YEAR ENDING JUNE 30, 2008

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PUBLIC SERVICE
COMMISSION

ANNUAL REPORT
OF

CUT BANK GAS COMPANY

GAS UTILITY

TO THE
PUBLIC SERVICE COMMISSION
STATE OF MONTANA
1701 PROSPECT AVENUE
P.O. BOX 202601
HELENA, MT 59620-2601

2008 Gas Annual Report

Instructions

General

1. A Microsoft EXCEL workbook of the annual report is provided on our website for your convenience. The workbook contains the schedules of the annual report. Each schedule is on the worksheet named that schedule. For example, Schedule 1 is on the sheet titled "Schedule 1". By entering your company name in the cell named "Company" of the first worksheet, the spreadsheet will put your company name on all the worksheets in the workbook. The same is true for inputting the year of the report in the cell named "YEAR". You can "GOTO" the proper cell by using the F5 key and selecting the name of the cell. You may also obtain these instructions and the report in both an Adobe Acrobat© format and as an EXCEL© file from our website at **http://psc.mt.gov**. Please be sure you use the 2006 report form.

2. The use of the EXCEL© file is optional.

3. All forms must be filled out in permanent ink and be legible. Note: Even if the computer disk is used, a printed version of the report shall be filed. **Please submit one unbound copy of the annual report along with the regular number of annual reports that you submit.** This aids in scanning the report so that it may be published on our web site. The orientation and margins are set up on each individual worksheet and should print on one page. If you elect not to use the disk, please format your reports to fit on one 8.5'' by 11'' page with the left binding edge (top if landscaped) set at .85'', the right edge (bottom if landscaped) set at .4'', and the remaining two margins at .5''

4. Indicate negative amounts (such as decreases) by enclosing the figures in parentheses ( ).

5. Where space is a consideration, information on financial schedules may be rounded to thousands of dollars. Companies submitting schedules rounded to thousands shall so indicate at the top of the schedule.

6. Where more space is needed or more than one schedule is needed additional schedules may be attached and shall be included directly behind the original schedule to which it pertains and be labeled accordingly (for example, Schedule 1A).

7. The information required with respect to any statement shall be furnished as a minimum requirement to which shall be added such further information as is necessary to make the required schedules not misleading.

8. All companies owned by another company shall attach a corporate structure chart of the holding company.

9. Schedules that have no activity during the year or are not applicable to the respondent shall be marked as not applicable and submitted with the report.

10. The following schedules shall be filled out with information on a total company basis:

    Schedules 1 through 5
    Schedules 6 and 7
    Schedule 14
    Schedule 17 and 18
    Schedules 23 through 26
    Schedule 33

    All other schedules shall be filled out with either Montana specific data, or both total company and Montana specific data, as indicated in the schedule titles and headings.

    Financial schedules shall include all amounts originating in Montana or allocated to Montana from other jurisdictions.

11. For schedules where information may be provided using Mcf or Dkt, circle Mcf or Dkt to indicate which measurement is being reported. (For example, schedules 28, 32, 33 and 34).

12. FERC Form-2 sheets may not be substituted in lieu of completing annual report schedules.

13. Common sense must be used when filling out all schedules.

Specific Instructions

Schedules 6 and 7

1. All transactions with affiliated companies shall be reported. The definition of affiliated companies as set out in 18 C.F.R. Part 201 shall be used.

2. Column (c). Respondents shall indicate in column (c) the method used to determine the price. Respondents shall indicate if a contract is in place between the Affiliate and the Utility. If a contract is in place, respondents shall indicate the year the contract was initiated, the term of the contract and the method used to determine the contract price.

3. Column (c). If the method used to determine the price is different than the previous year, respondents shall provide an explanation, including the reason for the change.

Schedules 8, 18, and 23

1. Include all notes to the financial statements required by the FERC or included in the financial statements issued as audited financial statements. These notes shall be included in the report directly behind the schedules and shall be labeled appropriately (Schedule 8A, etc.).

Schedule 12

1. Respondents shall disclose all payments made during the year for services where the aggregate payment to the recipient was $5,000 or more. Utilities having jurisdictional revenue equal to or in excess of $1,000,000 shall report aggregate payments of $25,000 or more. Utilities having jurisdictional revenue equal to or in excess of $10,000,000 shall report aggregate payments of $75,000 or more. Payments must include fees, retainers, commissions, gifts, contributions, assessments, bonuses, subscriptions, allowances for expenses or any other form of payment for services or as a donation.

Schedule 14

1. Companies with more than one plan (for example, both a retirement plan and a deferred savings plan) shall complete a schedule for each plan.

2. Companies with defined benefit plans must complete the entire form using FASB 87 and132 guidelines.

3. Interest rate percentages shall be listed to two decimal places.

Schedule 15

1. All changes in the employee benefit plans shall be explained in a narrative on lines 15 and 16. All cost containment measures implemented in the reporting year shall be explained and quantified in a narrative on lines 15 and 16. All assumptions used in quantifying cost containment results shall be disclosed.

2. Schedule 15 shall be filled out using FASB 106 and 132 guidelines.

Schedule 16

1. Include in the "other" column ALL additional forms of compensation, including, but not limited to: deferred compensation, deferred savings plan, profit sharing, supplemental or non-qualified retirement plan, employee stock ownership plan, restricted stock, stock options, stock appreciation rights, performance share awards, dividend equivalent shares, mortgage payments, use of company cars or car lease payments, tax preparation consulting, financial consulting, home security systems, company-paid physicals, subscriptions to periodicals, memberships, association or club dues, tuition reimbursement, employee discounts, and spouse travel.

2. The above compensation items shall be listed separately. Where more space is needed additional schedules may be attached directly behind the original schedule.

Schedule 17

1. Respondents shall provide all executive compensation information in conformance with that required by the Securities and Exchange Commission (SEC) (Regulation S-K Item 402, Executive Compensation).

2. Include in the "other" column ALL additional forms of compensation, including, but not limited to: deferred compensation, deferred savings plan, profit sharing, supplemental or non-qualified retirement plan, employee stock ownership plan, restricted stock, stock options, stock appreciation rights, performance share awards, dividend equivalent shares, mortgage payments, use of company cars or car lease payments, tax preparation consulting, financial consulting, home security systems, company-paid physicals, subscriptions to periodicals, memberships, association or club dues, tuition reimbursement, employee discounts, and spouse travel.

3. All items included in the "other" compensation column shall be listed separately. Where more space is needed additional schedules may be attached directly behind the original schedule.

4. In addition, respondents shall attach a copy of the executive compensation information provided to the SEC.

Schedule 24

1. Interest expense and debt issuance expense shall be included in the annual net cost column.

Schedule 26

2. Earnings per share and dividends per share shall be reported on a quarterly basis and entries shall be made only to the months that end the respective quarters (for example, March, June, September, and December.)

3. The retention and price/earnings ratios shall be calculated on a year end basis. Enter the actual year end market price in the "TOTAL Year End" row. If the computer disk is used, enter the year end market price in the "High" column.

Schedule 27

1. All entries to lines 9 or 16 must be detailed separately on an attached sheet.

2. Only companies who have specifically been authorized in a Commission Order to include cash working capital in ratebase may include cash working capital in lines 9 or 16. Cash working capital must be calculated using the methodology approved in the Commission Order. The Commission Order specifying cash working capital shall be noted on the attached sheet.

3. Indicate, for each adjustment on lines 28 through 46, if the amount is updated or is from the last rate case. All adjustments shall be calculated using Commission methodology.

Schedule 28

1. Information from this schedule is consolidated with information from other Utilities and reported to the National Association of Regulatory Utility Commissioners (NARUC). Your assistance in completing this schedule, even though information may be located in other areas of the annual report, expedites reporting to the NARUC and is appreciated.

Schedule 31

1. This schedule shall be completed for the year following the reporting year.

2. Respondents shall itemize projects of $50,000 or more. Utilities having jurisdictional revenue equal to or in excess of $1,000,000 shall itemize projects of $100,000 or more. Utilities having jurisdictional revenue equal to or in excess of $10,000,000 shall itemize projects of $1,000,000 or more. All projects that are not itemized shall be reported in aggregate and labeled as Other.

Schedule 34

1. In addition to a description, the year the program was initiated and the projected life of the program shall be included in the program description column.

2. On an attached sheet, define program "participant" and program conservation "unit" for each program. Also, provide the number of program participants and the number of units acquired or processed during this reporting year.

Schedule 36a

1. Contracted or committed current year expenditures include those expenditures that derive from preexisting contracts or commitments related to current year program activity but which will actually occur in a year other than the current year.

2. Expected average annual bill savings from weatherization should reflect average household bill savings based on the total households weatherized and the combined savings of all weatherization measures installed.

