

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

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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

UTILITY DIVISION  
  
Docket No. D2017.9.80

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**ENERGY WEST MONTANA'S AND CUT BANK GAS COMPANY'S  
RESPONSES TO DATA REQUESTS PSC-001 THROUGH PSC-002**

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Energy West Montana ("EWM") and Cut Bank Gas Company ("CBG") provide the attached responses to the Montana Public Service Commission's Data Requests PSC-001 through PSC-002.

Respectfully submitted this 17th day of November, 2017.

*s/ Nikolas S. Stoffel*  
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**COUNSEL FOR ENERGY WEST MONTANA,  
INC. AND CUT BANK GAS COMPANY**

**DATA REQUESTS**

**PSC-001:** RE: Change in Accounts  
Witness: Henthorne

- a. Please provide an explanation of the change using the accounts in schedule 8 of the annual reports showing a change greater or less than 20% between years 2014 and 2016.

Example: From Schedule 8 of the annual report. In addition the workbook schedules staff has used to derive the amounts for these data requests are included with the data\ requests.

Account Number & Title	Year 2014	Year 2016	% Change 2014-2016
400 Operating Revenues	\$83,424,850	\$57,557,588	-30.86%

- b. Please provide an explanation of the change using the accounts in schedule 9 of the annual reports showing a change greater or less than 20% between years 2014 and 2016.
- c. Please provide an explanation of the change using the accounts in schedule 10 of the annual reports showing a change greater or less than 20% between years 2014 and 2016.
- d. Please provide an explanation of the change using the accounts in schedule 11 of the annual reports showing a change greater or less than 20% between years 2014 and 2016.
- e. Please provide an explanation of the change using the accounts in schedule 18 of the annual reports showing a change greater or less than 20% between years 2014 and 2016.
- f. Please provide an explanation of the change using the accounts in schedule 27 of the annual reports showing a change greater or less than 20% between years 2014 and 2016.

**EWM's Response to PSC-001:**

- a. See Attachment PSC-001-EWM
- b. See Attachment PSC-001-EWM
- c. See Attachment PSC-001-EWM
- d. See Attachment PSC-001-EWM

- e. See Attachment PSC-001-EWM
- f. No line items were noted with a change greater or less than 20% between years 2014 and 2016.

**CBG's Response to PSC-001:**

- a. See Attachment PSC-001-CBG
- b. See Attachment PSC-001-CBG
- c. See Attachment PSC-001-CBG
- d. See Attachment PSC-001-CBG
- e. See Attachment PSC-001-CBG
- f. See Attachment PSC-001-CBG

**PSC-002:** RE: 2016 Annual Report  
 Witness: Henthorne

Please identify and explain any difference in the amounts filed using the 2016 test year and amounts filed in EWM's and CBGC's 2016 Gas Annual Report.

**EWM's Response to PSC-002:**

When comparing Statement A-Balance Sheet in the rate case to Schedule 18 in EWM's Annual PSC report, we noted the following differences:

Description	Rate Filing - Statement A	2016 Gas Annual Report Schedule 18	Difference
Net Utility Plant	\$20,010,419	\$20,010,420	\$1

- Difference due to rounding.

Description	Rate Filing - Statement A	2016 Gas Annual Report Schedule 18	Difference
Cash	\$1,145,885	\$1,143,985	\$(1,900)
Working Funds	\$0	\$1,900	\$1,900
Net Difference			\$0

- Difference due to consolidation in the rate filing.

Description	Rate Filing - Statement A	2016 Gas Annual Report Schedule 18	Difference
Accounts Receivable	\$3,892,505	\$2,785,682	\$(1,106,823)
(Less) Accum. Provision for Uncollectible Accts.	\$0	\$(102,924)	\$(102,924)
Accrued Utility Revenues	\$0	\$1,209,747	\$1,209,747
Net Difference			\$0

- Difference due to consolidation in the rate filing.

Description	Rate Filing - Statement A	2016 Gas Annual Report Schedule 18	Difference
Materials and Supplies	\$365,599	\$355,312	\$(10,287)
Merchandise	\$0	\$10,287	\$10,287
Net Difference			\$0

- Difference due to consolidation in the rate filing.

Description	Rate Filing - Statement A	2016 Gas Annual Report Schedule 18	Difference
Unamortized Debt Expense	\$518,709	\$207,789	\$(310,920)
Unamortized Loss on Required Debt	\$0	\$310,920	\$310,920
Net Difference			\$0

- Difference due to consolidation in the rate filing.

Description	Rate Filing - Statement A	2016 Gas Annual Report Schedule 18	Difference
Deferred Purchased Gas Costs	\$422,600	317,323	\$(105,277)
Over-Recovered Gas Purchases	\$(105,277)	\$0	105,277
Net Difference			\$0

- Difference due to reclassification in the rate filing.

Description	Rate Filing - Statement A	2016 Gas Annual Report Schedule 18	Difference
Accrued Payroll	\$47,018	\$0	\$(47,018)
Accrued Vacation Payable	\$54,054	\$0	\$(54,054)
Accrued Employee Benefit Plans	\$38,701	\$0	\$(38,701)
Budget Plan Overpayments	\$1,237,117	\$0	\$(1,237,117)
Other Current Liabilities	\$480,218	\$1,940,270	\$1,460,052
Long Term Regulatory Assets	\$83,161	\$0	\$(83,161)
Net Difference			\$1

- Difference due to reclassification in the rate filing and \$1 rounding.

Description	Rate Filing - Statement A	2016 Gas Annual Report Schedule 18	Difference
Other Assets	\$11,027,964	\$0	\$(11,027,964)
Deferred Charges	\$0	\$8,250,814	\$8,250,814
Other Long Term Liabilities	\$(2,777,150)	\$0	\$2,777,150
Net Difference			\$0

- Difference due to reclassification in the rate filing.

Description	Rate Filing - Statement A	2016 Gas Annual Report Schedule 18	Difference
Deferred Tax Assets - Current	\$84,014	\$0	\$(84,014)
Deferred Tax Assets – Long	\$264,860	\$58,547	\$(206,313)

Term			
Deferred Tax Liabilities - Current	\$(141,321)	\$0	\$141,321
Deferred Tax Liabilities - Long Term	\$(4,882,383)	\$(4,733,377)	\$149,006
Net Difference			\$0

- Difference due to reclassification in the rate filing.

Description	Rate Filing - Statement A	2016 Gas Annual Report Schedule 18	Difference
Accounts Payable	\$1,882,729	\$1,917,017	\$34,288
Accrued Taxes Other than Income	\$431,928	\$397,640	\$(34,288)
Net Difference			\$0

- The difference is due to the accrued PSC and MCC tax amounts. For the rate case filing, these were included in accrued taxes other than income whereas in the Annual PSC report they were included as accounts payable.

