BEFORE THE NORTH DAKOTA PUBLIC SERVICE COMMISSION

In the Matter of the Application of MONTANA-DAKOTA UTILITIES CO., a Division of MDU Resources Group, Inc., for Authority to Establish Increased Rates for Electric Service	)))))	Case No. PU-16-__

DIRECT TESTIMONY AND EXHIBITS

OF

EARL M. ROBINSON

On The Subject of Depreciation

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I. WITNESS INTRODUCTION

Q1. Please state your name, occupation and business address.

A. My name is Earl M. Robinson. I am a Principal of AUS Consultants. AUS Consultants is a consulting firm specializing in preparing various financial studies including depreciation, valuation, revenue requirements, cost of service, rate of return, and other analysis and studies for the utility industry and numerous other entities. AUS Consultants provides a wide spectrum of consulting services. My office is located at 792 Old Highway 66, Suite 200, Tijeras, NM 87059.

Q2. Have you prepared an appendix which contains your qualifications and experience?

A. Yes. Appendix A to my direct testimony contains a summary of my qualifications and experience.

II. PURPOSE OF TESTIMONY

Q3. What is the purpose of your testimony?

A. The purpose of my testimony is to set forth the results of my depreciation review and analysis of the plant in service of Montana-Dakota Utilities Co.-Electric Division and Common Plant ("Company") which was conducted in the process of preparing depreciation studies of the Company's electric and common plant assets as of December 31, 2014. Reports of my review and analyses are contained in Exhibit No. ___(EMR-1), titled "Montana-Dakota Utilities Co-Electric Division Depreciation Study as of December 31, 2014" and Exhibit No._____(EMR-2), the "Montana-Dakota Utilities Co.-Common Plant Depreciation Study as of December

31, 2014". In preparing the report, I investigated and analyzed the Company's historical plant data and reviewed the Company's past experience and future expectations to determine the remaining lives of the Company's electric and common plant assets. The studies utilized the resulting remaining lives, the results of a salvage analysis, the Company's vintaged plant in service investment and depreciation reserve to develop recommended average remaining life depreciation rates and depreciation expense related to the Company's plant in service.

III. BACKGROUND

Q4. How is depreciation defined?

A. Depreciation is defined in the 1996 NARUC "Public Utility Depreciation Practices" publication as follows: "Depreciation**,** as applied to depreciable utility plant, means the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of utility plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand, and requirements of public authorities."

Q5. Why is depreciation important to the revenue requirements of a utility company?

A. Depreciation is important because, as the above definition describes, depreciation expense enables a company to recover in a timely manner

the capital costs related to its plant in service benefiting the company's customers. Appropriate depreciation rates will allow recovery of a company's investments in depreciable assets over a life that provides for full recovery of the investments, less net salvage. Without the appropriate recovery of depreciation costs, the Company ultimately will not be able to meet its financial obligations related to the continued provision of service to customers. Furthermore, the inclusion of the appropriate level of depreciation recovery in revenue requirements serves to reduce overall costs (total of depreciation and return) to customers as opposed to a situation where an inadequate level of annual depreciation expense is currently being provided in rates.

IV. DEPRECIATION STUDY OVERVIEW

Q6. What is your professional opinion with regard to the results of the depreciation study that you performed?

A. In my opinion, the proposed depreciation rates resulting from the completed comprehensive depreciation study are reasonable and appropriate given that they incorporate the service life and net salvage parameters currently anticipated for each of the Company's property group investments over their average remaining lives.

Q7. What steps were involved in preparing the service life and salvage database that you utilized?

A. My comprehensive depreciation analyses included a detailed analysis of the Company's fixed capital books and records through December 31, 2014. The Company's historical investment cost records for each account

have been assembled into a depreciation database upon which detailed service life and salvage analysis were performed using standard depreciation procedures.

Q8. What is the purpose of the historical database?

A. The historical service life and net salvage data is a basic depreciation study tool that is assembled to prepare a depreciation study. The historical database is used to make assessments and judgments concerning the service life and salvage factors that have actually been achieved, and (along with information relative to current and prospective factors) to determine the appropriate future lives over which to recover the Company's depreciable fixed capital investments. In accordance with this standard depreciation analysis, the Company's depreciation database compiled through December 31, 2014, which contains detailed vintage level information, was used to develop observed life tables. The development of the observed life tables from the historical information was completed by grouping like aged investments within each property category and identifying the level of retirements that occur through each successive age to develop the applicable observed life tables. The resulting observed lives were then fitted to standard Iowa Curves to estimate each property group's historically achieved average service life.

Likewise, the net salvage database was used as a basis to identify historical experience and trends and to determine each property group's recommended net salvage factors. This was accomplished by preparing

various three year rolling band analyses of salvage components as well as a forecast based on the Company's historical salvage experience.

Q9. In the preparation of the depreciation study, have you utilized information from additional sources when estimating service life and salvage parameters?

A. Yes. In addition to the historical data obtained from the Company's books and records, information was obtained from Company personnel relative to current operations and future expectations with respect to depreciation. Discussions were held with Company planning and operations management. In addition, physical inspections were also conducted of various representative sites of the Company's operating property.

Q10. Please briefly describe the information included in the depreciation study reports.

A. The electric depreciation study report is divided into eight (8) sections, while the Common Plant depreciation study report is divided into seven (7) sections. Section 1 of each of the reports contains a brief narrative summary of the respective report. Two key portions of each of the reports are Sections 2 and 4. Section 2 includes the summary schedules listing the present and proposed depreciation rates for each depreciable property group and other depreciation rate development schedules. Section 4 contains a narrative description of the factors considered in selecting service life parameters for the Company's property. The various other sections of the report contain detailed information and/or documentation supporting the schedules contained in Sections 2 and 4. Section 3 of the

reports contain a general narrative explaining methods, procedures, and techniques, etc. universally used in the preparation of depreciation studies. In addition, Section 5 is the graphical presentation of the average service life analysis, Section 6 is the detailed Average Remaining Life calculations, and Section 8 for the Electric study, (Section 7 for the Common Plant study) is the detailed Net Salvage analysis schedules. Section 7 of the Electric study is the supporting calculations for the theoretical depreciation reserve calculations used to allocate the booked depreciation reserves relative to selected sub-account levels.

Q11. What was the source of the data utilized as a basis for determining the depreciation rates?

A. As previously discussed, all of the historical data utilized in the course of performing the detailed service life and salvage study was obtained from the Company's books and records. Historical vintaged data (additions, retirements, adjustments, and balances) were obtained for each depreciable property group.

Q12. Are there standard methods utilized to complete a service life analysis of a company's historical property investments?

A. Yes. As discussed in Section 3 of the depreciation study report as well as later in this testimony, the two most common methods are the Retirement Rate Method and the Simulated Plant Record Method. The method chosen to study a company's historical data is dependent upon whether aged or un-aged data is available. If specific aged data is available, the

Retirement Rate Method is used. If only un-aged data is available, the Simulated Plant Record Method is used.

Q13. Were your studies prepared utilizing one of these accepted standard methods?

A. Yes. Aged plant records for the Company's property is available for a period of years, therefore, the Retirement Rate Method of life analysis was utilized in the depreciation studies of the Company's property.

V. METHODS, PROCEDURES & TECHNIQUES

Q14. Please describe the depreciation methods, procedures, and techniques commonly utilized to develop depreciation rates for utility property.

A. Inherent in all depreciation calculations is an overall method, such as the Straight Line Method (which is the most widely used approach within the utility industry) to depreciate property. Other methods available to develop average service lives and depreciation rates are accelerated and/or deferral approaches such as the Sum of the Years Digits Method or Sinking Fund Method.

In addition, there are several procedures that can be used to arrange or group property by sub-groups of vintages to develop applicable service lives. These procedures include the Broad Group, the Equal Life Group and other procedures. Due to the existence of very large quantities of property units within utility operating property, utility property is typically grouped into homogeneous categories as opposed to being depreciated on an individual unit basis. While the Equal Life Group procedure is

viewed as being the more definitive procedure for identifying the life characteristics of utility property and as a basis for developing service lives and depreciation rates, the Broad Group Procedure is more widely utilized throughout the utility industry by regulatory commissions as a basis for depreciation rates. My comments on the Equal Life Group procedure are discussed later in my testimony.

The distinction between the two procedures is in the manner in which recovery of the cost is achieved. Under the Broad Group Procedure, the useful life and resulting depreciation rate is based upon the overall average life of all of the property within the group, while under the Equal Life Group Procedure, the useful life and resulting depreciation rate is based upon separately recovering the investment in each equal life group within the property category over the actual life of the property in that group.

A brief example (with a property group that has three units/three equal life groups of like property) will demonstrate the difference between the two procedures. The example incorporates the assumption that unit No. 1 (or equal life group of property) will retire after one year, unit No. 2 (or equal life group) will retire after two years, and Unit No. 3 (or equal life group) will retire after three years. Accordingly, the average life of all three (groups) is two (2) years (1+2+3)÷3. Under the Broad Group Procedure, the average useful life and resulting depreciation rate is calculated based upon the two (2) year average life. The resulting annual depreciation rates would be fifty (50) percent in every year. Conversely,

under the Equal Life Group Procedure, each year's average life and resulting depreciation rate is calculated by using the period of time during which the portion of the property group remains in service. Since unit No. 1 (or that portion of the account) was retired from service after one year, the entire investment for that property is recovered over one (1) year. Likewise, since unit No. 2 (or that portion of the account) will have a service life of two years, the recovery of that portion of the account will occur over two years. Lastly, unit No. 3 (or that portion of the account) is recovered over three years. Hence, the useful average life for the property group in the first year is 1.64 years and the first year's annual depreciation rate is 61.11 percent. In the second year, the useful average life of the surviving group is 2.4 years and the second year's depreciation rate drops to 41.67 percent. This occurs because during the first year, unit No. 1 (or that portion of the account) was fully recovered. Likewise, in year three the useful life of the surviving group is 3 years and the depreciation rate further drops to 33.33 percent. See the following Table EMR-1 (BG and ELG).

BG Average Life Calculation

Year		Investment	Recovery Period (Yrs)	ASL (Years)	Weight
1	Group # 1	300	2		150
	Group # 2	300	2		150
	Group # 3	300	2		150
	Total	900		2.00	450
2	Group # 1	0	0		0
	Group # 2	300	2		150
	Group # 3	300	2		150
	Total	600		2.00	300
3	Group # 1	0	0		0
	Group # 2	0	0		0
	Group # 3	300	2		150
	Total	300		2.00	150
Grand Total		1,800		2.00	900

BG Depreciation Rate Calculation

Investment	Recovery Period (Yrs)	Annual Rate-%	Recovery Amount
300	2		150
300	2		150
300	2		150
900		50.00%	450
0	0		0
300	2		150
300	2		150
600		50.00%	300
0	0		0
0	0		0
300	2		150
300		50.00%	150
1,800		50.00%	900

ELG Average Life Calculation

Year		Investment	Recovery Period (Yrs)	ASL (Years)	Weight
1	Group # 1	300	1		300
	Group # 2	300	2		150
	Group # 3	300	3		100
	Total	900		1.64	550
2	Group # 1	0	0		0
	Group # 2	300	2		150
	Group # 3	300	3		100
	Total	600		2.40	250
3	Group # 1	0	0		0
	Group # 2	0	0		0
	Group # 3	300	3		100
	Total	300		3.00	100
Grand Total		1,800		2.00	900

ELG Depreciation Rate Calculation

Investment	Recovery Period (Yrs)	Annual Rate-%	Recovery Amount
300	1		300
300	2		150
300	3		100
900		61.11%	550
0	0		0
300	2		150
300	3		100
600		41.67%	250
0	0		0
0	0		0
300	3		100
300		33.33%	100
1,800		50.00%	900

Finally, the depreciable investment needs to be recovered over a defined period of time (through use of a technique), such as the Whole Life or Average Remaining Life of the property group. The distinction between the Whole Life and Average Remaining Life Techniques is that under the Whole Life Technique, the depreciation rate is based on a snapshot and determines the recovery of the investment and average net salvage over the average service life of the property group for that moment in time. The Whole Life technique requires either frequent updates to keep the "snapshot" current or the use of an artificial deferred account that holds "excess" or "deficient" depreciation reserves. In comparison, under the Average Remaining Life Technique, the resulting annual depreciation rate incorporates the recovery of the investment (and future net salvage) less any recovery experienced to date over the average remaining life of the property group. The Average Remaining Life Technique is clearly superior in that it incorporates all of the current and future cost components in setting the proposed annual depreciation rate as opposed to only some of the current and future cost components as is the case with the Whole Life Technique. This means that any changes that occur in between depreciation studies are automatically trued-up in the subsequent study. No artificial deferral account needs to be established to accomplish such a true-up.

The depreciation methods, procedures, and techniques can be used interchangeably. For example, one could use the Straight Line Method

with the Broad Group Procedure and the Average Remaining Life Technique, or the Straight Line Method with the Equal Life Group Procedure and Average Remaining Life Technique, or combinations thereof.

Q15. Which of these methods, procedures and techniques did you use in your depreciation studies?

A. The depreciation rates set forth in my depreciation study reports were developed utilizing the Straight Line Method, the Broad Group Procedure, and the Average Remaining Life Technique.

Q16. If you did not use the Equal Life Group Procedure in the development of the Company's depreciation rates, why did you spend time explaining the process?

A. The discussion of the various/significant methods, procedures, and techniques, and specifically the Equal Life Group Procedure, is an ongoing education process. That is, the discussion is presented to insure that there is an understanding of principal available depreciation processes and their benefits, notwithstanding any unwillingness and/or objection to the use of a more defined and correct procedure, i.e. the Equal Life Group Procedure.

Q17. Why did you utilize the method, procedure, and technique incorporated within the proposed depreciation rates?

A. The Straight Line Method is widely understood, recognized, and utilized almost exclusively for depreciating utility property.

The Broad Group Procedure recovers the Company's investments over the average period of time in which the property is providing service to the Company's customers. While I have used the Equal Life Group procedure in other studies, I used the Broad Group Procedure in this study because it is consistent with depreciation methods and procedures generally accepted by regulatory Commissions plus it is the approach underlying the Company's current depreciation rates.

Finally, the amount of annual depreciation must be based upon the productive life over which the un-depreciated capital investment is recovered (the Average Remaining Life Technique). The utilization of the Average Remaining Life Technique to develop the applicable annual depreciation expense (over the average remaining life) assures that the Company's property investment is fully recovered over the useful life of the property, and that inter-generational inequities are avoided as current and future customers will pay their fair share of depreciation expense. The determination of the productive remaining life for each property group relies on a study of both past experience and future expectations and develops the appropriate total life and applicable depreciation rates for each of the Company's property groups. The Average Remaining Life Technique incorporates all of the Company's fixed capital cost components, thereby better assuring full recovery of the Company's embedded net plant investment and related costs. The Average Remaining Life Technique gives consideration not only to the average service life and survival

characteristics plus the net salvage component, but also recognizes the level of depreciation which has been accrued to date in developing the proposed depreciation rate. The Average Remaining Life Technique is used by regulated companies and regulatory agencies because it allows full recovery by the end of the property's useful life -- no more and no less.

VI. GROUP DEPRECIATION

Q18. Please explain the utilization of group depreciation.

A. Group depreciation is utilized to depreciate property when more than one item of property is being depreciated. Such an approach is appropriate because all of the items within a specific group typically do not have identical service lives, but have lives which are dispersed over a range of time. Utilizing group depreciation allows for a uniform application of depreciation rates to groups of similar property in lieu of performing extensive depreciation calculations on an item-by-item basis. The Broad Group approach is a recognized common group depreciation procedure.

The Broad Group Procedure recovers the investment within the asset group over the average service life of the property group. Given that there is dispersion within each property group, there are variations of retirement ages for the many investments within each property group. That is, some properties retire early (before average service life) while others retire at older ages (after average service life). This dispersion of retirement ages defines the survival pattern experienced by the applicable property group.

Q19. What factors influence the determination of the recommended annual depreciation rates included in your depreciation reports?

A. The depreciation rates reflect four principal factors: (1) the plant in service by vintage, (2) the book depreciation reserve, (3) the future net salvage, and (4) the composite remaining life for the property group. Factors considered in arriving at the service life are the average age, realized life and the survival characteristics of the property. The net salvage estimate is influenced by both past experience and future estimates of the cost of removal and gross salvage amounts.

Q20. Please explain further the assumptions considered when utilizing your depreciation approach.

A. According to the approach, the Company will recover its un-depreciated fixed capital investment through annual depreciation expense in each year throughout the useful life of the property. The Average Remaining Life Technique incorporates the future life expectancy of the property, the vintaged surviving plant in service, the survival characteristics, together with the book depreciation reserve balance and future net salvage in developing the amounts for each property account. Accordingly, Average Remaining Life depreciation meets the objective of providing a Straight Line recovery of the Company's fixed capital property investments.

Q21. Do you have additional comments related to the group approach that you have used?

A. Yes, my depreciation calculations, as applied in this study, follow a group depreciation approach. The group approach refers to the method of calculating annual depreciation based on the summation of the investment in any one plant group rather than calculation of depreciation for each individual unit of plant. In theory, each unit achieves average service life by the time of retirement. Accordingly, the full cost of the investment will be credited to plant in service when the retirement occurs, and likewise the depreciation reserve will be debited with an equal retirement cost. No gain or loss is recognized at the time of property retirement because of the assumption that the property was retired at average service life.

VII. NET SALVAGE

Q22. What are the net salvage factors included in the determination of depreciation rates?

A. Net salvage is the difference between gross salvage, or the proceeds received when an asset is disposed of, and the cost of removing the asset from service. Net salvage is said to be positive if gross salvage exceeds the cost of removal. If the cost of removal exceeds gross salvage, the result is negative salvage. Many retired assets generate little, if any, positive salvage. Instead, numerous Company asset groups generate negative net salvage at the end of their lives due to the cost of removal.

The cost of removal includes costs such as demolishing, dismantling, tearing down, disconnecting or otherwise retiring/removing plant, as well as any environmental clean-up costs associated with the property. Net salvage includes any proceeds received from any sale of plant.

Net salvage experience is studied for a period of years to determine the trends which have occurred in the past. These trends are considered, together with any changes that are anticipated in the future, to determine the future net salvage factor for remaining life depreciation purposes. The net salvage percentage is determined by comparing the total net positive or negative salvage to the book cost of the property investment retired.

The method used to estimate the retirement cost is a standard analysis approach which is used to identify a company's historical experience with regard to what the end of life cost will be relative to the cost of the plant when first placed into service. This information, along with knowledge about the average age of the historical retirements that have occurred to date, allows an estimation of the level of retirement cost that will be experienced by the Company at the end of each property group's useful life. The study methodology utilized has been extensively set forth in depreciation textbooks and has been the accepted practice by depreciation professionals for many decades. Furthermore, the cost of removal analysis is the current standard practice used for mass assets by essentially all depreciation professionals in estimating future net salvage for the purpose of identifying the applicable depreciation rate for a property group. There is a direct relationship between the installation of specific plant and its corresponding removal. The installation is its beginning of life cost while the removal is its end of life cost. Also, it is important to note that Average Remaining Life depreciation rates incorporate future net

salvage which is typically more representative of recent versus long-term historical average net salvage.

The Company's historical net salvage experience was analyzed to identify the historical net salvage factor for each applicable property group and is included in Section 8 of the Electric Division study and Section 7 of the Common Plant study. This analysis routinely finds that historical retirements have occurred at average ages significantly shorter than the property group's average service life. The occurrence of historical retirements at an age which is significantly younger than the average service life of the property category demonstrates that the historical data does not appropriately recognize the true level of retirement cost at the end of the property group's useful life. An additional level of cost to retire will occur due to the passage of time until all the current plant is retired at end of its life. That is, the level of retirement costs will increase over time until the average service life is attained. The additional inflation in the estimate of retirement cost is related to those additional years' cost increases (primarily the result of higher labor costs over time) that will occur prior to the end of the property group's average life.

To provide further explanation of the issue, several general principles surrounding property retirements and related net salvage should be highlighted. As property continues to age, assets that typically generate positive salvage when retired will generate a lower percentage of positive salvage as compared to the original cost of the property. By comparison, if

the class of assets is one that typically generates negative net salvage (cost of removal) with increasing age at retirement, the negative net salvage percentage as compared to original cost will typically be greater. This situation is routinely driven by the higher labor costs that occur with the passage of time.

A simple example will aid in understanding the above net salvage analysis and the required adjustment to the historical results. Assume the following scenario: A company has two cars, Car #1 and Car #2, each purchased for $20,000. Car #1 is retired after 2 years and Car #2, is retired after 10 years. Accordingly, the average life of the two cars is six (6) years. Car #1 generates 75% salvage or $15,000 when retired and Car #2 generates 5% salvage or $1,000 when retired.

	Unit Cost	**Ret. Age (Yrs.)**	**% Salv.**	**Salvage Amount**
Car #1	$20,000	2	75%	$15,000
Car #2	$20,000	10	5%	$ 1,000
Total	$40,000	6	40%	$16,000

Assume an analysis of the experienced net salvage at year three (3). Based upon the Car #1 retirement, which was retired at a young age (2 yrs.) as compared to the average six (6) year life of the property group, the analysis indicates that the property group would generate 75% salvage. This indication is incorrect, however, because it is the result of basing the

estimate on incomplete data. That is, the estimate is based upon the salvage generated from a retirement that occurred at an age which is far less than the average service life of the property group. The actual total net salvage that occurred over the average life of the assets (which experienced a six (6) year average life for the property group) is 40%, as opposed to the initial incorrect estimate of 75%.

This is exactly the situation that occurs with the majority of the Company's historical net salvage data, except that most of the Company's property groups routinely experience negative net salvage (cost of removal) as opposed to positive salvage.

VIII. DEPRECIATION STUDY ANALYSIS

Q23. Please explain what factors affect the length of the average service life that the Company's property may achieve.

A. Several factors contribute to the length of the average service life which the property achieves. The three major factors are: (1) physical; (2) functional; and (3) contingent casualties.

The physical factor includes such things as deterioration, wear and tear and the action of the natural elements. The functional factor includes inadequacy, obsolescence and requirements of governmental authorities. Obsolescence occurs when it is no longer economically feasible to use the property to provide service to customers or when technological advances have provided a substitute with superior performance. The remaining factor, contingent casualties, includes retirements caused by accidental damage or construction activity of one type or another.

In performing the life analysis for any property being studied, both past experience and future expectations must be considered in order to fully evaluate the circumstances that may have a bearing on the remaining life of the property. This ensures the selection of an average service life which best represents the expected life of each property investment.

Q24. What study procedures were utilized to determine service lives for the Company's property?

A. Several study procedures were used to determine the prospective service lives recommended for the Company's plant in service. These include the review and analysis of historical, as well as anticipated, retirements, current and future construction technology, historical experience and future expectations of salvage and the cost of removal.

Service lives are affected by many different factors, some of which can be determined from studying past experience, others of which must rely heavily on future expectations. When physical characteristics are the controlling factor in determining the service life of property, historical experience is a useful tool in selecting service lives. In cases where there are changes in technology, regulatory requirements, Company policy or the development of a less costly alternative, historical experience is of lesser or little value. However, even when considering physical factors, the future lives of various properties may vary from those experienced in the recent past.

While a number of methods are available to study historical data, as I mentioned previously, the two methods most commonly utilized to determine average service lives for a company's property are the Retirement Rate Method and the Simulated Plant Record Method. Aged plant records for the Company's property is available for a period of years, therefore, the Retirement Rate Method of life analysis was utilized in the depreciation studies of the Company's property.

Q25. Please explain the use of the retirement rate method.

A. With this method of analysis, the Company's actuarial service life data, which is sorted by age, is used to develop a survivor curve (observed life table). This survivor curve is the basis upon which smooth curves (standard Iowa Curves) are matched or fitted to then determine the average service life being experienced by the property account under study. Computer processing provides the capability to review various experience bands throughout the life of the account to observe trends and changes. For each experience band analysis, an "observed life table" is constructed using the exposure and retirement experience within the selected band of years. In some cases, the total life cycle of the property has not been achieved and the experienced life table, when plotted, results in a "stub curve." It is the "stub curve," or the total life curve, if the total life curve is achieved, which is matched or fitted to the standard Iowa Curves. The matching process is performed both by computer analysis, using a least squares technique, and by overlaying the observed life tables on the

selected smooth curves for visual reference. The fitted smooth curve is a benchmark which provides a basis to determine the estimated average service life for the property group under study.

Q26. Do the depreciation study reports contain charts which compare the analysis of the Company's actual historical data to the service life parameters you are proposing as a basis for your recommended annual depreciation rates?

A. Yes. Graphical representations of the Company's plant balances versus simulated plant balances based upon the estimated lives and Iowa Curves are contained in Section 5 of the reports.

Q27. You have referred to the use of the Iowa or smoothed survivor curves. Can you generally describe these curves and their purpose?

A. The preparation of a depreciation study typically incorporates smoothed curves to represent the experienced or estimated survival characteristics of the property. The "smoothed" or standard survivor curves are the "Iowa" family of curves developed at Iowa State University and which are widely used and accepted throughout the utility industry. The shape of the curves within the Iowa family is dependent upon whether the maximum rate of retirement occurs before, during or after the average service life. If the maximum retirement rate occurs earlier in life, it is a left (L) mode curve; if it occurs at average life, it is a symmetrical (S) mode curve; if it occurs after average life, it is a right (R) mode curve. In addition, there is the origin (O) mode curve for plant which has heavy retirements at the beginning of life.

At any particular point in time, actual Company plant may not have completed its life cycle. Therefore, the survivor table generated from the Company data is not complete. This situation requires that an estimate be made with regard to the incomplete segment of the property group's life experience. Further, actual company experience often varies from age interval to age interval, making its utilization for average service estimation difficult. Accordingly, the Iowa Curves are used to both extend Company experience to zero percent surviving as well as to smooth actual Company data.

Q28. What is the principal reason for completing the detailed historical life and salvage analysis?

A. The detailed historical analysis is prepared as a tool from which to make informed assessments as to the appropriate service life and salvage parameters over which to recover the Company's plant investment. However, in addition to the available historic data, consideration must be given to current events, the Company's ongoing operations, Company management's future plans, and general industry events which are anticipated to impact the lives that will be achieved by plant in service.

IX. COMPREHENSIVE DEPRECIATION STUDY RESULTS AS OF 12-31-14

Q29. What is the basis for the Company's currently approved Electric depreciation rates?

A. As shown in Exhibit No. ___(EMR-1), Table 1, pages 2-1 to 2-2, the prior depreciation rates for the plant were based upon depreciation parameters

set forth in a study completed using the Company's Electric plant investment data through December 31, 2008. The current account level depreciation rates composite to an annual depreciation rate of 2.88 percent when applied to each of the December 31, 2014 plant in service account balances.

Q30. What are the most notable changes in annual depreciation rates and expense between the present and proposed depreciation rates as set forth in Section 2 of the Montana-Dakota Electric depreciation report?

A. With regard to plant in service, several of the proposed rates reflect changes (as outlined in Section 4 of the study) from the current depreciation rates.

The most notable depreciation/amortization occurred relative to Account 344.10 – Generators, Account 344.20 – Generators-Wind Farm, Account 353 – Station Equipment, Account 355 – Poles and Fixtures, and Account 370 – Meters.

The depreciation rate for Account 344.10 – Generators increased from 2.60 percent to 3.00 percent. The Company has multiple Other Production units including Glendive, Glendive II, Miles City, Heskett III, Ormat Generation, and Portable Generators at various locations. Not all of the various locations have investments in each of the Other Production property accounts.

The depreciation rate for the Company's investment in this property category is being developed via the Life Span Method. An interim

retirement rate was identified for each property group based upon an analysis of the Company's total account historical experience to date. Using the location and vintage level surviving investments for each generating facility's location property, the estimated interim retirement rate and Company management's provided probable retirement/rehabilitation dates, an implicit average service life and average remaining life was produced via the life span approach. The developed depreciation rates do not include any proposed component for the recovery of either interim or terminal (decommission cost) net salvage. The end of life terminal negative net salvage (decommissioning cost), is addressed separately in this rate case. Company management requested that interim negative net salvage not be included in the development of the proposed depreciation rates related to its generating facilities at this time.

Similarly like the forgoing accounts, the ongoing additional new investments added to existing life span property class investments (absent changes in underlying parameters) automatically reduces the implicit average life and increases the required depreciation rate due to the fact that in each successive year there is a shorter period of time over which to recover the added investments.

The depreciation rate for Account 344.2-Generators-Wind Farm increased from 5.06 percent to 5.52 percent. The Company has 2 wind farm sites, namely, Diamond Willow and Cedar Hills. Diamond Willow currently has 20 turbine units while the Cedar Hills is comprise of 13

turbine units. The capacity of each of the Diamond Hills turbines is 1.5 MW and the Cedar Hills turbines are 1.5 MW each.

The depreciation rate for the Company's investment in this property category is being developed via the Life Span Method. An interim retirement rate was identified for each property group based upon an analysis of the Company's total account historical experience to date. Using the location and vintage level surviving investments for each generating facility's location property, the estimated interim retirement rate and Company management's provided probable retirement/rehabilitation dates, an implicit average service life and average remaining life was produced via the life span approach. The developed depreciation rates do not include any proposed component for the recovery of either interim or terminal (decommission cost) net salvage. The end of life terminal negative net salvage (decommissioning cost), is addressed separately in this rate case. Company management requested that interim negative net salvage not be included in the development of the proposed depreciation rates related to its generating facilities at this time.

Similarly, like the forgoing accounts, the ongoing additional new investments added to existing life span property class investments (absent changes in underlying parameters) automatically reduces the implicit average life and increases the required depreciation rate due to the fact that in each successive year there is a shorter period of time over which to recover the added investments.

The proposed depreciation rate for Account 353– Station Equipment, declined from 1.88 percent to 1.58 percent. The proposed depreciation rate is the result of combined changes of the average service life parameters as well as the changes to plant in service and the applicable book depreciation reserve. The proposed average service life was changed in accordance with the life indication developed through an analysis of the Company's historical data and consideration of future expectations. The resulting proposed average service life is sixty (60) years, while the average service life underlying the present depreciation rate is forty-five (45) years. Both the future net salvage underlying the proposed depreciation rates and the net salvage underlying the present depreciation rates is negative 10 percent.

The costs included in this account investment are related to numerous transmission substation equipment (including items such as transformers, voltage regulators, circuit breakers, etc.) used to transform power to different voltages. Currently, there are nearly 100 stations operating at voltages between 69Kv through 138 & 345Kv facilities. During the last several years the Company has been in an increasing growth mode having increased its plant investment by approximately a third. To date the activity has been more on the growth side as opposed to replacement of existing facilities. In future years it is anticipated that replacement of existing facilities will likely occur at higher levels, thus the average service life should be monitored closely. At the current estimated

average service life, the recovery period is longer than the maximum average service life for the property group identified in an industry survey.

The proposed depreciation rate for Account 355 – Poles and Fixtures, increased from 2.40 percent to 2.99 percent. The proposed depreciation rate is the result of combined changes of both the average service life and net salvage parameters. The proposed average service life changed in accordance with the life indication developed through an analysis of the Company's historical data and consideration of future expectations. The resulting proposed average service life is fifty (50) years, which is an increase from the forty-five (45) year average service life underlying the present depreciation rate. The future net salvage underlying the proposed depreciation rates is negative fifty (50) percent while the future net salvage underlying the present depreciation rates is negative thirty-five (35) percent and is reflective of the increased level of negative net salvage being experienced by the company.

During the last several years the Company has been in an increasing growth mode having increased its plant investment by approximately a third. Historically, the activity has been more on the growth side as opposed to replacement of existing facilities, however, during the most recent study year replacements/retirements have accelerated rather dramatically. In fact while the overall and more recent 5 year experience band analysis produced life indication of an estimated 57 years' average service life, the current 2014 band produced an average

service life indication of 45 years. In future years it is anticipated that replacement of existing facilities will likely occur at higher levels.

Over the immediate coming 5 years management anticipates building approximately 100 miles of pole transmission line of which one half is expected to meet continued growth/expansion while the remaining one half is expected to be replacement of existing property with further activity in more distant years. This significant increase in plant activity can be anticipated to continue the shorter life presently being experienced. Based upon the available recent study result a reduction to the longer than normal average service life for the Company's property is proposed. At the present time, an average service life of 50 years is estimated for the property group. As additional activity occurs in future years a further reduction will likely be warranted. Even at the estimated average service life of a 50-R3 life and curve, the recovery period is at the higher end of the industry range of service lives.

The proposed depreciation rate for Account 370– Meters, increased from 3.44 percent to 7.19 percent. The proposed depreciation rate is the result of combined changes of both the average service life and net salvage parameters. The resulting proposed composite average service life twenty (20) years, while the average service life underlying the present depreciation rate is thirty-five (35) years. The future net salvage underlying the proposed depreciation rates is negative 5 percent while the future net salvage underlying the present depreciation rates is 0 percent.

In more recent years, the Company replaced the overwhelming majority of its electric meters in conjunction with an AMR conversion project. Accordingly, the historical analysis of recent data, in which there was a wholesale change out of property, produced a shorter life indication for the property group than might be experienced for the current property. That is, the conversion project resulted in the Company now having a completely different automated metering reading (AMR) technology of Meters than which previously existed. This current new technologically driven property is routinely influenced by greater levels of upgrades, obsolescence, etc. than the prior mechanical meters.

For example, while the AMR technology provides improved efficiencies and enhanced technology capabilities, it only captures a limited part of the ultimate transformation to the current state of the art meter reading and plant utilization capabilities. Advanced Meter Infrastructure (AMI) and related Smart Grid will further expand the control capabilities of the electric network. Accordingly, it is only a matter of time until it will be necessary to complete further upgrades to its present Meter facilities. Thus, an average service life of 20 years is initially estimated for the present property group investment. The life of this property group needs to be monitored on an ongoing basis in conjunction with changing technology and the Company's needs to address such rapid changes.

Q31. What is the basis for the Company's currently approved Common Plant depreciation rates?

A. As shown in Exhibit No. ___(EMR-2), Table 1, pages 2-1 to 2-2 of the Common Plant Depreciation Study, the prior depreciation rates for the plant were based upon depreciation parameters set forth in a study completed using the Company's plant investment data through December 31, 2008. The current account level depreciation rates composite to an annual depreciation rate of 3.89 percent when applied to each of the December 31, 2014 plant in service account balances.

Q32. What are the most notable changes in annual depreciation rates and expense between the present and proposed depreciation rates as set forth in Section 2 of the Montana-Dakota Common Plant depreciation report?

A. With regard to plant in service, several of the proposed rates reflect changes (as outlined in Section 4 of the study) from the current depreciation rates.

The most notable depreciation/amortization change occurred relative to Account 392.20 - Transportation Equipment - Cars & Trucks.

The depreciation rate relative to Account 392.20 - Transportation Equipment - Cars & Trucks increased from 4.11 percent to 6.65 percent. Contributing to the depreciation expense increase is the change in the estimated average service life from seven to nine years while the future net salvage estimate remained at 20%. However, the more significant driver of the depreciation rate increase is the fact that the current book depreciation reserve is currently lower than required in comparison to the current age of

the property group's investment.

X. NET CHANGE FROM 12-31-08 BOOK DEPRECIATION RATES TO PROPOSED DEPRECIATION

Q33. What is the net change to the composite electric depreciation rate under the proposed depreciation rates as applied to the December 31, 2014 plant in service in comparison to the application of the present depreciation rates?

A. Application of the proposed account level depreciation rates to the Company's plant in service as of December 31, 2014 produces a composite depreciation rate of 2.94 percent. By comparison, the application of the December 31, 2014 plant in service to the present account level depreciation rates to the Company's plant in service as of December 31, 2014 produces a composite depreciation rate of 2.88 percent.

Q34. What is the net change in electric annual depreciation expense under the proposed depreciation rates in comparison to the present depreciation rates?

A. Exhibit No.___(EMR-1), Section 2, Table 1, pages 2-1 to 2-2 produces a net increase in annualized depreciation expense of $826,685 when applying the proposed depreciation rates to the Company's plant in service investment as of December 31, 2014 in comparison to the depreciation expense produced by applying the current depreciation rates.

Q35. Have you prepared an exhibit which compares the composite depreciation rates produced when applying the proposed account

level deprecation rates to the Company's December 31, 2014 Common plant in service balances as compared to applying to the present depreciation rates?

A. Yes, that information is contained on Exhibit No.___(EMR-2), Pages 2-1 to 2-2 of the Common Plant Depreciation Study which shows the application of the proposed depreciation study account level depreciation rates to the Company's December 31, 2014 Common Plant in Service produces a composite depreciation rate of 4.30%, as compared to the application of the present account level depreciation rates that produces a composite depreciation rate of 3.89%.

Q36. What is the net change to the Company's Common Plant depreciation expense when applying the proposed depreciation rates to the December 31, 2014 plant in service in comparison to the annual depreciation expense when applying the present depreciation rates?

A. Exhibit No. ___(EMR-2) shows the application of the proposed December 31, 2014 depreciation study account level depreciation rates to the Company's Common plant in service as of December 31, 2014, which, as shown on page 2-1 of the exhibit, produces a net increase of annual depreciation expense of $275,554 as compared to that produced by applying the present depreciation rates.

XI. RECOMMENDATION

Q37. What is your recommendation in this proceeding?

A. I recommend that the proposed depreciation rates set forth in the comprehensive depreciation study reports be uniformly and prospectively adopted by the Commission for regulatory purposes as well as by the Company for accounting purposes.

Q38. Does this conclude your direct testimony?

A. Yes, it does.

PROFESSIONAL QUALIFICATIONS
OF
EARL M. ROBINSON, CDP
AUS CONSULTANTS

Experience includes approximately 40 years of service in the public utility field. Mr. Robinson has performed services in the areas of depreciation, original cost, valuation, cost of service, and bill analysis within numerous regulatory jurisdictions and property tax agencies throughout the Eastern, Midwestern, Southwestern, and Pacific regions of the United States, Canada plus various areas of the Caribbean.

EXPERIENCE

1977 to Date

AUS Consultants. Various positions - currently Principal. Mr. Robinson has prepared studies and coordinated analysis related to valuation, depreciation, original cost, trended original cost, cost of service, bill analysis, as well as analysis of expenses, revenues and income for various municipal and an extensive number of investor-owned electric, gas, water, wastewater, and telecommunications utilities.

Studies prepared have required the review of company records, inspection of property, the preparation of property inventories and original costs, preparation and review of mortality studies, selection of proper service lives, life characteristics and analysis of salvage, and analysis of capital recovery impact of changing depreciation methods.

During his many years of experience, Mr. Robinson has been involved in and/or responsible for an extensive quantity of comprehensive depreciation studies. Numerous early year's depreciation studies were prepared manually without the convenience of computer software systems. Subsequent, during the mid/late 1970's, Mr. Robinson became responsible for the completion of the many depreciation studies performed for the firm's clients. As part of that responsibility, Mr. Robinson was involved in not only performing the studies, but also in assisting AUS Consultants' MIS department in developing and testing various computer depreciation models. The studies performed by Mr. Robinson or under his direction have included all types of utilities, including electric, gas, water, wastewater, and telecommunications. During Mr. Robinson's career he has been involved in the preparation of more than a hundred depreciation related projects.

A Certified Depreciation Professional (CDP), Mr. Robinson, as a Principal of AUS Consultants provides services to the firm's clients with regard to depreciation and cost based valuation issues. With more than forty (40) years' experience, he began his career as a staff member of the Plant Accounting Department of United Telephone (now Sprint) Eastern Group Headquarters subsequent to which he has spent the past thirty-five (35) plus years, as a consultant, preparing depreciation and valuation studies for gas, pipeline, electric, telecommunications, water, and wastewater utilities. In conjunction with the provision of these services, Mr. Robinson has testified on many occasions before numerous regulatory agencies (including state, federal, and property tax agencies throughout the U.S., Canada, and the Caribbean in support of the many studies completed for his diverse list of clients. In addition he has negotiated depreciation rates with various state regulatory agencies, the FCC Staff, and the FERC Staff. Mr. Robinson has also participated in several FCC, State, Company three-way depreciation re-prescription meetings.

With regard to valuation matters Mr. Robinson has been involved with the development of cost indexes from the earliest part of his career through the present. During his earlier years, he assisted and/or developed and utilized cost indexes to prepare reproduction cost and related fair value determinations for various of the firm's regulated utility clients. Subsequently, he attained extensive experience in preparing custom indexes, replacement cost, and depreciated replacement cost studies, having been responsible for preparing many such cost studies relative to various clients within the telecommunications industry during

PROFESSIONAL QUALIFICATIONS
OF
EARL M. ROBINSON, CDP
AUS CONSULTANTS

the past twenty (20) plus year period.

He is also responsible for developing and publishing the firm's AUS Telephone Plant Index (successor to the Handy Whitman and C A Turner Telephone Construction Cost Index), a reproduction cost index subscribed to by various operating companies, regulatory agencies, and consultants.

Mr. Robinson is a founding member and past President of the Society of Depreciation Professionals, a professional organization that provides depreciation training, as well as provides a forum for discussion of depreciation issues. He is also a member of the American Gas Association (AGA) Accounting Services Committee and past chairman of the Statistics, Bibliography, Court Regulatory Sub-Committee of the AGA Depreciation Committee. As a member of that organization, he co-authored a publication entitled "An Introduction to Net Salvage of Public Utility Plant". Mr. Robinson has completed various previous presentations on the subject of depreciation studies as well as depreciated replacement cost to industry organizations and to property tax appraiser staffs.

1975 to 1977

Gannett, Fleming, Corddry & Carpenter, Inc. Valuation Analyst in the Valuation Division where his duties and responsibilities included the classifications, analysis and coordination of data in the development of depreciation rates for various companies including telephone, gas, water and electric utilities.

1971 to 1975

Weber, Fick & Wilson (Acquired by AUS Consultants), Public Utility Analyst engaged in the unitization and subsequent application of costs in the pricing of inventories for original cost determination, depreciation and salvage studies to determine proper annual depreciation rates and trended original cost studies used in the determination of utility rate base.

1966 to 1971

United Telephone Company of Pennsylvania (now Sprint/United Telephone Company of Pa.). As a staff member of the Plant Accounting Department, his duties and responsibilities included various plant accounting ledgers, unitization of location and mass property accounts, as well as special studies related to insurance and tax valuations of utility plant in service.

TESTIMONY

Jurisdictions testified in include Alberta, Arizona, California, Connecticut, Delaware, District of Columbia, FERC, Florida, Indiana, Illinois, Iowa, Kansas, Kentucky, Maryland, Massachusetts, Montana, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Oklahoma, Nevada, Pennsylvania, Rhode Island, South Carolina, Tennessee, Utah, and Virgin Islands. Extensive expert testimony has been presented on the subjects including Depreciation, Capital Recovery, Plant in Service Measures of Value, Depreciated Reproduction Cost, and Depreciated Replacement Cost. Numerous additional depreciation studies have been completed and filed in various different jurisdictions for which testimony appearances were not required.

PERSONAL

Education:

PROFESSIONAL QUALIFICATIONS
OF
EARL M. ROBINSON, CDP
AUS CONSULTANTS

Graduate of Harrisburg Area Community College with an Associate of Arts Degree in Accounting, and has undertaken further studies at University Center of Harrisburg. Successfully completed numerous programs related to service life and salvage estimation, forecasting, and evaluation sponsored by Depreciation Programs, Inc. at Calvin College Campus, Grand Rapids, Michigan. In addition, Mr. Robinson successfully completed cost of service seminars sponsored by the American Water Works Association. He received his CDP (Certified Depreciation Professional) designation by Exam during 1996.

List of Clients Served

CATV

Storer Broadcasting Company
(DE, MD, MN)

Cable Television Consortium

ELECTRIC

Atlantic City Electric d/b/a Conectiv Power Delivery
Borough of Butler - Electric Dept.
Conectiv Power Delivery
Consolidated Edison Co of NY
Consolidated Hydro, Inc.
Delmarva Power and Light Company
Delaware
Maryland
Duquesne Light Company
Hershey Electric Company
Kentucky Utilities
Lockhart Power Company
Louisville Gas & Electric Co. - Elec. Div.
Montana – Dakota Utilities Co – Elec. Div
Nantahala Power and Light Company
New York State Electric and Gas Corp
Northern Indiana Public Service Co
Pennsylvania Power Company
Philadelphia Electric Company
Potomac Electric Power Company
Maryland
Washington DC
Progress Energy - Carolinas
Progress Energy - Florida, Inc.
Public Service Company of New Mexico
Public Service Electric & Gas Company
Rochester Gas and Electric Corporation
The United Illuminating Company
Wellsboro Electric Company
Vermont Electric Power, Inc.

GAS

ATCO Gas
ATCO Pipelines
Atlanta Gas Light Company
Bay State Gas Company
C & T Enterprises, Inc.
Valley Cities Waverly Gas Company
Canadian Western Natural
Gas Company Limited
Cascade Natural Gas Corporation
Citizens Gas & Coke Utility
Columbia Gas of Pennsylvania, Inc.
Connecticut Natural Gas Corporation
Consolidated Edison Co of New York
East Ohio Gas
North Carolina Gas Service
North Penn Gas
Northern Indiana Public Service Co.
Northern Utilities, Inc.-Maine
Northern Utilities, Inc.-New Hampshire
Oklahoma Natural Gas Company
Pacific Gas & Electric Company
Paiute Pipeline
Pennsylvania Gas & Water Company
PG Energy Inc.
Pennsylvania and Southern Gas Company
Valley Cities Division
Waverly Division
Pipeline Industry Group

PROFESSIONAL QUALIFICATIONS
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Elkton Gas Service
Granite State Gas Transmission, Inc.
Great Plains Natural Gas Co.
Kansas Gas Service
Louisville Gas & Electric Co. - Gas Division
Montana Dakota Utilities - Gas Division
National Fuel Gas Distr. Corp., NY
National Fuel Gas Supply
New York State Electric & Gas Corp
NICOR Gas Company
Northeast Heat & Light Company
Providence Gas Company
Public Service Electric & Gas Co
Public Service Company of New Mexico
Roanoke Gas Company
Rochester Gas and Electric Corporation
Saxonburg Heat & Light Company
Sierra Pacific Power Co/NV Energy
Southern Connecticut Gas Company
Southwest Gas Corporation
T.W. Phillips Gas & Oil Company
Williams Companies

GENERAL CLIENTS

Arthur Andersen
Pricewaterhouse Coopers
Electric Utility Consultants, Inc.
Ernst & Young
Standard & Poors

REGULATORY AND GOVERNMENTAL

Regulatory Commission of Alaska
- Alaska Electric Light & Power Company
- Interior Telephone Company, Inc
- Fairbanks Water & Wastewater
- Mukluk Telephone Company, Inc
- TDX North Slope Generating
- United KUC, Inc
- United Utilities, Inc.

Arizona Corporation Commission
- Mountain States Telephone & Telegraph
- Southwest Gas Corporation

Baltimore County, MD
Bensalem Township - Water
Bethlehem Authority - Water
Borough of Butler, NJ
Borough of Media Water Works
City of New Orleans, LA
Delaware Public Service Commission
Delaware River Port Authority
Diamond State Telephone Company
Kansas Corporation Commission
- Southwest Bell

Public Service Comm. of Nevada
- Nevada Bell

Town of Waterford, CT
- Northeast Utilities

Washington, D.C. - PSC
- C&P Telephone Company
- Potomac Electric Power Company

TELECOMMUNICATIONS

Ace Telephone Association - IA & MN
Air Touch Communications
ALLTEL Pennsylvania, Inc.
AT&T-Advance Solutions, Inc-CA
BellSouth Telecommunications
Buffalo Valley Telephone Company
Paging Industry Study Group
- AirTouch Paging
- Mobile Comm

Paging Network, Inc.
- Skytel
- USA Mobile Communications

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Cellular Industry Study Group
  AT&T Wireless
BellSouth Communications
  GTE Mobilnet
Brighthouse Networks-Citrus County
Cable & Wireless
Chenango & Unadilla Telephone Company
Cingular Wireless
  Cingular Wireless – California
  Cingular Wireless – Houston
  Cingular Wireless - Massachusetts
Commonwealth Telephone Company
CTC of Michigan
CTC of Virginia
Denver & Ephrata Telephone & Telegraph Co.
  D & E Network
  D & E System
Embarq Florida, Inc.
Empire Telephone Corporation
Illinois Consolidated Telephone Co.
Jamestown Telephone Corporation
Leesport Telephone Company
Lewisberry Telephone Company
Los Angeles Cellular Telephone Co.
MCI International, Inc.
MCI Telecommunications Corp.
MFS Communication Company, Inc.
Marianna & Scenery Hill Tel. Co.
Mid State Telephone Company
Motorola, Inc.
Nevada Bell
New Jersey Telephone Company
The North-Eastern Pennsylvania Tel. Co.
Pacific Bell
Pactel Cellular
Quaker State Telephone Company
Qwest Communications Corporation
  Qwest – Arizona
  Qwest – Iowa
  Qwest -- Montana
  Qwest -- Washington
RCA Global Communications, Inc.
SBC Ameritech Corporation
  SBC -- Arkansas
  SBC -- Kansas
  SBC -- Michigan
  SBC -- Missouri
  SBC -- Ohio
  SBC -- Oklahoma
  SBC – Wisconsin
  SBC – West – California
  SBC – West – Nevada
Southwestern Bell Telephone Company
Standard Telephone Company
Telecommunications d'Haiti
Telephone Utilities of Pennsylvania
United Telephone Company of New Jersey
Verizon Wireless
  Verizon – California
  Verizon – Kentucky
  Verizon – Massachusetts
  Verizon -- Montana
  Verizon – South Carolina
  Verizon -- Utah
  Verizon -- Washington
  Verizon – Wyoming
  Verizon – Total Company
Virgin Islands Telephone Corporation
Williams Communication
WilTel, Inc.

<u>WATER</u>

Arizona Water Company
Artesian Water Company
City of Auburn
Bethlehem Authority – Water
California Water Service Company
California-American Water Company
  Citizens Water – California
  Citizens Water – Arizona
Clinton Water Company
Columbia Water Company
Commonwealth Water Company
Consumers New Jersey Water Company
Dauphin Consolidated Water Supply Co.
Dominguez Water Company
Elizabethville Water Company
City of Fairfax
Garden State Water Company
Hackensack Water Company
Monarch Utilities, Inc.
Monmouth Consolidated Water Company
New Haven Water Company
New Jersey Water Company
New Mexico-American Water Company, Inc.
Newtown Artesian Water Company
New York-American Water Company
Ohio-American Water Company
Palm Coast Utility Corporation
Pennichuck East Utility
Pennichuck Water Works
Pennsylvania-American Water Company
Pennsylvania Gas & Water Company
Pennsylvania Water Company
  Erie & Sayre Divisions
Philadelphia Suburban Water Company
Pinelands Water Company
Public Service Water Company

PROFESSIONAL QUALIFICATIONS
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Hawaii Water Service
  Ka'anapali Water
  Kona Water
  Waikoloa Village Water
  Waikoloa Resort Water
  Waikoloa Resort Irrigation
Hershey Water Company
Illinois-American Water Company
Indian Rock Water Company
Indianapolis Water Company
Iowa-American Water Company
Keystone Water Company
Manufacturers Water Company
Masury Water Company
Middlesex Water Company
Monarch Utilities, Inc.
Riverton Consolidated Water Company
Roaring Creek Water Company
Rock Springs Water Company
Shenango Valley Water Company
Southern California Water Company
Spring Valley Water Company
Spring Valley Water Company
Tidewater Utilities, Inc.
United Water - Delaware
United Water - Toms River
United Water - New Jersey
United Water - Pennsylvania
United Water - Virginia
Virginia American Water Company
Western Pennsylvania Water Company
York Water Company

STEAM

Consolidated Edison Co of New York

WASTEWATER

California - American Water Company
 Citizens Sewer – Arizona
Hawaii Water Service Company-Wastewater
  Kona Wastewater
  Pukalani Wastewater Company
  Wailoloa Resort Wastewater
Illinois-American Company – Wastewater
Monarch Utilities, Inc.
New Jersey Water Company
  Sewer Districts
Palm Coast Utility Corporation
Pinelands Sewer Company
Wynnewood Sewer Company

PROFESSIONAL QUALIFICATIONS

CDP (Certified Depreciation Professional) by Exam during October, 1996

PROFESSIONAL AFFILIATIONS

American Water Works Association
American Gas Association
American Railway Engineering Association
Pennsylvania Gas Association
Pennsylvania Municipal Authorities Association
Member AGA Accounting Services Committee
Society of Depreciation Professionals-Founding Member, Chairman Coordinating and Membership Committees, Treasurer, President, and Past President

PUBLICATIONS

AGA/EEI Depreciation Accounting Committee, Contributing Author 1989, "An Introduction to Net Salvage of Public Utility Plant"

"Replacement Cost and Service Life Studies", *Journal of Property Tax Management*, Fall 1994, Volume 6, Issue 2

PROFESSIONAL QUALIFICATIONS
OF
EARL M. ROBINSON, CDP
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SPEECHES AND PRESENTATIONS

"Depreciated Replacement Cost", Institute of Property Taxation - 18th Annual Conference, San Francisco, CA

"RCNLD Issues for Utilities", The National Association of Railroad & Public Utilities Tax Representative, 1997 Annual Conference, North Lake Tahoe, NV

"Useful Service Lives of Cellular Industry Assets", State of Florida, Department of Revenue, Industry/Government Task Force (April 1997)

"Appraisal and Valuation Issues Associated with Technology Changes within the Wireless Industry", 30th Annual Wichita Program - Appraisal for Ad Valorem Taxation of Communications, Energy, and Transportation Program, Wichita State University - July 30-August 3, 2000

"Physical/Functional Obsolescence, Residual Values/Floors (Net Salvage)", 32th Annual Wichita Program - Appraisal for Ad Valorem Taxation of Communications, Energy, and Transportation Program Wichita State University - July 28-August 1, 2002

"Depreciation Study Preparation", AGA Accounting Services Committee/EEI Property Accounting & Valuation Committee, Lake Tahoe, Nevada - October 28, 2002

"Use of Replacement Cost to Value High Tech Equipment" Southeastern Association of Tax Administrators, 53rd. Annual Conference, Savannah, Georgia - July 14-July 16, 2003

"Property Tax: Use of Replacement Cost in the Appraisal of Telecommunications Companies", Western States Association of Tax Representatives (WSATR), WSATA 2003 Annual Meeting, Austin, TX - Sept. 9, 2003

"Replacement Cost & Depreciated Replacement Cost Presentation", Southwestern Bell Telephone Company – Arkansas PSC – Tax Division - August, 2003

"Valuation of Assets", AGA Accounting Services Committee/EEI Property Accounting & Valuation Committee, Scottsdale, Arizona - December 9, 2003

"*Property Tax: Use of Replacement Cost in the Appraisal of Telecommunications Companies",* Oklahoma State Board of Equalization Public Service Valuation Guidelines Subcommittee – Oklahoma City, OK – Feb 5, 2004

"*Net Salvage Issues In Rate Cases",* AGA Accounting Services Committee/EEI Property Accounting & Valuation Committee, San Antonio, Texas - May 17, 2004

"*Current Depreciation Issues: Point-Counterpoint",* AGA Accounting Services Committee/EEI Property Accounting & Valuation Committee, Savannah, Georgia – November 14, 2006

"Depreciation & Cost of Removal", AGA Accounting Services Committee/EEI Property Accounting & Valuation Committee, Tucson, Arizona – October 24, 2007

"Whole Life versus Remaining Life", AGA Accounting Services Committee/EEI Property Accounting & Valuation Committee, San Francisco, California – May 21, 2008

"Obsolescence-Measuring the Impact for Industries Experiencing Change" *"Depreciation & Cost of Removal",* IPT 32nd Annual

PROFESSIONAL QUALIFICATIONS
OF
EARL M. ROBINSON, CDP
AUS CONSULTANTS

Conference, Atlanta, Georgia, June 23, 2008

"An Alternative to IFRS Unit Depreciation", AGA Accounting Services Committee/EEI Property Accounting & Valuation Committee, Baltimore, Maryland – May 18, 2009

"Alternative to IFRS Unit Depreciation", Society of Depreciation Professionals, Albuquerque, New Mexico, – October 5, 2009

"Depreciation Training", Regulatory Commission of Alaska (RCA), Anchorage, Alaska, October 26 & 28, 2010

"Physical Depreciation – The Uses and Abuses of Iowa Curves and Other Errors", IPT Property Tax Symposium, Austin, Texas, November 2, 2010

"Preparing To Be A Depreciation Witness", AGA Accounting Services Committee/EEI Property Accounting & Valuation Committee, New Orleans, Louisiana – May 19, 2011

"Depreciation – The Last 25 Years & More", Society of Depreciation Professionals, Atlanta, Georgia, – September 20, 2011

"A Roadmap to Replacement Cost", 42nd Annual Wichita Program - Appraisal for Ad Valorem Taxation of Communications, Energy, and Transportation Program, Wichita State University - July 29-August 2, 2012

DEPRECIATION TRAINING INSTRUCTOR-CLASSES

Regulatory Commission of Alaska, Anchorage, AK, Oct 2012

EUCI Depreciation Training, Houston, TX, Nov 8-9, 2012

EUCI Depreciation Training, Denver, CO, May 6-7, 2013

EUCI Depreciation Training, Chicago, IL, Nov 14-15, 2013

EUCI Depreciation Training, Pasadena, CA, Apr 22-23, 2014

EUCI Depreciation Training, Newport Beach, CA, Dec 16-17, 2014

EUCI Depreciation Training, Denver, CO, Jun 24-25, 2015

EUCI Depreciation Training, Anaheim, CA, Apr 25-26, 2016

PROFESSIONAL QUALIFICATIONS
OF
EARL M. ROBINSON, CDP
AUS CONSULTANTS

SUMMARY OF TESTIMONY APPEARANCES – HEARINGS & DEPOSITIONS (PLUS DECLARATIONS)

Jurisdiction	Client	Docket/Application	Subject
Alberta	Canadian Western Natural Gas Company Limited	980413	Depreciation
	ATCO Pipelines	1292783	Depreciation
		Appl. 1527976, Proc ID 13	Depreciation
Arizona	Arizona Corp. Comm./ Mtn. Bell	9981-E-1051	RCN/RCND *
	Arizona Corp. Comm./ Southwest Gas Corp.	U-1551-80-70	RCN/RCND *
	Qwest Corporation-Arizona	TX2001-000662	Property Tax Valuation Deposition
California (PUC & State Board of Equalization)	MCI Telecommunications Corporation	274	Replacement Cost/ Depr. Repl. Cost
		SAU87-38	Replacement Cost/ Depr. Repl. Cost
		SAU91-101	Replacement Cost/ Depr. Repl. Cost
	SBC-California	SAU 279 Declaration	Property Tax Valuation
	SBC-California	January 31, 2005 Declaration	Property Tax Valuation
	Southern California Water Company	ABJ-4	Depreciation
Connecticut	Connecticut Natural Gas Corp	08-12-06	Depreciation
		13-06-08	Depreciation
	Southern Connecticut Gas Co.	89-09-06	P.I.S. Measures of Value and Depreciation
		08-12-07	Depreciation
Delaware	Artesian Water Company	82-20	Depreciation
		87-3	Depreciation
	United Water - Delaware	96-164	Depreciation
		98-98	Depreciation
	Delaware Public Service Comm./ Diamond State Telephone Co.	81-8	P.I.S. Measures of Value and Depreciation
	Delmarva Power & Light Company	05-304	Depreciation

PROFESSIONAL QUALIFICATIONS
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Jurisdiction	Client	Docket/Application	Subject
	Tidewater Utilities, Inc/ Public Water and Supply, Inc	99-466	Depreciation
District of Columbia	Potomac Electric Power Co.	F.C. 869	Depreciation
	Washington, DC PSC/C&P Tel Corp.	F.C. 777	Depreciation
	Washington, DC PSC/ Potomac Electric Power Co.	F.C. 785 F.C. 813	Capital Recovery/ Depreciation
FERC	Granite State Gas Transmission, Inc.	RP91-164-000	Depreciation
	Paiute Pipeline	RP96-306-000	Depreciation
	Public Service Company of NM	ER-11-1915-000	Depreciation
Florida (County of Duval)	BellSouth Telecommunications	Petitions 1795-1800	Replacement Cost/ Depr. Repl. Cos
(County of Lee)	Sprint-Florida, Inc (Embarq)	Case No. 02-CA-013330-1	Replacement Cost
(County of St. Lucie)	BellSouth Telecommunications	1999 Petitions	Replacement Cost/ Depr. Repl. Cost
(County of Citrus)	Embarq	Case No. 2003-CA4473, 2004-CA4565, 2005-CA5010	Property Tax Valuation Deposition
(County of Lee)	Embarq	Case No. 02-13330 CA-WCM	Property Tax Valuation Deposition
	Progress Energy – Florida Progress Energy – Florida	050078-EI 090079-EI	Depreciation Depreciation
Illinois	Illinois - American Water Company	00-0340 02-0690 07-0507	Depreciation Depreciation Depreciation
	Illinois Consolidated Telephone Co.	81-0264 82-0623	RCN/RCND * RCN/RCND *
Indiana	Northern Indiana Public Service Company	Cause No. 41746	Depreciation
Iowa (Dept of Rev)	Qwest Corporation-Iowa	883	Property Tax Valuation Deposition

PROFESSIONAL QUALIFICATIONS
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Jurisdiction	Client	Docket/Application	Subject
Kansas	Kansas Gas Service	03-KGSG-602-RTS	Depreciation
Kentucky	Kentucky Utilities	Case No. 2003-00434	Depreciation
	Louisville Gas & Electric Electric Gas	Case No. 2003-00433	Depreciation
Maryland	Columbia Gas of Maryland, Inc.	9316	Depreciation
	Delmarva Power & Light Company	9093	Depreciation
	Potomac Electric Power Company	9092	Depreciation
Massachusetts	Bay State Gas Company	92-111 DTE 05-27	Depreciation Depreciation
Montana	Montana-Dakota Utilities Co-Gas	Docket #2012.9.100	Depreciation
	Montana-Dakota Utilities Co-Elec	Docket # 2007.7.79 Docket # 2010.8.82 Docket # 2015.6.51	Depreciation Depreciation Depreciation
	Qwest Corporation-Montana	06DORFC001 06DOTFC017	Property Tax Valuation Deposition
Nevada	Southwest Gas Corporation	04-3011	Depreciation
New Jersey	Atlantic City Electric d/b/a Conectiv Power Delivery	ER03020110	Depreciation
	Borough of Butler/ Butler Elec. Dept.	792-84	Valuation of Plant in Service Customer Revenue and Purchase Power
	Commonwealth Water Co.	842-100	Depreciation
	Consumers NJ Water Company	WR00030174	Depreciation
	Garden State Water Co.	WR91091483	Depreciation
	Middlesex Water Company	WR8602-240 WR90080884J WR96110818	Depreciation Depreciation Depreciation

PROFESSIONAL QUALIFICATIONS
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Jurisdiction	Client	Docket/Application	Subject
	Monmouth Cons. Water Co.	8312-1113	Depreciation
	New Jersey Water Company	834-292	Depreciation
	Public Service Electric & Gas	GR05100845	Depreciation
	United Water Resources (formerly Hackensack Water Co.)	8506-663 WR90080792J WR95070303	Depreciation Depreciation Depreciation
	Toms River Water Company	WR95050219	Depreciation
New Hampshire	Northern Utilities, Inc.	DR91-081	Depreciation
New Mexico	New-Mexico American Water Company, Inc.	2813 03-00206-UT	Depreciation Depreciation
	Public Service Company of NM	08-00273-UT 10-00086-UT	Depreciation Depreciation
New York	New York-American Water Co.	28911	Depreciation
	New York State Elec. & Gas Corp. Electric Business & Common Plant	05-E-1222	Depreciation
	New York State Elec. & Gas Corp-Elec.	09-E-0715	Depreciation
	New York State Elec. & Gas Corp-Gas	09-G-0716	Depreciation
	Rochester Gas and Elec. Corp-Elec.	09-E-0717	Depreciation
	Rochester Gas and Elec. Corp-Gas	09-G-0718	Depreciation
	Spring Valley Water Co., Inc.	89-W-1151 92-W-0645	Depreciation Depreciation
North Carolina	Nantahala Power and Light Co.	E-13, SUB157	Depreciation
North Dakota	Montana-Dakota Utilities Co-Gas	Case No. PU-399-02-183	Depreciation
Oklahoma (State Board of Equalization)	SWBT-Oklahoma	EQ-2004-10	Property Tax Valuation Deposition
Pennsylvania	Borough of Media Water Works	R-912150	Depreciation
	Columbia Gas of Penna.	R-80031129	Depreciation and Valuation
	Commonwealth Telephone Co.	I-00920020	Depreciation
	Keystone Water Company	R-842755	Capital Recovery/Depreciation

PROFESSIONAL QUALIFICATIONS
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Jurisdiction	Client	Docket/Application	Subject
		R-842756	Capital Recovery/Depreciation
		R-842759	Capital Recovery/Depreciation
	Mid Penn Tel. Corp.	R-80071264	Depreciation
	Penna.-American Water Co.	R-891208	Depreciation
	Penna. Gas & Water Co. -	R-821961	Depreciation
	Gas Division	R-832475	Depreciation
	Penna. Gas & Water Co. -	R-822102	Depreciation
	Water Division	R-850178	Capital Recovery/Depreciation
		R-870853	Capital Recovery/Depreciation
	Penna. Gas & Water Co. -	R-901726	PIS Meas. of
	Scranton Division		Value/Depreciation
		R-922482	Depreciation
	Penna. Gas & Water Co. -	R-911966	PIS Meas. of
	Spring Brook Division		Value/Depreciation
	Nesbitt Service Area		
	Crystal Lake Service Area	R-922404	PIS Meas. of
			Value/Depreciation
	Cease town/Watres		
	Service Area	R-93266	Depreciation
	Penna. Power Company	R-811510	PIS Meas. of
			Value/Depreciation
		R-821918	PIS Meas. of
			Value/Depreciation
		R-832409	PIS Meas. of
			Value/Depreciation
		R-842740	PIS Meas. of
			Value/Depreciation
		R-850267	PIS Meas. of
			Value/Depreciation
		R-870732	PIS Meas. of
			Value/Depreciation
	Pennsylvania & Southern		
	Gas Company	R-870686	Depreciation
	PG Energy Inc.	R-963612	PIS Meas. Of Value/Depr
		R-984280	PIS Meas. Of Value/Depr
		R-00061365	PIS Meas. OFValue/Depr
	Philadelphia Suburban	R-911892	Depreciation
	Water Company	R-922476	PIS Meas. of
			Value/Depreciation
		R-932868	PIS Meas. of
			Value/Depreciation

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Jurisdiction	Client	Docket/Application	Subject
	Riverton Consolidated Water Co.	R-842675	Capital Recovery/Depreciation
	United Water - Pennsylvania	R-00973947	Depreciation
	Western Pennsylvania Water Company	R-842621	Capital Recovery/Depreciation
		R-842622	Capital Recovery/Depreciation
		R-842623	Capital Recovery/Depreciation
		R-842624	Capital Recovery/Depreciation
		R-842625	Capital Recovery/Depreciation
	Wellsboro Electric Company	R-00016356	Depreciation
Rhode Island	Providence Gas Company	1914	Depreciation
		2286	Depreciation
South Carolina	Lockhart Power Company	87-435-E	Depreciation
Tennessee (Board of Equalization)	Bellsouth – Tennessee	67-5-903	Property Tax Valuation Deposition
Utah	Verizon Wireless	05-0826, 05-0829	Property Tax Valuation Deposition & Hearing
Virgin Islands	Virgin Islands Tel. Corp.	264	Depreciation
		314	Depreciation
		316	Depreciation

* Reproduction Cost New/Reproduction Cost New Depreciated.

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC DIVISION

Depreciation Study
as of December 31, 2014
(UPDATED 9-14-16)

Earl M. Robinson, Principal
David A. Sheffer, Principal

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April 2015

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October 16, 2015

Mr. Paul Bienek
Montana-Dakota Utilities Company
400 North Fourth Street
Bismarck, ND 58501

Dear Mr. Bienek: Re: MDU Electric Depreciation Study

In accordance with your authorization, we have prepared a depreciation study related to the utility plant in service of Montana-Dakota Utilities Company - Electric Division as of December 31, 2014. Our findings and recommendations, together with supporting schedules and exhibits, are set forth in the accompanying report.

Summary schedules have been prepared to illustrate the impact of instituting the recommended annual depreciation rates as a basis for the Company's annual depreciation expense as compared to the rates presently utilized. The application of the present rates to the depreciable plant in service as of December 31, 2014 results in an annual depreciation expense of $34,887,221. In comparison, the application of the proposed depreciation rates to the depreciable plant in service at December 31, 2014 results in an annual depreciation expense of $35,713,906, which is an increase of $826,685 from current rates. The composite annual depreciation rate under present rates is 2.88 percent, while the proposed pro forma composite depreciation rate is 2.94 percent.

Section 2 of our report contains the summary schedules showing the results of our service life and salvage studies and summaries of presently utilized depreciation rates. The subsequent sections of the report present a detailed outline of the methodology and procedures used in the study together with supporting calculations and analyses used in the development of the results. A detailed table of contents follows this letter.

Respectfully submitted,

EARL M. ROBINSON, CDP
&

DAVID A. SHEFFER

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SECTION 1

MONTANA-DAKOTA UTILITIES COMPANY
Electric Division

Executive Summary

Table 1 on pages 2-1 to 2-3 is a comparative summary which illustrates the effect of instituting the revised depreciation rates. The schedule includes a comparison of the annual depreciation rates and annual depreciation expense under both present and proposed rates applied using the Straight Line Method for each depreciable property group of the Montana Dakota Utilities Company – Electric Division (the "Company") plant in service as of December 31, 2014. Both the present and proposed depreciation rates were developed utilizing the Straight Line (SL) Method, Broad Group (BG) Procedure, and the Average Remaining Life (ARL) Technique. The utilization of the recommended depreciation rates based upon the Straight Line Average Remaining Life Procedure results in the setting of depreciation rates which will continuously true up the Company's level of capital recovery over the life of each asset group. Application of this procedure, which is based upon the current best estimates of service life and net salvage together with the Company's plant in service and accrued depreciation, produces annual depreciation rates that will result in the Company recovering 100 percent of its investment -- no more, no less.

Table 1-Plant Site on pages 2-4 and 2-6 is essentially the same information as contained on the Steam and Other Production functions of Table 1 except that the depreciation amounts are displayed by individual plant site locations.

Table 1a on pages 2-7 through 2-10 summarizes the segmentation of the Company's property group's December 31, 2014 book depreciation reserves into the plant only, gross salvage, and cost of removal components.

Table 2 - Plant Only on pages 2-11 through 2-13, (which is the development of average remaining life depreciation rates for the Plant Only recovery component) provides a summary of the detailed life estimates and service life parameters utilized in preparing the Average Remaining Life depreciation rates for each property group. The schedule provides a summary of the detailed data and narrative of the study results set forth in Sections 4 through 7. The developed depreciation rates (Column I) were determined by studying the Company's historical investment data together with the interpretation of future life expectancies which will have a bearing on the overall service life of the Company's property. This study included an analysis of the content of the property groups, discussions with senior management regarding current and anticipated events that may impact the various property groups.

Table 2 - Gross Salvage on pages 2-14 through 2-16 is a similar table to Table 2 – Plant Only, except that this table develops the component level depreciation rates for the recovery of the gross salvage portion of the property cost.

Table 2 - Cost of Removal on pages 2-17 through 2-19 summarizes the depreciation recovery rates for the cost of removal segment of the total plant cost.

Table 3 on pages 2-20 to 2-22 reconciles the December 31, 2014 account level plant in service balances per books versus the balances utilized in the performance of the depreciation study. The table incorporates pending (unrecorded) retirements identified during the course of completing the depreciation study.

Likewise, Table 4, on pages 2-23 to 2-25, reconciles the December 31, 2014 book depreciation reserve balances per books versus the balances utilized in preparing the depreciation rates per this study. The table incorporates the pending (unrecorded) retirements identified in assembling the detailed accounting data for this study.

Table 5 on pages 2-26 through 2-29 summarizes the depreciation parameters underlying the Company's current depreciation rates as well as also provides similar information relative to the proposed depreciation parameters and depreciation rates as of December 31, 2014.

Table 6 on page 2-30 summarizes the annual amortization rates and amounts for each of the general plant accounts for which the depreciation amortization approach is being used while Table 7 on page 2-31 to 2-46 are the supporting detail calculations that develop the amortization rates. The amortization of the investments within the selected general plant accounts is driven by the Company's ongoing difficulty to effectively track various of the property account investments that are in many cases related to a large quantity of items of corresponding small investment amounts. Due to the inability to effectively track the items, many times the items are no longer utilized but remain on the company's books and records as unrecorded retirements. Therefore, the accounting procedure for these property items it that the investments within each vintage of the applicable property group is amortized over a predetermined time period. Once attaining the stated amortization period age the asset's original cost investment will have been fully amortized, and accordingly, is retired from the company's books and records. The property accounts for which asset investment amortization is being used includes Account 391, 393, 394, 395, 397, and 398.

In the process of amortization of the selected general plant accounts, there are, by the very nature of average service life dispersion, vintage investments with the applicable property group which exceeds the estimated average service life / proposed amortization period. Given that each vintage of property will be amortized over the average service life an adjustment needs to be incorporated into the change over process to recover the under depreciated position of those older investments. Accordingly, the variance between the amortization starting point

depreciation reserve and the Company's actual book reserve (either positive or negative) is being recorded on a straight line basis over the proposed amortization period along with the annual amortization of all other vintage investments. The amortization starting point book depreciation reserve is equal to the sum of the original cost for vintage older than the amortization period plus the calculated deprecation reserve for vintages with ages equal to or less than the amortization period.

It is recommended that the Company continue to apply depreciation rates and maintain its book depreciation reserve on an account-level basis. The maintenance of the book reserve on an account-level basis requires both the development of annual depreciation expense and distribution of other reserve account charges to an individual level. Maintaining the Company's depreciation records in this detail will aid in completing the various rate studies and, most importantly, clearly identifies the Company's level of capital recovery relative to each category of plant investment.

The general drivers for the proposed depreciation rates include an assessment of the Company's historical experience with regard to achieved service lives and net salvage factors. In addition, consideration is given to current and anticipated events which are anticipated to impact the Company's ability to recover its fixed capital costs related to utility plant in service utilized to provide service to the Company's customers.

The depreciation rate for each individual account changed as a result of reflecting estimates obtained through the in-depth analysis of the Company's most recent data together with an interpretation of ongoing and anticipated future events. Some of the revisions were not significant and typically reflect fine tuning of previously utilized depreciation rates while others were more substantial in nature. Several of the accounts did reflect more significant changes (as

outlined in Section 4 of this report) from the previously utilized depreciation rates.

The most notable depreciation/amortization occurred relative to Account 344.10 – Generators, Account 344.20 – Generators-Wind Farm, Account 353 – Station Equipment, Account 355 – Poles & Fixtures, and Account 370 – Meters.

The depreciation rate for Account 344.10 – Generators increased from 2.60 percent to 3.00 percent. The Company has multiple Other Production units including Glendive, Glendive II, Miles City, Heskett III, Ormat Generation, and Portable Generators at various locations. Not all of the various locations have investments in each of the Other Production property accounts.

The depreciation rate for the Company's investment in this property category is being developed via the Life Span Method. An interim retirement rate was identified for each property group based upon an analysis of the Company's total account historical experience to date. Using the location and vintage level surviving investments for each generating facility's location property, the estimated interim retirement rate and Company management's provided probable retirement/rehabilitation dates, an implicit average service life and average remaining life was produced via the life span approach. The developed depreciation rates "do not" include any proposed component for the recovery of either interim or terminal (decommission cost) net salvage.

Notwithstanding the occurrence of actual (experienced) interim negative net salvage and the further expectation of future, end of life terminal negative net salvage (decommissioning cost), Company management requested that no such cost be included in the development of the proposed depreciation rates related to its generating facilities. Company management will address the recovery of those components of cost through a separate regulatory request.

Similarly like the forgoing accounts, the ongoing additional new investments added to

existing life span property class investments (absent changes in underlying parameters) automatically reduces the implicit average life and increases the required depreciation rate due to the fact that in each successive year there is a shorter period of time over which to recover the added investments.

The depreciation rate for Account 344.2-Generators-Wind Farm increased from 5.06 percent to 5.52 percent. The Company has 2 wind farm sites, namely, Diamond Willow and Cedar Hills. Diamond Willow currently has 20 turbine units while the Cedar Hills is comprise of 13 turbine units. The capacity of each of the Diamond Hills turbines is 1.5 MW and the Cedar Hills turbines are 1.5 MW each.

The depreciation rate for the Company's investment in this property category is being developed via the Life Span Method. An interim retirement rate was identified for each property group based upon an analysis of the Company's total account historical experience to date. Using the location and vintage level surviving investments for each generating facility's location property, the estimated interim retirement rate and Company management's provided probable retirement/rehabilitation dates, an implicit average service life and average remaining life was produced via the life span approach. The developed depreciation rates "do not" include any proposed component for the recovery of either interim or terminal (decommission cost) net salvage.

Notwithstanding the occurrence of actual (experienced) interim negative net salvage and the further expectation of future, end of life terminal negative net salvage (decommissioning cost), Company management requested that no such cost be included in the development of the proposed depreciation rates related to its generating facilities. Company management will address the recovery of those components of cost through a separate regulatory request.

Similarly, like the forgoing accounts, the ongoing additional new investments added to existing life span property class investments (absent changes in underlying parameters) automatically reduces the implicit average life and increases the required depreciation rate due to the fact that in each successive year there is a shorter period of time over which to recover the added investments.

The proposed depreciation rate for Account 353– Station Equipment, declined from 1.88 percent to 1.58 percent. The proposed depreciation rate is the result of combined changes of the average service life parameters as well as the changes to plant in service and the applicable book depreciation reserve. The proposed average service life was changed in accordance with the life indication developed through an analysis of the Company's historical data and consideration of future expectations. The resulting proposed average service life is sixty (60) years, while the average service life underlying the present depreciation rate is forty-five (45) years. Both the future net salvage underlying the proposed depreciation rates and the net salvage underlying the present depreciation rates is negative 10 percent.

The costs included in this account investment are related to numerous transmission substation equipment (including items such as transformers, voltage regulators, circuit breakers, etc.) used to transform power to different voltages. Currently, there are nearly 100 stations operating at voltages between 69Kv through 138 & 345Kv facilities. During the last several years the Company has been in an increasing growth mode having increased its plant investment by approximately a third. To date the activity has been more on the growth side as opposed to replacement of existing facilities. In future years it is anticipated that replacement of existing facilities will likely occur at higher levels, thus the average service life should be monitored closely. At the current estimated average service life, the recovery period is longer than the

maximum average service life for the property group identified in an industry survey.

The proposed depreciation rate for Account 355 – Poles and Fixtures, increased from 2.40 percent to 2.99 percent. The proposed depreciation rate is the result of combined changes of both the average service life and net salvage parameters. The proposed average service life changed in accordance with the life indication developed through an analysis of the Company's historical data and consideration of future expectations. The resulting proposed average service life is fifty (50) years, which is an increase from the forty-five (45) year average service life underlying the present depreciation rate. The future net salvage underlying the proposed depreciation rates is negative fifty (50) percent while the future net salvage underlying the present depreciation rates is negative 35 (35) percent and is reflective of the increased level of negative net salvage being experienced by the company.

During the last several years the Company has been in an increasing growth mode having increased its plant investment by approximately a third. Historically, the activity has been more on the growth side as opposed to replacement of existing facilities, however, during the most recent study year replacements/retirements have accelerated rather dramatically. In fact while the overall and more 5 year experience band analysis produced life indication of an estimated 57 years' average service life, the current 2014 band produced an average service life indication of 45 years. In future years it is anticipated that replacement of existing facilities will likely occur at higher levels.

Over the immediate coming 5 years management anticipates building approximately 100 miles of pole transmission line of which one half is expected to me continued growth/expansion while the remaining one half is expected to be replacement of existing property with further activity in more distant years. This significant increase in plant activity can be anticipated to

continue the shorter life presently being experience. Based upon the available recent study result a reduction to the longer than normal average service life for the Company's property is proposed. At the present time, an average service life of 50 years is estimated for the property group. As additional activity occurs in future years a further reduction will likely be warranted. Even at the estimated average service life of a 50-R3 life and curve, the recovery period is at the higher end of the industry range of service lives.

The proposed depreciation rate for Account 370– Meters, increased from 3.44 percent to 7.19 percent. The proposed depreciation rate is the result of combined changes of both the average service life and net salvage parameters. The resulting proposed composite average service life twenty (20) years, while the average service life underlying the present depreciation rate is thirty-five (45) years. The future net salvage underlying the proposed depreciation rates is negative 5 percent while the future net salvage underlying the present depreciation rates is 0 percent.

In more recent years, the Company replaced the overwhelming majority of its electric meters in conjunction with an AMR conversion project. Accordingly, the historical analysis of recent data, in which there was a wholesale change out of property, produced a shorter life indication for the property group than might be experienced for the current property. That is, the conversion project resulted in the Company now having a completely different automated metering reading (AMR) technology of Meters than which previously existed. This current new technologically driven property is routinely influenced by greater levels of upgrades, obsolescence, etc. than the prior mechanical meters.

For example, while the AMR technology provides improved efficiencies and enhanced technology capabilities, it only captures a limited part of the ultimate transformation to the

current state of the art meter reading and plant utilization capabilities. Advanced Meter Infrastructure (AMI) and related Smart Grid will further expand the control capabilities of the electric network. Accordingly, it is only a matter of time until it will be necessary to complete further upgrades to its present Meter facilities. Thus, an average service life of 20 years is initially estimated for the present property group investment. The life of this property group needs to be monitored on an ongoing basis in conjunction with changing technology and the Company's needs to address such rapid changes.

Various of the remaining account/sub-accounts experienced increases and/or declines in recommended depreciation rates to a lesser degree, as noted per Table 1 of this report. This revision in annual depreciation rates and expense is the result of both changes in the estimated service lives and salvage factors, and reflects the impact of the Company's property changes since the most recent study.

With regard to the inclusion of higher negative net salvage levels in the development of proposed depreciation rates, the level of experienced net salvage should simply be a benchmark from which to estimate future net salvage. It is highly likely that the negative net salvage amounts experienced even recently will simply be the floor above which future negative net salvage levels will increase to a higher level. To appropriately and proportionately allocate the true total asset cost (original cost adjusted for net salvage) over its applicable service life, proper consideration must be given in each accounting period, to the total costs that are anticipated to occur relative to the Company's assets that provide customer service.

Applying the proposed depreciation rates to the Company's December 31, 2014 plant in service produces annual depreciation/amortization expense of $35,713,906 which is an increase of $826,685 from current depreciation rates.

The following summary compares the present and proposed composite depreciation rates for illustrative purposes only. The Composite Depreciation Rate should not be applied to the total Company investment inasmuch as the non-proportional change in plant investment as a result of property additions or retirements would render the composite rate inappropriate. The Table 1 schedule lists the recommended annual depreciation rates for each property account.

