

**IDENTIFICATION**

Year: 2016

1.	Legal Name of Respondent:	Energy West Montana Inc.
2.	Name Under Which Respondent Does Business:	Energy West Montana Inc.
3.	Date Utility Service First Offered in Montana	Manufactured Gas: 12/08/1909
	Great Falls	NG: 05/02/1928
	Cascade	Propane 8/94
		NG: 07/01/2009
	West Yellowstone	Natural Gas 9/95
4.	Address to send Correspondence Concerning Report:	P.O. Box 2229 Great Falls, MT 59403-2229
5.	Person Responsible for This Report:	Corey Medved
5a.	Telephone Number:	(406)791-7524
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:	

Board of Directors		
Line No.	Name of Director and Address (City, State)	Remuneration
	(a)	(b)
1	Jed Henthorne Great Falls, MT	\$0
2	Kevin Degenstein Great Falls, MT	\$0
3	Jerry Livengood Bangor, ME	\$0
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Officers

Year: 2016

Line No.	Title of Officer (a)	Department Supervised (b)	Name (c)
1	President	Total Company	Jed D. Henthorne
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3	Vice President	Total Company	Kevin J. Degenstein
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5	Secretary	Total Company	Cheryl Johnson
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CORPORATE STRUCTURE

Year: 2016

	Subsidiary/Company Name	Line of Business	Earnings	Percent of Total
1	Energy West Montana - a Subsidiary	Natural Gas Utility	61,347	100.00%
2	of PHC Utilities, Inc.			
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50	<b>TOTAL</b>		61,347	100.00%

**CORPORATE ALLOCATIONS**

Year: 2016

	Items Allocated	Classification	Allocation Method	\$ to MT Utility	MT %	\$ to Other
1	Gas Natural Inc., Overhead	921	4 Factor Allocation	2,087,818	27.49%	5,507,223
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34	<b>TOTAL</b>			2,087,818	27.49%	5,507,223

**AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY**

Year: 2016

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	Energy West Propane	Wholesale Propane	Delivered Cost & Storage	21,474	100.00%	21,474
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32	<b>TOTAL</b>			21,474		21,474

**AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY**

Year: 2016

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
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32	<b>TOTAL</b>			0		0

## MONTANA UTILITY INCOME STATEMENT

Year: 2016

	Account Number & Title	Last Year	This Year	% Change
1	400 Operating Revenues	25,442,072	23,180,284	-8.89%
2				
3	Operating Expenses			
4	401 Operation Expenses	21,544,792	19,632,894	-8.87%
5	402 Maintenance Expense	488,194	297,774	-39.00%
6	403 Depreciation Expense	1,150,237	1,408,219	22.43%
7	404-405 Amort. & Depl. of Gas Plant			
8	406 Amort. of Gas Plant Acquisition Adjustments			
9	407.1 Amort. of Property Losses, Unrecovered Plant & Regulatory Study Costs			
10				
11	407.2 Amort. of Conversion Expense			
12	408.1 Taxes Other Than Income Taxes	1,085,803	1,080,884	-0.45%
13	409.1 Income Taxes - Federal	(352,596)	(20,643)	94.15%
14	- State	(29,358)	(424)	98.56%
15	410.1 Provision for Deferred Income Taxes	509,317	162,969	-68.00%
16	411.1 (Less) Provision for Def. Inc. Taxes - Cr.			
17	411.4 Investment Tax Credit Adjustments	(21,062)	(21,062)	
18	411.6 (Less) Gains from Disposition of Utility Plant			
19	411.7 Losses from Disposition of Utility Plant			
20	<b>TOTAL Utility Operating Expenses</b>	24,375,327	22,540,611	-7.53%
21	<b>NET UTILITY OPERATING INCOME</b>	1,066,745	639,673	-40.04%

## MONTANA REVENUES

SCHEDULE 9

	Account Number & Title	Last Year	This Year	% Change
1	Sales of Gas			
2	480 Residential	13,489,071	11,806,339	-12.47%
3	481 Commercial & Industrial - Small	2,199,707	1,842,306	-16.25%
4				
5	482 Other Sales to Public Authorities			
6	484 Interdepartmental Sales			
7	485 Intracompany Transfers			
8	<b>TOTAL Sales to Ultimate Consumers</b>	15,688,778	13,648,645	-13.00%
9	483 Sales for Resale			
10	<b>TOTAL Sales of Gas</b>	15,688,778	13,648,645	-13.00%
11	Other Operating Revenues			
12	487 Forfeited Discounts & Late Payment Revenues			
13	488 Miscellaneous Service Revenues	(1,587)	15,962	
14	Commercial & Industrial - Large	9,754,881	9,515,674	-2.45%
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	<b>TOTAL Other Operating Revenues</b>	9,753,294	9,531,636	-2.27%
22	<b>Total Gas Operating Revenues</b>	25,442,072	23,180,281	-8.89%
23				
24	496 (Less) Provision for Rate Refunds			
25				
26	<b>TOTAL Oper. Revs. Net of Pro. for Refunds</b>	25,442,072	23,180,281	-8.89%
27				

**MONTANA OPERATION & MAINTENANCE EXPENSES**

Year: 2016

Account Number & Title		Last Year	This Year	% Change
1	<b>Production Expenses</b>			
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	<b>Total Operation - Natural Gas Production</b>	0	0	
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	<b>Total Maintenance- Natural Gas Prod.</b>	0	0	
26	<b>TOTAL Natural Gas Production &amp; Gathering</b>	0	0	
27	Products Extraction - Operation			
28				
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	770 Operation Supervision & Engineering			
39	781 Variation in Products Inventory			
40	782 (Less) Extracted Products Used by Utility - Cr.			
41	783 Rents			
42	<b>Total Operation - Products Extraction</b>	0	0	
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	<b>Total Maintenance - Products Extraction</b>	0	0	
53	<b>TOTAL Products Extraction</b>	0	0	0.00%



