u>Account No.</u>		<u>Total Company</u>	<u>North Dakota</u>
	<u>Customer Service & Information Expenses</u>		
	<u>Operation</u>		
907	Supervision	86,741	34,977
908	Customer Assistance Expenses	242,709	122,261
909	Informational and Instructional Expenses	192,232	89,010
910	Misc. Customer Service & Info. Exp.	69	4
	Total Customer Service & Info. Exp.	<u>521,751</u>	<u>246,252</u>
	<u>Sales Expenses</u>		
	<u>Operation</u>		
911	Supervision	502	238
912	Demonstrating and Selling Expenses	160,516	85,507
913	Advertising Expenses	117,574	43,846
916	Misc. Sales Expenses	8,671	3,439
	Total Sales Expenses	<u>287,263</u>	<u>133,030</u>
	<u>Administrative & General Expenses</u>		
	<u>Operation</u>		
920	Administrative and General Salaries	4,797,292	2,198,744
921	Office Supplies and Expenses	2,705,123	1,245,241
923	Outside Services Employed	368,593	166,315
924	Property Insurance	433,880	198,861
925	Injuries and Damages	1,060,374	446,281
926	Employee Pensions and Benefits	5,936,498	2,529,034
928	Regulatory Commission Expenses	379,360	160,011
930.1	General Advertising Expenses	86,939	45,842
930.2	Miscellaneous General Expenses	509,332	244,658
931	Rents	835,955	379,446
	Total Operation Expenses	<u>17,113,346</u>	<u>7,614,433</u>
	<u>Maintenance</u>		
935	Maintenance of General Plant	502,110	266,506
	Total Administrative & General Expenses	<u>17,615,456</u>	<u>7,880,939</u>
	Total Operation & Maintenance Expenses	<u>\$162,616,631</u>	<u>\$71,586,668</u>

MONTANA-DAKOTA UTILITIES CO.
SUMMARY OF DEPRECIATION EXPENSE AND AMORTIZATION
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2016

<u>Function</u>	<u>Total Company</u>	<u>North Dakota</u>
Distribution	\$13,573,602	\$5,895,550
General	673,036	193,869
General - Intangible	415,559	271,460
Common	947,870	508,029
Common - Intangible	1,842,871	776,673
Amortization of Acquisition Adjustment	2,819	2,819
Amortization of Gain on Building	<u>(17,564)</u>	<u>(17,564)</u>
Total	<u><u>\$17,438,193</u></u>	<u><u>\$7,630,836</u></u>

**MONTANA-DAKOTA UTILITIES CO.
COMPOSITE DEPRECIATION RATES
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2016**

	Average Plant	Annual Depreciation	%
Distribution	\$200,887,498	\$6,806,606	3.39%
General			
Other	\$2,147,028	\$100,180	4.67%
Structures	2,174,928	52,633	2.42%
Computer Equipment	152,302	26,226	17.22%
Transportation	3,983,036	276,447	6.94%
Work Equipment	3,700,210	181,553	4.91%
Total General	\$12,157,504	\$637,039	5.24%
Common			
Other	\$2,602,065	\$124,807	4.80%
Structures	9,520,330	80,923	0.85%
Computer Equipment	837,470	167,494	20.00%
Transportation	1,110,411	71,302	6.42%
Total Common	\$14,070,276	\$444,526	3.16%
<u>Amortization 1/</u>			
General Intangible	\$5,169,769	\$232,355	
Common Intangible	12,967,993	768,097	
Amort. of Acquisition Adjustment	97,266	2,819	
Amort. of Gain on Building	0	(17,564)	
Total Plant	<u>\$245,350,306</u>	<u>\$8,873,878</u>	

1/ Amortized - no rate.

**MONTANA-DAKOTA UTILITIES CO.
SUMMARY OF TAXES OTHER THAN INCOME
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDED DECEMBER 31, 2016**

<u>Type of Tax</u>	<u>Total Company</u>	<u>North Dakota</u>
Ad Valorem		
Distribution	\$5,080,695	\$917,762
General	237,706	50,415
General Intangible	25,690	25,128
Common	354,310	38,182
Common Intangible	87,329	42,549
Total Ad Valorem Taxes	5,785,730	1,074,036
O&M Related Taxes - Other		
Payroll Taxes	1,747,107	790,737
Franchise	95,980	6,204
Delaware Franchise	64,136	29,092
Total O&M Related Taxes	1,907,223	826,033
Other		
Gross Revenue Taxes	370,496	0
Highway Use Tax	1,473	685
Secretary of State	915	415
Total Other	372,884	1,100
Total Taxes Other Than Income	<u>\$8,065,837</u>	<u>\$1,901,169</u>

MONTANA-DAKOTA UTILITIES CO.
CALCULATION OF RECORDED STATE AND FEDERAL INCOME TAXES
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDED DECEMBER 31, 2016

	<u>North Dakota</u>
Operating Revenues	\$91,886,076
Operating Expense:	
O&M Expense	71,586,668
Depreciation Expense	7,630,836
Taxes Other than Income	1,901,169
Total Operating Expense	<u>81,118,673</u>
Operating Income	10,767,403
Interest Expense	3,255,229
Book Taxable Income before Adjustments	7,512,174
Deductions and Adjustments to Book Income:	
Tax Deductions	<u>(930,575)</u>
Total Deductions and Adjustments	(930,575)
Taxable Income - Before State Income Tax	8,442,749
Less: State Income Taxes	510,704
Other Closing/Filing Adjustment	
Federal Taxable Income	<u>7,932,045</u>
Federal Income Taxes @ 35%	2,776,216
Credits and Adjustments	(4,564)
State Income Taxes	510,704
Federal and State Income Taxes	<u>3,282,356</u>
Closing/Filing - Federal and State	703,262
Total Federal and State Income Taxes	<u><u>\$3,985,618</u></u>

MONTANA-DAKOTA UTILITIES CO.
CALCULATION OF RECORDED STATE AND FEDERAL INCOME TAXES
INCOME TAX DEDUCTIONS
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDED DECEMBER 31, 2016

	<u>North Dakota</u>
<u>Property M-1's</u>	
AFUDC CWIP	(9,789)
AFUDC Equity	(49,537)
CWIP	15,681
Liberalized Depreciation and Other Property	
Timing Differences	(347,361)
Property Timing Differences-Common	(344,725)
Contributions In Aid of Construction	(110,087)
Acquisition Adjustment	(396)
<u>Other M-1's</u>	
Bad Debt Expense	2,360
Board of Directors Retirement Benefit	18,437
Bonus & 401k Profit Sharing	(1,500,356)
Customer Advances	(908,267)
Deferred Compensation- Directors	(176,721)
Deferred Medicare Part D	59,995
Deferred Pension Expense	(1,162,966)
Deferred Postretirement Benefit Costs	(1,320,974)
Gain on Sale of Building	17,564
Loss on Sale of Building	785,857
Management Incentive	47,525
Manufactured Gas Plant	(90,780)
PCB Related Income	15,089
Pension Expense	1,415,139
Performance Share Program	193,551
Postretirement Benefits Cost	1,348,743
Prepaid Demand Charge	106,250
Prepaid Expenses	175,346
Property Insurance	57,900
Purchased Gas Adjustment	385,183
Regulatory Commission Expense	(214,921)
Reserved Revenues	916,543
Sundry Reserves	10,282
Unamortized Loss on Reacquired Debt	(158,898)
Uniform Capitalization	(30,416)
Vacation Pay	(57,405)
<u>Permanent M-1's</u>	
50% Meals and Entertainment	(31,248)
Dividend Received Deduction	10
Fuel Tax Credit	(4,564)
Preferred Stock Dividends Paid	19,046
Preferred Stock Expense Amortization	(1,665)
Total M-1 Deductions	<u>(\$930,575)</u>

**MONTANA-DAKOTA UTILITIES CO.
DEFERRED INCOME TAXES
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDED DECEMBER 31, 2016**

	<u>North Dakota</u>
<u>Gas Utility - Rate Base Deductions:</u>	
Liberalized Depreciation and Other	
Property Timing Differences	(\$277,184)
Normalized Timing Differences	(102,409)
Contributions In Aid of Construction	(40,628)
Customer Advances	(340,291)
Unamortized Loss on Reacquired Debt	(62,180)
Gain on Sale of Building	6,665
Acquisition Adjustment	(152)
Total Rate Base Deductions	<u>(816,179)</u>
<u>Gas Utility - Timing Differences:</u>	
AFUDC Debt	4,428
Bad Debt Expense	1,000
Board of Directors Retirement Benefits	7,373
Bonus & 401k Profit Sharing	(590,200)
CWIP	1,408
Deferred Compensation - Directors	(69,429)
Deferred Medicare Part D	23,558
Deferred Pension Expense	(506,802)
Deferred Postretirement Benefit Costs	(518,062)
Loss on Sale of Building	297,066
Management Incentive	18,838
Manufactured Gas Plant	(34,316)
PCB Related Income	5,867
Pension Expense	555,346
Performance Share Program	75,849
Postretirement Benefit Costs	530,716
Prepaid Demand Charge	38,404
Prepaid Expense	68,997
Property Insurance	22,498
Purchased Gas Adjustment	145,605
Regulatory Assets Awaiting Recovery	
Regulatory Commission Expense	(81,245)
Reserved Revenues	346,467
Sundry Reserves	4,064
Uniform Capitalization	(11,968)
Vacation Pay	(22,588)
Closing/Filing and Out of Period	(746,151)
Total Timing Differences	<u>(433,277)</u>
 Total Deferred Income Taxes	 <u><u>(\$1,249,456)</u></u>

**MONTANA-DAKOTA UTILITIES CO.
ACCUMULATED DEFERRED INCOME TAXES
GAS UTILITY - NORTH DAKOTA
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2016**

	Per Books		
	2015	2016	Average
<u>Accumulated Deferred Income Taxes</u>			
Liberalized Depreciation	\$26,488,006	\$26,340,077	\$26,414,042
Full Normalization	594,835	492,426	543,631
Contribution in Aid of Construction	(1,292,259)	(1,504,053)	(1,398,156)
Customer Advances	(4,919,031)	(5,259,322)	(5,089,177)
Unamortized Loss on Debt	277,397	215,217	246,307
Gain on Sale of Building	(123,481)	(116,816)	(120,149)
Acquisition Adjustment	12,078	11,837	11,958
	<u> </u>	<u> </u>	<u> </u>
Balance	<u>\$21,037,545</u>	<u>\$20,179,366</u>	<u>\$20,608,456</u>

**MONTANA-DAKOTA UTILITIES CO.
INCOME STATEMENT
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDED DECEMBER 31, 2016**

	<u>Total Company</u>	<u>North Dakota</u>	<u>Reference</u>
Operating Revenues			
Sales	\$196,686,631	\$85,592,332	Statement E
Transportation	4,219,653	2,147,630	Statement E
Other	5,296,907	4,146,114	Statement E
Total Revenues	<u>206,203,191</u>	<u>\$91,886,076</u>	
Operating Expenses			
Operation and Maintenance			
Cost of Gas	\$117,374,561	\$51,338,373	Statement F
Other O&M	45,242,070	20,248,295	Statement F
Total O&M	<u>\$162,616,631</u>	<u>\$71,586,668</u>	
Depreciation	17,438,193	7,630,836	Statement G
Taxes Other Than Income	8,065,837	1,901,169	Statement H
Current Income Taxes	7,736,239	3,985,618	Statement I
Deferred Income Taxes	<u>(3,352,966)</u>	<u>(1,249,456)</u>	Statement I
Total Expenses	<u>\$192,503,934</u>	<u>\$83,854,835</u>	
Operating Income	<u><u>\$13,699,257</u></u>	<u><u>\$8,031,241</u></u>	
Rate Base	<u><u>\$228,895,142</u></u>	<u><u>\$126,663,497</u></u>	Statement J
Rate of Return	<u><u>5.985%</u></u>	<u><u>6.341%</u></u>	

**MONTANA-DAKOTA UTILITIES CO.
AVERAGE RATE BASE
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDED DECEMBER 31, 2016**

	Total Company	North Dakota	Other	Reference
Gas Plant in Service	\$506,603,935	\$245,350,306	\$261,253,629	Statement A
Accumulated Reserve for Depreciation	222,611,178	88,119,207	134,491,971	Statement B
Net Gas Plant in Service	283,992,757	157,231,099	126,761,658	
Additions				
Materials and Supplies	3,651,141	2,109,464	1,541,677	Statement C
Fuel Stocks	137,392	101,812	35,580	Statement C
Gas in Underground Storage	1,261,594		1,261,594	
Prepayments	4,103,610	232,480	3,871,130	Statement C
Unamortized Gain/Loss on Debt	1,183,148	638,319	544,829	Statement C
Gain on Sale of Building	(316,643)	(316,643)	0	Statement C
Other	171,705		171,705	
Total Additions	10,191,947	2,765,432	7,426,515	
Total Before Deductions	\$294,184,704	\$159,996,531	\$134,188,173	
Deductions				
Accumulated Deferred Income Taxes	49,092,914	20,608,456	28,484,458	Statement I
Customer Advances	16,196,648	12,724,578	3,472,070	Statement C
Total Deductions	65,289,562	33,333,034	31,956,528	
Total Rate Base	<u>\$228,895,142</u>	<u>\$126,663,497</u>	<u>\$102,231,645</u>	

MONTANA-DAKOTA UTILITIES CO.
PROJECTED OPERATING INCOME AND RATE OF RETURN
REFLECTING ADDITIONAL REVENUE REQUIREMENTS
PROJECTED 2018

	Before Additional Revenue Requirements 1/	Additional Revenue Requirements	Reflecting Additional Revenue Requirements
Operating Revenues			
Sales	\$106,410,946	\$5,863,197	\$112,274,143
Transportation	2,197,896		2,197,896
Other	3,527,788		3,527,788
Total Revenues	<u>112,136,630</u>	<u>5,863,197</u>	<u>117,999,827</u>
Operating Expenses			
Operation and Maintenance			
Cost of Gas	70,913,006		70,913,006
Other O&M	21,532,698		21,532,698
Total O&M	<u>92,445,704</u>		<u>92,445,704</u>
Depreciation	9,206,297		9,206,297
Taxes Other Than Income	2,039,599		2,039,599
Income Taxes	1,876,170	2,216,376 2/	4,092,546
Total Expenses	<u>105,567,770</u>	<u>2,216,376</u>	<u>107,784,146</u>
Operating Income	<u>\$6,568,860</u>	<u>\$3,646,821</u>	<u>\$10,215,681</u>
Rate Base	<u>\$135,450,558</u>		<u>\$135,450,558</u>
Rate of Return	<u>4.850%</u>		<u>7.542%</u>

1/ Statement K, Page 1.

2/ Reflects state and federal taxes at 37.8015%.

**MONTANA-DAKOTA UTILITIES CO.
INCOME STATEMENT
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017 - 2018**

	Per Books 2016	Projected 2017	Projected 2018	Reference
Operating Revenues				
Sales	\$85,592,333	\$104,625,055	\$106,410,946	Page 2
Transportation	2,147,629	2,197,896	2,197,896	Page 2
Other	4,146,114	3,524,931	3,527,788	Page 2
Total Revenues	91,886,076	110,347,882	112,136,630	
Operating Expenses				
Operation and Maintenance				
Cost of Gas	51,338,373	69,713,908	70,913,006	Page 12
Other O&M	20,248,295	20,995,685	21,532,698	Pages 8 & 10
Total O&M	71,586,668	90,709,593	92,445,704	
Depreciation and Amortization	7,630,836	8,738,259	9,206,297	Page 30
Taxes Other Than Income	1,901,169	1,960,214	2,039,599	Page 33
Current Income Taxes	3,985,618	2,138,370	1,876,170	Page 36
Deferred Income Taxes	(1,249,456)			
Total Expenses	83,854,835	103,546,436	105,567,770	
Operating Income	\$8,031,241	\$6,801,446	\$6,568,860	
Rate Base	\$126,663,497	\$131,843,291	\$135,450,558	
Rate of Return	6.341%	5.159%	4.850%	
Return on Equity	7.756%	5.388%	4.722%	

**MONTANA-DAKOTA UTILITIES CO.
SUMMARY OF REVENUES
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017-2018**

	Per Books 2016	Projected	
		2017	2018
<u>Sales</u>			
Residential	\$46,620,909	\$57,360,795	\$58,201,289
Firm General	33,024,675	43,126,590	44,071,987
Air Force	1,181,825	1,604,860	1,604,860
Small Interruptible	2,635,998	2,532,810	2,532,810
Large Interruptible	31,412		
Reserve for Refunds	(24,359)		
Unbilled Revenue	2,121,873		
Total Sales	<u>\$85,592,333</u>	<u>\$104,625,055</u>	<u>\$106,410,946</u>
 <u>Transportation</u>			
Small Interruptible	\$790,363	\$870,115	\$870,115
Large Interruptible	1,326,606	1,327,781	1,327,781
Unbilled Revenue	30,660	0	0
Total Transportation	<u>\$2,147,629</u>	<u>\$2,197,896</u>	<u>\$2,197,896</u>
 Total Sales and Transportation	<u><u>\$87,739,962</u></u>	<u><u>\$106,822,951</u></u>	<u><u>\$108,608,842</u></u>
 <u>Other Operating Revenue</u>			
Miscellaneous Service Revenue	\$507,095	\$507,095	\$507,095
Rent from Property	579,985	465,709	465,709
Other Revenue	3,059,034	2,552,127	2,554,984
Total Other Revenue	<u>\$4,146,114</u>	<u>\$3,524,931</u>	<u>\$3,527,788</u>
 Total Operating Revenue	<u><u>\$91,886,076</u></u>	<u><u>\$110,347,882</u></u>	<u><u>\$112,136,630</u></u>

**MONTANA-DAKOTA UTILITIES CO.
SALES AND TRANSPORTATION REVENUE
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017-2018**

	Per Books 2016	Projected	
		2017	2018
<u>Sales - Revenue</u>			
Residential	\$46,620,909	\$57,360,795	\$58,201,289
Firm General	33,024,675	43,126,590	44,071,987
Air Force	1,181,825	1,604,860	1,604,860
Small Interruptible	2,635,998	2,532,810	2,532,810
Large Interruptible	31,412		
Reserve for Refunds	(24,359)		
Unbilled Revenue	2,121,873		
Total Sales	<u>\$85,592,333</u>	<u>\$104,625,055</u>	<u>\$106,410,946</u>
 <u>Transportation</u>			
Small Interruptible	\$790,363	\$870,115	\$870,115
Large Interruptible	1,326,606	1,327,781	1,327,781
Unbilled Revenue	30,660		
Total Transportation	<u>\$2,147,629</u>	<u>\$2,197,896</u>	<u>\$2,197,896</u>
 Total Throughput	<u><u>\$87,739,962</u></u>	<u><u>\$106,822,951</u></u>	<u><u>\$108,608,842</u></u>
	Per Books 2016	Projected	
		2017	2018
<u>Sales - Dk</u>			
Residential	7,274,158	8,698,633	8,826,214
Firm General	6,467,226	7,864,294	8,035,663
Air Force	432,318	490,100	490,100
Small Interruptible	646,878	572,872	572,872
Large Interruptible	5,816		
Reserve for Refunds			
Unbilled Revenue			
Total Sales	<u>14,826,396</u>	<u>17,625,899</u>	<u>17,924,849</u>
 <u>Transportation</u>			
Small Interruptible	969,309	1,104,513	1,104,513
Large Interruptible	4,281,953	4,321,943	4,321,943
Unbilled Revenue			
Total Transportation	<u>5,251,262</u>	<u>5,426,456</u>	<u>5,426,456</u>
 Total Throughput	<u><u>20,077,658</u></u>	<u><u>23,052,355</u></u>	<u><u>23,351,305</u></u>

**MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - NORTH DAKOTA
SUMMARY OF REVENUES - PROJECTED 2017**

Revenue Reporting Class	Projected 2017 1/				
	Customers	Dk	Distribution Revenue	Cost of Gas	Total Revenue 1/
Sales					
Residential	95,394	8,698,633	\$22,433,760	\$34,927,035	\$57,360,795
Air Force	3	490,100	119,891	1,484,969	1,604,860
Firm General	15,211	7,864,294	11,527,751	31,598,839	43,126,590
Small Interruptible 2/	92	572,872	830,234	1,702,576	2,532,810
Large Interruptible	0	0	0	0	0
Total Sales	<u>110,700</u>	<u>17,625,899</u>	<u>\$34,911,636</u>	<u>\$69,713,419</u>	<u>\$104,625,055</u>
Transportation					
Small Interruptible	63	1,104,513	\$870,115		\$870,115
Large Interruptible	6	4,321,943	1,327,781		1,327,781
Total Transportation	<u>69</u>	<u>5,426,456</u>	<u>\$2,197,896</u>		<u>\$2,197,896</u>
Total Sales & Transportation	<u>110,769</u>	<u>23,052,355</u>	<u>\$37,109,532</u>	<u>\$69,713,419</u>	<u>\$106,822,951</u>

1/ Rates effective with service rendered on and after 12/1/2015, Case No. PU-15-090. COG effective May 2017, excluding surcharge.

2/ Excludes grain drying sales.

**MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - NORTH DAKOTA
SUMMARY OF REVENUES - PROJECTED 2018**

Revenue Reporting Class	Projected 2018 1/				
	Customers	Dk	Distribution Revenue	Cost of Gas	Total Revenue 1/
Sales					
Residential	96,792	8,826,214	\$22,762,526	\$35,438,763	\$58,201,289
Air Force	3	490,100	119,891	1,484,969	1,604,860
Firm General	15,560	8,035,663	11,785,787	32,286,200	44,071,987
Small Interruptible 2/	92	572,872	830,234	1,702,576	2,532,810
Large Interruptible	0	0	0	0	0
Total Sales	<u>112,447</u>	<u>17,924,849</u>	<u>\$35,498,438</u>	<u>\$70,912,508</u>	<u>\$106,410,946</u>
Transportation					
Small Interruptible	63	1,104,513	\$870,115		\$870,115
Large Interruptible	6	4,321,943	1,327,781		1,327,781
Total Transportation	<u>69</u>	<u>5,426,456</u>	<u>\$2,197,896</u>		<u>\$2,197,896</u>
Total Sales & Transportation	<u>112,516</u>	<u>23,351,305</u>	<u>\$37,696,334</u>	<u>\$70,912,508</u>	<u>\$108,608,842</u>

1/ Rates effective with service rendered on and after 12/1/2015, Case No. PU-15-090. COG effective May 2017, excluding surcharge.

2/ Excludes grain drying sales.

**MONTANA-DAKOTA UTILITIES CO.
OTHER OPERATING REVENUE
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017-2018**

	Per Books 2016	Projected	
		2017	2018
<u>Miscellaneous Service Revenue 1/</u>			
Reconnect Fees	\$30,948	\$30,948	\$30,948
NSF Check Fees	18,900	18,900	18,900
MAFB Dist. System	456,000	456,000	456,000
Other Misc. Service Revenue	1,247	1,247	1,247
Total	<u>\$507,095</u>	<u>\$507,095</u>	<u>\$507,095</u>
 Rent from Property 2/	 \$579,985	 \$465,709	 \$465,709
 <u>Other Revenue</u>			
Heskett Pipeline Revenue 3/	\$2,588,232	\$2,274,906	\$2,274,906
Late Payment Revenue 4/	138,174	170,917	173,774
Penalty Revenue 5/	239,597	12,566	12,566
Other Revenue	93,031	93,738	93,738
	<u>\$3,059,034</u>	<u>\$2,552,127</u>	<u>\$2,554,984</u>
 Total	 <u>\$4,146,114</u>	 <u>\$3,524,931</u>	 <u>\$3,527,788</u>

1/ Projected 2017 and 2018 reflect current level.

2/ Updated to reflect 2017 activity and remain flat for 2018.

3/ Updated to reflect incremental capacity to serve Mandan town border station.