Present Depreciation Rates

Depreciable Plant In Service at December 31, 2014	$1,213,018,682
Annual Depreciation Expense	34,887,221
Composite Annual Depreciation Rate	2.88%

Proposed Depreciation Rates

Depreciable Plant In Service at December 31, 2014	$1,213,018,682
Annual Depreciation Expense	35,713,906
Composite Annual Depreciation Rate	2.94%

SECTION 2

Montana-Dakota Utilties
Electric Division

Summary or Original Cost of Utility Plant in Service as of December 31, 2014
and Related Annual Depreciation Expense Under Present and Proposed Rates

Account No.	Description	Original Cost 12/31/14	Present Rates		Proposed Rates								Net Change Depr. Exp.
					Proposed Plant Only Rates		Proposed Gross Salv Rates		Proposed COR Rates		Total Proposed Rates		
			Rate %	Annual Accrual	Rate %	Annual Accrual	Rate %	Annual Accrual	Rate %	Annual Accrual	Rate %	Annual Accrual	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
	DEPRECIABLE PLANT												
	STEAM PLANT												
311.00	Structures and Improvements	72,963,295.11	2.87%	2,093,374.65	2.81%	2,050,268.59	0.00%	0.00	0.00%	0.00	2.81%	2,050,268.59	(43,106.06)
312.00	Boiler Plant Equipment	212,016,956.85	2.46%	5,224,255.62	2.37%	5,024,801.88	0.00%	0.00	0.00%	0.00	2.37%	5,024,801.88	(199,453.75)
314.00	Turbogenerator Units	84,045,941.49	2.68%	2,255,407.08	2.76%	2,319,667.99	0.00%	0.00	0.00%	0.00	2.76%	2,319,667.99	64,260.90
315.00	Accessory Electric Equipment	19,746,819.99	1.53%	302,130.25	1.85%	365,316.17	0.00%	0.00	0.00%	0.00	1.85%	365,316.17	63,185.92
316.00	Miscellaneous Power Plant Equipment	17,600,677.82	4.63%	814,982.20	3.92%	689,946.57	0.00%	0.00	0.00%	0.00	3.92%	689,946.57	(125,035.63)
	Total Steam Production Plant	406,373,691.26	2.63%	10,690,149.80	2.57%	10,450,001.20	0.00%	0.00	0.00%	0.00	2.57%	10,450,001.20	(240,148.61)
	OTHER PRODUCTION PLANT												
341.10	Structures and Improvements	667,455.25	3.46%	23,071.96	9.33%	62,273.57	0.00%	0.00	0.00%	0.00	9.33%	62,273.57	39,201.61
341.20	Structures and Improvements-Wind Farm	6,163,220.17	4.90%	301,723.08	5.51%	339,593.43	0.00%	0.00	0.00%	0.00	5.51%	339,593.43	37,870.35
342.00	Fuel Holders, Producers and Accessories	2,722,005.56	1.30%	35,437.60	4.11%	111,874.43	0.00%	0.00	0.00%	0.00	4.11%	111,874.43	76,436.83
344.10	Generators	96,085,719.15	2.60%	2,500,547.92	3.00%	2,882,571.57	0.00%	0.00	0.00%	0.00	3.00%	2,882,571.57	382,023.65
344.20	Generators-Wind Farm	84,200,594.36	5.06%	4,257,580.74	5.52%	4,647,872.81	0.00%	0.00	0.00%	0.00	5.52%	4,647,872.81	390,292.07
345.10	Accessory Electric Equipment	1,385,589.69	4.13%	57,186.72	6.45%	89,370.54	0.00%	0.00	0.00%	0.00	6.45%	89,370.54	32,183.82
345.20	Accessory Electric Equipment-Wind Farm	14,261,599.76	4.98%	709,771.56	5.82%	830,025.11	0.00%	0.00	0.00%	0.00	5.82%	830,025.11	120,253.55
346.10	Miscellaneous Power Plant Equipment	1,202,813.49	2.47%	29,749.97	4.26%	51,239.85	0.00%	0.00	0.00%	0.00	4.26%	51,239.85	21,489.88
346.20	Miscellaneous Power Plant Equip-Wind Farm	119,099.40	5.08%	6,049.81	5.89%	7,014.95	0.00%	0.00	0.00%	0.00	5.89%	7,014.95	965.14
	Total Other Production Plant	206,808,096.83	3.83%	7,921,119.36	4.36%	9,021,836.27	0.00%	0.00	0.00%	0.00	4.36%	9,021,836.27	1,100,716.91
	TRANSMISSION PLANT												
350.20	Land Rights	2,886,549.57	1.30%	37,525.14	1.44%	41,566.31	0.00%	0.00	0.00%	0.00	1.44%	41,566.31	4,041.17
352.00	Structures and Improvements	1,788.84	9.46%	169.14	3.47%	62.07	0.00%	0.00	-2.03%	-36.31	1.44%	25.76	(143.38)
353.00	Station Equipment	118,690,876.31	1.88%	2,227,220.60	1.43%	1,697,279.53	-0.02%	(23,738.18)	0.17%	201,774.49	1.58%	1,875,315.85	(351,904.75)
354.00	Towers and Fixtures	4,992,886.12	1.60%	80,066.32	1.64%	81,883.33	0.00%	0.00	0.15%	7,489.33	1.79%	89,372.66	9,306.34
355.00	Poles and Fixtures	56,953,022.86	2.40%	1,366,163.16	1.81%	1,030,849.71	0.00%	0.00	1.18%	672,045.67	2.99%	1,702,895.38	336,732.22
356.00	Overhead Conductors and Devices	39,782,196.20	1.19%	474,997.37	1.02%	405,778.40	0.33%	131,281.25	0.18%	71,607.95	1.53%	608,667.60	133,670.23
357.00	Underground Conduit	1,947,009.53	2.01%	39,134.89	2.01%	39,134.89	0.00%	0.00	0.00%	0.00	2.01%	39,134.89	0.00
358.00	Underground Conductors and Devices	3,101,857.38	2.01%	62,347.33	2.01%	62,347.33	0.00%	0.00	0.00%	0.00	2.01%	62,347.33	0.00
	Total Transmission Plant	228,356,186.81	1.88%	4,287,623.96	1.47%	3,358,901.59	0.05%	107,543.07	0.42%	952,881.13	1.94%	4,419,325.79	131,701.83
	DISTRIBUTION PLANT												
360.20	Rights of Ways	888,926.36	1.35%	12,000.51	1.25%	11,111.58	0.00%	0.00	0.00%	0.00	1.25%	11,111.58	(888.93)
362.00	Station Equipment	57,279,819.93	1.80%	1,033,681.94	1.79%	1,025,308.78	0.10%	57,279.82	0.03%	17,183.95	1.92%	1,099,772.54	66,090.60
364.00	Poles, Towers & Fixtures	37,559,743.53	4.09%	1,535,222.73	1.59%	597,199.92	0.12%	45,071.69	2.05%	769,974.74	3.76%	1,412,246.36	(122,976.38)
365.00	Overhead Conductor & Devices	28,926,832.34	3.91%	1,129,814.51	1.29%	373,156.14	0.02%	5,785.37	1.60%	462,829.32	2.91%	841,770.82	(288,043.69)
366.00	Underground Conduit	218,152.57	1.88%	4,097.83	1.86%	4,057.64	0.02%	43.63	-0.07%	-152.71	1.81%	3,948.56	(149.27)
367.00	Underground Conductor & Devices	91,879,419.14	3.15%	2,895,309.74	2.27%	2,085,662.81	0.00%	0.00	0.73%	670,719.76	3.00%	2,756,382.57	(138,927.16)
368.00	Line Transformers	64,877,478.16	2.22%	1,443,424.22	1.60%	1,038,039.65	-0.06%	(38,926.49)	0.56%	363,313.88	2.10%	1,362,427.04	(80,997.18)
	Services												
369.10	Services - Overhead	4,548,918.49	1.83%	83,419.79	1.75%	79,606.07	0.09%	4,094.03	0.85%	38,665.81	2.69%	122,365.91	38,946.12
369.20	Services - Underground	28,517,306.60	1.83%	522,961.15	1.74%	496,201.13	0.00%	0.00	0.90%	256,655.76	2.64%	752,856.89	229,895.75
	Total Account 369 -Services	33,066,225.09	1.83%	606,380.94	1.74%	575,807.21	0.01%	4,094.03	0.89%	295,321.57	2.65%	875,222.80	268,841.87

Montana-Dakota Utilties
Electric Division

Summary or Original Cost of Utility Plant in Service as of December 31, 2014
and Related Annual Depreciation Expense Under Present and Proposed Rates

Account No.	Description	Original Cost 12/31/14	Present Rates		Proposed Rates								Net Change Depr. Exp.
					Proposed Plant Only Rates		Proposed Gross Salv Rates		Proposed COR Rates		Total Proposed Rates		
			Rate %	Annual Accrual	Rate %	Annual Accrual	Rate %	Annual Accrual	Rate %	Annual Accrual	Rate %	Annual Accrual	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
370.00	Meters	16,972,527.04	3.44%	584,641.92	6.73%	1,142,251.07	-0.03%	(5,091.76)	0.49%	83,165.38	7.19%	1,220,324.69	635,682.78
371.00	Installation on customers Premises	2,742,626.49	4.72%	129,406.41	3.33%	91,329.46	-0.09%	(2,468.36)	1.60%	43,882.02	4.84%	132,743.12	3,336.71
373.00	Street Lighting System	7,173,899.08	3.73%	267,546.60	1.91%	137,021.47	-0.44%	(31,565.16)	1.41%	101,151.98	2.88%	206,608.29	(60,938.31)
	Total Distribution	341,585,649.73	2.82%	9,641,527.35	2.07%	7,080,945.73	0.01%	34,222.77	0.82%	2,807,389.89	2.90%	9,922,558.39	281,031.03
	GENERAL PLANT												
390.00	Structures & Improvements	835,304.37	3.79%	31,647.03	2.71%	22,636.75	-0.04%	(334.12)	0.63%	5,262.42	3.30%	27,565.04	(4,081.99)
	Office Furniture & Equipment												
391.10	Office Furniture & Equipment	149,332.09	6.67%	9,955.47	6.67%	9,960.45	0.00%	0.00	0.00%	0.00	6.67%	9,955.47	0.00
391.20	Computer Equipment - Honeywell	0.00	14.29%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00
391.30	Computer Equipment - PC	289,843.74	20.00%	57,968.75	20.00%	57,968.75	0.00%	0.00	0.00%	0.00	20.00%	57,968.75	0.00
391.40	Computer Equipment - Prime	260,801.06	20.00%	52,160.21	20.00%	52,160.21	0.00%	0.00	0.00%	0.00	20.00%	52,160.21	0.00
391.50	Computer Equipment - Other	22,521.71	10.00%	2,252.17	10.00%	2,252.17	0.00%	0.00	0.00%	0.00	10.00%	2,252.17	0.00
	Total Account 391 - Office Furniture & Equip.	722,498.60	16.93%	122,336.60	16.93%	122,341.58	0.00%	0.00	0.00%	0.00	16.93%	122,336.60	0.00
	Transportation Equipment												
392.10	Transportation Equipment - Non Utilized	972,407.75	7.99%	77,695.38	4.54%	44,147.31	0.00%	0.00	0.00%	0.00	4.54%	44,147.31	(33,548.07)
392.20	Transportation Equipment	6,980,855.35	7.71%	538,223.95	8.79%	613,617.19	-3.31%	(231,066.31)	0.00%	0.00	5.48%	382,550.87	(155,673.07)
	Total Account 392 - Transportation Equip.	7,953,263.10	7.74%	615,919.33	8.27%	657,764.50	-2.91%	(231,066.31)	0.00%	0.00	5.37%	426,698.19	(189,221.14)
393.00	Stores Equipment	14,773.68	3.33%	492.46	3.33%	491.96	0.00%	0.00	0.00%	0.00	3.33%	492.46	0.00
394.10	Tools, Shop & garage Equipment	3,368,461.36	5.00%	168,423.07	5.00%	168,423.07	0.00%	0.00	0.00%	0.00	5.00%	168,423.07	0.00
395.00	Laboratory Equipment	547,581.65	5.00%	27,379.08	5.00%	27,379.08	0.00%	0.00	0.00%	0.00	5.00%	27,379.08	0.00
	Power Operated Equipment												
396.10	Trailers-Work Equipment	469,900.31	5.33%	25,045.69	5.44%	25,562.58	0.00%	0.00	0.00%	0.00	5.44%	25,562.58	516.89
396.20	Power Operated Equipment	12,819,697.69	7.36%	943,529.75	7.68%	984,552.78	-2.30%	(294,853.05)	0.00%	0.00	5.38%	689,699.74	(253,830.01)
	Total Account 396 - Power Operated Equip.	13,289,598.00	7.29%	968,575.44	7.60%	1,010,115.36	-2.22%	(294,853.05)	0.00%	0.00	5.38%	715,262.31	(253,313.12)
	Communication Equipment												
397.10	Radio Communication Equip. - Fixed	142,921.42	6.67%	9,528.09	6.67%	9,532.86	0.00%	0.00	0.00%	0.00	6.67%	9,528.09	0.00
397.20	Radio Communication Equip. - Mobile	25,791.37	6.67%	1,719.42	6.67%	1,720.28	0.00%	0.00	0.00%	0.00	6.67%	1,719.42	0.00
397.30	General Telephone Communication Eq.	174,530.71	10.00%	17,453.07	10.00%	17,453.07	0.00%	0.00	0.00%	0.00	10.00%	17,453.07	0.00
397.40	Carrier Current Communication Eq.	211,475.34	6.67%	14,098.36	6.67%	14,105.41	0.00%	0.00	0.00%	0.00	6.67%	14,098.36	0.00
397.50	Supervisory & Telemetering Equipment	146,307.35	10.00%	14,630.74	10.00%	14,630.74	0.00%	0.00	0.00%	0.00	10.00%	14,630.74	0.00
397.60	SCADA System	994,800.10	10.00%	99,480.01	10.00%	99,480.01	0.00%	0.00	0.00%	0.00	10.00%	99,480.01	0.00
397.80	Network Equipment	1,191,261.01	20.00%	238,252.20	20.00%	238,252.20	0.00%	0.00	0.00%	0.00	20.00%	238,252.20	0.00
397.90	Transfer Trip Communication Equipment	217,720.92	6.67%	14,514.73	6.67%	14,521.99	0.00%	0.00	0.00%	0.00	6.67%	14,514.73	0.00
	Total Account 397 - Communication Equip.	3,104,808.22	13.19%	409,676.62	13.20%	409,696.55	0.00%	0.00	0.00%	0.00	13.19%	409,676.62	0.00
398.00	Miscellaneous Equipment	58,768.55	4.00%	2,350.74	4.00%	2,350.74	0.00%	0.00	0.00%	0.00	4.00%	2,350.74	0.00
	Total General	29,895,057.53	7.85%	2,346,800.37	8.10%	2,421,199.59	-1.76%	(526,253.48)	0.02%	5,262.42	6.36%	1,900,184.12	(446,616.25)
	Sub-Total (General Plant) Amortization	**7,816,892.06**	**9.35%**	**730,658.57**	**9.35%**	**730,682.99**	**0.00%**	**0.00**	**0.00%**	**0.00**	**9.35%**	**730,658.57**	**0.00**
	Total Depreciation Electric Plant in Service	1,213,018,682.16	2.88%	34,887,220.85	2.67%	32,332,884.38	-0.03%	(384,487.64)	0.31%	3,765,533.43	**2.94%**	**35,713,905.76**	**826,684.91**

Montana-Dakota Utilties
Electric Division

Summary or Original Cost of Utility Plant in Service as of December 31, 2014
and Related Annual Depreciation Expense Under Present and Proposed Rates

Account No.	Description	Original Cost 12/31/14	Present Rates		Proposed Rates								Net Change Depr. Exp.
					Proposed Plant Only Rates		Proposed Gross Salv Rates		Proposed COR Rates		Total Proposed Rates		
			Rate %	Annual Accrual	Rate %	Annual Accrual	Rate %	Annual Accrual	Rate %	Annual Accrual	Rate %	Annual Accrual	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
	NON-DEPRECIABLE PLANT												
303.00	Miscellaneous Intangible Plant	3,579,988.93											
	LAND & LAND RIGHTS												
310.00	Land & Land Rights	1,018,686.73											
340.00	Land & Land Rights	66,533.17											
350.10	Transmission Land	1,640,330.13											
360.10	Distribution Land	2,066,133.43											
389.00	Land & Land Rights	8,136.70											
	Total Land and Land Rights	4,799,820.16											
	Total Non-Depreciable Plant	8,379,809.09											
	TOTAL Electric Plant in Service	1,221,398,491.25											

NOTE: Neither Present or Proposed Depreciation Rates Incorporate a Component For Interim or Terminal Negative Net Salvage or Decommissioning Costs

Montana-Dakota Utilties
Electric Division

Summary or Original Cost of Utility Plant in Service as of December 31, 2014
And Related Annual Depreciation Expense (Plant Site) Under Present and Proposed Rates

Account No.	Location Code	Probable Retirement Date	Description	Original Cost 12/31/14	Present Rates		Proposed Rates								Net Change Depr. Exp.
							Proposed Plant Only Rates		Proposed Gross Salv Rates		Proposed COR Rates		Total Proposed Rates		
					Rate %	Annual Accrual	Rate %	Annual Accrual	Rate %	Annual Accrual	Rate %	Annual Accrual	Rate %	Annual Accrual	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)
			DEPRECIABLE PLANT												
			STEAM PLANT												
			Heskett Generating Station												
311.00	8100	2028	Structures and Improvements	29,286,009.04	5.11%	1,496,515.06	5.49%	1,607,801.90	0.00%	0.00	0.00%	0.00	5.49%	1,607,801.90	111,286.84
312.00	8100	2028	Boiler Plant Equipment	53,007,326.24	3.46%	1,834,053.49	3.33%	1,765,143.96	0.00%	0.00	0.00%	0.00	3.33%	1,765,143.96	(68,909.53)
314.00	8100	2028	Turbogenerator Units	16,946,831.28	3.85%	652,453.00	4.02%	681,262.62	0.00%	0.00	0.00%	0.00	4.02%	681,262.62	28,809.62
315.00	8100	2028	Accessory Electric Equipment	2,168,858.49	1.05%	22,773.01	3.47%	75,259.39	0.00%	0.00	0.00%	0.00	3.47%	75,259.39	52,486.38
316.00	8100	2028	Miscellaneous Power Plant Equipment	7,625,713.21	4.56%	347,732.52	3.70%	282,151.39	0.00%	0.00	0.00%	0.00	3.70%	282,151.39	(65,581.13)
			Total Heskett Generating Station	109,034,738.26	3.99%	4,353,527.08	4.05%	4,411,619.26	0.00%	0.00	0.00%	0.00	4.05%	4,411,619.26	58,092.18
			Lewis & Clark Generating Station												
311.00	8200	2025	Structures and Improvements	4,529,429.02	1.91%	86,512.09	2.04%	92,400.35	0.00%	0.00	0.00%	0.00	2.04%	92,400.35	5,888.26
312.00	8200	2025	Boiler Plant Equipment	24,225,690.93	2.92%	707,390.18	4.11%	995,675.90	0.00%	0.00	0.00%	0.00	4.11%	995,675.90	288,285.72
314.00	8200	2025	Turbogenerator Units	6,292,021.98	0.87%	54,740.59	2.40%	151,008.53	0.00%	0.00	0.00%	0.00	2.40%	151,008.53	96,267.94
315.00	8200	2025	Accessory Electric Equipment	1,003,799.83	1.12%	11,242.56	0.56%	5,621.28	0.00%	0.00	0.00%	0.00	0.56%	5,621.28	(5,621.28)
316.00	8200	2025	Miscellaneous Power Plant Equipment	5,096,633.26	5.34%	272,160.22	4.66%	237,503.11	0.00%	0.00	0.00%	0.00	4.66%	237,503.11	(34,657.11)
			Total Lewis & Clark Generating Station	41,147,575.02	2.75%	1,132,045.64	3.60%	1,482,209.17	0.00%	0.00	0.00%	0.00	3.60%	1,482,209.17	350,163.53
			Coyote Generating Station												
311.00	8300	2041	Structures and Improvements	26,506,987.36	1.42%	376,399.22	0.96%	254,467.08	0.00%	0.00	0.00%	0.00	0.96%	254,467.08	(121,932.14)
312.00	8300	2041	Boiler Plant Equipment	70,892,375.25	1.75%	1,240,616.57	1.34%	949,957.83	0.00%	0.00	0.00%	0.00	1.34%	949,957.83	(290,658.74)
314.00	8300	2041	Turbogenerator Units	19,576,598.97	2.46%	481,584.33	2.41%	471,796.04	0.00%	0.00	0.00%	0.00	2.41%	471,796.04	(9,788.29)
315.00	8300	2041	Accessory Electric Equipment	8,748,738.96	1.76%	153,977.81	1.65%	144,354.19	0.00%	0.00	0.00%	0.00	1.65%	144,354.19	(9,623.62)
316.00	8300	2041	Miscellaneous Power Plant Equipment	3,610,109.70	4.67%	168,592.12	3.84%	138,628.21	0.00%	0.00	0.00%	0.00	3.84%	138,628.21	(29,963.91)
			Total Coyote Generating Station	129,334,810.24	1.87%	2,421,170.05	1.51%	1,959,203.35	0.00%	0.00	0.00%	0.00	1.51%	1,959,203.35	(461,966.70)
			Big Stone Generating Station												
311.00	8610	2046	Structures and Improvements	9,509,529.19	0.75%	71,321.47	0.31%	29,479.54	0.00%	0.00	0.00%	0.00	0.31%	29,479.54	(41,841.93)
312.00	8610	2046	Boiler Plant Equipment	34,242,520.56	2.48%	849,214.51	1.58%	541,031.82	0.00%	0.00	0.00%	0.00	1.58%	541,031.82	(308,182.69)
314.00	8610	2046	Turbogenerator Units	12,161,777.33	3.99%	485,254.92	1.70%	206,750.21	0.00%	0.00	0.00%	0.00	1.70%	206,750.21	(278,504.71)
315.00	8610	2046	Accessory Electric Equipment	4,237,158.97	1.00%	42,371.59	1.21%	51,269.62	0.00%	0.00	0.00%	0.00	1.21%	51,269.62	8,898.03
316.00	8610	2046	Miscellaneous Power Plant Equipment	1,258,777.87	2.09%	26,308.46	2.50%	31,469.45	0.00%	0.00	0.00%	0.00	2.50%	31,469.45	5,160.99
			Total Big Stone Generating Station	61,409,763.92	2.40%	1,474,470.95	1.40%	860,000.64	0.00%	0.00	0.00%	0.00	1.40%	860,000.64	(614,470.31)
			Wygen III Generating Station												
311.00	8720	2060	Structures and Improvements	3,131,340.50	2.00%	62,626.81	2.00%	62,626.81	0.00%	0.00	0.00%	0.00	2.00%	62,626.81	0.00
312.00	8720	2060	Boiler Plant Equipment	29,649,043.71	2.00%	592,980.87	2.65%	785,699.66	0.00%	0.00	0.00%	0.00	2.65%	785,699.66	192,718.79
314.00	8720	2060	Turbogenerator Units	29,068,711.91	2.00%	581,374.24	2.79%	811,017.06	0.00%	0.00	0.00%	0.00	2.79%	811,017.06	229,642.82
315.00	8720	2060	Accessory Electric Equipment	3,588,263.76	2.00%	71,765.28	2.48%	88,988.94	0.00%	0.00	0.00%	0.00	2.48%	88,988.94	17,223.66
316.00	8720	2060	Miscellaneous Power Plant Equipment	9,443.78	2.00%	188.88	3.42%	322.98	0.00%	0.00	0.00%	0.00	3.42%	322.98	134.10
			Total Wygen III Generating Station	65,446,803.66	2.00%	1,308,936.08	2.67%	1,748,655.45	0.00%	0.00	0.00%	0.00	2.67%	1,748,655.45	439,719.37
			Total Depreciable Steam Production Plant	406,373,691.10	2.63%	10,690,149.80	2.57%	10,461,687.87	0.00%	0.00	0.00%	0.00	2.57%	10,461,687.87	(228,461.93)

Montana-Dakota Utilties
Electric Division

Summary or Original Cost of Utility Plant in Service as of December 31, 2014
And Related Annual Depreciation Expense (Plant Site) Under Present and Proposed Rates

Account No.	Location Code	Probable Retirement Date	Description	Original Cost 12/31/14	Present Rates		Proposed Rates								Net Change Depr. Exp.
							Proposed Plant Only Rates		Proposed Gross Salv Rates		Proposed COR Rates		Total Proposed Rates		
					Rate %	Annual Accrual	Rate %	Annual Accrual	Rate %	Annual Accrual	Rate %	Annual Accrual	Rate %	Annual Accrual	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)
			OTHER PRODUCTION PLANT												
			Heskett III												
344.10	8110		Generators	52,131,730.78	2.33%	1,212,375.53	2.48%	1,292,866.92	0.00%	0.00	0.00%	0.00	2.48%	1,292,866.92	80,491.39
346.10	8110		Miscellaneous Power Plant Equipment	1,045,533.32	2.50%	26,138.33	3.40%	35,548.13	0.00%	0.00	0.00%	0.00	3.40%	35,548.13	9,409.80
			Total Heskett III	53,177,264.10	2.33%	1,238,513.86	2.50%	1,328,415.05	0.00%	0.00		0.00	2.50%	1,328,415.05	89,901.19
			Glendive Turbine 1												
341.10	8510		Structures and Improvements	278,336.07	3.42%	9,519.09	8.78%	24,437.91	0.00%	0.00	0.00%	0.00	8.78%	24,437.91	14,918.82
342.00	8510		Fuel Holders, Producers and Accessories	309,452.61	1.09%	3,373.03	9.26%	28,655.31	0.00%	0.00	0.00%	0.00	9.26%	28,655.31	25,282.28
344.10	8510		Generators	6,735,796.33	2.54%	171,089.23	2.74%	184,560.82	0.00%	0.00	0.00%	0.00	2.74%	184,560.82	13,471.59
345.10	8510		Accessory Electric Equipment	466,573.49	3.62%	16,889.96	6.95%	32,426.86	0.00%	0.00	0.00%	0.00	6.95%	32,426.86	15,536.90
346.10	8510		Miscellaneous Power Plant Equipment	126,677.17	2.27%	2,875.57	10.42%	13,199.76	0.00%	0.00	0.00%	0.00	10.42%	13,199.76	10,324.19
			Total Glendive Turbine 1	7,916,835.67	2.57%	203,746.88	3.58%	283,280.66	0.00%	0.00	0.00%	0.00	3.58%	283,280.66	79,533.78
			Glendive Turbine 2												
341.10	8512		Structures and Improvements	15,386.47	3.42%	526.22	2.74%	421.59	0.00%	0.00	0.00%	0.00	2.74%	421.59	(104.63)
342.00	8512		Fuel Holders, Producers and Accessories	2,055,650.83	1.09%	22,406.59	2.81%	57,763.79	0.00%	0.00	0.00%	0.00	2.81%	57,763.79	35,357.20
344.10	8512		Generators	17,968,383.93	1.69%	303,665.69	2.57%	461,787.47	0.00%	0.00	0.00%	0.00	2.57%	461,787.47	158,121.78
346.10	8512		Miscellaneous Power Plant Equipment	12,613.98	2.27%	286.34	4.15%	523.48	0.00%	0.00	0.00%	0.00	4.15%	523.48	237.14
			Total Glendrive Turbine 2	20,052,035.21	1.63%	326,884.84	2.60%	520,496.33	0.00%	0.00	0.00%	0.00	2.60%	520,496.33	193,611.49
			Miles City Turbine												
341.10	8520		Structures and Improvements	207,622.13	3.53%	7,329.06	15.97%	33,157.25	0.00%	0.00	0.00%	0.00	15.97%	33,157.25	25,828.19
342.00	8520		Fuel Holders, Producers and Accessories	200,837.28	2.33%	4,679.51	10.69%	21,469.51	0.00%	0.00	0.00%	0.00	10.69%	21,469.51	16,790.00
344.10	8520		Generators	2,668,314.37	1.00%	26,683.14	4.11%	109,667.72	0.00%	0.00	0.00%	0.00	4.11%	109,667.72	82,984.58
345.10	8520		Accessory Electric Equipment	346,031.49	3.78%	13,079.99	11.41%	39,482.19	0.00%	0.00	0.00%	0.00	11.41%	39,482.19	26,402.20
346.10	8520		Miscellaneous Power Plant Equipment	17,989.02	2.50%	449.73	11.08%	1,993.18	0.00%	0.00	0.00%	0.00	11.08%	1,993.18	1,543.45
			Total Miles City Turbine	3,440,794.29	1.52%	52,221.43	5.98%	205,769.85	0.00%	0.00	0.00%	0.00	5.98%	205,769.85	153,548.42
			Portable Generators												
341.10	8550		Structures and Improvements	166,110.58	3.43%	5,697.59	2.55%	4,235.82	0.00%	0.00	0.00%	0.00	2.55%	4,235.82	(1,461.77)
342.00	8550		Fuel Holders, Producers and Accessories	156,064.84	3.19%	4,978.47	2.60%	4,057.69	0.00%	0.00	0.00%	0.00	2.60%	4,057.69	(920.78)
344.10	8550		Generators	1,397,371.30	1.97%	27,528.21	2.99%	41,781.40	0.00%	0.00	0.00%	0.00	2.99%	41,781.40	14,253.19
345.10	8550		Accessory Electric Equipment	572,984.71	4.75%	27,216.77	3.04%	17,418.74	0.00%	0.00	0.00%	0.00	3.04%	17,418.74	(9,798.03)
			Total Portable Generators	2,292,531.43	2.85%	65,421.04	2.94%	67,493.65	0.00%	0.00	0.00%	0.00	2.94%	67,493.65	2,072.61
			Diamond Willow Wind Farm												
341.20	8560		Structures and Improvements	3,363,993.85	5.09%	171,365.36	3.44%	115,721.39	0.00%	0.00	0.00%	0.00	3.44%	115,721.39	(55,643.97)
344.20	8560		Generators	49,146,139.62	5.10%	2,504,858.00	5.88%	2,889,793.01	0.00%	0.00	0.00%	0.00	5.88%	2,889,793.01	384,935.01
345.20	8560		Accessory Electric Equipment	8,293,797.94	5.10%	423,152.80	5.78%	479,381.52	0.00%	0.00	0.00%	0.00	5.78%	479,381.52	56,228.72
346.20	8560		Miscellaneous Power Plant Equipment	55,790.93	5.17%	2,884.39	5.88%	3,280.51	0.00%	0.00	0.00%	0.00	5.88%	3,280.51	396.12
			Total Diamond Willow	60,859,722.34	5.10%	3,102,260.55	5.73%	3,488,176.43	0.00%	0.00	0.00%	0.00	5.73%	3,488,176.43	385,915.88

Montana-Dakota Utilties
Electric Division

Summary or Original Cost of Utility Plant in Service as of December 31, 2014
And Related Annual Depreciation Expense (Plant Site) Under Present and Proposed Rates

Account No.	Location Code	Probable Retirement Date	Description	Original Cost 12/31/14	Present Rates		Proposed Rates								Net Change Depr. Exp.
							Proposed Plant Only Rates		Proposed Gross Salv Rates		Proposed COR Rates		Total Proposed Rates		
					Rate %	Annual Accrual	Rate %	Annual Accrual	Rate %	Annual Accrual	Rate %	Annual Accrual	Rate %	Annual Accrual	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)
			Ormat Generation Facility												
344.10	8570		Generators	15,184,122.44	5.00%	759,206.12	5.21%	791,092.78	0.00%	0.00	0.00%	0.00	5.21%	791,092.78	31,886.66
			Total Ormat Generation Facility	15,184,122.44	5.00%	759,206.12	5.21%	791,092.78	0.00%	0.00	0.00%	0.00	5.21%	791,092.78	31,886.66
			Cedar Hills Wind Farm												
341.20	8580		Structures and Improvements	2,799,226.32	5.00%	139,961.32	8.00%	223,938.11	0.00%	0.00	0.00%	0.00	8.00%	223,938.11	83,976.79
344.20	8580		Generators	35,054,454.74	5.00%	1,752,722.74	5.03%	1,763,239.07	0.00%	0.00	0.00%	0.00	5.03%	1,763,239.07	10,516.33
345.20	8580		Accessory Electric Equipment	5,967,801.82	5.00%	298,390.09	5.88%	350,906.75	0.00%	0.00	0.00%	0.00	5.88%	350,906.75	52,516.66
346.20	8580		Miscellaneous Power Plant Equipment	63,308.47	5.00%	3,165.42	5.90%	3,735.20	0.00%	0.00	0.00%	0.00	5.90%	3,735.20	569.78
			Total Cedar Hills	43,884,791.35	5.00%	2,194,239.57	5.34%	2,341,819.13	0.00%	0.00	0.00%	0.00	5.34%	2,341,819.13	147,579.56
			Total Depreciable Other Production Plant	206,808,096.83	3.84%	7,942,494.29	4.36%	9,026,543.88	0.00%	0.00	0.00%	0.00	4.36%	9,026,543.88	1,084,049.59

Montana-Dakota Utilties
Electric Division

Summary of Book Depreciation Reserve by Recovery Component as of December 31, 2014

Account No. (a)	Location Code (b)	Probable Retirement Date (c)	Description (d)	Original Cost 12/31/14 (e)	Theoretical Deprecation 12/31/14 (l)	Specific LocTotal Book Depr Reserve 12/31/14	Allocated Glendive Reserve 12/31/14	Allocated Retired Plant Reserves 12/31/14	Total Book Depr Reserve 12/31/14 (j)	Cost of Removal In Book Res. (k)	Gross Salvage In Book Res. (l)	Plant Only Depr Reserve 12/31/14 (m)
			DEPRECIABLE PLANT									
			STEAM PLANT									
			Strucutres and Improvements									
311.00	8100	2028	Heskett Generating Station	29,286,009.04		6,470,390.20		(2,090.62)	6,468,299.58	0.00	0.00	6,468,299.58
311.00	8200	2025	Lewis & Clark Generating Station	4,529,429.02		3,516,123.97		(1,136.08)	3,514,987.89	0.00	0.00	3,514,987.89
311.00	8300	2041	Coyote Generating Station	26,506,987.36		20,087,014.01		(6,490.22)	20,080,523.79	0.00	0.00	20,080,523.79
311.00	8610	2046	Big Stone Generating Station	9,509,529.19		8,714,190.78		(2,815.60)	8,711,375.18	0.00	0.00	8,711,375.18
311.00	8720	2060	Wygen III Generating Station	3,131,340.50		294,735.35			294,735.35	0.00	0.00	294,735.35
			Total Account 311	**72,963,295.11**		**39,082,454.31**		**(12,532.51)**	**39,069,921.80**	**0.00**	**0.00**	**39,069,921.80**
			Boiler Plant Equipment									
312.00	8100	2028	Heskett Generating Station	53,007,326.24		32,954,308.14		33,111.76	32,987,419.90	0.00	0.00	32,987,419.90
312.00	8200	2025	Lewis & Clark Generating Station	24,225,690.93		14,479,837.20		14,549.02	14,494,386.22	0.00	0.00	14,494,386.22
312.00	8300	2041	Coyote Generating Station	70,892,375.25		51,715,182.67		51,962.26	51,767,144.93	0.00	0.00	51,767,144.93
312.00	8610	2046	Big Stone Generating Station	34,242,520.56		20,545,102.97		20,643.26	20,565,746.23	0.00	0.00	20,565,746.23
312.00	8720	2060	Wygen III Generating Station	29,649,043.71		2,617,492.03			2,617,492.03	0.00	0.00	2,617,492.03
			Total Account 312	**212,016,956.69**		**122,311,923.01**		**120,266.30**	**122,432,189.31**	**0.00**	**0.00**	**122,432,189.31**
			Turbogenerator Units									
314.00	8100	2028	Heskett Generating Station	16,946,831.28		9,853,165.46		(16,194.55)	9,836,970.91	0.00	0.00	9,836,970.91
314.00	8200	2025	Lewis & Clark Generating Station	6,292,021.98		4,923,236.34		(8,091.77)	4,915,144.57	0.00	0.00	4,915,144.57
314.00	8300	2041	Coyote Generating Station	19,576,598.97		9,851,145.85		(16,191.23)	9,834,954.62	0.00	0.00	9,834,954.62
314.00	8610	2046	Big Stone Generating Station	12,161,777.33		7,481,297.35		(12,296.17)	7,469,001.18	0.00	0.00	7,469,001.18
314.00	8720	2060	Wygen III Generating Station	29,068,711.91		2,688,480.14			2,688,480.14	0.00	0.00	2,688,480.14
			Total Account 314	**84,045,941.47**		**34,797,325.14**		**(52,773.72)**	**34,744,551.42**	**-**	**-**	**34,744,551.42**
			Accessory Electric Equipment									
315.00	8100	2028	Heskett Generating Station	2,168,858.49		1,390,514.76		237.47	1,390,752.23	0.00	0.00	1,390,752.23
315.00	8200	2025	Lewis & Clark Generating Station	1,003,799.83		958,504.18		163.69	958,667.87	0.00	0.00	958,667.87
315.00	8300	2041	Coyote Generating Station	8,748,738.96		5,949,496.67		1,016.03	5,950,512.70	0.00	0.00	5,950,512.70
315.00	8610	2046	Big Stone Generating Station	4,237,158.97		3,193,002.77		545.29	3,193,548.06	0.00	0.00	3,193,548.06
315.00	8720	2060	Wygen III Generating Station	3,588,263.76		314,754.65			314,754.65	0.00	0.00	314,754.65
			Total Account 315	**19,746,820.01**		**11,806,273.03**		**1,962.48**	**11,808,235.51**	**0.00**	**0.00**	**11,808,235.51**
			Miscellaneous Power Plant									
316.00	8100	2028	Heskett Generating Station	7,625,713.21		4,525,801.69		(751.28)	4,525,050.41	0.00	0.00	4,525,050.41
316.00	8200	2025	Lewis & Clark Generating Station	5,096,633.26		2,897,002.98		(480.90)	2,896,522.08	0.00	0.00	2,896,522.08
316.00	8300	2041	Coyote Generating Station	3,610,109.70		1,070,813.05		(177.75)	1,070,635.30	0.00	0.00	1,070,635.30
316.00	8610	2046	Big Stone Generating Station	1,258,777.87		699,662.13		(116.14)	699,545.99	0.00	0.00	699,545.99
316.00	8720	2060	Wygen III Generating Station	9,443.78		984.65			984.65	0.00	0.00	984.65
			Total Account 316	**17,600,677.82**		**9,194,264.50**		**(1,526.07)**	**9,192,738.43**	**0.00**	**0.00**	**9,192,738.43**
			Total Depreciable Steam Production Plant	**406,373,691.10**		**217,192,239.99**		**55,396.48**	**217,247,636.47**	**0.00**	**0.00**	**217,247,636.47**
			OTHER PRODUCTION PLANT									
			Strucutres and Improvements									
341.10	8510		Glendive Turbine 1	278,336.07	133,657.00	70,917.42		1,205.83	72,123.25	0.00	0.00	72,123.25
341.10	8512		Glendive Turbine 2	15,386.47	2,522.00	1,338.15		22.75	1,360.91	0.00	0.00	1,360.91
341.10	8520		Miles City Turbine	207,622.13		37,602.24		639.36	38,241.60	0.00	0.00	38,241.60
341.10	8550		Portable Generators	166,110.58		20,212.49		343.68	20,556.17	0.00	0.00	20,556.17
			Total Account 341.10	**667,455.25**	**136,179.00**	**130,070.30**	**72,255.57**	**2,211.63**	**132,281.93**	**0.00**	**0.00**	**132,281.93**

Montana-Dakota Utilties
Electric Division

Summary of Book Depreciation Reserve by Recovery Component as of December 31, 2014

Account No. (a)	Location Code (b)	Probable Retirement Date (c)	Description (d)	Original Cost 12/31/14 (e)	Theoretical Deprecation 12/31/14 (i)	Specific LocTotal Book Depr Reserve 12/31/14	Allocated Glendive Reserve 12/31/14	Allocated Retired Plant Reserves 12/31/14	Total Book Depr Reserve 12/31/14 (j)	Cost of Removal In Book Res. (k)	Gross Salvage In Book Res. (l)	Plant Only Depr Reserve 12/31/14 (m)
			Structures & Impr-Wind Farm									
341.20	8560		Diamond Willow Wind Farm	3,363,993.85		994,074.92			994,074.92	0.00	0.00	994,074.92
341.20	8580		Cedar Hills Wind Farm	2,799,226.32		627,579.49			627,579.49	0.00	0.00	627,579.49
			Total Account 341.20	**6,163,220.17**		**1,621,654.41**		**0.00**	**1,621,654.41**	**0.00**	**0.00**	**1,621,654.41**
			Total Account 341	**6,830,675.42**		**1,751,724.71**		**2,211.63**	**1,753,936.34**	**0.00**	**0.00**	**1,753,936.34**
			Fuel Holders, Producers and Accessories									
342.00	8510		Glendive Turbine 1	309,452.61	180,142.00	78,557.03		(15.17)	78,541.86	0.00	0.00	78,541.86
342.00	8512		Glendive Turbine 2	2,055,650.83	317,813.00	138,593.15		(26.77)	138,566.38	0.00	0.00	138,566.38
342.00	8520		Miles City Turbine	200,837.28		98,507.83		(19.03)	98,488.80	0.00	0.00	98,488.80
342.00	8550		Portable Generators	156,064.84		16,260.24		(3.14)	16,257.10	0.00	0.00	16,257.10
			Total Account 342	**2,722,005.56**	**497,955.00**	**331,918.25**	**217,150.18**	**(64.11)**	**331,854.14**	**0.00**	**0.00**	**331,854.14**
			Generators									
344.10	8110		Heskett III	52,131,730.78		400,360.81		(14,914.87)	385,445.94	0.00	0.00	385,445.94
344.10	8510		Glendive Turbine 1	6,735,796.33		5,607,582.23		(208,902.53)	5,398,679.70	0.00	0.00	5,398,679.70
344.10	8512		Glendive Turbine 2	17,968,383.93		4,626,821.30		(172,365.67)	4,454,455.63	0.00	0.00	4,454,455.63
344.10	8520		Miles City Turbine	2,668,314.37		2,273,672.43		(84,702.45)	2,188,969.98	0.00	0.00	2,188,969.98
344.10	8550		Portable Generators	1,397,371.30		99,919.83		(3,722.37)	96,197.46	0.00	0.00	96,197.46
344.10	8570		Ormat Generation Facility	15,184,122.44		4,019,034.84		(149,723.45)	3,869,311.39	0.00	0.00	3,869,311.39
			Total Account 344.1	**96,085,719.15**		**17,027,391.44**	**0.00**	**(634,331.35)**	**16,393,060.09**	**0.00**	**0.00**	**16,393,060.09**
			Generators-Wind Farm									
344.20	8560		Diamond Willow Wind Farm	49,146,139.62		13,158,705.39			13,158,705.39	0.00	0.00	13,158,705.39
344.20	8580		Cedar Hills Wind Farm	35,054,454.74		7,840,288.66			7,840,288.66	0.00	0.00	7,840,288.66
			Total Account 344.2	**84,200,594.36**		**20,998,994.05**		**0.00**	**20,998,994.05**	**0.00**	**0.00**	**20,998,994.05**
			Total Account 344	**180,286,313.51**		**38,026,385.49**		**(634,331.35)**	**37,392,054.14**	**0.00**	**0.00**	**37,392,054.14**
			Accessory Electric Equipment									
345.10	8510		Glendive Turbine 1	466,573.49		190,280.00		9.83	190,289.83	0.00	0.00	190,289.83
345.10	8520		Miles City Turbine	346,031.49		136,799.35		7.07	136,806.42	0.00	0.00	136,806.42
345.10	8550		Portable Generators	572,984.71		86,275.44		4.46	86,279.90	0.00	0.00	86,279.90
			Total Account 345.10	**1,385,589.69**		**413,354.79**		**21.35**	**413,376.14**	**0.00**	**0.00**	**413,376.14**
			Accessory Elec Equip-Wind Farm									
345.20	8560		Diamond Willow Wind Farm	8,293,797.94		2,500,102.62			2,500,102.62	0.00	0.00	2,500,102.62
345.20	8580		Cedar Hills Wind Farm	5,967,801.82		1,337,964.20			1,337,964.20	0.00	0.00	1,337,964.20
			Total Account 345.20	**14,261,599.76**		**3,838,066.82**		**0.00**	**3,838,066.82**	**0.00**	**0.00**	**3,838,066.82**
			Total Account 345	**15,647,189.45**		**4,251,421.61**		**21.35**	**4,251,442.96**	**0.00**	**0.00**	**4,251,442.96**
			Miscellaneous Power Plant Equipment									
346.10	8103		Heskett III	1,045,533.32		8,610.19		(0.61)	8,609.58	0.00	0.00	8,609.58
346.10	8510		Glendive Turbine 1	126,677.17	62,632.00	25,847.67		(1.83)	25,845.84	0.00	0.00	25,845.84
346.10	8512		Glendive Turbine 2	12,613.98	3,301.00	1,362.29		(0.10)	1,362.20	0.00	0.00	1,362.20
346.10	8520		Miles City Turbine	17,989.02		8,695.72		(0.62)	8,695.10	0.00	0.00	8,695.10
			Total Account 346.10	**1,202,813.49**	**65,933.00**	**44,515.87**	**27,209.96**	**(3.15)**	**44,512.72**	**0.00**	**0.00**	**44,512.72**
			Accessory Elec Equip-Wind Farm									
346.20	8560		Diamond Willow Wind Farm	55,790.93		18,546.22			18,546.22	0.00	0.00	18,546.22
346.20	8580		Cedar Hills Wind Farm	63,308.47		10,438.21			10,438.21	0.00	0.00	10,438.21
			Total Account 346.20	**119,099.40**		**28,984.43**		**0.00**	**28,984.43**	**0.00**	**0.00**	**28,984.43**
			Total Account 346	**1,321,912.89**		**73,500.30**		**(3.15)**	**73,497.15**	**0.00**	**0.00**	**73,497.15**
			Total Depreciable Other Production Plant	**206,808,096.83**		**44,434,950.36**	**217,150.18**	**(632,165.63)**	**43,802,784.73**	**0.00**	**0.00**	**43,802,784.73**

Montana-Dakota Utilties
Electric Division

Summary of Book Depreciation Reserve by Recovery Component as of December 31, 2014

Account No. (a)	Location Code (b)	Probable Retirement Date (c)	Description (d)	Original Cost 12/31/14 (e)	Theoretical Deprecation 12/31/14 (l)	Specific LocTotal Book Depr Reserve 12/31/14	Allocated Glendive Reserve 12/31/14	Allocated Retired Plant Reserves 12/31/14	Total Book Depr Reserve 12/31/14 (j)	Cost of Removal In Book Res. (k)	Gross Salvage In Book Res. (l)	Plant Only Depr Reserve 12/31/14 (m)
			TRANSMISSION PLANT									
350.20			Land Rights	2,886,549.57					1,820,389.25	0.00	0.00	1,820,389.25
352.00			Structures and Improvements	1,788.84					1,667.31	172.09	0.00	1,495.22
353.00			Station Equipment	118,690,876.31					45,642,361.51	2,682,111.69	891,490.92	42,068,758.90
354.00			Towers and Fixtures	4,992,886.12					3,019,293.51	63,783.96	0.00	2,955,509.55
355.00			Poles and Fixtures	56,953,022.86					23,658,507.18	4,316,785.68	(507,253.27)	19,848,974.77
356.00			Overhead Conductors and Devices	39,782,196.20					18,259,140.56	2,652,745.07	(5,861,998.19)	21,468,393.68
357.00			Underground Conduit	1,947,009.53					238,511.46	0.00	0.00	238,511.46
358.00			Underground Conductors and Devices	3,101,857.38					385,125.55	0.00	0.00	385,125.55
			Total Transmission Plant	228,356,186.81					93,024,996.33	9,715,598.49	(5,477,760.54)	88,787,158.38
			DISTRIBUTION PLANT									
360.20			Rights of Ways	888,926.36					591,839.50	0.00	0.00	591,839.50
362.00			Station Equipment	57,279,819.93					18,763,338.94	2,142,084.15	(2,093,391.42)	18,714,646.21
364.00			Poles, Towers & Fixtures	37,559,743.53					20,178,372.87	8,641,532.11	(3,596,095.82)	15,132,936.58
365.00			Overhead Conductor & Devices	28,926,832.34					17,194,206.61	7,497,098.68	(3,085,665.41)	12,782,773.34
366.00			Underground Conduit	218,152.57					101,554.95	4,763.16	(1,544.10)	98,335.89
367.00			Underground Conductor & Devices	91,879,419.14					26,779,597.54	1,436,110.68	95,091.84	25,248,395.02
368.00			Line Transformers	64,877,478.16					22,290,988.48	1,298,654.65	(1,600,287.54)	22,592,621.37
			Services									
369.10			Services - Overhead	4,548,918.49	2,564,052.35				4,000,761.71	1,612,529.00	(318,762.32)	2,706,995.04
369.20			Services - Underground	28,517,306.60	11,641,303.58				18,164,247.56	7,321,199.81	(1,447,243.85)	12,290,291.59
			Total Account 369 -Services	33,066,225.09	14,205,355.93				22,165,009.27	8,933,728.81	(1,766,006.17)	14,997,286.63
370.00			Meters	16,972,527.04					-374,451.92	(391,597.75)	69,267.57	-52,121.74
371.00			Installation on customers Premises	2,742,626.49					1,081,412.40	273,581.33	(508,701.40)	1,316,532.47
373.00			Street Lighting System	7,173,899.08					4,250,138.57	1,110,358.66	(191,995.49)	3,331,775.40
			Total Distribution	341,585,649.73					133,022,007.21	30,946,314.48	(12,679,327.94)	114,755,020.67
			GENERAL PLANT									
390.00			Structures & Improvements	835,304.37					418,774.19	71,999.10	(77,023.72)	423,798.81
			Office Furniture & Equipment									
391.10			Office Furniture & Equipment	149,332.09					31,436.59	0.00	0.00	31,436.59
391.20			Computer Equipment - Honeywell	0.00					0.00	0.00	0.00	0.00
391.30			Computer Equipment - PC	289,843.74					96,931.83	0.00	0.00	96,931.83
391.40			Computer Equipment - Prime	260,801.06					169,046.75	0.00	0.00	169,046.75
391.50			Computer Equipment - Other	22,521.71					4,891.36	0.00	0.00	4,891.36
			Total Account 391 - Office Furniture & Equip.	722,498.60					302,306.53	0.00	0.00	302,306.53
			Transportation Equipment									
392.10			Transportation Equipment - Non Utilized	972,407.75					605,270.23	0.00	0.00	605,270.23
392.20			Transportation Equipment	6,980,855.35					3,274,743.69	0.00	0.00	3,274,743.69
			Total Account 392 - Transportation Equip.	7,953,263.10					3,880,013.92	0.00	0.00	3,880,013.92
393.00			Stores Equipment	14,773.68					8,767.52	0.00	0.00	8,767.52
394.10			Tools, Shop & garage Equipment	3,368,461.36					1,064,612.67	0.00	0.00	1,064,612.67
395.00			Laboratory Equipment	547,581.65					307,523.29	0.00	0.00	307,523.29

Montana-Dakota Utilties
Electric Division

Summary of Book Depreciation Reserve by Recovery Component as of December 31, 2014

Account No. (a)	Location Code (b)	Probable Retirement Date (c)	Description (d)	Original Cost 12/31/14 (e)	Theoretical Deprecation 12/31/14 (i)	Specific LocTotal Book Depr Reserve 12/31/14	Allocated Glendive Reserve 12/31/14	Allocated Retired Plant Reserves 12/31/14	Total Book Depr Reserve 12/31/14 (j)	Cost of Removal In Book Res. (k)	Gross Salvage In Book Res. (l)	Plant Only Depr Reserve 12/31/14 (m)
			Power Operated Equipment									
396.10			Trailers-Work Equipment	469,900.31					175,739.74	0.00	0.00	175,739.74
396.20			Power Operated Equipment	12,819,697.69					4,251,929.38	0.00	0.00	4,251,929.38
			Total Account 396 - Power Operated Equip.	13,289,598.00					4,427,669.12	0.00	0.00	4,427,669.12
			Communication Equipment									
397.10			Radio Communication Equip. - Fixed	142,921.42					33,053.13	0.00	0.00	33,053.13
397.20			Radio Communication Equip. - Mobile	25,791.37					5,883.27	0.00	0.00	5,883.27
397.30			General Telephone Communication Eq.	174,530.71					62,109.03	0.00	0.00	62,109.03
397.40			Carrier Current Communication Eq.	211,475.34					82,197.65	0.00	0.00	82,197.65
397.50			Supervisory & Telemetering Equipment	146,307.35					74,385.47	0.00	0.00	74,385.47
397.60			SCADA System	994,800.10					499,055.69	0.00	0.00	499,055.69
397.80			Network Equipment	1,191,261.01					782,838.75	0.00	0.00	782,838.75
397.90			Transfer Trip Communication Equipment	217,720.92					122,117.22	0.00	0.00	122,117.22
			Total Account 397 - Communication Equip.	3,104,808.22					1,661,640.21	0.00	0.00	1,661,640.21
398.00			Miscellaneous Equipment	58,768.55					21,583.60	0.00	0.00	21,583.60
			Total General	29,895,057.53					12,092,891.05	71,999.10	(77,023.72)	12,097,915.67
			Sub-Total (General Plant) Amortization	**7,816,892.06**					**3,366,433.82**	**0.00**	**0.00**	**3,366,433.82**
			Total Depreciation Electric Plant in Service	**1,213,018,682.00**					499,190,315.79	40,733,912.07	(18,234,112.20)	476,690,515.92
			NON-DEPRECIABLE PLANT									
303.00			Miscellaneous Intangible Plant	3,579,988.93					1,403,481.89			
			LAND & LAND RIGHTS									
310.00			Land & Land Rights	1,018,686.73								
340.00			Land & Land Rights	66,533.17								
350.10			Transmission Land	1,640,330.13								
360.10			Distribution Land	2,066,133.43								
389.00			Land & Land Rights	8,136.70								
			Total Land and Land Rights	4,799,820.16					0.00			
			Total Non-Depreciable Plant	8,379,809.09					1,403,481.89			
			TOTAL Electric Plant in Service	1,221,398,491.09					500,593,797.68			

(1) Life Span Method Utiized. Interim Retirement Rate. Service Lives Vary.

Montana-Dakota Utilties
Electric Division

Summary of Original Cost of Utility Plant in Service and Calculation of Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of Book Deprecation Reserve and Average Remaining Lives as of December 31, 2014

Account No. (a)	Description (b)	Original Cost 12/31/14 (c)	Estimated Future Net Salvage % (d)	Estimated Future Net Salvage Amount (e)	Original Cost Less Salvage (f)	Book Depreciation Reserve (g)	Net Original Cost Less Salvage (h)		A.S.L./ Survivor Curve (i)	Average Remaining Life (j)	Annual Depreciation Accrual (k)	Annual Deprecation Rate (l)
	DEPRECIABLE PLANT											
	STEAM PLANT											
311.00	Structures and Improvements	72,963,295.11	0.0%	0.00	72,963,295.11	39,069,921.80	33,893,373.31	(1)	63-R2.5	16.6	2,047,488.20	2.81%
312.00	Boiler Plant Equipment	212,016,956.85	0.0%	0.00	212,016,956.85	122,432,189.31	89,584,767.54	(1)	45-R0.5	17.8	5,035,316.47	2.37%
314.00	Turbogenerator Units	84,045,941.49	0.0%	0.00	84,045,941.49	34,744,551.42	49,301,390.07	(1)	45-R0.5	21.2	2,321,852.18	2.76%
315.00	Accessory Electric Equipment	19,746,819.99	0.0%	0.00	19,746,819.99	11,808,235.51	7,938,584.48	(1)	50-R2.5	21.8	364,668.88	1.85%
316.00	Miscellaneous Power Plant Equipment	17,600,677.82	0.0%	0.00	17,600,677.82	9,192,738.43	8,407,939.39	(1)	30-R0.5	12.2	690,037.70	3.92%
	Total Steam Production Plant	406,373,691.26		0.00	406,373,691.26	217,247,636.47	189,126,054.79				10,459,363.43	2.57%
	OTHER PRODUCTION PLANT											
341.10	Structures and Improvements	667,455.25	0.0%	0.00	667,455.25	132,281.93	535,173.32	(1)	70-R1	8.6	62,258.12	9.33%
341.20	Structures and Improvements-Wind Farm	6,163,220.17	0.0%	0.00	6,163,220.17	1,621,654.41	4,541,565.76	(1)	70-R1	13.4	339,419.56	5.51%
342.00	Fuel Holders, Producers and Accessories	2,722,005.56	0.0%	0.00	2,722,005.56	331,854.14	2,390,151.42	(1)	43-R5	21.4	111,855.88	4.11%
344.10	Generators	96,085,719.15	0.0%	0.00	96,085,719.15	16,393,060.09	79,692,659.06	(1)	55-R3	27.6	2,882,673.99	3.00%
344.20	Generators-Wind Farm	84,200,594.36	0.0%	0.00	84,200,594.36	20,998,994.05	63,201,600.31	(1)	55-R3	13.6	4,651,462.72	5.52%
345.10	Accessory Electric Equipment	1,385,589.69	0.0%	0.00	1,385,589.69	413,376.14	972,213.55	(1)	28-L2	10.9	89,323.81	6.45%
345.20	Accessory Electric Equipment-Wind Farm	14,261,599.76	0.0%	0.00	14,261,599.76	3,838,066.82	10,423,532.94	(1)	28-L2	12.6	830,093.41	5.82%
346.10	Miscellaneous Power Plant Equipment	1,202,813.49	0.0%	0.00	1,202,813.49	44,512.72	1,158,300.77	(1)	28-S1	22.6	51,267.37	4.26%
346.20	Miscellaneous Power Plant Equip-Wind Farı	119,099.40	0.0%	0.00	119,099.40	28,984.43	90,114.97	(1)	28-S1	12.8	7,014.01	5.89%
	Total Other Production Plant	206,808,096.83	0.0%	0.00	206,808,096.83	43,802,784.73	163,005,312.10				9,025,368.87	4.36%
	TRANSMISSION PLANT											
350.20	Land Rights	2,886,549.57	0.0%	0.00	2,886,549.57	1,820,389.25	1,066,160.32		50-R3	25.6	41,646.89	1.44%
352.00	Structures and Improvements	1,788.84	0.0%	0.00	1,788.84	1,495.22	293.62		45-R2	4.7	62.08	3.47%
353.00	Station Equipment	118,690,876.31	0.0%	0.00	118,690,876.31	42,068,758.90	76,622,117.41		60-R3	45.2	1,695,179.59	1.43%
354.00	Towers and Fixtures	4,992,886.12	0.0%	0.00	4,992,886.12	2,955,509.55	2,037,376.57		55-R5	24.9	81,822.35	1.64%
355.00	Poles and Fixtures	56,953,022.86	0.0%	0.00	56,953,022.86	19,848,974.77	37,104,048.09		50-R3	36.0	1,030,668.00	1.81%
356.00	Overhead Conductors and Devices	39,782,196.20	0.0%	0.00	39,782,196.20	21,468,393.68	18,313,802.52		65-R3	45.2	405,172.62	1.02%
357.00	Underground Conduit	1,947,009.53	0.0%	0.00	1,947,009.53	238,511.46	1,708,498.07		50-R3 est	43.6	39,185.74	2.01%
358.00	Underground Conductors and Devices	3,101,857.38	0.0%	0.00	3,101,857.38	385,125.55	2,716,731.83		50-R3	43.6	62,310.36	2.01%
	Total Transmission Plant	228,356,186.81		0.00	228,356,186.81	88,787,158.38	139,569,028.43				3,356,047.63	1.47%
	DISTRIBUTION PLANT											
360.20	Rights of Ways	888,926.36	0.0%	0.00	888,926.36	591,839.50	297,086.86		50-R2	26.7	11,126.85	1.25%
362.00	Station Equipment	57,279,819.93	0.0%	0.00	57,279,819.93	18,714,646.21	38,565,173.72		50-R2.5	37.6	1,025,669.51	1.79%
364.00	Poles, Towers & Fixtures	37,559,743.53	0.0%	0.00	37,559,743.53	15,132,936.58	22,426,806.95		50-R1	37.6	596,457.63	1.59%
365.00	Overhead Conductor & Devices	28,926,832.34	0.0%	0.00	28,926,832.34	12,782,773.34	16,144,059.00		55-R1	43.3	372,842.01	1.29%
366.00	Underground Conduit	218,152.57	0.0%	0.00	218,152.57	98,335.89	119,816.68		50-R3	29.6	4,047.86	1.86%
367.00	Underground Conductor & Devices	91,879,419.14	0.0%	0.00	91,879,419.14	25,248,395.02	66,631,024.12		40-R2	32.0	2,082,219.50	2.27%
368.00	Line Transformers	64,877,478.16	0.0%	0.00	64,877,478.16	22,592,621.37	42,284,856.79		55-R3	40.8	1,036,393.55	1.60%

Montana-Dakota Utilties
Electric Division

Summary of Original Cost of Utility Plant in Service and Calculation of Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of Book Deprecation Reserve and Average Remaining Lives as of December 31, 2014

Account No.	Description	Original Cost 12/31/14	Estimated Future Net Salvage %	Estimated Future Net Salvage Amount	Original Cost Less Salvage	Book Depreciation Reserve	Net Original Cost Less Salvage	A.S.L./ Survivor Curve	Average Remaining Life	Annual Depreciation Accrual	Annual Deprecation Rate
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	Services										
369.10	Services - Overhead	4,548,918.49	0.0%	0.00	4,548,918.49	2,706,995.04	1,841,923.45	37-R1.5	23.1	79,736.95	1.75%
369.20	Services - Underground	28,517,306.60	0.0%	0.00	28,517,306.60	12,290,291.59	16,227,015.01	45-R3	32.7	496,238.99	1.74%
	Total Account 369 -Services	33,066,225.09		0.00	33,066,225.09	14,997,286.63	18,068,938.46			575,975.94	1.74%
370.00	Meters	16,972,527.04	0.0%	0.00	16,972,527.04	-52,121.74	17,024,648.78	20-L3	14.9	1,142,593.88	6.73%
371.00	Installation on customers Premises	2,742,626.49	0.0%	0.00	2,742,626.49	1,316,532.47	1,426,094.02	22-R0.5	15.6	91,416.28	3.33%
373.00	Street Lighting System	7,173,899.08	0.0%	0.00	7,173,899.08	3,331,775.40	3,842,123.68	43-R1	28.0	137,218.70	1.91%
	Total Distribution	341,585,649.73	0.0%	0.00	341,585,649.73	114,755,020.67	226,830,629.06			7,075,961.72	2.07%
	GENERAL PLANT										
390.00	Structures & Improvements	835,304.37	0.0%	0.00	835,304.37	423,798.81	411,505.56	29-L2	18.2	22,610.20	2.71%
	Office Furniture & Equipment										
391.10	Office Furniture & Equipment	149,332.09								9,955.47	6.67%
391.20	Computer Equipment - Honeywell	0.00								0.00	0.00%
391.30	Computer Equipment - PC	289,843.74								57,968.75	20.00%
391.40	Computer Equipment - Prime	260,801.06								52,160.21	20.00%
391.50	Computer Equipment - Other	22,521.71								2,252.17	10.00%
	Total Account 391 - Office Furniture & Equip	722,498.60								122,336.60	16.93%
	Transportation Equipment										
392.10	Transportation Equipment - Non Utilized	972,407.75	0.0%	0.00	972,407.75	605,270.23	367,137.52	15-R4	8.3	44,127.11	4.54%
392.20	Transportation Equipment	6,980,855.35	0.0%	0.00	6,980,855.35	3,274,743.69	3,706,111.66	11-L3	6.0	613,594.65	8.79%
	Total Account 392 - Transportation Equip.	7,953,263.10	0.0%	0.00	7,953,263.10	3,880,013.92	4,073,249.18			657,721.75	8.27%
393.00	Stores Equipment	14,773.68								492.46	3.33%
394.10	Tools, Shop & garage Equipment	3,368,461.36								168,423.07	5.00%
395.00	Laboratory Equipment	547,581.65								27,379.08	5.00%
	Power Operated Equipment										
396.10	Trailers-Work Equipment	469,900.31	0.0%	0.00	469,900.31	175,739.74	294,160.57	20-L3	11.5	25,579.18	5.44%
396.20	Power Operated Equipment	12,819,697.69	0.0%	0.00	12,819,697.69	4,251,929.38	8,567,768.31	9-L0	8.7	984,800.96	7.68%
	Total Account 396 - Power Operated Equip.	13,289,598.00	0.0%	0.00	13,289,598.00	4,427,669.12	8,861,928.88			1,010,380.14	7.60%
	Communication Equipment										
397.10	Radio Communication Equip. - Fixed	142,921.42								9,528.09	6.67%
397.20	Radio Communication Equip. - Mobile	25,791.37								1,719.42	6.67%
397.30	General Telephone Communication Eq.	174,530.71								17,453.07	10.00%

Montana-Dakota Utilties
Electric Division

Summary of Original Cost of Utility Plant in Service and Calculation of Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of Book Deprecation Reserve and Average Remaining Lives as of December 31, 2014

Account No. (a)	Description (b)	Original Cost 12/31/14 (c)	Estimated Future Net Salvage % (d)	Estimated Future Net Salvage Amount (e)	Original Cost Less Salvage (f)	Book Depreciation Reserve (g)	Net Original Cost Less Salvage (h)	A.S.L./ Survivor Curve (i)	Average Remaining Life (j)	Annual Depreciation Accrual (k)	Annual Deprecation Rate (l)
397.40	Carrier Current Communication Eq.	211,475.34								14,098.36	6.67%
397.50	Supervisory & Telemetering Equipment	146,307.35								14,630.74	10.00%
397.60	SCADA System	994,800.10								99,480.01	10.00%
397.80	Network Equipment	1,191,261.01								238,252.20	20.00%
397.90	Transfer Trip Communication Equipment	217,720.92								14,514.73	6.67%
	Total Account 397 - Communication Equip.	3,104,808.22								409,676.62	13.19%
398.00	Miscellaneous Equipment	58,768.55								2,350.74	4.00%
	Total General	29,895,057.53	0.0%	0.00	22,078,165.47	8,731,481.85	13,346,683.62			2,421,370.66	8.10%
	Sub-Total (General Plant) Amortization	**7,816,892.06**		**0.00**	**0.00**	**0.00**	**0.00**			**730,658.57**	**9.35%**
	Total Depreciation Electric Plant in Servi	1,213,018,682.16	0.0%	0.00	1,205,201,790.10	473,324,082.10	731,877,708.00			32,338,112.31 *	2.67%
	NON-DEPRECIABLE PLANT										
303.00	Miscellaneous Intangible Plant	3,579,988.93				1,403,481.89					
	LAND & LAND RIGHTS										
310.00	Land & Land Rights	1,018,686.73									
340.00	Land & Land Rights	66,533.17									
350.10	Transmission Land	1,640,330.13									
360.10	Distribution Land	2,066,133.43									
389.00	Land & Land Rights	8,136.70									
	Total Land and Land Rights	4,799,820.16				0.00					
	Total Non-Depreciable Plant	8,379,809.09				1,403,481.89					
	TOTAL Electric Plant in Service	1,221,398,491.25				474,727,563.99					

(1) Life Span Method Utiized. Interim Retirement Rate. Service Lives Vary.
(2) Fully Depreciated. No Further Depreciation To Be Accrued
(*) Used Amortization Amount from Proposed Study.

Montana-Dakota Utilties
Electric Division

Summary of Original Cost of Utility Plant in Service and Calculation of Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of Book Deprecation Reserve and Average Remaining Lives as of December 31, 2014

Account No. (a)	Description (b)	Original Cost 12/31/14 (c)	Estimated Future Net Salvage % (d)	Estimated Future Net Salvage Amount (e)	Original Cost Less Salvage (f)	Book Depreciation Reserve (g)	Net Original Cost Less Salvage (h)		A.S.L./ Survivor Curve (i)	Average Remaining Life (j)	Annual Depreciation Accrual (k)	Annual Deprecation Rate (l)
	DEPRECIABLE PLANT											
	STEAM PLANT											
311.00	Structures and Improvements	72,963,295.11	0.0%	0.00	72,963,295.11	0.00	0.00	(1)	63-R2.5	16.6	0.00	0.00%
312.00	Boiler Plant Equipment	212,016,956.85	0.0%	0.00	212,016,956.85	0.00	0.00	(1)	45-R0.5	17.8	0.00	0.00%
314.00	Turbogenerator Units	84,045,941.49	0.0%	0.00	84,045,941.49	0.00	0.00	(1)	45-R0.5	21.2	0.00	0.00%
315.00	Accessory Electric Equipment	19,746,819.99	0.0%	0.00	19,746,819.99	0.00	0.00	(1)	50-R2.5	21.8	0.00	0.00%
316.00	Miscellaneous Power Plant Equipment	17,600,677.82	0.0%	0.00	17,600,677.82	0.00	0.00	(1)	30-R0.5	12.2	0.00	0.00%
	Total Steam Production Plant	406,373,691.26		0.00	406,373,691.26	0.00	0.00				0.00	0.00%
	OTHER PRODUCTION PLANT											
341.10	Structures and Improvements	667,455.25	0.0%	0.00	667,455.25	0.00	0.00	(1)	70-R1	8.6	0.00	0.00%
341.20	Structures and Improvements-Wind Farm	6,163,220.17	0.0%	0.00	6,163,220.17	0.00	0.00	(1)	70-R1	13.4	0.00	0.00%
342.00	Fuel Holders, Producers and Accessories	2,722,005.56	0.0%	0.00	2,722,005.56	0.00	0.00	(1)	43-R5	21.4	0.00	0.00%
344.10	Generators	96,085,719.15	0.0%	0.00	96,085,719.15	0.00	0.00	(1)	55-R3	27.6	0.00	0.00%
344.20	Generators-Wind Farm	84,200,594.36	0.0%	0.00	84,200,594.36	0.00	0.00	(1)	55-R3	13.6	0.00	0.00%
345.10	Accessory Electric Equipment	1,385,589.69	0.0%	0.00	1,385,589.69	0.00	0.00	(1)	28-L2	10.9	0.00	0.00%
345.20	Accessory Electric Equipment-Wind Farm	14,261,599.76	0.0%	0.00	14,261,599.76	0.00	0.00	(1)	28-L2	12.6	0.00	0.00%
346.10	Miscellaneous Power Plant Equipment	1,202,813.49	0.0%	0.00	1,202,813.49	0.00	0.00	(1)	28-S1	22.6	0.00	0.00%
346.20	Miscellaneous Power Plant Equip-Wind Fa	119,099.40	0.0%	0.00	119,099.40	0.00	0.00	(1)	28-S1	12.8	0.00	0.00%
	Total Other Production Plant	206,808,096.83	0.0%	0.00	206,808,096.83	0.00	0.00				0.00	0.00%
	TRANSMISSION PLANT											
350.20	Land Rights	2,886,549.57	0.0%	0.00	2,886,549.57	0.00	0.00		50-R3	25.6	0.00	0.00%
352.00	Structures and Improvements	1,788.84	0.0%	0.00	1,788.84	0.00	0.00		45-R2	4.7	0.00	0.00%
353.00	Station Equipment	118,690,876.31	0.0%	0.00	118,690,876.31	891,490.92	(891,490.92)		60-R3	45.2	(19,723.25)	-0.02%
354.00	Towers and Fixtures	4,992,886.12	0.0%	0.00	4,992,886.12	0.00	0.00		55-R5	24.9	0.00	0.00%
355.00	Poles and Fixtures	56,953,022.86	0.0%	0.00	56,953,022.86	-507,253.27	507,253.27		50-R3	36.0	14,090.37	
356.00	Overhead Conductors and Devices	39,782,196.20	0.0%	0.00	39,782,196.20	-5,861,998.19	5,861,998.19		65-R3	45.2	129,690.23	0.33%
357.00	Underground Conduit	1,947,009.53	0.0%	0.00	1,947,009.53	0.00	0.00		50-R3 est	43.6	0.00	0.00%
358.00	Underground Conductors and Devices	3,101,857.38	0.0%	0.00	3,101,857.38	0.00	0.00		50-R3	43.6	0.00	0.00%
	Total Transmission Plant	228,356,186.81		0.00	228,356,186.81	-5,477,760.54	5,477,760.54				124,057.34	0.05%
	DISTRIBUTION PLANT											
360.20	Rights of Ways	888,926.36	0.0%	0.00	888,926.36	0.00	0.00		50-R2	26.7	0.00	0.00%
362.00	Station Equipment	57,279,819.93	0.0%	0.00	57,279,819.93	-2,093,391.42	2,093,391.42		50-R2.5	37.6	55,675.30	0.10%
364.00	Poles, Towers & Fixtures	37,559,743.53	5.0%	1,877,987.18	35,681,756.35	-3,596,095.82	1,718,108.64		50-R1	37.6	45,694.38	0.12%
365.00	Overhead Conductor & Devices	28,926,832.34	10.0%	2,892,683.23	26,034,149.11	-3,085,665.41	192,982.18		55-R1	43.3	4,456.86	0.02%
366.00	Underground Conduit	218,152.57	0.0%	0.00	218,152.57	-1,544.10	1,544.10		50-R3	29.6	52.17	0.02%

Montana-Dakota Utilties
Electric Division

Summary of Original Cost of Utility Plant in Service and Calculation of Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of Book Deprecation Reserve and Average Remaining Lives as of December 31, 2014

Account No.	Description	Original Cost 12/31/14	Estimated Future Net Salvage %	Estimated Future Net Salvage Amount	Original Cost Less Salvage	Book Depreciation Reserve	Net Original Cost Less Salvage	A.S.L./ Survivor Curve	Average Remaining Life	Annual Depreciation Accrual	Annual Deprecation Rate
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
367.00	Underground Conductor & Devices	91,879,419.14	0.0%	0.00	91,879,419.14	95,091.84	(95,091.84)	40-R2	32.0	(2,971.62)	0.00%
368.00	Line Transformers	64,877,478.16	5.0%	3,243,873.91	61,633,604.25	-1,600,287.54	(1,643,586.37)	55-R3	40.8	(40,283.98)	-0.06%
	Services										
369.10	Services - Overhead	4,548,918.49	5.0%	227,445.92	4,321,472.57	-318,762.32	91,316.40	37-R1.5	23.1	3,953.09	0.09%
369.20	Services - Underground	28,517,306.60	5.0%	1,425,865.33	27,091,441.27	-1,447,243.85	21,378.52	45-R3	32.7	653.78	0.00%
	Total Account 369 -Services	33,066,225.09		1,653,311.25	31,412,913.84	-1,766,006.17	112,694.92			4,606.87	0.01%
370.00	Meters	16,972,527.04	0.0%	0.00	16,972,527.04	69,267.57	(69,267.57)	20-L3	14.9	(4,648.83)	-0.03%
371.00	Installation on customers Premises	2,742,626.49	20.0%	548,525.30	2,194,101.19	-508,701.40	(39,823.90)	22-R0.5	15.6	(2,552.81)	-0.09%
373.00	Street Lighting System	7,173,899.08	15.0%	1,076,084.86	6,097,814.22	-191,995.49	(884,089.37)	43-R1	28.0	(31,574.62)	-0.44%
	Total Distribution	341,585,649.73	0.0%	11,292,465.73	330,293,184.00	-12,679,327.94	1,386,862.21			28,453.72	0.01%
	GENERAL PLANT										
390.00	Structures & Improvements	835,304.37	10.0%	83,530.44	751,773.93	-77,023.72	(6,506.72)	29-L2	18.2	(357.51)	-0.04%
	Office Furniture & Equipment										
391.10	Office Furniture & Equipment	149,332.09									
391.20	Computer Equipment - Honeywell	0.00									
391.30	Computer Equipment - PC	289,843.74									
391.40	Computer Equipment - Prime	260,801.06									
391.50	Computer Equipment - Other	22,521.71									
	Total Account 391 - Office Furniture & Equi	722,498.60									
	Transportation Equipment										
392.10	Transportation Equipment - Non Utilized	972,407.75	0.0%	0.00	972,407.75	0.00	0.00	15-R4	8.3	0.00	0.00%
392.20	Transportation Equipment	6,980,855.35	20.0%	1,396,171.07	5,584,684.28	0.00	(1,396,171.07)	11-L3	6.0	(231,154.15)	-3.31%
	Total Account 392 - Transportation Equip.	7,953,263.10	0.0%	1,396,171.07	6,557,092.03	0.00	(1,396,171.07)			(231,154.15)	-2.91%
393.00	Stores Equipment	14,773.68									
394.10	Tools, Shop & garage Equipment	3,368,461.36									
395.00	Laboratory Equipment	547,581.65									
	Power Operated Equipment										
396.10	Trailers-Work Equipment	469,900.31	0.0%	0.00	469,900.31	0.00	0.00	20-L3	11.5	0.00	0.00%
396.20	Power Operated Equipment	12,819,697.69	20.0%	2,563,939.54	10,255,758.15	0.00	(2,563,939.54)	9-L0	8.7	(294,705.69)	-2.30%

Montana-Dakota Utilties
Electric Division

Summary of Original Cost of Utility Plant in Service and Calculation of Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of Book Deprecation Reserve and Average Remaining Lives as of December 31, 2014

Account No.	Description	Original Cost 12/31/14	Estimated Future Net Salvage %	Estimated Future Net Salvage Amount	Original Cost Less Salvage	Book Depreciation Reserve	Net Original Cost Less Salvage	A.S.L./ Survivor Curve	Average Remaining Life	Annual Depreciation Accrual	Annual Deprecation Rate
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	Total Account 396 - Power Operated Equip	13,289,598.00	0.0%	2,563,939.54	10,725,658.46	0.00	(2,563,939.54)			(294,705.69)	-2.22%
	Communication Equipment										
397.10	Radio Communication Equip. - Fixed	142,921.42									
397.20	Radio Communication Equip. - Mobile	25,791.37									
397.30	General Telephone Communication Eq.	174,530.71									
397.40	Carrier Current Communication Eq.	211,475.34									
397.50	Supervisory & Telemetering Equipment	146,307.35									
397.60	SCADA System	994,800.10									
397.80	Network Equipment	1,191,261.01									
397.90	Transfer Trip Communication Equipment	217,720.92									
	Total Account 397 - Communication Equip.	3,104,808.22									
398.00	Miscellaneous Equipment	58,768.55									
	Total General	29,895,057.53	0.0%	4,043,641.05	18,034,524.42	-77,023.72	(3,966,617.33)			(526,217.36)	-1.76%
	Sub-Total (General Plant) Amortization	**7,816,892.06**		**0.00**	**0.00**	**0.00**	**0.00**			**0.00**	**0.00%**
	Total Depreciation Electric Plant in Serv	1,213,018,682.16	1.3%	15,336,106.78	1,189,865,683.32	-18,234,112.20	2,898,005.42			(373,706.30)	-0.03%
	NON-DEPRECIABLE PLANT										
303.00	Miscellaneous Intangible Plant	3,579,988.93									
	LAND & LAND RIGHTS										
310.00	Land & Land Rights	1,018,686.73									
340.00	Land & Land Rights	66,533.17									
350.10	Transmission Land	1,640,330.13									
360.10	Distribution Land	2,066,133.43									
389.00	Land & Land Rights	8,136.70									
	Total Land and Land Rights	4,799,820.16									
	Total Non-Depreciable Plant	8,379,809.09									
	TOTAL Electric Plant in Service	1,221,398,491.25									

(1) Life Span Method Utiized. Interim Retirement Rate. Service Lives Vary.
(2) Fully Depreciated. No Further Depreciation To Be Accrued

Montana-Dakota Utilties
Electric Division

Summary of Original Cost of Utility Plant in Service and Calculation of Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of Book Deprecation Reserve and Average Remaining Lives as of December 31, 2014

Account No.	Description	Original Cost 12/31/14	Estimated Future Net Salvage %	Estimated Future Net Salvage Amount	Original Cost Less Salvage	Book Depreciation Reserve	Net Original Cost Less Salvage	A.S.L./ Survivor Curve	Average Remaining Life	Annual Depreciation Accrual	Annual Deprecation Rate
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	DEPRECIABLE PLANT										
	STEAM PLANT										
311.00	Structures and Improvements	72,963,295.11	0.0%	0.00	72,963,295.11	0.00	0.00 (1)	63-R2.5	16.6	0.00	0.00%
312.00	Boiler Plant Equipment	212,016,956.85	0.0%	0.00	212,016,956.85	0.00	0.00 (1)	45-R0.5	17.8	0.00	0.00%
314.00	Turbogenerator Units	84,045,941.49	0.0%	0.00	84,045,941.49	0.00	0.00 (1)	45-R0.5	21.2	0.00	0.00%
315.00	Accessory Electric Equipment	19,746,819.99	0.0%	0.00	19,746,819.99	0.00	0.00 (1)	50-R2.5	21.8	0.00	0.00%
316.00	Miscellaneous Power Plant Equipment	17,600,677.82	0.0%	0.00	17,600,677.82	0.00	0.00 (1)	30-R0.5	12.2	0.00	0.00%
	Total Steam Production Plant	406,373,691.26	0.0%	0.00	406,373,691.26	0.00	0.00			0.00	0.00%
	OTHER PRODUCTION PLANT										
341.10	Structures and Improvements	667,455.25	0.0%	0.00	667,455.25	0.00	0.00 (1)	70-R1	8.6	0.00	0.00%
341.20	Structures and Improvements-Wind Farm	6,163,220.17	0.0%	0.00	6,163,220.17	0.00	0.00 (1)	70-R1	13.4	0.00	0.00%
342.00	Fuel Holders, Producers and Accessories	2,722,005.56	0.0%	0.00	2,722,005.56	0.00	0.00 (1)	43-R5	21.4	0.00	0.00%
344.10	Generators	96,085,719.15	0.0%	0.00	96,085,719.15	0.00	0.00 (1)	55-R3	27.6	0.00	0.00%
344.20	Generators-Wind Farm	84,200,594.36	0.0%	0.00	84,200,594.36	0.00	0.00 (1)	55-R3	13.6	0.00	0.00%
345.10	Accessory Electric Equipment	1,385,589.69	0.0%	0.00	1,385,589.69	0.00	0.00 (1)	28-L2	10.9	0.00	0.00%
345.20	Accessory Electric Equipment-Wind Farm	14,261,599.76	0.0%	0.00	14,261,599.76	0.00	0.00 (1)	28-L2	12.6	0.00	0.00%
346.10	Miscellaneous Power Plant Equipment	1,202,813.49	0.0%	0.00	1,202,813.49	0.00	0.00 (1)	28-S1	22.6	0.00	0.00%
346.20	Miscellaneous Power Plant Equip-Wind Farm	119,099.40	0.0%	0.00	119,099.40	0.00	0.00 (1)	28-S1	12.8	0.00	0.00%
	Total Other Production Plant	206,808,096.83	0.0%	0.00	206,808,096.83	0.00	0.00			0.00	0.00%
	TRANSMISSION PLANT										
350.20	Land Rights	2,886,549.57	0.0%	0.00	2,886,549.57	0.00	0.00	50-R3	25.6	0.00	0.00%
352.00	Structures and Improvements	1,788.84	0.0%	0.00	1,788.84	172.09	-172.09	45-R2	4.7	-36.38	-2.03%
353.00	Station Equipment	118,690,876.31	-10.0%	(11,869,087.63)	130,559,963.94	2,682,111.69	9,186,975.94	60-R3	45.2	203,251.68	0.17%
354.00	Towers and Fixtures	4,992,886.12	-5.0%	(249,644.31)	5,242,530.43	63,783.96	185,860.35	55-R5	24.9	7,464.27	0.15%
355.00	Poles and Fixtures	56,953,022.86	-50.0%	(28,476,511.43)	85,429,534.29	4,316,785.68	24,159,725.75	50-R3	36.0	671,103.49	1.18%
356.00	Overhead Conductors and Devices	39,782,196.20	-15.0%	(5,967,329.43)	45,749,525.63	2,652,745.07	3,314,584.36	65-R3	45.2	73,331.51	0.18%
357.00	Underground Conduit	1,947,009.53	0.0%	0.00	1,947,009.53	0.00	0.00	50-R3 est	43.6	0.00	0.00%
358.00	Underground Conductors and Devices	3,101,857.38	0.0%	0.00	3,101,857.38	0.00	0.00	50-R3	43.6	0.00	0.00%
	Total Transmission Plant	228,356,186.81	-20.4%	(46,562,572.80)	274,918,759.61	9,715,598.49	36,846,974.31			955,114.57	0.42%
	DISTRIBUTION PLANT										
360.20	Rights of Ways	888,926.36	0.0%	0.00	888,926.36	0.00	0.00	50-R2	26.7	0.00	0.00%
362.00	Station Equipment	57,279,819.93	-5.0%	(2,863,991.00)	60,143,810.93	2,142,084.15	721,906.85	50-R2.5	37.6	19,199.65	0.03%
364.00	Poles, Towers & Fixtures	37,559,743.53	-100.0%	(37,559,743.53)	75,119,487.06	8,641,532.11	28,918,211.42	50-R1	37.6	769,101.37	2.05%
365.00	Overhead Conductor & Devices	28,926,832.34	-95.0%	(27,480,490.72)	56,407,323.06	7,497,098.68	19,983,392.04	55-R1	43.3	461,510.21	1.60%
366.00	Underground Conduit	218,152.57	0.0%	0.00	218,152.57	4,763.16	-4,763.16	50-R3	29.6	-160.92	-0.07%
367.00	Underground Conductor & Devices	91,879,419.14	-25.0%	(22,969,854.79)	114,849,273.93	1,436,110.68	21,533,744.11	40-R2	32.0	672,929.50	0.73%
368.00	Line Transformers	64,877,478.16	-25.0%	(16,219,369.54)	81,096,847.70	1,298,654.65	14,920,714.89	55-R3	40.8	365,703.80	0.56%
	Services										
369.10	Services - Overhead	4,548,918.49	-55.0%	(2,501,905.17)	7,050,823.66	1,612,529.00	889,376.17	37-R1.5	23.1	38,501.13	0.85%
369.20	Services - Underground	28,517,306.60	-55.0%	(15,684,518.63)	44,201,825.23	7,321,199.81	8,363,318.82	45-R3	32.7	255,758.99	0.90%
	Total Account 369 -Services	33,066,225.09	-55.0%	(18,186,423.80)	51,252,648.89	8,933,728.81	9,252,694.99			294,260.12	0.89%

Montana-Dakota Utilties
Electric Division

Summary of Original Cost of Utility Plant in Service and Calculation of Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of Book Deprecation Reserve and Average Remaining Lives as of December 31, 2014