Gas Annual Report

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Company Name: **Cut Bank Gas Company** **SCHEDULE 1**

IDENTIFICATION

Year: **2008**

1.	Legal Name of Respondent:	Cut Bank Gas Company
2.	Name Under Which Respondent Does Business:	Cut Bank Gas Company
3.	Date Utility Service First Offered in Montana:	November 19, 1956
4.	Address to send Correspondence Concerning Report:	403 E. Main Cut Bank, MT 59427
5.	Person Responsible for This Report:	Daniel F. Whetstone
5a.	Telephone Number:	(406) 873-5531

Control Over Respondent

1. If direct control over the respondent was held by another entity at the end of year provide the following:
   1a. Name and address of the controlling organization or person:

   1b. Means by which control was held:

   1c. Percent Ownership:

SCHEDULE 2

Board of Directors

Line No.	Name of Director and Address (City, State) (a)		Remuneration (b)
1	Daniel F. Whetstone	Cut Bank, Montana	Proprietary
2	James R. DeKaye	Cut Bank, Montana	
3	David F. Stufft	Kalispell, Montana	
4	Daniel J. Konen	Great Falls, Montana	
5	D. Jasen Whetstone	Princeton, Texas	
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			

Company Name: Cut Bank Gas Company **SCHEDULE 3**

Officers

Year: 2008

Line No.	Title of Officer (a)	Department Supervised (b)	Name (c)
1	President	All	Daniel F. Whetstone
2	Vice-President	None	James R. DeKaye
3	Secretary	None	David F. Stufft
4	Treasurer	None	Daniel J. Konen
5			
6			
7			
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49			
50			

Company Name: Cut Bank Gas Company **SCHEDULE 4**

CORPORATE STRUCTURE

Year: 2008

	Subsidiary/Company Name	Line of Business	Earnings	Percent of Total
1				
2	Not applicable, Cut Bank Gas Company has no affiliates.			
3				
4				
5				
6				
7				
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10				
11				
12				
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43				
44				
45				
46				
47				
48				
49				
50	**TOTAL**			

Company Name: Cut Bank Gas Company **SCHEDULE 5**

CORPORATE ALLOCATIONS

Year: 2008

	Items Allocated	Classification	Allocation Method	$ to MT Utility	MT %	$ to Other
1						
2	Cut Bank Gas Company has no corporate allocations.					
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
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21						
22						
23						
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26						
27						
28						
29						
30						
31						
32						
33						
34	**TOTAL**					

Company Name: Cut Bank Gas Company

SCHEDULE 6

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY

Year: 2008

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Utility	(e) % Total Affil. Revs.	(f) Charges to MT Utility
1						
2	Not applicable, Cut Bank Gas Company has no affiliates.					
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
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21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32	**TOTAL**					

Company Name: Cut Bank Gas Company **SCHEDULE 7**

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY Year: 2008

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Affiliate	(e) % Total Affil. Exp.	(f) Revenues to MT Utility
1						
2	Not applicable, Cut Bank Gas Company has no affiliates.					
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
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24						
25						
26						
27						
28						
29						
30						
31						
32	**TOTAL**					

Company Name: Cut Bank Gas Company **SCHEDULE 8**

MONTANA UTILITY INCOME STATEMENT

Year: 2008

	Account Number & Title		Last Year	This Year	% Change
1	400	Operating Revenues	2,088,271	2,356,165	12.83%
2					
3		Operating Expenses			
4	401	Operation Expenses	1,885,720	2,195,880	16.45%
5	402	Maintenance Expense	90,277	98,728	9.36%
6	403	Depreciation Expense	33,685	35,017	3.95%
7	404-405	Amort. & Depl. of Gas Plant	-	-	
8	406	Amort. of Gas Plant Acquisition Adjustments	-	-	
9	407.1	Amort. of Property Losses, Unrecovered Plant			
10		& Regulatory Study Costs	-	-	
11	407.2	Amort. of Conversion Expense	-	-	
12	408.1	Taxes Other Than Income Taxes	66,233	76,010	14.76%
13	409.1	Income Taxes - Federal	-	-	
14		- Other	50	50	
15	410.1	Provision for Deferred Income Taxes	2,816	-	-100.00%
16	411.1	(Less) Provision for Def. Inc. Taxes - Cr.	-	(10,119)	#DIV/0!
17	411.4	Investment Tax Credit Adjustments	-	-	
18	411.6	(Less) Gains from Disposition of Utility Plant	-	-	
19	411.7	Losses from Disposition of Utility Plant	-	-	
20		**TOTAL Utility Operating Expenses**	2,078,781	2,395,566	15.24%
21		**NET UTILITY OPERATING INCOME**	9,490	(39,401)	-515.18%

MONTANA REVENUES

SCHEDULE 9

	Account Number & Title		Last Year	This Year	% Change
1		Sales of Gas			
2	480	Residential	2,075,278	2,346,052	13.05%
3	481	Commercial & Industrial - Small	-	-	
4		Commercial & Industrial - Large	-	-	
5	482	Other Sales to Public Authorities	-	-	
6	484	Interdepartmental Sales	-	-	
7	485	Intracompany Transfers	-	-	
8		**TOTAL Sales to Ultimate Consumers**	2,075,278	2,346,052	13.05%
9	483	Sales for Resale	-		
10		**TOTAL Sales of Gas**	2,075,278	2,346,052	13.05%
11		Other Operating Revenues			
12	487	Forfeited Discounts & Late Payment Revenues	-	-	
13	488	Miscellaneous Service Revenues	6,601	5,422	-17.86%
14	489	Revenues from Transp. of Gas for Others	-	-	
15	490	Sales of Products Extracted from Natural Gas	-	-	
16	491	Revenues from Nat. Gas Processed by Others	-	-	
17	492	Incidental Gasoline & Oil Sales	-	-	
18	493	Rent From Gas Property	-	-	
19	494	Interdepartmental Rents	-	-	
20	495	Other Gas Revenues (Schedule 9A)	6,392	4,691	-26.61%
21		**TOTAL Other Operating Revenues**	12,993	10,113	-22.17%
22		**Total Gas Operating Revenues**	2,088,271	2,356,165	12.83%
23					
24	496	(Less) Provision for Rate Refunds	-	-	
25					
26		**TOTAL Oper. Revs. Net of Pro. for Refunds**	2,088,271	2,356,165	12.83%

SCHEDULE 9A

CUT BANK GAS CO.
SCHEDULE TO ATTACH TO PSC REPORT
JUNE 30, 2008

LINE 20 SCH 9 OTHER GAS REVENUE

	LAST YEAR	THIS YEAR	% CHANGE
Interest Income	5,409	3,197	-40.89%
Patronage Dividend	166	273	64.46%
Loss on Investment in Cooperatives	(341)	-	-100.00%
Miscellaneous	1,158	1,221	5.44%
Totals	**6,392**	**4,691**	**-26.61%**

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2008

	Account Number & Title		Last Year	This Year	% Change
1		**Production Expenses**			
2	Production & Gathering - Operation				
3	750	Operation Supervision & Engineering	26,666	33,717	26.44%
4	751	Production Maps & Records	-	-	
5	752	Gas Wells Expenses	-	-	
6	753	Field Lines Expenses	-	-	
7	754	Field Compressor Station Expenses	6,128	6,413	4.65%
8	755	Field Compressor Station Fuel & Power	-	-	
9	756	Field Measuring & Regulating Station Expense	-	-	
10	757	Purification Expenses	-	-	
11	758	Gas Well Royalties	14,686	15,588	6.14%
12	759	Other Expenses	-	-	
13	760	Rents	-	-	
14		**Total Operation - Natural Gas Production**	47,480	55,718	17.35%
15	Production & Gathering - Maintenance				
16	761	Maintenance Supervision & Engineering	-	-	
17	762	Maintenance of Structures & Improvements	-	-	
18	763	Maintenance of Producing Gas Wells	7,579	21,325	181.37%
19	764	Maintenance of Field Lines	2,269	687	-69.72%
20	765	Maintenance of Field Compressor Sta. Equip.	-	-	
21	766	Maintenance of Field Meas. & Reg. Sta. Equip.	-	-	
22	767	Maintenance of Purification Equipment	-	-	
23	768	Maintenance of Drilling & Cleaning Equip.	-	-	
24	769	Maintenance of Other Equipment	-	-	
25		**Total Maintenance- Natural Gas Prod.**	9,848	22,012	123.52%
26		**TOTAL Natural Gas Production & Gathering**	57,328	77,730	35.59%
27	Products Extraction - Operation				
28	770	Operation Supervision & Engineering	-	-	
29	771	Operation Labor	-	-	
30	772	Gas Shrinkage	-	-	
31	773	Fuel	-	-	
32	774	Power	-	-	
33	775	Materials	-	-	
34	776	Operation Supplies & Expenses	-	-	
35	777	Gas Processed by Others	-	-	
36	778	Royalties on Products Extracted	-	-	
37	779	Marketing Expenses	-	-	
38	780	Products Purchased for Resale	-	-	
39	781	Variation in Products Inventory	-	-	
40	782	(Less) Extracted Products Used by Utility - Cr.	-	-	
41	783	Rents	-	-	
42		**Total Operation - Products Extraction**	-	-	
43	Products Extraction - Maintenance				
44	784	Maintenance Supervision & Engineering	-	-	
45	785	Maintenance of Structures & Improvements	-	-	
46	786	Maintenance of Extraction & Refining Equip.	-	-	
47	787	Maintenance of Pipe Lines	-	-	
48	788	Maintenance of Extracted Prod. Storage Equip.	-	-	
49	789	Maintenance of Compressor Equipment	-	-	
50	790	Maintenance of Gas Meas. & Reg. Equip.	-	-	
51	791	Maintenance of Other Equipment	-	-	
52		**Total Maintenance - Products Extraction**	-	-	
53		**TOTAL Products Extraction**	-	-	

