

Year Ended June 30, 2001

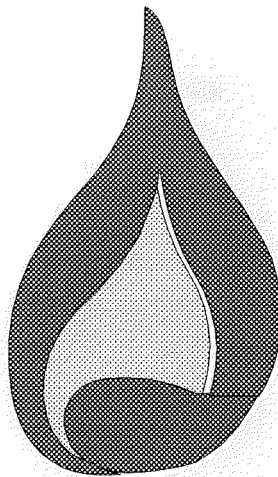
ANNUAL REPORT  
OF  
**Cut Bank Gas Company**

PUBLIC SERVICE  
COMMISSION

2001 OCT 25 AM 9:50

RECEIVED BY

GAS UTILITY



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

# Gas Annual Report

## Table of Contents

Description	Schedule	Page
Instructions		i - v
Identification	1	1
Board of Directors	2	I
Officers	3	2
Corporate Structure	4	3
Corporate Allocations	5	4
Affiliate Transactions - To the Utility	6	5
Affiliate Transactions - By the Utility	7	6
Montana Utility Income Statement	8	7
Montana Revenues	9	7
Montana Operation and Maintenance Expenses	10	8
Montana Taxes Other Than Income	11	13
Payments for Services	12	14
Political Action Committees/Political Contrib.	13	15
Pension Costs	14	16
Other Post Employment Benefits	15	17
Top Ten Montana Compensated Employees	16	19
Top Five Corporate Compensated Employees	17	20
Balance Sheet	18	21

continued on next page

# Gas Annual Report

## Table of Contents

Description	Schedule	Page
Instructions		i - v
Identification	1	1
Board of Directors	2	1
Officers	3	2
Corporate Structure	4	3
Corporate Allocations	5	4
Affiliate Transactions - To the Utility	6	5
Affiliate Transactions - By the Utility	7	6
Montana Utility Income Statement	8	7
Montana Revenues	9	7
Montana Operation and Maintenance Expenses	10	8
Montana Taxes Other Than Income	11	13
Payments for Services	12	14
Political Action Committees/Political Contrib.	13	15
Pension Costs	14	16
Other Post Employment Benefits	15	17
Top Ten Montana Compensated Employees	16	19
Top Five Corporate Compensated Employees	17	20
Balance Sheet	18	21

continued on next page

Description	Schedule	Page
Montana Plant in Service	19	24
Montana Depreciation Summary	20	27
Montana Materials and Supplies	21	27
Montana Regulatory Capital Structure	22	27
Statement of Cash Flows	23	28
Long Term Debt	24	29
Preferred Stock	25	30
Common Stock	26	31
Montana Earned Rate of Return	27	32
Montana Composite Statistics	28	33
Montana Customer Information	29	34
Montana Employee Counts	30	35
Montana Construction Budget	31	36
Transmission, Distribution and Storage Systems	32	37
Sources of Gas Supply	33	40
MT Conservation and Demand Side Mgmt. Programs	34	41
Montana Consumption and Revenues	35	42

# Gas Annual Report

## Instructions

### General

1. A Microsoft EXCEL 97 workbook of the annual report is being provided on computer disk for your convenience. The workbook contains the schedules of the annual report. Each schedule is on the worksheet named that schedule. For example, Schedule 1 is on the sheet titled "Schedule 1". By entering your company name in the cell named "Company" of the first worksheet, the spreadsheet will put your company name on all the worksheets in the workbook. The same is true for inputting the year of the report in the cell named "YEAR". You can "GOTO" the proper cell by using the F5 key and selecting the name of the cell.
2. The workbook contains input sections that are unprotected, and non-input sections that are protected. Cell protection can be disabled or enabled through "TOOLS - PROTECTION - UNPROTECT SHEET" on your toolbar. Formulas and checks are built into most of the templates.
3. Use of the disk is optional. The disk and the report cover shall be returned when the report is filed. There are macros built into the workbook to assist you with the report. An explanation of the macros is on the "Control" worksheet at the front of the workbook. The explanations start at cell A1.
4. All forms must be filled out in permanent ink and be legible. Note: Even if the computer disk is used, a printed version of the report shall be filed. The orientation and margins are set up on each individual worksheet and should print on one page. If you elect not to use the disk, please format your reports to fit on one 8.5" by 11" page with the left binding edge (top if landscaped) set at .85", the right edge (bottom if landscaped) set at .4", and the remaining two margins at .5". You may select specific schedules to print - See the worksheet "CONTROL".
5. Indicate negative amounts (such as decreases) by enclosing the figures in parentheses ( ).
6. Where space is a consideration, information on financial schedules may be rounded to thousands of dollars. Companies submitting schedules rounded to thousands shall so indicate at the top of the schedule.
7. Where more space is needed or more than one schedule is needed additional schedules may be attached and shall be included directly behind the original schedule to which it pertains and be labeled accordingly (for example, Schedule 1A).
8. The information required with respect to any statement shall be furnished as a minimum requirement to which shall be added such further information as is necessary to make the required schedules not misleading.

9. All companies owned by another company shall attach a corporate structure chart of the holding company.
10. Schedules that have no activity during the year or are not applicable to the respondent shall be marked as not applicable and submitted with the report.
11. The following schedules shall be filled out with information on a total company basis:

Schedules 1 through 5  
Schedules 6 and 7  
Schedule 14  
Schedule 17 and 18  
Schedules 23 through 26  
Schedule 33

All other schedules shall be filled out with either Montana specific data, or both total company and Montana specific data, as indicated in the schedule titles and headings.

Financial schedules shall include all amounts originating in Montana or allocated to Montana from other jurisdictions.

12. For schedules where information may be provided using Mcf or Dkt, circle Mcf or Dkt to indicate which measurement is being reported. (For example, schedules 28, 32, 33 and 34).
13. FERC Form-2 sheets may not be substituted in lieu of completing annual report schedules.
14. Common sense must be used when filling out all schedules.

### Specific Instructions

#### Schedules 6 and 7

1. All transactions with affiliated companies shall be reported. The definition of affiliated companies as set out in 18 C.F.R. Part 201 shall be used.
2. Column (c). Respondents shall indicate in column (c) the method used to determine the price. Respondents shall indicate if a contract is in place between the Affiliate and the Utility. If a contract is in place, respondents shall indicate the year the contract was initiated, the term of the contract and the method used to determine the contract price.
3. Column (c). If the method used to determine the price is different than the previous year, respondents shall provide an explanation, including the reason for the change.

### **Schedules 8, 18, and 23**

1. Include all notes to the financial statements required by the FERC or included in the financial statements issued as audited financial statements. These notes shall be included in the report directly behind the schedules and shall be labeled appropriately (Schedule 8A, etc.).

### **Schedule 12**

1. Respondents shall disclose all payments made during the year for services where the aggregate payment to the recipient was \$5,000 or more. Utilities having jurisdictional revenue equal to or in excess of \$1,000,000 shall report aggregate payments of \$25,000 or more. Utilities having jurisdictional revenue equal to or in excess of \$10,000,000 shall report aggregate payments of \$75,000 or more. Payments must include fees, retainers, commissions, gifts, contributions, assessments, bonuses, subscriptions, allowances for expenses or any other form of payment for services or as a donation.

### **Schedule 14**

1. Companies with more than one plan (for example, both a retirement plan and a deferred savings plan) shall complete a schedule for each plan.
2. Companies with defined benefit plans must complete the entire form using FASB 87 and 132 guidelines.
3. Interest rate percentages shall be listed to two decimal places.

### **Schedule 15**

1. All changes in the employee benefit plans shall be explained in a narrative on lines 15 and 16. All cost containment measures implemented in the reporting year shall be explained and quantified in a narrative on lines 15 and 16. All assumptions used in quantifying cost containment results shall be disclosed.
2. Schedule 15 shall be filled out using FASB 106 and 132 guidelines.

### **Schedule 16**

1. Include in the "other" column ALL additional forms of compensation, including, but not limited to: deferred compensation, deferred savings plan, profit sharing, supplemental or non-qualified retirement plan, employee stock ownership plan, restricted stock, stock options, stock appreciation rights, performance share awards, dividend equivalent shares, mortgage payments, use of company cars or car lease payments, tax preparation consulting, financial consulting, home security systems, company-paid physicals, subscriptions to periodicals, memberships, association or club dues, tuition reimbursement, employee discounts, and spouse travel.
2. The above compensation items shall be listed separately. Where more space is needed additional schedules may be attached directly behind the original schedule.

#### **Schedule 17**

1. Respondents shall provide all executive compensation information in conformance with that required by the Securities and Exchange Commission (SEC) (Regulation S-K Item 402, Executive Compensation).
2. Include in the "other" column ALL additional forms of compensation, including, but not limited to: deferred compensation, deferred savings plan, profit sharing, supplemental or non-qualified retirement plan, employee stock ownership plan, restricted stock, stock options, stock appreciation rights, performance share awards, dividend equivalent shares, mortgage payments, use of company cars or car lease payments, tax preparation consulting, financial consulting, home security systems, company-paid physicals, subscriptions to periodicals, memberships, association or club dues, tuition reimbursement, employee discounts, and spouse travel.
3. All items included in the "other" compensation column shall be listed separately. Where more space is needed additional schedules may be attached directly behind the original schedule.
4. In addition, respondents shall attach a copy of the executive compensation information provided to the SEC.

#### **Schedule 24**

1. Interest expense and debt issuance expense shall be included in the annual net cost column.

#### **Schedule 26**

1. Earnings per share and dividends per share shall be reported on a quarterly basis and entries shall be made only to the months that end the respective quarters (for example, March, June, September, and December.)
2. The retention and price/earnings ratios shall be calculated on a year end basis. Enter the actual year end market price in the "TOTAL Year End" row. If the computer disk is used, enter the year end market price in the "High" column.