Account No. (a)	Description (b)	Original Cost 12/31/14 (c)	Estimated Future Net Salvage % (d)	Estimated Future Net Salvage Amount (e)	Original Cost Less Salvage (f)	Book Depreciation Reserve (g)	Net Original Cost Less Salvage (h)	A.S.L./ Survivor Curve (i)	Average Remaining Life (j)	Annual Depreciation Accrual (k)	Annual Deprecation Rate (l)
370.00	Meters	16,972,527.04	-5.0%	(848,626.35)	17,821,153.39	-391,597.75	1,240,224.10	20-L3	14.9	83,236.52	0.49%
371.00	Installation on customers Premises	2,742,626.49	-35.0%	(959,919.27)	3,702,545.76	273,581.33	686,337.94	22-R0.5	15.6	43,996.02	1.60%
373.00	Street Lighting System	7,173,899.08	-55.0%	(3,945,644.49)	11,119,543.57	1,110,358.66	2,835,285.83	43-R1	28.0	101,260.21	1.41%
	Total Distribution	341,585,649.73	0.0%	(131,034,063.49)	472,619,713.22	30,946,314.48	100,087,749.01			2,811,036.47	0.82%
	GENERAL PLANT										
390.00	Structures & Improvements	835,304.37	-20.0%	(167,060.87)	1,002,365.24	71,999.10	95,061.77	29-L2	18.2	5,223.17	0.63%
	Office Furniture & Equipment										
391.10	Office Furniture & Equipment	149,332.09									
391.20	Computer Equipment - Honeywell	0.00									
391.30	Computer Equipment - PC	289,843.74									
391.40	Computer Equipment - Prime	260,801.06									
391.50	Computer Equipment - Other	22,521.71									
	Total Account 391 - Office Furniture & Equip	722,498.60									
	Transportation Equipment										
392.10	Transportation Equipment - Non Utilized	972,407.75	0.0%	0.00	972,407.75	0.00	0.00	15-R4	8.3	0.00	0.00%
392.20	Transportation Equipment	6,980,855.35	0.0%	0.00	6,980,855.35	0.00	0.00	11-L3	6.0	0.00	0.00%
	Total Account 392 - Transportation Equip.	7,953,263.10	0.0%	0.00	7,953,263.10	0.00	0.00			0.00	0.00%
393.00	Stores Equipment	14,773.68									
394.10	Tools, Shop & garage Equipment	3,368,461.36									
395.00	Laboratory Equipment	547,581.65									
	Power Operated Equipment										
396.10	Trailers-Work Equipment	469,900.31	0.0%	0.00	469,900.31	0.00	0.00	20-L3	11.5	0.00	0.00%
396.20	Power Operated Equipment	12,819,697.69	0.0%	0.00	12,819,697.69	0.00	0.00	9-L0	8.7	0.00	0.00%
	Total Account 396 - Power Operated Equip.	13,289,598.00	0.0%	0.00	13,289,598.00	0.00	0.00			0.00	0.00%
	Communication Equipment										
397.10	Radio Communication Equip. - Fixed	142,921.42									
397.20	Radio Communication Equip. - Mobile	25,791.37									
397.30	General Telephone Communication Eq.	174,530.71									
397.40	Carrier Current Communication Eq.	211,475.34									
397.50	Supervisory & Telemetering Equipment	146,307.35									
397.60	SCADA System	994,800.10									
397.80	Network Equipment	1,191,261.01									
397.90	Transfer Trip Communication Equipment	217,720.92									

Montana-Dakota Utilties
Electric Division

Summary of Original Cost of Utility Plant in Service and Calculation of Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of Book Deprecation Reserve and Average Remaining Lives as of December 31, 2014

Account No. (a)	Description (b)	Original Cost 12/31/14 (c)	Estimated Future Net Salvage % (d)	Estimated Future Net Salvage Amount (e)	Original Cost Less Salvage (f)	Book Depreciation Reserve (g)	Net Original Cost Less Salvage (h)	A.S.L./ Survivor Curve (i)	Average Remaining Life (j)	Annual Depreciation Accrual (k)	Annual Deprecation Rate (l)
	Total Account 397 - Communication Equip.	3,104,808.22									
398.00	Miscellaneous Equipment	58,768.55									
	Total General	29,895,057.53	0.0%	(167,060.87)	22,245,226.34	71,999.10	95,061.77			5,223.17	0.02%
	Sub-Total (General Plant) Amortization	**7,816,892.06**		**0.00**	**0.00**	**0.00**	**0.00**			**0.00**	**0.00%**
	Total Depreciation Electric Plant in Servic	1,213,018,682.16	-14.7%	(177,763,697.16)	1,382,965,487.26	40,733,912.07	137,029,785.09			3,771,374.22	0.31%
	NON-DEPRECIABLE PLANT										
303.00	Miscellaneous Intangible Plant	3,579,988.93									
	LAND & LAND RIGHTS										
310.00	Land & Land Rights	1,018,686.73									
340.00	Land & Land Rights	66,533.17									
350.10	Transmission Land	1,640,330.13									
360.10	Distribution Land	2,066,133.43									
389.00	Land & Land Rights	8,136.70									
	Total Land and Land Rights	4,799,820.16									
	Total Non-Depreciable Plant	8,379,809.09									
	TOTAL Electric Plant in Service	1,221,398,491.25									

(1) Life Span Method Utiized. Interim Retirement Rate. Service Lives Vary.
(2) Fully Depreciated. No Further Depreciation To Be Accrued

Montana-Dakota Utilties
Electric Division

Original Cost Per Company Books, Adjustments, And
Original Cost Per Depreciation Study of December 31, 2014

Account No. (a)	Description (b)	Original Cost Per Co. Books 12/31/14 (c)	(Pending) Retirements (d)	Original Cost Per Depr Study Data 12/31/14 (e)
	DEPRECIABLE PLANT			
	STEAM PLANT			
311.00	Structures and Improvements	72,963,295.11		72,963,295.11
312.00	Boiler Plant Equipment	212,016,956.85		212,016,956.85
314.00	Turbogenerator Units	84,045,941.49		84,045,941.49
315.00	Accessory Electric Equipment	19,746,819.99		19,746,819.99
316.00	Miscellaneous Power Plant Equipment	17,600,677.82		17,600,677.82
	Total Steam Production Plant	406,373,691.26	0.00	406,373,691.26
	OTHER PRODUCTION PLANT			
341.10	Structures and Improvements	667,455.25		667,455.25
341.20	Structures and Improvements-Wind Farm	6,163,220.17		6,163,220.17
342.00	Fuel Holders, Producers and Accessories	2,722,005.56		2,722,005.56
344.10	Generators	96,085,719.15		96,085,719.15
344.20	Generators-Wind Farm	84,200,594.36		84,200,594.36
345.10	Accessory Electric Equipment	1,385,589.69		1,385,589.69
345.20	Accessory Electric Equipment-Wind Farm	14,261,599.76		14,261,599.76
346.10	Miscellaneous Power Plant Equipment	1,202,813.49		1,202,813.49
346.20	Miscellaneous Power Plant Equip-Wind Farm	119,099.40		119,099.40
	Total Other Production Plant	206,808,096.83	0.00	206,808,096.83
	TRANSMISSION PLANT			
350.20	Land Rights	2,886,549.57		2,886,549.57
352.00	Structures and Improvements	1,788.84		1,788.84
353.00	Station Equipment	118,690,876.31		118,690,876.31
354.00	Towers and Fixtures	4,992,886.12		4,992,886.12
355.00	Poles and Fixtures	56,953,022.86		56,953,022.86
356.00	Overhead Conductors and Devices	39,782,196.20		39,782,196.20
357.00	Underground Conduit	1,947,009.53		1,947,009.53
358.00	Underground Conductors and Devices	3,101,857.38		3,101,857.38
	Total Transmission Plant	228,356,186.81	0.00	228,356,186.81
	DISTRIBUTION PLANT			
360.20	Rights of Ways	888,926.36		888,926.36
362.00	Station Equipment	57,279,819.93		57,279,819.93
364.00	Poles, Towers & Fixtures	37,559,743.53		37,559,743.53
365.00	Overhead Conductor & Devices	28,926,832.34		28,926,832.34
366.00	Underground Conduit	218,152.57		218,152.57
367.00	Underground Conductor & Devices	91,879,419.14		91,879,419.14
368.00	Line Transformers	64,877,478.16		64,877,478.16
	Services			
369.10	Services - Overhead	4,548,918.49		4,548,918.49
369.20	Services - Underground	28,517,306.60		28,517,306.60
	Total Account 369 -Services	33,066,225.09	0.00	33,066,225.09

Montana-Dakota Utilties
Electric Division

Original Cost Per Company Books, Adjustments, And
Original Cost Per Depreciation Study of December 31, 2014

Account No. (a)	Description (b)	Original Cost Per Co. Books 12/31/14 (c)	(Pending) Retirements (d)	Original Cost Per Depr Study Data 12/31/14 (e)
370.00	Meters	16,972,527.04		16,972,527.04
371.00	Installation on customers Premises	2,742,626.49		2,742,626.49
373.00	Street Lighting System	7,173,899.08		7,173,899.08
	Total Distribution	341,585,649.73	0.00	341,585,649.73
	GENERAL PLANT			
390.00	Structures & Improvements	835,304.37		835,304.37
	Office Furniture & Equipment			
391.10	Office Furniture & Equipment	149,332.09		149,332.09
391.20	Computer Equipment - Honeywell	-		0.00
391.30	Computer Equipment - PC	289,843.74		289,843.74
391.40	Computer Equipment - Prime	260,801.06		260,801.06
391.50	Computer Equipment - Other	22,521.71		22,521.71
	Total Account 391 - Office Furniture & Equip.	722,498.60	0.00	722,498.60
	Transportation Equipment			
392.10	Transportation Equipment - Non Utilized	972,407.75		972,407.75
392.20	Transportation Equipment	6,980,855.35		6,980,855.35
	Total Account 392 - Transportation Equip.	7,953,263.10	0.00	7,953,263.10
393.00	Stores Equipment	14,773.68		14,773.68
394.10	Tools, Shop & garage Equipment	3,368,461.36		3,368,461.36
395.00	Laboratory Equipment	547,581.65		547,581.65
	Power Operated Equipment			
396.10	Trailers-Work Equipment	469,900.31		469,900.31
396.20	Power Operated Equipment	12,819,697.69		12,819,697.69
	Total Account 396 - Power Operated Equip.	13,289,598.00	0.00	13,289,598.00
	Communication Equipment			
397.10	Radio Communication Equip. - Fixed	142,921.42		142,921.42
397.20	Radio Communication Equip. - Mobile	25,791.37		25,791.37
397.30	General Telephone Communication Eq.	174,530.71		174,530.71
397.40	Carrier Current Communication Eq.	211,475.34		211,475.34
397.50	Supervisory & Telemetering Equipment	146,307.35		146,307.35
397.60	SCADA System	994,800.10		994,800.10
397.80	Network Equipment	1,191,261.01		1,191,261.01
397.90	Transfer Trip Communication Equipment	217,720.92		217,720.92
	Total Account 397 - Communication Equip.	3,104,808.22	0.00	3,104,808.22
398.00	Miscellaneous Equipment	58,768.55		58,768.55
	Total General	29,895,057.53	0.00	29,895,057.53

Montana-Dakota Utilties
Electric Division

Original Cost Per Company Books, Adjustments, And
Original Cost Per Depreciation Study of December 31, 2014

Account No.	Description	Original Cost Per Co. Books 12/31/14	(Pending) Retirements	Original Cost Per Depr Study Data 12/31/14
(a)	(b)	(c)	(d)	(e)
	Sub-Total (General Plant) Amortization	**7,816,892.06**	**0.00**	**7,816,892.06**
	Total Depreciation Electric Plant in Service	1,213,018,682.16	0.00	1,213,018,682.16
	NON-DEPRECIABLE PLANT			
303.00	Miscellaneous Intangible Plant	$3,579,988.93		3,579,988.93
	LAND & LAND RIGHTS			
310.00	Land & Land Rights	1,018,686.73		1,018,686.73
340.00	Land & Land Rights	66,533.17		66,533.17
350.10	Transmission Land	1,640,330.13		1,640,330.13
360.10	Distribution Land	2,066,133.43		2,066,133.43
389.00	Land & Land Rights	8,136.70		8,136.70
	Total Land and Land Rights	4,799,820.16	0.00	4,799,820.16
	Total Non-Depreciable Plant	8,379,809.09	0.00	8,379,809.09
	TOTAL Electric Plant in Service	1,221,398,491.25	0.00	1,221,398,491.25
317.00	ARO	154,901.27		154,901.27
347.00	ARO	3,142,676.38		3,142,676.38
359.00	ARO	796.74		796.74
374.00	ARO	39,748.27		39,748.27
	Total Including ARO	1,224,736,613.91		1,224,736,613.91

Montana-Dakota Utilties
Electric Division

Summary of Book Depreciation Reserve Relative To Original Cost of Utility Plant in Service, Adjustments, And Depreciation Reserves Per Depreciation Study as of December 31, 2014

Account No. (a)	Description (b)	Depr Reserve Per Books 12/31/14 (c)	(Pending) Retirements (d)	Depr Reserve Per Depr Study 12/31/14 (d)
	DEPRECIABLE PLANT			
	STEAM PLANT			
311.00	Structures and Improvements	39,069,921.80		39,069,921.80
312.00	Boiler Plant Equipment	122,432,189.31		122,432,189.31
314.00	Turbogenerator Units	34,744,551.42		34,744,551.42
315.00	Accessory Electric Equipment	11,808,235.51		11,808,235.51
316.00	Miscellaneous Power Plant Equipment	9,192,738.43		9,192,738.43
	Total Steam Production Plant	217,247,636.47	0.00	217,247,636.47
	OTHER PRODUCTION PLANT			
341.10	Structures and Improvements	1,753,936.34		1,753,936.34
341.20	Structures and Improvements-Wind Farm			
342.00	Fuel Holders, Producers and Accessories	331,854.14		331,854.14
344.10	Generators	37,392,054.14		37,392,054.14
344.20	Generators-Wind Farm	0.00		0.00
345.10	Accessory Electric Equipment	4,251,442.96		4,251,442.96
345.20	Accessory Electric Equipment-Wind Farm			
346.10	Miscellaneous Power Plant Equipment	73,497.15		73,497.15
346.20	Miscellaneous Power Plant Equip-Wind Farm			
	Total Other Production Plant	43,802,784.73	0.00	43,802,784.73
	TRANSMISSION PLANT			
350.20	Land Rights	1,820,389.25		1,820,389.25
352.00	Structures and Improvements	1,667.31		1,667.31
353.00	Station Equipment	45,642,361.51		45,642,361.51
354.00	Towers and Fixtures	3,019,293.51		3,019,293.51
355.00	Poles and Fixtures	23,658,507.18		23,658,507.18
356.00	Overhead Conductors and Devices	18,259,140.56		18,259,140.56
357.00	Underground Conduit	238,511.46		238,511.46
358.00	Underground Conductors and Devices	385,125.55		385,125.55
	Total Transmission Plant	93,024,996.33	0.00	93,024,996.33
	DISTRIBUTION PLANT			
360.20	Rights of Ways	591,839.50		591,839.50
362.00	Station Equipment	18,763,338.94		18,763,338.94
364.00	Poles, Towers & Fixtures	20,178,372.87		20,178,372.87
365.00	Overhead Conductor & Devices	17,194,206.61		17,194,206.61
366.00	Underground Conduit	101,554.95		101,554.95
367.00	Underground Conductor & Devices	26,779,597.54	0.00	26,779,597.54
368.00	Line Transformers	22,290,988.48		22,290,988.48
	Services			
369.10	Services - Overhead	4,000,761.71		4,000,761.71
369.20	Services - Underground	18,164,247.56		18,164,247.56
	Total Account 369 -Services	22,165,009.27	0.00	22,165,009.27
370.00	Meters	-374,451.92		-374,451.92
371.00	Installation on customers Premises	1,081,412.40		1,081,412.40
373.00	Street Lighting System	4,250,138.57		4,250,138.57
	Total Distribution	133,022,007.21	0.00	133,022,007.21
	GENERAL PLANT			
390.00	Structures & Improvements	418,774.19		418,774.19

Montana-Dakota Utilties
Electric Division

Summary of Book Depreciation Reserve Relative To Original Cost of Utility Plant in Service, Adjustments, And Depreciation Reserves Per Depreciation Study as of December 31, 2014

Account No. (a)	Description (b)	Depr Reserve Per Books 12/31/14 (c)	(Pending) Retirements (d)	Depr Reserve Per Depr Study 12/31/14 (d)
	Office Furniture & Equipment			
391.10	Office Furniture & Equipment	31,436.59		31,436.59
391.20	Computer Equipment - Honeywell	0.00		0.00
391.30	Computer Equipment - PC	96,931.83		96,931.83
391.40	Computer Equipment - Prime	169,046.75		169,046.75
391.50	Computer Equipment - Other	4,891.36		4,891.36
	Total Account 391 - Office Furniture & Equip.	302,306.53	0.00	302,306.53
	Transportation Equipment			
392.10	Transportation Equipment - Non Utilized	605,270.23		605,270.23
392.20	Transportation Equipment	3,274,743.69		3,274,743.69
	Total Account 392 - Transportation Equip.	3,880,013.92	0.00	3,880,013.92
393.00	Stores Equipment	8,767.52		8,767.52
394.10	Tools, Shop & garage Equipment	1,064,612.67		1,064,612.67
395.00	Laboratory Equipment	307,523.29		307,523.29
	Power Operated Equipment			
396.10	Trailers-Work Equipment	175,739.74		175,739.74
396.20	Power Operated Equipment	4,251,929.38		4,251,929.38
	Total Account 396 - Power Operated Equip.	4,427,669.12	0.00	4,427,669.12
	Communication Equipment			
397.10	Radio Communication Equip. - Fixed	33,053.13		33,053.13
397.20	Radio Communication Equip. - Mobile	5,883.27		5,883.27
397.30	General Telephone Communication Eq.	62,109.03		62,109.03
397.40	Carrier Current Communication Eq.	82,197.65		82,197.65
397.50	Supervisory & Telemetering Equipment	74,385.47		74,385.47
397.60	SCADA System	499,055.69		499,055.69
397.80	Network Equipment	782,838.75		782,838.75
397.90	Transfer Trip Communication Equipment	122,117.22		122,117.22
	Total Account 397 - Communication Equip.	1,661,640.21	0.00	1,661,640.21
398.00	Miscellaneous Equipment	21,583.60		21,583.60
	Total General	12,092,891.05	0.00	12,092,891.05
	Sub-Total (General Plant) Amortization	**3,366,433.82**	**0.00**	**3,366,433.82**
	Total Depreciation Electric Plant in Service	499,190,315.79	0.00	499,190,315.79
	NON-DEPRECIABLE PLANT			
303.00	Miscellaneous Intangible Plant	1,403,481.89		1,403,481.89
	LAND & LAND RIGHTS			
310.00	Land & Land Rights			
340.00	Land & Land Rights			
350.10	Transmission Land			
360.10	Distribution Land			
389.00	Land & Land Rights			
	Total Land and Land Rights	0.00	0.00	0.00
	Total Non-Depreciable Plant	1,403,481.89	0.00	1,403,481.89
	TOTAL Electric Plant in Service	500,593,797.68	-	500,593,797.68

Montana-Dakota Utilties
Electric Division

Summary of Book Depreciation Reserve Relative To Original Cost of Utility Plant in Service, Adjustments, And Depreciation Reserves Per Depreciation Study as of December 31, 2014

Account No. (a)		Description (b)	Depr Reserve Per Books 12/31/14 (c)	(Pending) Retirements (d)	Depr Reserve Per Depr Study 12/31/14 (d)
317.00	ARO		103,134.47		103,134.47
347.00	ARO		720,306.61		720,306.61
359.00	ARO		471.68		471.68
374.00	ARO		34,009.26		34,009.26
	Total Including ARO		501,451,719.70		501,451,719.70

Montana-Dakota Utilties
Electric Division

Summary of Original Cost of Utility Plant in Service as of December 31, 2014 and Present and Proposed Parameters

			Present Parameters					Proposed Parameters						
		Original	Net Salvage		Gross	A.S.L./	Present	Net Salvage		Gross		Life	A.S.L./	Average
Account		Cost	W/ COR	W/O COR	COR	Survivor	Depr	W/ COR	W/O COR	COR	Implicit	Span	Survivor	Remaining
No.	Description	12/31/14	%	%	%	Curve	Rate-%	%	%	%	ASL (Yrs)	(Yrs)	Curve	Life
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)	(l)	(m)	(n)	(o)	(p)
	DEPRECIABLE PLANT													
	STEAM PLANT													
311.00	Structures and Improvements	72,963,295.11	-34.3%	0%	-34.3% (1)	60-L3	2.87%	0.0%	0%	0.0%	27.3 (1)	67.1	63-R2.5	16.6
312.00	Boiler Plant Equipment	212,016,956.85	-17.0%	0%	-17.0% (1)	50-R1	2.46%	0.0%	0%	0.0%	27.5 (1)	64.7	45-R0.5	17.8
314.00	Turbogenerator Units	84,045,941.49	-19.6%	0%	-19.6% (1)	50-R1.5	2.68%	0.0%	0%	0.0%	28.4 (1)	61.5	45-R0.5	21.2
315.00	Accessory Electric Equipment	19,746,819.99	-30.1%	0%	-30.1% (1)	60-R3	1.53%	0.0%	0%	0.0%	36.8 (1)	62.4	50-R2.5	21.8
316.00	Miscellaneous Power Plant Equipment	17,600,677.82	-3.3%	0%	-3.3% (1)	35-R0.5	4.63%	0.0%	0%	0.0%	20.3 (1)	68.9	30-R0.5	12.2
	Total Steam Production Plant	406,373,691.26												
	OTHER PRODUCTION PLANT													
341.10	Structures and Improvements	667,455.25	-47.9%	0%	-48%	40-R2.5	3.46%	0.0%	0%	0.0%	9.9 (1)	43.0	70-R1	8.6
341.20	Structures and Improvements-Wind Farm	6,163,220.17	0.00	0.00	0.00		5.05%	0.0%	0%	0.0%	18.4 (1)	20.0	70-R1	13.4
342.00	Fuel Holders, Producers and Accessories	2,722,005.56	-181.5%	0%	-182%	43-R5	1.30%	0.0%	0%	0.0%	20.3 (1)	43.0	43-R5	21.4
344.10	Generators	96,085,719.15	-10.7%	0%	-11%	43-R5	2.60%	0.0%	0%	0.0%	33.3 (1)	39.4	55-R3	27.6
344.20	Generators-Wind Farm	84,200,594.36	0.0%	0%	0%	20-R4	5.06%	0.0%	0%	0.0%	19.0 (1)	20.0	55-R3	13.6
345.10	Accessory Electric Equipment	1,385,589.69	-7.6%	0%	-8%	30-L4	4.13%	0.0%	0%	0.0%	17.7 (1)	43.0	28-L2	10.9
345.20	Accessory Electric Equipment-Wind Farm	14,261,599.76					5.06%	0.0%	0%	0.0%	18.0 (1)	20.0	28-L2	12.6
346.10	Miscellaneous Power Plant Equipment	1,202,813.49	-26.6%	0%	-27%	40-R3	2.50%	0.0%	0%	0.0%	23.6 (1)	43.0	28-S1	22.6
346.20	Miscellaneous Power Plant Equip-Wind Farm	119,099.40					5.08%	0.0%	0%	0.0%	18.1 (1)	20.0	28-S1	12.8
	Total Other Production Plant	206,808,096.83												
	TRANSMISSION PLANT													
350.20	Land Rights	2,886,549.57	0.0%	0%	0.0%	50-R3	1.30%	0%	0%	0%			50-R3	25.6
352.00	Structures and Improvements	1,788.84	0.0%	0%	0.0%	45-R2	9.46%	0%	0%	0%			45-R2	4.7
353.00	Station Equipment	118,690,876.31	-10.0%	0%	-10.0%	48-R3	1.88%	-10%	0%	-10%			60-R3	45.2
354.00	Towers and Fixtures	4,992,886.12	0.0%	0%	0.0%	55-R5	1.60%	-5%	0%	-5%			55-R5	24.9
355.00	Poles and Fixtures	56,953,022.86	-35.0%	0%	-35.0%	47-R2.5	2.40%	-50%	0%	-50%			50-R3	36.0
356.00	Overhead Conductors and Devices	39,782,196.20	0.0%	20%	-20.0%	50-R2.5	1.19%	-15%	0%	-15%			65-R3	45.2
357.00	Underground Conduit	1,947,009.53	0%	0%	0%	50-R3 es	2.01%	0%	0%	0%			50-R3 est	43.6
358.00	Underground Conductors and Devices	3,101,857.38	0%	0%	0%	50-R3	2.01%	0%	0%	0%			50-R3	43.6
	Total Transmission Plant	228,356,186.81												

Montana-Dakota Utilties
Electric Division

Summary of Original Cost of Utility Plant in Service as of December 31, 2014 and Present and Proposed Parameters

Account No.	Description	Original Cost 12/31/14	Present Parameters: Net Salvage W/ COR %	Present Parameters: Net Salvage W/O COR %	Present Parameters: Gross COR %	Present Parameters: A.S.L./ Survivor Curve	Present Parameters: Present Depr Rate-%	Proposed Parameters: Net Salvage W/ COR %	Proposed Parameters: Net Salvage W/O COR %	Proposed Parameters: Gross COR %	Proposed Parameters: Implicit ASL (Yrs)	Proposed Parameters: Life Span (Yrs)	Proposed Parameters: A.S.L./ Survivor Curve	Proposed Parameters: Average Remaining Life
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)	(l)	(m)	(n)	(o)	(p)
	DISTRIBUTION PLANT													
360.20	Rights of Ways	888,926.36	0.0%	0%	0.0%	50-R2	1.35%	0%	0%	0%			50-R2	26.7
362.00	Station Equipment	57,279,819.93	-20.0%	10%	-30.0%	45-R2.5	1.80%	-5%	0%	-5%			50-R2.5	37.6
364.00	Poles, Towers & Fixtures	37,559,743.53	-70.0%	20%	-90.0%	40-R1.5	4.09%	-95%	5%	-100%			50-R1	37.6
365.00	Overhead Conductor & Devices	28,926,832.34	-70.0%	20%	-90.0%	40-R2	3.91%	-85%	10%	-95%			55-R1	43.3
366.00	Underground Conduit	218,152.57	-10.0%	5%	-15.0%	50-R3	1.88%	0%	0%	0%			50-R3	29.6
367.00	Underground Conductor & Devices	91,879,419.14	-15.0%	0%	-15.0%	34-R2.5	3.15%	-25%	0%	-25%			40-R2	32.0
368.00	Line Transformers	64,877,478.16	0.0%	5%	-5.0%	47-R3	2.22%	-20%	5%	-25%			55-R3	40.8
	Services													
369.10	Services - Overhead	4,548,918.49	-70.0%	5%	-75.0%	30-R2	1.83%	-50%	5%	-55%			37-R1.5	23.1
369.20	Services - Underground	28,517,306.60	-70.0%	5%	-75.0%	40-R4	1.83%	-50%	5%	-55%			45-R3	32.7
	Total Account 369 -Services	33,066,225.09												
370.00	Meters	16,972,527.04	0.0%	0%	0.0%	35-R2	3.44%	-5%	0%	-5%			20-L3	14.9
371.00	Installation on customers Premises	2,742,626.49	-5.0%	20%	-25.0%	19-R1.5	4.72%	-15%	20%	-35%			22-R0.5	15.6
373.00	Street Lighting System	7,173,899.08	-25.0%	15%	-40.0%	36-R2	3.73%	-40%	15%	-55%			43-R1	28.0
	Total Distribution	341,585,649.73												
	GENERAL PLANT												20-R1.5	
390.00	Structures & Improvements	835,304.37	-10.0%	10%	-20.0%	35-R2.5	3.79%	-10%	10%	-20%			29-L2	18.2
	Office Furniture & Equipment													
391.10	Office Furniture & Equipment	149,332.09	0.0%	0%	0.0% (2)	15-R1.5	6.67%	0%	0%	0%	(2)		15-R1.5	N/A
391.20	Computer Equipment - Honeywell	0.00	0.0%	0%	0.0% (2)	7-R4	14.29%	0%	0%	0%	(2)		7-R4	N/A
391.30	Computer Equipment - PC	289,843.74	0.0%	0%	0.0%	5-R3	20.00%	0%	0%	0%	(2)		5-R3	N/A
391.40	Computer Equipment - Prime	260,801.06	0.0%	0%	0.0%	5-L4	20.00%	0%	0%	0%	(2)		5-L4	N/A
391.50	Computer Equipment - Other	22,521.71	0.0%	0%	0.0% (2)	10-L3	10.00%	0%	0%	0%	(2)		10-L3	N/A
	Total Account 391 - Office Furniture & Equip.	722,498.60												

Montana-Dakota Utilties
Electric Division

Summary of Original Cost of Utility Plant in Service as of December 31, 2014 and Present and Proposed Parameters

			Present Parameters					Proposed Parameters						
Account No.	Description	Original Cost 12/31/14	Net Salvage W/ COR %	Net Salvage W/O COR %	Gross COR %	A.S.L./ Survivor Curve	Present Depr Rate-%	Net Salvage W/ COR %	Net Salvage W/O COR %	Gross COR %	Implicit ASL (Yrs)	Life Span (Yrs)	A.S.L./ Survivor Curve	Average Remaining Life
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)	(l)	(m)	(n)	(o)	(p)
	Transportation Equipment													
392.10	Transportation Equipment - Non Utilized	972,407.75	0.0%	0%	0.0%	10-R3	7.99%	0%	0%	0%			15-R4	8.3
392.20	Transportation Equipment	6,980,855.35	20.0%	20%	0.0%	7-R3	7.71%	20%	20%	0%			11-L3	6.0
	Total Account 392 - Transportation Equip.	7,953,263.10												
393.00	Stores Equipment	14,773.68	0.0%	0%	0.0% (2)	30-R2	3.33%	0%	0%	0%	(2)		30-R2	N/A
394.10	Tools, Shop & garage Equipment	3,368,461.36	0.0%	0%	0.0% (2)	20-R2	5.00%	0%	0%	0%	(2)		20-R2	N/A
395.00	Laboratory Equipment	547,581.65	0.0%	0%	0.0% (2)	20-R3	5.00%	0%	0%	0%	(2)		20-R3	N/A
	Power Operated Equipment													
396.10	Trailers-Work Equipment	469,900.31	0.0%	0%	0.0%	20-L3	5.33%	0%	0%	0%			20-L3	11.5
396.20	Power Operated Equipment	12,819,697.69	20.0%	20%	0.0%	15-L4	7.36%	20%	20%	0%			9-L0	8.7
	Total Account 396 - Power Operated Equip.	13,289,598.00												
	Communication Equipment													
397.10	Radio Communication Equip. - Fixed	142,921.42	0.0%	0%	0.0% (2)	15-R3	6.67%	0%	0%	0%	(2)		15-R3	N/A
397.20	Radio Communication Equip. - Mobile	25,791.37	0.0%	0%	0.0% (2)	15-R3	6.67%	0%	0%	0%	(2)		15-R3	N/A
397.30	General Telephone Communication Eq.	174,530.71	0.0%	0%	0.0% (2)	10-R3	10.00%	0%	0%	0%	(2)		10-R3	N/A
397.40	Carrier Current Communication Eq.	211,475.34	0.0%	0%	0.0% (2)	15-R3	6.67%	0%	0%	0%	(2)		15-R3	N/A
397.50	Supervisory & Telemetering Equipment	146,307.35	0.0%	0%	0.0% (2)	10-R1.5	10.00%	0%	0%	0%	(2)		10-R1.5	N/A
397.60	SCADA System	994,800.10	0.0%	0%	0.0% (2)	10-R3	10.00%	0%	0%	0%	(2)		10-R3	N/A
397.80	Network Equipment	1,191,261.01	0.0%	0%	0.0% (2)	5-R3	20.00%	0%	0%	0%	(2)		5-R3	N/A
397.90	Transfer Trip Communication Equipment	217,720.92	0.0%	0%	0.0% (2)	15-R3	6.67%	0%	0%	0%	(2)		15-R3	N/A
	Total Account 397 - Communication Equip.	3,104,808.22												
398.00	Miscellaneous Equipment	58,768.55	0%	0%	0% (2)	25-R3	4.00%	0%	0%	0%	(2)		25-R3	N/A
	Total General	29,895,057.53												
	Sub-Total (General Plant) Amortization	**7,816,892.06**												
	Total Depreciation Electric Plant in Servic	1,213,018,682.16												

Table 5

Montana-Dakota Utilties
Electric Division

Summary of Original Cost of Utility Plant in Service as of December 31, 2014 and Present and Proposed Parameters

			Present Parameters					Proposed Parameters						
Account No.	Description	Original Cost 12/31/14	Net Salvage W/ COR %	Net Salvage W/O COR %	Gross COR %	A.S.L./ Survivor Curve	Present Depr Rate-%	Net Salvage W/ COR %	Net Salvage W/O COR %	Gross COR %	Implicit ASL (Yrs)	Life Span (Yrs)	A.S.L./ Survivor Curve	Average Remaining Life
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)	(l)	(m)	(n)	(o)	(p)
	NON-DEPRECIABLE PLANT													
303.00	Miscellaneous Intangible Plant	3,579,988.93												
	LAND & LAND RIGHTS													
310.00	Land & Land Rights	1,018,686.73												
340.00	Land & Land Rights	66,533.17												
350.10	Transmission Land	1,640,330.13												
360.10	Distribution Land	2,066,133.43												
389.00	Land & Land Rights	8,136.70												
	Total Land and Land Rights	4,799,820.16												
	Total Non-Depreciable Plant	8,379,809.09												
	TOTAL Electric Plant in Service	1,221,398,491.25												

LAND

(1) Life Span Method Utilized. Interim Retirement Rate. Service Lives Vary.

(2) General Plant Amortization

Montana-Dakota Utilities Company
Electric Division

Summary or Original Cost of Utility Plant in Service as of December 31, 2014 and Related Annual Depreciation/Amortization Expense Under Present Rates and Proposed Amortization

Account No.	Description	Original Cost 12/31/14	Present Rates		Proposed Amortization		Net Change Depr/Amort Expense
			Rate %	Annual Accrual	Rate %	Annual Accrual	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	DEPRECIABLE PLANT						
	General Plant						
	GENERAL STRUCTURES						
	OFFICE FURNITURE & EQUIPMENT						
391.10	Office Furniture & Equipment	149,332.09	6.67%	9,955.47	6.67%	9,955.47	0.00
391.20	Computer Equipment - Honeywell	0.00	14.29%	0.00	0.00%	0.00	0.00
391.30	Computer Equipment - PC	289,843.74	20.00%	57,968.75	20.00%	57,968.75	0.00
391.40	Computer Equipment - Prime	260,801.06	20.00%	52,160.21	20.00%	52,160.21	0.00
391.50	Computer Equipment - Other	22,521.71	10.00%	2,252.17	10.00%	2,252.17	0.00
	TOTAL Account 391	722,498.60	16.93%	122,336.60	16.93%	122,336.60	0.00
393.00	Stores Equipment	14,773.68	3.33%	492.46	3.33%	492.46	0.00
394.10	Tools, Shop & Garage Equip. (Non-Unitized)	3,368,461.36	5.00%	168,423.07	5.00%	168,423.07	0.00
395.00	Laboratory Equipment	547,581.65	5.00%	27,379.08	5.00%	27,379.08	0.00
	COMMUNICATION EQUIPMENT						
397.10	Radio Communication Equip. (Fixed)	142,921.42	6.67%	9,528.09	6.67%	9,528.09	0.00
397.20	Radio Communication Equip. (Mobile)	25,791.37	6.67%	1,719.42	6.67%	1,719.42	0.00
397.30	General Telephone Communication Equip.	174,530.71	10.00%	17,453.07	10.00%	17,453.07	0.00
397.40	Carrier Current Communication Equipment	211,475.34	6.67%	14,098.36	6.67%	14,098.36	0.00
397.50	Supervisory & Telemetering Equip.	146,307.35	10.00%	14,630.74	10.00%	14,630.74	0.00
397.60	SCADA System	994,800.10	10.00%	99,480.01	10.00%	99,480.01	0.00
397.80	Network Equipment	1,191,261.01	20.00%	238,252.20	20.00%	238,252.20	0.00
397.90	Transfer Trip Communication Equipment	217,720.92	6.67%	14,514.73	6.67%	14,514.73	0.00
	TOTAL Account 397	3,104,808.22	13.19%	409,676.62	13.19%	409,676.62	0.00
398.00	Miscellaneous Equipment	58,768.55	4.00%	2,350.74	4.00%	2,350.74	0.00
	Sub-Total (General Plant) Amortization	**7,816,892.06**	**9.35%**	**730,658.57**	**9.35%**	**730,658.57**	**0.00**

Montana-Dakota Utilities **Table 7**

Account 391.10 - Office Furniture & Equipment

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Service L **15 Years**

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount
2001	583.49	378.05	205.44	2	38.90
2002	3,821.43	2,292.53	1,528.90	3	254.76
2003	-	-	-	4	-
2004	-	-	-	5	-
2005	14,518.92	6,619.67	7,899.25	6	967.93
2006	-	-	-	7	-
2007	1,255.00	451.73	803.27	8	83.67
2008	-	-	-	9	-
2009	-	-	-	10	-
2010	-	-	-	11	-
2011	129,153.25	21,694.61	107,458.64	12	8,610.22
2012	-	-	-	13	-
2013	-	-	-	14	-
2014	-	-	-	15	-
	149,332.09	31,436.59	117,895.50		9,955.47

Composite Depr. Rate 9,955.47 / 149,332.09 = 6.67%

Montana-Dakota Utilities **Table 7**

Account 391.30 - Computer Equipment - PC

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Service **5 Years**

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount
2010	12,339.81	10,125.23	2,214.58	1	2,467.96
2011	20,329.75	12,974.30	7,355.45	2	4,065.95
2012	19,152.40	8,730.66	10,421.74	3	3,830.48
2013	238,021.78	65,101.64	172,920.14	4	47,604.36
2014	-	-	-	5	-
	289,843.74	96,931.83	192,911.91		57,968.75

Composite Depr. Rate 57,968.75 / 289,843.74 = 20.00%

Montana-Dakota Utilities **Table 7**

Account 391.40 - Computer Equipment - Prime

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Ser **5 Years**

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount
2010	50,101.06	39,580.65	10,520.41	1	10,020.21
2011	210,700.00	129,466.10	81,233.90	2	42,140.00
2012	-	-	-	3	-
2013	-	-	-	4	-
2014	-	-	-	5	-
	260,801.06	169,046.75	91,754.31		52,160.21

Composite Depr. Rate 52,160.21 / 260,801.06 = 20.00%

Montana-Dakota Utilities **Table 7**

Account 391.50 - Computer Equipment - Other

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Service Life **10 Years**

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount
2011	22,521.71	4,891.36	17,630.35	7	2,252.17
2012	-	-	-	8	-
2013	-	-	-	9	-
2014	-	-	-	10	-
	22,521.71	4,891.36	17,630.35		2,252.17

Composite Depr. Rate 2,252.17 / 22,521.71 = 10.00%

Montana-Dakota Utilities **Table 7**

Account 393 - Stores Equipment

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Service l **30 Years**

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount
2003	14,773.68	8,767.52	6,006.16	19	492.46
2004	-	-	-	20	-
2005	-	-	-	21	-
2006	-	-	-	22	-
2007	-	-	-	23	-
2008	-	-	-	24	-
2009	-	-	-	25	-
2010	-	-	-	26	-
2011	-	-	-	27	-
2012	-	-	-	28	-
2013	-	-	-	29	-
2014	-	-	-	30	-
	14,773.68	8,767.52	6,006.16		492.46

Composite Depr. Rate 492.46 / 14,773.68 = 3.33%

Montana-Dakota Utilities **Table 7**

Account 394.1 - Tools, Shop & Garage Equipment (Non-Unitized)

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Service **20 Years**

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount
1996	25,042.68	23,055.98	1,986.70	2	1,252.13
1997	23,606.44	20,558.89	3,047.55	3	1,180.32
1998	65,256.19	53,584.20	11,671.99	4	3,262.81
1999	101,856.07	78,568.73	23,287.34	5	5,092.80
2000	227,170.17	163,926.97	63,243.20	6	11,358.51
2001	130,631.43	87,763.22	42,868.21	7	6,531.57
2002	56,449.12	35,115.46	21,333.66	8	2,822.46
2003	94,065.16	53,834.14	40,231.02	9	4,703.26
2004	96,311.35	50,326.63	45,984.72	10	4,815.57
2005	173,083.61	81,829.64	91,253.97	11	8,654.18
2006	149,117.96	63,078.30	86,039.66	12	7,455.90
2007	119,945.18	44,768.77	75,176.41	13	5,997.26
2008	220,928.33	71,465.41	149,462.92	14	11,046.42
2009	159,728.52	43,719.61	116,008.91	15	7,986.43
2010	267,569.53	59,921.17	207,648.36	16	13,378.48
2011	362,286.71	63,103.23	299,183.48	17	18,114.34
2012	252,486.49	31,412.99	221,073.50	18	12,624.32
2013	353,754.17	26,407.30	327,346.87	19	17,687.71
2014	489,172.25	12,172.03	477,000.22	20	24,458.61
	3,368,461.36	1,064,612.67	2,303,848.69		168,423.07

Composite Depr. Rate 168,423.07 / 3,368,461.36 = 5.00%

Montana-Dakota Utilities **Table 7**

Account 395 - Laboratory Equipment

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Servic **20 Years**

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount
1995	8,223.34	8,223.34	-	1	411.17
1996	27,397.94	27,397.94	-	2	1,369.90
2011	12,209.79	2,556.33	9,653.46	17	610.49
2012	-	-	-	18	-
2013	60,947.40	5,468.74	55,478.66	19	3,047.37
2014	82,565.69	2,469.51	80,096.18	20	4,128.28
	547,581.65	307,523.29	240,058.36		27,379.08

Composite Depr. Rate	27,379.08	/	547,581.65	=	5.00%

Montana-Dakota Utilities **Table 7**

Account 397.10 - Radio Communications Equipment (Fixed)

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Servi 15 Years

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount
2001	3,997.45	3,390.76	606.69	2	266.50
2002	3,164.06	2,485.05	679.01	3	210.94
2003	620.93	448.66	172.27	4	41.40
2004	-	-	-	5	-
2005	-	-	-	6	-
2006	8,169.62	4,363.16	3,806.46	7	544.64
2007	1,110.00	523.08	586.92	8	74.00
2008	-	-	-	9	-
2009	2,401.14	829.78	1,571.36	10	160.08
2010	17,450.39	4,933.99	12,516.40	11	1,163.36
2011	39,332.29	8,649.64	30,682.65	12	2,622.15
2012	20,716.03	3,254.07	17,461.96	13	1,381.07
2013	43,466.42	4,096.62	39,369.80	14	2,897.76
2014	2,493.09	78.32	2,414.77	15	166.21
	142,921.42	33,053.13	109,868.29		9,528.09

Composite Depr. Rate 9,528.09 / 142,921.42 = 6.67%

Montana-Dakota Utilities **Table 7**

Account 397.20 - Radio Communications Equipment (Mobile)

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Servic 15 Years

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount
2009	4,727.90	1,579.87	3,148.03	10	315.19
2010	7,803.18	2,133.42	5,669.76	11	520.21
2011	4,177.39	888.31	3,289.08	12	278.49
2012	7,470.90	1,134.76	6,336.14	13	498.06
2013	1,612.00	146.91	1,465.09	14	107.47
2014	-	-	-	15	-
	25,791.37	5,883.27	19,908.10		1,719.42

Composite Depr. Rate 1,719.42 / 25,791.37 = 6.67%

Montana-Dakota Utilities **Table 7**

Account 397.30 - General Telephone Communication Equipment

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Service L **10 Years**

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount
2009	16,532.35	8,187.28	8,345.07	5	1,653.24
2010	104,173.80	42,209.83	61,963.97	6	10,417.38
2011	24,667.81	7,773.94	16,893.87	7	2,466.78
2012	-	-	-	8	-
2013	29,156.75	3,937.98	25,218.77	9	2,915.68
2014	-	-	-	10	-
	174,530.71	62,109.03	112,421.68		17,453.07

Composite Depr. Rate 17,453.07 / 174,530.71 = 10.00%

Montana-Dakota Utilities **Table 7**

Account 397.40 - Carrier Current Communications Equipment

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Service **15 Years**

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount
2004	25,019.15	17,026.90	7,992.25	5	1,667.94
2005	-	-	-	6	-
2006	-	-	-	7	-
2007	20,594.32	10,011.12	10,583.20	8	1,372.95
2008	35,215.15	14,836.00	20,379.15	9	2,347.68
2009	72,875.12	25,978.60	46,896.52	10	4,858.34
2010	19,123.00	5,577.54	13,545.46	11	1,274.87
2011	38,648.60	8,767.50	29,881.10	12	2,576.57
2012	-	-	-	13	-
2013	-	-	-	14	-
2014	-	-	-	15	-
	211,475.34	82,197.65	129,277.69		14,098.36

Composite Depr. Rate 14,098.36 / 211,475.34 = 6.67%

Montana-Dakota Utilities **Table 7**

Account 397.50 - Supervisory & Telemetering Equipment

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Service **10 Years**

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount
2004	33,165.94	32,221.86	944.08	-	3,316.59
2005	3,326.91	3,070.60	256.31	1	332.69
2006	8,275.46	6,833.91	1,441.55	2	827.55
2007	5,652.50	4,118.70	1,533.80	3	565.25
2008	13,791.22	8,709.12	5,082.10	4	1,379.12
2009	-	-	-	5	-
2010	12,652.72	5,531.65	7,121.07	6	1,265.27
2011	18,580.37	6,318.02	12,262.35	7	1,858.04
2012	4,498.25	1,092.55	3,405.70	8	449.83
2013	43,609.77	6,355.26	37,254.51	9	4,360.98
2014	2,754.21	133.79	2,620.42	10	275.42
	146,307.35	74,385.47	71,921.88		14,630.74

Composite Depr. Rate 14,630.74 / 146,307.35 = 10.00%

Montana-Dakota Utilities **Table 7**

Account 397.60 - SCADA Equipment

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Service l **10 Years**

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount
2004	26,964.08	24,310.18	2,653.90	-	2,696.41
2005	84,588.89	72,450.19	12,138.70	1	8,458.89
2006	149,872.92	114,853.62	35,019.30	2	14,987.29
2007	174,207.14	117,795.80	56,411.34	3	17,420.71
2008	30,597.15	17,930.69	12,666.46	4	3,059.72
2009	30,116.44	14,933.75	15,182.69	5	3,011.64
2010	143,073.65	58,046.33	85,027.32	6	14,307.37
2011	166,431.98	52,517.91	113,914.07	7	16,643.20
2012	10,563.39	2,380.93	8,182.46	8	1,056.34
2013	175,192.29	23,692.39	151,499.90	9	17,519.23
2014	3,192.17	143.90	3,048.27	10	319.22
	994,800.10	499,055.69	495,744.41		99,480.01

Composite Depr. Rate 99,480.01 / 994,800.10 = 10.00%

Montana-Dakota Utilities **Table 7**

Account 397.8 - Network Equipment

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Service **5 Years**

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount
2010	780,439.24	631,373.89	149,065.35	1	156,087.85
2011	80,822.98	50,855.50	29,967.48	2	16,164.60
2012	195,917.50	88,053.83	107,863.67	3	39,183.50
2013	2,798.68	754.71	2,043.97	4	559.74
2014	131,282.61	11,800.82	119,481.79	5	26,256.52
	1,191,261.01	782,838.75	408,422.26		238,252.20

Composite Depr. Rate 238,252.20 / 1,191,261.01 = 20.00%

Montana-Dakota Utilities **Table 7**

Account 397.90 - Transfer Trip Communications Equipment

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Service **15 Years**

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount
2003	52,447.48	37,801.65	14,645.83	4	3,496.50
2004	97,833.56	64,382.15	33,451.41	5	6,522.24
2005	963.09	573.43	389.66	6	64.21
2006	-	-	-	7	-
2007	-	-	-	8	-
2008	4,876.79	1,986.72	2,890.07	9	325.12
2009	-	-	-	10	-
2010	61,600.00	17,373.27	44,226.73	11	4,106.67
2011	-	-	-	12	-
2012	-	-	-	13	-
2013	-	-	-	14	-
2014	-	-	-	15	-
	217,720.92	122,117.22	95,603.70		14,514.73

Composite Depr. Rate 14,514.73 / 217,720.92 = 6.67%

Montana-Dakota Utilities **Table 7**

Account 398.0 - Miscellaneous Equipment

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Service l **25 Years**

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount
1994	3,751.58	3,469.19	282.39	5	150.06
1995		-	-	6	-
1996	11,912.64	9,941.23	1,971.41	7	476.51
1997	3,603.78	2,844.83	758.95	8	144.15
1998		-	-	9	-
1999	1,312.52	917.69	394.83	10	52.50
2000		-	-	11	-
2001	1,218.60	742.09	476.51	12	48.74
2002		-	-	13	-
2003		-	-	14	-
2004		-	-	15	-
2005		-	-	16	-
2006		-	-	17	-
2007		-	-	18	-
2008	5,493.81	1,610.82	3,882.99	19	219.75
2009		-	-	20	-
2010		-	-	21	-
2011		-	-	22	-
2012		-	-	23	-
2013	29,879.52	2,021.74	27,857.78	24	1,195.18
2014	1,596.10	36.00	1,560.10	25	63.84
	58,768.55	21,583.60	37,184.95		2,350.74

Composite Depr. Rate 2,350.74 / 58,768.55 = 4.00%

SECTION 3

MONTANA-DAKOTA UTILITIES

Electric Division

General

This report sets forth the results of our study of the depreciable property of Montana-Dakota Utilities - Electric (MDU or the Company) as of December 31, 2014 and contains the basic parameters (recommended average service lives and life characteristics) for the proposed average remaining life depreciation rates. All average service lives set forth in this report are developed based upon plant in service as of December 31, 2014.

The scope of the study included an analysis of MDU's historical data through December 31, 2014, discussions with Company management and staff to identify prior and prospective factors affecting the Company's plant in service, as well as interpretation of past service life data experience and future life expectancies to determine the appropriate average service lives of the Company's surviving plant. The service lives and life characteristics resulting from the in-depth study were utilized together with the Company's plant in service and book depreciation reserve to determine the recommended Average Remaining Life (ARL) depreciation rates for the Company's plant in service as of December 31, 2014.

In preparing the study, the Company's historical investment data were studied using various service life analysis techniques. Further, discussions were held with the MDU's management to obtain an overview of the Company's facilities and to discuss

the general scope of operations together with other factors which could have a bearing on the service lives of the Company's property.

The Company maintains property records containing a summary of its fixed capital investments by property account. This investment data was analyzed and summarized by property group and/or sub group and vintage then utilized as a basis for the various depreciation calculations.

Depreciation Study Overview

There are numerous methods utilized to recover property investment depending upon the goal. For example, accelerated methods such as double declining balance and sum of years digits are methods used in tax accounting to motivate additional investments. Broad Group (BG) and Equal Life Group (ELG) are both Straight Line Grouping Procedures recognized and utilized by various regulatory jurisdictions depending upon the policy of the specific agency.

The Straight Line Group Method of depreciation utilized in this study to develop the recommended depreciation rates is the Broad Group Procedure together with the Average Remaining Life Technique.

The distinction between the Whole Life and Remaining Life Techniques is that under the Whole Life Technique, the depreciation rate is based on the recovery of the investment and average net salvage over the average service life of the property group. In comparison, under the Average Remaining Life Technique, the resulting annual depreciation rate incorporates the recovery of the investment (and future net salvage) less any recovery experienced to date over the average remaining life of the property group.

That is, the Average Remaining Life technique is based upon recovering the net book cost (original cost less book reserve) of the surviving plant in service over its estimated remaining useful life. Any variance between the book reserve and an implied theoretical calculated reserve is compensated for under this procedure. As the Company's book reserve increases above or declines below the theoretical reserve at a specific point in time, the Company's average remaining life depreciation rate in subsequent years will be increased or decreased to compensate for the variance, thereby, assuring full recovery of the Company's investment by the end of the property's life.

The Company, like any other business, includes as an annual operating expense an amount which reflects a portion of the capital investment which was consumed in providing service during the accounting period. The annual depreciation amount to be recognized is based upon the remaining productive life over which the un-depreciated capital investment needs to be recovered. The determination of the productive remaining life for each property group usually includes an in-depth study of past experience in addition to estimates of future expectations.

Annual Depreciation Accrual

Through the utilization of the Average Remaining Life Technique, the Company will recover the un-depreciated fixed capital investment in the appropriate amounts as annual depreciation expense in each year throughout the remaining life of the property. The procedure incorporates the future life expectancy of the property, the vintaged surviving plant in service, and estimated net salvage, together with the book depreciation reserve balance to develop the annual depreciation rate for each property

account. Accordingly, the ARL technique meets the objective of providing a straight line recovery of the un-depreciated fixed capital property investment.

The use of the Average Remaining Life Technique results in charging the appropriate annual depreciation amounts over the remaining life of the property to insure full recovery by the end of the life of the property. The annual expense is calculated on a Straight Line Method rather than by the previously mentioned, “sum of the years digits” or “double declining balance” methods, etc. The "group" refers to the method of calculating annual depreciation on the summation of the investment in any one depreciable group or plant account rather than calculating depreciation for each individual unit.

Under Broad Group Depreciation some units may be over depreciated and other units may be under depreciated at the time when they are retired from service, but overall, the account is fully depreciated when average service life is attained. By comparison, Equal Life Group depreciation rates are designed to fully accrue the cost of the asset group by the time of retirement. For both the Broad Group and Equal Life Group Procedures the full cost of the investment is credited to plant in service when the retirement occurs and likewise the depreciation reserve is debited with an equal retirement cost. No gain or loss is recognized at the time of property retirement because of the assumption that the retired property was at average service life.

Group Depreciation Procedures

Group depreciation procedures are utilized to depreciate property when more than one item of property is being depreciated. Such a procedure is appropriate because all of the items within a specific group typically do not have identical service

lives, but have lives which are dispersed over a range of time. Utilizing a group depreciation procedure allows for a condensed application of depreciation rates to groups of similar property in lieu of extensive depreciation calculations on an item by item basis. The two more common group depreciation procedures are the Broad Group (BG) and Equal Life Group (ELG) approach.

In developing depreciation rates using the Broad Group procedure, the annual depreciation rate is based on the average life of the overall property group, which is then applied to the group's surviving original cost investment. A characteristic of this procedure is that retirements of individual units occurring prior to average service life will be under depreciated, while individual units retired after average service life will be over depreciated when removed from service, but overall, the group investment will achieve full recovery by the end of the life of the total property group. That is, the under recovery occurring early in the life of the account is balanced by the over recovery occurring subsequent to average service life. In summary, the cost of the investment is complete at the end of the property's life cycle, but the rate of recovery does not match the consumption pattern which was used to provide service to the company's customers.

Under the average service life procedure, the annual depreciation rate is calculated by the following formula:

$$\text{Annual Accrual Rate, Percent} = \frac{100\% - \text{Salvage}}{\text{Average Service Life}} \times 100$$

The application of the broad group procedure to life span groups results in each vintage investment having a different average service life. This circumstance exists because the concurrent retirement of all vintages at the anticipated retirement year

results in truncating and, therefore, restricting the life of each successive year's vintage investment. An average service life is calculated for each vintage investment in accordance with the above formula. Subsequently, a composite service life and depreciation rate is calculated relative to all vintages within the property group by weighting the life for each vintage by the related surviving vintage investment within the group.

In the Equal Life Group, the property group is subdivided, through the use of plant life tables, into equal life groups. In each equal life group, portions of the overall property group includes that portion which experiences the life of the specific sub-group. The relative size of each sub-group is determined from the overall group life characteristic (property dispersion curve). This procedure both overcomes the disadvantage of voluminous record requirements of unit depreciation, as well as eliminates the need to base depreciation on overall lives as required under the broad group procedure. The application of this procedure results in each sub-group of the property having a single life. In this procedure, the full cost of short lived units is accrued during their lives leaving no under accruals to be recovered by over accruals on long lived plant. The annual depreciation for the group is the summation of the depreciation accruals based on the service life of each Equal Life Group.

The ELG Procedure is viewed as being the more definitive procedure for identifying the life characteristics of utility property and as a basis for developing service lives and depreciation rates, nevertheless, the Broad Group procedure is more widely utilized throughout the utility industry by regulatory commissions as a basis for depreciation rates. That is, the ELG Procedure is more definitive because it allocates

the capital cost of a group property to annual expense in accordance with the consumption of the property group providing service to customers. In this regard, the company's customers are more appropriately charged with the cost of the property consumed in providing them service during the applicable service period. The more timely return of plant cost is accomplished by fully accruing each unit's cost during its service life, thereby not only reducing the risk of incomplete cost recovery, but also resulting in less return on rate base over the life of a depreciable group. The total depreciation expense over the life of the property is the same for all procedures which allocate the full capital cost to expense, but at any specific point in time, the depreciated original cost is less under the ELG procedure than under the BG procedure. This circumstance exists because under the equal life group procedure, the rate base is not maintained at a level of greater than the future service value of the surviving plant as is the case when using the average service life procedure. Consequently, the total return required from the ratepayers is less under the ELG procedure.

While the Equal Life Group procedure has been known to depreciation experts for many years, widespread interest in applying the procedure developed only after high speed electronic computers became available to perform the large volume of arithmetic computations required in developing ELG based depreciation lives and rates. The table on the following page illustrates the procedure for calculating equal life group depreciation accrual rates and summarizes the results of the underlying calculations. Depreciation rates are determined for each age interval (one year increment) during the life of a group of property which was installed in a given year or vintage group. The age of the vintage group is shown in column (A) of the ELG table. The percent surviving at

XYZ UTILITY COMPANY

CALCULATION OF ASL, ARL AND ACCRUED DEPRECIATION FACTORS — Table 8

BASED UPON AN NEW YORK STATE (KIMBALL) h3.00 CURVE USING THE EQUAL LIFE GROUP (ELG) PROCEDURE

							EQUAL LIFE GROUP PROCEDURE			
AGE AT BEGIN OF INTERVAL	LIFE TABLE BEGIN OF INTERVAL	RETIREMENT DURING INTERVAL	AVERAGE SURVIVING	AGE OF AMOUNT RETIRED	AMOUNT FOR EACH LIFE GROUP	AMOUNT FOR REMAINING LIFE GROUPS	AVERAGE SERVICE LIFE	AVERAGE REMAINING LIFE	ELG/ARL DEPR RATE	ACCRUED DEPR RES FACTOR
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
0.0	1.0000000	0.0006400	0.9996800	0.25	0.0006400	0.0587873	8.50	8.50	11.76	0.0000000
0.5	0.9993600	0.0029600	0.9978800	1.0	0.0029600	0.1148146	8.69	8.19	11.51	0.0575293
1.5	0.9964000	0.0064000	0.9932000	2.0	0.0032000	0.1117346	8.89	7.39	11.25	0.1687494
2.5	0.9900000	0.0126200	0.9836900	3.0	0.0042067	0.1080313	9.11	6.61	10.98	0.2745562
3.5	0.9773800	0.0227600	0.9660000	4.0	0.0056900	0.1030830	9.37	5.87	10.67	0.3734890
4.5	0.9546200	0.0375500	0.9358450	5.0	0.0075100	0.0964830	9.70	5.20	10.31	0.4639372
5.5	0.9170700	0.0566100	0.8887650	6.0	0.0094350	0.0880105	10.10	4.60	9.90	0.5446406
6.5	0.8604600	0.0780600	0.8214300	7.0	0.0111514	0.0777172	10.57	4.07	9.46	0.6149789
7.5	0.7824000	0.0984200	0.7331900	8.0	0.0123025	0.0659903	11.11	3.61	9.00	0.6750325
8.5	0.6839800	0.1134200	0.6272700	9.0	0.0126022	0.0535379	11.72	3.22	8.54	0.7254808
9.5	0.5705600	0.1195400	0.5107900	10.0	0.0119540	0.0412598	12.38	2.88	8.08	0.7673764
10.5	0.4510200	0.1151700	0.3934350	11.0	0.0104700	0.0300478	13.09	2.59	7.64	0.8019165
11.5	0.3358500	0.1014600	0.2851200	12.0	0.0084550	0.0205853	13.85	2.35	7.22	0.8302857
12.5	0.2343900	0.0817300	0.1935250	13.0	0.0062869	0.0132143	14.65	2.15	6.83	0.8535298
13.5	0.1526600	0.0601800	0.1225700	14.0	0.0042986	0.0079216	15.47	1.97	6.46	0.8724942
14.5	0.0924800	0.0405200	0.0722200	15.0	0.0027013	0.0044216	16.33	1.83	6.12	0.8877583
15.5	0.0519600	0.0249500	0.0394850	16.0	0.0015594	0.0022913	17.23	1.73	5.80	0.8994571
16.5	0.0270100	0.0140400	0.0199900	17.0	0.0008259	0.0010987	18.19	1.69	5.50	0.9068526
17.5	0.0129700	0.0072300	0.0093550	18.0	0.0004017	0.0004849	19.29	1.79	5.18	0.9070652
18.5	0.0057400	0.0000000	0.0057400	19.0	0.0000000	0.0002841	20.21	1.71	4.95	0.9155172
19.5	0.0057400	0.0048600	0.0033100	20.0	0.0002430	0.0001626	20.36	0.86	4.91	0.9576667
20.5	0.0008800	0.0005800	0.0005900	21.0	0.0000276	0.0000272	21.65	1.15	4.62	0.9467615
21.5	0.0003000	0.0002000	0.0002000	22.0	0.0000091	0.0000089	22.49	0.99	4.45	0.9560277
22.5	0.0001000	0.0001000	0.0000500	23.0	0.0000043	0.0000022	23.00	0.50	4.35	0.9782609
23.5	0.0000000	0.0000000	0.0000000	24.0	0.0000000	0.0000000				
		1.0000000				1.0000000				

the beginning of each age interval is determined from the Iowa 10-R3 survivor curve which is set forth in column (B). The percent retired during each age interval, as shown in column (C), is the difference between the percent surviving at successive age intervals. Accordingly, the percentage amount of the vintage group retired defines the size of each equal life group. For example, during the interval 3 1/2 to 4 1/2, 1.93690 percent of the vintage group is retired at an average age of four years. In this case, the 1.93690 percent of the group experiences an equal life of four years. Likewise, 3.00339 percent is retired during the interval 4 1/2 to 5 1/2 and experiences a service life of five years. Furthermore, 4.42969 percent experiences a six-year life; etc. Calculations are made for each age interval from the zero age interval through the end of the life of the vintage group. The average service life for each age interval's equal life group is shown in column (E) of the table.

The amount to be accrued annually for each equal life group is equal to the percentage retired in the equal life group divided by its service life. In as much as additions retirements are assumed, for calculation purposes, to occur at midyear only one-half of the equal life group's annual accrual is allocated to expense during its first and last years of service life. The accrual amount for the property retired during age interval 0 to .5 must be equal to the amount retired to insure full recovery of that component during that period. The accruals for each equal life group during the age intervals of the vintage group's life cycle are shown in column (F). The total accrual for a given year is the summation of the equal life group accruals for that year. For example, the total accrual for the second year, as shown in column (G), is 11.31019 percent and is the sum of all succeeding years remaining equal life group accruals plus

one half of the current years life group accrual listed in column (F). For the zero age interval year the total accrual is equal to one half of the sum of all succeeding years remaining equal life accruals plus the amount for the zero interval equal life group accrual. The one half year accrual for the zero age interval is consistent with the half year convention relative to property during its installation year. The sum of the annual accruals for each age interval contained in column (G) total to 1.000 demonstrating that the developed rates will recover 100% of plant no more and no less. The annual accrual rate which will result in the accrual amount is the ratio of the accrual amount (11.31019 percent) to the average percent surviving during the interval, column (D), (99.74145 percent), which is a rate of 11.34% (column J). Column (J) contains a summary of the accrual rates for each age interval of the property groups life cycle based upon an Iowa 10-R3 survivor curve.

Remaining Life Technique

As previously noted, while I prefer the Average Remaining Life Technique (because it considers all factors in developing the applicable depreciation rates) the NY Commission and its staff have indicated that the Whole Life depreciation Technique should be used to develop depreciation rates other than for Electric generating facilities.

In the Average Remaining Life depreciation technique, the annual accrual is calculated according to the following formula where, (A) the annual depreciation for each group equals, (D) the depreciable cost of plant less (U) the accumulated provision for depreciation less (S) the estimated future net salvage, divided by (R) the composite remaining life of the group:

$$A = \frac{D - U - S}{R}$$

The annual accrual rate (a) is expressed as a percentage of the depreciable plant balance by dividing the equation by (D) the depreciable cost of plant times 100:

$$(a) = \frac{D - U - S}{R} \times \frac{1}{D} \times 100$$

As further indicated by the equation, the accumulated provision for depreciation by vintage is required in order to calculate the remaining life depreciation rate for each property group. In practice, most often such detail is not available; therefore, composite remaining lives are determined for each depreciable group, (i.e., property account).

The remaining life for a depreciable group is calculated by first determining the remaining life for each vintage year in which there is surviving investment. This is accomplished by solving the area under the survivor curve selected to represent the average life and life characteristic of the property account. The remaining life for each vintage is determined by dividing (D) the depreciable cost of each vintage, by (L) its average service life, and multiplying this ratio by its average remaining life (E). The composite remaining life of the group (R) equals the sums of products divided by the sum of the quotients:

$$\text{R Group} = \frac{\sum \frac{D/L \times E}{}}{\sum D/L}$$

The accumulated provision for depreciation, which was the basis for developing the composite average remaining life accrual and annual depreciation rate for each property account as per this report, was obtained from the Company's books and records.

Salvage

Net salvage is the difference between gross salvage, or what is received when an

asset is disposed of, and the cost of removing it from service. Salvage experience is normally included with the depreciation rate so that current accounting periods reflect a proportional share of the ultimate abandonment and removal cost or salvage received at the end of the property service life. Net salvage is said to be positive if gross salvage exceeds the cost of removal, but if cost of removal exceeds gross salvage the result is then negative salvage.

The cost of removal includes such costs as demolishing, dismantling, tearing down, disconnecting or otherwise removing plant, as well as normal environmental clean up costs associated with the property. Salvage includes proceeds received for the sale of plant and materials or the return of equipment to stores for reuse.

Net salvage experience is studied for a period of years to determine the trends which have occurred in the past. These trends are considered together with any changes that are anticipated in the future to determine the future net salvage factor for remaining life depreciation purposes. The net salvage percentage is determined by relating the total net positive or negative salvage to the book cost of the property investment.

Many retired assets generate little, if any, positive salvage. Instead, many of the Company's asset property groups generate negative net salvage at end of their life as a result of the cost of removal (retirement).

The method used to estimate the retirement cost is a standard analysis approach which is used to identify a company's historical experience with regard to what the end of life cost will be relative to the cost of the plant when first placed into service. This information, along with knowledge about the average age of the historical

retirements that have occurred to date, enables the depreciation professional to estimate the level of retirement cost that will be experienced by the Company at the end of each property group's useful life. The study methodology utilized has been extensively set forth in depreciation textbooks and has been the accepted practice by depreciation professionals for many decades. Furthermore, the cost of removal analysis approach is the current standard practice used for mass assets by essentially all depreciation professionals in estimating future net salvage for the purpose of identifying the applicable depreciation for a property group. There is a direct relationship to the installation of specific plant in service and its corresponding removal in that the installation is its beginning of life cost while the removal is its end of life cost. Also, it is important to note that average remaining life based depreciation rates incorporate future net salvage which is routinely more representative of recent versus long-term past average net salvage.

The Company's historical net salvage experience was analyzed to identify the historical net salvage factor for each applicable property group. This analysis routinely identifies that historical retirements have occurred at average ages significantly prior to the property group's average service life. This occurrence of historical retirements, at an age which is significantly younger than the average service life of the property category, clearly demonstrates that the historical data does not appropriately recognize the true level of retirement cost at the end of the property's useful life. An additional level of cost to retire will occur due to the passage of time until all the current in service plant is retired at end of life. That is, the level of retirement costs will increase over time until the average service life is attained. The estimated additional inflation, within the estimate of retirement cost, is related to those additional year's cost increases (primarily higher labor

costs over time) that will occur prior to the end of the property group's average life.

To provide an additional explanation of the issue, several general principles surrounding property retirements and related net salvage need to be highlighted. Those are that as property continues to age, the retirement of assets, if generating positive salvage when retired, will typically generate a lower percent of positive salvage. By comparison, if the class of property is one that typically generates negative net salvage (cost of removal), with increasing age at retirement the negative percentage as related to original cost will typically be greater. This situation is routinely driven by the higher labor cost with the passage of time.

Next, a simple example will aid in a better understanding of the above discussed net salvage analysis and the required adjustment to the historical analysis results. Assume the following scenario. A company has two (2) cars, Car #1 and Car #2, each purchased for $20,000. Car #1 is retired after 2 years and Car #2, is retired after 10 years. Accordingly, the average life of the two cars is six (6) years (2 Yrs. Plus 10 Yrs./2). Car #1 generates 75% salvage or $15,000 when retired and Car #2 generates 5% salvage or $1,000 when retired.

Unit	Cost	Ret. Age (Yrs)	% Salv.	Salvage Amount
Car # 1	$20,000	2	75%	$15,000
Car # 2	20,000	10	5%	1,000
Total	40,000	6	40%	16,000

Assume an analysis of the experienced net salvage at year three (3). Based upon the Car #1 retirement, which was retired at a young age (2 Yrs.) as compared to the average six (6) year life of the property group, the analysis indicates that the property group would generate 75% salvage. This analysis indication is incorrect and is the result

of basing the estimate on incomplete data. That is, the estimate is based upon the salvage generated from a retirement that occurred at an age which is far less than the average service life of the property group. The actual total net salvage, that occurred over the average life of the assets (which experienced a six (6) year average life for the property group) is 40% as opposed to the initial incorrect estimate of 75%.

This is exactly the situation with the majority of the Company's historical net salvage data except that most of the Company's plant property groups routinely experience negative net salvage (cost of removal) as opposed to positive salvage.

The total end of life net salvage amount must be incorporated in the development of annual depreciation rates to enable the Company to fully recover its total plant life costs. Otherwise, upon retirement of the plant, the Company will incur end of life costs without having recovered those plant related costs from the customers who benefitted from the use of the expired plant.

With regard to location type properties (e.g. generation facilities, etc.) a company will routinely experience both interim and terminal net salvage. Interim net salvage occurs in conjunction with interim retirements that occur throughout the life of the asset group. This net salvage activity (routinely and largely cost of removal) is attributable to the removal of components within the Company's facilities to enable the placement of a new asset component. Interim net salvage is routinely negative given the care required in removing the defective component so as not to damage the remaining plant in service. Interim net salvage is applicable to the estimated interim retirement assets.

The terminal net salvage component is attributable to the end of life costs incurred (less any gross salvage received) to disconnect, remove, demolish and/or dispose of the

operating asset. Terminal net salvage is attributable to those assets remaining in service subsequent to the occurrence of interim retirements.

The total net salvage incorporated into the depreciation rate for location type plant account investments is the sum of interim and terminal net salvage. Both of the items must be incorporated in the development of annual depreciation rates to enable the Company to fully recover its total plant life costs. Otherwise, upon retirement of the plant, the Company will incur end of life costs without having recovered those plant related costs from the customers who benefitted from the use of the expired facility.

Service Lives

Several factors contribute to the length of time or average service life which the property achieves. The three (3) major categories under which these factors fall are: (1) physical; (2) functional; and (3) contingent casualties.

The physical category includes such things as deterioration, wear and tear and the action of the natural elements. The functional category includes inadequacy, obsolescence and requirements of governmental authorities. Obsolescence occurs when it is no longer economically feasible to use the property to provide service to customers or when technological advances have provided a substitute of superior performance. The remaining factor of contingent casualties relates to retirements caused by accidental damage or construction activity of one type or another.

In performing the life analysis for any property being studied, both past experience and future expectations must be considered in order to fully evaluate the circumstances which may have a bearing on the remaining life of the property. This ensures the selection of an average service life which best represents the expected life of each

property investment.

Survivor Curves

The preparation of a depreciation study or theoretical depreciation reserve typically incorporates smooth curves to represent the experienced or estimated survival characteristics of the property. The "smoothed" or standard survivor curves generally used are the family of curves developed at Iowa State University which are widely used and accepted throughout the utility industry.

The shape of the curves within the Iowa family of curves are dependent upon whether the maximum rate of retirement occurs before, during or after the average service life. If the maximum retirement rate occurs earlier in life, it is a left (L) mode curve; if occurring at average life, it is a symmetrical (S) mode curve; if it occurs after average life, it is a right (R) mode curve. In addition, there is the origin (O) mode curve for plant which has heavy retirements at the beginning of life.

Many times, actual Company data has not completed its life cycle, therefore, the survivor table generated from the Company data is not extended to zero percent surviving. This situation requires an estimate be made with regard to the remaining segment of the property group's life experience. Furthermore, actual Company experience is often erratic, making its utilization for average service life estimating difficult. Accordingly, the Iowa curves are used to both extend Company experience to zero percent surviving as well as to smooth actual Company data.

Study Procedures

Several study procedures were used to determine the prospective service lives recommended for the Company's plant in service. These include the review and

analysis of historical retirements, current and future construction, historical experience and future expectations of salvage and cost of removal as related to plant investment. Service lives are affected by many different factors, some of which can be obtained from studying plant experience, others which may rely heavily on future expectations. When physical aspects are the controlling factor in determining the service life of property, historical experience is a valuable tool in selecting service lives. In the case where changing technology or a less costly alternative develops, then historical experience is of lesser value.

While various methods are available to study historical data, the principal methods utilized to determine average service lives for a Company's property are the Retirement Rate Method, the Simulated Plant Record Method, the Life Span Method, and the Judgment Method.

Retirement Rate Method - The Retirement Rate Method uses actual Company retirement experience to develop a survivor curve (Observed Life Table) which is used to determine the average service life being experienced in the account under study. Computer processing provides the opportunity to review various experience bands throughout the life of the account to observe trends and changes. For each experience band studied, the "observed life table" is constructed based on retirement experience within the band of years. In some cases, the total life of the account has not been achieved and the experienced life table, when plotted, results in a "stub curve." It is this "stub curve" or total life curve, if achieved, which is matched or fitted to a standard Survivor curve. The matching process is performed both by computer analysis, using a least squares technique, and by manually plotting observed life tables to which smooth

curves are fitted. The fitted smooth curve provides the basis to determine the average service life of the property group under study.

Simulated Balances Method - In this method of analysis, simulated surviving balances are determined for each balance included in the test band by multiplying each proceeding year's original gross additions installed by the Company by the appropriate factor of each Standard Survivor Curve, summing the products, and comparing the results with the related year end plant balance to determine the "best fitting" curve and life within the test period. Various test bands are reviewed to determine trends or changes to indicated service lives in various bands of years. By definition, the curve with the "best fit" is the curve which produces simulated plant balances that most closely matches the actual plant balances as determined by the sum of the "least squares". The sum of the "least squares" is arrived at by starting with the difference between the simulated balances and the actual balance for a given year, squaring the difference, and the curve which produces the smallest sum (of squared difference) is judged to be the "best fit".

Period Retirements Method - The application of the Period Retirements Method is similar to the "Simulated Plant Balances" Method, except the procedure utilizes a Standard Survivor Curve and service life to simulate annual retirements instead of balances in performing the "least squares" fitting process during the test period. This procedure does tend to experience wider fluctuations due to the greater variations in level of experienced retirements versus additions and balances thereby producing greater variation in the study results.

Life Span Method - The Life Span or Forecast Method is a method utilized to

study various accounts in which the expected retirement dates of specific property or locations can be reasonably estimated. In the Life Span Method, an estimated probable retirement year is determined for each location of the property group. An example of this would be a structure account, in which the various segments of the account are "life spanned" to a probable retirement date which is determined after considering a number of factors, such as management plans, industry standards, the original construction date, subsequent additions, resultant average age and the current - as well as the overall - expected service life of the property being studied. If, in the past, the property has experienced interim retirements, these are studied to determine an interim retirement rate. Otherwise, interim retirement rate parameters are estimated for properties which are anticipated to experience such retirements. The selected interim service life parameters (Iowa curve and life) are then used with the vintage investment and probable retirement year of the property to determine the average remaining life as of the study date.

Judgment Method - Standard quantitative methods such as the Retirement Rate Method, Simulated Plant Record Method, etc. are normally utilized to analyze a Company's available historical service life data. The results of the analysis together with information provided by management as well as judgment are utilized in estimating the prospective recommended average service lives. However, there are some circumstances where sufficient retirements have not occurred, or where prospective plans or guidelines are unavailable. In these circumstances, judgment alone is utilized to estimate service lives based upon service lives used by other utilities for this class of plant as well as what is considered to be a reasonable life for this plant giving

consideration to the current age and use of the facilities.

SECTION 4

MONTANA-DAKOTA UTILITIES - ELECTRIC

Study Analysis & Results

ACCOUNT – 311.00 Structure & Improvements

Historical Experience

Plant Statistics
Plant Balance = $72,963,295
Average Age of Survivors = 20.5 years
Original Gross Additions = $74,916,295
Oldest Surviving Vintage = 1954
Retirements = $2,369,499 or 3.2% of historical additions.
Average Age of Retirements = 30.5 years

Experience Band 1996– 2014 (Full Depth) – Interim Ret. Curve 63-R2.5

Historical Net Salvage: (69-14)

Three Year Average Net Salvage Percent			Full Depth
2010-12	2011-13	2012-14	1969-14
-105%	-62%	-55%	-43%

Gross Salvage Trend Analysis

20 Year	15 Year	10 Year	5 Year
0%	0%	0%	0%

Forecasted Net Salvage: N/A

Plant Considerations/Future Expectations

The Company's property investment is related to the facilities located at five (5) different generation stations, including RM Heskett, Lewis & Clark, Big Stone, & Coyote. The RM Heskett station has two (2) operating units that were placed into service during 1954 and 1963 and the remaining stations each have one unit. Lewis& Clark was placed into service in 1958, followed by Big Stone during 1975 and Coyote in 1981. The WyGenIII Generating facility was placed into service during 2010.

The depreciation rate for the Company's investment in this property category is being developed via the Life Span Method. An interim retirement rate was identified for each property group based upon an analysis of the Company's historical experience to date. Using the location and vintage level surviving investments for each generating facility's location property, the estimated interim retirement rate and Company management's provided probable retirement/rehabilitation dates, an implicit average service life and average remaining life was produced via the life span approach. The developed depreciation

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

rates "do not" include any proposed component for the recovery of either interim or terminal (decommission cost) net salvage.

Notwithstanding the occurrence of actual (experienced) interim negative net salvage and the further expectation of future, end of life terminal negative net salvage (decommissioning cost), Company management requested that no such cost be included in the development of the proposed depreciation rates related to its generating facilities. Company management will address the recovery of those components of cost through a separate regulatory request.

Life Analysis Method: Retirement Rate Method (Actuarial) Interim Retirement Rate

Average Remaining Life Development: Full Mortality/Life Span

Current Depreciation Parameters

Interim Retirement ASL/Curve: 63-L3
Net Salvage: -34.3%

Proposed Depreciation Parameters

Interim Retirement ASL/Curve: 63-R2.5
Future Net Salvage: N/A

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	2.81%	2.87%
Av. Remaining Life	16.6 years	N/A

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

ACCOUNT – 312.00 Boiler Plant Equipment

Historical Experience

Plant Statistics
Plant Balance = $212,016,957
Average Age of Survivors = 20.0 years
Original Gross Additions = $245,579,749
Oldest Surviving Vintage = 1954
Retirements = $28,317,413 or 11.5% of historical additions.
Average Age of Retirements = 19.0 years

Experience Band 1995– 2014 (Full Depth) – Interim Ret. Curve 45-R0.5 FTA 60 years

Historical Net Salvage: (68-14)

Three Year Average Net Salvage Percent			Full Depth
2010-12	2011-13	2012-14	1968-14
-25%	-24%	-27%	-18%

Gross Salvage Trend Analysis

20 Year	15 Year	10 Year	5 Year
2%	2%	1%	0%

Forecasted Net Salvage: N/A

Plant Considerations/Future Expectations

The Company's property investment is related to the facilities located at five (5) different generation stations, including RM Heskett, Lewis & Clark, Big Stone, & Coyote. The RM Heskett station has two (2) operating units that were placed into service during 1954 and 1963 and the remaining stations each have one unit. Lewis& Clark was placed into service in 1958, followed by Big Stone during 1975 and Coyote in 1981. The WyGenIII Generating facility was placed into service during 2010.

The depreciation rate for the Company's investment in this property category is being developed via the Life Span Method. An interim retirement rate was identified for each property group based upon an analysis of the Company's historical experience to date. Using the location and vintage level surviving investments for each generating facility's location property, the estimated interim retirement rate and Company management's provided probable retirement/rehabilitation dates, an implicit average service life and average remaining life was produced via the life span approach. The developed depreciation rates "do not" include any proposed component for the recovery of either interim or terminal (decommission cost) net salvage.

Notwithstanding the occurrence of actual (experienced) interim negative net salvage and the further expectation of future, end of life terminal negative net salvage (decommissioning cost), Company management requested that no such cost be included in the development of the proposed depreciation

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

rates related to its generating facilities. Company management will address the recovery of those components of cost through a separate regulatory request.

Life Analysis Method: Retirement Rate Method (Actuarial) Interim Retirement Rate

Average Remaining Life Development: Full Mortality/Life Span

Current Depreciation Parameters

Interim Retirement ASL/Curve 50-R1
Net Salvage: -17.0%

Proposed Depreciation Parameters

Interim Retirement ASL/Curve: 45-R0.5
Future Net Salvage: N/A

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	2.37%	2.46%
Av. Remaining Life	17.8 years	N/A

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

ACCOUNT – 314.00 Turbogenerator Units

Historical Experience

Plant Statistics
Plant Balance = $84,045,941
Average Age of Survivors = 15.4 years
Original Gross Additions = $88,353,077
Oldest Surviving Vintage = 1954
Retirements = $9,339,437 or 10.6% of historical additions.
Average Age of Retirements = 22.1 years

Experience Band 1995 – 2014 (Full Depth) – Interim Ret. Curve 45-R0.5

Historical Net Salvage: (68-14)

Three Year Average Net Salvage Percent			Full Depth
2010-12	2011-13	2012-14	1968-14
-15%	-14%	-30%	-16%

Gross Salvage Trend Analysis

20 Year	15 Year	10 Year	5 Year
71%	3%	1%	4%

Forecasted Net Salvage: N/A

Plant Considerations/Future Expectations

The Company's property investment is related to the facilities located at five (5) different generation stations, including RM Heskett, Lewis & Clark, Big Stone, & Coyote. The RM Heskett station has two (2) operating units that were placed into service during 1954 and 1963 and the remaining stations each have one unit. Lewis& Clark was placed into service in 1958, followed by Big Stone during 1975 and Coyote in 1981. The WyGenIII Generating facility was placed into service during 2010.

The depreciation rate for the Company's investment in this property category is being developed via the Life Span Method. An interim retirement rate was identified for each property group based upon an analysis of the Company's historical experience to date. Using the location and vintage level surviving investments for each generating facility's location property, the estimated interim retirement rate and Company management's provided probable retirement/rehabilitation dates, an implicit average service life and average remaining life was produced via the life span approach. The developed depreciation rates "do not" include any proposed component for the recovery of either interim or terminal (decommission cost) net salvage.

Notwithstanding the occurrence of actual (experienced) interim negative net salvage and the further expectation of future, end of life terminal negative net salvage (decommissioning cost), Company management requested that no such cost be included in the development of the proposed depreciation

rates related to its generating facilities. Company management will address the recovery of those components of cost through a separate regulatory request.

Life Analysis Method: Retirement Rate Method (Actuarial) Interim Retirement Rate

Average Remaining Life Development: Full Mortality/Life Span

Current Depreciation Parameters

Interim Retirement AS/Curve : 50-R1.5
Net Salvage: -19.6%

Proposed Depreciation Parameters

Interim Retirement ASL/Curve: 45-R0.5
Future Net Salvage: N/A

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	2.76%	2.68%
Av. Remaining Life	21.2 years	N/A

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

ACCOUNT – 315.00 Accessory Electric Equipment

Historical Experience

Plant Statistics
Plant Balance = $19,746,820
Average Age of Survivors = 25.0 years
Original Gross Additions = $20,710,188
Oldest Surviving Vintage = 1954
Retirements = $776,991, or 3.8% of historical additions.
Average Age of Retirements = 29.0 years

Experience Bands 1997 – 2014 (Full Depth) – Interim Ret. Curve 50-R2.5

Historical Net Salvage: (68-14)

Three Year Average Net Salvage Percent			Full Depth
2010-12	2011-13	2012-14	1968-14
-24%	-22%	-20%	-11%

Gross Salvage Trend Analysis

20 Year	15 Year	10 Year	5 Year
1%	1%	0%	0%

Forecasted Net Salvage: N/A

Future Expectations and Considerations

The Company's property investment is related to the facilities located at five (5) different generation stations, including RM Heskett, Lewis & Clark, Big Stone, & Coyote. The RM Heskett station has two (2) operating units that were placed into service during 1954 and 1963 and the remaining stations each have one unit. Lewis& Clark was placed into service in 1958, followed by Big Stone during 1975 and Coyote in 1981. The WyGenIII Generating facility was placed into service during 2010.

The depreciation rate for the Company's investment in this property category is being developed via the Life Span Method. An interim retirement rate was identified for each property group based upon an analysis of the Company's historical experience to date. Using the location and vintage level surviving investments for each generating facility's location property, the estimated interim retirement rate and Company management's provided probable retirement/rehabilitation dates, an implicit average service life and average remaining life was produced via the life span approach. The developed depreciation rates "do not" include any proposed component for the recovery of either interim or terminal (decommission cost) net salvage.

Notwithstanding the occurrence of actual (experienced) interim negative net salvage and the further expectation of future, end of life terminal negative net salvage (decommissioning cost), Company management requested that no such cost be included in the development of the proposed depreciation

rates related to its generating facilities. Company management will address the recovery of those components of cost through a separate regulatory request.

Life Analysis Method: Retirement Rate Method (Actuarial) Interim Retirement Rate

Average Remaining Life Development: Full Mortality/Life Span

Current Depreciation Parameters

Interim Retirement AS/Curve: 60-R3
Net Salv: -30.1%

Proposed Depreciation Parameters

Interim Retirement ASL/Curve: 50-R2.5
Net Salv: N/A

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	1.85%	1.53%
Av. Remaining Life	21.8 years	N/A

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

ACCOUNT – 316.00 Misc Power Plant Equipment

Historical Experience

Plant Statistics
Plant Balance = $17,600,678
Average Age of Survivors = 14.1 years
Original Gross Additions = $22,988,474
Oldest Surviving Vintage = 1954
Retirements = $5,286,795 or 23.0% of historical additions.
Average Age of Retirements = 12.4 years

Experience Bands 1995 – 2014 (Full Depth) - Interim Ret. Curve 30-R0.5

Historical Net Salvage: (68-14)

Three Year Average Net Salvage Percent			Full Depth
2010-12	2011-13	2012-14	1968-14
5%	-2%	1%	2%

Gross Salvage Trend Analysis

20 Year	15 Year	10 Year	5 Year
10%	8%	6%	0%

Forecasted Net Salvage: N/A

Future Expectations and Considerations

The Company's property investment is related to the facilities located at five (5) different generation stations, including RM Heskett, Lewis & Clark, Big Stone, & Coyote. The RM Heskett station has two (2) operating units that were placed into service during 1954 and 1963 and the remaining stations each have one unit. Lewis& Clark was placed into service in 1958, followed by Big Stone during 1975 and Coyote in 1981. The WyGenIII Generating facility was placed into service during 2010.

