

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

IN THE MATTER OF THE JOINT
APPLICATION FOR APPROVAL TO
CHANGE AND ESTABLISH NATURAL
GAS DELIVERY SERVICE RATES FOR
ENERGY WEST MONTANA, INC. AND
CUT BANK GAS COMPANY

DOCKET NO. D2017.9.80

SUPPLEMENTAL TESTIMONY AND EXHIBITS

OF

CHARLES E. LOY, CPA

ON BEHALF OF

ENERGY WEST MONTANA, INC. AND CUT BANK GAS COMPANY

October 24, 2017

List of Exhibits

CEL-EWM-10 – Allocated Cost of Service Study (ACOS) with Negotiated Contracts

CEL-EWM-11 – Marginal Cost of Service Study with Negotiated Contracts

1 **Q. PLEASE STATE YOUR NAME, BUSINESS AFFILIATION, AND ADDRESS.**

2 A. My name is Charles E. Loy. I am employed by GDS Associates, Inc., and my business
3 address is 919 Congress Avenue, Suite 1110, Austin, Texas 78701.

4 **Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS PROCEEDING?**

5 A. Yes. On September 29, 2017, I submitted direct testimony in support of Energy West
6 Montana, Inc.'s ("EWM") and Cut Bank Gas Company's ("CBGC") joint application for
7 approval to change and establish natural gas delivery service rates. Among other things,
8 my direct testimony discussed the embedded and marginal cost of service studies for EWM
9 and CBGC.

10 **Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL TESTIMONY?**

11 A. I am providing additional information regarding the cost of service for each of EWM's
12 negotiated contract customers. EWM's Negotiated Contract tariff provides:

13 Upon application to change rates in a general rate case, the utility will file
14 with its application sufficient cost of service information for the
15 Commission to evaluate each negotiated contract customer.

16
17 The cost of service information was included for the negotiated contract class in total, but
18 the specific cost of service for each negotiated contract customer was omitted from EWM's
19 embedded and marginal cost of service studies provided as Exhibits CEL-EWM-5 and
20 CEL-EWM-9 with my direct testimony.

21 **Q. DID YOU PREPARE EMBEDDED AND MARGINAL COST OF SERVICE**
22 **STUDIES WHICH INCLUDE THE COST OF SERVICE INFORMATION FOR**
23 **EWM'S NEGOTIATED CONTRACT CUSTOMERS?**

24 A. Yes. CEL-EWM-10 and CEL-EWM-11 are the same embedded and marginal cost of
25 service studies that were provided with my direct testimony, but they have been updated to

1 include information regarding the embedded and marginal cost of service for the two
2 negotiated contract customers, Malmstrom Air Force Base (“MAFB”) and Montana
3 Refining.

4 **Q. DO YOU HAVE ANY COMMENTS REGARDING THE COST OF SERVICE**
5 **STUDIES FOR THE NEGOTIATED CONTRACT CUSTOMERS?**

6 A. Yes, I do. As shown in Exhibit CEL-EWM-11, MAFB and Montana Refining are covering
7 their marginal cost of service. And, although the negotiated contract customers are not
8 covering their embedded cost of service (as shown in Exhibit CEL-EWM-10), that is
9 typical for a customer with a bypass threat.

10 **Q. DO YOU HAVE ANY OTHER OBSERVATIONS REGARDING THE**
11 **NEGOTIATED CONTRACT CUSTOMERS?**

12 A. Yes. In EWM’s last rate case, the Commission ordered the company to modify its
13 negotiated contract tariff in part “to ensure that other customers receive maximum benefit
14 from system load retention.”¹ As Mr. Henthorne explained in his direct testimony in this
15 case, the tracker class customers save approximately \$427,763 per year in transportation
16 costs because EWM purchases a large block of capacity from NorthWestern Energy
17 (“NWE”) and pools it among all of its customers.² These savings (and benefit) to the
18 tracker class include credits for the revenue from Montana Refining after Montana
19 Refining pays 90% of the amount it would pay as if it were a direct NWE customer.³

¹ Docket No. D2010.9.90, Order No. 7132c at ¶ 127.

² Direct Testimony of Jed D. Henthorne, pp. 28-31.

³ Direct Testimony of Jed D. Henthorne, p. 30.

1 MAFB pays EWM's cost of gas and NWE-related costs at NWE's tariff rates⁴ and is not
2 part of the credit mechanism.⁵

3 **Q. DOES THIS CONCLUDE YOUR SUPPLEMENTAL TESTIMONY?**

4 **A. Yes, it does.**

⁴ Direct Testimony of Jed D. Henthorne, p. 28. As shown on page 2, lines 14-17 of Exhibit JDH-EWM-11, EWM recovers its cost of service from MAFB.

⁵ Order No. 7132c at ¶ 144.

Supplemental Testimony of

Charles E. Loy

Exhibit CEL-EWM-10

ENERGY WEST MONTANA, INC.
GAS COST OF SERVICE STUDY
FOR THE TEST YEAR ENDING 12/31/2017

Total Plant and Expenses by Function

Line No.	Acct. No.	Description	Func. Alloc	Total System	Demand	Commodity	Customer
1		PLANT					
2		Intangible Plant:					
3	301	Organization	DISTPLT	7,136	2,041	-	5,095
4	325.2	Producing Leaseholds	NOTCLAS	-	-	-	-
5	330	Producing Gas Wells - Well Construction	NOTCLAS	-	-	-	-
6	331	Producing Gas Wells - Well Equipment	NOTCLAS	-	-	-	-
7	332	Field Lines	NOTCLAS	-	-	-	-
8	333	Field Compressor Station Equipment	NOTCLAS	-	-	-	-
9	334	Field Measuring and Retulating Equipment	NOTCLAS	-	-	-	-
10		Distribution and Transmission Plant:					
11	367	Mains-Transmission	NOTCLAS	-	-	-	-
12	374	Structures & Improvements	DISTPLT	3,636	1,040	-	2,596
13	375	Structures & Improvements	DISTPLT	439,711	125,772	-	313,939
14	375DW	Structures & Improvements	DCUS	1,590,631	890,925	-	699,706
15	376	Mains-Distribution	DCUS	17,326,511	9,704,716	-	7,621,795
16	376DP	Mains-Distribution	DCUS	88,992	49,845	-	39,147
17	378	Measuring & Regulating Equipment	DEMD	158,275	158,275	-	-
18	380	Services	CUST	13,378,250	-	-	13,378,250
19	380DP	Services	CUST	36,900	-	-	36,900
20	381	Meters	CUST	1,123,780	-	-	1,123,780
21	382	Meter Installations	CUST	2,669,333	-	-	2,669,333
22	383	House Regulators	CUST	454,095	-	-	454,095
23	383DP	House Regulators	CUST	790	-	-	790
24	384	House Regulator Installations	CUST	933,706	-	-	933,706
25	385	Ind Measuring Regulation	CUST	9,793	-	-	9,793
26		General Plant:					
27	389	Land & Land Rights	DISTPLT	60,409	17,279	-	43,130
28	390	Structures & Improvements	PLTXGEN	2,381,387	681,155	-	1,700,232
29	391.3	Office Furniture & Equipment	PLTXGEN	4,301,163	1,230,274	-	3,070,889
30	391.1	Property Under Capital Leases	PLTXGEN	2,150,730	615,179	-	1,535,551
31	391.2	Leasehold Improvements	PLTXGEN	193,161	55,250	-	137,911
32	392	Transportation Equipment	PLTXGEN	1,127,136	322,398	-	804,738
33	394	Tools, Shop & Garage Equipment	PLTXGEN	721,315	206,320	-	514,995
34	396	Power Operated Equipment	PLTXGEN	1,145,239	327,576	-	817,663
35	397	Communication Equipment	PLTXGEN	354,843	101,497	-	253,346
36	398	Miscellaneous Equipment	PLTXGEN	-	-	-	-
37		TOTAL GAS PLANT IN SERVICE		50,656,922	14,489,541	-	36,167,381
38		CONSTRUCTION WORK-IN-PROGRESS	DISTPLT	355,853	101,786	-	254,067
39		TOTAL UTILITY PLANT		51,012,775	14,591,327	-	36,421,448
40		DEPRECIATION RESERVE		-	-	-	-
41	108	Distribution Plant	DISTPLT	(20,735,534)	(5,931,043)	-	(14,804,491)

ENERGY WEST MONTANA, INC.
GAS COST OF SERVICE STUDY
FOR THE TEST YEAR ENDING 12/31/2017

Total Plant and Expenses by Function

Line No.	Acct. No.	Description	Func. Alloc	Total System	Demand	Commodity	Customer
42	108DW	Distribution Plant	DCUS	(803,606)	(450,106)	-	(353,500)
43	108DP	Distribution Plant	DP376,380,383	(68,535)	(26,966)	-	(41,568)
44	108	General Plant:	PLTXGEN	(6,904,031)	(1,974,779)	-	(4,929,252)
				-	-	-	-
45		TOTAL DEPRECIATION RESERVE		(28,511,705)	(8,382,894)	-	(20,128,811)
				-	-	-	-
46		NET PLANT IN SERVICE		22,501,070	6,208,433	-	16,292,637
				-	-	-	-
47		ADD WORKING CAPITAL		-	-	-	-
48		Cash Requirement	PLTOM	724,167	198,744	1,400	524,023
49		Materials, Supplies and Gas Inventory	DISTPLT	3,032,647	867,436	-	2,165,211
50		Total Working Capital		3,756,814	1,066,180	1,400	2,689,234
				-	-	-	-
51		ADD REGULATORY ASSETS AND LIAE		-	-	-	-
52		Debt Issue & Reacquisition Costs	TOTPLT	216,366	61,888	-	154,478
53		Regulatory Asset SFAS 109	PLTOM	386,232	105,999	747	279,486
54		Regulatory Liability SFAS 109	PLTOM	(83,161)	(22,823)	(161)	(60,177)
55		Regulatory Asset - Deferred Rent	PLTOM	627,640	172,253	1,213	454,174
56		Regulatory Asset - SOP-98	PLTOM	60,371	16,569	117	43,686
57		Total Regulatory Assets and Liabilities		1,207,448	333,885	1,916	871,647
				-	-	-	-
58		LESS CUSTOMER/GOVT. SUPPLIED		-	-	-	-
59		Accumulated Deferred Income Taxes	NETPLT	4,491,479	1,239,276	-	3,252,203
60		Customer Advances for Construction	NETPLT	892,184	246,169	-	646,015
61		Obligation on Capital Lease	NETPLT	1,471,014	405,878	-	1,065,136
62		Total Customer / Government Supplied Cap		6,854,677	1,891,323	-	4,963,354
				-	-	-	-
63		TOTAL RATE BASE		20,254,802	5,615,389	3,315	14,636,098
				-	-	-	-
64		COST OF GAS	COMM	14,615,203	-	14,615,203	-
				-	-	-	-
65		OPERATING EXPENSES		-	-	-	-
66		Maintenance:		-	-	-	-
67	761	Maintenance Supervision & Engineering	NOTCLAS	-	-	-	-
68		Total Production Expenses		-	-	-	-
				-	-	-	-
69		Distribution Expense		-	-	-	-
70		Operation:		-	-	-	-
71	870	Operation Supervision & Engineering	DEMCOMCUS	114,749	45,900	45,900	22,950
72	874	Mains & Service Expense	METSERXP	216,254	108,127	-	108,127
73	875	Dist Meas and Reg Stations	DEMD	20,866	20,866	-	-
74	877	Measuring & Regulating Expenses	DEMD	19,481	19,481	-	-
75	878	Meter & House Regulator Expense	CUST	1,324	-	-	1,324
76	879	Customer Installation Expense	CUST	537,579	-	-	537,579
77	880	Other Expenses	DISTPLT	145,643	41,659	-	103,984
78		Total Other Operations		1,055,896	236,032	45,900	773,964

ENERGY WEST MONTANA, INC.
GAS COST OF SERVICE STUDY
FOR THE TEST YEAR ENDING 12/31/2017

Total Plant and Expenses by Function

Line No.	Acct. No.	Description	Func. Alloc	Total System	Demand	Commodity	Customer
79		Maintenance:		-	-	-	-
80	864	Maintenance of Compressor Station Equip	DCUS	-	-	-	-
81	864DW	Maintenance of Compressor Station Equip	DCUS	15,623	8,751	-	6,872
82	887	Maintenance of Mains	DCUS	70,561	39,522	-	31,039
83	887DW	Maintenance of Mains	DCUS	18,184	10,185	-	7,999
84	892	Maintenance of Services	CUST	30,053	-	-	30,053
85	889	Measuring & Reg Station Equip	DEMD	10,095	10,095	-	-
86	893	Maintenance of Meters & House Reg	CUST	41,050	-	-	41,050
87	894	Maintenance of Other Equipment	DEMD	4,130	4,130	-	-
88		Total Maintenance		189,696	72,682	-	117,014
89		Total Distribution Expenses		1,245,592	308,715	45,900	890,978
90		Customer Accounts Expense:		-	-	-	-
91	902	Meter Reading Expenses	CUST	155,740	-	-	155,740
92	903	Customer Records & Collection	CUST	668,522	-	-	668,522
93	904	Uncollectible Accounts	CUST	60,613	-	-	60,613
94	905	Miscellaneous	CUST	481	-	-	481
95		Total Customer Accounts Expense		885,356	-	-	885,356
96		Customer Services Expenses:		-	-	-	-
97	913	Informational Advertising Expense	CUST	5,412	-	-	5,412
98	916	Miscellaneous	CUST	1,864	-	-	1,864
99		Total Customer Services Expense		7,276	-	-	7,276
100		Administrative & General Expenses:		-	-	-	-
101		Operation:		-	-	-	-
102	920	Administrative & General Salaries	PLTOM	519,249	142,505	1,004	375,740
103	921	General office	PLTOM	266,188	73,054	515	192,620
104	921DW	General office	PLTOM	1,014	278	2	734
105	930	GNI Shared Services	PLTOM	1,579,266	433,421	3,053	1,142,792
106	922	Administrative Expense Tsfd. (Cr.)	PAYRL	(78,101)	(13,636)	(1,525)	(62,940)
107	923	Outside Services Employed	PLTOM	69,619	19,107	135	50,378
108	924	Property & Liability Insurance	TOTPLT	44,160	12,631	-	31,529
109	925	Injuries & Damages	PAYRL	176,051	30,737	3,438	141,877
110	926.1	Pensions (401k)	PAYRL	143,795	25,105	2,808	115,882
111	926.2	Employee Benefits	PAYRL	435,334	76,004	8,501	350,829
112	926.3	Vacation Accrual Expense	PAYRL	11,372	1,985	222	9,165
113	928	Regulatory Commission Expense	CUST	66,667	-	-	66,667
114	930.2	Miscellaneous general expenses	DISTOM	(3,562)	(883)	(131)	(2,548)
115	931	Rent	DISTOM	82,145	20,359	3,027	58,759
116	931DW	Rent	DISTOM	13,669	3,388	504	9,777
117		Total Operation		3,326,866	824,057	21,550	2,481,260
118		Maintenance:		-	-	-	-
119	932	Maintenance of General Plant	PLTXGEN	114,702	32,809	-	81,893
120		Total Administrative & General		3,441,568	856,865	21,550	2,563,153
121		Depreciation Expense		-	-	-	-