#### **Schedule 27**

1. All entries to lines 9 or 16 must be detailed separately on an attached sheet.
2. Only companies who have specifically been authorized in a Commission Order to include cash working capital in ratebase may include cash working capital in lines 9 or 16. Cash working capital must be calculated using the methodology approved in the Commission Order. The Commission Order specifying cash working capital shall be noted on the attached sheet.
2. Indicate, for each adjustment on lines 28 through 46, if the amount is updated or is from the last rate case. All adjustments shall be calculated using Commission methodology.

#### **Schedule 28**

1. Information from this schedule is consolidated with information from other Utilities and reported to the National Association of Regulatory Utility Commissioners (NARUC). Your assistance in completing this schedule, even though information may be located in other areas of the annual report, expedites reporting to the NARUC and is appreciated.



### **Schedule 31**

1. This schedule shall be completed for the year following the reporting year.
2. Respondents shall itemize projects of \$50,000 or more. Utilities having jurisdictional revenue equal to or in excess of \$1,000,000 shall itemize projects of \$100,000 or more. Utilities having jurisdictional revenue equal to or in excess of \$10,000,000 shall itemize projects of \$1,000,000 or more. All projects that are not itemized shall be reported in aggregate and labeled as Other.

### **Schedule 34**

1. In addition to a description, the year the program was initiated and the projected life of the program shall be included in the program description column.
2. On an attached sheet, define program "participant" and program conservation "unit" for each program. Also, provide the number of program participants and the number of units acquired or processed during this reporting year.

## IDENTIFICATION

Year: 2001

1.	Legal Name of Respondent:	Cut Bank Gas Company
2.	Name Under Which Respondent Does Business:	Cut Bank Gas Company
3.	Date Utility Service First Offered in Montana:	November 19, 1956
4.	Address to send Correspondence Concerning Report:	403 E. Main Cut Bank, MT 59427
5.	Person Responsible for This Report:	Daniel F. Whetstone
5a.	Telephone Number:	(406) 873-5531
Control Over Respondent		
1.	If direct control over the respondent was held by another entity at the end of year provide the following:	
	1a. Name and address of the controlling organization or person:	
	1b. Means by which control was held:	
	1c. Percent Ownership:	

## SCHEDULE 2

Board of Directors			
Line No.	Name of Director and Address (City, State)		Remuneration
	(a)		(b)
1	Daniel F. Whetstone	Cut Bank, Montana	None
2	James R. Dekaye	Cut Bank, Montana	5600
3	David F. Stufft	Cut Bank, Montana	2000
4	Ward F. Junkermier	Great Falls, Montana	2000
5	D. Jasen Whetstone	Rio Linda, California	2000
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			

## Officers

Year: 2001

Line No.	Title of Officer (a)	Department Supervised (b)	Name (c)
1	President	All	Daniel F. Whetstone
2	Vice-President	None	James R. Dekaye
3	Secretary	None	David F. Stufft
4	Treasurer	None	Ward F. Junkermier
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43			
44			
45			
46			
47			
48			
49			
50			

## CORPORATE STRUCTURE

Year: 2001

	Subsidiary/Company Name	Line of Business	Earnings	Percent of Total
1				
2	Not applicable, Cut Bank Gas Company has no affiliates.			
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50	TOTAL			

# CORPORATE ALLOCATIONS

Year: 2001

	Items Allocated	Classification	Allocation Method	\$ to MT Utility	MT %	\$ to Other
1	Cut Bank Gas Company has no corporate allocations.					
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34	<b>TOTAL</b>					

Company Name: Cut Bank Gas Company

SCHEDULE 6

**AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY** Year: 2001

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Utility	(e) % Total Affil. Revs.	(f) Charges to MT Utility
1						
2	Not applicable, Cut Bank Gas Company has no affiliates.					
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32	<b>TOTAL</b>					

## AFFILIATE TRANSACTIONS - PRODUCTS &amp; SERVICES PROVIDED BY UTILITY Year: 2001

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Affiliate	(e) % Total Affil. Exp.	(f) Revenues to MT Utility
1						
2	Not applicable, Cut Bank Gas Company has no affiliates.					
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32	<b>TOTAL</b>					

## MONTANA UTILITY INCOME STATEMENT

Year: 2001

	Account Number & Title	Last Year	This Year	% Change
1	400 Operating Revenues	1,196,932	1,479,945	23.64%
2				
3	Operating Expenses			
4	401 Operation Expenses	1,091,575	1,298,574	18.96%
5	402 Maintenance Expense	70,346	67,305	-4.32%
6	403 Depreciation Expense	37,805	36,848	-2.53%
7	404-405 Amort. & Depl. of Gas Plant	-	-	
8	406 Amort. of Gas Plant Acquisition Adjustments	-	-	
9	407.1 Amort. of Property Losses, Unrecovered Plant			
10				
11	& Regulatory Study Costs	-	-	
12	407.2 Amort. of Conversion Expense	-	-	
13	408.1 Taxes Other Than Income Taxes	49,028	50,110	2.21%
14	409.1 Income Taxes - Federal	-	-	
15	- Other	(1,682)	50	102.97%
16	410.1 Provision for Deferred Income Taxes	-	-	
17	411.1 (Less) Provision for Def. Inc. Taxes - Cr.	(1,066)	(683)	35.93%
18	411.4 Investment Tax Credit Adjustments	-	-	
19	411.6 (Less) Gains from Disposition of Utility Plant	-	-	
20	411.7 Losses from Disposition of Utility Plant	-	-	
21	<b>TOTAL Utility Operating Expenses</b>	1,246,006	1,452,204	16.55%
22	<b>NET UTILITY OPERATING INCOME</b>	(49,074)	27,741	156.53%

## MONTANA REVENUES

SCHEDULE 9

	Account Number & Title	Last Year	This Year	% Change
1	Sales of Gas			
2	480 Residential	1,185,130	1,473,631	24.34%
3	481 Commercial & Industrial - Small	-	-	
4	Commercial & Industrial - Large	-	-	
5	482 Other Sales to Public Authorities	-	-	
6	484 Interdepartmental Sales	-	-	
7	485 Intracompany Transfers	-	-	
8	<b>TOTAL Sales to Ultimate Consumers</b>	1,185,130	1,473,631	24.34%
9	483 Sales for Resale	-	-	
10	<b>TOTAL Sales of Gas</b>	1,185,130	1,473,631	24.34%
11	Other Operating Revenues			
12	487 Forfeited Discounts & Late Payment Revenues	-	-	
13	488 Miscellaneous Service Revenues	1,577	1,586	0.57%
14	489 Revenues from Transp. of Gas for Others	-	-	
15	490 Sales of Products Extracted from Natural Gas	-	-	
16	491 Revenues from Nat. Gas Processed by Others	-	-	
17	492 Incidental Gasoline & Oil Sales	-	-	
18	493 Rent From Gas Property	-	-	
19	494 Interdepartmental Rents	-	-	
20	495 Other Gas Revenues (Schedule 9A)	10,225	4,728	-53.76%
21	<b>TOTAL Other Operating Revenues</b>	11,802	6,314	-46.50%
22	<b>Total Gas Operating Revenues</b>	1,196,932	1,479,945	23.64%
23				
24	496 (Less) Provision for Rate Refunds	-	-	
25				
26	<b>TOTAL Oper. Revs. Net of Pro. for Refunds</b>	1,196,932	1,479,945	23.64%



## SCHEDULE 9A

**CUT BANK GAS CO.  
SCHEDULE TO ATTACH TO PSC REPORT  
JUNE 30, 2001**

**LINE 20 SCH 9 OTHER GAS REVENUE**

	LAST YEAR	THIS YEAR	% CHANGE
Interest Income	5,129	4,255	-17.04%
Patronage Dividend	164	65	-60.37%
Gain on Sale of Fixed Assets	4,300	-	-100.00%
Miscellaneous	632	408	-35.44%
<b>Totals</b>	<b>10,225</b>	<b>4,728</b>	<b>-53.76%</b>