The depreciation rate for the Company's investment in this property category is being developed via the Life Span Method. An interim retirement rate was identified for each property group based upon an analysis of the Company's historical experience to date. Using the location and vintage level surviving investments for each generating facility's location property, the estimated interim retirement rate and Company management's provided probable retirement/rehabilitation dates, an implicit average service life and average remaining life was produced via the life span approach. The developed depreciation rates "do not" include any proposed component for the recovery of either interim or terminal (decommission cost) net salvage.

Notwithstanding the occurrence of actual (experienced) interim negative net salvage and the further expectation of future, end of life terminal negative net salvage (decommissioning cost), Company management requested that no such cost be included in the development of the proposed depreciation

rates related to its generating facilities. Company management will address the recovery of those components of cost through a separate regulatory request.

Life Analysis Method: Retirement Rate Method (Actuarial) Interim Retirement Rate

Average Remaining Life Development: Full Mortality/Life Span

Current Depreciation Parameters

Interim Retirement ASL/Curve: 35-R0.5
Net Salv: -3.3%

Proposed Depreciation Parameters

Interim Retirement ASL/Curve: 30-R0.5
Net Salv: N/A

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	3.92%	4.63%
Av. Remaining Life	12.2 years	N/A

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

ACCOUNT – 341.10 Structures & Improvements

Historical Experience

Plant Statistics
Plant Balance = $667,455
Average Age of Survivors = 6.5 years
Original Gross Additions = $998,590
Oldest Surviving Vintage =1937
Retirements = $331,135 or 33.2% of historical additions.
Average Age of Retirements = 58.1 years

Experience Band 1997 – 2014 (Full Depth) – 70-R1

Historical Net Salvage: N/A

Forecasted Net Salvage: N/A

Plant Considerations/Future Expectations

The Company has multiple Other Production units including Glendive, Glendive II, Miles City, Heskett III, Ormat Generation, and Portable Generators at various locations. Not all of the various locations have investments in each of the Other Production property accounts.

The investment in structures and improvements is principally related to enclosures utilized to house the prime movers and generators. The initial other production investments were placed into service during 1954 with further additions at intermittent periods.

The depreciation rate for the Company's investment in this property category is being developed via the Life Span Method. An interim retirement rate was identified for each property group based upon an analysis of the Company's total account historical experience to date. Using the location and vintage level surviving investments for each generating facility's location property, the estimated interim retirement rate and Company management's provided probable retirement/rehabilitation dates, an implicit average service life and average remaining life was produced via the life span approach. The developed depreciation rates "do not" include any proposed component for the recovery of either interim or terminal (decommission cost) net salvage.

Notwithstanding the occurrence of actual (experienced) interim negative net salvage and the further expectation of future, end of life terminal negative net salvage (decommissioning cost), Company management requested that no such cost be included in the development of the proposed depreciation rates related to its generating facilities. Company management will address the recovery of those components of cost through a separate regulatory request.

Current Depreciation Parameters

Life Analysis Method: Retirement Rate Method (Actuarial)

Average Remaining Life Development: Full Mortality

ASL/Curve: 40-R2.5
Net Salvage: -47.9%

Proposed Depreciation Parameters

Life Analysis Method: Retirement Rate Method (Actuarial) Interim Retirement Rate

Average Remaining Life Development: Full Mortality/Life Span

ASL/Curve: 70-R1
Future Net Salvage: N/A

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	9.33%	3.46%
Av. Remaining Life	4.5 years	N/A

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

ACCOUNT – 341.20 Structures & Improvements – Wind Farm

Historical Experience

Plant Statistics
Plant Balance = $6,163,220
Average Age of Survivors = 5.4 years
Original Gross Additions = $6,163,220
Oldest Surviving Vintage =1937
Retirements = $0 or 0% of historical additions.
Average Age of Retirements = 0 years

Experience Band 1997 – 2014 (Full Depth) – 70-R1

Historical Net Salvage: N/A

Forecasted Net Salvage: N/A

Plant Considerations/Future Expectations

The Company has 2 wind farm sites, namely, Diamond Willow and Cedar Hills. Diamond Willow currently has 20 turbine units while the Cedar Hills is comprise of 13 turbine units. The capacity of each of the Diamond Hills turbines is 1.5 MW and the Cedar Hills turbines are 1.5 MW each.

The depreciation rate for the Company's investment in this property category is being developed via the Life Span Method. An interim retirement rate was identified for each property group based upon an analysis of the Company's total account historical experience to date. Using the location and vintage level surviving investments for each generating facility's location property, the estimated interim retirement rate and Company management's provided probable retirement/rehabilitation dates, an implicit average service life and average remaining life was produced via the life span approach. The developed depreciation rates "do not" include any proposed component for the recovery of either interim or terminal (decommission cost) net salvage.

Notwithstanding the occurrence of actual (experienced) interim negative net salvage and the further expectation of future, end of life terminal negative net salvage (decommissioning cost), Company management requested that no such cost be included in the development of the proposed depreciation rates related to its generating facilities. Company management will address the recovery of those components of cost through a separate regulatory request.

Current Depreciation Parameters

Life Analysis Method: Retirement Rate Method (Actuarial)

Average Remaining Life Development: Full Mortality

ASL: 20 years
Net Salvage: 0%

Proposed Depreciation Parameters

Life Analysis Method: Retirement Rate Method (Actuarial) Interim Retirement Rate

Average Remaining Life Development: Full Mortality/Life Span

ASL/Curve: 70-R1
Future Net Salvage: N/A

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	5.51%	4.90%
Av. Remaining Life	13.4 years	N/A

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

ACCOUNT – 342.00 Fuel Holders, Producers and Accessories

Historical Experience

Plant Statistics
Plant Balance = $2,722,006
Average Age of Survivors = 7.20 years
Original Gross Additions = $2,799,668
Oldest Surviving Vintage = 1954
Retirements = $77,662 or 2.9% of historical additions.
Average Age of Retirements = 58.5 years

Experience Band 1978– 2014 (Full Depth) – 43-R5 FTA 45 yrs.

Historical Net Salvage: (76-14)

Three Year Average Net Salvage Percent			Full Depth
2010-12	2011-13	2012-14	1976-14
0%	0%	0%	-16%

Gross Salvage Trend Analysis

20 Year	15 Year	10 Year	5 Year
0%	0%	0%	0%

Forecasted Net Salvage: N/A

Plant Considerations/Future Expectations

The Company has multiple Other Production units including Glendive, Glendive II, Miles City, Heskett III, Ormat Generation, and Portable Generators at various locations. Not all of the various locations have investments in each of the Other Production property accounts.

The investment in Fuel Holder is principally related to facilities used to supply a fuel source to the generating units. The initial other production investments were placed into service during 1954 with further additions at intermittent periods.

The depreciation rate for the Company's investment in this property category is being developed via the Life Span Method. An interim retirement rate was identified for each property group based upon an analysis of the Company's total account historical experience to date. Using the location and vintage level surviving investments for each generating facility's location property, the estimated interim retirement rate and Company management's provided probable retirement/rehabilitation dates, an implicit average service life and average remaining life was produced via the life span approach. The developed depreciation rates "do not" include any proposed component for the recovery of either interim or terminal (decommission cost) net salvage.

Notwithstanding the occurrence of actual (experienced) interim negative net salvage and the further expectation of future, end of life terminal negative net salvage (decommissioning cost), Company

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

management requested that no such cost be included in the development of the proposed depreciation rates related to its generating facilities. Company management will address the recovery of those components of cost through a separate regulatory request.

Current Depreciation Parameters

Life Analysis Method: Retirement Rate Method (Actuarial)

Average Remaining Life Development: Full Mortality

ASL/Curve: 43-R5
Net Salvage: -181.5%

Proposed Depreciation Parameters

Life Analysis Method: Retirement Rate Method (Actuarial) Interim Retirement Rate

Average Remaining Life Development: Full Mortality/Life Span

ASL/Curve: 43-R5
Future Net Salvage: N/A

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	4.11%	1.30%
Av. Remaining Life	15.2 years	N/A

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

ACCOUNT – 344.10 Generators

Historical Experience

Plant Statistics
Plant Balance = $96,085,719
Average Age of Survivors = 6.3 years
Original Gross Additions = $120,138,635
Oldest Surviving Vintage = 1954
Retirements = $1,675,806 or 1.4% of historical additions.
Average Age of Retirements = 52.5 years

Experience Band 1997– 2014 (Full Depth) - 55-R3 FTA 35 yrs.

Historical Net Salvage: N/A

Forecasted Net Salvage: N/A

Plant Considerations/Future Expectations

The Company has multiple Other Production units including Glendive, Glendive II, Miles City, Heskett III, Ormat Generation, and Portable Generators at various locations. Not all of the various locations have investments in each of the Other Production property accounts.

The depreciation rate for the Company's investment in this property category is being developed via the Life Span Method. An interim retirement rate was identified for each property group based upon an analysis of the Company's total account historical experience to date. Using the location and vintage level surviving investments for each generating facility's location property, the estimated interim retirement rate and Company management's provided probable retirement/rehabilitation dates, an implicit average service life and average remaining life was produced via the life span approach. The developed depreciation rates "do not" include any proposed component for the recovery of either interim or terminal (decommission cost) net salvage.

Notwithstanding the occurrence of actual (experienced) interim negative net salvage and the further expectation of future, end of life terminal negative net salvage (decommissioning cost), Company management requested that no such cost be included in the development of the proposed depreciation rates related to its generating facilities. Company management will address the recovery of those components of cost through a separate regulatory request.

Current Depreciation Parameters

Life Analysis Method: Retirement Rate Method (Actuarial)

Average Remaining Life Development: Full Mortality

ASL/Curve: 43-R5
Net Salvage: -10.7%

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

Proposed Depreciation Parameters

Life Analysis Method: Retirement Rate Method (Actuarial) Interim Retirement Rate

Average Remaining Life Development: Full Mortality/Life Span

ASL/Curve: 55-R3
Future Net Salvage: N/A

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	3.00%	2.60%
Av. Remaining Life	27.3 years	N/A

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

ACOUNT – 344.20 Generators- Wind Farm

Historical Experience

Plant Statistics
Plant Balance = $84,200,594
Average Age of Survivors = 5.5 years
Original Gross Additions = $106,323,915
Oldest Surviving Vintage = 2007
Retirements = $1,608,000 or 1.5% of historical additions.
Average Age of Retirements = 5.4 years

Experience Band 1997 – 2014 (Full Depth) - 55-R3 FTA 35 years

Historical Net Salvage: N/A

Forecasted Net Salvage: N/A

Plant Considerations/Future Expectations

The Company has 2 wind farm sites, namely, Diamond Willow and Cedar Hills. Diamond Willow currently has 20 turbine units while the Cedar Hills is comprise of 13 turbine units. The capacity of each of the Diamond Hills turbines is 1.5 MW and the Cedar Hills turbines are 1.5 MW each.

The depreciation rate for the Company's investment in this property category is being developed via the Life Span Method. An interim retirement rate was identified for each property group based upon an analysis of the Company's total account historical experience to date. Using the location and vintage level surviving investments for each generating facility's location property, the estimated interim retirement rate and Company management's provided probable retirement/rehabilitation dates, an implicit average service life and average remaining life was produced via the life span approach. The developed depreciation rates "do not" include any proposed component for the recovery of either interim or terminal (decommission cost) net salvage.

Notwithstanding the occurrence of actual (experienced) interim negative net salvage and the further expectation of future, end of life terminal negative net salvage (decommissioning cost), Company management requested that no such cost be included in the development of the proposed depreciation rates related to its generating facilities. Company management will address the recovery of those components of cost through a separate regulatory request.

Current Depreciation Parameters

Life Analysis Method: Retirement Rate Method (Actuarial)

Average Remaining Life Development: Full Mortality

ASL: 20 years
Net Salvage: 0%

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

Proposed Depreciation Parameters

Life Analysis Method: Retirement Rate Method (Actuarial) Interim Retirement Rate

Average Remaining Life Development: Full Mortality/Life Span

ASL/Curve: 55-R3
Future Net Salvage: N/A

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	5.52%	5.06%
Av. Remaining Life	13.6 years	N/A

ACCOUNT – 345.10 Accessory Electric Equipment

Historical Experience

Plant Statistics
Plant Balance = $1,385,590
Average Age of Survivors = 9.0 years
Original Gross Additions = $1,546,395
Oldest Surviving Vintage = 1954
Retirements = $199,813, or 12.9% of historical additions.
Average Age of Retirements = 43.9 years

Experience Bands 1998 – 2014 (Full Depth) – 28-L2

Historical Net Salvage: N/A

Forecasted Net Salvage: N/A

Future Expectations and Considerations

The Company has multiple Other Production units including Glendive, Glendive II, Miles City, Heskett III, Ormat Generation, and Portable Generators at various locations. Not all of the various locations have investments in each of the Other Production property accounts.

The depreciation rate for the Company's investment in this property category is being developed via the Life Span Method. An interim retirement rate was identified for each property group based upon an analysis of the Company's total account historical experience to date. Using the location and vintage level surviving investments for each generating facility's location property, the estimated interim retirement rate and Company management's provided probable retirement/rehabilitation dates, an implicit average service life and average remaining life was produced via the life span approach. The developed depreciation rates "do not" include any proposed component for the recovery of either interim or terminal (decommission cost) net salvage.

Notwithstanding the occurrence of actual (experienced) interim negative net salvage and the further expectation of future, end of life terminal negative net salvage (decommissioning cost), Company management requested that no such cost be included in the development of the proposed depreciation rates related to its generating facilities. Company management will address the recovery of those components of cost through a separate regulatory request.

Current Depreciation Parameters

Life Analysis Method: Retirement Rate Method (Actuarial)

Average Remaining Life Development: Full Mortality

ASL/Curve: 30-L4

Net Salv: -7.6%

Proposed Depreciation Parameters

Life Analysis Method: Retirement Rate Method (Actuarial) Interim Retirement Rate

Average Remaining Life Development: Full Mortality/Life Span

ASL/Curve: 28-L2
Net Salv: N/A

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	6.45%	4.13%
Av. Remaining Life	8.8 years	N/A

ACCOUNT – 345.20 Accessory Electric Equipment – Wind Farm

Historical Experience

Plant Statistics
Plant Balance = $14,261,600
Average Age of Survivors = 5.6 years
Original Gross Additions = $14,261,600
Oldest Surviving Vintage = 1954
Retirements = $0, or 0% of historical additions.
Average Age of Retirements = 0 years

Experience Bands 1998 – 2014 (Full Depth) – 28-L2

Historical Net Salvage: N/A

Forecasted Net Salvage: N/A

Future Expectations and Considerations

The Company has 2 wind farm sites, namely, Diamond Willow and Cedar Hills. Diamond Willow currently has 20 turbine units while the Cedar Hills is comprise of 13 turbine units. The capacity of each of the Diamond Hills turbines is 1.5 MW and the Cedar Hills turbines are 1.5 MW each.

The depreciation rate for the Company's investment in this property category is being developed via the Life Span Method. An interim retirement rate was identified for each property group based upon an analysis of the Company's total account historical experience to date. Using the location and vintage level surviving investments for each generating facility's location property, the estimated interim retirement rate and Company management's provided probable retirement/rehabilitation dates, an implicit average service life and average remaining life was produced via the life span approach. The developed depreciation rates "do not" include any proposed component for the recovery of either interim or terminal (decommission cost) net salvage.

Notwithstanding the occurrence of actual (experienced) interim negative net salvage and the further expectation of future, end of life terminal negative net salvage (decommissioning cost), Company management requested that no such cost be included in the development of the proposed depreciation rates related to its generating facilities. Company management will address the recovery of those components of cost through a separate regulatory request.

Current Depreciation Parameters

Life Analysis Method: Retirement Rate Method (Actuarial)

Average Remaining Life Development: Full Mortality

ASL/Curve: N/A

Net Salv: N/A

Proposed Depreciation Parameters

Life Analysis Method: Retirement Rate Method (Actuarial) Interim Retirement Rate

Average Remaining Life Development: Full Mortality/Life Span

ASL/Curve: 28-L2
Net Salv: N/A

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	5.82%	4.98%
Av. Remaining Life	12.6 years	N/A

ACCOUNT – 346.10 Misc Power Plant Equipment

Historical Experience

Plant Statistics
Plant Balance = $1,202,813
Average Age of Survivors = 1.7 years
Original Gross Additions = $1,212,240
Oldest Surviving Vintage = 1953
Retirements = $9,426 or 0.8% of historical additions.
Average Age of Retirements = 30.8 years

Experience Bands 1998 – 2014 (Full Depth) – 28-S1 FTA 20 yrs.

Historical Net Salvage: N/A

Forecasted Net Salvage: N/A

Future Expectations and Considerations

The Company has multiple Other Production units including Glendive, Glendive II, Miles City, Heskett III, Ormat Generation, and Portable Generators at various locations. Not all of the various locations have investments in each of the Other Production property accounts.

The depreciation rate for the Company's investment in this property category is being developed via the Life Span Method. An interim retirement rate was identified for each property group based upon an analysis of the Company's total account historical experience to date. Using the location and vintage level surviving investments for each generating facility's location property, the estimated interim retirement rate and Company management's provided probable retirement/rehabilitation dates, an implicit average service life and average remaining life was produced via the life span approach. The developed depreciation rates "do not" include any proposed component for the recovery of either interim or terminal (decommission cost) net salvage.

Notwithstanding the occurrence of actual (experienced) interim negative net salvage and the further expectation of future, end of life terminal negative net salvage (decommissioning cost), Company management requested that no such cost be included in the development of the proposed depreciation rates related to its generating facilities. Company management will address the recovery of those components of cost through a separate regulatory request.

Current Depreciation Parameters

Life Analysis Method: Retirement Rate Method (Actuarial)

Average Remaining Life Development: Full Mortality

ASL/Curve: 40-R3

Net Salv: -26.6%

Proposed Depreciation Parameters

Life Analysis Method: Retirement Rate Method (Actuarial) Interim Retirement Rate

Average Remaining Life Development: Full Mortality/Life Span

ASL/Curve: 28-S1
Net Salv: N/A

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	4.26%	2.47%
Av. Remaining Life	21.6 years	N/A

ACCOUNT – 346.20 Misc Power Plant Equipment – Wind Farm

Historical Experience

Plant Statistics
Plant Balance = $119,099
Average Age of Survivors = 5.5years
Original Gross Additions = $119,099
Oldest Surviving Vintage = 1953
Retirements = $0 or 0% of historical additions.
Average Age of Retirements = 0 years

Experience Bands 1998 – 2014 (Full Depth) – 28-S1 FTA 20 yrs.

Historical Net Salvage: N/A

Forecasted Net Salvage: N/A

Future Expectations and Considerations

The Company has 2 wind farm sites, namely, Diamond Willow and Cedar Hills. Diamond Willow currently has 20 turbine units while the Cedar Hills is comprise of 13 turbine units. The capacity of each of the Diamond Hills turbines is 1.5 MW and the Cedar Hills turbines are 1.5 MW each.

The depreciation rate for the Company's investment in this property category is being developed via the Life Span Method. An interim retirement rate was identified for each property group based upon an analysis of the Company's total account historical experience to date. Using the location and vintage level surviving investments for each generating facility's location property, the estimated interim retirement rate and Company management's provided probable retirement/rehabilitation dates, an implicit average service life and average remaining life was produced via the life span approach. The developed depreciation rates "do not" include any proposed component for the recovery of either interim or terminal (decommission cost) net salvage.

Notwithstanding the occurrence of actual (experienced) interim negative net salvage and the further expectation of future, end of life terminal negative net salvage (decommissioning cost), Company management requested that no such cost be included in the development of the proposed depreciation rates related to its generating facilities. Company management will address the recovery of those components of cost through a separate regulatory request.

Current Depreciation Parameters

Life Analysis Method: Retirement Rate Method (Actuarial)

Average Remaining Life Development: Full Mortality

ASL/Curve: N/A

Net Salv: N/A

Proposed Depreciation Parameters

Life Analysis Method: Retirement Rate Method (Actuarial) Interim Retirement Rate

Average Remaining Life Development: Full Mortality/Life Span

ASL/Curve: 28-S1
Net Salv: N/A

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	5.89%	5.08%
Av. Remaining Life	12.9 years	N/A

ACCOUNT – 350.20 Land Rights

Historical Experience

Plant Statistics
Plant Balance = $2,886,550
Average Age of Survivors = 27.4 years
Original Gross Additions = $2,912,312
Oldest Surviving vintage = 1977
Retirements = $26,869 or 9.2% of historical additions.
Average Age of Retirements = 23.4 years

Experience Band Estimated 50-R3

Historical Net Salvage: (86-14)

Three Year Average Net Salvage Percent			Full Depth
2010-12	2011-13	2012-14	1986-14
0%	0%	0%	4%

Gross Salvage Trend Analysis

20 Year	15 Year	10 Year	5 Year
0%	0%	0%	0%

Forecasted Net Salvage: 0%

Plant Considerations/Future Expectations

Investments in this account are related to rights of way acquired by Company for the purpose of installing components of its utility plant.

Life Analysis Method: Retirement Rate (Actuarial)

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 50-R3
Net Salvage: 0%

Proposed Depreciation Parameters

ASL/Curve: 50-R3
Future Net Salvage: 0%

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	1.44%	1.30%
Av. Remaining Life	25.6 years	N/A

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

ACCOUNT – 352.00 Structures & Improvements

Historical Experience

Plant Statistics
Plant Balance = 1,789
Average Age of Survivors = 66.5 years
Original Gross Additions = $1,789
Oldest Surviving vintage = 1948
Retirements = $0, or 0% of historical additions.
Average Age of Retirements = N/A

Experience Band Estimated 45-R2 FTA 60 years

Historical Net Salvage: N/A

Forecasted Net Salvage: N/A

Plant Considerations/Future Expectations

This property investment group is principally related to building structures and yard facilities located at the Company's numerous transmission substation sites that are utilized to house various items of control equipment. This investment category includes investment component items such as not only the overall building structures, but also heaters, air conditioners, generators, station framework, fencing, etc.

Life Analysis Method: Simulated Plant Analysis Method

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 45-R2
Net Salvage: 0%

Proposed Depreciation Parameters

ASL/Curve: 45-R2
Future Net Salvage: 0%

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	1.44%	9.46%
Av. Remaining Life	4.7 years	N/A

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

ACCOUNT – 353.00 Station Equipment

Historical Experience

Plant Statistics
Plant Balance = $118,690
Average Age of Survivors = 16.1 years
Original Gross Additions = $123,396,322
Oldest Surviving vintage = 1946
Retirements = $4,510,484 or 3.7% of historical additions.
Average Age of Retirements = 28.2 years

Experience Band 1995 – 2014 (Full Depth) 60-R3

Historical Net Salvage: (68-14)

Three Year Average Net Salvage Percent			Full Depth
2010-12	2011-13	2012-14	1968-14
-13%	-12%	1%	16%

Gross Salvage Trend Analysis

20 Year	15 Year	10 Year	5 Year
17%	9%	0%	3%

Forecasted Net Salvage: -23%

Plant Considerations/Future Expectations

The costs included in this account investment are related to numerous transmission substation equipment (including items such as transformers, voltage regulators, circuit breakers, etc. used to transform power to different voltages. Currently, there are nearly 100 stations operating at voltages between 69Kv through 138 & 345Kv facilities.

During the last several years the Company has been in an increasing growth mode having increased its plant investment by approximately a third. To date the activity has been more on the growth side as opposed to replacement of existing facilities. In future years it is anticipated that replacement of existing facilities will likely occur at higher levels.

Life Analysis Method: Retirement Rate (Actuarial)

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 48-R3
Net Salvage: -10%

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

Proposed Depreciation Parameters

ASL/Curve: 60-R3
Future Net Salvage: -10%

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	1.58%	1.88%
Av. Remaining Life	45.2 years	N/A

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

ACCOUNT – 354.00 Towers & Fixtures

Historical Experience

Plant Statistics
Plant Balance = $4,992,886
Average Age of Survivors = 30.3 years
Original Gross Additions = $4,993,402
Oldest Surviving vintage = 1960
Retirements = $516, or 0.0% of historical additions.
Average Age of Remaining Life = 31.5 years

Experience Band Estimated 55-R5

Historical Net Salvage: (08-14)

Three Year Average Net Salvage Percent			Full Depth
2010-12	2011-13	2012-14	2008-14
0%	0%	0%	-70%

Gross Salvage Trend Analysis

20 Year	15 Year	10 Year	5 Year
0	0%	0%	0%

Forecasted Net Salvage: -133%

Plant Considerations/Future Expectations

This property account is principally related to metal poles and metal towers that are used in conjunction with the Company's transmission lines. MDU conducts regular structure condition inspections. From time to time structures require modification and/or replacement to accommodate system improvements such as connection of new substations, installation of new equipment, road construction, etc.

Life Analysis Method: Retirement Rate (Actuarial)

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 55-R5
Net Salvage: 0%

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

Proposed Depreciation Parameters

ASL/Curve: 55-R5
Future Net Salvage: -5%

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	1.79%	1.60%
Av. Remaining Life	24.9 years	N/A

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

ACCOUNT – 355.00 Poles & Fixtures

Historical Experience

Plant Statistics
Plant Balance = $56,953,023
Average Age of Survivors = 15.7 years
Original Gross Additions = $59,333,114
Oldest Surviving vintage = 1939
Retirements = $2,477,864, or 4.2% of historical additions.
Average Age of Retirements = 31.0 years

Experience Band 1995-2014 (Full Depth) 57-R3 FTA 70 yrs.

Historical Net Salvage: (68-14)

Three Year Average Net Salvage Percent			Full Depth
2010-12	2011-13	2012-14	1968-14
-101%	-98%	-46%	-22%

Gross Salvage Trend Analysis

20 Year	15 Year	10 Year	5 Year
14%	12%	9%	0%

Forecasted Net Salvage: -107%

Plant Considerations/Future Expectations

This property group contains the Company's investment applicable to transmission poles and fixtures and related property. A typical pole line may be constructed using either single poles or h-frame construction techniques. The Company has an ongoing inspection program and poles that are deemed non-reinforcable are scheduled for replacement. The Transmission line voltages carried on these facilities typically range from 12,500 KV to 169,000 KV**.**

During the last several years the Company has been in an increasing growth mode having increased its plant investment by approximately a third. Historically, the activity has been more on the growth side as opposed to replacement of existing facilities, however, during the most recent study year replacements/retirements have accelerated rather dramatically. In fact while the overall and more 5 year experience band analysis produced life indication of an estimated 57 years' average service life, the current 2014 band produced an average service life indication of 45 years. In future years it is anticipated that replacement of existing facilities will likely occur at higher levels.

Over the immediate coming 5 years management anticipates building approximately 100 miles of pole transmission line of which one half is expected to me continued growth/expansion while the remaining one half is expected to be replacement of existing property with further activity in more distant years. This significant increase in plant activity can be anticipated to continue the shorter life presently being experience. Based upon the available recent study result a reduction to the longer than normal average

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

service life for the Company's property is proposed. At the present time, an average service life of 50 years is estimated for the property group. As additional activity occurs in future years a further reduction will likely be warranted. Even at the estimated average service life of a 50-R3 life and curve, the recovery period is at the higher end of the industry range of service lives.

Life Analysis Method: Retirement Rate (Actuarial)

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 47-R2.5
Net Salvage: -35%

Proposed Depreciation Parameters

ASL/Curve: 50-R3
Future Net Salvage: -50%

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	2.99%	2.40%
Av. Remaining Life	36.0 years	N/A

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

ACCOUNT – 356.00 O/H Conductor & Devices

Historical Experience

Plant Statistics
Plant Balance = $39,782,196
Average Age of Survivors = 21.8 years
Original Gross Additions = $41,121,519
Oldest Surviving Vintage = 1936
Retirements = $1,371,113, or 3.3% of historical additions.
Average Age of Retirements = 34.0 years

Experience Band 1936-2014 (Full Depth) 70-R3 FTA 55 yrs.

Historical Net Salvage: (68-14)

Three Year Average Net Salvage Percent			Full Depth
2010-12	2011-13	2012-14	1968-14
-53%	-13%	-20%	20%

Gross Salvage Trend Analysis

20 Year	15 Year	10 Year	5 Year
18%	27%	47%	30%

Forecasted Net Salvage: -87%

Plant Considerations/Future Expectations

This property group contains the Company's investment applicable to overhead conductors and related property. The load requirements are monitored on an ongoing basis with resulting modification upgrades completed, as required. That is, change outs of conductors and appurtenant equipment are driven both by physical and functional attributes including deterioration of the existing facilities, growth, and the inability of the current plant to handle the additional load, and related plant change outs.

During the last several years the Company has been in an increasing growth mode having increased its plant investment by approximately a quarter. Historically, the activity has been more on the growth side as opposed to replacement of existing facilities, however during the most recent study year replacements/retirements have accelerated rather dramatically. In fact while the overall and more 5 year experience band analysis produced life indication of an estimated 70 years' average service life, the current 2014 experience band produced an average service life indication of 60 years. In future years it is anticipated that replacement of existing facilities will likely occur at significantly higher levels.

Over the immediate coming 5 years management anticipates building approximately 100 miles of transmission line of which one half is expected to me continued growth/expansion while the remaining one half is expected to be replacement of existing property with further activity in more distant years. This significant increase in plant activity can be anticipated to shorten the life indication presently being experienced. Based upon the available recent study result a reduction to the longer than normal average

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

service life for the Company's property is proposed. At the present time, an average service life of 65 years is estimated for the property group. As additional activity occurs in future years a further reduction will likely be warranted. Even at the estimated average service life of a 65-R3 life and curve, the recovery period is longer than the maximum average service life for the property group identified in an industry survey.

Life Analysis Method: Retirement Rate (Actuarial)

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curv: 50-R2.5
Net Salvage: 0%

Proposed Depreciation Parameters

ASL/Curve: 65-R3
Future Net Salvage: -15%

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	1.53%	1.19%
Av. Remaining Life	45.2 years	N/A

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

ACCOUNT – 357.00 Underground Conduit

Historical Experience

Plant Statistics
Plant Balance = $1,947,010
Average Age of Survivors = 6.5 years
Original Gross Additions = $1,947,010
Oldest Surviving Vintage = 2008
Retirements = $0, or 0% of historical additions.
Average Age of Retirements = 0 years

Experience Band Estimated 50-R3

Historical Net Salvage: N/A

Forecasted Net Salvage: N/A

Plant Considerations/Future Expectations

This property group investment is generally related to underground conduct located in the Company's numerous stations.

Life Analysis Method: Retirement Rate (Actuarial)

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 50-R3
Net Salvage: 0%

Proposed Depreciation Parameters

ASL/Curve: 50-R3
Future Net Salvage: 0%

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	2.01%	2.01%
Av. Remaining Life	43.6 years	N/A

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

ACCOUNT – 358.00 Underground Conductors and Devices

Historical Experience

Plant Statistics
Plant Balance = $3,101,857
Average Age of Survivors = 6.5 years
Original Gross Additions = $3,101,857
Oldest Surviving Vintage = 2008
Retirements = $0, or 0.0% of historical additions.
Average Age of Retirements = N/A

Experience Band Estimated 50-R3

Historical Net Salvage: N/A

Forecasted Net Salvage: N/A

Plant Considerations/Future Expectations

This property group investment is related to underground conductors & devices.

Life Analysis Method: Retirement Rate (Actuarial)

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 50-R3
Net Salvage: 0%

Proposed Depreciation Parameters

ASL/Curve: 50-R3
Future Net Salvage: 0%

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	2.01%	2.01%
Av. Remaining Life	43.6 years	N/A

ACCOUNT – 360.20 Land Rights

Historical Experience

Plant Statistics
Plant Balance = $888,926
Average Age of Survivors = 11.5 years
Original Gross Additions = $2,275,609
Oldest Surviving vintage = 1977
Retirements = $16,222, or 0.7% of historical additions.
Average Age of Retirements = 26.4 years

Experience Bands Estimated 50-R2

Historical Net Salvage: (87-14)

Three Year Average Net Salvage Percent			Full Depth
2010-12	2011-13	2012-14	1987-14
0%	0%	0%	-33%

Gross Salvage Trend Analysis

20 Year	15 Year	10 Year	5 Year
0%	0%	0%	0%

Forecasted Net Salvage: -85%

Future Expectations and Considerations

Investments in this account are related to rights of way acquired by Company for the purpose of installing components of its utility plant.

Life Analysis Method: Retirement Rate (Actuarial)

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 50-R2
Net Salv: 0%

Proposed Depreciation Parameters

ASL/Curve**:** 50-R2
Net Salv: 0 %

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	1.25%	1.35%
Av. Remaining life	26.7 years	N/A

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

ACCOUNT – 362.00 Station Equipment

Historical Experience

Plant Statistics
Plant Balance = $57,279,820
Average Age of Survivors = 14.5 years
Original Gross Additions = $60,744,810
Oldest Surviving vintage = 1946
Retirements = $3,125,354, or 5.1% of historical additions.
Average Age of Retirements = 27.1 years

Experience Bands 1995– 2014 (Full Depth) 57-R2.5

Historical Net Salvage: (68-14)

Three Year Average Net Salvage Percent			Full Depth
2010-12	2011-13	2012-14	1968-14
7%	-12%	-13%	20%

Gross Salvage Trend Analysis

20 Year	15 Year	10 Year	5 Year
47%	53%	11%	0%

Forecasted Net Salvage: -26%

Future Expectations and Considerations

The costs included in this account investment are related to the Company's approximately 250 distribution substation equipment (including items such as transformers, voltage regulators, circuit breakers, etc) used to transformer power from transmission to primary distribution (typically 34,500 and 69,000) voltages.

During the last several years the Company has been in an increasing growth mode having increased its plant investment by approximately a quarter. Historically, the activity has been more on the growth side as opposed to replacement of existing facilities, however during the most recent study year replacements/retirements have accelerated rather dramatically. In fact while the overall 5 year experience band analysis produced life indication of an estimated 57 years' average service life, the current 2012-2014 experience band produced an average service life indication of 45 years. In future years it is anticipated that replacement of existing facilities will likely occur at significantly higher levels.

Over the coming years management anticipates move towards the upgrade replacement mode of construction as opposed to growth/expansion. This significant increase in plant replacement activity can be anticipated to shorten the life indication presently being experienced. Based upon the available recent study result a reduction to the longer than normal average service life for the Company's property

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

is proposed. At the present time, an average service life of 50 years is estimated for the property group. As additional activity occurs in future years a further reduction will likely be warranted. Even at the estimated average service life of a 50-R2.5 life and curve, the recovery period is nearly as long as the maximum average service life for the property group identified in an industry survey.

Life Analysis Method: Retirement Rate (Actuarial)

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 45-R2.5
Net Salv: -20%

Proposed Depreciation Parameters

ASL/Curve: 50-R2.5
Net Salv: -5%

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	1.92%	1.80%
Av. Remaining Life	37.6 years	N/A

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

ACCOUNT – 364.00 Poles, Towers & Fixtures

Historical Experience

Plant Statistics
Plant Balance = $37,559,744
Average Age of Survivors = 18.2 years
Original Gross Additions = $40,977,310
Oldest Surviving vintage = 1935
Retirements = $3,434,903, or 8.4% of historical additions.
Average Age of Retirements = 24.4 years

Experience Bands 1995– 2014 (Full Depth) 56-R1.5

Historical Net Salvage: (68-14)

Three Year Average Net Salvage Percent			Full Depth
2010-12	2011-13	2012-14	1968-14
-76%	-142%	-158%	-56%

Gross Salvage Trend Analysis

20 Year	15 Year	10 Year	5 Year
4%	5%	6%	10%

Forecasted Net Salvage: -180%

Future Expectations and Considerations

Poles are identified in the field on an ongoing basis and those that require replacement are evaluated based on several design criteria and then either replaced or reinforced.

The replacement of poles with any one area of the Company's operating system varies from year to year depending upon inspection results. In additional the Company experiences ongoing pole replacements as a result of highway reconstruction/relocation and accidental damage.

During the last several years the Company has been in an increasing growth mode having increased its plant investment in the range of 15-20%. Historically, the activity has been more on the growth side as opposed to replacement of existing facilities, however during the most recent study year replacements/retirements have accelerated rather dramatically. In fact while the overall 5 year experience band analysis produced life indication of an estimated 56 years' average service life, the current 2014 experience band produced an average service life indication of 45 years. In future years it is anticipated that replacement of existing facilities will likely occur at significantly higher levels.

Over the coming years management anticipates move towards the upgrade replacement mode of construction as opposed to growth/expansion. This increase in plant replacement activity can be anticipated to shorten the life indication presently being experienced. Based upon the available recent study result a reduction to the longer than normal average service life for the Company's property is

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

proposed. At the present time, an average service life of 50 years is estimated for the property group. As additional activity occurs in future years a further reduction will likely be warranted. Even at the estimated average service life of a 50-R1 life and curve, the recovery period is at the higher end of the industry range of service lives.

Life Analysis Method: Retirement Rate (Actuarial)

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 40-R1.5
Net Salv: -95%

Proposed Depreciation Parameters

ASL/Curve: 50-R1
Net Salv: -70%

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	3.76%	4.09%
Av. Remaining Life	37.6 years	N/A

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

ACCOUNT – 365.00 O/H Conductor & Devices

Historical Experience

Plant Statistics
Plant Balance = $28,926,832
Average Age of Survivors = 17.1 years
Original Gross Additions = $30,864,361
Oldest Surviving Vintage = 1935
Retirements = $1,938,849, or 6.3% of historical additions.
Average Age of Retirements = 22.4 years

Experience Bands 1995 – 2014 (Full Depth) 60-R2

Historical Net Salvage: (68-14)

Three Year Average Net Salvage Percent			Full Depth
2010-12	2011-13	2012-14	1968-14
-87%	-163%	-171%	-48%

Gross Salvage Trend Analysis

20 Year	15 Year	10 Year	5 Year
0%	4%	5%	6%

Forecasted Net Salvage: -213%

Future Expectations and Considerations

This property group contains the Company's investment applicable to overhead conductors and related property. Change outs of conductors and appurtenant equipment are driven by both physical attributes and load growth that are constantly occurring within the Company's service area.

During the last several years the Company has been in an increasing growth mode having increased its plant investment in the range of 20% plus or minus. Historically, the activity has been more on the growth side as opposed to replacement of existing facilities, however during the most recent study year replacements/retirements have accelerated rather dramatically. In fact while the overall 5 year experience band analysis produced life indication of an estimated 60 years' average service life, the current 2014 experience band produced an average service life indication of 45 years. In future years it is anticipated that replacement of existing facilities will likely occur at significantly higher levels.

Over the coming years management anticipates move towards the upgrade replacement mode of construction as opposed to growth/expansion. This increase in plant replacement activity can be anticipated to shorten the life indication presently being experienced. Based upon the available recent study result a reduction to the longer than normal average service life for the Company's property is proposed. At the present time, an average service life of 55 years is estimated for the property group. As additional activity occurs in future years a further reduction will likely be warranted. Even at the

estimated average service life of a 55-R1 life and curve, the recovery period is at the higher end of the industry range of service lives.

Life Analysis Method: Retirement Rate (Actuarial)

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 40-R2
Net Salv: -70%

Proposed Depreciation Parameters

ASL/Curve: 55-R1
Net Salv: -85%

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	2.91%	3.91%
Av. Remaining Life	43.3 years	N/A

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

ACCOUNT – 366.00 U/G Conduit

Historical Experience

Plant Statistics
Plant Balance = $218,153
Average Age of Survivors = N/A
Original Gross Additions = $218,153
Oldest Surviving Vintage = 1949
Retirements = $0 or 0% of historical additions.
Average Age of Retirements = N/A

Experience Bands Estimated 50-R3

Historical Net Salvage: (68-14)

Three Year Average Net Salvage Percent			Full Depth
2010-12	2011-13	2012-14	1968-14
-0%	0%	0%	-7%

Gross Salvage Trend Analysis

20 Year	15 Year	10 Year	5 Year
0%	0%	0%	0%

Forecasted Net Salvage: -48%

Future Expectations and Considerations

This property equipment account is related to facilities that are used in conjunction with the Company's underground cable systems. MDU's limited conduit investments are installed in the distribution system where: 1) additional mechanical protection of cable systems are required. 2) future destructive surface construction associated with cable repairs is to be avoided. 3) faulted direct buried cable systems have been replaced with bored in conduit encased cable systems.

The primary cause for conduit system retirement is abandonment of existing conduit associated with facility relocations.

Also, replacement of conduit systems is due to damage caused by a third party.

Life Analysis Method: Retirement Rate (Actuarial)

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 50-R3
Net Salv: -10%

Proposed Depreciation Parameters

ASL/Curve: 50-R3
Net Salv: 0%

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	1.81%	1.88%
Av. Remaining Life	29.6 years	N/A

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

ACCOUNT – 367.00 U/G Conductors & Devices

Historical Experience

Plant Statistics
Plant Balance = $91,879,419
Average Age of Survivors = 9.6 years
Original Gross Additions = $97,845,820
Oldest Surviving Vintage = 1949
Retirements = $6,005,802 or 6.1% of historical additions.
Average Age of Retirements = 20.6 years

Experience Bands 1995 – 2014 (Full Depth) 40-R2

Historical Net Salvage: (68-14)

Three Year Average Net Salvage Percent			Full Depth
2010-12	2011-13	2012-14	1968-14
-25%	-68%	-101%	-26%

Gross Salvage Trend Analysis

20 Year	15 Year	10 Year	5 Year
2%	2%	2%	2%

Forecasted Net Salvage: -48%

Future Expectations and Considerations

This property group includes the investment related to direct buried secondary distribution cables. Significant increases in retirement levels occurred during late 1990's and 2000's. Furthermore, industry information has shown the propensity for increased failure levels in the class of property as it continues to age. Outages on UG primary and secondary happen throughout the year in any given year. Current MDU customer outage times associated with UG cable is not considered abnormal.

Continued quality control and inspection of cable deliveries by MDU Standards department is anticipated to minimize the possibility of increased outages of newly installed plant due to cable failures, however, there is a lot of potential cable issue in future years relative to underground plant installed during earlier years. The Company has million feet of underground conductors in service. Specifically, vintages of cable installed prior to 1983 are subject to increasing failure.

Life Analysis Method: Retirement Rate (Actuarial)

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 34-R2.5
Net Salv: -15%

Proposed Depreciation Parameters

ASL/Curve: 40-R2
Net Salv: -25%

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	3.00%	3.15%
Av. Remaining Life	32.0 years	N/A

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

ACCOUNT – 368 Line Transformers

Historical Experience

Plant Statistics
Plant Balance = $64,877,478
Average Age of Survivors = 15.5 years
Original Gross Additions = $68,185,864
Oldest Surviving Vintage = 1936
Retirements = $3,303,579 or 4.8% of historical additions.
Average Age of Retirements = 27.5 years

Experience Bands 1995– 2014 (Full depth) 55-R3

Historical Net Salvage: (68-14)

Three Year Average Net Salvage Percent			Full Depth
2010-12	2011-13	2012-14	1968-14
-21%	-7%	-22%	-8%

Gross Salvage Trend Analysis

20 Year	15 Year	10 Year	5 Year
16%	17%	13%	3%

Forecasted Net Salvage: -32%

Future Expectations and Considerations

This investment category is related to customer transformers located in conjunction with customer services. This class of plant serves to reduce the distribution voltage to the voltage level required by the customers.

While limited inspection cost is incurred before disposing and/or placing any transformers back into stores, cost is incurred to removing and returning the equipment to stores. Also, the cost of disposing retired transformers is increasing. A technician will inspect bushings as well as any equipment damage before placing back into inventory for potential further use. Increasing amount of pad mounted transformers require replacement due to failures.

Life Analysis Method: Retirement Rate (Actuarial)

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 47-R3
Net Salv: 0%

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

Proposed Depreciation Parameters

ASL/Curve: 55-R3
Net Salv: -20%

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	2.10%	2.22%
Av. Remaining Life	40.8 years	N/A

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

ACCOUNT – 369.10 Overhead Services

Historical Experience

Plant Statistics
Plant Balance = $4,548,918
Average Age of Survivors = 19.4
Original Gross Additions = $5,518,845
Oldest Surviving Vintage = 1953
Retirements = $970,161, or 17.6% of historical additions.
Average Age of Retirements = 26.0 years

Experience Bands 1995– 2014 (Full Depth) 37-R1.5

Historical Net Salvage: (68-14)

Three Year Average Net Salvage Percent			Full Depth
2010-12	2011-13	2012-14	1968-14
-40%	-39%	-33%	-43%

Gross Salvage Trend Analysis

20 Year	15 Year	10 Year	5 Year
0%	2%	3%	2%

Forecasted Net Salvage: -104%

Future Expectations and Considerations

The property investment within this account is related to aerial customer services. Outages related to failed service are deemed to be normal and therefore future replacements are not anticipated to be materially different than occurred during recent years.

Life Analysis Method: Retirement Rate Method (Actuarial)

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 30-R2
Net Salv: -70%

Proposed Depreciation Parameters

ASL/Curve: 37-R1.5
Net Salv: -50

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	2.69%	1.83%
Av. Remaining Life	23.1 years	N/A

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

ACCOUNT – 369.20 Underground Services

Historical Experience

Plant Statistics
Plant Balance = $28,517,307
Average Age of Survivors = 13.6 years
Original Gross Additions = $29,788,433
Oldest Surviving Vintage = 1955
Retirements = $1,270,891, or 4.3% of historical additions.
Average Age of Retirements = 17.1 years

Experience Bands 1995 - 2014 (Full Depth) 45-R3

Historical Net Salvage: (68-14)

Three Year Average Net Salvage Percent			Full Depth
2010-12	2011-13	2012-14	1968-14
-40%	-39%	-33%	-43%

Gross Salvage Trend Analysis

20 Year	15 Year	10 Year	5 Year
0%	2%	3%	2%

Forecasted Net Salvage: -104%

Future Expectations and Considerations

The property investment within this account is related to underground customer services. Outages related to failed service are deemed to be normal and therefore future replacements are not anticipated to be materially different than occurred during recent years.

Life Analysis Method: Retirement Rate (Actuarial)

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 40-R4
Net Salv: -70%

Proposed Depreciation Parameters

ASL/Curve: 45-R3
Net Salv: -50%

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	2.64%	1.83%
Av. Remaining Life	32.7 years	N/A

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

ACCOUNT – 370.00 Meters

Historical Experience

Plant Statistics
Plant Balance = $16,972,527
Average Age of Survivors = 5.3
Original Gross Additions = $27,360,630
Oldest Surviving Vintage = 1946
Retirements = $10,388,103, or 38.0% of historical additions.
Average Age of Retirements = 19.2 years

Experience Bands 1995 – 2014 (Full Depth) 15-L3 ---Estimate 25-R2

Historical Net Salvage: (68-14)

Three Year Average Net Salvage Percent			Full Depth
2010-12	2011-13	2012-14	1968-14
-9%	-8%	-6%	-3%

Gross Salvage Trend Analysis

20 Year	15 Year	10 Year	5 Year
0%	1%	1%	0%

Forecasted Net Salvage: -3%

Future Expectations and Considerations

In more recent years, the Company replaced the overwhelming majority of its electric meters in conjunction with an AMR conversion project. Accordingly, the historical analysis of recent data, in which there was a wholesale change out of property, produced a shorter life indication for the property group than might be experienced for the current property. That is, the conversion project resulted in the Company now having a completely different automated metering reading (AMR) technology of Meters than which previously existed. This current new technologically driven property is routinely influenced by greater levels of upgrades, obsolescence, etc. than the prior mechanical meters.

For example, while the AMR technology provides improved efficiencies and enhanced technology capabilities, it only captures a limited part of the ultimate transformation to the current state of the art meter reading and plant utilization capabilities. Advanced Meter Infrastructure (AMI) and related Smart Grid will further expand the control capabilities of the electric network. Accordingly, it is only a matter of time until it will be necessary to complete further upgrades to its present Meter facilities. Thus, an average service life of 20 years is initially estimated for the present property group investment. The life of this property group needs to be monitored on an ongoing basis in conjunction with changing technology and the Company's needs to address such rapid changes.

Life Analysis Method: Retirement Rate (Actuarial)

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 35-R2
Net Salv: 0%

Proposed Depreciation Parameters

ASL/Curve: 20-L3
Net Salv: -5%

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	7.19%	3.44%
Av. Remaining Life	20.4 years	N/A

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

ACCOUNT – 371.00 Installation on Customers Premises

Historical Experience

Plant Statistics
Plant Balance = $2,742,626
Average Age of Survivors = 11.0 years
Original Gross Additions = $3,971,265
Oldest Surviving Vintage = 1971
Retirements = $1,229,278, or 31.0% of historical additions.
Average Age of Retirements = 17.1 years

Experience Bands 1995– 2014 (Full Depth) 22-R0.5

Historical Net Salvage: (68-14)

Three Year Average Net Salvage Percent			Full Depth
2010-12	2011-13	2012-14	1968-14
-14%	-37%	-46%	0%

Gross Salvage Trend Analysis

20 Year	15 Year	10 Year	5 Year
10%	9%	8%	0%

Forecasted Net Salvage: -31%

Future Expectations and Considerations

This account investment is related to equipment located on customer premises.

Life Analysis Method: Retirement Rate (Actuarial)

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 19-R1.5
Net Salv: -5%

Proposed Depreciation Parameters

ASL/Curve: 22-R0.5
Net Salv: -15%

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	4.84%	4.72%
Av. Remaining Life	15.6 years	N/A

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

ACCOUNT – 373.00 Street Lighting Systems

Historical Experience

Plant Statistics
Plant Balance = $7,173,899
Average Age of Survivors = 22.7 years
Original Gross Additions = $8,593,377
Oldest Surviving Vintage = 1946
Retirements = $1,379,656, or 16.1% of historical additions.
Average Age of Retirements = 25.9 years

Experience Bands 1995– 2014 (Full Depth) 43-R1

Historical Net Salvage: (68-14)

Three Year Average Net Salvage Percent			Full Depth
2010-12	2011-13	2012-14	1968-14
-42%	-65%	-96%	-28%

Gross Salvage Trend Analysis

20 Year	15 Year	10 Year	5 Year
1%	2%	2%	3%

Forecasted Net Salvage: -68%

Future Expectations and Considerations

This property group contains the Company's overhead conductors related to street lighting equipment. High Pressure Sodium Vapor lighting is a primary type of installed facilities. The Company will continue to monitor and replace these facilities as required. Factors contributing to future change outs of property, as in the past, are vehicular accidents as well as change outs resulting local government entities requests. Furthermore, in conjunction with anticipated future load growth, highway relocations and related plant changes, street lighting will also be impacted inasmuch as the street lighting equipment is mounted on the distribution facilities.

Life Analysis Method: Retirement Rate (Actuarial)

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 36-R2
Net Salv: -25%

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

Proposed Depreciation Parameters

ASL/Curve: 43-R1
Net Salv: -40%

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	2.88%	3.73%
Av. Remaining Life	28.0 years	N/A

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

ACCOUNT – 390.00 Structures and Improvements

Historical Experience

Plant Statistics
Plant Balance = $835,304
Average Age of Survivors = 19.2 years
Original Gross Additions = $1,115,784
Oldest Surviving Vintage = 1933
Retirements = $280,479 or 25.1% of historical additions.
Average Age of Retirements = 24.8 years

Experience Bands 1995– 2014 (Full Depth) 29-L2

Historical Net Salvage: 73-14

Three Year Average Net Salvage Percent			Full Depth
2010-12	2011-13	2012-14	1973-14
0%	0%	0%	28%

Gross Salvage Trend Analysis

20 Year	15 Year	10 Year	5 Year
0%	0%	0%	0%

Forecasted Net Salvage: -19%

Future Expectations and Considerations

This property group is related to structures used by the Company's operating work force in the course of providing customer service. The facilities house office, storage, work areas, warehouse space, maintenance areas, etc. Normal ongoing upgrades and changes have been and will continue to occur at the various sites in coming years.

Life Analysis Method: Retirement Rate (Actuarial)

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 35-R2.5
Net Salv: -10%

Proposed Depreciation Parameters

ASL/Curve: 29-L2
Net Salv: -10%

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	3.30%	3.79%
Av. Remaining Life	18.2 years	N/A

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

ACCOUNT – 392.10 Transportation Equip-Non Unitized

Historical Experience

Plant Statistics
Plant Balance = $972,408
Average Age of Survivors = 8.7 years
Original Gross Additions = $943,334
Oldest Surviving Vintage = 1992
Retirements = $42,990, or 4.6% of historical additions.
Average Age of Retirements = 34.0 years

Experience Bands Estimated 15-R4

Historical Net Salvage: (04-14)

Three Year Average Net Salvage Percent			Full Depth
2010-12	2011-13	2012-14	2004-14
22%	28%	10%	12%

Gross Salvage Trend Analysis

20 Year	15 Year	10 Year	5 Year
12%	12%	12%	23%

Forecasted Net Salvage: 23%

Future Expectations and Considerations

This property group contains investments related to cars and light trucks. The Company's general replacement policy is 5 years or 100,000 miles.

Life Analysis Method: Retirement Rate (Actuarial)

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 10-R3
Net Salv: 0%

Proposed Depreciation Parameters

ASL/Curve: 15-R4
Net Salv: 20%

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	4.54%	7.99%
Av. Remaining Life	8.3 years	N/A

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

ACCOUNT – 392.20 Transportation Equipment

Historical Experience

Plant Statistics
Plant Balance = $6,980,855
Average Age of Survivors = 6.2 years
Original Gross Additions = $12,818,745
Oldest Surviving Vintage = 1995
Retirements = $5,510,588, or 43.0% of historical additions.
Average Age of Retirements = 10.2 years

Experience Bands 1995– 2014 (Full Depth) 11-L3

Historical Net Salvage: (95-14)

Three Year Average Net Salvage Percent			Full Depth
2010-12	2011-13	2012-14	1995-14
24%	25%	15%	20%

Gross Salvage Trend Analysis

20 Year	15 Year	10 Year	5 Year
21%	21%	21%	19%

Forecasted Net Salvage: 19%

Future Expectations and Considerations

This property group contains investments related to heavier construction trucks which are used in constructing and maintaining distribution and transmission lines. The Company's general replacement policy is 8 years or 100,000 miles.

Life Analysis Method: Retirement Rate (Actuarial)

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 7-R3
Net Salv: 20%

Proposed Depreciation Parameters

ASL/Curve: 11-L3
Net Salv: 20%

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	5.48%	7.71%
Av. Remaining Life	6.0 years	N/A

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

ACCOUNT – 396.10 Trailers-Work Equipment

Historical Experience

Plant Statistics
Plant Balance = $469,900
Average Age of Survivors = N/A
Original Gross Additions = $359,809
Oldest Surviving Vintage = 1971
Retirements = $32,263, or N/A of historical additions.
Average Age of Retirement = 26.2 years

Experience Bands 1995– 2014 (Full Depth) 20-L3

Historical Net Salvage: (08-14)

Three Year Average Net Salvage Percent			Full Depth
2010-12	2011-13	2012-14	2008-14
19%	0%	0%	0%

Gross Salvage Trend Analysis

20 Year	15 Year	10 Year	5 Year
9%	9%	9%	0%

Forecasted Net Salvage: 0%

Future Expectations and Considerations

This investment in this account is related to work trailers used by the Company's workforce.

Life Analysis Method: Simulated Plant Analysis Method

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 20-L3
Net Salv: 0%

Proposed Depreciation Parameters

ASL/Curve: 20-L3
Net Salv: 0%

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	5.44%	5.33%
Av. Remaining Life	11.5 years	N/A

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

ACCOUNT – 396.20 Power Operated Equipment

Historical Experience

Plant Statistics
Plant Balance = $12,819,698
Average Age of Survivors = N/A
Original Gross Additions = $6,312,535
Oldest Surviving Vintage = 1977
Retirements = $6,648,394, or N/A of historical additions.
Average Age of Retirements = 12.2 years

Experience Bands 1995– 2014 (Full Depth) 9-L0

Historical Net Salvage: (69-14)

Three Year Average Net Salvage Percent			Full Depth
2010-12	2011-13	2012-14	1969-14
49%	64%	41%	22%

Gross Salvage Trend Analysis

20 Year	15 Year	10 Year	5 Year
36%	41%	53%	67%

Forecasted Net Salvage: 67%

Future Expectations and Considerations

The investment in this account is related to power operated equipment, such as welders, portable generators, backhoes, etc., used by the Company's workforce.

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 15-L4
Net Salv: 20%

Proposed Depreciation Parameters

ASL/Curve: 9-L0
Net Salv: 20%

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	5.38%	7.36%
Av. Remaining Life	8.7 years	N/A

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

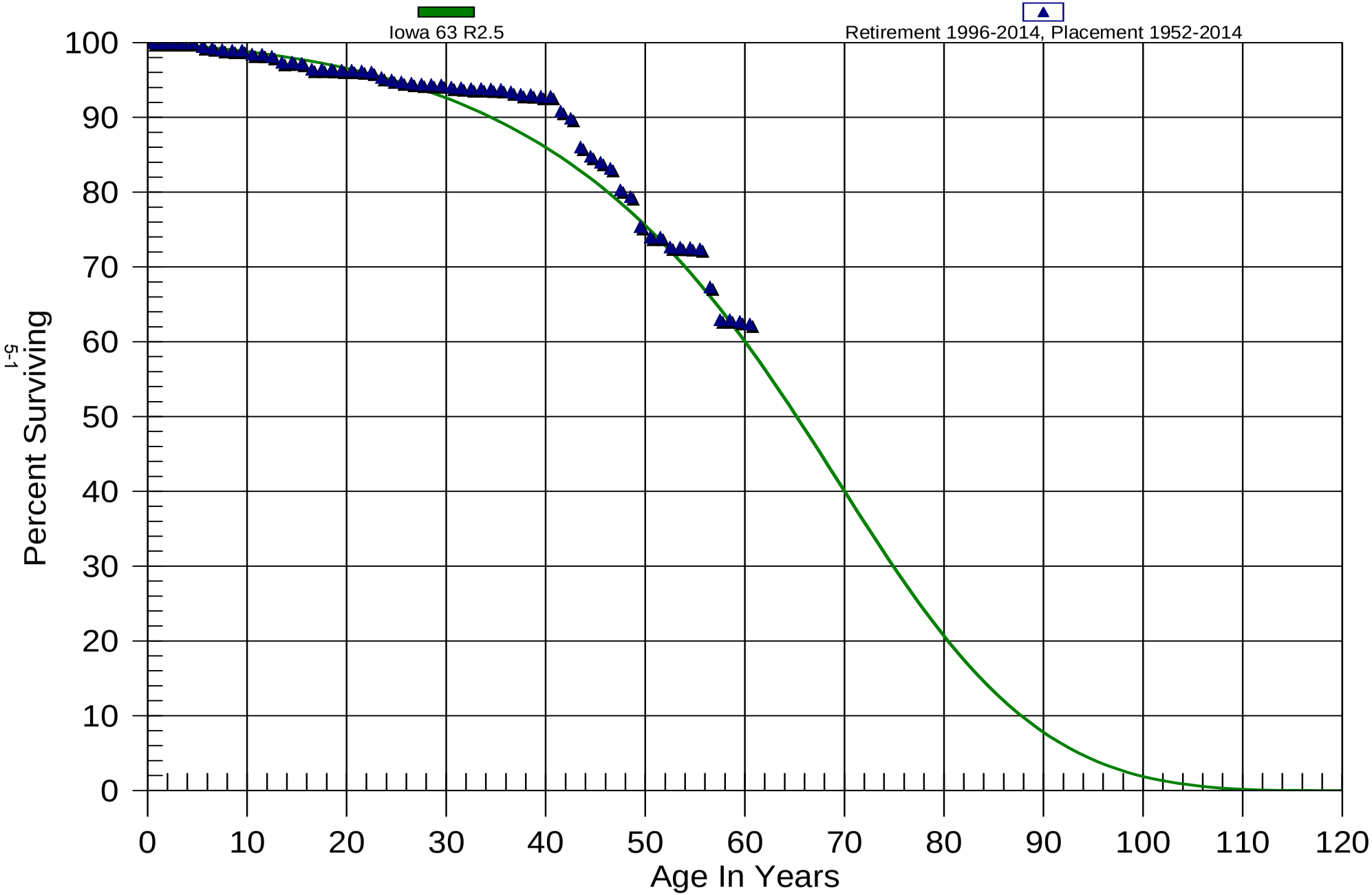
SECTION 5

Montana-Dakota Utilities Company

Electric Plant

311.00 Steam Production Structures & Improvement

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company
Electric Plant
311.00 Steam Production Structures & Improvement
Observed Life Table
Retirement Expr. 1996 TO 2014
Placement Years 1952 TO 2014

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
0.0 - 0.5	$35,762,475.30	$0.00	0.00000	100.00
0.5 - 1.5	$34,121,099.54	$0.00	0.00000	100.00
1.5 - 2.5	$18,951,577.88	$0.00	0.00000	100.00
2.5 - 3.5	$19,241,971.04	$2,793.19	0.00015	100.00
3.5 - 4.5	$18,439,838.44	$0.00	0.00000	99.99
4.5 - 5.5	$14,723,206.42	$74,614.95	0.00507	99.99
5.5 - 6.5	$13,497,427.32	$24,284.30	0.00180	99.48
6.5 - 7.5	$12,703,239.36	$29,410.20	0.00232	99.30
7.5 - 8.5	$10,526,019.72	$8,753.55	0.00083	99.07
8.5 - 9.5	$9,773,645.11	$0.00	0.00000	98.99
9.5 - 10.5	$9,331,124.98	$50,166.02	0.00538	98.99
10.5 - 11.5	$9,458,775.21	$1,340.73	0.00014	98.46
11.5 - 12.5	$9,499,499.06	$28,346.16	0.00298	98.44
12.5 - 13.5	$9,119,182.53	$73,496.69	0.00806	98.15
13.5 - 14.5	$8,436,479.78	($3,951.15)	-0.00047	97.36
14.5 - 15.5	$30,646,155.45	$58,866.38	0.00192	97.40
15.5 - 16.5	$29,722,060.71	$234,409.87	0.00789	97.22
16.5 - 17.5	$29,152,591.76	$6,817.94	0.00023	96.45
17.5 - 18.5	$28,625,072.40	$2,500.00	0.00009	96.43
18.5 - 19.5	$28,256,606.68	$25,726.28	0.00091	96.42
19.5 - 20.5	$28,137,653.75	$6,238.75	0.00022	96.33
20.5 - 21.5	$35,480,787.34	$40,142.78	0.00113	96.31
21.5 - 22.5	$34,448,716.50	$52,711.84	0.00153	96.20
22.5 - 23.5	$34,357,987.31	$257,856.49	0.00750	96.05
23.5 - 24.5	$34,055,883.39	$123,835.66	0.00364	95.33
24.5 - 25.5	$33,846,085.75	$91,166.55	0.00269	94.98
25.5 - 26.5	$33,467,684.25	$58,976.55	0.00176	94.73
26.5 - 27.5	$33,399,772.47	$39,981.82	0.00120	94.56
27.5 - 28.5	$33,283,664.68	$19,515.00	0.00059	94.45
28.5 - 29.5	$33,086,100.55	$15,607.99	0.00047	94.39
29.5 - 30.5	$32,157,053.20	$100,168.73	0.00311	94.35
30.5 - 31.5	$31,293,587.38	$28,816.84	0.00092	94.05
31.5 - 32.5	$31,172,755.86	$36,693.07	0.00118	93.97
32.5 - 33.5	$31,357,701.40	$6,806.97	0.00022	93.86
33.5 - 34.5	$8,303,184.19	$3,500.00	0.00042	93.84
34.5 - 35.5	$8,280,549.81	$5,675.00	0.00069	93.80

Montana-Dakota Utilities Company
Electric Plant
311.00 Steam Production Structures & Improvement
Observed Life Table
Retirement Expr. 1996 TO 2014
Placement Years 1952 TO 2014

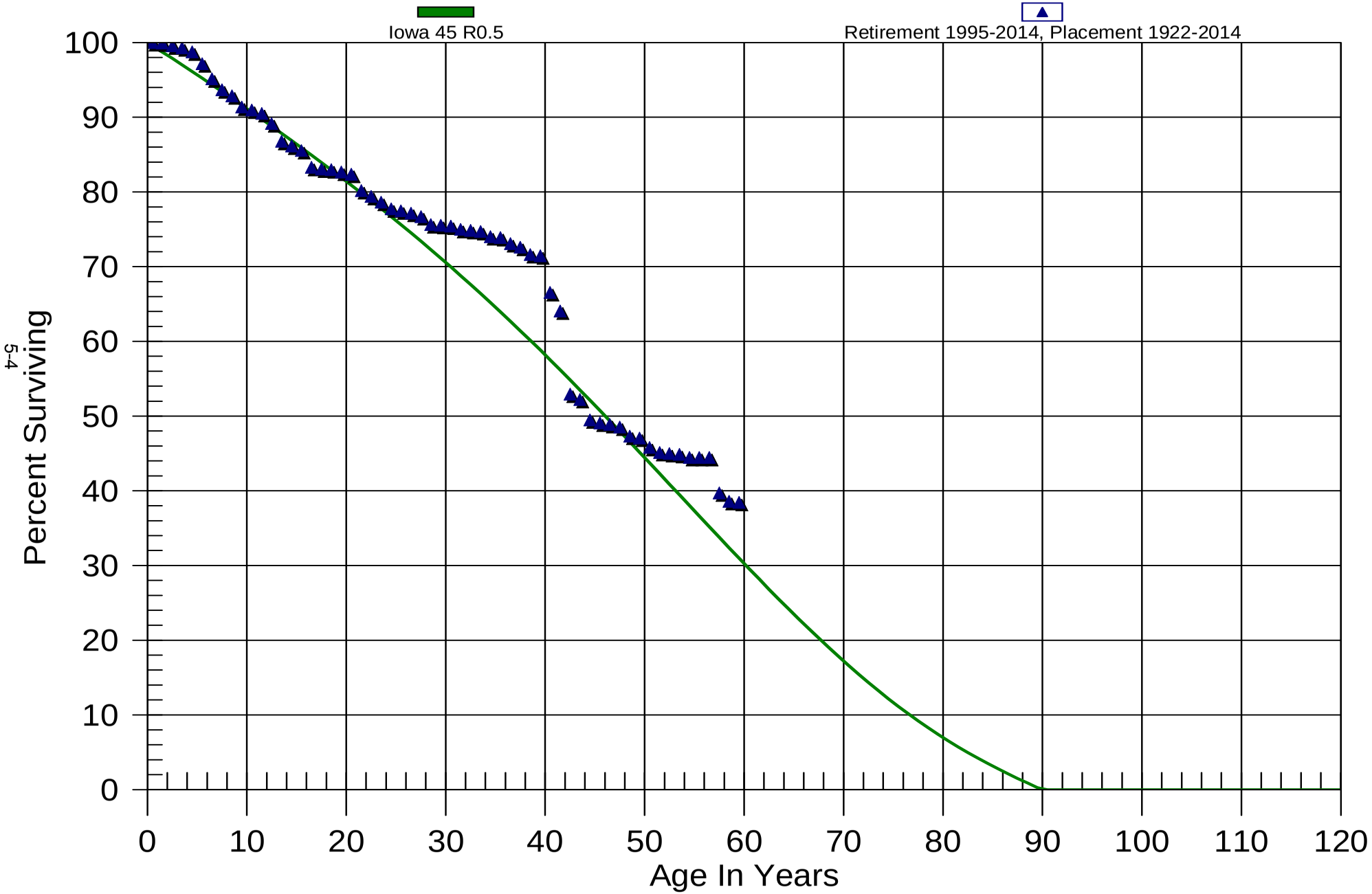
Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
35.5 - 36.5	$8,211,993.79	$27,066.20	0.00330	93.73
36.5 - 37.5	$8,322,309.81	$32,364.82	0.00389	93.42
37.5 - 38.5	$9,844,572.89	$3,597.98	0.00037	93.06
38.5 - 39.5	$9,806,405.38	$22,582.63	0.00230	93.03
39.5 - 40.5	$2,386,444.00	$0.00	0.00000	92.81
40.5 - 41.5	$2,385,431.62	$51,000.00	0.02138	92.81
41.5 - 42.5	$2,765,501.19	$29,359.40	0.01062	90.83
42.5 - 43.5	$2,834,641.79	$120,500.00	0.04251	89.86
43.5 - 44.5	$2,721,891.79	$40,000.00	0.01470	86.04
44.5 - 45.5	$2,680,317.10	$25,333.00	0.00945	84.78
45.5 - 46.5	$2,653,858.02	$25,500.00	0.00961	83.98
46.5 - 47.5	$2,625,328.41	$90,600.00	0.03451	83.17
47.5 - 48.5	$2,529,042.91	$28,000.00	0.01107	80.30
48.5 - 49.5	$2,498,852.31	$125,985.00	0.05042	79.41
49.5 - 50.5	$2,368,021.72	$44,750.00	0.01890	75.41
50.5 - 51.5	$2,305,589.89	$290.00	0.00013	73.98
51.5 - 52.5	$2,074,464.81	$36,566.00	0.01763	73.97
52.5 - 53.5	$2,037,898.81	$942.00	0.00046	72.67
53.5 - 54.5	$2,035,281.83	$1,831.00	0.00090	72.64
54.5 - 55.5	$2,026,091.62	$4,412.00	0.00218	72.57
55.5 - 56.5	$1,860,049.66	$130,550.00	0.07019	72.41
56.5 - 57.5	$306,370.61	$20,000.00	0.06528	67.33
57.5 - 58.5	$285,758.17	$0.00	0.00000	62.94
58.5 - 59.5	$285,043.43	$1,000.00	0.00351	62.94
59.5 - 60.5	$266,500.12	$1,500.00	0.00563	62.71

Montana-Dakota Utilities Company

Electric Plant

312.00 Boiler Plant Equipment

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company
Electric Plant
312.00 Boiler Plant Equipment
Observed Life Table
Retirement Expr. 1995 TO 2014
Placement Years 1922 TO 2014

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
0.0 - 0.5	$131,110,674.27	$1,711.29	0.00001	100.00
0.5 - 1.5	$125,005,289.65	$89,246.67	0.00071	100.00
1.5 - 2.5	$121,524,320.20	$460,178.67	0.00379	99.93
2.5 - 3.5	$114,799,848.15	$289,769.28	0.00252	99.55
3.5 - 4.5	$116,608,898.91	$642,127.59	0.00551	99.30
4.5 - 5.5	$83,796,526.10	$1,347,113.09	0.01608	98.75
5.5 - 6.5	$76,685,799.82	$1,605,006.55	0.02093	97.16
6.5 - 7.5	$72,782,634.37	$1,117,211.58	0.01535	95.13
7.5 - 8.5	$78,035,863.72	$678,974.69	0.00870	93.67
8.5 - 9.5	$68,368,659.95	$1,095,775.49	0.01603	92.85
9.5 - 10.5	$65,698,831.37	$293,172.31	0.00446	91.37
10.5 - 11.5	$64,669,755.11	$315,543.07	0.00488	90.96
11.5 - 12.5	$63,087,018.55	$945,601.14	0.01499	90.51
12.5 - 13.5	$61,074,931.65	$1,621,884.48	0.02656	89.16
13.5 - 14.5	$117,761,812.94	$879,739.98	0.00747	86.79
14.5 - 15.5	$119,651,216.05	$832,329.43	0.00696	86.14
15.5 - 16.5	$121,036,734.73	$3,199,744.77	0.02644	85.54
16.5 - 17.5	$117,869,525.81	$316,780.71	0.00269	83.28
17.5 - 18.5	$114,524,305.27	$119,911.93	0.00105	83.06
18.5 - 19.5	$113,467,967.01	$414,035.49	0.00365	82.97
19.5 - 20.5	$99,693,759.32	$369,795.29	0.00371	82.67
20.5 - 21.5	$98,496,385.28	$2,593,147.22	0.02633	82.36
21.5 - 22.5	$95,431,145.18	$928,246.18	0.00973	80.19
22.5 - 23.5	$93,961,588.88	$928,751.09	0.00988	79.41
23.5 - 24.5	$86,863,415.41	$978,895.39	0.01127	78.63
24.5 - 25.5	$84,492,806.62	$286,930.45	0.00340	77.74
25.5 - 26.5	$84,035,204.25	$342,722.40	0.00408	77.48
26.5 - 27.5	$83,353,137.19	$495,027.99	0.00594	77.16
27.5 - 28.5	$74,363,465.85	$1,038,151.96	0.01396	76.70
28.5 - 29.5	$72,979,011.43	$87,525.35	0.00120	75.63
29.5 - 30.5	$72,170,639.08	$102,478.15	0.00142	75.54
30.5 - 31.5	$71,833,437.55	$434,551.89	0.00605	75.43
31.5 - 32.5	$71,515,886.89	$113,383.33	0.00159	74.98
32.5 - 33.5	$70,504,559.63	$135,486.64	0.00192	74.86
33.5 - 34.5	$15,479,168.97	$142,873.90	0.00923	74.72
34.5 - 35.5	$12,122,825.16	$21,402.21	0.00177	74.03

Montana-Dakota Utilities Company
Electric Plant
312.00 Boiler Plant Equipment
Observed Life Table
Retirement Expr. 1995 TO 2014
Placement Years 1922 TO 2014

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
35.5 - 36.5	$8,396,279.05	$91,782.00	0.01093	73.90
36.5 - 37.5	$11,182,235.92	$74,958.34	0.00670	73.09
37.5 - 38.5	$11,029,788.94	$150,456.12	0.01364	72.60
38.5 - 39.5	$9,899,134.87	$22,407.62	0.00226	71.61
39.5 - 40.5	$6,681,947.03	$458,425.00	0.06861	71.45
40.5 - 41.5	$6,611,477.37	$247,422.00	0.03742	66.54
41.5 - 42.5	$6,416,405.37	$1,113,427.90	0.17353	64.05
42.5 - 43.5	$5,312,857.76	$72,131.76	0.01358	52.94
43.5 - 44.5	$5,239,601.39	$274,503.00	0.05239	52.22
44.5 - 45.5	$4,960,604.08	$39,938.95	0.00805	49.48
45.5 - 46.5	$4,903,126.28	$19,794.00	0.00404	49.09
46.5 - 47.5	$4,874,695.06	$35,768.00	0.00734	48.89
47.5 - 48.5	$4,836,720.18	$121,498.00	0.02512	48.53
48.5 - 49.5	$4,702,780.81	$25,142.00	0.00535	47.31
49.5 - 50.5	$4,720,823.14	$126,550.00	0.02681	47.06
50.5 - 51.5	$4,591,721.97	$66,000.00	0.01437	45.80
51.5 - 52.5	$3,943,267.52	$14,319.00	0.00363	45.14
52.5 - 53.5	$3,927,865.90	$8,900.00	0.00227	44.97
53.5 - 54.5	$3,918,036.13	$36,014.00	0.00919	44.87
54.5 - 55.5	$3,867,437.29	$0.00	0.00000	44.46
55.5 - 56.5	$3,823,064.71	$0.00	0.00000	44.46
56.5 - 57.5	$335,900.13	$35,928.74	0.10696	44.46
57.5 - 58.5	$299,912.16	$8,400.00	0.02801	39.70
58.5 - 59.5	$298,493.60	$1,100.00	0.00369	38.59
59.5 - 60.5	$297,393.60	$7,319.16	0.02461	38.45
60.5 - 61.5	$0.00	$0.00	0.00000	37.50
61.5 - 62.5	$0.00	$0.00	0.00000	37.50
62.5 - 63.5	$0.00	$0.00	0.00000	37.50
63.5 - 64.5	$0.00	$0.00	0.00000	37.50
64.5 - 65.5	$0.00	$0.00	0.00000	37.50
65.5 - 66.5	$0.00	$0.00	0.00000	37.50
66.5 - 67.5	$0.00	$0.00	0.00000	37.50
67.5 - 68.5	$0.00	$0.00	0.00000	37.50
68.5 - 69.5	$0.00	$0.00	0.00000	37.50
69.5 - 70.5	$0.00	$0.00	0.00000	37.50
70.5 - 71.5	$0.00	$0.00	0.00000	37.50

Montana-Dakota Utilities Company
Electric Plant
312.00 Boiler Plant Equipment
Observed Life Table
Retirement Expr. 1995 TO 2014
Placement Years 1922 TO 2014

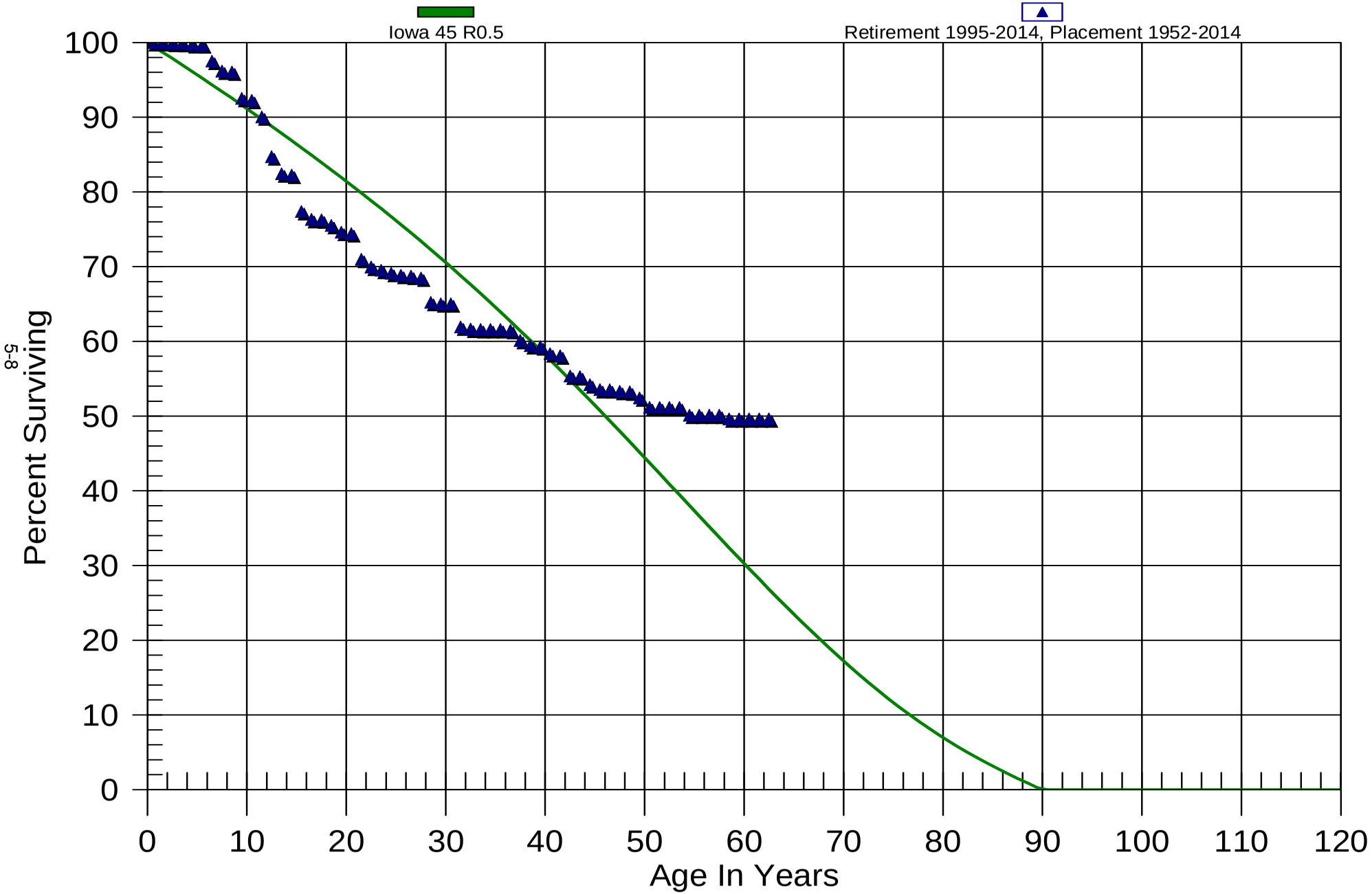
Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
71.5 - 72.5	$139,670.18	$0.00	0.00000	37.50
72.5 - 73.5	$139,670.18	$0.00	0.00000	37.50
73.5 - 74.5	$139,670.18	$0.00	0.00000	37.50
74.5 - 75.5	$139,670.18	$0.00	0.00000	37.50
75.5 - 76.5	$139,670.18	$0.00	0.00000	37.50
76.5 - 77.5	$139,670.18	$0.00	0.00000	37.50
77.5 - 78.5	$139,670.18	$0.00	0.00000	37.50
78.5 - 79.5	$139,670.18	$0.00	0.00000	37.50
79.5 - 80.5	$139,670.18	$0.00	0.00000	37.50
80.5 - 81.5	$139,670.18	$0.00	0.00000	37.50
81.5 - 82.5	$139,670.18	$0.00	0.00000	37.50
82.5 - 83.5	$139,670.18	$0.00	0.00000	37.50
83.5 - 84.5	$139,670.18	$0.00	0.00000	37.50
84.5 - 85.5	$139,670.18	$0.00	0.00000	37.50
85.5 - 86.5	$139,670.18	$0.00	0.00000	37.50
86.5 - 87.5	$139,670.18	$0.00	0.00000	37.50
87.5 - 88.5	$139,670.18	$0.00	0.00000	37.50
88.5 - 89.5	$139,670.18	$0.00	0.00000	37.50
89.5 - 90.5	$139,670.18	$0.00	0.00000	37.50
90.5 - 91.5	$0.00	$0.00	0.00000	37.50
91.5 - 92.5	$0.00	$0.00	0.00000	37.50

Montana-Dakota Utilities Company

Electric Plant

314.00 Turbogenerator Units

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company

Electric Plant

314.00 Turbogenerator Units

Observed Life Table

Retirement Expr. 1995 TO 2014

Placement Years 1952 TO 2014

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
0.0 - 0.5	$59,652,855.03	$0.00	0.00000	100.00
0.5 - 1.5	$64,476,539.66	$0.00	0.00000	100.00
1.5 - 2.5	$61,923,130.54	$60,000.00	0.00097	100.00
2.5 - 3.5	$57,406,511.71	$15,837.07	0.00028	99.90
3.5 - 4.5	$56,908,491.13	$92,103.73	0.00162	99.88
4.5 - 5.5	$26,363,879.34	$5,206.90	0.00020	99.71
5.5 - 6.5	$23,573,301.74	$518,163.64	0.02198	99.69
6.5 - 7.5	$22,552,654.21	$306,996.23	0.01361	97.50
7.5 - 8.5	$20,370,504.22	$23,138.36	0.00114	96.18
8.5 - 9.5	$16,518,702.50	$609,586.23	0.03690	96.07
9.5 - 10.5	$13,025,548.25	$36,330.71	0.00279	92.52
10.5 - 11.5	$12,742,952.60	$308,266.72	0.02419	92.26
11.5 - 12.5	$10,606,307.02	$627,676.28	0.05918	90.03
12.5 - 13.5	$12,013,575.42	$321,669.01	0.02678	84.70
13.5 - 14.5	$20,835,974.06	$46,400.29	0.00223	82.44
14.5 - 15.5	$19,116,137.85	$1,133,745.00	0.05931	82.25
15.5 - 16.5	$17,122,344.14	$230,267.99	0.01345	77.37
16.5 - 17.5	$16,790,882.06	$13,250.00	0.00079	76.33
17.5 - 18.5	$16,393,796.31	$162,548.21	0.00992	76.27
18.5 - 19.5	$14,435,081.50	$172,584.74	0.01196	75.52
19.5 - 20.5	$19,040,595.66	$48,899.87	0.00257	74.61
20.5 - 21.5	$18,961,605.17	$877,413.66	0.04627	74.42
21.5 - 22.5	$17,126,078.52	$251,668.61	0.01470	70.98
22.5 - 23.5	$16,818,085.37	$100,847.50	0.00600	69.94
23.5 - 24.5	$16,655,074.50	$94,336.65	0.00566	69.52
24.5 - 25.5	$16,493,629.73	$61,177.84	0.00371	69.12
25.5 - 26.5	$16,301,890.16	$29,308.89	0.00180	68.87
26.5 - 27.5	$16,171,274.37	$61,875.50	0.00383	68.74
27.5 - 28.5	$15,968,445.31	$759,255.01	0.04755	68.48
28.5 - 29.5	$15,171,181.20	$45,217.74	0.00298	65.22
29.5 - 30.5	$15,033,921.90	$3,344.35	0.00022	65.03
30.5 - 31.5	$15,036,340.41	$714,760.15	0.04754	65.01
31.5 - 32.5	$17,145,003.39	$76,599.30	0.00447	61.92
32.5 - 33.5	$15,661,728.53	$17,428.27	0.00111	61.65
33.5 - 34.5	$7,853,602.91	$454.00	0.00006	61.58
34.5 - 35.5	$7,857,182.40	$0.00	0.00000	61.57