**MONTANA OPERATION & MAINTENANCE EXPENSES**

Year: 2016

Account Number & Title		Last Year	This Year	% Change
1	<b>Production Expenses - continued</b>			
2				
3	Exploration & Development - Operation			
4	795 Delay Rentals			
5	796 Nonproductive Well Drilling			
6	797 Abandoned Leases			
7	798 Other Exploration			
8	<b>TOTAL Exploration &amp; Development</b>	0	0	
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	1,116,515	942,757	-15.56%
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	13,976,327	12,972,441	-7.18%
18	805.1 Purchased Gas Cost Adjustments	805,672	(620,494)	-177.02%
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.	5,375,999	3,801,387	-29.29%
27	808.2 (Less) Gas Delivered to Storage -Cr.	(4,897,688)	(3,159,975)	35.48%
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.	(6,664)	(5,171)	22.40%
32	813 Other Gas Supply Expenses	3,183	(7,152)	
33	<b>TOTAL Other Gas Supply Expenses</b>	16,373,344	13,923,793	-14.96%
34				
35	<b>TOTAL PRODUCTION EXPENSES</b>	16,373,344	13,923,793	-14.96%

**MONTANA OPERATION & MAINTENANCE EXPENSES**

Year: 2016

Account Number & Title		Last Year	This Year	% Change
1	<b>Storage, Terminaling &amp; Processing Expenses</b>			
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	<b>Total Operation - Underground Strg. Exp.</b>	0	0	
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	<b>Total Maintenance - Underground Storage</b>	0	0	
29	<b>TOTAL Underground Storage Expenses</b>	0	0	
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	<b>Total Operation - Other Storage Expenses</b>	0	0	
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	<b>Total Maintenance - Other Storage Exp.</b>	0	0	
50	<b>TOTAL - Other Storage Expenses</b>	0	0	
51				
52	<b>TOTAL - STORAGE, TERMINALING &amp; PROC.</b>	0	0	

**MONTANA OPERATION & MAINTENANCE EXPENSES**

Year: 2016

Account Number & Title		Last Year	This Year	% Change
1	<b>Transmission Expenses</b>			
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	0	0	
12	859 Other Expenses			
13	860 Rents			
14	<b>Total Operation - Transmission</b>	0	0	
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	<b>Total Maintenance - Transmission</b>	0	0	
24	<b>TOTAL Transmission Expenses</b>	0	0	
25	<b>Distribution Expenses</b>			
26	Operation			
27	870 Operation Supervision & Engineering	122,300	109,567	
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	152,823	166,083	8.68%
32	875 Measuring & Reg. Station Exp.-General	20,714	20,866	0.74%
33	876 Measuring & Reg. Station Exp.-Industrial			
34	877 Meas. & Reg. Station Exp.-City Gate Ck. Sta.	27,968	18,506	
35	878 Meter & House Regulator Expenses	2,230	1,228	-44.92%
36	879 Customer Installations Expenses	490,206	515,313	5.12%
37	880 Other Expenses	170,791	139,731	-18.19%
38	881 Rents			
39	<b>Total Operation - Distribution</b>	987,031	971,294	-1.59%
40	Maintenance			
41	885 Maintenance Supervision & Engineering			
42	886 Maintenance of Structures & Improvements			
43	887 Maintenance of Mains	87,974	86,678	-1.47%
44	888 Maint. of Compressor Station Equipment			
45	889 Maint. of Meas. & Reg. Station Exp.-General		9,630	#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	47,760	29,313	-38.62%
49	893 Maintenance of Meters & House Regulators	37,865	40,009	5.66%
50	894 Maintenance of Other Equipment	1,139	4,130	
51	<b>Total Maintenance - Distribution</b>	174,739	169,760	-2.85%
52	<b>TOTAL Distribution Expenses</b>	1,161,770	1,141,054	-1.78%

**MONTANA OPERATION & MAINTENANCE EXPENSES**

Year: 2016

Account Number & Title		Last Year	This Year	% Change
1				
2	<b>Customer Accounts Expenses</b>			
3	Operation			
4	901 Supervision			
5	902 Meter Reading Expenses	128,748	149,030	15.75%
6	903 Customer Records & Collection Expenses	656,273	607,961	-7.36%
7	904 Uncollectible Accounts Expenses	59,929	38	-99.94%
8	905 Miscellaneous Customer Accounts Expenses	3,256	481	-85.23%
9				
10	<b>TOTAL Customer Accounts Expenses</b>	848,207	757,510	-10.69%
11				
12	<b>Customer Service &amp; Informational Expenses</b>			
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	<b>TOTAL Customer Service &amp; Info. Expenses</b>	0	0	
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21	<b>Sales Expenses</b>			
22	Operation			
23	911 Supervision			
24	912 Demonstrating & Selling Expenses	5,927	6,702	13.07%
25	913 Advertising Expenses	3,696	5,412	46.43%
26	916 Miscellaneous Sales Expenses	2,039	1,864	-8.59%
27				
28	<b>TOTAL Sales Expenses</b>	11,662	13,978	19.86%
29				
30	<b>Administrative &amp; General Expenses</b>			
31	Operation			
32	920 Administrative & General Salaries	221,182	387,038	74.99%
33	921 Office Supplies & Expenses	212,349	234,674	10.51%
34	922 (Less) Administrative Expenses Transferred - Cr.	(89,507)	(391,427)	-337.31%
35	923 Outside Services Employed	105,723	61,643	-41.69%
36	924 Property Insurance	236,864	144,497	-39.00%
37	925 Injuries & Damages	0	198,845	#DIV/0!
38	926 Employee Pensions & Benefits	576,065	601,918	4.49%
39	927 Franchise Requirements			
40	928 Regulatory Commission Expenses	40,262	41,508	3.09%
41	929 (Less) Duplicate Charges - Cr.			
42	930.1 General Advertising Expenses	275	0	
43	930.2 Miscellaneous General Expenses	19,000	322,028	1594.85%
44	931 Rents	113,360	277,777	
45	Overheads	1,888,978	2,087,818	
46	<b>TOTAL Operation - Admin. &amp; General</b>	3,324,551	3,966,319	19.30%
47	Maintenance			
48	935 Maintenance of General Plant	313,452	128,014	-59.16%
49				
50	<b>TOTAL Administrative &amp; General Expenses</b>	3,638,003	4,094,333	12.54%
51	<b>TOTAL OPERATION &amp; MAINTENANCE EXP.</b>	22,032,986	19,930,668	-9.54%

