

YEAR ENDING JUNE 30, 2003

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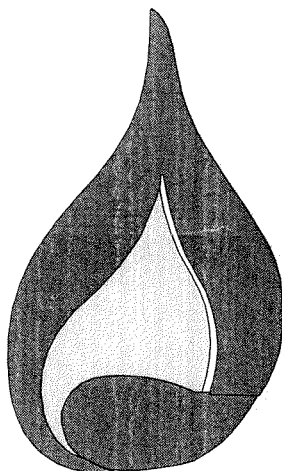
ANNUAL REPORT 2003 NOV 28 AM 10:32

OF

PUBLIC SERVICE
COMMISSION

Energy West – Montana (Great Falls Gas)

GAS UTILITY



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

IDENTIFICATION

Year: 2003

1.	Legal Name of Respondent:	Energy West Montana - Great Falls
2.	Name Under Which Respondent Does Business:	Energy West, Incorporated
3.	Date Utility Service First Offered in Montana	Manufactured Gas: 12/08/1909 NG: 05/02/1928
4.	Address to send Correspondence Concerning Report:	P.O. Box 2229 Great Falls, MT 59403-2229
5.	Person Responsible for This Report:	Shawn Shaw
5a.	Telephone Number:	(406)791-7529
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: (Not Applicable)	
	1b. Means by which control was held:	
	1c. Percent Ownership:	

SCHEDULE 2

Board of Directors			
Line No.	Name of Director and Address (City, State)		Remuneration
	(a)		
1	Edward Bernica	Great Falls, MT	\$0
2	Thomas N. McGowan, Jr.	Hamilton, MT	\$5,125
3	G. Montgomery Mitchell	Houston, TX	\$28,426
4	David Flitner	Greybull, WY	\$20,575
5	Dean South	Helena, MT	\$6,950
6	Richard Schulte	Brecksville, OH	\$26,900
7	Andrew Davidson	Great Falls, MT	\$0
8	Gene Argo	Hays, KS	\$16,750
9	Terry Palmer	Denver, CO	\$16,750
10	George Ruff	Helena, MT	\$0
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Officers

Year: 2003

Line No.	Title of Officer (a)	Department Supervised (b)	Name (c)
1	President & CEO	Total Company	Edward J. Bernica
2			
3	Assistant V.P. / Treasurer	Finance and Treasury	JoAnn S. Hogan
4			
5	Assistant V.P. / Controller	Accounting	Robert B. Mease
6			
7	General Counsel. V/P Human		
8	Resources & Secretary	Human Resources and Legal	John C. Allen
9			
10	VP & Manager of Propane	All Propane Operations	Doug Mann
11			
12	VP & Manager of Natural Gas	All Natural Gas Operations	Tim A. Good
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CORPORATE STRUCTURE

Year: 2003

	Subsidiary/Company Name	Line of Business	Earnings	Percent of Total
1	Energy West - Montana	Natural Gas Utility	257,354	-289.56%
2	Energy West - Wyoming	Natural Gas Utility	(25,682)	28.90%
3	Energy West - Arizona	Propane Vapor Utility	66,726	-75.08%
4	Energy West - W. Yellowstone	Natural Gas Utility	(69,944)	78.70%
5	Energy West - Cascade	Natural Gas Utility	17,773	-20.00%
6	Rocky Mountain Fuels	Bulk Propane Sales	(72,369)	81.43%
7	Energy West Propane - AZ	Bulk Propane Sales	154,901	-174.28%
8	Energy West Propane - MT	Bulk Propane Sales	(9,475)	10.66%
9	Energy West Resources	Gas Marketing	(284,166)	319.73%
10	Energy West Development	Real Estate Development and Pipe Line	(123,996)	139.51%
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50	TOTAL		(88,878)	100.00%

CORPORATE ALLOCATIONS

Year: 2003

	Items Allocated	Classification	Allocation Method	\$ to MT Utility	MT %	\$ to Other
1	ENERGY WEST, OVERHEADS	921	DIRECT PAYROLL & 4 FACTOR	1,226,493	47.57%	1,351,679
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34	TOTAL			1,226,493	47.57%	1,351,679

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY

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	SALES FROM ENERGY WEST	Nat'l Gas	Monthly AECO index	3,925,846		
2	RESOURCES TO ENERGY					
3	WEST-MONTANA					
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32	TOTAL			3,925,846		

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY Year: 2003

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	NONE					
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32	TOTAL					