ENERGY WEST MONTANA, INC.
GAS COST OF SERVICE STUDY
FOR THE TEST YEAR ENDING 12/31/2017

Total Plant and Expenses by Function

Line No.	Acct. No.	Description	Func. Alloc	Total System	Demand	Commodity	Customer
122	108	Depreciation - Distribution Plant	DISTPLT	995,043	284,615	-	710,428
123	108DW	Depreciation - Distribution Plant	DISTPLT	41,687	11,924	-	29,763
124	108DP	Depreciation - Distribution Plant	DISTPLT	2,455	702	-	1,753
125	108	Depreciation - General Plant	PLTXGEN	482,026	137,875	-	344,151
126		Total		1,521,211	435,116	-	1,086,095
				-	-	-	-
127		TAXES OTHER THAN INCOME		-	-	-	-
128		Taxes Other Than Income		-	-	-	-
129		FICA	PAYRL	162,090	28,299	3,165	130,626
130		FUTA, SUTA & OFLT	PAYRL	10,826	1,890	211	8,725
131		Total Payroll Taxes		172,916	30,189	3,376	139,350
132		Real & Personal Property	TOTPLT	860,719	246,194	-	614,525
133	DW	Real & Personal Property	TOTPLT	4,777	1,366	-	3,411
134	DP	Real & Personal Property	TOTPLT	1,904	545	-	1,359
135		Production Taxes	NOTCLAS	-	-	-	-
136		PSC Tax	COMM	58,247	-	58,247	-
137		Consumer Counsel Tax	CUST	10,981	-	-	10,981
138		Other	NETPLT	100	28	-	72
139		Total Federal & State Tax		-	-	-	-
140		Other than Income		1,109,644	278,322	61,623	769,699
				-	-	-	-
141		TOTAL OPERATING EXPENSES		8,210,647	1,879,018	129,073	6,202,557
				-	-	-	-
142		PAYROLL		-	-	-	-
				-	-	-	-
143		Maintenance:		-	-	-	-
144	761	Maintenance Supervision & Engineering	NOTCLAS	-	-	-	-
145		Total Production Expenses		-	-	-	-
				-	-	-	-
146		Distribution Expenses:		-	-	-	-
147		Operation:		-	-	-	-
148	870	Operation Supervision & Engineering	DEMCOMCUS	114,749	45,900	45,900	22,950
149	874	Mains & Service Expense	METSERXP	201,018	100,509	-	100,509
150	877	Measuring & Regulating Expenses	DEMD	19,481	19,481	-	-
151	878	Meter & House Regulator Expense	DEMD	-	-	-	-
152	879	Customer Installation Expense	CUST	486,059	-	-	486,059
153	880	Other Expenses	CUST	129,613	-	-	129,613
154		Total Other Operations	DISTPLT	950,920	165,890	45,900	739,131
155		Maintenance:		-	-	-	-
156	864	Maintenance of Compr Sta Equip	DCUS	15,623	8,751	-	6,872
157	887	Maintenance of Mains	DCUS	62,778	35,162	-	27,616
158	892	Maintenance of Services	CUST	24,378	-	-	24,378
159	889	Measuring & Reg Station Equip	DEMD	9,741	9,741	-	-
160	893	Maintenance of Meters & House Reg	CUST	24,004	-	-	24,004
161		Total Maintenance		136,524	53,654	-	82,870
162		Total Distribution Expenses		1,087,444	219,544	45,900	822,001
				-	-	-	-

**ENERGY WEST MONTANA, INC.
GAS COST OF SERVICE STUDY
FOR THE TEST YEAR ENDING 12/31/2017**

Total Plant and Expenses by Function

Line No.	Acct. No.	Description	Func. Alloc	Total System	Demand	Commodity	Customer
163		Customer Accounts Expense:		-	-	-	-
164	902	Meter Reading Expenses	CUST	147,988	-	-	147,988
165	903	Customer Records & Collection	CUST	446,611	-	-	446,611
166		Total Customer Accounts Expense		594,599	-	-	594,599
				-	-	-	-
167		Administrative & General Expenses:		-	-	-	-
168		Operation:		-	-	-	-
169	920	Administrative & General Salaries	PLTOM	696,963	191,278	1,347	504,338
170		Total Operation		696,963	191,278	1,347	504,338
171		Maintenance:		-	-	-	-
172	932	Maintenance of General Plant	PLTXGEN	40,616	11,618	-	28,998
173		Total Administrative & General		737,579	202,895	1,347	533,336
174		TOTAL O&M PAYROLL		2,419,622	422,439	47,247	1,949,936

ENERGY WEST MONTANA, INC.
GAS COST OF SERVICE STUDY
FOR THE TEST YEAR ENDING 12/31/2017

Total Plant and Expenses by Function

Line No.	Acct. No.	Description	Func. Alloc	Total System	Demand	Commodity	Customer
1		Commodity-Related	COMM	1.0000	-	1.0000	-
2		Customer-Related	CUST	1.0000	-	-	1.0000
3		Demand / Customer	DCUS	1.0000	0.5601	-	0.4399
4		Meter-Services Exp	METSERXP	1.0000	0.5000	-	0.5000
5		Demd- Comm- Cust	DEMCOMCUS	1.0000	0.4000	0.4000	0.2000
6		Demand-Related	DEMD	1.0000	1.0000	-	-
7		Distribution O&M	DISTOM	1.0000	0.2478	0.0368	0.7153
8		Distribution Plant	DISTPLT	1.0000	0.2860	-	0.7140
9		376DP,380DP,383DP	DP376,380,383	1.0000	0.3935	-	0.6065
10		Net Plant in Service	NETPLT	1.0000	0.2759	-	0.7241
11		Not Classified	NOTCLAS	-	-	-	-
12		Payroll	PAYRL	1.0000	0.1746	0.0195	0.8059
13		1/2 Plant -1/2 O&M	PLTOM	1.0000	0.2744	0.0019	0.7236
14		Plant excluding General Plant	PLTXGEN	1.0000	0.2860	-	0.7140
15		Total Gross Plant	TOTPLT	1.0000	0.2860	-	0.7140

ENERGY WEST MONTANA, INC.
GAS COST OF SERVICE STUDY
FOR THE TEST YEAR ENDING 12/31/2017

Class Cost of Service - Demand

Line No.	Acc. No.	Description	Alloc. Factor	Total	Residential		Small General		Large General		Ext. General	Negotiated		Propane
					Residential GF-Cass	Residential West	General Small GF-Cass	General Small West	General Large GF-Cass	General Large West	General Ext GF-Cass (Incl. New LG Com.)	Contract 1 - MAFB	Contract 2 - Refinery	Propane
1		PLANT												
2		Intangible Plant:												
3	301	Organization	NCP	2,041	766	10	106	5	302	19	170	569	94	0
4	325.2	Producing Leaseholds	NCP	-	-	-	-	-	-	-	-	-	-	-
5	330	Producing Gas Wells - Well Construction	NCP	-	-	-	-	-	-	-	-	-	-	-
6	331	Producing Gas Wells - Well Equipment	NCP	-	-	-	-	-	-	-	-	-	-	-
7	332	Field Lines	NCP	-	-	-	-	-	-	-	-	-	-	-
8	333	Field Compressor Station Equipment	NCP	-	-	-	-	-	-	-	-	-	-	-
9	334	Field Measuring and Retulating Equipment	NCP	-	-	-	-	-	-	-	-	-	-	-
10		Distribution and Transmission Plant:												
11	367	Mains-Transmission		-	-	-	-	-	-	-	-	-	-	-
12	374	Structures & Improvements	NCP	1,040	390	5	54	3	154	10	87	290	48	0
13	375	Structures & Improvements	DXW	125,772	48,001	-	6,668	-	18,914	-	10,644	35,651	5,875	19
14	375DW	Structures & Improvements	DW	890,925	-	255,287	-	136,756	-	498,882	-	-	-	-
15	376	Mains-Distribution	DXP	9,704,716	3,643,017	46,040	506,094	24,663	1,435,489	89,971	807,809	2,705,756	445,877	-
16	376DP	Mains-Distribution	DP	49,845	-	-	-	-	-	-	-	-	-	49,845
17	378	Measuring & Regulating Equipment	NCP	158,275	59,405	751	8,253	402	23,408	1,467	13,173	44,122	7,271	24
18	380	Services		-	-	-	-	-	-	-	-	-	-	-
19	380DP	Services		-	-	-	-	-	-	-	-	-	-	-
20	381	Meters		-	-	-	-	-	-	-	-	-	-	-
21	382	Meter Installations		-	-	-	-	-	-	-	-	-	-	-
22	383	House Regulators		-	-	-	-	-	-	-	-	-	-	-
23	383DP	House Regulators		-	-	-	-	-	-	-	-	-	-	-
24	384	House Regulator Installations		-	-	-	-	-	-	-	-	-	-	-
25	385	Ind Measuring Regulation		-	-	-	-	-	-	-	-	-	-	-
26		General Plant:												
27	389	Land & Land Rights	AL-DISTPLT	17,279	5,929	478	824	256	2,336	933	1,315	4,404	726	79
28	390	Structures & Improvements	AL-DISTPLT	681,155	233,737	18,825	32,471	10,084	92,102	36,787	51,829	173,602	28,608	3,109
29	391.3	Office Furniture & Equipment	AL-DISTPLT	1,230,274	422,167	34,000	58,648	18,214	166,350	66,444	93,612	313,554	51,670	5,615
30	391.1	Property Under Capital Leases	AL-DISTPLT	615,179	211,098	17,001	29,326	9,108	83,181	33,224	46,809	156,788	25,837	2,808
31	391.2	Leasehold Improvements	AL-DISTPLT	55,250	18,959	1,527	2,634	818	7,471	2,984	4,204	14,081	2,320	252
32	392	Transportation Equipment	AL-DISTPLT	322,398	110,630	8,910	15,369	4,773	43,593	17,412	24,531	82,168	13,540	1,471
33	394	Tools, Shop & Garage Equipment	AL-DISTPLT	206,320	70,798	5,702	9,835	3,055	27,897	11,143	15,699	52,584	8,665	942
34	396	Power Operated Equipment	AL-DISTPLT	327,576	112,407	9,053	15,616	4,850	44,293	17,691	24,925	83,488	13,758	1,495
35	397	Communication Equipment	AL-DISTPLT	101,497	34,828	2,805	4,838	1,503	13,724	5,482	7,723	25,868	4,263	463
36	398	Miscellaneous Equipment	AL-DISTPLT	-	-	-	-	-	-	-	-	-	-	-
37		TOTAL GAS PLANT IN SERVICE		14,489,541	4,972,135	400,393	690,737	214,489	1,959,213	782,448	1,102,530	3,692,924	608,551	66,122
38		CONSTRUCTION WORK-IN-PROGRESS	DXP	101,786	38,209	483	5,308	259	15,056	944	8,473	28,379	4,676	-
39		TOTAL UTILITY PLANT		14,591,327	5,010,344	400,876	696,045	214,747	1,974,269	783,392	1,111,002	3,721,302	613,227	66,122
40		DEPRECIATION RESERVE		-	-	-	-	-	-	-	-	-	-	-
41	108	Distribution Plant	DXWP	(5,931,043)	(2,263,914)	-	(314,507)	-	(892,070)	-	(502,004)	(1,681,463)	(277,085)	-
42	108DW	Distribution Plant	DW	(450,106)	-	(128,974)	-	(69,091)	-	(252,041)	-	-	-	-
43	108DP	Distribution Plant	DP	(26,966)	-	-	-	-	-	-	-	-	-	(26,966)
44	108	General Plant:	AL-DISTPLT	(1,974,779)	(677,643)	(54,576)	(94,139)	(29,236)	(267,018)	(106,652)	(150,262)	(503,302)	(82,938)	(9,013)
45		TOTAL DEPRECIATION RESERVE		(8,382,894)	(2,941,557)	(183,550)	(408,646)	(98,327)	(1,159,087)	(358,693)	(652,266)	(2,184,765)	(360,024)	(35,979)

ENERGY WEST MONTANA, INC.
GAS COST OF SERVICE STUDY
FOR THE TEST YEAR ENDING 12/31/2017

Class Cost of Service - Demand

Line No.	Acc. No.	Description	Alloc. Factor	Total	Residential		Small General		Large General		Ext. General	Negotiated		Propane
					Residential GF-Cass	Residential West	General Small GF-Cass	General Small West	General Large GF-Cass	General Large West	General Ext GF-Cass (Incl. New LG Com.)	Contract 1 - MAFB	Contract 2 - Refinery	Propane
46		NET PLANT IN SERVICE		6,208,433	2,068,787	217,326	287,399	116,420	815,182	424,699	458,736	1,536,537	253,203	30,143
47		ADD WORKING CAPITAL		-	-	-	-	-	-	-	-	-	-	-
48		Cash Requirement	OMDSTPLT	198,744	69,339	4,718	9,633	2,527	27,322	9,219	15,375	51,500	8,487	624
49		Materials, Supplies and Gas Inventory	AL-NETPLT	867,436	289,049	30,365	40,155	16,266	113,896	59,338	64,094	214,684	35,377	4,212
50		Total Working Capital		1,066,180	358,388	35,082	49,788	18,793	141,219	68,558	79,470	266,183	43,864	4,836
51		ADD REGULATORY ASSETS AND LIAI		-	-	-	-	-	-	-	-	-	-	-
52		Debt Issue & Reacquisition Costs	AL-NETPLT	61,888	20,622	2,166	2,865	1,161	8,126	4,234	4,573	15,317	2,524	300
53		Regulatory Asset SFAS 109	AL-NETPLT	105,999	35,321	3,711	4,907	1,988	13,918	7,251	7,832	26,234	4,323	515
54		Regulatory Liability SFAS 109	AL-NETPLT	(22,823)	(7,605)	(799)	(1,057)	(428)	(2,997)	(1,561)	(1,686)	(5,649)	(931)	(111)
55		Regulatory Asset - Deferred Rent	AL-NETPLT	172,253	57,398	6,030	7,974	3,230	22,617	11,783	12,728	42,631	7,025	836
56		Regulatory Asset - SOP-98	AL-NETPLT	16,569	5,521	580	767	311	2,175	1,133	1,224	4,101	676	80
57		Total Regulatory Assets and Liabilities		333,885	111,258	11,688	15,456	6,261	43,840	22,840	24,671	82,634	13,617	1,621
58		LESS CUSTOMER/GOVT. SUPPLIED		-	-	-	-	-	-	-	-	-	-	-
59		Accumulated Deferred Income Taxes	AL-NETPLT	1,239,276	412,954	43,381	57,368	23,239	162,720	84,775	91,569	306,711	50,542	6,017
60		Customer Advances for Construction	AL-NETPLT	246,169	82,029	8,617	11,396	4,616	32,323	16,840	18,189	60,925	10,040	1,195
61		Obligation on Capital Lease	AL-NETPLT	405,878	135,248	14,208	18,789	7,611	53,293	27,765	29,990	100,452	16,553	1,971
62		Total Customer / Government Supplied Cap		1,891,323	630,231	66,206	87,553	35,466	248,335	129,379	139,748	468,087	77,135	9,183
63		TOTAL RATE BASE		5,615,389	1,869,993	197,407	259,782	105,750	736,849	385,773	414,655	1,388,889	228,873	27,417
64		COST OF GAS		-	-	-	-	-	-	-	-	-	-	-
65		OPERATING EXPENSES		-	-	-	-	-	-	-	-	-	-	-
66		Maintenance:		-	-	-	-	-	-	-	-	-	-	-
67	761	Maintenance Supervision & Engineering		-	-	-	-	-	-	-	-	-	-	-
68		Total Production Expenses		-	-	-	-	-	-	-	-	-	-	-
69		Distribution Expense		-	-	-	-	-	-	-	-	-	-	-
70		Operation:		-	-	-	-	-	-	-	-	-	-	-
71	870	Operation Supervision & Engineering	NCP	45,900	17,228	218	2,393	117	6,788	425	3,820	12,795	2,109	7
72	874	Mains & Service Expense	NCP	108,127	40,583	513	5,638	275	15,991	1,002	8,999	30,142	4,967	16
73	875	Dist Meas and Reg Stations	NCP	20,866	7,832	99	1,088	53	3,086	193	1,737	5,817	959	3
74	877	Measuring & Regulating Expenses	NCP	19,481	7,312	92	1,016	50	2,881	181	1,621	5,431	895	3
75	878	Meter & House Regulator Expense	NCP	-	-	-	-	-	-	-	-	-	-	-
76	879	Customer Installation Expense	NCP	-	-	-	-	-	-	-	-	-	-	-
77	880	Other Expenses	NCP	41,659	15,636	198	2,172	106	6,161	386	3,467	11,613	1,914	6
78		Total Other Operations		236,032	88,590	1,120	12,307	600	34,908	2,188	19,644	65,798	10,843	35
79		Maintenance:		-	-	-	-	-	-	-	-	-	-	-
80	864	Maintenance of Compressor Station Equip	DXW	-	-	-	-	-	-	-	-	-	-	-
81	864DW	Maintenance of Compressor Station Equip	DW	8,751	-	2,507	-	1,343	-	4,900	-	-	-	-
82	887	Maintenance of Mains	DXP	39,522	14,836	187	2,061	100	5,846	366	3,290	11,019	1,816	-
83	887DW	Maintenance of Mains	DW	10,185	-	2,918	-	1,563	-	5,703	-	-	-	-
84	892	Maintenance of Services		-	-	-	-	-	-	-	-	-	-	-
85	889	Measuring & Reg Station Equip	NCP	10,095	3,789	48	526	26	1,493	94	840	2,814	464	2
86	893	Maintenance of Meters & House Reg		-	-	-	-	-	-	-	-	-	-	-
87	894	Maintenance of Other Equipment	NCP	4,130	1,550	20	215	10	611	38	344	1,151	190	1
88		Total Maintenance		72,682	20,175	5,681	2,803	3,043	7,950	11,101	4,474	14,984	2,469	2
89		Total Distribution Expenses		308,715	108,765	6,800	15,110	3,643	42,858	13,289	24,118	80,782	13,312	37

