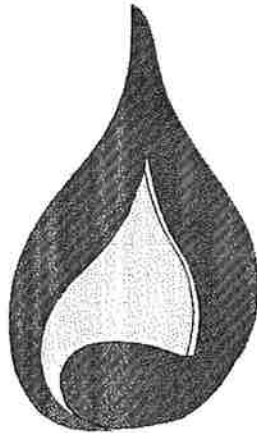


YEAR ENDING 2012

**ANNUAL REPORT
OF**

Cut Bank Gas Company

GAS UTILITY



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

IDENTIFICATION

Year: 2012

1.	Legal Name of Respondent:	Cut Bank Gas Company
2.	Name Under Which Respondent Does Business:	Cut Bank Gas Company
3.	Date Utility Service First Offered in Montana	19-Nov-56
4.	Address to send Correspondence Concerning Report:	403 East Main St Cut Bank, MT 59427
5.	Person Responsible for This Report:	Jed Henthorne
5a.	Telephone Number:	(406)791-7500
Control Over Respondent		
1.	If direct control over the respondent was held by another entity at the end of year provide the following:	
	1a. Name and address of the controlling organization or person:	
	1b. Means by which control was held:	
	1c. Percent Ownership:	

SCHEDULE 2

Board of Directors		
Line No.	Name of Director and Address (City, State) (a)	Remuneration (b)
1	Richard M. Osborne Mentor, OH	
2	Thomas J. Smith Mentor, OH	
3	Kevin J. Degenstein Great Falls, MT	

Officers

Year : 2012

Line No.	Title of Officer (a)	Department Supervised (b)	Name (c)
1	President & COO	Total Company	Kevin J. Degenstein
2			
3	VP Administration	Total Company	Jed D. Henthorne
4			
5	Assistant Secretary	Total Company	Cheryl Johnson
6			
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CORPORATE STRUCTURE

Year 2012

	Subsidiary/Company Name	Line of Business	Earnings	Percent of Total
1	Cut Bank Gas Company - a subsidiary of		22,182	100.00%
2	Energy West Incorporated			
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42				100.00%
43				
44				
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47				
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49				
50	TOTAL		22,182	

CORPORATE ALLOCATIONS

Year: 2012

	Items Allocated	Classification	Allocation Method	\$ to MT Utility	MT %	\$ to Other
1	ENERGY WEST,	921	DIRECT PAYROLL & 4 FACTOR	125,463	3.14%	3,869,728
2	OVERHEADS					
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34	TOTAL			125,463	3.14%	3,869,728

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY Year: 2012

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	None					
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32	TOTAL					

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY Year: 2012

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: 2012

	Account Number & Title	Last Year	This Year	% Change
1	400 Operating Revenues	2,109,697	1,702,489	-19.30%
2				
3	Operating Expenses			
4	401 Operation Expenses	1,791,477	1,475,018	-17.66%
5	402 Maintenance Expense	72,751	65,586	-9.85%
6	403 Depreciation Expense	35,911	27,600	-23.14%
7	404-405 Amort. & Depl. of Gas Plant			
8	406 Amort. of Gas Plant Acquisition Adjustments	75,045	62,538	-16.67%
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	38,596	30,337	-21.40%
12	409.1 Income Taxes - Federal	(28,351)	11,600	140.92%
13	- Other	804	2,620	225.80%
14	410.1 Provision for Deferred Income Taxes	42,496	5,008	-88.22%
15	411.1 (Less) Provision for Def. Inc. Taxes - Cr.			
16	411.4 Investment Tax Credit Adjustments			
17	411.6 (Less) Gains from Disposition of Utility Plant			
18	411.7 Losses from Disposition of Utility Plant			
19				
20	TOTAL Utility Operating Expenses	2,028,729	1,680,307	-17.17%
21	NET UTILITY OPERATING INCOME	80,967	22,182	-72.60%

SCHEDULE 9

MONTANA REVENUES

	Account Number & Title	Last Year	This Year	% Change
1	Sales of Gas			
2	480 Residential	1,276,538	1,058,322	-17.09%
3	481 Commercial & Industrial - Small	829,514	639,503	-22.91%
4	Commercial & Industrial - Large			
5	482 Other Sales to Public Authorities			
6	484 Interdepartmental Sales			
7	485 Intracompany Transfers			
8	TOTAL Sales to Ultimate Consumers	2,106,052	1,697,825	-19.38%
9	483 Sales for Resale			
10	TOTAL Sales of Gas	2,106,052	1,697,825	-19.38%
11	Other Operating Revenues			
12	487 Forfeited Discounts & Late Payment Revenues			
13	488 Miscellaneous Service Revenues	2,450	3,903	59.33%
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	1,196	761	-36.35%
21	TOTAL Other Operating Revenues	3,645	4,664	27.95%
22	Total Gas Operating Revenues	2,109,697	1,702,489	-19.30%
23				
24	496 (Less) Provision for Rate Refunds			
25				
26	TOTAL Oper. Revs. Net of Pro. for Refunds	2,109,697	1,702,489	-19.30%
27				

