

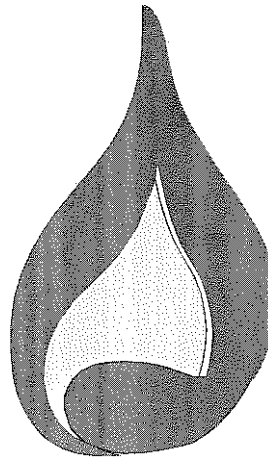
YEAR ENDING 2021

**ANNUAL REPORT**  
OF

Cut Bank Gas Company

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**GAS UTILITY**



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

# Gas Annual Report

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**IDENTIFICATION**

Year : 2021

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	Melissa Dykes Naperville, IL	\$0
4	Morgan O'Brien Naperville, IL	\$0
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OFFICERS

Year : 2021

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	Melissa Dykes
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CORPORATE STRUCTURE

Year: 2021

	Subsidiary/Company Name	Line of Business	Earnings	Percent of Total
1	Cut Bank Gas Company - a subsidiary of PHC	Natural Gas Utility	121,136	100.00%
2	Utilities, Inc.			
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50	<b>TOTAL</b>		121,136	100.00%

**CORPORATE ALLOCATIONS**

Year: 2021

	Items Allocated	Classification	Allocation Method	\$ to MT Utility	MT %	\$ to Other
1	Hearthstone Utilities, Inc.	921	4 Factor Allocation	119,076	1.97%	5,911,428
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34	<b>TOTAL</b>			119,076	1.97%	5,911,428

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

**Year: 2021**

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Utility	(e) % Total Affil. Revs.	(f) Charges to MT Utility
1	None					
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32	<b>TOTAL</b>					



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

**Year: 2021**

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Affiliate	(e) % Total Affil. Exp.	(f) Revenues to MT Utility
1	None					
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32	<b>TOTAL</b>					

## MONTANA UTILITY INCOME STATEMENT

Year: 2021

	Account Number & Title	Last Year	This Year	% Change
1	400 Operating Revenues	\$ 1,714,723	\$ 1,932,377	13%
2				
3	Operating Expenses			
4	401 Operation Expenses	1,239,474	1,510,044	22%
5	402 Maintenance Expense	34,207	25,688	-25%
6	403 Depreciation Expense	130,673	132,882	2%
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, Regulatory Debits			
10	407.2 Amort. of Conversion Expense			
11	407.3 Regulatory Debits		(89)	
12	408.1 Taxes Other Than Income Taxes	96,673	114,666	19%
13	409.1 Income Taxes - Federal			
14	- Other			
15	410.1 Provision for Deferred Income Taxes	53,056	28,050	-47%
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>	1,554,083	1,811,241	17%
21	<b>NET UTILITY OPERATING INCOME</b>	160,640	121,136	-25%

## SCHEDULE 9

## MONTANA REVENUES

Year: 2021

	Account Number & Title	Last Year	This Year	% Change
1	Sales of Gas			
2	480 Residential	994,670	1,159,555	17%
3	481 Commercial & Industrial - Small	704,581	828,950	18%
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>	1,699,251	1,988,505	17%
9	483 Sales for Resale			
10	<b>TOTAL Sales of Gas</b>	1,699,251	1,988,505	17%
11	Other Operating Revenues			
12	487 Forfeited Discounts & Late Payment Revenues			
13	488 Miscellaneous Service Revenues	165	100	-39%
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	15,307	(56,228)	-467%
21	<b>TOTAL Other Operating Revenues</b>	15,472	(56,128)	-463%
22	<b>Total Gas Operating Revenues</b>	1,714,723	1,932,377	13%
23				
24	496 (Less) Provision for Rate Refunds			
25				
26	<b>TOTAL Oper. Revs. Net of Pro. for Refunds</b>			

**MONTANA OPERATION & MAINTENANCE EXPENSES**

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>			
15	Production & Gathering - Maintenance			
16	761 Maintenance Supervision & Engineering	13,817	3,858	-72%
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>	13,817	3,858	-72%
26	<b>TOTAL Natural Gas Production &amp; Gathering</b>	13,817	3,858	-72%
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**