4/ Projected 2017-2018 based on a percentage of 2016 late payment revenue to 2016 sales and transportation revenue.

5/ Restates penalty revenue to a three-year average and collections related to gas extensions.

MONTANA-DAKOTA UTILITIES CO.
SUMMARY OF OPERATION AND MAINTENANCE EXPENSES
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017 - 2018

	Per Books	Projected	
	2016	2017	2018
Cost of Gas	\$51,338,373	\$69,713,908	\$70,913,006
Other Gas Supply	356,251	362,034	372,123
Distribution	8,874,515	9,230,782	9,523,054
Customer Accounting	2,757,308	2,863,897	2,942,096
Customer Service & Info.	246,252	249,435	254,198
Sales	133,030	91,607	94,299
Administrative & General	7,880,939	8,197,930	8,346,928
Total Operation & Maintenance	<u>\$71,586,668</u>	<u>\$90,709,593</u>	<u>\$92,445,704</u>

**MONTANA-DAKOTA UTILITIES CO.
OPERATION & MAINTENANCE EXPENSE
GAS UTILITY - NORTH DAKOTA
PROJECTED 2017**

Function	Total	Cost of Gas	Labor	Benefits	Subcontract Labor	Materials	Vehicles & Work Equip.	Company Consumption
Cost of Gas	\$69,713,908	\$69,713,908						
Other Gas Supply	362,034		\$280,591		\$1,123		\$1,967	
Distribution	9,230,782		6,328,211		1,281,995	\$555,594	804,873	\$143,305
Customer Accounting	2,863,897		1,771,496		59,439	133	60,222	
Customer Service & Info.	249,435		153,955				3,482	
Sales	91,607		76,633		6,122		3,942	
Administrative and General	8,197,930		2,356,177	\$2,589,756	343,602	27,508	26,249	53,190
Total Other O&M	\$20,995,685	\$0	\$10,967,063	\$2,589,756	\$1,692,281	\$583,235	\$900,735	\$196,495
Total O&M	<u>\$90,709,593</u>	<u>\$69,713,908</u>	<u>\$10,967,063</u>	<u>\$2,589,756</u>	<u>\$1,692,281</u>	<u>\$583,235</u>	<u>\$900,735</u>	<u>\$196,495</u>
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**MONTANA-DAKOTA UTILITIES CO.
OPERATION & MAINTENANCE EXPENSE
GAS UTILITY - NORTH DAKOTA
PROJECTED 2017**

Function	Uncollectible Accounts	Postage	Software Maintenance	Building Rental	Advertising	Industry Dues	Insurance	Regulatory Commission Expense	All Other O&M
Cost of Gas									\$0
Other Gas Supply			\$6,429						71,924
Distribution		\$4,785	85,380	\$28,267					(1,628)
Customer Accounting	\$332,540	343,400	78,391						218,276
Customer Service & Info.					\$88,987				3,011
Sales		353							4,557
Administrative and General		52,608	317,868	398,276	45,114	\$71,088	\$607,954	\$167,835	1,140,705
Total Other O&M	\$332,540	\$401,146	\$488,068	\$426,543	\$134,101	\$71,088	\$607,954	\$167,835	\$1,436,845
Total O&M	\$332,540	\$401,146	\$488,068	\$426,543	\$134,101	\$71,088	\$607,954	\$167,835	\$1,436,845
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**MONTANA-DAKOTA UTILITIES CO.
OPERATION & MAINTENANCE EXPENSE
GAS UTILITY - NORTH DAKOTA
PROJECTED 2018**

Function	Total	Cost of Gas	Labor	Benefits	Subcontract Labor	Materials	Vehicles & Work Equip.	Company Consumption
Cost of Gas	\$70,913,006	\$70,913,006						
Other Gas Supply	372,123		\$288,810		\$1,148		\$2,072	
Distribution	9,523,054		6,513,565		1,310,455	\$588,603	847,835	\$143,305
Customer Accounting	2,942,096		1,823,384		60,759	136	63,437	
Customer Service & Info.	254,198		158,465				3,668	
Sales	94,299		78,878		6,258		4,152	
Administrative and General	8,346,928		2,425,190	\$2,627,191	351,230	28,119	27,650	53,190
Total Other O&M	\$21,532,698	\$0	\$11,288,292	\$2,627,191	\$1,729,850	\$616,858	\$948,814	\$196,495
 Total O&M	 \$92,445,704	 \$70,913,006	 \$11,288,292	 \$2,627,191	 \$1,729,850	 \$616,858	 \$948,814	 \$196,495
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**MONTANA-DAKOTA UTILITIES CO.
OPERATION & MAINTENANCE EXPENSE
GAS UTILITY - NORTH DAKOTA
PROJECTED 2018**

Function	Uncollectible Accounts	Postage	Software Maintenance	Building Rental	Advertising	Industry Dues	Insurance	Regulatory Commission Expense	All Other O&M
Cost of Gas									\$0
Other Gas Supply			\$6,572						73,521
Distribution		\$4,785	87,275	\$28,895					(1,664)
Customer Accounting	\$338,099	353,028	80,131						223,122
Customer Service & Info.					\$88,987				3,078
Sales		353							4,658
Administrative and General		52,608	324,925	407,118	45,114	\$71,088	\$638,352	\$129,124	1,166,029
Total Other O&M	<u>\$338,099</u>	<u>\$410,774</u>	<u>\$498,903</u>	<u>\$436,013</u>	<u>\$134,101</u>	<u>\$71,088</u>	<u>\$638,352</u>	<u>\$129,124</u>	<u>\$1,468,744</u>
Total O&M	<u><u>\$338,099</u></u>	<u><u>\$410,774</u></u>	<u><u>\$498,903</u></u>	<u><u>\$436,013</u></u>	<u><u>\$134,101</u></u>	<u><u>\$71,088</u></u>	<u><u>\$638,352</u></u>	<u><u>\$129,124</u></u>	<u><u>\$1,468,744</u></u>
See Page Number:	19	20	21	22	23	24	25	26	27

MONTANA-DAKOTA UTILITIES CO.
COST OF GAS
GAS UTILITY - NORTH DAKOTA
PROJECTED 2017 - 2018

	Projected Dk Sales	Dk Adjusted for Distribution Losses 1/	Commodity Charge 2/	Projected Cost of Gas
<u>Projected 2017</u>				
Residential	8,680,469	8,719,708	\$3.993	\$34,817,794
Residential - Propane	18,164	18,246	6.011	109,677
Firm General Service	7,822,572	7,857,933	3.993	31,376,726
Optional Seasonal	15,328	15,397	4.100	63,128
Firm General - Propane	26,394	26,513	6.011	159,370
Air Force				
Firm	32,523	32,670	3.993	130,451
Interruptible - Contract	457,577	457,577	2.959	1,353,970
Total Air Force	490,100	490,247		1,484,421
Small Interruptible	572,872	575,462	2.959	1,702,792
Large Interruptible	0	0	2.959	0
Total	17,625,899	17,703,506		\$69,713,908
<u>Projected 2018</u>				
Residential	8,808,050	8,847,865	\$3.993	\$35,329,525
Residential - Propane	18,164	18,246	\$6.011	109,677
Firm General Service	7,993,941	8,030,076	3.993	32,064,093
Optional Seasonal	15,328	15,397	4.100	63,128
Firm General - Propane	26,394	26,513	6.011	159,370
Air Force				
Firm	32,523	32,670	3.993	130,451
Interruptible - Contract	457,577	457,577	2.959	1,353,970
Total Air Force	490,100	490,247		1,484,421
Small Interruptible	572,872	575,462	2.959	1,702,792
Large Interruptible	0	0	2.959	0
Total	17,924,849	18,003,806		\$70,913,006

1/ Distribution loss factor of .45%. Air Force Interruptible - Contract is not adjusted for losses. Service is provided at the transmission level.

2/ May 2017 cost of gas.

MONTANA-DAKOTA UTILITIES CO.
LABOR EXPENSE
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017 - 2018

	Per Books	Projected 1/	
	2016	2017	2018
Other Gas Supply	\$277,046	\$280,591	\$288,810
Distribution	6,248,253	6,328,211	6,513,565
Customer Accounts	1,749,113	1,771,496	1,823,384
Customer Service	152,010	153,955	158,465
Sales	75,665	76,633	78,878
A&G	2,326,406	2,356,177	2,425,190
Total Labor Expense	<u>\$10,828,493</u>	<u>\$10,967,063</u>	<u>\$11,288,292</u>

1/ Reflects an overall increase of 1.28% and 2.93% for 2017 and 2018, respectively.

**MONTANA-DAKOTA UTILITIES CO.
BENEFITS EXPENSE
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017 - 2018**

	Per Books	Projected	
	2016	2017	2018
Medical/Dental 1/	\$1,182,526	\$1,267,668	\$1,356,405
Pension expense 2/	99,385	100,000	340,816
Post-retirement 2/	14,638	15,000	(313,296)
401 K 3/	1,089,493	1,124,793	1,158,537
Workers compensation 4/	48,140	48,760	50,188
Other benefits 3/	32,483	33,535	34,541
Total Benefits Expense	<u>\$2,466,665</u>	<u>\$2,589,756</u>	<u>\$2,627,191</u>

- 1/ Reflects an increase of 7.20% for 2017 based on effective 2017 premiums and 7.00% for 2018 based on projected medical premiums.
- 2/ Reflects amounts agreed upon pursuant to the Settlement Agreement in Case No. PU-15-90 for 2017. The 2018 projection is based on the 2018 Actuarial Estimate adjusted to reflect the recovery of the estimated deferred balance as of the year end 2017.
- 3/ Reflects the straight time labor increase of 3.24% for 2017 and 3.00% for 2018.
- 4/ Based on the 2016 ratio of 2016 workers compensation to 2016 labor expense.

MONTANA-DAKOTA UTILITIES CO.
SUBCONTRACT LABOR
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017 - 2018

	Per Books	Projected	
	2016	2017 1/	2018 2/
Other Gas Supply	\$1,123	\$1,123	\$1,148
Distribution	1,281,995	1,281,995	1,310,455
Customer Accounts	59,439	59,439	60,759
Sales	6,122	6,122	6,258
A&G	343,602	343,602	351,230
Total Subcontract Labor	<u>\$1,692,281</u>	<u>\$1,692,281</u>	<u>\$1,729,850</u>

1/ Projected 2017 is expected to remain consistent with 2016.

2/ Adjusted to reflect inflation of 2.22 percent based on an average of six indices.

**MONTANA-DAKOTA UTILITIES CO.
MATERIALS
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017 - 2018**

	Per Books	Projected	
	2016	2017 1/	2018 2/
Distribution	\$555,594	\$555,594	\$588,603
Customer Accounts	133	133	136
A&G	27,508	27,508	28,119
Total Materials	<u>\$583,235</u>	<u>\$583,235</u>	<u>\$616,858</u>

1/ Projected 2017 to remain at the 2016 level.

2/ Adjusted to reflect inflation of 2.22 percent based on an average of six indices and to reflect a policy change to expense computer and mobile communication equipment under \$1,000 rather than capitalizing.

**MONTANA-DAKOTA UTILITIES CO.
VEHICLES AND WORK EQUIPMENT
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017 - 2018**

	Per Books	Projected 1/	
	2016	2017	2018
Other Gas Supply	\$1,291	\$1,967	\$2,072
Distribution	528,105	804,873	847,835
Customer Accounts	39,514	60,222	63,437
Customer Service	2,285	3,482	3,668
Sales	2,586	3,942	4,152
A&G	17,223	26,249	27,650
Total Vehicle and Work Equipment	\$591,004	\$900,735	\$948,814

1/ Based on projected plant and current depreciation rates.

**MONTANA-DAKOTA UTILITIES CO.
COMPANY CONSUMPTION
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017 - 2018**

	Per Books	Projected - Total	
<u>Total</u>	2016	2017	2018
Distribution	\$127,512	\$143,305	\$143,305
A&G	47,934	53,190	53,190
Total Company Consumption	<u>\$175,446</u>	<u>\$196,495</u>	<u>\$196,495</u>

	Per Books	Projected 1/	
<u>Electric</u>	2016	2017	2018
Distribution	\$78,073	\$85,763	\$85,763
A&G	39,765	43,682	43,682
Total Electric	<u>\$117,838</u>	<u>\$129,445</u>	<u>\$129,445</u>

	Per Books	Projected 2/	
<u>Gas</u>	2016	2017	2018
Distribution	\$49,439	\$57,542	\$57,542
A&G	8,169	9,508	9,508
Total Gas	<u>\$57,608</u>	<u>\$67,050</u>	<u>\$67,050</u>

1/ Increased to reflect volumes at rates reflecting the settlement in Case No. PU-16-666.

2/ Increased to reflect normalized volumes at current rates.

**MONTANA-DAKOTA UTILITIES CO.
UNCOLLECTIBLE ACCOUNTS
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017 - 2018**

	Per Books 2016	Projected 1/	
		2017	2018
Total Uncollectible Accounts	<u><u>\$265,159</u></u>	<u><u>\$332,540</u></u>	<u><u>\$338,099</u></u>

1/ Based on three-year average ratio of write-offs applied to projected revenues.

	Net Write Offs	Sales Revenue	% Write Off to Revenue
12 Months Ending December:			
2014	\$409,174	\$138,836,306	0.2947%
2015	371,867	112,291,880	0.3312%
2016	<u>267,336</u>	<u>85,611,788</u>	<u>0.3123%</u>
Total	<u>\$1,048,377</u>	<u>\$336,739,974</u>	<u>0.3113%</u>

MONTANA-DAKOTA UTILITIES CO.
POSTAGE
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017 - 2018

	Per Books	Projected	
	2016	2017 1/	2018 2/
Distribution	\$4,785	\$4,785	\$4,785
Customer Accounts	355,107	343,400	353,028
Sales	353	353	353
A&G	52,608	52,608	52,608
Total Postage	<u>\$412,853</u>	<u>\$401,146</u>	<u>\$410,774</u>

1/ Reflects the December 2016 level of ebill savings for the entire year.

2/ Reflects a rate increase based on the Consumer Price Index of 2.40%.

**MONTANA-DAKOTA UTILITIES CO.
SOFTWARE MAINTENANCE
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017 - 2018**

	Per Books	Projected	
	2016	2017 1/	2018 2/
Other Gas Supply	\$6,429	\$6,429	\$6,572
Distribution	75,213	85,380	87,275
Customer Accounts	75,307	78,391	80,131
A&G	246,453	317,868	324,925
Total Software Maintenance	<u>\$403,402</u>	<u>\$488,068</u>	<u>\$498,903</u>

1/ Projected 2017 based on current and estimated levels.

2/ Adjusted to reflect inflation of 2.22 percent based on an average of six indices.

**MONTANA-DAKOTA UTILITIES CO.
BUILDING RENTAL
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017 - 2018**

	Per Books	Projected	
	2016	2017 1/	2018 2/
Distribution	<u>\$54,651</u>	<u>\$28,267</u>	<u>\$28,895</u>
A&G	<u>379,345</u>	<u>398,276</u>	<u>407,118</u>
Total Building Rental	<u><u>\$433,996</u></u>	<u><u>\$426,543</u></u>	<u><u>\$436,013</u></u>

1/ Projected 2017 reflects current levels.

2/ Adjusted to reflect inflation of 2.22 percent based on an average of six indices.

**MONTANA-DAKOTA UTILITIES CO.
ADVERTISING EXPENSE
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017 - 2018**

	Per Books	Projected	
	2016	2017 1/	2018 1/
Informational	\$89,011	\$88,987	\$88,987
Promotional	43,846	0	0
Institutional	45,842	45,114	45,114
Total Advertising Expense	<u>\$178,699</u>	<u>\$134,101</u>	<u>\$134,101</u>

1/ Eliminates promotional advertising expense and advertising expenses not applicable to North Dakota gas operations.

**MONTANA-DAKOTA UTILITIES CO.
INDUSTRY DUES
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017 - 2018**

	Per Books	Projected	
	2016	2017	2018
American Gas Association	<u>\$34,101</u>	\$40,559 1/	\$40,559
Bismarck-Mandan Convention & Visitor Bureau	252	252 1/	252
Bismarck-Mandan Development Association	4,238	4,238 1/	4,238
Cavalier Retail Committee	250	250 1/	250
Consortium for Energy Efficiency	1,103	1,160 1/	1,160
Devils Lake Area Chamber of Commerce	350	350	350
Economic Development Assoc. of North Dakota	480	230 1/	230
Energy Solutions Center	3,004	2,947 1/	2,947
Forward Devils Lake Corporation	500	500 1/	500
Jamestown Area Chamber of Commerce	715	175 1/	175
Langdon Chamber of Commerce	250	250	250
Midwest Energy Association	4,496	6,648 1/	6,648
Midwest Region Task Force	401	401	401
Minot Area Chamber of Commerce	2,036	2,036 1/	2,036
Minot Area Development Corporation	0	2,485 1/	2,485
NARUC	2,000	2,000	2,000
North Dakota Common Ground Alliance	500	500	500
North Dakota EPA	0	500 1/	500
Utilites Telecom Council	1,005	1,005	1,005
Utility Solid Waste Activities Group	441	419 1/	419
Valley City Barnes County	790	790	790
Dues less than \$250	2,514	3,393 1/	3,393
Other/Corporate Charges 2/	<u>42,789</u>	<u>0</u>	<u>0</u>
Total Industry Dues	<u>\$102,215</u>	<u>\$71,088</u>	<u>\$71,088</u>

1/ Reflects actual dues as of March 31, 2017.

2/ Reflects dues not applicable to North Dakota gas operations.

MONTANA-DAKOTA UTILITIES CO.
INSURANCE EXPENSE
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017 - 2018

Insurance Expense	Per Books	Projected	
	2016	2017 1/	2018 2/
Director's & Officer's Liability Insurance	\$45,936	\$50,004	\$52,504
Excess Liability			
Fiduciary & Employee Benefits Liability	9,831	10,954	11,502
Public Liab. & Property Ins. Damage of Others	276,198	299,556	314,534
Employee Practice Liability	5,822	0	0
All Risk	196,354	187,215	196,576
Blanket Crime	2,349	2,608	2,738
Special Contingency	158	152	160
Self Insurance	12,548	57,465	60,338
Total Insurance Expense	<u>\$549,196</u>	<u>\$607,954</u>	<u>\$638,352</u>

1/ Projected 2017 reflects insurance expense at the current levels.

2/ Projected 2018 reflects an increase of 5 percent.

**MONTANA-DAKOTA UTILITIES CO.
REGULATORY COMMISSION EXPENSE
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017 - 2018**

	Per Books	Projected	
	2016	2017	2018
Rate Case Amortization 1/	<u>\$64,500</u>	<u>\$64,500</u>	<u>\$116,542</u>
Recurring Level of Expense	605	3,802	3,802
Depreciation Study Expense 2/	4,126	8,780	8,780
Manufactured Gas Plant Amortization 3/	<u>90,780</u>	<u>90,753</u>	<u>0</u>
Regulatory Commission Expense	<u>\$160,011</u>	<u>\$167,835</u>	<u>\$129,124</u>

1/ Reflects a three year amortization of rate case expense.

2/ Expenses related to the Common and Gas depreciation studies. Amortized over five years.

3/ Amortization ceases in December 2017.

MONTANA-DAKOTA UTILITIES CO.
OTHER O&M
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017 - 2018

<u>Function</u>	Per Books	Projected 1/	
	2016	2017	2018
Other Gas Supply	\$70,362	\$71,924	\$73,521
Distribution	(1,593)	(1,628)	(1,664)
Customer Accounting	213,536	218,276	223,122
Customer Service & Information	2,946	3,011	3,078
Sales	4,458	4,557	4,658
Administrative and General	1,115,931	1,140,705	1,166,029
Total Other O&M	<u>\$1,405,640</u>	<u>\$1,436,845</u>	<u>\$1,468,744</u>

1/ Adjusted to reflect inflation of 2.22 percent based on an average of six indices.

**MONTANA-DAKOTA UTILITIES CO.
OPERATION & MAINTENANCE EXPENSE
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2016
ITEMS ADJUSTED INDIVIDUALLY**

Function	Per Books 2016	Cost of Gas	Labor	Benefits	Subcontract Labor	Materials	Vehicles & Work Equip.	Company Consumption
Cost of Gas	\$51,338,373	\$51,338,373						
Other Gas Supply	356,251		\$277,046		\$1,123		\$1,291	
Distribution	8,874,515		6,248,253		1,281,995	\$555,594	528,105	\$127,512
Customer Accounting	2,757,308		1,749,113		59,439	133	39,514	
Customer Service & Info.	246,252		152,010				2,285	
Sales	133,030		75,665		6,122		2,586	
Administrative and General	7,880,939		2,326,406	\$2,466,665	343,602	27,508	17,223	47,934
Total Other O&M	\$20,248,295	\$0	\$10,828,493	\$2,466,665	\$1,692,281	\$583,235	\$591,004	\$175,446
 Total O&M	\$71,586,668	\$51,338,373	\$10,828,493	\$2,466,665	\$1,692,281	\$583,235	\$591,004	\$175,446
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**MONTANA-DAKOTA UTILITIES CO.
OPERATION & MAINTENANCE EXPENSE
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2016
ITEMS ADJUSTED INDIVIDUALLY**

Function	Uncollectible Accounts	Postage	Software Maintenance	Building Rental	Advertising	Industry Dues	Insurance	Regulatory Commission Expense	Total Items Adjusted Individually	All Other O&M
Cost of Gas									\$51,338,373	\$0
Other Gas Supply			\$6,429						285,889	70,362
Distribution		\$4,785	75,213	\$54,651					8,876,108	(1,593)
Customer Accounting	\$265,159	355,107	75,307						2,543,772	213,536
Customer Service & Info.					\$89,011				243,306	2,946
Sales		353			43,846				128,572	4,458
Administrative and General		52,608	246,453	379,345	45,842	\$102,215	\$549,196	\$160,011	6,765,008	1,115,931
Total Other O&M	\$265,159	\$412,853	\$403,402	\$433,996	\$178,699	\$102,215	\$549,196	\$160,011	\$18,842,655	\$1,405,640
Total O&M	\$265,159	\$412,853	\$403,402	\$433,996	\$178,699	\$102,215	\$549,196	\$160,011	\$70,181,028	\$1,405,640
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MONTANA-DAKOTA UTILITIES CO.
SUMMARY OF DEPRECIATION EXPENSE
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017-2018
(000s)

	Per Books	Projected	
	2016	2017 1/	2018 2/
Distribution	\$5,895,549	\$7,135,450	\$7,486,172
General	193,869	175,857	164,792
General Intangible	271,460	258,822	281,883
Common	508,029	365,868	353,878
Common Intangible	776,673	817,006	890,466
Amort. of Preferred Stock Cost	0	0	4,133
Amort. of Gain on Building	(17,564)	(17,564)	(17,564)
Amort. of Loss on Employee Housing	0	0	39,717
Acquisition Adjustment	2,820	2,820	2,820
Total	\$7,630,836	\$8,738,259	\$9,206,297

1/ Depreciation/amortization expense on 2017 average plant in service,
Statement K, page 31.

2/ Depreciation/amortization expense on 2018 average plant in service,
Statement K, page 32.