Montana-Dakota Utilities Company

Electric Plant

314.00 Turbogenerator Units

Observed Life Table

Retirement Expr. 1995 TO 2014

Placement Years 1952 TO 2014

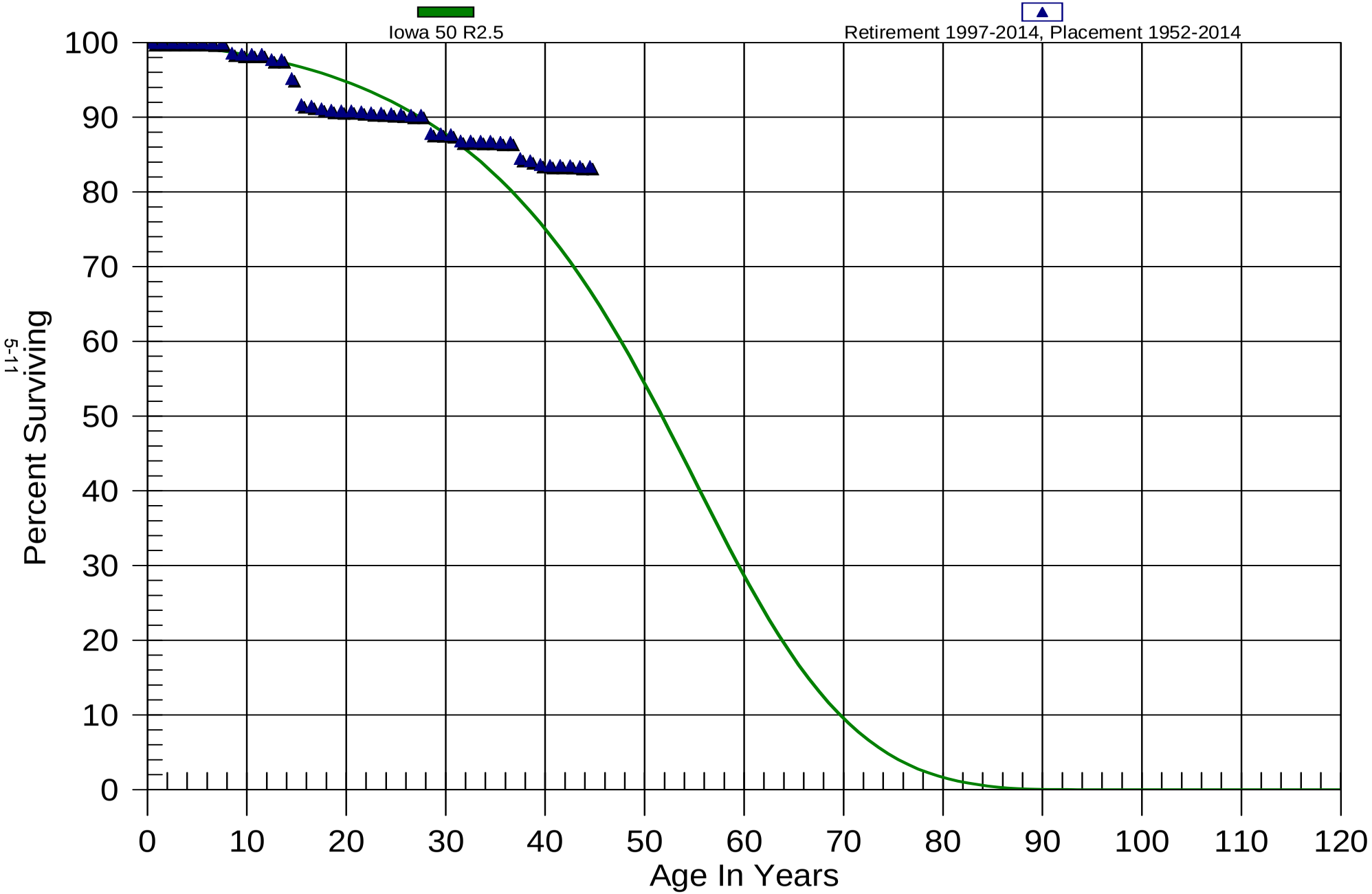
Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
35.5 - 36.5	$7,853,689.48	$13,477.43	0.00172	61.57
36.5 - 37.5	$10,811,133.16	$237,900.00	0.02201	61.47
37.5 - 38.5	$10,594,686.97	$121,747.14	0.01149	60.12
38.5 - 39.5	$10,423,004.33	$23,032.57	0.00221	59.43
39.5 - 40.5	$5,887,112.84	$93,777.00	0.01593	59.29
40.5 - 41.5	$7,360,162.69	$34,285.00	0.00466	58.35
41.5 - 42.5	$7,446,622.69	$350,000.00	0.04700	58.08
42.5 - 43.5	$7,124,622.69	$9,000.00	0.00126	55.35
43.5 - 44.5	$7,112,345.11	$137,230.00	0.01929	55.28
44.5 - 45.5	$6,974,882.60	$84,750.00	0.01215	54.21
45.5 - 46.5	$6,880,278.33	$4,100.00	0.00060	53.55
46.5 - 47.5	$6,874,048.44	$28,000.00	0.00407	53.52
47.5 - 48.5	$6,841,039.30	$8,950.00	0.00131	53.30
48.5 - 49.5	$6,829,420.51	$105,740.00	0.01548	53.23
49.5 - 50.5	$6,722,775.06	$162,800.00	0.02422	52.41
50.5 - 51.5	$6,550,247.30	$0.00	0.00000	51.14
51.5 - 52.5	$4,118,989.30	$0.00	0.00000	51.14
52.5 - 53.5	$4,118,989.30	$0.00	0.00000	51.14
53.5 - 54.5	$4,118,989.30	$83,284.00	0.02022	51.14
54.5 - 55.5	$4,031,671.81	$5.00	0.00000	50.11
55.5 - 56.5	$4,030,704.94	$0.00	0.00000	50.11
56.5 - 57.5	$1,577,148.48	$0.00	0.00000	50.11
57.5 - 58.5	$1,576,876.85	$15,000.00	0.00951	50.11
58.5 - 59.5	$1,561,876.85	$0.00	0.00000	49.63
59.5 - 60.5	$1,561,876.85	$0.00	0.00000	49.63
60.5 - 61.5	$0.00	$0.00	0.00000	49.63
61.5 - 62.5	$0.00	$0.00	0.00000	49.63

Montana-Dakota Utilities Company

Electric Plant

315.00 Accessory Electric Equipment

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company

Electric Plant

315.00 Accessory Electric Equipment

Observed Life Table

Retirement Expr. 1997 TO 2014

Placement Years 1952 TO 2014

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
0.0 - 0.5	$8,014,238.07	$0.00	0.00000	100.00
0.5 - 1.5	$7,549,471.25	$0.00	0.00000	100.00
1.5 - 2.5	$7,448,147.12	$0.00	0.00000	100.00
2.5 - 3.5	$7,126,525.53	$0.00	0.00000	100.00
3.5 - 4.5	$6,511,705.66	$0.00	0.00000	100.00
4.5 - 5.5	$2,965,093.69	$0.00	0.00000	100.00
5.5 - 6.5	$2,654,752.64	$1,589.00	0.00060	100.00
6.5 - 7.5	$1,471,788.50	$0.00	0.00000	99.94
7.5 - 8.5	$1,445,603.88	$19,634.49	0.01358	99.94
8.5 - 9.5	$1,270,093.60	$1,895.96	0.00149	98.58
9.5 - 10.5	$699,049.58	$0.00	0.00000	98.44
10.5 - 11.5	$700,913.77	$0.00	0.00000	98.44
11.5 - 12.5	$666,155.40	$4,971.69	0.00746	98.44
12.5 - 13.5	$652,596.48	$0.00	0.00000	97.70
13.5 - 14.5	$657,867.70	$17,103.23	0.02600	97.70
14.5 - 15.5	$630,967.58	$23,032.45	0.03650	95.16
15.5 - 16.5	$7,878,462.15	$18,500.00	0.00235	91.69
16.5 - 17.5	$7,886,623.30	$29,696.42	0.00377	91.47
17.5 - 18.5	$7,800,285.13	$16,458.00	0.00211	91.13
18.5 - 19.5	$7,767,626.32	$7,411.86	0.00095	90.94
19.5 - 20.5	$7,724,599.85	$0.00	0.00000	90.85
20.5 - 21.5	$7,641,807.61	$9,291.43	0.00122	90.85
21.5 - 22.5	$10,586,974.10	$17,700.71	0.00167	90.74
22.5 - 23.5	$10,550,764.57	$3,160.25	0.00030	90.59
23.5 - 24.5	$10,430,887.66	$10,251.08	0.00098	90.56
24.5 - 25.5	$10,419,602.64	$7,323.57	0.00070	90.47
25.5 - 26.5	$10,402,996.77	$16,199.64	0.00156	90.41
26.5 - 27.5	$10,365,318.36	$0.00	0.00000	90.27
27.5 - 28.5	$10,364,505.85	$280,051.43	0.02702	90.27
28.5 - 29.5	$10,081,831.76	$5,384.25	0.00053	87.83
29.5 - 30.5	$10,077,221.81	$11,049.33	0.00110	87.78
30.5 - 31.5	$10,062,850.69	$100,966.90	0.01003	87.68
31.5 - 32.5	$9,962,160.87	$0.00	0.00000	86.80
32.5 - 33.5	$9,918,909.48	$1,000.00	0.00010	86.80
33.5 - 34.5	$3,743,551.75	$851.76	0.00023	86.80
34.5 - 35.5	$3,685,633.12	$6,000.00	0.00163	86.78

Montana-Dakota Utilities Company
Electric Plant
315.00 Accessory Electric Equipment
Observed Life Table
Retirement Expr. 1997 TO 2014
Placement Years 1952 TO 2014

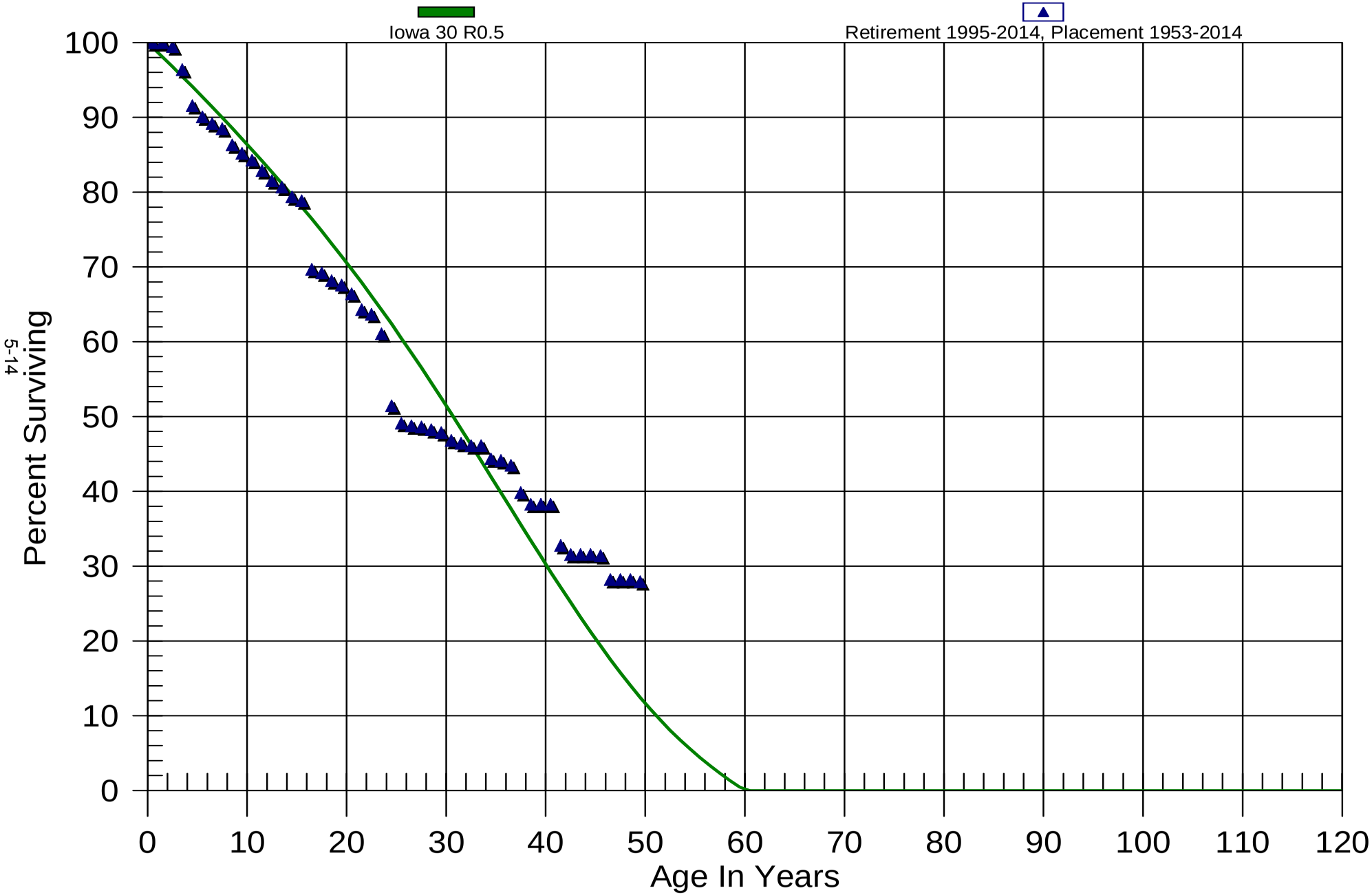
Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
35.5 - 36.5	$3,675,722.01	$0.00	0.00000	86.63
36.5 - 37.5	$3,671,134.68	$90,981.12	0.02478	86.63
37.5 - 38.5	$3,672,433.28	$12,604.11	0.00343	84.49
38.5 - 39.5	$4,303,678.54	$26,874.61	0.00624	84.20
39.5 - 40.5	$1,374,576.26	$2,000.00	0.00145	83.67
40.5 - 41.5	$1,372,576.26	$0.00	0.00000	83.55
41.5 - 42.5	$1,372,576.26	$400.00	0.00029	83.55
42.5 - 43.5	$1,761,417.86	$2,504.00	0.00142	83.53
43.5 - 44.5	$1,777,913.86	$0.00	0.00000	83.41
44.5 - 45.5	$1,778,913.86	$60.00	0.00003	83.41
45.5 - 46.5	$1,778,853.86	$4,000.00	0.00225	83.40
46.5 - 47.5	$1,773,061.37	$0.00	0.00000	83.22
47.5 - 48.5	$1,772,287.07	$5,244.00	0.00296	83.22
48.5 - 49.5	$1,767,043.07	$800.00	0.00045	82.97
49.5 - 50.5	$1,766,243.07	$500.00	0.00028	82.93
50.5 - 51.5	$1,762,211.69	$0.00	0.00000	82.91
51.5 - 52.5	$1,126,131.63	$0.00	0.00000	82.91
52.5 - 53.5	$1,126,131.63	$0.00	0.00000	82.91
53.5 - 54.5	$1,126,131.63	$0.00	0.00000	82.91
54.5 - 55.5	$1,126,131.63	$0.00	0.00000	82.91
55.5 - 56.5	$1,056,956.92	$3,000.00	0.00284	82.91
56.5 - 57.5	$400,941.60	$0.00	0.00000	82.67
57.5 - 58.5	$400,941.60	$0.00	0.00000	82.67
58.5 - 59.5	$400,941.60	$18,500.00	0.04614	82.67
59.5 - 60.5	$382,441.60	$0.00	0.00000	78.86
60.5 - 61.5	$0.00	$0.00	0.00000	78.86
61.5 - 62.5	$0.00	$0.00	0.00000	78.86

Montana-Dakota Utilities Company

Electric Plant

316.00 Miscellaneous Power Plant Equipment

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company
Electric Plant
316.00 Miscellaneous Power Plant Equipment
Observed Life Table
Retirement Expr. 1995 TO 2014
Placement Years 1953 TO 2014

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
0.0 - 0.5	$19,567,625.55	$0.00	0.00000	100.00
0.5 - 1.5	$18,942,252.66	$957.68	0.00005	100.00
1.5 - 2.5	$18,502,521.08	$97,671.72	0.00528	99.99
2.5 - 3.5	$17,085,636.44	$530,871.59	0.03107	99.47
3.5 - 4.5	$16,349,947.24	$815,293.46	0.04987	96.38
4.5 - 5.5	$14,677,241.30	$240,790.28	0.01641	91.57
5.5 - 6.5	$14,406,223.83	$141,501.00	0.00982	90.07
6.5 - 7.5	$13,819,547.65	$110,302.72	0.00798	89.18
7.5 - 8.5	$13,641,138.95	$329,421.13	0.02415	88.47
8.5 - 9.5	$13,255,408.52	$174,014.15	0.01313	86.34
9.5 - 10.5	$13,060,674.78	$141,497.58	0.01083	85.20
10.5 - 11.5	$12,845,810.41	$211,652.42	0.01648	84.28
11.5 - 12.5	$11,141,019.40	$183,635.14	0.01648	82.89
12.5 - 13.5	$11,137,759.14	$114,607.51	0.01029	81.52
13.5 - 14.5	$11,465,436.13	$186,713.28	0.01628	80.69
14.5 - 15.5	$11,247,781.62	$73,921.20	0.00657	79.37
15.5 - 16.5	$8,289,967.69	$964,269.96	0.11632	78.85
16.5 - 17.5	$7,239,038.79	$49,229.58	0.00680	69.68
17.5 - 18.5	$6,390,301.69	$96,520.62	0.01510	69.20
18.5 - 19.5	$6,213,592.69	$52,545.70	0.00846	68.16
19.5 - 20.5	$2,438,985.23	$42,510.94	0.01743	67.58
20.5 - 21.5	$2,150,114.42	$67,747.97	0.03151	66.40
21.5 - 22.5	$2,035,567.59	$20,341.95	0.00999	64.31
22.5 - 23.5	$1,959,466.41	$79,612.74	0.04063	63.67
23.5 - 24.5	$1,831,547.02	$289,380.46	0.15800	61.08
24.5 - 25.5	$1,511,836.45	$68,425.15	0.04526	51.43
25.5 - 26.5	$1,375,263.83	$9,959.69	0.00724	49.10
26.5 - 27.5	$1,334,235.52	$3,593.66	0.00269	48.75
27.5 - 28.5	$1,258,835.11	$9,847.86	0.00782	48.62
28.5 - 29.5	$1,126,558.93	$8,460.78	0.00751	48.24
29.5 - 30.5	$1,083,644.26	$24,549.90	0.02265	47.87
30.5 - 31.5	$1,025,624.06	$7,966.64	0.00777	46.79
31.5 - 32.5	$967,096.86	$6,485.01	0.00671	46.43
32.5 - 33.5	$939,190.94	$323.83	0.00034	46.12
33.5 - 34.5	$524,444.25	$19,843.47	0.03784	46.10
34.5 - 35.5	$483,396.56	$2,566.71	0.00531	44.35

Montana-Dakota Utilities Company
Electric Plant
316.00 Miscellaneous Power Plant Equipment
Observed Life Table
Retirement Expr. 1995 TO 2014
Placement Years 1953 TO 2014

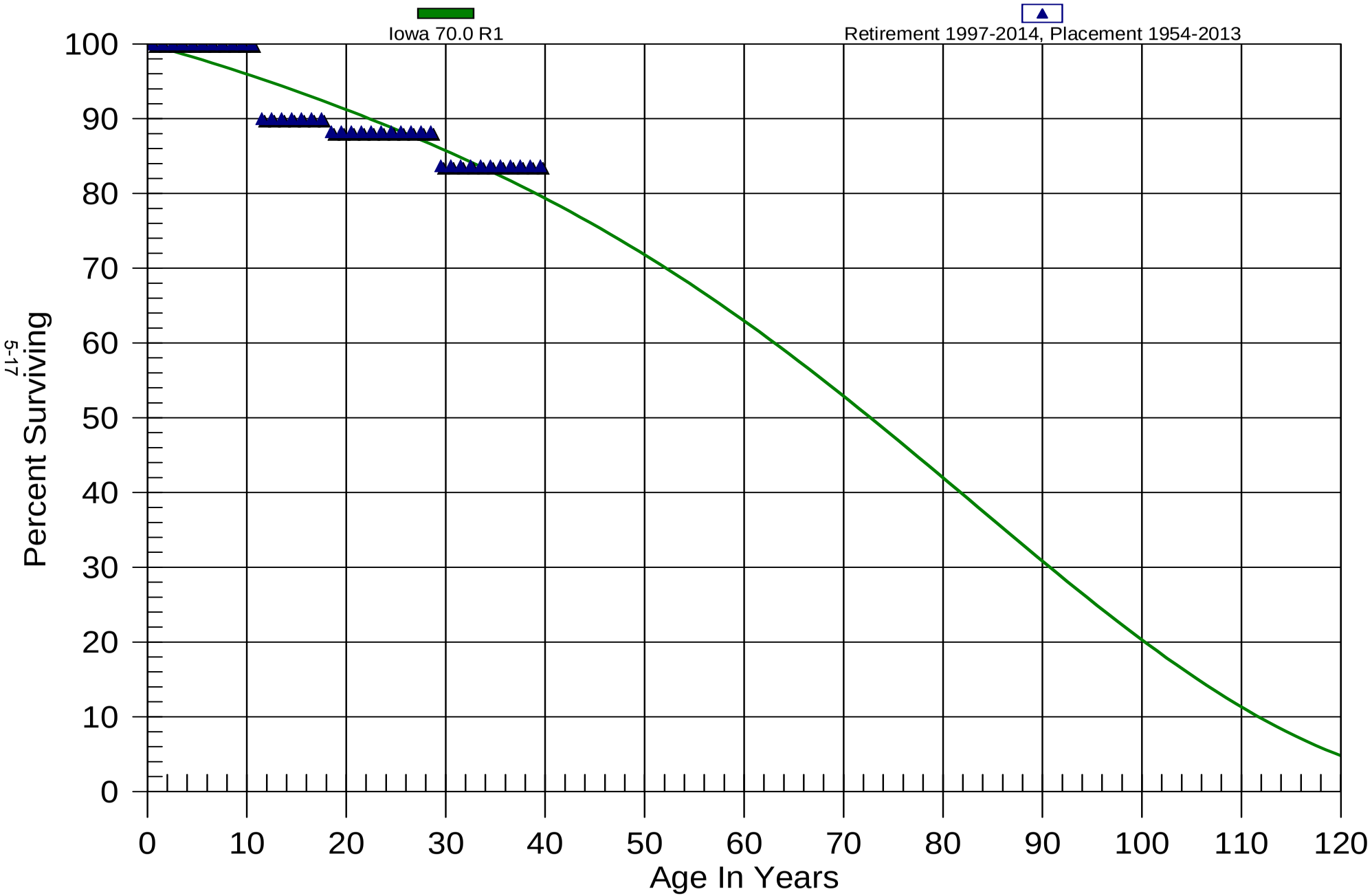
Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
35.5 - 36.5	$477,739.20	$6,853.82	0.01435	44.12
36.5 - 37.5	$497,457.21	$41,887.18	0.08420	43.49
37.5 - 38.5	$418,742.18	$16,406.81	0.03918	39.82
38.5 - 39.5	$401,117.34	$0.00	0.00000	38.26
39.5 - 40.5	$127,596.83	$0.00	0.00000	38.26
40.5 - 41.5	$143,005.40	$20,601.00	0.14406	38.26
41.5 - 42.5	$121,665.85	$4,410.00	0.03625	32.75
42.5 - 43.5	$113,801.28	$0.00	0.00000	31.56
43.5 - 44.5	$112,684.74	$0.00	0.00000	31.56
44.5 - 45.5	$112,023.82	$600.00	0.00536	31.56
45.5 - 46.5	$110,238.44	$11,195.00	0.10155	31.40
46.5 - 47.5	$97,772.16	$0.00	0.00000	28.21
47.5 - 48.5	$94,661.34	$0.00	0.00000	28.21
48.5 - 49.5	$94,203.50	$1,000.00	0.01062	28.21
49.5 - 50.5	$88,268.19	$4,132.48	0.04682	27.91
50.5 - 51.5	$81,590.15	$2,475.00	0.03033	26.60
51.5 - 52.5	$55,720.14	$0.00	0.00000	25.79
52.5 - 53.5	$54,514.45	$0.00	0.00000	25.79
53.5 - 54.5	$53,146.51	$0.00	0.00000	25.79
54.5 - 55.5	$52,254.70	$0.00	0.00000	25.79
55.5 - 56.5	$45,162.13	$0.00	0.00000	25.79
56.5 - 57.5	$28,267.59	$0.00	0.00000	25.79
57.5 - 58.5	$28,032.22	$0.00	0.00000	25.79
58.5 - 59.5	$26,533.19	$0.00	0.00000	25.79
59.5 - 60.5	$18,126.18	$0.00	0.00000	25.79

Montana-Dakota Utilities Company

Electric Plant

341.10, 341.20

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company
Electric Plant
341.10, 341.20
Observed Life Table
Retirement Expr. 1997 TO 2014
Placement Years 1954 TO 2013

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
0.0 - 0.5	$4,941,473.29	$0.00	0.00000	100.00
0.5 - 1.5	$4,946,737.46	$0.00	0.00000	100.00
1.5 - 2.5	$4,886,305.66	$0.00	0.00000	100.00
2.5 - 3.5	$6,613,915.00	$0.00	0.00000	100.00
3.5 - 4.5	$6,615,535.51	$0.00	0.00000	100.00
4.5 - 5.5	$2,314,473.81	$0.00	0.00000	100.00
5.5 - 6.5	$2,314,473.81	$0.00	0.00000	100.00
6.5 - 7.5	$1,965,752.83	$0.00	0.00000	100.00
7.5 - 8.5	$115,078.10	$0.00	0.00000	100.00
8.5 - 9.5	$82,852.35	$0.00	0.00000	100.00
9.5 - 10.5	$23,073.17	$0.00	0.00000	100.00
10.5 - 11.5	$23,073.17	$2,305.89	0.09994	100.00
11.5 - 12.5	$20,767.28	$0.00	0.00000	90.01
12.5 - 13.5	$20,767.28	$0.00	0.00000	90.01
13.5 - 14.5	$25,485.91	$0.00	0.00000	90.01
14.5 - 15.5	$25,485.91	$0.00	0.00000	90.01
15.5 - 16.5	$25,485.91	$0.00	0.00000	90.01
16.5 - 17.5	$25,485.91	$0.00	0.00000	90.01
17.5 - 18.5	$25,734.97	$500.00	0.01943	90.01
18.5 - 19.5	$24,607.38	$0.00	0.00000	88.26
19.5 - 20.5	$24,607.38	$0.00	0.00000	88.26
20.5 - 21.5	$23,183.16	$0.00	0.00000	88.26
21.5 - 22.5	$21,562.65	$0.00	0.00000	88.26
22.5 - 23.5	$21,562.65	$0.00	0.00000	88.26
23.5 - 24.5	$21,562.65	$0.00	0.00000	88.26
24.5 - 25.5	$21,562.65	$0.00	0.00000	88.26
25.5 - 26.5	$10,078.91	$0.00	0.00000	88.26
26.5 - 27.5	$10,078.91	$0.00	0.00000	88.26
27.5 - 28.5	$10,078.91	$0.00	0.00000	88.26
28.5 - 29.5	$10,078.91	$522.00	0.05179	88.26
29.5 - 30.5	$9,556.91	$0.00	0.00000	83.69
30.5 - 31.5	$9,556.91	$0.00	0.00000	83.69
31.5 - 32.5	$4,838.28	$0.00	0.00000	83.69
32.5 - 33.5	$4,838.28	$0.00	0.00000	83.69
33.5 - 34.5	$4,838.28	$0.00	0.00000	83.69
34.5 - 35.5	$4,838.28	$0.00	0.00000	83.69

Montana-Dakota Utilities Company
Electric Plant
341.10, 341.20
Observed Life Table
Retirement Expr. 1997 TO 2014
Placement Years 1954 TO 2013

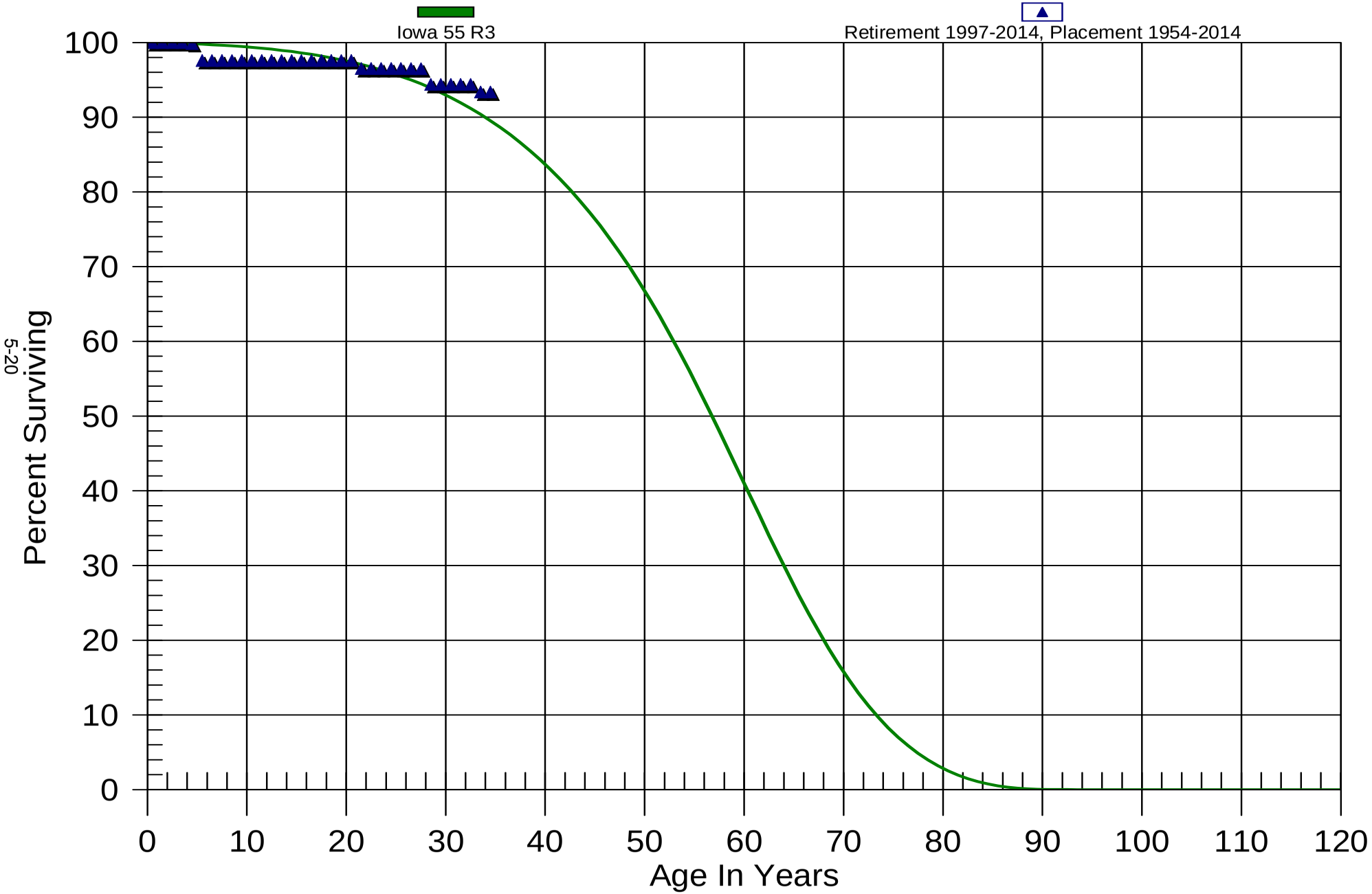
Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
35.5 - 36.5	$4,636.58	$0.00	0.00000	83.69
36.5 - 37.5	$0.00	$0.00	0.00000	83.69
37.5 - 38.5	$0.00	$0.00	0.00000	83.69
38.5 - 39.5	$0.00	$0.00	0.00000	83.69
39.5 - 40.5	$0.00	$0.00	0.00000	83.69
40.5 - 41.5	$0.00	$0.00	0.00000	83.69
41.5 - 42.5	$0.00	$0.00	0.00000	83.69
42.5 - 43.5	$327,807.05	$0.00	0.00000	83.69
43.5 - 44.5	$327,807.05	$0.00	0.00000	83.69
44.5 - 45.5	$327,807.05	$0.00	0.00000	83.69
45.5 - 46.5	$327,807.05	$0.00	0.00000	83.69
46.5 - 47.5	$327,807.05	$0.00	0.00000	83.69
47.5 - 48.5	$327,807.05	$0.00	0.00000	83.69
48.5 - 49.5	$327,807.05	$0.00	0.00000	83.69
49.5 - 50.5	$327,807.05	$0.00	0.00000	83.69
50.5 - 51.5	$327,807.05	$0.00	0.00000	83.69
51.5 - 52.5	$327,807.05	$0.00	0.00000	83.69
52.5 - 53.5	$327,807.05	$0.00	0.00000	83.69
53.5 - 54.5	$327,807.05	$0.00	0.00000	83.69
54.5 - 55.5	$327,807.05	$0.00	0.00000	83.69
55.5 - 56.5	$327,807.05	$0.00	0.00000	83.69
56.5 - 57.5	$327,807.05	$0.00	0.00000	83.69

Montana-Dakota Utilities Company

Electric Plant

344.10, 344.20

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company
Electric Plant
344.10, 344.20
Observed Life Table
Retirement Expr. 1997 TO 2014
Placement Years 1954 TO 2014

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
0.0 - 0.5	$181,690,481.85	$0.00	0.00000	100.00
0.5 - 1.5	$129,563,639.64	$0.00	0.00000	100.00
1.5 - 2.5	$129,481,222.81	$0.00	0.00000	100.00
2.5 - 3.5	$120,067,337.17	$0.00	0.00000	100.00
3.5 - 4.5	$119,559,924.89	$160,630.48	0.00134	100.00
4.5 - 5.5	$64,974,713.61	$1,470,461.76	0.02263	99.87
5.5 - 6.5	$48,514,142.28	$0.00	0.00000	97.61
6.5 - 7.5	$48,514,142.28	$0.00	0.00000	97.61
7.5 - 8.5	$19,214,009.69	$0.00	0.00000	97.61
8.5 - 9.5	$19,196,646.88	$0.00	0.00000	97.61
9.5 - 10.5	$18,999,410.96	$0.00	0.00000	97.61
10.5 - 11.5	$18,452,214.32	$0.00	0.00000	97.61
11.5 - 12.5	$513,776.35	$0.00	0.00000	97.61
12.5 - 13.5	$518,074.02	$0.00	0.00000	97.61
13.5 - 14.5	$837,501.65	$0.00	0.00000	97.61
14.5 - 15.5	$484,864.85	$0.00	0.00000	97.61
15.5 - 16.5	$762,212.24	$0.00	0.00000	97.61
16.5 - 17.5	$769,532.32	$0.00	0.00000	97.61
17.5 - 18.5	$5,424,123.46	$0.00	0.00000	97.61
18.5 - 19.5	$5,419,234.89	$0.00	0.00000	97.61
19.5 - 20.5	$5,410,122.39	$0.00	0.00000	97.61
20.5 - 21.5	$5,276,016.91	$59,068.00	0.01120	97.61
21.5 - 22.5	$5,216,948.91	$0.00	0.00000	96.51
22.5 - 23.5	$5,216,948.91	$0.00	0.00000	96.51
23.5 - 24.5	$5,237,467.88	$0.00	0.00000	96.51
24.5 - 25.5	$7,192,411.55	$0.00	0.00000	96.51
25.5 - 26.5	$7,192,411.55	$800.00	0.00011	96.51
26.5 - 27.5	$7,191,611.55	$1,000.00	0.00014	96.50
27.5 - 28.5	$7,190,499.57	$157,068.17	0.02184	96.49
28.5 - 29.5	$7,024,287.36	$0.00	0.00000	94.38
29.5 - 30.5	$7,024,287.36	$0.00	0.00000	94.38
30.5 - 31.5	$7,019,989.69	$0.00	0.00000	94.38
31.5 - 32.5	$6,700,562.06	$0.00	0.00000	94.38
32.5 - 33.5	$6,698,367.92	$70,981.82	0.01060	94.38
33.5 - 34.5	$6,348,455.87	$0.00	0.00000	93.38
34.5 - 35.5	$6,341,135.79	$0.00	0.00000	93.38

Montana-Dakota Utilities Company
Electric Plant
344.10, 344.20

Observed Life Table
Retirement Expr. 1997 TO 2014
Placement Years 1954 TO 2014

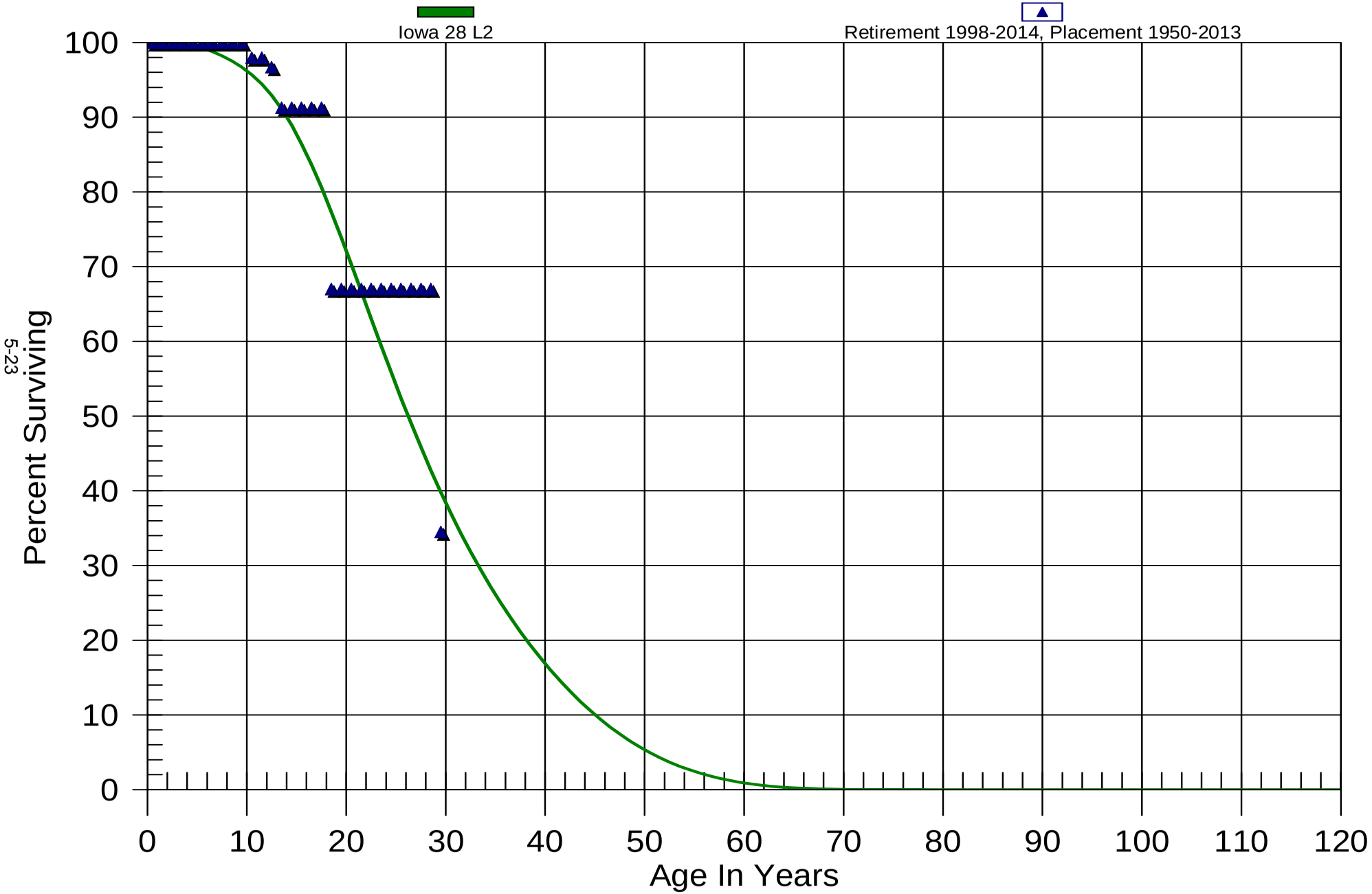
Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
35.5 - 36.5	$1,880,961.82	$0.00	0.00000	93.38
36.5 - 37.5	$1,880,961.82	$0.00	0.00000	93.38
37.5 - 38.5	$1,880,961.82	$0.00	0.00000	93.38
38.5 - 39.5	$1,880,961.82	$0.00	0.00000	93.38
39.5 - 40.5	$1,880,961.82	$0.00	0.00000	93.38
40.5 - 41.5	$1,880,961.82	$0.00	0.00000	93.38
41.5 - 42.5	$1,865,820.31	$0.00	0.00000	93.38
42.5 - 43.5	$1,363,795.92	$0.00	0.00000	93.38
43.5 - 44.5	$1,363,795.92	$0.00	0.00000	93.38
44.5 - 45.5	$1,363,795.92	$0.00	0.00000	93.38
45.5 - 46.5	$1,363,795.92	$0.00	0.00000	93.38
46.5 - 47.5	$1,363,795.92	$0.00	0.00000	93.38
47.5 - 48.5	$1,363,795.92	$0.00	0.00000	93.38
48.5 - 49.5	$1,363,795.92	$0.00	0.00000	93.38
49.5 - 50.5	$1,363,795.92	$0.00	0.00000	93.38
50.5 - 51.5	$1,363,795.92	$0.00	0.00000	93.38
51.5 - 52.5	$1,363,795.92	$0.00	0.00000	93.38
52.5 - 53.5	$1,363,795.92	$0.00	0.00000	93.38
53.5 - 54.5	$1,363,795.92	$0.00	0.00000	93.38
54.5 - 55.5	$1,363,795.92	$0.00	0.00000	93.38
55.5 - 56.5	$1,363,795.92	$0.00	0.00000	93.38
56.5 - 57.5	$1,363,795.92	$0.00	0.00000	93.38

Montana-Dakota Utilities Company

Electric Plant

345.10, 345.20

Original And Smooth Survivor Curves



5-23

Montana-Dakota Utilities Company
Electric Plant
345.10, 345.20

Observed Life Table
Retirement Expr. 1998 TO 2014
Placement Years 1950 TO 2013

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
0.0 - 0.5	$10,642,194.45	$0.00	0.00000	100.00
0.5 - 1.5	$10,645,327.34	$0.00	0.00000	100.00
1.5 - 2.5	$10,645,327.34	$0.00	0.00000	100.00
2.5 - 3.5	$15,144,280.64	$0.00	0.00000	100.00
3.5 - 4.5	$15,200,619.97	$0.00	0.00000	100.00
4.5 - 5.5	$5,908,423.33	$0.00	0.00000	100.00
5.5 - 6.5	$5,924,384.64	$0.00	0.00000	100.00
6.5 - 7.5	$5,793,934.65	$0.00	0.00000	100.00
7.5 - 8.5	$726,365.76	$0.00	0.00000	100.00
8.5 - 9.5	$726,365.76	$0.00	0.00000	100.00
9.5 - 10.5	$596,331.06	$12,169.41	0.02041	100.00
10.5 - 11.5	$584,161.65	$0.00	0.00000	97.96
11.5 - 12.5	$584,161.65	$7,525.72	0.01288	97.96
12.5 - 13.5	$576,635.93	$32,299.68	0.05601	96.70
13.5 - 14.5	$544,336.25	$0.00	0.00000	91.28
14.5 - 15.5	$544,336.25	$0.00	0.00000	91.28
15.5 - 16.5	$32,978.33	$0.00	0.00000	91.28
16.5 - 17.5	$32,978.33	$0.00	0.00000	91.28
17.5 - 18.5	$30,101.88	$8,000.00	0.26576	91.28
18.5 - 19.5	$23,301.88	$0.00	0.00000	67.02
19.5 - 20.5	$23,301.88	$0.00	0.00000	67.02
20.5 - 21.5	$20,539.85	$0.00	0.00000	67.02
21.5 - 22.5	$17,417.75	$0.00	0.00000	67.02
22.5 - 23.5	$1,456.44	$0.00	0.00000	67.02
23.5 - 24.5	$1,456.44	$0.00	0.00000	67.02
24.5 - 25.5	$1,456.44	$0.00	0.00000	67.02
25.5 - 26.5	$1,456.44	$0.00	0.00000	67.02
26.5 - 27.5	$2,471.44	$0.00	0.00000	67.02
27.5 - 28.5	$2,471.44	$0.00	0.00000	67.02
28.5 - 29.5	$2,471.44	$1,200.00	0.48555	67.02
29.5 - 30.5	$1,271.44	$0.00	0.00000	34.48
30.5 - 31.5	$1,271.44	$0.00	0.00000	34.48
31.5 - 32.5	$1,271.44	$0.00	0.00000	34.48
32.5 - 33.5	$1,271.44	$0.00	0.00000	34.48
33.5 - 34.5	$1,271.44	$0.00	0.00000	34.48
34.5 - 35.5	$1,015.00	$0.00	0.00000	34.48

Montana-Dakota Utilities Company
Electric Plant
345.10, 345.20
Observed Life Table
Retirement Expr. 1998 TO 2014
Placement Years 1950 TO 2013

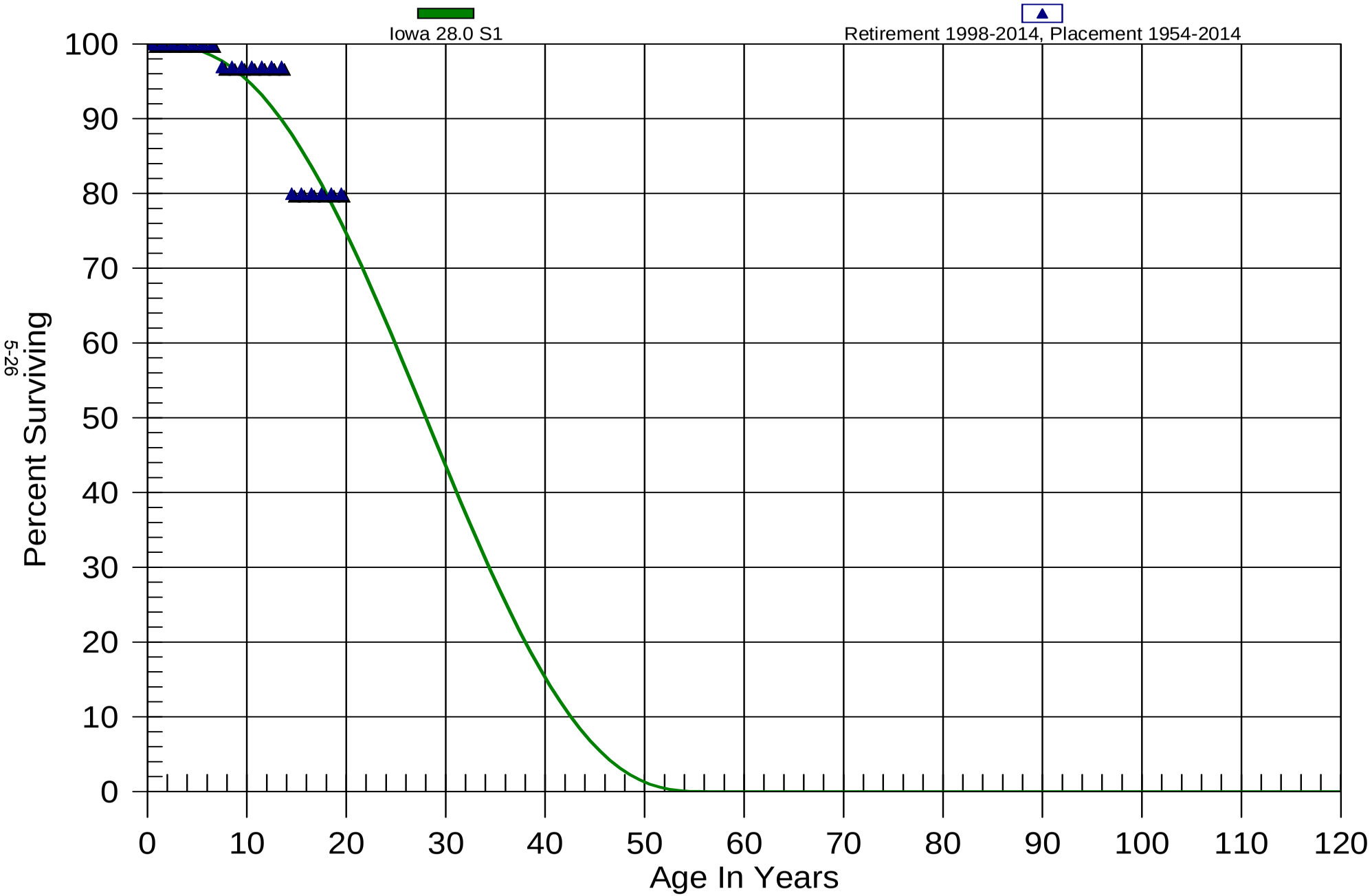
Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
35.5 - 36.5	$1,015.00	$0.00	0.00000	34.48
36.5 - 37.5	$1,015.00	$0.00	0.00000	34.48
37.5 - 38.5	$1,015.00	$0.00	0.00000	34.48
38.5 - 39.5	$1,015.00	$0.00	0.00000	34.48

Montana-Dakota Utilities Company

Electric Plant

346.10, 346.20

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company
Electric Plant
346.10, 346.20
Observed Life Table
Retirement Expr. 1998 TO 2014
Placement Years 1954 TO 2014

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
0.0 - 0.5	$1,251,966.09	$0.00	0.00000	100.00
0.5 - 1.5	$206,658.36	$0.00	0.00000	100.00
1.5 - 2.5	$207,342.35	$0.00	0.00000	100.00
2.5 - 3.5	$232,598.67	$0.00	0.00000	100.00
3.5 - 4.5	$212,995.46	$0.00	0.00000	100.00
4.5 - 5.5	$159,946.76	$0.00	0.00000	100.00
5.5 - 6.5	$160,442.64	$0.00	0.00000	100.00
6.5 - 7.5	$74,983.99	$2,298.96	0.03066	100.00
7.5 - 8.5	$31,664.10	$0.00	0.00000	96.93
8.5 - 9.5	$27,533.55	$0.00	0.00000	96.93
9.5 - 10.5	$21,332.65	$0.00	0.00000	96.93
10.5 - 11.5	$12,821.41	$0.00	0.00000	96.93
11.5 - 12.5	$12,821.41	$0.00	0.00000	96.93
12.5 - 13.5	$17,324.73	$0.00	0.00000	96.93
13.5 - 14.5	$18,652.30	$3,262.95	0.17494	96.93
14.5 - 15.5	$15,819.09	$0.00	0.00000	79.98
15.5 - 16.5	$15,819.09	$0.00	0.00000	79.98
16.5 - 17.5	$15,238.61	$0.00	0.00000	79.98
17.5 - 18.5	$15,605.84	$0.00	0.00000	79.98
18.5 - 19.5	$18,812.69	$0.00	0.00000	79.98
19.5 - 20.5	$18,812.69	$0.00	0.00000	79.98
20.5 - 21.5	$17,684.32	$0.00	0.00000	79.98
21.5 - 22.5	$17,180.40	$0.00	0.00000	79.98
22.5 - 23.5	$16,243.18	$0.00	0.00000	79.98
23.5 - 24.5	$14,975.73	$0.00	0.00000	79.98
24.5 - 25.5	$10,535.54	$0.00	0.00000	79.98
25.5 - 26.5	$10,535.54	$0.00	0.00000	79.98
26.5 - 27.5	$10,535.54	$0.00	0.00000	79.98
27.5 - 28.5	$9,884.37	$0.00	0.00000	79.98
28.5 - 29.5	$9,884.37	$0.00	0.00000	79.98
29.5 - 30.5	$8,014.47	$0.00	0.00000	79.98
30.5 - 31.5	$7,316.43	$0.00	0.00000	79.98
31.5 - 32.5	$6,886.69	$0.00	0.00000	79.98
32.5 - 33.5	$6,886.69	$0.00	0.00000	79.98
33.5 - 34.5	$6,573.24	$0.00	0.00000	79.98
34.5 - 35.5	$5,980.42	$0.00	0.00000	79.98

Montana-Dakota Utilities Company
Electric Plant
346.10, 346.20
Observed Life Table
Retirement Expr. 1998 TO 2014
Placement Years 1954 TO 2014

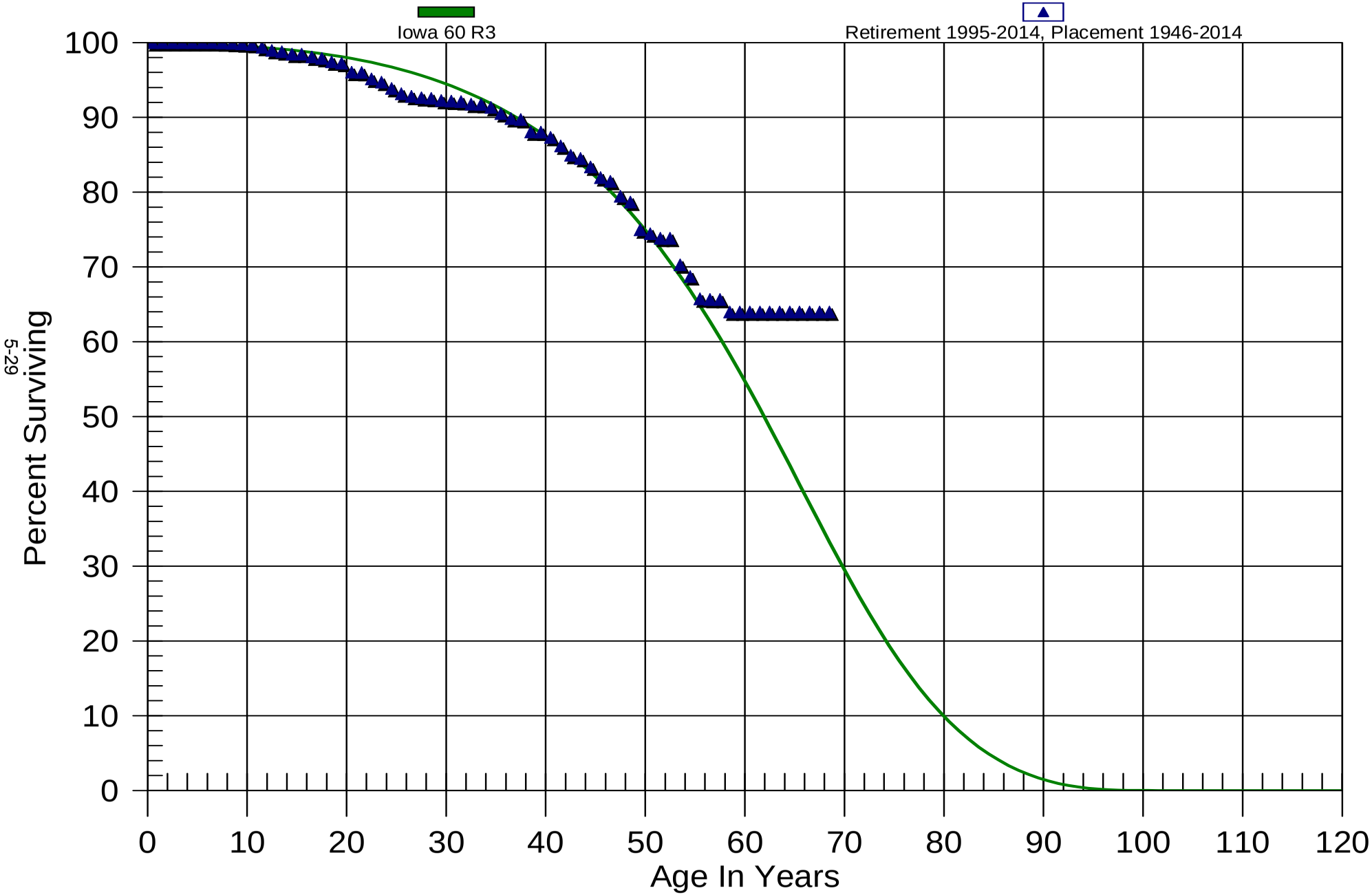
Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
35.5 - 36.5	$2,089.58	$0.00	0.00000	79.98
36.5 - 37.5	$2,089.58	$0.00	0.00000	79.98
37.5 - 38.5	$2,089.58	$0.00	0.00000	79.98
38.5 - 39.5	$2,089.58	$0.00	0.00000	79.98
39.5 - 40.5	$2,089.58	$0.00	0.00000	79.98
40.5 - 41.5	$2,089.58	$0.00	0.00000	79.98
41.5 - 42.5	$0.00	$0.00	0.00000	79.98
42.5 - 43.5	$0.00	$0.00	0.00000	79.98
43.5 - 44.5	$3,864.13	$0.00	0.00000	79.98
44.5 - 45.5	$3,864.13	$0.00	0.00000	79.98
45.5 - 46.5	$3,864.13	$0.00	0.00000	79.98
46.5 - 47.5	$3,864.13	$0.00	0.00000	79.98
47.5 - 48.5	$3,864.13	$0.00	0.00000	79.98
48.5 - 49.5	$3,864.13	$0.00	0.00000	79.98
49.5 - 50.5	$3,864.13	$0.00	0.00000	79.98
50.5 - 51.5	$3,864.13	$0.00	0.00000	79.98
51.5 - 52.5	$3,864.13	$0.00	0.00000	79.98
52.5 - 53.5	$3,864.13	$0.00	0.00000	79.98
53.5 - 54.5	$3,864.13	$0.00	0.00000	79.98
54.5 - 55.5	$3,864.13	$0.00	0.00000	79.98
55.5 - 56.5	$3,864.13	$0.00	0.00000	79.98
56.5 - 57.5	$3,864.13	$0.00	0.00000	79.98

Montana-Dakota Utilities Company

Electric Plant

353.00 Station Equipment

Original And Smooth Survivor Curves



5-29

Montana-Dakota Utilities Company
Electric Plant
353.00
Observed Life Table
Retirement Expr. 1995 TO 2014
Placement Years 1946 TO 2014

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
0.0 - 0.5	$72,532,725.47	$0.00	0.00000	100.00
0.5 - 1.5	$54,690,267.42	$0.00	0.00000	100.00
1.5 - 2.5	$46,329,052.89	$0.00	0.00000	100.00
2.5 - 3.5	$40,703,189.84	$0.00	0.00000	100.00
3.5 - 4.5	$33,552,407.22	$0.00	0.00000	100.00
4.5 - 5.5	$27,776,545.21	$0.00	0.00000	100.00
5.5 - 6.5	$24,569,571.94	$6,330.31	0.00026	100.00
6.5 - 7.5	$23,330,642.28	$6,654.98	0.00029	99.97
7.5 - 8.5	$16,956,903.59	$7,395.95	0.00044	99.95
8.5 - 9.5	$17,118,370.24	$9,318.02	0.00054	99.90
9.5 - 10.5	$16,570,975.08	$13,209.14	0.00080	99.85
10.5 - 11.5	$22,146,669.01	$88,978.15	0.00402	99.77
11.5 - 12.5	$23,385,566.69	$97,165.14	0.00415	99.37
12.5 - 13.5	$29,318,892.15	$49,181.80	0.00168	98.95
13.5 - 14.5	$37,197,473.44	$123,384.75	0.00332	98.79
14.5 - 15.5	$36,885,859.98	$1,903.27	0.00005	98.46
15.5 - 16.5	$40,956,155.40	$155,134.81	0.00379	98.46
16.5 - 17.5	$42,219,335.79	$84,082.35	0.00199	98.08
17.5 - 18.5	$42,012,426.15	$205,154.24	0.00488	97.89
18.5 - 19.5	$41,671,680.01	$73,105.55	0.00175	97.41
19.5 - 20.5	$42,163,236.40	$521,885.92	0.01238	97.24
20.5 - 21.5	$42,025,221.02	$16,426.70	0.00039	96.03
21.5 - 22.5	$41,907,104.52	$377,475.81	0.00901	96.00
22.5 - 23.5	$40,614,331.36	$184,467.19	0.00454	95.13
23.5 - 24.5	$40,309,615.38	$345,709.88	0.00858	94.70
24.5 - 25.5	$39,659,672.79	$307,575.92	0.00776	93.89
25.5 - 26.5	$38,851,014.90	$143,463.09	0.00369	93.16
26.5 - 27.5	$38,709,653.76	$79,456.04	0.00205	92.82
27.5 - 28.5	$38,858,988.08	$33,700.82	0.00087	92.63
28.5 - 29.5	$37,863,098.20	$112,218.29	0.00296	92.55
29.5 - 30.5	$37,281,806.56	$41,449.48	0.00111	92.27
30.5 - 31.5	$30,462,568.23	$19,882.65	0.00065	92.17
31.5 - 32.5	$28,366,125.93	$106,969.00	0.00377	92.11
32.5 - 33.5	$22,522,125.99	$2,039.00	0.00009	91.76
33.5 - 34.5	$14,479,434.02	$64,991.94	0.00449	91.75
34.5 - 35.5	$13,895,420.41	$125,882.46	0.00906	91.34

Montana-Dakota Utilities Company
Electric Plant
353.00
Observed Life Table
Retirement Expr. 1995 TO 2014
Placement Years 1946 TO 2014

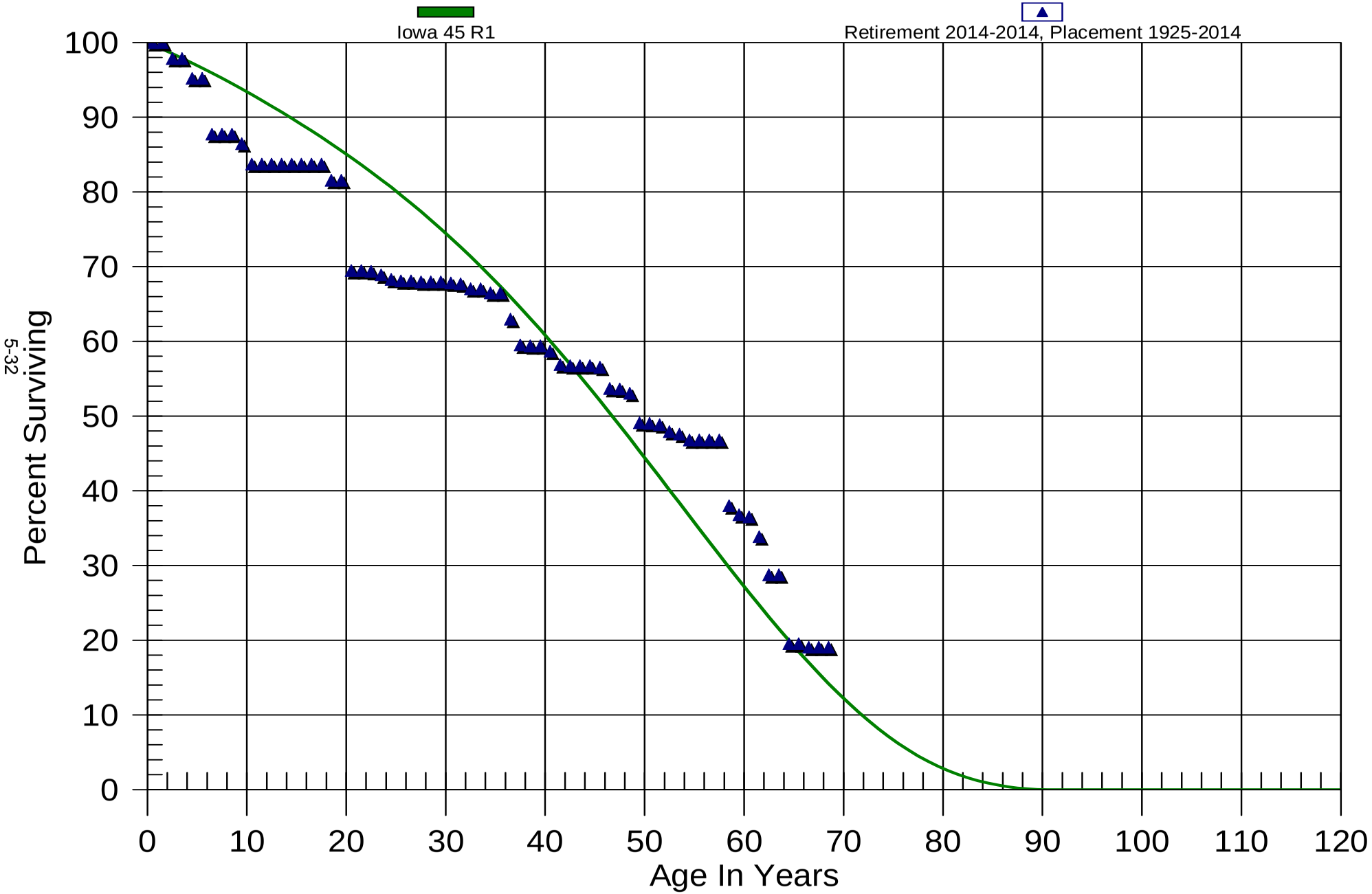
Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
35.5 - 36.5	$9,779,113.40	$74,044.26	0.00757	90.51
36.5 - 37.5	$8,539,019.43	$8,808.39	0.00103	89.83
37.5 - 38.5	$8,011,875.09	$150,488.57	0.01878	89.74
38.5 - 39.5	$7,497,948.43	$2,238.00	0.00030	88.05
39.5 - 40.5	$6,631,921.18	$51,360.37	0.00774	88.02
40.5 - 41.5	$5,872,673.96	$78,525.21	0.01337	87.34
41.5 - 42.5	$5,599,519.80	$81,011.27	0.01447	86.17
42.5 - 43.5	$5,113,547.03	$25,160.51	0.00492	84.93
43.5 - 44.5	$4,801,062.45	$64,851.77	0.01351	84.51
44.5 - 45.5	$4,296,282.96	$73,352.10	0.01707	83.37
45.5 - 46.5	$4,272,062.19	$25,723.58	0.00602	81.94
46.5 - 47.5	$4,158,337.57	$101,276.96	0.02436	81.45
47.5 - 48.5	$3,102,990.87	$30,264.16	0.00975	79.47
48.5 - 49.5	$3,040,755.18	$144,448.00	0.04750	78.69
49.5 - 50.5	$2,675,432.97	$18,301.53	0.00684	74.95
50.5 - 51.5	$2,148,002.62	$17,117.20	0.00797	74.44
51.5 - 52.5	$1,625,298.70	$180.00	0.00011	73.85
52.5 - 53.5	$1,431,379.37	$68,983.56	0.04819	73.84
53.5 - 54.5	$1,339,371.45	$30,074.00	0.02245	70.28
54.5 - 55.5	$1,063,514.68	$45,727.00	0.04300	68.70
55.5 - 56.5	$982,589.92	$1,392.00	0.00142	65.75
56.5 - 57.5	$730,615.55	$0.00	0.00000	65.66
57.5 - 58.5	$493,985.00	$12,563.00	0.02543	65.66
58.5 - 59.5	$378,304.35	$0.00	0.00000	63.99
59.5 - 60.5	$365,574.80	$0.00	0.00000	63.99
60.5 - 61.5	$290,831.34	$0.00	0.00000	63.99
61.5 - 62.5	$216,234.47	$0.00	0.00000	63.99
62.5 - 63.5	$213,497.82	$0.00	0.00000	63.99
63.5 - 64.5	$197,279.35	$0.00	0.00000	63.99
64.5 - 65.5	$87,114.77	$0.00	0.00000	63.99
65.5 - 66.5	$60,156.53	$0.00	0.00000	63.99
66.5 - 67.5	$27,226.75	$0.00	0.00000	63.99
67.5 - 68.5	$1,039.92	$0.00	0.00000	63.99

Montana-Dakota Utilities Company

Electric Plant

355.00 Poles & Fixtures

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company

Electric Plant

355.00 Poles & Fixtures

Observed Life Table

Retirement Expr. 2014 TO 2014

Placement Years 1925 TO 2014

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
0.0 - 0.5	$10,893,287.36	$0.00	0.00000	100.00
0.5 - 1.5	$3,593,165.90	($44.16)	-0.00001	100.00
1.5 - 2.5	$6,333,458.85	$136,856.04	0.02161	100.00
2.5 - 3.5	$3,945,044.13	$0.00	0.00000	97.84
3.5 - 4.5	$1,304,989.26	$35,084.13	0.02688	97.84
4.5 - 5.5	$369,989.99	$0.00	0.00000	95.21
5.5 - 6.5	$1,147,541.57	$89,961.92	0.07840	95.21
6.5 - 7.5	$1,381,255.73	$0.00	0.00000	87.75
7.5 - 8.5	$440,689.87	$0.00	0.00000	87.75
8.5 - 9.5	$399,251.99	$5,845.96	0.01464	87.75
9.5 - 10.5	$1,451,698.43	$46,022.06	0.03170	86.46
10.5 - 11.5	$500,839.90	$0.00	0.00000	83.72
11.5 - 12.5	$386,789.16	$0.00	0.00000	83.72
12.5 - 13.5	$288,677.97	$0.00	0.00000	83.72
13.5 - 14.5	$508,198.61	$0.00	0.00000	83.72
14.5 - 15.5	$166,907.78	$0.00	0.00000	83.72
15.5 - 16.5	$167,503.40	$0.00	0.00000	83.72
16.5 - 17.5	$1,111,283.58	$0.00	0.00000	83.72
17.5 - 18.5	$774,262.33	$19,926.26	0.02574	83.72
18.5 - 19.5	$279,425.27	$0.00	0.00000	81.57
19.5 - 20.5	$1,809,701.77	$267,834.25	0.14800	81.57
20.5 - 21.5	$719,528.55	$0.00	0.00000	69.49
21.5 - 22.5	$919,523.89	$1,775.54	0.00193	69.49
22.5 - 23.5	$507,024.79	$3,214.00	0.00634	69.36
23.5 - 24.5	$378,080.64	$3,394.02	0.00898	68.92
24.5 - 25.5	$213,192.65	$642.80	0.00302	68.30
25.5 - 26.5	$227,726.60	$0.00	0.00000	68.10
26.5 - 27.5	$600,812.08	$1,186.46	0.00197	68.10
27.5 - 28.5	$484,903.33	$0.00	0.00000	67.96
28.5 - 29.5	$735,496.62	$0.00	0.00000	67.96
29.5 - 30.5	$1,375,084.83	$3,013.76	0.00219	67.96
30.5 - 31.5	$603,174.47	$1,114.16	0.00185	67.81
31.5 - 32.5	$2,558,557.36	$24,097.52	0.00942	67.69
32.5 - 33.5	$4,339,488.24	$1,190.30	0.00027	67.05
33.5 - 34.5	$332,152.75	$2,737.52	0.00824	67.03
34.5 - 35.5	$318,903.97	$0.00	0.00000	66.48

Montana-Dakota Utilities Company

Electric Plant

355.00 Poles & Fixtures

Observed Life Table

Retirement Expr. 2014 TO 2014

Placement Years 1925 TO 2014

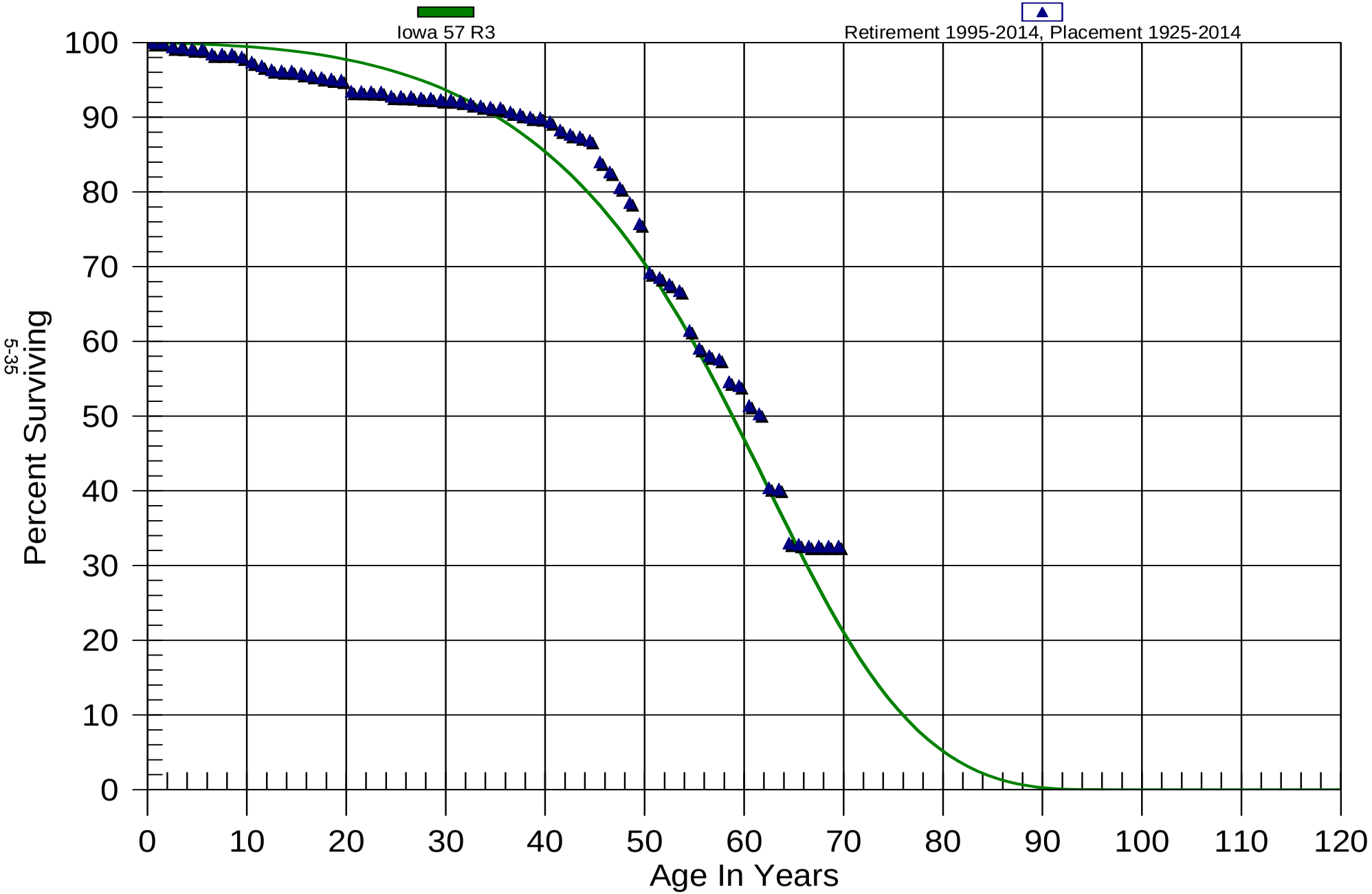
Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
35.5 - 36.5	$284,138.81	$15,042.35	0.05294	66.48
36.5 - 37.5	$22,141.78	$1,209.95	0.05465	62.96
37.5 - 38.5	$109,364.74	$218.18	0.00199	59.52
38.5 - 39.5	$635,794.25	$117.10	0.00018	59.40
39.5 - 40.5	$1,437,264.06	$17,162.36	0.01194	59.39
40.5 - 41.5	$138,030.78	$4,186.88	0.03033	58.68
41.5 - 42.5	$165,742.72	$484.28	0.00292	56.90
42.5 - 43.5	$116,570.63	$0.00	0.00000	56.73
43.5 - 44.5	$120,982.42	$0.00	0.00000	56.73
44.5 - 45.5	$234,235.03	$841.08	0.00359	56.73
45.5 - 46.5	$170,320.50	$8,554.96	0.05023	56.53
46.5 - 47.5	$763,477.33	$773.60	0.00101	53.69
47.5 - 48.5	$137,771.24	$1,463.57	0.01062	53.64
48.5 - 49.5	$53,227.43	$3,957.82	0.07436	53.07
49.5 - 50.5	$480,844.55	$978.78	0.00204	49.12
50.5 - 51.5	$177,665.99	$639.05	0.00360	49.02
51.5 - 52.5	$90,309.03	$1,713.17	0.01897	48.84
52.5 - 53.5	$183,101.80	$1,259.13	0.00688	47.92
53.5 - 54.5	$141,023.49	$2,324.41	0.01648	47.59
54.5 - 55.5	$30,094.23	$0.00	0.00000	46.80
55.5 - 56.5	$85,846.79	$0.00	0.00000	46.80
56.5 - 57.5	$42,653.10	$0.00	0.00000	46.80
57.5 - 58.5	$148,940.57	$28,015.56	0.18810	46.80
58.5 - 59.5	$56,138.88	$1,756.20	0.03128	38.00
59.5 - 60.5	$17,850.83	$145.10	0.00813	36.81
60.5 - 61.5	$55,738.18	$4,041.35	0.07251	36.51
61.5 - 62.5	$19,438.84	$2,933.08	0.15089	33.86
62.5 - 63.5	$21,370.64	$0.00	0.00000	28.75
63.5 - 64.5	$124,287.50	$39,915.40	0.32115	28.75
64.5 - 65.5	$7,467.33	$0.00	0.00000	19.52
65.5 - 66.5	$28,473.78	$666.72	0.02342	19.52
66.5 - 67.5	$23,819.03	$0.00	0.00000	19.06
67.5 - 68.5	$20,238.54	$0.00	0.00000	19.06

Montana-Dakota Utilities Company

Electric Plant

355.00 Poles & Fixtures

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company

Electric Plant

355.00 Poles & Fixtures

Observed Life Table

Retirement Expr. 1995 TO 2014

Placement Years 1925 TO 2014

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
0.0 - 0.5	$35,689,404.04	$3,815.60	0.00011	100.00
0.5 - 1.5	$26,744,273.99	($44.16)	0.00000	99.99
1.5 - 2.5	$23,870,871.52	$139,219.89	0.00583	99.99
2.5 - 3.5	$18,456,729.90	$2,827.40	0.00015	99.41
3.5 - 4.5	$15,028,821.80	$38,207.24	0.00254	99.39
4.5 - 5.5	$14,103,540.59	$753.89	0.00005	99.14
5.5 - 6.5	$13,947,733.07	$93,098.36	0.00667	99.13
6.5 - 7.5	$13,024,337.14	$746.73	0.00006	98.47
7.5 - 8.5	$12,277,284.13	$2,378.81	0.00019	98.47
8.5 - 9.5	$12,328,226.09	$48,317.01	0.00392	98.45
9.5 - 10.5	$12,662,129.40	$88,272.82	0.00697	98.06
10.5 - 11.5	$12,620,179.82	$66,903.59	0.00530	97.38
11.5 - 12.5	$12,654,369.47	$66,100.52	0.00522	96.86
12.5 - 13.5	$14,791,472.24	$21,103.78	0.00143	96.36
13.5 - 14.5	$18,868,529.59	$8,794.01	0.00047	96.22
14.5 - 15.5	$18,736,451.12	$60,116.69	0.00321	96.17
15.5 - 16.5	$18,841,828.45	$51,302.67	0.00272	95.86
16.5 - 17.5	$18,982,314.44	$55,759.04	0.00294	95.60
17.5 - 18.5	$17,652,340.47	$40,771.46	0.00231	95.32
18.5 - 19.5	$16,968,903.82	$25,250.54	0.00149	95.10
19.5 - 20.5	$17,315,850.07	$272,583.76	0.01574	94.96
20.5 - 21.5	$16,960,775.14	$4,750.53	0.00028	93.47
21.5 - 22.5	$16,382,928.59	$5,602.78	0.00034	93.44
22.5 - 23.5	$15,632,837.54	$4,550.73	0.00029	93.41
23.5 - 24.5	$15,246,760.55	$95,066.01	0.00624	93.38
24.5 - 25.5	$14,909,771.06	$1,839.38	0.00012	92.80
25.5 - 26.5	$14,936,330.94	$6,911.37	0.00046	92.79
26.5 - 27.5	$14,895,366.62	$28,758.38	0.00193	92.74
27.5 - 28.5	$15,067,955.79	$4,384.17	0.00029	92.56
28.5 - 29.5	$14,813,395.44	$29,622.96	0.00200	92.54
29.5 - 30.5	$14,109,663.12	$6,644.40	0.00047	92.35
30.5 - 31.5	$13,239,111.07	$22,907.74	0.00173	92.31
31.5 - 32.5	$12,829,676.50	$45,887.09	0.00358	92.15
32.5 - 33.5	$10,367,007.89	$35,160.47	0.00339	91.82
33.5 - 34.5	$6,185,370.35	$12,010.83	0.00194	91.51
34.5 - 35.5	$6,030,704.47	$5,763.04	0.00096	91.33

Montana-Dakota Utilities Company

Electric Plant

355.00 Poles & Fixtures

Observed Life Table

Retirement Expr. 1995 TO 2014

Placement Years 1925 TO 2014

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
35.5 - 36.5	$5,748,726.45	$34,061.78	0.00593	91.24
36.5 - 37.5	$5,538,751.88	$19,512.39	0.00352	90.70
37.5 - 38.5	$5,515,548.24	$22,757.28	0.00413	90.38
38.5 - 39.5	$5,557,860.93	$5,836.51	0.00105	90.01
39.5 - 40.5	$5,010,945.05	$29,462.25	0.00588	89.92
40.5 - 41.5	$3,577,315.76	$44,658.92	0.01248	89.39
41.5 - 42.5	$3,463,908.64	$22,669.62	0.00654	88.27
42.5 - 43.5	$3,308,878.56	$12,997.03	0.00393	87.69
43.5 - 44.5	$3,166,962.05	$16,812.56	0.00531	87.35
44.5 - 45.5	$3,331,123.56	$109,856.93	0.03298	86.89
45.5 - 46.5	$3,146,439.97	$50,849.43	0.01616	84.02
46.5 - 47.5	$2,971,556.23	$75,832.31	0.02552	82.66
47.5 - 48.5	$2,192,776.11	$53,844.08	0.02456	80.55
48.5 - 49.5	$2,214,283.99	$80,108.17	0.03618	78.57
49.5 - 50.5	$2,089,398.35	$180,669.45	0.08647	75.73
50.5 - 51.5	$1,431,182.26	$13,136.46	0.00918	69.18
51.5 - 52.5	$1,242,277.99	$16,541.59	0.01332	68.55
52.5 - 53.5	$1,139,464.95	$14,309.25	0.01256	67.64
53.5 - 54.5	$949,628.83	$75,775.30	0.07979	66.79
54.5 - 55.5	$741,316.21	$29,061.21	0.03920	61.46
55.5 - 56.5	$688,172.24	$11,402.85	0.01657	59.05
56.5 - 57.5	$618,938.16	$4,968.64	0.00803	58.07
57.5 - 58.5	$573,072.62	$30,149.05	0.05261	57.60
58.5 - 59.5	$422,143.66	$3,869.73	0.00917	54.57
59.5 - 60.5	$367,932.60	$18,015.55	0.04896	54.07
60.5 - 61.5	$335,144.40	$7,465.47	0.02228	51.43
61.5 - 62.5	$275,982.10	$54,193.58	0.19637	50.28
62.5 - 63.5	$245,198.16	$1,016.88	0.00415	40.41
63.5 - 64.5	$222,810.64	$40,088.19	0.17992	40.24
64.5 - 65.5	$99,017.07	$529.36	0.00535	33.00
65.5 - 66.5	$91,020.38	$666.72	0.00732	32.82
66.5 - 67.5	$62,546.60	$0.00	0.00000	32.58
67.5 - 68.5	$38,727.57	$0.00	0.00000	32.58
68.5 - 69.5	$19,094.99	$0.00	0.00000	32.58
69.5 - 70.5	$23,903.01	$605.96	0.02535	32.58
70.5 - 71.5	$23,297.05	$0.00	0.00000	31.76

