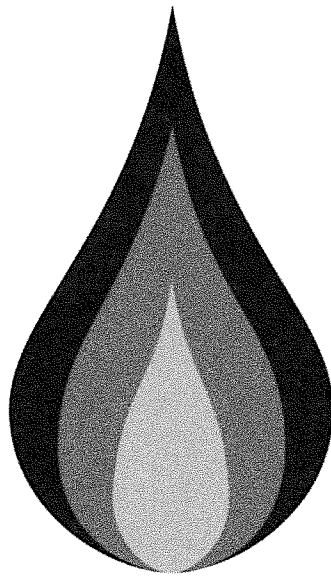


Year Ending 2015

Annual Report
Of

Cut Bank

Gas Utility



To the
Public Service Commission
State of Montana
1701 Prospect Avenue
P O Box 202601
Helena, MT 59620-2601

IDENTIFICATION

Year: 2015

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	19-Nov-56
4.	Address to send Correspondence Concerning Report:	403 East Main St Cut Bank, MT 59427
5.	Person Responsible for This Report:	Jed Henthorne
5a.	Telephone Number:	(406)791-7500
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	Gene Argo	Placerville, CA	\$51,474
2	Michael B. Bender	Noth Charleston, SC	\$67,890
3	Wade F. Brooksby	Payson, AZ	\$51,475
4	James P. Carney	Mentor, OH	\$40,802
5	Richard K. Greaves	Chardon, OH	\$79,610
6	Robert B. Johnston	Noth Charleston, SC	\$40,802
7	John R. Male	Novelty, OH	\$35,000
8	Thomas J. Smith	Jacksonville, FL	\$30,000
9	Michael Winter	Orchard Park, NY	\$86,481
10	Michael Victor	Concord, OH	\$46,475
This is the Board of Directors of Gas Natural Inc., Energy West, Inc's Parent Company			

Officers

Year : 2015

Line No.	Title of Officer (a)	Department Supervised (b)	Name (c)
1	President & CEO	Total Company (Gas Natural Inc.)	Gregory Osborne
2			
3	Vice President & CFO	Total Company (Gas Natural Inc.)	James Sprague
4			
7	COO & Chief Compliance Officer	Total Company (Gas Natural Inc.)	Kevin J. Degenstein
8			
9			
10	Corporate Controller	Total Company (Gas Natural Inc.)	Jed D. Henthorne
11			
12	Corporate Secretary	Total Company (Gas Natural Inc.)	Christopher J. Hubbert
13			
14	Vice President & General Counsel	Total Company (Gas Natural Inc.)	Vincent A. Parisi
15			
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Company Name: Cut Bank Gas Company

SCHEDULE 4

CORPORATE STRUCTURE

Year: 2015

	Subsidiary/Company Name	Line of Business	Earnings	Percent of Total
1	Cut Bank Gas Company - a subsidiary of		(15,782)	100.00%
2	Energy West Incorporated			
3				
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42				100.00%
43				
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47				
48				
49				
50	TOTAL		(15,782)	

Company Name: Cut Bank Gas Company

SCHEDULE 5

CORPORATE ALLOCATIONS

Year: 2015

	Items Allocated	Classification	Allocation Method	\$ to MT Utility	MT %	\$ to Other
1	ENERGY WEST,	921	DIRECT PAYROLL & 4 FACTOR	156,744	3.18%	4,765,747
2	OVERHEADS					
3						
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34	TOTAL			156,744	3.18%	4,765,747

Company Name: Cut Bank Gas Company

SCHEDULE 6

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY Year: 2015

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Utility	(e) % Total Affil. Revs.	(f) Charges to MT Utility
1	None					
2						
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32	TOTAL					

Company Name: Cut Bank Gas Company

SCHEDULE 7

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY Year: 2015

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Affiliate	(e) % Total Affil. Exp.	(f) Revenues to MT Utility
1	None					
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31						
32	TOTAL					

MONTANA UTILITY INCOME STATEMENT

Year: 2015

	Account Number & Title	Last Year	This Year	% Change
1	400 Operating Revenues	2,057,910	1,506,622	37%
2				
3	Operating Expenses			
4	401 Operation Expenses	1,769,017	1,389,566	27%
5	402 Maintenance Expense	28,780	26,344	9%
6	403 Depreciation Expense	33,850	46,803	-28%
7	404-405 Amort. & Depl. of Gas Plant			
8	406 Amort. of Gas Plant Acquisition Adjustments			
9	407.1 Amort. of Property Losses, Unrecovered Plant			
10	& Regulatory Study Costs			
11	407.2 Amort. of Conversion Expense			
12	408.1 Taxes Other Than Income Taxes	42,376	40,344	5%
13	409.1 Income Taxes - Federal	35,443	(65,402)	154%
14	- Other	5,782	(2,158)	368%
15	410.1 Provision for Deferred Income Taxes	(34,652)	86,908	-140%
16	411.1 (Less) Provision for Def. Inc. Taxes - Cr.			
17	411.4 Investment Tax Credit Adjustments			
18	411.6 (Less) Gains from Disposition of Utility Plant			
19	411.7 Losses from Disposition of Utility Plant			
20	TOTAL Utility Operating Expenses	1,880,596	1,522,405	24%
21	NET UTILITY OPERATING INCOME	177,314	(15,783)	1223%