MONTANA TAXES OTHER THAN INCOME

Year: 2016

	Description of Tax	Last Year	This Year	% Change
1	Payroll Taxes	155,464	171,793	10.50%
2	Superfund			
3	Secretary of State			
4	Montana Consumer Counsel	22,882	15,976	-30.18%
5	Montana PSC	53,259	65,355	22.71%
6	Franchise Taxes			
7	Property Taxes	854,198	827,760	-3.10%
8	Tribal Taxes			
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51	<b>TOTAL MT Taxes other than Income</b>	1,085,803	1,080,884	-0.45%

**PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES**

Year: 2016

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1	NONE				
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50	<b>TOTAL Payments for Services</b>		0	0	

**POLITICAL ACTION COMMITTEES / POLITICAL CONTRIBUTIONS** Year: 2016

	Description	Total Company	Montana	% Montana
1	NONE	0		
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50	<b>TOTAL Contributions</b>	0	0	

Pension Costs

Year: 2016

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	<b>Change in Benefit Obligation</b>			
7	Benefit obligation at beginning of year	0		
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	0	0	
16	<b>Change in Plan Assets</b>			
17	Fair value of plan assets at beginning of year	0		
18	Actual return on plan assets			
19	Acquisition			
20	Employer contribution			
21	Plan participants' contributions	0	0	
22	Benefits paid	0	0	
23	Fair value of plan assets at end of year	0	0	
24	<b>Funded Status</b>	0	0	
25	Unrecognized net actuarial loss			
26	Unrecognized prior service cost			
27				
28				
29	<b>Weighted-average Assumptions as of Year End</b>			
30	Discount rate			
31	Expected return on plan assets			
32	Rate of compensation increase			
33				
34	<b>Components of Net Periodic Benefit Costs</b>			
35	Service cost	0	0	
36	Interest cost	0	0	
37	Prepaid (accrued) benefit cost	0	0	
38	Amortization of prior service cost			
39	Recognized net actuarial loss			
40	Net periodic benefit cost	0	0	
41				
42	<b>Montana Intrastate Costs:</b>			
43	Pension Costs			
44	Pension Costs Capitalized			
45	Accumulated Pension Asset (Liability) at Year End			
46	<b>Number of Company Employees:</b>			
47	Covered by the Plan	46	46	
48	Not Covered by the Plan			
49	Active	46	46	
50	Retired			
51	Deferred Vested Terminated	0	0	



Other Post Employment Benefits (OPEBS)

Year: 2016

	Item	Current Year	Last Year	% Change
1	<b>Regulatory Treatment:</b>			
2	Commission authorized - most recent			
3	Docket number: _____			
4	Order number: _____			
5	Amount recovered through rates			
6	<b>Weighted-average Assumptions as of Year End</b>			
7	Discount rate			
8	Expected return on plan assets			
9	Medical Cost Inflation Rate			
10	Actuarial Cost Method			
11	Rate of compensation increase			
12	<b>List each method used to fund OPEBs (ie: VEBA, 401(h)) and if tax advantaged:</b>			
13				
14				
15	<b>Describe any Changes to the Benefit Plan:</b>			
	During fiscal 2006, the Company discontinued contributions and is no longer required to fund the Retiree Health Plan. As of Dec 31, 2016, the value of plan assets is \$82,000. The assets remaining in the trust will be used to fund the plan until these assets are exhausted. Therefore, the Company has eliminated any accrual for future contributions to the plan.			
16				
17	<b>TOTAL COMPANY</b>			
18	<b>Change in Benefit Obligation</b>			
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		0	
28				
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	0	0	
36	<b>Funded Status</b>			
37	Unrecognized net actuarial loss			
38	<b>Change in Plan Assets</b>			
39	Prepaid (accrued) benefit cost	0	0	
40	<b>Components of Net Periodic Benefit Costs</b>			
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	0	0	
47	<b>Accumulated Post Retirement Benefit Obligation</b>			
48	Amount Funded through VEBA	0	0	
49	Amount Funded through 401(h)			
50	Amount Funded through Other _____			
51	TOTAL	0	0	
52	Amount that was tax deductible - VEBA			
53	Amount that was tax deductible - 401(h)			
54	Amount that was tax deductible - Other _____			
55	TOTAL	0	0	