MONTANA UTILITY INCOME STATEMENT

Year: 2003

	Account Number & Title	Last Year	This Year	% Change
1	400 Operating Revenues	28,650,590	22,527,997	-21.37%
2				
3	Operating Expenses			
4	401 Operation Expenses	25,444,285	19,900,562	-21.79%
5	402 Maintenance Expense	183,481	232,148	26.52%
6	403 Depreciation Expense	834,926	873,199	4.58%
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 & Regulatory Study Costs			
10				
11	407.2 Amort. of Conversion Expense			
12	408.1 Taxes Other Than Income Taxes	460,876	394,583	-14.38%
13	409.1 Income Taxes - Federal	2,467,475	(788,090)	-131.94%
14	- Other	539,223	(175,189)	-132.49%
15	410.1 Provision for Deferred Income Taxes	(2,586,800)	1,273,201	149.22%
16	411.1 (Less) Provision for Def. Inc. Taxes - Cr.			
17	411.4 Investment Tax Credit Adjustments	(21,062)	(21,062)	
18	411.6 (Less) Gains from Disposition of Utility Plant			
19	411.7 Losses from Disposition of Utility Plant			
20	TOTAL Utility Operating Expenses	27,322,404	21,689,352	-20.62%
21	NET UTILITY OPERATING INCOME	1,328,186	838,645	-36.86%

MONTANA REVENUES

SCHEDULE 9

	Account Number & Title	Last Year	This Year	% Change
1	Sales of Gas			
2	480 Residential	17,080,512	13,178,851	-22.84%
3	481 Commercial & Industrial - Small	2,522,679	2,006,879	-20.45%
4	Commercial & Industrial - Large	7,104,334	5,553,206	-21.83%
5	482 Other Sales to Public Authorities			
6	484 Interdepartmental Sales			
7	485 Intracompany Transfers			
8	TOTAL Sales to Ultimate Consumers	26,707,525	20,738,936	-22.35%
9	483 Sales for Resale			
10	TOTAL Sales of Gas	26,707,525	20,738,936	-22.35%
11	Other Operating Revenues			
12	487 Forfeited Discounts & Late Payment Revenues			
13	488 Miscellaneous Service Revenues			
14	489 Revenues from Transp. of Gas for Others	1,943,065	1,789,060	-7.93%
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			
21	TOTAL Other Operating Revenues	1,943,065	1,789,060	-7.93%
22	Total Gas Operating Revenues	28,650,590	22,527,996	-21.37%
23				
24	496 (Less) Provision for Rate Refunds			
25				
26	TOTAL Oper. Revs. Net of Pro. for Refunds	28,650,590	22,527,996	-21.37%
27				

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2003

	Account Number & Title	Last Year	This Year	% Change
1	Production Expenses			
2	Production & Gathering - Operation			
3	750 Operation Supervision & Engineering			
4	751 Production Maps & Records			
5	752 Gas Wells Expenses			
6	753 Field Lines Expenses			
7	754 Field Compressor Station Expenses			
8	755 Field Compressor Station Fuel & Power			
9	756 Field Measuring & Regulating Station Expense			
10	757 Purification Expenses			
11	758 Gas Well Royalties			
12	759 Other Expenses			
13	760 Rents			
14	Total Operation - Natural Gas Production			
15	Production & Gathering - Maintenance			
16	761 Maintenance Supervision & Engineering			
17	762 Maintenance of Structures & Improvements			
18	763 Maintenance of Producing Gas Wells			
19	764 Maintenance of Field Lines			
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.			
26	TOTAL Natural Gas Production & Gathering			
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: 2003

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			
17	805 Other Gas Purchases	15,243,631	16,971,205	11.33%
18	805.1 Purchased Gas Cost Adjustments	7,208,121	(2,367,910)	-132.85%
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.	(373,999)	1,338,017	457.76%
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.	(11,951)	(15,453)	-29.30%
32	813 Other Gas Supply Expenses			
33	TOTAL Other Gas Supply Expenses	22,065,802	15,925,859	-27.83%
34				
35	TOTAL PRODUCTION EXPENSES	22,065,802	15,925,859	-27.83%

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2003

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			
9	819 Compressor Station Fuel & Power			
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: 2003

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			
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	56,959	47,062	-17.38%
32	875 Measuring & Reg. Station Exp.-General	26,522	21,186	-20.12%
33	876 Measuring & Reg. Station Exp.-Industrial			
34	877 Meas. & Reg. Station Exp.-City Gate Ck. Sta.			
35	878 Meter & House Regulator Expenses	115,167	111,261	-3.39%
36	879 Customer Installations Expenses	261,171	343,562	31.55%
37	880 Other Expenses	236,774	360,000	52.04%
38	881 Rents			
39	Total Operation - Distribution	696,593	883,071	26.77%
40	Maintenance			
41	885 Maintenance Supervision & Engineering			
42	886 Maintenance of Structures & Improvements			
43	887 Maintenance of Mains	26,775	32,250	20.45%
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	10,607	24,023	126.48%
49	893 Maintenance of Meters & House Regulators	22,933	6,331	-72.39%
50	894 Maintenance of Other Equipment			
51	Total Maintenance - Distribution	60,315	62,604	3.80%
52	TOTAL Distribution Expenses	756,908	945,675	24.94%