SCHEDULE 9

MONTANA REVENUES

Year: 2015

	Account Number & Title	Last Year	This Year	% Change
1	Sales of Gas			
2	480 Residential	1,243,947	943,508	32%
3	481 Commercial & Industrial - Small	808,110	560,572	44%
4	Commercial & Industrial - Large4910006 4910098			
5	482 Other Sales to Public Authorities			
6	484 Interdepartmental Sales			
7	485 Intracompany Transfers			
8	TOTAL Sales to Ultimate Consumers	2,052,057	1,504,080	36%
9	483 Sales for Resale			
10	TOTAL Sales of Gas	2,052,057	1,504,080	36%
11	Other Operating Revenues			
12	487 Forfeited Discounts & Late Payment Revenues			
13	488 Miscellaneous Service Revenues	4,303	1,691	154%
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	1,550	851	82%
21	TOTAL Other Operating Revenues	5,853	2,542	130%
22	Total Gas Operating Revenues	2,057,910	1,506,622	37%
23				
24	496 (Less) Provision for Rate Refunds			
25				
26	TOTAL Oper. Revs. Net of Pro. for Refunds	2,057,910	1,506,622	37%
27				

SCHEDULE 9A

Line 48 Sch 9 Other Gas Revenue

	Last Year	This Year
Interest Income	397	237
Patronage Dividend		
Loss on Investment in Cooperatives		
Miscellaneous	653	267
Gain on Disposal of Non-Utility Property	500	347
Totals	<u>1,550</u>	<u>851</u>

Company Name: Cut Bank Gas Company

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SCHEDULE 10

Page 1 of 5

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2015

Account Number & Title		Last Year	This Year	% Change
1	Production Expenses			
2	Production & Gathering - Operation			
3	750 Operation Supervision & Engineering			
4	751 Production Maps & Records			
5	752 Gas Wells Expenses			
6	753 Field Lines Expenses			
7	754 Field Compressor Station Expenses			
8	755 Field Compressor Station Fuel & Power			
9	756 Field Measuring & Regulating Station Expense			
10	757 Purification Expenses			
11	758 Gas Well Royalties			
12	759 Other Expenses			
13	760 Rents			
14	Total Operation - Natural Gas Production			
15	Production & Gathering - Maintenance			
16	761 Maintenance Supervision & Engineering	10,680	7,872	36%
17	762 Maintenance of Structures & Improvements			
18	763 Maintenance of Producing Gas Wells			
19	764 Maintenance of Field Lines			
20	765 Maintenance of Field Compressor Sta. Equip.			
21	766 Maintenance of Field Meas. & Reg. Sta. Equip.			
22	767 Maintenance of Purification Equipment			
23	768 Maintenance of Drilling & Cleaning Equip.			
24	769 Maintenance of Other Equipment			
25	Total Maintenance- Natural Gas Prod.	10,680	7,872	36%
26	TOTAL Natural Gas Production & Gathering	10,680	7,872	36%
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	Total Operation - Products Extraction			
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	Total Maintenance - Products Extraction			
53	TOTAL Products Extraction			

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2015

Account Number & Title		Last Year	This Year	% Change
1	Production Expenses - continued			
2				
3	Exploration & Development - Operation			
4	795 Delay Rentals			
5	796 Nonproductive Well Drilling			
6	797 Abandoned Leases			
7	798 Other Exploration			
8	TOTAL Exploration & Development			
9				
10	Other Gas Supply Expenses - Operation			
11	800 Natural Gas Wellhead Purchases	3,102	2,347	32%
12	800.1 Nat. Gas Wellhead Purch., Intracomp. Trans.			
13	801 Natural Gas Field Line Purchases			
14	802 Natural Gas Gasoline Plant Outlet Purchases			
15	803 Natural Gas Transmission Line Purchases			
16	804 Natural Gas City Gate Purchases	1,152,745	851,257	35%
17	805 Other Gas Purchases			
18	805.1 Purchased Gas Cost Adjustments	124,802	(45,372)	375%
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	TOTAL Other Gas Supply Expenses	1,280,649	808,232	58%
34				
35	TOTAL PRODUCTION EXPENSES	1,291,329	816,104	58%

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2015

Account Number & Title		Last Year	This Year	% Change
1	Storage, Terminaling & Processing Expenses			
2				
3	Underground Storage Expenses - Operation			
4	814 Operation Supervision & Engineering			
5	815 Maps & Records			
6	816 Wells Expenses			
7	817 Lines Expenses			
8	818 Compressor Station Expenses			
9	819 Compressor Station Fuel & Power			
10	820 Measuring & Reg. Station Expenses			
11	821 Purification Expenses			
12	822 Exploration & Development			
13	823 Gas Losses			
14	824 Other Expenses			
15	825 Storage Well Royalties			
16	826 Rents			
17	Total Operation - Underground Strg. Exp.			
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	Total Maintenance - Underground Storage			
29	TOTAL Underground Storage Expenses			
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	Total Operation - Other Storage Expenses			
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	Total Maintenance - Other Storage Exp.			
50	TOTAL - Other Storage Expenses			
51				
52	TOTAL - STORAGE, TERMINALING & PROC.			

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2015

Account Number & Title			Last Year	This Year	% Change
1	Transmission Expenses				
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	Total Operation - Transmission				
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	Total Maintenance - Transmission				
24	TOTAL Transmission Expenses				
25	Distribution Expenses				
26	Operation				
27	870	Operation Supervision & Engineering	1,427	12,048	-88%
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	72,334	75,742	-4%
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	8,704	4,995	74%
36	879	Customer Installations Expenses	2,490	1,175	112%
37	880	Other Expenses	15,027	26,750	-44%
38	881	Rents			
39	Total Operation - Distribution		99,982	120,710	-17%
40	Maintenance				
41	885	Maintenance Supervision & Engineering			
42	886	Maintenance of Structures & Improvements			
43	887	Maintenance of Mains	6,207	2,723	128%
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		451	-100%
50	894	Maintenance of Other Equipment			
51	Total Maintenance - Distribution		6,207	3,174	96%
52	TOTAL Distribution Expenses		106,189	123,884	-14%

