

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF NORTH DAKOTA

In the Matter of the Application of MONTANA-DAKOTA UTILITIES CO., a Division of MDU Resources Group, Inc., for Authority to Establish Increased Rates for Natural Gas Service	}	Case No. PU-17-____
---	---	---------------------

APPLICATION AND NOTICE FOR
INTERIM INCREASE IN NATURAL GAS RATES

COMES NOW Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., and respectfully moves that the North Dakota Public Service Commission (Commission) authorize, on an interim basis, rate relief of \$4,561,074 to be effective within 60 days.

I.

Montana-Dakota is entitled to interim rate relief as more fully set forth in the Application and Notice, Testimony and Exhibits, and supporting Statements filed in this Case.

II.

The following rate schedules set forth in Appendix A hereto are proposed on an interim basis to be effective within 60 days:

10 th Revised Sheet No. 4	Residential Gas Service Rate 60
8 th Revised Sheet No. 7	Air Force Rate 64
10 th Revised Sheet No. 13	Firm General Gas Service Rate 70
10 th Revised Sheet No. 14	Small Interruptible General Gas Service Rate 71
11 th Revised Sheet No. 15	Optional Seasonal General Gas Service Rate 72
9 th Revised Sheet No. 24.1	Transportation Service Rates 81 and 82
7 th Revised Sheet No. 27	Large Interruptible General Gas Service Rate 85
10 th Revised Sheet No. 32	Residential Propane Service Rate 90
10 th Revised Sheet No. 34	Firm General Propane Service Rate 92

The Rate Summary Sheet will be submitted in compliance with the Commission's authorization of the requested interim increase.

III.

The requested interim relief as shown in Appendix B is computed pursuant to the requirements of the North Dakota Century Code, Sections 49-05-04 through 49-05-06 and is in full compliance therewith.

IV.

The requested interim rate relief is calculated based upon the adjustments and methodologies contained in the Company's last North Dakota natural gas case (Case No. PU-15-90).

V.

The tariff sheets provided in Appendix A designate that the amounts billed for the Basic Service Charge and the Distribution Delivery Charge under all rate schedules, except service provided under a discounted contract, are subject to an interim increase of 12.486 percent. This represents the percentage increase in distribution revenues, excluding the discounted contracts, based on the amount of revenue to be collected on an interim basis. The Cost of Gas will not be subject to the interim increase. The amount billed will be shown as a separate line item on a customer's bill. The workpapers supporting the interim increase are provided in Appendix C.

Montana-Dakota respectfully requests that the North Dakota Public Service Commission grant interim rate relief in the amount of \$4,561,074 by authorizing the schedule of charges attached hereto as Appendix A, to become effective within 60 days.

Dated this 21st day of July, 2017.

MONTANA-DAKOTA UTILITIES CO.,
a Division of MDU Resources Group, Inc.

By: Garret Senger
Garret Senger
Executive Vice President - Regulatory
Affairs, Customer Service, and Gas Supply



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7
10th Revised Sheet No. 4
Canceling 9th Revised Sheet No. 4

RESIDENTIAL GAS SERVICE Rate 60

Page 1 of 1

Availability:

In all communities served for all domestic uses. See Rate 100, §V.3, for definition on class of service.

Rate:

Basic Service Charge:	\$0.6443 per day
Cost of Gas:	Determined Monthly- See Rate Summary Sheet for Current Rate
Interim Rate Increase:	12.486% of amount billed under Basic Service Charge

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Cost of Gas:

The cost of gas includes all applicable cost of gas items as defined in Cost of Gas – Natural Gas Rate 88 or any amendments or alterations thereto. The cost of gas component is subject to change on a monthly basis.

General Terms and Conditions:

The foregoing schedule is subject to Rates 100 through 124 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

Date Filed: July 21, 2017

Effective Date:

Issued By: Tamie A. Aberle
Director - Regulatory Affairs

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7
8th Revised Sheet No. 7
Canceling 7th Revised Sheet No. 7

AIR FORCE Rate 64

Page 1 of 2

Availability:

Minot Air Force Base near Minot, North Dakota, and the Perimeter Acquisition Radar (PAR) Site, near Concrete, North Dakota. The Air Force shall make an election of its requirements under each available service and such requirements shall be set forth in a service agreement with the Company.

Rate:

Basic Service Charge:

Minot Air Force Base	\$2,000.00 per month
Perimeter Acquisition Radar (PAR) Site	\$175.00 per month

Distribution Delivery Charge:

Firm Service	\$.329 per dk
Interruptible Service	\$.177 per dk

Cost of Gas:

Determined Monthly- See Rate Summary Sheet for Current Rate

Interim Rate Increase:

12.486% of amount billed under Basic Service Charge and Distribution Delivery Charge

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Cost of Gas:

The cost of gas includes all applicable cost of gas items as defined in Cost of Gas – Natural Gas Rate 88 or any amendments or alterations thereto. The cost of gas component is subject to change on a monthly basis.

Date Filed: July 21, 2017

Effective Date:

Issued By: Tamie A. Aberle
Director – Regulatory Affairs

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7
10th Revised Sheet No. 13
Cancelling 9th Revised Sheet No. 13

FIRM GENERAL GAS SERVICE Rate 70

Page 1 of 2

Availability:

In all communities served for all purposes except for resale. See Rate 100, §3, for definition on class of service.

Rate:

Basic Service Charge:

For customers with meters rated under
500 cubic feet per hour

\$0.67 per day

For customers with meters rated over
500 cubic feet per hour

\$1.90 per day

Distribution Delivery Charge:

\$.730 per dk

Cost of Gas:

Determined Monthly- See
Rate Summary Sheet for
Current Rate

Interim Rate Increase:

12.486% of amount billed under
Basic Service Charge and
Distribution Delivery Charge

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Cost of Gas:

The cost of gas includes all applicable cost of gas items as defined in Cost of Gas – Natural Gas Rate 88 or any amendments or alterations thereto. The cost of gas component is subject to change on a monthly basis.

Date Filed: July 21, 2017

Effective Date:

Issued By: Tamie A. Aberle
Director – Regulatory Affairs

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7
10th Revised Sheet No. 14
Canceling 9th Revised Sheet No. 14

SMALL INTERRUPTIBLE GENERAL GAS SERVICE Rate 71

Page 1 of 4

Availability:

In all communities served for all interruptible general gas service customers whose interruptible natural gas load will exceed an input rate of 2,500,000 Btu per hour, metered at a single delivery point and whose use of natural gas will not exceed 100,000 dk annually. The rates herein are applicable only to customer's interruptible load. Customer's firm natural gas requirements must be separately metered or specified in a firm service agreement. Customer's firm load shall be billed at Firm General Gas Service Rate 70. For interruptible purposes, the maximum daily firm requirement shall be set forth in the firm service agreement.