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2003

Account Number & Title		Last Year	This Year	% Change
1				
2	Customer Accounts Expenses			
3	Operation			
4	901 Supervision	5,594	(84,369)	-1608.21%
5	902 Meter Reading Expenses	104,281	104,356	0.07%
6	903 Customer Records & Collection Expenses	386,577	497,248	28.63%
7	904 Uncollectible Accounts Expenses	37,733	(6,374)	-116.89%
8	905 Miscellaneous Customer Accounts Expenses	6,894	3,350	-51.41%
9				
10	TOTAL Customer Accounts Expenses	541,079	514,211	-4.97%
11				
12	Customer Service & Informational Expenses			
13	Operation			
14	907 Supervision	72	72	
15	908 Customer Assistance Expenses	30,579	33,268	8.79%
16	909 Informational & Instructional Advertising Exp.	3,303	4,272	29.34%
17	910 Miscellaneous Customer Service & Info. Exp.	36,065	50,293	39.45%
18				
19	TOTAL Customer Service & Info. Expenses	70,019	87,905	25.54%
20				
21	Sales Expenses			
22	Operation			
23	911 Supervision	84,759	83,663	-1.29%
24	912 Demonstrating & Selling Expenses			
25	913 Advertising Expenses			
26	916 Miscellaneous Sales Expenses			
27				
28	TOTAL Sales Expenses	84,759	83,663	-1.29%
29				
30	Administrative & General Expenses			
31	Operation			
32	920 Administrative & General Salaries	233,821	218,082	-6.73%
33	921 Office Supplies & Expenses	261,112	184,407	-29.38%
34	922 (Less) Administrative Expenses Transferred - Cr.	(126,826)	(141,671)	-11.71%
35	923 Outside Services Employed	93,844	179,045	90.79%
36	924 Property Insurance	101,006	143,976	42.54%
37	925 Injuries & Damages	6,703	4,821	-28.08%
38	926 Employee Pensions & Benefits	437,907	522,711	19.37%
39	927 Franchise Requirements			
40	928 Regulatory Commission Expenses		16,119	#DIV/0!
41	929 (Less) Duplicate Charges - Cr.			
42	930.1 General Advertising Expenses			
43	930.2 Miscellaneous General Expenses	126,363	90,552	-28.34%
44	931 Rents			
45	Overhead	884,342	1,226,493	
46	TOTAL Operation - Admin. & General	2,018,272	2,444,535	21.12%
47	Maintenance			
48	935 Maintenance of General Plant	90,927	130,862	43.92%
49				
50	TOTAL Administrative & General Expenses	2,109,199	2,575,397	22.10%
51	TOTAL OPERATION & MAINTENANCE EXP.	25,627,766	20,132,710	-21.44%

MONTANA TAXES OTHER THAN INCOME

Year: 2003

	Description of Tax	Last Year	This Year	% Change
1	Payroll Taxes	119,121	136,056	14.22%
2	Superfund			
3	Secretary of State			
4	Montana Consumer Counsel	22,090	17,350	-21.46%
5	Montana PSC	75,374	49,810	-33.92%
6	Franchise Taxes			
7	Property Taxes	244,292	191,366	-21.66%
8	Tribal Taxes			
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51	TOTAL MT Taxes other than Income	460,876	394,583	-14.38%

PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES

Year: 2003

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1	NONE				
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50	TOTAL Payments for Services				

POLITICAL ACTION COMMITTEES / POLITICAL CONTRIBUTIONS Year: 2003

	Description	Total Company	Montana	% Montana
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50	TOTAL Contributions			

Pension Costs

Year: 2003

1	Plan Name			
2	Defined Benefit Plan? _____	Defined Contribution Plan? _____		
3	Actuarial Cost Method? _____	IRS Code: _____		
4	Annual Contribution by Employer: _____	Is the Plan Over Funded? _____		
5				
	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			
18	Actual return on plan assets			
19	Acquisition			
20	Employer contribution			
21	Plan participants' contributions			
22	Benefits paid			
23	Fair value of plan assets at end of year			
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	59	53	-10.17%
48	Not Covered by the Plan	3	1	-66.67%
49	Active	58	54	-6.90%
50	Retired	2		
51	Deferred Vested Terminated	3		-100.00%

Other Post Employment Benefits (OPEBS)

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	6.00%	7.50%	25.00%
8 Expected return on plan assets	8.50%	9.00%	5.88%
9 Medical Cost Inflation Rate	8.50%	9.50%	11.76%
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	602800	743200	23.29%
20 Service cost	31100	26000	-16.40%
21 Interest Cost	44300	39200	-11.51%
22 Plan participants' contributions			
23 Amendments			
24 Actuarial Gain	123400	-182900	-248.22%
25 Acquisition			
26 Benefits paid	-19300	-22700	-17.62%
27 Benefit obligation at end of year	782300	602800	-22.95%
28 Change in Plan Assets			
29 Fair value of plan assets at beginning of year	470800	482395	2.46%
30 Actual return on plan assets	5300	11100	109.43%
31 Acquisition			
32 Employer contribution			
33 Plan participants' contributions			
34 Benefits paid	-19300	-22700	-17.62%
35 Fair value of plan assets at end of year	456800	470795	3.06%
36 Funded Status			
37 Unrecognized net actuarial loss	325500	132005	-59.45%
38 Unrecognized prior service cost	-115700	25300	121.87%
39 Prepaid (accrued) benefit cost	209800	157305	-25.02%
40 Components of Net Periodic Benefit Costs			
41 Service cost	31100	26000	-16.40%
42 Interest cost	44300	39200	-11.51%
43 Expected return on plan assets	-39000	-42400	-8.72%
44 Amortization of prior service cost	19600	19600	
45 Recognized net actuarial loss	-3500	-10400	-197.14%
46 Net periodic benefit cost	52500	32000	-39.05%
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