SCHEDULE 9A

SCHEDULE TO ATTACH TO PSC REPORT
12/31/2012

Line 48 Sch 9 Other Gas Revenue

	<u>Last Year</u>	This Year
Interest Income	658	416
Patronage Dividend		
Loss on Investment in Cooperatives		
Miscellaneous	537	345
Investment Tax Credits		
Totals	1,195.00	761.00

MONTANA OPERATION & MAINTENANCE EXP]

Year 2012

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	22,368	23,312	4.22%
	762 Maintenance of Structures & Improvements			
18	763 Maintenance of Producing Gas Wells	8,960	8,775	-2.06%
19	764 Maintenance of Field Lines	1,325	191	-85.58%
20	765 Maintenance of Field Compressor Sta. Equip.	170	54	-68.24%
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.	32,823	32,332	-1.50%
26	TOTAL Natural Gas Production & Gathering	32,823	32,332	-1.50%
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 EXP]

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	6,976	5,588	-19.90%
12	800.1 Nat. Gas Wellhead Purch., Intracomp. Trans.			
13	801 Natural Gas Field Line Purchases			
14	802 Natural Gas Gasoline Plant Outlet Purchases			
15	803 Natural Gas Transmission Line Purchases			
16	804 Natural Gas City Gate Purchases	1,381,248	958,339	-30.62%
17	805 Other Gas Purchases			
18	805.1 Purchased Gas Cost Adjustments	(61,061)	(5,035)	91.75%
19	805.2 Incremental Gas Cost Adjustments			
20	806 Exchange Gas			
21	807.1 Well Expenses - Purchased Gas			
22	807.2 Operation of Purch. Gas Measuring Stations			
23	807.3 Maintenance of Purch. Gas Measuring Stations			
24	807.4 Purchased Gas Calculations Expenses			
25	807.5 Other Purchased Gas Expenses			
26	808.1 Gas Withdrawn from Storage -Dr.			
27	808.2 (Less) Gas Delivered to Storage -Cr.			
28	809.2 (Less) Deliveries of Nat. Gas for Processing-Cr.			
29	810 (Less) Gas Used for Compressor Sta. Fuel-Cr.			
30	811 (Less) Gas Used for Products Extraction-Cr.			
31	812 (Less) Gas Used for Other Utility Operations-Cr.			
32	813 Other Gas Supply Expenses			
33	TOTAL Other Gas Supply Expenses	1,327,163	958,892	-27.75%
34				
35	TOTAL PRODUCTION EXPENSES	1,359,986	991,224	-27.12%

MONTANA OPERATION & MAINTENANCE EXP]

Year 2012

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.			

ANA OPERATION & MAINTENANCE EXPENSES

Year 2012

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	4,266	5,237	22.77%
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	48,252	58,100	20.41%
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	15,515	16,799	8.27%
36	879 Customer Installations Expenses	3,664	4,734	29.20%
37	880 Other Expenses	20,875	19,539	-6.40%
38	881 Rents			
39	Total Operation - Distribution	92,571	104,409	12.79%
40	Maintenance			
41	885 Maintenance Supervision & Engineering			
42	886 Maintenance of Structures & Improvements			
43	887 Maintenance of Mains	4,871	3,327	-31.70%
44	888 Maint. of Compressor Station Equipment			
45	889 Maint. of Meas. & Reg. Station Exp.-General		124	#DIV/0!
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	119	402	237.82%
50	894 Maintenance of Other Equipment			
51	Total Maintenance - Distribution	4,990	3,853	-22.79%
52	TOTAL Distribution Expenses	97,562	108,262	10.97%

MONTANA OPERATION & MAINTENANCE EXP]

Year: 2012

Account Number & Title		Last Year	This Year	% Change
1				
2	Customer Accounts Expenses			
3	Operation			
4	901 Supervision			
5	902 Meter Reading Expenses	23,110	24,032	3.99%
6	903 Customer Records & Collection Expenses	79,738	81,204	1.84%
7	904 Uncollectible Accounts Expenses	9,600	9,600	
8	905 Miscellaneous Customer Accounts Expenses			
9				
10	TOTAL Customer Accounts Expenses	112,448	114,836	2.12%
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	17,290	7,536	-56.41%
33	921 Office Supplies & Expenses	35,249	37,303	5.83%
34	922 (Less) Administrative Expenses Transferred - Cr.	(2,516)	(9,947)	-295.27%
35	923 Outside Services Employed			
36	924 Property Insurance	(10,198)	20,277	298.83%
37	925 Injuries & Damages			
38	926 Employee Pensions & Benefits	48,614	59,114	21.60%
39	927 Franchise Requirements			
40	928 Regulatory Commission Expenses	23,588	19,616	-16.84%
41	929 (Less) Duplicate Charges - Cr.			
42	930.1 General Advertising Expenses			
43	930.2 Miscellaneous General Expenses	143,520	158,248	10.26%
44	931 Rents	3,749	4,734	26.27%
45	933 Transportation			
46	TOTAL Operation - Admin. & General	259,295	296,881	14.50%
47	Maintenance			
48	935 Maintenance of General Plant	34,938	29,401	-15.85%
49				
50	TOTAL Administrative & General Expenses	294,233	326,282	10.89%
51	TOTAL OPERATION & MAINTENANCE EXP.	553,528	623,163	12.58%