ENERGY WEST MONTANA, INC.
GAS COST OF SERVICE STUDY
FOR THE TEST YEAR ENDING 12/31/2017

Class Cost of Service - Demand

Line No.	Acc. No.	Description	Alloc. Factor	Total	Residential		Small General		Large General		Ext. General	Negotiated		Propane
					Residential GF-Cass	Residential West	General Small GF-Cass	General Small West	General Large GF-Cass	General Large West	General Ext GF-Cass (Incl. New LG Com.)	Contract 1 - MAFB	Contract 2 - Refinery	Propane
90		Customer Accounts Expense:		-	-	-	-	-	-	-	-	-	-	-
91	902	Meter Reading Expenses	NCP	-	-	-	-	-	-	-	-	-	-	-
92	903	Customer Records & Collection	NCP	-	-	-	-	-	-	-	-	-	-	-
93	904	Uncollectible Accounts	NCP	-	-	-	-	-	-	-	-	-	-	-
94	905	Miscellaneous	NCP	-	-	-	-	-	-	-	-	-	-	-
95		Total Customer Accounts Expense		-	-	-	-	-	-	-	-	-	-	-
96		Customer Services Expenses:		-	-	-	-	-	-	-	-	-	-	-
97	913	Informational Advertising Expense		-	-	-	-	-	-	-	-	-	-	-
98	916	Miscellaneous		-	-	-	-	-	-	-	-	-	-	-
99		Total Customer Services Expense		-	-	-	-	-	-	-	-	-	-	-
100		Administrative & General Expenses:		-	-	-	-	-	-	-	-	-	-	-
101		Operation:		-	-	-	-	-	-	-	-	-	-	-
102	920	Administrative & General Salaries	OMDSTPLT	142,505	49,718	3,383	6,907	1,812	19,591	6,610	11,025	36,927	6,085	448
103	921	General office	DXW	73,054	27,881	-	3,873	-	10,986	-	6,182	20,708	3,412	11
104	921DW	General office	DW	278	-	80	-	43	-	156	-	-	-	-
105	930	GNI Shared Services	OMDSTPLT	433,421	151,215	10,288	21,007	5,511	59,585	20,105	33,531	112,311	18,508	1,361
106	922	Administrative Expense Tsfd. (Cr.)	AL-PAYRL	(13,636)	(5,118)	(65)	(711)	(35)	(2,017)	(126)	(1,135)	(3,801)	(626)	(2)
107	923	Outside Services Employed	OMDSTPLT	19,107	6,666	454	926	243	2,627	886	1,478	4,951	816	60
108	924	Property & Liability Insurance	AL-NETPLT	12,631	4,209	442	585	237	1,659	864	933	3,126	515	61
109	925	Injuries & Damages	AL-PAYRL	30,737	11,536	146	1,603	78	4,546	285	2,558	8,568	1,412	5
110	926.1	Pensions (401k)	AL-PAYRL	25,105	9,423	119	1,309	64	3,713	233	2,089	6,998	1,153	4
111	926.2	Employee Benefits	AL-PAYRL	76,004	28,527	361	3,963	193	11,241	705	6,326	21,188	3,491	11
112	926.3	Vacation Accrual Expense	AL-PAYRL	1,985	745	9	104	5	294	18	165	553	91	0
113	928	Regulatory Commission Expense	OMDSTPLT	-	-	-	-	-	-	-	-	-	-	-
114	930.2	Miscellaneous general expenses	OMDSTPLT	(883)	(308)	(21)	(43)	(11)	(121)	(41)	(68)	(229)	(38)	(3)
115	931	Rent	DXW	20,359	7,770	-	1,079	-	3,062	-	1,723	5,771	951	3
116	931DW	Rent	DW	3,388	-	971	-	520	-	1,897	-	-	-	-
117		Total Operation		824,057	292,264	16,166	40,602	8,660	115,163	31,592	64,807	217,072	35,771	1,960
118		Maintenance:		-	-	-	-	-	-	-	-	-	-	-
119	932	Maintenance of General Plant	NCP	32,809	12,314	156	1,711	83	4,852	304	2,731	9,146	1,507	5
120		Total Administrative & General		856,865	304,578	16,322	42,312	8,743	120,016	31,896	67,538	226,218	37,278	1,964
121		Depreciation Expense		-	-	-	-	-	-	-	-	-	-	-
122	108	Depreciation - Distribution Plant	DXWP	284,615	108,639	-	15,092	-	42,808	-	24,090	80,689	13,297	-
123	108DW	Depreciation - Distribution Plant	DW	11,924	-	3,417	-	1,830	-	6,677	-	-	-	-
124	108DP	Depreciation - Distribution Plant	DP	702	-	-	-	-	-	-	-	-	-	702
125	108	Depreciation - General Plant	NCP	137,875	51,749	654	7,189	350	20,391	1,278	11,475	38,435	6,334	21
126		Total		435,116	160,388	4,071	22,281	2,181	63,199	7,955	35,565	119,124	19,630	723
127		TAXES OTHER THAN INCOME		-	-	-	-	-	-	-	-	-	-	-
128		Taxes Other Than Income		-	-	-	-	-	-	-	-	-	-	-
129		FICA	AL-PAYRL	28,299	10,622	134	1,476	72	4,185	262	2,355	7,889	1,300	4
130		FUTA, SUTA & OFLT	AL-PAYRL	1,890	709	9	99	5	280	18	157	527	87	0
131		Total Payroll Taxes		30,189	11,331	143	1,574	77	4,465	280	2,513	8,416	1,387	5
132		Real & Personal Property	DXWP	246,194	93,974	-	13,055	-	37,029	-	20,838	69,796	11,502	-
133	DW	Real & Personal Property	DW	1,366	-	392	-	210	-	765	-	-	-	-
134	DP	Real & Personal Property	DP	545	-	-	-	-	-	-	-	-	-	545
135		Production Taxes		-	-	-	-	-	-	-	-	-	-	-
136		PSC Tax		-	-	-	-	-	-	-	-	-	-	-
137		Consumer Counsel Tax		-	-	-	-	-	-	-	-	-	-	-
138		Other	NCP	28	10	0	1	0	4	0	2	8	1	0

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					Residential GF-Cass	Residential West	General Small GF-Cass	General Small West	General Large GF-Cass	General Large West	General Ext GF-Cass (Incl. New LG Com.)	Contract 1 - MAFB	Contract 2 - Refinery	Propane
139		Total Federal & State Tax		-	-	-	-	-	-	-	-	-	-	-
140		Other than Income		278,322	105,315	535	14,631	287	41,498	1,045	23,353	78,220	12,890	549
141		TOTAL OPERATING EXPENSES		1,879,018	679,046	27,728	94,334	14,854	267,570	54,185	150,573	504,344	83,110	3,274
142		PAYROLL		-	-	-	-	-	-	-	-	-	-	-
143		Maintenance:		-	-	-	-	-	-	-	-	-	-	-
144	761	Maintenance Supervision & Engineering		-	-	-	-	-	-	-	-	-	-	-
145		Total Production Expenses		-	-	-	-	-	-	-	-	-	-	-
146		Distribution Expenses:		-	-	-	-	-	-	-	-	-	-	-
147		Operation:		-	-	-	-	-	-	-	-	-	-	-
148	870	Operation Supervision & Engineering	NCP	45,900	17,228	218	2,393	117	6,788	425	3,820	12,795	2,109	7
149	874	Mains & Service Expense	NCP	100,509	37,724	477	5,241	255	14,865	932	8,365	28,019	4,617	15
150	877	Measuring & Regulating Expenses	NCP	19,481	7,312	92	1,016	50	2,881	181	1,621	5,431	895	3
151	878	Meter & House Regulator Expense	NCP	-	-	-	-	-	-	-	-	-	-	-
152	879	Customer Installation Expense	NCP	-	-	-	-	-	-	-	-	-	-	-
153	880	Other Expenses	NCP	-	-	-	-	-	-	-	-	-	-	-
154		Total Other Operations	NCP	165,890	62,263	787	8,650	422	24,534	1,538	13,806	46,245	7,621	25
155		Maintenance:		-	-	-	-	-	-	-	-	-	-	-
156	864	Maintenance of Compr Sta Equip	NCP	8,751	3,284	42	456	22	1,294	81	728	2,439	402	1
157	887	Maintenance of Mains	NCP	35,162	13,198	167	1,833	89	5,200	326	2,926	9,802	1,615	5
158	892	Maintenance of Services	NCP	-	-	-	-	-	-	-	-	-	-	-
159	889	Measuring & Reg Station Equip	NCP	9,741	3,656	46	508	25	1,441	90	811	2,715	447	1
160	893	Maintenance of Meters & House Reg	NCP	-	-	-	-	-	-	-	-	-	-	-
161		Total Maintenance		53,654	20,138	254	2,798	136	7,935	497	4,465	14,957	2,465	8
162		Total Distribution Expenses		219,544	82,401	1,041	11,447	558	32,469	2,035	18,272	61,201	10,085	33
163		Customer Accounts Expense:		-	-	-	-	-	-	-	-	-	-	-
164	902	Meter Reading Expenses		-	-	-	-	-	-	-	-	-	-	-
165	903	Customer Records & Collection		-	-	-	-	-	-	-	-	-	-	-
166		Total Customer Accounts Expense		-	-	-	-	-	-	-	-	-	-	-
167		Administrative & General Expenses:		-	-	-	-	-	-	-	-	-	-	-
168		Operation:		-	-	-	-	-	-	-	-	-	-	-
169	920	Administrative & General Salaries	NCP	191,278	71,792	907	9,974	486	28,289	1,773	15,919	53,322	8,787	29
170		Total Operation		191,278	71,792	907	9,974	486	28,289	1,773	15,919	53,322	8,787	29
171		Maintenance:		-	-	-	-	-	-	-	-	-	-	-
172	932	Maintenance of General Plant	NCP	11,618	4,360	55	606	30	1,718	108	967	3,239	534	2
173		Total Administrative & General		202,895	76,153	962	10,579	516	30,007	1,881	16,886	56,560	9,321	30
174		TOTAL O&M PAYROLL		422,439	158,554	2,004	22,027	1,073	62,476	3,916	35,158	117,762	19,406	63

ENERGY WEST MONTANA, INC.
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					Residential GF-Cass	Residential West	General Small GF-Cass	General Small West	General Large GF-Cass	General Large West	General Ext GF-Cass (Incl. New LG Com.)	Contract 1 - MAFB	Contract 2 - Refinery	Propane
1		Total Distribution Plant	AL-DISTPLT	1.0000	0.3431	0.0276	0.0477	0.0148	0.1352	0.0540	0.0761	0.2549	0.0420	0.0046
2		Net Plant in Service	AL-NETPLT	1.0000	0.3332	0.0350	0.0463	0.0188	0.1313	0.0684	0.0739	0.2475	0.0408	0.0049
3		Payroll	AL-PAYRL	1.0000	0.3753	0.0047	0.0521	0.0025	0.1479	0.0093	0.0832	0.2788	0.0459	0.0001
4		Commodity Sales (ccf)	COMSALE	1.0000	0.2861	0.0039	0.0389	0.0023	0.1170	0.0122	0.0733	0.4247	0.0416	0.0001
5		CP Factor	CP	1.0000	0.4097	0.0045	0.0536	0.0024	0.1469	0.0083	0.0886	0.3252	0.0536	0.0002
6		Direct Assignment to Propane	DP	1.0000	-	-	-	-	-	-	-	-	-	1.0000
7		NCP Direct Assign to West Yellowstone	DW	1.0000	-	0.2865	-	0.1535	-	0.5600	-	-	-	-
8		NCP excl. Propane	DXP	1.0000	0.3754	0.0047	0.0521	0.0025	0.1479	0.0093	0.0832	0.2788	0.0459	-
9		NCP excl. West Yellowstone	DXW	1.0000	0.3816	-	0.0530	-	0.1504	-	0.0846	0.2835	0.0467	0.0002
10		NCP excl. WYell and Propane	DXWP	1.0000	0.3817	-	0.0530	-	0.1504	-	0.0846	0.2835	0.0467	-
11		1/2 Meters and 1/2 Bills	METBILL	1.0000	0.6006	0.0094	0.0676	0.0043	0.2470	0.0208	0.0475	0.0017	0.0002	0.0008
12		Meters	METER	1.0000	0.5724	0.0089	0.0677	0.0043	0.2691	0.0227	0.0521	0.0019	0.0003	0.0008
13		NCP (CCF) Factor	NCP	1.0000	0.3753	0.0047	0.0521	0.0025	0.1479	0.0093	0.0832	0.2788	0.0459	0.0001
14		Average NCP and CP	NCPCP	1.0000	0.0028	0.0320	0.0015	0.0894	0.0053	0.0520	0.1981	0.0001	-	0.6188
15		Number of Bills	NOBILLS	1.0000	0.8809	0.0142	0.0672	0.0039	0.0285	0.0023	0.0018	0.0000	0.0000	0.0012
16		Number of Customers	NOCUST	1.0000	0.8809	0.0142	0.0672	0.0039	0.0285	0.0023	0.0016	0.0001	0.0001	0.0012
17		Number of Customers Exclude Propane	NOCUSTXP	1.0000	0.8820	0.0142	0.0673	0.0039	0.0286	0.0023	0.0016	0.0001	0.0001	-
18		O&M/A&G	O&M	1.0000	0.3546	0.0198	0.0493	0.0106	0.1397	0.0388	0.0786	0.2634	0.0434	0.0017
19		50/50 O&M & Dist Plt	OMDSTPLT	1.0000	0.3489	0.0237	0.0485	0.0127	0.1375	0.0464	0.0774	0.2591	0.0427	0.0031

