

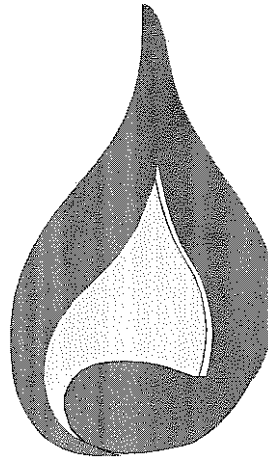
YEAR ENDING 2019

**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

# Gas Annual Report

## Table of Contents

<b>Description</b>	<b>Schedule</b>
Instructions	
Identification	1
Board of Directors	2
Officers	3
Corporate Structure	4
Corporate Allocations	5
Affiliate Transactions - To the Utility	6
Affiliate Transactions - By the Utility	7
Montana Utility Income Statement	8
<b>Montana Revenues</b>	9
Montana Operation and Maintenance Expenses	10
Montana Taxes Other Than Income	11
Payments for Services	12
Political Action Committees/Political Contrib.	13
Pension Costs	14
Other Post Employment Benefits	15
Top Ten Montana Compensated Employees	16
Top Five Corporate Compensated Employees	17
Balance Sheet	18

continued on next page

<b>Description</b>	<b>Schedule</b>
Montana Plant in Service	19
Montana Depreciation Summary	20
Montana Materials and Supplies	21
Montana Regulatory Capital Structure	22
Statement of Cash Flows	23
Long Term Debt	24
Preferred Stock	25
Common Stock	26
Montana Earned Rate of Return	27
Montana Composite Statistics	28
Montana Customer Information	29
Montana Employee Counts	30
Montana Construction Budget	31
Transmission, Distribution and Storage Systems	32
Sources of Gas Supply	33
MT Conservation and Demand Side Mgmt. Programs	34
Montana Consumption and Revenues	35
Natural Gas Universal System Benefits Programs	36a
Montana Conservation and Demand Side Management Programs	36b

**IDENTIFICATION**

Year : 2019

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	11/19/1956
4.	Address to send Correspondence Concerning Report:	403 East Main St Cut Bank, MT 59427
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:	
	PHC Utilities, Inc 184 Shuman Blvd., Suite 300 Naperville, IL 60563	
	1b. Means by which control was held: Stock	
	1c. Percent Ownership: 100%	

**SCHEDULE 2**

Board of Directors		
Line No.	Name of Director and Address (City, State) (a)	Remuneration (b)
1	Jed Henthorne Great Falls, MT	\$0
2	Kevin Degenstein Great Falls, MT	\$0
3	Albert Harms Naperville, IL	\$0
4		
5		
6		
7		
8		
9		
10		

OFFICERS

Year : 2019

Line No.	Title of Officer (a)	Department Supervised (b)	Name (c)
1	President & General Manager	Total Company	Jed D. Henthorne
2			
3	Vice President	Total Company	Kevin J. Degenstein
4			
7	Secretary	Total Company	Cheryl Johnson
8			
9	Asst. Secretary	Total Company	George Behrens
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43			
44			
45			
46			
47			
48			
49			
50			

CORPORATE STRUCTURE

Year: 2019

	Subsidiary/Company Name	Line of Business	Earnings	Percent of Total
1	Cut Bank Gas Company - a subsidiary of PHC	Natural Gas Utility	188,415	100.00%
2	Utilities, Inc.			
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				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50	<b>TOTAL</b>		188,415	100.00%

CORPORATE ALLOCATIONS

Year: 2019

	Items Allocated	Classification	Allocation Method	\$ to MT Utility	MT %	\$ to Other
1	Hearthstone Utilities, Inc.	921	4 Factor Allocation	121,605	2.03%	5,875,410
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						
33						
34	<b>TOTAL</b>			121,605	2.03%	5,875,410

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

**Year: 2019**

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					
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	<b>TOTAL</b>					



AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY

Year: 2019

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					
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	<b>TOTAL</b>					

## MONTANA UTILITY INCOME STATEMENT

Year: 2019

	Account Number & Title	Last Year	This Year	% Change
1	400 Operating Revenues	\$ 1,566,922	\$ 1,757,402	12%
2				
3	Operating Expenses			
4	401 Operation Expenses	1,305,551	1,304,486	0%
5	402 Maintenance Expense	15,349	21,728	42%
6	403 Depreciation Expense	205,624	116,695	-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			
10	& Regulatory Study Costs, Regulatory Debits	(2,085)		100%
11	407.2 Amort. of Conversion Expense			
12	408.1 Taxes Other Than Income Taxes	44,509	43,882	-1%
13	409.1 Income Taxes - Federal			
14	- Other			
15	410.1 Provision for Deferred Income Taxes	(16,508)	47,051	385%
16	411.1 (Less) Provision for Def. Inc. Taxes - Cr.			
17	411.4 Investment Tax Credit Adjustments			
18	411.6 (Less) Gains from Disposition of Utility Plant			
19	411.7 Losses from Disposition of Utility Plant			
20	<b>TOTAL Utility Operating Expenses</b>	1,552,440	1,533,842	-1%
21	<b>NET UTILITY OPERATING INCOME</b>	14,482	223,560	1444%