Description	Rate Filing - Statement A	2016 Gas Annual Report Schedule 18	Difference
Accounts Receivable – Intercompany	\$3,969,683	\$775,103	\$(3,194,580)
Accounts Payable – Intercompany	\$(3,605,410)	\$(410,830)	\$3,194,580
Net Difference			\$0

- The Intercompany Accounts Receivable and Accounts Payable breakout are correctly reported on the Annual PSC report. While the amounts reported in the rate case filing net to the overall correct intercompany balances, the breakout between receivables and payables is presented differently.

When comparing Statement B – Income Statement in the rate case to Schedule 8 in the EWM Annual PSC report we noted the following differences:

Description	Rate Filing - Statement B	2016 Gas Annual Report Schedule 8	Difference
Gas Purchased	\$13,923,793	\$0	\$(13,923,793)
Other	\$5,709,101	\$0	\$(5,709,101)
Operation Expenses	\$0	\$19,632,894	\$19,632,894
Net Difference			\$0

- Difference due to reclassification in the rate filing.

Description	Rate Filing - Statement B	2016 Gas Annual Report Schedule 8	Difference
Income Taxes	\$120,840	\$0	\$(120,840)
Income Taxes – Federal	\$0	\$(20,643)	\$(20,643)
– State	\$0	\$(424)	\$(424)
Provision for Deferred Income Taxes	\$0	\$162,969	\$162,969
Investment Tax Credit Adjustments	\$0	\$(21,062)	\$(21,062)
Net Difference			\$0

- Difference due to consolidation in the rate filing.

When comparing Statement C – Utility Plant Accounts in the rate case to Schedule 19 in the EWM Annual PSC report we noted the following differences:

Description	Rate Filing - Statement C	2016 Gas Annual Report Schedule 19	Difference
374 Land & Land Rights	\$0	\$7,544	\$7,544
375 Structures & Improvements	\$2,031,748	\$2,028,112	\$(3,636)
380 Services	\$13,411,261	\$13,411,260	\$(1)
381 Meters	\$1,107,320	\$1,107,321	\$1
382 Meter Installations	\$2,680,234	\$2,680,233	\$(1)
383 House Regulators	\$448,710	\$447,176	\$(1,534)
384 House Regulator Installations	\$940,313	\$941,847	\$1,534
390 Structures & Improvements	\$2,380,629	\$2,358,006	\$(22,623)
391 Office Furniture & Equipment	\$4,290,725	\$7,022,279	\$2,731,554
391 Property Under Capital Leases	\$2,393,172	\$0	\$(2,393,172)
391 Leasehold Improvements	\$340,250	\$0	\$(340,250)
394 Tools, Shop & Garage Equipment	\$724,468	\$722,182	\$(2,286)
397 Communication Equipment	\$354,843	\$357,131	\$2,288
399 Other Tangible Property	\$0	\$20,582	\$20,582
Net Difference			\$0

- Differences are due to reclassifications in the rate filing.

When comparing Statement D – Accumulated Depreciation, Depletion and Amortization in the rate case to Schedule 20 in the EWM Annual PSC report we noted the following differences:

Description	Rate Filing - Statement D	2016 Gas Annual Report Schedule 20	Difference
Distribution Plant	\$21,643,435	\$22,133,143	\$489,708
General Plant	\$7,077,411	\$6,587,702	\$(489,709)
Net Difference			\$(1)

- Differences are due to reclassifications in the rate case filing.

When comparing Statement E – Working Capital in the rate case to Schedule 27 in the EWM Annual PSC report we noted the following differences:

Description	Rate Filing - Statement E	2016 Gas Annual Report Schedule 27	Difference
Operating & Maintenance Expense	\$5,793,334	\$5,833,258	\$39,924
Materials & Supplies	\$3,032,647	\$2,914,051	\$(118,596)

- The average operating and maintenance expenses used on schedule 27 of the PSC report is the average between 2015 and 2016. The average used in the rate filing is the average between 2016 and normalized 2016.
- The materials and supplies balance in the rate case uses the 13-month average, while the 2016 PSC report uses the average of year end 2015 and year end 2016.

When comparing Statement F – Debt Capital in the rate case to Schedule 24 in the EWM Annual PSC report we noted the following differences:

Description	Rate Filing - Statement F	2016 Gas Annual Report Schedule 24	Difference
Annual Net Cost	\$353,175	\$328,652	\$(24,523)

- The annual cost of debt in the rate case filing is \$24,523 higher due to the inclusion of the amortization of the reacquisition of debt costs.



When comparing Statement G – Operating and Maintenance Expenses in the rate case to Schedule 10 in the EWM Annual PSC report we noted the following differences:

Description	Rate Filing - Statement G	2016 Gas Annual Report Schedule 10	Difference
864 Maintenance of Compressor Station Equipment	\$15,201	\$0	\$(15,201)
932 Maintenance of General Plant	\$112,813	\$128,014	\$15,201
Net Difference			\$0

- Difference due to reclassification in the rate filing.

Description	Rate Filing - Statement G	2016 Gas Annual Report Schedule 10	Difference
920 Administrative General Salaries Expenses	\$376,757	\$387,038	\$10,281
922 Administrative Expense Transferred –Cr.	\$(78,101)	\$(391,427)	\$(313,326)
926.3 Vacation Accrual Expense	\$9,609	\$0	\$(9,609)
930.2 Miscellaneous General Expenses	\$9,374	322,028	\$312,654
Net Difference			\$0

- In 2016, we created two new General Ledger accounts to better track our salaries expenses. In the 2016 EWM Annual PSC report, one of the new accounts was included in FERC 930.2 while the offsetting contra account was included in FERC 922. Both new accounts should have been in account 920. The remaining difference is a reclassification between the rate filing and the 2016 EWM Annual PSC report for vacation expense.

Description	Rate Filing - Statement A	2016 Gas Annual Report Schedule 18	Difference
Employee Pensions and Benefits		\$601,918	\$601,918
926.1 Pensions (401K)	\$171,362	\$0	\$(171,362)
926.2 Employee Benefits	\$430,556	\$0	\$(430,556)
Net Difference			\$0

- Difference due to reclassification in the rate filing.

When comparing Statement H – Operating Revenues in the rate case to Schedule 9 in the EWM Annual PSC report we noted the following differences:

Description	Rate Filing - Statement H	2016 Gas Annual Report Schedule 9	Difference
Residential	\$11,738,453	\$11,806,339	\$67,886
Commercial & Industrial – Small	\$0	\$1,842,306	\$1,842,306
Commercial & Industrial – Large	\$0	\$9,515,674	\$9,515,674
General Service	\$7,705,097	\$0	\$(7,705,097)
Propane Sales	\$35,653	\$0	\$(35,653)
Residential and General Transport	\$1,243,314	\$0	\$(1,243,314)
Large Commercial Transport	\$311,767	\$0	\$(311,767)
Negotiated Contract	\$1,805,719	\$0	\$(1,805,719)
Return on Storage Inventory – JDH-EWM-2	\$324,106	\$0	\$(324,106)
Other Revenue – JDH-EWM-2	\$16,175	\$15,962	\$(213)
Total Revenue	\$23,180,284	\$23,180,281	\$(3)

- The Statement H in the rate case filing includes detail of operating revenues only. After adding return on storage inventory and other revenue from Henthorne testimony Exhibit JDH-EWM-2 Page 2, the net revenue difference between the general rate filing and the 2016 EWM Annual PSC report is \$3 due to rounding. The differences for the operating revenue amounts are due to reclassification of detailed class information for the general rate filing.