Montana-Dakota Utilities Company

Electric Plant

355.00 Poles & Fixtures

Observed Life Table

Retirement Expr. 1995 TO 2014

Placement Years 1925 TO 2014

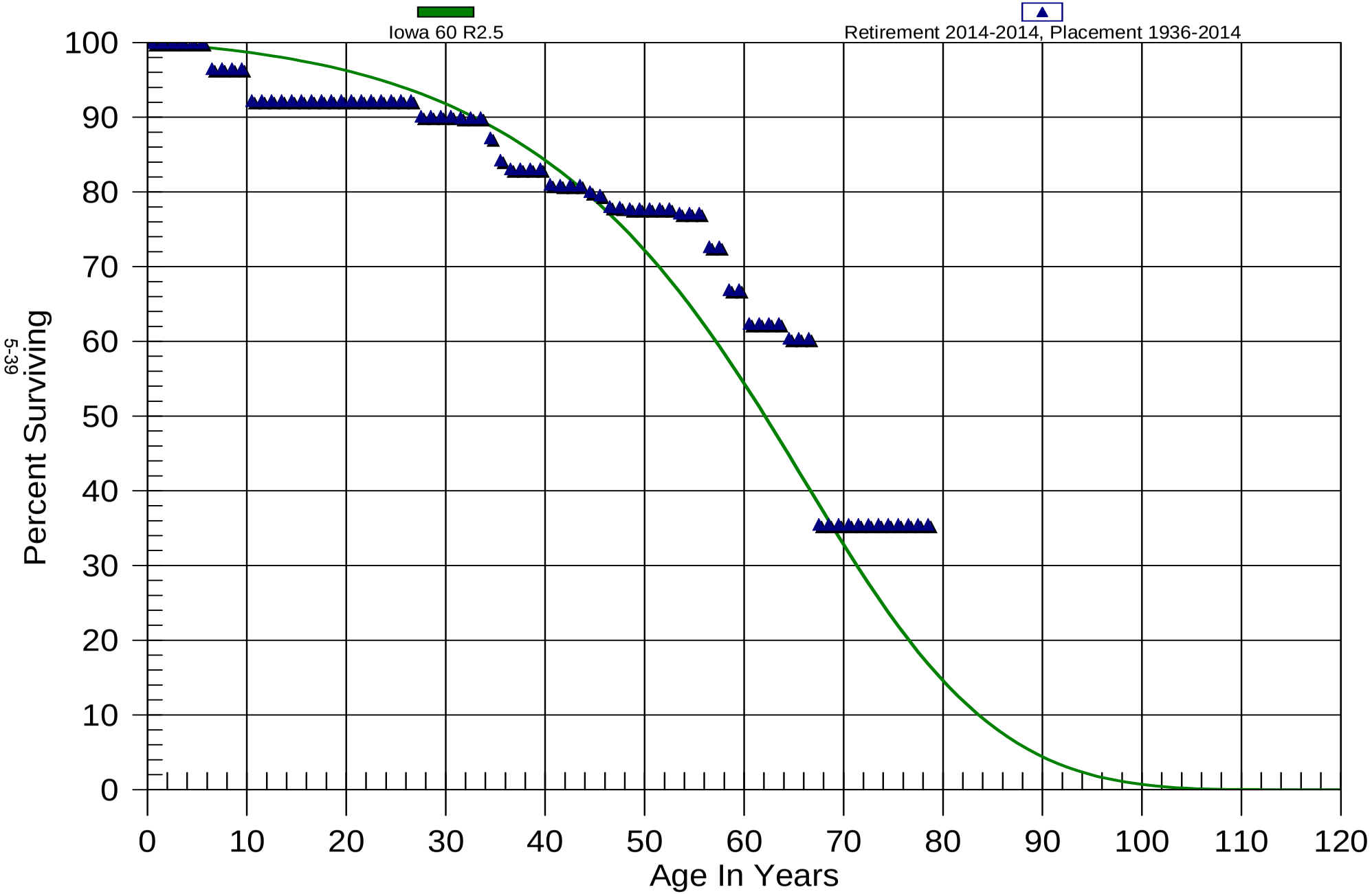
Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
71.5 - 72.5	$23,297.05	$0.00	0.00000	31.76
72.5 - 73.5	$23,297.05	$0.00	0.00000	31.76
73.5 - 74.5	$16,981.25	$0.00	0.00000	31.76
74.5 - 75.5	$10,819.49	$0.00	0.00000	31.76
75.5 - 76.5	$4,808.02	$0.00	0.00000	31.76
76.5 - 77.5	$4,808.02	$0.00	0.00000	31.76
77.5 - 78.5	$4,808.02	$0.00	0.00000	31.76
78.5 - 79.5	$4,808.02	$0.00	0.00000	31.76
79.5 - 80.5	$4,808.02	$0.00	0.00000	31.76
80.5 - 81.5	$4,808.02	$0.00	0.00000	31.76
81.5 - 82.5	$4,808.02	$0.00	0.00000	31.76
82.5 - 83.5	$4,808.02	$0.00	0.00000	31.76
83.5 - 84.5	$4,808.02	$0.00	0.00000	31.76
84.5 - 85.5	$4,808.02	$0.00	0.00000	31.76
85.5 - 86.5	$4,808.02	$0.00	0.00000	31.76
86.5 - 87.5	$4,808.02	$0.00	0.00000	31.76
87.5 - 88.5	$4,808.02	$0.00	0.00000	31.76
88.5 - 89.5	$4,808.02	$0.00	0.00000	31.76

Montana-Dakota Utilities Company

Electric Plant

356.00 Overhead Conductor & Devices

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company

Electric Plant

356.00 Overhead Conductor & Devices

Observed Life Table

Retirement Expr. 2014 TO 2014

Placement Years 1936 TO 2014

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
0.0 - 0.5	$4,721,124.66	$0.00	0.00000	100.00
0.5 - 1.5	$2,785,182.02	$0.00	0.00000	100.00
1.5 - 2.5	$3,447,513.44	$0.00	0.00000	100.00
2.5 - 3.5	$1,667,859.38	$0.00	0.00000	100.00
3.5 - 4.5	$566,878.52	$0.00	0.00000	100.00
4.5 - 5.5	$215,514.97	$0.00	0.00000	100.00
5.5 - 6.5	$817,554.09	$28,530.32	0.03490	100.00
6.5 - 7.5	$703,242.14	$0.00	0.00000	96.51
7.5 - 8.5	$220,871.07	$0.00	0.00000	96.51
8.5 - 9.5	$40,651.60	$0.00	0.00000	96.51
9.5 - 10.5	$703,699.42	$31,227.02	0.04438	96.51
10.5 - 11.5	$117,931.85	$0.00	0.00000	92.23
11.5 - 12.5	$104,639.87	$0.00	0.00000	92.23
12.5 - 13.5	$71,706.86	$0.00	0.00000	92.23
13.5 - 14.5	$322,836.76	$0.00	0.00000	92.23
14.5 - 15.5	$3,333.70	$0.00	0.00000	92.23
15.5 - 16.5	$94,545.25	$0.00	0.00000	92.23
16.5 - 17.5	$688,051.94	$0.00	0.00000	92.23
17.5 - 18.5	$189,719.90	$0.00	0.00000	92.23
18.5 - 19.5	$232,781.63	$0.00	0.00000	92.23
19.5 - 20.5	$1,110,499.53	$0.00	0.00000	92.23
20.5 - 21.5	$531,264.67	$0.00	0.00000	92.23
21.5 - 22.5	$627,157.60	$0.00	0.00000	92.23
22.5 - 23.5	$272,742.44	$0.00	0.00000	92.23
23.5 - 24.5	$162,812.95	$0.00	0.00000	92.23
24.5 - 25.5	$78,846.14	$0.00	0.00000	92.23
25.5 - 26.5	$37,761.45	$0.00	0.00000	92.23
26.5 - 27.5	$494,033.18	$11,316.73	0.02291	92.23
27.5 - 28.5	$458,946.47	$0.00	0.00000	90.11
28.5 - 29.5	$737,193.33	$0.00	0.00000	90.11
29.5 - 30.5	$1,483,637.80	$0.00	0.00000	90.11
30.5 - 31.5	$3,240,835.51	$5,344.96	0.00165	90.11
31.5 - 32.5	$2,081,847.17	$0.00	0.00000	89.97
32.5 - 33.5	$3,197,930.24	$0.00	0.00000	89.97
33.5 - 34.5	$508,475.87	$15,387.99	0.03026	89.97
34.5 - 35.5	$323,382.79	$11,151.72	0.03448	87.24

Montana-Dakota Utilities Company

Electric Plant

356.00 Overhead Conductor & Devices

Observed Life Table

Retirement Expr. 2014 TO 2014

Placement Years 1936 TO 2014

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
35.5 - 36.5	$312,513.26	$4,195.86	0.01343	84.24
36.5 - 37.5	$229,037.69	$0.00	0.00000	83.10
37.5 - 38.5	$38,645.23	$0.00	0.00000	83.10
38.5 - 39.5	$416,006.86	$0.00	0.00000	83.10
39.5 - 40.5	$516,313.30	$12,935.93	0.02505	83.10
40.5 - 41.5	$142,401.36	$230.73	0.00162	81.02
41.5 - 42.5	$190,768.90	$0.00	0.00000	80.89
42.5 - 43.5	$145,657.62	$0.00	0.00000	80.89
43.5 - 44.5	$149,022.19	$1,552.99	0.01042	80.89
44.5 - 45.5	$332,855.47	$1,976.01	0.00594	80.05
45.5 - 46.5	$232,002.79	$4,404.58	0.01899	79.57
46.5 - 47.5	$1,218,040.17	$1,727.45	0.00142	78.06
47.5 - 48.5	$198,328.66	$503.42	0.00254	77.95
48.5 - 49.5	$132,360.47	$0.00	0.00000	77.75
49.5 - 50.5	$578,657.54	$0.00	0.00000	77.75
50.5 - 51.5	$242,168.08	$0.00	0.00000	77.75
51.5 - 52.5	$117,301.19	$0.00	0.00000	77.75
52.5 - 53.5	$340,605.96	$2,569.13	0.00754	77.75
53.5 - 54.5	$224,731.21	$0.00	0.00000	77.17
54.5 - 55.5	$40,593.56	$0.00	0.00000	77.17
55.5 - 56.5	$131,185.89	$7,686.75	0.05859	77.17
56.5 - 57.5	$55,232.61	$0.00	0.00000	72.65
57.5 - 58.5	$215,276.33	$16,998.74	0.07896	72.65
58.5 - 59.5	$96,732.29	$0.00	0.00000	66.91
59.5 - 60.5	$32,418.94	$2,186.45	0.06744	66.91
60.5 - 61.5	$102,516.37	$0.00	0.00000	62.40
61.5 - 62.5	$25,306.93	$0.00	0.00000	62.40
62.5 - 63.5	$37,989.21	$0.00	0.00000	62.40
63.5 - 64.5	$158,146.49	$5,040.56	0.03187	62.40
64.5 - 65.5	$13,230.71	$0.00	0.00000	60.41
65.5 - 66.5	$52,711.10	$0.00	0.00000	60.41
66.5 - 67.5	$79,573.39	$32,813.46	0.41237	60.41
67.5 - 68.5	$41,253.03	$0.00	0.00000	35.50
68.5 - 69.5	$0.00	$0.00	0.00000	35.50
69.5 - 70.5	$0.00	$0.00	0.00000	35.50
70.5 - 71.5	$0.00	$0.00	0.00000	35.50

Montana-Dakota Utilities Company

Electric Plant

356.00 Overhead Conductor & Devices

Observed Life Table

Retirement Expr. 2014 TO 2014

Placement Years 1936 TO 2014

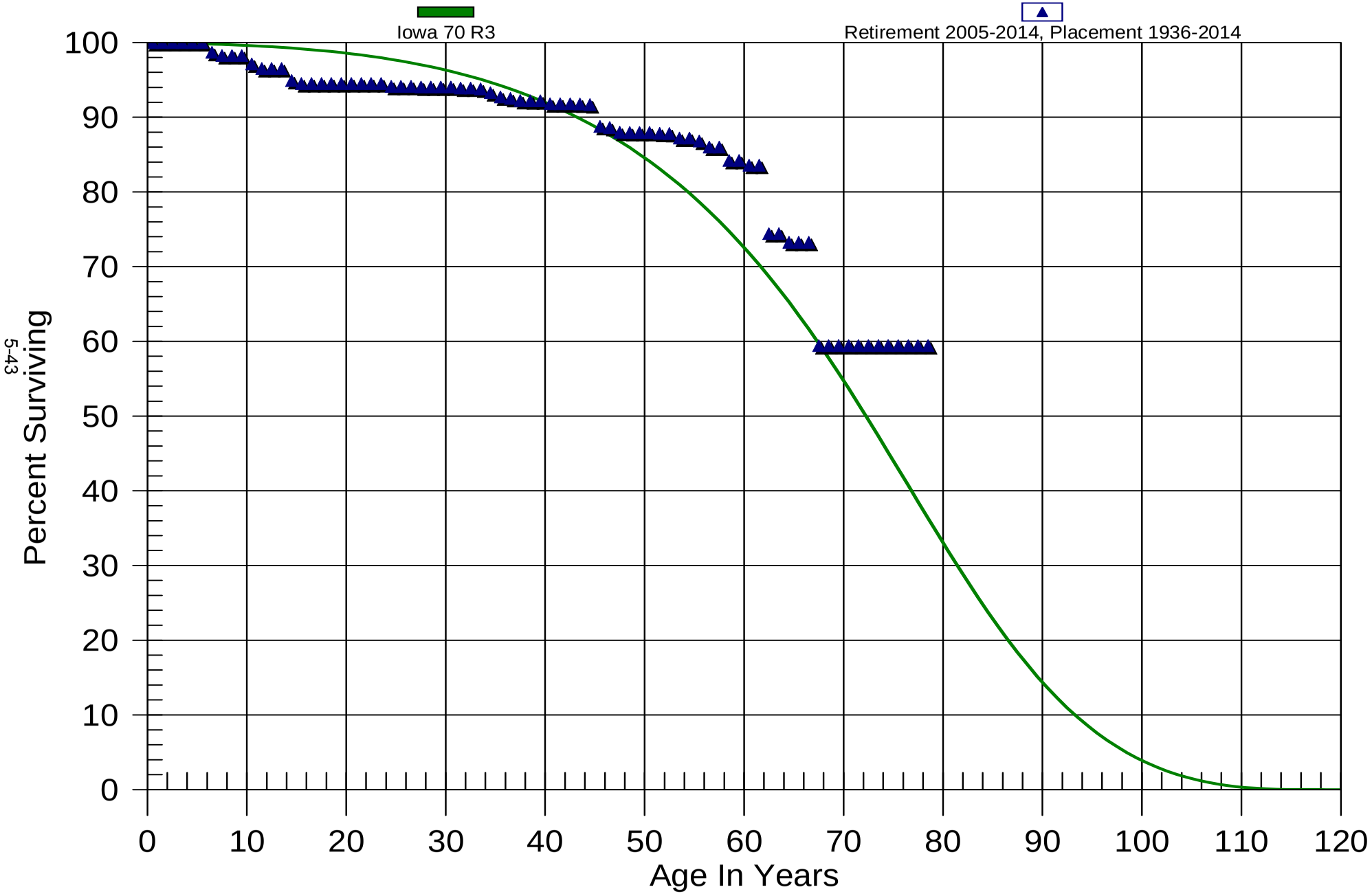
Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
71.5 - 72.5	$0.00	$0.00	0.00000	35.50
72.5 - 73.5	$13,653.32	$0.00	0.00000	35.50
73.5 - 74.5	$13,320.31	$0.00	0.00000	35.50
74.5 - 75.5	$12,995.43	$0.00	0.00000	35.50
75.5 - 76.5	$12,678.47	$0.00	0.00000	35.50
76.5 - 77.5	$12,369.23	$0.00	0.00000	35.50
77.5 - 78.5	$12,369.23	$0.00	0.00000	35.50

Montana-Dakota Utilities Company

Electric Plant

356.00 Overhead Conductor & Devices

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company

Electric Plant

356.00 Overhead Conductor & Devices

Observed Life Table

Retirement Expr. 2005 TO 2014

Placement Years 1936 TO 2014

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
0.0 - 0.5	$15,154,601.75	$0.00	0.00000	100.00
0.5 - 1.5	$11,168,966.65	$0.00	0.00000	100.00
1.5 - 2.5	$8,501,716.48	$0.00	0.00000	100.00
2.5 - 3.5	$5,190,970.51	$0.00	0.00000	100.00
3.5 - 4.5	$3,594,817.99	$0.00	0.00000	100.00
4.5 - 5.5	$3,350,776.23	$0.00	0.00000	100.00
5.5 - 6.5	$3,138,594.96	$40,827.64	0.01301	100.00
6.5 - 7.5	$2,414,325.36	$11,036.56	0.00457	98.70
7.5 - 8.5	$2,388,098.60	$0.00	0.00000	98.25
8.5 - 9.5	$2,517,850.83	$0.00	0.00000	98.25
9.5 - 10.5	$2,776,281.25	$31,227.02	0.01125	98.25
10.5 - 11.5	$3,189,432.12	$19,830.28	0.00622	97.14
11.5 - 12.5	$3,582,934.66	$0.00	0.00000	96.54
12.5 - 13.5	$4,105,452.39	$0.00	0.00000	96.54
13.5 - 14.5	$4,306,487.97	$72,651.15	0.01687	96.54
14.5 - 15.5	$4,073,813.01	$17,035.20	0.00418	94.91
15.5 - 16.5	$4,132,290.25	$0.00	0.00000	94.51
16.5 - 17.5	$4,064,189.72	$0.00	0.00000	94.51
17.5 - 18.5	$3,726,302.76	$0.00	0.00000	94.51
18.5 - 19.5	$3,995,529.33	$0.00	0.00000	94.51
19.5 - 20.5	$4,499,941.03	$0.00	0.00000	94.51
20.5 - 21.5	$4,915,411.65	$0.00	0.00000	94.51
21.5 - 22.5	$7,624,982.49	$788.45	0.00010	94.51
22.5 - 23.5	$9,078,883.61	$0.00	0.00000	94.50
23.5 - 24.5	$12,000,466.03	$46,888.86	0.00391	94.50
24.5 - 25.5	$12,288,088.37	$0.00	0.00000	94.13
25.5 - 26.5	$12,539,745.89	$0.00	0.00000	94.13
26.5 - 27.5	$12,817,377.80	$11,316.73	0.00088	94.13
27.5 - 28.5	$12,552,382.31	$349.92	0.00003	94.05
28.5 - 29.5	$12,131,731.15	$670.42	0.00006	94.05
29.5 - 30.5	$11,803,857.66	$0.00	0.00000	94.04
30.5 - 31.5	$10,836,302.43	$16,457.15	0.00152	94.04
31.5 - 32.5	$7,724,607.91	$0.00	0.00000	93.90
32.5 - 33.5	$5,848,917.63	$6,226.74	0.00106	93.90
33.5 - 34.5	$2,801,496.17	$15,387.99	0.00549	93.80
34.5 - 35.5	$2,448,276.77	$14,448.06	0.00590	93.29

Montana-Dakota Utilities Company

Electric Plant

356.00 Overhead Conductor & Devices

Observed Life Table

Retirement Expr. 2005 TO 2014

Placement Years 1936 TO 2014

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
35.5 - 36.5	$2,453,745.09	$5,770.23	0.00235	92.73
36.5 - 37.5	$2,377,624.41	$7,691.61	0.00323	92.52
37.5 - 38.5	$3,364,786.51	$703.82	0.00021	92.22
38.5 - 39.5	$3,650,546.64	$0.00	0.00000	92.20
39.5 - 40.5	$3,367,190.44	$14,415.10	0.00428	92.20
40.5 - 41.5	$3,431,057.43	$245.00	0.00007	91.80
41.5 - 42.5	$3,531,419.39	$0.00	0.00000	91.80
42.5 - 43.5	$3,456,968.32	$513.67	0.00015	91.80
43.5 - 44.5	$3,675,019.90	$4,129.68	0.00112	91.78
44.5 - 45.5	$3,754,440.39	$119,598.56	0.03186	91.68
45.5 - 46.5	$3,338,596.63	$5,258.32	0.00158	88.76
46.5 - 47.5	$3,241,498.07	$23,347.70	0.00720	88.62
47.5 - 48.5	$2,040,071.52	$503.42	0.00025	87.98
48.5 - 49.5	$2,057,019.19	$32.78	0.00002	87.96
49.5 - 50.5	$2,022,117.12	$0.00	0.00000	87.96
50.5 - 51.5	$1,475,878.52	$1,932.03	0.00131	87.96
51.5 - 52.5	$1,336,863.91	$127.50	0.00010	87.84
52.5 - 53.5	$1,244,742.15	$8,943.50	0.00719	87.84
53.5 - 54.5	$930,710.47	$0.00	0.00000	87.20
54.5 - 55.5	$923,562.62	$4,104.01	0.00444	87.20
55.5 - 56.5	$892,095.76	$8,448.72	0.00947	86.82
56.5 - 57.5	$797,044.28	$0.00	0.00000	85.99
57.5 - 58.5	$821,385.06	$16,998.74	0.02070	85.99
58.5 - 59.5	$649,548.21	$83.85	0.00013	84.21
59.5 - 60.5	$552,732.07	$3,983.13	0.00721	84.20
60.5 - 61.5	$518,516.45	$0.00	0.00000	83.60
61.5 - 62.5	$416,000.08	$45,643.24	0.10972	83.60
62.5 - 63.5	$350,090.47	$0.00	0.00000	74.42
63.5 - 64.5	$325,754.58	$5,040.56	0.01547	74.42
64.5 - 65.5	$180,928.40	$0.00	0.00000	73.27
65.5 - 66.5	$213,506.58	$0.00	0.00000	73.27
66.5 - 67.5	$173,473.95	$32,813.46	0.18915	73.27
67.5 - 68.5	$106,269.79	$0.00	0.00000	59.41
68.5 - 69.5	$77,385.99	$0.00	0.00000	59.41
69.5 - 70.5	$77,385.99	$0.00	0.00000	59.41
70.5 - 71.5	$77,385.99	$0.00	0.00000	59.41

Montana-Dakota Utilities Company
Electric Plant
356.00 Overhead Conductor & Devices
Observed Life Table
Retirement Expr. 2005 TO 2014
Placement Years 1936 TO 2014

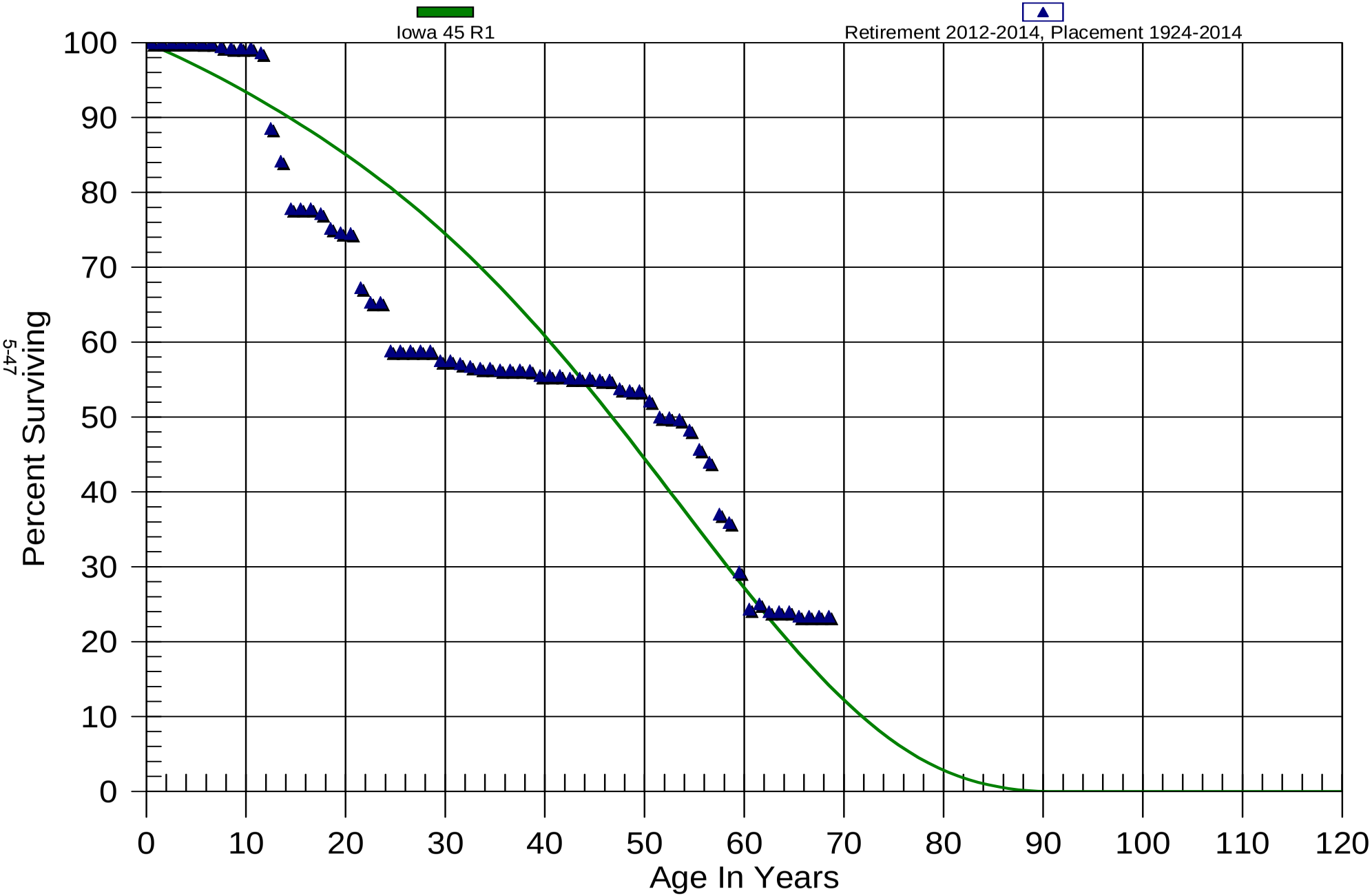
Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
71.5 - 72.5	$77,385.99	$0.00	0.00000	59.41
72.5 - 73.5	$77,385.99	$0.00	0.00000	59.41
73.5 - 74.5	$63,732.67	$0.00	0.00000	59.41
74.5 - 75.5	$50,412.36	$0.00	0.00000	59.41
75.5 - 76.5	$37,416.93	$0.00	0.00000	59.41
76.5 - 77.5	$24,738.46	$0.00	0.00000	59.41
77.5 - 78.5	$12,369.23	$0.00	0.00000	59.41

Montana-Dakota Utilities Company

Electric Plant

362.00 Station Equipment

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company
Electric Plant
362.00 Station Equipment
Observed Life Table
Retirement Expr. 2012 TO 2014
Placement Years 1924 TO 2014

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
0.0 - 0.5	$17,919,085.49	$0.00	0.00000	100.00
0.5 - 1.5	$12,100,003.87	$0.00	0.00000	100.00
1.5 - 2.5	$11,456,356.41	$0.00	0.00000	100.00
2.5 - 3.5	$6,545,100.96	$0.00	0.00000	100.00
3.5 - 4.5	$5,777,236.38	$0.00	0.00000	100.00
4.5 - 5.5	$7,290,552.00	$2,272.44	0.00031	100.00
5.5 - 6.5	$8,364,295.10	$0.00	0.00000	99.97
6.5 - 7.5	$7,446,163.35	$38,707.54	0.00520	99.97
7.5 - 8.5	$4,708,430.36	$7,493.71	0.00159	99.45
8.5 - 9.5	$3,022,681.41	$0.00	0.00000	99.29
9.5 - 10.5	$2,532,823.13	$0.00	0.00000	99.29
10.5 - 11.5	$2,681,622.50	$17,706.32	0.00660	99.29
11.5 - 12.5	$1,377,850.31	$140,841.52	0.10222	98.64
12.5 - 13.5	$1,095,759.19	$54,396.60	0.04964	88.55
13.5 - 14.5	$812,960.52	$61,186.75	0.07526	84.16
14.5 - 15.5	$705,058.29	$0.00	0.00000	77.82
15.5 - 16.5	$1,430,848.39	$0.00	0.00000	77.82
16.5 - 17.5	$1,700,627.88	$14,610.69	0.00859	77.82
17.5 - 18.5	$1,092,822.84	$27,664.65	0.02531	77.15
18.5 - 19.5	$3,439,265.18	$26,909.24	0.00782	75.20
19.5 - 20.5	$5,001,716.22	$8,290.50	0.00166	74.61
20.5 - 21.5	$4,388,576.30	$425,040.43	0.09685	74.49
21.5 - 22.5	$2,407,142.23	$70,466.24	0.02927	67.27
22.5 - 23.5	$1,427,165.57	$0.00	0.00000	65.31
23.5 - 24.5	$1,402,917.47	$139,309.60	0.09930	65.31
24.5 - 25.5	$981,146.34	$0.00	0.00000	58.82
25.5 - 26.5	$522,729.67	$0.00	0.00000	58.82
26.5 - 27.5	$631,150.39	$0.00	0.00000	58.82
27.5 - 28.5	$695,467.49	$0.00	0.00000	58.82
28.5 - 29.5	$2,128,157.67	$46,402.97	0.02180	58.82
29.5 - 30.5	$3,044,118.69	$600.00	0.00020	57.54
30.5 - 31.5	$3,152,760.91	$22,465.74	0.00713	57.53
31.5 - 32.5	$2,864,226.50	$19,029.63	0.00664	57.12
32.5 - 33.5	$2,782,199.11	$10,333.07	0.00371	56.74
33.5 - 34.5	$3,205,248.31	$0.00	0.00000	56.53
34.5 - 35.5	$2,752,424.17	$12,399.12	0.00450	56.53

Montana-Dakota Utilities Company
Electric Plant
362.00 Station Equipment
Observed Life Table
Retirement Expr. 2012 TO 2014
Placement Years 1924 TO 2014

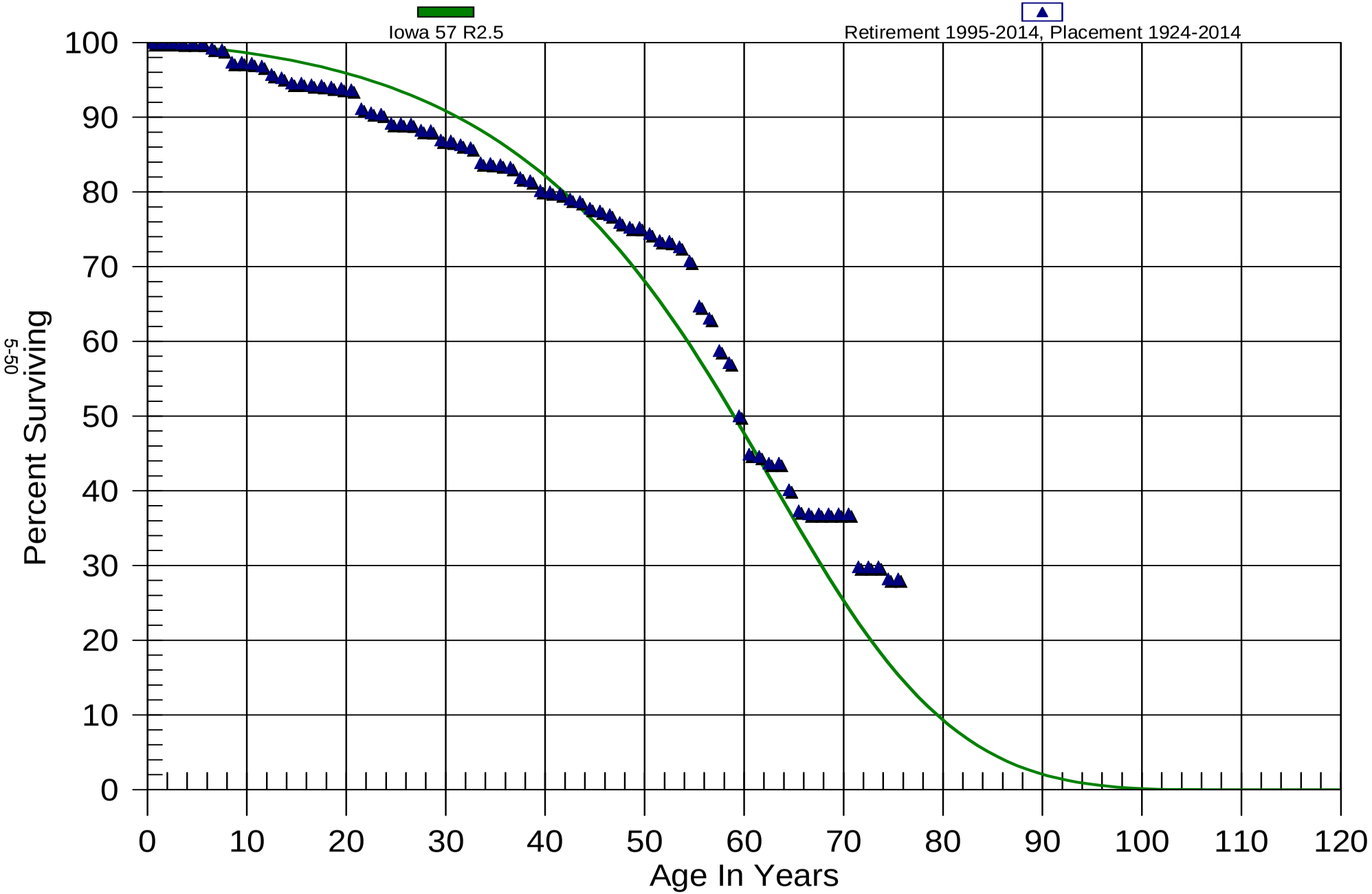
Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
35.5 - 36.5	$2,158,700.07	$0.00	0.00000	56.27
36.5 - 37.5	$2,370,542.83	$0.00	0.00000	56.27
37.5 - 38.5	$1,884,942.28	$1,558.00	0.00083	56.27
38.5 - 39.5	$1,596,054.59	$19,258.80	0.01207	56.23
39.5 - 40.5	$850,376.71	$0.00	0.00000	55.55
40.5 - 41.5	$602,204.37	$0.00	0.00000	55.55
41.5 - 42.5	$404,794.42	$2,583.00	0.00638	55.55
42.5 - 43.5	$439,420.33	$0.00	0.00000	55.19
43.5 - 44.5	$716,507.35	$0.00	0.00000	55.19
44.5 - 45.5	$727,487.74	$3,066.72	0.00422	55.19
45.5 - 46.5	$655,991.11	$206.39	0.00031	54.96
46.5 - 47.5	$528,452.19	$11,188.74	0.02117	54.94
47.5 - 48.5	$486,723.06	$2,254.44	0.00463	53.78
48.5 - 49.5	$488,503.53	$0.00	0.00000	53.53
49.5 - 50.5	$378,537.63	$9,823.68	0.02595	53.53
50.5 - 51.5	$346,143.52	$14,284.02	0.04127	52.14
51.5 - 52.5	$411,988.27	$600.00	0.00146	49.99
52.5 - 53.5	$445,885.65	$2,250.75	0.00505	49.92
53.5 - 54.5	$433,959.50	$12,428.72	0.02864	49.66
54.5 - 55.5	$318,742.67	$17,037.57	0.05345	48.24
55.5 - 56.5	$207,545.98	$7,790.48	0.03754	45.66
56.5 - 57.5	$214,219.75	$33,701.23	0.15732	43.95
57.5 - 58.5	$232,429.22	$7,063.84	0.03039	37.04
58.5 - 59.5	$262,671.00	$48,286.54	0.18383	35.91
59.5 - 60.5	$161,969.31	$27,381.66	0.16905	29.31
60.5 - 61.5	$119,597.93	($3,403.95)	-0.02846	24.35
61.5 - 62.5	$108,461.99	$4,482.80	0.04133	25.05
62.5 - 63.5	$107,996.47	$0.00	0.00000	24.01
63.5 - 64.5	$96,634.50	$0.00	0.00000	24.01
64.5 - 65.5	$75,635.33	$1,911.06	0.02527	24.01
65.5 - 66.5	$59,251.17	$0.00	0.00000	23.40
66.5 - 67.5	$34,609.15	$0.00	0.00000	23.40
67.5 - 68.5	$14,210.86	$0.00	0.00000	23.40

Montana-Dakota Utilities Company

Electric Plant

362.00 Station Equipment

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company

Electric Plant

362.00 Station Equipment

Observed Life Table

Retirement Expr. 1995 TO 2014

Placement Years 1924 TO 2014

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
0.0 - 0.5	$39,919,078.37	$0.00	0.00000	100.00
0.5 - 1.5	$31,842,793.53	$3,405.70	0.00011	100.00
1.5 - 2.5	$32,096,727.23	$0.00	0.00000	99.99
2.5 - 3.5	$26,675,800.97	$15,603.29	0.00058	99.99
3.5 - 4.5	$24,105,449.89	$3,873.80	0.00016	99.93
4.5 - 5.5	$23,080,492.81	$2,272.44	0.00010	99.91
5.5 - 6.5	$21,415,912.86	$143,856.71	0.00672	99.90
6.5 - 7.5	$19,587,221.41	$40,980.68	0.00209	99.23
7.5 - 8.5	$16,600,957.29	$277,910.68	0.01674	99.03
8.5 - 9.5	$13,130,920.03	$0.00	0.00000	97.37
9.5 - 10.5	$12,501,009.66	$17,449.40	0.00140	97.37
10.5 - 11.5	$12,268,192.76	$48,048.41	0.00392	97.23
11.5 - 12.5	$12,203,443.43	$142,341.52	0.01166	96.85
12.5 - 13.5	$12,994,915.76	$58,452.93	0.00450	95.72
13.5 - 14.5	$12,839,729.52	$97,518.90	0.00760	95.29
14.5 - 15.5	$13,857,594.31	$0.00	0.00000	94.57
15.5 - 16.5	$14,891,006.25	$35,054.48	0.00235	94.57
16.5 - 17.5	$15,263,573.79	$17,790.69	0.00117	94.35
17.5 - 18.5	$15,112,646.59	$31,778.51	0.00210	94.24
18.5 - 19.5	$15,591,656.94	$26,909.24	0.00173	94.04
19.5 - 20.5	$16,391,599.51	$33,660.57	0.00205	93.87
20.5 - 21.5	$15,985,305.77	$432,554.25	0.02706	93.68
21.5 - 22.5	$13,978,661.23	$85,538.16	0.00612	91.15
22.5 - 23.5	$12,607,229.29	$23,938.05	0.00190	90.59
23.5 - 24.5	$12,479,319.89	$170,729.75	0.01368	90.42
24.5 - 25.5	$12,016,121.85	$4,530.15	0.00038	89.18
25.5 - 26.5	$11,706,953.01	$9,279.94	0.00079	89.15
26.5 - 27.5	$11,857,514.65	$110,148.27	0.00929	89.08
27.5 - 28.5	$11,802,618.43	$7,548.67	0.00064	88.25
28.5 - 29.5	$11,812,884.43	$164,643.00	0.01394	88.19
29.5 - 30.5	$11,592,665.87	$19,427.83	0.00168	86.96
30.5 - 31.5	$11,537,047.99	$65,605.60	0.00569	86.82
31.5 - 32.5	$10,037,743.26	$45,643.65	0.00455	86.32
32.5 - 33.5	$8,838,262.19	$209,736.72	0.02373	85.93
33.5 - 34.5	$8,493,895.19	$7,121.59	0.00084	83.89
34.5 - 35.5	$7,435,592.55	$14,965.12	0.00201	83.82

Montana-Dakota Utilities Company

Electric Plant

362.00 Station Equipment

Observed Life Table

Retirement Expr. 1995 TO 2014

Placement Years 1924 TO 2014

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
35.5 - 36.5	$6,331,213.76	$26,727.46	0.00422	83.65
36.5 - 37.5	$5,733,928.52	$95,474.48	0.01665	83.30
37.5 - 38.5	$4,904,182.93	$24,421.86	0.00498	81.91
38.5 - 39.5	$4,294,756.42	$69,629.10	0.01621	81.50
39.5 - 40.5	$3,471,662.80	$7,591.86	0.00219	80.18
40.5 - 41.5	$3,216,690.83	$10,073.65	0.00313	80.01
41.5 - 42.5	$2,966,173.15	$26,229.56	0.00884	79.76
42.5 - 43.5	$2,813,630.64	$12,604.94	0.00448	79.05
43.5 - 44.5	$2,769,749.38	$30,769.48	0.01111	78.70
44.5 - 45.5	$2,660,186.73	$12,845.50	0.00483	77.82
45.5 - 46.5	$2,476,545.04	$15,607.05	0.00630	77.45
46.5 - 47.5	$2,118,846.22	$28,990.67	0.01368	76.96
47.5 - 48.5	$1,993,951.30	$16,126.31	0.00809	75.91
48.5 - 49.5	$1,862,902.29	$950.32	0.00051	75.29
49.5 - 50.5	$1,647,491.16	$18,109.78	0.01099	75.25
50.5 - 51.5	$1,496,745.63	$18,699.70	0.01249	74.43
51.5 - 52.5	$1,359,161.48	$1,970.00	0.00145	73.50
52.5 - 53.5	$1,291,905.94	$12,979.61	0.01005	73.39
53.5 - 54.5	$1,173,204.29	$30,617.00	0.02610	72.65
54.5 - 55.5	$943,199.67	$80,274.96	0.08511	70.76
55.5 - 56.5	$756,577.47	$19,351.22	0.02558	64.74
56.5 - 57.5	$632,479.21	$43,359.71	0.06856	63.08
57.5 - 58.5	$562,398.62	$15,376.92	0.02734	58.76
58.5 - 59.5	$513,676.54	$63,917.31	0.12443	57.15
59.5 - 60.5	$368,218.34	$37,801.66	0.10266	50.04
60.5 - 61.5	$277,511.91	$1,787.73	0.00644	44.90
61.5 - 62.5	$217,215.09	$4,482.80	0.02064	44.61
62.5 - 63.5	$186,154.55	$0.00	0.00000	43.69
63.5 - 64.5	$150,150.56	$12,222.56	0.08140	43.69
64.5 - 65.5	$96,530.54	$6,793.76	0.07038	40.13
65.5 - 66.5	$61,052.82	$650.12	0.01065	37.31
66.5 - 67.5	$35,760.68	$0.00	0.00000	36.91
67.5 - 68.5	$24,296.03	$0.00	0.00000	36.91
68.5 - 69.5	$10,085.17	$0.00	0.00000	36.91
69.5 - 70.5	$10,133.64	$0.00	0.00000	36.91
70.5 - 71.5	$10,598.64	$2,033.64	0.19188	36.91

Montana-Dakota Utilities Company

Electric Plant

362.00 Station Equipment

Observed Life Table

Retirement Expr. 1995 TO 2014

Placement Years 1924 TO 2014

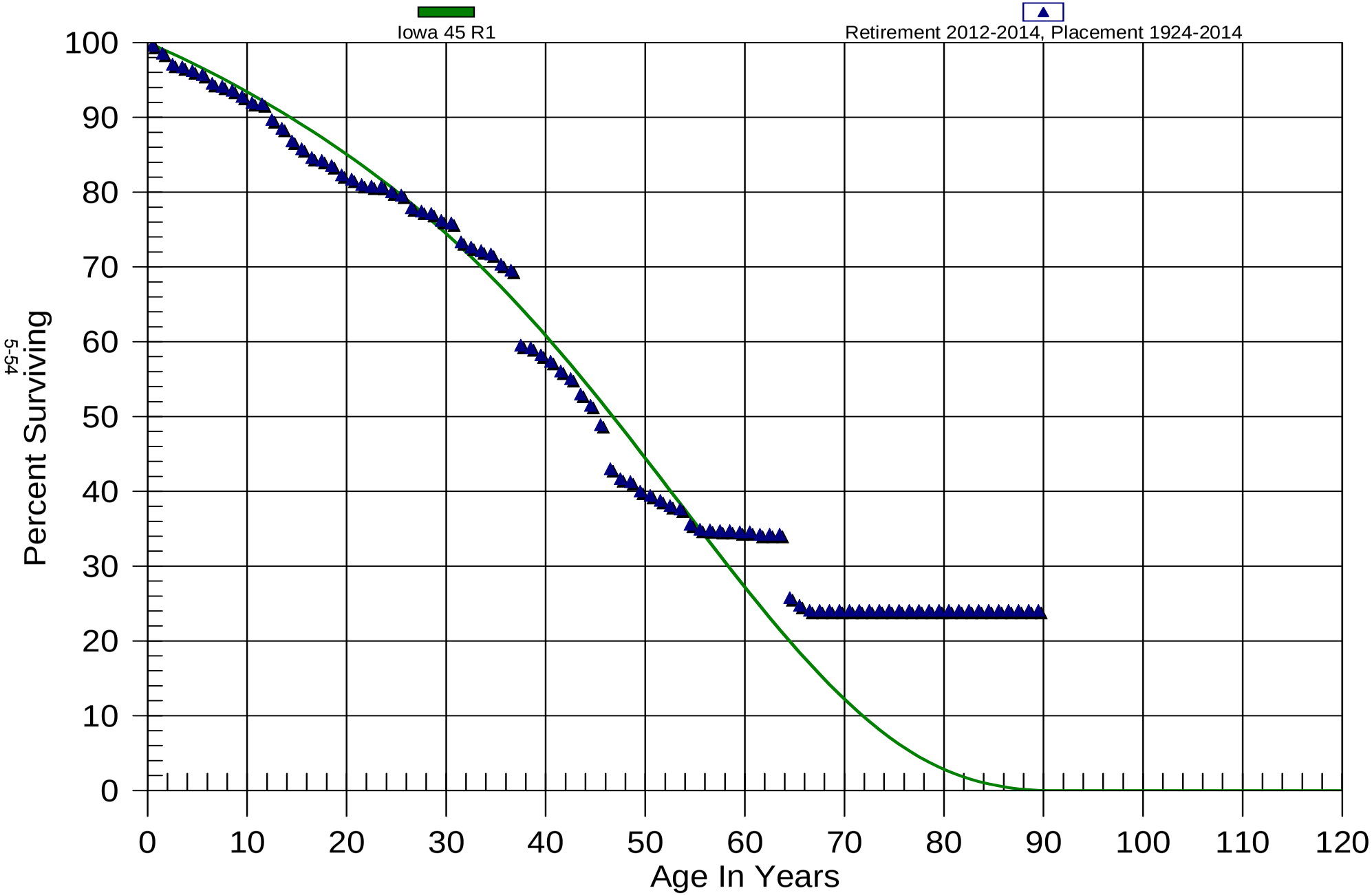
Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
71.5 - 72.5	$8,565.00	$0.00	0.00000	29.83
72.5 - 73.5	$8,565.00	$0.00	0.00000	29.83
73.5 - 74.5	$8,565.00	$465.00	0.05429	29.83
74.5 - 75.5	$8,100.00	$0.00	0.00000	28.21

Montana-Dakota Utilities Company

Electric Plant

364.00 Poles, Towers & Fixtures

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company

Electric Plant

364.00 Poles, Towers & Fixtures

Observed Life Table

Retirement Expr. 2014 TO 2014

Placement Years 1925 TO 2014

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
0.0 - 0.5	$3,886,846.55	$13,899.58	0.00358	100.00
0.5 - 1.5	$3,645,675.94	$39,333.75	0.01079	99.64
1.5 - 2.5	$1,558,182.21	$23,126.92	0.01484	98.57
2.5 - 3.5	$932,565.89	$3,329.75	0.00357	97.10
3.5 - 4.5	$705,135.72	$3,736.78	0.00530	96.76
4.5 - 5.5	$865,009.31	$4,607.93	0.00533	96.24
5.5 - 6.5	$806,514.09	$10,173.96	0.01261	95.73
6.5 - 7.5	$687,798.57	$2,559.19	0.00372	94.52
7.5 - 8.5	$692,189.28	$4,002.36	0.00578	94.17
8.5 - 9.5	$668,760.06	$5,769.48	0.00863	93.63
9.5 - 10.5	$663,712.46	$6,011.64	0.00906	92.82
10.5 - 11.5	$482,801.14	$853.71	0.00177	91.98
11.5 - 12.5	$797,812.04	$18,540.97	0.02324	91.82
12.5 - 13.5	$537,045.61	$6,890.53	0.01283	89.68
13.5 - 14.5	$537,458.25	$10,189.26	0.01896	88.53
14.5 - 15.5	$749,282.07	$9,033.61	0.01206	86.85
15.5 - 16.5	$576,389.93	$8,019.14	0.01391	85.81
16.5 - 17.5	$762,459.49	$3,197.78	0.00419	84.61
17.5 - 18.5	$978,646.04	$8,334.74	0.00852	84.26
18.5 - 19.5	$1,304,695.01	$19,185.75	0.01471	83.54
19.5 - 20.5	$1,225,782.68	$8,669.35	0.00707	82.31
20.5 - 21.5	$944,863.58	$8,303.71	0.00879	81.73
21.5 - 22.5	$939,837.29	$2,130.71	0.00227	81.01
22.5 - 23.5	$759,568.76	$495.21	0.00065	80.83
23.5 - 24.5	$630,656.63	$5,694.91	0.00903	80.78
24.5 - 25.5	$474,247.82	$2,534.04	0.00534	80.05
25.5 - 26.5	$449,001.77	$9,741.90	0.02170	79.62
26.5 - 27.5	$461,567.61	$2,414.88	0.00523	77.89
27.5 - 28.5	$752,234.41	$3,161.40	0.00420	77.48
28.5 - 29.5	$900,892.42	$10,944.64	0.01215	77.16
29.5 - 30.5	$507,793.04	$2,176.87	0.00429	76.22
30.5 - 31.5	$679,296.91	$22,690.29	0.03340	75.89
31.5 - 32.5	$536,123.31	$5,021.45	0.00937	73.36
32.5 - 33.5	$572,458.75	$3,918.47	0.00684	72.67
33.5 - 34.5	$614,094.92	$3,837.79	0.00625	72.17
34.5 - 35.5	$490,355.60	$9,430.86	0.01923	71.72

Montana-Dakota Utilities Company
Electric Plant
364.00 Poles, Towers & Fixtures
Observed Life Table
Retirement Expr. 2014 TO 2014
Placement Years 1925 TO 2014

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
35.5 - 36.5	$381,012.42	$4,186.49	0.01099	70.34
36.5 - 37.5	$450,182.59	$64,829.99	0.14401	69.57
37.5 - 38.5	$418,431.49	$2,425.76	0.00580	59.55
38.5 - 39.5	$307,529.97	$5,036.60	0.01638	59.21
39.5 - 40.5	$177,838.71	$2,580.58	0.01451	58.24
40.5 - 41.5	$274,181.66	$6,304.00	0.02299	57.39
41.5 - 42.5	$326,883.11	$5,744.70	0.01757	56.07
42.5 - 43.5	$203,554.42	$7,741.83	0.03803	55.09
43.5 - 44.5	$248,118.56	$7,026.98	0.02832	52.99
44.5 - 45.5	$347,328.58	$17,362.43	0.04999	51.49
45.5 - 46.5	$245,416.94	$29,534.62	0.12034	48.92
46.5 - 47.5	$190,166.22	$5,848.46	0.03075	43.03
47.5 - 48.5	$203,371.20	$2,039.09	0.01003	41.71
48.5 - 49.5	$179,918.90	$5,496.57	0.03055	41.29
49.5 - 50.5	$180,259.52	$2,665.38	0.01479	40.03
50.5 - 51.5	$149,413.66	$2,428.58	0.01625	39.44
51.5 - 52.5	$142,418.74	$2,593.20	0.01821	38.79
52.5 - 53.5	$120,414.89	$1,398.72	0.01162	38.09
53.5 - 54.5	$113,904.38	$6,196.00	0.05440	37.65
54.5 - 55.5	$110,689.46	$2,088.00	0.01886	35.60
55.5 - 56.5	$79,845.76	$232.00	0.00291	34.93
56.5 - 57.5	$77,552.44	$174.00	0.00224	34.82
57.5 - 58.5	$66,411.49	$0.00	0.00000	34.75
58.5 - 59.5	$56,623.24	$290.00	0.00512	34.75
59.5 - 60.5	$50,329.16	$0.00	0.00000	34.57
60.5 - 61.5	$43,544.51	$406.00	0.00932	34.57
61.5 - 62.5	$30,710.12	$0.00	0.00000	34.25
62.5 - 63.5	$23,373.05	$0.00	0.00000	34.25
63.5 - 64.5	$21,391.95	$5,286.70	0.24714	34.25
64.5 - 65.5	$16,046.53	$638.00	0.03976	25.78
65.5 - 66.5	$13,000.18	$349.16	0.02686	24.76
66.5 - 67.5	$10,373.39	$0.00	0.00000	24.09
67.5 - 68.5	$8,385.37	$0.00	0.00000	24.09
68.5 - 69.5	$0.00	$0.00	0.00000	24.09
69.5 - 70.5	$0.00	$0.00	0.00000	24.09
70.5 - 71.5	$0.00	$0.00	0.00000	24.09

Montana-Dakota Utilities Company
Electric Plant
364.00 Poles, Towers & Fixtures
Observed Life Table
Retirement Expr. 2014 TO 2014
Placement Years 1925 TO 2014

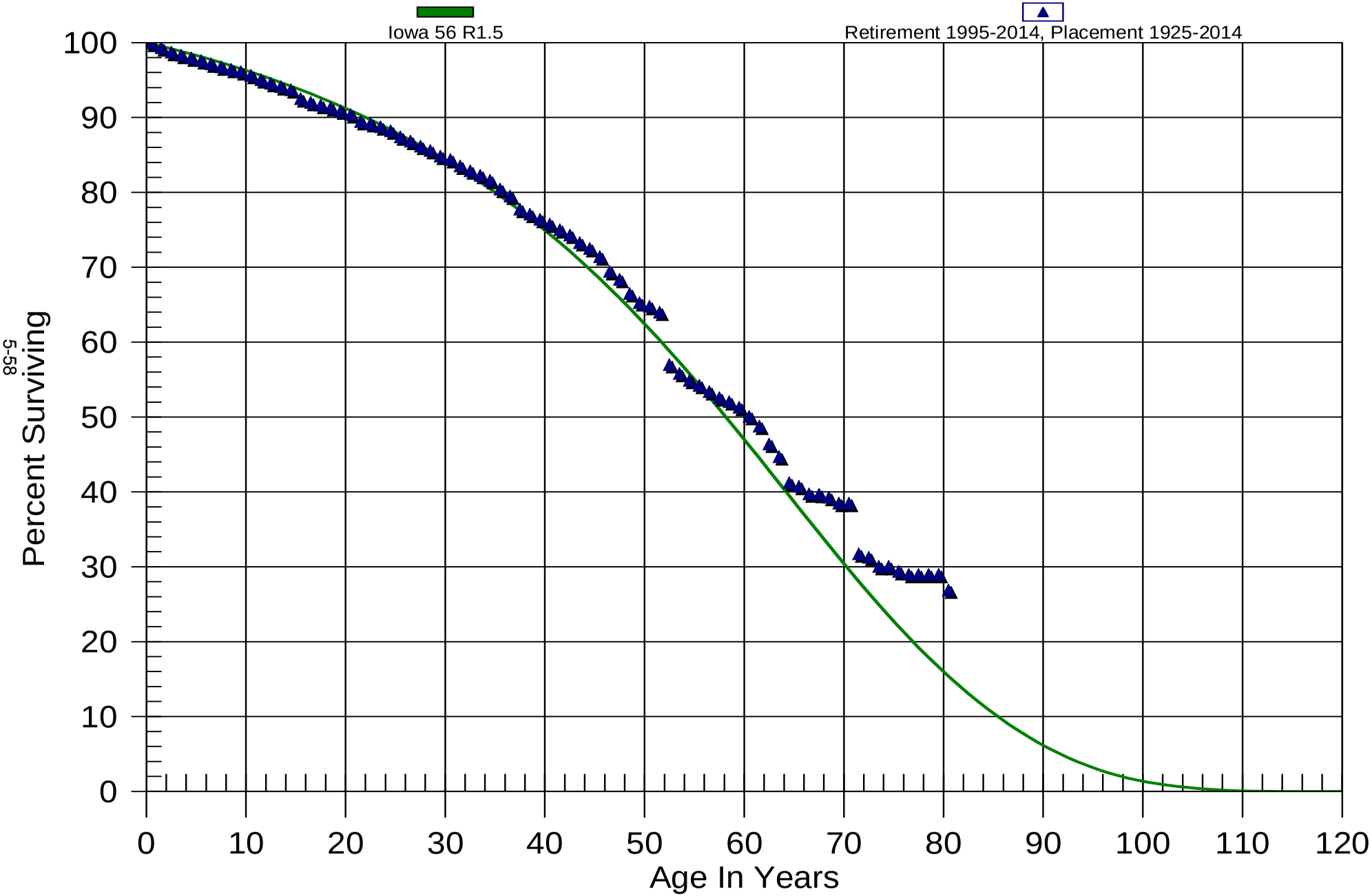
Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
71.5 - 72.5	$0.00	$0.00	0.00000	24.09
72.5 - 73.5	$987.05	$0.00	0.00000	24.09
73.5 - 74.5	$962.98	$0.00	0.00000	24.09
74.5 - 75.5	$939.49	$0.00	0.00000	24.09
75.5 - 76.5	$916.57	$0.00	0.00000	24.09
76.5 - 77.5	$894.22	$0.00	0.00000	24.09
77.5 - 78.5	$894.22	$0.00	0.00000	24.09
78.5 - 79.5	$638.35	$0.00	0.00000	24.09
79.5 - 80.5	$0.00	$0.00	0.00000	24.09
80.5 - 81.5	$0.00	$0.00	0.00000	24.09
81.5 - 82.5	$0.00	$0.00	0.00000	24.09
82.5 - 83.5	$0.00	$0.00	0.00000	24.09
83.5 - 84.5	$0.00	$0.00	0.00000	24.09
84.5 - 85.5	$0.00	$0.00	0.00000	24.09
85.5 - 86.5	$0.00	$0.00	0.00000	24.09
86.5 - 87.5	$0.00	$0.00	0.00000	24.09
87.5 - 88.5	$0.00	$0.00	0.00000	24.09
88.5 - 89.5	$0.00	$0.00	0.00000	24.09

Montana-Dakota Utilities Company

Electric Plant

364.00 Poles, Towers & Fixtures

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company
Electric Plant
364.00 Poles, Towers & Fixtures
Observed Life Table
Retirement Expr. 1995 TO 2014
Placement Years 1925 TO 2014

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
0.0 - 0.5	$22,713,968.96	$18,697.68	0.00082	100.00
0.5 - 1.5	$20,170,169.40	$119,155.97	0.00591	99.92
1.5 - 2.5	$17,561,914.23	$106,644.45	0.00607	99.33
2.5 - 3.5	$16,919,057.00	$68,682.89	0.00406	98.72
3.5 - 4.5	$16,728,368.77	$60,705.96	0.00363	98.32
4.5 - 5.5	$16,651,189.96	$65,792.35	0.00395	97.97
5.5 - 6.5	$16,223,958.58	$69,918.19	0.00431	97.58
6.5 - 7.5	$15,853,983.41	$66,452.16	0.00419	97.16
7.5 - 8.5	$15,662,852.08	$48,624.21	0.00310	96.75
8.5 - 9.5	$15,727,189.85	$52,678.46	0.00335	96.45
9.5 - 10.5	$15,997,744.62	$84,008.62	0.00525	96.13
10.5 - 11.5	$15,803,971.36	$94,840.62	0.00600	95.62
11.5 - 12.5	$15,968,263.67	$82,692.81	0.00518	95.05
12.5 - 13.5	$15,691,335.26	$70,779.53	0.00451	94.56
13.5 - 14.5	$15,727,493.86	$71,781.90	0.00456	94.13
14.5 - 15.5	$15,819,996.99	$198,186.85	0.01253	93.70
15.5 - 16.5	$15,430,195.20	$82,882.10	0.00537	92.53
16.5 - 17.5	$15,149,456.83	$62,420.06	0.00412	92.03
17.5 - 18.5	$14,526,737.67	$54,159.86	0.00373	91.65
18.5 - 19.5	$13,967,620.45	$67,129.23	0.00481	91.31
19.5 - 20.5	$12,968,890.75	$69,473.41	0.00536	90.87
20.5 - 21.5	$11,880,493.96	$119,251.27	0.01004	90.38
21.5 - 22.5	$11,119,591.19	$33,642.52	0.00303	89.48
22.5 - 23.5	$10,516,249.28	$50,327.35	0.00479	89.21
23.5 - 24.5	$9,932,556.33	$62,001.97	0.00624	88.78
24.5 - 25.5	$9,549,879.14	$87,718.60	0.00919	88.22
25.5 - 26.5	$9,338,935.59	$60,675.10	0.00650	87.41
26.5 - 27.5	$9,129,488.29	$71,058.25	0.00778	86.85
27.5 - 28.5	$8,848,416.80	$58,291.07	0.00659	86.17
28.5 - 29.5	$8,288,281.35	$73,038.11	0.00881	85.60
29.5 - 30.5	$7,594,051.51	$41,165.13	0.00542	84.85
30.5 - 31.5	$7,298,645.89	$73,689.66	0.01010	84.39
31.5 - 32.5	$6,749,165.50	$51,898.30	0.00769	83.54
32.5 - 33.5	$6,335,665.44	$46,090.52	0.00727	82.89
33.5 - 34.5	$5,898,528.91	$47,739.61	0.00809	82.29
34.5 - 35.5	$5,438,410.03	$78,959.78	0.01452	81.63

Montana-Dakota Utilities Company
Electric Plant
364.00 Poles, Towers & Fixtures
Observed Life Table
Retirement Expr. 1995 TO 2014
Placement Years 1925 TO 2014

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
35.5 - 36.5	$5,069,525.83	$58,233.04	0.01149	80.44
36.5 - 37.5	$4,724,181.76	$103,582.55	0.02193	79.52
37.5 - 38.5	$4,326,460.64	$36,878.10	0.00852	77.77
38.5 - 39.5	$3,950,340.88	$35,389.23	0.00896	77.11
39.5 - 40.5	$3,691,523.62	$31,028.89	0.00841	76.42
40.5 - 41.5	$3,549,869.76	$35,463.12	0.00999	75.78
41.5 - 42.5	$3,301,016.09	$31,169.56	0.00944	75.02
42.5 - 43.5	$2,991,272.42	$40,551.12	0.01356	74.31
43.5 - 44.5	$2,791,355.49	$29,996.10	0.01075	73.30
44.5 - 45.5	$2,615,352.64	$39,651.65	0.01516	72.52
45.5 - 46.5	$2,270,638.99	$62,862.74	0.02769	71.42
46.5 - 47.5	$2,014,092.68	$30,186.17	0.01499	69.44
47.5 - 48.5	$1,821,316.71	$50,588.81	0.02778	68.40
48.5 - 49.5	$1,693,371.12	$31,121.05	0.01838	66.50
49.5 - 50.5	$1,496,370.32	$11,530.93	0.00771	65.28
50.5 - 51.5	$1,310,592.45	$15,192.01	0.01159	64.77
51.5 - 52.5	$1,150,626.08	$126,093.96	0.10959	64.02
52.5 - 53.5	$891,366.58	$18,716.47	0.02100	57.01
53.5 - 54.5	$757,056.99	$12,184.00	0.01609	55.81
54.5 - 55.5	$653,773.59	$8,086.00	0.01237	54.91
55.5 - 56.5	$538,199.62	$8,116.00	0.01508	54.23
56.5 - 57.5	$451,386.43	$6,913.48	0.01532	53.41
57.5 - 58.5	$368,278.73	$3,909.29	0.01062	52.60
58.5 - 59.5	$299,026.17	$4,258.00	0.01424	52.04
59.5 - 60.5	$239,595.28	$5,682.00	0.02371	51.30
60.5 - 61.5	$183,642.12	$4,746.00	0.02584	50.08
61.5 - 62.5	$135,757.61	$6,612.00	0.04870	48.79
62.5 - 63.5	$103,780.19	$3,862.00	0.03721	46.41
63.5 - 64.5	$77,183.14	$5,938.70	0.07694	44.68
64.5 - 65.5	$56,590.35	$696.00	0.01230	41.25
65.5 - 66.5	$40,659.82	$987.16	0.02428	40.74
66.5 - 67.5	$27,775.64	$58.00	0.00209	39.75
67.5 - 68.5	$17,344.25	$174.00	0.01003	39.67
68.5 - 69.5	$8,842.88	$174.00	0.01968	39.27
69.5 - 70.5	$9,248.88	$0.00	0.00000	38.50
70.5 - 71.5	$9,248.88	$1,624.00	0.17559	38.50

Montana-Dakota Utilities Company

Electric Plant

364.00 Poles, Towers & Fixtures

Observed Life Table

Retirement Expr. 1995 TO 2014

Placement Years 1925 TO 2014

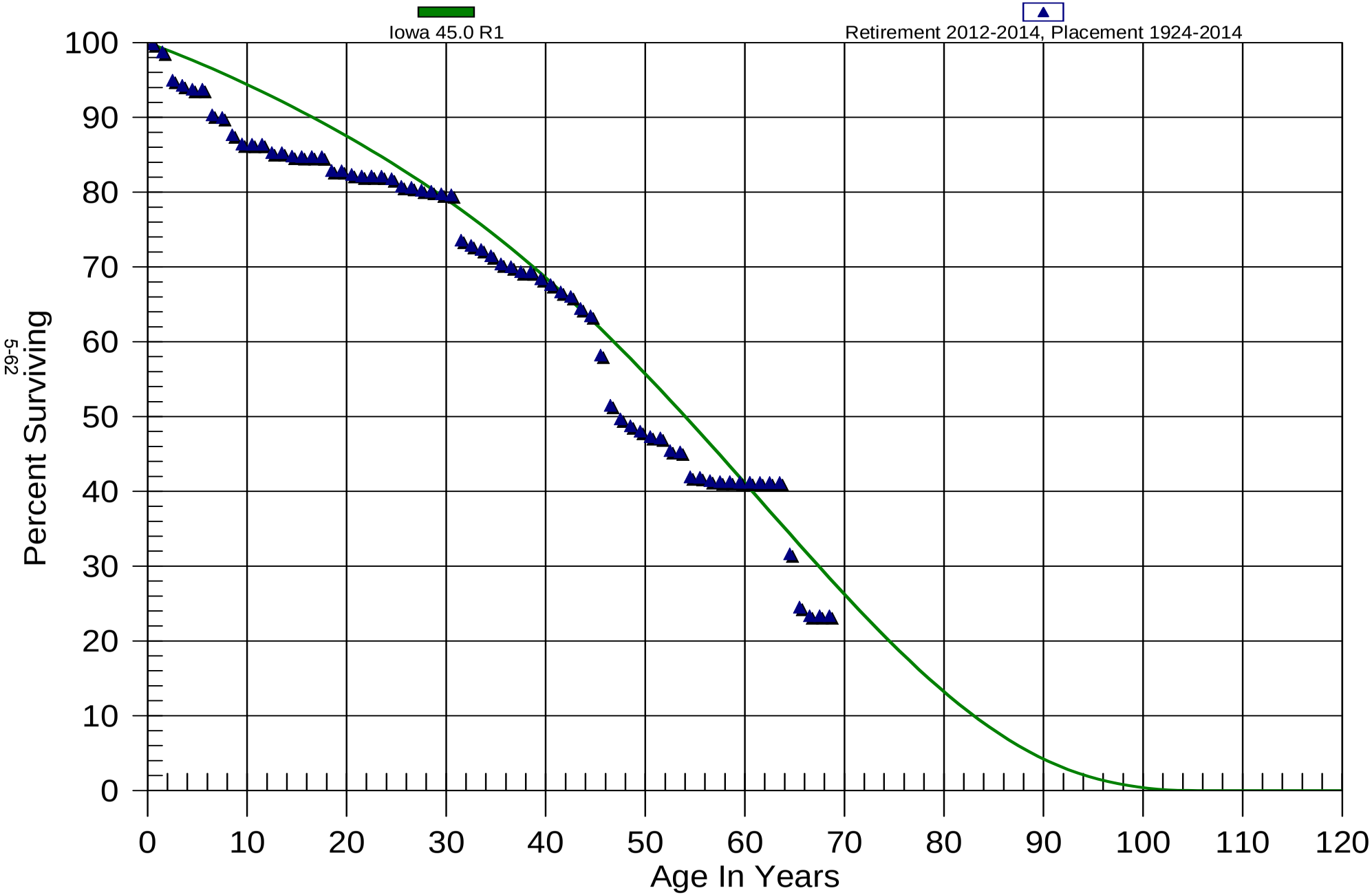
Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
71.5 - 72.5	$7,624.88	$116.00	0.01521	31.74
72.5 - 73.5	$7,508.88	$290.00	0.03862	31.25
73.5 - 74.5	$6,231.83	$0.00	0.00000	30.05
74.5 - 75.5	$5,268.85	$116.00	0.02202	30.05
75.5 - 76.5	$4,213.36	$58.00	0.01377	29.38
76.5 - 77.5	$3,238.79	$0.00	0.00000	28.98
77.5 - 78.5	$2,344.57	$0.00	0.00000	28.98
78.5 - 79.5	$1,450.35	$0.00	0.00000	28.98
79.5 - 80.5	$812.00	$58.00	0.07143	28.98

Montana-Dakota Utilities Company

Electric Plant

365.00 Overhead Conductor & Devices

Original And Smooth Survivor Curves



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Montana-Dakota Utilities Company

Electric Plant

365.00 Overhead Conductor & Devices

Observed Life Table

Retirement Expr. 2014 TO 2014

Placement Years 1925 TO 2014

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
0.0 - 0.5	$3,894,246.00	$5,766.00	0.00148	100.00
0.5 - 1.5	$4,052,160.89	$44,702.33	0.01103	99.85
1.5 - 2.5	$1,529,950.82	$58,786.67	0.03842	98.75
2.5 - 3.5	$483,299.03	$3,480.02	0.00720	94.96
3.5 - 4.5	$396,970.75	$2,184.50	0.00550	94.27
4.5 - 5.5	$339,962.91	($23.55)	-0.00007	93.75
5.5 - 6.5	$490,020.68	$17,932.56	0.03660	93.76
6.5 - 7.5	$469,363.76	$1,809.88	0.00386	90.33
7.5 - 8.5	$439,992.87	$11,325.74	0.02574	89.98
8.5 - 9.5	$434,469.91	$6,039.27	0.01390	87.66
9.5 - 10.5	$389,781.35	$200.91	0.00052	86.45
10.5 - 11.5	$258,511.10	$0.00	0.00000	86.40
11.5 - 12.5	$282,581.23	$3,699.76	0.01309	86.40
12.5 - 13.5	$398,516.61	$0.00	0.00000	85.27
13.5 - 14.5	$235,927.26	$1,265.67	0.00536	85.27
14.5 - 15.5	$518,504.61	$306.52	0.00059	84.81
15.5 - 16.5	$355,338.88	$0.00	0.00000	84.76
16.5 - 17.5	$473,275.85	$203.32	0.00043	84.76
17.5 - 18.5	$399,412.71	$8,642.87	0.02164	84.73
18.5 - 19.5	$2,261,562.06	$671.35	0.00030	82.89
19.5 - 20.5	$579,831.45	$3,545.80	0.00612	82.87
20.5 - 21.5	$498,197.97	$1,076.80	0.00216	82.36
21.5 - 22.5	$573,302.63	$143.95	0.00025	82.18
22.5 - 23.5	$599,967.21	$153.52	0.00026	82.16
23.5 - 24.5	$316,081.06	$1,363.76	0.00431	82.14
24.5 - 25.5	$336,522.98	$4,090.09	0.01215	81.79
25.5 - 26.5	$285,766.17	$575.05	0.00201	80.79
26.5 - 27.5	$303,302.16	$1,338.74	0.00441	80.63
27.5 - 28.5	$575,172.94	$1,099.91	0.00191	80.27
28.5 - 29.5	$823,231.55	$3,540.18	0.00430	80.12
29.5 - 30.5	$308,118.34	$517.01	0.00168	79.78
30.5 - 31.5	$563,740.84	$42,961.69	0.07621	79.64
31.5 - 32.5	$439,432.40	$4,143.02	0.00943	73.57
32.5 - 33.5	$333,728.56	$2,410.96	0.00722	72.88
33.5 - 34.5	$431,989.08	$4,988.03	0.01155	72.35
34.5 - 35.5	$309,736.16	$4,763.90	0.01538	71.52

Montana-Dakota Utilities Company
Electric Plant
365.00 Overhead Conductor & Devices
Observed Life Table
Retirement Expr. 2014 TO 2014
Placement Years 1925 TO 2014

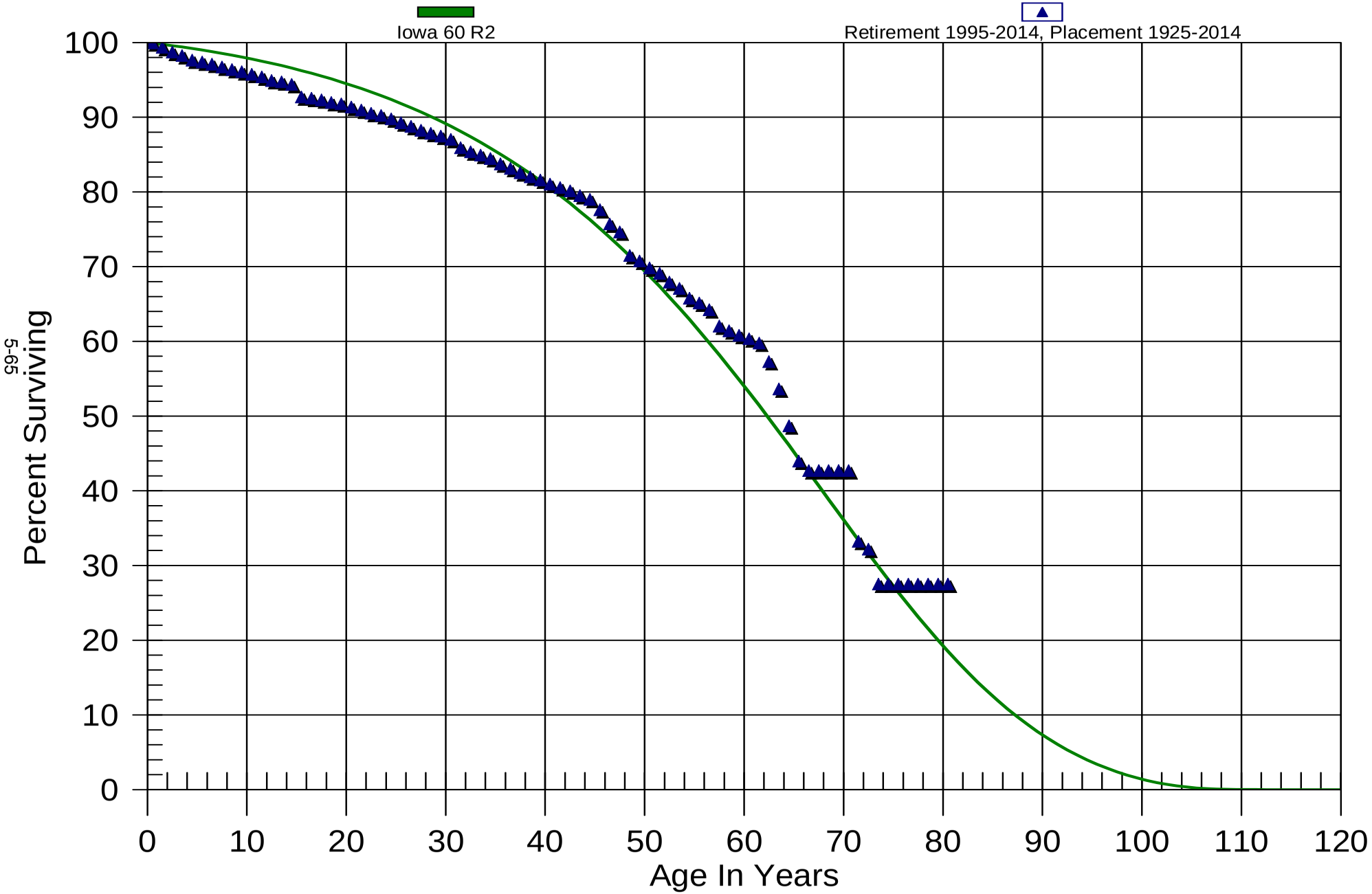
Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
35.5 - 36.5	$287,300.93	$1,566.17	0.00545	70.42
36.5 - 37.5	$287,070.45	$2,660.34	0.00927	70.03
37.5 - 38.5	$327,359.44	$213.88	0.00065	69.38
38.5 - 39.5	$247,182.65	$3,237.38	0.01310	69.34
39.5 - 40.5	$95,175.79	$1,112.76	0.01169	68.43
40.5 - 41.5	$206,124.36	$2,960.10	0.01436	67.63
41.5 - 42.5	$234,221.67	$2,132.73	0.00911	66.66
42.5 - 43.5	$160,183.68	$3,883.52	0.02424	66.05
43.5 - 44.5	$234,619.60	$3,568.07	0.01521	64.45
44.5 - 45.5	$263,126.24	$21,817.54	0.08292	63.47
45.5 - 46.5	$194,727.82	$22,422.45	0.11515	58.21
46.5 - 47.5	$147,904.74	$5,276.37	0.03567	51.51
47.5 - 48.5	$160,355.35	$2,903.77	0.01811	49.67
48.5 - 49.5	$154,282.67	$2,263.85	0.01467	48.77
49.5 - 50.5	$144,900.87	$2,250.92	0.01553	48.05
50.5 - 51.5	$114,802.79	$416.23	0.00363	47.31
51.5 - 52.5	$119,684.96	$4,298.51	0.03592	47.14
52.5 - 53.5	$93,119.42	$343.21	0.00369	45.44
53.5 - 54.5	$83,806.27	$6,196.52	0.07394	45.28
54.5 - 55.5	$67,133.54	$83.49	0.00124	41.93
55.5 - 56.5	$49,719.86	$526.88	0.01060	41.88
56.5 - 57.5	$46,137.03	$167.66	0.00363	41.43
57.5 - 58.5	$35,155.45	$0.00	0.00000	41.28
58.5 - 59.5	$31,586.01	$61.05	0.00193	41.28
59.5 - 60.5	$27,828.09	$0.00	0.00000	41.20
60.5 - 61.5	$21,301.57	$12.03	0.00056	41.20
61.5 - 62.5	$14,542.45	$0.00	0.00000	41.18
62.5 - 63.5	$9,448.19	$0.00	0.00000	41.18
63.5 - 64.5	$8,184.41	$1,897.01	0.23178	41.18
64.5 - 65.5	$6,212.91	$1,396.89	0.22484	31.63
65.5 - 66.5	$3,800.58	$179.93	0.04734	24.52
66.5 - 67.5	$2,488.99	$0.00	0.00000	23.36
67.5 - 68.5	$1,602.41	$0.00	0.00000	23.36

Montana-Dakota Utilities Company

Electric Plant

365.00 Overhead Conductor & Devices

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company

Electric Plant

365.00 Overhead Conductor & Devices

Observed Life Table

Retirement Expr. 1995 TO 2014

Placement Years 1925 TO 2014

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
0.0 - 0.5	$18,613,700.63	$8,012.59	0.00043	100.00
0.5 - 1.5	$15,351,878.84	$93,774.31	0.00611	99.96
1.5 - 2.5	$11,941,762.16	$75,478.07	0.00632	99.35
2.5 - 3.5	$10,983,018.63	$52,431.00	0.00477	98.72
3.5 - 4.5	$11,095,991.05	$68,221.84	0.00615	98.25
4.5 - 5.5	$10,966,058.36	$27,357.45	0.00249	97.64
5.5 - 6.5	$10,946,988.09	$33,816.92	0.00309	97.40
6.5 - 7.5	$10,741,356.49	$40,697.50	0.00379	97.10
7.5 - 8.5	$10,592,308.21	$37,354.56	0.00353	96.73
8.5 - 9.5	$10,748,171.73	$32,407.79	0.00302	96.39
9.5 - 10.5	$11,153,484.07	$41,292.84	0.00370	96.10
10.5 - 11.5	$11,023,976.52	$38,141.24	0.00346	95.74
11.5 - 12.5	$11,305,232.21	$60,340.74	0.00534	95.41
12.5 - 13.5	$11,440,796.82	$20,388.65	0.00178	94.90
13.5 - 14.5	$11,395,420.03	$39,376.83	0.00346	94.73
14.5 - 15.5	$11,594,477.21	$207,063.75	0.01786	94.41
15.5 - 16.5	$11,205,864.45	$20,417.34	0.00182	92.72
16.5 - 17.5	$11,139,521.85	$29,000.65	0.00260	92.55
17.5 - 18.5	$10,770,751.85	$41,133.99	0.00382	92.31
18.5 - 19.5	$10,692,234.00	$17,761.78	0.00166	91.96
19.5 - 20.5	$8,687,074.54	$40,725.11	0.00469	91.81
20.5 - 21.5	$8,166,734.36	$37,978.79	0.00465	91.37
21.5 - 22.5	$7,857,897.61	$37,382.71	0.00476	90.95
22.5 - 23.5	$7,497,683.38	$22,605.39	0.00301	90.52
23.5 - 24.5	$7,042,074.21	$35,559.03	0.00505	90.24
24.5 - 25.5	$6,940,112.91	$40,804.06	0.00588	89.79
25.5 - 26.5	$6,820,223.73	$38,021.53	0.00557	89.26
26.5 - 27.5	$6,705,014.68	$37,813.67	0.00564	88.76
27.5 - 28.5	$6,534,824.34	$30,141.27	0.00461	88.26
28.5 - 29.5	$6,110,675.87	$26,133.25	0.00428	87.86
29.5 - 30.5	$5,497,913.20	$26,731.64	0.00486	87.48
30.5 - 31.5	$5,374,038.94	$70,257.64	0.01307	87.05
31.5 - 32.5	$4,919,726.61	$30,983.76	0.00630	85.92
32.5 - 33.5	$4,589,079.29	$22,958.43	0.00500	85.38
33.5 - 34.5	$4,354,929.23	$23,713.72	0.00545	84.95
34.5 - 35.5	$4,026,776.27	$34,658.35	0.00861	84.49

Montana-Dakota Utilities Company

Electric Plant

365.00 Overhead Conductor & Devices

Observed Life Table

Retirement Expr. 1995 TO 2014

Placement Years 1925 TO 2014

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
35.5 - 36.5	$3,763,741.55	$27,301.50	0.00725	83.76
36.5 - 37.5	$3,503,079.74	$24,003.71	0.00685	83.15
37.5 - 38.5	$3,248,461.71	$21,756.81	0.00670	82.58
38.5 - 39.5	$2,942,313.79	$15,367.90	0.00522	82.03
39.5 - 40.5	$2,729,310.65	$18,318.68	0.00671	81.60
40.5 - 41.5	$2,649,752.67	$15,659.24	0.00591	81.05
41.5 - 42.5	$2,458,443.84	$12,768.56	0.00519	80.57
42.5 - 43.5	$2,233,414.76	$18,060.00	0.00809	80.15
43.5 - 44.5	$2,088,559.19	$12,989.34	0.00622	79.51
44.5 - 45.5	$1,890,108.51	$33,451.42	0.01770	79.01
45.5 - 46.5	$1,627,556.29	$39,972.97	0.02456	77.61
46.5 - 47.5	$1,428,966.46	$19,848.37	0.01389	75.71
47.5 - 48.5	$1,276,718.33	$53,809.36	0.04215	74.66
48.5 - 49.5	$1,071,053.64	$11,357.05	0.01060	71.51
49.5 - 50.5	$910,606.46	$11,906.01	0.01307	70.75
50.5 - 51.5	$760,714.31	$7,690.59	0.01011	69.83
51.5 - 52.5	$639,333.17	$11,098.88	0.01736	69.12
52.5 - 53.5	$519,141.97	$6,356.40	0.01224	67.92
53.5 - 54.5	$420,093.76	$8,339.75	0.01985	67.09
54.5 - 55.5	$343,687.60	$3,201.14	0.00931	65.76
55.5 - 56.5	$273,604.94	$3,846.79	0.01406	65.14
56.5 - 57.5	$220,566.02	$7,524.49	0.03411	64.23
57.5 - 58.5	$167,356.04	$1,649.41	0.00986	62.04
58.5 - 59.5	$130,552.01	$1,322.33	0.01013	61.43
59.5 - 60.5	$97,717.34	$716.91	0.00734	60.80
60.5 - 61.5	$69,172.34	$673.98	0.00974	60.36
61.5 - 62.5	$47,208.82	$1,945.95	0.04122	59.77
62.5 - 63.5	$32,617.43	$2,094.09	0.06420	57.31
63.5 - 64.5	$22,472.04	$2,059.63	0.09165	53.63
64.5 - 65.5	$14,324.03	$1,396.89	0.09752	48.71
65.5 - 66.5	$8,111.12	$233.47	0.02878	43.96
66.5 - 67.5	$5,021.27	$0.00	0.00000	42.70
67.5 - 68.5	$2,532.28	$0.00	0.00000	42.70
68.5 - 69.5	$929.87	$0.00	0.00000	42.70
69.5 - 70.5	$1,194.47	$0.00	0.00000	42.70
70.5 - 71.5	$1,194.47	$264.60	0.22152	42.70

Montana-Dakota Utilities Company

Electric Plant

365.00 Overhead Conductor & Devices

Observed Life Table

Retirement Expr. 1995 TO 2014

Placement Years 1925 TO 2014

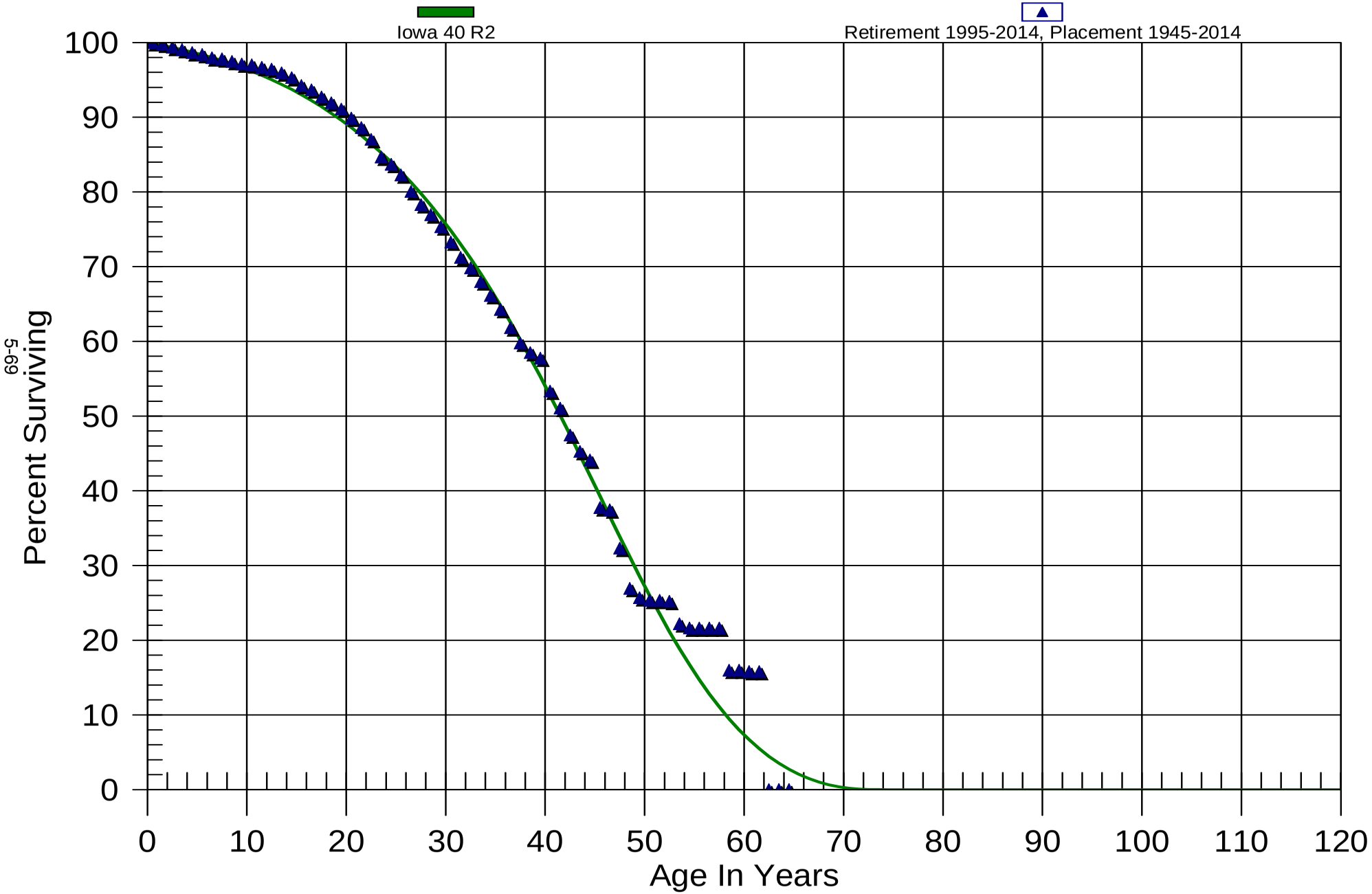
Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
71.5 - 72.5	$929.87	$29.74	0.03198	33.24
72.5 - 73.5	$900.13	$130.09	0.14452	32.17
73.5 - 74.5	$769.13	$0.00	0.00000	27.52
74.5 - 75.5	$768.24	$0.00	0.00000	27.52
75.5 - 76.5	$767.37	$0.00	0.00000	27.52
76.5 - 77.5	$766.52	$0.00	0.00000	27.52
77.5 - 78.5	$765.69	$0.00	0.00000	27.52
78.5 - 79.5	$764.86	$0.00	0.00000	27.52
79.5 - 80.5	$764.27	$0.00	0.00000	27.52