**MONTANA OPERATION & MAINTENANCE EXPENSES**

Year: 2001

Account Number & Title		Last Year	This Year	% Change
1	<b>Production Expenses</b>			
2	Production & Gathering - Operation			
3	750 Operation Supervision & Engineering	19,956	24,357	22.05%
4	751 Production Maps & Records	-	-	
5	752 Gas Wells Expenses	-	-	
6	753 Field Lines Expenses	-	-	
7	754 Field Compressor Station Expenses	7,648	9,170	19.90%
8	755 Field Compressor Station Fuel & Power	-	-	
9	756 Field Measuring & Regulating Station Expense	-	-	
10	757 Purification Expenses	-	-	
11	758 Gas Well Royalties	4,858	10,607	118.34%
12	759 Other Expenses	-	-	
13	760 Rents	-	-	
14	<b>Total Operation - Natural Gas Production</b>	32,462	44,134	35.96%
15	Production & Gathering - Maintenance			
16	761 Maintenance Supervision & Engineering	-	-	
17	762 Maintenance of Structures & Improvements	-	-	
18	763 Maintenance of Producing Gas Wells	11,539	5,945	-48.48%
19	764 Maintenance of Field Lines	653	1,311	100.77%
20	765 Maintenance of Field Compressor Sta. Equip.	-	-	
21	766 Maintenance of Field Meas. & Reg. Sta. Equip.	-	-	
22	767 Maintenance of Purification Equipment	-	-	
23	768 Maintenance of Drilling & Cleaning Equip.	-	-	
24	769 Maintenance of Other Equipment	-	-	
25	<b>Total Maintenance- Natural Gas Prod.</b>	12,192	7,256	-40.49%
26	<b>TOTAL Natural Gas Production &amp; Gathering</b>	44,654	51,390	15.08%
27	Products Extraction - Operation			
28	770 Operation Supervision & Engineering	-	-	
29	771 Operation Labor	-	-	
30	772 Gas Shrinkage	-	-	
31	773 Fuel	-	-	
32	774 Power	-	-	
33	775 Materials	-	-	
34	776 Operation Supplies & Expenses	-	-	
35	777 Gas Processed by Others	-	-	
36	778 Royalties on Products Extracted	-	-	
37	779 Marketing Expenses	-	-	
38	780 Products Purchased for Resale	-	-	
39	781 Variation in Products Inventory	-	-	
40	782 (Less) Extracted Products Used by Utility - Cr.	-	-	
41	783 Rents	-	-	
42	<b>Total Operation - Products Extraction</b>	-	-	
43	Products Extraction - Maintenance			
44	784 Maintenance Supervision & Engineering	-	-	
45	785 Maintenance of Structures & Improvements	-	-	
46	786 Maintenance of Extraction & Refining Equip.	-	-	
47	787 Maintenance of Pipe Lines	-	-	
48	788 Maintenance of Extracted Prod. Storage Equip.	-	-	
49	789 Maintenance of Compressor Equipment	-	-	
50	790 Maintenance of Gas Meas. & Reg. Equip.	-	-	
51	791 Maintenance of Other Equipment	-	-	
52	<b>Total Maintenance - Products Extraction</b>	-	-	
53	<b>TOTAL Products Extraction</b>	-	-	

**MONTANA OPERATION & MAINTENANCE EXPENSES**

Year: 2001

Account Number & Title		Last Year	This Year	% Change
1	<b>Production Expenses - continued</b>			
2				
3	Exploration & Development - Operation			
4	795 Delay Rentals	-	-	
5	796 Nonproductive Well Drilling	-	-	
6	797 Abandoned Leases	-	-	
7	798 Other Exploration	-	-	
8	<b>TOTAL Exploration &amp; Development</b>	-	-	
9				
10	Other Gas Supply Expenses - Operation			
11	800 Natural Gas Wellhead Purchases	-	-	
12	800.1 Nat. Gas Wellhead Purch., Intracomp. Trans.	-	-	
13	801 Natural Gas Field Line Purchases	2,416	-	-100.00%
14	802 Natural Gas Gasoline Plant Outlet Purchases	-	-	
15	803 Natural Gas Transmission Line Purchases	-	-	
16	804 Natural Gas City Gate Purchases	603,210	789,510	30.88%
17	805 Other Gas Purchases	-	-	
18	805.1 Purchased Gas Cost Adjustments	-	-	
19	805.2 Incremental Gas Cost Adjustments	-	-	
20	806 Exchange Gas	-	-	
21	807.1 Well Expenses - Purchased Gas	-	-	
22	807.2 Operation of Purch. Gas Measuring Stations	-	-	
23	807.3 Maintenance of Purch. Gas Measuring Stations	-	-	
24	807.4 Purchased Gas Calculations Expenses	-	-	
25	807.5 Other Purchased Gas Expenses	-	-	
26	808.1 Gas Withdrawn from Storage -Dr.	-	-	
27	808.2 (Less) Gas Delivered to Storage -Cr.	-	-	
28	809.2 (Less) Deliveries of Nat. Gas for Processing-Cr.	-	-	
29	810 (Less) Gas Used for Compressor Sta. Fuel-Cr.	-	-	
30	811 (Less) Gas Used for Products Extraction-Cr.	-	-	
31	812 (Less) Gas Used for Other Utility Operations-Cr.	-	-	
32	813 Other Gas Supply Expenses	-	-	
33	<b>TOTAL Other Gas Supply Expenses</b>	605,626	789,510	30.36%
34				
35	<b>TOTAL PRODUCTION EXPENSES</b>	650,280	840,900	29.31%

**MONTANA OPERATION & MAINTENANCE EXPENSES**

Year: 2001

Account Number & Title		Last Year	This Year	% Change
1	<b>Storage, Terminaling &amp; Processing Expenses</b>			
2				
3	Underground Storage Expenses - Operation			
4	814 Operation Supervision & Engineering	-	-	
5	815 Maps & Records	-	-	
6	816 Wells Expenses	-	-	
7	817 Lines Expenses	-	-	
8	818 Compressor Station Expenses	Cut Bank Gas Company has no expense of this nature on this page.		
9	819 Compressor Station Fuel & Power			
10	820 Measuring & Reg. Station Expenses			
11	821 Purification Expenses	-	-	
12	822 Exploration & Development	-	-	
13	823 Gas Losses	-	-	
14	824 Other Expenses	-	-	
15	825 Storage Well Royalties	-	-	
16	826 Rents	-	-	
17	<b>Total Operation - Underground Strg. Exp.</b>	-	-	
18				
19	Underground Storage Expenses - Maintenance			
20	830 Maintenance Supervision & Engineering	-	-	
21	831 Maintenance of Structures & Improvements	-	-	
22	832 Maintenance of Reservoirs & Wells	-	-	
23	833 Maintenance of Lines	-	-	
24	834 Maintenance of Compressor Station Equip.	-	-	
25	835 Maintenance of Meas. & Reg. Sta. Equip.	-	-	
26	836 Maintenance of Purification Equipment	-	-	
27	837 Maintenance of Other Equipment	-	-	
28	<b>Total Maintenance - Underground Storage</b>	-	-	
29	<b>TOTAL Underground Storage Expenses</b>	-	-	
30				
31	Other Storage Expenses - Operation			
32	840 Operation Supervision & Engineering	-	-	
33	841 Operation Labor and Expenses	-	-	
34	842 Rents	-	-	
35	842.1 Fuel	-	-	
36	842.2 Power	-	-	
37	842.3 Gas Losses	-	-	
38	<b>Total Operation - Other Storage Expenses</b>	-	-	
39				
40	Other Storage Expenses - Maintenance			
41	843.1 Maintenance Supervision & Engineering	-	-	
42	843.2 Maintenance of Structures & Improvements	-	-	
43	843.3 Maintenance of Gas Holders	-	-	
44	843.4 Maintenance of Purification Equipment	-	-	
45	843.6 Maintenance of Vaporizing Equipment	-	-	
46	843.7 Maintenance of Compressor Equipment	-	-	
47	843.8 Maintenance of Measuring & Reg. Equipment	-	-	
48	843.9 Maintenance of Other Equipment	-	-	
49	<b>Total Maintenance - Other Storage Exp.</b>	-	-	
50	<b>TOTAL - Other Storage Expenses</b>	-	-	
51				
52	<b>TOTAL - STORAGE, TERMINALING &amp; PROC.</b>	-	-	

**MONTANA OPERATION & MAINTENANCE EXPENSES**

Year: 2001

Account Number & Title		Last Year	This Year	% Change
1	<b>Transmission Expenses</b>			
2	Operation			
3	850 Operation Supervision & Engineering	-	-	
4	851 System Control & Load Dispatching	-	-	
5	852 Communications System Expenses	-	-	
6	853 Compressor Station Labor & Expenses	-	-	
7	854 Gas for Compressor Station Fuel	-	-	
8	855 Other Fuel & Power for Compressor Stations	-	-	
9	856 Mains Expenses	-	-	
10	857 Measuring & Regulating Station Expenses	-	-	
11	858 Transmission & Compression of Gas by Others	-	-	
12	859 Other Expenses	-	-	
13	860 Rents	-	-	
14	<b>Total Operation - Transmission</b>	-	-	
15	Maintenance			
16	861 Maintenance Supervision & Engineering	-	-	
17	862 Maintenance of Structures & Improvements	-	-	
18	863 Maintenance of Mains	-	-	
19	864 Maintenance of Compressor Station Equip.	-	-	
20	865 Maintenance of Measuring & Reg. Sta. Equip.	-	-	
21	866 Maintenance of Communication Equipment	-	-	
22	867 Maintenance of Other Equipment	-	-	
23	<b>Total Maintenance - Transmission</b>	-	-	
24	<b>TOTAL Transmission Expenses</b>	-	-	
25	<b>Distribution Expenses</b>			
26	Operation			
27	870 Operation Supervision & Engineering	11,497	9,452	-17.79%
28	871 Distribution Load Dispatching	-	-	
29	872 Compressor Station Labor and Expenses	-	-	
30	873 Compressor Station Fuel and Power	-	-	
31	874 Mains and Services Expenses	44,841	34,664	-22.70%
32	875 Measuring & Reg. Station Exp.-General	-	-	
33	876 Measuring & Reg. Station Exp.-Industrial	-	-	
34	877 Meas. & Reg. Station Exp.-City Gate Ck. Sta.	-	-	
35	878 Meter & House Regulator Expenses	23,224	29,492	26.99%
36	879 Customer Installations Expenses	16,636	14,626	-12.08%
37	880 Other Expenses	2,013	2,036	1.14%
38	881 Rents	-	-	
39	<b>Total Operation - Distribution</b>	98,211	90,270	-8.09%
40	Maintenance			
41	885 Maintenance Supervision & Engineering	-	-	
42	886 Maintenance of Structures & Improvements	-	-	
43	887 Maintenance of Mains	32,695	26,712	-18.30%
44	888 Maint. of Compressor Station Equipment	-	-	
45	889 Maint. of Meas. & Reg. Station Exp.-General	-	-	
46	890 Maint. of Meas. & Reg. Sta. Exp.-Industrial	-	-	
47	891 Maint. of Meas. & Reg. Sta. Equip.-City Gate	-	-	
48	892 Maintenance of Services	-	-	
49	893 Maintenance of Meters & House Regulators	2,132	2,457	15.24%
50	894 Maintenance of Other Equipment	-	-	
51	<b>Total Maintenance - Distribution</b>	34,827	29,169	-16.25%
52	<b>TOTAL Distribution Expenses</b>	133,038	119,439	-10.22%