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2008

	Account Number & Title		Last Year	This Year	% Change
1		**Production Expenses - continued**			
2					
3	Exploration & Development - Operation				
4	795	Delay Rentals	-	-	
5	796	Nonproductive Well Drilling	-	-	
6	797	Abandoned Leases	-	-	
7	798	Other Exploration	-	-	
8		**TOTAL Exploration & Development**	-	-	
9					
10	Other Gas Supply Expenses - Operation				
11	800	Natural Gas Wellhead Purchases	-	-	
12	800.1	Nat. Gas Wellhead Purch., Intracomp. Trans.	-	-	
13	801	Natural Gas Field Line Purchases	-	-	
14	802	Natural Gas Gasoline Plant Outlet Purchases	-	-	
15	803	Natural Gas Transmission Line Purchases	-	-	
16	804	Natural Gas City Gate Purchases	1,325,105	1,603,099	20.98%
17	805	Other Gas Purchases	-	-	
18	805.1	Purchased Gas Cost Adjustments	-	-	
19	805.2	Incremental Gas Cost Adjustments	-	-	
20	806	Exchange Gas	-	-	
21	807.1	Well Expenses - Purchased Gas	-	-	
22	807.2	Operation of Purch. Gas Measuring Stations	-	-	
23	807.3	Maintenance of Purch. Gas Measuring Stations	-	-	
24	807.4	Purchased Gas Calculations Expenses	-	-	
25	807.5	Other Purchased Gas Expenses	-	-	
26	808.1	Gas Withdrawn from Storage -Dr.	-	-	
27	808.2	(Less) Gas Delivered to Storage -Cr.	-	-	
28	809.2	(Less) Deliveries of Nat. Gas for Processing-Cr.	-	-	
29	810	(Less) Gas Used for Compressor Sta. Fuel-Cr.	-	-	
30	811	(Less) Gas Used for Products Extraction-Cr.	-	-	
31	812	(Less) Gas Used for Other Utility Operations-Cr.	-	-	
32	813	Other Gas Supply Expenses	-	-	
33		**TOTAL Other Gas Supply Expenses**	1,325,105	1,603,099	20.98%
34					
35		**TOTAL PRODUCTION EXPENSES**	1,382,433	1,680,829	21.58%

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2008

	Account Number & Title		Last Year	This Year	% Change
1	**Storage, Terminaling & Processing Expenses**				
2					
3	Underground Storage Expenses - Operation				
4	814	Operation Supervision & Engineering	-	-	
5	815	Maps & Records	-	-	
6	816	Wells Expenses	-	-	
7	817	Lines Expenses	-	-	
8	818	Compressor Station Expenses	Cut Bank Gas Company has no expense		
9	819	Compressor Station Fuel & Power	of this nature on this page.		
10	820	Measuring & Reg. Station Expenses	-	-	
11	821	Purification Expenses	-	-	
12	822	Exploration & Development	-	-	
13	823	Gas Losses	-	-	
14	824	Other Expenses	-	-	
15	825	Storage Well Royalties	-	-	
16	826	Rents	-	-	
17		**Total Operation - Underground Strg. Exp.**	-	-	
18					
19	Underground Storage Expenses - Maintenance				
20	830	Maintenance Supervision & Engineering	-	-	
21	831	Maintenance of Structures & Improvements	-	-	
22	832	Maintenance of Reservoirs & Wells	-	-	
23	833	Maintenance of Lines	-	-	
24	834	Maintenance of Compressor Station Equip.	-	-	
25	835	Maintenance of Meas. & Reg. Sta. Equip.	-	-	
26	836	Maintenance of Purification Equipment	-	-	
27	837	Maintenance of Other Equipment	-	-	
28		**Total Maintenance - Underground Storage**	-	-	
29		**TOTAL Underground Storage Expenses**	-	-	
30					
31	Other Storage Expenses - Operation				
32	840	Operation Supervision & Engineering	-	-	
33	841	Operation Labor and Expenses	-	-	
34	842	Rents	-	-	
35	842.1	Fuel	-	-	
36	842.2	Power	-	-	
37	842.3	Gas Losses	-	-	
38		**Total Operation - Other Storage Expenses**	-	-	
39					
40	Other Storage Expenses - Maintenance				
41	843.1	Maintenance Supervision & Engineering	-	-	
42	843.2	Maintenance of Structures & Improvements	-	-	
43	843.3	Maintenance of Gas Holders	-	-	
44	843.4	Maintenance of Purification Equipment	-	-	
45	843.6	Maintenance of Vaporizing Equipment	-	-	
46	843.7	Maintenance of Compressor Equipment	-	-	
47	843.8	Maintenance of Measuring & Reg. Equipment	-	-	
48	843.9	Maintenance of Other Equipment	-	-	
49		**Total Maintenance - Other Storage Exp.**	-	-	
50		**TOTAL - Other Storage Expenses**	-	-	
51					
52	**TOTAL - STORAGE, TERMINALING & PROC.**		-	-	

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2008

	Account Number & Title		Last Year	This Year	% Change
1		**Transmission Expenses**			
2	Operation				
3	850	Operation Supervision & Engineering	-	-	
4	851	System Control & Load Dispatching	-	-	
5	852	Communications System Expenses	-	-	
6	853	Compressor Station Labor & Expenses	-	-	
7	854	Gas for Compressor Station Fuel	-	-	
8	855	Other Fuel & Power for Compressor Stations	-	-	
9	856	Mains Expenses	-	-	
10	857	Measuring & Regulating Station Expenses	-	-	
11	858	Transmission & Compression of Gas by Others	-	-	
12	859	Other Expenses	-	-	
13	860	Rents	-	-	
14		**Total Operation - Transmission**	-	-	
15	Maintenance				
16	861	Maintenance Supervision & Engineering	-	-	
17	862	Maintenance of Structures & Improvements	-	-	
18	863	Maintenance of Mains	-	-	
19	864	Maintenance of Compressor Station Equip.	-	-	
20	865	Maintenance of Measuring & Reg. Sta. Equip.	-	-	
21	866	Maintenance of Communication Equipment	-	-	
22	867	Maintenance of Other Equipment	-	-	
23		**Total Maintenance - Transmission**	-	-	
24		**TOTAL Transmission Expenses**	-	-	
25		**Distribution Expenses**			
26	Operation				
27	870	Operation Supervision & Engineering	6,694	7,593	13.43%
28	871	Distribution Load Dispatching	-	-	
29	872	Compressor Station Labor and Expenses	-	-	
30	873	Compressor Station Fuel and Power	-	-	
31	874	Mains and Services Expenses	41,384	44,525	7.59%
32	875	Measuring & Reg. Station Exp.-General	-	-	
33	876	Measuring & Reg. Station Exp.-Industrial	-	-	
34	877	Meas. & Reg. Station Exp.-City Gate Ck. Sta.	-	-	
35	878	Meter & House Regulator Expenses	22,171	25,623	15.57%
36	879	Customer Installations Expenses	13,177	19,450	47.61%
37	880	Other Expenses	3,218	3,417	6.18%
38	881	Rents	-	-	
39		**Total Operation - Distribution**	86,644	100,608	16.12%
40	Maintenance				
41	885	Maintenance Supervision & Engineering	-	-	
42	886	Maintenance of Structures & Improvements	-	-	
43	887	Maintenance of Mains	41,634	29,277	-29.68%
44	888	Maint. of Compressor Station Equipment	-	-	
45	889	Maint. of Meas. & Reg. Station Exp.-General	-	-	
46	890	Maint. of Meas. & Reg. Sta. Exp.-Industrial	-	-	
47	891	Maint. of Meas. & Reg. Sta. Equip.-City Gate	-	-	
48	892	Maintenance of Services	-	-	
49	893	Maintenance of Meters & House Regulators	9,439	14,283	51.32%
50	894	Maintenance of Other Equipment	-	-	
51		**Total Maintenance - Distribution**	51,073	43,560	-14.71%
52		**TOTAL Distribution Expenses**	137,717	144,168	4.68%

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2008

	Account Number & Title		Last Year	This Year	% Change
1					
2		**Customer Accounts Expenses**			
3	Operation				
4	901	Supervision	-	-	
5	902	Meter Reading Expenses	24,439	24,189	-1.02%
6	903	Customer Records & Collection Expenses	45,708	48,885	6.95%
7	904	Uncollectible Accounts Expenses	4,706	7,753	64.75%
8	905	Miscellaneous Customer Accounts Expenses	9,501	8,588	-9.61%
9					
10		**TOTAL Customer Accounts Expenses**	84,354	89,415	6.00%
11					
12		**Customer Service & Informational Expenses**			
13	Operation				
14	907	Supervision	-	-	
15	908	Customer Assistance Expenses	-	-	
16	909	Informational & Instructional Advertising Exp.	-	-	
17	910	Miscellaneous Customer Service & Info. Exp.	-	-	
18					
19		**TOTAL Customer Service & Info. Expenses**	-	-	
20					
21		**Sales Expenses**			
22	Operation				
23	911	Supervision	-	-	
24	912	Demonstrating & Selling Expenses	-	-	
25	913	Advertising Expenses	1,567	1,213	-22.59%
26	916	Miscellaneous Sales Expenses	-	-	
27					
28		**TOTAL Sales Expenses**	1,567	1,213	-22.59%
29					
30		**Administrative & General Expenses**			
31	Operation				
32	920	Administrative & General Salaries	108,828	112,888	3.73%
33	921	Office Supplies & Expenses	14,060	17,453	24.13%
34	922	(Less) Administrative Expenses Transferred - Cr.	-	-	
35	923	Outside Services Employed	50,173	64,131	27.82%
36	924	Property Insurance	17,899	17,089	-4.53%
37	925	Injuries & Damages	18,949	20,783	9.68%
38	926	Employee Pensions & Benefits	35,730	16,899	-52.70%
39	927	Franchise Requirements	-	-	
40	928	Regulatory Commission Expenses	23,248	25,854	11.21%
41	929	(Less) Duplicate Charges - Cr.	-	-	
42	930.1	General Advertising Expenses	-	-	
43	930.2	Miscellaneous General Expenses (Sched. 10A)	45,927	44,177	-3.81%
44	931	Rents	3,435	3,408	-0.79%
45	933	Transportation	22,321	23,145	3.69%
46		**TOTAL Operation - Admin. & General**	340,570	345,827	1.54%
47	Maintenance				
48	935	Maintenance of General Plant	29,356	33,156	12.94%
49					
50		**TOTAL Administrative & General Expenses**	369,926	378,983	2.45%
51	**TOTAL OPERATION & MAINTENANCE EXP.**		1,975,997	2,294,608	16.12%