**MONTANA-DAKOTA UTILITIES CO.
ACCUMULATED RESERVE FOR DEPRECIATION
GAS UTILITY - NORTH DAKOTA
PROJECTED 2017**

	Per Books 2016 Acc. Reserve for Depr.	2017 Average Plant In Service 1/	Depreciation/ Amortization Rate 2/	2017 Depreciation/ Amortization Expense	Retirements/ Removal 3/	Ending Balance	2017 Average Balance
Distribution	\$76,245,272	\$210,485,237	3.39%	\$7,135,450	(\$926,574)	\$82,454,148	\$79,349,710
<u>General</u>							
Other	\$703,973	\$2,202,078	4.67%	\$102,837	(\$379,203)	\$427,607	\$565,790
Structures & Improvements	823,210	2,215,668	2.42%	53,619	0	876,829	850,020
Computer Equipment	89,732	112,664	17.22%	19,401	(20,114)	89,019	89,376
Vehicles	1,648,389	4,149,153	6.94%	287,951	(668,970)	1,267,370	1,457,880
Work Equipment	(90,141)	4,464,113	4.91%	219,188	(613,051)	(484,004)	(287,073)
Total General	\$3,175,163	\$13,143,676		\$682,996	(\$1,681,338)	\$2,176,821	\$2,675,993
General Intangible	\$1,041,531	\$5,426,484	4/	\$258,822	\$0	\$1,300,353	\$1,170,942
<u>Common</u>							
Other	\$1,028,585	2,496,821	4.80%	119,847	(418,938)	729,494	879,040
Structures & Improvements	2,703,981	8,895,770	0.85%	75,614	0	2,779,595	2,741,788
Computer Equipment	522,988	852,036	20.00%	170,407	(137,347)	556,048	539,518
Vehicles	341,857	1,068,275	6.42%	68,583	(176,506)	233,934	287,896
Total Common	\$4,597,411	\$13,312,902		\$434,451	(\$732,791)	\$4,299,071	\$4,448,242
Common Intangible	\$5,222,915	\$13,562,624	4/	\$817,006	\$0	\$6,039,921	\$5,631,418
Amort. of Preferred Stock Cost	\$0	0	5/	0	0	6/	6/
Amort. of Gain on Building	0	0	5/	(17,564)	0	7/	7/
Amort. of Loss on EE Housing	0	0	5/	0	0	8/	8/
Acquisition Adjustment	66,489	97,266	5/	2,820	0	69,309	67,899
Total Gas Plant in Service	<u>\$90,348,781</u>	<u>\$256,028,189</u>		<u>\$9,313,981</u>	<u>(\$3,340,703)</u>	<u>\$96,339,623</u>	<u>\$93,344,204</u>
Depreciation Expense				<u>\$8,738,259</u>	9/		

1/ Statement L, page 2.

2/ Composite depreciation rates by function, Statement G, page 2.

3/ Based on the three-year average of retirements.

4/ Amortized by each item within the intangible account.

5/ Amortized.

6/ The balance is included in the unamortized redemption of preferred stock on Statement L, page 1.

7/ The balance is included in the gain on sale of buildings on Statement L, page 1.

8/ The balance is included in the loss on sale of employee housing on Statement L, page 1.

9/ Excludes depreciation on vehicles and work equipment, which are charged to a clearing account.

**MONTANA-DAKOTA UTILITIES CO.
ACCUMULATED RESERVE FOR DEPRECIATION
GAS UTILITY - NORTH DAKOTA
PROJECTED 2018**

	2017 Year-end Acc. Reserve for Depr.	2018 Average Plant In Service 1/	Depreciation/ Amortization Rate 2/	2018 Depreciation/ Amortization Expense	2018 Retirements/ Removal 3/	2018 Ending Balance	2018 Average Balance
Distribution	\$82,454,148	\$220,831,021	3.39%	\$7,486,172	(\$967,793)	\$88,972,527	\$85,713,338
<u>General</u>							
Other	\$427,607	\$2,022,410	4.67%	\$94,447	(\$342,638)	\$179,416	\$303,512
Structures & Improvements	876,829	2,236,515	2.42%	54,124	0	930,953	903,891
Computer Equipment	89,019	94,199	17.22%	16,221	(16,817)	88,423	88,721
Vehicles	1,267,370	4,268,049	6.94%	296,203	(691,122)	872,451	1,069,911
Work Equipment	(484,004)	5,802,660	4.91%	284,911	(850,286)	(1,049,379)	(766,692)
Total General	\$2,176,821	\$14,423,833		\$745,906	(\$1,900,863)	\$1,021,864	\$1,599,343
General Intangible	\$1,300,353	\$5,657,088	4/	\$281,883	\$0	\$1,582,236	\$1,441,295
<u>Common</u>							
Other	\$729,494	\$2,322,559	4.80%	\$111,483	(\$387,535)	\$453,442	\$591,468
Structures & Improvements	2,779,595	8,984,923	0.85%	76,372	0	2,855,967	2,817,781
Computer Equipment	556,048	830,115	20.00%	166,023	(137,861)	584,210	570,129
Vehicles	233,934	1,110,999	6.42%	71,326	(168,547)	136,713	185,324
Total Common	\$4,299,071	\$13,248,596		\$425,204	(\$693,943)	\$4,030,332	\$4,164,702
Common Intangible	\$6,039,921	\$14,297,217	4/	\$890,466	\$0	\$6,930,387	\$6,485,154
Amort. of Preferred Stock Cost	\$0	0	5/	4,133	0	6/	6/
Amort. of Gain on Building	0	0	5/	(17,564)	0	7/	7/
Amort. of Loss on EE Housing	0	0	5/	39,717	0	8/	8/
Acquisition Adjustment	69,309	97,266	5/	2,820	0	72,129	70,719
Total Gas Plant in Service	\$96,339,623	\$268,555,021		\$9,858,737	(\$3,562,599)	\$102,609,475	\$99,474,551
Depreciation Expense				\$9,206,297	8/		

1/ Statement L, page 2.

2/ Composite depreciation rates by function, Statement G, page 2.

3/ Based on the three-year average of retirements.

4/ Amortized by each item within the intangible account.

5/ Amortized.

6/ The balance is included in the unamortized redemption of preferred stock on Statement L, page 1.

7/ The balance is included in the gain on sale of buildings on Statement L, page 1.

8/ The balance is included in the loss on sale of employee housing on Statement L, page 1.

MONTANA-DAKOTA UTILITIES CO.
SUMMARY OF TAXES OTHER THAN INCOME
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDED DECEMBER 31, 2016
PROJECTED 2017 - 2018

Type of Tax	Per Books	Projected	
	2016	2017	2018
Ad Valorem 1/			
Distribution	\$917,762	\$961,707	\$1,008,977
General	50,415	54,507	59,816
General Intangible	25,128	26,378	27,499
Common	38,182	36,131	35,957
Common Intangible	42,549	44,499	46,909
Total Ad Valorem Taxes	1,074,036	1,123,222	1,179,158
O&M Related Taxes - Other			
Payroll Taxes 2/	790,737	800,596	824,045
Franchise Taxes	6,204	6,204	6,204
Delaware Franchise	29,092	29,092	29,092
Total O&M Related Taxes	826,033	835,892	859,341
Other	1,100	1,100	1,100
Total Taxes Other Than Income	\$1,901,169	\$1,960,214	\$2,039,599

1/ Based on ratio of actual 2016 ad valorem taxes paid to average plant balance as of December 31, 2016. See page 34.

2/ Based on the ratio of actual 2016 payroll taxes to labor expense. See page 35.

MONTANA-DAKOTA UTILITIES CO.
AD VALOREM TAXES
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDED DECEMBER 31, 2016
PROJECTED 2017 - 2018

Function	Effective Tax Rate	Projected 2017		Projected 2018	
		Plant Balance 1/	Ad Valorem Tax	Plant Balance 1/	Ad Valorem Tax
Distribution	0.4569%	\$210,485,237	\$961,707	\$220,831,021	\$1,008,977
General	0.4147%	13,143,676	54,507	14,423,833	59,816
General Intangible	0.4861%	5,426,484	26,378	5,657,088	27,499
Common	0.2714%	13,312,902	36,131	13,248,596	35,957
Common Intangible	0.3281%	13,562,624	44,499	14,297,217	46,909
Total 2/		<u>\$255,930,923</u>	<u>\$1,123,222</u>	<u>\$268,457,755</u>	<u>\$1,179,158</u>

Function	Avg. Plant Balance @ 12/31/2016	Ad Valorem Tax @ 12/31/2016	Effective Tax Rate
Distribution	200,887,498	917,762	0.4569%
General	12,157,504	50,415	0.4147%
General Intangible	5,169,769	25,128	0.4861%
Common	14,070,276	38,182	0.2714%
Common Intangible	12,967,993	42,549	0.3281%
Total 2/	<u>\$245,253,040</u>	<u>\$1,074,036</u>	

1/ Statement L, Page 2.

2/ Excludes acquisition adjustment.

**MONTANA-DAKOTA UTILITIES CO.
PAYROLL TAXES
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDED DECEMBER 31, 2016
PROJECTED 2017 - 2018**

	Per Books 2016	Projected	
		2017	2018
Labor Expense 1/	\$10,828,493	\$10,967,063	\$11,288,292
Payroll Taxes	790,737	\$800,596	\$824,045
% Payroll Taxes to Labor	7.30%		

1/ See Page 13 for Per Books and Projected Labor Expense.

**MONTANA-DAKOTA UTILITIES CO.
CALCULATION OF INCOME TAXES
GAS UTILITY - NORTH DAKOTA
PROJECTED 2017 - 2018**

	Projected	
	2017	2018
Operating Revenues		
Sales Revenues	\$104,625,055	\$106,410,946
Transportation Revenue	2,197,896	2,197,896
Other Revenues	3,524,931	3,527,788
Total Operating Revenues	110,347,882	112,136,630
Operating Expenses		
Operation and Maintenance		
Cost of Gas	\$69,713,908	\$70,913,006
Other O&M	20,995,685	21,532,698
Total O&M	90,709,593	92,445,704
Depreciation and Amortization Expense	8,738,259	9,206,297
Taxes other Than Income	1,960,214	2,039,599
Total Operating Expenses	101,408,066	103,691,600
Gross Operating Income	\$8,939,816	\$8,445,030
Adjustments to Taxable Income:		
AFUDC Equity Add Back	\$59,300	\$59,300
Permanent Additions	37,500	37,500
Interest 1/	(3,108,865)	(3,307,703)
Total Adjustments to Taxable Income	(3,012,065)	(3,210,903)
Taxable Income	\$5,927,751	\$5,234,127
Federal & State Income Taxes	2,240,779	1,978,579
Full Normalization	(102,409)	(102,409)
Total Income Taxes	\$2,138,370	\$1,876,170

**MONTANA-DAKOTA UTILITIES CO.
INTEREST EXPENSE
GAS UTILITY - NORTH DAKOTA
PROJECTED 2017 - 2018**

	Projected	
	2017	2018
Rate Base 1/	\$131,843,291	\$135,450,558
Weighted Cost of Debt 2/	2.358%	2.442%
Interest Expense	<u>\$3,108,865</u>	<u>\$3,307,703</u>

1/ Statement L, page 1.

2/ Statement D, page 1.

MONTANA-DAKOTA UTILITIES CO.
AVERAGE RATE BASE
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDED DECEMBER 31, 2016
PROJECTED 2017-2018

	Per Books 2016	Projected		Reference
		2017	2018	
Gas Plant in Service	\$245,350,306	\$256,028,189	\$268,555,021	Page 2
Accumulated Reserve for Depreciation	88,119,207	93,344,204	99,474,551	Page 10
Net Gas Plant in Service	<u>\$157,231,099</u>	<u>\$162,683,985</u>	<u>\$169,080,470</u>	
Additions:				
Materials and Supplies	\$2,109,464	\$2,070,029	\$2,070,029	Page 12
Fuel Stock	101,812	95,174	95,174	Page 13
Prepayments	232,480	229,229	249,029	Page 14
Unamortized Loss on Debt	638,319	529,332	470,255	Page 15
Unamort. Redemption Cost of Preferred Stock	0	31,000	59,934	Page 16
Gain on Sale of Building	(316,643)	(299,079)	(281,515)	Page 17
Loss on Sale of Employee Housing	0	397,173	774,487	Page 18
Total Additions	<u>\$2,765,432</u>	<u>\$3,052,858</u>	<u>\$3,437,393</u>	
Total Before Deductions	\$159,996,531	\$165,736,843	\$172,517,863	
Deductions:				
Accumulated Deferred Income Taxes	\$20,608,456	\$19,935,410	\$21,051,979	Page 20
Customer Advances	12,724,578	13,958,142	16,015,326	Page 19
Total Deductions	<u>\$33,333,034</u>	<u>\$33,893,552</u>	<u>\$37,067,305</u>	
Total Rate Base	<u><u>\$126,663,497</u></u>	<u><u>\$131,843,291</u></u>	<u><u>\$135,450,558</u></u>	

**MONTANA-DAKOTA UTILITIES CO.
PLANT IN SERVICE
TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017-2018**

	Per Books 2016	Projected 2017 1/	Average 2017 1/	Projected 2018 1/	Average 2018 1/
Distribution	<u>\$205,905,424</u>	<u>\$215,065,049</u>	<u>\$210,485,237</u>	<u>\$226,596,993</u>	<u>\$220,831,021</u>
General	12,453,136	13,834,214	13,143,676	15,013,449	14,423,833
Intangible Plant - General	5,195,880	5,657,088	5,426,484	5,657,088	5,657,088
Common	13,394,872	13,230,929	13,312,902	13,266,260	13,248,596
Intangible Plant - Common	13,048,910	14,076,337	13,562,624	14,518,097	14,297,217
Acquisition Adjustment	<u>97,266</u>	<u>97,266</u>	<u>97,266</u>	<u>97,266</u>	<u>97,266</u>
Total	<u><u>\$250,095,488</u></u>	<u><u>\$261,960,883</u></u>	<u><u>\$256,028,189</u></u>	<u><u>\$275,149,153</u></u>	<u><u>\$268,555,021</u></u>

**MONTANA-DAKOTA UTILITIES CO.
PLANT IN SERVICE
TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017-2018**

	Per Books 2016	2017			Average 2017	2018			Average 2018
		Additions 1/	Retirements 2/	Balance		Additions 1/	Retirements 2/	Balance	
Distribution	\$205,905,424	\$10,086,199	(\$926,574)	\$215,065,049	\$210,485,237	\$12,499,737	(\$967,793)	\$226,596,993	\$220,831,021
<u>General</u>									
Other	\$2,313,627	\$156,105	(\$379,203)	\$2,090,529	\$2,202,078	\$206,400	(\$342,638)	\$1,954,291	\$2,022,410
Structures & Improvements	2,194,820	41,695		2,236,515	2,215,668	0		2,236,515	2,236,515
Computer Equipment	122,721	0	(20,114)	102,607	112,664	0	(16,817)	85,790	94,199
Vehicles	4,081,574	804,127	(668,970)	4,216,731	4,149,153	793,757	(691,122)	4,319,366	4,268,049
Work Equipment	3,740,394	2,060,489	(613,051)	5,187,832	4,464,113	2,079,941	(850,286)	6,417,487	5,802,660
Total General	\$12,453,136	\$3,062,416	(\$1,681,338)	\$13,834,214	\$13,143,676	\$3,080,098	(\$1,900,863)	\$15,013,449	\$14,423,833
General Intangible	\$5,195,880	\$461,208	\$0	\$5,657,088	\$5,426,484	\$0	\$0	\$5,657,088	\$5,657,088
<u>Common</u>									
Other	\$2,594,044	\$224,491	(\$418,938)	\$2,399,597	\$2,496,821	\$233,459	(\$387,535)	\$2,245,521	\$2,322,559
Structures & Improvements	8,857,468	76,603		8,934,071	8,895,770	101,703		9,035,774	8,984,923
Computer Equipment	850,445	140,528	(137,347)	853,626	852,036	90,838	(137,861)	806,603	830,115
Vehicles	1,092,915	127,226	(176,506)	1,043,635	1,068,275	303,274	(168,547)	1,178,362	1,110,999
Total Common	\$13,394,872	\$568,848	(\$732,791)	\$13,230,929	\$13,312,902	\$729,274	(\$693,943)	\$13,266,260	\$13,248,596
Common Intangible	\$13,048,910	\$1,027,427	\$0	\$14,076,337	\$13,562,624	\$441,760	\$0	\$14,518,097	\$14,297,217
Acquisition Adjustment	\$97,266	\$0	\$0	\$97,266	\$97,266	\$0	\$0	\$97,266	\$97,266
Total Gas Plant in Service	\$250,095,488	\$15,206,098	(\$3,340,703)	\$261,960,883	\$256,028,189	\$16,750,869	(\$3,562,599)	\$275,149,153	\$268,555,021

1/ Page 4.

2/ Based on three-year average of retirements.

**MONTANA-DAKOTA UTILITIES CO.
SUMMARY - PLANT ADDITIONS
GAS UTILITY - NORTH DAKOTA
PROJECTED 2017-2018**

	Projected	
	2017 1/	2018 2/
Distribution	\$10,086,199	\$12,499,737
General		
Other	\$156,105	\$206,400
Structures & Improvements	41,695	0
Computer Equipment	0	0
Vehicles	804,127	793,757
Work Equipment	2,060,489	2,079,941
Total General	\$3,062,416	\$3,080,098
General Intangible	\$461,208	\$0
Common		
Other	\$224,491	\$233,459
Structures & Improvements	76,603	101,703
Computer Equipment	140,528	90,838
Vehicles	127,226	303,274
Total Common	\$568,848	\$729,274
Common Intangible	\$1,027,427	\$441,760
Total Additions	<u>\$15,206,098</u>	<u>\$16,750,869</u>

1/ Pages 5-7.

2/ Pages 8-9.

**MONTANA-DAKOTA UTILITIES CO.
PLANT ADDITIONS
GAS UTILITY - NORTH DAKOTA
PROJECTED 2017**

<u>Project No.</u>	<u>Account</u>	<u>Description</u>	<u>Region</u>	<u>Amount</u>
<u>Distribution</u>				
FP-100847	376	Mains Replace	Dakota Heartland	\$507,936
FP-100848	376	Mains Growth	Dakota Heartland	760,095
FP-100849	376	Mains Growth	Badlands	990,404
FP-100939	376	Mains Replace	Badlands	443,251
FP-307122	376	Install 6" PE main 57th Ave Bismarck	Dakota Heartland	109,704
FP-311320	376	Install gas mains - Heritage subd Bismarck	Dakota Heartland	165,982
FP-311530	376	Install mains - Boulder Ridge subd Bismarck	Dakota Heartland	90,487
FP-312861	376	Install Main BNSF Convers - Des Lacs	Dakota Heartland	68,687
FP-312921	376	Minot floodwall	Dakota Heartland	89,219
FP-315235	376	Replace bare main in Williston	Badlands	279,070
FP-315238	376	Replace main - Tioga	Badlands	254,803
FP-315246	376	Construct State Hospital loop - Jamestown	Dakota Heartland	145,932
FP-315323	376	Install gas mains - Memory subd Bismarck	Dakota Heartland	102,895
FP-315347	376	Replace mains 53rd St area - Williston	Badlands	85,374
Total Account 376				<u>\$4,093,839</u>
FP-100859	378	Measuring & Regulating Equipment	Dakota Heartland	\$90,488
FP-100861	378	Measuring & Regulating Equipment	Badlands	127,230
FP-315248	378	Rebuild Eagle Bend station - Devils Lake	Dakota Heartland	4,826
Total Account 378				<u>\$222,544</u>
FP-307123	379	Construct Mandan border station	Dakota Heartland	\$352,765
FP-314543	379	Construct new Wahalla border station	Dakota Heartland	12,065
Total Account 379				<u>\$364,830</u>
FP-100904	380	Service lines growth	Dakota Heartland	\$904,875
FP-100906	380	Service lines growth	Badlands	655,151
FP-311082	380	Service lines replacement	Dakota Heartland	1,242,695
FP-311087	380	Service lines replacement	Badlands	211,901
Total Account 380				<u>\$3,014,622</u>
FP-100911	381	Meters	General Office	\$1,655,545
FP-100913	383	Regulators	General Office	\$389,537
FP-314987	385	Rebuild PAR site station	Dakota Heartland	\$72,966
FP-100916	387.1	Cathodic Protection	Dakota Heartland	\$48,260
FP-100918	387.1	Cathodic Protection	Badlands	180,975
FP-315498	387.1	Install cathodic protection monitoring eqpt	General Office	43,081
Total Account 387.1				<u>\$272,316</u>
Total Distribution				<u>\$10,086,199</u>

**MONTANA-DAKOTA UTILITIES CO.
PLANT ADDITIONS
GAS UTILITY - NORTH DAKOTA
PROJECTED 2017**

<u>Project No.</u>	<u>Account</u>	<u>Description</u>	<u>Region</u>	<u>Amount</u>
<u>General</u>				
FP-311800	390	Replace roof - Grafton office	Dakota Heartland	\$35,543
FP-315228	390	Replace shop roof - Walhalla	Dakota Heartland	6,152
		Total Account 390		<u>\$41,695</u>
FP-100940	391.1	Gas office equipment	Dakota Heartland	\$3,076
FP-100960	392.2	Vehicles	General Office	\$804,127
FP-100970	394.1	Minor Work Equipment	Dakota Heartland	\$87,159
FP-100972	394.1	Minor Work Equipment	Badlands	36,914
		Total Account 394.1		<u>\$124,073</u>
FP-100980	396.2	Work Equipment	General Office	\$2,060,489
FP-100992	397.1	Communication Equip	Dakota Heartland	\$7,239
FP-315422	397.1	Replace ethernet CCUs in gas only towns	General Office	21,717
		Total Account 397.1		<u>\$28,956</u>
		Total General		<u>\$3,062,416</u>
<u>General Intangible</u>				
FP-100551	303	GPS based gas leak survey	General Office	\$171,639
FP-307022	303	Gas SCADA system enhancements	General Office	106,247
FP-315394	303	Install RTU at Washburn TBS	Dakota Heartland	90,556
FP-315395	303	Install RTU at Bowman TBS	Badlands	92,766
		Total General Intangible		<u>\$461,208</u>
<u>Common</u>				
FP-315408	390	Remodel bathrooms and hallway - Bismarck	Dakota Heartland	\$8,870
TBD	390	Replace roof - Bismarck Service Center	Dakota Heartland	67,733
				<u>76,603</u>
FP-100752	391.1	Office Equipment	Dakota Heartland	\$2,902
FP-100753	391.1	Office Equipment	Badlands	10,158
FP-100755	391.1	Office Equipment	General Office	20,258
		Total Account 391.1		<u>\$33,318</u>
FP-100014	391.3	Toughbook replacements	General Office	\$41,361
FP-100756	391.3	Personal Computers	General Office	36,765
FP-307540	391.3	Replace data center and networking eqpt.	General Office	13,787
FP-311620	391.3	Purchase field GIS devices	General Office	45,857
FP-315400	391.3	Replace UPS batteries - GO basement	General Office	2,758
		Total Account 391.3		<u>\$140,528</u>

**MONTANA-DAKOTA UTILITIES CO.
PLANT ADDITIONS
GAS UTILITY - NORTH DAKOTA
PROJECTED 2017**

<u>Project No.</u>	<u>Account</u>	<u>Description</u>	<u>Region</u>	<u>Amount</u>
FP-100719	392.2	Vehicles	General Office	\$127,226
FP-100718	394.1	Minor Work Equipment	General Office	\$5,515
FP-100735	394.1	Minor Work Equipment	Dakota Heartland	1,306
FP-100736	394.1	Minor Work Equipment	Badlands	11,610
		Total Account 394.1		<u>\$18,431</u>
FP-100729	397.1	Communication Equipment	Dakota Heartland	\$11,270
FP-100739	397.1	Communication Equipment	Badlands	11,953
FP-100744	397.1	Communication Equipment	General Office	72,754
FP-315401	397.1	Replace ethernet CCUs in common towns	General Office	15,140
		Total Account 397.1		<u>\$111,117</u>
FP-300071	397.2	Replace mobile collectors	General Office	\$26,309
FP-311597	397.2	Purchase FC300/MC meter reading tool	General Office	35,316
		Total Account 397.2		<u>\$61,625</u>
		Total Common		<u>\$568,848</u>
		<u>Common Intangible</u>		
FP-100336	303	GL Essentials software	General Office	\$45,957
FP-100575	303	IVR Web software	General Office	332,335
FP-301563	303	GIS data conversion	General Office	110,296
FP-302570	303	CC&B upgrade	General Office	218,492
FP-302615	303	Human capital management software	General Office	32,232
FP-311881	303	PCAD upgrade	General Office	119,550
FP-315523	303	Power Plan lease model software	General Office	30,353
FP-315583	303	JDE Supports Now software	General Office	4,412
FP-315586	303	JDE package build automation module	General Office	1,471
FP-315706	303	MDU Gates migration to CC&B	General Office	91,228
FP-315721	303	Payment Processing Software	General Office	41,101
		Total Common Intangible		<u>\$1,027,427</u>
		Total 2017 Plant Additions		<u><u>\$15,206,098</u></u>

