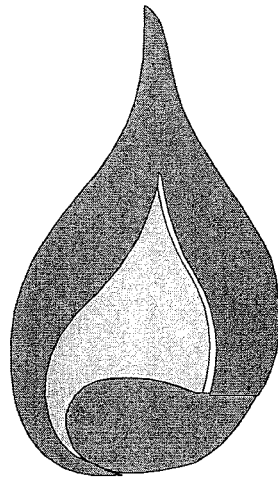


RECEIVED Year Ending June 30, 2004

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ANNUAL REPORT
OF

**Energy West
Cascade Propane**
GAS UTILITY



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

Gas Annual Report

Instructions

General

1. A Microsoft EXCEL 2000 workbook of the annual report is being provided on computer disk 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.
2. The workbook contains input sections that are unprotected, and non-input sections that are protected. Cell protection can be disabled or enabled through "TOOLS – PROTECTION – UNPROTECT SHEET" on your toolbar. Formulas and checks are built into most of the templates.
3. Use of the disk is optional. The disk and the report cover shall be returned when the report is filed. There are macros built into the workbook to assist you with the report. An explanation of the macros is on the "Control" worksheet at the front of the workbook. The explanations start at cell A1.
4. 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". You may select specific schedules to print – See the worksheet "CONTROL".
5. Indicate negative amounts (such as decreases) by enclosing the figures in parentheses ().
6. 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.
7. 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).
8. 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.
9. All companies owned by another company shall attach a corporate structure chart of the holding company.

10. 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.

11. 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.

12. 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).

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

14. 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 and 132 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

1. 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.)
2. 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.
2. 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.

Gas Annual Report

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IDENTIFICATION

Year: 2004

1.	Legal Name of Respondent:	Energy West - Cascade
2.	Name Under Which Respondent Does Business:	Energy West, Incorporated
3.	Date Utility Service First Offered in Montana	Propane 8/94
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) (a)	Remuneration (b)
1	David Cerotzke Great Falls, MT	\$6,000
2	G. Montgomery Mitchell Houston, TX	\$14,000
3	David Flitner Greybull, WY	\$9,000
4	Richard Schulte Brecksville, OH	\$11,000
5	Andrew Davidson Great Falls, MT	\$6,000
6	Gene Argo Hays, KS	\$9,000
7	Terry Palmer Denver, CO	\$6,000
8	Richard Osborne Mentor, OH	\$6,000
9	Tom Smith Mentor, OH	\$6,000
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		

Officers

Year: 2004

Line No.	Title of Officer (a)	Department Supervised (b)	Name (c)
1	President & CEO	Total Company	Edward J. Bernica
2			
3	Vice-President / Treasurer	Finance and Treasury	JoAnn S. Hogan
4			
5	Vice-President / Controller	Accounting	Robert B. Mease
6			
7	Interim President & CEO		
8	General Counsel. V/P Human Resources & Secretary	Human Resources and Legal	John C. Allen
9			
10			
11	VP & Manager of Propane	All Propane Operations	Doug Mann
12			
13	VP & Manager of Natural Gas	All Natural Gas Operations	Tim A. Good
14			
15			
16			
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CORPORATE STRUCTURE

Year: 2004

	Subsidiary/Company Name	Line of Business	Earnings	Percent of Total
1	Energy West - Montana	Natural Gas Utility	(224,072)	40.28%
2	Energy West - Wyoming	Natural Gas Utility	222,774	-40.04%
3	Energy West - Arizona	Propane Vapor Utility	(46,892)	8.43%
4	Energy West - W. Yellowstone	Natural Gas Utility	(170,845)	30.71%
5	Energy West - Cascade	Natural Gas Utility	8,963	-1.61%
6	Rocky Mountain Fuels	Bulk Propane Sales	158,600	-28.51%
7	Energy West Propane - AZ	Bulk Propane Sales	255,786	-45.98%
8	Energy West Propane - MT	Bulk Propane Sales	(64,386)	11.57%
9	Energy West Resources	Gas Marketing	(854,848)	153.66%
10	Energy West Development	Real Estate Development and Pipe Line	158,600	-28.51%
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49				
50	TOTAL		(556,320)	100.00%