Other Post Employment Benefits (OPEBS) Continued

	Item	Current Year	Last Year	% Change
1	<b>Number of Company Employees:</b>			
2	Covered by the Plan			
3	Not Covered by the Plan			
4	Active			
5	Retired			
6	Spouses/Dependants covered by the Plan			
7	<b>Montana</b>			
8	<b>Change in Benefit Obligation</b>			
9	Benefit obligation at beginning of year	0		
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	0	0	
18	<b>Change in Plan Assets</b>			
19	Fair value of plan assets at beginning of year	0		
20	Actual return on plan assets			
21	Acquisition			
22	Employer contribution			
23	Plan participants' contributions	0	0	
24	Benefits paid	0	0	
25	Fair value of plan assets at end of year	0	0	
26	<b>Funded Status</b>	0	0	
27	Unrecognized net actuarial loss			
28	Unrecognized prior service cost			
29	Prepaid (accrued) benefit cost	0	0	
30	<b>Components of Net Periodic Benefit Costs</b>			
31	Service cost	0	0	
32	Interest cost	0	0	
33	Expected return on plan assets	0	0	
34	Amortization of prior service cost			
35	Recognized net actuarial loss			
36	Net periodic benefit cost	0	0	
37	<b>Accumulated Post Retirement Benefit Obligation</b>			
38	Amount Funded through VEBA			
39	Amount Funded through 401(h)			
40	Amount Funded through other _____			
41	TOTAL	0	0	
42	Amount that was tax deductible - VEBA			
43	Amount that was tax deductible - 401(h)			
44	Amount that was tax deductible - Other			
45	TOTAL	0	0	
46	<b>Montana Intrastate Costs:</b>			
47	Pension Costs			
48	Pension Costs Capitalized			
49	Accumulated Pension Asset (Liability) at Year End			
50	<b>Number of Montana Employees:</b>			
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	Jed D. Henthorne President and General Manager	170,000		6,869	176,869	176,869	0%
2	Kevin J. Degenstein Vice President	285,000		21,827	306,827	300,045	2%
3	Nick Bohr Director of Operations	140,832			140,832	141,384	0%
4	Tony Pietrykowski Operations Supervisor	92,664			92,664	95,512	-3%
5	Evan Mathews Manager - West Yellowstone	92,320			92,320	89,640	3%
6	Haley Jensen Office Manager	80,152			80,152	77,699	3%
7	Corey Medved Division Controller	79,120			79,120	76,700	3%
8	Rick Warner Heavy Equip Operator	75,645			75,645	73,017	4%
9	Ira Shaulis Safety Director	73,850			73,850	72,064	2%
10	Merle Fraser Welder	73,817			73,817	72,735	1%

COMPENSATION OF TOP 5 CORPORATE EMPLOYEES - SEC INFORMATION

Line No.	Name/Title	Base Salary	Bonuses	Stock & Other	Total Compensation	Total Compensation Last Year	% Increase Total Compensation
1	Gregory J. Osborne President & CEO	381,616		45,508	427,124	435,694	-2%
2	James E. Sprague Vice President & CFO	342,712		21,333	364,045	387,794	-6%
3	Kevin J. Degenstein COO & Chief Compliance Officer	285,000		21,827	306,827	300,045	2%
4	Jed D. Henthorne EWM & Cut Bank President	170,000		6,869	176,869	176,869	0%
5	Vincent A. Parisi General Counsel	179,438		44,319	223,757	129,986	72%
<p>** These are the top 5 employees of Gas Natural, Inc, the parent of PHC Utilities, Inc.</p>							

**Other Compensation Table**

The following table summarizes the other compensation paid by us to our Chief Executive Officer, Chief Financial

	<b>Cafeteria</b>	<b>401(k) Plan</b>	<b>Automobile</b>	<b>Director Fees</b>	<b>Severance</b>	<b>Total</b>
	<b>Plan</b>	<b>Contribution</b>	<b>Allowance</b>			<b>Other</b>
						<b>Compensation</b>
Gregory J. Osborne	\$ -	\$12,888	\$ 12,711	\$ 5,000	\$ -	\$ 30,599
James E. Sprague	-	12,933	8,400	-	-	\$ 21,333
Kevin J. Degenstein	960	11,267	9,600	-	-	\$ 21,827
Jed D. Henthorne	960	5,909	-	-	-	\$ 6,869
Vincent A. Parisi	-	7,211	7,108	-	30,000	\$ 44,319
	<b>\$ 1,920</b>	<b>\$50,208</b>	<b>\$ 37,819</b>	<b>\$ 5,000</b>	<b>\$ 30,000</b>	<b>\$ 124,947</b>

## BALANCE SHEET

Year: 2016

	Account Number & Title	Last Year	This Year	% Change
1	<b>Assets and Other Debits</b>			
2	Utility Plant			
3	101 Gas Plant in Service	45,296,055	46,329,271	-2%
4	101.1 Property Under Capital Leases	1,958,046	2,393,173	-18%
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	702,884	8,821	7868%
11	108 (Less) Accumulated Depreciation	(27,453,678)	(28,720,845)	4%
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	<b>TOTAL Utility Plant</b>	20,503,307	20,010,420	2%
20	<b>Other Property &amp; Investments</b>			
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			
26	125 Sinking Funds			
27	<b>TOTAL Other Property &amp; Investments</b>	0	0	
28	<b>Current &amp; Accrued Assets</b>			
29	131 Cash	670,531	1,143,985	-41%
30	132-134 Special Deposits			
31	135 Working Funds	5,371	1,900	183%
32	136 Temporary Cash Investments			
33	141 Notes Receivable			
34	142 Customer Accounts Receivable	2,532,916	2,785,682	-9%
35	143 Other Accounts Receivable			
36	144 (Less) Accum. Provision for Uncollectible Accts.	(88,226)	(102,924)	14%
37	145 Notes Receivable - Associated Companies			
38	146 Accounts Receivable - Associated Companies	742,174	775,103	-4%
39	151 Fuel Stock			
40	152 Fuel Stock Expenses Undistributed			
41	153 Residuals and Extracted Products			
42	154 Plant Materials and Operating Supplies	324,583	355,312	-9%
43	155 Merchandise	11,841	10,287	15%
44	156 Other Material & Supplies			
45	163 Stores Expense Undistributed			
46	164.1 Gas Stored Underground - Current	3,129,347	2,770,056	13%
47	165 Prepayments	184,190	560,481	-67%
48	166 Advances for Gas Explor., Devl. & Production			
49	171 Interest & Dividends Receivable			
50	172 Rents Receivable			
51	173 Accrued Utility Revenues	1,257,313	1,209,747	4%
52	174 Miscellaneous Current & Accrued Assets			
53	<b>TOTAL Current &amp; Accrued Assets</b>	8,770,040	9,509,629	-8%