**MONTANA OPERATION & MAINTENANCE EXPENSES**

Year: 2001

Account Number & Title		Last Year	This Year	% Change
1				
2	<b>Customer Accounts Expenses</b>			
3	Operation			
4	901 Supervision	-	-	
5	902 Meter Reading Expenses	19,954	20,554	3.01%
6	903 Customer Records & Collection Expenses	35,908	37,380	4.10%
7	904 Uncollectible Accounts Expenses	7,950	1,718	-78.39%
8	905 Miscellaneous Customer Accounts Expenses	9,426	9,197	-2.43%
9				
10	<b>TOTAL Customer Accounts Expenses</b>	73,238	68,849	-5.99%
11				
12	<b>Customer Service &amp; Informational Expenses</b>			
13	Operation			
14	907 Supervision	-	-	
15	908 Customer Assistance Expenses	-	-	
16	909 Informational & Instructional Advertising Exp.	-	-	
17	910 Miscellaneous Customer Service & Info. Exp.	-	-	
18				
19	<b>TOTAL Customer Service &amp; Info. Expenses</b>	-	-	
20				
21	<b>Sales Expenses</b>			
22	Operation			
23	911 Supervision	-	-	
24	912 Demonstrating & Selling Expenses	-	-	
25	913 Advertising Expenses	1,687	1,100	-34.80%
26	916 Miscellaneous Sales Expenses	-	-	
27				
28	<b>TOTAL Sales Expenses</b>	1,687	1,100	-34.80%
29				
30	<b>Administrative &amp; General Expenses</b>			
31	Operation			
32	920 Administrative & General Salaries	83,060	84,363	1.57%
33	921 Office Supplies & Expenses	12,999	13,968	7.45%
34	922 (Less) Administrative Expenses Transferred - Cr.	-	-	
35	923 Outside Services Employed	38,013	46,906	23.39%
36	924 Property Insurance	12,446	12,529	0.67%
37	925 Injuries & Damages	17,484	17,286	-1.13%
38	926 Employee Pensions & Benefits	34,952	46,469	32.95%
39	927 Franchise Requirements	-	-	
40	928 Regulatory Commission Expenses	13,131	16,297	24.11%
41	929 (Less) Duplicate Charges - Cr.	-	-	
42	930.1 General Advertising Expenses	-	-	
43	930.2 Miscellaneous General Expenses (Sched. 10A)	46,626	44,706	-4.12%
44	931 Rents	2,623	2,879	9.76%
45	933 Transportation	19,017	19,308	1.53%
46	<b>TOTAL Operation - Admin. &amp; General</b>	280,351	304,711	8.69%
47	Maintenance			
48	935 Maintenance of General Plant	23,327	30,880	32.38%
49				
50	<b>TOTAL Administrative &amp; General Expenses</b>	303,678	335,591	10.51%
51	<b>TOTAL OPERATION &amp; MAINTENANCE EXP.</b>	1,161,921	1,365,879	17.55%

SCHEDULE 10A

**CUT BANK GAS CO.  
SCHEDULE TO ATTACH TO PSC REPORT  
JUNE 30, 2001**

**LINE 43 SCH 10 MISCELLANEOUS GENERAL EXPENSE**

	LAST YEAR	THIS YEAR	% CHANGE
Interest expense	7,643	11,140	45.75%
Donations	2,274	2,243	-1.36%
Miscellaneous expense	36,433	31,123	-14.57%
Communication expense	276	200	-27.54%
<b>Totals</b>	<b>46,626</b>	<b>44,706</b>	<b>-4.12%</b>

## MONTANA TAXES OTHER THAN INCOME

Year: 2001

	Description of Tax	Last Year	This Year	% Change
1	Payroll Taxes	26,100	27,325	4.69%
2	Montana Consumer Counsel	966	1,179	22.05%
3	Montana PSC	2,963	4,099	38.34%
4	Property Taxes	12,635	9,750	-22.83%
5	Tribal Taxes	1,479	1,479	
6	Natural Gas Production Tax	3,860	5,290	37.05%
7	Vehicle Licenses	1,025	988	-3.61%
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50				
51	<b>TOTAL MT Taxes other than Income</b>	<b>49,028</b>	<b>50,110</b>	<b>2.21%</b>



## PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES

Year: 2001

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1	David F. Stufft	Attorney	20,865	20,865	100.00%
2	JCCS, CPA's	Accountants	25,388	25,388	100.00%
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
50	<b>TOTAL Payments for Services</b>		46,253	46,253	100%

**POLITICAL ACTION COMMITTEES / POLITICAL CONTRIBUTIONS** Year: 2001

	Description	Total Company	Montana	% Montana
1				
2	Cut Bank Gas Company does not make political contributions.			
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50	<b>TOTAL Contributions</b>			

## Pension Costs

Year: 2001

1	Plan Name: Pension Plan for the Employees of Cut Bank Gas Co.			
2	Defined Benefit Plan? YES		Defined Contribution Plan? NO	
3	Actuarial Cost Method? Frozen Initial Liability Method With Entry-Age Normal Cost			
4	Is the Plan Over Funded? Yes-Defined Benefit		IRS Code: Sec. 401(a)	
5	Annual Contribution by Employer: \$9,500 Defined Benefit			
	Item	Current Year	Last Year	% Change
6	<b>Change in Benefit Obligation</b>			
7	Benefit obligation at beginning of year	Not Available	Not Available	
8	Service cost	-	-	
9	Interest Cost	None	None	
10	Plan participants' contributions	-	-	
11	Amendments	-	-	
12	Actuarial Gain	-	-	
13	Acquisition	-	-	
14	Benefits paid	-	-	
15	Benefit obligation at end of year	660,294	565,655	16.73%
16	<b>Change in Plan Assets</b>			
17	Fair value of plan assets at beginning of year	601,182	564,960	6.41%
18	Actual return on plan assets	17,055	26,472	-35.57%
19	Acquisition	-	-	
20	Employer contribution	20,397	9,750	109.20%
21	Plan participants' contributions	-	-	
22	Benefits paid	-	-	
23	Fair value of plan assets at end of year	638,634	601,182	6.23%
24	<b>Funded Status</b>	(21,660)	35,527	-160.97%
25	Unrecognized net actuarial loss			
26	Unrecognized prior service cost			
27	Prepaid (accrued) benefit cost	(21,660)	35,527	-160.97%
28				
29	<b>Weighted-average Assumptions as of Year End</b>			
30	Discount rate	6.00%	7.00%	-14.29%
31	Expected return on plan assets	2.90%	6.00%	-51.67%
32	Rate of compensation increase	2.00%	2.00%	
33				
34	<b>Components of Net Periodic Benefit Costs</b>			
35	Service cost	54,855	37,431	46.55%
36	Interest cost	-	-	
37	Expected return on plan assets	-	-	
38	Amortization of prior service cost	-	-	
39	Recognized net actuarial loss	-	-	
40	Net periodic benefit cost	54,855	37,431	46.55%
41				
42	<b>Montana Intrastate Costs:</b>			
43	Pension Costs	-	-	
44	Pension Costs Capitalized	-	-	
45	Accumulated Pension Asset (Liability) at Year End	-	-	
46	<b>Number of Company Employees:</b>			
47	Covered by the Plan	7	7	
48	Not Covered by the Plan	1	1	
49	Active	7	7	
50	Retired	-	-	
51	Deferred Vested Terminated	-	-	

## Pension Costs

Year: 2001

1	Plan Name: Cut Bank Gas Co., Inc. Profit Sharing Plan & Trust			
2	Defined Benefit Plan? No	Defined Contribution Plan? YES		
3	Actuarial Cost Method? N/A			
4	Is the Plan Over Funded? No	IRS Code: Sec. 401(a)		
5	Annual Contribution by Employer: \$0 - Profit Sharing			
	Item	Current Year	Last Year	% Change
6	<b>Change in Benefit Obligation</b>			
7	Benefit obligation at beginning of year	-	-	
8	Service cost	-	-	
9	Interest Cost	-	-	
10	Plan participants' contributions	-	-	
11	Amendments	-	-	
12	Actuarial Gain	-	-	
13	Acquisition	-	-	
14	Benefits paid	-	-	
15	Benefit obligation at end of year	-	-	
16	<b>Change in Plan Assets</b>			
17	Fair value of plan assets at beginning of year	26,257	24,693	6.33%
18	Actual return on plan assets	2,786	1,564	78.13%
19	Acquisition	-	-	
20	Employer contribution	-	-	
21	Plan participants' contributions	-	-	
22	Benefits paid	-	-	
23	Fair value of plan assets at end of year	29,043	26,257	10.61%
24	<b>Funded Status</b>	-	-	
25	Unrecognized net actuarial loss	-	-	
26	Unrecognized prior service cost	-	-	
27	Prepaid (accrued) benefit cost	-	-	
28				
29	<b>Weighted-average Assumptions as of Year End</b>			
30	Discount rate			
31	Expected return on plan assets			
32	Rate of compensation increase			
33				
34	<b>Components of Net Periodic Benefit Costs</b>			
35	Service cost	-	-	
36	Interest cost	-	-	
37	Expected return on plan assets	-	-	
38	Amortization of prior service cost	-	-	
39	Recognized net actuarial loss	-	-	
40	Net periodic benefit cost	-	-	
41				
42	<b>Montana Intrastate Costs:</b>			
43	Pension Costs	-	-	
44	Pension Costs Capitalized	-	-	
45	Accumulated Pension Asset (Liability) at Year End	-	-	
46	<b>Number of Company Employees:</b>			
47	Covered by the Plan	7	7	
48	Not Covered by the Plan	1	1	
49	Active	7	7	
50	Retired	-	-	
51	Deferred Vested Terminated	-	-	