CORPORATE ALLOCATIONS

Year: 2004

	Items Allocated	Classification	Allocation Method	\$ to MT Utility	MT %	\$ to Other
1	ENERGY WEST, OVERHEADS	921	DIRECT PAYROLL & 4 FACTOR	19,246	0.56%	3,421,531
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34	TOTAL			19,246	0.56%	3,421,531

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY Year: 2004

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	Missouri River Propane	Wholesale Propane	Delivered Cost & Storage	168,136		
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32	TOTAL			168,136		

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY Year: 2004

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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31						
32	TOTAL					

MONTANA UTILITY INCOME STATEMENT

Year: 2004

	Account Number & Title	Last Year	This Year	% Change
1	400 Operating Revenues	282,561	303,974	7.58%
2				
3	Operating Expenses			
4	401 Operation Expenses	204,474	222,424	8.78%
5	402 Maintenance Expense			
6	403 Depreciation Expense	17,187	17,107	-0.47%
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	407.2 Amort. of Conversion Expense			
11	408.1 Taxes Other Than Income Taxes	12,201	21,851	79.09%
12	409.1 Income Taxes - Federal	(4,069)	(17,691)	-334.78%
13	409.1 Income Taxes - Federal	(4,069)	(17,691)	-334.78%
14	- Other	(901)	(4,084)	-353.27%
15	410.1 Provision for Deferred Income Taxes	16,773	27,397	63.34%
16	411.1 (Less) Provision for Def. Inc. Taxes - Cr.			
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	245,665	267,004	8.69%
21	NET UTILITY OPERATING INCOME	36,896	36,970	0.20%

MONTANA REVENUES

SCHEDULE 9

	Account Number & Title	Last Year	This Year	% Change
1	Sales of Gas			
2	480 Residential	188,421	207,604	10.18%
3	481 Commercial & Industrial - Small	94,140	96,370	2.37%
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	282,561	303,974	7.58%
9	483 Sales for Resale			
10	TOTAL Sales of Gas	282,561	303,974	7.58%
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			
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			
22	Total Gas Operating Revenues	282,561	303,974	7.58%
23				
24	496 (Less) Provision for Rate Refunds			
25				
26	TOTAL Oper. Revs. Net of Pro. for Refunds	282,561	303,974	7.58%
27				

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2004

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: 2004

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	165,417	168,136	1.64%
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			
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	165,417	168,136	1.64%
34				
35	TOTAL PRODUCTION EXPENSES	165,417	168,136	1.64%

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2004

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: 2004

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			
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			
36	879 Customer Installations Expenses			
37	880 Other Expenses			
38	881 Rents			
39	Total Operation - Distribution			
40	Maintenance			
41	885 Maintenance Supervision & Engineering			
42	886 Maintenance of Structures & Improvements			
43	887 Maintenance of Mains			
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			
50	894 Maintenance of Other Equipment			
51	Total Maintenance - Distribution			
52	TOTAL Distribution Expenses			