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	743,456	1,048,810	41%
17	805 Other Gas Purchases			
18	805.1 Purchased Gas Cost Adjustments	19,746	(41,937)	-312%
19	805.2 Incremental Gas Cost Adjustments			
20	806 Exchange Gas			
21	807.1 Well Expenses - Purchased Gas	854	458	-46%
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	(3,857)	(4,744)	-23%
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>	760,199	1,002,587	32%
34				
35	<b>TOTAL PRODUCTION EXPENSES</b>	774,016	1,006,445	32%

**MONTANA OPERATION & MAINTENANCE EXPENSES**

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**

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	4,803	6,079	27%
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	74,363	96,550	30%
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	21,680	19,914	-8%
36	879 Customer Installations Expenses	4,554	4,326	-5%
37	880 Other Expenses	17,194	22,449	31%
38	881 Rents			
39	<b>Total Operation - Distribution</b>	122,594	149,318	22%
40	Maintenance			
41	885 Maintenance Supervision & Engineering			
42	886 Maintenance of Structures & Improvements			
43	887 Maintenance of Mains	9,559	5,320	-44%
44	888 Maint. of Compressor Station Equipment			
45	889 Maint. of Meas. & Reg. Station Exp.-General	422	583	38%
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	911	2,505	175%
50	894 Maintenance of Other Equipment			
51	<b>Total Maintenance - Distribution</b>	10,892	8,408	-23%
52	<b>TOTAL Distribution Expenses</b>	133,486	157,726	18%

**MONTANA OPERATION & MAINTENANCE EXPENSES**

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	21,974	22,371	2%
6	903 Customer Records & Collection Expenses	79,391	74,719	-6%
7	904 Uncollectible Accounts Expenses	4,665	12	-100%
8	905 Miscellaneous Customer Accounts Expenses			
9				
10	<b>TOTAL Customer Accounts Expenses</b>	106,030	97,102	-8%
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	35	
26	916 Miscellaneous Sales Expenses			
27				
28	<b>TOTAL Sales Expenses</b>	35	35	
29				
30	<b>Administrative &amp; General Expenses</b>			
31	Operation			
32	920 Administrative & General Salaries	28,124	28,099	0%
33	921 Office Supplies & Expenses	32,302	35,272	9%
34	922 (Less) Administrative Expenses Transferred - Cr.	(4,246)	(4,627)	-9%
35	923 Outside Services Employed	5,448	4,118	-24%
36	924 Property Insurance	4,099	4,307	5%
37	925 Injuries & Damages	16,578	18,562	12%
38	926 Employee Pensions & Benefits	47,128	51,241	9%
39	927 Franchise Requirements			
40	928 Regulatory Commission Expenses	4,000	4,000	
41	929 (Less) Duplicate Charges - Cr.			
42	930.1 General Advertising Expenses			
43	930.2 Miscellaneous General Expenses			
44	931 Rents	4,011	954	-76%
45	933 Hearthstone Services	113,172	119,076	5%
46	<b>TOTAL Operation - Admin. &amp; General</b>	250,616	261,002	4%
47	Maintenance			
48	935 Maintenance of General Plant	9,498	13,422	41%
49				
50	<b>TOTAL Administrative &amp; General Expenses</b>	9,498	13,422	41%
51	<b>TOTAL OPERATION &amp; MAINTENANCE EXP.</b>	1,273,681	1,535,732	21%

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

**MONTANA TAXES OTHER THAN INCOME**

Year: 2021

	Description of Tax	Last Year	This Year	% Change
1	Payroll Taxes	14,197	18,941	33.42%
2	Property Taxes	70,610	91,157	29.10%
3	PSC/MCC Taxes	10,997	4,232	-61.52%
4	Production Taxes	869	336	-61.33%
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43	<b>TOTAL MT Taxes other than Income</b>	96,673	114,666	18.61%



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

Year: 2021

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

**POLITICAL ACTION COMMITTEES / POLITICAL CONTRIBUTIONS**

Year: 2021

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

**PENSION COSTS**

Year: 2021

1	Plan Name: Hearthstone Utilities Retirement Savings Plan			
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> 12,960 </u>	Is the Plan Over Funded? <u> </u>		
5				
	<b>Item</b>	<b>Current Year</b>	<b>Last Year</b>	<b>% Change</b>
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	5	16.67%
48	Not Covered by the Plan			
49	Active	6	5	
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