Item	Current Year	Last Year	% Change
1 Number of Company Employees:			
2 Covered by the Plan			
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			

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	Edward Bernica President & CEO ENERGY WEST, INC	131,212	5,847		137,059	208,058	-34%
2	Tim A. Good Vice President Utility Division	105,569	5,030		110,599	174,489	-37%
3	John Allen General Counsel VP of Human Resources & Regulatory Affairs	100,970	4,542		105,512	165,944	-36%
4	Earl Terwilliger Division Manager Energy West MT	66,989	9,986	10,577	87,552	93,070	-6%
5	Jed Henthorne IT Manager	70,846	9,930		80,776	104,179	-22%
6	Robert Mease Vice President Controller	71,479	5,207	500	77,186	26,035	196%
7	Evan Mathews Manager West Yellowstone	61,186	2,354	11,370	74,910	72,346	4%
8	JoAnn Hogan Vice President Treasurer	67,480	3,134		70,614	92,563	-24%
9	Sheila Rice Vice President Administration	62,679	4,301		66,980	150,124	-55%
10	Kurt Baltrusch Director of Operations	60,724			60,724	-	N/A

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	Edward Bernica President & CEO ENERGY WEST, INC	131,212	5,847		137,059	208,058	-34%
2	Tim A. Good Vice President Utility Division	105,569	5,030		110,599	174,489	-37%
3	John Allen General Counsel VP of Human Resources & Regulatory Affairs	100,970	4,542		105,512	165,944	-36%
4	Lynn Hardin Manager of Gas Supply -- Energy West Resources	82,105	12,913		95,018	148,517	-36%
5	Jim Morin President Energy West Resource	79,508	12,190		91,698	148,891	-38%

BALANCE SHEET

Year: 2003

	Account Number & Title	Last Year	This Year	% Change
1	Assets and Other Debits			
2	Utility Plant			
3	101 Gas Plant in Service	58,257,618	59,696,804	-2%
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	(24,957,595)	(26,615,488)	6%
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 Util. Plant			
19	TOTAL Utility Plant	33,300,023	33,081,316	1%
20	Other Property & Investments			
21	121 Nonutility Property	4,514,446	8,281,809	-45%
22	122 (Less) Accum. Depr. & Amort. of Nonutil. Prop.	(1,295,562)	(1,786,529)	27%
23	123 Investments in Associated Companies			
24	123.1 Investments in Subsidiary Companies			
25	124 Other Investments			
26	125 Sinking Funds			
27	TOTAL Other Property & Investments	3,218,884	6,495,280	-50%
28	Current & Accrued Assets			
29	131 Cash	367,657	1,938,768	-81%
30	132-134 Special Deposits			
31	135 Working Funds			
32	136 Temporary Cash Investments			
33	141 Notes Receivable			
34	142 Customer Accounts Receivable	8,398,491	8,184,645	3%
35	143 Other Accounts Receivable			
36	144 (Less) Accum. Provision for Uncollectible Accts.	(154,252)	(213,013)	28%
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	593674	371490	
43	155 Merchandise			
44	156 Other Material & Supplies			
45	163 Stores Expense Undistributed			
46	164.1 Gas Stored Underground - Current	5,640,660	1,038,690	443%
47	165 Prepayments	445,652	352,982	26%
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	3,798,864	4,936,601	-23%
53	TOTAL Current & Accrued Assets	19,090,746	16,610,163	15%

BALANCE SHEET

Year: 2003

	Account Number & Title	Last Year	This Year	% Change
1	Assets and Other Debits (cont.)			
2				
3	Deferred Debits			
4				
5	181 Unamortized Debt Expense	859,440	778,558	10%
6	182.1 Extraordinary Property Losses			
7	182.2 Unrecovered Plant & Regulatory Study Costs	617,069	541,196	14%
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	782,884	3,340,048	-100%
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			
17	191 Unrecovered Purchased Gas Costs	(2,024,159)	1,067,109	-290%
18	192.1 Unrecovered Incremental Gas Costs			
19	192.2 Unrecovered Incremental Surcharges			
20	TOTAL Deferred Debits	235,234	5,726,911	-96%
21				
22	TOTAL ASSETS & OTHER DEBITS	55,844,888	61,913,670	-10%
	Account Number & Title	Last Year	This Year	% Change
23	Liabilities and Other Credits			
24				
25	Proprietary Capital			
26				
27	201 Common Stock Issued	385,964	389,295	-1%
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	4,863,113	5,056,425	-4%
33	213 (Less) Discount on Capital Stock			
34	214 (Less) Capital Stock Expense			
35	215 Appropriated Retained Earnings			
36	216 Unappropriated Retained Earnings	11,023,266	9,852,741	12%
37	217 (Less) Reacquired Capital Stock			
38	TOTAL Proprietary Capital	16,272,343	15,298,461	6%
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	15,367,424	15,390,117	0%
46	225 Unamortized Premium on Long Term Debt			
47	226 (Less) Unamort. Discount on L-Term Debt-Dr.			
48	TOTAL Long Term Debt	15,367,424	15,390,117	0%