MONTANA TAXES OTHER THAN INCOME

Year 2012

	Description of Tax	Last Year	This Year	% Change
1	Payroll Taxes	2,551	(519)	-120.35%
2	Superfund			
3	Secretary of State			
4	Montana Consumer Counsel	2,377	2,261	-4.87%
5	Montana PSC	7,518	4,480	-40.42%
6	Franchise Taxes			
7	Property Taxes	19,842	19,519	-1.63%
8	Tribal Taxes			
9	Natural Gas Production Tax	6,307	4,596	-27.13%
10	Vehicle Licenses			
11	Revenue & rate recovery			
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51	TOTAL MT Taxes other than Income	38,596	30,337	-21.40%

PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES

Year: 2012

	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:2012

	Description	Total Company	Montana	% Montana
1	None			
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50	TOTAL Contributions			

Pension Costs

Year 2012

1	Plan Name			
2	Defined Benefit Plan? <u>No</u>	Defined Contribution	Yes	
3	Actuarial Cost Method? <u>N/A</u>	IRS Code: <u>401(a),401(k)</u>		
4	Annual Contribution by Employer: <u>-0-</u>	Is the Plan Over Funded? <u></u>		
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	6	6	
48	Not Covered by the Plan			
49	Active	6	6	
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	Cut Bank Gas Company has no other post employment benefits				
7	Discount rate					
8	Expected return on plan assets					
9	Medical Cost Inflation Rate					
10	Actuarial Cost Method					
11	Rate of compensation increase					
12	List each method used to fund OPEBs (ie: VEBA, 401(h)) and if tax advantaged:					
13						
14						
15	Describe any Changes to the Benefit Plan:					
16						
17	TOTAL COMPANY					
18	Change in Benefit Obligation					
19	Benefit obligation at beginning of year					
20	Service cost					
21	Interest Cost					
22	Plan participants' contributions					
23	Amendments					
24	Actuarial Gain					
25	Acquisition					
26	Benefits paid					
27	Benefit obligation at end of year					
28	Change in Plan Assets					
29	Fair value of plan assets at beginning of year					
30	Actual return on plan assets					
31	Acquisition					
32	Employer contribution					
33	Plan participants' contributions					
34	Benefits paid					
35	Fair value of plan assets at end of year					
36	Funded Status					
37	Unrecognized net actuarial loss					
38	Unrecognized prior service cost					
39	Prepaid (accrued) benefit cost					
40	Components of Net Periodic Benefit Costs					
41	Service cost					
42	Interest cost					
43	Expected return on plan assets					
44	Amortization of prior service cost					
45	Recognized net actuarial loss					
46	Net periodic benefit cost					
47	Accumulated Post Retirement Benefit Obligation					
48	Amount Funded through VEBA					
49	Amount Funded through 401(h)					
50	Amount Funded through Other _____					
51	TOTAL					
52	Amount that was tax deductible - VEBA					
53	Amount that was tax deductible - 401(h)					
54	Amount that was tax deductible - Other _____					
55	TOTAL					

Other Post Employment Benefits (OPEBS) Continued

	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	6	6		
52	Not Covered by the Plan				
53	Active	6	6		
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	Kevin J. Degenstein President and Chief Operating Officer	207,950	51,225		259,175	260,850	-1%
2	Jed D. Henthorne Vice President of Administration	140,700	10,000		150,700	148,250	2%
	Nick Bohr	110,243	1,000		111,243		
3	Ed Kacer Director of Operations	14,743			14,743	112,672	-87%
4	Mark S. Coryell Serviceman 2nd Class	60,877	1,000		61,877	60,902	2%
6	S. Jane Lindberg Bookkeeper	54,840	1,000		55,840	55,335	1%
7	Joseph S. Racki Serviceman 3rd Class	60,719	1,000		61,719	59,025	5%
8	Lori L. Milbrandt Secretary/Receptionist	36,332	1,000		37,332	37,199	0%
9	Aaron J. Brown Serviceman 4th Class	17,209	1,000		18,209	44,460	-59%
10	Matt Embody Serviceman 4th Class	38,660			38,660	20,944	