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2015

Account Number & Title		Last Year	This Year	% Change
1				
2	Customer Accounts Expenses			
3	Operation			
4	901 Supervision			
5	902 Meter Reading Expenses	17,938	19,531	-8%
6	903 Customer Records & Collection Expenses	87,655	78,472	12%
7	904 Uncollectible Accounts Expenses	1,600		#DIV/0!
8	905 Miscellaneous Customer Accounts Expenses			
9				
10	TOTAL Customer Accounts Expenses	107,193	98,003	9%
11				
12	Customer Service & Informational Expenses			
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	TOTAL Customer Service & Info. Expenses			
20				
21	Sales Expenses			
22	Operation			
23	911 Supervision			
24	912 Demonstrating & Selling Expenses			
25	913 Advertising Expenses		282	-100%
26	916 Miscellaneous Sales Expenses			
27				
28	TOTAL Sales Expenses		282	-100%
29				
30	Administrative & General Expenses			
31	Operation			
32	920 Administrative & General Salaries	16,057	23,252	-31%
33	921 Office Supplies & Expenses	36,695	20,294	81%
34	922 (Less) Administrative Expenses Transferred - Cr.	(5,684)	(8,934)	36%
35	923 Outside Services Employed		9,600	-100%
36	924 Property Insurance	32,930	36,602	-10%
37	925 Injuries & Damages			
38	926 Employee Pensions & Benefits	41,102	74,962	-45%
39	927 Franchise Requirements			
40	928 Regulatory Commission Expenses	22,101	17,430	27%
41	929 (Less) Duplicate Charges - Cr.			
42	930.1 General Advertising Expenses			
43	930.2 Miscellaneous General Expenses	134,581	177,978	-24%
44	931 Rents	3,411	11,155	-69%
45	933 Transportation			
46	TOTAL Operation - Admin. & General	281,193	362,339	-22%
47	Maintenance			
48	935 Maintenance of General Plant	11,893	15,298	-22%
49				
50	TOTAL Administrative & General Expenses	293,086	377,637	-22%
51	TOTAL OPERATION & MAINTENANCE EXP.	574,279	739,976	-22%

SCHEDULE 10A

CUT BANK GAS COMPANY

DE Year: 2015

LINE 278 Page 5 SCH 10 MISCELLANEOUS GENERAL EXPENSE

	Last Year	This Year
Interest expense	9,859	20,984
Donations		250
Miscellaneous expense	124,722	156,744
TOTAL	134,581	177,978

MONTANA TAXES OTHER THAN INCOME

Year: 2015

	Description of Tax	Last Year	This Year	% Change
1	Payroll Taxes	18,767	24,493	-23.38%
2	Superfund			
3	Secretary of State			
4	Montana Consumer Counsel	2,224	1,030	115.92%
5	Montana PSC	7,006	2,059	240.26%
6	Franchise Taxes			
7	Property Taxes	11,265	10,968	2.71%
8	Tribal Taxes			
9	Natural Gas Production Tax	3,114	1,794	73.58%
10	Vehicle Licenses			
11	Revenue & rate recovery			
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51	TOTAL MT Taxes other than Income	42,376	40,344	5.04%

Company Name: Cut Bank Gas Company

SCHEDULE 12

PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES

Year: 2015

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1	NONE				
2					
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50	TOTAL Payments for Services				

Company Name: Cut Bank Gas Company

SCHEDULE 13

POLITICAL ACTION COMMITTEES / POLITICAL CONTRIBUTIONS Year: 2015

	Description	Total Company	Montana	% Montana
1	None			
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50	TOTAL Contributions			

Pension Costs

Year: 2015

1	Plan Name				
2	Defined Benefit Plan? <u>No</u>		Defined Contribution <u>Yes</u>		
3	Actuarial Cost Method? <u>N/A</u>		IRS Code: <u>401(a),401(k)</u>		
4	Annual Contribution by Employer: <u>-0-</u>		Is the Plan Over Funded? <u></u>		
5					
	Item	Current Year	Last Year		% Change
6	Change in Benefit Obligation				
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	Change in Plan Assets				
17	Fair value of plan assets at beginning of year				
18	Actual return on plan assets				
19	Acquisition				
20	Employer contribution				
21	Plan participants' contributions				
22	Benefits paid				
23	Fair value of plan assets at end of year				
24	Funded Status				
25	Unrecognized net actuarial loss				
26	Unrecognized prior service cost				
27	Prepaid (accrued) benefit cost				
28					
29	Weighted-average Assumptions as of Year End				
30	Discount rate				
31	Expected return on plan assets				
32	Rate of compensation increase				
33					
34	Components of Net Periodic Benefit Costs				
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	Montana Intrastate Costs:				
43	Pension Costs				
44	Pension Costs Capitalized				
45	Accumulated Pension Asset (Liability) at Year End				
46	Number of Company Employees:				
47	Covered by the Plan	7	6		-14.29%
48	Not Covered by the Plan				
49	Active	6	6		
50	Retired				
51	Deferred Vested Terminated				

Other Post Employment Benefits (OPEBS)

	Item	Current Year	Last Year		% Change
1	Regulatory Treatment:				
2	Commission authorized - most recent				
3	Docket number: _____				
4	Order number: _____				
5	Amount recovered through rates				
6	Weighted-average Assumptions as of Year End				
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				
12	List each method used to fund OPEBs (ie: VEBA, 401(h)) and if tax advantaged:				
13					
14					
15	Describe any Changes to the Benefit Plan:				
16					
17	TOTAL COMPANY				
18	Change in Benefit Obligation				
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				
28	Change in Plan Assets				
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				
36	Funded Status				
37	Unrecognized net actuarial loss				
38	Unrecognized prior service cost				
39	Prepaid (accrued) benefit cost				
40	Components of Net Periodic Benefit Costs				
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				
47	Accumulated Post Retirement Benefit Obligation				
48	Amount Funded through VEBA				
49	Amount Funded through 401(h)				
50	Amount Funded through Other _____				
51	TOTAL				
52	Amount that was tax deductible - VEBA				
53	Amount that was tax deductible - 401(h)				
54	Amount that was tax deductible - Other _____				
55	TOTAL				