We noted no schedules in the EWM Annual PSC report which showed the same detail as Statement I – Depreciation, Depletion, & Amortization of the rate case file. We did note that total Depreciation expense of \$1,408,219 in Statement I ties to total depreciation expense on Schedule 8 of the Annual PSC report.

We noted no schedules in the EWM Annual PSC report which showed the same detail as Statement J – Income Taxes of the rate case file. We did note that total income tax expense of \$120,843 in Statement J is \$3 off total income taxes on Schedule 8 of the Annual PSC report, due to rounding.

When comparing Statement K – Taxes Other Than Income in the rate case to Schedule 11 in the EWM Annual PSC report we noted the following differences:

Description	Rate Filing - Statement K	2016 Gas Annual Report Schedule 11	Difference
Payroll Taxes	\$171,693	\$171,793	\$100

Other Taxes	\$100	\$0	\$(100)
Net Difference			\$0

- Actual 2016 Payroll tax expense is \$100 higher in the Annual PSC report vs. the rate case filing. In the rate case filing the \$100 is listed as “Other”. The \$100 is licensing fees paid for doing business in the state of MT.

**CBG’s Response to PSC-002:**

When comparing Statement A-Balance Sheet in the rate case to Schedule 18 in the CBGC Annual PSC report we noted the following differences:

Description	Rate Filing - Statement A	2016 Gas Annual Report Schedule 18	Difference
Accumulated Depreciation	\$831,203	\$831,202	\$1

- Difference due to rounding.

Description	Rate Filing - Statement A	2016 Gas Annual Report Schedule 18	Difference
Net Utility Plant	\$1,244,173	\$2,300,945	\$1,056,772
Gas Plant Acquisition Adjustment	\$1,056,771	\$0	\$(1,056,771)
Net Difference			\$1

- The \$1,056,771 of goodwill is included in account 114 Gas Plant Acquisition Adjustments as part of Utility Plant on the PSC Report, but is included in Other Assets in the rate case filing. The remaining \$1 difference is due to rounding.

Description	Rate Filing - Statement A	2016 Gas Annual Report Schedule 18	Difference
Other Investments	\$2,595	\$0	\$(2,595)
Prepayments	\$77,402	\$57,064	\$(20,338)
Unamortized Debt Expense	\$9,137	\$0	\$(9,137)
Other Assets	\$0	\$32,070	\$32,070
Net Difference			\$0

- 124 Other Investments, 165 Prepayments and 181 Unamortized Debt Expense on the PSC Report are broken out between current and long term in the Prepayments and Other Assets lines in the rate case filing.

Description	Rate Filing - Statement A	2016 Gas Annual Report Schedule 18	Difference
Intercompany Accounts	\$140,086	\$127,873	\$(12,213)

Receivable			
Intercompany Accounts Payable	\$(130,704)	\$(118,491)	\$12,213
Net Difference			\$0

- The Intercompany Accounts Receivable and Accounts Payable breakout are correctly reported on the Annual PSC report. While the amounts reported in the rate case filing net to the overall correct intercompany balances, the breakout between receivables and payables is presented differently.

Description	Rate Filing - Statement A	2016 Gas Annual Report Schedule 18	Difference
190 Accumulated Deferred Income Tax	\$0	\$124,831	\$124,831
Deferred Tax Asset – Current	\$46,784	\$0	\$(46,784)
Deferred Tax Asset – Long Term	\$78,047	\$0	\$(78,047)
Net Difference			\$0

- Account 190 Accumulated deferred income tax assets are reported together as long term deferred debits on the PSC report, however are properly broken out between current and long term in the rate case filing.

Description	Rate Filing - Statement A	2016 Gas Annual Report Schedule 18	Difference
232 Accounts Payable	\$122,446	\$122,470	\$24
242 Miscellaneous Current & Accrued Liabilities	\$0	\$104,200	\$104,200
Accrued Vacation Payable	\$3,304	\$0	\$(3,304)
Accrued Employee Benefit Plan	\$4,893	\$0	\$(4,893)
Budget Plan Overpayments	\$75,996	\$0	\$(75,996)
Other Current Liabilities	\$20,030	\$0	\$(20,030)
Net Difference			\$1

- Difference due to reclassification in the rate filing and \$1 rounding.

When comparing Statement E – Working Capital in the rate case to Schedule 27 in the CBGC Annual PSC report we noted the following differences:

Description	Rate Filing - Statement E	2016 Gas Annual Report Schedule 27	Difference
Average Operating & Maintenance Expenses	\$611,889	\$649,628	\$37,739

- The average operating & maintenance expenses used on schedule 27 of the PSC report is the average between 2015 and 2016. The average used in the rate case filing is the average between 2016 and normalized 2016. In addition, the PSC report figure includes taxes other than income, whereas the rate case filing does not.

Description	Rate Filing - Statement E	2016 Gas Annual Report Schedule 27	Difference
Materials & Supplies	\$57,813	\$57,305	\$508

- The materials & supplies in the rate case filing use a 13 month average whereas the PSC report uses a 12 month average.

When comparing Statement F – Debt Capital in the rate case to Schedule 24 in the CBGC Annual PSC report we noted no differences.

When comparing Statement G – Operating and Maintenance Expenses in the rate case to Schedule 10 in the CBGC Annual PSC report we noted the following differences:

Description	Rate Filing - Statement G	2016 Gas Annual Report Schedule 10	Difference
922 Administrative Expense Transferred	\$(3,738)	\$(66,418)	\$(62,680)
926.3 Vacation Accrual Expense	\$(309)	\$0	\$309
920 Administrative & General Salaries	\$14,168	\$76,539	\$62,371
Net Difference			\$0

- In 2016, we created two new General Ledger accounts to better track our salaries expenses. In the 2016 CBGC Annual PSC report, one of the new accounts was included in FERC 920 while the offsetting contra account, with a balance of \$(62,680), was included in FERC 922. Both new accounts should have been in account 920. The remaining difference is a reclassification between the rate filing and the 2016 CBGC Annual PSC report for vacation expense.

Description	Rate Filing - Statement G	2016 Gas Annual Report Schedule 10	Difference
Pensions (401K)	\$24,228	\$0	\$(24,228)
Employee Benefits	\$38,434	\$62,662	\$24,228

- The Actual 2016 in the rate case shows \$24,228 in account 926.1 Pensions (401K) and \$38,434 in account 926.2 Employee Benefits, while the CBGC Annual PSC report includes them both in account 926 Employee Pensions & Benefits, \$62,662.