Montana-Dakota Utilities Company

Electric Plant

367.00 Underground Conductor & Devices

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company
Electric Plant
367.00 Underground Conductor & Devices
Observed Life Table
Retirement Expr. 1995 TO 2014
Placement Years 1945 TO 2014

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
0.0 - 0.5	$78,714,733.56	$7,613.19	0.00010	100.00
0.5 - 1.5	$67,459,953.82	$148,347.86	0.00220	99.99
1.5 - 2.5	$56,307,625.97	$226,522.03	0.00402	99.77
2.5 - 3.5	$48,968,502.58	$156,131.47	0.00319	99.37
3.5 - 4.5	$44,949,594.38	$179,431.55	0.00399	99.05
4.5 - 5.5	$40,992,116.60	$112,176.46	0.00274	98.66
5.5 - 6.5	$37,073,436.60	$161,217.09	0.00435	98.39
6.5 - 7.5	$32,723,055.14	$47,727.03	0.00146	97.96
7.5 - 8.5	$29,325,992.88	$97,583.70	0.00333	97.82
8.5 - 9.5	$26,790,697.48	$98,490.83	0.00368	97.49
9.5 - 10.5	$25,800,264.09	$28,680.95	0.00111	97.13
10.5 - 11.5	$24,711,001.93	$81,851.71	0.00331	97.02
11.5 - 12.5	$23,447,667.82	$63,603.20	0.00271	96.70
12.5 - 13.5	$22,273,972.86	$114,037.22	0.00512	96.44
13.5 - 14.5	$21,688,230.50	$141,902.66	0.00654	95.95
14.5 - 15.5	$21,226,368.65	$236,984.84	0.01116	95.32
15.5 - 16.5	$20,593,473.64	$124,578.48	0.00605	94.25
16.5 - 17.5	$20,144,475.46	$206,499.36	0.01025	93.68
17.5 - 18.5	$18,948,692.48	$160,897.61	0.00849	92.72
18.5 - 19.5	$18,599,558.24	$169,688.82	0.00912	91.94
19.5 - 20.5	$16,987,683.49	$225,669.46	0.01328	91.10
20.5 - 21.5	$15,701,425.02	$219,106.98	0.01395	89.89
21.5 - 22.5	$14,491,205.86	$258,149.09	0.01781	88.63
22.5 - 23.5	$12,950,052.67	$352,445.62	0.02722	87.05
23.5 - 24.5	$12,111,518.63	$139,472.27	0.01152	84.69
24.5 - 25.5	$11,420,780.17	$193,530.17	0.01695	83.71
25.5 - 26.5	$11,005,417.83	$297,348.69	0.02702	82.29
26.5 - 27.5	$10,395,966.65	$227,266.68	0.02186	80.07
27.5 - 28.5	$9,783,039.03	$168,776.91	0.01725	78.32
28.5 - 29.5	$8,894,688.33	$189,136.54	0.02126	76.97
29.5 - 30.5	$7,998,605.49	$216,489.83	0.02707	75.33
30.5 - 31.5	$7,045,177.11	$197,967.96	0.02810	73.29
31.5 - 32.5	$6,096,912.69	$118,851.50	0.01949	71.23
32.5 - 33.5	$5,206,150.98	$138,418.33	0.02659	69.84
33.5 - 34.5	$4,068,966.38	$110,917.30	0.02726	67.99
34.5 - 35.5	$3,299,913.17	$93,625.68	0.02837	66.13

Montana-Dakota Utilities Company
Electric Plant
367.00 Underground Conductor & Devices
Observed Life Table
Retirement Expr. 1995 TO 2014
Placement Years 1945 TO 2014

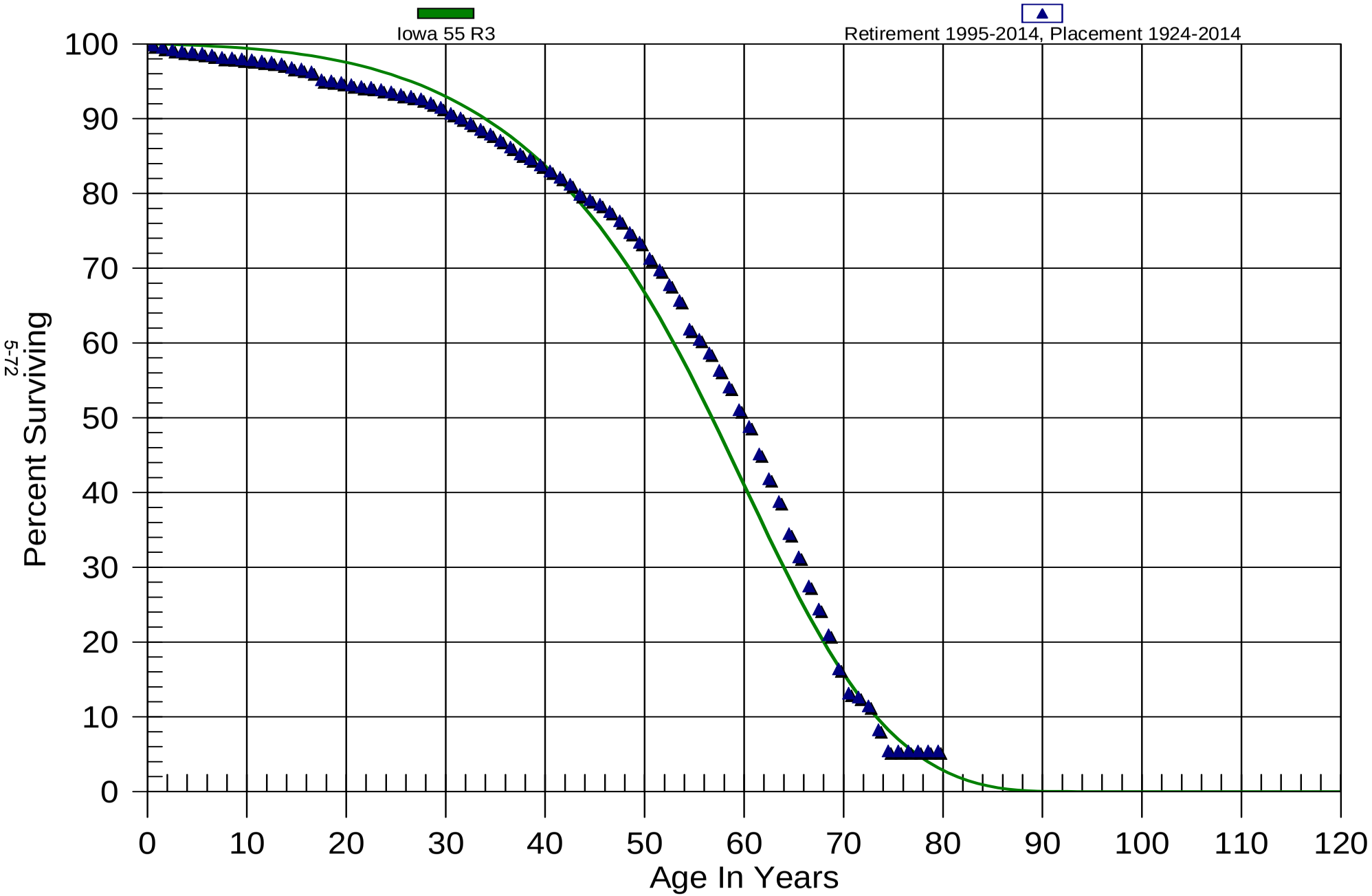
Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
35.5 - 36.5	$2,319,470.40	$88,467.51	0.03814	64.26
36.5 - 37.5	$1,698,260.94	$55,579.62	0.03273	61.81
37.5 - 38.5	$1,190,346.03	$25,461.89	0.02139	59.78
38.5 - 39.5	$789,356.51	$10,033.10	0.01271	58.50
39.5 - 40.5	$540,277.42	$41,313.17	0.07647	57.76
40.5 - 41.5	$278,537.42	$11,842.98	0.04252	53.34
41.5 - 42.5	$163,308.26	$11,580.97	0.07091	51.08
42.5 - 43.5	$112,462.86	$5,139.84	0.04570	47.45
43.5 - 44.5	$85,527.28	$2,178.80	0.02547	45.29
44.5 - 45.5	$59,441.87	$8,601.07	0.14470	44.13
45.5 - 46.5	$51,979.83	$400.08	0.00770	37.75
46.5 - 47.5	$40,557.16	$5,552.25	0.13690	37.46
47.5 - 48.5	$28,705.51	$4,797.75	0.16714	32.33
48.5 - 49.5	$21,296.66	$963.54	0.04524	26.92
49.5 - 50.5	$23,307.91	$326.03	0.01399	25.71
50.5 - 51.5	$22,448.67	$0.00	0.00000	25.35
51.5 - 52.5	$22,442.30	$134.05	0.00597	25.35
52.5 - 53.5	$50,095.71	$5,957.98	0.11893	25.20
53.5 - 54.5	$44,053.43	$1,098.18	0.02493	22.20
54.5 - 55.5	$15,249.65	$0.00	0.00000	21.65
55.5 - 56.5	$15,249.65	$0.00	0.00000	21.65
56.5 - 57.5	$15,249.65	$0.00	0.00000	21.65
57.5 - 58.5	$15,249.65	$3,992.30	0.26180	21.65
58.5 - 59.5	$11,254.06	$0.00	0.00000	15.98
59.5 - 60.5	$11,253.59	$112.45	0.00999	15.98
60.5 - 61.5	$11,141.00	$0.00	0.00000	15.82
61.5 - 62.5	$11,141.00	$11,129.25	0.99895	15.82
62.5 - 63.5	$8.91	$0.00	0.00000	0.02
63.5 - 64.5	$7.25	$0.00	0.00000	0.02

Montana-Dakota Utilities Company

Electric Plant

368.00 Line Transformers

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company
Electric Plant
368.00 Line Transformers
Observed Life Table
Retirement Expr. 1995 TO 2014
Placement Years 1924 TO 2014

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
0.0 - 0.5	$45,093,623.95	$64,890.45	0.00144	100.00
0.5 - 1.5	$40,665,337.96	$118,618.05	0.00292	99.86
1.5 - 2.5	$35,810,637.10	$118,082.08	0.00330	99.56
2.5 - 3.5	$30,549,827.81	$59,277.51	0.00194	99.24
3.5 - 4.5	$28,091,081.32	$36,672.66	0.00131	99.04
4.5 - 5.5	$26,825,650.12	$44,845.44	0.00167	98.91
5.5 - 6.5	$25,490,950.32	$61,952.83	0.00243	98.75
6.5 - 7.5	$21,871,204.78	$66,070.32	0.00302	98.51
7.5 - 8.5	$18,293,283.33	$15,541.87	0.00085	98.21
8.5 - 9.5	$17,077,627.62	$21,345.13	0.00125	98.13
9.5 - 10.5	$16,997,608.91	$23,911.76	0.00141	98.01
10.5 - 11.5	$17,050,412.00	$28,788.35	0.00169	97.87
11.5 - 12.5	$16,959,637.48	$25,067.57	0.00148	97.70
12.5 - 13.5	$17,071,719.04	$41,270.21	0.00242	97.56
13.5 - 14.5	$17,628,451.97	$86,137.97	0.00489	97.32
14.5 - 15.5	$17,839,040.23	$38,113.65	0.00214	96.85
15.5 - 16.5	$18,105,816.64	$67,798.10	0.00374	96.64
16.5 - 17.5	$18,303,974.49	$207,314.36	0.01133	96.28
17.5 - 18.5	$17,798,658.00	$21,973.88	0.00123	95.19
18.5 - 19.5	$17,500,170.39	$37,720.71	0.00216	95.07
19.5 - 20.5	$17,095,074.62	$58,539.73	0.00342	94.87
20.5 - 21.5	$17,299,646.98	$42,859.02	0.00248	94.54
21.5 - 22.5	$17,042,019.98	$22,253.38	0.00131	94.31
22.5 - 23.5	$16,697,207.35	$48,673.38	0.00292	94.18
23.5 - 24.5	$16,488,913.54	$56,036.91	0.00340	93.91
24.5 - 25.5	$16,163,256.30	$61,784.51	0.00382	93.59
25.5 - 26.5	$15,473,125.94	$41,764.54	0.00270	93.23
26.5 - 27.5	$15,320,183.49	$52,971.96	0.00346	92.98
27.5 - 28.5	$15,429,899.59	$88,534.08	0.00574	92.66
28.5 - 29.5	$14,941,829.64	$101,929.42	0.00682	92.13
29.5 - 30.5	$14,281,780.04	$123,488.96	0.00865	91.50
30.5 - 31.5	$13,114,023.79	$86,509.95	0.00660	90.71
31.5 - 32.5	$12,284,129.47	$100,820.87	0.00821	90.11
32.5 - 33.5	$11,188,760.89	$98,437.50	0.00880	89.37
33.5 - 34.5	$9,891,169.91	$72,746.78	0.00735	88.58
34.5 - 35.5	$8,959,786.21	$85,486.49	0.00954	87.93

Montana-Dakota Utilities Company
Electric Plant
368.00 Line Transformers
Observed Life Table
Retirement Expr. 1995 TO 2014
Placement Years 1924 TO 2014

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
35.5 - 36.5	$7,817,420.87	$79,022.71	0.01011	87.09
36.5 - 37.5	$6,598,440.52	$71,498.25	0.01084	86.21
37.5 - 38.5	$5,634,700.44	$41,293.26	0.00733	85.28
38.5 - 39.5	$5,104,650.76	$51,456.65	0.01008	84.65
39.5 - 40.5	$4,720,540.92	$45,122.11	0.00956	83.80
40.5 - 41.5	$3,957,296.29	$39,220.68	0.00991	83.00
41.5 - 42.5	$3,560,239.72	$40,916.31	0.01149	82.18
42.5 - 43.5	$3,313,630.24	$55,949.46	0.01688	81.23
43.5 - 44.5	$3,063,660.51	$25,952.62	0.00847	79.86
44.5 - 45.5	$2,864,790.20	$23,828.20	0.00832	79.18
45.5 - 46.5	$2,795,252.92	$33,022.98	0.01181	78.52
46.5 - 47.5	$2,469,422.81	$39,972.05	0.01619	77.60
47.5 - 48.5	$2,113,798.55	$43,544.62	0.02060	76.34
48.5 - 49.5	$1,911,947.47	$33,292.15	0.01741	74.77
49.5 - 50.5	$1,650,737.72	$48,642.00	0.02947	73.47
50.5 - 51.5	$1,430,946.02	$30,874.40	0.02158	71.30
51.5 - 52.5	$1,235,386.92	$35,010.72	0.02834	69.76
52.5 - 53.5	$1,088,766.80	$33,859.60	0.03110	67.79
53.5 - 54.5	$898,876.40	$52,516.74	0.05842	65.68
54.5 - 55.5	$707,386.93	$15,308.00	0.02164	61.84
55.5 - 56.5	$564,424.02	$17,341.50	0.03072	60.50
56.5 - 57.5	$469,142.15	$18,331.02	0.03907	58.64
57.5 - 58.5	$383,399.73	$15,330.50	0.03999	56.35
58.5 - 59.5	$297,895.33	$16,753.33	0.05624	54.10
59.5 - 60.5	$238,200.18	$10,448.63	0.04386	51.06
60.5 - 61.5	$188,752.81	$14,156.35	0.07500	48.82
61.5 - 62.5	$138,070.21	$10,088.25	0.07307	45.16
62.5 - 63.5	$96,438.49	$7,072.83	0.07334	41.86
63.5 - 64.5	$66,223.08	$7,320.10	0.11054	38.79
64.5 - 65.5	$50,310.00	$4,566.86	0.09077	34.50
65.5 - 66.5	$36,134.20	$4,461.00	0.12346	31.37
66.5 - 67.5	$22,846.26	$2,558.51	0.11199	27.50
67.5 - 68.5	$13,585.64	$1,916.75	0.14109	24.42
68.5 - 69.5	$6,122.32	$1,330.25	0.21728	20.97
69.5 - 70.5	$4,743.60	$943.51	0.19890	16.41
70.5 - 71.5	$3,997.09	$151.00	0.03778	13.15

Montana-Dakota Utilities Company

Electric Plant

368.00 Line Transformers

Observed Life Table

Retirement Expr. 1995 TO 2014

Placement Years 1924 TO 2014

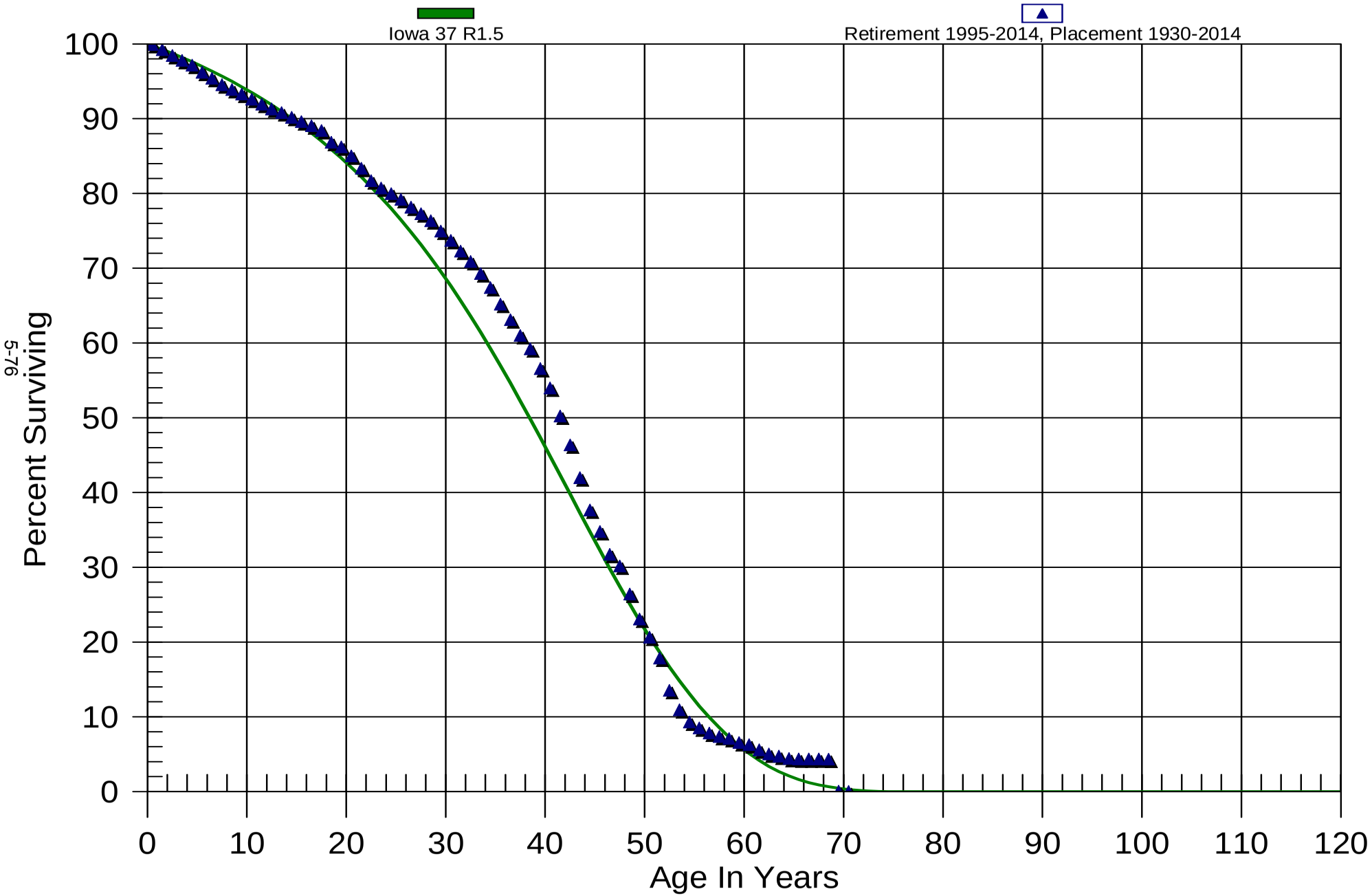
Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
71.5 - 72.5	$3,846.09	$365.35	0.09499	12.65
72.5 - 73.5	$3,480.74	$970.00	0.27868	11.45
73.5 - 74.5	$2,180.79	$742.50	0.34047	8.26
74.5 - 75.5	$1,116.38	$0.00	0.00000	5.45
75.5 - 76.5	$802.32	$0.00	0.00000	5.45
76.5 - 77.5	$495.92	$0.00	0.00000	5.45
77.5 - 78.5	$346.46	$0.00	0.00000	5.45
78.5 - 79.5	$197.00	$0.00	0.00000	5.45

Montana-Dakota Utilities Company

Electric Plant

369.10 Services - Overhead

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company

Electric Plant

369.10 Services - Overhead

Observed Life Table

Retirement Expr. 1995 TO 2014

Placement Years 1930 TO 2014

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
0.0 - 0.5	$2,452,450.45	$1,819.39	0.00074	100.00
0.5 - 1.5	$2,391,894.19	$16,589.95	0.00694	99.93
1.5 - 2.5	$2,070,298.96	$16,035.23	0.00775	99.23
2.5 - 3.5	$1,979,060.58	$13,374.41	0.00676	98.46
3.5 - 4.5	$1,918,530.64	$12,736.55	0.00664	97.80
4.5 - 5.5	$1,904,313.92	$18,594.44	0.00976	97.15
5.5 - 6.5	$1,831,314.60	$15,067.82	0.00823	96.20
6.5 - 7.5	$1,787,509.61	$16,581.53	0.00928	95.41
7.5 - 8.5	$1,809,235.28	$12,067.06	0.00667	94.52
8.5 - 9.5	$1,830,025.34	$11,600.18	0.00634	93.89
9.5 - 10.5	$1,887,446.14	$13,748.51	0.00728	93.30
10.5 - 11.5	$1,925,172.65	$13,862.66	0.00720	92.62
11.5 - 12.5	$1,969,689.65	$13,637.96	0.00692	91.95
12.5 - 13.5	$2,026,481.60	$10,863.38	0.00536	91.32
13.5 - 14.5	$2,091,722.60	$14,698.33	0.00703	90.83
14.5 - 15.5	$2,209,746.62	$14,200.30	0.00643	90.19
15.5 - 16.5	$2,270,695.73	$14,098.58	0.00621	89.61
16.5 - 17.5	$2,296,483.79	$16,198.36	0.00705	89.05
17.5 - 18.5	$2,333,265.69	$42,058.99	0.01803	88.42
18.5 - 19.5	$2,319,640.71	$15,944.23	0.00687	86.83
19.5 - 20.5	$2,382,794.58	$33,593.66	0.01410	86.23
20.5 - 21.5	$2,324,043.21	$44,607.18	0.01919	85.02
21.5 - 22.5	$2,248,588.22	$45,576.96	0.02027	83.39
22.5 - 23.5	$2,161,102.61	$25,902.93	0.01199	81.70
23.5 - 24.5	$2,095,684.66	$19,159.84	0.00914	80.72
24.5 - 25.5	$2,077,171.94	$19,997.31	0.00963	79.98
25.5 - 26.5	$1,992,711.75	$26,155.63	0.01313	79.21
26.5 - 27.5	$1,902,764.53	$20,938.63	0.01100	78.17
27.5 - 28.5	$1,809,759.70	$22,503.95	0.01243	77.31
28.5 - 29.5	$1,690,580.22	$30,548.06	0.01807	76.35
29.5 - 30.5	$1,573,216.01	$26,386.70	0.01677	74.97
30.5 - 31.5	$1,445,307.91	$27,741.37	0.01919	73.71
31.5 - 32.5	$1,310,754.47	$25,411.15	0.01939	72.30
32.5 - 33.5	$1,183,703.56	$26,945.01	0.02276	70.89
33.5 - 34.5	$1,043,152.99	$28,189.82	0.02702	69.28
34.5 - 35.5	$915,349.66	$29,990.07	0.03276	67.41

Montana-Dakota Utilities Company
Electric Plant
369.10 Services - Overhead
Observed Life Table
Retirement Expr. 1995 TO 2014
Placement Years 1930 TO 2014

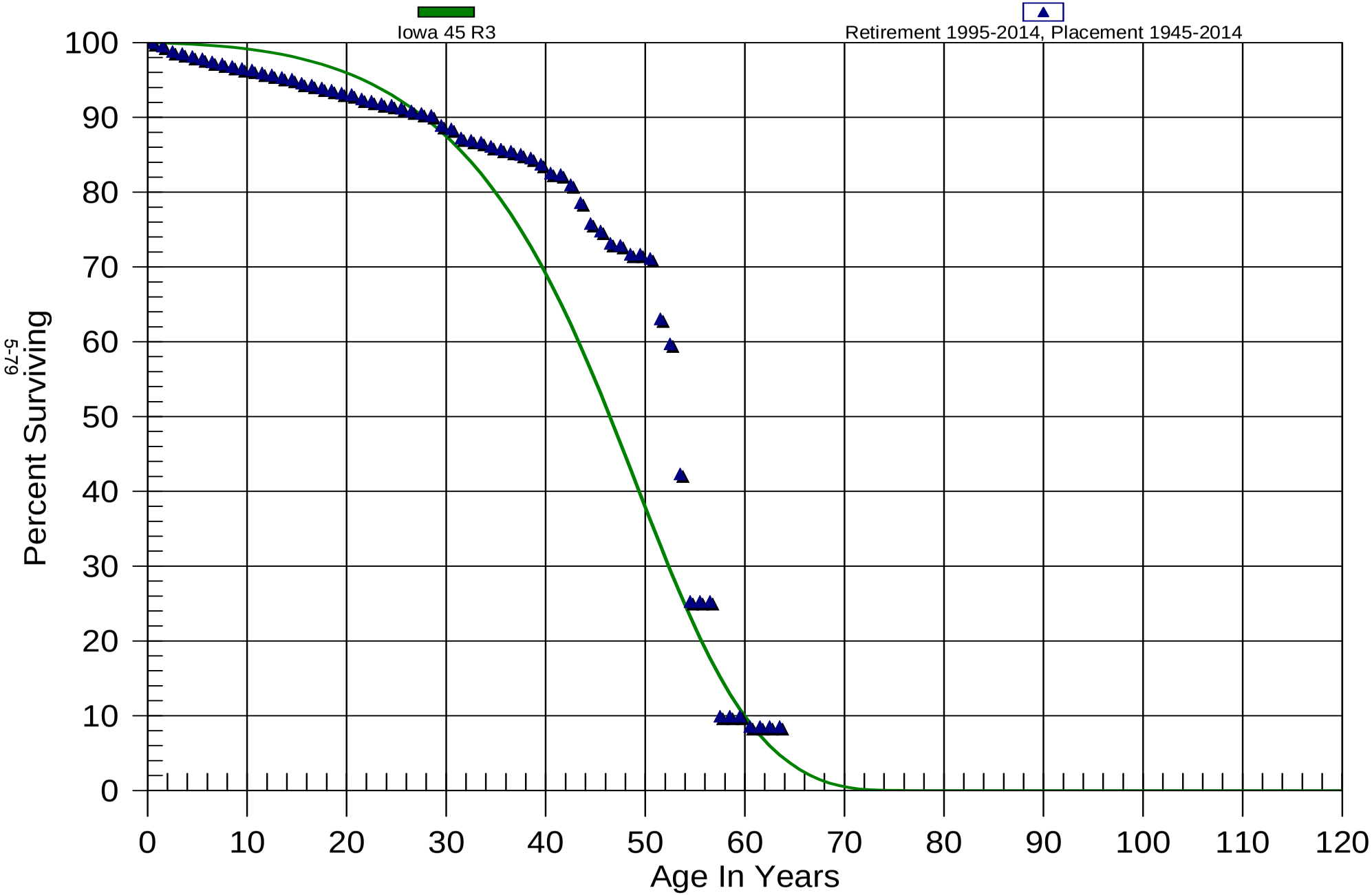
Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
35.5 - 36.5	$782,122.36	$24,939.22	0.03189	65.20
36.5 - 37.5	$663,902.89	$22,287.41	0.03357	63.12
37.5 - 38.5	$529,398.50	$15,337.57	0.02897	61.00
38.5 - 39.5	$410,456.59	$18,515.60	0.04511	59.23
39.5 - 40.5	$319,250.79	$14,615.72	0.04578	56.56
40.5 - 41.5	$237,934.41	$16,477.02	0.06925	53.97
41.5 - 42.5	$180,233.46	$13,852.31	0.07686	50.23
42.5 - 43.5	$139,836.97	$13,236.41	0.09466	46.37
43.5 - 44.5	$108,766.89	$11,180.13	0.10279	41.98
44.5 - 45.5	$91,701.14	$7,060.20	0.07699	37.67
45.5 - 46.5	$72,414.13	$6,360.48	0.08783	34.77
46.5 - 47.5	$57,323.64	$2,806.62	0.04896	31.71
47.5 - 48.5	$48,414.08	$6,000.24	0.12394	30.16
48.5 - 49.5	$38,633.66	$4,898.29	0.12679	26.42
49.5 - 50.5	$30,842.63	$3,232.96	0.10482	23.07
50.5 - 51.5	$25,487.95	$3,462.95	0.13587	20.65
51.5 - 52.5	$20,715.06	$4,998.06	0.24128	17.85
52.5 - 53.5	$15,146.27	$2,917.32	0.19261	13.54
53.5 - 54.5	$20,125.32	$3,001.75	0.14915	10.93
54.5 - 55.5	$17,495.87	$1,501.00	0.08579	9.30
55.5 - 56.5	$16,014.33	$1,280.35	0.07995	8.50
56.5 - 57.5	$14,733.98	$847.25	0.05750	7.82
57.5 - 58.5	$13,886.73	$513.50	0.03698	7.37
58.5 - 59.5	$13,392.98	$1,046.75	0.07816	7.10
59.5 - 60.5	$12,365.98	$523.11	0.04230	6.55
60.5 - 61.5	$11,842.87	$1,301.97	0.10994	6.27
61.5 - 62.5	$10,521.15	$1,024.00	0.09733	5.58
62.5 - 63.5	$9,497.15	$553.00	0.05823	5.04
63.5 - 64.5	$8,944.15	$612.25	0.06845	4.74
64.5 - 65.5	$8,351.65	$118.50	0.01419	4.42
65.5 - 66.5	$8,233.15	$0.00	0.00000	4.36
66.5 - 67.5	$8,233.15	$0.00	0.00000	4.36
67.5 - 68.5	$8,233.15	$39.50	0.00480	4.36
68.5 - 69.5	$8,193.65	$8,134.40	0.99277	4.34
69.5 - 70.5	$59.25	$19.75	0.33333	0.03

Montana-Dakota Utilities Company

Electric Plant

369.20 Services - Underground

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company

Electric Plant

369.20 Services - Underground

Observed Life Table

Retirement Expr. 1995 TO 2014

Placement Years 1945 TO 2014

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
0.0 - 0.5	$20,561,895.41	$2,339.13	0.00011	100.00
0.5 - 1.5	$18,515,336.86	$88,187.40	0.00476	99.99
1.5 - 2.5	$15,865,644.05	$112,115.81	0.00707	99.51
2.5 - 3.5	$13,368,154.88	$39,103.65	0.00293	98.81
3.5 - 4.5	$12,082,286.53	$47,224.52	0.00391	98.52
4.5 - 5.5	$11,068,596.89	$36,057.13	0.00326	98.14
5.5 - 6.5	$10,319,986.43	$43,105.97	0.00418	97.82
6.5 - 7.5	$9,528,523.06	$27,413.63	0.00288	97.41
7.5 - 8.5	$9,027,827.18	$29,787.81	0.00330	97.13
8.5 - 9.5	$8,547,520.71	$24,327.75	0.00285	96.81
9.5 - 10.5	$8,238,333.65	$18,334.96	0.00223	96.53
10.5 - 11.5	$8,074,297.87	$34,227.06	0.00424	96.32
11.5 - 12.5	$8,051,675.78	$20,556.97	0.00255	95.91
12.5 - 13.5	$8,248,020.10	$28,287.92	0.00343	95.66
13.5 - 14.5	$8,572,567.61	$21,627.03	0.00252	95.33
14.5 - 15.5	$8,807,666.34	$49,561.07	0.00563	95.09
15.5 - 16.5	$8,895,651.72	$23,075.72	0.00259	94.56
16.5 - 17.5	$8,928,944.01	$35,214.31	0.00394	94.31
17.5 - 18.5	$8,866,641.82	$29,944.18	0.00338	93.94
18.5 - 19.5	$8,710,307.88	$35,740.26	0.00410	93.62
19.5 - 20.5	$8,492,002.03	$17,332.77	0.00204	93.24
20.5 - 21.5	$8,072,981.43	$51,239.77	0.00635	93.05
21.5 - 22.5	$7,758,249.93	$26,248.41	0.00338	92.46
22.5 - 23.5	$7,424,701.54	$24,545.56	0.00331	92.15
23.5 - 24.5	$7,197,540.49	$19,728.55	0.00274	91.84
24.5 - 25.5	$6,971,471.46	$28,936.12	0.00415	91.59
25.5 - 26.5	$6,702,545.42	$26,190.30	0.00391	91.21
26.5 - 27.5	$6,433,145.81	$22,122.54	0.00344	90.85
27.5 - 28.5	$6,158,528.17	$19,611.87	0.00318	90.54
28.5 - 29.5	$5,866,124.15	$86,022.89	0.01466	90.25
29.5 - 30.5	$5,440,944.32	$29,359.91	0.00540	88.93
30.5 - 31.5	$4,964,826.13	$68,373.75	0.01377	88.45
31.5 - 32.5	$4,345,750.63	$15,360.34	0.00353	87.23
32.5 - 33.5	$3,702,419.94	$11,420.10	0.00308	86.92
33.5 - 34.5	$2,992,563.10	$18,871.14	0.00631	86.65
34.5 - 35.5	$2,408,343.78	$10,009.06	0.00416	86.11

Montana-Dakota Utilities Company
Electric Plant
369.20 Services - Underground
Observed Life Table
Retirement Expr. 1995 TO 2014
Placement Years 1945 TO 2014

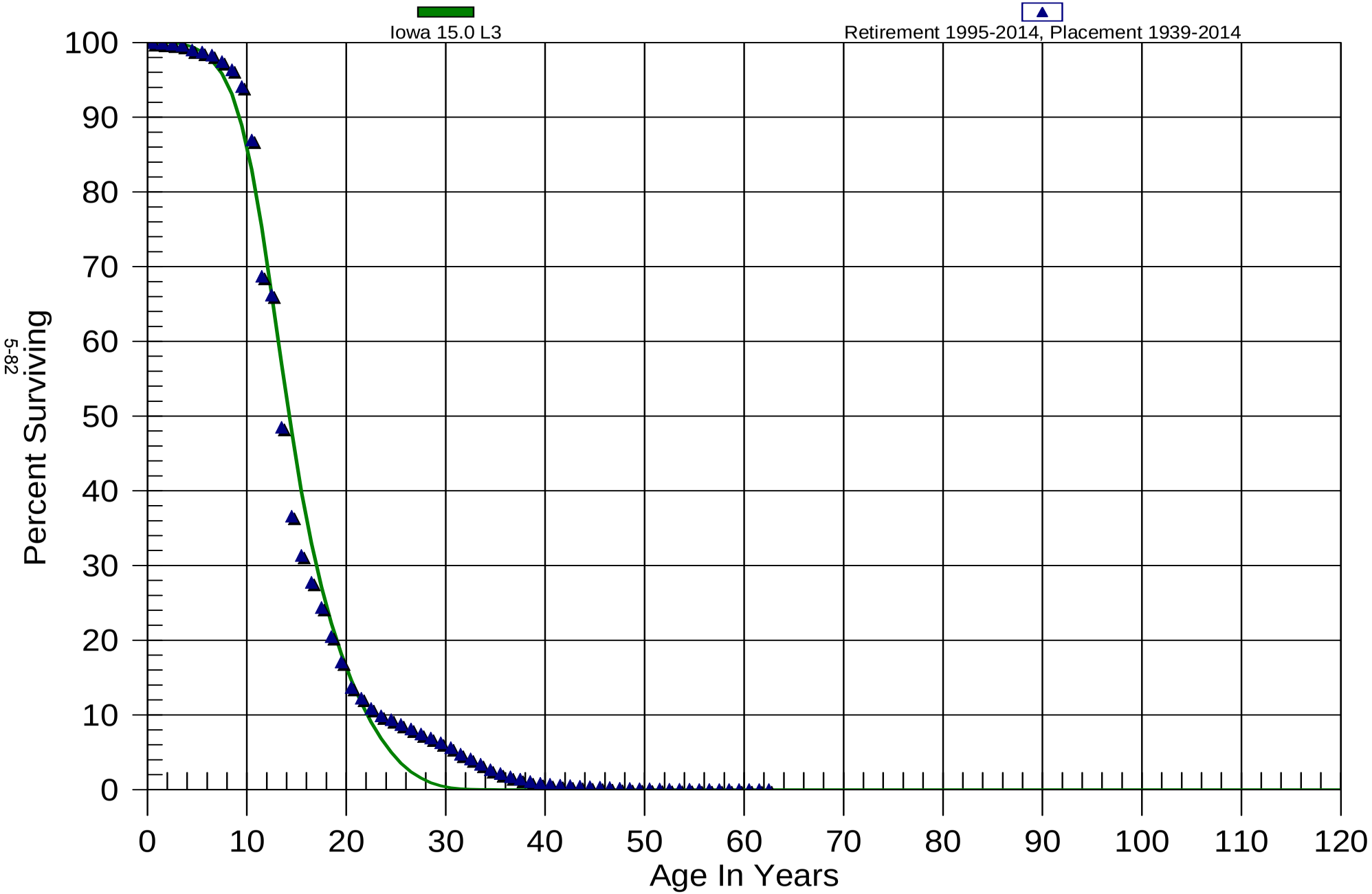
Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
35.5 - 36.5	$1,859,088.77	$6,489.21	0.00349	85.75
36.5 - 37.5	$1,382,444.21	$6,386.90	0.00462	85.45
37.5 - 38.5	$949,687.54	$5,543.65	0.00584	85.06
38.5 - 39.5	$627,230.20	$6,117.29	0.00975	84.56
39.5 - 40.5	$426,933.28	$6,112.81	0.01432	83.74
40.5 - 41.5	$267,984.74	$606.28	0.00226	82.54
41.5 - 42.5	$183,119.93	$3,017.07	0.01648	82.35
42.5 - 43.5	$129,570.17	$3,830.93	0.02957	80.99
43.5 - 44.5	$94,938.40	$3,383.84	0.03564	78.60
44.5 - 45.5	$66,669.97	$875.68	0.01313	75.80
45.5 - 46.5	$47,660.00	$1,044.86	0.02192	74.80
46.5 - 47.5	$33,415.24	$118.26	0.00354	73.16
47.5 - 48.5	$25,073.73	$408.93	0.01631	72.90
48.5 - 49.5	$18,820.99	$0.00	0.00000	71.71
49.5 - 50.5	$14,258.17	$118.26	0.00829	71.71
50.5 - 51.5	$10,892.66	$1,235.01	0.11338	71.12
51.5 - 52.5	$7,341.43	$390.30	0.05316	63.06
52.5 - 53.5	$5,605.88	$1,630.88	0.29092	59.70
53.5 - 54.5	$2,919.26	$1,176.47	0.40300	42.33
54.5 - 55.5	$1,208.17	$0.00	0.00000	25.27
55.5 - 56.5	$945.30	$0.00	0.00000	25.27
56.5 - 57.5	$845.03	$512.97	0.60704	25.27
57.5 - 58.5	$295.82	$0.00	0.00000	9.93
58.5 - 59.5	$287.29	$0.00	0.00000	9.93
59.5 - 60.5	$286.19	$39.58	0.13830	9.93
60.5 - 61.5	$246.61	$0.00	0.00000	8.56
61.5 - 62.5	$246.61	$0.00	0.00000	8.56
62.5 - 63.5	$246.61	$0.00	0.00000	8.56

Montana-Dakota Utilities Company

Electric Plant

370.00 Meters

Original And Smooth Survivor Curves



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Montana-Dakota Utilities Company
Electric Plant
370.00 Meters
Observed Life Table
Retirement Expr. 1995 TO 2014
Placement Years 1939 TO 2014

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
0.0 - 0.5	$21,839,617.47	$5,391.00	0.00025	100.00
0.5 - 1.5	$22,320,669.54	$18,360.03	0.00082	99.98
1.5 - 2.5	$20,790,261.25	$23,503.13	0.00113	99.89
2.5 - 3.5	$17,564,531.03	$27,556.48	0.00157	99.78
3.5 - 4.5	$17,010,043.36	$105,183.41	0.00618	99.62
4.5 - 5.5	$15,731,601.02	$45,508.96	0.00289	99.01
5.5 - 6.5	$15,325,852.29	$62,710.36	0.00409	98.72
6.5 - 7.5	$13,028,246.25	$115,453.24	0.00886	98.32
7.5 - 8.5	$8,035,807.45	$89,697.23	0.01116	97.45
8.5 - 9.5	$7,914,552.90	$184,636.28	0.02333	96.36
9.5 - 10.5	$7,710,346.14	$587,137.92	0.07615	94.11
10.5 - 11.5	$7,026,697.15	$1,472,596.22	0.20957	86.94
11.5 - 12.5	$5,559,115.88	$204,145.45	0.03672	68.72
12.5 - 13.5	$5,408,523.10	$1,446,044.78	0.26736	66.20
13.5 - 14.5	$4,023,773.28	$986,870.33	0.24526	48.50
14.5 - 15.5	$3,128,180.62	$449,961.96	0.14384	36.60
15.5 - 16.5	$2,806,888.71	$322,789.76	0.11500	31.34
16.5 - 17.5	$2,634,632.18	$319,672.16	0.12133	27.74
17.5 - 18.5	$2,365,433.12	$378,765.18	0.16013	24.37
18.5 - 19.5	$2,026,948.38	$336,211.97	0.16587	20.47
19.5 - 20.5	$1,752,686.60	$347,806.85	0.19844	17.07
20.5 - 21.5	$1,576,749.92	$168,208.86	0.10668	13.68
21.5 - 22.5	$1,497,628.05	$169,666.80	0.11329	12.23
22.5 - 23.5	$1,383,984.26	$124,081.51	0.08966	10.84
23.5 - 24.5	$1,315,677.48	$67,515.65	0.05132	9.87
24.5 - 25.5	$1,281,257.73	$88,517.31	0.06909	9.36
25.5 - 26.5	$1,249,285.89	$86,618.59	0.06933	8.72
26.5 - 27.5	$1,214,595.90	$99,368.73	0.08181	8.11
27.5 - 28.5	$1,151,309.93	$84,496.29	0.07339	7.45
28.5 - 29.5	$1,112,992.22	$102,475.27	0.09207	6.90
29.5 - 30.5	$1,049,798.96	$111,878.17	0.10657	6.27
30.5 - 31.5	$979,855.62	$148,704.37	0.15176	5.60
31.5 - 32.5	$912,133.40	$122,529.67	0.13433	4.75
32.5 - 33.5	$866,366.53	$152,908.22	0.17649	4.11
33.5 - 34.5	$795,203.06	$169,226.38	0.21281	3.38
34.5 - 35.5	$699,423.13	$133,902.10	0.19145	2.66

Montana-Dakota Utilities Company
Electric Plant
370.00 Meters
Observed Life Table
Retirement Expr. 1995 TO 2014
Placement Years 1939 TO 2014

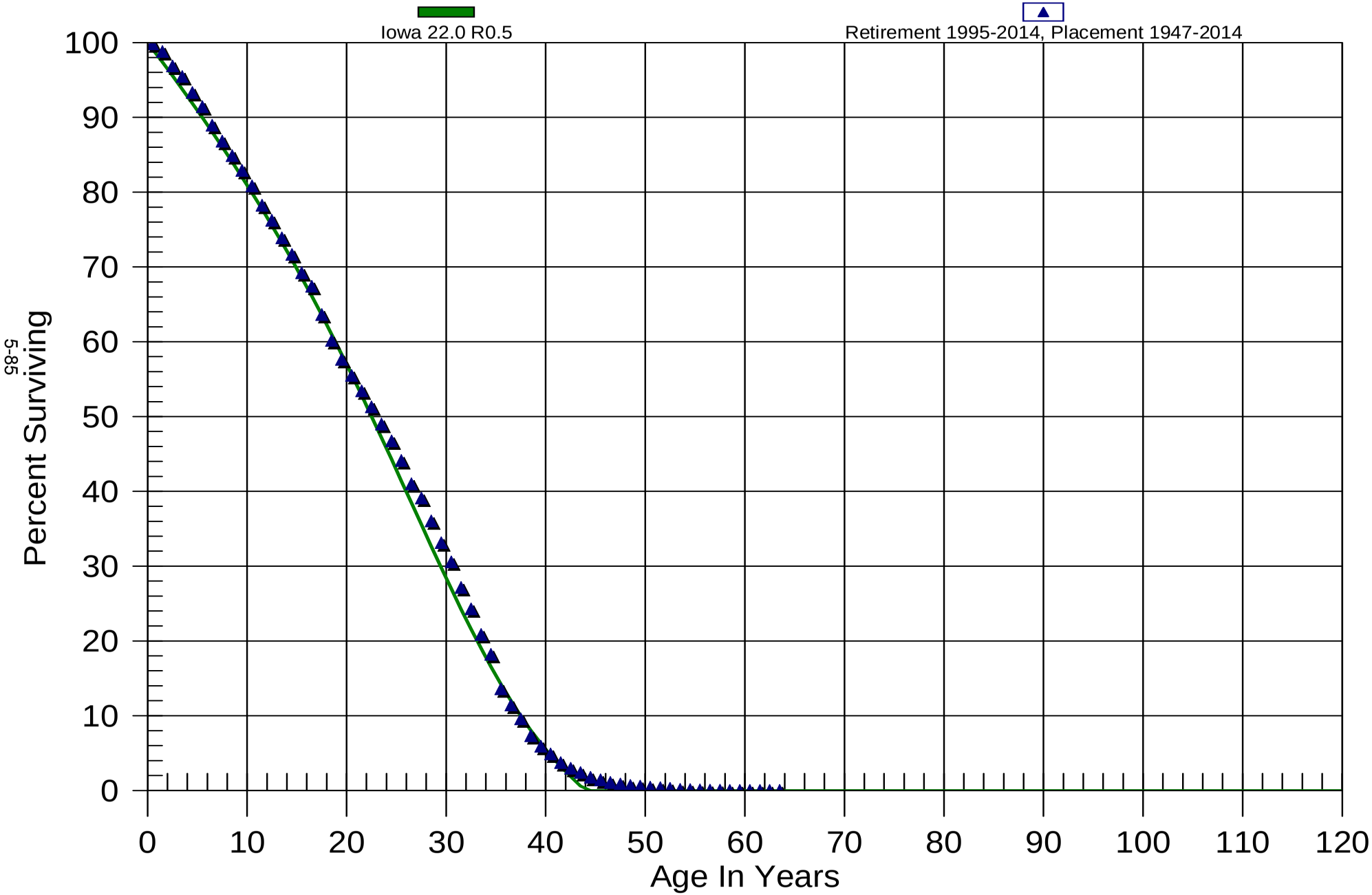
Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
35.5 - 36.5	$615,506.69	$124,984.76	0.20306	2.15
36.5 - 37.5	$548,464.26	$106,334.47	0.19388	1.72
37.5 - 38.5	$488,664.53	$105,286.43	0.21546	1.38
38.5 - 39.5	$411,900.01	$87,983.40	0.21360	1.09
39.5 - 40.5	$358,887.00	$57,365.52	0.15984	0.85
40.5 - 41.5	$335,949.15	$53,329.54	0.15874	0.72
41.5 - 42.5	$320,136.72	$40,786.38	0.12740	0.60
42.5 - 43.5	$309,871.37	$40,605.13	0.13104	0.53
43.5 - 44.5	$290,439.83	$46,382.96	0.15970	0.46
44.5 - 45.5	$275,175.19	$44,716.30	0.16250	0.38
45.5 - 46.5	$267,101.46	$48,169.97	0.18034	0.32
46.5 - 47.5	$225,813.41	$64,826.42	0.28708	0.26
47.5 - 48.5	$163,667.50	$29,446.13	0.17991	0.19
48.5 - 49.5	$139,603.82	$27,522.17	0.19714	0.15
49.5 - 50.5	$123,903.90	$24,239.26	0.19563	0.12
50.5 - 51.5	$107,930.67	$28,346.93	0.26264	0.10
51.5 - 52.5	$90,773.50	$21,575.78	0.23769	0.07
52.5 - 53.5	$75,595.11	$18,959.76	0.25081	0.06
53.5 - 54.5	$57,019.44	$15,108.56	0.26497	0.04
54.5 - 55.5	$41,910.88	$7,327.67	0.17484	0.03
55.5 - 56.5	$34,704.99	$8,221.94	0.23691	0.03
56.5 - 57.5	$26,483.05	$6,431.25	0.24284	0.02
57.5 - 58.5	$20,051.80	$6,418.38	0.32009	0.01
58.5 - 59.5	$13,633.42	$6,079.64	0.44594	0.01
59.5 - 60.5	$7,553.78	$4,713.25	0.62396	0.01
60.5 - 61.5	$2,840.53	$1,856.25	0.65349	0.00
61.5 - 62.5	$984.28	$562.50	0.57148	0.00

Montana-Dakota Utilities Company

Electric Plant

371.00 Installation on Customers Premises

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company

Electric Plant

371.00 Installation on Customers Premises

Observed Life Table

Retirement Expr. 1995 TO 2014

Placement Years 1947 TO 2014

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
0.0 - 0.5	$2,689,187.56	$4,370.38	0.00163	100.00
0.5 - 1.5	$2,669,290.22	$27,677.25	0.01037	99.84
1.5 - 2.5	$2,480,730.58	$48,596.89	0.01959	98.80
2.5 - 3.5	$2,394,019.84	$35,128.89	0.01467	96.87
3.5 - 4.5	$2,290,397.25	$50,801.92	0.02218	95.45
4.5 - 5.5	$2,246,957.05	$45,998.74	0.02047	93.33
5.5 - 6.5	$2,143,555.58	$58,221.22	0.02716	91.42
6.5 - 7.5	$1,988,056.57	$47,599.01	0.02394	88.93
7.5 - 8.5	$1,883,327.94	$41,833.83	0.02221	86.81
8.5 - 9.5	$1,753,256.29	$40,272.12	0.02297	84.88
9.5 - 10.5	$1,649,369.67	$41,433.40	0.02512	82.93
10.5 - 11.5	$1,550,718.20	$49,760.36	0.03209	80.84
11.5 - 12.5	$1,450,115.94	$37,626.14	0.02595	78.25
12.5 - 13.5	$1,369,867.61	$41,895.89	0.03058	76.22
13.5 - 14.5	$1,279,030.41	$38,140.86	0.02982	73.89
14.5 - 15.5	$1,237,196.90	$42,609.62	0.03444	71.69
15.5 - 16.5	$1,134,233.60	$29,676.29	0.02616	69.22
16.5 - 17.5	$1,051,257.37	$58,806.05	0.05594	67.41
17.5 - 18.5	$896,777.81	$48,660.97	0.05426	63.63
18.5 - 19.5	$759,597.16	$31,975.82	0.04210	60.18
19.5 - 20.5	$725,127.82	$26,952.35	0.03717	57.65
20.5 - 21.5	$653,147.91	$24,419.11	0.03739	55.51
21.5 - 22.5	$569,094.73	$22,591.74	0.03970	53.43
22.5 - 23.5	$487,284.56	$22,117.76	0.04539	51.31
23.5 - 24.5	$419,469.74	$19,070.75	0.04546	48.98
24.5 - 25.5	$373,643.23	$20,986.22	0.05617	46.75
25.5 - 26.5	$326,593.34	$23,052.72	0.07059	44.13
26.5 - 27.5	$286,184.45	$13,324.48	0.04656	41.01
27.5 - 28.5	$260,094.16	$20,312.97	0.07810	39.10
28.5 - 29.5	$223,651.17	$17,991.86	0.08045	36.05
29.5 - 30.5	$207,519.68	$16,181.13	0.07797	33.15
30.5 - 31.5	$184,138.68	$20,610.52	0.11193	30.56
31.5 - 32.5	$152,784.23	$16,003.81	0.10475	27.14
32.5 - 33.5	$134,559.41	$19,104.47	0.14198	24.30
33.5 - 34.5	$111,967.24	$14,240.54	0.12718	20.85
34.5 - 35.5	$100,455.10	$25,404.55	0.25289	18.20

Montana-Dakota Utilities Company
Electric Plant
371.00 Installation on Customers Premises
Observed Life Table
Retirement Expr. 1995 TO 2014
Placement Years 1947 TO 2014

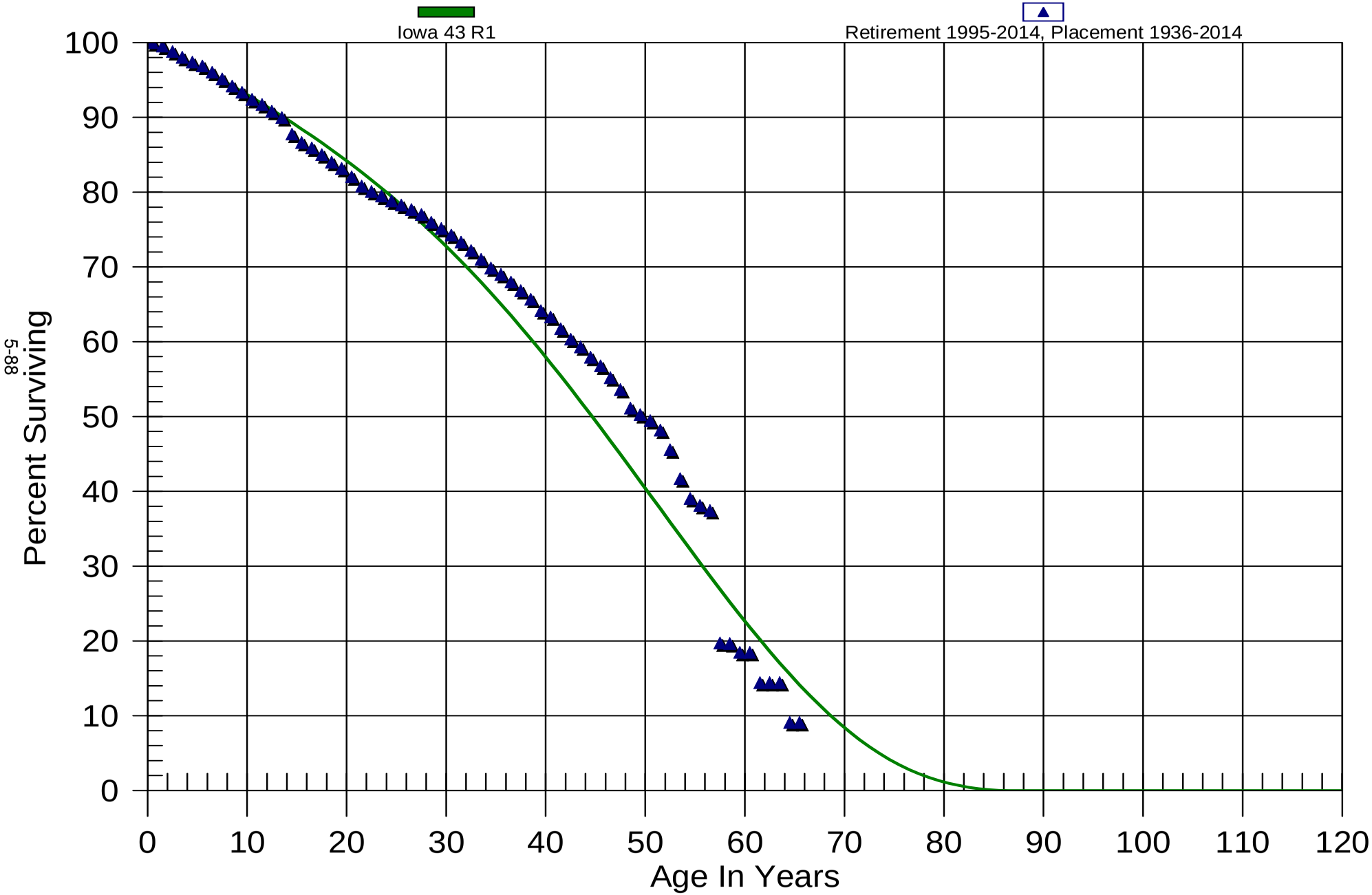
Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
35.5 - 36.5	$74,946.67	$11,982.63	0.15988	13.60
36.5 - 37.5	$63,484.97	$10,148.35	0.15985	11.42
37.5 - 38.5	$54,726.75	$12,929.12	0.23625	9.60
38.5 - 39.5	$43,255.04	$8,294.90	0.19177	7.33
39.5 - 40.5	$35,982.90	$6,279.98	0.17453	5.92
40.5 - 41.5	$30,582.74	$7,259.30	0.23737	4.89
41.5 - 42.5	$23,740.36	$4,672.25	0.19681	3.73
42.5 - 43.5	$21,179.72	$4,085.35	0.19289	3.00
43.5 - 44.5	$17,609.11	$4,618.30	0.26227	2.42
44.5 - 45.5	$13,883.66	$2,772.74	0.19971	1.78
45.5 - 46.5	$11,619.82	$2,919.88	0.25128	1.43
46.5 - 47.5	$8,788.64	$1,674.57	0.19054	1.07
47.5 - 48.5	$7,643.86	$1,542.43	0.20179	0.87
48.5 - 49.5	$6,225.74	$860.50	0.13822	0.69
49.5 - 50.5	$5,489.02	$1,296.97	0.23628	0.60
50.5 - 51.5	$4,192.05	$495.65	0.11824	0.45
51.5 - 52.5	$3,696.40	$955.11	0.25839	0.40
52.5 - 53.5	$2,923.07	$1,486.37	0.50850	0.30
53.5 - 54.5	$1,494.70	$239.78	0.16042	0.15
54.5 - 55.5	$1,254.92	$550.96	0.43904	0.12
55.5 - 56.5	$703.96	$115.21	0.16366	0.07
56.5 - 57.5	$588.75	$120.03	0.20387	0.06
57.5 - 58.5	$468.72	$352.72	0.75252	0.05
58.5 - 59.5	$116.00	$0.00	0.00000	0.01
59.5 - 60.5	$116.00	$0.00	0.00000	0.01
60.5 - 61.5	$116.00	$58.00	0.50000	0.01
61.5 - 62.5	$58.00	$0.00	0.00000	0.01
62.5 - 63.5	$116.00	$58.00	0.50000	0.01

Montana-Dakota Utilities Company

Electric Plant

373.00 Street Lighting System

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company

Electric Plant

373.00 Street Lighting System

Observed Life Table

Retirement Expr. 1995 TO 2014

Placement Years 1936 TO 2014

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
0.0 - 0.5	$3,649,083.75	$926.23	0.00025	100.00
0.5 - 1.5	$3,442,718.60	$15,079.29	0.00438	99.97
1.5 - 2.5	$3,154,057.83	$23,130.03	0.00733	99.54
2.5 - 3.5	$3,065,976.71	$23,908.34	0.00780	98.81
3.5 - 4.5	$2,939,033.15	$19,641.33	0.00668	98.04
4.5 - 5.5	$2,831,860.58	$14,754.57	0.00521	97.38
5.5 - 6.5	$2,701,646.56	$23,484.00	0.00869	96.87
6.5 - 7.5	$2,532,179.12	$23,489.22	0.00928	96.03
7.5 - 8.5	$2,468,759.72	$24,939.06	0.01010	95.14
8.5 - 9.5	$2,445,897.52	$21,169.83	0.00866	94.18
9.5 - 10.5	$2,484,042.40	$25,400.10	0.01023	93.36
10.5 - 11.5	$2,451,667.38	$18,237.91	0.00744	92.41
11.5 - 12.5	$2,570,580.00	$25,304.45	0.00984	91.72
12.5 - 13.5	$2,668,952.22	$24,630.49	0.00923	90.82
13.5 - 14.5	$2,672,961.60	$65,854.72	0.02464	89.98
14.5 - 15.5	$2,842,930.34	$36,759.69	0.01293	87.76
15.5 - 16.5	$3,075,424.52	$24,979.89	0.00812	86.63
16.5 - 17.5	$3,072,204.66	$32,208.43	0.01048	85.93
17.5 - 18.5	$2,938,612.26	$34,948.93	0.01189	85.03
18.5 - 19.5	$2,966,152.44	$29,238.67	0.00986	84.01
19.5 - 20.5	$3,016,655.72	$41,161.88	0.01364	83.19
20.5 - 21.5	$2,916,260.82	$43,642.33	0.01497	82.05
21.5 - 22.5	$2,917,943.42	$26,313.91	0.00902	80.82
22.5 - 23.5	$2,931,569.59	$21,664.32	0.00739	80.09
23.5 - 24.5	$2,949,534.07	$25,134.66	0.00852	79.50
24.5 - 25.5	$2,948,554.26	$20,074.99	0.00681	78.82
25.5 - 26.5	$3,097,916.50	$24,535.51	0.00792	78.29
26.5 - 27.5	$3,116,049.66	$25,943.98	0.00833	77.67
27.5 - 28.5	$3,119,335.38	$42,313.87	0.01357	77.02
28.5 - 29.5	$3,100,486.68	$34,456.90	0.01111	75.98
29.5 - 30.5	$2,996,768.93	$34,368.58	0.01147	75.13
30.5 - 31.5	$3,007,947.30	$38,359.13	0.01275	74.27
31.5 - 32.5	$2,828,083.55	$43,379.82	0.01534	73.32
32.5 - 33.5	$2,681,213.75	$43,511.28	0.01623	72.20
33.5 - 34.5	$2,509,930.06	$40,831.10	0.01627	71.03
34.5 - 35.5	$2,205,231.65	$27,665.91	0.01255	69.87

Montana-Dakota Utilities Company

Electric Plant

373.00 Street Lighting System

Observed Life Table

Retirement Expr. 1995 TO 2014

Placement Years 1936 TO 2014

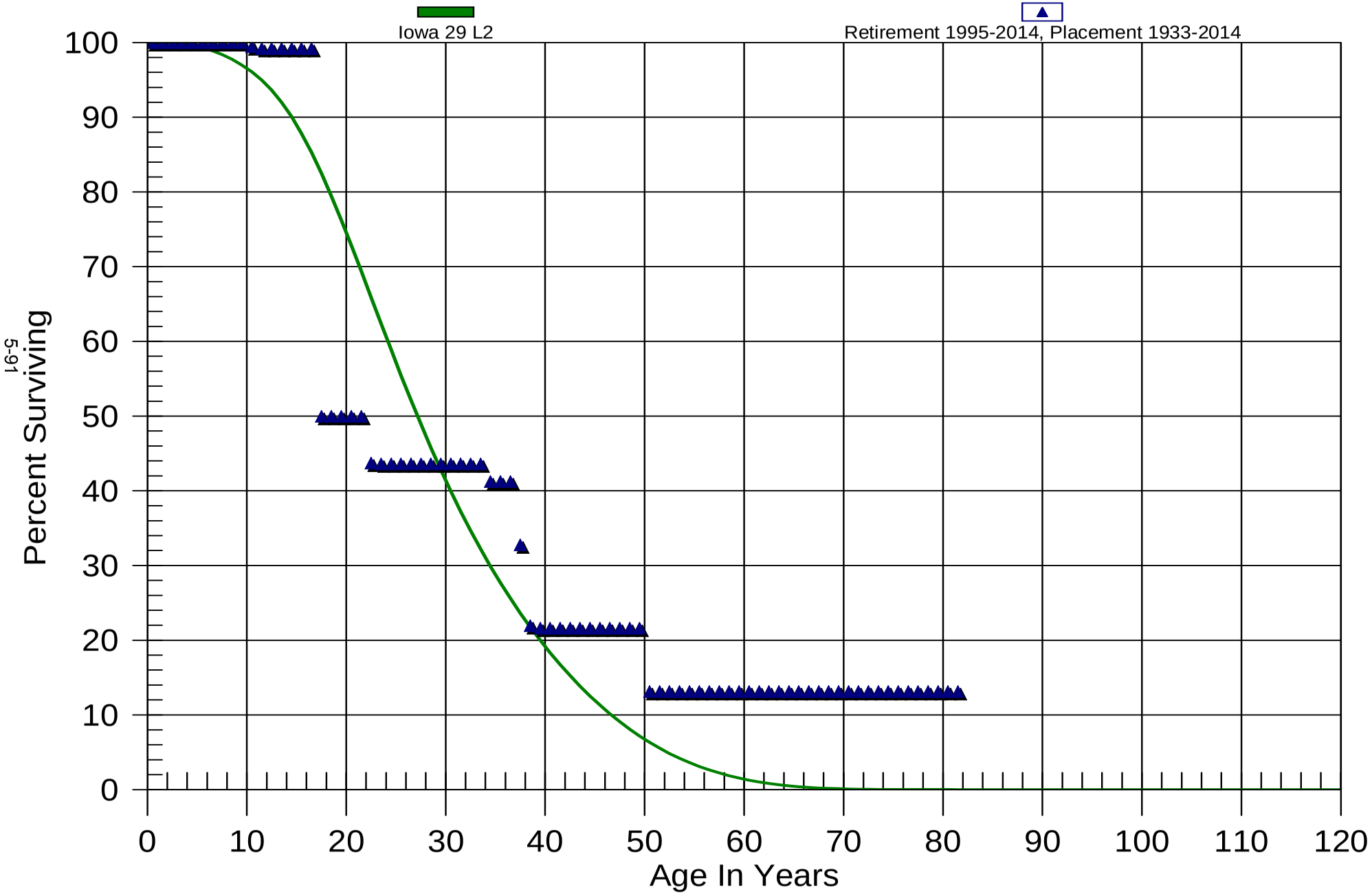
Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
35.5 - 36.5	$1,870,655.23	$26,953.28	0.01441	68.99
36.5 - 37.5	$1,731,276.57	$29,329.12	0.01694	68.00
37.5 - 38.5	$1,610,921.78	$28,158.39	0.01748	66.85
38.5 - 39.5	$1,434,031.32	$33,370.69	0.02327	65.68
39.5 - 40.5	$1,293,608.64	$16,687.32	0.01290	64.15
40.5 - 41.5	$1,189,113.56	$29,740.07	0.02501	63.32
41.5 - 42.5	$1,063,453.52	$23,846.04	0.02242	61.74
42.5 - 43.5	$957,135.29	$16,477.41	0.01722	60.36
43.5 - 44.5	$870,235.68	$20,340.93	0.02337	59.32
44.5 - 45.5	$797,282.20	$15,815.69	0.01984	57.93
45.5 - 46.5	$577,611.95	$16,164.73	0.02799	56.78
46.5 - 47.5	$490,898.06	$14,160.27	0.02885	55.19
47.5 - 48.5	$391,644.33	$18,190.63	0.04645	53.60
48.5 - 49.5	$296,988.40	$4,884.55	0.01645	51.11
49.5 - 50.5	$243,202.05	$3,948.33	0.01623	50.27
50.5 - 51.5	$175,312.61	$4,547.29	0.02594	49.45
51.5 - 52.5	$126,684.70	$6,857.10	0.05413	48.17
52.5 - 53.5	$91,935.61	$7,807.67	0.08493	45.56
53.5 - 54.5	$69,005.12	$4,373.35	0.06338	41.69
54.5 - 55.5	$50,574.02	$1,209.04	0.02391	39.05
55.5 - 56.5	$36,343.85	$641.95	0.01766	38.12
56.5 - 57.5	$28,834.36	$13,646.51	0.47327	37.45
57.5 - 58.5	$12,581.93	$58.00	0.00461	19.72
58.5 - 59.5	$8,200.00	$483.24	0.05893	19.63
59.5 - 60.5	$4,636.92	$0.00	0.00000	18.48
60.5 - 61.5	$2,184.62	$479.90	0.21967	18.48
61.5 - 62.5	$731.22	$0.00	0.00000	14.42
62.5 - 63.5	$301.13	$0.00	0.00000	14.42
63.5 - 64.5	$110.17	$40.77	0.37006	14.42
64.5 - 65.5	$15.27	$0.00	0.00000	9.08

Montana-Dakota Utilities Company

Electric Plant

390.00 General Structures & Improvements

Original And Smooth Survivor Curves



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Montana-Dakota Utilities Company

Electric Plant

390.00 General Structures & Improvements

Observed Life Table

Retirement Expr. 1995 TO 2014

Placement Years 1933 TO 2014

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
0.0 - 0.5	$523,861.18	$0.00	0.00000	100.00
0.5 - 1.5	$376,201.00	$0.00	0.00000	100.00
1.5 - 2.5	$383,615.56	$0.00	0.00000	100.00
2.5 - 3.5	$223,548.47	$0.00	0.00000	100.00
3.5 - 4.5	$229,866.74	$0.00	0.00000	100.00
4.5 - 5.5	$278,671.95	$0.00	0.00000	100.00
5.5 - 6.5	$322,850.29	$0.00	0.00000	100.00
6.5 - 7.5	$327,943.17	$0.00	0.00000	100.00
7.5 - 8.5	$330,145.84	$0.00	0.00000	100.00
8.5 - 9.5	$261,668.75	$0.00	0.00000	100.00
9.5 - 10.5	$262,627.05	$1,438.62	0.00548	100.00
10.5 - 11.5	$240,612.79	$604.17	0.00251	99.45
11.5 - 12.5	$185,280.18	$0.00	0.00000	99.20
12.5 - 13.5	$189,355.93	$0.00	0.00000	99.20
13.5 - 14.5	$356,926.89	$0.00	0.00000	99.20
14.5 - 15.5	$346,589.19	$0.00	0.00000	99.20
15.5 - 16.5	$357,457.81	$0.00	0.00000	99.20
16.5 - 17.5	$357,974.01	$177,633.35	0.49622	99.20
17.5 - 18.5	$177,021.83	$0.00	0.00000	49.98
18.5 - 19.5	$179,296.93	$0.00	0.00000	49.98
19.5 - 20.5	$180,210.23	$0.00	0.00000	49.98
20.5 - 21.5	$224,399.19	$0.00	0.00000	49.98
21.5 - 22.5	$225,457.98	$28,281.39	0.12544	49.98
22.5 - 23.5	$199,856.40	$446.08	0.00223	43.71
23.5 - 24.5	$194,786.27	$0.00	0.00000	43.61
24.5 - 25.5	$146,666.79	$0.00	0.00000	43.61
25.5 - 26.5	$98,730.80	$0.00	0.00000	43.61
26.5 - 27.5	$95,694.38	$0.00	0.00000	43.61
27.5 - 28.5	$106,115.37	$0.00	0.00000	43.61
28.5 - 29.5	$106,577.07	$0.00	0.00000	43.61
29.5 - 30.5	$106,890.22	$0.00	0.00000	43.61
30.5 - 31.5	$108,565.89	$0.00	0.00000	43.61
31.5 - 32.5	$105,497.62	$0.00	0.00000	43.61
32.5 - 33.5	$101,856.07	$0.00	0.00000	43.61
33.5 - 34.5	$74,495.27	$4,054.00	0.05442	43.61
34.5 - 35.5	$63,514.30	$0.00	0.00000	41.24

Montana-Dakota Utilities Company

Electric Plant

390.00 General Structures & Improvements

Observed Life Table

Retirement Expr. 1995 TO 2014

Placement Years 1933 TO 2014

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
35.5 - 36.5	$53,373.69	$0.00	0.00000	41.24
36.5 - 37.5	$54,250.04	$11,164.38	0.20579	41.24
37.5 - 38.5	$64,994.30	$21,447.15	0.32999	32.75
38.5 - 39.5	$42,722.00	$642.20	0.01503	21.94
39.5 - 40.5	$43,973.05	$0.00	0.00000	21.61
40.5 - 41.5	$34,392.31	$0.00	0.00000	21.61
41.5 - 42.5	$31,115.48	$0.00	0.00000	21.61
42.5 - 43.5	$25,896.66	$0.00	0.00000	21.61
43.5 - 44.5	$36,829.68	$0.00	0.00000	21.61
44.5 - 45.5	$40,364.24	$0.00	0.00000	21.61
45.5 - 46.5	$40,360.34	$0.00	0.00000	21.61
46.5 - 47.5	$45,310.12	$0.00	0.00000	21.61
47.5 - 48.5	$50,022.63	$0.00	0.00000	21.61
48.5 - 49.5	$89,896.52	$0.00	0.00000	21.61
49.5 - 50.5	$88,625.07	$34,767.97	0.39230	21.61
50.5 - 51.5	$52,181.43	$0.00	0.00000	13.13
51.5 - 52.5	$51,777.30	$0.00	0.00000	13.13
52.5 - 53.5	$51,343.10	$0.00	0.00000	13.13
53.5 - 54.5	$56,280.00	$0.00	0.00000	13.13
54.5 - 55.5	$61,086.05	$0.00	0.00000	13.13
55.5 - 56.5	$65,657.38	$0.00	0.00000	13.13
56.5 - 57.5	$69,881.00	$0.00	0.00000	13.13
57.5 - 58.5	$74,463.50	$0.00	0.00000	13.13
58.5 - 59.5	$78,057.54	$0.00	0.00000	13.13
59.5 - 60.5	$80,051.93	$0.00	0.00000	13.13
60.5 - 61.5	$77,459.61	$0.00	0.00000	13.13
61.5 - 62.5	$79,287.33	$0.00	0.00000	13.13
62.5 - 63.5	$77,417.59	$0.00	0.00000	13.13
63.5 - 64.5	$64,790.35	$0.00	0.00000	13.13
64.5 - 65.5	$61,212.26	$0.00	0.00000	13.13
65.5 - 66.5	$60,714.73	$0.00	0.00000	13.13
66.5 - 67.5	$55,147.11	$0.00	0.00000	13.13
67.5 - 68.5	$49,579.49	$0.00	0.00000	13.13
68.5 - 69.5	$44,011.87	$0.00	0.00000	13.13
69.5 - 70.5	$44,011.87	$0.00	0.00000	13.13
70.5 - 71.5	$44,011.87	$0.00	0.00000	13.13

Montana-Dakota Utilities Company

Electric Plant

390.00 General Structures & Improvements

Observed Life Table

Retirement Expr. 1995 TO 2014

Placement Years 1933 TO 2014

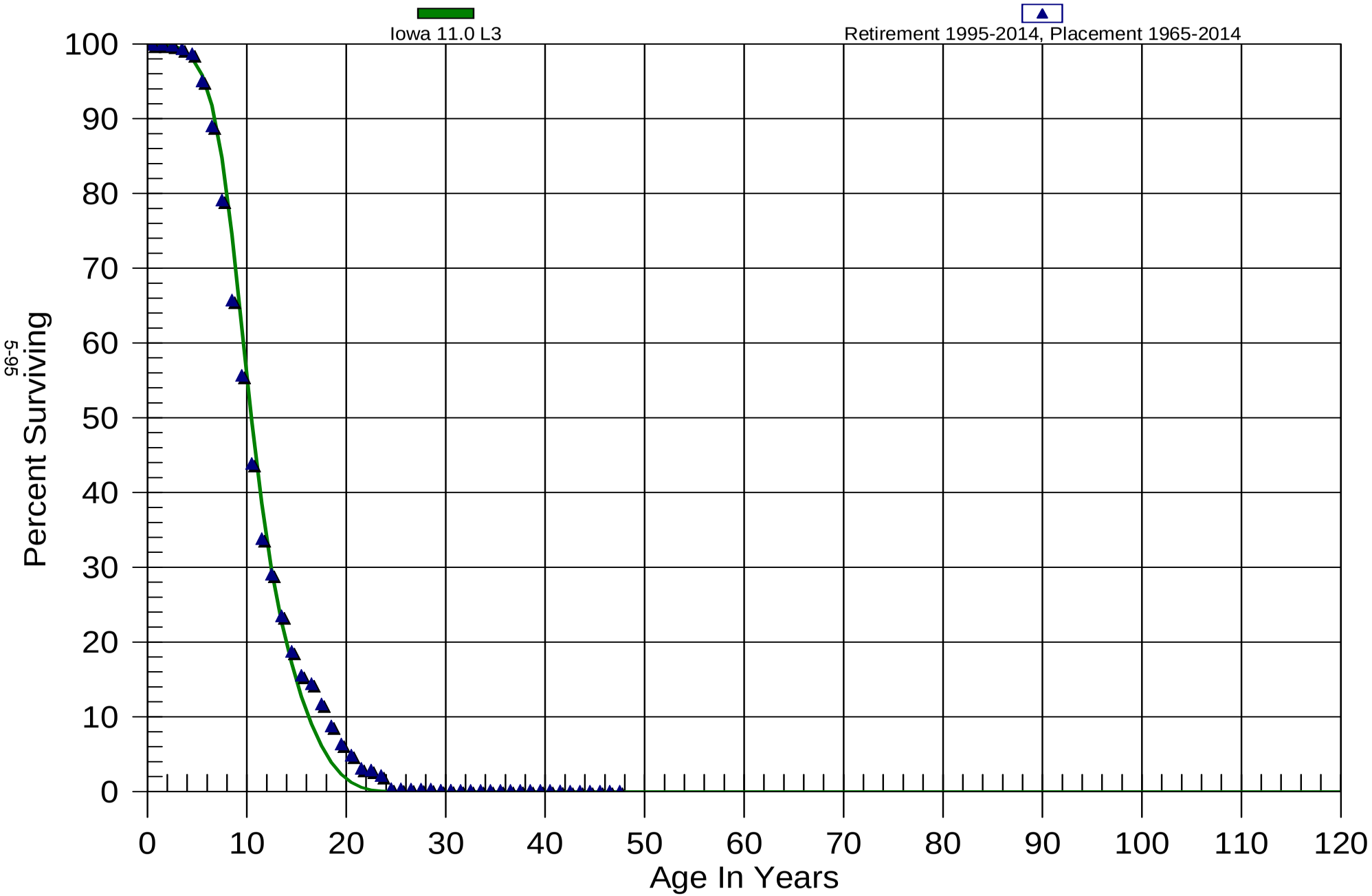
Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
71.5 - 72.5	$44,011.87	$0.00	0.00000	13.13
72.5 - 73.5	$44,011.87	$0.00	0.00000	13.13
73.5 - 74.5	$38,444.25	$0.00	0.00000	13.13
74.5 - 75.5	$33,012.43	$0.00	0.00000	13.13
75.5 - 76.5	$27,713.09	$0.00	0.00000	13.13
76.5 - 77.5	$22,543.00	$0.00	0.00000	13.13
77.5 - 78.5	$17,499.01	$0.00	0.00000	13.13
78.5 - 79.5	$12,455.02	$0.00	0.00000	13.13
79.5 - 80.5	$7,654.08	$0.00	0.00000	13.13
80.5 - 81.5	$2,970.24	$0.00	0.00000	13.13

Montana-Dakota Utilities Company

Electric Plant

392.20 Transportation Equipment

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company

Electric Plant

392.20 Transportation Equipment

Observed Life Table

Retirement Expr. 1995 TO 2014

Placement Years 1965 TO 2014

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
0.0 - 0.5	$9,680,388.14	$3,705.45	0.00038	100.00
0.5 - 1.5	$9,156,176.31	$0.00	0.00000	99.96
1.5 - 2.5	$8,777,892.11	$10,142.58	0.00116	99.96
2.5 - 3.5	$8,824,342.19	$44,183.04	0.00501	99.85
3.5 - 4.5	$8,322,366.80	$55,615.95	0.00668	99.35
4.5 - 5.5	$8,259,393.45	$304,627.95	0.03688	98.68
5.5 - 6.5	$7,758,058.04	$490,670.07	0.06325	95.04
6.5 - 7.5	$6,879,389.11	$766,923.99	0.11148	89.03
7.5 - 8.5	$5,398,972.91	$912,826.70	0.16907	79.11
8.5 - 9.5	$3,994,667.77	$610,798.80	0.15290	65.73
9.5 - 10.5	$3,008,082.49	$637,331.96	0.21187	55.68
10.5 - 11.5	$2,092,126.09	$479,172.22	0.22904	43.88
11.5 - 12.5	$1,473,171.89	$206,853.80	0.14041	33.83
12.5 - 13.5	$1,230,281.55	$235,215.33	0.19119	29.08
13.5 - 14.5	$954,549.04	$194,141.11	0.20339	23.52
14.5 - 15.5	$658,224.47	$111,608.40	0.16956	18.74
15.5 - 16.5	$509,030.59	$37,133.32	0.07295	15.56
16.5 - 17.5	$421,651.00	$79,139.54	0.18769	14.43
17.5 - 18.5	$310,648.76	$77,605.07	0.24982	11.72
18.5 - 19.5	$235,504.23	$65,557.92	0.27837	8.79
19.5 - 20.5	$177,310.98	$41,484.62	0.23397	6.34
20.5 - 21.5	$135,826.36	$49,242.25	0.36254	4.86
21.5 - 22.5	$106,601.89	$8,197.28	0.07690	3.10
22.5 - 23.5	$81,318.74	$20,017.78	0.24616	2.86
23.5 - 24.5	$57,068.97	$46,857.23	0.82106	2.16
24.5 - 25.5	$10,211.74	$773.58	0.07575	0.39
25.5 - 26.5	$15,819.02	$928.98	0.05873	0.36
26.5 - 27.5	$14,890.04	$0.00	0.00000	0.34
27.5 - 28.5	$14,890.04	$0.00	0.00000	0.34
28.5 - 29.5	$14,890.04	$6,591.09	0.44265	0.34
29.5 - 30.5	$13,241.50	$0.00	0.00000	0.19
30.5 - 31.5	$13,241.50	$1,112.09	0.08399	0.19
31.5 - 32.5	$12,129.41	$0.00	0.00000	0.17
32.5 - 33.5	$12,129.41	$806.00	0.06645	0.17
33.5 - 34.5	$11,323.41	$0.00	0.00000	0.16
34.5 - 35.5	$11,323.41	$0.00	0.00000	0.16