**BALANCE SHEET**

Year: 2016

	Account Number & Title	Last Year	This Year	% Change
1	<b>Assets and Other Debits (cont.)</b>			
2				
3	<b>Deferred Debits</b>			
4				
5	181 Unamortized Debt Expense		207,789	-100%
6	182.1 Extraordinary Property Losses			
7	182.2 Unrecovered Plant & Regulatory Study Costs	339,565	299,565	13%
8	183.1 Prelim. Nat. Gas Survey & Investigation Chrg.			
9	183.2 Other Prelim. Nat. Gas Survey & Invtg. Chrgs.			
10	184 Clearing Accounts	(634)		
11	185 Temporary Facilities			
12	186 Miscellaneous Deferred Debits	8,325,050	8,250,814	1%
13	187 Deferred Losses from Disposition of Util. Plant			
14	188 Research, Devel. & Demonstration Expend.			
15	189 Unamortized Loss on Reacquired Debt		310,920	-100%
16	190 Accumulated Deferred Income Taxes	526,675	58,547	800%
17	191 Unrecovered Purchased Gas Costs	(370,645)	317,323	-217%
18	192.1 Unrecovered Incremental Gas Costs			
19	192.2 Unrecovered Incremental Surcharges			
20	<b>TOTAL Deferred Debits</b>	<b>8,820,011</b>	<b>9,444,958</b>	<b>-7%</b>
21				
22	<b>TOTAL ASSETS &amp; OTHER DEBITS</b>	<b>38,093,358</b>	<b>38,965,007</b>	<b>-2%</b>
	Account Number & Title	Last Year	This Year	% Change
23	<b>Liabilities and Other Credits</b>			
24				
25	<b>Proprietary Capital</b>			
26				
27	201 Common Stock Issued			
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	1,000,000	500,000	100%
33	213 (Less) Discount on Capital Stock			
34	214 (Less) Capital Stock Expense			
35	215 Appropriated Retained Earnings			
36	216 Unappropriated Retained Earnings	11,333,165	10,891,889	4%
37	217 (Less) Reacquired Capital Stock			
38	<b>TOTAL Proprietary Capital</b>	<b>12,333,165</b>	<b>11,391,889</b>	<b>8%</b>
39				
40	<b>Long Term Debt</b>			
41				
42	221 Bonds			
43	222 (Less) Reacquired Bonds			
44	223 Advances from Associated Companies			
45	224 Other Long Term Debt (from Associated Companies)	7,579,000	7,579,000	
46	225 Unamortized Premium on Long Term Debt			
47	226 (Less) Unamort. Discount on L-Term Debt-Dr.			
48	<b>TOTAL Long Term Debt</b>	<b>7,579,000</b>	<b>7,579,000</b>	

**BALANCE SHEET**

Year: 2016

	Account Number & Title	Last Year	This Year	% Change
1				
2	<b>Total Liabilities and Other Credits (cont.)</b>			
3				
4	<b>Other Noncurrent Liabilities</b>			
5				
6	227 Obligations Under Cap. Leases - Noncurrent	963,702	414,807	132%
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	<b>TOTAL Other Noncurrent Liabilities</b>	963,702	414,807	132%
13				
14	<b>Current &amp; Accrued Liabilities</b>			
15				
16	231 Notes Payable			
17	232 Accounts Payable	1,199,658	1,917,017	-37%
18	233 Notes Payable to Associated Companies (Line of Credit)	5,889,233	7,970,459	-26%
19	234 Accounts Payable to Associated Companies	838,741	410,830	104%
20	235 Customer Deposits	218,495	172,397	27%
21	236 Taxes Accrued	409,976	397,640	3%
22	237 Interest Accrued	0	80,169	-100%
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	1,869,838	1,940,270	-4%
28	243 Obligations Under Capital Leases - Current	696,807	866,708	-20%
29	<b>TOTAL Current &amp; Accrued Liabilities</b>	11,122,748	13,755,490	-19%
30				
31	<b>Deferred Credits</b>			
32				
33	252 Customer Advances for Construction	964,077	1,019,375	-5%
34	253 Other Deferred Credits			
35	255 Accumulated Deferred Investment Tax Credits	92,131	71,069	30%
36	256 Deferred Gains from Disposition Of Util. Plant			
37	257 Unamortized Gain on Reacquired Debt			
38	281-283 Accumulated Deferred Income Taxes	5,038,535	4,733,377	6%
39	<b>TOTAL Deferred Credits</b>	6,094,743	5,823,821	5%
40				
41	<b>TOTAL LIABILITIES &amp; OTHER CREDITS</b>	38,093,358	38,965,007	-2%



MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 2016

	Account Number & Title	Last Year	This Year	% Change
1	<b>Intangible Plant</b>			
2				
3	301 Organization	7,136	7,136	
4	302 Franchises & Consents			
5	303 Miscellaneous Intangible Plant			
6				
7	<b>TOTAL Intangible Plant</b>	7,136	7,136	
8				
9	<b>Production Plant</b>			
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				
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	<b>Total Production &amp; Gathering Plant</b>	0	0	
33				
34	Products Extraction Plant			
35	333 Field Compressor Station Equipment			
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	<b>Total Products Extraction Plant</b>	0	0	
46				
47	<b>TOTAL Production Plant</b>	0	0	

**MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)**

Year: 2016

	Account Number & Title	Last Year	This Year	% Change
1				
2	<b>Natural Gas Storage and Processing Plant</b>			
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	<b>Total Underground Storage Plant</b>	0	0	
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	<b>Total Other Storage Plant</b>	0	0	
34				
35	<b>TOTAL Natural Gas Storage and Processing Plant</b>	0	0	
36				
37	<b>Transmission Plant</b>			
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	<b>TOTAL Transmission Plant</b>	0	0	