SCHEDULE 10A

CUT BANK GAS CO.
SCHEDULE TO ATTACH TO PSC REPORT
JUNE 30, 2008

LINE 43 SCH 10 MISCELLANEOUS GENERAL EXPENSE

	LAST YEAR	THIS YEAR	% CHANGE
Interest expense	18,300	17,870	-2.35%
Donations	885	595	-32.77%
Miscellaneous expense	26,526	24,566	-7.39%
Communication expense	216	1,146	430.56%
Totals	**45,927**	**44,177**	**-3.81%**

Company Name: Cut Bank Gas Company **SCHEDULE 11**

MONTANA TAXES OTHER THAN INCOME

Year: 2008

	Description of Tax	Last Year	This Year	% Change
1	Payroll Taxes	35,939	37,678	4.84%
2	Montana Consumer Counsel	1,263	3,124	147.35%
3	Montana PSC	4,619	7,093	53.56%
4	Property Taxes	10,395	12,979	24.86%
5	Tribal Taxes	1,479	1,479	
6	Natural Gas Production Tax	11,467	12,608	9.95%
7	Vehicle Licenses	1,071	1,049	-2.05%
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50				
51	**TOTAL MT Taxes other than Income**	66,233	76,010	14.76%

Company Name: Cut Bank Gas Company **SCHEDULE 12**

PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES Year: 2008

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1	David F. Stufft	Attorney	41,952	41,952	100.00%
2	JCCS, CPA's	Accountants	13,667	13,667	100.00%
3	Ronald Woods	Rate Analyst	8,512	8,512	100.00%
4					
5					
6					
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49					
50	**TOTAL Payments for Services**		64,131	64,131	100%

POLITICAL ACTION COMMITTEES / POLITICAL CONTRIBUTIONS Year: 2008

	Description	Total Company	Montana	% Montana
1				
2	Cut Bank Gas Company does not make political contributions.			
3				
4				
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49				
50	**TOTAL Contributions**			

Pension Costs

Year: 2008

1	Plan Name: Cut Bank Gas Co., Inc. Profit Sharing Plan & Trust			
2	Defined Benefit Plan? **No**	Defined Contribution Plan? YES		
3	Actuarial Cost Method? **N/A**			
4	Is the Plan Over Funded? **No**	IRS Code: Sec. 401(a), 401(k)		
5	Annual Contribution by Employer: $ -0-			
	Item	Current Year	Last Year	% Change
6	**Change in Benefit Obligation**			
7	Benefit obligation at beginning of year	-	-	
8	Service cost	-	-	
9	Interest Cost	-	-	
10	Plan participants' contributions	-	-	
11	Amendments	-	-	
12	Actuarial Gain	-	-	
13	Acquisition	-	-	
14	Benefits paid	-	-	
15	Benefit obligation at end of year	-	-	
16	**Change in Plan Assets**			
17	Fair value of plan assets at beginning of year	560,632	502,432	11.58%
18	Actual return on plan assets	(11,536)	28,771	-140.10%
19	Acquisition	-	-	
20	Employer contribution	-	10,644	-100.00%
21	Plan participants' contributions	19,480	18,785	3.70%
22	Benefits paid	-	-	
23	Fair value of plan assets at end of year	568,576	560,632	1.42%
24	**Funded Status**	-	-	
25	Unrecognized net actuarial loss	-	-	
26	Unrecognized prior service cost	-	-	
27	Prepaid (accrued) benefit cost	-	-	
28				
29	**Weighted-average Assumptions as of Year End**			
30	Discount rate			
31	Expected return on plan assets			
32	Rate of compensation increase			
33				
34	**Components of Net Periodic Benefit Costs**			
35	Service cost	-	-	
36	Interest cost	-	-	
37	Expected return on plan assets	-	-	
38	Amortization of prior service cost	-	-	
39	Recognized net actuarial loss	-	-	
40	Net periodic benefit cost	-	-	
41				
42	**Montana Intrastate Costs:**			
43	Pension Costs	-	-	
44	Pension Costs Capitalized	-	-	
45	Accumulated Pension Asset (Liability) at Year End	-	-	
46	**Number of Company Employees:**			
47	Covered by the Plan	7	7	
48	Not Covered by the Plan	-	-	
49	Active	7	7	
50	Retired	-	-	
51	Deferred Vested Terminated	-	-	

Company Name: Cut Bank Gas Company

SCHEDULE 15

Other Post Employment Benefits (OPEBS)

Year: 2008

	Item	Current Year	Last Year	% Change
1	**Regulatory Treatment:**			
2	Commission authorized - most recent			
3	Docket number: _____			
4	Order number: _____			
5	Amount recovered through rates			
6	**Weighted-average Assumptions as of Year End**			
7	Discount rate			
8	Expected return on plan assets	Cut Bank Gas company has no other post		
9	Medical Cost Inflation Rate	employment benefits.		
10	Actuarial Cost Method			
11	Rate of compensation increase			
12	**List each method used to fund OPEBs (ie: VEBA, 401(h)) and if tax advantaged:**			
13				
14				
15	**Describe any Changes to the Benefit Plan:**			
16				
17	**TOTAL COMPANY**			
18	**Change in Benefit Obligation**			
19	Benefit obligation at beginning of year			
20	Service cost			
21	Interest Cost			
22	Plan participants' contributions			
23	Amendments			
24	Actuarial Gain			
25	Acquisition			
26	Benefits paid			
27	Benefit obligation at end of year			
28	**Change in Plan Assets**			
29	Fair value of plan assets at beginning of year			
30	Actual return on plan assets			
31	Acquisition			
32	Employer contribution			
33	Plan participants' contributions			
34	Benefits paid			
35	Fair value of plan assets at end of year			
36	**Funded Status**			
37	Unrecognized net actuarial loss			
38	Unrecognized prior service cost			
39	Prepaid (accrued) benefit cost			
40	**Components of Net Periodic Benefit Costs**			
41	Service cost			
42	Interest cost			
43	Expected return on plan assets			
44	Amortization of prior service cost			
45	Recognized net actuarial loss			
46	Net periodic benefit cost			
47	**Accumulated Post Retirement Benefit Obligation**			
48	Amount Funded through VEBA			
49	Amount Funded through 401(h)			
50	Amount Funded through Other _____			
51	TOTAL			
52	Amount that was tax deductible - VEBA			
53	Amount that was tax deductible - 401(h)			
54	Amount that was tax deductible - Other _____			
55	TOTAL			

Other Post Employment Benefits (OPEBS) Continued

Year: 2008

	Item	Current Year	Last Year	% Change
1	**Number of Company Employees:**			
2	Covered by the Plan	Cut Bank Gas company has no other post employment benefits.		
3	Not Covered by the Plan			
4	Active			
5	Retired			
6	Spouses/Dependants covered by the Plan			
7	**Montana**			
8	**Change in Benefit Obligation**			
9	Benefit obligation at beginning of year			
10	Service cost			
11	Interest Cost			
12	Plan participants' contributions			
13	Amendments			
14	Actuarial Gain			
15	Acquisition			
16	Benefits paid			
17	Benefit obligation at end of year			
18	**Change in Plan Assets**			
19	Fair value of plan assets at beginning of year			
20	Actual return on plan assets			
21	Acquisition			
22	Employer contribution			
23	Plan participants' contributions			
24	Benefits paid			
25	Fair value of plan assets at end of year			
26	**Funded Status**			
27	Unrecognized net actuarial loss			
28	Unrecognized prior service cost			
29	Prepaid (accrued) benefit cost			
30	**Components of Net Periodic Benefit Costs**			
31	Service cost			
32	Interest cost			
33	Expected return on plan assets			
34	Amortization of prior service cost			
35	Recognized net actuarial loss			
36	Net periodic benefit cost			
37	**Accumulated Post Retirement Benefit Obligation**			
38	Amount Funded through VEBA			
39	Amount Funded through 401(h)			
40	Amount Funded through other			
41	TOTAL			
42	Amount that was tax deductible - VEBA			
43	Amount that was tax deductible - 401(h)			
44	Amount that was tax deductible - Other			
45	TOTAL			
46	**Montana Intrastate Costs:**			
47	Pension Costs			
48	Pension Costs Capitalized			
49	Accumulated Pension Asset (Liability) at Year End			
50	**Number of Montana Employees:**			
51	Covered by the Plan			
52	Not Covered by the Plan			
53	Active			
54	Retired			
55	Spouses/Dependants covered by the Plan			

Company Name: Cut Bank Gas Company

SCHEDULE 16
Year: 2008

TOP TEN MONTANA COMPENSATED EMPLOYEES (ASSIGNED OR ALLOCATED)