**MONTANA-DAKOTA UTILITIES CO.
PLANT ADDITIONS
GAS UTILITY - NORTH DAKOTA
PROJECTED 2018**

<u>Project No.</u>	<u>Account</u>	<u>Description</u>	<u>Region</u>	<u>Amount</u>
		<u>Distribution</u>		
FP-100847	376	Mains Replace	Dakota Heartland	\$150,000
FP-100848	376	Mains Growth	Dakota Heartland	770,868
FP-100849	376	Mains Growth	Badlands	1,004,441
FP-100939	376	Mains Replace	Badlands	150,000
FP-302441	376	Install 12" IP main - Minot	Dakota Heartland	142,272
FP-311321	376	Install gas mains - JMAC subd Bismarck	Dakota Heartland	150,813
FP-311322	376	Install gas mains - Reuters subd Bismarck	Dakota Heartland	120,650
FP-315246	376	Construct State Hospital loop - Jamestown	Dakota Heartland	171,000
FP-315324	376	Install gas mains - Silver Ranch subd Bismarck	Dakota Heartland	127,709
TBD	376	System Safety & Integrity Main Replacements	North Dakota	2,886,799
		Total Account 376		<u>\$5,674,552</u>
FP-100859	378	Measuring & Regulating Equipment	Dakota Heartland	\$91,770
FP-100861	378	Measuring & Regulating Equipment	Badlands	129,033
		Total Account 378		<u>\$220,803</u>
FP-100904	380	Service lines growth	Dakota Heartland	\$917,700
FP-100906	380	Service lines growth	Badlands	664,437
FP-311082	380	Service lines replacement	Dakota Heartland	50,000
FP-311087	380	Service lines replacement	Badlands	50,000
TBD	380	System Safety & Integrity Service Line Replace.	North Dakota	2,666,355
		Total Account 380		<u>\$4,348,492</u>
FP-100911	381	Meters	General Office	\$1,660,246
FP-100913	383	Regulators	General Office	\$363,160
FP-100916	387.1	Cathodic Protection	Dakota Heartland	\$48,944
FP-100918	387.1	Cathodic Protection	Badlands	183,540
		Total Account 387.1		<u>\$232,484</u>
		Total Distribution		<u>\$12,499,737</u>
		<u>General</u>		
FP-100564	389	Purchase land/office - Hettinger	General Office	\$73,287
FP-100940	391.1	Office Equipment	Dakota Heartland	\$3,075
FP-100960	392.2	Vehicles	General Office	\$793,757
FP-100970	394.1	Minor Work Equipment	Dakota Heartland	\$87,134
FP-100972	394.1	Minor Work Equipment	Badlands	36,904
		Total Account 394.1		<u>\$124,038</u>
FP-100980	396.2	Work Equipment	General Office	\$2,079,941
FP-100292	397.1	Communication Equip	Dakota Heartland	\$6,000
		Total General		<u>\$3,080,098</u>

**MONTANA-DAKOTA UTILITIES CO.
PLANT ADDITIONS
GAS UTILITY - NORTH DAKOTA
PROJECTED 2018**

<u>Project No.</u>	<u>Account</u>	<u>Description</u>	<u>Region</u>	<u>Amount</u>
<u>Common</u>				
FP-311876	390	Replace boilers at Bismarck Service Center	Dakota Heartland	\$20,423
TBD	390	Resurface Asphalt at Bismarck Service Center	Dakota Heartland	81,280
		Total Account 390		<u>\$101,703</u>
FP-100752	391.1	Office Equipment	Dakota Heartland	\$1,161
FP-100753	391.1	Office Equipment	Badlands	11,606
FP-100755	391.1	Office Equipment	General Office	42,551
		Total Account 391.1		<u>\$55,318</u>
FP-100014	391.3	Toughbook replacements	General Office	\$21,134
FP-100756	391.3	Personal Computers	General Office	20,675
FP-307540	391.3	Replace data center and networking eqpt.	General Office	13,783
FP-311620	391.3	Purchase field GIS devices	General Office	9,195
FP-315400	391.3	Replace UPS batteries - GO 3rd floor	General Office	2,757
		Total Account 391.3		<u>\$67,544</u>
FP-302521	391.5	Fixed network upgrade	General Office	\$23,294
FP-100719	392.2	Vehicles	General Office	\$303,274
FP-100718	394.1	Minor Work Equipment	General Office	\$5,513
FP-100735	394.1	Minor Work Equipment	Dakota Heartland	1,306
FP-100736	394.1	Minor Work Equipment	Badlands	7,544
		Total Account 394.1		<u>\$14,363</u>
FP-100729	397.1	Communication Equipment	Dakota Heartland	\$10,390
FP-100739	397.1	Communication Equipment	Badlands	10,737
FP-100744	397.1	Communication Equipment	General Office	80,366
FP-302563	397.1	Upgrade district offices to VOIP	General Office	36,260
		Total Account 397.1		<u>\$137,753</u>
FP-300071	397.2	Replace mobile collectors	General Office	13,161
FP-311597	397.2	Purchase FC300/MC meter reading tool	General Office	12,864
		Total Account 397.2		<u>\$26,025</u>
		Total Common		<u>\$729,274</u>
<u>Common Intangible</u>				
FP-100336	303	GL Essentials software	General Office	\$44,105
FP-100343	303	Automatic vehicle location software	General Office	24,105
FP-100575	303	IVR Web software	General Office	39,081
FP-300072	303	Purchase meter data management	General Office	242,583
FP-301563	303	GIS data conversion	General Office	91,886
		Total Common Intangible		<u>\$441,760</u>
Total 2018 Plant Additions				<u>\$16,750,869</u>

MONTANA-DAKOTA UTILITIES CO.
SUMMARY OF ACCUMULATED RESERVE FOR DEPRECIATION
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017-2018

	Per Books 2016	Projected 2017 1/	Average 2017	Projected 2018 2/	Average 2018
Distribution	\$76,245,272	\$82,454,148	\$79,349,710	\$88,972,527	\$85,713,338
General	3,175,163	2,176,821	2,675,993	1,021,864	1,599,343
General Intangible	1,041,531	1,300,353	1,170,942	1,582,236	1,441,295
Common	4,597,411	4,299,071	4,448,242	4,030,332	4,164,702
Common Intangible	5,222,915	6,039,921	5,631,418	6,930,387	6,485,154
Acquisition Adjustment	66,489	69,309	67,899	72,129	70,719
Total	<u>\$90,348,781</u>	<u>\$96,339,623</u>	<u>\$93,344,204</u>	<u>\$102,609,475</u>	<u>\$99,474,551</u>

1/ Statement K, page 31.

2/ Statement K, page 32.

**MONTANA-DAKOTA UTILITIES CO.
SUMMARY OF WORKING CAPITAL AND
CUSTOMER ADVANCES FOR CONSTRUCTION
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017-2018**

<u>Average Working Capital</u>	Per Books 2016	Projected		<u>Reference</u>
		2017	2018	
Materials and Supplies	\$2,109,464	\$2,070,029	\$2,070,029	Page 12
Fuel Stocks	101,812	95,174	95,174	Page 13
Prepayments	232,480	229,229	249,029	Page 14
Unamortized Loss on Debt	638,319	529,332	470,255	Page 15
Unamort. Redemption Cost of Pref. Stock	0	31,000	59,934	Page 16
Gain on Sale of Building	(316,643)	(299,079)	(281,515)	Page 17
Loss on Sale of Employee Housing	<u>0</u>	<u>397,173</u>	<u>774,487</u>	Page 18
Total Average Working Capital	<u>\$2,765,432</u>	<u>\$3,052,858</u>	<u>\$3,437,393</u>	
Customer Advances for Construction	<u>(\$12,724,578)</u>	<u>(\$13,958,142)</u>	<u>(\$16,015,326)</u>	Page 19

**MONTANA-DAKOTA UTILITIES CO.
MATERIALS AND SUPPLIES
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017-2018**

	Per Books 2016	Projected 1/ 2017 2018	
December 2015	\$2,008,664	\$1,874,194	
January 2016	1,958,892	1,864,570	
February	1,948,888	1,864,228	
March	2,033,913	1,870,633	
April	2,006,559	1,970,630	
May	2,278,670	2,278,670	
June	2,356,037	2,356,037	
July	2,334,848	2,334,848	
August	2,259,651	2,259,651	
September	2,191,490	2,191,490	
October	2,200,446	2,200,446	
November	1,970,783	1,970,783	
December	1,874,194	1,874,194	
13 Month Average	<u>\$2,109,464</u>	<u>\$2,070,029</u>	<u>\$2,070,029</u>

1/ Actuals through April 2017.

MONTANA-DAKOTA UTILITIES CO.
FUEL STOCKS
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017-2018

	Per Books 2016	Projected 1/ 2017 2018	
December 2015	\$160,816	\$113,968	
January 2016	139,732	113,060	
February	79,659	56,149	
March	48,352	55,878	
April	38,447	41,664	
May	23,429	23,429	
June	17,712	17,712	
July	79,327	79,327	
August	151,474	151,474	
September	146,708	146,708	
October	161,782	161,782	
November	162,148	162,148	
December	113,968	113,968	
13 Month Average	<u>\$101,812</u>	<u>\$95,174</u>	<u>\$95,174</u>

1/ Actuals through April 2017.

MONTANA-DAKOTA UTILITIES CO.
PREPAYMENTS
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017-2018

	Per Books 2016	Projected 1/ 2017 2018	
December 2015	\$51,764	\$57,756	\$55,679
January 2016	489,488	297,703	518,622
February	439,953	453,410	470,455
March	391,176	416,308	422,288
April	346,730	370,737	374,114
May	302,284	323,128	326,427
June	257,837	275,519	278,260
July	213,391	227,910	230,093
August	168,945	180,301	181,926
September	124,498	132,692	133,759
October	80,052	85,082	85,592
November	98,372	103,750	104,169
December	57,756	55,679	55,997
13 Month Average	<u>\$232,480</u>	<u>\$229,229</u>	<u>\$249,029</u>

1/ Actuals through April 2017. May 2017 - December 2018 are based on projected insurance expenses.

**MONTANA-DAKOTA UTILITIES CO.
UNAMORTIZED (GAIN)LOSS ON DEBT
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017-2018**

	Unamortized Loss on Debt	Acc. Deferred Inc. Tax
Balance at December 31, 2015	\$717,768	(\$277,397)
Balance at December 31, 2016	558,870	(215,217)
Average Balance	<u>\$638,319</u>	<u>(\$246,307)</u>
2017 Amortization	<u>(59,077)</u>	<u>22,332</u>
Balance at December 31, 2017	499,793	(192,885)
Average Balance	<u>\$529,332</u>	<u>(\$204,051)</u>
2018 Amortization	<u>(\$59,077)</u>	<u>\$22,332</u>
Balance at December 31, 2018	440,716	(170,553)
Average Balance	<u>\$470,255</u>	<u>(\$181,719)</u>

**MONTANA-DAKOTA UTILITIES CO.
UNAMORTIZED REDEMPTION OF PREFERRED STOCK COST
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017-2018**

	Unamortized Loss on Preferred Stock	Acc. Deferred Inc. Tax
Balance at December 31, 2017	\$62,000	(\$23,437)
Average Balance	<u>\$31,000</u>	<u>(\$11,719)</u>
2018 Amortization 1/	<u>(\$4,133)</u>	<u>\$1,562</u>
Balance at December 31, 2018	57,867	(21,875)
Average Balance	<u>\$59,934</u>	<u>(\$22,656)</u>

1/ Amortization period of 15 years.

**MONTANA-DAKOTA UTILITIES CO.
GAIN ON SALE OF BUILDING
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017-2018**

	<u>Gain on Building Sale</u>	<u>Acc. Deferred Inc. Tax</u>
Balance at December 31, 2015	(\$325,425)	\$123,481
Balance at December 31, 2016	(307,861)	116,816
Average Balance	<u>(\$316,643)</u>	<u>\$120,149</u>
2017 Amortization 1/	<u>\$17,564</u>	<u>(\$6,665)</u>
Balance at December 31, 2017	(290,297)	110,151
Average Balance	<u>(\$299,079)</u>	<u>\$113,484</u>
2018 Amortization 1/	<u>\$17,564</u>	<u>(\$6,665)</u>
Balance at December 31, 2018	(272,733)	103,486
Average Balance	<u>(\$281,515)</u>	<u>\$106,819</u>

1/ Amortization period of 20 years.

**MONTANA-DAKOTA UTILITIES CO.
LOSS ON SALE OF EMPLOYEE HOUSING
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017-2018**

	Loss on Sale of Employee Housing	Acc. Deferred Inc. Tax
Balance at December 31, 2015	\$0	\$0
Balance at December 31, 2016	785,857	(297,066)
Average Balance: N/A for 2016		
2017 Additional Loss	\$8,488	(\$3,209)
2017 Amortization	0	0
Balance at December 31, 2017	794,345	(300,275)
Average Balance	\$397,173	(\$150,138)
2018 Amortization 1/	(\$39,717)	\$15,014
Balance at December 31, 2018	754,628	(285,261)
Average Balance	\$774,487	(\$292,768)

1/ Amortization period of 20 years.

**MONTANA-DAKOTA UTILITIES CO.
CUSTOMER ADVANCES FOR CONSTRUCTION
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017-2018**

	Per Books 2016	Projected 1/ 2017 2018	
December 2015	(\$12,919,210)	(\$13,817,975)	(\$15,963,739)
January 2016	(12,916,624)	(13,725,529)	(15,963,739)
February	(12,627,765)	(13,663,526)	(15,963,739)
March	(12,472,764)	(13,770,446)	(15,963,739)
April	(12,478,958)	(13,735,798)	(15,963,739)
May	(12,052,757)	(13,735,798)	(15,963,739)
June	(12,036,784)	(13,735,798)	(15,963,739)
July	(12,114,403)	(13,735,798)	(15,963,739)
August	(12,119,854)	(13,735,798)	(15,963,739)
September	(12,186,091)	(13,735,798)	(15,963,739)
October	(13,813,284)	(14,004,675) 2/	(15,963,739)
November	(13,863,041)	(14,095,162) 2/	(16,235,202) 2/
December	(13,817,975)	(15,963,739) 3/	(16,362,911) 2/
13 Month Average	<u>(\$12,724,578)</u>	<u>(\$13,958,142)</u>	<u>(\$16,015,326)</u>

1/ Actuals through April 2017.

2/ Adjusted for Refundable Capital Additions.

3/ Add refundable advances for two large industrial customers.

**MONTANA-DAKOTA UTILITIES CO.
ACCUMULATED DEFERRED INCOME TAXES
GAS UTILITY - NORTH DAKOTA
TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017-2018**

	Per Books 2016	Projected 2017			Projected 2018		
		Changes	Balance	Average	Changes	Balance	Average
<u>Accumulated Deferred Income Taxes</u>							
Liberalized Depreciation	\$26,340,077	\$41,364 1/	\$26,381,441	\$26,381,441	\$1,545,196 1/	\$27,926,637	\$27,926,637
Full Normalization	492,426	(102,409)	390,017	441,222	(102,409) 2/	287,608	338,813
Contribution in Aid of Construction	(1,504,053)	0	(1,504,053)	(1,504,053)	0	(1,504,053)	(1,504,053)
Customer Advances	(5,259,322)	(775,211)	(6,034,533)	(5,646,928)	(150,893)	(6,185,426)	(6,109,980)
Unamortized Loss on Debt	215,217	(22,332) 2/	192,885	204,051	(22,332) 3/	170,553	181,719
Unamort. Redemption Cost of Pref. Stock	0	23,437 3/	23,437	11,719	(1,562) 4/	21,875	22,656
Gain on Sale of Building	(116,816)	6,665 4/	(110,151)	(113,484)	6,665 5/	(103,486)	(106,819)
Loss on Sale of Employee Housing	0	300,275 5/	300,275	150,138	(15,014) 6/	285,261	292,768
Acquisition Adjustment	11,837	(1,066)	10,771	11,304	(1,066)	9,705	10,238
Balance	<u>\$20,179,366</u>	<u>(\$529,277)</u>	<u>\$19,650,089</u>	<u>\$19,935,410</u>	<u>\$1,258,585</u>	<u>\$20,908,674</u>	<u>\$21,051,979</u>

1/ Page 21.

2/ Page 15.

3/ Page 16.

4/ Page 17.

5/ Page 18.

**MONTANA-DAKOTA UTILITIES CO.
LIBERALIZED DEPRECIATION
GAS UTILITY - NORTH DAKOTA
FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2016
PROJECTED 2017-2018**

Month	Weighting For Projection	Monthly Increments	Balance/ Increments	Balance
December 2016	100.00%			\$26,340,077
January 2017	91.78%	\$7,441	\$6,829	26,346,906
February	84.11%	7,441	6,259	26,353,165
March	75.62%	7,441	5,627	26,358,792
April	67.40%	7,441	5,015	26,363,807
May	58.90%	7,441	4,383	26,368,190
June	50.68%	7,441	3,771	26,371,961
July	42.19%	7,441	3,139	26,375,100
August	33.70%	7,441	2,508	26,377,608
September	25.48%	7,441	1,896	26,379,504
October	16.99%	7,441	1,264	26,380,768
November	8.77%	7,441	653	26,381,421
December	0.27%	7,440	20	26,381,441
Total		\$89,291	\$41,364	
December 2017	100.00%			\$26,381,441
January 2018	91.78%	\$277,968	255,119	26,636,560
February	84.11%	277,968	233,799	26,870,359
March	75.62%	277,968	210,199	27,080,558
April	67.40%	277,968	187,350	27,267,908
May	58.90%	277,968	163,723	27,431,631
June	50.68%	277,968	140,874	27,572,505
July	42.19%	277,968	117,275	27,689,780
August	33.70%	277,968	93,675	27,783,455
September	25.48%	277,968	70,826	27,854,281
October	16.99%	277,968	47,227	27,901,508
November	8.77%	277,968	24,378	27,925,886
December	0.27%	277,965	751	27,926,637
Total		\$3,335,613	\$1,545,196	
Projected				
		2017	2018	
Prior year December ADIT balance		\$26,340,077	\$19,650,089	
Projected additions 1/		89,291	3,335,613	
Projected ADIT		\$26,429,368	\$22,985,702	
Change in DITs		89,291	3,335,613	
Monthly Increment		\$7,441	\$277,968	

**MONTANA-DAKOTA UTILITIES CO.
CHANGES IN ACCUMULATED DEFERRED INCOME TAXES
RELATED TO PLANT IN SERVICE
GAS UTILITY - NORTH DAKOTA
PROJECTED 2017-2018**

	Projected	
	2017	2018
Plant related tax deductions		
Book depreciation	(\$9,328,725)	(\$9,829,631)
Tax Depreciation	9,564,936	18,653,655
Total tax deductions	\$236,211	\$8,824,024
Change in ADIT @ 37.8015%	<u>\$89,291</u>	<u>\$3,335,613</u>

MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - NORTH DAKOTA
Embedded Class Cost of Service Study
Cost of Service by Component
Projected 2018
(in thousands)

	Total	Residential			Total
	North Dakota	Demand	Energy	Customer	Residential
Projected Rate Base	135,451	30,924	40	53,702	84,666
Operating Income for Proposed Return	10,216	2,332	3	4,051	6,386
Projected Operating Income	6,569	(2,085)	(137)	5,112	2,890
Increase in Operating Income	3,647	4,417	140	(1,061)	3,496
Related Taxes for Increase					
Federal Income	2,216	2,684	85	(645)	2,124
Total Increase in Revenue	5,863	7,101	225	(1,706)	5,620
Projected Revenue Before Increase	112,137	12,840	23,600	23,602	60,042
Total Cost of Service Required from Rates:	114,928	18,942	23,822	21,057	63,821
Less Projected Cost of Gas	70,913	11,841	23,598	0	35,439
Net Distribution Cost of Service	43,911	7,101	224	21,057	28,382
Return on Rate Base Before Increase	4.850%				3.413%
Projected Billing Units	112,516			96,792	
Bills	1,350,192			1,161,504	
Dk	23,351,305	8,826,214	8,826,214		
Unit Cost of Service					
Energy cost per Dk			\$0.03		
Demand cost per Dk		\$0.800			
Customer Cost Per Month				\$18.13	
Cust and Demand cost per month				\$24.24	

MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - NORTH DAKOTA
Embedded Class Cost of Service Study
Cost of Service by Component
Projected 2018
(in thousands)

	Small Firm General			Total Small Firm General	Large Firm General			Total Large Firm General
	Demand	Energy	Customer		Demand	Energy	Customer	
Projected Rate Base	8,614	26	7,086	15,726	19,102	29	8,003	27,134
Operating Income for Proposed Return	650	2	534	1,186	1,441	2	604	2,047
Projected Operating Income	(525)	(26)	1,360	809	(1,254)	(98)	3,152	1,800
Increase in Operating Income	1,175	28	(826)	377	2,695	100	(2,548)	247
Related Taxes for Increase								
Federal Income	714	17	(502)	229	1,638	61	(1,549)	150
Total Increase in Revenue	1,889	45	(1,328)	606	4,333	161	(4,097)	397
Projected Revenue Before Increase	3,233	5,214	4,240	12,687	7,664	17,027	7,725	32,416
Total Cost of Service Required from Rates:	4,870	5,258	2,812	12,940	11,400	17,186	3,549	32,135
Less Projected Cost of Gas	2,981	5,203	0	8,184	7,067	17,036	0	24,103
Net Distribution Cost of Service	1,889	55	2,812	4,756	4,333	150	3,549	8,032
Return on Rate Base Before Increase				5.144%				6.634%
Projected Billing Units			10,850				4,710	
Bills			130,200				56,520	
Dk	2,036,838	2,036,838			5,998,825	5,998,825		
Unit Cost of Service								
Energy cost per Dk		\$0.03				\$0.03		
Demand cost per Dk	\$0.930				\$0.720			
Customer Cost Per Month			\$21.60				\$62.79	
Cust and Demand cost per month								

MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - NORTH DAKOTA
Embedded Class Cost of Service Study
Cost of Service by Component
Projected 2018
(in thousands)

	Air Force Delivery			Total Air Force Delivery	Small Interruptible			Total Small Interruptible
	Demand	Energy	Customer		Demand	Energy	Customer	
Projected Rate Base	86	0	69	155	2,640	0	246	2,886
Operating Income for Proposed Return	6	0	5	11	199	0	19	218
Projected Operating Income	(28)	(6)	56	22	(377)	(11)	851	463
Increase in Operating Income	34	6	(51)	(11)	576	11	(832)	(245)
Related Taxes for Increase								
Federal Income	21	4	(31)	(6)	350	7	(506)	(149)
Total Increase in Revenue	55	10	(82)	(17)	926	18	(1,338)	(394)
Projected Revenue Before Increase	166	1,319	120	1,605	323	1,508	1,707	3,538
Total Cost of Service Required from Rates:	221	1,329	38	1,588	1,121	1,526	362	3,009
Less Projected Cost of Gas	166	1,318	0	1,484	195	1,508	0	1,703
Net Distribution Cost of Service	55	11	38	104	926	18	362	1,306
Return on Rate Base Before Increase				14.194%				16.043%
Projected Billing Units			3				155	
Bills			36				1,860	
Dk	490,100	490,100			1,677,385	1,677,385		
Unit Cost of Service								
Energy cost per Dk		\$0.02				\$0.01		
Demand cost per Dk	\$0.110				\$0.550			
Customer Cost Per Month			\$1,055.56				\$194.62	
Cust and Demand cost per month								

MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - NORTH DAKOTA
Embedded Class Cost of Service Study
Cost of Service by Component
Projected 2018
(in thousands)

	Large Interruptible			Total Large Interruptible	Minot Air Force Base Distribution			Total MAFB Distribution
	Demand	Energy	Customer		Demand	Energy	Customer	
Projected Rate Base	3,052	0	566	3,618	642	0	624	1,266
Operating Income for Proposed Return	230	0	43	273	48	0	47	95
Projected Operating Income	(263)	(9)	756	484	(174)	0	275	101
Increase in Operating Income	493	9	(713)	(211)	222	0	(228)	(6)
Related Taxes for Increase Federal Income	300	5	(433)	(128)	135	0	(139)	(4)
Total Increase in Revenue	793	14	(1,146)	(339)	357	0	(367)	(10)
Projected Revenue Before Increase	54	0	1,332	1,386	5	0	458	463
Total Cost of Service Required from Rates:	793	14	182	989	357	0	89	446
Less Projected Cost of Gas	0	0	0	0	0	0	0	0
Net Distribution Cost of Service	793	14	182	989	357	0	89	446
Return on Rate Base Before Increase	13.378%							7.978%
Projected Billing Units			6					0
Bills			72					12
Dk	4,321,943	4,321,943						
Unit Cost of Service								
Energy cost per Dk		\$0.00						
Demand cost per Dk	\$0.180							
Customer Cost Per Month			\$2,527.78					\$37,166.67
Cust and Demand cost per month								

MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - NORTH DAKOTA
Embedded Class Cost of Service Study
Twelve Months Ended December 31, 2016
Projected 2018
(in thousands)

	Allocation Factor	Total North Dakota	Residential			Total Residential	Firm General-Meter < 500 cubic feet			Total Small Firm General
			Demand	Energy	Customer		Demand	Energy	Customer	
Rate Base-Projected										
Gas Plant in Service										
Production Plant	3	0	0	0	0	0	0	0	0	0
Land	13	913	333	0	193	526	84	0	22	106
Rights of Way	13	498	182	0	105	287	46	0	12	58
Structures & Improvements	40	423	157	0	91	248	40	0	10	50
Direct	Direct	81	0	0	0	0	0	0	0	0
Mains - \$103,231-Directly Assigned \$2,639										
Demand Related 75%	2	75,444	37,419	0	0	37,419	9,422	0	0	9,422
Customer Related 25%	8	25,148	0	0	21,634	21,634	0	0	2,425	2,425
Directly Assigned Demand Related 75%	Direct	1,979	0	0	0	0	0	0	0	0
Directly Assigned Customer Related 25%	Direct	660	0	0	0	0	0	0	0	0
Heskett Pipeline - \$22,181										
Demand Related 75%	2	16,636	8,251	0	0	8,251	2,078	0	0	2,078
Customer Related 25%	8	5,545	0	0	4,770	4,770	0	0	535	535
Meas. & Reg. Equip. - General	40	1,754	651	0	377	1,028	164	0	42	206
Direct	Direct	208	0	0	0	0	0	0	0	0
Meas. & Reg. Equip. - City Gate	13	5,288	1,932	0	1,116	3,048	486	0	125	611
Direct	Direct	72	0	0	0	0	0	0	0	0
Services	37	46,810	0	0	37,188	37,188	0	0	5,961	5,961
Direct	Direct	405	0	0	0	0	0	0	0	0
Meters	9	31,618	0	0	19,850	19,850	0	0	2,670	2,670
Direct	Direct	55	0	0	0	0	0	0	0	0
Service Regulators	9	4,479	0	0	2,812	2,812	0	0	378	378
Direct	Direct	15	0	0	0	0	0	0	0	0
Ind. Meas. & Reg. Station Equipment	40	376	139	0	81	220	35	0	9	44
Direct	Direct	593	0	0	0	0	0	0	0	0
Property on Customer Premise	13	115	42	0	24	66	11	0	3	14
Cathodic Protection & Other Equipment	40	1,712	636	0	368	1,004	160	0	41	201
Direct	Direct	4	0	0	0	0	0	0	0	0
Distribution Plant - includes Heskett		220,831	49,742	0	88,609	138,351	12,526	0	12,233	24,759
Distribution Plant Excluding Direct Assignments		216,759	49,742	0	88,609	138,351	12,526	0	12,233	24,759
General Plant	38	14,138	3,244	0	5,781	9,025	817	0	798	1,615
Direct	Direct	286	0	0	0	0	0	0	0	0
Intangible Plant - General	15	3,464	724	0	1,461	2,185	182	0	204	386
Direct	Direct	2,193								
Common Plant	15	13,249	2,767	0	5,592	8,359	697	0	780	1,477
Intangible Common (Excluding CC&B)	15	5,236	1,094	0	2,209	3,303	275	0	308	583
Intangible Common (CC&B)	4	9,061	0	0	7,796	7,796	0	0	874	874
Acquisition Adjustment	15	97	20	0	41	61	5	0	6	11
Total Gas Plant in Service including Heskett		268,555	57,591	0	111,489	169,080	14,502	0	15,203	29,705

MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - NORTH DAKOTA
Embedded Class Cost of Service Study
Twelve Months Ended December 31, 2016
Projected 2018
(in thousands)

	Allocation Factor	Total North Dakota	Firm General > 500 cubic feet			Total Large Firm General	Air Force Delivery			Total Air Force Delivery	Small Interruptible			Total Small Interruptible
			Demand	Energy	Customer		Demand	Energy	Customer		Demand	Energy	Customer	
Rate Base-Projected														
Gas Plant in Service														
Production Plant	3	0	0	0	0	0	0	0	0	0	0	0	0	0
Land	13	913	199	0	10	209	0	0	0	0	42	0	0	42
Rights of Way	13	498	109	0	5	114	0	0	0	0	23	0	0	23
Structures & Improvements	40	423	94	0	4	98	0	0	0	0	20	0	0	20
Direct	Direct	81	22	0	7	29	13	0	4	17	0	0	0	0
Mains - \$103,231-Directly Assigned \$2,639														
Demand Related 75%	2	75,444	22,333	0	0	22,333	0	0	0	0	4,686	0	0	4,686
Customer Related 25%	8	25,148	0	0	1,053	1,053	0	0	0	0	0	0	35	35
Directly Assigned Demand Related 75%	Direct	1,979	52	0	0	52	0	0	0	0	0	0	0	0
Directly Assigned Customer Related 25%	Direct	660	0	0	17	17	0	0	0	0	0	0	0	0
Heskett Pipeline - \$22,181														
Demand Related 75%	2	16,636	4,925	0	0	4,925	0	0	0	0	1,033	0	0	1,033
Customer Related 25%	8	5,545	0	0	232	232	0	0	0	0	0	0	8	8
Meas. & Reg. Equip. - General	40	1,754	390	0	19	409	0	0	0	0	82	0	1	83
Direct	Direct	208	34	0	11	45	0	0	0	0	8	0	3	11
Meas. & Reg. Equip. - City Gate	13	5,288	1,155	0	55	1,210	0	0	0	0	242	0	2	244
Direct	Direct	72	0	0	0	0	54	0	18	72	0	0	0	0
Services	37	46,810	0	0	3,420	3,420	0	0	0	0	0	0	233	233
Direct	Direct	405	0	0	0	0	0	0	0	0	0	0	0	0
Meters	9	31,618	0	0	8,017	8,017	0	0	49	49	0	0	954	954
Direct	Direct	55	0	0	0	0	0	0	0	0	0	0	0	0
Service Regulators	9	4,479	0	0	1,136	1,136	0	0	7	7	0	0	135	135
Direct	Direct	15	0	0	0	0	0	0	0	0	0	0	0	0
Ind. Meas. & Reg. Station Equipment	40	376	84	0	4	88	0	0	0	0	18	0	0	18
Direct	Direct	593	0	0	0	0	53	0	18	71	248	0	83	331
Property on Customer Premise	13	115	25	0	1	26	0	0	0	0	5	0	0	5
Cathodic Protection & Other Equipment	40	1,712	381	0	18	399	0	0	0	0	80	0	1	81
Direct	Direct	4	0	0	0	0	0	0	0	0	0	0	0	0
Distribution Plant - includes Heskett		220,831	29,803	0	14,009	43,812	120	0	96	216	6,487	0	1,455	7,942
Distribution Plant Excluding Direct Assignments		216,759	29,695	0	13,974	43,669	0	0	56	56	6,231	0	1,369	7,600
General Plant	38	14,138	1,937	0	911	2,848	0	0	4	4	406	0	89	495
Direct	Direct	286	0	0	0	0	0	0	0	0	0	0	0	0
Intangible Plant - General	15	3,464	434	0	240	674	2	0	2	4	95	0	25	120
Direct	Direct	2,193												
Common Plant	15	13,249	1,659	0	919	2,578	8	0	6	14	364	0	97	461
Intangible Common (Excluding CC&B)	15	5,236	656	0	363	1,019	3	0	3	6	144	0	38	182
Intangible Common (CC&B)	4	9,061	0	0	379	379	0	0	0	0	0	0	12	12
Acquisition Adjustment	15	97	12	0	7	19	0	0	0	0	3	0	1	4
Total Gas Plant in Service including Heskett		268,555	34,501	0	16,828	51,329	133	0	111	244	7,499	0	1,717	9,216

MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - NORTH DAKOTA
Embedded Class Cost of Service Study
Twelve Months Ended December 31, 2016
Projected 2018
(in thousands)

	Allocation Factor	Total North Dakota	Large Interruptible			Total Large Interruptible	Minot Air Force Base Distribution			Total Minot Air Force
			Demand	Energy	Customer		Demand	Energy	Customer	
Rate Base-Projected										
Gas Plant in Service										
Production Plant	3	0	0	0	0	0	0	0	0	0
Land	13	913	26	0	4	30	0	0	0	0
Rights of Way	13	498	14	0	2	16	0	0	0	0
Structures & Improvements	40	423	7	0	0	7	0	0	0	0
Direct	Direct	81	26	0	9	35	0	0	0	0
Mains - \$103,231-Directly Assigned \$2,639										
Demand Related 75%	2	75,444	1,584	0	0	1,584	0	0	0	0
Customer Related 25%	8	25,148	0	0	1	1	0	0	0	0
Directly Assigned Demand Related 75%	Direct	1,979	1,360	0	0	1,360	567	0	0	567
Directly Assigned Customer Related 25%	Direct	660	0	0	454	454	0	0	189	189
Heskett Pipeline - \$22,181										
Demand Related 75%	2	16,636	349	0	0	349	0	0	0	0
Customer Related 25%	8	5,545	0	0	0	0	0	0	0	0
Meas. & Reg. Equip. - General	40	1,754	28	0	0	28	0	0	0	0
Direct	Direct	208	114	0	38	152	0	0	0	0
Meas. & Reg. Equip. - City Gate	13	5,288	152	0	23	175	0	0	0	0
Direct	Direct	72	0	0	0	0	0	0	0	0
Services	37	46,810	0	0	8	8	0	0	0	0
Direct	Direct	405	0	0	0	0	0	0	405	405
Meters	9	31,618	0	0	78	78	0	0	0	0
Direct	Direct	55	0	0	0	0	0	0	55	55
Service Regulators	9	4,479	0	0	11	11	0	0	0	0
Direct	Direct	15	0	0	0	0	0	0	15	15
Ind. Meas. & Reg. Station Equipment	40	376	6	0	0	6	0	0	0	0
Direct	Direct	593	143	0	48	191	0	0	0	0
Property on Customer Premise	13	115	3	0	1	4	0	0	0	0
Cathodic Protection & Other Equipment	40	1,712	27	0	0	27	0	0	0	0
Direct	Direct	4	0	0	0	0	3	0	1	4
Distribution Plant - includes Heskett		220,831	3,839	0	677	4,516	570	0	665	1,235
Distribution Plant Excluding Direct Assignments		216,759	2,196	0	128	2,324	0	0	0	0
General Plant	38	14,138	143	0	8	151	0	0	0	0
Direct	Direct	286	0	0	0	0	214	0	72	286
Intangible Plant - General	15	3,464	61	0	12	73	10	0	12	22
Direct	Direct	2,193	1,645	0	548	2,193	0	0	0	0
Common Plant	15	13,249	233	0	45	278	38	0	44	82
Intangible Common (Excluding CC&B)	15	5,236	92	0	18	110	15	0	18	33
Intangible Common (CC&B)	4	9,061	0	0	0	0	0	0	0	0
Acquisition Adjustment	15	97	2	0	0	2	0	0	0	0
Total Gas Plant in Service including Heskett		268,555	6,015	0	1,308	7,323	847	0	811	1,658

MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - NORTH DAKOTA
Embedded Class Cost of Service Study
Twelve Months Ended December 31, 2016
Projected 2018
(in thousands)

	Allocation Factor	Total North Dakota	Residential			Total Residential	Firm General-Meter < 500 cubic feet			Total Small Firm General
			Demand	Energy	Customer		Demand	Energy	Customer	
Less: Accumulated Depreciation										
Production Plant	3	0	0	0	0	0	0	0	0	0
Distribution Plant										
Rights of Way	13	79	29	0	17	46	7	0	2	9
Structures & Improvements	23	187	59	0	34	93	15	0	4	19
Mains	40	36,213	13,462	0	7,782	21,244	3,390	0	872	4,262
Direct	Direct	33	0	0	0	0	0	0	0	0
Heskett - \$787										
Demand Related 75%	2	590	292	0	0	292	74	0	0	74
Customer Related 25%	8	197	0	0	170	170	0	0	19	19
Meas. & Reg. Equip. - General	18	660	219	0	127	346	55	0	14	69
Meas. & Reg. Equip. - City Gate	19	708	256	0	147	403	64	0	17	81
Services	37	32,686	0	0	25,967	25,967	0	0	4,163	4,163
Direct	Direct	35	0	0	0	0	0	0	0	0
Meters	5	11,577	0	0	7,265	7,265	0	0	977	977
Direct	Direct	12	0	0	0	0	0	0	0	0
Service Regulators	9	1,416	0	0	889	889	0	0	120	120
Direct	Direct	2	0	0	0	0	0	0	0	0
Ind. Meas. & Reg. Station Equipment	21	331	48	0	28	76	12	0	3	15
Property on Customer Premise	13	125	46	0	26	72	11	0	3	14
Cathodic Protection & Other Equipment	13	862	316	0	182	498	79	0	20	99
Distribution Plant		85,713	14,727	0	42,634	57,361	3,707	0	6,214	9,921
General Plant	38	1,497	344	0	612	956	87	0	84	171
Direct	Direct	102	0	0	0	0	0	0	0	0
Intangible Plant - General	15	888	185	0	375	560	47	0	52	99
Intangible Plant - General - Direct	Direct	554	0	0	0	0	0	0	0	0
Common Plant	15	4,165	870	0	1,758	2,628	219	0	245	464
Intangible Plant - Common	15	3,524	736	0	1,487	2,223	185	0	208	393
Intangible Plant - Common-CC&B	4	2,961	0	0	2,547	2,547	0	0	286	286
Acquisition Adjustment	15	71	15	0	30	45	4	0	4	8
Less: Total Accumulated Reserve for Depreciation		99,475	16,877	0	49,443	66,320	4,249	0	7,093	11,342
Net Gas Plant in Service including Heskett		169,080	40,714	0	62,046	102,760	10,253	0	8,110	18,363
Additions										
Materials & Supplies	15	2,070	432	0	874	1,306	109	0	122	231
Fuel Stocks	10	95	0	40	0	40	0	26	0	26
Prepayments	25	249	53	0	103	156	13	0	14	27
Loss on Sale of Employee Housing	24	775	187	0	286	473	47	0	37	84
Unamortized Loss on Debt	24	470	113	0	171	284	29	0	23	52
Unamortized Redemption Cost of Preferred Stock	24	60	14	0	22	36	4	0	3	7
Gain on Sale of Williston Office	24	(281)	(68)	0	(103)	(171)	(17)	0	(13)	(30)
Total Additions		3,438	731	40	1,353	2,124	185	26	186	397
Total Before Deductions		172,518	41,445	40	63,399	104,884	10,438	26	8,296	18,760
Deductions										

MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - NORTH DAKOTA
Embedded Class Cost of Service Study
Twelve Months Ended December 31, 2016
Projected 2018
(in thousands)

	Allocation Factor	Total North Dakota	Firm General > 500 cubic feet			Total Large Firm General	Air Force Delivery			Total Air Force Delivery	Small Interruptible			Total Small Interruptible
			Demand	Energy	Customer		Demand	Energy	Customer		Demand	Energy	Customer	
Less: Accumulated Depreciation														
Production Plant	3	0	0	0	0	0	0	0	0	0	0	0	0	0
Distribution Plant														
Rights of Way	13	79	17	0	1	18	0	0	0	0	4	0	0	4
Structures & Improvements	23	187	43	0	4	47	5	0	1	6	7	0	0	7
Mains	40	36,213	8,053	0	385	8,438	0	0	0	0	1,686	0	13	1,699
Direct	Direct	33	0	0	0	0	0	0	0	0	0	0	0	0
Heskett - \$787														
Demand Related 75%	2	590	175	0	0	175	0	0	0	0	37	0	0	37
Customer Related 25%	8	197	0	0	8	8	0	0	0	0	0	0	0	0
Meas. & Reg. Equip. - General	18	660	143	0	10	153	0	0	0	0	30	0	1	31
Meas. & Reg. Equip. - City Gate	19	708	153	0	7	160	7	0	2	9	32	0	0	32
Services	37	32,686	0	0	2,388	2,388	0	0	0	0	0	0	163	163
Direct	Direct	35	0	0	0	0	0	0	0	0	0	0	0	0
Meters	5	11,577	0	0	2,934	2,934	0	0	18	18	0	0	349	349
Direct	Direct	12	0	0	0	0	0	0	0	0	0	0	0	0
Service Regulators	9	1,416	0	0	359	359	0	0	2	2	0	0	43	43
Direct	Direct	2	0	0	0	0	0	0	0	0	0	0	0	0
Ind. Meas. & Reg. Station Equipment	21	331	29	0	1	30	18	0	6	24	91	0	28	119
Property on Customer Premise	13	125	27	0	1	28	0	0	0	0	6	0	0	6
Cathodic Protection & Other Equipment	13	862	188	0	9	197	0	0	0	0	39	0	0	39
Distribution Plant		85,713	8,828	0	6,107	14,935	30	0	29	59	1,932	0	597	2,529
General Plant	38	1,497	205	0	97	302	0	0	0	0	43	0	9	52
Direct	Direct	102	0	0	0	0	0	0	0	0	0	0	0	0
Intangible Plant - General	15	888	111	0	62	173	1	0	0	1	24	0	6	30
Intangible Plant - General - Direct	Direct	554	0	0	0	0	0	0	0	0	0	0	0	0
Common Plant	15	4,165	522	0	289	811	3	0	2	5	114	0	30	144
Intangible Plant - Common	15	3,524	441	0	244	685	2	0	2	4	97	0	26	123
Intangible Plant - Common-CC&B	4	2,961	0	0	124	124	0	0	0	0	0	0	4	4
Acquisition Adjustment	15	71	9	0	5	14	0	0	0	0	2	0	1	3
Less: Total Accumulated Reserve for Depreciation		99,475	10,116	0	6,928	17,044	36	0	33	69	2,212	0	673	2,885
Net Gas Plant in Service including Heskett		169,080	24,385	0	9,900	34,285	97	0	78	175	5,287	0	1,044	6,331
Additions														
Materials & Supplies	15	2,070	259	0	144	403	1	0	1	2	57	0	15	72
Fuel Stocks	10	95	0	29	0	29	0	0	0	0	0	0	0	0
Prepayments	25	249	32	0	16	48	0	0	0	0	7	0	2	9
Loss on Sale of Employee Housing	24	775	112	0	45	157	0	0	0	0	24	0	5	29
Unamortized Loss on Debt	24	470	68	0	28	96	0	0	0	0	15	0	3	18
Unamortized Redemption Cost of Preferred Stock	24	60	9	0	4	13	0	0	0	0	2	0	0	2
Gain on Sale of Williston Office	24	(281)	(41)	0	(16)	(57)	0	0	0	0	(9)	0	(2)	(11)
Total Additions		3,438	439	29	221	689	1	0	1	2	96	0	23	119
Total Before Deductions		172,518	24,824	29	10,121	34,974	98	0	79	177	5,383	0	1,067	6,450
Deductions														

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	Allocation Factor	Total North Dakota	Large Interruptible			Total Large Interruptible	Minot Air Force Base Distribution			Total Minot Air Force
			Demand	Energy	Customer		Demand	Energy	Customer	
Less: Accumulated Depreciation										
Production Plant	3	0	0	0	0	0	0	0	0	0
Distribution Plant										
Rights of Way	13	79	2	0	0	2	0	0	0	0
Structures & Improvements	23	187	12	0	3	15	0	0	0	0
Mains	40	36,213	570	0	0	570	0	0	0	0
Direct	Direct	33	0	0	0	0	25	0	8	33
Heskett - \$787										
Demand Related 75%	2	590	12	0	0	12	0	0	0	0
Customer Related 25%	8	197	0	0	0	0	0	0	0	0
Meas. & Reg. Equip. - General	18	660	48	0	13	61	0	0	0	0
Meas. & Reg. Equip. - City Gate	19	708	20	0	3	23	0	0	0	0
Services	37	32,686	0	0	5	5	0	0	0	0
Direct	Direct	35	0	0	0	0	0	0	35	35
Meters	5	11,577	0	0	34	34	0	0	0	0
Direct	Direct	12	0	0	0	0	0	0	12	12
Service Regulators	9	1,416	0	0	3	3	0	0	0	0
Direct	Direct	2	0	0	0	0	0	0	2	2
Ind. Meas. & Reg. Station Equipment	21	331	51	0	16	67	0	0	0	0
Property on Customer Premise	13	125	4	0	1	5	0	0	0	0
Cathodic Protection & Other Equipment	13	862	25	0	4	29	0	0	0	0
Distribution Plant		85,713	744	0	82	826	25	0	57	82
General Plant	38	1,497	15	0	1	16	0	0	0	0
Direct	Direct	102	0	0	0	0	76	0	26	102
Intangible Plant - General	15	888	16	0	3	19	3	0	3	6
Intangible Plant - General - Direct	Direct	554	415	0	139	554	0	0	0	0
Common Plant	15	4,165	73	0	14	87	12	0	14	26
Intangible Plant - Common	15	3,524	62	0	12	74	10	0	12	22
Intangible Plant - Common-CC&B	4	2,961	0	0	0	0	0	0	0	0
Acquisition Adjustment	15	71	1	0	0	1	0	0	0	0
Less: Total Accumulated Reserve for Depreciation		99,475	1,326	0	251	1,577	126	0	112	238
Net Gas Plant in Service including Heskett		169,080	4,689	0	1,057	5,746	721	0	699	1,420
Additions										
Materials & Supplies	15	2,070	36	0	7	43	6	0	7	13
Fuel Stocks	10	95	0	0	0	0	0	0	0	0
Prepayments	25	249	6	0	1	7	1	0	1	2
Loss on Sale of Employee Housing	24	775	21	0	5	26	3	0	3	6
Unamortized Loss on Debt	24	470	13	0	3	16	2	0	2	4
Unamortized Redumption Cost of Preferred Stock	24	60	2	0	0	2	0	0	0	0
Gain on Sale of Williston Office	24	(281)	(8)	0	(2)	(10)	(1)	0	(1)	(2)
Total Additions		3,438	70	0	14	84	11	0	12	23
Total Before Deductions		172,518	4,759	0	1,071	5,830	732	0	711	1,443
Deductions										