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2004

Account Number & Title		Last Year	This Year	% Change
1				
2	Customer Accounts Expenses			
3	Operation			
4	901 Supervision			
5	902 Meter Reading Expenses			
6	903 Customer Records & Collection Expenses			
7	904 Uncollectible Accounts Expenses	(229)	576	351.53%
8	905 Miscellaneous Customer Accounts Expenses			
9				
10	TOTAL Customer Accounts Expenses	(229)	576	351.53%
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			
26	916 Miscellaneous Sales Expenses			
27				
28	TOTAL Sales Expenses			
29				
30	Administrative & General Expenses			
31	Operation			
32	920 Administrative & General Salaries	14,914	18,584	24.61%
33	921 Office Supplies & Expenses	3,975	1,321	-66.77%
34	922 (Less) Administrative Expenses Transferred - Cr.			
35	923 Outside Services Employed	1,906	1,330	-30.22%
36	924 Property Insurance	3,639	10,430	186.62%
37	925 Injuries & Damages			
38	926 Employee Pensions & Benefits			
39	927 Franchise Requirements			
40	928 Regulatory Commission Expenses			
41	929 (Less) Duplicate Charges - Cr.			
42	930.1 General Advertising Expenses			
43	930.2 Miscellaneous General Expenses	891	2,801	214.37%
44	931 Rents			
45	Overhaeds	13,961	19,246	
46	TOTAL Operation - Admin. & General	39,286	53,712	36.72%
47	Maintenance			
48	935 Maintenance of General Plant			
49				
50	TOTAL Administrative & General Expenses	39,286	53,712	36.72%
51	TOTAL OPERATION & MAINTENANCE EXP.	204,474	222,424	8.78%

MONTANA TAXES OTHER THAN INCOME

Year: 2004

	Description of Tax	Last Year	This Year	% Change
1	Payroll Taxes			
2	Superfund			
3	Secretary of State			
4	Montana Consumer Counsel	221	313	42.02%
5	Montana PSC	568	837	47.40%
6	Franchise Taxes			
7	Property Taxes	11,413	20,700	81.38%
8	Tribal Taxes			
9				
10				
11				
12				
13				
14				
15				
16				
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39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50				
51	TOTAL MT Taxes other than Income	12,201	21,851	79.09%

PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES

Year: 2004

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1	NONE				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
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41					
42					
43					
44					
45					
46					
47					
48					
49					
50	TOTAL Payments for Services				

POLITICAL ACTION COMMITTEES / POLITICAL CONTRIBUTIONS Year: 2004

	Description	Total Company	Montana	% Montana
1				
2	NONE			
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
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41				
42				
43				
44				
45				
46				
47				
48				
49				
50	TOTAL Contributions			

Pension Costs

Year: 2004

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			
48	Not Covered by the Plan			
49	Active			
50	Retired			
51	Deferred Vested Terminated			

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%	6.00%	
8 Expected return on plan assets	8.50%	8.50%	
9 Medical Cost Inflation Rate	10.00%	8.50%	-15.00%
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	782300	602800	-22.95%
20 Service cost	33200	31100	-6.33%
21 Interest Cost	41300	44300	7.26%
22 Plan participants' contributions			
23 Amendments			
24 Actuarial Gain	-65000	123400	289.85%
25 Acquisition			
26 Benefits paid	-15200	-19300	-26.97%
27 Benefit obligation at end of year	776600	782300	0.73%
28 Change in Plan Assets			
29 Fair value of plan assets at beginning of year	456800	470800	3.06%
30 Actual return on plan assets	2900	5300	82.76%
31 Acquisition			
32 Employer contribution			
33 Plan participants' contributions			
34 Benefits paid	-15200	-19300	-26.97%
35 Fair value of plan assets at end of year	444500	456800	2.77%
36 Funded Status			
37 Unrecognized net actuarial loss	332100	325500	-1.99%
38 Unrecognized prior service cost	-63000	-115700	-83.65%
39 Prepaid (accrued) benefit cost	269100	209800	-22.04%
40 Components of Net Periodic Benefit Costs			
41 Service cost	33200	31100	-6.33%
42 Interest cost	41300	44300	7.26%
43 Expected return on plan assets	-37500	-39000	-4.00%
44 Amortization of prior service cost	19600	19600	
45 Recognized net actuarial loss	2700	-3500	-229.63%
46 Net periodic benefit cost	59300	52500	-11.47%
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: 2004