Rate:

Basic Service Charge:	\$175.00 per month	
Distribution Delivery Charge:	<u>Maximum</u> \$1.112 per dk	<u>Minimum</u> \$.668 per dk
Cost of Gas:	Determined Monthly- See Rate Summary Sheet for Current Rate	
Interim Rate Increase:	12.486% of amount billed under Basic Service Charge and Distribution Delivery Charge	

The Distribution Delivery Charge shall be set forth in the service agreement required as provided in the General Terms and Conditions for service. Such rate, as adjusted to reflect changes in the Cost of Gas, shall apply for the term of the agreement regardless of a change in the rates set forth above.

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Cost of Gas:

The cost of gas includes all applicable cost of gas items as defined in Cost of Gas – Natural Gas Rate 88 or any amendments or alterations thereto. The cost of gas component is subject to change on a monthly basis.

Date Filed: July 21, 2017

Effective Date:

Issued By: Tamie A. Aberle
Director – Regulatory Affairs

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7

11th Revised Sheet No. 15

Cancelling 10th Revised Sheet No. 15

OPTIONAL SEASONAL GENERAL GAS SERVICE Rate 72

Page 1 of 2

Availability:

In all communities served for all purposes except for resale. See Rate 100, §V.3, for definition on class of service.

Rate:

Basic Service Charge:

For customers with meters rated
under 500 cubic feet per hour

\$0.67 per day

For customers with meters rated
over 500 cubic feet per hour

\$1.90 per day

Distribution Delivery Charge:

\$0.730 per dk

Cost of Gas:

Winter- Service rendered October 1 through May 31

Determined Monthly-
See Rate Summary
Sheet for Current Rate

Summer- Service rendered June 1 through
September 30

Determined Monthly-
See Rate Summary
Sheet for Current Rate

Interim Rate Increase:

12.486% of amount billed
under Basic Service Charge
and Distribution Delivery
Charge

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Date Filed: July 21, 2017

Effective Date:

Issued By: Tamie A. Aberle
Director – Regulatory Affairs

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7

9th Revised Sheet No. 24.1

Canceling 8th Revised Sheet No. 24.1

TRANSPORTATION SERVICE Rates 81 and 82

Page 2 of 10

Rate:

Under Rate 81 or 82, customer shall pay the applicable Basic Service Charge plus a negotiated rate not more than the maximum rate or less than the minimum rate specified below. In the event customer also takes service under Rate 71 or Rate 85, the Basic Service Charge applicable under Rate 81 or Rate 82 shall be waived.

Basic Service Charge:

Rate 81	\$175.00 per month
Rate 82	\$1,000.00 per month

	<u>Rate 81</u>	<u>Rate 82</u>
Maximum Rate per dk	\$0.668	\$0.297
Minimum Rate per dk	\$0.102	\$0.061
Balancing Charge per dk	\$0.300	\$0.300

Fuel Charge:	Applicable to all dk transported to customer located within the distribution system. Charge does not apply to transmission level customers. See Rate Summary Sheet for currently effect charge.
--------------	---

Interim Rate Increase:	12.486% of amount billed under Basic Service Charge and Distribution Delivery Charge
------------------------	--

General Terms and Conditions:

1. CRITERIA FOR SERVICE: In order to receive the service, customer must qualify under one of the Company's applicable natural gas transportation service rates and comply with the general terms and conditions of the service provided herein. The customer is responsible for making all arrangements for transporting the gas from its source to the Company's interconnection with the delivering pipeline(s).

Date Filed: July 21, 2017

Effective Date:

Issued By: Tamie A. Aberle
Director – Regulatory Affairs

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7

7th Revised Sheet No. 27

Canceling 6th Revised Sheet No. 27

LARGE INTERRUPTIBLE GENERAL GAS SERVICE Rate 85

Page 1 of 4

Availability:

In all communities served for all interruptible general gas service customers whose interruptible natural gas load will exceed 100,000 dk annually as metered at a single delivery point. The rates herein are applicable only to customer's interruptible load. Customer's firm natural gas requirements must be separately metered or specified in a firm service agreement. Customer's firm load shall be billed at Firm General Gas Service Rate 70. For interruption purposes, the maximum daily firm requirement shall be set forth in the firm service agreement.

This rate schedule shall not apply for service to U.S. Government installations, which are covered by separate special contracts.

The Company reserves the right to refuse the initiation of service under this rate schedule based on the availability of gas supply.

Rate:

Basic Service Charge:	\$1,000.00 per month	
Distribution Delivery Charge:	<u>Maximum</u> \$.718 per dk	<u>Minimum</u> \$.297 per dk
Cost of Gas:	Determined Monthly- See Rate Summary Sheet for Current Rate	
Interim Rate Increase:	12.486% of amount billed under Basic Service Charge and Distribution Delivery Charge	

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Date Filed: July 21, 2017

Effective Date:

Issued By: Tamie A. Aberle
Director – Regulatory Affairs

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7
10th Revised Sheet No. 32
Canceling 9th Revised Sheet No. 32

RESIDENTIAL PROPANE SERVICE Rate 90

Page 1 of 1

Availability:

For the community of Hettinger for all domestic purposes. See Rate 100, §V.3, for definition on class of service.

Rate:

Basic Service Charge:	\$0.6443 per day
Cost of Gas:	Determined Monthly- See Rate Summary Sheet for Current Rate
Interim Rate Increase:	12.486% of amount billed under Basic Service Charge

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Cost of Gas:

The cost of gas as defined in Cost of Gas - Propane Rate 99 or any amendments or alterations thereto. The cost of propane component is subject to change on a monthly basis.

General Terms and Conditions:

1. The Company may at its discretion and upon thirty days notice, disconnect service to a customer utilizing a second source of propane. Any customer so disconnected shall not be eligible for service hereunder for one year from date of disconnection and shall be subject to reconnection charges to restore service after the one-year period.
2. The foregoing schedule is subject to Rates 100 through 124 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

Date Filed: July 21, 2017

Effective Date:

Issued By: Tamie A. Aberle
Director – Regulatory Affairs

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7
10th Revised Sheet No. 34
Cancelling 9th Revised Sheet No. 34

FIRM GENERAL PROPANE SERVICE Rate 92

Page 1 of 2

Availability:

For the community of Hettinger for all purposes except for resale. See Rate 100, §V.3, for definition on class of service.