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	Allocation Factor	Total North Dakota	Residential			Total Residential	Firm General-Meter < 500 cubic feet			Total Small Firm General
			Demand	Energy	Customer		Demand	Energy	Customer	
Accumulated Deferred Income Tax	24	(21,052)	(5,069)	0	(7,724)	(12,793)	(1,277)	0	(1,010)	(2,287)
Accumulated Investment Tax Credit	24	0	0	0	0	0	0	0	0	0
Customer Advances For Construction	Direct	(16,015)	(5,452)	0	(1,973)	(7,425)	(547)	0	(200)	(747)
Total Deductions		(37,067)	(10,521)	0	(9,697)	(20,218)	(1,824)	0	(1,210)	(3,034)
Total Rate Base		135,451	30,924	40	53,702	84,666	8,614	26	7,086	15,726

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		Firm General > 500 cubic feet					Air Force Delivery			Total	Small Interruptible			Total
	Allocation Factor	Total North Dakota	Demand	Energy	Customer	Total Large Firm General	Demand	Energy	Customer	Air Force Delivery	Demand	Energy	Customer	Small Interruptible
Accumulated Deferred Income Tax	24	(21,052)	(3,036)	0	(1,233)	(4,269)	(12)	0	(10)	(22)	(658)	0	(130)	(788)
Accumulated Investment Tax Credit	24	0	0	0	0	0	0	0	0	0	0	0	0	0
Customer Advances For Construction	Direct	(16,015)	(2,686)	0	(885)	(3,571)	0	0	0	0	(2,085)		(691)	(2,776)
Total Deductions		(37,067)	(5,722)	0	(2,118)	(7,840)	(12)	0	(10)	(22)	(2,743)	0	(821)	(3,564)
Total Rate Base		135,451	19,102	29	8,003	27,134	86	0	69	155	2,640	0	246	2,886

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	Allocation Factor	Total North Dakota	Large Interruptible			Total Large Interruptible	Minot Air Force Base Distribution			Total Minot Air Force
			Demand	Energy	Customer		Demand	Energy	Customer	
Accumulated Deferred Income Tax	24	(21,052)	(584)	0	(132)	(716)	(90)	0	(87)	(177)
Accumulated Investment Tax Credit	24	0	0	0	0	0	0	0	0	0
Customer Advances For Construction	Direct	(16,015)	(1,123)	0	(373)	(1,496)	0	0	0	0
Total Deductions		(37,067)	(1,707)	0	(505)	(2,212)	(90)	0	(87)	(177)
Total Rate Base		135,451	3,052	0	566	3,618	642	0	624	1,266

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	Allocation	Total	Residential			Total	Firm General-Meter < 500 cubic feet			Total Small
	Factor	North Dakota	Demand	Energy	Customer	Residential	Demand	Energy	Customer	Firm General
Income Statement										
Gas Operating Revenues										
Retail Sales & Transportation										
Residential	Direct	58,201	11,841	23,597	22,763	58,201	0	0	0	0
Firm General	Direct	44,072	0	0	0	0	2,981	5,213	4,140	12,334
Air Force Delivery	Direct	1,605	0	0	0	0	0	0	0	0
Small Interruptible	Direct	3,403	0	0	0	0	0	0	0	0
Large Interruptible	Direct	1,328	0	0	0	0	0	0	0	0
Total Sales & Transportation Revenues		108,609	11,841	23,597	22,763	58,201	2,981	5,213	4,140	12,334
Other Operating Revenue										
Miscellaneous										
Reconnect Fees	6	31	0	0	27	27	0	0	3	3
Minot Maintenance Fee Rate 65	Direct	456	0	0	0	0	0	0	0	0
NSF Check Fees & Other	6	19	0	0	16	16	0	0	2	2
Miscellaneous	24	1	0	0	1	1	0	0	0	0
Rent From Gas Property	24	466	112	0	172	284	28	0	22	50
Other Gas Revenues										
Miscellaneous	31	267	38	3	129	170	10	1	17	28
Heskett Pipeline Revenue - \$2,275										
Demand Related 75%	2	1,706	846	0	0	846	213	0	0	213
Customer Related 25%	8	569	0	0	489	489	0	0	55	55
Transport and Penalty Revenue - Net	24	13	3	0	5	8	1	0	1	2
Total Other Operating Revenue		3,528	999	3	839	1,841	252	1	100	353
		3,072	999	3	839	1,841	252	1	100	353
Unbilled Revenue	26	0	0	0	0	0	0	0	0	0
Total Operating Revenues		112,137	12,840	23,600	23,602	60,042	3,233	5,214	4,240	12,687
Operation & Maintenance Expenses										
Cost of Purchased Gas										
	Direct	70,913	11,841	23,598	0	35,439	2,981	5,203	0	8,184
Other Gas Supply Expenses	3	372	0	184	0	184	0	42	0	42
Distribution Expenses										
Operation										
Load Dispatch	1	20	0	8	0	8	0	2	0	2
Mains and Services	22	2,326	583	0	916	1,499	147	0	131	278
Measuring Stations - General	18	119	39	0	23	62	10	0	3	13
Measuring Stations - Industrial	21	151	22	0	14	36	5	0	1	6
Measuring Stations - City Gate	19	40	16	0	8	24	4	0	1	5
Meters & House Regulators	16	488	0	0	306	306	0	0	41	41
Customer Installations	5	667	0	0	419	419	0	0	56	56
Other Gas Distribution	27	2,182	378	5	964	1,347	95	1	133	229
Rents	27	75	13	0	34	47	3	0	5	8
Supervision & Engineering	27	1,371	237	3	606	846	60	1	84	145
Direct -Minot AFB Distribution System	Direct	78	0	0	0	0	0	0	0	0
Total Operation Expense		7,517	1,288	16	3,290	4,594	324	4	455	783

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	Allocation	Total	Firm General > 500 cubic feet			Total Large	Air Force Delivery			Total	Small Interruptible			Total
	Factor	North Dakota	Demand	Energy	Customer	Firm General	Demand	Energy	Customer	Air Force Delivery	Demand	Energy	Customer	Small Interruptible
Income Statement														
Gas Operating Revenues														
Retail Sales & Transportation														
Residential	Direct	58,201	0	0	0	0	0	0	0	0	0	0	0	0
Firm General	Direct	44,072	7,067	17,025	7,646	31,738				0	0	0	0	0
Air Force Delivery	Direct	1,605	0	0	0	0	166	1,319	120	1,605	0	0	0	0
Small Interruptible	Direct	3,403	0	0	0	0	0	0	0	0	195	1,508	1,700	3,403
Large Interruptible	Direct	1,328	0	0	0	0	0	0	0	0	0	0	0	0
Total Sales & Transportation Revenues		108,609	7,067	17,025	7,646	31,738	166	1,319	120	1,605	195	1,508	1,700	3,403
Other Operating Revenue														
Miscellaneous														
Reconnect Fees	6	31	0	0	1	1	0	0	0	0	0	0	0	0
Minot Maintenance Fee Rate 65	Direct	456	0	0	0	0	0	0	0	0	0	0	0	0
NSF Check Fees & Other	6	19	0	0	1	1	0	0	0	0	0	0	0	0
Miscellaneous	24	1	0	0	0	0	0	0	0	0	0	0	0	0
Rent From Gas Property	24	466	67	0	27	94	0	0	0	0	15	0	3	18
Other Gas Revenues														
Miscellaneous	31	267	23	2	25	50	0	0	0	0	7	0	3	10
Heskett Pipeline Revenue - \$2,275														
Demand Related 75%	2	1,706	505	0	0	505	0	0	0	0	106	0	0	106
Customer Related 25%	8	569	0	0	24	24	0	0	0	0	0	0	1	1
Transport and Penalty Revenue - Net	24	13	2	0	1	3	0	0	0	0	0	0	0	0
Total Other Operating Revenue		3,528	597	2	79	678	0	0	0	0	128	0	7	135
		3,072	597	2	79	678	0	0	0	0	128	0	7	135
Unbilled Revenue	26	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Operating Revenues		112,137	7,664	17,027	7,725	32,416	166	1,319	120	1,605	323	1,508	1,707	3,538
Operation & Maintenance Expenses														
Cost of Purchased Gas	Direct	70,913	7,067	17,036	0	24,103	166	1,318	0	1,484	195	1,508	0	1,703
Other Gas Supply Expenses	3	372	0	124	0	124	0	10	0	10	0	12	0	12
Distribution Expenses														
Operation														
Load Dispatch	1	20	0	5	0	5	0	0	0	0	0	1	0	1
Mains and Services	22	2,326	349	0	70	419	0	0	0	0	73	0	4	77
Measuring Stations - General	18	119	26	0	2	28	0	0	0	0	5	0	0	5
Measuring Stations - Industrial	21	151	13	0	1	14	8	0	3	11	41	0	13	54
Measuring Stations - City Gate	19	40	9	0	0	9	0	0	0	0	1	0	0	1
Meters & House Regulators	16	488	0	0	124	124	0	0	1	1	0	0	15	15
Customer Installations	5	667	0	0	169	169	0	0	1	1	0	0	20	20
Other Gas Distribution	27	2,182	227	3	210	440	5	0	3	8	69	1	30	100
Rents	27	75	8	0	7	15	0	0	0	0	2	0	1	3
Supervision & Engineering	27	1,371	143	2	132	277	3	0	2	5	43	0	19	62
Direct -Minot AFB Distribution System	Direct	78	0	0	0	0	0	0	0	0	0	0	0	0
Total Operation Expense		7,517	775	10	715	1,500	16	0	10	26	234	2	102	338

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	Allocation	Total	Large Interruptible			Total	Minot Air Force Base Distribution			Total
	Factor	North Dakota	Demand	Energy	Customer	Large Interruptible	Demand	Energy	Customer	Minot Air Force
Income Statement										
Gas Operating Revenues										
Retail Sales & Transportation										
Residential	Direct	58,201	0	0	0	0	0	0	0	0
Firm General	Direct	44,072	0	0	0	0	0	0	0	0
Air Force Delivery	Direct	1,605	0	0	0	0	0	0	0	0
Small Interruptible	Direct	3,403	0	0	0	0	0	0	0	0
Large Interruptible	Direct	1,328	0	0	1,328	1,328	0	0	0	0
Total Sales & Transportation Revenues		108,609	0	0	1,328	1,328	0	0	0	0
Other Operating Revenue										
Miscellaneous										
Reconnect Fees	6	31	0	0	0	0	0	0	0	0
Minot Maintenance Fee Rate 65	Direct	456	0	0	0	0	0	0	456	456
NSF Check Fees & Other	6	19	0	0	0	0	0	0	0	0
Miscellaneous	24	1	0	0	0	0	0	0	0	0
Rent From Gas Property	24	466	13	0	3	16	2	0	2	4
Other Gas Revenues										
Miscellaneous	31	267	5	0	1	6	3	0	0	3
Heskett Pipeline Revenue - \$2,275										
Demand Related 75%	2	1,706	36	0	0	36	0	0	0	0
Customer Related 25%	8	569	0	0	0	0	0	0	0	0
Transport and Penalty Revenue - Net	24	13	0	0	0	0	0	0	0	0
Total Other Operating Revenue		3,528	54	0	4	58	5	0	458	463
		3,072	54	0	4	58	5	0	2	7
Unbilled Revenue	26	0	0	0	0	0	0	0	0	0
Total Operating Revenues		112,137	54	0	1,332	1,386	5	0	458	463
Operation & Maintenance Expenses										
Cost of Purchased Gas										
	Direct	70,913	0	0	0	0	0	0	0	0
Other Gas Supply Expenses	3	372	0	0	0	0	0	0	0	0
Distribution Expenses										
Operation										
Load Dispatch	1	20	0	4	0	4	0	0	0	0
Mains and Services	22	2,326	46	0	7	53	0	0	0	0
Measuring Stations - General	18	119	9	0	2	11	0	0	0	0
Measuring Stations - Industrial	21	151	23	0	7	30	0	0	0	0
Measuring Stations - City Gate	19	40	1	0	0	1	0	0	0	0
Meters & House Regulators	16	488	0	0	1	1	0	0	0	0
Customer Installations	5	667	0	0	2	2	0	0	0	0
Other Gas Distribution	27	2,182	45	2	11	58	0	0	0	0
Rents	27	75	2	0	0	2	0	0	0	0
Supervision & Engineering	27	1,371	28	1	7	36	0	0	0	0
Direct -Minot AFB Distribution System	Direct	78	0	0	0	0	78	0	0	78
Total Operation Expense		7,517	154	7	37	198	78	0	0	78

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	Allocation Factor	Total North Dakota	Residential			Total Residential	Firm General-Meter < 500 cubic feet			Total Small Firm General
			Demand	Energy	Customer		Demand	Energy	Customer	
Maintenance										
Structures & Improvements	13	10	5	0	2	7	1	0	0	1
Mains	13	371	135	0	78	213	34	0	9	43
Measuring Stations - General	18	118	38	0	23	61	10	0	3	13
Measuring Stations - Industrial	21	50	8	0	4	12	2	0	0	2
Measuring Stations - City Gate	19	30	12	0	6	18	3	0	1	4
Services	5	250	0	0	157	157	0	0	21	21
Meters & House Regulators	16	323	0	0	202	202	0	0	27	27
Other Equipment	28	433	74	0	177	251	19	0	23	42
Supervision & Engineering	28	367	63	0	150	213	16	0	19	35
Direct -Minot AFB Distribution System	Direct	55	0	0	0	0	0	0	0	0
Total Maintenance Expense		2,007	335	0	799	1,134	85	0	103	188
Total Distribution Expenses		9,524	1,623	16	4,089	5,728	409	4	558	971
Customer Accounts	4	95	0	0	82	82	0	0	9	9
Meter Reading	5	232	0	0	145	145	0	0	20	20
Customer Records & Collection	4	2,206	0	0	1,898	1,898	0	0	213	213
Uncollectible Accounts	6	283	0	0	244	244	0	0	27	27
Miscellaneous Customer Accounts	4	125	0	0	108	108	0	0	12	12
Customer Service & Information	4	254	0	0	219	219	0	0	24	24
Sales Expenses	4	94	0	0	81	81	0	0	9	9
Administration & General Expenses	30	8,347	1,422	14	3,584	5,020	358	4	489	851
Total Gas O&M Expenses		92,445	14,886	23,812	10,450	49,148	3,748	5,253	1,361	10,362
O&M Excl. Cost of Gas and A&G		13,185	1,623	200	6,866	8,689	409	46	872	1,327
O&M Excl. Cost of Gas		21,532	3,045	214	10,450	13,709	767	50	1,361	2,178
Depreciation Expense										
Production Plant	3	0	0	0	0	0	0	0	0	0
Distribution Plant										
Rights of Way	13	7	3	0	1	4	1	0	0	1
Structures & Improvements	23	13	4	0	2	6	1	0	0	1
Mains	40	2,618	973	0	563	1,536	245	0	63	308
Direct -Minot AFB Distribution System	Direct	14	0	0	0	0	0	0	0	0
Heskett Pipeline - \$461	Direct									
Demand Related 75%	2	346	173	0	0	173	43	0	0	43
Customer Related 25%	8	115	0	0	99	99	0	0	11	11
Meas. & Reg. Equip. - General	18	47	16	0	9	25	4	0	1	5
Meas. & Reg. Equip. - City Gate	19	134	49	0	28	77	12	0	3	15
Services	17	2,983	0	0	2,403	2,403	0	0	375	375
Direct -Minot AFB Distribution System	Direct	6	0	0	0	0	0	0	0	0
Meters	5	1,078	0	0	677	677	0	0	91	91
Direct -Minot AFB Distribution System	Direct	2	0	0	0	0	0	0	0	0
Service Regulators	20	66	0	0	41	41	0	0	6	6
Ind. Meas. & Reg. Station Equipment	21	29	4	0	2	6	1	0	0	1
Cathodic Protection & Other Equipment	13	28	10	0	6	16	3	0	1	4
Total Distribution Plant		7,486	1,232	0	3,831	5,063	310	0	551	861

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	Allocation Factor	Total North Dakota	Firm General > 500 cubic feet			Total Large Firm General	Air Force Delivery			Total Air Force Delivery	Small Interruptible			Total Small Interruptible
			Demand	Energy	Customer		Demand	Energy	Customer		Demand	Energy	Customer	
Maintenance														
Structures & Improvements	13	10	2	0	0	2	0	0	0	0	0	0	0	0
Mains	13	371	81	0	4	85	0	0	0	0	17	0	0	17
Measuring Stations - General	18	118	26	0	2	28	0	0	0	0	5	0	0	5
Measuring Stations - Industrial	21	50	4	0	0	4	3	0	1	4	14	0	4	18
Measuring Stations - City Gate	19	30	6	0	0	6	0	0	0	0	1	0	0	1
Services	5	250	0	0	63	63	0	0	0	0	0	0	8	8
Meters & House Regulators	16	323	0	0	82	82	0	0	1	1	0	0	10	10
Other Equipment	28	433	45	0	57	102	1	0	1	2	14	0	8	22
Supervision & Engineering	28	367	38	0	48	86	1	0	1	2	12	0	7	19
Direct -Minot AFB Distribution System	Direct	55	0	0	0	0	0	0	0	0	0	0	0	0
Total Maintenance Expense		2,007	202	0	256	458	5	0	4	9	63	0	37	100
Total Distribution Expenses		9,524	977	10	971	1,958	21	0	14	35	297	2	139	438
Customer Accounts	4	95	0	0	4	4	0	0	0	0	0	0	0	0
Meter Reading	5	232	0	0	59	59	0	0	0	0	0	0	7	7
Customer Records & Collection	4	2,206	0	0	92	92	0	0	0	0	0	0	3	3
Uncollectible Accounts	6	283	0	0	12	12	0	0	0	0	0	0	0	0
Miscellaneous Customer Accounts	4	125	0	0	5	5	0	0	0	0	0	0	0	0
Customer Service & Information	4	254	0	0	11	11	0	0	0	0	0	0	0	0
Sales Expenses	4	94	0	0	4	4	0	0	0	0	0	0	0	0
Administration & General Expenses	30	8,347	856	9	851	1,716	18	0	12	30	260	2	122	384
Total Gas O&M Expenses		92,445	8,900	17,179	2,009	28,088	205	1,328	26	1,559	752	1,524	271	2,547
O&M Excl. Cost of Gas and A&G		13,185	977	134	1,158	2,269	21	10	14	45	297	14	149	460
O&M Excl. Cost of Gas		21,532	1,833	143	2,009	3,985	39	10	26	75	557	16	271	844
Depreciation Expense														
Production Plant	3	0	0	0	0	0	0	0	0	0	0	0	0	0
Distribution Plant														
Rights of Way	13	7	2	0	0	2	0	0	0	0	0	0	0	0
Structures & Improvements	23	13	3	0	1	4	0	0	0	0	1	0	0	1
Mains	40	2,618	582	0	28	610	0	0	0	0	122	0	1	123
Direct -Minot AFB Distribution System	Direct	14	0	0	0	0	0	0	0	0	0	0	0	0
Heskett Pipeline - \$461	Direct													
Demand Related 75%	2	346	102	0	0	102	0	0	0	0	21	0	0	21
Customer Related 25%	8	115	0	0	5	5	0	0	0	0	0	0	0	0
Meas. & Reg. Equip. - General	18	47	10	0	1	11	0	0	0	0	2	0	0	2
Meas. & Reg. Equip. - City Gate	19	134	29	0	1	30	1	0	0	1	6	0	0	6
Services	17	2,983	0	0	189	189	0	0	0	0	0	0	15	15
Direct -Minot AFB Distribution System	Direct	6	0	0	0	0	0	0	0	0	0	0	0	0
Meters	5	1,078	0	0	273	273	0	0	2	2	0	0	32	32
Direct -Minot AFB Distribution System	Direct	2	0	0	0	0	0	0	0	0	0	0	0	0
Service Regulators	20	66	0	0	17	17	0	0	0	0	0	0	2	2
Ind. Meas. & Reg. Station Equipment	21	29	3	0	0	3	2	0	1	3	8	0	2	10
Cathodic Protection & Other Equipment	13	28	6	0	0	6	0	0	0	0	1	0	0	1
Total Distribution Plant		7,486	737	0	515	1,252	3	0	3	6	161	0	52	213

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	Allocation Factor	Total North Dakota	Large Interruptible			Total Large Interruptible	Minot Air Force Base Distribution			Total Minot Air Force
			Demand	Energy	Customer		Demand	Energy	Customer	
Maintenance										
Structures & Improvements	13	10	0	0	0	0	0	0	0	0
Mains	13	371	11	0	2	13	0	0	0	0
Measuring Stations - General	18	118	9	0	2	11	0	0	0	0
Measuring Stations - Industrial	21	50	8	0	2	10	0	0	0	0
Measuring Stations - City Gate	19	30	1	0	0	1	0	0	0	0
Services	5	250	0	0	1	1	0	0	0	0
Meters & House Regulators	16	323	0	0	1	1	0	0	0	0
Other Equipment	28	433	11	0	3	14	0	0	0	0
Supervision & Engineering	28	367	9	0	3	12	0	0	0	0
Direct -Minot AFB Distribution System	Direct	55	0	0	0	0	55	0	0	55
Total Maintenance Expense		2,007	49	0	14	63	55	0	0	55
Total Distribution Expenses		9,524	203	7	51	261	133	0	0	133
Customer Accounts	4	95	0	0	0	0	0	0	0	0
Meter Reading	5	232	0	0	1	1	0	0	0	0
Customer Records & Collection	4	2,206	0	0	0	0	0	0	0	0
Uncollectible Accounts	6	283	0	0	0	0	0	0	0	0
Miscellaneous Customer Accounts	4	125	0	0	0	0	0	0	0	0
Customer Service & Information	4	254	0	0	0	0	0	0	0	0
Sales Expenses	4	94	0	0	0	0	0	0	0	0
Administration & General Expenses	30	8,347	178	6	45	229	117	0	0	117
Total Gas O&M Expenses		92,445	381	13	97	491	250	0	0	250
O&M Excl. Cost of Gas and A&G		13,185	203	7	52	262	133	0	0	133
O&M Excl. Cost of Gas		21,532	381	13	97	491	250	0	0	250
Depreciation Expense										
Production Plant	3	0	0	0	0	0	0	0	0	0
Distribution Plant										
Rights of Way	13	7	0	0	0	0	0	0	0	0
Structures & Improvements	23	13	1	0	0	1	0	0	0	0
Mains	40	2,618	41	0	0	41	0	0	0	0
Direct -Minot AFB Distribution System	Direct	14	0	0	0	0	14	0	0	14
Heskett Pipeline - \$461	Direct									
Demand Related 75%	2	346	7	0	0	7	0	0	0	0
Customer Related 25%	8	115	0	0	0	0	0	0	0	0
Meas. & Reg. Equip. - General	18	47	3	0	1	4	0	0	0	0
Meas. & Reg. Equip. - City Gate	19	134	4	0	1	5	0	0	0	0
Services	17	2,983	0	0	1	1	0	0	0	0
Direct -Minot AFB Distribution System	Direct	6	0	0	0	0	0	0	6	6
Meters	5	1,078	0	0	3	3	0	0	0	0
Direct -Minot AFB Distribution System	Direct	2	0	0	0	0	0	0	2	2
Service Regulators	20	66	0	0	0	0	0	0	0	0
Ind. Meas. & Reg. Station Equipment	21	29	4	0	2	6	0	0	0	0
Cathodic Protection & Other Equipment	13	28	1	0	0	1	0	0	0	0
Total Distribution Plant		7,486	61	0	8	69	14	0	8	22