When comparing Statement H – Operating Revenues in the rate case to Schedule 9 in the CBGC Annual PSC report we noted the following differences:

Description	Rate Filing - Statement H	2016 Gas Annual Report Schedule 9	Difference
Residential	\$874,577	\$879,345	\$4,768
Commercial	\$464,784	\$460,015	\$(4,768)
Net Difference			\$0

- There is a \$4,768 reclassification between residential and commercial revenues in the rate case filing as compared to the PSC report. \$1 difference due to rounding.

We noted no schedules in the CBGC Annual PSC report which showed the same detail as Statement I – Depreciation, Depletion, & Amortization of the rate case file. We did note that total Depreciation expense of \$77,737 in Statement I ties to total depreciation expense on Schedule 8 of the Annual PSC report, aside from \$1 rounding difference.

We noted no schedules in the CBGC Annual PSC report which showed the same detail as Statement J – Income Taxes of the rate case file. We did note that total income tax expense of (\$55,200) in Statement J ties to the total of accounts 409-411 on Schedule 8 of the Annual PSC report.

When comparing Statement K – Taxes Other Than Income in the rate case to Schedule 11 in the CBGC Annual PSC report we noted no differences.

## CERTIFICATE OF SERVICE

I certify that on this, the 17th day of November, 2017, **ENERGY WEST MONTANA'S AND CUT BANK GAS COMPANY'S RESPONSES TO DATA REQUESTS PSC-001 THROUGH PSC-002** was e-filed with the Commission and served via U.S. mail and e-mail, unless otherwise noted, to the following:

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*s/ Adele C. Lee*

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<b>PSC-001-CBG</b>					
<b>Account Number &amp; Title</b>	<b>Year 2014</b>	<b>Year 2016</b>	<b>% Change From Attachment to PSC-001</b>	<b>Explanation</b>	
<b>PSC-001(a)</b>					
<b>A1</b>	400 Operating Revenues	\$2,057,910	\$1,339,361	-35%	The average tariff rate for 2016 was \$5.341/MCF, compared to \$8.799/MCF in 2014. Multiplying the decrease of \$3.458/MCF by the 2016 sales volumes of 185,941 MCF results in a \$642,984 decrease to operating revenue.
<b>A2</b>	401 Operation Expenses	\$1,769,017	\$1,279,640	-28%	The majority of this decrease is a result of the decreased gas cost as discussed in A1 above. Gas cost in 2014 was \$1,280,649, compared to \$671,666 in 2016.
<b>A3</b>	402 Maintenance Expense	\$28,780	\$20,901	-27%	The 2014 maintenance expense of \$28,780 includes monthly maintenance fees on our billing software. In 2015 we converted to the new SAP software. The maintenance on this software is shared among the other Gas Natural utilities and is therefore included in overhead expenses instead of maintenance.
<b>A4</b>	403 Depreciation Expense	\$33,850	\$77,738	130%	Plant at 12/31/14 was \$1,566,902, consisting of \$161,938 CWIP, \$325,614 general, and \$1,079,350 distribution. Plant at 12/31/16 was \$2,075,376, consisting of \$6,337 CWIP, \$574,969 general, and \$1,494,070 distribution. Average useful live on general plant is 10 years and average useful life on distribution plant is 20 years. This results in a rough increase to annual depreciation of \$45,671.
<b>A5</b>	409.1 Income Taxes - Federal	\$35,443	(\$28,571)	-181%	Federal and State income taxes decreased between 2014 and 2016 due to decreased taxable income. In 2014, taxable federal income was \$107,306, as compared to a taxable loss of \$36,400 in 2016.
	- State	\$5,782	(\$25,368)	-539%	
<b>A6</b>	410.1 Provision for Deferred Income Taxes	(\$34,652)	(\$1,261)	-96%	Deferred income tax expense decreased due to an increase in timing differences, mainly related to accelerated depreciation and changes in deferred gas costs.
<b>PSC-001(b)</b>					
<b>B1</b>	480 Residential	\$1,243,947	\$879,345	-29%	The average tariff rate for 2016 was \$5.341/MCF, compared to \$8.799/MCF in 2014, a 39.30% decrease. When multiplying the decrease of \$3.458/MCF by the 2016 sales volumes of residential customers of 114,411 MCF results in a \$395,633 decrease to residential revenue.
<b>B2</b>	481 Commercial & Industrial - Small	\$808,110	\$460,015	-43%	The average tariff rate for 2016 was \$5.341/MCF, compared to \$8.799/MCF in 2014, a 39.30% decrease. When multiplying the decrease of \$3.458/MCF by the 2016 sales volumes of commercial customers of 71,530 MCF results in a \$247,351 decrease to residential revenue.
<b>B3</b>	488 Miscellaneous Service Revenues	\$4,303	\$0	-100%	The miscellaneous service revenue in 2014 consists of revenue from service calls. In 2016, these charges were included in other non-operating income.



<b>PSC-001-CBG</b>				
<b>Account Number &amp; Title</b>	<b>Year 2014</b>	<b>Year 2016</b>	<b>% Change From Attachment to PSC-001</b>	<b>Explanation</b>
<b>B4</b> 495 Other Gas Revenues	\$1,550	\$0	-100%	The other gas revenue in 2014 consists of interest income, gain on sale of property and other miscellaneous non-operating revenue. In 2016, these were appropriately reclassified to other non-operating income.
<b>PSC-001(c)</b>				
<b>C1</b> 800 Natural Gas Wellhead Purchases	\$3,102	\$616	404%	Cut Bank's production decreased in 2016, and because of necessary repairs to its gathering lines, its wells were shut-in, in October, causing the decrease in royalties paid on gas well purchases.
<b>C2</b> 804 Natural Gas City Gate Purchases	\$1,152,745	\$688,736	67%	The average gas cost tracker rate in 2016 was \$3.510/MCF, compared to \$6.233/MCF in 2014.
<b>C3</b> 805.1 Purchased Gas Cost Adjustments	\$124,802	(\$14,988)	-933%	In 2014, Cut Bank had 323 heat degree days higher than normal and also had an average surcharge of \$0.052/MCF. In 2016, Cut Bank had 521 heat degree day lower than normal and had an average refund of (\$0.60)/MCF. Sales volumes in 2014 were 27,055 MCF higher than in 2016. The higher volumes times the surcharges in 2014 resulted in greater collection of our historical gas costs, as opposed to 2016 when we were refunding gas costs. This effect can also be seen in the deferred purchase gas cost balances on the balance sheet. See E8 below.
<b>C4</b> 807.5 Other Purchased Gas Expenses	\$0	(\$2,698)	-100%	The 2016 amount represents internal use gas, which was included in 805.1 in 2014.
<b>C5</b> 870 Operation Supervision & Engineering	\$1,427	\$25,967	-95%	Of the 2016 balance, \$22,700 was intercompany charges from EWM for part of the general manager's time.
<b>C6</b> 878 Meter & House Regulator Expenses	\$8,704	\$13,539	-36%	In 2016, \$4,461 more in labor was charged to 878 meter and house regulators expense.
<b>C7</b> 879 Customer Installations Expenses	\$2,490	\$4,675	-47%	In 2016, \$1,269 more in labor was charged to 879 customer installations expense.
<b>C8</b> 880 Other Expenses	\$15,027	\$26,819	-44%	In 2016, \$11,091 more in labor was charged to 880 other distribution operations labor expenses.
<b>C9</b> 887 Maintenance of Mains	\$6,207	\$2,492	149%	In 2014, \$2,097 more in labor was charged to 887 maintenance of mains labor expenses. 2014 also had \$1,619 more automotive and supplies charges related to maintenance of mains than 2016.
<b>C10</b> 889 Maint. Of Meas. & Reg. Station Exp.-General	\$0	\$226	-100%	The 2016 balance is made up of labor expenses.
<b>C11</b> 893 Maintenance of Meters & House Regulators	\$0	\$532	-100%	The 2016 balance is made up of labor expenses
<b>C12</b> 894 Maintenance of Other Equipment	\$0	\$300	-100%	The 2016 balance is made up of annual license fees for the Midwest Energy Association.