Other Post Employment Benefits (OPEBS) Continued

	Item	Current Year	Last Year		% Change
1	Number of Company Employees:				
2	Covered by the Plan				
3	Not Covered by the Plan				
4	Active				
5	Retired				
6	Spouses/Dependents covered by the Plan				
7	Montana				
8	Change in Benefit Obligation				
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	Change in Plan Assets				
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	Funded Status				
27	Unrecognized net actuarial loss				
28	Unrecognized prior service cost				
29	Prepaid (accrued) benefit cost				
30	Components of Net Periodic Benefit Costs				
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	Accumulated Post Retirement Benefit Obligation				
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	Montana Intrastate Costs:				
47	Pension Costs				
48	Pension Costs Capitalized				
49	Accumulated Pension Asset (Liability) at Year End				
50	Number of Montana Employees:				
51	Covered by the Plan	7	6		-14.29%
52	Not Covered by the Plan				
53	Active	6	6		
54	Retired				
55	Spouses/Dependents covered by the Plan				

TOP TEN MONTANA COMPENSATED EMPLOYEES (ASSIGNED OR ALLOCATED)

Line No.	Name/Title	Base Salary	Bonuses	Car Allow Overtime Other	Total Compensation	Total Compensation Last Year	% Increase Total Compensation
1	Kevin J. Degenstein President and Chief Operating Officer	276,923		23,122	300,045	108,830	175.70%
2	Jed D. Henthorne Vice President of Administration	170,000		6,869	176,869	164,266	7.67%
3	Nick Bohr General Manager	131,785		9,600	141,385	138,920	1.77%
4	Mark S. Coryell Serviceman	62,742		7,210	69,952	66,789	4.74%
5	S. Jane Lindberg Bookkeeper	60,039		8,567	68,606	59,413	15.47%
6	Matt Embody Serviceman	48,560		9,109	57,669	48,217	19.60%
7	Tyler Embody Serviceman	46,900		8,205	55,105	50,093	
8	Lori L. Milbrandt Secretary/Receptionist	37,168		1,117	38,285	39,454	-2.96%
9	Kelly Barnes Serviceman	31,553		3,847	35,400	15,125	134.05%
10	Lorraine Duvall Serviceman	9,180		921	10,101		

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	Gregory J. Osborne President & CEO	382,000		53,694	435,694	368,748	18%
2	James E. Sprague Vice President & CFO	350,769		37,025	387,794	256,536	51%
3	Kevin J. Degenstein COO & Chief Compliance Officer	276,923		23,122	300,045	108,830	176%
4	Jed D. Henthorne Corporate Controller	170,000		6,869	176,869	164,266	8%
5	Vincent A. Parisi Vice President & General Counsel	92,250		37,736	129,986		
	(1) See next page for detail of other compensation.						

Other Compensation Table

The following table summarizes the other compensation paid by us to our Chief Executive Officer, Chief Financial Officer, and our most highly compensated executive officers.

	Cafeteria Plan	Stock Awards	401(k) Plan Contributions	Automobile Allowance	Director Fees	Relocation Allowance	Total Other Compensation
Gregory J. Osborne	\$ 166	\$ 14,610	\$ 11,915	\$ 12,003	\$ 15,000	\$ -	\$ 53,694
James E. Sprague	-	10,300	13,325	8,400	5,000	-	37,025
Kevin J. Degenstein	960	-	12,562	9,600	-	-	23,122
Jed D. Henthorne	960	-	5,909	-	-	-	6,869
Vincent A. Parisi	-	-	3,859	3,877	-	30,000	37,736
	<u>\$ 1,920</u>	<u>\$ 10,300</u>	<u>\$ 35,655</u>	<u>\$ 21,877</u>	<u>\$ 5,000</u>	<u>\$ 30,000</u>	<u>\$ 104,752</u>

BALANCE SHEET

	Account Number & Title	Last Year	This Year	12 month % Change
1	Assets and Other Debits			
2	Utility Plant			
3	101 Gas Plant in Service	1,566,902.00	1,882,445.00	-17%
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		52,137.00	-100%
11	108 (Less) Accumulated Depreciation	(707,487.00)	(753,467.00)	6%
12	111 (Less) Accumulated Amortization & Depletion			
13	114 Gas Plant Acquisition Adjustments	1,056,771.00	1,056,771.00	
14	115 (Less) Accum. Amort. Gas Plant Acq. Adj.			
15	116 Other Gas Plant Adjustments			
16	117 Gas Stored Underground - Noncurrent			
17	118 Other Utility Plant			
18	119 Accum. Depr. and Amort. - Other Util. Plant			
19	TOTAL Utility Plant	1,916,186.00	2,237,886.00	-14%
20	Other Property & Investments			
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	2,880.00	2,727.00	6%
26	125 Sinking Funds			
27	TOTAL Other Property & Investments	2,880.00	2,727.00	6%
28	Current & Accrued Assets			
29	131 Cash	64,055.00	65,835.00	-3%
30	132-134 Special Deposits			
31	135 Working Funds			
32	136 Temporary Cash Investments			
33	141 Notes Receivable			
34	142 Customer Accounts Receivable	277,650.00	255,517.00	9%
35	143 Other Accounts Receivable	1,457.00	(297.00)	591%
36	144 (Less) Accum. Provision for Uncollectible Accts.	(16,518.00)	(17,333.00)	5%
37	145 Notes Receivable - Associated Companies			
38	146 Accounts Receivable - Associated Companies	(41,815.00)	644,318.00	-106%
39	151 Fuel Stock			
40	152 Fuel Stock Expenses Undistributed			
41	153 Residuals and Extracted Products			
42	154 Plant Materials and Operating Supplies	30,342.00	31,691.00	-4%
43	155 Merchandise	1,074.00		
44	156 Other Material & Supplies			
45	163 Stores Expense Undistributed			
46	164.1 Gas Stored Underground - Current			
47	165 Prepayments		40,960.00	-100%
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	88,708.00		
53	TOTAL Current & Accrued Assets	404,953.00	1,020,691.00	-60%