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	Thomas Smith VP / CFO	292,012	48,900		340,912	349,440	-2%
2	Kevin J. Degenstein President and COO	207,950	51,225		259,175	260,850	-1%
3	Richard Osborne CEO	250,000			250,000	250,000	
4	David C. Shipley VP East Coast Operations	150,850	25,000		175,850	175,537	0%
5	Jed D. Henthorne VP Admin	140,700	10,000		150,700	148,250	2%

BALANCE SHEET

Account Number & Title		Last Year	This Year	12 month % Change
1	Assets and Other Debits			
2	Utility Plant			
3	101 Gas Plant in Service	902,849	1,182,068	31%
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	117,004		-100%
11	108 (Less) Accumulated Depreciation	(647,066)	(674,666)	-4%
12	111 (Less) Accumulated Amortization & Depletion			
13	114 Gas Plant Acquisition Adjustments	1,056,771	1,056,771	
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	1,429,558	1,564,173	9%
20	Other Property & Investments			
21	121 Nonutility Property			
22	122 (Less) Accum. Depr. & Amort. of Nonutil. Prop.			
23	123 Investments in Associated Companies			
24	123.1 Investments in Subsidiary Companies			
25	124 Other Investments	2,528	2,311	-9%
26	125 Sinking Funds			
27	TOTAL Other Property & Investments	2,528	2,311	-9%
28	Current & Accrued Assets			
29	131 Cash	43,862	229,715	424%
30	132-134 Special Deposits			
31	135 Working Funds			
32	136 Temporary Cash Investments			
33	141 Notes Receivable			
34	142 Customer Accounts Receivable	262,221	275,447	5%
35	143 Other Accounts Receivable	1,608	446	-72%
36	144 (Less) Accum. Provision for Uncollectible Accts.	(14,885)	(21,931)	-47%
37	145 Notes Receivable - Associated Companies			
38	146 Accounts Receivable - Associated Companies		(14,628)	#DIV/0!
39	151 Fuel Stock			
40	152 Fuel Stock Expenses Undistributed			
41	153 Residuals and Extracted Products			
42	154 Plant Materials and Operating Supplies	30,317	30,836	2%
43	155 Merchandise	1,857	1,785	-4%
44	156 Other Material & Supplies			
45	163 Stores Expense Undistributed			
46	164.1 Gas Stored Underground - Current			
47	165 Prepayments			
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	6,406	8,606	34%
53	TOTAL Current & Accrued Assets	331,386	510,276	54%

BALANCE SHEET

Account Number & Title		Last Year	This Year	12 month % Change
1	Assets and Other Debits (cont.)			
2				
3	Deferred Debits			
4				
5	181 Unamortized Debt Expense			
6	182.1 Extraordinary Property Losses			
7	182.2 Unrecovered Plant & Regulatory Study Costs			
8	183.1 Prelim. Nat. Gas Survey & Investigation Chrg.			
9	183.2 Other Prelim. Nat. Gas Survey & Invtg. Chrgs.			
10	184 Clearing Accounts	76	443	483%
11	185 Temporary Facilities			
12	186 Miscellaneous Deferred Debits	62,538		-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	104,257	117,637	13%
17	191 Unrecovered Purchased Gas Costs	179,504	130,911	-27%
18	192.1 Unrecovered Incremental Gas Costs			
19	192.2 Unrecovered Incremental Surcharges			
20	TOTAL Deferred Debits	346,375	248,991	-28%
21				
22	TOTAL ASSETS & OTHER DEBITS	2,109,847	2,325,751	10%
Account Number & Title		Last Year	This Year	12 month % Change
23	Liabilities and Other Credits			
24				
25	Proprietary Capital			
26				
27	201 Common Stock Issued	90,310	90,310	
28	202 Common Stock Subscribed			
29	204 Preferred Stock Issued			
30	205 Preferred Stock Subscribed			
31	207 Premium on Capital Stock			
32	211 Miscellaneous Paid-In Capital	509,710	509,710	
33	213 (Less) Discount on Capital Stock			
34	214 (Less) Capital Stock Expense			
35	215 Appropriated Retained Earnings			
36	216 Unappropriated Retained Earnings	52,446	74,628	42%
37	217 (Less) Reacquired Capital Stock			
38	TOTAL Proprietary Capital	652,466	674,648	3%
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			
46	225 Unamortized Premium on Long Term Debt			
47	226 (Less) Unamort. Discount on L-Term Debt-Dr.			
48	TOTAL Long Term Debt			

