



UTILITIES CO.

A Division of MDU Resources Group, Inc.

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

December 12, 2013

Ms. Kate Whitney, Administrator
Utility Division
Montana Public Service Commission
1701 Prospect Avenue
Helena, MT 59620

Re: Substitute 110th Revised Sheet No. 3
D2012.9.100 & 2013.9.64

Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., respectfully submits a substitute Rate Summary Sheet designated as 110th Revised Sheet No. 3 in compliance with the Stipulation in Docket No. D2012.9.100 approved by the Commission on December 12, 2013.

Pursuant to Section 8 of the Stipulation Agreement, landfill gas from the Billings Landfill Gas Production Project used to supply natural gas to Montana-Dakota's Montana gas customers shall be reflected in the Company's gas cost tracking adjustment at the then current CIG index plus transportation of \$.0312 per dk.

Applying this provision to the gas cost calculation previously submitted in the December 2013 Gas Cost Tracking Adjustment filing results in an increase of \$.006 per dk from the Gas Cost Tracking Adjustment effective December 1, 2013.

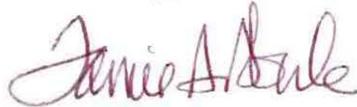
Exhibit 1 is the substitute Rate Summary Sheet (110th Revised Sheet No. 3), previously submitted as Exhibit 3-1 to the Stipulation in Docket No. D2012.9.100 showing the revised Cost of Gas component and the distribution rates to be effective with service rendered on and after December 15, 2013.

The Tracking Adjustment Tariff Sheet (Exhibit 2) summarizes the current gas cost adjustment calculated pursuant to the terms of Rate 88 that will apply effective with service rendered on and after December 15, 2013.

Exhibit 3 shows the calculation of the current gas cost adjustment that will be applicable to Montana-Dakota's customers effective with services rendered December 15, 2013. The average cost of gas for firm customers, adjusted for losses, is \$4.802.

Please acknowledge receipt by stamping or initialing the duplicate copy of this letter attached hereto and returning the same in the enclosed self-addressed, stamped envelope.

Sincerely,



Tamie A. Aberle
Director of Regulatory Affairs

Attachments

cc: J. Alke
Montana Consumer Counsel

Public Service Commission of Montana



Montana-Dakota Utilities Co.
 A Division of MDU Resources Group, Inc.
 400 N 4th Street
 Bismarck, ND 58501

Natural Gas Service

Volume No. 6
 110th Revised Sheet No. 3
 Canceling 109th Revised Sheet No. 3

RATE SUMMARY SHEET

Page 1 of 1

Rate Schedule	Sheet No.	Basic Service Charge	Distribution Delivery Charge	CTA	Cost of Gas	Total Rate/ Dk
Residential Rate 60	11	\$0.23 per day	\$1.190	\$0.000	\$5.006	\$6.196
Firm General Service Rate 70 Meters rated < 500 cubic feet Meters rated > 500 cubic feet	21	\$0.40 per day \$0.80 per day	\$1.447	\$0.000	\$5.006	\$6.453
Small Interruptible Gas Rate 71	22	\$175.00 per month	(Maximum) \$0.744		\$4.231	(Maximum) \$4.975
Optional Seasonal Gas Service Rate 72 Meters rated < 500 cubic feet Meters rated > 500 cubic feet	23	\$0.40 per day \$0.80 per day	\$1.447	\$0.000	\$5.098	\$6.545
Transportation Service Small Interruptible Rate 81 Maximum Minimum Fuel Charge Large Interruptible Rate 82 Maximum Minimum Fuel Charge	32	\$225.00 per month \$655.00 per month	 \$0.744 \$0.101 \$0.500 \$0.050		 \$0.028 \$0.028	
Large Interruptible Gas Rate 85	34	\$605.00 per month	(Maximum) \$0.500		\$4.231	(Maximum) \$4.731

Issued: December 12, 2013

By: Tamie A. Aberle
 Director - Regulatory Affairs

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MONTANA-DAKOTA UTILITIES CO.
 TRACKING ADJUSTMENT TARIFF SHEET
 MONTANA GAS - COMPLIANCE FILING FOR SETTLEMENT
 EFFECTIVE DECEMBER 15, 2013