## Other Post Employment Benefits (OPEBS)

Year: 2001

Item	Current Year	Last Year	% Change
<b>1 Regulatory Treatment:</b>			
2 Commission authorized - most recent			
3 Docket number: _____			
4 Order number: _____			
5 Amount recovered through rates			
<b>6 Weighted-average Assumptions as of Year End</b>			
7 Discount rate	Cut Bank Gas company has no other post employment benefits.		
8 Expected return on plan assets			
9 Medical Cost Inflation Rate			
10 Actuarial Cost Method			
11 Rate of compensation increase			
<b>12 List each method used to fund OPEBs (ie: VEBA, 401(h)) and if tax advantaged:</b>			
13			
14			
<b>15 Describe any Changes to the Benefit Plan:</b>			
16			
<b>17 TOTAL COMPANY</b>			
<b>18 Change in Benefit Obligation</b>			
19 Benefit obligation at beginning of year			
20 Service cost			
21 Interest Cost			
22 Plan participants' contributions			
23 Amendments			
24 Actuarial Gain			
25 Acquisition			
26 Benefits paid			
27 Benefit obligation at end of year			
<b>28 Change in Plan Assets</b>			
29 Fair value of plan assets at beginning of year			
30 Actual return on plan assets			
31 Acquisition			
32 Employer contribution			
33 Plan participants' contributions			
34 Benefits paid			
35 Fair value of plan assets at end of year			
<b>36 Funded Status</b>			
37 Unrecognized net actuarial loss			
38 Unrecognized prior service cost			
39 Prepaid (accrued) benefit cost			
<b>40 Components of Net Periodic Benefit Costs</b>			
41 Service cost			
42 Interest cost			
43 Expected return on plan assets			
44 Amortization of prior service cost			
45 Recognized net actuarial loss			
46 Net periodic benefit cost			
<b>47 Accumulated Post Retirement Benefit Obligation</b>			
48 Amount Funded through VEBA			
49 Amount Funded through 401(h)			
50 Amount Funded through Other _____			
51 TOTAL			
52 Amount that was tax deductible - VEBA			
53 Amount that was tax deductible - 401(h)			
54 Amount that was tax deductible - Other _____			
55 TOTAL			

## Other Post Employment Benefits (OPEBS) Continued

Year: 2001

Item		Current Year	Last Year	% Change
1	<b>Number of Company Employees:</b>			
2	Covered by the Plan	Cut Bank Gas company has no other post employment benefits.		
3	Not Covered by the Plan			
4	Active			
5	Retired			
6	Spouses/Dependants covered by the Plan			
7	<b>Montana</b>			
8	<b>Change in Benefit Obligation</b>			
9	Benefit obligation at beginning of year			
10	Service cost			
11	Interest Cost			
12	Plan participants' contributions			
13	Amendments			
14	Actuarial Gain			
15	Acquisition			
16	Benefits paid			
17	Benefit obligation at end of year			
18	<b>Change in Plan Assets</b>			
19	Fair value of plan assets at beginning of year			
20	Actual return on plan assets			
21	Acquisition			
22	Employer contribution			
23	Plan participants' contributions			
24	Benefits paid			
25	Fair value of plan assets at end of year			
26	<b>Funded Status</b>			
27	Unrecognized net actuarial loss			
28	Unrecognized prior service cost			
29	Prepaid (accrued) benefit cost			
30	<b>Components of Net Periodic Benefit Costs</b>			
31	Service cost			
32	Interest cost			
33	Expected return on plan assets			
34	Amortization of prior service cost			
35	Recognized net actuarial loss			
36	Net periodic benefit cost			
37	<b>Accumulated Post Retirement Benefit Obligation</b>			
38	Amount Funded through VEBA			
39	Amount Funded through 401(h)			
40	Amount Funded through other _____			
41	TOTAL			
42	Amount that was tax deductible - VEBA			
43	Amount that was tax deductible - 401(h)			
44	Amount that was tax deductible - Other			
45	TOTAL			
46	<b>Montana Intrastate Costs:</b>			
47	Pension Costs			
48	Pension Costs Capitalized			
49	Accumulated Pension Asset (Liability) at Year End			
50	<b>Number of Montana Employees:</b>			
51	Covered by the Plan			
52	Not Covered by the Plan			
53	Active			
54	Retired			
55	Spouses/Dependants covered by the Plan			

## TOP TEN MONTANA COMPENSATED EMPLOYEES (ASSIGNED OR ALLOCATED)

Line No.	Name/Title	Base Salary	Bonuses	Other	Total Compensation	Total Compensation Last Year	% Increase Total Compensation
1	Daniel Whetstone President	77,211	-	-	77,211	74,310	3.90%
2	John D. More Serviceman 1st Class	53,631	-	-	53,631	51,573	3.99%
3	Rodney S. Cline Serviceman 2nd Class	49,889	-	-	49,889	49,366	1.06%
4	Mark S. Coryell Serviceman 2nd Class	47,432	-	-	47,432	45,899	3.34%
5	Thomas F. Shock Serviceman 2nd Class	46,633	-	-	46,633	45,968	1.45%
6	S. Jane Lindberg Bookkeeper	37,152	-	-	37,152	36,126	2.84%
7	Lori L. Milbrandt Secretary/Receptionist	24,964	-	-	24,964	24,251	2.94%
8							
9							
10							

## COMPENSATION OF TOP 5 CORPORATE EMPLOYEES - SEC INFORMATION

Line No.	Name/Title	Base Salary	Bonuses	Other	Total Compensation	Total Compensation Last Year	% Increase Total Compensation
1	Daniel Whetstone President	77,211	-	-	77,211	74,310	3.90%
2	John D. More Serviceman 1st Class	53,631	-	-	53,631	51,573	3.99%
3	Rodney S. Cline Serviceman 2nd Class	49,889	-	-	49,889	49,366	1.06%
4	Mark S. Coryell Serviceman 2nd Class	47,432	-	-	47,432	45,899	3.34%
5	Thomas F. Shock Serviceman 2nd Class	46,633	-	-	46,633	45,968	1.45%



## BALANCE SHEET

Year: 2001

Account Number & Title		Last Year	This Year	% Change
1	<b>Assets and Other Debits</b>			
2	Utility Plant			
3	101 Gas Plant in Service	858,433	877,968	2.28%
4	101.1 Property Under Capital Leases	-	-	
5	102 Gas Plant Purchased or Sold	-	-	
6	104 Gas Plant Leased to Others	-	-	
7	105 Gas Plant Held for Future Use	-	-	
8	105.1 Production Properties Held for Future Use	-	-	
9	106 Completed Constr. Not Classified - Gas	-	-	
10	107 Construction Work in Progress - Gas	-	-	
11	108 (Less) Accumulated Depreciation	(561,923)	(598,771)	-6.56%
12	111 (Less) Accumulated Amortization & Depletion	-	-	
13	114 Gas Plant Acquisition Adjustments	-	-	
14	115 (Less) Accum. Amort. Gas Plant Acq. Adj.	-	-	
15	116 Other Gas Plant Adjustments	-	-	
16	117 Gas Stored Underground - Noncurrent	-	-	
17	118 Other Utility Plant	-	-	
18	119 Accum. Depr. and Amort. - Other Utl. Plant	-	-	
19	<b>TOTAL Utility Plant</b>	296,510	279,197	-5.84%
20	<b>Other Property &amp; Investments</b>			
21	121 Nonutility Property	-	-	
22	122 (Less) Accum. Depr. & Amort. of Nonutil. Prop.	-	-	
23	123 Investments in Associated Companies	-	-	
24	123.1 Investments in Subsidiary Companies	-	-	
25	124 Other Investments	2,009	2,075	3.29%
26	125 Sinking Funds	-	-	
27	<b>TOTAL Other Property &amp; Investments</b>	2,009	2,075	3.29%
28	<b>Current &amp; Accrued Assets</b>			
29	131 Cash	93,863	135,530	44.39%
30	132-134 Special Deposits	-	-	
31	135 Working Funds	-	-	
32	136 Temporary Cash Investments	-	-	
33	141 Notes Receivable	-	-	
34	142 Customer Accounts Receivable	63,721	86,401	35.59%
35	143 Other Accounts Receivable	3,978	2,748	-30.92%
36	144 (Less) Accum. Provision for Uncollectible Accts.	(4,132)	(5,483)	-32.70%
37	145 Notes Receivable - Associated Companies	-	-	
38	146 Accounts Receivable - Associated Companies	-	-	
39	151 Fuel Stock	-	-	
40	152 Fuel Stock Expenses Undistributed	-	-	
41	153 Residuals and Extracted Products	-	-	
42	154 Plant Materials and Operating Supplies	22,198	21,198	-4.50%
43	155 Merchandise	1,507	1,693	12.34%
44	156 Other Material & Supplies	-	-	
45	163 Stores Expense Undistributed	-	-	
46	164.1 Gas Stored Underground - Current	-	-	
47	165 Prepayments	7,184	7,470	3.98%
48	166 Advances for Gas Explor., Devl. & Production	-	-	
49	171 Interest & Dividends Receivable	-	-	
50	172 Rents Receivable	-	-	
51	173 Accrued Utility Revenues	-	-	
52	174 Miscellaneous Current & Accrued Assets	-	-	
53	<b>TOTAL Current &amp; Accrued Assets</b>	188,319	249,557	32.52%