BALANCE SHEET

Account Number & Title		Last Year	This Year	
1	Assets and Other Debits (cont.)			
2				
3	Deferred Debits			
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 & Inv'tg. Chrgs.			
10	184 Clearing Accounts	2,307.00		
11	185 Temporary Facilities			
12	186 Miscellaneous 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	121,242.00	138,376.00	-12%
17	191 Unrecovered Purchased Gas Costs	(224,148.00)	(122,963.00)	-82%
18	192.1 Unrecovered Incremental Gas Costs			
19	192.2 Unrecovered Incremental Surcharges			
20	TOTAL Deferred Debits	(100,599.00)	15,413.00	-753%
21				
22	TOTAL ASSETS & OTHER DEBITS	2,223,420.00	3,276,717.00	-32%
Account Number & Title		Last Year	This Year	
23	Liabilities and Other Credits			
24				
25	Proprietary Capital			
26				
27	201 Common Stock Issued	90,310.00	90,310.00	
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	509,710.00	509,710.00	
33	213 (Less) Discount on Capital Stock			
34	214 (Less) Capital Stock Expense			
35	215 Appropriated Retained Earnings			
36	216 Unappropriated Retained Earnings	333,012.00	317,229.00	5%
37	217 (Less) Reacquired Capital Stock			
38	TOTAL Proprietary Capital	933,032.00	917,249.00	2%
39				
40	Long Term Debt			
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	TOTAL Long Term Debt			

BALANCE SHEET

Account Number & Title	Last Year	This Year	
Total Liabilities and Other Credits (cont.)			
Other Noncurrent Liabilities			
227 Obligations Under Cap. Leases - Noncurrent		79,189.00	-100%
228.1 Accumulated Provision for Property Insurance			
228.2 Accumulated Provision for Injuries & Damages			
228.3 Accumulated Provision for Pensions & Benefits			
228.4 Accumulated Misc. Operating Provisions			
229 Accumulated Provision for Rate Refunds			
TOTAL Other Noncurrent Liabilities		79,189.00	-100%
Current & Accrued Liabilities			
231 Notes Payable			
232 Accounts Payable	145,159.00	198,450.00	-27%
233 Notes Payable to Associated Companies	533,453.00	963,115.00	-45%
234 Accounts Payable to Associated Companies	246,120.00	652,358.00	-62%
235 Customer Deposits	51,750.00	36,677.00	41%
236 Taxes Accrued	2,000.00	(6,629.00)	130%
237 Interest Accrued	30,757.00	14,130.00	118%
238 Dividends Declared			
239 Matured Long Term Debt			
240 Matured Interest			
241 Tax Collections Payable			
242 Miscellaneous Current & Accrued Liabilities	20,894.00	114,172.00	-82%
243 Obligations Under Capital Leases - Current		57,257.00	-100%
TOTAL Current & Accrued Liabilities	1,030,133.00	2,029,530.00	-49%
Deferred Credits			
252 Customer Advances for Construction	317.00		
253 Other Deferred Credits	(296.00)	(31,293.00)	99%
255 Accumulated Deferred Investment Tax Credits			
256 Deferred Gains from Disposition Of Util. Plant			
257 Unamortized Gain on Reacquired Debt			
281-283 Accumulated Deferred Income Taxes	260,234.00	282,042.00	-8%
TOTAL Deferred Credits	260,255.00	250,749.00	4%
TOTAL LIABILITIES & OTHER CREDITS	2,223,420.00	3,276,717.00	-32%

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 2015

	Account Number & Title	Last Year	This Year	% Change
1	Intangible Plant			
2				
3	301 Organization	11,354	11,354	
4	302 Franchises & Consents			
5	303 Miscellaneous Intangible Plant		160,895	-100.00%
6				
7	TOTAL Intangible Plant	11,354	172,249	-93.41%
8	Production Plant			
9				
10				
11	Production & Gathering Plant			
12				
13	325.1 Producing Lands			
14	325.2 Producing Leaseholds	12,878	12,878	
15	325.3 Gas Rights			
16	325.4 Rights-of-Way			
17	325.5 Other Land & Land Rights			
18	326 Gas Well Structures			
19	327 Field Compressor Station Structures			
20	328 Field Meas. & Reg. Station Structures			
21	329 Other Structures			
22	330 Producing Gas Wells-Well Construction	8,159	8,160	-0.01%
23	331 Producing Gas Wells-Well Equipment	101,835	101,835	
24	332 Field Lines	8,052	18,121	-55.57%
25	333 Field Compressor Station Equipment	1,801	1,800	0.06%
26	334 Field Meas. & Reg. Station Equipment	2,476	2,476	
27	335 Drilling & Cleaning Equipment			
28	336 Purification Equipment			
29	337 Other Equipment			
30	338 Unsuccessful Exploration & Dev. Costs			
31				
32	Total Production & Gathering Plant	135,201	145,270	-6.93%
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	Total Products Extraction Plant			
46				
47	TOTAL Production Plant	135,201	145,270	

NA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 2015

	Account Number & Title	Last Year	This Year	% Change
1				
2	Natural Gas Storage and Processing Plant			
3				
4	Underground Storage Plant			
5				
6	350.1 Land			
7	350.2 Rights-of-Way			
8	351 Structures & Improvements			
9	352 Wells			
10	352.1 Storage Leaseholds & Rights			
11	352.2 Reservoirs			
12	352.3 Non-Recoverable Natural Gas			
13	353 Lines			
14	354 Compressor Station Equipment			
15	355 Measuring & Regulating Equipment			
16	356 Purification Equipment			
17	357 Other Equipment			
18				
19	Total Underground Storage Plant			
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	Total Other Storage Plant			
34				
35	TOTAL Natural Gas Storage and Processing Plant			
36				
37	Transmission Plant			
38				
39	365.1 Land & Land Rights			
40	365.2 Rights-of-Way			
41	366 Structures & Improvements			
42	367 Mains	792	791	
43	368 Compressor Station Equipment			
44	369 Measuring & Reg. Station Equipment			
45	370 Communication Equipment			
46	371 Other Equipment			
47				
48	TOTAL Transmission Plant	792	791	