Rate:

Basic Service Charge:

For customers with meters rated
under 500 cubic feet per hour \$0.67 per day

For customers with meters rated
over 500 cubic feet per hour \$1.90 per day

Distribution Delivery Charge: \$0.730 per dk

Cost of Gas: Determined Monthly- See Rate
Summary Sheet for Current Rate

Interim Rate Increase: 12.486% of amount billed under Basic
Service Charge and Distribution
Delivery Charge

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Cost of Gas:

The cost of propane as defined in Cost of Gas - Propane Rate 99 or any amendments or alterations thereto. The cost of propane component is subject to change on a monthly basis.

Date Filed: July 21, 2017

Effective Date:

Issued By: Tamie A. Aberle
Director – Regulatory Affairs

Case No.:

Tariffs Reflecting Proposed Changes



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7
9th Revised Sheet No. 4
Canceling 8th Revised Sheet No. 4

RESIDENTIAL GAS SERVICE Rate 60

Page 1 of 1

Availability:

In all communities served for all domestic uses. See Rate 100, §V.3, for definition on class of service.

Rate:

Basic Service Charge: \$0.6443 per day

Cost of Gas: Determined Monthly- See Rate Summary Sheet for Current Rate

Interim Rate Increase: 12.486% of amount billed under Basic Service Charge

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Cost of Gas:

The cost of gas includes all applicable cost of gas items as defined in Cost of Gas – Natural Gas Rate 88 or any amendments or alterations thereto. The cost of gas component is subject to change on a monthly basis.

General Terms and Conditions:

The foregoing schedule is subject to Rates 100 through 124 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

Date Filed: November 9, 2015

Effective Date: Service rendered on and after December 1, 2015

Issued By: Tamie A. Aberle
Director - Regulatory Affairs

Case No.: PU-15-090



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7
7th Revised Sheet No. 7
Canceling 6th Revised Sheet No. 7

AIR FORCE Rate 64

Page 1 of 2

Availability:

Minot Air Force Base near Minot, North Dakota, and the Perimeter Acquisition Radar (PAR) Site, near Concrete, North Dakota. The Air Force shall make an election of its requirements under each available service and such requirements shall be set forth in a service agreement with the Company.

Rate:

Basic Service Charge:

Minot Air Force Base	\$2,000.00 per month
Perimeter Acquisition Radar (PAR) Site	\$175.00 per month

Distribution Delivery Charge:

Firm Service	\$.329 per dk
Interruptible Service	\$.177 per dk

Cost of Gas:

Determined Monthly- See Rate Summary Sheet for Current Rate

Interim Rate Increase:

12.486% of amount billed under Basic Service Charge and Distribution Delivery Charge

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Cost of Gas:

The cost of gas includes all applicable cost of gas items as defined in Cost of Gas – Natural Gas Rate 88 or any amendments or alterations thereto. The cost of gas component is subject to change on a monthly basis.

Date Filed: November 9, 2015

Effective Date: Service rendered on and after December 1, 2015

Issued By: Tamie A. Aberle
Director – Regulatory Affairs

Case No.: PU-15-090



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7
9th Revised Sheet No. 13
Cancelling 8th Revised Sheet No. 13

FIRM GENERAL GAS SERVICE Rate 70

Page 1 of 2

Availability:

In all communities served for all purposes except for resale. See Rate 100, §3, for definition on class of service.

Rate:

Basic Service Charge:

For customers with meters rated under
500 cubic feet per hour

\$0.67 per day

For customers with meters rated over
500 cubic feet per hour

\$1.90 per day

Distribution Delivery Charge:

\$.730 per dk

Cost of Gas:

Determined Monthly- See
Rate Summary Sheet for
Current Rate

Interim Rate Increase:

12.486% of amount billed under
Basic Service Charge and
Distribution Delivery Charge

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Cost of Gas:

The cost of gas includes all applicable cost of gas items as defined in Cost of Gas – Natural Gas Rate 88 or any amendments or alterations thereto. The cost of gas component is subject to change on a monthly basis.

Date Filed: November 9, 2015

Effective Date: Service rendered on and
after December 1, 2015

Issued By: Tamie A. Aberle
Director – Regulatory Affairs

Case No.: PU-15-090



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7
9th Revised Sheet No. 14
Canceling 8th Revised Sheet No. 14

SMALL INTERRUPTIBLE GENERAL GAS SERVICE Rate 71

Page 1 of 4

Availability:

In all communities served for all interruptible general gas service customers whose interruptible natural gas load will exceed an input rate of 2,500,000 Btu per hour, metered at a single delivery point and whose use of natural gas will not exceed 100,000 dk annually. The rates herein are applicable only to customer's interruptible load. Customer's firm natural gas requirements must be separately metered or specified in a firm service agreement. Customer's firm load shall be billed at Firm General Gas Service Rate 70. For interruptible purposes, the maximum daily firm requirement shall be set forth in the firm service agreement.

Rate:

Basic Service Charge: \$175.00 per month

Distribution Delivery Charge: Maximum \$1.112 per dk Minimum \$.668 per dk

Cost of Gas: Determined Monthly- See Rate Summary Sheet for Current Rate

Interim Rate Increase: 12.486% of amount billed under Basic Service Charge and Distribution Delivery Charge

The Distribution Delivery Charge shall be set forth in the service agreement required as provided in the General Terms and Conditions for service. Such rate, as adjusted to reflect changes in the Cost of Gas, shall apply for the term of the agreement regardless of a change in the rates set forth above.

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Cost of Gas:

The cost of gas includes all applicable cost of gas items as defined in Cost of Gas – Natural Gas Rate 88 or any amendments or alterations thereto. The cost of gas component is subject to change on a monthly basis.

Date Filed: November 9, 2015

Effective Date: Service rendered on and after December 1, 2015

Issued By: Tamie A. Aberle
Director – Regulatory Affairs

Case No.: Case No. PU-15-090



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7

10th Revised Sheet No. 15

Cancelling 9th Revised Sheet No. 15

OPTIONAL SEASONAL GENERAL GAS SERVICE Rate 72

Page 1 of 2

Availability:

In all communities served for all purposes except for resale. See Rate 100, §V.3, for definition on class of service.