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	Allocation Factor	Total North Dakota	Residential			Total Residential	Firm General-Meter < 500 cubic feet			Total Small Firm General
			Demand	Energy	Customer		Demand	Energy	Customer	
General Plant	38	160	37	0	65	102	9	0	9	18
Direct -Minot AFB Distribution System	Direct	5	0	0	0	0	0	0	0	0
Amort. of Intangible Plant - General	15	226	47	0	95	142	12	0	13	25
Direct	Direct	56	0	0	0	0	0	0	0	0
Common Plant	15	354	74	0	149	223	19	0	21	40
Intangible Plant - Common (Excluding CC&B)	15	265	55	0	112	167	14	0	16	30
Intangible Plant - Common (CC&B)	4	625	0	0	538	538	0	0	60	60
Amortization of Gain	15	26	5	0	12	17	1	0	2	3
Acquisition Adjustment	15	3	1	0	1	2	0	0	0	0
Total Depreciation Expense		9,206	1,451	0	4,803	6,254	365	0	672	1,037
Taxes Other Than Income										
Ad Valorem Taxes-Production	3	0	0	0	0	0	0	0	0	0
Ad Valorem Taxes-Other	15	1,180	246	0	498	744	62	0	69	131
Other Taxes - Payroll, Franchise, Other	31	860	122	9	416	547	31	2	54	87
Other Taxes - Minot AFB Distribution- Direct	Direct	0	0	0	0	0	0	0	0	0
Other Taxes - Revenue	26	0	0	0	0	0	0	0	0	0
Total Taxes Other Than Income Taxes		2,040	368	9	914	1,291	93	2	123	218
Total Operating Expense		103,691	16,705	23,821	16,167	56,693	4,206	5,255	2,156	11,617
Interest Expense/AFUDC Equity Add Back	36	3,214	780	0	1,191	1,971	197	0	155	352
Direct -Minot AFB Distribution System	Direct	0	0	0	0	0	0	0	0	0
Taxable Income		5,232	(4,645)	(221)	6,244	1,378	(1,170)	(41)	1,929	718
Income Taxes	37.8015%	1,978	(1,756)	(84)	2,360	520	(442)	(15)	729	272
Full Normalization	24	(102)	(25)	0	(37)	(62)	(6)	0	(5)	(11)
Total Income Taxes		1,876	(1,781)	(84)	2,323	458	(448)	(15)	724	261
Total Operating Expense		105,567	14,924	23,737	18,490	57,151	3,758	5,240	2,880	11,878
Operating Income:		6,570	(2,084)	(137)	5,112	2,891	(525)	(26)	1,360	809

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	Allocation Factor	Total North Dakota	Firm General > 500 cubic feet			Total Large Firm General	Air Force Delivery			Total Air Force Delivery	Small Interruptible			Total Small Interruptible
			Demand	Energy	Customer		Demand	Energy	Customer		Demand	Energy	Customer	
General Plant	38	160	22	0	10	32	0	0	0	0	5	0	1	6
Direct -Minot AFB Distribution System	Direct	5	0	0	0	0	0	0	0	0	0	0	0	0
Amort. of Intangible Plant - General	15	226	28	0	16	44	0	0	0	0	6	0	2	8
Direct	Direct	56	0	0	0	0	0	0	0	0	0	0	0	0
Common Plant	15	354	44	0	25	69	0	0	0	0	10	0	3	13
Intangible Plant - Common (Excluding CC&B)	15	265	33	0	18	51	0	0	0	0	7	0	2	9
Intangible Plant - Common (CC&B)	4	625	0	0	26	26	0	0	0	0	0	0	1	1
Amortization of Gain	15	26	3	0	2	5	0	0	0	0	1	0	0	1
Acquisition Adjustment	15	3	0	0	0	0	1	0	0	1	0	0	0	0
Total Depreciation Expense		9,206	867	0	612	1,479	4	0	3	7	190	0	61	251
Taxes Other Than Income														
Ad Valorem Taxes-Production	3	0	0	0	0	0	0	0	0	0	0	0	0	0
Ad Valorem Taxes-Other	15	1,180	148	0	82	230	1	0	1	2	32	0	9	41
Other Taxes - Payroll, Franchise, Other	31	860	73	6	80	159	2	0	1	3	22	1	11	34
Other Taxes - Minot AFB Distribution- Direct	Direct	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Taxes - Revenue	26	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Taxes Other Than Income Taxes		2,040	221	6	162	389	3	0	2	5	54	1	20	75
Total Operating Expense		103,691	9,988	17,185	2,783	29,956	212	1,328	31	1,571	996	1,525	352	2,873
Interest Expense/AFUDC Equity Add Back	36	3,214	467	0	190	657	2	0	1	3	101	0	20	121
Direct -Minot AFB Distribution System	Direct	0	0	0	0	0	0	0	0	0	0	0	0	0
Taxable Income		5,232	(2,791)	(158)	4,752	1,803	(48)	(9)	88	31	(774)	(17)	1,335	544
Income Taxes	37.8015%	1,978	(1,055)	(60)	1,796	681	(18)	(3)	33	12	(293)	(6)	505	206
Full Normalization	24	(102)	(15)	0	(6)	(21)	0	0	0	0	(3)	0	(1)	(4)
Total Income Taxes		1,876	(1,070)	(60)	1,790	660	(18)	(3)	33	12	(296)	(6)	504	202
Total Operating Expense		105,567	8,918	17,125	4,573	30,616	194	1,325	64	1,583	700	1,519	856	3,075
Operating Income:		6,570	(1,254)	(98)	3,152	1,800	(28)	(6)	56	22	(377)	(11)	851	463

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Twelve Months Ended December 31, 2016
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	Allocation Factor	Total North Dakota	Large Interruptible			Total Large Interruptible	Minot Air Force Base Distribution			Total Minot Air Force
			Demand	Energy	Customer		Demand	Energy	Customer	
General Plant	38	160	2	0	0	2	0	0	0	0
Direct -Minot AFB Distribution System	Direct	5	0	0	0	0	4	0	1	5
Amort. of Intangible Plant - General	15	226	4	0	1	5	1	0	1	2
Direct	Direct	56	42	0	14	56	0	0	0	0
Common Plant	15	354	6	0	1	7	1	0	1	2
Intangible Plant - Common (Excluding CC&B)	15	265	5	0	1	6	1	0	1	2
Intangible Plant - Common (CC&B)	4	625	0	0	0	0	0	0	0	0
Amortization of Gain	15	26	0	0	0	0	0	0	0	0
Acquisition Adjustment	15	3	0	0	0	0	0	0	0	0
Total Depreciation Expense		9,206	120	0	25	145	21	0	12	33
Taxes Other Than Income										
Ad Valorem Taxes-Production	3	0	0	0	0	0	0	0	0	0
Ad Valorem Taxes-Other	15	1,180	21	0	4	25	3	0	4	7
Other Taxes - Payroll, Franchise, Other	31	860	15	1	4	20	10	0	0	10
Other Taxes - Minot AFB Distribution- Direct	Direct	0	0	0	0	0	0	0	0	0
Other Taxes - Revenue	26	0	0	0	0	0	0	0	0	0
Total Taxes Other Than Income Taxes		2,040	36	1	8	45	13	0	4	17
Total Operating Expense		103,691	537	14	130	681	284	0	16	300
Interest Expense/AFUDC Equity Add Back	36	3,214	90	0	20	110	0	0	0	0
Direct -Minot AFB Distribution System	Direct	0	0	0	0	0	0	0	0	0
Taxable Income		5,232	(573)	(14)	1,182	595	(279)	0	442	163
Income Taxes	37.8015%	1,978	(217)	(5)	447	225	(105)	0	167	62
Full Normalization	24	(102)	(3)	0	(1)	(4)	0	0	0	0
Total Income Taxes		1,876	(220)	(5)	446	221	(105)	0	167	62
Total Operating Expense		105,567	317	9	576	902	179	0	183	362
Operating Income:		6,570	(263)	(9)	756	484	(174)	0	275	101

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PROJECTED AVERAGE PLANT**

		Total	Residential			Small Firm General		
		North Dakota	Demand	Energy	Customer	Demand	Energy	Customer
		23,351,305	0	8,826,214	0	0	2,036,838	0
1	Dk Throughput Projected	100.000000%	0.000000%	37.797520%	0.000000%	0.000000%	8.722587%	0.000000%
		192,668	95,561	0	0	24,062	0	0
2	Peak Design Day @ Distribution	100.000000%	49.598792%	0.000000%	0.000000%	12.488841%	0.000000%	0.000000%
		17,924,849	0	8,826,214	0	0	2,036,838	0
3	Dk Sales Projected	100.000000%	0.000000%	49.240102%	0.000000%	0.000000%	11.363209%	0.000000%
		112,516	0	0	96,792	0	0	10,850
4	Average Customers	100.000000%	0.000000%	0.000000%	86.025099%	0.000000%	0.000000%	9.643073%
		154,248	0	0	96,792	0	0	13,020
5	Total Weighted Customers	100.000000%	0.000000%	0.000000%	62.750894%	0.000000%	0.000000%	8.440952%
		112,352	0	0	96,792	0	0	10,850
6	Average Res. & Firm General Cust.	100.000000%	0.000000%	0.000000%	86.150669%	0.000000%	0.000000%	9.657149%
		112,512	0	0	96,792	0	0	10,850
8	Average Customers @ Distribution	100.000000%	0.000000%	0.000000%	86.028157%	0.000000%	0.000000%	9.643416%
	Total Weighted Customers Excluding	154,172	0	0	96,792	0	0	13,020
9	Large IT - Transmission Customers	100.000000%	0.000000%	0.000000%	62.781829%	0.000000%	0.000000%	8.445113%
		50,826	0	21,374	0	0	13,787	0
10	Residential & Firm General Propane Sales	100.000000%	0.000000%	42.053280%	0.000000%	0.000000%	27.125880%	0.000000%
		102,475	37,419	0	21,634	9,422	0	2,425
13	Distribution Mains (000's) excluding Heskett & AF Dist	100.000000%	36.515246%	0.000000%	21.111491%	9.194438%	0.000000%	2.366431%
		198,650	41,491	0	83,839	10,448	0	11,698
15	Distribution Plant (000's) excluding Heskett	100.000000%	20.886517%	0.000000%	42.204448%	5.259510%	0.000000%	5.888759%
		36,097	0	0	22,662	0	0	3,048
16	Meters & Regulators (000's) Excl AF Distribution	100.000000%	0.000000%	0.000000%	62.780840%	0.000000%	0.000000%	8.443915%
		120,124	0	0	96,792	0	0	15,082
17	Weighted Services	100.000000%	0.000000%	0.000000%	80.576737%	0.000000%	0.000000%	12.555359%
		1,962	651	0	377	164	0	42
18	Meas. & Reg. Sta. Eqpt.- General (000's)	100.000000%	33.180427%	0.000000%	19.215087%	8.358818%	0.000000%	2.140673%

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TWELVE MONTHS ENDED DECEMBER 31, 2018
PROJECTED AVERAGE PLANT**

		Total	Large Firm General			Air Force Delivery		
		North Dakota	Demand	Energy	Customer	Demand	Energy	Customer
		23,351,305	0	5,998,825	0	0	490,100	0
1	Dk Throughput Projected	100.000000%	0.000000%	25.689464%	0.000000%	0.000000%	2.098812%	0.000000%
		192,668	57,033	0	0	0	0	0
2	Peak Design Day @ Distribution	100.000000%	29.601698%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
		17,924,849	0	5,998,825	0	0	490,100	0
3	Dk Sales Projected	100.000000%	0.000000%	33.466530%	0.000000%	0.000000%	2.734193%	0.000000%
		112,516	0	0	4,710	0	0	3
4	Average Customers	100.000000%	0.000000%	0.000000%	4.186071%	0.000000%	0.000000%	0.002666%
		154,248	0	0	39,093	0	0	237
5	Total Weighted Customers	100.000000%	0.000000%	0.000000%	25.344251%	0.000000%	0.000000%	0.153649%
		112,352	0	0	4,710	0	0	0
6	Average Res. & Firm General Cust.	100.000000%	0.000000%	0.000000%	4.192182%	0.000000%	0.000000%	0.000000%
		112,512	0	0	4,710	0	0	0
8	Average Customers @ Distribution	100.000000%	0.000000%	0.000000%	4.186220%	0.000000%	0.000000%	0.000000%
	Total Weighted Customers Excluding	154,172	0	0	39,093	0	0	237
9	Large IT - Transmission Customers	100.000000%	0.000000%	0.000000%	25.356744%	0.000000%	0.000000%	0.153724%
		50,826	0	15,665	0	0	0	0
10	Residential & Firm General Propane Sales	100.000000%	0.000000%	30.820840%	0.000000%	0.000000%	0.000000%	0.000000%
		102,475	22,385	0	1,070	0	0	0
13	Distribution Mains (000's) excluding Heskett & AF Dist	100.000000%	21.844352%	0.000000%	1.044157%	0.000000%	0.000000%	0.000000%
		198,650	24,878	0	13,777	120	0	96
15	Distribution Plant (000's) excluding Heskett	100.000000%	12.523554%	0.000000%	6.935325%	0.060287%	0.000000%	0.048286%
		36,097	0	0	9,153	0	0	56
16	Meters & Regulators (000's) Excl AF Distribution	100.000000%	0.000000%	0.000000%	25.356678%	0.000000%	0.000000%	0.155138%
		120,124	0	0	7,630	0	0	0
17	Weighted Services	100.000000%	0.000000%	0.000000%	6.351770%	0.000000%	0.000000%	0.000000%
		1,962	424	0	30	0	0	0
18	Meas. & Reg. Sta. Eqpt.- General (000's)	100.000000%	21.610601%	0.000000%	1.529052%	0.000000%	0.000000%	0.000000%

**MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - NORTH DAKOTA
EMBEDDED CLASS COST OF SERVICE STUDY
ALLOCATION FACTOR REPORT
TWELVE MONTHS ENDED DECEMBER 31, 2018
PROJECTED AVERAGE PLANT**

		Total	Small Interruptible			Large Interruptible		
		North Dakota	Demand	Energy	Customer	Demand	Energy	Customer
		23,351,305	0	1,677,385	0	0	4,321,943	0
1	Dk Throughput Projected	100.000000%	0.000000%	7.183260%	0.000000%	0.000000%	18.508357%	0.000000%
		192,668	11,967	0	0	4,045	0	0
2	Peak Design Day @ Distribution	100.000000%	6.211203%	0.000000%	0.000000%	2.099466%	0.000000%	0.000000%
		17,924,849	0	572,872	0	0	0	0
3	Dk Sales Projected	100.000000%	0.000000%	3.195966%	0.000000%	0.000000%	0.000000%	0.000000%
		112,516	0	0	155	0	0	6
4	Average Customers	100.000000%	0.000000%	0.000000%	0.137758%	0.000000%	0.000000%	0.005333%
		154,248	0	0	4,650	0	0	456
5	Total Weighted Customers	100.000000%	0.000000%	0.000000%	3.014626%	0.000000%	0.000000%	0.295628%
		112,352	0	0	0	0	0	0
6	Average Res. & Firm General Cust.	100.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
		112,512	0	0	155	0	0	5
8	Average Customers @ Distribution	100.000000%	0.000000%	0.000000%	0.137763%	0.000000%	0.000000%	0.004444%
	Total Weighted Customers Excluding	154,172	0	0	4,650	0	0	380
9	Large IT - Transmission Customers	100.000000%	0.000000%	0.000000%	3.016112%	0.000000%	0.000000%	0.246478%
		50,826	0	0	0	0	0	0
10	Residential & Firm General Propane Sales	100.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
		102,475	4,686	0	35	2,944	0	455
13	Distribution Mains (000's) excluding Heskett & AF Dist	100.000000%	4.572823%	0.000000%	0.034155%	2.872896%	0.000000%	0.444011%
		198,650	5,454	0	1,447	3,490	0	677
15	Distribution Plant (000's) excluding Heskett	100.000000%	2.745537%	0.000000%	0.728418%	1.756987%	0.000000%	0.340675%
		36,097	0	0	1,089	0	0	89
16	Meters & Regulators (000's) Excl AF Distribution	100.000000%	0.000000%	0.000000%	3.016871%	0.000000%	0.000000%	0.246558%
		120,124	0	0	593	0	0	23
17	Weighted Services	100.000000%	0.000000%	0.000000%	0.493657%	0.000000%	0.000000%	0.019147%
		1,962	90	0	4	142	0	38
18	Meas. & Reg. Sta. Eqpt.- General (000's)	100.000000%	4.587156%	0.000000%	0.203874%	7.237513%	0.000000%	1.936799%

**MONTANA-DAKOTA UTILITIES CO.
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		Total North Dakota	Minot Air Force Base Distribution		
			Demand	Energy	Customer
		23,351,305	0	0	0
1	Dk Throughput Projected	100.000000%	0.000000%	0.000000%	0.000000%
		192,668	0	0	0
2	Peak Design Day @ Distribution	100.000000%	0.000000%	0.000000%	0.000000%
		17,924,849	0	0	0
3	Dk Sales Projected	100.000000%	0.000000%	0.000000%	0.000000%
		112,516	0	0	0
4	Average Customers	100.000000%	0.000000%	0.000000%	0.000000%
		154,248	0	0	0
5	Total Weighted Customers	100.000000%	0.000000%	0.000000%	0.000000%
		112,352	0	0	0
6	Average Res. & Firm General Cust.	100.000000%	0.000000%	0.000000%	0.000000%
		112,512	0	0	0
8	Average Customers @ Distribution	100.000000%	0.000000%	0.000000%	0.000000%
	Total Weighted Customers Excluding	154,172	0	0	0
9	Large IT - Transmission Customers	100.000000%	0.000000%	0.000000%	0.000000%
		50,826	0	0	0
10	Residential & Firm General Propane Sales	100.000000%	0.000000%	0.000000%	0.000000%
		102,475	0	0	0
13	Distribution Mains (000's) excluding Heskett & AF Dist	100.000000%	0.000000%	0.000000%	0.000000%
		198,650	570	0	665
15	Distribution Plant (000's) excluding Heskett	100.000000%	0.286937%	0.000000%	0.334760%
		36,097	0	0	0
16	Meters & Regulators (000's) Excl AF Distribution	100.000000%	0.000000%	0.000000%	0.000000%
		120,124	0	0	4
17	Weighted Services	100.000000%	0.000000%	0.000000%	0.003330%
		1,962	0	0	0
18	Meas. & Reg. Sta. Eqpt.- General (000's)	100.000000%	0.000000%	0.000000%	0.000000%

**MONTANA-DAKOTA UTILITIES CO.
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		Total	Residential			Small Firm General		
		North Dakota	Demand	Energy	Customer	Demand	Energy	Customer
19	Meas. & Reg. Eqpt.- City Gate (000's)	5,360 100.000000%	1,932 36.046927%	0 0.000000%	1,116 20.822139%	486 9.067706%	0 0.000000%	125 2.332229%
20	Service Regulators (000's)	4,494 100.000000%	0 0.000000%	0 0.000000%	2,812 62.572319%	0 0.000000%	0 0.000000%	378 8.411215%
21	Ind. Meas. & Reg. Sta. Eqpt. (000's)	969 100.000000%	139 14.344685%	0 0.000000%	81 8.359134%	35 3.611971%	0 0.000000%	9 0.928793%
22	Mains & Services (000's) Excl AF Distribution	149,285 100.000000%	37,419 25.065479%	0 0.000000%	58,822 39.402485%	9,422 6.311418%	0 0.000000%	8,386 5.617443%
23	Structures and Improvements	504 100.000002%	157 31.150795%	0 0.000000%	91 18.055556%	40 7.936508%	0 0.000000%	10 1.984127%
24	Net Gas Plant in Service (000's)	169,080 100.000000%	40,714 24.079771%	0 0.000000%	62,046 36.696308%	10,253 6.064005%	0 0.000000%	8,110 4.796555%
25	Total Gas Plant in Service (000's)	268,555 100.000000%	57,591 21.444795%	0 0.000000%	111,489 41.514450%	14,502 5.400018%	0 0.000000%	15,203 5.661045%
26	Projected Operating Revenue (000's)	108,609 100.000000%	11,841 10.902411%	23,597 21.726561%	22,763 20.958668%	2,981 2.744708%	5,213 4.799786%	4,140 3.811839%
27	All Other Dist. Operation Exp. (000's) Excl AF Dist	3,811 100.000000%	660 17.318289%	8 0.209919%	1,686 44.240356%	166 4.355812%	2 0.052480%	233 6.113881%
28	All Other Dist. Maintenance Exp. (000's) Excl AF Dist	1,152 100.000000%	198 17.187500%	0 0.000000%	472 40.972222%	50 4.340278%	0 0.000000%	61 5.295139%
30	Distribution O&M (000's)	9,524 100.000000%	1,623 17.041159%	16 0.167997%	4,089 42.933640%	409 4.294414%	4 0.041999%	558 5.858883%
31	O&M Excl. Cost of Gas (000's)	21,532 100.000000%	3,045 14.141743%	214 0.993870%	10,450 48.532415%	767 3.562140%	50 0.232213%	1,361 6.320825%
36	Net Gas Plant in Service (000's) Excluding Minot AFB	167,660 100.000000%	40,714 24.283716%	0 0.000000%	62,046 37.007107%	10,253 6.115364%	0 0.000000%	8,110 4.837180%
37	Weighted Services Excluding Transmission Level Customers	121,836 100.000000%	0 0.000000%	0 0.000000%	96,792 79.444499%	0 0.000000%	0 0.000000%	15,516 12.735152%

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	Total North Dakota	Large Firm General			Air Force Delivery		
		Demand	Energy	Customer	Demand	Energy	Customer
19 Meas. & Reg. Eqpt.- City Gate (000's)	5,360 100.000000%	1,155 21.549794%	0 0.000000%	55 1.026181%	54 1.003045%	0 0.000000%	18 0.334348%
20 Service Regulators (000's)	4,494 100.000000%	0 0.000000%	0 0.000000%	1,136 25.278149%	0 0.000000%	0 0.000000%	7 0.155763%
21 Ind. Meas. & Reg. Sta. Eqpt. (000's)	969 100.000000%	84 8.668731%	0 0.000000%	4 0.412797%	53 5.469556%	0 0.000000%	18 1.857585%
22 Mains & Services (000's) Excl AF Distribution	149,285 100.000000%	22,385 14.994809%	0 0.000000%	4,490 3.007670%	0 0.000000%	0 0.000000%	0 0.000000%
23 Structures and Improvements	504 100.000002%	116 23.015873%	0 0.000000%	11 2.182540%	13 2.579365%	0 0.000000%	4 0.793651%
24 Net Gas Plant in Service (000's)	169,080 100.000000%	24,385 14.422194%	0 0.000000%	9,900 5.855228%	97 0.057227%	0 0.000000%	78 0.046085%
25 Total Gas Plant in Service (000's)	268,555 100.000000%	34,501 12.846918%	0 0.000000%	16,828 6.266135%	133 0.049435%	0 0.000000%	111 0.041303%
26 Projected Operating Revenue (000's)	108,609 100.000000%	7,067 6.506827%	17,025 15.675497%	7,646 7.039932%	166 0.152842%	1,319 1.214448%	120 0.110488%
27 All Other Dist. Operation Exp. (000's) Excl AF Dist	3,811 100.000000%	397 10.417213%	5 0.131199%	366 9.603779%	8 0.209919%	0 0.000000%	5 0.131199%
28 All Other Dist. Maintenance Exp. (000's) Excl AF Dist	1,152 100.000000%	119 10.329861%	0 0.000000%	151 13.107639%	3 0.260417%	0 0.000000%	2 0.173611%
30 Distribution O&M (000's)	9,524 100.000000%	977 10.258295%	10 0.104998%	971 10.195296%	21 0.220496%	0 0.000000%	14 0.146997%
31 O&M Excl. Cost of Gas (000's)	21,532 100.000000%	1,833 8.512911%	143 0.664128%	2,009 9.330299%	39 0.181126%	10 0.046443%	26 0.120751%
36 Net Gas Plant in Service (000's) Excluding Minot AFB	167,660 100.000000%	24,385 14.544344%	0 0.000000%	9,900 5.904819%	97 0.057712%	0 0.000000%	78 0.046475%
37 Weighted Services Excluding Transmission Level Customers	121,836 100.000000%	0 0.000000%	0 0.000000%	8,902 7.306543%	0 0.000000%	0 0.000000%	0 0.000000%