## SCHEDULE 9

## MONTANA REVENUES

Year: 2019

	Account Number & Title	Last Year	This Year	% Change
1	Sales of Gas			
2	480 Residential	953,170	1,030,093	8%
3	481 Commercial & Industrial - Small	613,262	727,006	19%
4	Commercial & Industrial - Large			
5	482 Other Sales to Public Authorities			
6	484 Interdepartmental Sales			
7	485 Intracompany Transfers			
8	<b>TOTAL Sales to Ultimate Consumers</b>	1,566,432	1,757,099	12%
9	483 Sales for Resale			
10	<b>TOTAL Sales of Gas</b>	1,566,432	1,757,099	12%
11	Other Operating Revenues			
12	487 Forfeited Discounts & Late Payment Revenues			
13	488 Miscellaneous Service Revenues	490	303	-38%
14	489 Revenues from Transp. of Gas for Others			
15	490 Sales of Products Extracted from Natural Gas			
16	491 Revenues from Nat. Gas Processed by Others			
17	492 Incidental Gasoline & Oil Sales			
18	493 Rent From Gas Property			
19	494 Interdepartmental Rents			
20	495 Other Gas Revenues			
21	<b>TOTAL Other Operating Revenues</b>	490	303	-38%
22	<b>Total Gas Operating Revenues</b>	1,566,922	1,757,402	12%
23				
24	496 (Less) Provision for Rate Refunds			
25				
26	<b>TOTAL Oper. Revs. Net of Pro. for Refunds</b>			

**MONTANA OPERATION & MAINTENANCE EXPENSES**

Year: 2019

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	876	750	-14%
12	759 Other Expenses			
13	760 Rents			
14	<b>Total Operation - Natural Gas Production</b>	876	750	-14%
15	Production & Gathering - Maintenance			
16	761 Maintenance Supervision & Engineering	637	3,397	433%
	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>	637	3,397	433%
26	<b>TOTAL Natural Gas Production &amp; Gathering</b>	1,513	4,147	433%
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	<b>Total Operation - Products Extraction</b>			
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>			
53	<b>TOTAL Products Extraction</b>			

**MONTANA OPERATION & MAINTENANCE EXPENSES**

Year: 2019

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>			
9				
10	Other Gas Supply Expenses - Operation			
11	800 Natural Gas Wellhead Purchases			
12	800.1 Nat. Gas Wellhead Purch., Intracomp. Trans.			
13	801 Natural Gas Field Line Purchases			
14	802 Natural Gas Gasoline Plant Outlet Purchases			
15	803 Natural Gas Transmission Line Purchases			
16	804 Natural Gas City Gate Purchases	767,683	760,854	-1%
17	805 Other Gas Purchases			
18	805.1 Purchased Gas Cost Adjustments	24,621	53,812	119%
19	805.2 Incremental Gas Cost Adjustments			
20	806 Exchange Gas			
21	807.1 Well Expenses - Purchased Gas	-	714	
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	(3,851)	(3,763)	2%
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	<b>TOTAL Other Gas Supply Expenses</b>	788,453	811,617	3%
34				
35	<b>TOTAL PRODUCTION EXPENSES</b>	789,966	815,764	3%

**MONTANA OPERATION & MAINTENANCE EXPENSES**

Year: 2019

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>			
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>			
29	<b>TOTAL Underground Storage Expenses</b>			
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>			
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>			
50	<b>TOTAL - Other Storage Expenses</b>			
51				
52	<b>TOTAL - STORAGE, TERMINALING &amp; PROC.</b>			

**MONTANA OPERATION & MAINTENANCE EXPENSES**

Year: 2019

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			
12	859 Other Expenses			
13	860 Rents			
14	<b>Total Operation - Transmission</b>			
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>			
24	<b>TOTAL Transmission Expenses</b>			
25	<b>Distribution Expenses</b>			
26	Operation			
27	870 Operation Supervision & Engineering	3,344	6,751	102%
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	90,906	95,808	5%
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	27,777	11,174	-60%
36	879 Customer Installations Expenses	3,365	4,238	26%
37	880 Other Expenses	18,845	22,249	18%
38	881 Rents			
39	<b>Total Operation - Distribution</b>	144,237	140,220	-3%
40	Maintenance			
41	885 Maintenance Supervision & Engineering			
42	886 Maintenance of Structures & Improvements			
43	887 Maintenance of Mains	2,277	3,621	59%
44	888 Maint. of Compressor Station Equipment			
45	889 Maint. of Meas. & Reg. Station Exp.-General	397	474	19%
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	67	632	843%
50	894 Maintenance of Other Equipment			
51	<b>Total Maintenance - Distribution</b>	2,741	4,727	72%
52	<b>TOTAL Distribution Expenses</b>	146,978	144,947	-1%