Item	Current Year	Last Year		% Change
<b>1 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				
<b>7 Montana</b>				
<b>8 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				
<b>18 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				
<b>26 Funded Status</b>				
27 Unrecognized net actuarial loss				
28 Unrecognized prior service cost				
29 Prepaid (accrued) benefit cost				
<b>30 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				
<b>37 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				
<b>46 Montana Intrastate Costs:</b>				
47 Pension Costs				
48 Pension Costs Capitalized				
49 Accumulated Pension Asset (Liability) at Year End				
<b>50 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: 2021

Line No.	Name/Title	Base Salary	Bonuses	Other	Total Compensation	Total Compensation Last Year	% Increase Total Compensation
1	Kevin J. Degenstein Vice President	296,542		9,600	306,142	297,635	2.9%
2	Jed D. Henthorne President & General Manager	192,829		9,600	202,429	196,945	2.8%
3	Tyler Muzzana Operatings Manager - Director of Engineering	140,546			140,546	135,650	3.6%
4	Corey Medved Division Controller	94,688			94,688	91,454	3.5%
5	Matt Embody Serviceman	68,057			68,057	70,795	-3.9%
6	S. Jane Lindberg Bookkeeper	71,320			71,320	68,564	4.0%
7	Dean Fugle Serviceman	72,800			72,800	46,219	57.5%
8	Lorraine Duvall Customer Service	37,440			37,440	35,003	7.0%
9	Ludley Hillock Serviceman	43,804			43,804	44,627	-1.8%
10	Seth Omsberg Serviceman	41,828			41,828	41,681	0.4%

COMPENSATION OF TOP 5 CORPORATE EMPLOYEES - SEC INFORMATION

Year: 2021

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	2,934,790	3,076,467	4.83%
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	9,284	4,235	-54.38%
11	108 (Less) Accumulated Depreciation	(1,355,791)	(1,489,632)	-9.87%
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 Utl. Plant			
19	<b>TOTAL Utility Plant</b>	1,588,283	1,591,070	0.18%
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	1,973	1,812	-8.16%
26	125 Sinking Funds			
27	<b>TOTAL Other Property &amp; Investments</b>	1,973	1,812	-8.16%
28	<b>Current &amp; Accrued Assets</b>			
29	131 Cash	45,171	33,706	-25.38%
30	132-134 Special Deposits			
31	135 Working Funds			
32	136 Temporary Cash Investments			
33	141 Notes Receivable			
34	142 Customer Accounts Receivable	186,314	242,584	30.20%
35	143 Other Accounts Receivable			
36	144 (Less) Accum. Provision for Uncollectible Accts.	(8,079)	(7,254)	10.21%
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	63,854	69,705	9.16%
43	155 Merchandise			
44	156 Other Material & Supplies			
45	163 Stores Expense Undistributed			
46	164.1 Gas Stored Underground - Current			
47	165 Prepayments	20,723	27,556	32.97%
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>	307,983	366,297	18.93%



## 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	4,132	3,080	-25.46%
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)	123,711	58,392	-52.80%
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	268		-100.00%
16	190 Accumulated Deferred Income Taxes	193,156	169,762	-12.11%
17	191 Unrecovered Purchased Gas Costs	(85,571)	(43,634)	49.01%
18	192.1 Unrecovered Incremental Gas Costs			
19	192.2 Unrecovered Incremental Surcharges			
20	<b>TOTAL Deferred Debits</b>	1,292,467	1,244,371	-3.72%
21				
22	<b>TOTAL ASSETS &amp; OTHER DEBITS</b>	3,190,706	3,203,550	0.40%
	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	555,241	649,320	16.94%
37	217 (Less) Reacquired Capital Stock			
38	<b>TOTAL Proprietary Capital</b>	1,655,261	1,749,340	5.68%
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	114,831	199,376	73.63%
18	233 Notes Payable to Associated Companies (Line of Credit)	300,000	50,000	-83.33%
19	234 Accounts Payable to Associated Companies	20,668	94,093	355.26%
20	235 Customer Deposits	19,861	12,860	-35.25%
21	236 Taxes Accrued	50,213	50,785	1.14%
22	237 Interest Accrued	4,670	4,662	-0.17%
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	22,722	29,750	30.93%
28	243 Obligations Under Capital Leases - Current	-	-	
29	<b>TOTAL Current &amp; Accrued Liabilities</b>	532,965	441,526	-17.16%
30				
31	<b>Deferred Credits</b>			
32				
33	252 Customer Advances for Construction		8,556	
34	253 Other Deferred Credits			
34.5	254 Other Regulator Liabilities	48,634	39,899	-17.96%
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	300,750	311,133	3.45%
39	<b>TOTAL Deferred Credits</b>	349,384	359,588	2.92%
40				
41	<b>TOTAL LIABILITIES &amp; OTHER CREDITS</b>	3,190,706	3,203,550	0.40%