	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	John Allen Interim President & CEO Senior Vice President	126,464	10,010		136,474	105,512	29%
2	Tim A. Good Vice President Utility Division	111,667	9,985		121,652	110,599	10%
3	Robert Mease Vice President Controller	90,296	7,150		97,446	77,186	26%
4	JoAnn Hogan Vice President Treasurer	82,476	6,750	5,000	94,226	70,614	33%
5	Lynn Hardin Mgr. Regulatory Affairs and Special Projects	80,008	8,003		88,011	95,020	-7%
6	Kurt Baltrusch Director of Operations	71,806	14,210		86,016	60,724	42%
7	Earl Terwilliger Division Manager Energy West MT	68,999	6,902		75,901	87,552	-13%
8	Evan Mathews Manager West Yellowstone	62,986	12,461		75,447	74,910	1%
9	Jed Henthorne IT Manager	63,846	6,555		70,401	80,776	-13%
10	Jack Stimac Construction Supervisor	55,511	3,089		58,601	55,823	5%

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	John Allen Interim President & CEO Senior Vice President	126,464	10,010		136,474	105,512	29%
2	Tim A. Good Vice President Utility Division	111,667	9,985		121,652	110,599	10%
3	Robert Mease Vice President Controller	90,296	7,150		97,446	77,186	26%
4	Doug Mann Vice President Propane Division, IT	88,074	7,756		95,830	88,182	9%
5	JoAnn Hogan Vice President Treasurer	82,476	6,750	5,000	94,226	70,614	33%

BALANCE SHEET

Year: 2004

	Account Number & Title	Last Year	This Year	% Change
1	Assets and Other Debits			
2	Utility Plant			
3	101 Gas Plant in Service	59,696,804	61,719,449	-3%
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	(26,615,488)	(28,567,286)	7%
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	33,081,316	33,152,164	0%
20	Other Property & Investments			
21	121 Nonutility Property	8,281,809	7,306,689	13%
22	122 (Less) Accum. Depr. & Amort. of Nonutil. Prop.	(1,786,529)	(1,853,208)	4%
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	6,495,280	5,453,480	19%
28	Current & Accrued Assets			
29	131 Cash	1,938,768	1,322,702	47%
30	132-134 Special Deposits			
31	135 Working Funds			
32	136 Temporary Cash Investments			
33	141 Notes Receivable		407,538	-100%
34	142 Customer Accounts Receivable	8,184,645	7,029,834	16%
35	143 Other Accounts Receivable			
36	144 (Less) Accum. Provision for Uncollectible Accts.	(213,013)	(300,814)	29%
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	371,490	350,764	6%
43	155 Merchandise			
44	156 Other Material & Supplies			
45	163 Stores Expense Undistributed			
46	164.1 Gas Stored Underground - Current	1,038,690	5,183,046	-80%
47	165 Prepayments	352,982	370,379	-5%
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	3,049,552	1,994,390	53%
53	TOTAL Current & Accrued Assets	14,723,114	16,357,839	-10%

BALANCE SHEET

Year: 2004

	Account Number & Title	Last Year	This Year	% Change
1	Assets and Other Debits (cont.)			
2				
3	Deferred Debits			
4				
5	181 Unamortized Debt Expense	778,558	1,660,078	-53%
6	182.1 Extraordinary Property Losses			
7	182.2 Unrecovered Plant & Regulatory Study Costs	541,196	562,924	-4%
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	3,340,047	3,470,185	-4%
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	1,067,109	788,407	35%
18	192.1 Unrecovered Incremental Gas Costs			
19	192.2 Unrecovered Incremental Surcharges			
20	TOTAL Deferred Debits	5,726,910	6,481,594	-12%
21				
22	TOTAL ASSETS & OTHER DEBITS	60,026,620	61,445,077	-2%
	Account Number & Title	Last Year	This Year	% Change
23	Liabilities and Other Credits			
24				
25	Proprietary Capital			
26				
27	201 Common Stock Issued	389,295	389,783	0%
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	5,056,425	5,077,687	0%
33	213 (Less) Discount on Capital Stock			
34	214 (Less) Capital Stock Expense			
35	215 Appropriated Retained Earnings			
36	216 Unappropriated Retained Earnings	8,511,025	7,932,955	7%
37	217 (Less) Reacquired Capital Stock			
38	TOTAL Proprietary Capital	13,956,745	13,400,425	4%
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	15,390,117	22,283,515	-31%
46	225 Unamortized Premium on Long Term Debt			
47	226 (Less) Unamort. Discount on L-Term Debt-Dr.			
48	TOTAL Long Term Debt	15,390,117	22,283,515	-31%