PSC-001-CBG					
Account Number & Title	Year 2014	Year 2016	% Change From Attachment to PSC-001	Explanation	
C13	902 Meter Reading Expenses	\$17,938	\$24,453	-27%	In 2016, \$6,515 more in labor was charged to Meter reading labor expenses.
C14	913 Advertising Expenses	\$0	\$35	-100%	In 2016, the \$35 charge is for an ad in the 2017 community calendar.
C15	920 Administrative & General Salaries	\$16,057	\$76,539	-79%	The amount reported in the 2016 PSC report for 920 administrative and general salaries should include \$(62,680), which makes the 2016 balance \$13,859. See response to PSC-002, Statement G for further detail.
C16	921 Office Supplies & Expenses	\$36,695	\$24,823	48%	The 2014 balance includes \$6,543 for legal fees that would be more appropriately coded to 923.
C17	922 Administrative Expenses Transferred	(\$5,684)	(\$66,418)	-91%	The Actual 2016 expense should be (\$3,738) in account 922. The remaining \$62,680 should be included with account 920. See PSC-002, Statement G for further details.
C18	923 Outside Services Employed	\$0	\$4,074	-100%	The 2014 balance of \$6,543 was erroneously coded to 921. See C16 above.
C19	924 Property Insurance	\$32,930	\$20,535	60%	In 2014, all insurance was being recorded to the 924 account, including general liabilities and worker's comp, auto, property and equipment. In 2016 the insurance expense was properly split between 924 property insurance and 925 injuries and damages. After adding 925 to 924, the 2016 balance is \$47,095, a 30% increase. The increase is due to the addition of D&O insurance to direct charge expenses in 2016. Previously they had been included in overhead, account 933.
C20	925 Injuries & Damages	\$0	\$26,560	-100%	See Account 924 in C19 above.
C21	926 Employee Pensions & Benefits	\$41,102	\$62,662	-34%	The 2016 balance include \$15,190 of expense related to prior periods. This has been normalized out in the general rate case filing.
C22	931 Rents	\$3,411	\$25,301	-87%	This account primarily consists of the SAP deferred rent amortization. Of the total 2016 balance, \$21,702 is amortization of deferred rent. The deferred rent was not present in 2014.
C23	930.2 Miscellaneous General Expenses	\$134,581	-	-	The 2014 overhead balance is included in the PSC report as 930.2 miscellaneous general expenses, \$134,581. The 2016 balance is a 20% increase from 2014. In 2014, Cut Bank's 4factor allocation was 1.73%, compared to 2.14% in 2016. The increase is due to the sale of Energy West Wyoming, Energy West Development and Public Gas Company during 2014.
	933 Overheads	\$0	\$170,281	-100%	This, coupled with increased corporate expenses due to the move of our shared services to GNI from EWI during the 2016 reorganization, caused the increase in overheads allocated to Cut Bank in 2016.
C24	935 Maintenance of General Plant	\$11,893	\$7,310	63%	The 2014 expenses included \$4,589 more labor charged to maintenance of general plant.

PSC-001-CBG					
Account Number & Title	Year 2014	Year 2016	% Change From Attachment to PSC-001	Explanation	
<b>PSC-001(d)</b>					
D1	Property Taxes	\$11,265	\$20,102	44%	The 2016 expense included an adjustment of \$8,203 related to prior periods. This has been normalized out in the general rate case filing.
D2	Natural Gas Production Tax	\$3,114	\$1,006	-210%	Production tax decreased because we shut in the wells during 2016 and did not produce as much gas as compared to 2014.
D3	Nexus License	\$0	\$100	100%	The \$100 was \$50 for 2015 and 2016 as a license fee for doing business in the state of Montana.
<b>PSC-001(e)</b>					
E1	131 Cash	\$64,055	\$47,167	26%	The cash decrease of \$16,888 is the result of timing of general operational activities.
E2	143 Other Accounts Receivable	\$1,457	(\$297)	120%	The 2014 balance consists of employee receivables, which were repaid in 2015.
E3	146 Accounts Receivable – Associated Companies	(\$41,815)	\$127,873	406%	This difference is due to an increase in intercompany taxes receivable.
E4	154 Plant Materials and Operating Supplies	\$30,342	\$82,918	-173%	The difference is due to timing related to the purchase of pipe for the gathering line.
E5	155 Merchandise	\$1,074	\$0	100%	The miscellaneous parts and gas supplies was reclassified into general plant material and operating supplies, FERC 154, in 2016.
E6	174 Miscellaneous Current & Accrued Assets	\$88,708	\$0	100%	The 2014 balance is made up of the current deferred tax asset account. In 2016, the current and long term deferred asset accounts are included in FERC 190.
E7	184 Clearing Accounts	\$2,307	\$0	100%	The 2014 balance represents a payroll clearing account in transit that was reclassified in 2015.
E8	191 Unrecovered Purchased Gas Costs	(\$224,148)	\$31,361	114%	Unrecovered purchase gas costs have increased \$255,509 as of 12/31/16 compared to the 12/31/14 balance. See explanation in C3.
E9	211 Miscellaneous Paid-In Capital	\$509,710	\$1,009,710	-98%	The 2016 cash balance includes \$500,000 of funds that were contributed to Cut Bank by its former parent EWI from the proceeds of the sale of EWI's subsidiary Energy West Wyoming. The cash was designated to be used for special projects in Montana as part of PSC Order 7399a in Docket D2015.1.11.
E10	216 Unappropriated Retained Earnings	\$333,012	\$260,170	22%	The 2014 retained earnings balance is \$62,828 too high due to an error in the income tax expense that was corrected in 2015.
E11	233 Notes Payable to Associated Companies (Line of Credit)	\$533,453	\$370,812	30%	During the refinance in Oct 2016, Cut Bank Gas converted some of its line of credit balance to long term debt, account 224.