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

Year: 2021

	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	137,145	137,145	
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>	354,034	354,034	
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>	354,034	354,034	

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

	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>			
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)**

	Account Number & Title	Last Year	This Year	% Change
1				
2	<b>Distribution Plant</b>			
3				
4	374 Land & Land Rights			
5	375 Structures & Improvements			
6	376 Mains	1,097,091	1,113,422	1.49%
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	318,855	395,732	24.11%
11	381 Meters	235,866	253,212	7.35%
12	382 Meter Installations	13,755	17,652	28.33%
13	383 House Regulators		1,852	
14	384 House Regulator Installations		1,707	
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>	1,683,946	1,801,956	7.01%
20				
21	<b>General Plant</b>			
22				
23	389 Land & Land Rights	10,000	10,000	
24	390 Structures & Improvements	122,840	149,659	21.83%
25	391 Office Furniture & Equipment	386,801	363,343	-6.06%
26	392 Transportation Equipment	121,784	127,225	4.47%
27	393 Stores Equipment			
28	394 Tools, Shop & Garage Equipment	58,074	72,939	25.60%
29	395 Laboratory Equipment			
30	396 Power Operated Equipment	184,297	184,297	
31	397 Communication Equipment	899	899	
32	398 Miscellaneous Equipment	761	761	
33	399 Other Tangible Property			
34				
35	<b>TOTAL General Plant</b>	885,456	909,123	2.67%
36				
37	<b>TOTAL Gas Plant in Service</b>	2,934,790	3,076,467	4.83%

**MONTANA DEPRECIATION SUMMARY**

Year: 2021

	Functional Plant Classification	Plant Cost	Accumulated Depreciation		Current Avg. Rate
			Last Year Bal.	This Year Bal.	
1	Production & Gathering	354,034	195,796	200,412	1.30%
2	Products Extraction				
3	Underground Storage				
4	Other Storage				
5	Transmission				
6	Distribution	1,801,956	615,610	675,781	3.34%
7	General	920,477	544,385	613,439	7.50%
8	<b>TOTAL</b>	<b>3,076,467</b>	<b>1,355,791</b>	<b>1,489,632</b>	<b>4.35%</b>

**MONTANA MATERIALS & SUPPLIES (ASSIGNED & ALLOCATED)**

SCHEDULE 21

	Account	Last Year Bal.	This Year Bal.	%Change
1				
2	151 Fuel Stock			
3	152 Fuel Stock Expenses - Undistributed			
4	153 Residuals & Extracted Products			
5	154 Plant Materials & Operating Supplies:			
6	Assigned to Construction (Estimated)			
7	Assigned to Operations & Maintenance			
8	Production Plant (Estimated)			
9	Transmission Plant (Estimated)			
10	Distribution Plant (Estimated)	63,854	69,705	-8%
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>63,854</b>	<b>69,705</b>	<b>-8%</b>

**MONTANA REGULATORY CAPITAL STRUCTURE & COSTS**

SCHEDULE 22

	Commission Accepted - Most Recent		% Cap. Str.	% Cost Rate	Weighted Cost
1	Docket Number	D2018.9.80			
2	Order Number	7575c			
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	883,138	55.00%	6.25%	3.44%
13	Preferred Stock	-			
14	Long Term Debt	722,568	45.00%	5.31%	2.39%
15	Other				
16	<b>TOTAL</b>	<b>1,605,706</b>	<b>100.00%</b>		<b>5.83%</b>