## MONTANA PLANT IN SERVICE (ASSIGNED &amp; ALLOCATED)

Year: 2016

	Account Number & Title	Last Year	This Year	% Change
1				
2	<b>Distribution Plant</b>			
3				
4	374 Land & Land Rights	3,636	7,544	-52%
5	375 Structures & Improvements	2,028,112	2,028,112	
6	376 Mains	14,194,569	15,153,968	-6%
7	377 Compressor Station Equipment			
8	378 Meas. & Reg. Station Equipment-General	154,087	154,087	
9	379 Meas. & Reg. Station Equipment-City Gate			
10	380 Services	13,159,580	13,411,260	-2%
11	381 Meters	1,101,019	1,107,321	-1%
12	382 Meter Installations	2,654,636	2,680,233	-1%
13	383 House Regulators	447,176	447,176	
14	384 House Regulator Installations	923,634	941,847	-2%
15	385 Industrial Meas. & Reg. Station Equipment	9,793	9,793	
16	386 Other Prop. on Customers' Premises			
17	387 Other Equipment			
18				
19	<b>TOTAL Distribution Plant</b>	34,676,243	35,941,342	-4%
20				
21	<b>General Plant</b>			
22				
23	389 Land & Land Rights	60,409	60,409	
24	390 Structures & Improvements	2,380,629	2,358,006	1%
25	391 Office Furniture & Equipment	6,818,292	7,022,279	-3%
26	392 Transportation Equipment	1,112,883	1,112,886	0%
27	393 Stores Equipment			
28	394 Tools, Shop & Garage Equipment	705,903	722,182	-2%
29	395 Laboratory Equipment			
30	396 Power Operated Equipment	1,114,894	1,120,492	0%
31	397 Communication Equipment	357,131	357,131	
32	398 Miscellaneous Equipment			
33	399 Other Tangible Property	20,582	20,582	
34				
35	<b>TOTAL General Plant</b>	12,570,723	12,773,966	-2%
36				
37	<b>TOTAL Gas Plant in Service</b>	47,254,101	48,722,444	-3%

## MONTANA DEPRECIATION SUMMARY

Year: 2016

	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	36,818,477	21,174,582	22,133,143	
7	General	11,903,967	6,279,096	6,587,702	
8	<b>TOTAL</b>	48,722,444	27,453,678	28,720,845	0

## MONTANA MATERIALS &amp; SUPPLIES (ASSIGNED &amp; 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)	294,482	319,781	-8%
7	Assigned to Operations & Maintenance	32,720	35,531	-8%
8	Production Plant (Estimated)			
9	Transmission Plant (Estimated)			
10	Distribution Plant (Estimated)			
11	Assigned to Other			
12	155 Merchandise	9,222	7,668	20%
13	156 Other Materials & Supplies			
14	163 Stores Expense Undistributed			
15				
16				

## MONTANA REGULATORY CAPITAL STRUCTURE &amp; COSTS

SCHEDULE 22

	Commission Accepted - Most Recent	% Cap. Str.	% Cost Rate	Weighted Cost
1	Docket Number D2010.9.90			
2	Order Number 7132C			
3				
4	Common Equity	55.00%	10.50%	5.78%
5	Preferred Stock			
6	Long Term Debt	45.00%	6.50%	2.93%
7	Other			
8	<b>TOTAL</b>	100.00%		8.70%
9				
10	Actual at Year End			
11				
12	Common Equity 11,391,889.00	60.05%	1.44%	0.867%
13	Preferred Stock			
14	Long Term Debt 7,579,000.00	39.95%	6.50%	2.597%
15	Other			
16	<b>TOTAL</b> 18,970,889.00	100.00%		3.46%

## STATEMENT OF CASH FLOWS

Year: 2016

	Description	Last Year	This Year	% Change
1				
2	Increase/(decrease) in Cash & Cash Equivalents:			
3				
4	<b>Cash Flows from Operating Activities:</b>			
5	Net Income	527,992	61,347	761%
6	Depreciation	1,150,236	1,408,219	-18%
7	Amortization of Debt Issue Costs	0	9,635	-100%
8	Deferred Income Taxes - Net	509,317	162,970	213%
9	Investment Tax Credit Adjustments - Net	(21,062)	(21,062)	
10	Change in Operating Receivables - Net	(290,127)	(223,431)	-30%
11	Change in Materials, Supplies & Inventories - Net	837,036	330,116	154%
12	Change in Operating Payables & Accrued Liabilities - Net	(1,387,227)	243,350	-670%
13	Allowance for Funds Used During Construction (AFUDC)	0	0	
14	Change in Other Assets & Liabilities - Net	134,130	(232,074)	158%
15	Other Operating Activities (explained on attached page)			
16	<b>Net Cash Provided by/(Used in) Operating Activities</b>	1,460,295	1,739,070	-16%
17				
18	<b>Cash Inflows/Outflows From Investment Activities:</b>			
19	Construction/Acquisition of Property, Plant and Equipment	(1,414,416)	(1,001,540)	-41%
20	(net of AFUDC & Capital Lease Related Acquisitions)			
21	Acquisition of Other Noncurrent Assets			
22	Proceeds from Disposal of Noncurrent Assets	0	0	
23	Investments In and Advances to Affiliates			
24	Contributions and Advances from Affiliates	0	0	
25	Disposition of Investments in and Advances to Affiliates			
26	Other Investing Activities (explained on attached page)			
27	<b>Net Cash Provided by/(Used in) Investing Activities</b>	(1,414,416)	(1,001,540)	-41%
28				
29	<b>Cash Flows from Financing Activities:</b>			
30	Proceeds from Issuance of:			
31	Long-Term Debt	0	0	
32	Preferred Stock			
33	Common Stock			
34	Other:			
35	Net Increase (Decrease) in Line of Credit	(51,285)	2,081,226	-102%
36	Other:			
37	Payment for Retirement of:			
38	Capital Lease Obligation	(431,279)	(814,333)	
39	Preferred Stock	0	0	
40	Common Stock			
41	Other:			
42	Debt Issue Costs		(528,344)	
43	Dividends on Preferred Stock			
44	Dividends on Common Stock	(97,335)	(502,625)	81%
45	Other Financing Activities- (Contribution from Parent Co.)	1,000,000	(500,000)	
46	<b>Net Cash Provided by (Used in) Financing Activities</b>	420,101	(264,076)	259%
47				
48	<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	465,980	473,454	-2%
49	<b>Cash and Cash Equivalents at Beginning of Year</b>	204,551	670,531	-69%
50	<b>Cash and Cash Equivalents at End of Year</b>	670,531	1,143,985	-41%