Rate:

Basic Service Charge:

For customers with meters rated
under 500 cubic feet per hour

\$0.67 per day

For customers with meters rated
over 500 cubic feet per hour

\$1.90 per day

Distribution Delivery Charge:

\$0.730 per dk

Cost of Gas:

Winter- Service rendered October 1 through May 31

Determined Monthly-
See Rate Summary
Sheet for Current Rate

Summer- Service rendered June 1 through
September 30

Determined Monthly-
See Rate Summary
Sheet for Current Rate

Interim Rate Increase:

12.486% of amount billed
under Basic Service Charge
and Distribution Delivery
Charge

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Date Filed: November 9, 2015

Effective Date: Service rendered on and
after December 1, 2015

Issued By: Tamie A. Aberle
Director – Regulatory Affairs

Case No.: PU-15-090



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7

8th Revised Sheet No. 24.1

Canceling 7th Revised Sheet No. 24.1

TRANSPORTATION SERVICE Rates 81 and 82

Page 2 of 10

Rate:

Under Rate 81 or 82, customer shall pay the applicable Basic Service Charge plus a negotiated rate not more than the maximum rate or less than the minimum rate specified below. In the event customer also takes service under Rate 71 or Rate 85, the Basic Service Charge applicable under Rate 81 or Rate 82 shall be waived.

Basic Service Charge:

Rate 81	\$175.00 per month
Rate 82	\$1,000.00 per month

	<u>Rate 81</u>	<u>Rate 82</u>
Maximum Rate per dk	\$0.668	\$0.297
Minimum Rate per dk	\$0.102	\$0.061
Balancing Charge per dk	\$0.300	\$0.300

Fuel Charge:

Applicable to all dk transported to customer located within the distribution system. Charge does not apply to transmission level customers. See Rate Summary Sheet for currently effect charge.

Interim Rate Increase:

12.486% of amount billed under Basic Service Charge and Distribution Delivery Charge

General Terms and Conditions:

1. CRITERIA FOR SERVICE: In order to receive the service, customer must qualify under one of the Company's applicable natural gas transportation service rates and comply with the general terms and conditions of the service provided herein. The customer is responsible for making all arrangements for transporting the gas from its source to the Company's interconnection with the delivering pipeline(s).

Date Filed: November 9, 2015

Effective Date: Service rendered on and after December 1, 2015

Issued By: Tamie A. Aberle
Director – Regulatory Affairs

Case No.: PU-15-090



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7

6th Revised Sheet No. 27

Canceling 5th Revised Sheet No. 27

LARGE INTERRUPTIBLE GENERAL GAS SERVICE Rate 85

Page 1 of 4

Availability:

In all communities served for all interruptible general gas service customers whose interruptible natural gas load will exceed 100,000 dk annually as metered at a single delivery point. The rates herein are applicable only to customer's interruptible load. Customer's firm natural gas requirements must be separately metered or specified in a firm service agreement. Customer's firm load shall be billed at Firm General Gas Service Rate 70. For interruption purposes, the maximum daily firm requirement shall be set forth in the firm service agreement.

This rate schedule shall not apply for service to U.S. Government installations, which are covered by separate special contracts.

The Company reserves the right to refuse the initiation of service under this rate schedule based on the availability of gas supply.

Rate:

Basic Service Charge:	\$1,000.00 per month	
Distribution Delivery Charge:	<u>Maximum</u> \$.718 per dk	<u>Minimum</u> \$.297 per dk
Cost of Gas:	Determined Monthly- See Rate Summary Sheet for Current Rate	

Interim Rate Increase:

12.486% of amount billed under Basic Service Charge and Distribution Delivery Charge

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Date Filed: November 9, 2015

Effective Date: Service rendered on and after December 1, 2015

Issued By: Tamie A. Aberle
Director – Regulatory Affairs

Case No.: PU-15-090



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7
9th Revised Sheet No. 32
Canceling 8th Revised Sheet No. 32

RESIDENTIAL PROPANE SERVICE Rate 90

Page 1 of 1

Availability:

For the community of Hettinger for all domestic purposes. See Rate 100, §V.3, for definition on class of service.

Rate:

Basic Service Charge: \$0.6443 per day

Cost of Gas: Determined Monthly- See Rate Summary Sheet for Current Rate

Interim Rate Increase: 12.486% of amount billed under Basic Service Charge

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Cost of Gas:

The cost of gas as defined in Cost of Gas - Propane Rate 99 or any amendments or alterations thereto. The cost of propane component is subject to change on a monthly basis.

General Terms and Conditions:

1. The Company may at its discretion and upon thirty days notice, disconnect service to a customer utilizing a second source of propane. Any customer so disconnected shall not be eligible for service hereunder for one year from date of disconnection and shall be subject to reconnection charges to restore service after the one-year period.
2. The foregoing schedule is subject to Rates 100 through 124 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

Date Filed:	November 9, 2015	Effective Date:	Service rendered on and after December 1, 2015
Issued By:	Tamie A. Aberle Director – Regulatory Affairs	Case No.:	PU-15-090



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7
9th Revised Sheet No. 34
Cancelling 8th Revised Sheet No. 34

FIRM GENERAL PROPANE SERVICE Rate 92

Page 1 of 2

Availability:

For the community of Hettinger for all purposes except for resale. See Rate 100, §V.3, for definition on class of service.

Rate:

Basic Service Charge:

For customers with meters rated
under 500 cubic feet per hour \$0.67 per day

For customers with meters rated
over 500 cubic feet per hour \$1.90 per day

Distribution Delivery Charge: \$0.730 per dk

Cost of Gas: Determined Monthly- See Rate
Summary Sheet for Current Rate

Interim Rate Increase:

12.486% of amount billed under Basic
Service Charge and Distribution
Delivery Charge

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Cost of Gas:

The cost of propane as defined in Cost of Gas - Propane Rate 99 or any amendments or alterations thereto. The cost of propane component is subject to change on a monthly basis.