(1) Calculated on adjusted rate base from Schedule 27

(2) Capital Structure as imputed by the Commission

## STATEMENT OF CASH FLOWS

Year: 2021

	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	126,628	93,989	-25.78%
6	Depreciation & Accretion	130,673	132,882	1.69%
7	Amortization of Debt Issue Costs	1,608	1,320	-17.91%
8	Deferred Income Taxes - Net	(5,728)	33,754	689.28%
9	Regulatory Orders			
10	Change in Operating Receivables - Net	(25,976)	(57,095)	-119.80%
11	Change in Materials, Supplies & Inventories - Net	(1,523)	(5,851)	-284.18%
12	Change in Operating Payables & Accrued Liabilities - Net	(123,788)	158,561	228.09%
13	Allowance for Funds Used During Construction (AFUDC)			
14	Change in Other Assets & Liabilities - Net	45,657	47,852	4.81%
15	Other Operating Activities (Deferred Purchased Gas Cost)	19,747	(41,937)	-312.37%
16	<b>Net Cash Provided by/(Used in) Operating Activities</b>	167,298	363,475	117.26%
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)	(150,220)	(124,940)	16.83%
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>	(150,220)	(124,940)	16.83%
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	(60,000)	(250,000)	-316.67%
36	Other:			
37	Payment for Retirement of:			
38	Capital Lease Obligations			
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>	(60,000)	(250,000)	-316.67%
47				
48	<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	(42,922)	(11,465)	73.29%
49	<b>Cash and Cash Equivalents at Beginning of Year</b>	88,093	45,171	-48.72%
50	<b>Cash and Cash Equivalents at End of Year</b>	45,171	33,706	-25.38%

**LONG TERM DEBT**

Year: 2021

	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									
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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: 2021

	Series	Issue Date Mo./Yr.	Shares Issued	Par Value	Call Price	Net Proceeds	Cost of Money	Principal Outstanding	Annual Cost	Embed. Cost %
1	N/A									
2										
3										
4										
5										
6										
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32	<b>TOTAL</b>									

COMMON STOCK

Year: 2021

		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	\$ 9.58					
9									
10	April	9,031	\$ 10.00						
11									
12	May	9,031	\$ 10.00						
13									
14	June	9,031	\$ 10.00	\$ (0.78)					
15									
16	July	9,031	\$ 10.00						
17									
18	August	9,031	\$ 10.00						
19									
20	September	9,031	\$ 10.00	\$ (3.82)					
21									
22	October	9,031	\$ 10.00						
23									
24	November	9,031	\$ 10.00						
25									
26	December	9,031	\$ 10.00	\$ 5.43					
27									
28									
29									
30									
31									
32	TOTAL Year End	9,031	\$ 10.00	10.42	-	100.00%	N/A	N/A	N/A