BALANCE SHEET

	Account Number & Title	Last Year	This Year	12 month % 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			
17	232 Accounts Payable	156,324	142,348	-9%
18	233 Notes Payable to Associated Companies		774,878	
19	234 Accounts Payable to Associated Companies	834,824	281,288	-66%
20	235 Customer Deposits	38,966	44,152	13%
21	236 Taxes Accrued	72,900	52,258	-28%
22	237 Interest Accrued	26,106	27,974	7%
23	238 Dividends Declared			
24	239 Matured Long Term Debt			
25	240 Matured Interest			
26	241 Tax Collections Payable			
27	242 Miscellaneous Current & Accrued Liabilities	18,407	16,639	-10%
28	243 Obligations Under Capital Leases - Current			
29	TOTAL Current & Accrued Liabilities	1,147,527	1,339,537	17%
30				
31	Deferred Credits			
32				
33	252 Customer Advances for Construction			
34	253 Other Deferred Credits	108,994	72,169	-34%
35	255 Accumulated Deferred Investment Tax Credits			
36	256 Deferred Gains from Disposition Of Util. Plant			
37	257 Unamortized Gain on Reacquired Debt			
38	281-283 Accumulated Deferred Income Taxes	200,860	239,397	19%
39	TOTAL Deferred Credits	309,854	311,566	1%
40				
41	TOTAL LIABILITIES & OTHER CREDITS	2,109,847	2,325,751	10%

NA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year 2012

	Account Number & Title	Last Year	This Year	% Change
1	Intangible Plant			
2				
3	301 Organization	11,354	11,354	
4	302 Franchises & Consents			
5	303 Miscellaneous Intangible Plant			
6				
7	TOTAL Intangible Plant	11,354	11,354	
8				
9	Production Plant			
10				
11	Production & Gathering Plant			
12				
13	325.1 Producing Lands			
14	325.2 Producing Leaseholds	12,878	12,878	
15	325.3 Gas Rights			
16	325.4 Rights-of-Way			
17	325.5 Other Land & Land Rights			
18	326 Gas Well Structures			
19	327 Field Compressor Station Structures	6,590	6,590	
20	328 Field Meas. & Reg. Station Structures			
21	329 Other Structures			
22	330 Producing Gas Wells-Well Construction	8,159	8,159	
23	331 Producing Gas Wells-Well Equipment	101,835	101,835	
24	332 Field Lines	4,413	4,413	
25	333 Field Compressor Station Equipment	9,799	9,799	
26	334 Field Meas. & Reg. Station Equipment	2,476	2,476	
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	146,150	146,150	
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	146,150	146,150	

NA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year 2012

	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	792	792	
43	368 Compressor Station Equipment			
44	369 Measuring & Reg. Station Equipment			
45	370 Communication Equipment			
46	371 Other Equipment			
47				
48	TOTAL Transmission Plant	792	792	

NA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year 2012

	Account Number & Title	Last Year	This Year	% Change
1				
2	Distribution Plant			
3				
4	374 Land & Land Rights			
5	375 Structures & Improvements			
6	376 Mains	325,210	588,168	81%
7	377 Compressor Station Equipment			
8	378 Meas. & Reg. Station Equipment-General			
9	379 Meas. & Reg. Station Equipment-City Gate	18,379	18,379	
10	380 Services	1,815	4,029	122%
11	381 Meters	74,019	83,275	13%
12	382 Meter Installations	18,672	18,672	
13	383 House Regulators			
14	384 House Regulator Installations			
15	385 Industrial Meas. & Reg. Station Equipment			
16	386 Other Prop. on Customers' Premises			
17	387 Other Equipment			
18				
19	TOTAL Distribution Plant	438,095	712,523	63%
20				
21	General Plant			
22				
23	389 Land & Land Rights	10,000	10,000	
24	390 Structures & Improvements	86,670	90,245	4%
25	391 Office Furniture & Equipment	41,332	41,332	
26	392 Transportation Equipment	88,859	88,859	
27	393 Stores Equipment			
28	394 Tools, Shop & Garage Equipment	28,650	29,868	4%
29	395 Laboratory Equipment			
30	396 Power Operated Equipment	49,287	49,287	
31	397 Communication Equipment	899	899	
32	398 Miscellaneous Equipment	761	761	
33	399 Other Tangible Property			
34				
35	TOTAL General Plant	306,458	311,251	2%
36				
37	TOTAL Gas Plant in Service	902,849	1,182,070	31%

MONTANA DEPRECIATION SUMMARY

Year 2012

	Functional Plant Classification	Plant Cost	Accumulated Depreciation		Current Avg. Rate
			Last Year Bal.	This Year Bal.	
1	Production & Gathering		134,703	134,703	
2	Products Extraction				
3	Underground Storage				
4	Other Storage				
5	Transmission		791	791	
6	Distribution		256,838	256,438	
7	General		254,734	257,734	
8	TOTAL		647,066	649,666	