Date Filed: November 9, 2015

Effective Date: Service rendered on and
after December 1, 2015

Issued By: Tamie A. Aberle
Director – Regulatory Affairs

Case No.: PU-15-090

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

	Before Additional Revenue Requirements 1/	Additional Revenue Requirements	Reflecting Additional Revenue Requirements
Operating Revenues			
Sales	\$106,410,946	\$4,561,074	\$110,972,020
Transportation	2,197,896		2,197,896
Other	3,527,788		3,527,788
Total Revenues	<u>112,136,630</u>	<u>4,561,074</u>	<u>116,697,704</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	8,365,365		8,365,365
Taxes Other Than Income	2,039,599		2,039,599
Income Taxes	2,185,562	1,724,154 2/	3,909,716
Total Expenses	<u>105,036,230</u>	<u>1,724,154</u>	<u>106,760,384</u>
Operating Income	<u>\$7,100,400</u>	<u>\$2,836,920</u>	<u>\$9,937,320</u>
Rate Base	<u>\$136,370,517</u>		<u>\$136,370,517</u>
Rate of Return			
	<u>5.207%</u>		<u>7.287%</u>

Projected 2018

Long Term Debt	43.036%	5.282%	2.273%
Short Term Debt	5.968%	2.831%	0.169%
Preferred Stock	0.000%	0.000%	0.000%
Common Equity	50.996%	9.500%	4.845%
Total	<u>100.000%</u>		<u>7.287%</u>

1/ Page 2

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
- INTERIM -

	Per Books 2016	Projected 2017	Projected 2018	Reference
Operating Revenues				
Sales	\$85,592,333	\$104,625,055	\$106,410,946	Page 3
Transportation	2,147,629	2,197,896	2,197,896	Page 3
Other	4,146,114	3,524,931	3,527,788	Page 3
Total Revenues	<u>91,886,076</u>	<u>110,347,882</u>	<u>112,136,630</u>	
Operating Expenses				
Operation and Maintenance				
Cost of Gas	51,338,373	69,713,908	70,913,006	Page 13
Other O&M	20,248,295	20,995,685	21,532,698	Pages 9 & 11
Total O&M	<u>71,586,668</u>	<u>90,709,593</u>	<u>92,445,704</u>	
Depreciation and Amortization	7,630,836	7,985,599	8,365,365	Page 31
Taxes Other Than Income	1,901,169	1,960,214	2,039,599	Page 34
Current Income Taxes	3,985,618	2,421,725	2,185,562	Page 37
Deferred Income Taxes	(1,249,456)			
Total Expenses	<u>83,854,835</u>	<u>103,077,131</u>	<u>105,036,230</u>	
Operating Income	<u>\$8,031,241</u>	<u>\$7,270,751</u>	<u>\$7,100,400</u>	
Rate Base	<u>\$126,663,497</u>	<u>\$131,973,661</u>	<u>\$136,370,517</u>	Page 39
Rate of Return	<u>6.341%</u>	<u>5.509%</u>	<u>5.207%</u>	
Return on Equity	<u>7.756%</u>	<u>6.067%</u>	<u>5.422%</u>	

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

	Per Books	Projected	
	2016	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>\$87,739,962</u>	<u>\$106,822,951</u>	<u>\$108,608,842</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>\$91,886,076</u>	<u>\$110,347,882</u>	<u>\$112,136,630</u>

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

	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
- INTERIM -**

Revenue Reporting Class	Projected 2017 1/				Total Revenue 1/
	Customers	Dk	Distribution Revenue	Cost of Gas	
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
- INTERIM -**

Revenue Reporting Class	Projected 2018 1/				Total Revenue 1/
	Customers	Dk	Distribution Revenue	Cost of Gas	
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
- INTERIM -**

	Per Books	Projected	
	2016	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	170,510	173,367
Penalty Revenue 5/	239,597	12,566	12,566
Other Revenue	93,031	93,738	93,738
	<u>\$3,059,034</u>	<u>\$2,551,720</u>	<u>\$2,554,577</u>
Total	<u>\$4,146,114</u>	<u>\$3,524,524</u>	<u>\$3,527,381</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
- INTERIM -

	<u>Per Books 2016</u>	<u>Projected 2017</u>	<u>Projected 2018</u>
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	<u>7,880,939</u>	<u>8,197,930</u>	<u>8,346,928</u>
Total Operation & Maintenance	<u><u>\$71,586,668</u></u>	<u><u>\$90,709,593</u></u>	<u><u>\$92,445,704</u></u>

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

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	\$90,709,593	\$69,713,908	\$10,967,063	\$2,589,756	\$1,692,281	\$583,235	\$900,735	\$196,495
See Page Number:	8	13	14	15	16	17	18	19

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

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. Sales					\$88,987				3,011
Administrative and General		353							4,557
Total Other O&M	\$332,540	\$401,146	\$488,068	\$426,543	\$134,101	\$71,088	\$607,954	\$167,835	1,140,705
Total O&M	\$332,540	\$401,146	\$488,068	\$426,543	\$134,101	\$71,088	\$607,954	\$167,835	\$1,436,845
See Page Number:	20	21	22	23	24	25	26	27	28

**MONTANA-DAKOTA UTILITIES CO.
OPERATION & MAINTENANCE EXPENSE
GAS UTILITY - NORTH DAKOTA
PROJECTED 2018
- INTERIM -**

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
See Page Number:	8	13	14	15	16	17	18	19

**MONTANA-DAKOTA UTILITIES CO.
OPERATION & MAINTENANCE EXPENSE
GAS UTILITY - NORTH DAKOTA
PROJECTED 2018
- INTERIM -**

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	\$338,099	\$410,774	\$498,903	\$436,013	\$134,101	\$71,088	\$638,352	\$129,124	\$1,468,744
Total O&M	\$338,099	\$410,774	\$498,903	\$436,013	\$134,101	\$71,088	\$638,352	\$129,124	\$1,468,744
See Page Number:	20	21	22	23	24	25	26	27	28

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

	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
- INTERIM -

	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
- INTERIM -**

	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
- INTERIM -**

	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
- INTERIM -**

	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
- INTERIM -**

	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
- INTERIM -**

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

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

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

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
- INTERIM -**

	Per Books	Projected 1/	
	2016	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
- INTERIM -

	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
- INTERIM -

	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
- INTERIM -**

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

	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
- INTERIM -

	Per Books	Projected	
	2016	2017	2018
American Gas Association	\$34,101	\$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/	42,789	0	0
Total Industry Dues	\$102,215	\$71,088	\$71,088

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
- INTERIM -

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	\$549,196	\$607,954	\$638,352

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
- INTERIM -**

	Per Books	Projected	
	2016	2017	2018
Rate Case Amortization 1/	\$64,500	\$64,500	\$116,542
Recurring Level of Expense	605	3,802	3,802
Depreciation Study Expense 2/	4,126	8,780	8,780
Manufactured Gas Plant Amortization 3/	90,780	90,753	0
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
- INTERIM -

<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
- INTERIM -**

Function	Per Books 2016	Cost of Gas	Labor	Benefits	Subcontract Labor	Materials	Vehicles & Work Equip.	Company Consumption
Cost of Gas	<u>\$51,338,373</u>	\$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	<u>\$20,248,295</u>	\$0	<u>\$10,828,493</u>	<u>\$2,466,665</u>	<u>\$1,692,281</u>	<u>\$583,235</u>	<u>\$591,004</u>	<u>\$175,446</u>
Total O&M	<u>\$71,586,668</u>	<u>\$51,338,373</u>	<u>\$10,828,493</u>	<u>\$2,466,665</u>	<u>\$1,692,281</u>	<u>\$583,235</u>	<u>\$591,004</u>	<u>\$175,446</u>