**MONTANA OPERATION & MAINTENANCE EXPENSES**

Year: 2019

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	18,052	20,131	12%
6	903 Customer Records & Collection Expenses	84,198	89,231	6%
7	904 Uncollectible Accounts Expenses	3,012	2,804	-7%
8	905 Miscellaneous Customer Accounts Expenses			
9				
10	<b>TOTAL Customer Accounts Expenses</b>	105,262	112,166	7%
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>			
20				
21	<b>Sales Expenses</b>			
22	Operation			
23	911 Supervision			
24	912 Demonstrating & Selling Expenses			
25	913 Advertising Expenses	35	146	317%
26	916 Miscellaneous Sales Expenses			
27				
28	<b>TOTAL Sales Expenses</b>	35	146	317%
29				
30	<b>Administrative &amp; General Expenses</b>			
31	Operation			
32	920 Administrative & General Salaries	10,185	13,219	30%
33	921 Office Supplies & Expenses	34,106	30,498	-11%
34	922 (Less) Administrative Expenses Transferred - Cr.	(7,714)	(5,966)	23%
35	923 Outside Services Employed	11,757	8,256	-30%
36	924 Property Insurance	4,689	3,472	-26%
37	925 Injuries & Damages	19,010	14,020	-26%
38	926 Employee Pensions & Benefits	37,285	46,580	25%
39	927 Franchise Requirements			
40	928 Regulatory Commission Expenses	667	4,000	500%
41	929 (Less) Duplicate Charges - Cr.			
42	930.1 General Advertising Expenses			
43	930.2 Miscellaneous General Expenses			
44	931 Rents	17,850	3,903	-78%
45	933 Hearthstone Services	138,853	121,605	-12%
46	<b>TOTAL Operation - Admin. &amp; General</b>	266,688	239,587	-10%
47	Maintenance			
48	935 Maintenance of General Plant	11,971	13,604	14%
49				
50	<b>TOTAL Administrative &amp; General Expenses</b>	11,971	13,604	14%
51	<b>TOTAL OPERATION &amp; MAINTENANCE EXP.</b>	1,320,900	1,326,214	0%

\*\* Prior period amounts have been reclassified to reflect current year presentations

**MONTANA TAXES OTHER THAN INCOME**

Year: 2019

	Description of Tax	Last Year	This Year	% Change
1	Payroll Taxes	21,101	16,989	-19.49%
2	Property Taxes	23,408	22,299	-4.74%
3	PSC/MCC Taxes	-	4,164	100.00%
4	Production Taxes	-	430	100.00%
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				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43	<b>TOTAL MT Taxes other than Income</b>	44,509	43,882	-1.41%



**PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES** Year: 2019

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1					
2	None				
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					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
50	<b>TOTAL Payments for Services</b>				

**POLITICAL ACTION COMMITTEES / POLITICAL CONTRIBUTIONS** Year: 2019

	Description	Total Company	Montana	% Montana
1	NONE			
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				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50	<b>TOTAL Contributions</b>			

**PENSION COSTS**

Year: 2019

1	Plan Name			
2	Defined Benefit Plan? <u> No </u>	Defined Contribution Plan? <u> Yes </u>		
3	Actuarial Cost Method? <u> N/A </u>	IRS Code: <u> 401(k) </u>		
4	Annual Contribution by Employer: <u> 10,879 </u>	Is the Plan Over Funded? <u> </u>		
5				
	Item	Current Year	Last Year	% Change
6	<b>Change in Benefit Obligation</b>			
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	<b>Change in Plan Assets</b>			
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	<b>Funded Status</b>			
25	Unrecognized net actuarial loss			
26	Unrecognized prior service cost			
27	Prepaid (accrued) benefit cost			
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			
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	<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	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
<b>1 Regulatory Treatment:</b>				
2 Commission authorized - most recent				
3 Docket number: _____				
4 Order number: _____				
5 Amount recovered through rates				
<b>6 Weighted-average Assumptions as of Year End</b>				
7 Discount rate	Cut Bank Gas Company has no other			
8 Expected return on plan assets	post employment benefits			
9 Medical Cost Inflation Rate				
10 Actuarial Cost Method				
11 Rate of compensation increase				
<b>12 List each method used to fund OPEBs (ie: VEBA, 401(h)) and if tax advantaged:</b>				
13				
14				
<b>15 Describe any Changes to the Benefit Plan:</b>				
16				
<b>17 TOTAL COMPANY</b>				
<b>18 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				
<b>28 Change in Plan Assets</b>				
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				
<b>36 Funded Status</b>				
37 Unrecognized net actuarial loss				
38 Unrecognized prior service cost				
39 Prepaid (accrued) benefit cost				
<b>40 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				
<b>47 Accumulated Post Retirement Benefit Obligation</b>				
48 Amount Funded through VEBA				
49 Amount Funded through 401(h)				
50 Amount Funded through Other _____				
51 TOTAL				
52 Amount that was tax deductible - VEBA				
53 Amount that was tax deductible - 401(h)				
54 Amount that was tax deductible - Other _____				
55 TOTAL				

**OTHER POST EMPLOYMENT BENEFITS (OPEBS) Continued**

Year: 2019

	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				
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	<b>Change in Plan Assets</b>				
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	<b>Funded Status</b>				
27	Unrecognized net actuarial loss				
28	Unrecognized prior service cost				
29	Prepaid (accrued) benefit cost				
30	<b>Components of Net Periodic Benefit Costs</b>				
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	<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				
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	<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)