ENERGY WEST MONTANA, INC.
GAS COST OF SERVICE STUDY
FOR THE TEST YEAR ENDING 12/31/2017

Class Cost of Service - Commodity

Line No.	Acc. No.	Description	Alloc. Factor	Total	Residential		Small General		Large General		Ext. General	Negotiated		Propane
					Residential GF-Cass	Residential West	General Small GF-Cass	General Small West	General Large GF-Cass	General Large West	General Ext GF-Cass (Incl. New LG Com.)	Contract 1 - MAFB	Contract 2 - Refinery	Propane
46		NET PLANT IN SERVICE		-	-	-	-	-	-	-	-	-	-	-
47		ADD WORKING CAPITAL		-	-	-	-	-	-	-	-	-	-	-
48		Cash Requirement	COMSALE	1,400	400	5	54	3	164	17	103	594	58	0
49		Materials, Supplies and Gas Inventory	COMSALE	-	-	-	-	-	-	-	-	-	-	-
50		Total Working Capital		1,400	400	5	54	3	164	17	103	594	58	0
51		ADD REGULATORY ASSETS AND LIAI		-	-	-	-	-	-	-	-	-	-	-
52		Debt Issue & Reacquisition Costs	COMSALE	-	-	-	-	-	-	-	-	-	-	-
53		Regulatory Asset SFAS 109	COMSALE	747	214	3	29	2	87	9	55	317	31	0
54		Regulatory Liability SFAS 109	COMSALE	(161)	(46)	(1)	(6)	(0)	(19)	(2)	(12)	(68)	(7)	(0)
55		Regulatory Asset - Deferred Rent	COMSALE	1,213	347	5	47	3	142	15	89	515	50	0
56		Regulatory Asset - SOP-98	COMSALE	117	33	0	5	0	14	1	9	50	5	0
57		Total Regulatory Assets and Liabilities		1,916	548	7	75	4	224	23	140	813	80	0
58		LESS CUSTOMER/GOVT. SUPPLIED		-	-	-	-	-	-	-	-	-	-	-
59		Accumulated Deferred Income Taxes	COMSALE	-	-	-	-	-	-	-	-	-	-	-
60		Customer Advances for Construction	COMSALE	-	-	-	-	-	-	-	-	-	-	-
61		Obligation on Capital Lease	COMSALE	-	-	-	-	-	-	-	-	-	-	-
62		Total Customer / Government Supplied Cap		-	-	-	-	-	-	-	-	-	-	-
63		TOTAL RATE BASE		3,315	948	13	129	8	388	40	243	1,408	138	0
64		COST OF GAS	PUR GAS	14,615,203	6,990,380	173,600	939,837	103,365	2,592,317	546,227	967,068	1,030,938	1,247,530	23,941
65		OPERATING EXPENSES		-	-	-	-	-	-	-	-	-	-	-
66		Maintenance:		-	-	-	-	-	-	-	-	-	-	-
67	761	Maintenance Supervision & Engineering		-	-	-	-	-	-	-	-	-	-	-
68		Total Production Expenses		-	-	-	-	-	-	-	-	-	-	-
69		Distribution Expense		-	-	-	-	-	-	-	-	-	-	-
70		Operation:		-	-	-	-	-	-	-	-	-	-	-
71	870	Operation Supervision & Engineering	COMSALE	45,900	13,131	178	1,786	106	5,372	560	3,363	19,491	1,908	4
72	874	Mains & Service Expense		-	-	-	-	-	-	-	-	-	-	-
73	875	Dist Meas and Reg Stations		-	-	-	-	-	-	-	-	-	-	-
74	877	Measuring & Regulating Expenses		-	-	-	-	-	-	-	-	-	-	-
75	878	Meter & House Regulator Expense		-	-	-	-	-	-	-	-	-	-	-
76	879	Customer Installation Expense		-	-	-	-	-	-	-	-	-	-	-
77	880	Other Expenses		-	-	-	-	-	-	-	-	-	-	-
78		Total Other Operations		45,900	13,131	178	1,786	106	5,372	560	3,363	19,491	1,908	4
79		Maintenance:		-	-	-	-	-	-	-	-	-	-	-
80	864	Maintenance of Compressor Station Equip		-	-	-	-	-	-	-	-	-	-	-
81	864DW	Maintenance of Compressor Station Equip		-	-	-	-	-	-	-	-	-	-	-
82	887	Maintenance of Mains		-	-	-	-	-	-	-	-	-	-	-
83	887DW	Maintenance of Mains		-	-	-	-	-	-	-	-	-	-	-
84	892	Maintenance of Services		-	-	-	-	-	-	-	-	-	-	-
85	889	Measuring & Reg Station Equip		-	-	-	-	-	-	-	-	-	-	-
86	893	Maintenance of Meters & House Reg		-	-	-	-	-	-	-	-	-	-	-
87	894	Maintenance of Other Equipment		-	-	-	-	-	-	-	-	-	-	-
88		Total Maintenance		-	-	-	-	-	-	-	-	-	-	-
89		Total Distribution Expenses		45,900	13,131	178	1,786	106	5,372	560	3,363	19,491	1,908	4

ENERGY WEST MONTANA, INC.
GAS COST OF SERVICE STUDY
FOR THE TEST YEAR ENDING 12/31/2017

Class Cost of Service - Commodity

Line No.	Acc. No.	Description	Alloc. Factor	Total	Residential		Small General		Large General		Ext. Gneral	Negotiated		Propane
					Residential GF-Cass	Residential West	General Small GF-Cass	General Small West	General Large GF-Cass	General Large West	General Ext GF-Cass (Incl. New LG Com.)	Contract 1 - MAFB	Contract 2 - Refinery	Propane
139		Total Federal & State Tax		-	-	-	-	-	-	-	-	-	-	-
140		Other than Income		61,623	17,629	239	2,398	142	7,212	752	4,515	26,169	2,562	6
141		TOTAL OPERATING EXPENSES		129,073	36,800	591	5,005	352	15,055	1,861	9,424	54,625	5,347	12
142		PAYROLL		-	-	-	-	-	-	-	-	-	-	-
143		Maintenance:		-	-	-	-	-	-	-	-	-	-	-
144	761	Maintenance Supervision & Engineering		-	-	-	-	-	-	-	-	-	-	-
145		Total Production Expenses		-	-	-	-	-	-	-	-	-	-	-
146		Distribution Expenses:		-	-	-	-	-	-	-	-	-	-	-
147		Operation:		-	-	-	-	-	-	-	-	-	-	-
148	870	Operation Supervision & Engineering	COMSALE	45,900	13,131	178	1,786	106	5,372	560	3,363	19,491	1,908	4
149	874	Mains & Service Expense		-	-	-	-	-	-	-	-	-	-	-
150	877	Measuring & Regulating Expenses		-	-	-	-	-	-	-	-	-	-	-
151	878	Meter & House Regulator Expense		-	-	-	-	-	-	-	-	-	-	-
152	879	Customer Installation Expense		-	-	-	-	-	-	-	-	-	-	-
153	880	Other Expenses		-	-	-	-	-	-	-	-	-	-	-
154		Total Other Operations		45,900	13,131	178	1,786	106	5,372	560	3,363	19,491	1,908	4
155		Maintenance:		-	-	-	-	-	-	-	-	-	-	-
156	864	Maintenance of Compr Sta Equip	COMSALE	-	-	-	-	-	-	-	-	-	-	-
157	887	Maintenance of Mains	COMSALE	-	-	-	-	-	-	-	-	-	-	-
158	892	Maintenance of Services		-	-	-	-	-	-	-	-	-	-	-
159	889	Measuring & Reg Station Equip		-	-	-	-	-	-	-	-	-	-	-
160	893	Maintenance of Meters & House Reg		-	-	-	-	-	-	-	-	-	-	-
161		Total Maintenance		-	-	-	-	-	-	-	-	-	-	-
162		Total Distribution Expenses		45,900	13,131	178	1,786	106	5,372	560	3,363	19,491	1,908	4
163		Customer Accounts Expense:		-	-	-	-	-	-	-	-	-	-	-
164	902	Meter Reading Expenses		-	-	-	-	-	-	-	-	-	-	-
165	903	Customer Records & Collection		-	-	-	-	-	-	-	-	-	-	-
166		Total Customer Accounts Expense		-	-	-	-	-	-	-	-	-	-	-
167		Administrative & General Expenses:		-	-	-	-	-	-	-	-	-	-	-
168		Operation:		-	-	-	-	-	-	-	-	-	-	-
169	920	Administrative & General Salaries	COMSALE	1,347	385	5	52	3	158	16	99	572	56	0
170		Total Operation		1,347	385	5	52	3	158	16	99	572	56	0
171		Maintenance:		-	-	-	-	-	-	-	-	-	-	-
172	932	Maintenance of General Plant		-	-	-	-	-	-	-	-	-	-	-
173		Total Administrative & General		1,347	385	5	52	3	158	16	99	572	56	0
174		TOTAL O&M PAYROLL		47,247	13,516	183	1,838	109	5,530	576	3,462	20,064	1,964	4

ENERGY WEST MONTANA, INC.
GAS COST OF SERVICE STUDY
FOR THE TEST YEAR ENDING 12/31/2017

Class Cost of Service - Commodity

Line No.	Acc. No.	Description	Alloc. Factor	Total	Residential		Small General		Large General		Ext. General	Negotiated		Propane
					Residential GF-Cass	Residential West	General Small GF-Cass	General Small West	General Large GF-Cass	General Large West	General Ext GF-Cass (Incl. New LG Com.)	Contract 1 - MAFB	Contract 2 - Refinery	Propane
1		Total Distribution Plant	AL-DISTPLT	-	-	-	-	-	-	-	-	-	-	-
2		Net Plant in Service	AL-NETPLT	-	-	-	-	-	-	-	-	-	-	-
3		Payroll	AL-PAYRL	1.0000	0.2861	0.0039	0.0389	0.0023	0.1170	0.0122	0.0733	0.4247	0.0416	0.0001
4		Commodity Sales (ccf)	COMSALE	1.0000	0.2861	0.0039	0.0389	0.0023	0.1170	0.0122	0.0733	0.4247	0.0416	0.0001
5		CP Factor	CP	1.0000	0.4097	0.0045	0.0536	0.0024	0.1469	0.0083	0.0886	0.2407	0.0451	0.0002
6		Direct Assignment to Propane	DP	1.0000	-	-	-	-	-	-	-	-	-	1.0000
7		Direct Assignment to West Yellowstone	DW	1.0000	-	0.2109	-	0.1256	-	0.6635	-	-	-	-
8		Direct Assignment excl. Propane	DXP	1.0000	0.2861	0.0039	0.0389	0.0023	0.1171	0.0122	0.0733	0.4247	0.0416	-
9		Direct Assignment excl. West Yellowstone	DXW	1.0000	0.2914	-	0.0396	-	0.1192	-	0.0746	0.4326	0.0423	0.0001
10		Direct Assignment excl. WYell and Propane	DXWP	1.0000	0.2915	-	0.0396	-	0.1192	-	0.0746	0.4326	0.0424	-
11		1/2 Meters and 1/2 Bills	METBILL	1.0000	0.6006	0.0094	0.0676	0.0043	0.2470	0.0208	0.0475	0.0017	0.0002	0.0008
12		Meters	METER	1.0000	0.5724	0.0089	0.0677	0.0043	0.2691	0.0227	0.0521	0.0019	0.0003	0.0008
13		NCP (CCF) Factor	NCP	1.0000	0.3753	0.0047	0.0521	0.0025	0.1479	0.0093	0.0832	0.2788	0.0459	0.0001
14		Average NCP and CP	NCPCP	1.0000	0.0028	0.0320	0.0015	0.0894	0.0053	0.0520	0.1981	0.0001	-	0.6188
15		Number of Bills	NOBILLS	1.0000	0.8809	0.0142	0.0672	0.0039	0.0285	0.0023	0.0018	0.0000	0.0000	0.0012
16		Number of Customers	NOCUST	1.0000	0.8809	0.0142	0.0672	0.0039	0.0285	0.0023	0.0016	0.0001	0.0001	0.0012

ENERGY WEST MONTANA, INC.
GAS COST OF SERVICE STUDY
FOR THE TEST YEAR ENDING 12/31/2017

Class Cost of Service - Customer

Line No.	Acc. No.	Description	Alloc. Factor	Total	Residential		Small General		Large General		Ext. General	Negotiated		Propane
					Residential GF-Cass	Residential West	General Small GF-Cass	General Small West	General Large GF-Cass	General Large West	General Ext GF-Cass (Incl. New LG Com.)	Contract 1 - MAFB	Contract 2 - Refinery	Propane
1		PLANT												
2		Intangible Plant:												
3	301	Organization	NOCUST	5,095	4,488	72	342	20	145	12	8	1	1	6
4	325.2	Producing Leaseholds	NOCUST	-	-	-	-	-	-	-	-	-	-	-
5	330	Producing Gas Wells - Well Construction	NOCUST	-	-	-	-	-	-	-	-	-	-	-
6	331	Producing Gas Wells - Well Equipment	NOCUST	-	-	-	-	-	-	-	-	-	-	-
7	332	Field Lines	NOCUST	-	-	-	-	-	-	-	-	-	-	-
8	333	Field Compressor Station Equipment	NOCUST	-	-	-	-	-	-	-	-	-	-	-
9	334	Field Measuring and Retulating Equipment	NOCUST	-	-	-	-	-	-	-	-	-	-	-
10		Distribution and Transmission Plant:												
11	367	Mains-Transmission		-	-	-	-	-	-	-	-	-	-	-
12	374	Structures & Improvements	NOCUST	2,596	2,287	37	174	10	74	6	4	0	0	3
13	375	Structures & Improvements	DXW	313,939	282,305	-	21,526	-	9,139	-	525	32	32	380
14	375DW	Structures & Improvements	DW	699,706	-	487,135	-	134,778	-	77,793	-	-	-	-
15	376	Mains-Distribution	DXP	7,621,795	6,722,346	108,055	512,592	29,896	217,613	17,256	12,513	762	762	-
16	376DP	Mains-Distribution	DP	39,147	-	-	-	-	-	-	-	-	-	39,147
17	378	Measuring & Regulating Equipment		-	-	-	-	-	-	-	-	-	-	-
18	380	Services	METBILL	13,378,250	8,035,318	125,632	904,556	57,105	3,304,704	278,145	635,469	23,337	3,295	10,689
19	380DP	Services	DP	36,900	-	-	-	-	-	-	-	-	-	36,900
20	381	Meters	METER	1,123,780	643,198	10,013	76,033	4,837	302,363	25,464	58,563	2,154	301	854
21	382	Meter Installations	METER	2,669,333	1,527,799	23,783	180,603	11,488	718,208	60,486	139,105	5,117	715	2,029
22	383	House Regulators	METBILL	454,095	272,741	4,264	30,703	1,938	112,171	9,441	21,570	792	112	363
23	383DP	House Regulators	DP	790	-	-	-	-	-	-	-	-	-	790
24	384	House Regulator Installations	METBILL	933,706	560,808	8,768	63,132	3,985	230,645	19,412	44,351	1,629	230	746
25	385	Ind Measuring Regulation	Direct	9,793	-	-	-	-	-	-	9,793	-	-	-
			18.0mil	-	-	-	-	-	-	-	-	-	-	-
26		General Plant:	5.7 mil	-	-	-	-	-	-	-	-	-	-	-
27	389	Land & Land Rights	AL-DISTPLT	43,130	28,528	1,214	2,829	386	7,738	771	1,457	53	9	145
28	390	Structures & Improvements	AL-DISTPLT	1,700,232	1,124,613	47,840	111,504	15,208	305,034	30,411	57,449	2,108	339	5,727
29	391.3	Office Furniture & Equipment	AL-DISTPLT	3,070,889	2,031,230	86,406	201,394	27,467	550,940	54,927	103,762	3,807	613	10,344
30	391.1	Property Under Capital Leases	AL-DISTPLT	1,535,551	1,015,685	43,206	100,704	13,735	275,489	27,465	51,885	1,904	307	5,172
31	391.2	Leasehold Improvements	AL-DISTPLT	137,911	91,221	3,880	9,044	1,234	24,742	2,467	4,660	171	28	465
32	392	Transportation Equipment	AL-DISTPLT	804,738	532,291	22,643	52,776	7,198	144,376	14,394	27,191	998	161	2,711
33	394	Tools, Shop & Garage Equipment	AL-DISTPLT	514,995	340,642	14,490	33,774	4,606	92,394	9,211	17,401	638	103	1,735
34	396	Power Operated Equipment	AL-DISTPLT	817,663	540,841	23,007	53,624	7,314	146,695	14,625	27,628	1,014	163	2,754
35	397	Communication Equipment	AL-DISTPLT	253,346	167,575	7,128	16,615	2,266	45,452	4,531	8,560	314	51	853
36	398	Miscellaneous Equipment	AL-DISTPLT	-	-	-	-	-	-	-	-	-	-	-
37		TOTAL GAS PLANT IN SERVICE		36,167,381	23,923,916	1,017,573	2,371,926	323,470	6,487,920	646,817	1,221,896	44,831	7,219	121,813
38		CONSTRUCTION WORK-IN-PROGRESS	DXP	254,067	224,085	3,602	17,087	997	7,254	575	417	25	25	-
39		TOTAL UTILITY PLANT		36,421,448	24,148,001	1,021,175	2,389,013	324,466	6,495,174	647,392	1,222,313	44,856	7,245	121,813
40		DEPRECIATION RESERVE		-	-	-	-	-	-	-	-	-	-	-
41	108	Distribution Plant	DXWP	(14,804,491)	(13,328,832)	-	(1,016,350)	-	(431,476)	-	(24,811)	(1,511)	(1,511)	-
42	108DW	Distribution Plant	DW	(353,500)	-	(246,106)	-	(68,091)	-	(39,302)	-	-	-	-
43	108DP	Distribution Plant	DP	(41,568)	-	-	-	-	-	-	-	-	-	(41,568)
44	108	General Plant:	AL-DISTPLT	(4,929,252)	(3,260,438)	(138,695)	(323,269)	(44,089)	(884,343)	(88,166)	(166,555)	(6,111)	(984)	(16,603)