<b>PSC-001-CBG</b>				
<b>Account Number &amp; Title</b>	<b>Year 2014</b>	<b>Year 2016</b>	<b>% Change From Attachment to PSC-001</b>	<b>Explanation</b>
<b>E12</b> 234 Accounts Payable to Associated Companies	\$246,120	\$118,491	52%	In 2014, Cut Bank paid its intercompany balances one month in arrears. In 2016, Cut Bank paid its intercompany balances throughout the month, so there was much less outstanding at the end of the year. In addition, as part of the refinancing/reorganization in October 2016, all intercompany balances were settled.
<b>E13</b> 235 Customer Deposits	\$51,750	\$32,316	38%	As part of the conversion to the SAP system, we evaluated all customer deposits and refunded those that were no longer required, based on customer payment history.
<b>E14</b> 236 Taxes Accrued	\$2,000	\$11,557	-478%	The 2014 balance included \$9,397 in tax liabilities with an offsetting overpayment of \$7,396 for payroll taxes. This overpayment was relieved by 2016, causing the increase in the account balance.
<b>E15</b> 237 Interest Accrued	\$30,757	\$5,610	82%	Accrued interest in 2014 consisted of interest owed to customers on their security deposits. The interest was applied to the customers' accounts during the conversion and many of the security deposits were refunded. See E13 above.
<b>E16</b> 242 Miscellaneous Current & Accrued Liabilities	\$20,894	\$104,200	-399%	The 2016 balance includes a reclassification entry of \$75,996 for budget plan overpayments. The 2014 balance does not reclassify the \$34,867 budget plan overpayments.
<b>E17</b> 252 Customer Advances for Construction	\$317	\$0	100%	The \$317 customer advances were converted to CIAC in February 2015.
<b>E18</b> 253 Other Deferred Credits	(\$296)	\$0	100%	The \$296 other deferred credits were reclassified to the 191 unrecovered purchase gas cost account in 2015.
<b>PSC-001(f)</b>				
<b>F1</b> 101 Plant in Service	\$1,454,077	\$1,975,743	-36%	Plant in service is higher in 2016 due to capital projects completed in 2015 and 2016.
<b>F2</b> 154, 156 Materials & Supplies	\$31,416	\$57,305	-82%	The difference is due to timing related to the purchase of pipe for replacement of the gathering lines.
<b>F3</b> Other deductions	\$51,750	\$32,316	38%	The other deductions line is made up of customer deposits. See E13 above

PSC-001-EWM					
Account Number & Title	Year 2014	Year 2016	% Change From Attachment to PSC-001	Explanation	
<b>PSC-001(a)</b>					
A1	400 Operating Revenues	\$31,426,094	\$23,180,284	-35.57%	The average gas cost tracker rate for Great Falls and Cascade full service customers for 2016 was \$3.4384/MCF, compared to \$5.5406/MCF in 2014. When multiplying the decrease of \$2.1022/MCF by the 2016 sales volumes for full service customers for Great Falls and Cascade of 3,112,560 MCF results in a \$6,543,223 decrease to operating revenue.
A2	401 Operation Expenses	\$26,568,506	\$19,632,894	-35.33%	The majority of this decrease is a result of the decreased gas cost as discussed in A1 above. Gas cost in 2014 was \$22,081,786, compared to \$13,923,793 in 2016.
A3	402 Maintenance Expense	\$417,964	\$297,774	-40.36%	The 2014 expense of \$417,964 includes monthly maintenance fees on our billing software totaling \$84,187 annually. In 2015, we converted to the new SAP ERP system. The maintenance on this software is shared among the other Gas Natural utilities and is therefore included in overhead expenses instead of maintenance.
A4	403 Depreciation Expense	\$1,119,951	\$1,408,219	20.47%	Depreciation expense increased \$288,268 or 20.47%. Plant at 12/31/14 was \$45,869,029, consisting of \$1,652,660 CWIP, \$7,271,785 general, and \$36,944,583 distribution. Plant at 12/31/16 was \$48,731,265, consisting of \$8,821 CWIP, \$10,064,132 general, and \$38,658,312 distribution. Average useful live on general plant is 10 years and average useful life on distribution plant is 40 years. This results in a rough increase to depreciation of \$322,078. This is higher than the actual depreciation increase of \$288,268 due to timing of the plant assets coming in to service and starting depreciation.
A5	409.1 Income Taxes - Federal	\$119,659	(\$20,643)	679.66%	Federal and State income taxes decreased between 2014 and 2016 due to decreased taxable income. In 2014, taxable federal income was \$382,183, as compared to a taxable loss of \$88,526 in 2016.
	- State	\$24,236	(\$424)	5816.04%	
A6	410.1 Provision for Deferred Income Taxes	\$554,654	\$162,969	-240.34%	Deferred income tax expense decreased due to an increase in temporary differences on the tax calculation, mainly related to accelerated depreciation, changes in deferred gas costs and write off of debt issue costs during the 2016 refinancing.
<b>PSC-001(b)</b>					
B1	480 Residential	\$17,394,646	\$11,806,339	-47.33%	Residential revenues decreased 47.33%. The average gas cost tracker rate for Great Falls and Cascade for 2016 was 3.4384/MCF, compared to 5.5406/MCF in 2014. When multiplying the decrease of \$2.1022/MCF by the 2016 sales volumes for residential customers for Great Falls and Cascade of 2,004,228 MCF results in a \$4,213,287 decrease to residential revenue for full service residential customers.