Year: 2019

Line No.	Name/Title	Base Salary	Bonuses	Other	Total Compensation	Total Compensation Last Year	% Increase Total Compensation
1	Kevin J. Degenstein Vice President	285,000	53,763	9,600	348,363	295,560	17.87%
2	Jed D. Henthorne President & General Manager	185,000	40,830	2,215	228,045	170,960	33.39%
3	S. Jane Lindberg Bookkeeper	67,226			67,226	64,846	3.67%
4	Matt Embody Serviceman	62,920			62,920	61,559	2.21%
5	Tyler Embody Serviceman	57,117			57,117	59,725	-4.37%
6	Dean Fugle Serviceman	40,581			40,581		
7	Ludley Hillock Serviceman	37,398			37,398		
8	Seth Omsberg Serviceman	37,398			37,398		
9	Lorraine Duvall Bookkeeper	32,365			32,365	31,069	4.17%

COMPENSATION OF TOP 5 CORPORATE EMPLOYEES - SEC INFORMATION

Year: 2019

Line No.	Name/Title	Base Salary	Bonuses	Other	Total Compensation	Total Compensation Last Year	% Increase Total Compensation
	N/A						

## BALANCE SHEET

	Account Number & Title	Last Year	This Year	12 month % Change
1	<b>Assets and Other Debits</b>			
2	Utility Plant			
3	101 Gas Plant in Service	2,575,649	2,744,323	6.55%
4	101.1 Property Under Capital Leases			
5	102 Gas Plant Purchased or Sold			
6	104 Gas Plant Leased to Others			
7	105 Gas Plant Held for Future Use			
8	105.1 Production Properties Held for Future Use			
9	106 Completed Constr. Not Classified - Gas			
10	107 Construction Work in Progress - Gas			
11	108 (Less) Accumulated Depreciation	(1,082,679)	(1,175,587)	-8.58%
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>	1,492,970	1,568,736	5.07%
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	2,387	2,157	-9.64%
26	125 Sinking Funds			
27	<b>TOTAL Other Property &amp; Investments</b>	2,387	2,157	-9.64%
28	<b>Current &amp; Accrued Assets</b>			
29	131 Cash	28,936	88,093	204.44%
30	132-134 Special Deposits			
31	135 Working Funds			
32	136 Temporary Cash Investments			
33	141 Notes Receivable			
34	142 Customer Accounts Receivable	218,394	226,008	3.49%
35	143 Other Accounts Receivable	(103)		100.00%
36	144 (Less) Accum. Provision for Uncollectible Accts.	(4,593)	(8,307)	-80.86%
37	145 Notes Receivable - Associated Companies			
38	146 Accounts Receivable - Associated Companies			
39	151 Fuel Stock			
40	152 Fuel Stock Expenses Undistributed			
41	153 Residuals and Extracted Products			
42	154 Plant Materials and Operating Supplies	64,518	62,331	-3.39%
43	155 Merchandise			
44	156 Other Material & Supplies			
45	163 Stores Expense Undistributed			
46	164.1 Gas Stored Underground - Current			
47	165 Prepayments	15,249	18,718	22.75%
48	166 Advances for Gas Explor., Devl. & Production			
49	171 Interest & Dividends Receivable			
50	172 Rents Receivable			
51	173 Accrued Utility Revenues			
52	174 Miscellaneous Current & Accrued Assets			
53	<b>TOTAL Current &amp; Accrued Assets</b>	322,401	386,843	19.99%



## BALANCE SHEET

	Account Number & Title	Last Year	This Year	12 month % Change
1	<b>Assets and Other Debits (cont.)</b>			
2				
3	<b>Deferred Debits</b>			
4				
5	181 Unamortized Debt Expense	6,634	5,383	-18.86%
6	182.1 Extraordinary Property Losses			
7	182.2 Unrecovered Plant & Regulatory Study Costs			
7.5	182.3 Other Regulatory Assets (Rate Case Costs, Property Tax Accounting Order & EDIT)	129,040	171,189	32.66%
8	183.1 Prelim. Nat. Gas Survey & Investigation Chrg.			
9	183.2 Other Prelim. Nat. Gas Survey & Invtg. Chrgs.			
10	184 Clearing Accounts			
11	185 Temporary Facilities			
12	186 Miscellaneous Deferred Debits	1,056,771	1,056,771	
13	187 Deferred Losses from Disposition of Util. Plant			
14	188 Research, Devel. & Demonstration Expend.			
15	189 Unamortized Loss on Reacquired Debt	982	625	-36.35%
16	190 Accumulated Deferred Income Taxes	150,584	207,640	37.89%
17	191 Unrecovered Purchased Gas Costs	(12,012)	(65,824)	-447.99%
18	192.1 Unrecovered Incremental Gas Costs			
19	192.2 Unrecovered Incremental Surcharges			
20	<b>TOTAL Deferred Debits</b>	1,331,999	1,375,784	3.29%
21				
22	<b>TOTAL ASSETS &amp; OTHER DEBITS</b>	3,149,757	3,333,520	5.83%
	Account Number & Title	Last Year	This Year	12 month % Change
23	<b>Liabilities and Other Credits</b>			
24				
25	<b>Proprietary Capital</b>			
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	1,009,710	1,009,710	
33	213 (Less) Discount on Capital Stock			
34	214 (Less) Capital Stock Expense			
35	215 Appropriated Retained Earnings			
36	216 Unappropriated Retained Earnings	240,197	428,613	78.44%
37	217 (Less) Reacquired Capital Stock			
38	<b>TOTAL Proprietary Capital</b>	1,340,217	1,528,633	14.06%
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)	550,000	550,000	
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>	550,000	550,000	