BALANCE SHEET

Year: 2003

	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	3,500,000	6,104,588	-43%
17	232 Accounts Payable	9,413,693	8,841,781	6%
18	233 Notes Payable to Associated Companies			
19	234 Accounts Payable to Associated Companies			
20	235 Customer Deposits			
21	236 Taxes Accrued	1,005,975		#DIV/0!
22	237 Interest Accrued	112,513	106,860	5%
23	238 Dividends Declared			
24	239 Matured Long Term Debt	502,072	532,371	
25	240 Matured Interest			
26	241 Tax Collections Payable			
27	242 Miscellaneous Current & Accrued Liabilities	3,340,791	5,740,095	-42%
28	243 Obligations Under Capital Leases - Current			
29	TOTAL Current & Accrued Liabilities	17,875,044	21,325,695	-16%
30				
31	Deferred Credits			
32				
33	252 Customer Advances for Construction	1,575,585	1,604,814	-2%
34	253 Other Deferred Credits	334,986	2,973,721	-89%
35	255 Accumulated Deferred Investment Tax Credits	376,468	355,406	6%
36	256 Deferred Gains from Disposition Of Util. Plant			
37	257 Unamortized Gain on Reacquired Debt			
38	281-283 Accumulated Deferred Income Taxes	4,043,038	4,965,456	-19%
39	TOTAL Deferred Credits	6,330,077	9,899,397	-36%
40				
41	TOTAL LIABILITIES & OTHER CREDITS	55,844,888	61,913,670	-10%

NOTE: The balance sheet represents Energy West Inc.

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 2003

	Account Number & Title	Last Year	This Year	% Change
1	Intangible Plant			
2				
3	301 Organization			
4	302 Franchises & Consents			
5	303 Miscellaneous Intangible Plant	7,136	7,136	
6				
7	TOTAL Intangible Plant	7,136	7,136	
8				
9	Production Plant			
10				
11	Production & Gathering Plant			
12				
13	325.1 Producing Lands			
14	325.2 Producing Leaseholds			
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			
20	328 Field Meas. & Reg. Station Structures			
21	329 Other Structures			
22	330 Producing Gas Wells-Well Construction			
23	331 Producing Gas Wells-Well Equipment			
24	332 Field Lines			
25	333 Field Compressor Station Equipment			
26	334 Field Meas. & Reg. Station Equipment			
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			
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			

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 2003

	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			
7	350.2 Rights-of-Way			
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			
43	368 Compressor Station Equipment			
44	369 Measuring & Reg. Station Equipment			
45	370 Communication Equipment			
46	371 Other Equipment			
47				
48	TOTAL Transmission Plant			

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 2003

	Account Number & Title	Last Year	This Year	% Change
1				
2	Distribution Plant			
3				
4	374 Land & Land Rights			
5	375 Structures & Improvements	437,481	437,481	
6	376 Mains	9,407,684	9,854,983	-5%
7	377 Compressor Station Equipment			
8	378 Meas. & Reg. Station Equipment-General	126,879	126,879	
9	379 Meas. & Reg. Station Equipment-City Gate			
10	380 Services	6,945,466	7,585,370	-8%
11	381 Meters	1,491,694	1,489,797	0%
12	382 Meter Installations	1,190,913	1,364,391	-13%
13	383 House Regulators	438,440	438,440	
14	384 House Regulator Installations	533,723	572,377	-7%
15	385 Industrial Meas. & Reg. Station Equipment	9,793	9,793	
16	386 Other Prop. on Customers' Premises			
17	387 Other Equipment			
18				
19	TOTAL Distribution Plant	20,582,072	21,879,511	-6%
20				
21	General Plant			
22				
23	389 Land & Land Rights	60,409	60,409	
24	390 Structures & Improvements	2,019,878	2,020,812	0%
25	391 Office Furniture & Equipment	4,420,278	4,595,000	-4%
26	392 Transportation Equipment	805,685	780,863	3%
27	393 Stores Equipment	554	554	
28	394 Tools, Shop & Garage Equipment	368,269	368,269	
29	395 Laboratory Equipment	35,025	35,025	
30	396 Power Operated Equipment	454,577	456,237	0%
31	397 Communication Equipment	264,497	264,497	
32	398 Miscellaneous Equipment	3,343	3,343	
33	399 Other Tangible Property	15,203	20,582	-26%
34				
35	TOTAL General Plant	8,447,719	8,605,591	-2%
36				
37	TOTAL Gas Plant in Service	29,036,927	30,492,238	-5%