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)	30,317	30,836	1.71%
11	Assigned to Other	1,857	1,785	-3.88%
12	155 Merchandise			
13	156 Other Materials & Supplies			
14	163 Stores Expense Undistributed			
15				
16	TOTAL Materials & Supplies	32,174	32,621	-1%

MONTANA REGULATORY CAPITAL STRUCTURE & COSTS

SCHEDULE 22

	Commission Accepted - Most Recent	% Cap. Str.	% Cost Rate	Weighted Cost
1	Docket Number D2006.2.15			
2	Order Number 6720c			
3				
4	Common Equity 187,849	55.00%	10.27%	5.65%
5	Preferred Stock			
6	Long Term Debt 153,695	45.00%	7.00%	3.15%
7	Other			
8	TOTAL 341,544	100.00%		8.80%
9				
10	Actual at Year End			
11				
12	Common Equity 674,648	100.00%		
13	Preferred Stock -			
14	Long Term Debt -			
15	Other			
16	TOTAL 674,648	100.00%		

STATEMENT OF CASH FLOWS

Year 2012

	Description	Last year	This year	% Change
1				
2	Increase/(decrease) in Cash & Cash Equivalents:			
3				
4	Cash Flows from Operating Activities:			
5	Net Income	82,969	22,182	-73%
6	Depreciation	35,911	27,600	-23%
7	Amortization	75,045		-100%
8	Deferred Income Taxes - Net	43,182	5,008	-88%
9	Regulatory Orders			
10	Change in Operating Receivables - Net	28,304	9,608	-66%
11	Change in Materials, Supplies & Inventories - Net			
12	Change in Operating Payables & Accrued Liabilities - Net	(164,424)	(567,512)	-245%
13	Allowance for Funds Used During Construction (AFUDC)			
14	Change in Other Assets & Liabilities - Net	(144,854)	114,319	179%
15	Other Operating Activities (explained on attached page)			
16	Net Cash Provided by/(Used in) Operating Activities	(43,867)	(388,795)	-786%
17				
18	Cash Inflows/Outflows From Investment Activities:			
19	Construction/Acquisition of Property, Plant and Equipment			
20	(net of AFUDC & Capital Lease Related Acquisitions)	(163,049)	(200,231)	-23%
21	Acquisition of Other Noncurrent Assets			
22	Proceeds from Disposal of Noncurrent Assets			
23	Investments In and Advances to Affiliates			
24	Contributions and Advances from Affiliates			
25	Disposition of Investments in and Advances to Affiliates			
26	Other Investing Activities (explained on attached page)			
27	Net Cash Provided by/(Used in) Investing Activities	(163,049)	(200,231)	-23%
28				
29	Cash Flows from Financing Activities:			
30	Proceeds from Issuance of:			
31	Long-Term Debt		774,878	
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	112,276		-100%
39	Preferred Stock			
40	Common Stock			
41	Other:			
42	Net Decrease in Short-Term Debt			
43	Dividends on Preferred Stock			
44	Dividends on Common Stock			
45	Other Financing Activities (explained on attached page)			
46	Net Cash Provided by (Used in) Financing Activities	112,276	774,878	590%
47				
48	Net Increase/(Decrease) in Cash and Cash Equivalents	(94,640)	185,852	296%
49	Cash and Cash Equivalents at Beginning of Year	138,503	43,863	-68%
50	Cash and Cash Equivalents at End of Year	43,863	229,715	424%

**CUT BANK GAS CO.
SCHEDULE TO ATTACH TO PSC REPORT**

2012

LINE 45 SCH 23 OTHER FINANCING ACTIVITIES

	<u>LAST YEAR</u>	<u>THIS YEAR</u>	<u>% CHANGE</u>
Payments on regulatory order	107,828.65	44,800.47	-141%
TOTAL	107,828.65	44,800.47	-141%

LONG TERM DEBT

Year 2012

	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	NOT APPLICABLE								
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									
27									
28									
29									
30									
31									
32	TOTAL								

PREFERRED STOCK

Year 2012

	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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18										
19										
20										
21										
22										
23										
24										
25										
26										
27										
28										
29										
30										
31										
32	TOTAL									

COMMON STOCK

Year 2011

		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	January			Information only available for the fiscal year end December 2009					
5									
6	February								
7									
8	March								
9									
10	April								
11									
12	May								
13									
14	June								
15									
16	July								
17									
18	August								
19									
20	September								
21									
22	October								
23									
24	November								
25									
26	December								
27									
28									
29									
30									
31									
32	TOTAL Year End	9031	\$9.69	\$0.64	-	N/A	N/A	N/A	N/A