ENERGY WEST MONTANA, INC.
GAS COST OF SERVICE STUDY
FOR THE TEST YEAR ENDING 12/31/2017

Class Cost of Service - Customer

Line No.	Acc. No.	Description	Alloc. Factor	Total	Residential		Small General		Large General		Ext. General	Negotiated		Propane
					Residential GF-Cass	Residential West	General Small GF-Cass	General Small West	General Large GF-Cass	General Large West	General Ext GF-Cass (Incl. New LG Com.)	Contract 1 - MAFB	Contract 2 - Refinery	Propane
45		TOTAL DEPRECIATION RESERVE		(20,128,811)	(16,589,270)	(384,801)	(1,339,619)	(112,181)	(1,315,819)	(127,468)	(191,365)	(7,622)	(2,495)	(58,172)
46		NET PLANT IN SERVICE		16,292,637	7,558,731	636,374	1,049,394	212,286	5,179,355	519,925	1,030,948	37,234	4,750	63,641
47		ADD WORKING CAPITAL		-	-	-	-	-	-	-	-	-	-	-
48		Cash Requirement	OMDSTPLT	524,023	362,227	13,302	34,544	4,211	83,957	8,247	15,520	573	98	1,344
49		Materials, Supplies and Gas Inventory	AL-NETPLT	2,165,211	1,004,518	84,571	139,459	28,212	688,311	69,095	137,008	4,948	631	8,458
50		Total Working Capital		2,689,234	1,366,744	97,873	174,004	32,422	772,268	77,343	152,528	5,522	729	9,801
51		ADD REGULATORY ASSETS AND LIAI		-	-	-	-	-	-	-	-	-	-	-
52		Debt Issue & Reacquisition Costs	AL-NETPLT	154,478	71,668	6,034	9,950	2,013	49,108	4,930	9,775	353	45	603
53		Regulatory Asset SFAS 109	AL-NETPLT	279,486	129,663	10,916	18,001	3,642	88,847	8,919	17,685	639	81	1,092
54		Regulatory Liability SFAS 109	AL-NETPLT	(60,177)	(27,918)	(2,350)	(3,876)	(784)	(19,130)	(1,920)	(3,808)	(138)	(18)	(235)
55		Regulatory Asset - Deferred Rent	AL-NETPLT	454,174	210,708	17,740	29,253	5,918	144,380	14,493	28,739	1,038	132	1,774
56		Regulatory Asset - SOP-98	AL-NETPLT	43,686	20,267	1,706	2,814	569	13,888	1,394	2,764	100	13	171
57		Total Regulatory Assets and Liabilities		871,647	404,388	34,046	56,142	11,357	277,093	27,816	55,155	1,992	254	3,405
58		LESS CUSTOMER/GOVT. SUPPLIED		-	-	-	-	-	-	-	-	-	-	-
59		Accumulated Deferred Income Taxes	AL-NETPLT	3,252,203	1,508,812	127,028	209,471	42,375	1,033,860	103,783	205,789	7,432	948	12,703
60		Customer Advances for Construction	AL-NETPLT	646,015	299,709	25,233	41,609	8,417	205,365	20,615	40,878	1,476	188	2,523
61		Obligation on Capital Lease	AL-NETPLT	1,065,136	494,154	41,603	68,604	13,878	338,602	33,990	67,399	2,434	311	4,161
62		Total Customer / Government Supplied Cap		4,963,354	2,302,675	193,864	319,685	64,670	1,577,827	158,389	314,066	11,343	1,447	19,387
63		TOTAL RATE BASE		14,636,098	6,803,103	570,827	942,768	190,399	4,643,634	466,119	924,149	33,379	4,260	57,460
64		COST OF GAS		-	-	-	-	-	-	-	-	-	-	-
65		OPERATING EXPENSES		-	-	-	-	-	-	-	-	-	-	-
66		Maintenance:		-	-	-	-	-	-	-	-	-	-	-
67	761	Maintenance Supervision & Engineering		-	-	-	-	-	-	-	-	-	-	-
68		Total Production Expenses		-	-	-	-	-	-	-	-	-	-	-
69		Distribution Expense		-	-	-	-	-	-	-	-	-	-	-
70		Operation:		-	-	-	-	-	-	-	-	-	-	-
71	870	Operation Supervision & Engineering	NOCUST	22,950	20,218	325	1,542	90	654	52	38	2	2	27
72	874	Mains & Service Expense	NOCUST	108,127	95,254	1,531	7,263	424	3,084	245	177	11	11	128
73	875	Dist Meas and Reg Stations		-	-	-	-	-	-	-	-	-	-	-
74	877	Measuring & Regulating Expenses		-	-	-	-	-	-	-	-	-	-	-
75	878	Meter & House Regulator Expense	METBILL	1,324	795	12	90	6	327	28	63	2	0	1
76	879	Customer Installation Expense	METBILL	537,579	322,884	5,048	36,348	2,295	132,793	11,177	25,535	938	132	430
77	880	Other Expenses	NOCUST	103,984	91,604	1,472	6,985	407	2,965	235	171	10	10	123
78		Total Other Operations		773,964	530,755	8,389	52,227	3,221	139,824	11,736	25,983	964	156	709
79		Maintenance:		-	-	-	-	-	-	-	-	-	-	-
80	864	Maintenance of Compressor Station Equip	DXW	-	-	-	-	-	-	-	-	-	-	-
81	864DW	Maintenance of Compressor Station Equip	DW	6,872	-	4,785	-	1,324	-	764	-	-	-	-
82	887	Maintenance of Mains	DXP	31,039	27,376	440	2,087	122	886	70	51	3	3	-
83	887DW	Maintenance of Mains	DW	7,999	-	5,569	-	1,541	-	889	-	-	-	-
84	892	Maintenance of Services	NOCUST	30,053	26,475	426	2,019	118	857	68	49	3	3	36
85	889	Measuring & Reg Station Equip		-	-	-	-	-	-	-	-	-	-	-
86	893	Maintenance of Meters & House Reg	METBILL	41,050	24,656	385	2,776	175	10,140	853	1,950	72	10	33

ENERGY WEST MONTANA, INC.
GAS COST OF SERVICE STUDY
FOR THE TEST YEAR ENDING 12/31/2017

Class Cost of Service - Customer

Line No.	Acc. No.	Description	Alloc. Factor	Total	Residential		Small General		Large General		Ext. General	Negotiated		Propane
					Residential GF-Cass	Residential West	General Small GF-Cass	General Small West	General Large GF-Cass	General Large West	General Ext GF-Cass (Incl. New LG Com.)	Contract 1 - MAFB	Contract 2 - Refinery	Propane
87	894	Maintenance of Other Equipment		-	-	-	-	-	-	-	-	-	-	-
88		Total Maintenance		117,014	78,507	11,605	6,882	3,279	11,883	2,645	2,050	78	16	68
89		Total Distribution Expenses		890,978	609,262	19,994	59,109	6,500	151,707	14,381	28,034	1,041	172	777
90		Customer Accounts Expense:		-	-	-	-	-	-	-	-	-	-	-
91	902	Meter Reading Expenses	NOCUST	155,740	137,198	2,205	10,462	610	4,441	352	255	16	16	185
92	903	Customer Records & Collection	NOCUST	668,522	588,931	9,466	44,907	2,619	19,065	1,512	1,096	67	67	792
93	904	Uncollectible Accounts	NOCUST	60,613	53,397	858	4,072	237	1,729	137	99	6	6	72
94	905	Miscellaneous	NOCUST	481	424	7	32	2	14	1	1	0	0	1
95		Total Customer Accounts Expense		885,356	779,950	12,537	59,473	3,469	25,248	2,002	1,452	88	88	1,049
96		Customer Services Expenses:		-	-	-	-	-	-	-	-	-	-	-
97	913	Informational Advertising Expense	NOCUST	5,412	4,768	77	364	21	154	12	9	1	1	6
98	916	Miscellaneous	NOCUST	1,864	1,642	26	125	7	53	4	3	0	0	2
99		Total Customer Services Expense		7,276	6,410	103	489	29	207	16	12	1	1	9
100		Administrative & General Expenses:		-	-	-	-	-	-	-	-	-	-	-
101		Operation:		-	-	-	-	-	-	-	-	-	-	-
102	920	Administrative & General Salaries	OMDSTPLT	375,740	259,727	9,538	24,769	3,019	60,200	5,913	11,129	411	70	963
103	921	General office	DXW	192,620	173,210	-	13,208	-	5,607	-	322	20	20	233
104	921DW	General office	DW	734	-	511	-	141	-	82	-	-	-	-
105	930	GNI Shared Services	OMDSTPLT	1,142,792	789,945	29,010	75,335	9,182	183,094	17,985	33,847	1,250	213	2,930
106	922	Administrative Expense Tsfd. (Cr.)	AL-PAYRL	(62,940)	(49,876)	(796)	(4,237)	(254)	(6,137)	(511)	(1,015)	(39)	(9)	(67)
107	923	Outside Services Employed	OMDSTPLT	50,378	34,823	1,279	3,321	405	8,071	793	1,492	55	9	129
108	924	Property & Liability Insurance	AL-NETPLT	31,529	14,627	1,231	2,031	411	10,023	1,006	1,995	72	9	123
109	925	Injuries & Damages	AL-PAYRL	141,877	112,428	1,795	9,550	572	13,834	1,151	2,287	88	21	151
110	926.1	Pensions (401k)	AL-PAYRL	115,882	91,829	1,466	7,800	467	11,299	940	1,868	72	17	123
111	926.2	Employee Benefits	AL-PAYRL	350,829	278,010	4,440	23,615	1,413	34,209	2,846	5,656	217	51	373
112	926.3	Vacation Accrual Expense	AL-PAYRL	9,165	7,262	116	617	37	894	74	148	6	1	10
113	928	Regulatory Commission Expense	OMDSTPLT	66,667	46,083	1,692	4,395	536	10,681	1,049	1,975	73	12	171
114	930.2	Miscellaneous general expenses	OMDSTPLT	(2,548)	(1,761)	(65)	(168)	(20)	(408)	(40)	(75)	(3)	(0)	(7)
115	931	Rent	DXW	58,759	52,838	-	4,029	-	1,710	-	98	6	6	71
116	931DW	Rent	DW	9,777	-	6,807	-	1,883	-	1,087	-	-	-	-
117		Total Operation		2,481,260	1,809,146	57,025	164,265	17,792	333,076	32,376	59,727	2,227	420	5,204
118		Maintenance:		-	-	-	-	-	-	-	-	-	-	-
119	932	Maintenance of General Plant	NOCUST	81,893	72,144	1,160	5,501	321	2,335	185	134	8	8	97
120		Total Administrative & General		2,563,153	1,881,290	58,185	169,766	18,113	335,412	32,561	59,861	2,236	428	5,301
121		Depreciation Expense		-	-	-	-	-	-	-	-	-	-	-
122	108	Depreciation - Distribution Plant	DXWP	710,428	639,615	-	48,772	-	20,705	-	1,191	73	73	-
123	108DW	Depreciation - Distribution Plant	DW	29,763	-	20,721	-	5,733	-	3,309	-	-	-	-
124	108DP	Depreciation - Distribution Plant	DP	1,753	-	-	-	-	-	-	-	-	-	1,753
125	108	Depreciation - General Plant	NOCUST	344,151	303,178	4,873	23,118	1,348	9,814	778	564	34	34	408
126		Total		1,086,095	942,793	25,594	71,890	7,081	30,520	4,087	1,755	107	107	2,161
127		TAXES OTHER THAN INCOME		-	-	-	-	-	-	-	-	-	-	-
128		Taxes Other Than Income		-	-	-	-	-	-	-	-	-	-	-
129		FICA	AL-PAYRL	130,626	103,513	1,653	8,793	526	12,737	1,060	2,106	81	19	139
130		FUTA, SUTA & OFLT	AL-PAYRL	8,725	6,914	110	587	35	851	71	141	5	1	9
131		Total Payroll Taxes		139,350	110,426	1,763	9,380	561	13,588	1,130	2,247	86	20	148
132		Real & Personal Property	DXWP	614,525	553,271	-	42,188	-	17,910	-	1,030	63	63	-

ENERGY WEST MONTANA, INC.
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FOR THE TEST YEAR ENDING 12/31/2017

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Line No.	Acc. No.	Description	Alloc. Factor	Total	Residential		Small General		Large General		Ext. General	Negotiated		Propane
					Residential GF-Cass	Residential West	General Small GF-Cass	General Small West	General Large GF-Cass	General Large West	General Ext GF-Cass (Incl. New LG Com.)	Contract 1 - MAFB	Contract 2 - Refinery	Propane
133	DW	Real & Personal Property	DW	3,411	-	2,374	-	657	-	379	-	-	-	-
134	DP	Real & Personal Property	DP	1,359	-	-	-	-	-	-	-	-	-	1,359
135		Production Taxes		-	-	-	-	-	-	-	-	-	-	-
136		PSC Tax		-	-	-	-	-	-	-	-	-	-	-
137		Consumer Counsel Tax	NOCUST	10,981	9,674	155	738	43	313	25	18	1	1	13
138		Other	NOCUST	72	64	1	5	0	2	0	0	0	0	0
139		Total Federal & State Tax		-	-	-	-	-	-	-	-	-	-	-
140		Other than Income		769,699	673,435	4,294	52,311	1,262	31,813	1,535	3,295	150	84	1,521
141		TOTAL OPERATING EXPENSES		6,202,557	4,893,139	120,707	413,037	36,454	574,908	54,583	94,408	3,623	881	10,817
142		PAYROLL		-	-	-	-	-	-	-	-	-	-	-
143		Maintenance:		-	-	-	-	-	-	-	-	-	-	-
144	761	Maintenance Supervision & Engineering		-	-	-	-	-	-	-	-	-	-	-
145		Total Production Expenses		-	-	-	-	-	-	-	-	-	-	-
146		Distribution Expenses:		-	-	-	-	-	-	-	-	-	-	-
147		Operation:		-	-	-	-	-	-	-	-	-	-	-
148	870	Operation Supervision & Engineering	NOCUST	22,950	20,218	325	1,542	90	654	52	38	2	2	27
149	874	Mains & Service Expense	NOCUST	100,509	88,543	1,423	6,752	394	2,866	227	165	10	10	119
150	877	Measuring & Regulating Expenses		-	-	-	-	-	-	-	-	-	-	-
151	878	Meter & House Regulator Expense		-	-	-	-	-	-	-	-	-	-	-
152	879	Customer Installation Expense	METBILL	486,059	291,939	4,564	32,864	2,075	120,067	10,106	23,088	848	120	388
153	880	Other Expenses	METBILL	129,613	77,849	1,217	8,764	553	32,017	2,695	6,157	226	32	104
154		Total Other Operations	NOCUST	739,131	478,549	7,530	49,921	3,112	155,604	13,079	29,447	1,086	164	638
155		Maintenance:		-	-	-	-	-	-	-	-	-	-	-
156	864	Maintenance of Compr Sta Equip	NOBILLS	6,872	6,054	97	462	27	196	16	12	0	0	8
157	887	Maintenance of Mains	NOBILLS	27,616	24,328	391	1,855	108	788	62	49	1	1	33
158	892	Maintenance of Services	NOCUST	24,378	21,476	345	1,638	96	695	55	40	2	2	29
159	889	Measuring & Reg Station Equip	NOCUST	-	-	-	-	-	-	-	-	-	-	-
160	893	Maintenance of Meters & House Reg	NOCUST	24,004	21,146	340	1,612	94	685	54	39	2	2	28
161		Total Maintenance		82,870	73,004	1,173	5,567	325	2,363	187	140	6	6	98
162		Total Distribution Expenses		822,001	551,553	8,703	55,488	3,436	157,968	13,267	29,587	1,092	170	736
163		Customer Accounts Expense:		-	-	-	-	-	-	-	-	-	-	-
164	902	Meter Reading Expenses	NOCUST	147,988	130,369	2,096	9,941	580	4,220	335	243	15	15	175
165	903	Customer Records & Collection	NOCUST	446,611	393,440	6,324	30,001	1,750	12,736	1,010	732	45	45	529
166		Total Customer Accounts Expense		594,599	523,809	8,420	39,941	2,330	16,957	1,345	975	59	59	704
167		Administrative & General Expenses:		-	-	-	-	-	-	-	-	-	-	-
168		Operation:		-	-	-	-	-	-	-	-	-	-	-
169	920	Administrative & General Salaries	NOCUST	504,338	444,294	7,142	33,878	1,976	14,383	1,140	827	50	50	598
170		Total Operation		504,338	444,294	7,142	33,878	1,976	14,383	1,140	827	50	50	598
171		Maintenance:		-	-	-	-	-	-	-	-	-	-	-
172	932	Maintenance of General Plant	NOCUST	28,998	25,546	411	1,948	114	827	66	48	3	3	34
173		Total Administrative & General		533,336	469,840	7,552	35,826	2,090	15,209	1,206	875	53	53	632
174		TOTAL O&M PAYROLL		1,949,936	1,545,202	24,675	131,256	7,855	190,134	15,818	31,437	1,205	283	2,073