MONTANA DEPRECIATION SUMMARY

Year: 2003

	Functional Plant Classification	Plant Cost	Accumulated Depreciation		Current Avg. Rate
			Last Year Bal.	This Year Bal.	
1	Production & Gathering				
2	Products Extraction				
3	Underground Storage				
4	Other Storage				
5	Transmission				
6	Distribution	21,713,968	9,991,612	10,560,614	
7	General	8,607,648	5,041,251	5,331,228	
8	TOTAL	30,321,616	15,032,862	15,891,842	

MONTANA MATERIALS & SUPPLIES (ASSIGNED & ALLOCATED)

SCHEDULE 21

	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)	162,268	106,891	52%
7	Assigned to Operations & Maintenance	18,030	11,877	52%
8	Production Plant (Estimated)			
9	Transmission Plant (Estimated)			
10	Distribution Plant (Estimated)			
11	Assigned to Other			
12	155 Merchandise	8,048	7,540	7%
13	156 Other Materials & Supplies			
14	163 Stores Expense Undistributed			
15				
16	TOTAL Materials & Supplies	188,346	126,308	49%

MONTANA REGULATORY CAPITAL STRUCTURE & COSTS

SCHEDULE 22

	Commission Accepted - Most Recent	% Cap. Str.	% Cost Rate	Weighted Cost
1	Docket Number D2002.9.120			
2	Order Number 6445c			
3				
4	Common Equity	50.00%	10.61%	5.31%
5	Preferred Stock			
6	Long Term Debt	50.00%	7.75%	3.88%
7	Other			
8	TOTAL	100.00%		9.18%
9				
10	Actual at Year End			
11				
12	Common Equity 15,298,461.00	49.85%	4.51%	2.25%
13	Preferred Stock			
14	Long Term Debt 15,390,117.00	50.15%	7.75%	3.89%
15	Other			
16	TOTAL 30,688,578.00	100.00%		6.13%

STATEMENT OF CASH FLOWS

Year: 2003

	Description	Last Year	This Year	% Change
1				
2	Increase/(decrease) in Cash & Cash Equivalents:			
3				
4	Cash Flows from Operating Activities:			
5	Net Income	1,400,790	(88,879)	1676%
6	Depreciation	2,326,909	2,594,141	-10%
7	Amortization			
8	Deferred Income Taxes - Net	(1,354,927)	1,519,494	-189%
9	Investment Tax Credit Adjustments - Net	(21,062)	(21,062)	
10	Change in Operating Receivables - Net	2,087,164	272,607	666%
11	Change in Materials, Supplies & Inventories - Net	(4,217,324)	5,530,750	-176%
12	Change in Operating Payables & Accrued Liabilities - Net	108,573	1,288,920	-92%
13	Allowance for Funds Used During Construction (AFUDC)			
14	Change in Other Assets & Liabilities - Net	6,783,906	(6,549,802)	204%
15	Other Operating Activities (explained on attached page)			
16	Net Cash Provided by/(Used in) Operating Activities	7,114,029	4,546,169	56%
17				
18	Cash Inflows/Outflows From Investment Activities:			
19	Construction/Acquisition of Property, Plant and Equipment	(5,485,108)	(4,040,286)	-36%
20	(net of AFUDC & Capital Lease Related Acquisitions)			
21	Acquisition of Other Noncurrent Assets			
22	Proceeds from Disposal of Noncurrent Assets	(956,888)	(90,113)	-962%
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)	1,292,106	56,487	2187%
27	Net Cash Provided by/(Used in) Investing Activities	(5,149,890)	(4,073,912)	-26%
28				
29	Cash Flows from Financing Activities:			
30	Proceeds from Issuance of:			
31	Long-Term Debt			
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	(490,000)	(502,673)	3%
39	Preferred Stock			
40	Common Stock	204,574	78,587	160%
41	Other:			
42	Net Decrease in Short-Term Debt	(285,989)	2,604,588	-111%
43	Dividends on Preferred Stock			
44	Dividends on Common Stock	(1,245,734)	(1,081,648)	-15%
45	Other Financing Activities (explained on attached page)			
46	Net Cash Provided by (Used in) Financing Activities	(1,817,149)	1,098,854	-265%
47				
48	Net Increase/(Decrease) in Cash and Cash Equivalents	146,990	1,571,111	-91%
49	Cash and Cash Equivalents at Beginning of Year	220,667	367,657	-40%
50	Cash and Cash Equivalents at End of Year	367,657	1,938,768	-81%

NOTE: Cash flow statement represents Energy West, Inc.