Line No.	Name/Title	Base Salary	Bonuses	Other	Total Compensation	Total Compensation Last Year	% Increase Total Compensation
1	Daniel Whetstone President						
2	John D. More Serviceman 1st Class						
3	Mark S. Coryell Serviceman 2nd Class						
4	Thomas F. Shock Serviceman 2nd Class						
5	S. Jane Lindberg Bookkeeper						
6	Joseph S. Racki Serviceman 3th Class						
7	Lori L. Milbrandt Secretary/Receptionist						
8							
9							
10							

Proprietary

Company Name: Cut Bank Gas Company

SCHEDULE 17
Year: 2008

COMPENSATION OF TOP 5 CORPORATE EMPLOYEES - SEC INFORMATION

Line No.	Name/Title	Base Salary	Bonuses	Other	Total Compensation	Total Compensation Last Year	% Increase Total Compensation
1	Daniel Whetstone President						
2	Thomas F. Shock Serviceman 2nd Class						
3	Mark S. Coryell Serviceman 2nd Class						
4	John D. More Serviceman 1st Class						
5	S. Jane Lindberg Bookkeeper						

PROPRIETARY

BALANCE SHEET

Year: 2008

	Account Number & Title		Last Year	This Year	% Change
1		**Assets and Other Debits**			
2	Utility Plant				
3	101	Gas Plant in Service	867,695	800,226	-7.78%
4	101.1	Property Under Capital Leases	-	-	
5	102	Gas Plant Purchased or Sold	-	-	
6	104	Gas Plant Leased to Others	-	-	
7	105	Gas Plant Held for Future Use	-	-	
8	105.1	Production Properties Held for Future Use	-	-	
9	106	Completed Constr. Not Classified - Gas	-	-	
10	107	Construction Work in Progress - Gas	-	-	
11	108	(Less) Accumulated Depreciation	(573,885)	(540,185)	5.87%
12	111	(Less) Accumulated Amortization & Depletion	-	-	
13	114	Gas Plant Acquisition Adjustments	-	-	
14	115	(Less) Accum. Amort. Gas Plant Acq. Adj.	-	-	
15	116	Other Gas Plant Adjustments	-	-	
16	117	Gas Stored Underground - Noncurrent	-	-	
17	118	Other Utility Plant	-	-	
18	119	Accum. Depr. and Amort. - Other Utl. Plant	-	-	
19		**TOTAL Utility Plant**	293,810	260,041	-11.49%
20	**Other Property & Investments**				
21	121	Nonutility Property	-	-	
22	122	(Less) Accum. Depr. & Amort. of Nonutil. Prop.	-	-	
23	123	Investments in Associated Companies	-	-	
24	123.1	Investments in Subsidiary Companies	-	-	
25	124	Other Investments	2,565	2,737	6.71%
26	125	Sinking Funds			
27		**TOTAL Other Property & Investments**	2,565	2,737	6.71%
28	**Current & Accrued Assets**				
29	131	Cash	95,488	49,087	-48.59%
30	132-134	Special Deposits	-	-	
31	135	Working Funds	-	-	
32	136	Temporary Cash Investments	-	-	
33	141	Notes Receivable	-	-	
34	142	Customer Accounts Receivable	80,409	120,178	49.46%
35	143	Other Accounts Receivable	3,671	4,862	32.44%
36	144	(Less) Accum. Provision for Uncollectible Accts.	(7,265)	(9,741)	-34.08%
37	145	Notes Receivable - Associated Companies	-	-	
38	146	Accounts Receivable - Associated Companies	-	-	
39	151	Fuel Stock	-	-	
40	152	Fuel Stock Expenses Undistributed	-	-	
41	153	Residuals and Extracted Products	-	-	
42	154	Plant Materials and Operating Supplies	17,474	17,574	0.57%
43	155	Merchandise	1,391	1,799	29.33%
44	156	Other Material & Supplies	-	-	
45	163	Stores Expense Undistributed	-	-	
46	164.1	Gas Stored Underground - Current	-	-	
47	165	Prepayments	8,298	7,968	-3.98%
48	166	Advances for Gas Explor., Devl. & Production	-	-	
49	171	Interest & Dividends Receivable	-	-	
50	172	Rents Receivable	-	-	
51	173	Accrued Utility Revenues	-	-	
52	174	Miscellaneous Current & Accrued Assets	-	-	
53		**TOTAL Current & Accrued Assets**	199,466	191,727	-3.88%

BALANCE SHEET

Year: 2008

	Account Number & Title	Last Year	This Year	% Change
1	**Assets and Other Debits (cont.)**			
2				
3	**Deferred Debits**			
4				
5	181 Unamortized Debt Expense	-	-	
6	182.1 Extraordinary Property Losses	-	-	
7	182.2 Unrecovered Plant & Regulatory Study Costs	-	-	
8	183.1 Prelim. Nat. Gas Survey & Investigation Chrg.	-	-	
9	183.2 Other Prelim. Nat. Gas Survey & Invtg. Chrgs.	-	-	
10	184 Clearing Accounts	-	-	
11	185 Temporary Facilities	-	-	
12	186 Miscellaneous Deferred Debits	-	-	
13	187 Deferred Losses from Disposition of Util. Plant	-	-	
14	188 Research, Devel. & Demonstration Expend.	-	-	
15	189 Unamortized Loss on Reacquired Debt	-	-	
16	190 Accumulated Deferred Income Taxes	34,963	45,262	29.46%
17	191 Unrecovered Purchased Gas Costs	-	-	
18	192.1 Unrecovered Incremental Gas Costs	-	-	
19	192.2 Unrecovered Incremental Surcharges	-	-	
20	**TOTAL Deferred Debits**	34,963	45,262	29.46%
21				
22	**TOTAL ASSETS & OTHER DEBITS**	530,804	499,767	-5.85%
	Account Number & Title	Last Year	This Year	% Change
23	**Liabilities and Other Credits**			
24				
25	**Proprietary Capital**			
26				
27	201 Common Stock Issued	90,310	90,310	
28	202 Common Stock Subscribed	-	-	
29	204 Preferred Stock Issued	-	-	
30	205 Preferred Stock Subscribed	-	-	
31	207 Premium on Capital Stock	-	-	
32	211 Miscellaneous Paid-In Capital	-	-	
33	213 (Less) Discount on Capital Stock	-	-	
34	214 (Less) Capital Stock Expense	-	-	
35	215 Appropriated Retained Earnings	-	-	
36	216 Unappropriated Retained Earnings	30,842	(8,559)	-127.75%
37	217 (Less) Reacquired Capital Stock	-	-	
38	**TOTAL Proprietary Capital**	121,152	81,751	-32.52%
39				
40	**Long Term Debt**			
41				
42	221 Bonds	-	-	
43	222 (Less) Reacquired Bonds	-	-	
44	223 Advances from Associated Companies	-	-	
45	224 Other Long Term Debt	13,706	7,881	-42.50%
46	225 Unamortized Premium on Long Term Debt	-	-	
47	226 (Less) Unamort. Discount on L-Term Debt-Dr.	-	-	
48	**TOTAL Long Term Debt**	13,706	7,881	-42.50%

BALANCE SHEET

Year: 2008

	Account Number & Title		Last Year	This Year	% Change
1					
2	**Total Liabilities and Other Credits (cont.)**				
3					
4	**Other Noncurrent Liabilities**				
5					
6	227	Obligations Under Cap. Leases - Noncurrent	-	-	
7	228.1	Accumulated Provision for Property Insurance	-	-	
8	228.2	Accumulated Provision for Injuries & Damages	-	-	
9	228.3	Accumulated Provision for Pensions & Benefits	-	-	
10	228.4	Accumulated Misc. Operating Provisions	-	-	
11	229	Accumulated Provision for Rate Refunds	-	-	
12		**TOTAL Other Noncurrent Liabilities**	-	-	
13					
14	**Current & Accrued Liabilities**				
15					
16	231	Notes Payable	167,455	149,528	-10.71%
17	232	Accounts Payable	107,863	162,392	50.55%
18	233	Notes Payable to Associated Companies	-	-	
19	234	Accounts Payable to Associated Companies	-	-	
20	235	Customer Deposits	52,822	44,532	-15.69%
21	236	Taxes Accrued	9,408	10,003	6.32%
22	237	Interest Accrued	30,680	29,110	-5.12%
23	238	Dividends Declared	-	-	
24	239	Matured Long Term Debt	-	-	
25	240	Matured Interest	-	-	
26	241	Tax Collections Payable	-	-	
27	242	Miscellaneous Current & Accrued Liabilities	14,619	1,291	-91.17%
28	243	Obligations Under Capital Leases - Current	-	-	
29		**TOTAL Current & Accrued Liabilities**	382,847	396,856	3.66%
30					
31	**Deferred Credits**				
32					
33	252	Customer Advances for Construction	-	-	
34	253	Other Deferred Credits	-	-	
35	255	Accumulated Deferred Investment Tax Credits	-	-	
36	256	Deferred Gains from Disposition Of Util. Plant	-	-	
37	257	Unamortized Gain on Reacquired Debt	-	-	
38	281-283	Accumulated Deferred Income Taxes	13,099	13,279	1.37%
39		**TOTAL Deferred Credits**	13,099	13,279	1.37%
40					
41	**TOTAL LIABILITIES & OTHER CREDITS**		530,804	499,767	-5.85%