## MONTANA EARNED RATE OF RETURN

Year: 2021

	Description	Last Year	This Year	% Change
1	Rate Base			
2	101 Plant in Service	2,839,557	3,005,629	-5.53%
3	108 (Less) Accumulated Depreciation	(1,265,689)	(1,422,712)	11.04%
4	<b>NET Plant in Service</b>	1,573,868	1,582,917	-0.57%
5	Additions			
7	154, 156 Materials & Supplies	72,271	69,542	3.92%
8	165 Prepayments			
9	Other Additions (Schedule 27A)	129,313	108,200	19.51%
10	<b>TOTAL Additions</b>	201,584	177,742	13.41%
11	Deductions			
13	190 Accumulated Deferred Income Taxes	81,066	124,483	-34.88%
14	252 Customer Advances for Construction			
15	255 Accumulated Def. Investment Tax Credits			
16	Other Deductions (Schedule 27A)	(204)	(3,068)	93.35%
17	<b>TOTAL Deductions</b>	80,862	121,415	-33.40%
18	<b>TOTAL Rate Base</b>	1,694,589	1,639,245	3.38%
19	<b>Net Earnings</b>	160,640	121,136	32.61%
22	<b>Rate of Return on Average Rate Base</b>	9.48%	7.39%	28.28%
23				
24	<b>Rate of Return on Average Equity (1) (3)</b>	13.07%	9.91%	31.88%
25	<b>Major Normalizing Adjustments and Commission Ratemaking Adjustments to Utility Operations</b>			
26				
27				
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	24,822	34,751	-28.57%
32	Add Back ADIT related to SAP Buyout	5,350	7,831	-31.68%
33	<b>Adjusted Rate Base</b>	1,648,641	1,605,706	2.67%
34	<b>Net Earnings:</b>			
35	Add Back SAP buyout depreciation expense (2)	7,314	7,314	
36	Deduct:			
36	Weather normalization (2)	(46,717)	(33,671)	-38.75%
36	Income tax adjustment - EDIT amortization		(4,285)	100.00%
36	Income tax adjustment - statutory rate vs actual (3)	5,161	332	1454.52%
36	Income tax adjustment - interest synchronization (3)	1,995	2,773	-28.06%
36	<b>Adjusted Net Earnings</b>	128,393	93,599	37.17%
36	<b>Adjusted Rate of Return on Average Rate Base</b>	7.79%	5.83%	33.60%
36	<b>Adjusted Rate of Return on Average Equity (1)</b>	9.90%	6.14%	61.36%
36	(1) Return on Equity calculated using the capital structure approved in Docket No. D2017.9.80.			
36	(2) Adjustments are presented net of income tax effect.			
36	(3) Prior period amounts have been reclassified to reflect current year presentations			

**DETAIL OF OTHER ADDITIONS AND DEDUCTIONS**

**Year: 2021**

	Last Year	This Year
<b>Other Additions to Rate Base</b>		
Working Capital		
Operating expenses	\$ 486,072	\$ 493,366
Maintenance expenses	27,968	29,948
	<u>514,040</u>	<u>523,314</u>
Divided by	8	8
1/8 Op. & Maint. For working capital	\$ 64,255	\$ 65,414
Debt Issue Costs - Long Term Debt	\$ 4,211	\$ 3,442
Regulatory Asset - SFAS 109	4,960	4,960
Regulatory Asset - Property Tax Deferral	53,802	33,342
Regulatory Asset - TCJA Refund/Recovery	2,085	1,043
Total Other Additions	<u>\$ 129,313</u>	<u>\$ 108,200</u>
<b>Other Deductions to Rate Base</b>		
Capital Lease Obligation	\$ -	\$ -
Regulatory Liability - EDIT	(204)	(3,068)
Total Other Deductions	<u>\$ (204)</u>	<u>\$ (3,068)</u>

## MONTANA COMPOSITE STATISTICS

Year: 2021

	Description	Amount
1		
2	Plant (Intrastate Only)	
3		
4	101 Plant in Service	3,162,781
5	107 Construction Work in Progress	4,235
6	114 Plant Acquisition Adjustments	
7	105 Plant Held for Future Use	
8	154, 156 Materials & Supplies	69,705
9	(Less):	
10	108, 111 Depreciation & Amortization Reserves	(1,489,632)
11	252 Contributions in Aid of Construction	(86,314)
12		
13	<b>NET BOOK COSTS</b>	1,660,775
14		
15	Revenues & Expenses	
16		
17	400 Operating Revenues	1,932,377
18		
19	403 - 407 Depreciation & Amortization Expenses	132,882
20	Federal & State Income Taxes	28,050
21	Other Taxes	114,666
22	Other Operating Expenses	1,535,732
23	TOTAL Operating Expenses	1,811,330
24		
25	Net Operating Income	121,047
26		
27	415 - 421.1 Other Income	596
28	421.2 - 426.5 Other Deductions	
29	427 - 432 Interest Charges	27,654
30	<b>NET INCOME (LOSS)</b>	93,989
31		
32	Customers (Intrastate Only)	
33		
34	Year End Average:	
35	Residential	1,260
36	Commercial	254
37	Industrial	
38	Other	
39		
40	<b>TOTAL NUMBER OF CUSTOMERS</b>	1,514
41		
42	Other Statistics (Intrastate Only)	
43	Average Annual Residential Use (Mcf or Dkt) mcf	95
44	Average Annual Residential Cost per (Mcf or Dkt) (\$) *	\$9.70
45	* Avg annual cost = [(cost per Mcf or Dkt x annual use) + (mo. svc chrg x 12)]/annual use	
46	Average Residential Monthly Bill	\$ 76.69
47	Gross Plant per Customer	2,032