PSC-001-EWM					
Account Number & Title	Year 2014	Year 2016	% Change From Attachment to PSC-001	Explanation	
B2	481 Commercial & Industrial - Small	\$4,059,999	\$1,842,306	-120.38%	Commercial revenues decreased 120.38%. The average gas cost tracker rate for GTF for 2016 was 3.4384/MCF, compared to 5.5406/MCF in 2014. When multiplying the decrease of \$2.1022/MCF by the 2016 sales volumes for commercial customers for Great Falls and Cascade of 1,106,030 MCF results in a \$2,325,096 decrease to commercial revenue for full service commercial customers.
B3	488 Miscellaneous Service Revenues	\$0	\$15,962	100.00%	The Miscellaneous service revenue consist mostly of reconnect fees, late fees, NSF fees, and new service install fees. In 2014 these charges were included in other non-operating income.
PSC-001(c)					
C1	801 Natural Gas Field Line Purchases	\$1,426,170	\$942,757	-33.90%	West Yellowstone's average price per gallon of LNG was \$0.4325 in 2016, compared to \$0.5892 in 2014; a 36.2% decrease.
C2	805 Other Gas Purchases	\$20,798,053	\$12,972,441	-37.63%	The average gas cost tracker rate for Great Falls and Cascade full service customers for 2016 was \$3.4384/MCF, compared to \$5.5406/MCF in 2014, a 61.14 % decrease.
C3	805.1 Purchased Gas Cost Adjustments	\$195,748	(\$620,494)	-416.99%	In 2014, Great Falls had 873 heating degree days higher than normal and also had an average surcharge of \$0.045/MCF. In 2016, Great Falls had 1 heating degree day higher than normal and had an average surcharge of \$0.0216/MCF. Sales volumes in 2014 were 552,902 MCF higher than in 2016. The higher volumes times the higher surcharges in 2014 resulted in greater collection of our historical gas costs, as opposed to 2016 when we were under-collected. This effect can also be seen in the deferred purchase gas cost balances on the balance sheet (E10 below).
C4	808.1 Gas Withdrawn from Storage –Dr.	\$6,725,371	\$3,801,387	-43.48%	The average gas cost tracker rate for Great Falls for 2016 was 3.4384/MCF, compared to 5.5406/MCF in 2014. Because the gas in storage is valued at the gas cost tracker rate, the gas withdrawn from storage was recorded at a much lower cost in 2016 as compared to 2014.
C5	808.2 (Less) Gas Delivered to Storage –Cr.	(\$7,052,085)	(\$3,159,975)	-55.19%	The average gas cost tracker rate for Great Falls for 2016 was 3.4384/MCF, compared to 5.5406/MCF in 2014. Because the gas in storage is valued at the gas cost tracker rate, the gas delivered to storage was recorded at a much lower cost in 2016 as compared to 2014.
C6	812 (Less) Gas Used for Other Utility Operations – Cr.	(\$8,474)	(\$5,171)	-38.98%	As stated in C3, the heating degree days were much lower in 2016 as compared to 2014. This caused our own facilities to use less gas, resulting in decreased internal gas use expense.
C7	813 Other Gas Supply Expenses	(\$2,997)	(\$7,152)	138.64%	These expenses are part of gas cost and should be included in FERC 805. They did not get reclassified properly for the annual PSC report.

PSC-001-EWM				
Account Number & Title	Year 2014	Year 2016	% Change From Attachment to PSC-001	Explanation
C8 877 Meas. & Reg. Station Exp. – City Gate Ck. Sta.	\$31,024	\$18,506	-40.35%	During 2014, our personnel who worked on repairing meters and regulators recorded time to 877. In July 2016, it was determined that account 889 was a better FERC account to use for these expenses. Adding the \$9,630 in account 889 to the amounts in account 877, the change is really a decrease of 10.26%.
C9 878 Meter & House Regulator Expenses	\$2,876	\$1,228	-57.30%	The 2016 year includes less allocated automotive expense charged to account 878 than the 2014 year.
C10 892 Maintenance of Services	\$51,980	\$29,313	-43.61%	During 2014, the West Yellowstone personnel who worked on the LNG plant recorded time to account 892. Starting in July 2016, these expenses were charged to account 864, maintenance of compressor stations in order to better separate the costs related to the LNG plant. Adding the 864 balance to the 892 balance results in \$44,514 total expense for 2016, a 16.8% decrease from 2014. For the annual PSC report, account 864 was added with account 932 Maintenance of General Plant. See PSC-002, Statement G for further detail.
C11 894 Maintenance of Other Equipment	\$2,985	\$4,130	38.36%	The 2015 annual license fee for the Midwest Energy Association was not paid until 2016, so the 2016 is \$1,230 higher than usual.
C12 904 Uncollectible Accounts Expenses	(\$235,876)	\$38	-100.02%	We did not adjust expense for write offs of uncollectible accounts in 2016. We have made a normalization adjustment for this in the general rate case filing. The 2014 balance was negative due to a \$256,323 adjustment related to the direct write off of the SME balances owed to EWM.
C13 905 Miscellaneous Customer Accounts Expenses	\$5,818	\$481	-91.73%	The 2014 balance includes \$1,775 of travel expenses related to the SAP development project. In addition, the 2014 balance includes \$4,014 of software support expenses related to our billing software. In 2015 we converted to the SAP software. For the 2016 year, the maintenance on this software is shared among the other Gas Natural utilities and is therefore included in overhead expenses instead of customer accounts expense.
C14 916 Miscellaneous Sales Expenses	\$3,793	\$1,864	-50.86%	The 2016 year included less travel expenses than the 2014 year.
C15 920 Administrative & General Salaries	\$222,417	\$387,038	74.01%	During 2014, a few of the EWM employees occasionally helped with corporate functions and therefore charged their time to overhead. In 2016, these employees' job duties changed to just be EWM functions, and so their time was charged to EWM appropriately. The salaries expense were normalized for the new roles for the general rate case filing.
C16 922 (Less) Administrative Expenses Transferred – Cr.	(\$122,853)	(\$391,427)	218.61%	The amount reported in the 2016 PSC report for admin expense transferred should include \$312,654 from account 930.2, which makes the 2016 balance (\$78,773). See response to PSC-002, Statement G for further detail. The remaining difference is due to more G&A expense being capitalized in 2014 as compared to 2016. In 2014, we were capitalizing 5% compared to 3.5% in 2016.

<b>PSC-001-EWM</b>				
<b>Account Number &amp; Title</b>	<b>Year 2014</b>	<b>Year 2016</b>	<b>% Change From Attachment to PSC-001</b>	<b>Explanation</b>
<b>C17</b> 923 Outside Services Employed	\$149,301	\$61,643	-58.71%	The 2014 balance includes \$77,459 of legal fees related to the bankruptcy of SME.
<b>C18</b> 924 Property Insurance	\$223,021	\$144,497	-35.21%	In 2014, all insurance was being recorded to the 924 account, including general liabilities and worker's comp, auto, property and equipment. In 2016, the insurance expense was properly split between 924 property insurance and 925 injuries and damages. After adding 925 to 924, the 2016 balance is \$343,342, a 35% increase. The increase is due to the addition of D&O insurance to direct charge expenses in 2016. Previously these costs had been included in overhead.
<b>C19</b> 930.2 Miscellaneous General Expenses	\$8,623	\$322,028	3634.52%	The Actual 2016 expense should be \$9,374 in account 930.2, an increase of 8.01%. The remaining \$312,654 should be included with account 922. See PSC-002, Statement G for further details.
<b>C20</b> 931 Rents	\$13,450	\$277,777	1965.26%	This account primarily consists of the SAP deferred rent amortization. Of the total 2016 balance, \$264,108 is amortization of deferred rent. The deferred rent was not present in 2014.
<b>C21</b> Overheads	\$1,723,812	\$2,087,818	21.12%	In 2014, EWM's 4factor allocation was 23.89%, compared to 26.03% in 2016. The increase is due to the sale of Energy West Wyoming, Energy West Development, and Public Gas Company during 2014. This, coupled with increased corporate expenses due to the move of our shared services to GNI from EWI during the 2016 reorganization, caused the increase in overheads allocated to EWM in 2016.
<b>C22</b> 935 Maintenance of General Plants	\$237,576	\$128,014	46.12%	The 2014 expense of \$237,576 includes monthly maintenance fees on our billing software totaling \$84,187 annually. In 2015 we converted to a new software, SAP. The maintenance on this software is shared among the other Gas Natural utilities and is therefore included in overhead expenses instead of maintenance. After removing these software maintenance fees, the decrease to the 932 account is 19.8%.
<b>PSC-001(d)</b>				
<b>D1</b> Montana Consumer Counsel	\$33,702	\$15,976	-52.60%	Operating revenue decreased \$8,245,810 from 2014 to 2016. MCC tax for 2014 was 0.11% for the first 3 quarters, and 0.10% for the 4 <sup>th</sup> quarter. MCC tax for 2016 was 0.006% for the first 3 quarters and 0.10% for the 4 <sup>th</sup> quarter. The decrease in operating revenue and the lower MCC tax rate resulted in the overall MCC tax expense decrease of \$17,726.