## BALANCE SHEET

Year: 2001

	Account Number & Title	Last Year	This Year	% Change
1	<b>Assets and Other Debits (cont.)</b>			
2				
3	<b>Deferred Debits</b>			
4				
5	181 Unamortized Debt Expense	-	-	
6	182.1 Extraordinary Property Losses	-	-	
7	182.2 Unrecovered Plant & Regulatory Study Costs	-	-	
8	183.1 Prelim. Nat. Gas Survey & Investigation Chrg.	-	-	
9	183.2 Other Prelim. Nat. Gas Survey & Invtg. Chrgs.	-	-	
10	184 Clearing Accounts	-	-	
11	185 Temporary Facilities	-	-	
12	186 Miscellaneous Deferred Debits	There are no Deferred Debits.		
13	187 Deferred Losses from Disposition of Util. Plant			
14	188 Research, Devel. & Demonstration Expend.			
15	189 Unamortized Loss on Reacquired Debt			
16	190 Accumulated Deferred Income Taxes	-	-	
17	191 Unrecovered Purchased Gas Costs	-	-	
18	192.1 Unrecovered Incremental Gas Costs	-	-	
19	192.2 Unrecovered Incremental Surcharges	-	-	
20	<b>TOTAL Deferred Debits</b>	-	-	
21				
22	<b>TOTAL ASSETS &amp; OTHER DEBITS</b>	486,838	530,829	9.04%
	Account Number & Title	Last Year	This Year	% Change
23	<b>Liabilities and Other Credits</b>			
24				
25	<b>Proprietary Capital</b>			
26				
27	201 Common Stock Issued	90,310	90,310	
28	202 Common Stock Subscribed	-	-	
29	204 Preferred Stock Issued	-	-	
30	205 Preferred Stock Subscribed	-	-	
31	207 Premium on Capital Stock	-	-	
32	211 Miscellaneous Paid-In Capital	-	-	
33	213 (Less) Discount on Capital Stock	-	-	
34	214 (Less) Capital Stock Expense	-	-	
35	215 Appropriated Retained Earnings	-	-	
36	216 Unappropriated Retained Earnings	228,829	224,961	-1.69%
37	217 (Less) Reacquired Capital Stock	-	-	
38	<b>TOTAL Proprietary Capital</b>	319,139	315,271	-1.21%
39				
40	<b>Long Term Debt</b>			
41				
42	221 Bonds	-	-	
43	222 (Less) Reacquired Bonds	-	-	
44	223 Advances from Associated Companies	-	-	
45	224 Other Long Term Debt	-	-	
46	225 Unamortized Premium on Long Term Debt	-	-	
47	226 (Less) Unamort. Discount on L-Term Debt-Dr.	-	-	
48	<b>TOTAL Long Term Debt</b>	-	-	

## BALANCE SHEET

Year: 2001

	Account Number & Title	Last Year	This Year	% Change
1				
2	<b>Total Liabilities and Other Credits (cont.)</b>			
3				
4	<b>Other Noncurrent Liabilities</b>			
5				
6	227 Obligations Under Cap. Leases - Noncurrent	-	-	
7	228.1 Accumulated Provision for Property Insurance	-	-	
8	228.2 Accumulated Provision for Injuries & Damages	-	-	
9	228.3 Accumulated Provision for Pensions & Benefits	-	-	
10	228.4 Accumulated Misc. Operating Provisions	-	-	
11	229 Accumulated Provision for Rate Refunds	-	-	
12	<b>TOTAL Other Noncurrent Liabilities</b>	-	-	
13				
14	<b>Current &amp; Accrued Liabilities</b>			
15				
16	231 Notes Payable	44,563	73,560	100.00%
17	232 Accounts Payable	39,827	51,631	29.64%
18	233 Notes Payable to Associated Companies	-	-	
19	234 Accounts Payable to Associated Companies	-	-	
20	235 Customer Deposits	27,574	31,342	13.67%
21	236 Taxes Accrued	7,810	7,169	-8.21%
22	237 Interest Accrued	20,245	23,394	15.55%
23	238 Dividends Declared	-	-	
24	239 Matured Long Term Debt	-	-	
25	240 Matured Interest	-	-	
26	241 Tax Collections Payable	-	-	
27	242 Miscellaneous Current & Accrued Liabilities	14,587	16,052	10.04%
28	243 Obligations Under Capital Leases - Current	-	-	
29	<b>TOTAL Current &amp; Accrued Liabilities</b>	154,606	203,148	31.40%
30				
31	<b>Deferred Credits</b>			
32				
33	252 Customer Advances for Construction	-	-	
34	253 Other Deferred Credits	-	-	
35	255 Accumulated Deferred Investment Tax Credits	-	-	
36	256 Deferred Gains from Disposition Of Util. Plant	-	-	
37	257 Unamortized Gain on Reacquired Debt	-	-	
38	281-283 Accumulated Deferred Income Taxes	13,093	12,410	-5.22%
39	<b>TOTAL Deferred Credits</b>	13,093	12,410	-5.22%
40				
41	<b>TOTAL LIABILITIES &amp; OTHER CREDITS</b>	486,838	530,829	9.04%

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

Year: 2001

	Account Number & Title	Last Year	This Year	% Change
1	<b>Intangible Plant</b>			
2				
3	301 Organization	11,354	11,354	
4	302 Franchises & Consents	1,770	1,770	
5	303 Miscellaneous Intangible Plant	30,000	30,000	
6				
7	<b>TOTAL Intangible Plant</b>	43,124	43,124	
8				
9	<b>Production Plant</b>			
10				
11	Production & Gathering Plant			
12				
13	325.1 Producing Lands	-	-	
14	325.2 Producing Leaseholds	12,877	12,877	
15	325.3 Gas Rights	-	-	
16	325.4 Rights-of-Way	-	-	
17	325.5 Other Land & Land Rights	-	-	
18	326 Gas Well Structures	-	-	
19	327 Field Compressor Station Structures	6,590	6,590	
20	328 Field Meas. & Reg. Station Structures	-	-	
21	329 Other Structures	-	-	
22	330 Producing Gas Wells-Well Construction	8,159	8,159	
23	331 Producing Gas Wells-Well Equipment	101,835	101,835	
24	332 Field Lines	691	691	
25	333 Field Compressor Station Equipment	24,032	24,032	
26	334 Field Meas. & Reg. Station Equipment	1,276	1,276	
27	335 Drilling & Cleaning Equipment	-	-	
28	336 Purification Equipment	-	-	
29	337 Other Equipment	-	-	
30	338 Unsuccessful Exploration & Dev. Costs	-	-	
31				
32	<b>Total Production &amp; Gathering Plant</b>	155,460	155,460	
33				
34	Products Extraction Plant			
35				
36	340 Land & Land Rights	-	-	
37	341 Structures & Improvements	-	-	
38	342 Extraction & Refining Equipment	-	-	
39	343 Pipe Lines	-	-	
40	344 Extracted Products Storage Equipment	-	-	
41	345 Compressor Equipment	-	-	
42	346 Gas Measuring & Regulating Equipment	-	-	
43	347 Other Equipment	-	-	
44				
45	<b>Total Products Extraction Plant</b>	-	-	
46				
47	<b>TOTAL Production Plant</b>	155,460	155,460	

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

Year: 2001

	Account Number & Title	Last Year	This Year	% Change
1				
2	<b>Natural Gas Storage and Processing Plant</b>			
3				
4	Underground Storage Plant			
5				
6	350.1 Land	There are no storage and processing plant assets		
7	350.2 Rights-of-Way			
8	351 Structures & Improvements		-	-
9	352 Wells		-	-
10	352.1 Storage Leaseholds & Rights		-	-
11	352.2 Reservoirs		-	-
12	352.3 Non-Recoverable Natural Gas		-	-
13	353 Lines		-	-
14	354 Compressor Station Equipment		-	-
15	355 Measuring & Regulating Equipment	-	-	
16	356 Purification Equipment	-	-	
17	357 Other Equipment	-	-	
18				
19	<b>Total Underground Storage Plant</b>	-	-	
20				
21	Other Storage Plant			
22				
23	360 Land & Land Rights	-	-	
24	361 Structures & Improvements	-	-	
25	362 Gas Holders	-	-	
26	363 Purification Equipment	-	-	
27	363.1 Liquification Equipment	-	-	
28	363.2 Vaporizing Equipment	-	-	
29	363.3 Compressor Equipment	-	-	
30	363.4 Measuring & Regulating Equipment	-	-	
31	363.5 Other Equipment	-	-	
32				
33	<b>Total Other Storage Plant</b>	-	-	
34				
35	<b>TOTAL Natural Gas Storage and Processing Plant</b>	-	-	
36				
37	<b>Transmission Plant</b>			
38				
39	365.1 Land & Land Rights	-	-	
40	365.2 Rights-of-Way	-	-	
41	366 Structures & Improvements	-	-	
42	367 Mains	792	792	
43	368 Compressor Station Equipment	-	-	
44	369 Measuring & Reg. Station Equipment	-	-	
45	370 Communication Equipment	-	-	
46	371 Other Equipment	-	-	
47				
48	<b>TOTAL Transmission Plant</b>	792	792	