MONTANA EARNED RATE OF RETURN

Year 2012

	Description	Last Year	This Year	% Change
	Rate Base			
1				
2	101 Plant in Service	902,849	1,182,070	30.93%
3	108 (Less) Accumulated Depreciation	(647,066)	(674,666)	-4.27%
4	NET Plant in Service	255,783	507,404	98.37%
5				
6	Additions			
7	154, 156 Materials & Supplies	32,174	32,621	1.39%
8	165 Prepayments			
9	Other Additions (Schedule 27A)	71,958	76,506	6.32%
10	TOTAL Additions	104,132	109,127	4.80%
11				
12	Deductions			
13	190 Accumulated Deferred Income Taxes	96,603	121,760	26.04%
14	252 Customer Advances for Construction			
15	255 Accumulated Def. Investment Tax Credits			
16	Other Deductions	38,966	44,152	13.31%
17	TOTAL Deductions	135,569	165,912	22.38%
18	TOTAL Rate Base	224,346	450,619	100.86%
19				
20	Net Earnings	80,967	22,182	-72.60%
21				
22	Rate of Return on Average Rate Base	36.090%	4.923%	-86.36%
23				
24	Rate of Return on Average Equity			
25				
26	Major Normalizing Adjustments & Commission			
27	Ratemaking adjustments to Utility Operations			
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47	Adjusted Rate of Return on Average Rate Base			
48				
49	Adjusted Rate of Return on Average Equity			

MONTANA COMPOSITE STATISTICS

2012

	Description	Amount
1		
2	Plant (Intrastate Only) (000 Omitted)	
3		
4	101 Plant in Service	1,182,070
5	107 Construction Work in Progress	
6	114 Plant Acquisition Adjustments	1,056,771
7	105 Plant Held for Future Use	
8	154, 156 Materials & Supplies	32,621
9	(Less):	
10	108, 111 Depreciation & Amortization Reserves	(674,666)
11	252 Contributions in Aid of Construction	(38,017)
12		
13	NET BOOK COSTS	1,558,779
14		
15	Revenues & Expenses (000 Omitted)	
16		
17	400 Operating Revenues	1,702,489
18		
19	403 - 407 Depreciation & Amortization Expenses	90,138
20	Federal & State Income Taxes	14,220
21	Other Taxes	35,345
22	Other Operating Expenses	1,540,604
23	TOTAL Operating Expenses	1,680,307
24		
25	Net Operating Income	22,182
26		
27	415 - 421.1 Other Income	
28	421.2 - 426.5 Other Deductions	
29		
30	NET INCOME	22,182
31		
32	Customers (Intrastate Only)	
33		
34	Year End Average:	
35	Residential	1,247
36	Commercial	250
37	Industrial	
38	Other	
39		
40	TOTAL NUMBER OF CUSTOMERS	1,497
41		
42	Other Statistics (Intrastate Only)	
43		
44	Average Annual Residential Use (Mcf or Dkt) mcf	90.6
45	Average Annual Residential Cost per (Mcf or Dkt) (\$) *	\$9.42
46	* Avg annual cost = [(cost per Mcf or Dkt x annual use) + (mo. svc chrg x 12)]/annual use	
47	Average Residential Monthly Bill	71
48	Gross Plant per Customer	793

MONTANA CUSTOMER INFORMATION

Year 2012

	City/Town	Population (Include Rural)	Residential Customers	Commercial Customers	Industrial & Other Customers	Total Customers
1	Cut Bank	4,000				
2						
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31						
32	TOTAL Montana Customers	4,000				

MONTANA EMPLOYEE COUNTS

2012

	Department	Year Beginning	Year End	Average
1	Administration	1	1	1
2	Service	4	3	4
3	Office	2	2	2
4				
5				
6				
7				
8				
9				
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44				
45				
46				
47				
48				
49				
50	TOTAL Montana Employees	7	6	7

MONTANA CONSTRUCTION BUDGET (ASSIGNED & ALLOCATED)

2012

	Project Description	Total Company	Total Montana
1			
2	Cut Bank Gas Company does not project a		
3	construction budget		
4			
5			
6			
7			
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47			
48			
49			
50	TOTAL		

**CUT BANK GAS COMPANY
SCHEDULE TO ATTACH TO PSC REPORT
2012**

LINE 14 SCH 27 / PER COMMISSION ORDER #6311b

	<u>LAST YEAR</u>	<u>THIS YEAR</u>	<u> </u>
Operating expenses	\$ 1,791,477	\$ 1,475,018	
Maintenance expenses	72,751	65,586	
Taxes other than income	38,596	30,337	
	<u>1,902,824</u>	<u>1,570,941</u>	
Less:			
Purchased Gas	<u>1,327,163</u>	<u>958,892</u>	
	575,661	612,049	
Divided by	8	8	
1/8 Op. & Maint. For working capital	71,958	76,506	