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 2008

	Account Number & Title		Last Year	This Year	% Change
1		**Intangible Plant**			
2					
3	301	Organization	11,354	11,354	
4	302	Franchises & Consents	1,770	1,770	
5	303	Miscellaneous Intangible Plant	30,000	30,000	
6					
7		**TOTAL Intangible Plant**	43,124	43,124	
8					
9		**Production Plant**			
10					
11	Production & Gathering Plant				
12					
13	325.1	Producing Lands	-	-	
14	325.2	Producing Leaseholds	12,877	12,877	
15	325.3	Gas Rights	-	-	
16	325.4	Rights-of-Way	-	-	
17	325.5	Other Land & Land Rights	-	-	
18	326	Gas Well Structures	-	-	
19	327	Field Compressor Station Structures	6,590	6,590	
20	328	Field Meas. & Reg. Station Structures	-	-	
21	329	Other Structures	-	-	
22	330	Producing Gas Wells-Well Construction	8,159	8,159	
23	331	Producing Gas Wells-Well Equipment	101,835	101,835	
24	332	Field Lines	4,413	4,413	
25	333	Field Compressor Station Equipment	24,032	9,799	-145.25%
26	334	Field Meas. & Reg. Station Equipment	1,276	2,476	48.47%
27	335	Drilling & Cleaning Equipment	-	-	
28	336	Purification Equipment	-	-	
29	337	Other Equipment	-	-	
30	338	Unsuccessful Exploration & Dev. Costs	-	-	
31					
32		**Total Production & Gathering Plant**	159,182	146,149	-8.92%
33					
34	Products Extraction Plant				
35					
36	340	Land & Land Rights	-	-	
37	341	Structures & Improvements	-	-	
38	342	Extraction & Refining Equipment	-	-	
39	343	Pipe Lines	-	-	
40	344	Extracted Products Storage Equipment	-	-	
41	345	Compressor Equipment	-	-	
42	346	Gas Measuring & Regulating Equipment	-	-	
43	347	Other Equipment	-	-	
44					
45		**Total Products Extraction Plant**	-	-	
46					
47	**TOTAL Production Plant**		159,182	146,149	-8.92%

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 2008

	Account Number & Title		Last Year	This Year	% Change
1					
2		**Natural Gas Storage and Processing Plant**			
3					
4	Underground Storage Plant				
5					
6	350.1	Land	There are no storage and processing		
7	350.2	Rights-of-Way	plant assets		
8	351	Structures & Improvements	-	-	
9	352	Wells	-	-	
10	352.1	Storage Leaseholds & Rights	-	-	
11	352.2	Reservoirs	-	-	
12	352.3	Non-Recoverable Natural Gas	-	-	
13	353	Lines	-	-	
14	354	Compressor Station Equipment	-	-	
15	355	Measuring & Regulating Equipment	-	-	
16	356	Purification Equipment	-	-	
17	357	Other Equipment	-	-	
18					
19		**Total Underground Storage Plant**	-	-	
20					
21	Other Storage Plant				
22					
23	360	Land & Land Rights	-	-	
24	361	Structures & Improvements	-	-	
25	362	Gas Holders	-	-	
26	363	Purification Equipment	-	-	
27	363.1	Liquification Equipment	-	-	
28	363.2	Vaporizing Equipment	-	-	
29	363.3	Compressor Equipment	-	-	
30	363.4	Measuring & Regulating Equipment	-	-	
31	363.5	Other Equipment	-	-	
32					
33		**Total Other Storage Plant**	-	-	
34					
35	**TOTAL Natural Gas Storage and Processing Plant**		-	-	
36					
37		**Transmission Plant**			
38					
39	365.1	Land & Land Rights	-	-	
40	365.2	Rights-of-Way	-	-	
41	366	Structures & Improvements	-	-	
42	367	Mains	792	792	
43	368	Compressor Station Equipment	-	-	
44	369	Measuring & Reg. Station Equipment	-	-	
45	370	Communication Equipment	-	-	
46	371	Other Equipment	-	-	
47					
48		**TOTAL Transmission Plant**	792	792	

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 2008

	Account Number & Title		Last Year	This Year	% Change
1					
2		**Distribution Plant**			
3					
4	374	Land & Land Rights	-	-	
5	375	Structures & Improvements	-	-	
6	376	Mains	234,163	224,525	-4.12%
7	377	Compressor Station Equipment	-	-	
8	378	Meas. & Reg. Station Equipment-General	-	-	
9	379	Meas. & Reg. Station Equipment-City Gate	18,379	18,379	
10	380	Services	964	-	-100.00%
11	381	Meters	96,052	61,698	-35.77%
12	382	Meter Installations	28,949	23,303	-19.50%
13	383	House Regulators	-	-	
14	384	House Regulator Installations	-	-	
15	385	Industrial Meas. & Reg. Station Equipment	-	-	
16	386	Other Prop. on Customers' Premises	-	-	
17	387	Other Equipment	-	-	
18					
19		**TOTAL Distribution Plant**	378,507	327,905	-13.37%
20					
21		**General Plant**			
22					
23	389	Land & Land Rights	10,000	10,000	
24	390	Structures & Improvements	84,119	83,502	-0.73%
25	391	Office Furniture & Equipment	35,432	35,432	
26	392	Transportation Equipment	91,168	87,951	-3.53%
27	393	Stores Equipment	-	-	
28	394	Tools, Shop & Garage Equipment	14,424	14,424	
29	395	Laboratory Equipment	-	-	
30	396	Power Operated Equipment	49,287	49,287	
31	397	Communication Equipment	899	899	
32	398	Miscellaneous Equipment	761	761	
33	399	Other Tangible Property	-	-	
34					
35		**TOTAL General Plant**	286,090	282,256	-1.34%
36					
37		**TOTAL Gas Plant in Service**	867,695	800,226	-7.78%

Company Name: Cut Bank Gas Company **SCHEDULE 20**

MONTANA DEPRECIATION SUMMARY

Year: 2008

	Functional Plant Classification	Plant Cost	Accumulated Depreciation Last Year Bal.	Accumulated Depreciation This Year Bal.	Current Avg. Rate
1	Production & Gathering	146,149	144,647	131,231	-
2	Products Extraction	-	-	-	-
3	Underground Storage	-	-	-	-
4	Other Storage	-	-	-	-
5	Transmission	792	792	792	-
6	Distribution	327,905	233,883	201,283	-
7	General	282,256	194,563	206,879	-
8	**TOTAL**	757,102	573,885	540,185	-

SCHEDULE 21

MONTANA MATERIALS & SUPPLIES (ASSIGNED & ALLOCATED)

	Account	Last Year Bal.	This Year Bal.	%Change
1				
2	151 Fuel Stock	-	-	
3	152 Fuel Stock Expenses - Undistributed	-	-	
4	153 Residuals & Extracted Products	-	-	
5	154 Plant Materials & Operating Supplies:			
6	Assigned to Construction (Estimated)	-	-	
7	Assigned to Operations & Maintenance	-	-	
8	Production Plant (Estimated)	-	-	
9	Transmission Plant (Estimated)	-	-	
10	Distribution Plant (Estimated)	17,474	17,574	0.57%
11	Assigned to Other	-	-	
12	155 Merchandise	1,391	1,799	29.33%
13	156 Other Materials & Supplies	-	-	
14	163 Stores Expense Undistributed	-	-	
15				
16	**TOTAL Materials & Supplies**	18,865	19,373	2.69%

SCHEDULE 22

MONTANA REGULATORY CAPITAL STRUCTURE & COSTS

	Commission Accepted - Most Recent		% Cap. Str.	% Cost Rate	Weighted Cost
1	Docket Number	D2006.2.15			
2	Order Number	6720c	Pass throughs not included		
3					
4	Common Equity	187,849	55.00%	10.270	5.65
5	Preferred Stock	-	-	-	-
6	Long Term Debt	153,695	45.00%	7.000	3.15
7	Other	-	-	-	-
8	**TOTAL**	341,544	100.00%		8.80
9					
10	Actual at Year End				
11					
12	Common Equity	81,751	86.96%	-	-
13	Preferred Stock	-	-	-	-
14	Long Term Debt	12,456	13.04%	-	-
15	Other	-	-	-	-
16	**TOTAL**	94,207	100.00%		-

