

NOTICE OF APPLICATION

On September 29, 2017, Energy West Montana, Inc. (“EWM”) and Cut Bank Gas Company (“CBGC”) filed a joint request to the Montana Public Service Commission for authority to increase and establish natural gas delivery service rates for each utility’s service territory (“Joint Application”). The changes proposed in the Joint Application may affect the rates for services you receive from CBGC.

CBGC’s current rates were approved in 2006. Since that time, CBGC’s cost of providing service has increased. As demonstrated in the Joint Application, CBGC’s current rates are no longer just and reasonable, as they do not allow CBGC to recover its cost of providing service, nor do they provide CBGC an opportunity to earn a fair and reasonable return on its investments. Based on the historical test year included with the Joint Application, CBGC has a revenue deficiency of \$183,284. CBGC has asked the Commission to approve increased rates to recover this deficiency. CBGC also proposes to implement a new rate mechanism to allow it to accelerate the replacement of higher risk infrastructure and recover its actual capital investment without requiring more frequent rate case proceedings.

In Cut Bank, the effect of the proposed increase in rates is as follows:

	EXISTING RATES	PROPOSED RATES	PERCENT INCREASE
<i>RESIDENTIAL</i>			
<i>Basic Charge</i>	\$13.00	\$17.00	31%
<i>Delivery Rate</i>	\$2.35031	\$2.35031	0%
<i>Gas Supply Rate</i>	\$2.99274	\$2.99274	0%
<i>GENERAL SERVICE</i>			
<i>Basic Charge</i>	\$13.00	\$30.00	131%
<i>Delivery Rate</i>	\$2.35031	\$3.33081	42%
<i>Gas Supply Rate</i>	\$2.99274	\$2.99274	0%

The Commission will hold a hearing regarding the Joint Application and proposed increase in rates. The time and location of the hearing regarding the Joint Application will be available from the Commission (406-444-6199) as soon as a hearing is scheduled.

The Montana Consumer Counsel (406-444-2771) is available to represent consumer interests regarding the Joint Application and proposed increase in rates.

A copy of the Joint Application, testimony, and supporting exhibits can be examined at EWM’s and CBGC’s offices in Great Falls, #1 First Avenue South, Great Falls, MT 59403; in Cut Bank,

403 East Main, Cut Bank, MT 59427; in West Yellowstone, 145 Geyser Street, West Yellowstone, MT 59758; and at the Commission's offices in Helena, 1701 Prospect Avenue, Helena, MT 59620.