See Page Number: 8 13 14 15 16 17 18 19

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

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

See Page Number: 20 21 22 23 24 25 26 27 28

**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	\$6,230,363	\$6,536,598
General	193,869	203,743	191,495
General Intangible	271,460	258,822	281,883
Common	508,029	490,409	479,667
Common Intangible	776,673	817,006	890,466
Amort. of Preferred Stock Cost	0	0	0
Amort. of Gain on Building	(17,564)	(17,564)	(17,564)
Amort. of Loss on Employee Housing	0	0	0
Acquisition Adjustment	2,820	2,820	2,820
Total	\$7,630,836	\$7,985,599	\$8,365,365

1/ Depreciation/amortization expense on 2017 average plant in service, page 32.

2/ Depreciation/amortization expense on 2018 average plant in service, page 33.

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

	Per Books 2016	2017					2017 Average Balance
		Average Plant In Service 1/	Depreciation/ Amortization Rate 2/	Depreciation/ Amortization Expense	Retirements/ Removal 3/	Ending Balance	
Distribution	Acc. Reserve for Depr. \$76,245,272	\$210,485,237	2.96%	\$6,230,363	(\$926,574)	\$81,549,061	\$78,897,167
<u>General</u>							
Other	\$703,973	\$2,202,078	5.12%	\$112,746	(\$379,203)	\$437,516	\$570,745
Structures & Improvements	823,210	2,215,668	3.09%	68,464	0	891,674	857,442
Computer Equipment	89,732	112,664	20.00%	22,533	(20,114)	92,151	90,942
Vehicles	1,648,389	4,149,153	0.68%	28,214	(668,970)	1,007,633	1,328,011
Work Equipment	(90,141)	4,464,113	0.79%	35,266	(613,051)	(667,926)	(379,034)
Total General	\$3,175,163	\$13,143,676		\$267,223	(\$1,681,338)	\$1,761,048	\$2,468,106
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	2.25%	200,155	0	2,904,136	2,804,059
Computer Equipment	522,988	852,036	20.00%	170,407	(137,347)	556,048	539,518
Vehicles	341,857	1,068,275	4.11%	43,906	(176,506)	209,257	275,557
Total Common	\$4,597,411	\$13,312,902		\$534,315	(\$732,791)	\$4,398,935	\$4,498,174
Common Intangible	\$5,222,915	\$13,562,624	4/	\$817,006	\$0	\$6,039,921	\$5,631,418
Amort. of Preferred Stock Cost							
Amort. of Gain on Building	0	0	5/	(17,564)	0	6/	6/
Amort. of Loss on EE Housing							
Acquisition Adjustment	66,489	97,266	5/	2,820	0	69,309	67,899
Total Gas Plant in Service	\$90,348,781	\$256,028,189		\$8,092,985	(\$3,340,703)	\$95,118,627	\$92,733,706
Depreciation Expense				\$7,985,599	7/		

- 1/ Page 40.
- 2/ Composite depreciation rates by function based on current depreciation rates.
- 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 gain on sale of buildings on Page 39.
- 7/ 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
- INTERIM -**

	2017	2018			2018			2018
	Year-end Acc. Reserve for Depr.	Average Plant In Service 1/	Depreciation/ Amortization Rate 2/	Depreciation/ Amortization Expense	Retirements/ Removal 3/	Ending Balance	Average Balance	
Distribution	\$81,549,061	\$220,831,021	2.96%	\$6,536,598	(\$967,793)	\$87,117,866	\$84,333,464	
<u>General</u>								
Other	\$437,516	\$2,022,410	5.12%	\$103,547	(\$342,638)	\$198,425	\$317,971	
Structures & Improvements	891,674	2,236,515	3.09%	69,108	0	960,782	926,228	
Computer Equipment	92,151	94,199	20.00%	18,840	(16,817)	94,174	93,163	
Vehicles	1,007,633	4,268,049	0.68%	29,023	(691,122)	345,534	676,584	
Work Equipment	(667,926)	5,802,660	0.79%	45,841	(850,286)	(1,472,371)	(1,070,149)	
Total General	\$1,761,048	\$14,423,833		\$266,359	(\$1,900,863)	\$126,544	\$943,797	
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	2,904,136	8,984,923	2.25%	202,161	0	3,106,297	3,005,217	
Computer Equipment	556,048	830,115	20.00%	166,023	(137,861)	584,210	570,129	
Vehicles	209,257	1,110,999	4.11%	45,662	(168,547)	86,372	147,815	
Total Common	\$4,398,935	\$13,248,596		\$525,329	(\$693,943)	\$4,230,321	\$4,314,629	
Common Intangible	\$6,039,921	\$14,297,217	4/	\$890,466	\$0	\$6,930,387	\$6,485,154	
Amort. of Preferred Stock Cost								
Amort. of Gain on Building	0	0	5/	(17,564)	0	6/	6/	
Amort. of Loss on EE Housing								
Acquisition Adjustment	69,309	97,266	5/	2,820	0	72,129	70,719	
Total Gas Plant in Service	\$95,118,627	\$268,555,021		\$8,485,891	(\$3,562,599)	\$100,059,483	\$97,589,058	
Depreciation Expense				\$8,365,365	7/			

- 1/ Page 40.
- 2/ Composite depreciation rates by function based on current depreciation rates.
- 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 gain on sale of buildings on Page 39.
- 7/ Excludes depreciation on vehicles and work equipment, which are charged to a clearing account.

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

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	<u>1,074,036</u>	<u>1,123,222</u>	<u>1,179,158</u>
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	<u>826,033</u>	<u>835,892</u>	<u>859,341</u>
Other	<u>1,100</u>	<u>1,100</u>	<u>1,100</u>
Total Taxes Other Than Income	<u><u>\$1,901,169</u></u>	<u><u>\$1,960,214</u></u>	<u><u>\$2,039,599</u></u>

1/ Based on ratio of actual 2016 ad valorem taxes paid to average plant balance as of December 31, 2016. See page 35.

2/ Based on the ratio of actual 2016 payroll taxes to labor expense. See page 36.

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

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/ Page 40.

2/ Excludes acquisition adjustment.

