

**MONTANA-DAKOTA UTILITIES CO.
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION STAFF
FIRST DATA REQUEST
DATED MAY 14, 2014
DOCKET NO. NG14-04**

1-12 Provide a brief history and justification as to why the carrying charge reflects the 90-day Treasury Bill rate.

Response:

The use of the 90 day Treasury Bill rate represents the short-term cost of debt, which approximates the internal rate the Company or the customer would receive on funds and is consistent with the interest rate used on deferred balances in the purchased gas cost account.