LONG TERM DEBT

Year: 2003

	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	Industrial Development	Sep 1992	Oct 2012	1,800,000	1,800,000	1,065,000	3.35% to 6.50%	77,923	7.32%
2	Revenue Bonds								
3	Series 1992B								
4									
5	Great Falls Gas Company	June 1993	June 2008	7,800,000	7,800,000	5,835,000	6.20% to 7.60%	539,242	9.24%
6	Series 1993 Notes								
7									
8	Great Falls Gas Company	Aug 1997	June 2012	8,000,000	8,000,000	7,925,444	7.50%	630,722	7.96%
9	Series 1997 Notes								
10									
11	Capitalized lease					9,008			
12									
13	Asset Retirement Obligation					555,665			
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									
27									
28									
29									
30									
31									
32	TOTAL			17,600,000	17,600,000	15,390,117		1,247,886	8.11%

PREFERRED STOCK

Year: 2003

	Series	Issue Date Mo./Yr.	Shares Issued	Par Value	Call Price	Net Proceeds	Cost of Money	Principal Outstanding	Annual Cost	Embed. Cost %
1	NOT APPLICABLE									
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										
13										
14										
15										
16										
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31										
32	TOTAL									

COMMON STOCK

Year: 2003

	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 July	2549245	6.24				9.750	8.700	
5								
6 August	2549245	6.05				9.500	8.750	
7								
8 September	2573128	5.79	(0.40)	0.135		9.140	8.450	(22.0)
9								
10 October	2573742	5.70				8.890	8.370	
11								
12 November	2574100	5.49				8.520	7.760	
13								
14 December	2579948	5.73	(0.35)	0.270		8.351	7.381	(22.5)
15								
16 January	2581494	6.00				8.740	8.000	
17								
18 February	2582551	6.19				9.000	8.460	
19								
20 March	2583935	6.28	0.34	0.405		8.790	7.400	23.8
21								
22 April	2584853	6.17				7.690	6.141	
23								
24 May	2585648	6.01				8.450	5.100	
25								
26 June	2586487	5.90	(0.03)	0.405		8.550	6.010	(242.7)
27								
28								
29								
30								
31								
32 TOTAL Year End			-0.44	1.215	376.14%			

MONTANA EARNED RATE OF RETURN

Year: 2003

	Description	Last Year	This Year	% Change
1	Rate Base			
2	101 Plant in Service	29,036,927	29,764,583	2.51%
3	108 (Less) Accumulated Depreciation	(15,032,862)	(15,462,352)	-2.86%
4	NET Plant in Service	14,004,065	14,302,231	2.13%
5				
6	Additions			
7	154, 156 Materials & Supplies	2,713,427	1,113,840	-58.95%
8	165 Prepayments			
9	Other Additions	330,121	567,282	71.84%
10	TOTAL Additions	3,043,548	1,681,122	-44.76%
11				
12	Deductions			
13	190 Accumulated Deferred Income Taxes	2,020,926	1,997,834	-1.14%
14	252 Customer Advances for Construction	276,485	309,557	11.96%
15	255 Accumulated Def. Investment Tax Credits			
16	Other Deductions			
17	TOTAL Deductions	2,297,411	2,307,391	0.43%
18	TOTAL Rate Base	14,750,202	13,675,962	-7.28%
19				
20	Net Earnings	1,328,186	838,645	-36.86%
21				
22	Rate of Return on Average Rate Base	8.509%	6.132%	-27.93%
23				
24	Rate of Return on Average Equity	8.162%	5.482%	-32.84%
25				
26	Major Normalizing Adjustments & Commission			
27	Ratemaking adjustments to Utility Operations			
28				
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46				
47	Adjusted Rate of Return on Average Rate Base			
48				
49	Adjusted Rate of Return on Average Equity			

MONTANA COMPOSITE STATISTICS

Year: 2003

	Description	Amount
1		
2	Plant (Intrastate Only) (000 Omitted)	
3		
4	101 Plant in Service	30,492
5	107 Construction Work in Progress	
6	114 Plant Acquisition Adjustments	
7	105 Plant Held for Future Use	
8	154, 156 Materials & Supplies	127
9	(Less):	
10	108, 111 Depreciation & Amortization Reserves	(15,892)
11	252 Contributions in Aid of Construction	
12		
13	NET BOOK COSTS	14,727
14		
15	Revenues & Expenses (000 Omitted)	
16		
17	400 Operating Revenues	22,528
18		
19	403 - 407 Depreciation & Amortization Expenses	873
20	Federal & State Income Taxes	289
21	Other Taxes	395
22	Other Operating Expenses	20,132
23	TOTAL Operating Expenses	21,689
24		
25	Net Operating Income	839
26		
27	415 - 421.1 Other Income	14
28	421.2 - 426.5 Other Deductions	595
29		
30	NET INCOME	258
31		
32	Customers (Intrastate Only)	
33		
34	Year End Average:	
35	Residential	23,699
36	Commercial	2,711
37	Industrial	
38	Other	
39		
40	TOTAL NUMBER OF CUSTOMERS	26,410
41		
42	Other Statistics (Intrastate Only)	
43		
44	Average Annual Residential Use (Mcf or Dkt)	14.60
45	Average Annual Residential Cost per (Mcf or Dkt) (\$) *	3.191
46	* Avg annual cost = [(cost per Mcf or Dkt x annual use) + (mo. svc chrg x 12)]/annual use	
47	Average Residential Monthly Bill	46.59
48	Gross Plant per Customer	1,155