BALANCE SHEET

Year: 2004

	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	6,104,588	6,729,304	-9%
17	232 Accounts Payable	8,841,779	3,611,080	145%
18	233 Notes Payable to Associated Companies			
19	234 Accounts Payable to Associated Companies			
20	235 Customer Deposits	576,917	407,635	42%
21	236 Taxes Accrued			
22	237 Interest Accrued	106,860	103,047	4%
23	238 Dividends Declared			
24	239 Matured Long Term Debt	532,371	972,706	
25	240 Matured Interest			
26	241 Tax Collections Payable			
27	242 Miscellaneous Current & Accrued Liabilities	5,670,271	4,900,976	16%
28	243 Obligations Under Capital Leases - Current			
29	TOTAL Current & Accrued Liabilities	21,832,786	16,724,748	31%
30				
31	Deferred Credits			
32				
33	252 Customer Advances for Construction	1,604,814	1,829,128	-12%
34	253 Other Deferred Credits	2,550,856	2,343,536	9%
35	255 Accumulated Deferred Investment Tax Credits	355,406	334,344	6%
36	256 Deferred Gains from Disposition Of Util. Plant			
37	257 Unamortized Gain on Reacquired Debt			
38	281-283 Accumulated Deferred Income Taxes	4,335,896	4,529,381	-4%
39	TOTAL Deferred Credits	8,846,972	9,036,389	-2%
40				
41	TOTAL LIABILITIES & OTHER CREDITS	60,026,620	61,445,077	-2%

NOTE: The balance sheet represents Energy West Inc.

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 2004

	Account Number & Title	Last Year	This Year	% Change
1	Intangible Plant			
2				
3	301 Organization			
4	302 Franchises & Consents			
5	303 Miscellaneous Intangible Plant			
6				
7	TOTAL Intangible Plant			
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: 2004

	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: 2004

	Account Number & Title	Last Year	This Year	% Change
1				
2	Distribution Plant			
3				
4	374 Land & Land Rights	3,636	3,636	
5	375 Structures & Improvements			
6	376 Mains	269,482	269,482	
7	377 Compressor Station Equipment			
8	378 Meas. & Reg. Station Equipment-General			
9	379 Meas. & Reg. Station Equipment-City Gate			
10	380 Services	221,870	221,870	
11	381 Meters			
12	382 Meter Installations	26,116	26,116	
13	383 House Regulators	10,598	10,598	
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	531,703	531,703	
20				
21	General Plant			
22				
23	389 Land & Land Rights			
24	390 Structures & Improvements			
25	391 Office Furniture & Equipment			
26	392 Transportation Equipment			
27	393 Stores Equipment			
28	394 Tools, Shop & Garage Equipment	34,343	34,343	
29	395 Laboratory Equipment			
30	396 Power Operated Equipment	6,300	6,300	
31	397 Communication Equipment			
32	398 Miscellaneous Equipment			
33	399 Other Tangible Property			
34				
35	TOTAL General Plant	40,643	40,643	
36				
37	TOTAL Gas Plant in Service	572,346	572,346	

MONTANA DEPRECIATION SUMMARY

Year: 2004

	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	572,346	138,558	155,665	
7	General				
8	TOTAL	572,346	138,558	155,665	