## BALANCE SHEET

	Account Number & Title	Last Year	This Year	12 month % 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			
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			
11.5	230 Asset Retirement Obligations	103,096	103,096	
12	<b>TOTAL Other Noncurrent Liabilities</b>	103,096	103,096	
13				
14	<b>Current &amp; Accrued Liabilities</b>			
15				
16	231 Notes Payable			
17	232 Accounts Payable	162,298	97,794	-39.74%
18	233 Notes Payable to Associated Companies (Line of Credit)	330,000	360,000	9.09%
19	234 Accounts Payable to Associated Companies	297,544	198,556	-33.27%
20	235 Customer Deposits	20,626	18,794	-8.88%
21	236 Taxes Accrued	12,009	34,635	188.41%
22	237 Interest Accrued	4,696	4,689	-0.15%
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	63,782	67,727	6.19%
28	243 Obligations Under Capital Leases - Current	-	-	
29	<b>TOTAL Current &amp; Accrued Liabilities</b>	890,955	782,195	-12.21%
30				
31	<b>Deferred Credits</b>			
32				
33	252 Customer Advances for Construction			
34	253 Other Deferred Credits			
34.5	254 Other Regulator Liabilities	107,418	107,418	
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	158,071	262,178	65.86%
39	<b>TOTAL Deferred Credits</b>	265,489	369,596	39.21%
40				
41	<b>TOTAL LIABILITIES &amp; OTHER CREDITS</b>	3,149,757	3,333,520	5.83%

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

Year: 2019

	Account Number & Title	Last Year	This Year	% Change
1	<b>Intangible Plant</b>			
2				
3	301 Organization	11,354	11,354	
4	302 Franchises & Consents			
5	303 Miscellaneous Intangible Plant			
6				
7	<b>TOTAL Intangible Plant</b>	11,354	11,354	
8				
9	<b>Production Plant</b>			
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			
20	328 Field Meas. & Reg. Station Structures			
21	329 Other Structures			
22	330 Producing Gas Wells-Well Construction	97,900	97,900	
23	331 Producing Gas Wells-Well Equipment	101,835	101,835	
24	332 Field Lines	104,785	130,899	24.92%
25	333 Field Compressor Station Equipment	1,800	1,800	
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	<b>Total Production &amp; Gathering Plant</b>	321,674	347,788	8.12%
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	<b>Total Products Extraction Plant</b>			
46				
47	<b>TOTAL Production Plant</b>	321,674	347,788	8.12%

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

Year: 2019

	Account Number & Title	This 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>			
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>			
34				
35	<b>TOTAL Natural Gas Storage and Processing Plant</b>			
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>			

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

Year: 2019

	Account Number & Title	This Year	This Year	% Change
1				
2	<b>Distribution Plant</b>			
3				
4	374 Land & Land Rights			
5	375 Structures & Improvements			
6	376 Mains	1,070,237	1,077,100	0.64%
7	377 Compressor Station Equipment			
8	378 Meas. & Reg. Station Equipment-General	18,379	18,379	
9	379 Meas. & Reg. Station Equipment-City Gate			
10	380 Services	166,290	245,783	47.80%
11	381 Meters	184,690	211,058	14.28%
12	382 Meter Installations	18,555	19,548	5.35%
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	<b>TOTAL Distribution Plant</b>	1,458,151	1,571,868	7.80%
20				
21	<b>General Plant</b>			
22				
23	389 Land & Land Rights	10,000	10,000	
24	390 Structures & Improvements	122,840	122,840	
25	391 Office Furniture & Equipment	364,871	377,983	3.59%
26	392 Transportation Equipment	113,873	121,784	6.95%
27	393 Stores Equipment			
28	394 Tools, Shop & Garage Equipment	52,390	57,215	9.21%
29	395 Laboratory Equipment			
30	396 Power Operated Equipment	118,836	121,831	2.52%
31	397 Communication Equipment	899	899	
32	398 Miscellaneous Equipment	761	761	
33	399 Other Tangible Property			
34				
35	<b>TOTAL General Plant</b>	784,470	813,313	3.68%
36				
37	<b>TOTAL Gas Plant in Service</b>	2,575,649	2,744,323	6.55%

## MONTANA DEPRECIATION SUMMARY

Year: 2019

	Functional Plant Classification	Plant Cost	Accumulated Depreciation		Current Avg. Rate
			Last Year Bal.	This Year Bal.	
1	Production & Gathering	347,788	187,425	191,287	1.11%
2	Products Extraction				
3	Underground Storage				
4	Other Storage				
5	Transmission				
6	Distribution	1,571,868	514,038	566,647	3.35%
7	General	824,667	381,216	417,653	4.42%
8	<b>TOTAL</b>	<b>2,744,323</b>	<b>1,082,679</b>	<b>1,175,587</b>	<b>3.39%</b>