0

0

**LONG TERM DEBT**

Year: 2016

	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	Note Payable to Gas Natural, Inc	10/16	10/28	7,579,000	7,579,000	7,579,000	4.23%	328,652	4.34%
2									
3									
4									
5									
6									
7									
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29									
30									
31									
32	<b>TOTAL</b>			7,579,000	7,579,000	7,579,000		328,652	4.34%

PREFERRED STOCK

Year: 2016

	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										
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31										
32	<b>TOTAL</b>					0		0	0	

COMMON STOCK

Year: 2016

		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	NOT APPLICABLE								
2									
3									
4	January								
5									
6	February								
7									
8	March								
9									
10	April								
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12	May								
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14	June								
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18	August								
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20	September								
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22	October								
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24	November								
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26	December								
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29									
30									
31									
32	TOTAL Year End			-	0	0.00%			0.0



MONTANA EARNED RATE OF RETURN

Year: 2016

	Description	Last Year	This Year	% Change
1	Rate Base			
2	101 Plant in Service	46,913,007	48,344,125	
3	108 (Less) Accumulated Depreciation	(26,893,969)	(28,087,262)	
4	<b>NET Plant in Service</b>	20,019,038	20,256,863	
5	Additions			
6	154, 156 Materials & Supplies	3,241,314	2,914,051	
7	165 Prepayments			
8	Other Additions	873,928	942,815	
9	<b>TOTAL Additions</b>	4,115,242	3,856,866	
10				
11	Deductions			
12	190 Accumulated Deferred Income Taxes	4,456,313	4,654,941	
13	252 Customer Advances for Construction	956,657	991,726	
14	255 Accumulated Def. Investment Tax Credits			
15	Other Deductions			
16	<b>TOTAL Deductions</b>	5,412,970	5,646,667	
17	<b>TOTAL Rate Base</b>	18,721,310	18,467,062	
18				
19	<b>Net Earnings</b>	1,066,745	639,673	-40.04%
20				
21				
22	<b>Rate of Return on Average Rate Base</b>	5.698%	3.464%	-39.21%
23				
24	<b>Rate of Return on Average Equity</b>	9.182%	5.392%	-41.27%
25				
26	Major Normalizing Adjustments & Commission			
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37	Ratemaking adjustments to Utility Operations			
38				
39				
40				
41				
42				
43				
44				
45				
46				
47	<b>Adjusted Rate of Return on Average Rate Base</b>	5.698%	3.464%	
48				
49	<b>Adjusted Rate of Return on Average Equity</b>	9.182%	5.392%	

MONTANA COMPOSITE STATISTICS

Year: 2016

	Description	Amount
1		
2	Plant (Intrastate Only) (000 Omitted)	
3		
4	101 Plant in Service	48,731
5	107 Construction Work in Progress	
6	114 Plant Acquisition Adjustments	
7	105 Plant Held for Future Use	
8	154, 156 Materials & Supplies	366
9	(Less):	
10	108, 111 Depreciation & Amortization Reserves	(28,721)
11	252 Contributions in Aid of Construction	
12		
13	<b>NET BOOK COSTS</b>	20,376
14	Revenues & Expenses (000 Omitted)	
15		
16		
17	400 Operating Revenues	23,180
18		
19	403 - 407 Depreciation & Amortization Expenses	1,408
20	Federal & State Income Taxes	121
21	Other Taxes	1,081
22	Other Operating Expenses	19,931
23	TOTAL Operating Expenses	22,541
24		
25	Net Operating Income	639
26		
27	415 - 421.1 Other Income	132
28	421.2 - 426.5 Other Deductions	710
29		
30	<b>NET INCOME</b>	61
31	Customers (Intrastate Only)	
32		
33		
34	Year End Average:	
35	Residential	26,569
36	Commercial	2,966
37	Industrial	1
38	Other	630
39		
40	<b>TOTAL NUMBER OF CUSTOMERS</b>	30,165
41	Other Statistics (Intrastate Only)	
42		
43		
44	Average Annual Residential Use (Mcf or Dkt)	87.5
45	Average Annual Residential Cost per (Mcf or Dkt) (\$) *	\$5.08
46	* Avg annual cost = [(cost per Mcf or Dkt x annual use) + (mo. svc chrg x 12)]/annual use	
47	Average Residential Monthly Bill	37.03
48	Gross Plant per Customer	1,650

MONTANA CUSTOMER INFORMATION

Year: 2016

	City/Town	Population (Include Rural)	Residential Customers	Commercial Customers	Industrial & Other Customers	Total Customers
1	Great Falls	60,748	25,815	2,729	631	29,175
2	West Yellowstone	1,764	426	188		614
3	Cascade	753	328	49		377
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32	<b>TOTAL Montana Customers</b>	63,265	26,569	2,966	631	30,166

MONTANA EMPLOYEE COUNTS

Year: 2016

	Department	Year Beginning	Year End	Average
1	TRANSMISSION & DISTRIBUTION	6	6	6
2	CUSTOMER ACCOUNTS	17	17	17
3	SALES, MERCHANDISING, JOBBING			
4	ENGINEERING			
5	ADMINISTRATIVE & GENERAL	8	8	8
6	CONSTRUCTION	9	9	9
7	FIELD CUSTOMER SERVICE	6	6	6
8	DISTRICT PERSONNEL			
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49				
50	<b>TOTAL Montana Employees</b>	46	46	46