MONTANA CUSTOMER INFORMATION

Year: 2003

	City/Town	Population (Include Rural)	Residential Customers	Commercial Customers	Industrial & Other Customers	Total Customers
1	Great Falls	66,690	23,699	2,711		26,410
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32	TOTAL Montana Customers	66,690	23,699	2,711		26,410

MONTANA EMPLOYEE COUNTS

Year: 2003

	Department	Year Beginning	Year End	Average
1	TRANSMISSION & DISTRIBUTION	4	4	4
2	CUSTOMER ACCOUNTS	18	20	19
3	SALES, MERCHANDISING, JOBBING	2	2	2
4	ENGINEERING	2	1	2
5	ADMINISTRATIVE & GENERAL	10	11	11
6	CONSTRUCTION	11	10	11
7	FIELD CUSTOMER SERVICE	6	7	7
8	DISTRICT PERSONNEL			
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50	TOTAL Montana Employees	53	55	54

MONTANA CONSTRUCTION BUDGET (ASSIGNED & ALLOCATED)

Year: 2004

	Project Description	Total Company	Total Montana
1	ENERGY WEST - WEST YELLOWSTONE	19,680	
2	ENERGY WEST - CASCADE		
3	ENERGY WEST - MONTANA	1,263,967	
4	OTHER		
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50	TOTAL	1,283,647	

TRANSMISSION SYSTEM - TOTAL COMPANY & MONTANA

Year: 2003

Total Company				
		Peak Day of Month	Peak Day Volumes Mcf or Dkt	Total Monthly Volumes Mcf or Dkt
1	January			
2	February			
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: 2003

Total Company				
		Peak Day of Month	Peak Day Volumes Mcf or Dkt	Total Monthly Volumes Mcf or Dkt
1	January	SEE BELOW		
2	February			
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	July	1	3,779	136,978
15	August	8	5,338	163,154
16	September	27	10,238	219,553
17	October	30	29,433	499,902
18	November	1	22,703	520,588
19	December	4	26,277	644,967
20	January	21	32,364	669,672
21	February	23	34,478	666,230
22	March	8	34,984	619,832
23	April	2	18,613	333,895
24	May	18	15,995	289,363
25	June	4	6,310	165,880
26	TOTAL			4,930,013

STORAGE SYSTEM - TOTAL COMPANY & MONTANA

		Total Company					
		Peak Day of Month		Peak Day Volumes (Mcf or Dkt)		Total Monthly Volumes (Mcf or Dkt)	
		Injection	Withdrawal	Injection	Withdrawal	Injection	Withdrawal
1	January						
2	February						
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
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						

Year: 2003

SOURCES OF GAS SUPPLY

	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	Energy West Resources	472,000	790,000	\$2.9474	\$5.6520
2	Coral	1,825,000	615,000	\$2.4155	\$2.3240
3	PanCanadian	1,085,746		\$3.4400	
4	Jet-co		1,472,885		\$4.1250
5	North Western		17,000		\$8.0600
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33	Total Gas Supply Volumes	3,382,746	2,894,885	\$2.8186	\$4.1822

MONTANA CONSERVATION & DEMAND SIDE MANAGEMENT PROGRAMS

Year: 2003

	Program Description	Current Year Expenditures	Last Year Expenditures	% Change	Planned Savings (Mcf or Dkt)	Achieved Savings (Mcf or Dkt)	Difference
1	NO INTEREST LOAN PROGRAM	\$307,569	\$324,930	-5.34%	N/A	N/A	
2	FURNACE EFFICIENCY PROGRAM	\$22,285	\$23,790	-6.33%	N/A	N/A	
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32	TOTAL	\$329,854	\$348,720	-5.41%			

MONTANA CONSUMPTION AND REVENUES

		Operating Revenues		MCF Sold		Avg. No. of Customers	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
	Sales of Gas						
1	Residential	\$13,178,851	\$17,080,512	2,177,332	2,326,427	23,699	23,541
2	Commercial - Small	2,006,879	2,522,679	316,311	330,805	1,877	1,851
3	Commercial - Large	5,553,206	7,104,334	934,306	994,724	834	814
4	Industrial - Small						
5	Industrial - Large						
6	Interruptible Industrial						
7	Other Sales to Public Authorities						
8	Sales to Other Utilities						
9	Interdepartmental						
10							
11	TOTAL	\$20,738,936	\$26,707,525	3,427,949	3,651,956	26410	26206
12							
13							
14							
15							
16							
17							
18	Transportation of Gas						
19	Utilities						
20	Industrial						
21	Other	1,789,060	1,943,065	1.5	1.5	2	2
22							
23							
24	TOTAL	\$1,789,060	\$1,943,065	1,461,5436	1,521,5816	2	2