ENERGY WEST MONTANA, INC.
GAS COST OF SERVICE STUDY
FOR THE TEST YEAR ENDING 12/31/2017

Class Cost of Service - Customer

Line No.	Acc. No.	Description	Alloc. Factor	Total	Residential		Small General		Large General		Ext. Gneral	Negotiated		Propane
					Residential GF-Cass	Residential West	General Small GF-Cass	General Small West	General Large GF-Cass	General Large West	General Ext GF-Cass (Incl. New LG Com.)	Contract 1 - MAFB	Contract 2 - Refinery	Propane
1		Total Distribution Plant	AL-DISTPLT	1.0000	0.6614	0.0281	0.0656	0.0089	0.1794	0.0179	0.0338	0.0012	0.0002	0.0034
2		Net Plant in Service	AL-NETPLT	1.0000	0.4639	0.0391	0.0644	0.0130	0.3179	0.0319	0.0633	0.0023	0.0003	0.0039
3		Payroll	AL-PAYRL	1.0000	0.7924	0.0127	0.0673	0.0040	0.0975	0.0081	0.0161	0.0006	0.0001	0.0011
4		Commodity Sales (ccf)	COMSALE	1.0000	0.2861	0.0039	0.0389	0.0023	0.1170	0.0122	0.0733	0.4247	0.0416	0.0001
5		CP Factor	CP	1.0000	0.4097	0.0045	0.0536	0.0024	0.1469	0.0083	0.0886	0.2407	0.0451	0.0002
6		Direct Assignment to Propane	DP	1.0000	-	-	-	-	-	-	-	-	-	1.0000
7		Cust to West Yellowstone	DW	1.0000	-	0.6962	-	0.1926	-	0.1112	-	-	-	-
8		Cust excl. Propane	DXP	1.0000	0.8820	0.0142	0.0673	0.0039	0.0286	0.0023	0.0016	0.0001	0.0001	-
9		Cust excl. West Yellowstone	DXW	1.0000	0.8992	-	0.0686	-	0.0291	-	0.0017	0.0001	0.0001	0.0012
10		Cust excl. WYell and Propane	DXWP	1.0000	0.9003	-	0.0687	-	0.0291	-	0.0017	0.0001	0.0001	-
11		1/2 Meters and 1/2 Bills	METBILL	1.0000	0.6006	0.0094	0.0676	0.0043	0.2470	0.0208	0.0475	0.0017	0.0002	0.0008
12		Meters	METER	1.0000	0.5724	0.0089	0.0677	0.0043	0.2691	0.0227	0.0521	0.0019	0.0003	0.0008
13		NCP (CCF) Factor	NCP	1.0000	0.3753	0.0047	0.0521	0.0025	0.1479	0.0093	0.0832	0.2788	0.0459	0.0001
14		Average NCP and CP	NCPCP	1.0000	0.0028	0.0320	0.0015	0.0894	0.0053	0.0520	0.1981	0.0001	-	0.6188
15		Number of Bills	NOBILLS	1.0000	0.8809	0.0142	0.0672	0.0039	0.0285	0.0023	0.0018	0.0000	0.0000	0.0012
16		Number of Customers	NOCUST	1.0000	0.8809	0.0142	0.0672	0.0039	0.0285	0.0023	0.0016	0.0001	0.0001	0.0012
17		Number of Customers Exclude propane	NOCUSTXP	1.0000	0.8820	0.0142	0.0673	0.0039	0.0286	0.0023	0.0016	0.0001	0.0001	-
18		O&M/A&G	O&M/A&G	1.0000	0.7210	0.0226	0.0663	0.0071	0.1410	0.0136	0.0254	0.0009	0.0002	0.0018
19		50/50 O&M & Dist Plt	OMDSTPLT	1.0000	0.6912	0.0254	0.0659	0.0080	0.1602	0.0157	0.0296	0.0011	0.0002	0.0026

ENERGY WEST MONTANA, INC.
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FOR THE TEST YEAR ENDING 12/31/2017

Class Cost of Service - Total

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				Residential GF-Cass	Residential West	General Small GF-Cass	General Small West	General Large GF-Cass	General Large West	General Ext GF-Cass (Incl. New LG Com.)	Contract 1 - MAFB	Contract 2 - Refinery	Propane
1		PLANT											
2		Intangible Plant:											
3	301	Organization	7,136	5,254	82	449	25	447	30	178	570	94	6
4	325.2	Producing Leaseholds	-	-	-	-	-	-	-	-	-	-	-
5	330	Producing Gas Wells - Well Construction	-	-	-	-	-	-	-	-	-	-	-
6	331	Producing Gas Wells - Well Equipment	-	-	-	-	-	-	-	-	-	-	-
7	332	Field Lines	-	-	-	-	-	-	-	-	-	-	-
8	333	Field Compressor Station Equipment	-	-	-	-	-	-	-	-	-	-	-
9	334	Field Measuring and Retulating Equipment	-	-	-	-	-	-	-	-	-	-	-
10		Distribution and Transmission Plant:											
11	367	Mains-Transmission	-	-	-	-	-	-	-	-	-	-	-
12	374	Structures & Improvements	3,636	2,677	42	229	13	228	16	91	290	48	3
13	375	Structures & Improvements	439,711	330,306	-	28,195	-	28,053	-	11,169	35,683	5,907	399
14	375DW	Structures & Improvements	1,590,631	-	742,422	-	271,534	-	576,675	-	-	-	-
15	376	Mains-Distribution	17,326,511	10,365,363	154,094	1,018,686	54,559	1,653,103	107,227	820,322	2,706,518	446,639	-
16	376DP	Mains-Distribution	88,992	-	-	-	-	-	-	-	-	-	88,992
17	378	Measuring & Regulating Equipment	158,275	59,405	751	8,253	402	23,408	1,467	13,173	44,122	7,271	24
18	380	Services	13,378,250	8,035,318	125,632	904,556	57,105	3,304,704	278,145	635,469	23,337	3,295	10,689
19	380DP	Services	36,900	-	-	-	-	-	-	-	-	-	36,900
20	381	Meters	1,123,780	643,198	10,013	76,033	4,837	302,363	25,464	58,563	2,154	301	854
21	382	Meter Installations	2,669,333	1,527,799	23,783	180,603	11,488	718,208	60,486	139,105	5,117	715	2,029
22	383	House Regulators	454,095	272,741	4,264	30,703	1,938	112,171	9,441	21,570	792	112	363
23	383DP	House Regulators	790	-	-	-	-	-	-	-	-	-	790
24	384	House Regulator Installations	933,706	560,808	8,768	63,132	3,985	230,645	19,412	44,351	1,629	230	746
25	385	Ind Measuring Regulation	9,793	-	-	-	-	-	-	9,793	-	-	-
26		General Plant:											
27	389	Land & Land Rights	60,409	34,457	1,691	3,652	642	10,074	1,705	2,772	4,457	734	224
28	390	Structures & Improvements	2,381,387	1,358,351	66,664	143,975	25,292	397,136	67,198	109,279	175,710	28,947	8,836
29	391.3	Office Furniture & Equipment	4,301,163	2,453,397	120,406	260,042	45,681	717,290	121,370	197,374	317,360	52,283	15,959
30	391.1	Property Under Capital Leases	2,150,730	1,226,783	60,207	130,030	22,842	358,670	60,689	98,694	158,691	26,143	7,980
31	391.2	Leasehold Improvements	193,161	110,180	5,407	11,678	2,051	32,213	5,451	8,864	14,252	2,348	717
32	392	Transportation Equipment	1,127,136	642,922	31,553	68,145	11,971	187,968	31,806	51,723	83,166	13,701	4,182
33	394	Tools, Shop & Garage Equipment	721,315	411,440	20,192	43,610	7,661	120,291	20,354	33,100	53,222	8,768	2,676
34	396	Power Operated Equipment	1,145,239	653,248	32,060	69,240	12,163	190,987	32,316	52,553	84,501	13,921	4,249
35	397	Communication Equipment	354,843	202,404	9,933	21,453	3,769	59,176	10,013	16,283	26,182	4,313	1,317
36	398	Miscellaneous Equipment	-	-	-	-	-	-	-	-	-	-	-
37		TOTAL GAS PLANT IN SERVICE	50,656,922	28,896,051	1,417,966	3,062,663	537,958	8,447,133	1,429,266	2,324,426	3,737,754	615,770	187,935
38		CONSTRUCTION WORK-IN-PROGRESS	355,853	262,294	4,085	22,395	1,255	22,310	1,519	8,890	28,404	4,702	-
39		TOTAL UTILITY PLANT	51,012,775	29,158,345	1,422,051	3,085,058	539,214	8,469,443	1,430,784	2,333,316	3,766,158	620,472	187,935
40		DEPRECIATION RESERVE	-	-	-	-	-	-	-	-	-	-	-
41	108	Distribution Plant	(20,735,534)	(15,592,746)	-	(1,330,857)	-	(1,323,546)	-	(526,815)	(1,682,974)	(278,597)	-
42	108DW	Distribution Plant	(803,606)	-	(375,080)	-	(137,182)	-	(291,343)	-	-	-	-
43	108DP	Distribution Plant	(68,535)	-	-	-	-	-	-	-	-	-	(68,535)
44	108	General Plant:	(6,904,031)	(3,938,081)	(193,271)	(417,408)	(73,325)	(1,151,361)	(194,818)	(316,816)	(509,413)	(83,922)	(25,616)
45		TOTAL DEPRECIATION RESERVE	(28,511,705)	(19,530,827)	(568,351)	(1,748,265)	(210,507)	(2,474,906)	(486,161)	(843,631)	(2,192,387)	(362,519)	(94,151)

ENERGY WEST MONTANA, INC.
GAS COST OF SERVICE STUDY
FOR THE TEST YEAR ENDING 12/31/2017

Class Cost of Service - Total

Line No.	Acc. No.	Description	Total	Residential		Small General		Large General		Ext. General	Negotiated		Propane
				Residential GF-Cass	Residential West	General Small GF-Cass	General Small West	General Large GF-Cass	General Large West	General Ext GF-Cass (Incl. New LG Com.)	Contract 1 - MAFB	Contract 2 - Refinery	Propane
46		NET PLANT IN SERVICE	22,501,070	9,627,518	853,700	1,336,793	328,706	5,994,537	944,623	1,489,685	1,573,771	257,953	93,784
47		ADD WORKING CAPITAL	-	-	-	-	-	-	-	-	-	-	-
48		Cash Requirement	724,167	431,966	18,025	44,232	6,741	111,443	17,483	30,998	52,668	8,643	1,968
49		Materials, Supplies and Gas Inventory	3,032,647	1,293,567	114,935	179,614	44,478	802,207	128,434	201,102	219,632	36,009	12,669
50		Total Working Capital	3,756,814	1,725,533	132,961	223,846	51,219	913,650	145,917	232,100	272,299	44,651	14,637
51		ADD REGULATORY ASSETS AND LIABIL	-	-	-	-	-	-	-	-	-	-	-
52		Debt Issue & Reacquisition Costs	216,366	92,290	8,200	12,815	3,173	57,234	9,163	14,348	15,670	2,569	904
53		Regulatory Asset SFAS 109	386,232	165,198	14,630	22,937	5,631	102,853	16,179	25,572	27,190	4,436	1,606
54		Regulatory Liability SFAS 109	(83,161)	(35,569)	(3,150)	(4,939)	(1,212)	(22,146)	(3,484)	(5,506)	(5,854)	(955)	(346)
55		Regulatory Asset - Deferred Rent	627,640	268,453	23,774	37,274	9,151	167,139	26,291	41,555	44,184	7,208	2,610
56		Regulatory Asset - SOP-98	60,371	25,822	2,287	3,585	880	16,077	2,529	3,997	4,250	693	251
57		Total Regulatory Assets and Liabilities	1,207,448	516,194	45,741	71,673	17,623	321,157	50,679	79,966	85,439	13,951	5,026
58		LESS CUSTOMER/GOVT. SUPPLIED	-	-	-	-	-	-	-	-	-	-	-
59		Accumulated Deferred Income Taxes	4,491,479	1,921,766	170,409	266,840	65,614	1,196,580	188,558	297,359	314,143	51,490	18,720
60		Customer Advances for Construction	892,184	381,738	33,850	53,005	13,033	237,688	37,455	59,067	62,401	10,228	3,719
61		Obligation on Capital Lease	1,471,014	629,402	55,811	87,393	21,489	391,895	61,755	97,389	102,886	16,864	6,131
62		Total Customer / Government Supplied Capital	6,854,677	2,932,906	260,069	407,238	100,136	1,826,163	287,768	453,814	479,430	78,582	28,570
63		TOTAL RATE BASE	20,254,802	8,674,045	768,247	1,202,679	296,156	5,380,871	851,933	1,339,047	1,423,676	233,271	84,877
64		COST OF GAS	14,615,203	6,990,380	173,600	939,837	103,365	2,592,317	546,227	967,068	1,030,938	1,247,530	23,941
65		OPERATING EXPENSES	-	-	-	-	-	-	-	-	-	-	-
66		Maintenance:	-	-	-	-	-	-	-	-	-	-	-
67	761	Maintenance Supervision & Engineering	-	-	-	-	-	-	-	-	-	-	-
68		Total Production Expenses	-	-	-	-	-	-	-	-	-	-	-
69		Distribution Expense	-	-	-	-	-	-	-	-	-	-	-
70		Operation:	-	-	-	-	-	-	-	-	-	-	-
71	870	Operation Supervision & Engineering	114,749	50,576	721	5,721	312	12,815	1,037	7,221	32,289	4,019	38
72	874	Mains & Service Expense	216,254	135,837	2,044	12,901	698	19,075	1,247	9,176	30,153	4,978	144
73	875	Dist Meas and Reg Stations	20,866	7,832	99	1,088	53	3,086	193	1,737	5,817	959	3
74	877	Measuring & Regulating Expenses	19,481	7,312	92	1,016	50	2,881	181	1,621	5,431	895	3
75	878	Meter & House Regulator Expense	1,324	795	12	90	6	327	28	63	2	0	1
76	879	Customer Installation Expense	537,579	322,884	5,048	36,348	2,295	132,793	11,177	25,535	938	132	430
77	880	Other Expenses	145,643	107,240	1,670	9,157	513	9,126	621	3,638	11,623	1,924	129
78		Total Other Operations	1,055,896	632,476	9,687	66,320	3,927	180,104	14,484	48,990	86,253	12,907	748
79		Maintenance:	-	-	-	-	-	-	-	-	-	-	-
80	864	Maintenance of Compressor Station Equip	-	-	-	-	-	-	-	-	-	-	-
81	864DW	Maintenance of Compressor Station Equip	15,623	-	7,292	-	2,667	-	5,664	-	-	-	-
82	887	Maintenance of Mains	70,561	42,212	628	4,149	222	6,732	437	3,341	11,022	1,819	-
83	887DW	Maintenance of Mains	18,184	-	8,487	-	3,104	-	6,593	-	-	-	-
84	892	Maintenance of Services	30,053	26,475	426	2,019	118	857	68	49	3	3	36
85	889	Measuring & Reg Station Equip	10,095	3,789	48	526	26	1,493	94	840	2,814	464	2
86	893	Maintenance of Meters & House Reg	41,050	24,656	385	2,776	175	10,140	853	1,950	72	10	33
87	894	Maintenance of Other Equipment	4,130	1,550	20	215	10	611	38	344	1,151	190	1
88		Total Maintenance	189,696	98,682	17,285	9,685	6,322	19,833	13,747	6,524	15,062	2,485	71