**MONTANA CUSTOMER INFORMATION**

**Year: 2021**

	City/Town	Population (Include Rural)	Residential Customers	Commercial Customers	Industrial & Other Customers	Total Customers
1	Cut Bank	4,000	1,261	255		1,516
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32	<b>TOTAL Montana Customers</b>	4,000	1,261	255		1,516

**MONTANA EMPLOYEE COUNTS**

Year: 2021

	Department	Year Beginning	Year End	Average
1	Administration	1	1	1
2	Service	4	3	4
3	Office	1	1	1
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49				
50	<b>TOTAL Montana Employees</b>	6	5	6

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

Year: 2021

	Project Description	Total Company	Total Montana
1	2021 General Budget	169,167	169,167
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50	<b>TOTAL</b>	169,167	169,167



**TRANSMISSION SYSTEM - TOTAL COMPANY & MONTANA**

Total Company				
		Peak Day of Month	Peak Day Volumes Mcf or Dkt	Total Monthly Volumes Mcf or Dkt
1	January	Cut Bank Gas Company does not have 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: 2021

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>			

Montana				
		Peak Day of Month	Peak Day Volumes Mcf or Dkt	Total Monthly Volumes Mcf @14.9 psia or Dkt
14	January	26	1,293	28,594
15	February	10	1,872	35,145
16	March	29	969	20,417
17	April	22	848	15,588
18	May	20	742	10,038
19	June	10	218	2,368
20	July	13	67	1,424
21	August	18	183	2,405
22	September	29	232	3,611
23	October	31	927	12,223
24	November	16	955	20,753
25	December	26	1,797	36,637
26	<b>TOTAL</b>			189,203

**STORAGE SYSTEM - TOTAL COMPANY & MONTANA**

		Total Company						
		Peak Day of Month		Peak Day Volumes (Mcf or Dkt)		Total Monthly Volumes (Mcf or Dkt)		
		Injection	Withdrawal	Injection	Withdrawal	Injection	Withdrawal	Losses
1	January	Cut Bank Gas Company does not have a storage 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)		
		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: 2021

	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	187,015	189,203	\$3.97538	\$5.54331
2	Cut Bank Gas Company - Royalty @14.73	6,724	3,227	0.12731	\$ 0.14193
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32					
33	<b>Total Gas Supply Volumes</b>	193,739	192,430	\$4.1512	\$5.4527

MONTANA CONSERVATION & DEMAND SIDE MANAGEMENT PROGRAMS

Year: 2021

	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							
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32		<b>TOTAL</b>					

**MONTANA CONSUMPTION AND REVENUES**

**Year: 2021**

	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	994,670	1,159,555	122,166	119,576	1,257	1,260
2	Commercial - Small	704,581	828,950	101,373	98,522	252	254
3	Commercial - Large						
4	Industrial - Small						
5	Industrial - Large						
6	Interruptible Industrial						
	Other Sales to Public						
7	Authorities						
8	Sales to Other Utilities						
9	Interdepartmental						
10							
11	<b>TOTAL</b>	\$1,699,251	\$1,988,505	223,539	218,098	1,509	1,514
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							
20	Utilities	Cut Bank Gas Company has no Transmission Revenue					
21	Industrial						
22	Other						
23							
24	<b>TOTAL</b>						

**Natural Gas Universal System Benefits Programs**

**Year: 2021**

	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	114 customers who were LIEAP eligible received \$95.00 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						
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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: 2021

	Program Description	Actual Current Year Expenditures	Contracted or Committed Current Year Expenditures	Total Current Year Expenditures	Expected savings (MW and MWh)	Most recent program evaluation
1	Local Conservation					
2		Cut Bank Gas Company does not have Conservation and Demand Side Management Programs.				
3						
4						
5						
6						
7						
8	Demand Response					
9						
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15	Market Transformation					
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22	Research & Development					
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29	Low Income					
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35	Other					
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48	Total					