

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 (“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 EWM.

EWM’s rates were last established by the Commission in 2011. Since that time, EWM’s cost of providing service has increased. As demonstrated in the Joint Application, EWM’s current rates are no longer just and reasonable, as they do not allow EWM to recover its cost of providing service, nor do they provide EWM an opportunity to earn a fair and reasonable return on its investments. Based on the historical test year included with the Joint Application, EWM has a revenue deficiency of \$1,526,960. EWM has asked the Commission to approve increased rates to recover this deficiency. EWM 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 Great Falls and Cascade, the effect of the proposed increase in rates is as follows:

	EXISTING RATES	PROPOSED RATES	PERCENT INCREASE
<i>RESIDENTIAL</i>			
<i>Basic Charge</i>	\$7.25	\$12.00	66%
<i>Delivery Rate</i>	\$0.09822	\$0.09249	-6%
<i>Gas Supply Rate</i>	\$0.34432	\$0.34432	0%
<i>SMALL GENERAL SERVICE</i>			
<i>Basic Charge</i>	\$18.00	\$20.00	11%
<i>Delivery Rate</i>	\$0.10444	\$0.10655	2%
<i>Gas Supply Rate</i>	\$0.34432	\$0.34432	0%
<i>LARGE GENERAL SERVICE</i>			
<i>Basic Charge</i>	\$110.00	\$110.00	0%
<i>Delivery Rate</i>	\$0.07445	\$0.07806	5%
<i>Gas Supply Rate</i>	\$0.34432	\$0.34432	0%
<i>EXTENDED GENERAL SERVICE</i>			

	EXISTING RATES	PROPOSED RATES	PERCENT INCREASE
<i>Basic Charge</i>	\$850.00	\$850.00	0%
<i>Delivery Rate</i>	\$0.07432	\$0.07539	1%
<i>Gas Supply Rate</i>	\$0.34432	\$0.34432	0%

LARGE COMMERCIAL

<i>Basic Charge</i>	\$850.00	\$850.00	0%
<i>Delivery Rate</i>	\$0.06638	\$0.07539	14%
<i>Gas Supply Rate</i>	\$0.08132	\$0.08132	0%

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<i>Basic Charge</i>	\$13.00	\$14.00	8%
<i>Delivery Rate</i>	\$0.70636	\$1.17417	66%
<i>Gas Supply Rate</i>	\$3.72156	\$3.72156	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.