STATEMENT OF CASH FLOWS

Year: 2008

	Description	Last Year	This Year	% Change
1				
2	Increase/(decrease) in Cash & Cash Equivalents:			
3				
4	**Cash Flows from Operating Activities:**			
5	Net Income	9,490	(39,401)	-515.18%
6	Depreciation	33,685	35,017	3.95%
7	Patronage Dividend	(166)	(273)	-64.46%
8	Deferred Income Taxes - Net	2,816	(10,119)	-459.34%
9	Investment Tax Credit Adjustments - Net	-	-	
10	Change in Operating Receivables - Net	14,248	(38,484)	-370.10%
11	Change in Materials, Supplies & Inventories - Net	70	(508)	-825.71%
12	Change in Operating Payables & Accrued Liabilities - Net	7,439	40,225	440.73%
13	Allowance for Funds Used During Construction (AFUDC)	-	-	
14	Change in Other Assets & Liabilities - Net	8,775	(7,960)	-190.71%
15	Other Operating Activities	341	-	-100.00%
16	**Net Cash Provided by/(Used in) Operating Activities**	76,698	(21,503)	-128.04%
17				
18	**Cash Inflows/Outflows From Investment Activities:**			
19	Construction/Acquisition of Property, Plant and Equipment			
20	(net of AFUDC & Capital Lease Related Acquisitions)	(59,999)	(1,248)	97.92%
21	Acquisition of Other Noncurrent Assets	-	-	
22	Proceeds from Disposal of Noncurrent Assets	66	102	54.55%
23	Investments In and Advances to Affiliates	-	-	
24	Contributions and Advances from Affiliates	-	-	
25	Disposition of Investments in and Advances to Affiliates	-	-	
26	Other Investing Activities (explained on attached page)	-	-	
27	**Net Cash Provided by/(Used in) Investing Activities**	(59,933)	(1,146)	98.09%
28				
29	**Cash Flows from Financing Activities:**			
30	Proceeds from Issuance of:			
31	Long-Term Debt	22,743	-	-100.00%
32	Preferred Stock	-	-	
33	Common Stock	-	-	
34	Other:	-	-	
35	Net Increase in Short-Term Debt	-	-	
36	Other:	-	-	
37	Payment for Retirement of:	-	-	
38	Long-Term Debt	(4,582)	(5,705)	-24.51%
39	Preferred Stock	-	-	
40	Common Stock	-	-	
41	Other:	-	-	
42	Net Decrease in Short-Term Debt	(8,832)	(18,047)	-104.34%
43	Dividends on Preferred Stock	-	-	
44	Dividends on Common Stock	-	-	
45	Other Financing Activities (explained on attached page)	-	-	
46	**Net Cash Provided by (Used in) Financing Activities**	9,329	(23,752)	-354.60%
47				
48	**Net Increase/(Decrease) in Cash and Cash Equivalents**	26,094	(46,401)	-277.82%
49	**Cash and Cash Equivalents at Beginning of Year**	69,394	95,488	37.60%
50	**Cash and Cash Equivalents at End of Year**	95,488	49,087	-48.59%

SCHEDULE 23A

CUT BANK GAS CO.
SCHEDULE TO ATTACH TO PSC REPORT
JUNE 30, 2008

LINE 15 SCH 23 OTHER OPERATING ACTIVITIES

	LAST YEAR	THIS YEAR	% CHANGE
Loss on Investment in Cooperative	341	-	-100.00%
Totals	**341**	-	-100.00%

Company Name: Cut Bank Gas Company

SCHEDULE 24

LONG TERM DEBT

Year: 2008

	Description	Issue Date Mo./Yr.	Maturity Date Mo./Yr.	Principal Amount	Net Proceeds	Outstanding Per Balance Sheet	Yield to Maturity	Annual Net Cost Inc. Prem/Disc.	Total Cost %
1	GMAC Auto Loan	Aug-07	Aug-11	22,743	22,743	12,456		295	2.37%
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
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22									
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24									
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26									
27									
28									
29									
30									
31									
32	**TOTAL**			22,743	22,743	12,456		295	2.37%

Company Name: **Cut Bank Gas Company**

SCHEDULE 25

PREFERRED STOCK

Year: 2008

	Series	Issue Date Mo./Yr.	Shares Issued	Par Value	Call Price	Net Proceeds	Cost of Money	Principal Outstanding	Annual Cost	Embed. Cost %
1										
2										
3	Cut Bank Gas Company has no preferred stock.									
4										
5										
6										
7										
8										
9										
10										
11										
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26										
27										
28										
29										
30										
31										
32	**TOTAL**									

Company Name: Cut Bank Gas Company

SCHEDULE 26

COMMON STOCK

Year: 2008

		Avg. Number of Shares Outstanding	Book Value Per Share	Earnings Per Share	Dividends Per Share	Retention Ratio	Market Price High	Market Price Low	Price/ Earnings Ratio
1									
2									
3									
4	January								
5									
6	February	Information only available for the fiscal							
7		year end of June, 2008							
8	March								
9									
10	April								
11									
12	May								
13									
14	June								
15									
16	July								
17									
18	August								
19									
20	September								
21									
22	October								
23									
24	November								
25									
26	December								
27									
28									
29									
30									
31									
32	TOTAL Year End	9,031	$ 9.05	$ (4.36)	$ -	N/A	N/A	N/A	N/A

MONTANA EARNED RATE OF RETURN

Year: 2008

		Description	Last Year	This Year	% Change
		Rate Base			
1					
2	101	Plant in Service	867,695	800,226	-7.78%
3	108	(Less) Accumulated Depreciation	(573,885)	(540,185)	5.87%
4		**NET Plant in Service**	293,810	260,041	-11.49%
5					
6		Additions			
7	154, 156	Materials & Supplies	17,474	17,574	0.57%
8	165	Prepayments	8,298	7,968	-3.98%
9		Other Additions (Schedule 27A)	89,641	95,940	7.03%
10		**TOTAL Additions**	115,413	121,482	5.26%
11					
12		Deductions			
13	190	Accumulated Deferred Income Taxes	-	-	
14	252	Customer Advances for Construction	-	-	
15	255	Accumulated Def. Investment Tax Credits	-	-	
16		Other Deductions - Customer Deposits	52,822	44,532	-15.69%
17		**TOTAL Deductions**	52,822	44,532	-15.69%
18		**TOTAL Rate Base**	356,401	336,991	-5.45%
19					
20		**Net Earnings**	9,490	(39,401)	-515.18%
21					
22		**Rate of Return on Average Rate Base**	2.73%	-11.36%	-516.29%
23					
24		**Rate of Return on Average Equity**	8.15%	-38.84%	-576.53%
25					
26	Major Normalizing Adjustments & Commission				
27	Ratemaking adjustments to Utility Operations				
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47		**Adjusted Rate of Return on Average Rate Base**	2.73%	-11.36%	-516.29%
48					
49		**Adjusted Rate of Return on Average Equity**	8.15%	-38.84%	-576.53%

SCHEDULE 27A

CUT BANK GAS CO.
SCHEDULE TO ATTACH TO PSC REPORT
JUNE 30, 2008

LINE 9 SCH 27 / Per Commission Order #6311b

	LAST YEAR	THIS YEAR	% CHANGE
Operating expenses	1,885,720	2,195,880	16.45%
Maintenance expenses	90,277	98,728	9.36%
Taxes other than income taxes	66,233	76,010	14.76%
	2,042,230	2,370,618	16.08%
Less:			
Purchased Gas	1,325,105	1,603,099	20.98%
	717,125	767,519	7.03%
Divided by	8	8	
1/8 Op. & Maint. for working capital	**89,641**	**95,940**	7.03%

MONTANA COMPOSITE STATISTICS

Year: 2008

		Description		Amount
1				
2		Plant (Intrastate Only) (000 Omitted)		
3				
4	101	Plant in Service		800,226
5	107	Construction Work in Progress		-
6	114	Plant Acquisition Adjustments		-
7	105	Plant Held for Future Use		-
8	154, 156	Materials & Supplies		17,574
9		(Less):		
10	108, 111	Depreciation & Amortization Reserves		(540,185)
11	252	Contributions in Aid of Construction		
12				
13		**NET BOOK COSTS**		277,615
14				
15		Revenues & Expenses (000 Omitted)		
16				
17	400	Operating Revenues		2,346,052
18				
19	403 - 407	Depreciation & Amortization Expenses		35,017
20		Federal & State Income Taxes		50
21		Other Taxes		65,891
22		Other Operating Expenses		2,294,013
23		TOTAL Operating Expenses		2,394,971
24				
25		Net Operating Income		(48,919)
26				
27	415 - 421.1	Other Income		10,113
28	421.2 - 426.5	Other Deductions		595
29				
30		**NET INCOME**		(39,401)
31				
32		Customers (Intrastate Only)		
33				
34		Year End Average:		
35		Residential		1,243
36		Commercial		255
37		Industrial		-
38		Other		-
39				
40		**TOTAL NUMBER OF CUSTOMERS**		1,498
41				
42		Other Statistics (Intrastate Only)		
43				
44		Average Annual Residential Use (Mcf or Dkt))		141.57 Mcf
45		Average Annual Residential Cost per (Mcf or Dkt) ($) *	$	11.06
46		* Avg annual cost = [(cost per Mcf or Dkt x annual use) + (mo. svc chrg x 12)]/annual use		
47		Average Residential Monthly Bill	$	130.51
48		Gross Plant per Customer	$	534.20

Company Name: Cut Bank Gas Company

SCHEDULE 29

MONTANA CUSTOMER INFORMATION

Year: 2008

	City/Town	Population (Include Rural)	Residential Customers	Commercial Customers	Industrial & Other Customers	Total Customers
1	Cut Bank	4,000	1,243	255		1,498
2						
3						
4						
5						
6						
7						
8						
9						
10						
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26						
27						
28						
29						
30						
31						
32	**TOTAL Montana Customers**	4,000	1,243	255		1,498

Company Name: Cut Bank Gas Company

SCHEDULE 30

MONTANA EMPLOYEE COUNTS

Year: 2008

	Department	Year Beginning	Year End	Average
1	Administration	1	1	1
2	Service	4	4	4
3	Office	2	2	2
4				
5				
6				
7				
8				
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48				
49				
50	**TOTAL Montana Employees**	7	7	7

Company Name: Cut Bank Gas Company **SCHEDULE 31**

MONTANA CONSTRUCTION BUDGET (ASSIGNED & ALLOCATED) Year: 2009

	Project Description	Total Company	Total Montana
1			
2	Cut Bank Gas Company does not project a construction budget.		
3			
4			
5			
6			
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46			
47			
48			
49			
50	**TOTAL**		