ENERGY WEST MONTANA, INC.
GAS COST OF SERVICE STUDY
FOR THE TEST YEAR ENDING 12/31/2017

Class Cost of Service - Total

Line No.	Acc. No.	Description	Total	Residential		Small General		Large General		Ext. General	Negotiated		Propane
				Residential GF-Cass	Residential West	General Small GF-Cass	General Small West	General Large GF-Cass	General Large West	General Ext GF-Cass (Incl. New LG Com.)	Contract 1 - MAFB	Contract 2 - Refinery	Propane
136		PSC Tax	58,247	16,663	226	2,267	134	6,817	710	4,267	24,735	2,421	5
137		Consumer Counsel Tax	10,981	9,674	155	738	43	313	25	18	1	1	13
138		Other	100	74	1	6	0	6	0	2	8	1	0
139		Total Federal & State Tax	-	-	-	-	-	-	-	-	-	-	-
140		Other than Income	1,109,644	796,380	5,068	69,339	1,690	80,524	3,331	31,162	104,539	15,536	2,075
141		TOTAL OPERATING EXPENSES	8,210,647	5,608,985	149,026	512,377	51,659	857,533	110,629	254,405	562,591	89,338	14,103
142		PAYROLL	1	68.31%	1.82%	6.24%	0.63%	10.44%	1.35%	3.10%	6.85%	1.09%	0.17%
143		Maintenance:	-	-	-	-	-	-	-	-	-	-	-
144	761	Maintenance Supervision & Engineering	-	-	-	-	-	-	-	-	-	-	-
145		Total Production Expenses	-	-	-	-	-	-	-	-	-	-	-
146		Distribution Expenses:	-	-	-	-	-	-	-	-	-	-	-
147		Operation:	-	-	-	-	-	-	-	-	-	-	-
148	870	Operation Supervision & Engineering	114,749	50,576	721	5,721	312	12,815	1,037	7,221	32,289	4,019	38
149	874	Mains & Service Expense	201,018	126,267	1,900	11,992	649	17,731	1,159	8,530	28,029	4,627	134
150	877	Measuring & Regulating Expenses	19,481	7,312	92	1,016	50	2,881	181	1,621	5,431	895	3
151	878	Meter & House Regulator Expense	-	-	-	-	-	-	-	-	-	-	-
152	879	Customer Installation Expense	486,059	291,939	4,564	32,864	2,075	120,067	10,106	23,088	848	120	388
153	880	Other Expenses	129,613	77,849	1,217	8,764	553	32,017	2,695	6,157	226	32	104
154		Total Other Operations	950,920	553,943	8,495	60,357	3,639	185,511	15,177	46,616	66,822	9,693	667
155		Maintenance:	-	-	-	-	-	-	-	-	-	-	-
156	864	Maintenance of Compr Sta Equip	15,623	9,339	139	918	49	1,490	97	740	2,440	402	9
157	887	Maintenance of Mains	62,778	37,525	558	3,688	198	5,988	388	2,975	9,803	1,616	38
158	892	Maintenance of Services	24,378	21,476	345	1,638	96	695	55	40	2	2	29
159	889	Measuring & Reg Station Equip	9,741	3,656	46	508	25	1,441	90	811	2,715	447	1
160	893	Maintenance of Meters & House Reg	24,004	21,146	340	1,612	94	685	54	39	2	2	28
161		Total Maintenance	136,524	93,142	1,428	8,364	461	10,298	685	4,606	14,963	2,471	106
162		Total Distribution Expenses	1,087,444	647,085	9,923	68,721	4,100	195,809	15,862	51,222	81,785	12,163	773
163		Customer Accounts Expense:	-	-	-	-	-	-	-	-	-	-	-
164	902	Meter Reading Expenses	147,988	130,369	2,096	9,941	580	4,220	335	243	15	15	175
165	903	Customer Records & Collection	446,611	393,440	6,324	30,001	1,750	12,736	1,010	732	45	45	529
166		Total Customer Accounts Expense	594,599	523,809	8,420	39,941	2,330	16,957	1,345	975	59	59	704
167		Administrative & General Expenses:	-	-	-	-	-	-	-	-	-	-	-
168		Operation:	-	-	-	-	-	-	-	-	-	-	-
169	920	Administrative & General Salaries	696,963	516,472	8,054	43,904	2,465	42,829	2,930	16,845	53,944	8,893	626
170		Total Operation	696,963	516,472	8,054	43,904	2,465	42,829	2,930	16,845	53,944	8,893	626
171		Maintenance:	-	-	-	-	-	-	-	-	-	-	-
172	932	Maintenance of General Plant	40,616	29,906	466	2,554	143	2,545	173	1,014	3,241	537	36
173		Total Administrative & General	737,579	546,378	8,520	46,458	2,608	45,374	3,103	17,860	57,186	9,430	662
174		TOTAL O&M PAYROLL	2,419,622	1,717,272	26,862	155,121	9,038	258,140	20,310	70,057	139,030	21,652	2,140

ENERGY WEST MONTANA, INC.
GAS COST OF SERVICE STUDY
FOR THE TEST YEAR ENDING 12/31/2017

SUMMARY OF COSS RESULTS AND PROPOSED RATE DESIGN

Line No.	Description	Total	Residential		Small General		Large General		Ext. Gneral	Contracts		Propane	
			Residential GF-Cass	Residential West	General Small GF-Cass	General Small West	General Large GF-Cass	General Large West	General Ext GF-Cass (Incl. New LG Com.)	Contract 1 - MAFB	Contract 2 - Refinery	Propane	
1	RATE BASE PER COSS	\$20,254,802	\$8,674,045	\$768,247	\$1,202,679	\$296,156	\$5,380,871	\$851,933	\$1,339,047	\$1,423,676	\$233,271	\$84,877	
2	EARNINGS PER COSS	\$755,582	(\$668,745)	\$55,075	\$167,882	\$46,840	\$669,045	\$205,461	\$467,955	(\$133,884)	(\$52,293)	(\$1,754)	
3	TEST YEAR RATE OF RETURN	3.73%	-7.71%	7.17%	13.96%	15.82%	12.43%	24.12%	34.95%	-9.40%	-22.42%	-2.07%	
4	REQUESTED RATE OF RETURN	8.32%	\$1,685,200	\$721,681	\$63,918	\$100,063	\$24,640	\$447,688	\$70,881	\$111,409	\$118,450	\$19,408	\$7,062
5	EARNINGS DEFICIENCY/(SURPLUS)	\$929,618	\$1,390,425	\$8,843	(\$67,819)	(\$22,200)	(\$221,357)	(\$134,580)	(\$356,546)	\$252,334	\$71,701	\$8,816	
6	REVENUE DEFICIENCY/(SURPLUS)	1.64833	\$1,532,316	\$2,291,880	\$14,576	(\$111,788)	(\$36,592)	(\$364,869)	(\$221,832)	(\$587,705)	\$415,929	\$118,187	\$14,532
7	ADJUST OUT NON-BASE REVENUES	\$5,331	\$7,974	\$51	(\$389)	(\$127)	(\$1,269)	(\$772)	(\$2,045)	\$1,447	\$411	\$51	
8	BASE REVENUE INCREASE PER COSS	\$1,526,985	\$2,283,906	\$14,525	(\$111,399)	(\$36,465)	(\$363,599)	(\$221,060)	(\$585,661)	\$414,482	\$117,775	\$14,481	
9	BASE REVENUES	\$8,759,186	\$4,295,781	\$215,809	\$724,169	\$115,202	\$1,748,886	\$398,782	\$916,301	\$327,684	\$6,477	\$10,095	
10	TOTAL REVENUES	\$23,374,389	\$11,286,161	\$389,409	\$1,664,006	\$218,567	\$4,341,203	\$945,009	\$1,883,369	\$1,358,622	\$1,254,007	\$34,036	
11	BASE REVENUE INCREASE (DECREASE)	17.43%	53.17%	6.73%	-15.38%	-31.65%	-20.79%	-55.43%	-63.92%	126.49%	1818.36%	143.45%	
12	TOTAL REVENUE INCREASE (DECREASE)	6.53%	20.24%	3.73%	-6.69%	-16.68%	-8.38%	-23.39%	-31.10%	30.51%	9.39%	42.55%	
13	PROPOSED REVENUE INCREASE	\$1,526,985	\$1,391,873	\$22,371	\$54,235	\$3,173	\$29,995	\$3,126	\$18,776			\$3,436	
14	INCREASE ON BASE REVENUES		32.40%	10.37%	7.49%	2.75%	1.72%	0.78%	2.05%	0.00%		34.04%	
15	INCREASE ON TOTAL REVENUES		12.33%	5.74%	3.26%	1.45%	0.69%	0.33%	1.00%	0.00%		10.10%	
16	PROPOSED CUSTOMER CHARGE		\$12.00	\$12.00	\$20.00	\$20.00	\$110.00	\$110.00	\$850.00	N/A	N/A	\$14.00	
17	PROPOSED VOLUMETRIC RATE		\$0.09249	\$0.64322	\$0.10655	\$0.55028	\$0.07806	\$0.36075	\$0.07539	N/A	N/A	\$1.17417	
18	ROR After Increase	8.32%	2.08%	8.94%	16.68%	16.44%	12.76%	24.28%	35.70%	-9.34%		0.43%	
19	CUSTOMER CHARGE REVENUE	\$6,153,022	\$3,809,988	\$61,236	\$484,200	\$28,240	\$1,130,580	\$89,650	\$543,150			\$5,978	
20	VOLUMETRIC REVENUE	\$4,205,207	\$1,877,594	\$176,944	\$294,211	\$90,134	\$648,303	\$312,254	\$391,949	\$406,263		\$7,553	
21	TOTAL BASE REVENUES TO COLLECT	\$10,286,127	\$5,687,582	\$238,180	\$778,411	\$118,374	\$1,778,883	\$401,904	\$935,099	\$327,684	\$6,477	\$13,531	

ENERGY WEST MONTANA, INC.
GAS COST OF SERVICE STUDY
FOR THE TEST YEAR ENDING 12/31/2017

CALCULATION OF CUSTOMER COST PER BILL FROM COSS RESULTS

Line No.	Description	Total	Residential		Small General		Large General		Ext. Gneral	Contracts		Propane
			Residential GF-Cass	Residential West	General Small GF-Cass	General Small West	General Large GF-Cass	General Large West	General Ext GF-Cass (Incl. New LG Com.)	Contract 1 - MAFB	Contract 2 - Refinery	Propane
1	CUSTOMER RATE BASE PER COSS	\$14,636,098	6,803,103	570,827	942,768	190,399	4,643,634	466,119	924,149	33,379	4,260	57,460
2	REQUESTED RETURN*	12.36%	12.36%	12.36%	12.36%	12.36%	12.36%	12.36%	12.36%	12.36%	12.36%	12.36%
3	REQUESTED RETURN ON RATE BASE	\$1,808,492	\$840,617	\$70,534	\$116,492	\$23,526	\$573,785	\$57,595	\$114,191	\$4,124	\$526	\$7,100
4	CUSTOMER EXPENSES PER COSS	\$6,202,557	\$4,893,139	\$120,707	\$413,037	\$36,454	\$574,908	\$54,583	\$94,408	\$3,623	\$881	\$10,817
5	TOTAL CUSTOMER COSTS PER COSS	\$8,011,048	\$5,733,757	\$191,241	\$529,529	\$59,980	\$1,148,693	\$112,178	\$208,600	\$7,747	\$1,407	\$17,917
6	TOTAL NORMALIZED BILLS	360,407	317,499	5,103	24,210	1,412	10,278	815	639	12	12	427
7	CUSTOMER COST PER BILL	\$22.23	\$18.06	\$37.48	\$21.87	\$42.48	\$111.76	\$137.64	\$326.45	\$645.60	\$117.28	\$41.96
8	CURRENT CUSTOMER CHARGE		\$7.25	\$7.25	\$18.00	\$18.00	\$110.00	\$110.00	\$850.00			\$13.00
9	PROPOSED CUSTOMER CHARGE		\$12.00	\$12.00	\$20.00	\$20.00	No Change	No Change	No Change	n/a	n/a	\$14.00

* Grossed-up for Income taxes

ENERGY WEST MONTANA, INC.
GAS COST OF SERVICE STUDY
FOR THE TEST YEAR ENDING 12/31/2017

BILL IMPACT

LINE NO.	RATE CLASS	AVERAGE USAGE	EXISTING RATES	EXISTING TYPICAL BILLS	PROPOSED RATES	PROPOSED TYPICAL BILLS	PERCENT INCREASE
1	RESIDENTIAL GF-CASC	64		\$35.57		\$39.96	12.32%
2	Customer Charge		\$7.25		\$12.00		
3	Volumetric Rate		\$0.09822		\$0.09249		
4	Gas Rate		\$0.34432		\$0.34432		
5	RESIDENTIAL WEST YELLOWSTONE	54		\$76.43		\$80.81	5.74%
6	Customer Charge		\$7.25		\$12.00		
7	Volumetric Rate		\$0.65000		\$0.64322		
8	Gas Rate		\$0.63106		\$0.63106		
9	GENERAL SMALL GF-CASC	114		\$69.16		\$71.40	3.24%
10	Customer Charge		\$18.00		\$20.00		
11	Volumetric Rate		\$0.10444		\$0.10655		
12	Gas Rate		\$0.34432		\$0.34432		
13	GENERAL SMALL WEST YELLOWSTONE	116		\$154.79		\$157.04	1.45%
14	Customer Charge		\$18.00		\$20.00		
15	Volumetric Rate		\$0.54815		\$0.55028		
16	Gas Rate		\$0.63106		\$0.63106		
17	GENERAL LARGE GF-CASC	808		\$448.37		\$451.28	0.65%
18	Customer Charge		\$110.00		\$110.00		
19	Volumetric Rate		\$0.07445		\$0.07806		
20	Gas Rate		\$0.34432		\$0.34432		
21	GENERAL LARGE WEST YELLOWSTONE	1,062		\$1,159.47		\$1,163.30	0.33%
22	Customer Charge		\$110.00		\$110.00		
23	Volumetric Rate		\$0.35714		\$0.36075		
24	Gas Rate		\$0.63106		\$0.63106		
25	GENERAL EXTENDED GF-CASC	5,288		\$3,063.77		\$3,069.43	0.18%
26	Customer Charge		\$850.00		\$850.00		
27	Volumetric Rate		\$0.07432		\$0.07539		
28	Gas Rate		\$0.34432		\$0.34432		
29	LARGE COMMERCIAL GF-CAC	5,288		\$1,631.04		\$1,678.68	2.92%
30	Customer Charge		\$850.00		\$850.00		
31	Volumetric Rate		\$0.06638		\$0.07539		
32	Gas Rate		\$0.08132		\$0.08132		
33	PROPANE	15		\$79.42		\$87.44	10.09%
34	Customer Charge		\$13.00		\$14.00		
35	Volumetric Rate		\$0.70636		\$1.17417		
36	Gas Rate		\$3.72156		\$3.72156		