NA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 2015

	Account Number & Title			% Change
1				
2	Distribution Plant			
3				
4	374 Land & Land Rights			
5	375 Structures & Improvements			
6	376 Mains	791,165	997,101	-20.65%
7	377 Compressor Station Equipment			
8	378 Meas. & Reg. Station Equipment-General			
9	379 Meas. & Reg. Station Equipment-City Gate	18,379	18,379	
10	380 Services	14,291	36,947	-61.32%
11	381 Meters	150,075	158,216	-5.15%
12	382 Meter Installations	18,558	18,555	0.02%
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	TOTAL Distribution Plant	992,468	1,229,198	-19.26%
20				
21	General Plant			
22				
23	389 Land & Land Rights	10,000	10,000	
24	390 Structures & Improvements	90,245	90,244	0.00%
25	391 Office Furniture & Equipment	43,549	60,006	-27.43%
26	392 Transportation Equipment	88,859	91,458	-2.84%
27	393 Stores Equipment			
28	394 Tools, Shop & Garage Equipment	30,662	32,282	-5.02%
29	395 Laboratory Equipment			
30	396 Power Operated Equipment	49,287	49,287	
31	397 Communication Equipment	899	899	
32	398 Miscellaneous Equipment	761	761	
33	399 Other Tangible Property			
34				
35	TOTAL General Plant	314,262	334,937	-6.17%
36				
37	TOTAL Gas Plant in Service	1,454,077	1,882,445	-22.76%

MONTANA DEPRECIATION SUMMARY

Year: 2015

	Functional Plant Classification	Plant Cost	Accumulated Depreciation		Current Avg. Rate
			Last Year Bal.	This Year Bal.	
1	Production & Gathering		92,282	95,715	
2	Products Extraction				
3	Underground Storage				
4	Other Storage				
5	Transmission			-	
6	Distribution		329,539	366,467	
7	General		285,665	291,285	
8	TOTAL		707,486	753,467	

MONTANA MATERIALS & SUPPLIES (ASSIGNED & ALLOCATED)

SCHEDULE 21

	Account	Last Year Bal.	This Year Bal.	%Change
1				
2	151 Fuel Stock			
3	152 Fuel Stock Expenses - Undistributed			
4	153 Residuals & Extracted Products			
5	154 Plant Materials & Operating Supplies:			
6	Assigned to Construction (Estimated)			
7	Assigned to Operations & Maintenance			
8	Production Plant (Estimated)			
9	Transmission Plant (Estimated)			
10	Distribution Plant (Estimated)	30,342	31,691	
11	Assigned to Other	1,074		
12	155 Merchandise			
13	156 Other Materials & Supplies			
14	163 Stores Expense Undistributed			
15				
16	TOTAL Materials & Supplies	31,416	31,691	

MONTANA REGULATORY CAPITAL STRUCTURE & COSTS

SCHEDULE 22

	Commission Accepted - Most Recent	% Cap. Str.	% Cost Rate	Weighted Cost
1	Docket Number D2006.2.15			
2	Order Number 6720c			
3				
4	Common Equity 187,849	55.00%	10.27%	5.65%
5	Preferred Stock			
6	Long Term Debt 153,695	45.00%	7.00%	3.15%
7	Other			
8	TOTAL 341,544	100.00%		8.80%
9				
10	Actual at Year End			
11				
12	Common Equity 917,249	100.00%		
13	Preferred Stock -			
14	Long Term Debt -			
15	Other			
16	TOTAL 917,249	100.00%		

STATEMENT OF CASH FLOWS

Year: 2015

	Description	Last Year	This Year	% Change
1				
2	Increase/(decrease) in Cash & Cash Equivalents:			
3				
4	Cash Flows from Operating Activities:			
5	Net Income	177,313	(15,783)	1223.44%
6	Depreciation	34,836	46,803	-25.57%
7	Amortization			
8	Deferred Income Taxes - Net	20,661	(17,134)	220.58%
9	Regulatory Orders			
10	Change in Operating Receivables - Net	(42,229)	24,702	-270.95%
11	Change in Materials, Supplies & Inventories - Net	(5,637)	(275)	-1949.82%
12	Change in Operating Payables & Accrued Liabilities - Net	30,559	53,291	-42.66%
13	Allowance for Funds Used During Construction (AFUDC)			
14	Change in Other Assets & Liabilities - Net	68,428	(151,806)	145.08%
15	Other Operating Activities (explained on attached page)			
16	Net Cash Provided by/(Used in) Operating Activities	283,931	(60,202)	571.63%
17				
18	Cash Inflows/Outflows From Investment Activities:			
19	Construction/Acquisition of Property, Plant and Equipment			
20	(net of AFUDC & Capital Lease Related Acquisitions)	(320,085)	(367,680)	12.94%
21	Acquisition of Other Noncurrent Assets			
22	Proceeds from Disposal of Noncurrent Assets			
23	Investments In and Advances to Affiliates			
24	Contributions and Advances from Affiliates			
25	Disposition of Investments in and Advances to Affiliates			
26	Other Investing Activities (explained on attached page)			
27	Net Cash Provided by/(Used in) Investing Activities	(320,085)	(367,680)	12.94%
28				
29	Cash Flows from Financing Activities:			
30	Proceeds from Issuance of:			
31	Long-Term Debt	(170,708)	429,662	-139.73%
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			
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			
45	Other Financing Activities (explained on attached page)			
46	Net Cash Provided by (Used in) Financing Activities	(170,708)	429,662	-139.73%
47				
48	Net Increase/(Decrease) in Cash and Cash Equivalents	(206,862)	1,780	-11721.46%
49	Cash and Cash Equivalents at Beginning of Year	270,917	64,055	322.94%
50	Cash and Cash Equivalents at End of Year	64,055	65,835	-2.70%