TRANSMISSION SYSTEM - TOTAL COMPANY & MONTANA

Year: 2008

	Total Company			
		Peak Day of Month	Peak Day Volumes Mcf or Dkt	Total Monthly Volumes Mcf or Dkt
1	January			
2	February	Cut Bank Gas Company does not have a transmission system.		
3	March			
4	April			
5	May			
6	June			
7	July			
8	August			
9	September			
10	October			
11	November			
12	December			
13	**TOTAL**			

	Montana			
		Peak Day of Month	Peak Day Volumes Mcf or Dkt	Total Monthly Volumes Mcf or Dkt
14	January			
15	February			
16	March			
17	April			
18	May			
19	June			
20	July			
21	August			
22	September			
23	October			
24	November			
25	December			
26	**TOTAL**			

DISTRIBUTION SYSTEM - TOTAL COMPANY & MONTANA

Year: 2008

	Total Company			
		Peak Day of Month	Peak Day Volumes Mcf or Dkt	Total Monthly Volumes Mcf or Dkt
1	January			
2	February	Cut Bank Gas Company does not have the equipment to measure for this.		
3	March			
4	April			
5	May			
6	June			
7	July			
8	August			
9	September			
10	October			
11	November			
12	December			
13	**TOTAL**			

	Montana			
		Peak Day of Month	Peak Day Volumes Mcf or Dkt	Total Monthly Volumes Mcf or Dkt
14	January			
15	February			
16	March			
17	April			
18	May			
19	June			
20	July			
21	August			
22	September			
23	October			
24	November			
25	December			
26	**TOTAL**			

STORAGE SYSTEM - TOTAL COMPANY & MONTANA

Year: 2008

		Total Company						
		Peak Day of Month		Peak Day Volumes (Mcf or Dkt)		Total Monthly Volumes (Mcf or Dkt)		
		Injection	Withdrawal	Injection	Withdrawal	Injection	Withdrawal	Losses
1	January							
2	February	Cut Bank Gas Company does not have a storage system.						
3	March							
4	April							
5	May							
6	June							
7	July							
8	August							
9	September							
10	October							
11	November							
12	December							
13	**TOTAL**							

		Montana						
		Peak Day of Month		Peak Day Volumes (Mcf or Dkt)		Total Monthly Volumes (Mcf or Dkt)		
		Injection	Withdrawal	Injection	Withdrawal	Injection	Withdrawal	Losses
14	January							
15	February							
16	March							
17	April							
18	May							
19	June							
20	July							
21	August							
22	September							
23	October							
24	November							
25	December							
26	**TOTAL**							

Company Name: Cut Bank Gas Company **SCHEDULE 33**

SOURCES OF GAS SUPPLY

Year: 2008

	Name of Supplier	Last Year Volumes Mcf or Dkt	This Year Volumes Mcf or Dkt	Last Year Avg. Commodity Cost	This Year Avg. Commodity Cost
1	NorthWestern Energy	167,187 Mcfs	175,605 Mcfs	$7.926	$9.129
2		@14.90	@14.90		
3	Cut Bank Gas Company - Royalty	22,386 Mcfs	22,293 Mcfs	$0.656	$0.699
4		@ 14.73	@ 14.73		
5					
6					
7					
8					
9					
10					
11					
12					
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16					
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19					
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21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33	**Total Gas Supply Volumes**	189,573 Mcfs	197,898 Mcfs	$7.067	$8.179

Company Name: Cut Bank Gas Company

SCHEDULE 34

MONTANA CONSERVATION & DEMAND SIDE MANAGEMENT PROGRAMS

Year: 2008

	Program Description	Current Year Expenditures	Last Year Expenditures	% Change	Planned Savings (Mcf or Dkt)	Achieved Savings (Mcf or Dkt)	Difference
1							
2	Cut Bank Gas Company does not have conservation and						
3	demand side management programs.						
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32	**TOTAL**						

Company Name: Cut Bank Gas Company

SCHEDULE 35

MONTANA CONSUMPTION AND REVENUES

Year: 2008

	Sales of Gas	Operating Revenues Current Year	Operating Revenues Previous Year	MCF Sold Current Year	MCF Sold Previous Year	Avg. No. of Customers Current Year	Avg. No. of Customers Previous Year
1	Residential						
2	Commercial - Small						
3	Commercial - Large						
4	Industrial - Small	Considered one class					
5	Industrial - Large						
6	Interruptible Industrial						
7	Other Sales to Public Authorities						
8	Sales to Other Utilities						
9	Interdepartmental						
10							
11	**TOTAL**	2,346,052	2,075,278	212,072	205,118	1,498	1,499
12							
13							
14							
15		**Operating Revenues**		**BCF Transported**		**Avg. No. of Customers**	
16							
17		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
18	**Transportation of Gas**						
19							
20	Utilities						
21	Industiral	Cut Bank Gas Company has no Transmission Revenue.					
22	Other						
23							
24	**TOTAL**						

Company Name: Schedule 36a

Natural Gas Universal System Benefits Programs

	Program Description	Actual Current Year Expenditures	Contracted or Committed Current Year Expenditures	Total Current Year Expenditures	Expected savings (MW and MWh)	Most recent program evaluation
1	Local Conservation					
2						
3		Cut Bank Gas Company does not have this program.				
4						
5						
6						
7						
8	Market Transformation					
9						
10						
11						
12						
13						
14						
15	Research & Development					
16						
17						
18						
19						
20						
21						
22	Low Income					
23						
24		91 customers who were LIEAP elegible received $175 each on				
25		their natural gas bill from the customer bill assistance program				
26		which is administered by Energy Share of Montana and				
27		Opportunities Inc.				
28						
29	Other					
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42	Total					
43	Number of customers that received low income rate discounts					N/A
44	Average monthly bill discount amount ($/mo)					N/A
45	Average LIEAP-eligible household income					N/A
46	Number of customers that received weatherization assistance					N/A
47	Expected average annual bill savings from weatherization					N/A
48	Number of residential audits performed					N/A

Company Name:

Schedule 36b

Montana Conservation & Demand Side Management Programs

	Program Description	Actual Current Year Expenditures	Contracted or Committed Current Year Expenditures	Total Current Year Expenditures	Expected savings (MW and MWh)	Most recent program evaluation
1	Local Conservation					
2						
3		Cut Bank Gas Company does not have Conservation and				
4		Demand Side Management Programs.				
5						
6						
7						
8	Demand Response					
9						
10						
11						
12						
13						
14						
15	Market Transformation					
16						
17						
18						
19						
20						
21						
22	Research & Development					
23						
24						
25						
26						
27						
28						
29	Low Income					
30						
31						
32						
33						
34						
35	Other					
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47						
48	Total					

Service Date: February 1, 2007

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

* * * * *

IN THE MATTER OF CUT BANK GAS COMPANY, Application for Protective Order to Govern Certain Annual Report Information	))))	UTILITY DIVISION DOCKET NO. N2007.1.1 ORDER NO. 6805

PROTECTIVE ORDER

On January 2, 2007, Cut Bank Gas Company (CBG) filed before the Public Service Commission (PSC) a motion for a term protective order to govern certain information expected to be filed in CBG annual reports to the PSC. The PSC has recently issued a protective order governing the identical information, *PSC Docket No. N2006.10.157, Order No. 6793 (December 19, 2006)*, but that order was for a single year not a term (period of years). CBG requests protection for a period of four years pursuant to ARM 38.2.5004.

CBG request protection of the wages, salaries, compensation, and benefits paid or provided to CBG's employees, management, and directors. The basis for protection of this information is the right of individual privacy provided in Art. II, Sec. 10, Constitution of the State of Montana.

The PSC grants CBG's motion. This order is prospective. It applies to the protected information in CBG's next four filed annual reports. Special terms and conditions requested by CBG, if any, are denied.

Done and dated this 18th day of January, 2007, by a vote of 3-2.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

GREG JERGESON, Chairman

DOUG MOOD, Vice-Chairman

BRAD MOLNAR, Commissioner
(voting to dissent)

ROBERT H. RANEY, Commissioner

KEN TOOLE, Commissioner
(voting to dissent)

ATTEST:
Connie Jones
Commission Secretary

(SEAL)

NOTE: There is no reconsideration of the granting of a protective order. There is a procedure to challenge the provider's claim of confidentiality. See ARM 38.2.5008. Reconsideration of a denial of a protective order is available in accordance with ARM 38.2.4806.

CERTIFICATE OF SERVICE

I hereby certify that a copy of **PROTECTIVE ORDER No. 6805** issued in N2007.1.1 in the matter of Cut Bank Gas Company has today been served on all parties listed on the Commission's most recent service list, created 2/1/07, by mailing a copy thereof to each party by first class mail, postage prepaid.

Date: February 1, 2007

Debbie George
For The Commission

2/1/2007

Utility - Docket Service List

Docket no: N2007.1.1

DAN F WHETSTONE PRESIDENT CUT BANK GAS COMPANY	403 E MAIN ST CUT BANK	MT	59427-3092
DAVID F STUFFT	PO BOX 2559 KALISPELL	MT	59903-2559
MARY WRIGHT MONTANA CONSUMER COUNSEL	616 HELENA AVE 3RD FLOOR HELENA	MT	59620
KATE WHITNEY PUBLIC SERVICE COMMISSION	1701 PROSPECT AVE PO BOX 202601 HELENA	MT	59620-2601
ROBERT NELSON MONTANA CONSUMER COUNSEL	PO BOX 201703 HELENA	MT	59620-1703