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	Total North Dakota	Small Interruptible			Large Interruptible		
		Demand	Energy	Customer	Demand	Energy	Customer
19 Meas. & Reg. Eqpt.- City Gate (000's)	5,360 100.000000%	242 4.515195%	0 0.000000%	2 0.037316%	152 2.835990%	0 0.000000%	23 0.429130%
20 Service Regulators (000's)	4,494 100.000000%	0 0.000000%	0 0.000000%	135 3.004005%	0 0.000000%	0 0.000000%	11 0.244771%
21 Ind. Meas. & Reg. Sta. Eqpt. (000's)	969 100.000000%	266 27.450980%	0 0.000000%	83 8.565531%	149 15.376677%	0 0.000000%	48 4.953560%
22 Mains & Services (000's) Excl AF Distribution	149,285 100.000000%	4,686 3.138962%	0 0.000000%	268 0.179522%	2,944 1.972067%	0 0.000000%	463 0.310145%
23 Structures and Improvements	504 100.000002%	20 3.968254%	0 0.000000%	0 0.000000%	33 6.597222%	0 0.000000%	9 1.736111%
24 Net Gas Plant in Service (000's)	169,080 100.000000%	5,287 3.126928%	0 0.000000%	1,044 0.617460%	4,689 2.773397%	0 0.000000%	1,057 0.625001%
25 Total Gas Plant in Service (000's)	268,555 100.000000%	7,499 2.792355%	0 0.000000%	1,717 0.639348%	6,015 2.239860%	0 0.000000%	1,308 0.486959%
26 Projected Operating Revenue (000's)	108,609 100.000000%	195 0.179543%	1,508 1.388467%	1,700 1.565248%	0 0.000000%	0 0.000000%	1,328 1.222735%
27 All Other Dist. Operation Exp. (000's) Excl AF Dist	3,811 100.000000%	120 3.148780%	1 0.026240%	52 1.364471%	79 2.072947%	4 0.104959%	19 0.498557%
28 All Other Dist. Maintenance Exp. (000's) Excl AF Dist	1,152 100.000000%	37 3.211806%	0 0.000000%	22 1.909722%	29 2.517361%	0 0.000000%	8 0.694444%
30 Distribution O&M (000's)	9,524 100.000000%	297 3.118438%	2 0.021000%	139 1.459471%	203 2.131457%	7 0.073499%	51 0.535489%
31 O&M Excl. Cost of Gas (000's)	21,532 100.000000%	557 2.586847%	16 0.074308%	271 1.258592%	381 1.769459%	13 0.060375%	97 0.450492%
36 Net Gas Plant in Service (000's) Excluding Minot AFB	167,660 100.000000%	5,287 3.153412%	0 0.000000%	1,044 0.622690%	4,689 2.796886%	0 0.000000%	1,057 0.630295%
37 Weighted Services Excluding Transmission Level Customers	121,836 100.000000%	0 0.000000%	0 0.000000%	606 0.497390%	0 0.000000%	0 0.000000%	20 0.016416%

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PROJECTED AVERAGE PLANT**

		Total	Minot Air Force Base Distribution		
		North Dakota	Demand	Energy	Customer
		5,360	0	0	0
19	Meas. & Reg. Eqpt.- City Gate (000's)	100.000000%	0.000000%	0.000000%	0.000000%
		4,494	0	0	15
20	Service Regulators (000's)	100.000000%	0.000000%	0.000000%	0.333778%
		969	0	0	0
21	Ind. Meas. & Reg. Sta. Eqpt. (000's)	100.000000%	0.000000%	0.000000%	0.000000%
		149,285	0	0	0
22	Mains & Services (000's) Excl AF Distribution	100.000000%	0.000000%	0.000000%	0.000000%
		504	0	0	0
23	Structures and Improvements	100.000002%	0.000000%	0.000000%	0.000000%
		169,080	721	0	699
24	Net Gas Plant in Service (000's)	100.000000%	0.426426%	0.000000%	0.413415%
		268,555	847	0	811
25	Total Gas Plant in Service (000's)	100.000000%	0.315392%	0.000000%	0.301987%
		108,609	0	0	0
26	Projected Operating Revenue (000's)	100.000000%	0.000000%	0.000000%	0.000000%
		3,811	0	0	0
27	All Other Dist. Operation Exp. (000's) Excl AF Dist	100.000000%	0.000000%	0.000000%	0.000000%
		1,152	0	0	0
28	All Other Dist. Maintenance Exp. (000's) Excl AF Dist	100.000000%	0.000000%	0.000000%	0.000000%
		9,524	133	0	0
30	Distribution O&M (000's)	100.000000%	1.396472%	0.000000%	0.000000%
		21,532	250	0	0
31	O&M Excl. Cost of Gas (000's)	100.000000%	1.161063%	0.000000%	0.000000%
		167,660	0	0	0
36	Net Gas Plant in Service (000's) Excluding Minot AFB	100.000000%	0.000000%	0.000000%	0.000000%
		121,836	0	0	0
37	Weighted Services Excluding Transmission Level Customers	100.000000%	0.000000%	0.000000%	0.000000%

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GAS UTILITY - NORTH DAKOTA
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		Total	Residential			Small Firm General		
		North Dakota	Demand	Energy	Customer	Demand	Energy	Customer
		216,759	49,742	0	88,609	12,526	0	12,233
38	Distribution Plant Less Direct Assignment (000's)	100.000000%	22.948067%	0.000000%	40.879040%	5.778768%	0.000000%	5.643595%
		100,661	37,419	0	21,634	9,422	0	2,425
40	Distribution Mains (000) Excluding Transmission Level Customer-Direct Assigned	100.000000%	37.173284%	0.000000%	21.491938%	9.360130%	0.000000%	2.409076%

**MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - NORTH DAKOTA
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PROJECTED AVERAGE PLANT**

		Total	Large Firm General			Air Force Delivery		
		North Dakota	Demand	Energy	Customer	Demand	Energy	Customer
38	Distribution Plant Less Direct Assignment (000's)	216,759 100.000000%	29,695 13.699547%	0 0.000000%	13,974 6.446791%	0 0.000000%	0 0.000000%	56 0.025835%
40	Distribution Mains (000) Excluding Transmission Level Customer-Direct Assigned	100,661 100.000000%	22,385 22.238007%	0 0.000000%	1,070 1.062974%	0 0.000000%	0 0.000000%	0 0.000000%

**MONTANA-DAKOTA UTILITIES CO.
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PROJECTED AVERAGE PLANT**

	Total North Dakota	Small Interruptible			Large Interruptible		
		Demand	Energy	Customer	Demand	Energy	Customer
38 Distribution Plant Less Direct Assignment (000's)	216,759 100.000000%	6,231 2.874621%	0 0.000000%	1,369 0.631577%	2,196 1.013107%	0 0.000000%	128 0.059052%
40 Distribution Mains (000) Excluding Transmission Level Customer-Direct Assigned	100,661 100.000000%	4,686 4.655229%	0 0.000000%	35 0.034770%	1,584 1.573599%	0 0.000000%	1 0.000993%

**MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - NORTH DAKOTA
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PROJECTED AVERAGE PLANT**

		Total	Minot Air Force Base Distribution		
		North Dakota	Demand	Energy	Customer
		216,759	0	0	0
38	Distribution Plant Less Direct Assignment (000's)	100.000000%	0.000000%	0.000000%	0.000000%
		100,661	0	0	0
40	Distribution Mains (000) Excluding Transmission Level Customer-Direct Assigned	100.000000%	0.000000%	0.000000%	0.000000%

**MONTANA-DAKOTA UTILITIES CO.
REVENUES UNDER CURRENT AND PROPOSED RATES
GAS UTILITY - NORTH DAKOTA**

Customer Class/Rate	Projected 2018 1\			Total Proposed Revenue	Proposed Revenue Increase	Percent Increase
	Customers	Dk	Revenue			
Residential - Rate 60	96,792	8,826,214	\$58,201,289	\$61,660,006	\$3,458,717	5.9%
Firm General Service - Rate 70	15,560	8,035,663	44,071,987	46,481,691	2,409,704	5.5%
Air Force - Rate 64						
Firm	1	32,523	143,249	143,249	0	0.0%
Interruptible	2	457,577	1,461,611	1,461,611	0	0.0%
Total Air Force	3	490,100	1,604,860	1,604,860	0	0.0%
Small Interruptible						
Sales - Rate 71	92	572,872	2,532,810			0.0%
Transport - Rate 81	63	1,104,513	870,115			0.0%
Total Small Interruptible	155	1,677,385	3,402,925	3,402,754	(171)	0.0%
Large Interruptible						
Sales - Rate 85	0	0	0			
Transport - Rate 82	6	4,321,943	1,327,781			
Total Large Interruptible	6	4,321,943	1,327,781	1,327,920	139	0.0%
Total North Dakota	<u>112,516</u>	<u>23,351,305</u>	<u>\$108,608,842</u>	<u>\$114,477,231</u>	<u>\$5,868,389</u>	<u>5.4%</u>

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**MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - NORTH DAKOTA
ALLOCATION OF REVENUES
Projected 2018**

RATE CLASS	Billing Determinants 1/					Embedded COS Before Increase 2/			Increase Required @ Overall Return		
	Customers	Dk	Distribution Revenues	Fuel Revenues	Total Revenues	Operating Income	Rate Base	Rate Of Return	Operating Income	Revenues	% Increase
Residential	96,792	8,826,214	\$22,762,526	\$35,438,763	\$58,201,289	\$2,890,000	\$84,666,000	3.413%	\$3,496,000	\$5,620,714	9.66%
Firm General Service	15,560	8,035,663	11,785,787	32,286,200	44,071,987	2,609,000	42,860,000	6.087%	624,000	1,003,240	2.28%
Air Force											
Firm	1	32,523	12,800	130,449	143,249						
Interruptible	2	457,577	107,091	1,354,520	1,461,611						
Total Air Force	3	490,100	119,891	1,484,969	1,604,860	22,000	155,000	14.194%	(11,000)	(17,685)	-1.10%
Small Interruptible											
Sales	92	572,872	830,234	1,702,576	2,532,810						
Transportation	63	1,104,513	870,115	0	870,115						
Total Small IT	155	1,677,385	1,700,349	1,702,576	3,402,925	463,000	2,886,000	16.043%	(245,000)	(393,900)	-11.58%
Large Interruptible											
Sales	0	0	0	0	0						
Transportation	6	4,321,943	1,327,781	0	1,327,781						
Total Large IT	6	4,321,943	1,327,781	0	1,327,781	484,000	3,618,000	13.378%	(211,000)	(339,236)	-25.55%
MAFB Distribution 3/					0	101,000	1,266,000	7.978%	(6,000)	(9,647)	-
Total North Dakota	112,516	23,351,305	\$37,696,334	\$70,912,508	\$108,608,842	\$6,569,000	\$135,451,000	4.850%	\$3,647,000	\$5,863,486	5.40%

**MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - NORTH DAKOTA
ALLOCATION OF REVENUES
Projected 2018**

RATE CLASS	Target Rate Design				Rate Design Results			
	Increase In Revenue	% Increase	Operating Income	Rate Of Return	Increase In Revenue	Total Revenues	% Incr	Rate Of Return
Residential	\$3,457,128	5.94%	\$5,040,282	5.953%	\$3,458,717	\$61,660,006	5.94%	5.954%
Firm General Service	2,406,069	5.46%	4,105,539	9.579%	2,409,704	46,481,691	5.47%	9.584%
Air Force								
Firm	0	0.00%			0	143,249	0.00%	
Interruptible	0	0.00%			0	1,461,611	0.00%	
Total Air Force	0	0.00%	22,000	14.194%	0	1,604,860	0.00%	14.194%
Small Interruptible Sales								
Transportation								
Total Small IT	0	0.00%	463,000	16.043%	(171)	3,402,754	-0.01%	16.039%
Large Interruptible Sales								
Transportation								
Total Large IT	0	0.00%	484,000	13.378%	139	1,327,919	0.01%	13.380%
MAFB Distribution	0	-	101,000	7.978%				
Total North Dakota	\$5,863,197	5.40%	\$10,215,821	7.542%	\$5,868,389	\$114,477,230	5.40%	7.544%

Requested Return on Rate Base 7.542% 4/
Proposed Increase 5,863,197 4/
% Increase (Excl Flex) 5.459406%
Inverse Of Tax Rate 62.1985%

- 1/ Statement K, Page 5.
2/ Statement M, Pages 1-4.
3/ Recorded as Other Revenues
4/ Statement J, Page 3.

MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - NORTH DAKOTA
RATE RECONCILIATION
RESIDENTIAL GAS SERVICE - RATES 60 & 90
Projected 2018

	Billing Units		Current		Proposed	
			Rate	Amount	Rate	Amount
Residential Rates 60 & 90						
Basic Service Charge (600)	96,516	Cust	\$0.6443	\$22,697,619	\$0.7422	\$26,146,474
Basic Service Charge (900)	276	Cust	\$0.6443	64,907	\$0.7422	74,769
				<u>22,762,526</u>		<u>26,221,243</u>
Distribution Charge	8,826,214	dk	0	0	0.000	0
Cost of Gas (600)	8,808,050	dk	4.011	35,329,089	4.011	35,329,089
Cost of Gas (900)	18,164	dk	6.038	109,674	6.038	109,674
	<u>8,826,214</u>			<u>\$35,438,763</u>		<u>\$35,438,763</u>
Total Revenue Rates 60 & 90				\$58,201,289		\$61,660,006

Total Distribution Revenues Per Design	\$26,221,243
Target Distribution Revenues	<u>26,219,654</u>
Difference	<u><u>\$1,589</u></u>

MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - NORTH DAKOTA
RESIDENTIAL GAS SERVICE - RATES 60 & 90
Projected 2018

Current Non-Gas Revenues	\$22,762,526
Proposed Revenue Increase	<u>3,457,128</u>
Total Revenue Requirement	\$26,219,654

Projected Customers	96,792
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Basic Service Charge per customer	\$271
Basic Service Charge per day	\$0.74220

**MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - NORTH DAKOTA
AIR FORCE FIRM SERVICE - RATE 64
Projected 2018**

	Billing Units	Current		Proposed	
		Rate	Amount	Rate	Amount
<u>Air Force Rate 64</u>					
Basic Service Charge	1 Cust	\$175.00	\$2,100	\$175.00	\$2,100
Distribution Charge	32,523 dk	0.329	10,700	0.329	10,700
Cost of Gas	32,523 dk	4.011	<u>130,450</u>	4.011	<u>130,450</u>
Total Revenue Rate 64			\$143,250	\$143,250	

Total Distribution Revenues Per Design	\$12,800
Target Distribution Revenues	<u>12,800</u>
Difference	<u><u>\$0</u></u>

**MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - NORTH DAKOTA
PROPOSED RATE DESIGN
AIR FORCE FIRM SERVICE - RATE 64
Projected 2018**

Air Force Firm Revenue Requirement	\$12,800
Proposed Revenue Increase	<u>0</u>
Total Revenue Requirement	\$12,800
Less: Proposed Basic Service Charge Revenues	<u>2,100</u>
Remaining Revenues To Be Collected	\$10,700
Total Rate 64 Firm Consumption	32,523
Non-Gas Commodity Charge	\$0.329

MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - NORTH DAKOTA
AIR FORCE INTERRUPTIBLE SERVICE - RATE 64
Projected 2018

	Billing Units		Current		Proposed	
			Rate	Amount	Rate	Amount
<u>Air Force Interruptible</u>						
Basic Service Charge						
Minot Air Force	1 Cust		\$2,000.00	\$24,000	\$2,000.00	\$24,000
PAR Site	1 Cust		175.00	2,100	175.00	2,100
Subtotal	2			26,100		26,100
Distribution Delivery	457,577 dk		\$0.177	80,991	\$0.177	80,991
Cost of Gas						
MAFB	415,260 dk		2.959	1,228,754	2.959	1,228,754
PAR Site	42,317 dk		2.972	125,766	2.972	125,766
	457,577			1,354,520		
Total Revenue				\$1,461,611		\$1,461,611
Total Distribution Revenues Per Design			\$107,091			
Target Distribution Revenue				107,091		
Difference				\$0		

**MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - NORTH DAKOTA
PROPOSED RATE DESIGN
AIR FORCE INTERRUPTIBLE SERVICE - RATE 64
Projected 2018**

Air Force Interruptible Revenue Requirement	\$107,091
Proposed Revenue Increase	<u>0</u>
Total Revenue Requirement	\$107,091
Less: Base Service Charge Revenues	<u>26,100</u>
Remaining Revenues To Be Collected	\$80,991
Total Rate 64 IT Consumption	457,577
Non-Gas Commodity Charge	\$0.177

MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - NORTH DAKOTA
RATE RECONCILIATION
FIRM GENERAL GAS SERVICE - RATE 70, 72, & 92
Projected 2018

	Billing Units		Current		Proposed	
			Rate	Amount	Rate	Amount
Firm General Rate 70						
Basic Service Chg Rates (700)	10,777	Cust	\$0.67	\$2,635,515	\$0.70	\$2,753,524
Basic Service Chg Rates (720)	5		0.67	1,223	0.70	1,278
Basic Service Chg Rates (920)	68		0.67	16,629	0.70	17,374
Basic Service Chg Rates (701)	4,693		1.90	3,254,596	2.05	3,511,537
Basic Service Chg Rates (721)	10		1.90	6,935	2.05	7,483
Basic Service Chg Rates (921)	7		1.90	4,855	2.05	5,238
Subtotal	15,560			\$5,919,753		\$6,296,434
Distribution Delivery	8,035,663	Dk	0.730	5,866,034	0.983	7,899,057
Cost of Gas (700)	2,022,627		4.011	8,112,757	4.011	8,112,757
Cost of Gas (720)	2,437		4.119	10,038	4.119	10,038
Cost of Gas (920)	11,774		6.038	71,091	6.038	71,091
Cost of Gas (701)	5,971,314		4.011	23,950,940	4.011	23,950,940
Cost of Gas (721)	12,891		4.119	53,098	4.119	53,098
Cost of Gas (921)	14,620	Dk	6.038	88,276	6.038	88,276
Subtotal	8,035,663			32,286,200		32,286,200
Total Revenue				\$44,071,987		\$46,481,691

Total Distribution Revenues Per Design	\$14,195,491
Target Distribution Revenues	14,191,856
Difference	<u>\$3,635</u>

MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - NORTH DAKOTA
FIRM GENERAL GAS SERVICE - RATE 70, 72, & 92
Projected 2018

Current Non-Gas Revenues	\$11,785,787
Proposed Revenue Increase	<u>2,406,069</u>
Total Revenue Requirement	\$14,191,856
Less:	
Base Service Charge Revenue	6,296,434
Remaining Revenues To Be Collected	<u>7,895,422</u>
Total Rates 70, 72 and 90 (Firm) Consumption	8,035,663
Distribution Delivery Charge	\$0.983

MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - NORTH DAKOTA
SMALL INTERRUPTIBLE - RATE 71 & 81
Projected 2018

	Billing Units	Current		Proposed	
		Rate	Amount	Rate	Amount
Basic Service Charge					
Rate 71 Sales	92 Cust	\$175.00	\$193,200	\$190.00	\$209,760
Rate 81 Transport	63 Cust	175.00	132,300	190.00	143,640
Subtotal	155		325,500		\$353,400
Distribution Delivery					
Rate 71 Sales	572,872 dk	\$1.112	637,034	\$1.063	608,963
Rate 81 Transport	1,104,513 dk	0.668	737,815	\$0.668	737,815
Cost of Gas	572,872 dk	2.972	1,702,576	2.972	1,702,576
Total Revenue			3,402,925		3,402,754
Total Small Interruptible Revenues		\$1,700,178			
Target Revenues		1,700,349			
Difference		(\$171)			

MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - NORTH DAKOTA
PROPOSED RATE DESIGN
SMALL INTERRUPTIBLE SERVICE - RATE 71
Projected 2018

Small Interruptible Revenue Requirement	\$1,700,349
Less: Flexed Contracts	0
Proposed Revenue Increase	<u>0</u>
Proposed Revenue Requirement	1,700,349
Less:	
Basic Service Charge & Rate 81 Delivery Revenue	<u>1,091,215</u>
Remaining Revenues To Be Collected	\$609,134
Total Throughput Rates 71 (Excluding Flexed Contracts)	572,872
Commodity Charge - Sales	\$1.063

**MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - NORTH DAKOTA
REVENUE RECONCILIATION
SMALL INTERRUPTIBLE SERVICE - RATES 71 & 81
Projected 2018**

Small Interruptible Sales	
Base Rate Revenues	\$209,760
Energy Revenues	608,963
Cost of Gas	1,702,576
Total Sales Revenues	\$2,521,299
Small Interruptible Transportation	
Base Rate Revenues	\$143,640
Transportation Revenues @ Ceiling	737,815
Transportation Revenue - Flexed	0
Base Rate Revenues - Flexed	0
Total Transportation Revenue	\$881,455
Total Small Interruptible Revenues Per Design	\$3,402,754
Total Small Interruptible Target Revenues	<u>3,402,925</u>
Difference	<u><u>(\$171)</u></u>

MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - NORTH DAKOTA
LARGE INTERRUPTIBLE SERVICE - RATES 82 & 85
Projected 2018
Excluding Flexed Contracts

CLASS	Billing Units	Current		Proposed	
		Rate	Amount	Rate	Amount
Basic Service Charge					
Rate 85 Sales	0 Cust	\$1,000.00	\$0	\$1,500.00	\$0
Rate 82 Transport	3 Cust	1,000.00	36,000	1,500.00	54,000
Subtotal			36,000		54,000
Distribution Delivery					
Rate 85 Sales	0 dk	0.718	\$0	0.718	\$0
Rate 82 Transport	452,444 dk	0.297	134,376	0.231	104,515
Cost of Gas	0 dk	2.972	0	2.972	0
Total Revenue			\$170,376		\$158,515
Total Rate 85 Distribution Revenue			\$158,515		
Target Distribution Revenue			158,377		
Difference			\$138		

MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - NORTH DAKOTA
PROPOSED RATE DESIGN
LARGE INTERRUPTIBLE SERVICE - RATES 82 & 85
Projected 2018

Current Non-Gas Revenues	\$1,327,781
Less: Flexed Contracts	(1,169,404)
Proposed Revenue Increase	<u>0</u>
Total Revenue Requirement	\$158,377
Less: Basic Service Charge Revenues & Sales @ ceiling	<u>54,000</u>
Total Revenue Requirement	\$104,377
Rate 82 Throughput (Excluding Flexed Volumes) 1\	452,444
Commodity Charge - Transport	\$0.231

**MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - NORTH DAKOTA
REVENUE RECONCILIATION
LARGE INTERRUPTIBLE SERVICE - RATES 82 & 85
Projected 2018**

Large Interruptible Sales & Transportation	
Basic Service Charge Revenues	\$98,400
Distribution Revenues - Transport @ Ceiling	104,515
Transportation Revenues - Flexed	<u>1,125,004</u>
 Total Distribution Revenues	 \$1,327,919
 Total Large Interruptible Revenues Per Design	 \$1,327,919
Total Large Interruptible Target Revenues	<u>1,327,781</u>
 Difference	 <u><u>\$138</u></u>

Flexed Contracts

Customer ID	Cust	Base Rev @ Proposed	Dk	Rate	Dist Rev	Total Rev
1	1	\$8,400	3,383,368		\$1,082,678	\$1,091,078
2 @ Flex Rate	1	18,000	82,764		14,897	32,897
2 @ Ceiling Rate 2\			145,461		43,202	43,202
3	1	18,000	403,367		27,429	45,429
Total	3	\$44,400	4,014,960		\$1,168,206	\$1,212,606
Total Flex Portion		\$44,400	3,869,499		\$1,125,004	\$1,169,404

- 1\ 306,983 Dk attributable to Rate 82 Transport customers plus 145,461 Dk attributable to portion of Flex Customer 2 volumes charged at ceiling rate.
2\ Flex Customer 2 pays ceiling rate for 1st 400 Dk/day.