Company Name: Cut Bank Gas Company

SCHEDULE 24

LONG TERM DEBT

Year: 2015

	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									
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 25

PREFERRED STOCK

Year: 2015

	Series	Issue Date Mo./Yr.	Shares Issued	Par Value	Call Price	Net Proceeds	Cost of Money	Principal Outstanding	Annual Cost	Embed. Cost %
1	NOT APPLICABLE									
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										
13										
14										
15										
16										
17										
18										
19										
20										
21										
22										
23										
24										
25										
26										
27										
28										
29										
30										
31										
32	TOTAL									

Company Name: Cut Bank Gas Company

SCHEDULE 26

COMMON STOCK

Year: 2015

		Avg. Number of Shares Outstanding	Book Value Per Share	Earnings Per Share	Dividends Per Share	Retention Ratio	Market Price		Price/ Earnings Ratio
							High	Low	
1									
2									
3									
4	January			Information only available for the fiscal year end December 2009					
5									
6	February								
7									
8	March								
9									
10	April								
11									
12	May								
13									
14	June								
15									
16	July								
17									
18	August								
19									
20	September								
21									
22	October								
23									
24	November								
25									
26	December								
27									
28									
29									
30									
31									
32	TOTAL Year Er	9031	\$9.69	\$0.64	-	N/A	N/A	N/A	N/A

MONTANA EARNED RATE OF RETURN

Year: 2015

	Description	Last Year	This Year	% Change
1	Rate Base			
2	101 Plant in Service	1,454,077	1,882,445	-22.76%
3	108 (Less) Accumulated Depreciation	(707,487)	(753,467)	6.10%
4	NET Plant in Service	746,590	1,128,978	-33.87%
5				
6	Additions			
7	154, 156 Materials & Supplies	31,416	31,691	-0.87%
8	165 Prepayments			
9	Other Additions (Schedule 27A)	69,941	81,003	-13.66%
10	TOTAL Additions	101,357	112,694	-10.06%
11				
12	Deductions			
13	190 Accumulated Deferred Income Taxes	138,992	143,666	-3.25%
14	252 Customer Advances for Construction			
15	255 Accumulated Def. Investment Tax Credits			
16	Other Deductions	51,750	36,677	41.10%
17	TOTAL Deductions	190,742	180,343	5.77%
18	TOTAL Rate Base	657,205	1,061,329	-38.08%
19				
20	Net Earnings	177,314	(15,783)	1223.45%
21				
22	Rate of Return on Average Rate Base	26.980%	-1.487%	1914.27%
23				
24	Rate of Return on Average Equity	19.00%	-1.72%	1204.44%
25				
26	Major Normalizing Adjustments & Commission			
27				
28				
29	Net Earnings from above	177,314	(15,783)	
30	Correction to income tax expense	(62,828)	62,828	
31	Adjusted Net Earnings	114,486	47,045	
32				
33				
34				
35				
36	Ratemaking adjustments to Utility Operations			
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47	Adjusted Rate of Return on Average Rate Base	17.420%	4.433%	
48				
49	Adjusted Rate of Return on Average Equity	12.481%	4704500%	-100.00%

SCHEDULE 27A

CUT BANK GAS COMPANY

LINE 14 SCH 27 / PER COMMISSION ORDER #6311b

	<u>Last Year</u>	<u>This Year</u>
Operating expenses	\$ 1,769,017	\$ 1,389,566
Maintenance expenses	28,780	26,344
Taxes other than income	42,376	40,344
	<u>1,840,173</u>	<u>1,456,254</u>
Less:		
Purchased Gas	<u>1,280,649</u>	<u>808,232</u>
	559,524	648,022
Divided by	8	8
1/8 Op. & Maint. For working capital	69,941	81,003

MONTANA COMPOSITE STATISTICS

Year: 2015

	Description	Amount
1		
2	Plant (Intrastate Only) (000 Omitted)	
3		
4	101 Plant in Service	1,882,445
5	107 Construction Work in Progress	
6	114 Plant Acquisition Adjustments	1,056,771
7	105 Plant Held for Future Use	
8	154, 156 Materials & Supplies	31,691
9	(Less):	
10	108, 111 Depreciation & Amortization Reserves	(753,467)
11	252 Contributions in Aid of Construction	
12		
13	NET BOOK COSTS	2,217,440
14		
15	Revenues & Expenses (000 Omitted)	
16		
17	400 Operating Revenues	1,506,622
18		
19	403 - 407 Depreciation & Amortization Expenses	46,803
20	Federal & State Income Taxes	(67,560)
21	Other Taxes	127,252
22	Other Operating Expenses	1,415,910
23	TOTAL Operating Expenses	1,522,405
24		
25	Net Operating Income	(15,783)
26		
27	415 - 421.1 Other Income	
28	421.2 - 426.5 Other Deductions	
29		
30	NET INCOME	(15,783)
31		
32	Customers (Intrastate Only)	
33		
34	Year End Average:	
35	Residential	1,270
36	Commercial	250
37	Industrial	
38	Other	
39		
40	TOTAL NUMBER OF CUSTOMERS	1,520
41		
42	Other Statistics (Intrastate Only)	
43		
44	Average Annual Residential Use (Mcf or Dkt)) mcf	85.0
45	Average Annual Residential Cost per (Mcf or Dkt) (\$) *	\$8.74
46	* Avg annual cost = [(cost per Mcf or Dkt x annual use) + (mo. svc chrg x 12)]/annual use	544
47	Average Residential Monthly Bill	62
48	Gross Plant per Customer	1,238

