

**Montana-Dakota Utilites Co.
Gas Utility - South Dakota
Gas Conservation Tracking Adjustment Rate 90
Effective March 1, 2016**

	South Dakota
Balance @ December 31, 2014	\$38,912
2015 Activity 1/ Expenses	\$114,563
2014 DSM Incentive	11,082
CTA Recovery	(199,263)
Interest	345
Total Activity	(\$73,273)
2015 DSM Incentive 2/	11,730
Under (Over) recovered balance @ December 31, 2015	(\$22,631)
Projected Activity - January-December 2016 Expenses 3/	\$180,800
Gas conservation costs to be recovered	\$158,169
Projected Volumes 4/	6,679,604
CTA Rate Effective March 1, 2016	\$0.024

1/ Exhibit 3, Page 2.

2/ Exhibit 4.

3/ Exhibit 5.

4/ Projected volumes for March 1, 2016 through February 28, 2017.

Montana-Dakota Utilities Co.
Gas Utility - South Dakota
Conservation Monthly Account Balances
2015

Month	Beginning Balance	Carrying Charge 1/	Current Month Charges	CTA Recovery	(Over)/Under Recovery
Beginning Balance 2/					\$38,912
Adjustment 3/					363
January 2015	\$39,275	\$1	\$4,795	(\$44,070)	1
February	1	0	6,210	(33,043)	(26,832)
March	(26,832)	(1)	26,444 4/	(37,054)	(37,443)
April	(37,443)	(1)	4,716	(14,476)	(47,204)
May	(47,204)	(1)	8,624	(9,550)	(48,131)
June	(48,131)	(1)	7,000	(9,496)	(50,628)
July	(50,628)	(1)	9,624	(4,402)	(45,407)
August	(45,407)	(3)	6,899	(3,840)	(42,351)
September	(42,351)	(1)	9,498	(3,966)	(36,820)
October	(36,820)	(1)	8,697	(5,024)	(33,148)
November	(33,148)	(3)	13,220	(10,001)	(29,932)
December	(29,932)	(6)	19,918	(24,341)	(34,361)
Total		<u>(\$18)</u>	<u>\$125,645</u>	<u>(\$199,263)</u>	

1/ Reflects 90-day Treasury Bill rate.

2/ Docket No. N15-001, Exhibit No. 3, page 2.

3/ Correction of interest rate used in 2009-2012 and 2014. In 2015 it was discovered that monthly interest was calculated at the annual rate instead of the monthly rate. The adjustment reflects the difference in the balance due to the revised interest rate.

4/ Includes DSM incentive amount of \$11,082 authorized in Docket No. NG15-001.

**Montana-Dakota Utilities Co.
Gas Utility - South Dakota
Summary of Actual DSM Expenditures
2015**

	<u>Incentive</u>	<u>No. of Participants</u>	<u>Cost</u>
Residential			
High Efficiency Furnace - 95%+ (new)	\$300	136	\$40,800
High Efficiency Furnace - 95%+	300	202	60,600
High Efficiency Water Heater (.67+ EF)	100	4	400
Programmable Thermostats	20	152	3,040
Commercial & Industrial			
High Efficiency Furnace - 95%+ (new)	300	0	0
High Efficiency Furnace - 95%+ (replacement)	300	6	1,800
Custom	1/	0	0
Administrative Costs			5,431
DSM Incentive			11,082
Advertising			2,492
Total South Dakota		<u>500</u>	<u>\$125,645</u>

1/ Rebate levels vary depending on energy efficiency measures implemented.