

**Montana-Dakota Utilites Co.
Gas Utility - South Dakota
Gas Conservation Tracking Adjustment Rate 90
Effective July 1, 2014**

	<u>South Dakota</u>
Estimated Balance @ June 30, 2014 1/	\$120,123
2013 DSM Incentive 2/	14,264
2014 Budget - July-December 3/	<u>68,898</u>
Gas DSM Costs to be Recovered	\$203,285
Projected Volumes 4/	<u>4,756,000</u>
CTA Rate Effective July 1, 2014	<u><u>\$0.043</u></u>

1/ Exhibit 3, Page 2.

2/ Exhibit 4.

3/ Exhibit 5, estimates for July through December 2014.

4/ Projected volumes for July 1, 2014 through February 28, 2015.

**Montana-Dakota Utilities Co.
 Gas Utility - South Dakota
 Conservation Program Activity
 January 1, 2013 - Estimated June 30, 2014**

<u>Program Activity</u>	<u>South Dakota</u>
Beginning Balance @ December 31, 2012 1/	\$12,456
 <u>2013 Activity</u>	
Actual Expenditures 2/	178,154
CTA Recovered 2/	104,808
Net Change	<u>73,346</u>
 Balance @ December 31, 2013	 \$85,802
 <u>2014 Activity</u>	
January - June Expenditures 2/	96,025
CTA Recovered 2/	61,704
Net Change	<u>34,321</u>
 Estimated Balance @ June 30, 2014	 <u><u>\$120,123</u></u>

1/ Balance at December 31, 2012 from Docket No. N12-007, Revised Exhibit No. 2, pages 3 and 4.

2/ Exhibit 3, Pages 3 and 4. The expense includes the carrying charge and incentive.

3/ Estimated CTA recovery based on projected volumes and CTA rate effective February 4, 2013.

**Montana-Dakota Utilities Co.
Gas Utility - South Dakota
DSM Performance Financial Incentive
for 2013 Program Year**

Black Hills		Incentive
Total costs incurred 1/	\$129,631	
Authorized Return 2/	11.739%	
Calculated Incentive	\$15,217	
Incentive Achieved 3/		\$11,204
East River		
Total costs incurred 1/	\$38,395	
Authorized Return 2/	11.770%	
Calculated Incentive	\$4,519	
Incentive Achieved 3/		3,060
Total Incentive Achieved		\$14,264

1/ Exhibit 2. Excludes the DSM incentive authorized in Docket No. NG12-007.

2/ Authorized return, adjusted for taxes as established in Docket No. NG09-001.

3/ Incentive range authorized in Docket No. NG09-001. Incentive minimum and cap authorized in Docket No. NG12-007, Revised Exhibit 5.

	Black Hills	East River
Minimum Incentive	\$3,818	\$1,040
Incentive Cap	11,204	3,060