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

Year: 2001

	Account Number & Title	Last Year	This Year	% Change
1				
2	<b>Distribution Plant</b>			
3				
4	374 Land & Land Rights	-	-	
5	375 Structures & Improvements	-	-	
6	376 Mains	228,951	240,666	5.12%
7	377 Compressor Station Equipment	-	-	
8	378 Meas. & Reg. Station Equipment-General	-	-	
9	379 Meas. & Reg. Station Equipment-City Gate	-	-	
10	380 Services	13,936	13,936	
11	381 Meters	147,233	147,844	0.41%
12	382 Meter Installations	51,581	51,581	
13	383 House Regulators	-	-	
14	384 House Regulator Installations	-	-	
15	385 Industrial Meas. & Reg. Station Equipment	-	-	
16	386 Other Prop. on Customers' Premises	-	-	
17	387 Other Equipment	-	-	
18				
19	<b>TOTAL Distribution Plant</b>	441,701	454,027	2.79%
20				
21	<b>General Plant</b>			
22				
23	389 Land & Land Rights	10,000	10,000	
24	390 Structures & Improvements	93,925	96,585	2.83%
25	391 Office Furniture & Equipment	13,777	18,326	33.02%
26	392 Transportation Equipment	82,971	82,971	
27	393 Stores Equipment	-	-	
28	394 Tools, Shop & Garage Equipment	5,972	5,972	
29	395 Laboratory Equipment	-	-	
30	396 Power Operated Equipment	9,950	9,950	
31	397 Communication Equipment	-	-	
32	398 Miscellaneous Equipment	761	761	
33	399 Other Tangible Property	-	-	
34				
35	<b>TOTAL General Plant</b>	217,356	224,565	3.32%
36				
37	<b>TOTAL Gas Plant in Service</b>	858,433	877,968	2.28%

**MONTANA DEPRECIATION SUMMARY**

Year: 2001

	Functional Plant Classification	Plant Cost	Accumulated Depreciation		Current Avg. Rate
			Last Year Bal.	This Year Bal.	
1	Production & Gathering	155,460	128,031	132,356	-
2	Products Extraction	-	-	-	-
3	Underground Storage	-	-	-	-
4	Other Storage	-	-	-	-
5	Transmission	792	697	738	-
6	Distribution	454,027	261,885	282,219	-
7	General	224,565	171,310	183,458	-
8	<b>TOTAL</b>	834,844	561,923	598,771	-

**SCHEDULE 21****MONTANA MATERIALS & SUPPLIES (ASSIGNED & ALLOCATED**

	Account	Last Year Bal.	This Year Bal.	%Change
1				
2	151 Fuel Stock	-	-	
3	152 Fuel Stock Expenses - Undistributed	-	-	
4	153 Residuals & Extracted Products	-	-	
5	154 Plant Materials & Operating Supplies:			
6	Assigned to Construction (Estimated)	-	-	
7	Assigned to Operations & Maintenance	-	-	
8	Production Plant (Estimated)	-	-	
9	Transmission Plant (Estimated)	-	-	
10	Distribution Plant (Estimated)	22,198	21,198	-4.50%
11	Assigned to Other	-	-	
12	155 Merchandise	1,507	1,693	12.34%
13	156 Other Materials & Supplies	-	-	
14	163 Stores Expense Undistributed	-	-	
15				
16	<b>TOTAL Materials &amp; Supplies</b>	23,705	22,891	-3.43%

**SCHEDULE 22****MONTANA REGULATORY CAPITAL STRUCTURE & COSTS**

	Commission Accepted - Most Recent		% Cap. Str.	% Cost Rate	Weighted Cost
1	Docket Number	D2000.11.185			
2	Order Number	6711b			
3					
4	Common Equity	193,688	55.00%	11.000	3.71
5	Preferred Stock	-	-	-	-
6	Long Term Debt	158,472	45.00%	11.000	6.05
7	Other	-	-	-	-
8	<b>TOTAL</b>	352,160	100.00%		9.76
9					
10	Actual at Year End				
11					
12	Common Equity	315,271	100.00%	-	-
13	Preferred Stock	-	-	-	-
14	Long Term Debt	-	-	-	-
15	Other	-	-	-	-
16	<b>TOTAL</b>	315,271	100.00%		-

## STATEMENT OF CASH FLOWS

Year: 2001

	Description	Last Year	This Year	% Change
1				
2	Increase/(decrease) in Cash & Cash Equivalents:			
3				
4	<b>Cash Flows from Operating Activities:</b>			
5	Net Income	(49,074)	27,741	156.53%
6	Depreciation	37,805	36,848	-2.53%
7	Patronage Dividend	(151)	(66)	56.29%
8	Deferred Income Taxes - Net	(1,066)	(683)	35.93%
9	Investment Tax Credit Adjustments - Net	-	-	
10	Change in Operating Receivables - Net	(13,149)	(20,099)	-52.86%
11	Change in Materials, Supplies & Inventories - Net	2,612	814	-68.84%
12	Change in Operating Payables & Accrued Liabilities - Net	11,092	15,777	42.24%
13	Allowance for Funds Used During Construction (AFUDC)	-	-	
14	Change in Other Assets & Liabilities - Net	18,914	3,482	-81.59%
15	Other Operating Activities (Schedule 23A)	(4,300)	-	-100.00%
16	<b>Net Cash Provided by/(Used in) Operating Activities</b>	<b>2,683</b>	<b>63,814</b>	<b>2278.47%</b>
17				
18	<b>Cash Inflows/Outflows From Investment Activities:</b>			
19	Construction/Acquisition of Property, Plant and Equipment			
20	(net of AFUDC & Capital Lease Related Acquisitions)	(25,659)	(19,535)	23.87%
21	Acquisition of Other Noncurrent Assets	-	-	
22	Proceeds from Disposal of Noncurrent Assets	4,365	-	-100.00%
23	Investments In and Advances to Affiliates	-	-	
24	Contributions and Advances from Affiliates	-	-	
25	Disposition of Investments in and Advances to Affiliates	-	-	
26	Other Investing Activities (explained on attached page)	-	-	
27	<b>Net Cash Provided by/(Used in) Investing Activities</b>	<b>(21,294)</b>	<b>(19,535)</b>	<b>8.26%</b>
28				
29	<b>Cash Flows from Financing Activities:</b>			
30	Proceeds from Issuance of:			
31	Long-Term Debt	80,000	70,000	-12.50%
32	Preferred Stock	-	-	
33	Common Stock	-	-	
34	Other:	-	-	
35	Net Increase in Short-Term Debt	-	-	
36	Other:	-	-	
37	Payment for Retirement of:	-	-	
38	Long-Term Debt	(35,437)	(41,003)	-15.71%
39	Preferred Stock	-	-	
40	Common Stock	-	-	
41	Other:	-	-	
42	Net Decrease in Short-Term Debt	-	-	
43	Dividends on Preferred Stock	-	-	
44	Dividends on Common Stock	-	(31,609)	
45	Other Financing Activities (explained on attached page)	-	-	
46	<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>44,563</b>	<b>(2,612)</b>	<b>-105.86%</b>
47				
48	<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>25,952</b>	<b>41,667</b>	<b>60.56%</b>
49	<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>67,911</b>	<b>93,863</b>	<b>38.21%</b>
50	<b>Cash and Cash Equivalents at End of Year</b>	<b>93,863</b>	<b>135,530</b>	<b>44.39%</b>



## SCHEDULE 23A

**CUT BANK GAS CO.**  
**SCHEDULE TO ATTACH TO PSC REPORT**  
**JUNE 30, 2001**

**LINE 15 SCH 23 OTHER OPERATING ACTIVITIES**

	LAST YEAR	THIS YEAR	% CHANGE
Gain on Sale of Fixed Asset	(4,300)	-	-100.00%
<b>Totals</b>	<b>(4,300)</b>	<b>-</b>	<b>-100.00%</b>

## LONG TERM DEBT

Year: 2001

	Description	Issue Date Mo./Yr.	Maturity Date Mo./Yr.	Principal Amount	Net Proceeds	Outstanding Per Balance Sheet	Yield to Maturity	Annual Net Cost Inc. Prem/Disc.	Total Cost %
1									
2									
3	Cut Bank Gas Company has no long-term debt.								
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									
27									
28									
29									
30									
31									
32	<b>TOTAL</b>								

PREFERRED STOCK

Year: 2001

	Series	Issue Date Mo./Yr.	Shares Issued	Par Value	Call Price	Net Proceeds	Cost of Money	Principal Outstanding	Annual Cost	Embed. Cost %
1										
2										
3	Cut Bank Gas Company has no preferred stock.									
4										
5										
6										
7										
8										
9										
10										
11										
12										
13										
14										
15										
16										
17										
18										
19										
20										
21										
22										
23										
24										
25										
26										
27										
28										
29										
30										
31										
32	TOTAL									

Company Name: Cut Bank Gas Company

SCHEDULE 26

# COMMON STOCK

Year: 2001

	Avg. Number of Shares Outstanding	Book Value Per Share	Earnings Per Share	Dividends Per Share	Retention Ratio	Market Price High	Market Price Low	Price/ Earnings Ratio
1	Information only available for the fiscal year end of June, 2001.							
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32	TOTAL Year End	9,031	\$ 34.91	\$ 3.07	\$ 3.50	N/A	N/A	N/A