**MONTANA CONSTRUCTION BUDGET (ASSIGNED & ALLOCATED)**

Year: 2016

	Project Description	Total Company	Total Montana
1	ENERGY WEST - WEST YELLOWSTONE	65,000	65,000
2	ENERGY WEST - MONTANA	1,082,865	1,082,865
3	ENERGY WEST - CASCADE	0	0
4			
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49			
50	<b>TOTAL</b>	1,147,865	1,147,865

TRANSMISSION SYSTEM - TOTAL COMPANY & MONTANA

Year: 2016

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	<b>TOTAL</b>			0

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	<b>TOTAL</b>			0

DISTRIBUTION SYSTEM - TOTAL COMPANY & MONTANA

Year: 2016

Total Company				
		Peak Day of Month	Peak Day Volumes Mcf or Dkt	Total Monthly Volumes Mcf or Dkt
1	January	SEE BELOW		
2	February			
3	March			
4	April			
5	May			
6	June			
7	July			
8	August			
9	September			
10	October			
11	November			
12	December			
13	<b>TOTAL</b>			0

Montana				
		Peak Day of Month	Peak Day Volumes Mcf or <i>Dkt</i>	Total Monthly Volumes Mcf or <i>Dkt</i>
14	January	9	33,709	748,662
15	February	2	28,543	630,548
16	March	17	25,137	600,208
17	April	15	23,501	486,583
18	May	10	19,617	438,929
19	June	24	12,033	323,482
20	July	11	11,515	309,059
21	August	24	11,231	310,679
22	September	12	16,240	354,980
23	October	11	26,227	525,185
24	November	29	27,033	572,070
25	December	8	40,839	981,481
26	<b>TOTAL</b>			6,281,866

**STORAGE SYSTEM - TOTAL COMPANY & MONTANA**

Year: 2016

		<b>Total Company</b>						
		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							
3	March							
4	April							
5	May							
6	June							
7	July							
8	August							
9	September							
10	October							
11	November							
12	December							
13	<b>TOTAL</b>					0	0	0

		<b>Montana</b>						
		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								
23	October							
24	November							
25	December							
26	<b>TOTAL</b>					0	0	0



SOURCES OF GAS SUPPLY

Year: 2016

	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	Tenaska	2,598,750	3,061,500	\$2.3280	\$1.8130
2	JetCo	267,500	0	\$3.0390	\$0.0000
3	Merit Energy	123,785	116,543	\$6.5642	\$5.8491
4	Energy West Propane	692	749	\$36.1376	\$28.4323
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32					
33	<b>Total Gas Supply Volumes</b>	2,990,727	3,178,792	\$2.5748	\$1.9672

MONTANA CONSERVATION & DEMAND SIDE MANAGEMENT PROGRAMS

Year: 2016

	Program Description	Current Year Expenditures	Last Year Expenditures	% Change	Planned Savings (Mcf or Dkt)	Achieved Savings (Mcf or Dkt)	Difference
1	NO INTEREST LOAN PROGRAM	\$21,292	\$32,236	-33.95%	N/A	N/A	
2	FURNACE EFFICIENCY PROGRAM	\$97,618	\$57,795	68.90%	N/A	N/A	
3	WEATHERIZATION PROGRAM	\$243,269	\$161,075	51.03%	N/A	N/A	
4							
5							
6	Also please refer to Schedule 36a						
7							
8							
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31							
32	<b>TOTAL</b>	\$362,178	\$251,106	44.23%	0	0	0

MONTANA CONSUMPTION AND REVENUES

Year: 2016

	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	11,806,339	13,489,071	2,325,423	2,026,397	26,569	26,190
2	Commercial - Small	1,842,306	2,199,707	282,900	292,431	2,087	2,067
3	Commercial - Large	7,009,107	7,113,940	924,684	929,041	879	858
4	Industrial - Small						
5	Industrial - Large						
6	Interruptible Industrial						
7	Other Sales to Public Authorities						
8	Sales to Other Utilities						
9	Interdepartmental						
10							
11	<b>TOTAL</b>	\$20,657,752	\$22,802,718	3,533,007	3,247,869	29,535	29,115
12							
13							
14							
15		Operating Revenues		BCF Transported		Avg. No. of Customers	
16							
17		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
18	<b>Transportation of Gas</b>						
19	Utilities						
20	Industrial	951,486	389,474	2.7	1.1	1	1
21	Other	1,555,081	2,251,467	0.9	0.9	630	634
22							
23							
24		\$2,506,567	\$2,640,941	3.6	2.0	631	635

**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	Furnace Efficiency			97,618		
3	Weatherization			243,269		
4	No Interest Loan (NIP)			21,292		
5						
6						
7						
8	Market Transformation					
9						
10						
11						
12						
13						
14						
15	Research & Development					
16	Gas Research			-		
17						
18						
19						
20						
21						
22	Low Income					
23	Low Income Discount			56,047		
24	Bill Assistance			12,000		
25						
26						
27						
28						
29	Other					
30						
31						
32						
33						
34						
35						
36						
37						
38						
39	Total					
40	Number of customers that received low income rate discounts				970	
41	Average monthly bill discount amount (\$/mo)				4.82	
42	Average LIEAP-eligible household income				17,353	
43	Number of customers that received weatherization assistance				69	
44	Expected average annual bill savings from weatherization				7-10%	
45	Number of residential audits performed				0	

**Montana Conservation & Demand Side Management Programs**

	Program Description	Actual Current Year Expenditures	Contracted or Committed Current Year Expenditures	Total Current Year Expenditures	Expected savings (MW and MWh)	Most recent program evaluation
1	Local Conservation					
2						
3						
4						
5						
6						
7						
8	Demand Response					
9						
10						
11						
12						
13						
14						
15	Market Transformation					
16						
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22	Research & Development					
23						
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29	Low Income					
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48	Total					