## 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)			
7	Assigned to Operations & Maintenance			
8	Production Plant (Estimated)			
9	Transmission Plant (Estimated)			
10	Distribution Plant (Estimated)	64,518	62,331	4%
11	Assigned to Other			
12	155 Merchandise			
13	156 Other Materials & Supplies			
14	163 Stores Expense Undistributed			
15				
16	<b>TOTAL Materials &amp; Supplies</b>	<b>64,518</b>	<b>62,331</b>	<b>4%</b>

## MONTANA REGULATORY CAPITAL STRUCTURE &amp; COSTS

SCHEDULE 22

	Commission Accepted - Most Recent	% Cap. Str.	% Cost Rate	Weighted Cost	
1	Docket Number <a href="#">D2018.9.80</a>				
2	Order Number <a href="#">7575c</a>				
3					
4	Common Equity	1,360,190	55.00%	9.20%	5.06%
5	Preferred Stock				
6	Long Term Debt	550,000	45.00%	5.31%	2.39%
7	Other				
8	<b>TOTAL</b>	<b>1,910,190</b>			<b>7.45%</b>
9					
10	Actual at Year End (1) (2)				
11					
12	Common Equity	888,051	55.00%	11.43%	6.29%
13	Preferred Stock	-			
14	Long Term Debt	726,587	45.00%	5.31%	2.39%
15	Other				
16	<b>TOTAL</b>	<b>1,614,638</b>	<b>100.00%</b>		<b>8.68%</b>

(1) Calculated on adjusted rate base from Schedule 27

(2) Capital Structure as imputed by the Commission

## STATEMENT OF CASH FLOWS

Year: 2019

	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	(4,836)	188,415	3996.09%
6	Depreciation & Accretion	205,624	116,695	-43.25%
7	Amortization of Debt Issue Costs	1,609	1,608	-0.06%
8	Deferred Income Taxes - Net	(17,053)	47,051	375.91%
9	Regulatory Orders			
10	Change in Operating Receivables - Net	34,036	(4,003)	-111.76%
11	Change in Materials, Supplies & Inventories - Net	2,817	2,187	-22.36%
12	Change in Operating Payables & Accrued Liabilities - Net	(48,946)	(138,760)	-183.50%
13	Allowance for Funds Used During Construction (AFUDC)			
14	Change in Other Assets & Liabilities - Net	9,365	(45,388)	-584.66%
15	Other Operating Activities (Deferred Purchased Gas Cost)	66,474	53,812	-19.05%
16	<b>Net Cash Provided by/(Used in) Operating Activities</b>	249,090	221,617	-11.03%
17				
18	<b>Cash Inflows/Outflows From Investment Activities:</b>			
19	Construction/Acquisition of Property, Plant and Equipment			
20	(net of AFUDC & Capital Lease Related Acquisitions)	(305,529)	(192,460)	37.01%
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	<b>Net Cash Provided by/(Used in) Investing Activities</b>	(305,529)	(192,460)	37.01%
28				
29	<b>Cash Flows from Financing Activities:</b>			
30	Proceeds from Issuance of:			
31	Long-Term Debt			
32	Preferred Stock			
33	Common Stock			
34	Other:			
35	Net Increase (Decrease) in Line of Credit	84,188	30,000	-64.37%
36	Other:			
37	Payment for Retirement of:			
38	Capital Lease Obligations	(32,429)		100.00%
39	Preferred Stock			
40	Common Stock			
41	Other:			
42	Debt Issue Costs			
43	Dividends on Preferred Stock			
44	Dividends on Common Stock			
45	Other Financing Activities (Contribution from Parent Co.)			
46	<b>Net Cash Provided by (Used in) Financing Activities</b>	51,759	30,000	-42.04%
47				
48	<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	(4,680)	59,157	1364.04%
49	<b>Cash and Cash Equivalents at Beginning of Year</b>	33,616	28,936	-13.92%
50	<b>Cash and Cash Equivalents at End of Year</b>	28,936	88,093	204.44%

**LONG TERM DEBT**

Year: 2019

	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 Hearthstone Utilities, Inc.	10/16	10/28	550,000	550,000	550,000	4.23%	23,721	4.31%
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	<b>TOTAL</b>			550,000	550,000	550,000		23,721	4.31%



PREFERRED STOCK

Year: 2019

	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										
17										
18										
19										
20										
21										
22										
23										
24										
25										
26										
27										
28										
29										
30										
31										
32	<b>TOTAL</b>									

COMMON STOCK

Year: 2019

		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	9,031	\$ 10.00						
5									
6	February	9,031	\$ 10.00						
7									
8	March	9,031	\$ 10.00	\$ 14.66					
9									
10	April	9,031	\$ 10.00						
11									
12	May	9,031	\$ 10.00						
13									
14	June	9,031	\$ 10.00	\$ 0.98					
15									
16	July	9,031	\$ 10.00						
17									
18	August	9,031	\$ 10.00						
19									
20	September	9,031	\$ 10.00	\$ (5.11)					
21									
22	October	9,031	\$ 10.00						
23									
24	November	9,031	\$ 10.00						
25									
26	December	9,031	\$ 10.00	\$ 10.33					
27									
28									
29									
30									
31									
32	TOTAL Year En	9,031	\$ 10.00	20.86	-	100.00%	N/A	N/A	N/A