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

	Per Books 2016	Projected	
	<u>2016</u>	<u>2017</u>	<u>2018</u>
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 14 for per books and projected straight time labor.

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

	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	<u>110,347,882</u>	<u>112,136,630</u>
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	<u>90,709,593</u>	<u>92,445,704</u>
Depreciation and Amortization Expense	7,985,599	8,365,365
Taxes other Than Income	1,960,214	2,039,599
Total Operating Expenses	<u>100,655,406</u>	<u>102,850,668</u>
Gross Operating Income	\$9,692,476	\$9,285,962
Adjustments to Taxable Income:		
AFUDC Equity Add Back	\$59,300	\$59,300
Permanent Additions	37,500	37,500
Interest 1/	(3,111,939)	(3,330,168)
Total Adjustments to Taxable Income	<u>(3,015,139)</u>	<u>(3,233,368)</u>
Taxable Income	\$6,677,337	\$6,052,594
Federal & State Income Taxes	2,524,134	2,287,971
Full Normalization	(102,409)	(102,409)
Total Income Taxes	<u>\$2,421,725</u>	<u>\$2,185,562</u>

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

	Projected	
	2017	2018
Rate Base 1/	<u>\$131,973,661</u>	<u>\$136,370,517</u>
Weighted Cost of Debt 2/	2.358%	2.442%
Interest Expense	<u><u>\$3,111,939</u></u>	<u><u>\$3,330,168</u></u>

1/ Page 39.

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
- INTERIM -

	Per Books	Projected		Reference
	2016	2017	2018	
Gas Plant in Service	\$245,350,306	\$256,028,189	\$268,555,021	Page 40
Accumulated Reserve for Depreciation	88,119,207	92,733,706	97,589,058	Page 48
Net Gas Plant in Service	<u>\$157,231,099</u>	<u>\$163,294,483</u>	<u>\$170,965,963</u>	
Additions:				
Materials and Supplies	\$2,109,464	\$2,070,029	\$2,070,029	Page 50
Fuel Stock	101,812	95,174	95,174	Page 51
Prepayments	232,480	229,229	249,029	Page 52
Unamortized Loss on Debt	638,319	529,332	470,255	Page 53
Gain on Sale of Building	(316,643)	(299,079)	(281,515)	Page 54
Total Additions	<u>\$2,765,432</u>	<u>\$2,624,685</u>	<u>\$2,602,972</u>	
 Total Before Deductions	 \$159,996,531	 \$165,919,168	 \$173,568,935	
Deductions:				
Accumulated Deferred Income Taxes	\$20,608,456	\$19,987,365	\$21,183,092	Page 56
Customer Advances	12,724,578	13,958,142	16,015,326	Page 55
Total Deductions	<u>\$33,333,034</u>	<u>\$33,945,507</u>	<u>\$37,198,418</u>	
 Total Rate Base	 <u>\$126,663,497</u>	 <u>\$131,973,661</u>	 <u>\$136,370,517</u>	

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

	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>

1/ Page 41.

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

	Per Books 2016	2017		Average 2017	2018		Average 2018
		Additions 1/ \$10,086,199	Retirements 2/ (\$926,574)		Balance \$215,065,049	Retirements 2/ (\$967,793)	
Distribution	\$205,905,424			\$210,485,237			\$220,831,021
<u>General</u>							
Other	\$2,313,627	\$156,105	(\$379,203)	\$2,202,078		\$1,954,291	\$2,022,410
Structures & Improvements	2,194,820	41,695		2,215,668		2,236,515	2,236,515
Computer Equipment	122,721	0	(20,114)	112,664		85,790	94,199
Vehicles	4,081,574	804,127	(668,970)	4,149,153		4,319,366	4,268,049
Work Equipment	3,740,394	2,060,489	(613,051)	4,464,113		6,417,487	5,802,660
Total General	\$12,453,136	\$3,062,416	(\$1,681,338)	\$13,143,676		\$15,013,449	\$14,423,833
General Intangible	\$5,195,880	\$461,208	\$0	\$5,426,484		\$5,657,088	\$5,657,088
<u>Common</u>							
Other	\$2,594,044	\$224,491	(\$418,938)	\$2,496,821		\$2,245,521	\$2,322,559
Structures & Improvements	8,857,468	76,603		8,895,770		9,035,774	8,984,923
Computer Equipment	850,445	140,528	(137,347)	852,036		806,603	830,115
Vehicles	1,092,915	127,226	(176,506)	1,068,275		1,178,362	1,110,999
Total Common	\$13,394,872	\$568,848	(\$732,791)	\$13,312,902		\$13,266,260	\$13,248,596
Common Intangible	\$13,048,910	\$1,027,427	\$0	\$13,562,624		\$14,518,097	\$14,297,217
Acquisition Adjustment	\$97,266	\$0	\$0	\$97,266		\$97,266	\$97,266
Total Gas Plant in Service	\$250,095,488	\$15,206,098	(\$3,340,703)	\$256,028,189		\$275,149,153	\$268,555,021

1/ Page 42.
 2/ Based on three-year average of retirements.

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

	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 43-45.

2/ Pages 46-47.

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

<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				\$4,093,839
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				\$222,544
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				\$364,830
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				\$3,014,622
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				\$272,316
Total Distribution				\$10,086,199

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

<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
- INTERIM -

<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>\$15,206,098</u>

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

<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
- INTERIM -**

<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
- INTERIM -

	Per Books 2016	Projected 2017 1/	Average 2017	Projected 2018 2/	Average 2018
Distribution	\$76,245,272	\$81,549,061	\$78,897,167	\$87,117,866	\$84,333,464
General	3,175,163	1,761,048	2,468,106	126,544	943,797
General Intangible	1,041,531	1,300,353	1,170,942	1,582,236	1,441,295
Common	4,597,411	4,398,935	4,498,174	4,230,321	4,314,629
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>\$95,118,627</u>	 <u>\$92,733,706</u>	 <u>\$100,059,483</u>	 <u>\$97,589,058</u>

1/ Page 32.

2/ Page 33.