	Firm		Small & Large Interruptible
	Residential and General Service	Optional Seasonal	
<u>Gas Cost Adjustment:</u>			
Gas Cost Level (Exhibit 3)	\$4.802	\$4.894	\$3.853
Prior Gas Cost	<u>4.796</u>	<u>4.888</u>	<u>3.847</u>
Current Gas Cost Adjustment	\$0.006	\$0.006	\$0.006
<u>Unreflected Gas Cost Adjustment:</u>			
Current Unreflected Adjustment	\$0.204	\$0.204	\$0.378
Prior Unreflected Adjustment	<u>0.204</u>	<u>0.204</u>	<u>0.378</u>
Change in Unreflected Adjustment	\$0.000	\$0.000	\$0.000
Net Increase (Decrease) in Gas Costs	<u>\$0.006</u>	<u>\$0.006</u>	<u>\$0.006</u>
Gas Cost Level	\$4.802	\$4.894	\$3.853
Plus: Unreflected Gas Cost Adjustment	<u>0.204</u>	<u>0.204</u>	<u>0.378</u>
Total Gas Cost Level in Tariff Rates	<u>\$5.006</u>	<u>\$5.098</u>	<u>\$4.231</u>

**MONTANA-DAKOTA UTILITIES CO.
 COMPUTATION OF CURRENT GAS COST ADJUSTMENT
 MONTANA GAS - COMPLIANCE FILING FOR SETTLEMENT
 MONTANA - RESIDENTIAL AND GENERAL SERVICE
 EFFECTIVE DECEMBER 15, 2013**

	Amount
Total Gas Costs 1/	\$47,703,328
Residential and General Service dk Requirements 2/	10,006,457
Average Cost of Gas per dk	\$4.767
Average Cost of Gas per dk Adjusted for Losses @ 99.28% 3/	4.802
Less: Gas Cost Level in Rates 4/	4.796
Current Gas Cost Adjustment	\$0.006

- 1/ Includes all pipeline demand and commodity charges. See Exhibit 3, pages 4 - 6 for WBI Energy Transmission, Inc currently effective rates.
- 2/ Normalized dk sales for the twelve months ended September 30, 2013, adjusted for losses at .72%.
- 3/ Docket No. D2002.5.59.
- 4/ Gas Cost Level in Current Tariff Rates Docket No. D2013.9.64 effective December 1, 2013:

Cost of Purchased Gas	\$4.761
Adjustment for Distribution Losses	0.9928
Gas Cost Level in Base Tariff Rates	\$4.796

**MONTANA-DAKOTA UTILITIES CO.
 CURRENT GAS COST ADJUSTMENT - MONTANA
 MONTANA GAS - COMPLIANCE FILING FOR SETTLEMENT
 OPTIONAL SEASONAL - RATE 72
 EFFECTIVE DECEMBER 15, 2013**

Total Gas Costs 1/	\$47,703,328
Less: Annual MDDQ Costs 1/	<u>9,110,261</u>
Total Gas Costs excluding MDDQ	\$38,593,067
Firm Service Requirements 1/	10,006,457
Other Gas Costs per Dk (excluding MDDQ)	\$3.857
<u>Winter - October - May</u> Annual MDDQ Costs 1/	\$9,110,261
Winter Firm Service Requirements	9,096,360
MDDQ Costs per Winter Dk	\$1.002
Add: Other Gas Costs per Dk	<u>3.857</u>
Winter Seasonal Rate	\$4.859
Winter Seasonal Rate, adjusted for losses 2/	\$4.894
Less: Gas Cost Level in Rates 3/	<u>4.888</u>
Current Gas Cost Adjustment	<u><u>\$0.006</u></u>

1/ Exhibit 3a, page 1.

2/ Loss factor of .72%.

3/ Gas Cost Level in Current Tariff Rates Docket No. D2013.9.64 effective December 1, 2013:

	<u>Summer</u>	<u>Winter</u>
Cost of Purchased Gas	\$3.851	\$4.853
Adjustment for Distribution Losses	0.9928	0.9928
Gas Cost Level in Base Tariff Rates	\$3.879	\$4.888

**MONTANA-DAKOTA UTILITIES CO.
 COMPUTATION OF CURRENT GAS COST ADJUSTMENT
 MONTANA GAS - COMPLIANCE FILING FOR SETTLEMENT
 MONTANA - INTERRUPTIBLE
 EFFECTIVE DECEMBER 15, 2013**

	Amount
Total Gas Costs 1/	\$15,438,543
Interruptible dk Requirements 2/	4,036,335
Average Cost of Gas per dk	\$3.825
Average Cost of Gas per dk Adjusted for Losses @ 99.28% 3/	3.853
Less: Gas Cost Level in Rates 4/	3.847
Current Gas Cost Adjustment	\$0.006

1/ Includes all pipeline demand and commodity charges. See Exhibit 3, pages 4 - 6 for WBI Energy Transmission, Inc currently effective rates.

2/ Reflects level of interruptible dk volumes included in Docket No. D2002.5.59.

3/ Docket No. D2002.5.59.

4/ Gas Cost Level in Current Tariff Rates Docket No. D2013.9.64 effective December 1, 2013:

Cost of Purchased Gas	\$3.819
Adjustment for Distribution Losses	0.9928
Gas Cost Level in Base Tariff Rates	\$3.847