## MONTANA EARNED RATE OF RETURN

Year: 2019

	Description	Last Year	This Year	% Change
	Rate Base			
1				
2	101 Plant in Service	2,399,361	2,659,987	-9.80%
3	108 (Less) Accumulated Depreciation	(997,463)	(1,129,134)	11.66%
4	<b>NET Plant in Service</b>	1,401,898	1,530,853	-8.42%
5				
6	Additions			
7	154, 156 Materials & Supplies	67,971	71,416	-4.82%
8	165 Prepayments			
9	Other Additions (Schedule 27A)	79,724	99,780	-20.10%
10	<b>TOTAL Additions</b>	147,695	171,196	-13.73%
11				
12	Deductions			
13	190 Accumulated Deferred Income Taxes	12,414	31,013	-59.97%
14	252 Customer Advances for Construction			
15	255 Accumulated Def. Investment Tax Credits			
16	Other Deductions (Schedule 27A)	19,338	(204)	9579.17%
17	<b>TOTAL Deductions</b>	31,752	30,809	3.06%
18	<b>TOTAL Rate Base</b>	1,517,842	1,671,240	-9.18%
19				
20	<b>Net Earnings</b>	14,482	223,560	-93.52%
21				
22	<b>Rate of Return on Average Rate Base</b>	0.954%	13.377%	-92.87%
23				
24	<b>Rate of Return on Average Equity (1) (3)</b>	-2.51%	20.09%	-112.47%
25				
26	<b>Major Normalizing Adjustments and Commission Ratemaking</b>			
27	<b>Adjustments to Utility Operations</b>			
28				
29	<b>Rate Base:</b>			
30	Remove SAP Buyout from Plant in Service	(76,120)	(76,120)	
31	Remove SAP Buyout from Accumulated Depreciation	4,965	14,894	-66.67%
32	Add Back ADIT related to SAP Buyout	2,312	4,624	-50.00%
33	<b>Adjusted Rate Base</b>	1,448,998	1,614,638	-10.26%
34				
35	<b>Net Earnings:</b>			
36	Add Back SAP buyout depreciation expense (2)	3,658	7,314	-49.99%
37	Deduct:			
38	Weather normalization (2)	(28,617)	(76,689)	62.68%
39	Income tax adjustment -interest synchronization	(6,857)	(14,047)	51.19%
40				
41	<b>Adjusted Net Earnings</b>	(17,334)	140,138	-112.37%
42				
43				
44	<b>Adjusted Rate of Return on Average Rate Base</b>	-1.196%	8.679%	-113.78%
45				
46	<b>Adjusted Rate of Return on Average Equity (1) (3)</b>	-6.52%	11.43%	-157.02%
47				
48	(1) Return on Equity calculated using the capital structure approved in Docket No. D2017.9.80.			
49	(2) Adjustments are presented net of income tax effect.			
50	(3) Prior year's return on equity calculation has been updated to conform to current year's method.			

**DETAIL OF OTHER ADDITIONS AND DEDUCTIONS**

Year: 2019

	Last Year	This Year
<b>Other Additions to Rate Base</b>		
Working Capital		
Operating expenses	\$ 539,071	\$ 504,984
Maintenance expenses	13,287	18,539
	<u>552,358</u>	<u>523,522</u>
Divided by	8	8
1/8 Op. & Maint. For working capital	\$ 69,045	\$ 65,440
Debt Issue Costs - Long Term Debt	\$ 4,677	\$ 4,220
Regulatory Asset - SFAS 109	4,960	4,960
Regulatory Asset - Property Tax Deferral	-	23,075
Regulatory Asset - TCJA Refund/Recovery	1,043	2,085
Total Other Additions	<u>\$ 79,724</u>	<u>\$ 99,780</u>
<b>Other Deductions to Rate Base</b>		
Capital Lease Obligation	\$ 16,215	\$ -
Regulatory Liability - EDIT	3,123	(204)
Total Other Deductions	<u>\$ 19,338</u>	<u>\$ (204)</u>

**MONTANA COMPOSITE STATISTICS**

Year: 2019

	Description	Amount
1		
2	Plant (Intrastate Only)	
3		
4	101 Plant in Service	2,830,637
5	107 Construction Work in Progress	
6	114 Plant Acquisition Adjustments	
7	105 Plant Held for Future Use	
8	154, 156 Materials & Supplies	62,331
9	(Less):	
10	108, 111 Depreciation & Amortization Reserves	(1,175,587)
11	252 Contributions in Aid of Construction	(86,314)
12		
13	<b>NET BOOK COSTS</b>	1,631,067
14		
15	Revenues & Expenses	
16		
17	400 Operating Revenues	1,757,402
18		
19	403 - 407 Depreciation & Amortization Expenses	116,695
20	Federal & State Income Taxes	47,051
21	Other Taxes	43,882
22	Other Operating Expenses	1,326,214
23	TOTAL Operating Expenses	1,533,842
24		
25	Net Operating Income	223,560
26		
27	415 - 421.1 Other Income	3,726
28	421.2 - 426.5 Other Deductions	
29	427 - 432 Interest Charges	38,871
30	<b>NET INCOME (LOSS)</b>	188,415
31		
32	Customers (Intrastate Only)	
33		
34	Year End Average:	
35	Residential	1,253
36	Commercial	256
37	Industrial	
38	Other	
39		
40	<b>TOTAL NUMBER OF CUSTOMERS</b>	1,509
41		
42	Other Statistics (Intrastate Only)	
43	Average Annual Residential Use (Mcf or Dkt) mcf	105
44	Average Annual Residential Cost per (Mcf or Dkt) (\$) *	\$7.83
45	* Avg annual cost = [(cost per Mcf or Dkt x annual use) + (mo. svc chrg x 12)]/annual use	
46	Average Residential Monthly Bill	\$ 68.51
47	Gross Plant per Customer	1,819