Supplemental Testimony of

Charles E. Loy

Exhibit CEL-EWM-11

**ENERGY WEST MONTANA, INC.
MARGINAL COST OF SERVICE STUDY
FOR THE TEST YEAR ENDING 12/31/2016
SUPPLY MARGINAL COST**

Gas Purchases

Line No.	Description: Natural Gas Purchases	MMBtu	Price	Amount
1	Gas Purchases (EWM)			
2	Annual Supply	3,468,307	\$2.0343	\$7,055,720
3	Total Gas Purchases	3,468,307		\$7,055,720
4	EWM LAUF Percent (incl. NWE Fuel Charge) 3.58%	(124,165)		
5	Net Gas Purchases	3,344,142	\$2.1099	\$7,055,720
6	Full Marginal Cost of Supply per MMBtu			\$2.11
7	Description: Propane Purchases	Gallons	Price	Amount
8	Gas Purchases			
9	Annual Supply	17,691.0	\$2.9389	\$51,992
10	Total Gas Purchases	17,691.0		\$51,992
11	Transportation Costs	17,691.0	\$0.1739	\$3,077
12	Storage Costs	17,691.0	\$0.1584	\$2,802
13	Total All Costs	17,691.0	\$3.2712	\$57,871
14	Full Marginal Cost of Propane per Gallon			\$3.27

**ENERGY WEST MONTANA, INC.
MARGINAL COST OF SERVICE STUDY
FOR THE TEST YEAR ENDING 12/31/2016
SUPPLY MARGINAL COST**

Gas Purchases

15 Description: LNG Purchases	MMBtu	Price	Amount
16 Gas Purchases			
17 Annual Supply	93,840	\$2.8668	\$269,022
18 Total Gas Purchases	93,840		\$269,022
19 LAUF (from D2010.9.90)			\$31,148
20 Net Total Gas Purchases	93,840	\$3.1987	\$300,170
21 Transportation Costs:	Loads/Yr	Rate	Amount
22 Trucking mileage charge	118	\$1,600	\$188,800
Trucking Fuel Rider Charge	118	\$195	\$22,984
23 Annual Cost of LNG Transport	118.0	\$1,795	\$211,784
24 Liquefaction Cost:	MMBtu	Price	Amount
Liquefaction	93,840	\$3.0000	\$281,520
25 Total Liquefaction and Transportation	93,840	\$5.2569	\$493,304
26 Total All Costs	93,840	\$8.4556	\$793,474
27 Full Marginal Cost of Supply per MMBtu			\$8.46

Step (1) – determining marginal cost of supply. To calculate marginal cost of supply, I have used historical volumes of gas purchases paired with cost of gas which was estimated as described here. Price of natural gas was calculated by adding basis between AECO Storage Hub Spot Natural Gas Index and Henry Hub to LT NYMEX Futures. The price for LNG was estimated by adding basis between Rocky Mountains Spot Natural Gas Index and Henry Hub to LT NYMEX Futures. The calculation of the propane price was based on Mont Belvieu, Montana Propane Residential, and propane price filed with the Commission on August 3, 2017.

**ENERGY WEST MONTANA, INC.
MARGINAL COST OF SERVICE STUDY
FOR THE TEST YEAR ENDING 12/31/2016
TRANSMISSION MARGINAL COST**

Gas Transportation

Line No.	Gas Transportation	Quantity in MMBtu's	Rate	Annual Amount
1	<u>EWM</u>			
2	Capacity on NOVA 10,000 Dkt/Day x 12 months	120,000	\$4.1554	\$498,648
3	NWE Fixed Demand	37,147	\$10.3237	\$4,601,949
4	NWE Commodity Transport	3,338,949	\$0.0820	\$273,947
5	NWE Meter Charges	5	\$303.75	\$18,225
6	Total Transport	3,338,949		\$5,392,769
7	Marginal Demand Costs	37,147	\$137.80	\$5,118,822
8	Marginal Commodity Transport	3,338,949	\$0.0820	\$273,947
9	Marginal Cost of Transport for 1 Unit			\$ 137.88

Step (2) – determining marginal cost of transmission. Marginal cost of transmission was based on historic EWM volumes and the transportation rate from the Northwestern (NEW) Natural Gas.

**ENERGY WEST MONTANA, INC.
MARGINAL COST OF SERVICE STUDY
FOR THE TEST YEAR ENDING 12/31/2016
STORAGE MARGINAL COST**

Gas Transportation

Line No.	Gas Storage	Quantity in MMBtu's	Rate	Annual Amount
1	<u>EWM</u>			
2	Injection	77,400	\$0.0255	\$23,684
3	Capacity	423,011	\$0.0242	\$122,974
4	Withdrawal	74,554	\$0.0255	\$22,814
5	Reservation	15,000	\$4.9345	\$888,214
6	Return on Storage Inventory			\$271,754
7	Total Storage	3,338,949	\$0.3982	\$1,329,440
8	Marginal Cost of Storage for 1 Unit			\$ 0.40

Step (3) – determining marginal cost of storage. Marginal cost of storage was also based on historic EWM volumes and the storage rate from the NWE Natural Gas.

**ENERGY WEST MONTANA, INC.
MARGINAL COST OF SERVICE STUDY
FOR THE TEST YEAR ENDING 12/31/2016
DISTRIBUTION MARGINAL COST**

<u>Class</u>	<u>Mains</u>			<u>Meters & Regulators</u>			<u>Customer Expense</u>			<u>Annual</u>	<u>Monthly</u>
	<u>Invest- ment</u>	<u>ECCR Factor</u>	<u>Annual Cost</u>	<u>Invest- ment</u>	<u>ECCR Factor</u>	<u>Annual Cost</u>	<u>Base Cost</u>	<u>Adjst Factor</u>	<u>Annual Cost</u>	<u>Cost Per Customer</u>	<u>Cost Per Customer</u>
1 Residential Customer	\$1,165	8.72%	\$102	\$193	8.72%	\$17	\$161	1.0	\$161	\$279	\$23
2 Small General	\$1,165	8.72%	\$102	\$233	8.72%	\$20	\$161	1.0	\$161	\$283	\$24
3 Large General	\$1,165	8.72%	\$102	\$1,342	8.72%	\$117	\$161	1.0	\$161	\$380	\$32
4 Ext General	\$1,165	8.72%	\$102	\$3,020	8.72%	\$263	\$161	0.9	\$149	\$514	\$43
5 Propane	\$1,165	8.72%	\$102	\$193	8.72%	\$17	\$161	1.0	\$161	\$279	\$23
6 Contract 1 - MAFB	\$1,165	8.72%	\$102	\$3,020	8.72%	\$263	\$161	3.0	\$483	\$848	\$71
7 Contract 2 - Refinery	\$1,165	8.72%	\$102	\$3,020	8.72%	\$263	\$161	3.0	\$483	\$848	\$71

Step (4) – determining marginal cost of distribution. Marginal cost of distribution involved cost analysis of mains, meters, and regulators. The cost data originated from company's accounting records.

**ENERGY WEST MONTANA, INC.
MARGINAL COST OF SERVICE STUDY
FOR THE TEST YEAR ENDING 12/31/2016**

Cost of Distribution Mains - EWM

<u>Class</u>	Mains Component <u>Investment</u>	ECCR <u>Factor</u>	Annual <u>Cost</u>	Monthly <u>Cost</u>
1 Residential Customer	\$1,164.50	8.72%	\$101.54	\$8.46
2 Small General	\$1,164.50	8.72%	\$101.54	\$8.46
3 Large General	\$1,164.50	8.72%	\$101.54	\$8.46
4 Ext General	\$1,164.50	8.72%	\$101.54	\$8.46
5 Propane	\$1,164.50	8.72%	\$101.54	\$8.46
6 Contract 1 - MAFB	\$1,164.50	8.72%	\$101.54	\$8.46
7 Contract 2 - Refinery	\$1,164.50	8.72%	\$101.54	\$8.46

**ENERGY WEST MONTANA, INC.
MARGINAL COST OF SERVICE STUDY
FOR THE TEST YEAR ENDING 12/31/2016**

Average Meter and Regulator Investment

Line No.	Marginal Rate Classes	Meter	Regulator	Installation	Total
1	Residential	\$79.27	\$22.81	\$91.00	\$193.08
2	General Small	\$120.05	\$22.24	\$91.00	\$233.29
3	General Large	\$1,116.07	\$135.10	\$91.00	\$1,342.17
4	General Ext	\$1,937.29	\$991.64	\$91.00	\$3,019.93
5	Propane	\$79.27	\$22.81	\$91.00	\$193.08
6	Contract 1 - MAFB	\$1,937.29	\$991.64	\$91.00	\$3,019.93
7	Contract 2 - Refinery	\$1,937.29	\$991.64	\$91.00	\$3,019.93

**ENERGY WEST MONTANA, INC.
MARGINAL COST OF SERVICE STUDY
FOR THE TEST YEAR ENDING 12/31/2016**

Customer Service

Line No.	CUSTOMER ACCOUNTS EXPENSES	Total (incl. Cut Bank)
1	CUSTOMER ACCOUNT EXPENSES	
2	Meter Reading Expenses 902	\$182,048
3	Customer Records & Collection Expense 903	\$753,317
4	Uncollectible Accounts 904	\$64,722
5	Distribution Revenue Factor	39.4%
6	Uncollectible Accounts - Distribution 904-D	\$25,472
7	CUSTOMER SERVICE & INFORMATIONAL EXPENSES	
8	Informational Advertising Expense 912	
9	Demonstration and Selling Expense 916	\$1,864
10	ADMINISTRATIVE & GENERAL EXPENSES	
11	Operation:	
12	Administrative & General Salaries 920	\$534,462
13	General office 921	\$601,350
14	GNI Shared Services 930	\$1,721,305
15	Administrative Expense Tsfd. (Cr.) 922	-\$81,839
16	Outside Services Employed 923	\$79,532
17	Property & Liability Insurance 924	\$49,335
18	Injuries & Damages 925	\$198,454
19	Pensions (401k) 926.1	\$156,310
20	Employee Benefits 926.2	\$472,080
21	Vacation Accrual Expense 926.3	\$11,063
22	Regulatory Commission Expense 928	\$73,334
23	General and advertising expenses 930.1	
24	Miscellaneous general expenses 930.2	-\$3,562
25	Rent 931	\$184,988
26	Total Operation	\$3,996,812
27	Maintenance:	
28	Maintenance of General Plant 932	\$122,094
29	TOTAL ADMINISTRATIVE & GENERAL	\$4,118,906

30	Subtotal - O&M and Customer Accounts	920-932	\$5,081,607
31	Normalized Number of Customers		31,545
32	Annual Marginal Customer Cost		\$161

Step (5) – determining marginal cost of customer. The customer costs were determined by analyzing customer expenses and administrative and general expenses accounts.

**ENERGY WEST MONTANA, INC.
MARGINAL COST OF SERVICE STUDY
FOR THE TEST YEAR ENDING 12/31/2016**

**Economic Carrying Charge Rate
EWM - Mains and Meters**

Economic Life (n, years) =	40
Utility Incremental Discount Rate (r) =	8.3%
Inflation Rate (i) =	2.10%
Pre Tax Real Discount Rate $(1+r)/(1+e)-1=$	6.1%
Tax Gross Factor (PWRR)=	1.376
Infinite Series Adjustment (ISA): $1 / (1-((1+i)/(1+r))^n)$	1.104
Deferral Value (DV): $(r-i) / (1+r)$	0.0574
ECCR = PWRR * Infinite Series * Deferral Value	8.72%

	Capital Ratio	Net-To- Gross Multiplier	Ratio ' Multiplier	Cost Factor	Weighted Cost
D	39.95%	1	0.400	4.66%	1.86%
E	60.05%	1.6248	0.976	10.76%	6.46%
			Sum = 1.376		8.32%

34.00% Federal
6.75% State

ENERGY WEST MONTANA, INC.
MARGINAL COST OF SERVICE STUDY
FOR THE TEST YEAR ENDING 12/31/2016
COMPARISON WITH EMBEDDED COS

Marginal Revenue Requirement - EWM

Totals	<u>Residential</u>		<u>Small General</u>		<u>Large General</u>		<u>Ext. General</u>	<u>Negotiated Contracts</u>		<u>Propane</u>
	Residential GF-Cass	Residential West	General Small GF- Cass	General Small West	General Large GF-Cass	General Large West	General Ext GF-Cass (Incl. New LG Com.)	Contract 1 - MAFB	Contract 2 - Refinery	Propane Cass

Line No.

1	EMBEDED REVENUE REQUIREMENT	\$10,286,127	\$5,687,582	\$238,180	\$778,411	\$118,374	\$1,778,883	\$401,904	\$935,099	\$327,684	\$6,477	\$13,531
2	MARGINAL DISTRIBUTION COSTS PER CUST		\$279	\$279	\$283	\$283	\$380	\$380	\$514	\$848	\$848	\$279
3	NUMBER OF CUSTOMERS	30,034	26,458	425	2,018	118	857	68	53	1	1	36
4	MARGINAL REVENUE REQUIREMENT	\$8,507,307	\$7,394,286	\$118,845	\$570,903	\$33,297	\$325,187	\$25,786	\$27,364	\$848	\$848	\$9,944
5	RATIO OF EMBEDDED TO MARGINAL	1.21										
6	ADJUSTED MARGINAL REVENUE REQUIREMENT	\$10,286,127	\$8,940,381	\$143,694	\$690,274	\$40,259	\$393,181	\$31,178	\$33,085	\$1,025	\$1,025	\$12,024
7	DIFFERENCE FROM EMBEDDED REV. REQ.	\$0	-\$3,252,798	\$94,486	\$88,137	\$78,115	\$1,385,702	\$370,727	\$902,013	\$326,659	\$5,452	\$1,508

Step (6) – allocating costs among customer classes and analyzing the results. To calculate marginal distribution revenue requirement for each class, the marginal distribution cost per customer was multiplied by the number of customers. To make "apples to apples" comparison I multiplied marginal COS revenue requirement by 1.25, which is the ratio of the embedded revenue requirement to the marginal revenue requirement.

CERTIFICATE OF SERVICE

I certify that on this, the 24th day of October, 2017, **SUPPLEMENTAL TESTIMONY AND EXHIBITS OF CHARLES E. LOY** were e-filed with the Commission and served via U.S. mail and e-mail, unless otherwise noted, to the following:

Will Rosquist
Montana PSC
1701 Prospect Avenue
PO Box 202601
Helena, MT 59620-2601
wrosquist@mt.gov
via **UPS Overnight Mail**

Robert Nelson
Jason Brown
Montana Consumer Counsel
111 N. Last Chance Gulch
Suite 1B, P.O. Box 201703
Helena, MT 59601
robnelson@mt.gov
jbrown4@mt.gov

Jed Henthorne
President and General Manager
Energy West Montana, Inc.
Cut Bank Gas Company
PO Box 2229
Great Falls, MT 59403-2229
jhenthorne@egas.net

Thorvald A. Nelson
Nikolas S. Stoffel
Holland & Hart, LLP
6380 South Fiddler's Green Circle
Suite 500
Greenwood Village, CO 80111
tnelson@hollandhart.com
nsstoffel@hollandhart.com

Kevin Degenstein
Chief Operating Officer
Chief Compliance Officer
Gas Natural Inc.
PO Box 2229
Great Falls, MT 59403-2229
kdegenstein@egas.net

For electronic service only:
aclee@hollandhart.com
ppenn@hollandhart.com

s/ Adele C. Lee _____