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)			
7	Assigned to Operations & Maintenance			
8	Production Plant (Estimated)			
9	Transmission Plant (Estimated)			
10	Distribution Plant (Estimated)			
11	Assigned to Other			
12	155 Merchandise			
13	156 Other Materials & Supplies			
14	163 Stores Expense Undistributed			
15				
16	TOTAL Materials & Supplies			

MONTANA REGULATORY CAPITAL STRUCTURE & COSTS

SCHEDULE 22

	Commission Accepted - Most Recent	% Cap. Str.	% Cost Rate	Weighted Cost
1	Docket Number 96.7.123			
2	Order Number 5933b			
3				
4	Common Equity	52.52%	11.50%	6.04%
5	Preferred Stock			
6	Long Term Debt	47.48%	8.69%	4.13%
7	Other			
8	TOTAL	100.00%		10.17%
9				
10	Actual at Year End			
11				
12	Common Equity 13,400,425.00	38.18%	15.27%	5.83%
13	Preferred Stock			
14	Long Term Debt 21,697,286.00	61.82%	5.34%	3.30%
15	Other			
16	TOTAL 35,097,711.00	100.00%		9.13%

STATEMENT OF CASH FLOWS

Year: 2004

	Description	Last Year	This Year	% Change
1				
2	Increase/(decrease) in Cash & Cash Equivalents:			
3				
4	Cash Flows from Operating Activities:			
5	Net Income	(857,000)	(556,320)	-54%
6	Depreciation	2,594,141	3,467,774	-25%
7	Amortization			
8	Deferred Income Taxes - Net	1,039,449	209,612	396%
9	Investment Tax Credit Adjustments - Net	(21,062)	(21,062)	
10	Change in Operating Receivables - Net	275,967	1,090,118	-75%
11	Change in Materials, Supplies & Inventories - Net	6,778,916	(2,900,222)	334%
12	Change in Operating Payables & Accrued Liabilities - Net	(711,004)	(5,230,702)	86%
13	Allowance for Funds Used During Construction (AFUDC)			
14	Change in Other Assets & Liabilities - Net	(4,549,878)	(1,931,067)	-136%
15	Other Operating Activities (explained on attached page)			
16	Net Cash Provided by/(Used in) Operating Activities	4,549,529	(5,871,869)	177%
17				
18	Cash Inflows/Outflows From Investment Activities:			
19	Construction/Acquisition of Property, Plant and Equipment	(4,040,286)	(2,316,695)	-74%
20	(net of AFUDC & Capital Lease Related Acquisitions)			
21	Acquisition of Other Noncurrent Assets			
22	Proceeds from Disposal of Noncurrent Assets	(90,113)		#DIV/0!
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)	53,187	1,170,547	-95%
27	Net Cash Provided by/(Used in) Investing Activities	(4,077,212)	(1,146,148)	-256%
28				
29	Cash Flows from Financing Activities:			
30	Proceeds from Issuance of:			
31	Long-Term Debt		8,000,000	-100%
32	Preferred Stock			
33	Common Stock			
34	Other:		(1,525,934)	100%
35	Net Increase in Short-Term Debt			
36	Other:			
37	Payment for Retirement of:			
38	Long-Term Debt	(502,673)	(696,831)	28%
39	Preferred Stock			
40	Common Stock	78,587		#DIV/0!
41	Other:			
42	Net Decrease in Short-Term Debt	2,604,588	624,716	317%
43	Dividends on Preferred Stock			
44	Dividends on Common Stock	(1,081,648)		#DIV/0!
45	Other Financing Activities (explained on attached page)			
46	Net Cash Provided by (Used in) Financing Activities	1,098,854	6,401,951	-83%
47				
48	Net Increase/(Decrease) in Cash and Cash Equivalents	1,571,171	(616,066)	355%
49	Cash and Cash Equivalents at Beginning of Year	367,657	1,938,768	-81%
50	Cash and Cash Equivalents at End of Year	1,938,828	1,322,702	47%

NOTE: Cash flow statement represents Energy West, Inc.