Company Name: Cut Bank Gas Company

SCHEDULE 29

MONTANA CUSTOMER INFORMATION

Year: 2015

	City/Town	Population (Include Rural)	Residential Customers	Commercial Customers	Industrial & Other Customers	Total Customers
1	Cut Bank	4,000	1,270	250		1,520
2						
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31						
32	TOTAL Montana Customers	4,000	1,270	250		1,520

Company Name: Cut Bank Gas Company

SCHEDULE 30

MONTANA EMPLOYEE COUNTS

Year: 2015

	Department	Year Beginning	Year End	Average
1	Administration	1	1	1
2	Service	3	4	4
3	Office	3	2	3
4				
5				
6				
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47				
48				
49				
50	TOTAL Montana Employees	7	7	7

Company Name: Cut Bank Gas Company

SCHEDULE 31

MONTANA CONSTRUCTION BUDGET (ASSIGNED & ALLOCATED)

Year: 2015

	Project Description	Total Company	Total Montana
1	Cut Bank Gas Company does not project a construction budget		
2			
3			
4			
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47			
48			
49			
50	TOTAL		

Company Name: Cut Bank Gas Company

SCHEDULE 32

Page 1 of 3

TRANSMISSION SYSTEM - TOTAL COMPANY & MONTANA

Year: 2015

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	TOTAL			

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	TOTAL			

Company Name: Cut Bank Gas Company

SCHEDULE 32 - Continued

Page 2 of 3

DISTRIBUTION SYSTEM - TOTAL COMPANY & MONTANA

Year: 2015

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	TOTAL			

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	TOTAL			

Company Name: Cut Bank Gas Company

SCHEDULE 32 Continued

Page 3 of 3

STORAGE SYSTEM - TOTAL COMPANY & MONTANA

Year: 2015

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

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

Company Name: Cut Bank Gas Company

SCHEDULE 33

SOURCES OF GAS SUPPLY

Year: 2015

	Name of Supplier	Last Year Volumes Mcf or Dkt	This Year Volumes Mcf or Dkt	Last Year Avg. Commodity Cost	This Year Avg. Commodity Cost
1	North Western Energy	185,363	165,866	\$6.21885	\$5.13194
2	Cut Bank Gas Company - Royalty	8,508	4,608	\$0.36460	\$0.50933
3					
4					
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31					
32					
33	Total Gas Supply Volumes	193,871		\$5.9619	

Company Name: Cut Bank Gas Company

SCHEDULE 34

MONTANA CONSERVATION & DEMAND SIDE MANAGEMENT PROGRAMS

Year: 2015

	Program Description	Current Year Expenditures	Last Year Expenditures	% Change	Planned Savings (Mcf or Dkt)	Achieved Savings (Mcf or Dkt)	Difference
1	Cut Bank Gas Company does not have conservation and demand side management programs.						
2							
3							
4							
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28							
29							
30							
31							
32	TOTAL						

MONTANA CONSUMPTION AND REVENUES

Year: 2015

	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	943,508	1,243,947	107,960	122,890	1,270	1,256
2	Commercial - Small	560,572	808,110	73,626	90,107	250	256
3	Commercial - Large						
4	Industrial - Small						
5	Industrial - Large						
6	Interruptible Industrial						
7	Other Sales to Public						
8	Authorities						
9	Sales to Other Utilities						
10	Interdepartmental						
11	TOTAL	\$1,504,080	\$2,052,057	181,586	212,997	1,520	1,512
12							
13							
14							
15		Operating Revenues		BCF Transported		Avg. No. of Customers	
16							
17		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
18	Transportation of Gas						
19							
20	Utilities	Cut Bank Gas Company has no Transmission Revenue					
21	Industrial						
22	Other						
23							
24	TOTAL						

Company Name:

Schedule 36a

Year: 2015

Natural Gas Universal System Benefits Programs

	Program Description	Actual Current Year Expenditures	Contracted or Committed Current Year Expenditures	Total Current Year Expenditures	Expected savings (MW and MWh)	Most recent program evaluation
1	Local Conservation					
2						
3						
4						
5						
6						
7						
8	Market Transformation					
9						
10						
11						
12						
13						
14						
15	Research & Development					
16						
17						
18						
19						
20						
21						
22	Low Income					
23						
24	As per D98.8.179 Order 6104 Cut Bank Gas Company pays 1.12% of its gross revenues derived from					
25	natural gas sales to Energy Share Montana to meet the Universal Systems Benefits Program					
26	requirements.					
27						
28						
29	Other					
30						
31	132 customers who were LIEAP eligible received \$125.00 each on their natural gas bill from the					
32	Cut Bank Gas Company customer bill assistance program which is administered by Energy Share					
33	of Montana and Opportunities Inc.					
34						
35						
36						
37						
38						
39						
40						
41						
42	Total					
43	Number of customers that received low income rate discounts					N/A
44	Average monthly bill discount amount (\$/mo)					N/A
45	Average LIEAP-eligible household income					N/A
46	Number of customers that received weatherization assistance					N/A
47	Expected average annual bill savings from weatherization					N/A
48	Number of residential audits performed					N/A

Company Name:

Schedule 36b

Year: 2015

Montana Conservation & Demand Side Management Programs

	Program Description	Actual Current Year Expenditures	Contracted or Committed Current Year Expenditures	Total Current Year Expenditures	Expected savings (MW and MWh)	Most recent program evaluation
1	Local Conservation					
2	Cut Bank Gas Company does not have Conservation and Demand Side Management Programs.					
3						
4						
5						
6						
7						
8	Demand Response					
9						
10						
11						
12						
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14						
15	Market Transformation					
16						
17						
18						
19						
20						
21						
22	Research & Development					
23						
24						
25						
26						
27						
28						
29	Low Income					
30						
31						
32						
33						
34						
35	Other					
36						
37						
38						
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42						
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46						
47						
48	Total					