**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
- INTERIM -**

<u>Average Working Capital</u>	Per Books 2016	Projected		<u>Reference</u>
		<u>2017</u>	<u>2018</u>	
Materials and Supplies	\$2,109,464	\$2,070,029	\$2,070,029	Page 50
Fuel Stocks	101,812	95,174	95,174	Page 51
Prepayments	232,480	229,229	249,029	Page 52
Unamortized Loss on Debt	638,319	529,332	470,255	Page 53
Gain on Sale of Building	<u>(316,643)</u>	<u>(299,079)</u>	<u>(281,515)</u>	Page 54
Total Average Working Capital	<u>\$2,765,432</u>	<u>\$2,624,685</u>	<u>\$2,602,972</u>	
Customer Advances for Construction	<u>(\$12,724,578)</u>	<u>(\$13,958,142)</u>	<u>(\$16,015,326)</u>	Page 55

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

	Per Books	Projected 1/	
	2016	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
- INTERIM -**

	Per Books	Projected 1/	
	2016	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
- INTERIM -**

	Per Books	Projected 1/	
	2016	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
- INTERIM -**

	Unamortized Loss on Debt	Acc. Deferred Inc. Tax
	<u> </u>	<u> </u>
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	(\$59,077)	\$22,332
Balance at December 31, 2018	440,716	(170,553)
Average Balance	<u>\$470,255</u>	<u>(\$181,719)</u>

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

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

	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
- INTERIM -**

	Per Books 2016	Projected 2017		Projected 2018		
		Changes	Balance	Changes	Balance	Average
<u>Accumulated Deferred Income Taxes</u>						
Liberalized Depreciation	\$26,340,077	\$255,176	\$26,595,253	\$1,777,921	\$28,373,174	\$28,373,174
Full Normalization	492,426	(102,409)	390,017	(102,409)	287,608	338,813
Contribution in Aid of Construction	(1,504,053)	0	(1,504,053)	0	(1,504,053)	(1,504,053)
Customer Advances	(5,259,322)	(775,211)	(6,034,533)	(150,893)	(6,185,426)	(6,109,980)
Unamortized Loss on Debt	215,217	(22,332)	192,885	(22,332)	170,553	181,719
Gain on Sale of Building	(116,816)	6,665	(110,151)	6,665	(103,486)	(106,819)
Acquisition Adjustment	11,837	(1,066)	10,771	(1,066)	9,705	10,238
Balance	\$20,179,366	(\$639,177)	\$19,540,189	\$1,507,886	\$21,048,075	\$21,183,092

1/ Page 57.
2/ Page 53.
3/ Page 54.

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

Month	Weighting For Projection	Monthly Increments	Balance/ Increments	Balance
December 2016	100.00%			\$26,340,077
January 2017	91.78%	\$45,904	\$42,131	26,382,208
February	84.11%	45,904	38,610	26,420,818
March	75.62%	45,904	34,713	26,455,531
April	67.40%	45,904	30,939	26,486,470
May	58.90%	45,904	27,037	26,513,507
June	50.68%	45,904	23,264	26,536,771
July	42.19%	45,904	19,367	26,556,138
August	33.70%	45,904	15,470	26,571,608
September	25.48%	45,904	11,696	26,583,304
October	16.99%	45,904	7,799	26,591,103
November	8.77%	45,904	4,026	26,595,129
December	0.27%	45,902	124	26,595,253
Total		<u>\$550,846</u>	<u>\$255,176</u>	
December 2017	100.00%			\$26,595,253
January 2018	91.78%	\$319,833	293,543	26,888,796
February	84.11%	319,833	269,012	27,157,808
March	75.62%	319,833	241,858	27,399,666
April	67.40%	319,833	215,567	27,615,233
May	58.90%	319,833	188,382	27,803,615
June	50.68%	319,833	162,091	27,965,706
July	42.19%	319,833	134,938	28,100,644
August	33.70%	319,833	107,784	28,208,428
September	25.48%	319,833	81,493	28,289,921
October	16.99%	319,833	54,340	28,344,261
November	8.77%	319,833	28,049	28,372,310
December	0.27%	319,831	864	28,373,174
Total		<u>\$3,837,994</u>	<u>\$1,777,921</u>	
		<u>Projected</u>		
		<u>2017</u>	<u>2018</u>	
Prior year December ADIT balance		\$26,340,077	\$19,540,189	
Projected additions 1/		550,846	3,837,994	
Projected ADIT		<u>\$26,890,923</u>	<u>\$23,378,183</u>	
Change in DITs		550,846	3,837,994	
Monthly Increment		<u><u>\$45,904</u></u>	<u><u>\$319,833</u></u>	

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

	Projected	
	2017	2018
Plant related tax deductions		
Book depreciation	(\$8,107,729)	(\$8,500,635)
Tax Depreciation	9,564,936	18,653,655
Total tax deductions	<u>\$1,457,207</u>	<u>\$10,153,020</u>
Change in ADIT @ 37.8015%	<u>\$550,846</u>	<u>\$3,837,994</u>

**MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - NORTH DAKOTA
CALCULATION OF INTERIM REVENUE INCREASE**

Rate Class	Projected 2018 1/					Interim Increase 2/		Effective Interim Rate
	Billing Units	Dk	Distribution Revenues	Gas Costs	Total Revenues	Increase in Revenues	% Increase	
Residential	96,792	8,826,214	\$22,762,526	\$35,438,763	\$58,201,289	\$2,842,129	4.883%	12.486%
Firm General Service	15,560	8,035,663	11,785,787	32,286,200	44,071,987	1,471,573	3.339%	12.486%
Air Force								
Firm	1	32,523	12,800	130,449	143,249	1,598		
Interruptible	2	457,577	107,091	1,354,520	1,461,611	13,371		
Total Air Force	3	490,100	119,891	1,484,969	1,604,860	14,969	0.933%	12.486%
Small Interruptible								
Sales	92	572,872	830,234	1,702,576	2,532,810	103,663		12.486%
Transportation	63	1,104,513	870,115	0	870,115	108,643		12.486%
Total Small IT	155	1,677,385	1,700,349	1,702,576	3,402,925	212,306	6.239%	
Large Interruptible								
Sales	0	0	0	0	0	0		0.000%
Transportation	6	4,321,943	1,327,781	0	1,327,781			
Less: Contracts 3/	3	3,990,402	1,168,206	0	1,168,206			
	3	331,541	159,575	0	159,575	19,925		12.486%
Total Large IT	6	4,321,943	1,327,781	0	1,327,781	19,925	1.501%	
Total North Dakota	112,516	23,351,305	\$37,696,334	\$70,912,508	\$108,608,842	\$4,560,902	4.199%	

Less: Large IT Transport Contract Distribution Rev 3/ 1,168,206
\$36,528,128

Interim Increase 4/ \$4,561,074
12.486% Increase

1/ Statement N, Page 2.

2/ Interim increase allocated to non-gas components. Percentage increase applied to distribution components only.

3/ Interim increase not applicable to Large Interruptible Transportation Service contracts.

4/ Page 1, Appendix B.