PSC-001-EWM					
Account Number & Title	Year 2014	Year 2016	% Change From Attachment to PSC-001	Explanation	
D2	Montana PSC	\$113,524	\$65,355	-42.43%	Operating revenue decreased \$8,245,810 from 2014 to 2016. PSC tax for 2014 was 0.42% for the first 3 quarters, and 0.20% for the 4 <sup>th</sup> quarter. PSC tax for 2016 was 0.23% for the first 3 quarters and 0.39% for the 4 <sup>th</sup> quarter. The decrease in operating revenue and the lower PSC tax rate resulted in the overall PSC tax expense decrease of \$48,169.
<b>PSC-001(e)</b>					
E1	107 Construction Work in Progress – Gas	\$1,652,660	\$8,821	-99.47%	Of the \$1,652,660 CWIP balance at 12/31/14, \$1,634,730 was related to the SAP software project, which was put into service Sept 2015 and therefore no longer in CWIP in 2016.
E2	131 Cash	\$204,551	\$1,143,985	459.27%	The 2016 cash balance includes \$500,000 of funds that were contributed to EWM by its former parent EWI from the proceeds of the sale of EWI's subsidiary Energy West Wyoming. The cash was designated to be used for special projects in Montana as part of PSC Order 7399a in Docket D2015.1.11. The remaining cash increase is related to timing of bill payments and coincides with the increase in the line of credit liability.
E3	135 Working Funds	\$5,536	\$1,900	-65.68%	The 2014 working funds balance included \$3,645 of various banking reconciliation items including cash over/shorts, NSF's, and petty cash. This account was reconciled and adjusted in 2015.
E4	144 (Less) Accum. Provision for Uncollectible Accts.	(\$72,340)	(\$102,924)	42.28%	As explained above for account 904, there was no adjustment for write-offs in 2015 or 2016. The 2016 year included more collections on amounts previously written off than the 2014 year.
E5	146 Accounts Receivable – Associated Companies	\$139,453	\$775,103	455.82%	\$558,388 of this difference is due to an increase in intercompany taxes receivable
E6	164.1 Gas Stored Underground –Current	\$3,986,196	\$2,770,056	-30.51%	For Great Falls, the 2014 storage balance includes 636,500 MMBTU at the tracker rate of \$6.2267. The 2016 storage balance includes 705,500 MMBTU at the tracker rate of \$3.9124. While the volumes in storage are higher, the decrease in rates results in a decreased inventory balance.
E7	165 Prepayments	\$7,831	\$560,481	7057.21%	The \$552,650 increase in prepayments is primarily due to two reasons. The deferred rent related to the SAP project (see Henthorne testimony at page 13 for further details) had a balance of \$293,235 in 2016 compared to \$0 in 2014. Prior to the reorganization in 2016, EWM's parent company, EWI, held all prepaid insurance on its books and allocated monthly insurance charges to EWM. After the reorganization, EWI ceased to exist, and so EWM prepaid for its annual insurance premiums and recorded the whole prepaid on its books, which had a balance of \$236,275 at 12/31/16.

PSC-001-EWM					
	Account Number & Title	Year 2014	Year 2016	% Change From Attachment to PSC-001	Explanation
E8	182.2 Unrecovered Plant & Regulatory Study Costs	\$379,565	\$299,565	-21.08%	The \$80,000 decrease in unrecovered plant and regulatory study costs is the result of \$40,000 annual amortization of rate case costs related to EWM's last rate case in 2012.
E9	190 Accumulated Deferred Income Taxes	\$571,856	\$58,547	-89.76%	As further explained in the response to A6, Account 410.1 Provision for Deferred Income Taxes, Account 190 decreased due to the increased liabilities related to accelerated income tax depreciation, changed in deferred gas costs and write off of debt issue costs during the 2016 refinancing.
E10	191 Unrecovered Purchased Gas Costs	(\$55,202)	\$317,323	-674.84%	Unrecovered purchase gas costs have increased \$372,525 as of 12/31/16 compared to the 12/31/14 balance. See explanation in C3 above.
E11	233 Notes Payable to Associated Companies (Line of Credit)	\$5,940,518	\$7,970,459	34.17%	This account contains the balance of EWM's line of credit. The balance at year end 2016 vs. year end 2014 is due primarily to timing of withdrawals of gas from storage and the timing of customer payments. As noted in C3 above, it was considerably colder in 2014, with higher sales volumes and higher collection of historical gas costs from surcharges, contributing to the lower line of credit balance.
E12	234 Accounts Payable to Associated Companies	\$1,254,213	\$410,830	-67.24%	In 2014, EWM paid its intercompany balances one month in arrears. In 2016, EWM paid its intercompany balances throughout the month, so there was much less outstanding at the end of the year. In addition, as part of the refinancing/reorganization in October 2016, all intercompany balances were settled
E13	235 Customer Deposits	\$272,746	\$172,397	-36.79%	As part of the conversion to the SAP system, we evaluated all customer deposits and refunded those that were no longer required, based on customer payment history.
E14	242 Miscellaneous Current & Accrued Liabilities	\$2,976,801	\$1,940,270	-34.82%	In 2014, EWM had a \$1,402,270 build-to-suit liability recorded on its books. In 2015, when the SAP development project was completed, this liability was converted to a capital lease. Partially offsetting this was an increase to the USBC fund liability account of \$270,383 from 2014 to 2016.
E15	255 Accumulated Deferred Investment Tax Credits	\$113,193	\$71,069	-37.21%	The \$42,124 decrease in accumulated deferred investment tax credits is the result of \$21,062 annual amortization of the deferred tax credit.