LONG TERM DEBT

Year: 2004

	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%	72,165	6.78%
2	Revenue Obligations								
3	Series 1992B								
4									
5	Series 1993 Notes Payable	June 1993	June 2008	7,800,000	7,800,000	5,835,000	6.20% to 7.60%	512,841	8.79%
6									
7									
8	Series 1997 Notes Payable	Aug 1997	June 2012	8,000,000	8,000,000	7,860,984	7.50%	616,637	7.84%
9									
10	Capital lease					9,008			
11									
12	Asset Retirement Obligation					586,229			
13									
14	Term Loan					7,900,000			
15									
16									
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31									
32	TOTAL			17,600,000	17,600,000	23,256,221		1,201,643	5.17%

PREFERRED STOCK

Year: 2004

	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										
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32	TOTAL									

COMMON STOCK

Year: 2004

	Avg. Number of Shares Outstanding	Book Value Per Share	Earnings Per Share	Dividends Per Share	Retention Ratio	Market Price		Price/Earnings Ratio
						High	Low	
1								
2								
3								
4 July	2586487	5.81				6.490	5.600	
5								
6 August	2595250	5.69				6.770	6.000	
7								
8 September	2595250	5.66	(0.24)			7.890	6.310	(29.6)
9								
10 October	2595250	5.64				7.790	6.000	
11								
12 November	2595250	5.72				6.200	5.950	
13								
14 December	2595250	5.78	(0.12)			6.740	5.700	(51.8)
15								
16 January	2595813	6.00				7.000	5.750	
17								
18 February	2595813	6.13				6.750	5.760	
19								
20 March	2596048	6.09	0.20			7.600	5.810	33.5
21								
22 April	2596208	6.02				8.500	6.850	
23								
24 May	2596344	5.93				7.250	6.520	
25								
26 June	2596454	5.16	(0.21)			6.890	6.300	(30.8)
27								
28								
29								
30								
31								
32 TOTAL Year End			-0.37426145		100.00%			

MONTANA EARNED RATE OF RETURN

Year: 2004

	Description	Last Year	This Year	% Change
1	Rate Base			
2	101 Plant in Service	570,306	572,346	0.36%
3	108 (Less) Accumulated Depreciation	(129,964)	(147,112)	-13.19%
4	NET Plant in Service	440,342	425,234	-3.43%
5				
6	Additions			
7	154, 156 Materials & Supplies			
8	165 Prepayments			
9	Other Additions	6,766	9,143	35.13%
10	TOTAL Additions	6,766	9,143	35.13%
11				
12	Deductions			
13	190 Accumulated Deferred Income Taxes	58,300	60,928	4.51%
14	252 Customer Advances for Construction			
15	255 Accumulated Def. Investment Tax Credits			
16	Other Deductions			
17	TOTAL Deductions	58,300	60,928	4.51%
18	TOTAL Rate Base	388,808	373,449	-3.95%
19				
20	Net Earnings	36,896	36,970	0.20%
21				
22	Rate of Return on Average Rate Base	9.490%	9.900%	4.32%
23				
24	Rate of Return on Average Equity	0.264%	0.276%	4.36%
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: 2004