## MONTANA EARNED RATE OF RETURN

Year: 2001

	Description	Last Year	This Year	% Change
1	Rate Base			
2	101 Plant in Service	858,433	877,968	2.28%
3	108 (Less) Accumulated Depreciation	(561,923)	(598,771)	-6.56%
4	<b>NET Plant in Service</b>	296,510	279,197	-5.84%
5				
6	Additions			
7	154, 156 Materials & Supplies	22,198	21,198	-4.50%
8	165 Prepayments	7,184	7,470	3.98%
9	Other Additions (Schedule 27A)	75,665	78,310	3.49%
10	<b>TOTAL Additions</b>	105,047	106,978	1.84%
11				
12	Deductions			
13	190 Accumulated Deferred Income Taxes	-	-	
14	252 Customer Advances for Construction	-	-	
15	255 Accumulated Def. Investment Tax Credits	-	-	
16	Other Deductions - Customer Deposits	27,574	31,342	13.67%
17	<b>TOTAL Deductions</b>	27,574	31,342	13.67%
18	<b>TOTAL Rate Base</b>	373,983	354,833	-5.12%
19				
20	<b>Net Earnings</b>	(49,074)	27,741	156.53%
21				
22	<b>Rate of Return on Average Rate Base</b>	-12.93%	7.61%	158.88%
23				
24	<b>Rate of Return on Average Equity</b>	-14.28%	8.75%	161.24%
25				
26	Major Normalizing Adjustments & Commission			
27	Ratemaking adjustments to Utility Operations			
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47	<b>Adjusted Rate of Return on Average Rate Base</b>	-12.93%	7.61%	158.88%
48				
49	<b>Adjusted Rate of Return on Average Equity</b>	-14.28%	8.75%	161.24%

SCHEDULE 27A

**CUT BANK GAS CO.**  
**SCHEDULE TO ATTACH TO PSC REPORT**  
**JUNE 30, 2001**

LINE 9 SCH 27 / Per Commission Order #4858a Last Year and Order #6192a This Year

	LAST YEAR	THIS YEAR	% CHANGE
Operating expenses	1,091,575	1,298,574	18.96%
Maintenance expenses	70,346	67,305	-4.32%
Taxes other than income taxes	49,028	50,110	2.21%
	1,210,949	1,415,989	16.93%
Less:			
Purchased Gas	603,210	789,510	30.88%
Royalty Gas	2,416	-	-100.00%
	605,323	626,479	3.49%
Divided by	8	8	
<b>1/8 Op. &amp; Maint. for working capital</b>	<u><b>75,665</b></u>	<u><b>78,310</b></u>	3.49%

## MONTANA COMPOSITE STATISTICS

Year: 2001

	Description	Amount
1		
2	Plant (Intrastate Only) (000 Omitted)	
3		
4	101 Plant in Service	877,968
5	107 Construction Work in Progress	-
6	114 Plant Acquisition Adjustments	-
7	105 Plant Held for Future Use	-
8	154, 156 Materials & Supplies	21,198
9	(Less):	
10	108, 111 Depreciation & Amortization Reserves	(598,771)
11	252 Contributions in Aid of Construction	
12		
13	<b>NET BOOK COSTS</b>	300,395
14		
15	Revenues & Expenses (000 Omitted)	
16		
17	400 Operating Revenues	1,473,631
18		
19	403 - 407 Depreciation & Amortization Expenses	36,848
20	Federal & State Income Taxes	50
21	Other Taxes	49,427
22	Other Operating Expenses	1,363,636
23	TOTAL Operating Expenses	1,449,961
24		
25	Net Operating Income	23,670
26		
27	415 - 421.1 Other Income	6,314
28	421.2 - 426.5 Other Deductions	2,243
29		
30	<b>NET INCOME</b>	27,741
31		
32	Customers (Intrastate Only)	
33		
34	Year End Average:	
35	Residential	1,301
36	Commercial	264
37	Industrial	-
38	Other	-
39		
40	<b>TOTAL NUMBER OF CUSTOMERS</b>	1,565
41		
42	Other Statistics (Intrastate Only)	
43		
44	Average Annual Residential Use (Mcf or Dkt))	165 Mcf
45	Average Annual Residential Cost per (Mcf or Dkt) (\$) *	\$ 5.71
46	* Avg annual cost = [(cost per Mcf or Dkt x annual use) + (mo. svc chrg x 12)]/annual use	
47	Average Residential Monthly Bill	\$ 78.51
48	Gross Plant per Customer	\$ 561.00

## MONTANA CUSTOMER INFORMATION

Year: 2001

	City/Town	Population (Include Rural)	Residential Customers	Commercial Customers	Industrial & Other Customers	Total Customers
1	Cut Bank	4,000	1,301	264		1,565
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32	<b>TOTAL Montana Customers</b>	4,000	1,301	264		1,565



Company Name: Cut Bank Gas Company

SCHEDULE 30

**MONTANA EMPLOYEE COUNTS**

Year: 2001

	Department	Year Beginning	Year End	Average
1	Administration	1	1	1
2	Service	4	4	4
3	Office	2	2	2
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
50	<b>TOTAL Montana Employees</b>	<b>7</b>	<b>7</b>	<b>7</b>

MONTANA CONSTRUCTION BUDGET (ASSIGNED & ALLOCATED)

Year: 2002

	Project Description	Total Company	Total Montana
1			
2	Cut Bank Gas Company does not project a construction budget.		
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43			
44			
45			
46			
47			
48			
50	TOTAL		

## TRANSMISSION SYSTEM - TOTAL COMPANY &amp; MONTANA

Year: 2001

Total Company				
		Peak Day of Month	Peak Day Volumes Mcf or Dkt	Total Monthly Volumes Mcf or Dkt
1	January	Cut Bank Gas Company does not have a transmission system.		
2	February			
3	March			
4	April			
5	May			
6	June			
7	July			
8	August			
9	September			
10	October			
11	November			
12	December			
13	<b>TOTAL</b>			

Montana				
		Peak Day of Month	Peak Day Volumes Mcf or Dkt	Total Monthly Volumes Mcf or Dkt
14	January			
15	February			
16	March			
17	April			
18	May			
19	June			
20	July			
21	August			
22	September			
23	October			
24	November			
25	December			
26	<b>TOTAL</b>			

**DISTRIBUTION SYSTEM - TOTAL COMPANY & MONTANA**

Year: 2001

Total Company				
		Peak Day of Month	Peak Day Volumes Mcf or Dkt	Total Monthly Volumes Mcf or Dkt
1	January	Cut Bank Gas Company does not have the equipment to measure for this.		
2	February			
3	March			
4	April			
5	May			
6	June			
7	July			
8	August			
9	September			
10	October			
11	November			
12	December			
13	<b>TOTAL</b>			

Montana				
		Peak Day of Month	Peak Day Volumes Mcf or Dkt	Total Monthly Volumes Mcf or Dkt
14	January			
15	February			
16	March			
17	April			
18	May			
19	June			
20	July			
21	August			
22	September			
23	October			
24	November			
25	December			
26	<b>TOTAL</b>			

**STORAGE SYSTEM - TOTAL COMPANY & MONTANA**

		Total Company					
		Peak Day of Month		Peak Day Volumes (Mcf or Dkt)		Total Monthly Volumes (Mcf or Dkt)	
		Injection	Withdrawal	Injection	Withdrawal	Injection	Withdrawal
1	January	Cut Bank Gas Company does not have a storage system.					
2	February						
3	March						
4	April						
5	May						
6	June						
7	July						
8	August						
9	September						
10	October						
11	November						
12	December						
13	<b>TOTAL</b>						

		Montana					
		Peak Day of Month		Peak Day Volumes (Mcf or Dkt)		Total Monthly Volumes (Mcf or Dkt)	
		Injection	Withdrawal	Injection	Withdrawal	Injection	Withdrawal
14	January						
15	February						
16	March						
17	April						
18	May						
19	June						
20	July						
21	August						
22	September						
23	October						
24	November						
25	December						
26	<b>TOTAL</b>						

## SOURCES OF GAS SUPPLY

Year: 2001

	Name of Supplier	Last Year Volumes Mcf or Dkt	This Year Volumes Mcf or Dkt	Last Year Avg. Commodity Cost	This Year Avg. Commodity Cost
1	Montana Power	182,975 Mcfs @14.90	208,226 Mcfs @14.90	\$3.297	\$3.792
2					
3	Cut Bank Gas Company - Royalty	31,814 Mcfs @14.73	29,201 Mcfs @14.73	\$0.153	\$0.363
4					
5	Hope Hewitt	1,960 Mcfs @14.73	-	\$1.232	-
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33	Total Gas Supply Volumes	216,749 Mcfs	237,427 Mcfs	\$2.817	\$3.370

**MONTANA CONSERVATION & DEMAND SIDE MANAGEMENT PROGRAMS** Year: 2001

	Program Description	Current Year Expenditures	Last Year Expenditures	% Change	Planned Savings (Mcf or Dkt)	Achieved Savings (Mcf or Dkt)	Difference
1							
2	Cut Bank Gas Company does not have conservation and						
3	demand side management programs.						
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32	<b>TOTAL</b>						

## MONTANA CONSUMPTION AND REVENUES

Year: 2001

	Sales of Gas	Operating Revenues		MCF Sold		Avg. No. of Customers	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	Residential	Considered one class					
2	Commercial - Small						
3	Commercial - Large						
4	Industrial - Small						
5	Industrial - Large						
6	Interruptible Industrial						
7	Other Sales to Public Authorities						
8	Sales to Other Utilities						
9	Interdepartmental						
10							
11	<b>TOTAL</b>	1,473,631	1,185,130	258,037	239,304	1,565	1,577
12							
13							
14							
15	<b>Transportation of Gas</b>	Operating Revenues		BCF Transported		Avg. No. of Customers	
16		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
17							
18							
19	Utilities	Cut Bank Gas Company has no Transmission Revenue.					
20							
21							
22							
23	Industrial						
24	<b>TOTAL</b>						