TRANSMISSION SYSTEM - TOTAL COMPANY & MONTANA

2012

Total Company				
		Peak Day of Month	Peak Day Volumes Mcf or Dkt	Total Monthly Volumes Mcf or Dkt
1	January	Cut Bank Gas Company does not have a transmission system.		
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

Total Company				
		Peak Day of Month	Peak Day Volumes Mcf or Dkt	Total Monthly Volumes Mcf or Dkt
1	January	Cut Bank Gas Company does not have the equipment to measure for this.		
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			

STORAGE SYSTEM - TOTAL COMPANY & MONTANA

2012

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

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

SOURCES OF GAS SUPPLY

Year 2012

	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	North Western Energy	206,218	163,704	\$6.6980	\$5.85410
2	Cut Bank Gas Company - Royalty	14,536	12,461	\$0.4519	\$0.44844
3					
4					
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31					
32					
33	Total Gas Supply Volumes	220,754	176,165	\$6.2867	\$5.4717

NA CONSERVATION & DEMAND SIDE MANAGEMENT PROGRAMS

2012

	Program Description	Current Year Expenditures	Last Year Expenditures	% Change	Planned Savings (Mcf or Dkt)	Achieved Savings (Mcf or Dkt)	Difference
1							
2	Cut Bank Gas Company does not have conservati						
3	demand side management programs.						
4							
5							
6							
7							
8							
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29							
30							
31							
32	TOTAL						

MONTANA CONSUMPTION AND REVENUES

2012

	Sales of Gas	Operating Revenues		MCF Sold		Avg. No. of Customers	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	Residential	1,058,322	1,276,538	112,391	127,476	1,241	1,236
2	Commercial - Small	639,503	829,514	78,152	93,261	249	247
3	Commercial - Large						
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	\$1,697,825	\$2,106,052	190543	220,737	1490	1,483
12							
13							
14							
	Transportation of Gas	Operating Revenues		BCF Transported		Avg. No. of Customers	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
19	Utilities						
20	Industrial	Cut Bank Gas Company has no Transmission Revenue					
21	Other						
22							
23							
24	TOTAL						

Natural Gas Universal System Benefits Programs

	Program Description	Actual Current Year Expenditures	Contracted or Committed Current Year Expenditures	Total Current Year Expenditures	Expected savings (MW and MWh)	Most recent program evaluation
1	Local Conservation					
2		Cut Bank Gas Company does not have this program.				
3						
4						
5						
6						
7						
8	Market Transformation					
9						
10						
11						
12						
13						
14						
15	Research & Development					
16						
17						
18						
19						
20						
21						
22	Low Income					
23						
24						
25						
26						
27						
28						
29	Other					
30						
31	100 customers who were LIEAP eligible received \$175.00 each on their natural gas bill from the					
32	customer bill assistance program which is administered by Energy Share of Montana and					
33	Opportunities Inc.					
34						
35						
36						
37						
38						
39						
40						
41						
42	Total					
43	Number of customers that received low income rate discounts					N/A
44	Average monthly bill discount amount (\$/mo)					N/A
45	Average LIEAP-eligible household income					N/A
46	Number of customers that received weatherization assistance					N/A
47	Expected average annual bill savings from weatherization					N/A
48	Number of residential audits performed					N/A

Montana Conservation & Demand Side Management Programs

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

Natural Gas Universal System Benefits Programs

	Program Description	Actual Current Year Expenditures	Contracted or Committed Current Year Expenditures	Total Current Year Expenditures	Expected savings (MW and MWh)	Most recent program evaluation
1	Local Conservation					
2		Cut Bank Gas Company does not have this program.				
3						
4						
5						
6						
7						
8	Market Transformation					
9						
10						
11						
12						
13						
14						
15	Research & Development					
16						
17						
18						
19						
20						
21						
22	Low Income					
23						
24						
25						
26						
27						
28						
29	Other					
30	100 customers who were LIEAP eligible received \$175.00 each on their natural gas bill from the customer bill assistance program which is administered by Energy Share of Montana and Opportunities Inc.					
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42	Total					
43	Number of customers that received low income rate discounts					N/A
44	Average monthly bill discount amount (\$/mo)					N/A
45	Average LIEAP-eligible household income					N/A
46	Number of customers that received weatherization assistance					N/A
47	Expected average annual bill savings from weatherization					N/A
48	Number of residential audits performed					N/A

Montana Conservation & Demand Side Management Programs

	Program Description	Actual Current Year Expenditures	Contracted or Committed Current Year Expenditures	Total Current Year Expenditures	Expected savings (MW and MWh)	Most recent program evaluation
1	Local Conservation					
2		Cut Bank Gas Company does not have Conservation and Demand Side Management Programs.				
3						
4						
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7						
8	Demand Response					
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15	Market Transformation					
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21						
22	Research & Development					
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29	Low Income					
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35	Other					
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48	Total					