**MONTANA CUSTOMER INFORMATION**

Year: 2019

	City/Town	Population (Include Rural)	Residential Customers	Commercial Customers	Industrial & Other Customers	Total Customers
1	Cut Bank	4,000	1,253	256		1,509
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	<b>TOTAL Montana Customers</b>	4,000	1,253	256		1,509

**MONTANA EMPLOYEE COUNTS**

Year: 2019

	Department	Year Beginning	Year End	Average
1	Administration	1	1	1
2	Service	4	4	4
3	Office	2	1	2
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				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50	<b>TOTAL Montana Employees</b>	7	6	7

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

Year: 2019

	Project Description	Total Company	Total Montana
1	2020 General Budget	143,930	143,930
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			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43			
44			
45			
46			
47			
48			
49			
50	<b>TOTAL</b>	143,930	143,930



TRANSMISSION SYSTEM - TOTAL COMPANY & MONTANA

Year: 2019

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	<b>TOTAL</b>			

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>			

**DISTRIBUTION SYSTEM - TOTAL COMPANY & MONTANA**

Year: 2019

<b>Total Company</b>				
		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>			

<b>Montana</b>				
		Peak Day of Month	Peak Day Volumes Mcf or Dkt	Total Monthly Volumes Mcf @14.9 psia or Dkt
14	January	18	1,180	28,108
15	February	9	1,776	40,701
16	March	2	1,714	27,702
17	April	28	888	14,936
18	May	5	639	10,404
19	June	8	238	4,108
20	July	3	136	2,092
21	August	16	59	829
22	September	29	769	5,035
23	October	28	1,163	18,798
24	November	28	1,389	25,614
25	December	8	1,171	27,875
26	<b>TOTAL</b>			206,202

STORAGE SYSTEM - TOTAL COMPANY & MONTANA

Year: 2019

		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	<b>TOTAL</b>							

		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	<b>TOTAL</b>							

SOURCES OF GAS SUPPLY

Year: 2019

	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 @14.9	191,977	206,202	\$3.99883	\$3.68985
2	Cut Bank Gas Company - Royalty @14.73	-	5,338	-	\$ 0.13395
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					
33	<b>Total Gas Supply Volumes</b>	191,977	211,540	\$4.1512	\$3.6001

**MONTANA CONSERVATION & DEMAND SIDE MANAGEMENT PROGRAMS**

Year: 2019

	Program Description	Current Year Expenditures	Last Year Expenditures	% Change	Planned Savings (Mcf or Dkt)	Achieved Savings (Mcf or Dkt)	Difference
1							
2	Cut Bank Gas Company does not have conservation and demand side management programs.						
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		<b>TOTAL</b>					

**MONTANA CONSUMPTION AND REVENUES**

Year: 2019

	Sales of Gas	Operating Revenues		MCF Sold @13.08 psia		Avg. No. of Customers	
		Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year
	at 13.08						
1	Residential	953,170	1,030,090	123,122	131,624	1,258	1,253
2	Commercial - Small	613,262	727,005	93,532	107,606	254	256
3	Commercial - Large						
4	Industrial - Small						
5	Industrial - Large						
6	Interruptible Industrial						
7	Other Sales to Public						
8	Authorities						
9	Sales to Other Utilities						
10	Interdepartmental						
11	<b>TOTAL</b>	\$1,566,432	\$1,757,095	216,654	239,230	1,512	1,509
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	<b>TOTAL</b>						

Natural Gas Universal System Benefits Programs

Year: 2019

	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	Market Transformation					
9						
10						
11						
12						
13						
14						
15	Research & Development					
16						
17						
18						
19						
20						
21						
22	Low Income					
23						
24	As per D98.8.179 Order 6104 Cut Bank Gas Company pays 1.12% of its gross revenues derived from					
25	natural gas sales to Energy Share Montana to meet the Universal Systems Benefits Program					
26	requirements.					
27						
28						
29	Other					
30						
31	127 customers who were LIEAP eligible received \$80.00 each on their natural gas bill from the					
32	Cut Bank Gas Company customer bill assistance program which is administered by Energy Share					
33	of Montana and 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

Year: 2019

	Program Description	Actual Current Year Expenditures	Contracted or Committed Current Year Expenditures	Total Current Year Expenditures	Expected savings (MW and MWh)	Most recent program evaluation
1	Local Conservation					
2						
3		Cut Bank Gas Company does not have Conservation and Demand Side Management Programs.				
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						
40						
41						
42						
43						
44						
45						
46						
47						
48	Total					