	Description	Amount
1		
2	Plant (Intrastate Only) (000 Omitted)	
3		
4	101 Plant in Service	572
5	107 Construction Work in Progress	
6	114 Plant Acquisition Adjustments	
7	105 Plant Held for Future Use	
8	154, 156 Materials & Supplies	
9	(Less):	
10	108, 111 Depreciation & Amortization Reserves	(156)
11	252 Contributions in Aid of Construction	
12		
13	NET BOOK COSTS	416
14	Revenues & Expenses (000 Omitted)	
15		
16		
17	400 Operating Revenues	304
18		
19	403 - 407 Depreciation & Amortization Expenses	17
20	Federal & State Income Taxes	6
21	Other Taxes	22
22	Other Operating Expenses	222
23	TOTAL Operating Expenses	267
24		
25	Net Operating Income	37
26		
27	415 - 421.1 Other Income	
28	421.2 - 426.5 Other Deductions	28
29		
30	NET INCOME	9
31	Customers (Intrastate Only)	
32		
33		
34	Year End Average:	
35	Residential	261
36	Commercial	44
37	Industrial	
38	Other	
39		
40	TOTAL NUMBER OF CUSTOMERS	305
41	Other Statistics (Intrastate Only)	
42		
43		
44	Average Annual Residential Use (Mcf or Dkt)	26.8
45	Average Annual Residential Cost per (Mcf or Dkt) (\$) *	27.7
46	* Avg annual cost = [(cost per Mcf or Dkt x annual use) + (mo. svc chrg x 12)]/annual use	
47	Average Residential Monthly Bill	77.20
48	Gross Plant per Customer	1,875

MONTANA CUSTOMER INFORMATION

Year: 2004

	City/Town	Population (Include Rural)	Residential Customers	Commercial Customers	Industrial & Other Customers	Total Customers
1	Cascade	741	261	44		305
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32	TOTAL Montana Customers	741	261	44		305

MONTANA EMPLOYEE COUNTS

Year: 2004

	Department	Year Beginning	Year End	Average
1	TRANSMISSION & DISTRIBUTION	1		1
2				
3				
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49				
50	TOTAL Montana Employees	1		1

MONTANA CONSTRUCTION BUDGET (ASSIGNED & ALLOCATED)

Year: 2005

	Project Description	Total Company	Total Montana
1	ENERGY WEST - WEST YELLOWSTONE	26,446	
2	ENERGY WEST - CASCADE		
3	ENERGY WEST - MONTANA	1,223,044	
4	OTHER		
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50	TOTAL	1,249,490	

TRANSMISSION SYSTEM - TOTAL COMPANY & MONTANA

Year: 2004

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: 2004

Total Company				
		Peak Day of Month	Peak Day Volumes Mcf or Dkt	Total Monthly Volumes Mcf or Dkt
1	January	not applicable		
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	not applicable					
15	August						
16	September						
17	October						
18	November						
19	December						
20	January						
21	February						
22	March						
23	April						
24	May						
25	June						
26	TOTAL						

STORAGE SYSTEM - TOTAL COMPANY & MONTANA

Year: 2004

Total Company						
	Peak Day of Month		Peak Day Volumes (Mcf or Dkt)		Total Monthly Volumes (Mcf or Dkt)	
	Injection	Withdrawal	Injection	Withdrawal	Injection	Withdrawal
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12						
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						
15						
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26						
TOTAL						

SOURCES OF GAS SUPPLY

Year: 2004

	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	Missouri River Propane	9,770	10,253	\$16.9311	\$16.3995
2					
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32					
33	Total Gas Supply Volumes	9,770	10,253	\$16.9311	\$16.3995

MONTANA CONSERVATION & DEMAND SIDE MANAGEMENT PROGRAMS

Year: 2004

	Program Description	Current Year Expenditures	Last Year Expenditures	% Change	Planned Savings (Mcf or Dkt)	Achieved Savings (Mcf or Dkt)	Difference
1	See Energy West MT Report						
2							
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32	TOTAL						

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	\$207,604	\$188,421	6,192	6,382	261	265
2	Commercial - Small	40,684	34,443	1,266	1,197	34	31
3	Commercial - Large		59,697	2,794	2,192	10	10
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	\$303,974	\$282,561	10,253	9,771	305	306
12							
13							
14							
Operating Revenues							
15							
16							
17							
Transportation of Gas							
19	Utilities						
20	Industrial						
21	Other						
22							
23							
24	TOTAL						