Montana-Dakota Utilities Company

Electric Plant

392.20 Transportation Equipment

Observed Life Table

Retirement Expr. 1995 TO 2014

Placement Years 1965 TO 2014

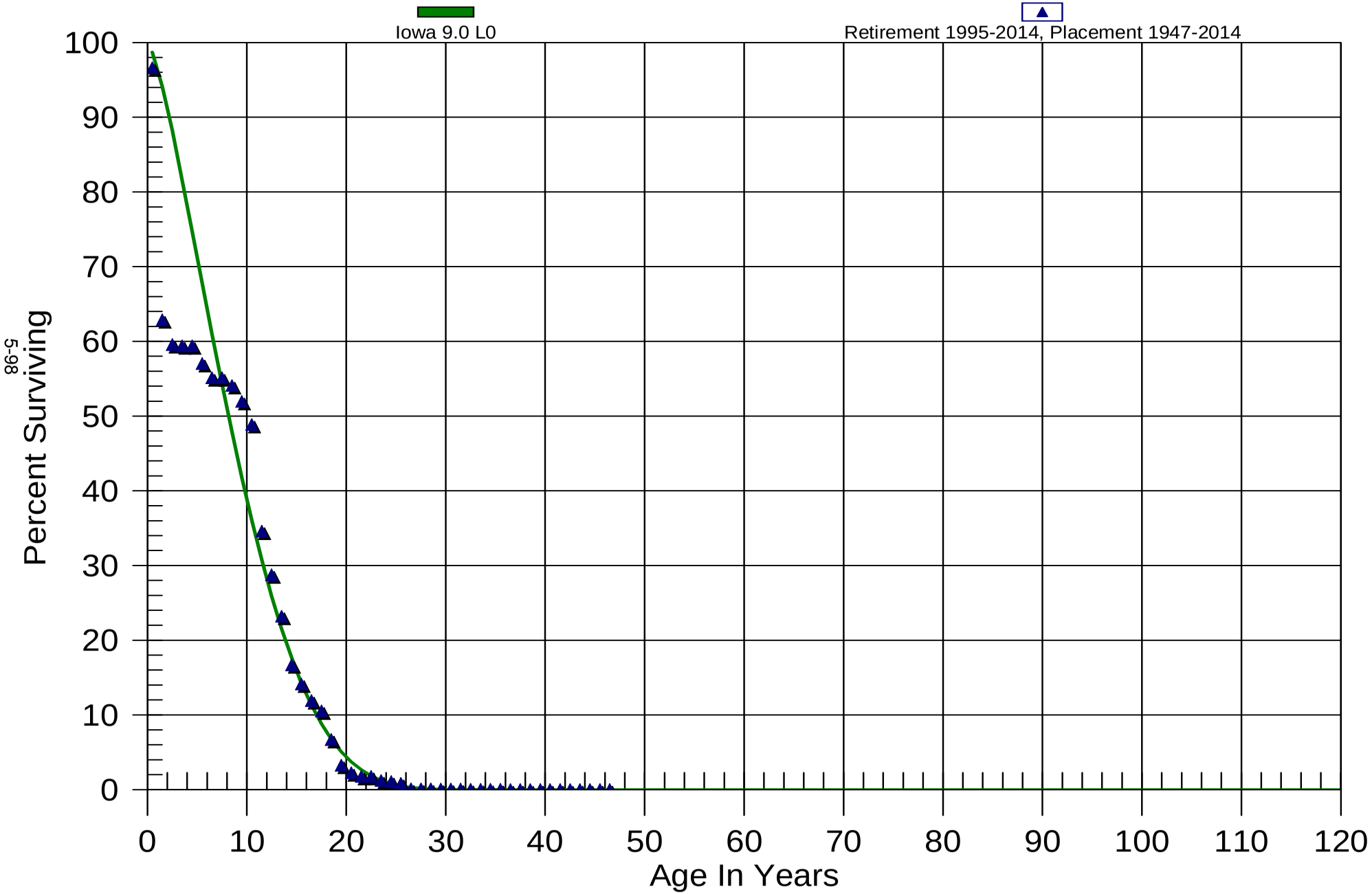
Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
35.5 - 36.5	$11,323.41	$0.00	0.00000	0.16
36.5 - 37.5	$11,323.41	$0.00	0.00000	0.16
37.5 - 38.5	$11,323.41	$0.00	0.00000	0.16
38.5 - 39.5	$11,323.41	$0.00	0.00000	0.16
39.5 - 40.5	$11,323.41	$0.00	0.00000	0.16
40.5 - 41.5	$11,323.41	$6,380.86	0.56351	0.16
41.5 - 42.5	$4,942.55	$2,497.51	0.50531	0.07
42.5 - 43.5	$2,445.04	$0.00	0.00000	0.03
43.5 - 44.5	$2,445.04	$0.00	0.00000	0.03
44.5 - 45.5	$2,445.04	$0.00	0.00000	0.03
45.5 - 46.5	$2,445.04	$0.00	0.00000	0.03
46.5 - 47.5	$2,445.04	$0.00	0.00000	0.03

Montana-Dakota Utilities Company

Electric Plant

396.20 Power Operated Equipment

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company

Electric Plant

396.20 Power Operated Equipment

Observed Life Table

Retirement Expr. 1995 TO 2014

Placement Years 1947 TO 2014

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
0.0 - 0.5	$2,533,365.44	$85,920.22	0.03392	100.00
0.5 - 1.5	$3,199,949.64	$1,116,610.86	0.34895	96.61
1.5 - 2.5	$2,546,013.16	$134,760.07	0.05293	62.90
2.5 - 3.5	$2,455,208.23	$7,085.87	0.00289	59.57
3.5 - 4.5	$2,863,332.31	$0.00	0.00000	59.40
4.5 - 5.5	$3,001,680.26	$118,793.90	0.03958	59.40
5.5 - 6.5	$3,140,769.55	$105,475.80	0.03358	57.05
6.5 - 7.5	$3,130,876.86	$0.00	0.00000	55.13
7.5 - 8.5	$3,529,538.58	$66,265.92	0.01877	55.13
8.5 - 9.5	$3,424,482.40	$135,707.79	0.03963	54.09
9.5 - 10.5	$3,621,444.21	$213,431.72	0.05894	51.95
10.5 - 11.5	$3,487,391.63	$1,018,462.35	0.29204	48.89
11.5 - 12.5	$2,860,308.26	$483,227.42	0.16894	34.61
12.5 - 13.5	$2,695,838.64	$518,465.00	0.19232	28.76
13.5 - 14.5	$2,311,322.57	$650,541.62	0.28146	23.23
14.5 - 15.5	$1,756,861.31	$269,556.41	0.15343	16.69
15.5 - 16.5	$1,495,406.09	$234,451.52	0.15678	14.13
16.5 - 17.5	$1,282,837.97	$148,196.18	0.11552	11.92
17.5 - 18.5	$1,177,095.00	$427,821.81	0.36346	10.54
18.5 - 19.5	$749,273.19	$384,320.23	0.51292	6.71
19.5 - 20.5	$471,526.71	$143,489.45	0.30431	3.27
20.5 - 21.5	$341,754.75	$76,278.31	0.22320	2.27
21.5 - 22.5	$245,458.66	$0.00	0.00000	1.77
22.5 - 23.5	$247,164.45	$75,844.97	0.30686	1.77
23.5 - 24.5	$172,049.08	$20,899.79	0.12148	1.22
24.5 - 25.5	$163,077.34	$35,237.36	0.21608	1.08
25.5 - 26.5	$127,839.98	$114,678.51	0.89705	0.84
26.5 - 27.5	$13,161.47	$0.00	0.00000	0.09
27.5 - 28.5	$23,848.17	$0.00	0.00000	0.09
28.5 - 29.5	$23,848.17	$874.32	0.03666	0.09
29.5 - 30.5	$33,286.57	$0.00	0.00000	0.08
30.5 - 31.5	$34,526.46	$0.00	0.00000	0.08
31.5 - 32.5	$34,526.46	$11,928.05	0.34548	0.08
32.5 - 33.5	$28,597.03	$359.10	0.01256	0.05
33.5 - 34.5	$33,598.45	$1,087.20	0.03236	0.05
34.5 - 35.5	$32,511.25	$5,998.62	0.18451	0.05

Montana-Dakota Utilities Company

Electric Plant

396.20 Power Operated Equipment

Observed Life Table

Retirement Expr. 1995 TO 2014

Placement Years 1947 TO 2014

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
35.5 - 36.5	$26,512.63	$9,592.77	0.36182	0.04
36.5 - 37.5	$19,835.86	$0.00	0.00000	0.03
37.5 - 38.5	$19,835.86	$11,559.34	0.58275	0.03
38.5 - 39.5	$9,476.52	$0.00	0.00000	0.01
39.5 - 40.5	$13,320.37	$0.00	0.00000	0.01
40.5 - 41.5	$13,320.37	$0.00	0.00000	0.01
41.5 - 42.5	$13,320.37	$4,116.00	0.30900	0.01
42.5 - 43.5	$9,204.37	$0.00	0.00000	0.01
43.5 - 44.5	$9,204.37	$0.00	0.00000	0.01
44.5 - 45.5	$9,204.37	$3,843.85	0.41761	0.01
45.5 - 46.5	$5,360.52	$0.00	0.00000	0.00

SECTION 6

Montana-Dakota Utilities Company
Electric Plant
311.00 Steam Production Structures & Improvement
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
		HESKETT STATION			
Interim Survivor Curve: Iowa 63 R2.5					
Probable Retirement Year: 2028					
1954	264,500.12	59.56	4,440.97	10.43	46,305.39
1955	18,043.31	59.23	304.63	10.56	3,217.70
1956	714.74	58.88	12.14	10.69	129.81
1957	612.44	58.51	10.47	10.82	113.29
1959	262.56	57.71	4.55	11.07	50.37
1960	58.04	57.28	1.01	11.19	11.34
1961	1,674.98	56.83	29.47	11.30	333.10
1963	229,922.42	55.86	4,116.00	11.51	47,392.25
1964	17,458.00	55.35	315.43	11.61	3,663.72
1965	4,187.11	54.81	76.39	11.71	894.48
1966	22.03	54.26	0.41	11.80	4.79
1967	5,028.60	53.69	93.67	11.89	1,113.60
1970	242.64	51.86	4.68	12.12	56.73
1973	719.32	49.88	14.42	12.33	177.78
1974	455.83	49.18	9.27	12.39	114.81
1976	2,238.56	47.75	46.88	12.50	585.94
1978	2,874.46	46.27	62.12	12.60	782.77
1982	14,168.65	43.15	328.35	12.77	4,193.81
1992	4,007.64	34.65	115.65	13.08	1,512.58
1995	17,885.39	31.95	559.74	13.15	7,357.89
1996	316,370.06	31.04	10,192.00	13.17	134,181.13
1997	145,039.91	30.12	4,814.91	13.18	63,480.12
1998	301,566.72	29.20	10,327.69	13.20	136,349.09
1999	287,617.13	28.27	10,173.44	13.22	134,483.76
2000	18,864.55	27.34	690.05	13.24	9,133.14

Montana-Dakota Utilities Company

Electric Plant

311.00 Steam Production Structures & Improvement

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2014

Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2001	590,858.96	26.40	22,380.85	13.25	296,568.97
2002	97,903.35	25.46	3,845.69	13.27	51,014.90
2003	303,634.02	24.51	12,387.38	13.28	164,497.52
2004	868,295.10	23.56	36,852.71	13.29	489,859.51
2005	503,943.37	22.61	22,291.28	13.30	296,583.82
2006	724,753.96	21.65	33,476.53	13.32	445,796.09
2007	1,262,622.89	20.69	61,029.52	13.33	813,381.47
2008	932,838.87	19.72	47,292.98	13.34	630,803.54
2009	735,142.24	18.76	39,191.54	13.35	523,127.56
2010	417,634.51	17.79	23,478.59	13.36	313,613.30
2011	299,950.42	16.82	17,837.80	13.37	238,421.29
2012	460,972.90	15.84	29,100.91	13.37	389,209.60
2013	15,391,655.72	14.86	1,035,554.27	13.38	13,858,133.13
2014	1,894,166.14	13.88	136,430.85	13.39	1,826,756.67
Total	26,138,907.66	16.67	1,567,895.21	13.35	20,933,406.73

HESKETT STATION - UNIT # 1

Interim Survivor Curve: Iowa 63 R2.5

Probable Retirement Year: 2021

1978	9,134.11	40.70	224.45	6.31	1,417.09
1982	45,023.33	37.29	1,207.35	6.35	7,666.57
1983	1,031.75	36.42	28.33	6.36	180.13
1984	389,661.65	35.54	10,964.07	6.37	69,795.76
1985	339,833.08	34.65	9,806.68	6.37	62,497.28
1986	77,048.58	33.76	2,282.26	6.38	14,560.76
1987	41,313.82	32.86	1,257.28	6.39	8,029.36
1989	132,552.05	31.04	4,270.22	6.40	27,323.58
1990	5,092.98	30.12	169.07	6.40	1,082.76
1993	19,061.51	27.34	697.25	6.42	4,476.00

Montana-Dakota Utilities Company

Electric Plant

311.00 Steam Production Structures & Improvement

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2014

Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1994	79,527.12	26.40	3,012.37	6.42	19,351.15
1997	37,525.55	23.56	1,592.68	6.44	10,251.21
1998	2,829.64	22.61	125.17	6.44	806.10
2001	8,578.64	19.72	434.92	6.45	2,805.35
2002	71,981.53	18.76	3,837.44	6.45	24,763.76
2003	152,453.72	17.79	8,570.65	6.46	55,332.82
2005	6,509.16	15.84	410.92	6.46	2,655.05
2008	6,132.22	12.90	475.29	6.47	3,074.16
2010	9,551.28	10.93	873.60	6.47	5,653.83
2011	34,315.32	9.95	3,450.13	6.47	22,334.59
2012	6,005.03	8.96	670.40	6.48	4,341.04
Total	1,475,162.07	27.14	54,360.53	6.41	348,398.35

HESKETT STATION - UNIT # 2

Interim Survivor Curve: Iowa 63 R2.5

Probable Retirement Year: 2028

1978	8,567.13	46.27	185.16	12.60	2,332.99
1982	42,228.62	43.15	978.64	12.77	12,499.35
1983	967.71	42.34	22.85	12.81	292.78
1984	365,474.37	41.52	8,801.54	12.85	113,071.86
1985	318,738.78	40.70	7,832.28	12.88	100,886.10
1986	72,265.98	39.86	1,813.10	12.91	23,413.94
1987	38,749.36	39.01	993.30	12.94	12,857.68
1989	124,324.21	37.29	3,333.88	13.00	43,349.22
1990	4,776.85	36.42	131.16	13.03	1,708.95
1993	17,878.32	33.76	529.58	13.10	6,938.70
1994	74,590.67	32.86	2,269.98	13.12	29,791.28
1997	190,656.94	30.12	6,329.26	13.18	83,445.48
1998	61,750.77	29.20	2,114.77	13.20	27,919.73

Montana-Dakota Utilities Company
Electric Plant
311.00 Steam Production Structures & Improvement
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2000	36,140.01	27.34	1,321.96	13.24	17,496.94
2002	209,968.20	25.46	8,247.65	13.27	109,408.99
2003	31,398.63	24.51	1,280.97	13.28	17,010.60
2005	13,589.20	22.61	601.10	13.30	7,997.60
2008	59,873.56	19.72	3,035.46	13.34	40,487.65
Total	1,671,939.31	33.56	49,822.63	13.06	650,909.85

LEWIS & CLARK STATION

Interim Survivor Curve: Iowa 63 R2.5

Probable Retirement Year: 2025

1958	1,423,129.05	56.83	25,042.83	8.99	225,108.14
1959	161,367.40	56.35	2,863.44	9.07	25,958.30
1960	7,301.17	55.86	130.70	9.14	1,194.24
1963	912.66	54.26	16.82	9.34	157.06
1964	223.83	53.69	4.17	9.40	39.19
1965	658.48	53.10	12.40	9.46	117.27
1966	2,168.57	52.49	41.32	9.51	392.97
1967	656.90	51.86	12.67	9.56	121.14
1968	3,029.61	51.21	59.16	9.61	568.61
1969	1,126.08	50.55	22.28	9.66	215.16
1970	1,332.05	49.88	26.71	9.70	259.13
1973	4,551.23	47.75	95.30	9.82	936.06
1974	18,599.86	47.02	395.58	9.86	3,899.48
1976	2,510.72	45.51	55.17	9.92	547.45
1977	4,022.76	44.73	89.93	9.95	894.98
1979	61,861.58	43.15	1,433.63	10.01	14,348.68
1980	2,280.51	42.34	53.86	10.03	540.42
1981	31,827.40	41.52	766.48	10.06	7,709.83
1982	863.35	40.70	21.21	10.08	213.88

Montana-Dakota Utilities Company

Electric Plant

311.00 Steam Production Structures & Improvement

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2014

Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1983	50,255.00	39.86	1,260.86	10.10	12,739.60
1984	5.29	39.01	0.14	10.12	1.37
1985	14,521.05	38.16	380.58	10.14	3,860.84
1986	9,187.06	37.29	246.36	10.16	2,503.96
1989	12,810.45	34.65	369.68	10.22	3,776.36
1990	3,216.40	33.76	95.27	10.23	974.72
1993	209,277.34	31.04	6,741.96	10.27	69,260.66
1994	2,237.02	30.12	74.26	10.29	763.83
1996	4,730.09	28.27	167.31	10.31	1,724.88
1997	4,368.12	27.34	159.78	10.32	1,648.98
1998	30,709.10	26.40	1,163.21	10.33	12,016.86
1999	101,798.91	25.46	3,998.71	10.34	41,348.14
2000	1,048,306.21	24.51	42,767.82	10.35	442,642.44
2001	214,681.17	23.56	9,111.63	10.36	94,385.42
2002	24,020.48	22.61	1,062.51	10.37	11,015.16
2003	27,642.05	21.65	1,276.79	10.38	13,246.80
2006	86,713.21	18.76	4,622.81	10.40	48,060.36
2007	244,728.21	17.79	13,758.14	10.40	143,120.65
2008	43,852.75	16.82	2,607.89	10.41	27,144.55
2009	202,665.41	15.84	12,794.13	10.41	133,240.31
2010	81,347.04	14.86	5,473.05	10.42	57,026.73
2011	176,340.71	13.88	12,701.27	10.42	132,403.74
2012	207,592.74	12.90	16,089.79	10.43	167,804.72
Total	4,529,429.02	26.95	168,067.62	10.14	1,703,933.04

COYOTE STATION

Interim Survivor Curve: Iowa 63 R2.5

Probable Retirement Year: 2041

1981	22,940,733.46	53.10	432,068.08	22.83	9,862,217.07

Montana-Dakota Utilities Company

Electric Plant

311.00 Steam Production Structures & Improvement

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2014

Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1982	194,216.79	52.49	3,700.37	23.00	85,125.20
1983	52,717.51	51.86	1,016.56	23.18	23,561.17
1984	17,800.83	51.21	347.58	23.34	8,113.06
1985	105,911.18	50.55	2,095.04	23.50	49,229.48
1986	18,615.66	49.88	373.24	23.65	8,826.44
1987	16,756.60	49.18	340.69	23.79	8,105.30
1988	10,061.31	48.48	207.55	23.93	4,966.23
1989	18,350.12	47.75	384.26	24.06	9,244.65
1990	33,590.83	47.02	714.41	24.18	17,276.17
1991	25,451.18	46.27	550.06	24.30	13,367.27
1992	33,448.48	45.51	735.01	24.41	17,944.52
1993	109,080.07	44.73	2,438.44	24.52	59,797.14
1994	122,517.53	43.95	2,787.80	24.63	68,650.43
1995	91,561.61	43.15	2,121.92	24.72	52,462.90
1996	27,524.48	42.34	650.05	24.82	16,133.14
1997	142,975.92	41.52	3,443.22	24.91	85,762.46
1998	4,695.75	40.70	115.39	24.99	2,883.92
1999	468,950.66	39.86	11,765.62	25.07	295,015.40
2000	60,671.14	39.01	1,555.24	25.15	39,117.99
2001	67,122.23	38.16	1,759.19	25.23	44,378.16
2002	183,662.30	37.29	4,925.09	25.30	124,587.64
2003	222,778.54	36.42	6,117.04	25.36	155,151.12
2004	6,295.47	35.54	177.14	25.43	4,504.11
2005	182,742.48	34.65	5,273.46	25.49	134,409.92
2006	35,346.46	33.76	1,047.00	25.55	26,746.34
2007	316,528.00	32.86	9,632.73	25.60	246,599.82
2008	6,913.89	31.95	216.37	25.65	5,550.50
2009	294,908.70	31.04	9,500.61	25.70	244,177.97
2010	112,866.05	30.12	3,746.83	25.75	96,474.09
2011	311,143.56	29.20	10,655.67	25.79	274,833.47

Montana-Dakota Utilities Company

Electric Plant

311.00 Steam Production Structures & Improvement

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2014

Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2012	78,654.13	28.27	2,782.11	25.83	71,874.11
2013	94,099.09	27.34	3,442.05	25.87	89,060.10
2014	98,295.35	26.40	3,723.28	25.91	96,475.90
Total	26,506,987.36	49.97	530,409.09	23.27	12,342,623.21

BIG STONE STATION

Interim Survivor Curve: Iowa 63 R2.5

Probable Retirement Year: 2046

1975	7,451,793.49	58.51	127,352.59	24.06	3,064,249.07
1976	31,310.69	58.12	538.70	24.39	13,139.72
1977	10,373.42	57.71	179.74	24.71	4,441.28
1978	3,672.04	57.28	64.11	25.02	1,603.82
1979	8,678.65	56.83	152.72	25.32	3,866.16
1980	19,028.85	56.35	337.66	25.60	8,644.44
1981	77,949.38	55.86	1,395.43	25.88	36,109.18
1982	37,033.73	55.35	669.12	26.14	17,491.06
1983	3,522.21	54.81	64.26	26.40	1,696.14
1984	14,000.54	54.26	258.03	26.64	6,873.84
1985	136,625.87	53.69	2,544.88	26.87	68,387.89
1986	8,605.35	53.10	162.07	27.10	4,391.77
1987	596.80	52.49	11.37	27.31	310.55
1989	772.81	51.21	15.09	27.71	418.20
1990	39,284.92	50.55	777.10	27.90	21,682.24
1991	19,596.25	49.88	392.90	28.08	11,033.22
1992	6,081.78	49.18	123.65	28.25	3,493.59
1993	660,654.03	48.48	13,628.39	28.42	387,287.53
1994	72,897.87	47.75	1,526.51	28.57	43,618.46
1995	1,006.99	47.02	21.42	28.72	615.19
1996	31,737.27	46.27	685.92	28.87	19,801.12

Montana-Dakota Utilities Company

Electric Plant

311.00 Steam Production Structures & Improvement

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2014

Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1997	4,002.42	45.51	87.95	29.00	2,550.93
1998	10,608.33	44.73	237.14	29.14	6,909.26
1999	28,171.02	43.95	641.01	29.26	18,755.56
2000	50,209.51	43.15	1,163.59	29.38	34,184.75
2001	70,444.93	42.34	1,663.70	29.49	49,066.16
2002	13,543.69	41.52	326.17	29.60	9,654.53
2003	26,210.00	40.70	644.05	29.70	19,130.48
2004	26,339.58	39.86	660.84	29.80	19,693.84
2005	12,714.10	39.01	325.91	29.90	9,743.19
2006	17,387.17	38.16	455.70	29.98	13,663.72
2007	335,991.65	37.29	9,009.95	30.07	270,917.85
2008	22,085.01	36.42	606.41	30.15	18,282.92
2009	7,759.78	35.54	218.34	30.23	6,599.50
2010	22,987.94	34.65	663.37	30.30	20,099.31
2011	21,377.30	33.76	633.22	30.37	19,229.30
2012	44,420.83	32.86	1,351.84	30.43	41,140.88
2013	37,733.56	31.95	1,180.90	30.50	36,012.18
2014	122,319.43	31.04	3,940.57	30.55	120,401.72
Total	9,509,529.19	54.43	174,712.33	25.39	4,435,190.51

WYGEN III - Power Plant

Interim Survivor Curve: Iowa 63 R2.5

Probable Retirement Year: 2060

2010	3,130,169.41	46.27	67,650.60	41.97	2,839,127.15
2014	1,171.09	43.15	27.14	42.67	1,158.02
Total	3,131,340.50	46.27	67,677.74	41.97	2,840,285.18

Montana-Dakota Utilities Company

Electric Plant

311.00 Steam Production Structures & Improvement

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2014

Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
Account Total	72,963,295.11	27.92	2,612,945.14	16.55	43,254,746.86

Composite Average Remaining Life ... 16.55 Years

Montana-Dakota Utilities Company

Electric Plant

312.00 Boiler Plant Equipment

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2014

Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
		HESKETT STATION			
Interim Survivor Curve: Iowa 45 R0.5					
Probable Retirement Year: 2028					
1954	290,074.44	44.09	6,579.03	9.48	62,399.48
1956	337.72	43.81	7.71	9.73	74.98
1957	59.23	43.66	1.36	9.84	13.35
1959	66.11	43.32	1.53	10.06	15.36
1960	345.08	43.13	8.00	10.17	81.34
1961	929.77	42.92	21.66	10.27	222.38
1962	97.37	42.71	2.28	10.36	23.63
1963	555,902.22	42.48	13,086.67	10.46	136,860.43
1964	2,152.04	42.24	50.95	10.55	537.51
1965	1,759.33	41.98	41.91	10.64	445.81
1966	1,537.02	41.71	36.85	10.72	395.15
1967	774.56	41.43	18.69	10.81	202.05
1968	7,437.66	41.14	180.81	10.89	1,968.73
1969	17,538.85	40.83	429.60	10.97	4,711.40
1970	3,606.86	40.50	89.05	11.04	983.41
1971	1,124.61	40.16	28.00	11.12	311.27
1972	119.71	39.81	3.01	11.19	33.64
1975	737,681.82	38.67	19,075.40	11.39	217,270.64
1976	140,871.43	38.26	3,681.66	11.45	42,166.41
1977	1,670.07	37.84	44.14	11.51	508.19
1995	266,162.55	27.88	9,548.22	12.31	117,507.71
1996	15,857.75	27.20	583.02	12.34	7,191.83
1997	79,502.06	26.51	2,998.79	12.36	37,073.78
1998	8,044.82	25.81	311.67	12.39	3,861.33
1999	44,353.19	25.10	1,767.04	12.41	21,935.95
2000	25,137.79	24.38	1,031.19	12.44	12,825.52

Montana-Dakota Utilities Company

Electric Plant

312.00 Boiler Plant Equipment

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2014

Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2001	19,160.26	23.64	810.39	12.46	10,097.50
2002	165,984.50	22.90	7,248.84	12.48	90,476.62
2003	349,419.65	22.14	15,780.93	12.50	197,294.10
2004	270,881.43	21.37	12,672.90	12.52	158,688.81
2005	979,502.19	20.60	47,555.31	12.54	596,386.31
2006	553,653.23	19.81	27,949.86	12.56	351,029.12
2007	49,926.64	19.01	2,626.33	12.58	33,031.38
2008	226,871.40	18.20	12,464.81	12.59	156,986.82
2009	105,589.05	17.38	6,074.74	12.61	76,610.11
2010	5,328,599.45	16.55	321,926.04	12.63	4,065,183.05
2011	119,340.66	15.71	7,595.10	12.64	96,030.60
2012	915,009.73	14.86	61,560.68	12.66	779,325.71
2013	1,071,527.78	14.00	76,513.47	12.68	969,809.43
2014	320,119.90	13.14	24,370.38	12.69	309,263.51
Total	12,678,729.93	18.52	684,778.02	12.50	8,559,834.35

HESKETT STATION - UNIT # 1

Interim Survivor Curve: Iowa 45 R0.5

Probable Retirement Year: 2021

1977	71,960.27	34.48	2,086.84	6.05	12,624.68
1978	527,632.86	33.95	15,542.41	6.06	94,244.53
1979	3,723,626.65	33.40	111,487.84	6.08	677,533.75
1988	35,414.93	27.88	1,270.46	6.18	7,848.04
1989	11,213.77	27.20	412.28	6.19	2,550.44
1990	593,246.62	26.51	22,377.03	6.19	138,620.44
1991	156,557.18	25.81	6,065.38	6.20	37,622.61
1992	3,535.32	25.10	140.85	6.21	874.74
1993	41.45	24.38	1.70	6.22	10.57
1994	153,920.46	23.64	6,510.11	6.22	40,524.06

Montana-Dakota Utilities Company

Electric Plant

312.00 Boiler Plant Equipment

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2014

Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1995	360,852.04	22.90	15,759.05	6.23	98,202.39
1996	29,782.29	22.14	1,345.07	6.24	8,390.20
1997	32,092.72	21.37	1,501.42	6.24	9,374.47
1998	85,423.65	20.60	4,147.36	6.25	25,918.38
1999	67,816.05	19.81	3,423.53	6.25	21,413.49
2000	7,646.96	19.01	402.26	6.26	2,518.10
2001	84,144.53	18.20	4,623.09	6.26	28,962.51
2002	241,376.89	17.38	13,886.88	6.27	87,062.52
2003	91,731.26	16.55	5,541.92	6.27	34,769.31
2004	113,264.66	15.71	7,208.41	6.28	45,256.29
2006	84,479.92	14.00	6,032.37	6.29	37,922.90
2007	134,020.07	13.14	10,202.80	6.29	64,181.54
2008	475,052.12	12.26	38,757.12	6.29	243,959.27
2009	39,528.90	11.37	3,476.85	6.30	21,898.70
2010	51,580.43	10.47	4,925.70	6.30	31,042.75
2011	477,732.45	9.56	49,946.63	6.31	314,958.40
2012	94,728.72	8.65	10,952.90	6.31	69,107.58
2014	375,675.32	6.79	55,336.26	6.32	349,538.32
Total	8,124,078.49	20.14	403,364.52	6.22	2,506,931.00

HESKETT STATION - UNIT # 2

Interim Survivor Curve: Iowa 45 R0.5

Probable Retirement Year: 2028

1978	2,060,730.03	37.40	55,096.09	11.57	637,655.40
1980	3,223,617.43	36.49	88,353.95	11.69	1,032,490.40
1981	1,074,830.12	36.01	29,851.79	11.74	350,444.03
1982	201,803.21	35.51	5,682.70	11.79	67,004.84
1985	255,085.54	33.95	7,514.02	11.93	89,678.54
1986	223,006.57	33.40	6,676.96	11.98	79,987.17

Montana-Dakota Utilities Company

Electric Plant

312.00 Boiler Plant Equipment

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2014

Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1987	8,443,143.75	32.84	257,119.58	12.02	3,091,179.97
1988	5,972.74	32.26	185.13	12.06	2,233.32
1989	162,584.53	31.67	5,133.10	12.10	62,124.98
1990	247,226.83	31.07	7,956.50	12.14	96,598.33
1991	878,047.77	30.46	28,828.09	12.18	351,041.02
1992	137,154.00	29.83	4,597.68	12.21	56,145.54
1993	143,714.09	29.19	4,923.13	12.24	60,282.80
1994	127,427.96	28.54	4,464.93	12.28	54,813.34
1995	396,430.12	27.88	14,221.39	12.31	175,019.35
1996	190,257.48	27.20	6,994.90	12.34	86,285.83
1997	440,879.45	26.51	16,629.80	12.36	205,592.99
1998	510,999.38	25.81	19,797.28	12.39	245,268.17
1999	11,799.57	25.10	470.10	12.41	5,835.76
2000	44,043.36	24.38	1,806.73	12.44	22,471.31
2001	147,876.61	23.64	6,254.48	12.46	77,931.29
2002	252,351.51	22.90	11,020.64	12.48	137,554.48
2003	477,238.89	22.14	21,553.66	12.50	269,465.15
2004	177,623.75	21.37	8,309.94	12.52	104,056.24
2005	187,716.33	20.60	9,113.72	12.54	114,294.23
2006	8,123,219.14	19.81	410,081.27	12.56	5,150,311.27
2007	550,489.90	19.01	28,957.85	12.58	364,203.20
2008	921,224.13	18.20	50,614.08	12.59	637,453.85
2009	216,118.44	17.38	12,433.71	12.61	156,804.68
2011	112,507.80	15.71	7,160.24	12.64	90,532.36
2012	1,067,624.16	14.86	71,828.38	12.66	909,309.41
2013	1,040,426.67	14.00	74,292.66	12.68	941,660.70
2014	151,346.66	13.14	11,521.86	12.69	146,213.96
Total	32,204,517.92	24.98	1,289,446.36	12.31	15,871,943.90

Montana-Dakota Utilities Company

Electric Plant

312.00 Boiler Plant Equipment

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2014

Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
		LEWIS & CLARK STATION			
Interim Survivor Curve: Iowa 45 R0.5					
Probable Retirement Year: 2025					
1958	3,487,164.58	42.92	81,243.50	8.33	676,785.60
1959	44,306.47	42.71	1,037.45	8.40	8,713.51
1960	14,239.76	42.48	335.22	8.47	2,837.75
1962	985.25	41.98	23.47	8.59	201.62
1963	26,552.23	41.71	636.53	8.65	5,506.56
1964	399.13	41.43	9.63	8.71	83.89
1965	5,056.34	41.14	122.92	8.76	1,077.31
1966	10,904.35	40.83	267.09	8.82	2,355.35
1967	1,432.32	40.50	35.36	8.87	313.70
1968	1,199.56	40.16	29.87	8.92	266.45
1970	887.45	39.45	22.50	9.02	202.88
1975	2,449,779.24	37.40	65,497.79	9.23	604,728.98
1976	874,164.24	36.95	23,657.44	9.27	219,341.43
1977	24,825.15	36.49	680.42	9.31	6,334.19
1978	30,869.72	36.01	857.36	9.35	8,012.44
1979	36,867.68	35.51	1,038.18	9.38	9,738.55
1980	4,437.32	35.00	126.76	9.41	1,193.38
1981	6,826.07	34.48	197.95	9.45	1,870.04
1982	124,387.88	33.95	3,664.08	9.48	34,728.66
1983	19,551.89	33.40	585.40	9.51	5,566.13
1984	213,149.82	32.84	6,491.06	9.54	61,907.35
1985	425,720.99	32.26	13,195.68	9.57	126,219.18
1986	73,214.83	31.67	2,311.53	9.59	22,172.69
1987	59,193.80	31.07	1,905.03	9.62	18,322.46
1988	301,478.73	30.46	9,898.16	9.64	95,443.76
1989	3,620.19	29.83	121.36	9.67	1,173.05

Montana-Dakota Utilities Company

Electric Plant

312.00 Boiler Plant Equipment

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2014

Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1990	38,794.12	29.19	1,328.95	9.69	12,876.08
1991	135,360.93	28.54	4,742.90	9.71	46,056.07
1992	57,065.92	27.88	2,047.16	9.73	19,921.26
1993	78,583.76	27.20	2,889.17	9.75	28,171.75
1994	113,988.00	26.51	4,299.58	9.77	42,005.01
1995	1,083,814.02	25.81	41,989.42	9.79	410,973.32
1996	559,810.27	25.10	22,303.02	9.80	218,670.35
1997	448,031.39	24.38	18,378.97	9.82	180,493.66
1998	836,379.85	23.64	35,374.91	9.84	347,947.68
1999	1,226,145.66	22.90	53,547.94	9.85	527,483.90
2000	82,657.38	22.14	3,733.08	9.86	36,825.18
2001	80,780.49	21.37	3,779.23	9.88	37,330.40
2002	1,099,871.56	20.60	53,399.30	9.89	528,139.58
2003	387,118.93	19.81	19,542.77	9.90	193,521.25
2004	450,937.27	19.01	23,721.01	9.91	235,173.85
2005	832,107.14	18.20	45,717.80	9.93	453,766.50
2006	58,453.45	17.38	3,362.94	9.94	33,415.06
2007	23,109.68	16.55	1,396.17	9.95	13,887.44
2008	754,487.35	15.71	48,017.23	9.96	478,119.86
2009	3,947,351.59	14.86	265,572.75	9.97	2,647,059.21
2010	69,643.87	14.00	4,972.99	9.98	49,616.72
2011	63,942.82	13.14	4,867.90	9.99	48,615.35
2012	2,945,350.50	12.26	240,296.37	10.00	2,402,101.59
2013	310,602.58	11.37	27,319.76	10.01	273,356.56
2014	300,087.41	10.47	28,657.01	10.01	286,998.41
Total	24,225,690.93	20.61	1,175,250.05	9.76	11,467,622.97

Montana-Dakota Utilities Company

Electric Plant

312.00 Boiler Plant Equipment

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2014

Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
		COYOTE STATION			
Interim Survivor Curve: Iowa 45 R0.5					
Probable Retirement Year: 2041					
1979	24,622.15	41.71	590.26	19.08	11,261.19
1981	53,824,469.60	41.14	1,308,449.22	19.46	25,468,724.11
1982	713,790.46	40.83	17,483.55	19.65	343,564.11
1983	733,842.92	40.50	18,118.35	19.83	359,318.13
1984	110,530.73	40.16	2,751.92	20.01	55,059.97
1985	66,127.82	39.81	1,660.96	20.18	33,516.64
1986	62,573.43	39.45	1,586.27	20.35	32,274.27
1987	42,023.63	39.07	1,075.69	20.51	22,059.95
1988	5,115.48	38.67	132.28	20.66	2,733.46
1989	47,313.56	38.26	1,236.54	20.82	25,739.99
1990	539,992.14	37.84	14,270.47	20.96	299,160.31
1991	5,000,581.11	37.40	133,696.54	21.11	2,821,778.18
1992	363,894.59	36.95	9,848.05	21.24	209,204.49
1993	281,057.77	36.49	7,703.32	21.38	164,664.89
1994	473,952.30	36.01	13,163.31	21.50	283,058.94
1995	146,692.05	35.51	4,130.79	21.63	89,336.99
1996	142,547.20	35.00	4,072.28	21.75	88,554.11
1997	1,844,265.43	34.48	53,483.38	21.86	1,169,119.50
1998	3,949.52	33.95	116.34	21.97	2,555.87
1999	19,781.57	33.40	592.27	22.07	13,073.88
2000	304,768.52	32.84	9,281.13	22.17	205,807.18
2001	181,722.83	32.26	5,632.69	22.27	125,447.64
2002	24,109.04	31.67	761.17	22.36	17,022.69
2003	188,980.15	31.07	6,081.95	22.45	136,555.89
2004	254,955.33	30.46	8,370.70	22.54	188,660.37
2005	227,114.23	29.83	7,613.34	22.62	172,215.02

Montana-Dakota Utilities Company

Electric Plant

312.00 Boiler Plant Equipment

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2014

Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2006	887,673.11	29.19	30,408.51	22.70	690,244.81
2007	112,170.16	28.54	3,930.32	22.78	89,513.21
2008	236,611.31	27.88	8,488.11	22.85	193,941.43
2009	1,645,372.12	27.20	60,492.81	22.92	1,386,464.13
2010	197,198.13	26.51	7,438.24	22.99	170,990.42
2011	195,139.23	25.81	7,560.14	23.05	174,294.35
2012	1,370,189.89	25.10	54,588.79	23.12	1,262,023.65
2013	267,484.62	24.38	10,972.65	23.18	254,362.36
2014	351,763.12	23.64	14,877.92	23.24	345,796.91
Total	70,892,375.25	38.73	1,830,660.24	20.16	36,908,099.05

BIG STONE STATION

Interim Survivor Curve: Iowa 45 R0.5

Probable Retirement Year: 2046

1995	19,600,235.06	37.84	517,978.85	24.47	12,674,152.63
1996	1,155,594.20	37.40	30,896.20	24.64	761,189.73
1997	95,333.14	36.95	2,579.99	24.80	63,982.78
1998	1,211,314.64	36.49	33,200.10	24.96	828,552.91
1999	254,543.22	36.01	7,069.56	25.11	177,499.49
2000	13,683.68	35.51	385.33	25.25	9,730.66
2001	950,907.95	35.00	27,165.46	25.39	689,808.93
2002	317,110.63	34.48	9,196.15	25.53	234,753.88
2003	536,682.01	33.95	15,808.97	25.66	405,607.48
2004	70,128.59	33.40	2,099.70	25.78	54,133.66
2005	525,089.94	32.84	15,990.60	25.90	414,183.54
2006	36,092.11	32.26	1,118.71	26.02	29,105.97
2007	3,297,493.81	31.67	104,108.13	26.13	2,720,229.01
2008	80,729.53	31.07	2,598.12	26.24	68,166.25
2009	64,155.33	30.46	2,106.35	26.34	55,483.05

Montana-Dakota Utilities Company

Electric Plant

312.00 Boiler Plant Equipment

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2014

Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2010	296,107.08	29.83	9,926.12	26.44	262,461.00
2011	4,207,714.29	29.19	144,141.24	26.54	3,825,332.92
2012	446,197.31	28.54	15,634.25	26.63	416,387.77
2013	970,133.87	27.88	34,802.23	26.72	930,080.68
2014	113,274.17	27.20	4,164.57	26.81	111,666.80
Total	34,242,520.56	34.91	980,970.62	25.21	24,732,509.16

WYGEN III - Power Plant

Interim Survivor Curve: Iowa 45 R0.5

Probable Retirement Year: 2060

2010	27,876,922.37	37.40	745,323.01	34.32	25,577,855.17
2011	8,468.52	36.95	229.18	34.54	7,915.46
2012	7,066.28	36.49	193.67	34.75	6,730.47
2013	773,740.47	36.01	21,489.48	34.96	751,257.35
2014	982,846.07	35.51	27,676.55	35.16	973,137.42
Total	29,649,043.71	37.30	794,911.90	34.36	27,316,895.86
Account Total	212,016,956.79	29.61	7,159,381.72	17.79	127,363,836.29

Composite Average Remaining Life ... 17.79 Years

Montana-Dakota Utilities Company

Electric Plant

314.00 Turbogenerator Units

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2014

Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
		HESKETT STATION			
Interim Survivor Curve: Iowa 45 R0.5					
Probable Retirement Year: 2028					
1954	1,561,876.85	44.09	35,424.13	9.48	335,983.77
1957	271.63	43.66	6.22	9.84	61.24
1958	319.81	43.49	7.35	9.95	73.19
1959	961.87	43.32	22.21	10.06	223.42
1963	2,431,125.57	42.48	57,231.90	10.46	598,531.31
1964	9,412.58	42.24	222.85	10.55	2,350.98
1965	905.45	41.98	21.57	10.64	229.44
1966	2,668.79	41.71	63.98	10.72	686.12
1967	3,527.72	41.43	85.15	10.81	920.21
1968	1,125.63	41.14	27.36	10.89	297.95
1969	9,854.27	40.83	241.37	10.97	2,647.12
1970	147.77	40.50	3.65	11.04	40.29
1975	9,843.35	38.67	254.54	11.39	2,899.18
1978	1,590.42	37.40	42.52	11.57	492.13
1979	4,454.79	36.95	120.56	11.63	1,402.19
1982	585,665.45	35.51	16,492.10	11.79	194,458.86
1986	20,576.08	33.40	616.06	11.98	7,380.15
1987	1,145.43	32.84	34.88	12.02	419.36
1988	35,563.53	32.26	1,102.33	12.06	13,297.86
1989	4,431.92	31.67	139.92	12.10	1,693.48
1990	41,931.46	31.07	1,349.48	12.14	16,383.78
1991	5,599.89	30.46	183.86	12.18	2,238.82
1993	772,976.53	29.19	26,479.41	12.24	324,235.34
1994	26,582.19	28.54	931.41	12.28	11,434.37
1996	48,522.78	27.20	1,783.96	12.34	22,006.12
1998	19,431.98	25.81	752.84	12.39	9,326.91

Montana-Dakota Utilities Company

Electric Plant

314.00 Turbogenerator Units

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2014

Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2000	8,933.53	24.38	366.47	12.44	4,557.97
2002	17,225.83	22.90	752.28	12.48	9,389.64
2004	210,347.95	21.37	9,840.91	12.52	123,226.86
2005	221,632.08	20.60	10,760.34	12.54	134,944.40
2006	9,976.00	19.81	503.61	12.56	6,325.02
2008	79,770.75	18.20	4,382.78	12.59	55,198.48
2010	881,113.01	16.55	53,232.23	12.63	672,200.21
2011	182,054.80	15.71	11,586.37	12.64	146,495.19
2012	3,509.16	14.86	236.09	12.66	2,988.80
2013	24,795.46	14.00	1,770.54	12.68	22,441.67
Total	7,239,872.31	30.54	237,073.24	11.50	2,727,481.78

HESKETT STATION - UNIT # 1

Interim Survivor Curve: Iowa 45 R0.5

Probable Retirement Year: 2021

1999	132,262.00	19.81	6,676.93	6.25	41,762.84
2000	21,865.31	19.01	1,150.20	6.26	7,200.13
2002	1,059,009.26	17.38	60,926.86	6.27	381,975.34
2008	4,569.99	12.26	372.84	6.29	2,346.88
2010	914,417.48	10.47	87,322.80	6.30	550,325.59
2011	15,179.96	9.56	1,587.06	6.31	10,007.81
Total	2,147,304.00	13.59	158,036.69	6.29	993,618.60

HESKETT STATION - UNIT # 2

Interim Survivor Curve: Iowa 45 R0.5

Probable Retirement Year: 2028

1995	229,224.57	27.88	8,223.12	12.31	101,200.02
1997	79,941.29	26.51	3,015.35	12.36	37,278.60

Montana-Dakota Utilities Company

Electric Plant

314.00 Turbogenerator Units

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2014

Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1998	6,133.12	25.81	237.61	12.39	2,943.76
2000	1,763,409.99	24.38	72,337.92	12.44	899,707.22
2006	3,754,120.84	19.81	189,517.80	12.56	2,380,200.57
2007	5,240.20	19.01	275.65	12.58	3,466.91
2009	14,352.14	17.38	825.71	12.61	10,413.19
2012	774,300.90	14.86	52,093.97	12.66	659,482.16
2013	932,931.92	14.00	66,616.90	12.68	844,370.25
Total	7,559,654.97	19.23	393,144.03	12.56	4,939,062.69

LEWIS & CLARK STATION

Interim Survivor Curve: Iowa 45 R0.5

Probable Retirement Year: 2025

1958	2,453,236.65	42.92	57,155.18	8.33	476,121.85
1960	4,033.49	42.48	94.95	8.47	803.81
1963	132.43	41.71	3.17	8.65	27.46
1964	315.18	41.43	7.61	8.71	66.25
1967	1,481.42	40.50	36.58	8.87	324.46
1968	1,004.26	40.16	25.00	8.92	223.07
1970	84.74	39.45	2.15	9.02	19.37
1971	3,277.58	39.07	83.90	9.06	760.42
1975	17,040.50	37.40	455.60	9.23	4,206.45
1985	92,614.90	32.26	2,870.70	9.57	27,458.77
1986	13,678.42	31.67	431.85	9.59	4,142.43
1987	103,522.08	31.07	3,331.65	9.62	32,043.55
1989	48,558.05	29.83	1,627.77	9.67	15,734.27
1991	18,299.89	28.54	641.21	9.71	6,226.47
1992	2,864.82	27.88	102.77	9.73	1,000.09
1993	2,127.73	27.20	78.23	9.75	762.78
1996	333,231.85	25.10	13,276.06	9.80	130,165.40

Montana-Dakota Utilities Company

Electric Plant

314.00 Turbogenerator Units

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2014

Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1997	192,533.62	24.38	7,898.04	9.82	77,563.98
1998	82,493.43	23.64	3,489.08	9.84	34,318.61
1999	712,806.66	22.90	31,129.52	9.85	306,647.12
2002	41,990.32	20.60	2,038.65	9.89	20,163.04
2003	112,588.41	19.81	5,683.76	9.90	56,283.09
2004	6,210.19	19.01	326.68	9.91	3,238.75
2005	585,715.37	18.20	32,180.49	9.93	319,403.60
2006	9,963.66	17.38	573.23	9.94	5,695.75
2008	28,040.20	15.71	1,784.54	9.96	17,769.12
2011	220,877.53	13.14	16,815.17	9.99	167,931.88
2012	1,203,298.60	12.26	98,171.10	10.00	981,358.75
Total	6,292,021.98	22.45	280,314.63	9.60	2,690,460.60

COYOTE STATION

Interim Survivor Curve: Iowa 45 R0.5

Probable Retirement Year: 2041

1981	7,870,154.35	41.14	191,320.00	19.46	3,724,008.64
1982	1,011,932.17	40.83	24,786.21	19.65	487,066.72
1983	71,571.10	40.50	1,767.07	19.83	35,044.00
1986	5,817.57	39.45	147.48	20.35	3,000.60
1987	11,108.61	39.07	284.35	20.51	5,831.37
1988	18,545.82	38.67	479.57	20.66	9,909.98
1989	87,426.03	38.26	2,284.87	20.82	47,562.38
1990	9,901.32	37.84	261.66	20.96	5,485.42
1991	41,283.99	37.40	1,103.78	21.11	23,296.14
1992	10,861.62	36.95	293.95	21.24	6,244.39
1993	16,192.14	36.49	443.80	21.38	9,486.58
1994	3,508.43	36.01	97.44	21.50	2,095.34
1995	3,898.04	35.51	109.77	21.63	2,373.95

Montana-Dakota Utilities Company

Electric Plant

314.00 Turbogenerator Units

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2014

Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1996	58,140.68	35.00	1,660.96	21.75	36,118.54
1997	84,712.04	34.48	2,456.63	21.86	53,700.78
1998	11,082.65	33.95	326.46	21.97	7,171.95
2001	3,952.60	32.26	122.52	22.27	2,728.57
2002	18,250.45	31.67	576.20	22.36	12,886.11
2003	1,815,953.25	31.07	58,442.79	22.45	1,312,196.61
2004	32,735.89	30.46	1,074.79	22.54	24,223.71
2005	31,616.23	29.83	1,059.84	22.62	23,973.79
2006	83,869.58	29.19	2,873.07	22.70	65,216.06
2007	24,280.80	28.54	850.77	22.78	19,376.39
2008	115,282.20	27.88	4,135.59	22.85	94,492.50
2009	2,890,887.38	27.20	106,284.71	22.92	2,435,990.99
2010	46,798.78	26.51	1,765.23	22.99	40,579.20
2011	23,311.07	25.81	903.12	23.05	20,820.97
2012	2,301,533.85	25.10	91,693.83	23.12	2,119,844.97
2013	2,871,990.33	24.38	117,813.67	23.18	2,731,096.25
Total	19,576,598.97	31.81	615,420.13	21.71	13,361,822.91

BIG STONE STATION

Interim Survivor Curve: Iowa 45 R0.5

Probable Retirement Year: 2046

1975	4,485,975.07	43.66	102,747.69	19.87	2,041,311.32
1976	49,935.50	43.49	1,148.11	20.15	23,134.61
1977	1,850.39	43.32	42.72	20.43	872.68
1978	41,921.93	43.13	972.10	20.70	20,123.42
1982	6,427.94	42.24	152.19	21.74	3,308.07
1983	11,609.70	41.98	276.54	21.98	6,078.81
1984	3,964.90	41.71	95.05	22.22	2,112.11
1985	2,332.11	41.43	56.29	22.45	1,263.92

Montana-Dakota Utilities Company

Electric Plant

314.00 Turbogenerator Units

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2014

Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1986	605.82	41.14	14.73	22.68	334.06
1987	30,186.58	40.83	739.39	22.90	16,935.66
1988	49,327.44	40.50	1,217.88	23.12	28,158.72
1990	45,507.85	39.81	1,143.04	23.54	26,902.63
1991	257.18	39.45	6.52	23.73	154.74
1992	42,598.10	39.07	1,090.40	23.93	26,089.85
1993	197,116.59	38.67	5,097.15	24.11	122,909.13
1996	1,384,801.65	37.40	37,024.34	24.64	912,168.64
1998	26,865.26	36.49	736.33	24.96	18,376.14
1999	19,434.84	36.01	539.77	25.11	13,552.41
2000	5,244.67	35.51	147.69	25.25	3,729.56
2001	402,946.60	35.00	11,511.34	25.39	292,306.07
2002	46,019.69	34.48	1,334.56	25.53	34,067.92
2004	935.81	33.40	28.02	25.78	722.37
2005	2,206,228.46	32.84	67,186.41	25.90	1,740,241.92
2006	11,411.17	32.26	353.70	26.02	9,202.38
2007	2,483,449.14	31.67	78,407.19	26.13	2,048,692.37
2008	278,507.54	31.07	8,963.20	26.24	235,165.69
2009	44,419.68	30.46	1,458.39	26.34	38,415.19
2010	4,466.01	29.83	149.71	26.44	3,958.55
2011	156,731.19	29.19	5,369.05	26.54	142,488.04
2012	61,913.53	28.54	2,169.38	26.63	57,777.21
2013	50,168.95	27.88	1,799.74	26.72	48,097.66
2014	8,616.04	27.20	316.77	26.81	8,493.78
Total	12,161,777.33	36.60	332,295.39	23.86	7,927,145.63

WYGEN III - Power Plant

Interim Survivor Curve: Iowa 45 R0.5

Probable Retirement Year: 2060

Montana-Dakota Utilities Company

Electric Plant

314.00 Turbogenerator Units

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2014

Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2010	28,768,823.38	37.40	769,169.06	34.32	26,396,199.27
2011	2,281.03	36.95	61.73	34.54	2,132.06
2012	170,053.80	36.49	4,660.89	34.75	161,972.26
2014	127,553.70	35.51	3,591.86	35.16	126,293.71
Total	29,068,711.91	37.39	777,483.54	34.32	26,686,597.30
Account Total	84,045,941.47	30.08	2,793,767.66	21.24	59,326,189.51

Composite Average Remaining Life ... 21.24 Years

Montana-Dakota Utilities Company

Electric Plant

315.00 Accessory Electric Equipment

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2014

Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
		HESKETT STATION			
Interim Survivor Curve: Iowa 50 R2.5					
Probable Retirement Year: 2028					
1954	382,441.60	49.75	7,686.61	7.15	54,977.38
1958	962.43	49.46	19.46	7.91	153.84
1963	635,487.02	48.80	13,022.78	8.91	116,003.40
1964	3,531.38	48.61	72.64	9.11	661.88
1967	63.49	47.93	1.32	9.71	12.87
1978	3,516.44	43.50	80.84	11.54	932.48
1980	52,357.11	42.37	1,235.85	11.77	14,551.56
1981	2,682.77	41.76	64.24	11.88	763.39
1987	812.51	37.70	21.55	12.41	267.45
1991	105,185.31	34.64	3,036.60	12.66	38,458.47
1992	1,402.37	33.84	41.45	12.72	527.16
1993	53,195.12	33.02	1,610.98	12.77	20,572.97
1994	53,070.92	32.19	1,648.59	12.82	21,132.53
1995	21,405.07	31.35	682.75	12.86	8,782.77
1997	17,844.36	29.64	602.09	12.95	7,794.97
1998	15,202.86	28.76	528.52	12.98	6,862.39
2003	8,813.99	24.27	363.14	13.14	4,771.94
2006	17,389.96	21.49	809.26	13.21	10,693.10
2008	6,144.62	19.60	313.44	13.25	4,154.38
2011	261,665.29	16.74	15,631.03	13.31	207,982.33
2012	317,642.33	15.78	20,133.26	13.32	268,186.68
2013	13,884.71	14.81	937.52	13.33	12,501.20
Total	1,974,701.66	28.81	68,543.92	11.68	800,745.15

Montana-Dakota Utilities Company
Electric Plant
315.00 Accessory Electric Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
		HESKETT STATION - UNIT # 1			
Interim Survivor Curve: Iowa 50 R2.5					
Probable Retirement Year: 2021					
1998	7,601.43	22.42	339.01	6.40	2,169.43
2000	16,208.80	20.55	788.79	6.41	5,058.70
2009	16,564.44	11.89	1,393.22	6.46	8,995.90
2010	88,305.21	10.91	8,094.12	6.46	52,289.93
Total	128,679.88	12.12	10,615.14	6.45	68,513.95
		HESKETT STATION - UNIT # 2			
Interim Survivor Curve: Iowa 50 R2.5					
Probable Retirement Year: 2028					
1995	4,727.40	31.35	150.79	12.86	1,939.71
1998	7,601.43	28.76	264.26	12.98	3,431.20
2000	19,307.01	26.99	715.28	13.05	9,336.38
2003	25,944.38	24.27	1,068.91	13.14	14,046.41
2006	7,896.73	21.49	367.48	13.21	4,855.71
Total	65,476.95	25.51	2,566.72	13.09	33,609.41
		LEWIS & CLARK STATION			
Interim Survivor Curve: Iowa 50 R2.5					
Probable Retirement Year: 2025					
1958	652,052.89	49.11	13,276.35	6.97	92,571.63
1959	69,174.71	48.97	1,412.74	7.11	10,049.71
1963	593.04	48.18	12.31	7.68	94.55
1967	710.81	47.03	15.11	8.23	124.34
1968	1,792.49	46.68	38.40	8.36	320.83

Montana-Dakota Utilities Company
Electric Plant
315.00 Accessory Electric Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1979	3,971.11	41.14	96.53	9.44	911.54
1984	3,721.79	37.70	98.71	9.74	961.79
1988	15,336.68	34.64	442.76	9.92	4,392.57
1991	11,531.35	32.19	358.21	10.03	3,591.88
1993	29,110.07	30.50	954.44	10.09	9,628.37
1994	618.49	29.64	20.87	10.12	211.10
1995	5,929.06	28.76	206.12	10.14	2,090.38
1997	9,120.46	26.99	337.89	10.19	3,442.70
2005	61,036.74	19.60	3,113.49	10.33	32,155.74
2006	139,100.14	18.65	7,456.89	10.34	77,108.99
Total	1,003,799.83	36.05	27,840.84	8.54	237,656.12

COYOTE STATION

Interim Survivor Curve: Iowa 50 R2.5
Probable Retirement Year: 2041

1981	6,787,758.65	47.65	142,444.94	18.89	2,690,809.06
1982	46,782.77	47.35	987.96	19.28	19,051.49
1983	6,722.92	47.03	142.95	19.66	2,811.13
1986	4,415.15	45.90	96.19	20.73	1,993.68
1988	1,096.41	45.02	24.35	21.36	520.33
1989	6,485.39	44.54	145.61	21.66	3,154.32
1992	9,242.29	42.95	215.21	22.47	4,836.14
1994	526.72	41.76	12.61	22.94	289.39
1995	7,322.68	41.14	178.01	23.16	4,123.26
1996	20,788.14	40.49	513.42	23.37	11,998.53
1997	6,773.43	39.82	170.09	23.57	4,008.29
2002	12,555.72	36.20	346.82	24.39	8,459.60
2005	6,483.35	33.84	191.61	24.78	4,748.79
2006	18,018.40	33.02	545.68	24.90	13,587.15

Montana-Dakota Utilities Company

Electric Plant

315.00 Accessory Electric Equipment

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2014

Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2007	28,415.88	32.19	882.71	25.01	22,075.42
2008	1,180,526.67	31.35	37,654.88	25.11	945,564.84
2009	402,326.37	30.50	13,191.25	25.21	332,522.06
2010	110,974.32	29.64	3,744.44	25.30	94,727.91
2011	52,314.79	28.76	1,818.71	25.38	46,164.86
2012	34,735.51	27.88	1,245.76	25.46	31,720.77
2014	4,473.40	26.09	171.44	25.61	4,390.13
Total	8,748,738.96	42.73	204,724.65	20.75	4,247,557.14

BIG STONE STATION

Interim Survivor Curve: Iowa 50 R2.5

Probable Retirement Year: 2046

1975	2,902,227.67	49.55	58,567.14	17.10	1,001,511.52
1976	14,409.95	49.46	291.32	17.63	5,136.22
1977	3,769.60	49.36	76.37	18.16	1,386.93
1978	1,070.89	49.25	21.75	18.69	406.45
1980	4,709.76	48.97	96.19	19.74	1,898.57
1981	28,400.37	48.80	582.00	20.25	11,787.70
1988	5,045.68	47.03	107.29	23.58	2,529.95
1989	2,796.91	46.68	59.92	24.00	1,438.23
1990	1,033.94	46.30	22.33	24.41	545.08
1992	7,864.16	45.47	172.94	25.18	4,354.38
1994	16,963.21	44.54	380.87	25.88	9,857.88
2000	22,641.60	41.14	550.40	27.63	15,206.42
2001	1,451.70	40.49	35.85	27.87	999.21
2002	2,680.81	39.82	67.32	28.10	1,891.54
2004	7,263.46	38.43	189.02	28.52	5,390.36
2005	502,440.48	37.70	13,326.49	28.71	382,609.51
2007	7,051.04	36.20	194.77	29.06	5,660.84

Montana-Dakota Utilities Company
Electric Plant
315.00 Accessory Electric Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2008	14,149.65	35.43	399.39	29.23	11,672.71
2009	8,166.90	34.64	235.77	29.38	6,926.65
2010	15,732.58	33.84	464.96	29.52	13,726.75
2011	383,144.98	33.02	11,603.30	29.66	344,125.99
2012	54,847.41	32.19	1,703.77	29.78	50,746.36
2013	52,101.67	31.35	1,661.87	29.90	49,696.72
2014	177,194.55	30.50	5,809.76	30.02	174,386.68
Total	4,237,158.97	43.85	96,620.76	21.77	2,103,892.67

WYGEN III - Power Plant

Interim Survivor Curve: Iowa 50 R2.5
Probable Retirement Year: 2060

2010	3,356,146.18	43.50	77,150.84	39.24	3,027,728.50
2013	83,895.56	41.76	2,008.89	40.33	81,024.57
2014	148,222.02	41.14	3,603.17	40.66	146,501.76
Total	3,588,263.76	43.36	82,762.91	39.33	3,255,254.83
Account Total	19,746,820.01	40.00	493,674.94	21.77	10,747,229.26

Composite Average Remaining Life ... 21.77 Years

Montana-Dakota Utilities Company
Electric Plant
316.00 Miscellaneous Power Plant Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
		HESKETT STATION			
Interim Survivor Curve: Iowa 30 R0.5					
Probable Retirement Year: 2028					
1954	17,926.18	0.00	0.00	0.00	0.00
1955	8,607.01	30.00	286.88	0.50	143.44
1956	1,499.03	30.00	49.96	0.82	41.16
1957	235.37	30.00	7.85	1.27	9.97
1958	129.16	30.00	4.31	1.73	7.43
1959	5,103.20	30.00	170.10	2.18	371.29
1960	775.45	30.00	25.85	2.63	67.97
1961	1,148.64	30.00	38.29	3.06	117.31
1962	866.16	30.00	28.87	3.49	100.75
1963	22,545.82	30.00	751.49	3.91	2,935.45
1964	1,396.76	30.00	46.56	4.31	200.84
1965	4,514.90	30.00	150.49	4.72	709.90
1966	231.30	0.00	0.00	0.00	0.00
1967	2,838.23	30.00	94.60	5.51	521.50
1968	1,157.11	30.00	38.57	5.90	227.63
1969	223.00	30.00	7.43	6.28	46.65
1970	475.21	29.98	15.85	6.61	104.76
1971	287.25	29.96	9.59	6.92	66.31
1972	3,432.10	29.93	114.69	7.20	825.62
1973	723.12	29.88	24.20	7.46	180.60
1974	3,250.06	29.83	108.96	7.71	840.43
1975	547.72	29.76	18.41	7.95	146.32
1976	2,160.73	29.68	72.80	8.18	595.20
1977	1,258.55	29.58	42.54	8.39	356.98
1978	22,126.90	29.47	750.70	8.60	6,454.60
1979	4,571.80	29.35	155.77	8.80	1,370.22

Montana-Dakota Utilities Company
Electric Plant
316.00 Miscellaneous Power Plant Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1980	15,893.83	29.21	544.13	8.99	4,890.33
1981	1,358.21	29.05	46.75	9.17	428.75
1982	1,406.48	28.88	48.71	9.35	455.29
1983	21,575.86	28.68	752.21	9.52	7,159.26
1984	14,264.81	28.47	501.03	9.68	4,850.57
1985	10,670.83	28.24	377.87	9.84	3,717.82
1986	56,577.88	27.99	2,021.52	9.99	20,195.69
1987	9,731.89	27.72	351.13	10.14	3,559.03
1988	16,621.45	27.42	606.10	10.28	6,228.39
1989	16,891.30	27.11	623.05	10.41	6,486.40
1990	23,730.90	26.78	886.27	10.54	9,340.91
1991	36,450.00	26.42	1,379.60	10.66	14,711.31
1992	32,316.41	26.04	1,240.84	10.78	13,378.54
1993	10,372.01	25.65	404.43	10.89	4,406.27
1994	38,083.00	25.23	1,509.66	11.00	16,610.95
1995	9,837.22	24.79	396.90	11.11	4,407.92
1996	13,457.52	24.32	553.28	11.20	6,198.79
1997	181,410.63	23.84	7,609.53	11.30	85,962.76
1998	125,635.28	23.34	5,383.79	11.38	61,292.41
1999	58,838.56	22.81	2,579.38	11.47	29,579.43
2000	19,577.39	22.27	879.25	11.55	10,151.94
2001	41,808.26	21.70	1,926.59	11.62	22,386.42
2002	10,397.92	21.12	492.43	11.69	5,755.89
2003	55,852.84	20.51	2,723.08	11.75	32,005.86
2004	38,861.88	19.89	1,954.12	11.81	23,085.99
2005	33,066.73	19.24	1,718.24	11.87	20,396.22
2006	171,042.19	18.58	9,203.98	11.92	109,741.09
2007	133,703.38	17.90	7,467.64	11.97	89,406.49
2008	329,929.91	17.21	19,173.58	12.02	230,443.97
2009	21,476.13	16.49	1,302.11	12.06	15,706.91

Montana-Dakota Utilities Company

Electric Plant

316.00 Miscellaneous Power Plant Equipment

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2014

Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2010	821,208.62	15.76	52,100.45	12.10	630,626.20
2011	132,401.04	15.01	8,818.46	12.14	107,086.63
2012	42,885.33	14.25	3,009.55	12.18	36,660.11
2013	16,759.12	13.47	1,244.24	12.22	15,201.43
2014	377,346.52	12.67	29,775.07	12.25	364,812.90
Total	3,049,472.09	17.67	172,619.73	11.78	2,033,771.19

HESKETT STATION - UNIT # 1

Interim Survivor Curve: Iowa 30 R0.5

Probable Retirement Year: 2021

1999	36,782.66	18.58	1,979.32	6.05	11,975.98
2003	276,869.09	15.76	17,565.58	6.11	107,375.71
Total	313,651.75	16.05	19,544.90	6.11	119,351.68

HESKETT STATION - UNIT # 2

Interim Survivor Curve: Iowa 30 R0.5

Probable Retirement Year: 2028

1995	4,053,740.82	24.79	163,554.56	11.11	1,816,426.00
2001	4,117.77	21.70	189.75	11.62	2,204.88
2003	174,416.45	20.51	8,503.60	11.75	99,947.44
2004	1,147.21	19.89	57.69	11.81	681.50
2005	19,577.36	19.24	1,017.29	11.87	12,075.70
2006	2,160.66	18.58	116.27	11.92	1,386.28
2014	7,429.10	12.67	586.20	12.25	7,182.34
Total	4,262,589.37	24.49	174,025.36	11.15	1,939,904.15

Montana-Dakota Utilities Company
Electric Plant
316.00 Miscellaneous Power Plant Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*

LEWIS & CLARK STATION

Interim Survivor Curve: Iowa 30 R0.5
Probable Retirement Year: 2025

1958	16,765.38	30.00	558.82	1.73	964.96
1959	1,989.37	30.00	66.31	2.18	144.74
1960	116.36	30.00	3.88	2.63	10.20
1961	219.30	30.00	7.31	3.06	22.40
1962	339.53	30.00	11.32	3.49	39.49
1963	849.19	0.00	0.00	0.00	0.00
1964	1,148.80	30.00	38.29	4.31	165.18
1965	420.41	30.00	14.01	4.71	65.98
1966	226.54	30.00	7.55	5.08	38.35
1967	272.59	29.98	9.09	5.39	49.02
1968	114.17	29.96	3.81	5.67	21.60
1969	962.38	29.93	32.16	5.91	190.19
1970	185.71	29.88	6.21	6.14	38.14
1971	829.29	29.83	27.80	6.34	176.35
1972	22.47	29.76	0.76	6.53	4.93
1973	215.43	29.68	7.26	6.71	48.73
1974	67.55	29.58	2.28	6.88	15.71
1975	89.98	29.47	3.05	7.04	21.50
1976	556.33	29.35	18.95	7.19	136.36
1977	2,833.58	29.21	97.01	7.34	711.86
1978	730.29	29.05	25.14	7.48	187.92
1979	862.74	28.88	29.88	7.61	227.28
1980	2,561.09	28.68	89.29	7.73	690.46
1981	593.96	28.47	20.86	7.85	163.83
1982	826.85	28.24	29.28	7.97	233.31
1983	963.00	27.99	34.41	8.08	277.96

Montana-Dakota Utilities Company
Electric Plant
316.00 Miscellaneous Power Plant Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1984	3,128.10	27.72	112.86	8.18	923.62
1985	5,984.82	27.42	218.24	8.28	1,808.01
1986	3,108.31	27.11	114.65	8.38	960.94
1987	771.12	26.78	28.80	8.47	244.03
1988	1,004.02	26.42	38.00	8.56	325.38
1989	2,255.46	26.04	86.60	8.65	748.83
1990	1,866.59	25.65	72.78	8.73	635.21
1991	127.60	25.23	5.06	8.80	44.54
1992	1,664.17	24.79	67.14	8.88	596.09
1993	2,827.03	24.32	116.23	8.95	1,039.95
1994	5,866.93	23.84	246.10	9.01	2,218.30
1995	10,309.84	23.34	441.80	9.08	4,010.12
1996	35,130.19	22.81	1,540.05	9.14	14,070.07
1997	621,474.99	22.27	27,911.48	9.19	256,573.89
1998	8,420.09	21.70	388.01	9.25	3,587.28
1999	2,769,460.68	21.12	131,157.58	9.29	1,219,108.61
2000	18,422.00	20.51	898.16	9.34	8,390.36
2001	64,812.04	19.89	3,258.99	9.39	30,586.95
2002	21,437.05	19.24	1,113.93	9.43	10,500.03
2003	36,915.98	18.58	1,986.49	9.46	18,800.54
2004	80,558.27	17.90	4,499.36	9.50	42,741.80
2005	25,844.68	17.21	1,501.94	9.53	14,317.08
2006	18,227.33	16.49	1,105.14	9.56	10,568.50
2007	50,126.77	15.76	3,180.22	9.59	30,503.65
2008	47,715.28	15.01	3,178.04	9.62	30,568.06
2009	2,845.05	14.25	199.66	9.64	1,925.49
2010	20,666.59	13.47	1,534.34	9.67	14,834.39
2011	124,186.50	12.67	9,799.11	9.69	94,967.38
2012	313,561.01	11.86	26,434.96	9.71	256,783.85
2013	274,081.40	11.03	24,838.07	9.74	241,806.43

Montana-Dakota Utilities Company
Electric Plant
316.00 Miscellaneous Power Plant Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2014	489,071.08	10.19	47,981.73	9.76	468,116.13
Total	5,096,633.26	17.27	295,200.27	9.44	2,786,952.00

COYOTE STATION

Interim Survivor Curve: Iowa 30 R0.5

Probable Retirement Year: 2041

1977	28,724.22	30.00	957.42	9.57	9,158.74
1978	104.79	30.00	3.49	10.00	34.91
1979	2,295.40	0.00	0.00	0.00	0.00
1980	1,322.12	30.00	44.07	10.87	479.24
1981	407,221.63	30.00	13,573.81	11.32	153,684.46
1982	17,093.79	30.00	569.87	11.77	6,707.17
1983	46,632.93	29.98	1,555.33	12.21	18,985.33
1984	15,894.80	29.96	530.54	12.63	6,702.94
1985	22,556.70	29.93	753.74	13.05	9,839.04
1986	51,723.97	29.88	1,730.92	13.47	23,307.39
1987	11,911.98	29.83	399.37	13.87	5,539.17
1988	8,430.91	29.76	283.30	14.27	4,042.03
1989	18,477.80	29.68	622.60	14.66	9,125.86
1990	9,641.07	29.58	325.89	15.04	4,901.52
1991	7,513.17	29.47	254.90	15.42	3,929.57
1992	17,946.97	29.35	611.47	15.78	9,651.13
1993	14,098.47	29.21	482.66	16.14	7,791.32
1994	196,940.34	29.05	6,778.88	16.49	111,803.76
1995	5,711.46	28.88	197.79	16.83	3,329.58
1996	12,978.94	28.68	452.49	17.17	7,767.39
1997	1,658.68	28.47	58.26	17.49	1,018.83
1998	12,615.82	28.24	446.75	17.80	7,951.98
1999	27,908.81	27.99	997.18	18.10	18,049.76

Montana-Dakota Utilities Company
Electric Plant
316.00 Miscellaneous Power Plant Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2000	10,662.05	27.72	384.69	18.39	7,074.98
2001	53,977.69	27.42	1,968.29	18.67	36,749.29
2002	24,306.66	27.11	896.58	18.94	16,979.97
2003	1,023,258.79	26.78	38,215.17	19.20	733,559.35
2004	84,494.67	26.42	3,198.04	19.44	62,172.23
2005	15,494.12	26.04	594.92	19.67	11,704.84
2006	65,822.93	25.65	2,566.62	19.90	51,069.32
2007	46,788.84	25.23	1,854.77	20.11	37,298.50
2008	84,963.17	24.79	3,427.97	20.31	69,626.01
2010	68,461.68	23.84	2,871.72	20.69	59,405.23
2011	23,286.29	23.34	997.88	20.86	20,816.24
2012	1,038,414.70	22.81	45,522.36	21.03	957,196.03
2013	108,222.79	22.27	4,860.47	21.19	102,971.90
2014	22,550.55	21.70	1,039.17	21.34	22,172.82
Total	3,610,109.70	25.78	140,029.40	18.66	2,612,597.81

BIG STONE STATION

Interim Survivor Curve: Iowa 30 R0.5

Probable Retirement Year: 2046

1975	281,489.82	30.00	9,382.49	8.72	81,854.32
1977	4,246.87	30.00	141.55	9.57	1,354.12
1978	5,741.73	30.00	191.38	10.00	1,913.02
1979	6,585.76	30.00	219.51	10.43	2,289.97
1980	2,318.99	30.00	77.30	10.87	840.58
1981	7,217.00	30.00	240.55	11.32	2,724.17
1982	3,899.48	30.00	129.98	11.78	1,531.32
1983	4,958.07	30.00	165.26	12.25	2,023.75
1984	8,843.86	0.00	0.00	0.00	0.00
1985	5,174.26	30.00	172.47	13.20	2,276.06

Montana-Dakota Utilities Company
Electric Plant
316.00 Miscellaneous Power Plant Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1986	11,476.00	30.00	382.53	13.68	5,233.81
1987	54,570.78	30.00	1,819.26	14.17	25,777.51
1988	6,423.36	29.98	214.24	14.65	3,138.43
1989	31,708.29	29.96	1,058.37	15.12	16,005.26
1990	9,438.23	29.93	315.38	15.59	4,916.56
1991	12,186.24	29.88	407.81	16.05	6,545.32
1992	8,192.39	29.83	274.67	16.50	4,533.10
1993	20,439.90	29.76	686.84	16.95	11,642.93
1994	16,787.21	29.68	565.64	17.39	9,837.46
1995	45,399.17	29.58	1,534.58	17.82	27,352.89
1996	42,238.25	29.47	1,433.02	18.25	26,150.24
1997	8,530.69	29.35	290.65	18.66	5,424.62
1998	6,441.60	29.21	220.53	19.07	4,205.35
1999	31,595.44	29.05	1,087.55	19.46	21,168.62
2000	20,900.08	28.88	723.77	19.85	14,366.34
2001	14,448.93	28.68	503.74	20.22	10,186.93
2002	21,744.74	28.47	763.75	20.58	15,720.98
2003	9,005.89	28.24	318.91	20.93	6,675.91
2004	11,064.78	27.99	395.34	21.27	8,408.91
2005	33,661.18	27.72	1,214.50	21.59	26,225.63
2006	22,120.87	27.42	806.63	21.91	17,669.33
2007	19,209.01	27.11	708.55	22.20	15,732.23
2008	30,224.49	26.78	1,128.78	22.49	25,386.12
2009	146,830.38	26.42	5,557.39	22.76	126,511.95
2010	29,714.94	26.04	1,140.95	23.03	26,273.75
2011	11,874.95	25.65	463.04	23.28	10,779.60
2012	31,478.69	25.23	1,247.86	23.52	29,352.41
2013	164,317.48	24.79	6,629.65	23.75	157,481.12
2014	56,278.07	24.32	2,313.77	23.98	55,475.64

Montana-Dakota Utilities Company
Electric Plant
316.00 Miscellaneous Power Plant Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
Total	1,258,777.87	28.02	44,928.18	18.14	814,986.23
		WYGEN III - Power Plant			
Interim Survivor Curve: Iowa 30 R0.5					
Probable Retirement Year: 2060					
2010	9,443.78	29.47	320.40	26.67	8,546.06
Total	9,443.78	29.47	320.40	26.67	8,546.06
Account Total	17,600,677.82	20.79	846,668.24	12.18	10,316,109.13

Composite Average Remaining Life ... 12.18 Years

Montana-Dakota Utilities Company
Electric Plant
341.10 Other Production Structures & Improvements
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
			GLENDIVE TURBINE		
Interim Survivor Curve: Iowa 70 R1					
Probable Retirement Year: 2022					
1979	201.70	38.63	5.22	7.27	37.96
1983	4,718.63	35.49	132.97	7.29	969.60
1989	11,483.74	30.57	375.69	7.32	2,749.25
1993	1,620.51	27.16	59.66	7.33	437.43
1994	1,424.22	26.30	54.16	7.34	397.28
1997	974.64	23.66	41.19	7.34	302.49
2008	257,912.63	13.61	18,954.02	7.38	139,788.41
Total	278,336.07	14.18	19,622.90	7.37	144,682.42
			GLENDIVE II TURBINE		
Interim Survivor Curve: Iowa 70 R1					
Probable Retirement Year: 2046					
2008	15,386.47	34.68	443.62	29.00	12,865.13
Total	15,386.47	34.68	443.62	29.00	12,865.13
			MILES CITY TURBINE		
Interim Survivor Curve: Iowa 70 R1					
Probable Retirement Year: 2019					
1978	4,636.58	37.07	125.06	4.42	552.40
1996	5,264.17	21.88	240.57	4.44	1,069.02
2005	29,641.95	13.61	2,178.39	4.45	9,700.01
2006	32,225.75	12.66	2,544.78	4.45	11,334.16
2008	75,421.88	10.76	7,008.15	4.46	31,227.05
2013	60,431.80	5.93	10,188.43	4.46	45,445.02

Montana-Dakota Utilities Company
Electric Plant
341.10 Other Production Structures & Improvements
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
Total	207,622.13	9.32	22,285.39	4.46	99,327.66
		PORTABLE GENERATORS			
Interim Survivor Curve: Iowa 70 R1					
Probable Retirement Year: 2047					
2005	30,137.23	37.86	796.07	29.66	23,614.57
2012	135,973.35	32.23	4,218.45	30.03	126,663.57
Total	166,110.58	33.13	5,014.52	29.97	150,278.13
Account Total	667,455.25	14.09	47,366.43	8.60	407,153.34

Composite Average Remaining Life ... 8.60 Years

Montana-Dakota Utilities Company
Electric Plant
341.20 Structures & Improvements-Wind Farm
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
		DIAMOND WILLOW WIND FARM			
Interim Survivor Curve: Iowa 70 R1					
Probable Retirement Year:	*2027*				
2007	1,862,158.47	19.17	97,142.97	12.14	1,178,920.99
2010	1,501,835.38	16.41	91,517.64	12.16	1,112,674.55
Total	3,363,993.85	17.83	188,660.61	12.15	2,291,595.54
		CEDAR HILLS WIND FARM			
Interim Survivor Curve: Iowa 70 R1					
Probable Retirement Year:	*2030*				
2010	2,799,226.32	19.17	146,026.86	14.97	2,185,339.07
Total	2,799,226.32	19.17	146,026.86	14.97	2,185,339.07
Account Total	6,163,220.17	18.41	334,687.47	13.38	4,476,934.60

Composite Average Remaining Life ... 13.38 Years

Montana-Dakota Utilities Company
Electric Plant
342.00 Fuel Holders, Producers & Accessories
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
		GLENDIVE TURBINE			
Interim Survivor Curve: Iowa 43 R5					
Probable Retirement Year: 2022					
1980	4,305.00	40.14	107.26	6.45	692.08
1987	1,172.41	34.67	33.81	7.27	245.81
1991	11,079.56	30.91	358.46	7.42	2,660.97
1993	22,315.05	28.96	770.62	7.46	5,749.93
1994	65,828.13	27.97	2,353.37	7.47	17,588.78
2007	204,752.46	15.00	13,650.16	7.50	102,376.23
Total	309,452.61	17.91	17,273.69	7.49	129,313.81
		GLENDIVE II TURBINE			
Interim Survivor Curve: Iowa 43 R5					
Probable Retirement Year: 2046					
2006	102,515.47	38.81	2,641.61	30.31	80,061.81
2007	11,289.90	38.06	296.63	30.56	9,065.20
2009	1,941,845.46	36.43	53,296.95	30.93	1,648,712.21
Total	2,055,650.83	36.55	56,235.19	30.90	1,737,839.22
		MILES CITY TURBINE			
Interim Survivor Curve: Iowa 43 R5					
Probable Retirement Year: 2019					
1975	74,848.64	41.21	1,816.39	3.70	6,720.00
1978	258.35	39.50	6.54	4.03	26.38
1980	2,072.92	38.06	54.46	4.19	228.18
1988	11,257.93	30.91	364.23	4.45	1,621.87
1991	5,393.54	27.97	192.82	4.48	864.19

Montana-Dakota Utilities Company
Electric Plant
342.00 Fuel Holders, Producers & Accessories
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2013	107,005.90	6.00	17,834.32	4.50	80,254.43
Total	200,837.28	9.91	20,268.76	4.43	89,715.04
		PORTABLE GENERATORS			
Interim Survivor Curve: Iowa 43 R5					
Probable Retirement Year: 2047					
2005	20,091.49	40.14	500.58	30.64	15,336.02
2012	135,973.35	34.67	3,921.52	32.17	126,169.54
Total	156,064.84	35.29	4,422.10	32.00	141,505.56
Account Total	2,722,005.56	27.72	98,199.74	21.37	2,098,373.62

Composite Average Remaining Life ... 21.37 Years

Montana-Dakota Utilities Company
Electric Plant
344.10 Generators

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
		HESKETT III GAS TURBINE			
Interim Survivor Curve: Iowa 55 R3					
Probable Retirement Year: 2057					
2014	52,131,730.78	40.73	1,279,976.58	40.23	51,498,970.50
Total	52,131,730.78	40.73	1,279,976.58	40.23	51,498,970.50
		GLENDIVE TURBINE			
Interim Survivor Curve: Iowa 55 R3					
Probable Retirement Year: 2022					
1979	4,460,173.97	40.73	109,509.47	7.15	782,502.95
1980	7,320.08	39.93	183.34	7.17	1,314.72
1981	278,930.23	39.11	7,132.21	7.19	51,311.03
1982	2,194.14	38.28	57.32	7.22	413.63
1983	319,427.63	37.43	8,532.88	7.24	61,745.37
1984	4,297.67	36.58	117.49	7.26	852.37
1986	9,144.04	34.84	262.47	7.29	1,913.17
1987	111.98	33.95	3.30	7.30	24.09
1994	134,105.48	27.52	4,872.48	7.39	36,003.16
1999	1,582.84	22.75	69.57	7.43	516.89
2000	176,856.20	21.78	8,118.55	7.44	60,370.80
2005	6,048.10	16.90	357.84	7.46	2,670.30
2006	17,362.81	15.92	1,090.80	7.47	8,144.21
2007	1,298,998.74	14.93	86,998.18	7.47	649,864.83
2011	19,242.42	10.97	1,754.04	7.48	13,123.11
Total	6,735,796.33	29.41	229,059.94	7.29	1,670,770.62

Montana-Dakota Utilities Company
Electric Plant
344.10 Generators

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
		GLENDIVE II TURBINE			
Interim Survivor Curve: Iowa 55 R3					
Probable Retirement Year: 2046					
2003	17,938,437.97	40.73	440,437.72	29.49	12,986,938.58
2007	29,945.96	37.43	799.95	30.06	24,042.90
Total	17,968,383.93	40.72	441,237.66	29.49	13,010,981.48
		MILES CITY TURBINE			
Interim Survivor Curve: Iowa 55 R3					
Probable Retirement Year: 2019					
1972	1,865,820.31	43.78	42,616.45	4.30	183,221.17
1973	15,141.51	43.04	351.77	4.31	1,517.43
1995	9,112.50	23.71	384.26	4.47	1,716.31
1996	4,888.57	22.75	214.87	4.47	960.33
2000	177,974.74	18.86	9,435.14	4.48	42,263.05
2004	556,340.68	14.93	37,259.95	4.49	167,167.01
2011	18,860.23	7.99	2,361.45	4.49	10,613.07
2013	20,175.83	5.99	3,366.40	4.50	15,134.18
Total	2,668,314.37	27.80	95,990.28	4.40	422,592.56
		PORTABLE GENERATORS			
Interim Survivor Curve: Iowa 55 R3					
Probable Retirement Year: 2047					
2005	191,299.80	39.93	4,791.40	30.61	146,670.77
2012	1,206,071.50	33.95	35,523.18	31.48	1,118,208.03
Total	1,397,371.30	34.66	40,314.58	31.38	1,264,878.80

Montana-Dakota Utilities Company

Electric Plant

344.10 Generators

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2014

Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
		ORMAT GENERATION FACILITY			
Interim Survivor Curve: Iowa 55 R3					
Probable Retirement Year: 2029					
2009	14,990,109.57	19.84	755,559.61	14.38	10,863,494.77
2012	122,659.37	16.90	7,257.27	14.41	104,608.34
2013	71,353.50	15.92	4,482.72	14.42	64,660.13
Total	15,184,122.44	19.79	767,299.60	14.38	11,032,763.23
Account Total	96,085,719.15	33.67	2,853,878.64	27.65	78,900,957.18

Composite Average Remaining Life ... 27.65 Years

Montana-Dakota Utilities Company

Electric Plant

344.20 Generators-Wind Farm

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2014

Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
		DIAMOND WILLOW WIND FARM			
Interim Survivor Curve: Iowa 55 R3					
Probable Retirement Year: 2027					
2007	27,971,187.89	19.84	1,409,856.26	12.40	17,476,857.10
2010	19,370,126.06	16.90	1,146,054.10	12.43	14,241,496.14
2011	472,401.63	15.92	29,678.21	12.43	369,046.17
2012	1,332,424.04	14.93	89,236.79	12.44	1,110,321.89
Total	49,146,139.62	18.37	2,674,825.35	12.41	33,197,721.30
		CEDAR HILLS WIND FARM			
Interim Survivor Curve: Iowa 55 R3					
Probable Retirement Year: 2030					
2010	35,054,454.74	19.84	1,766,880.35	15.37	27,156,599.25
Total	35,054,454.74	19.84	1,766,880.35	15.37	27,156,599.25
Account Total	84,200,594.36	18.96	4,441,705.71	13.59	60,354,320.55

Composite Average Remaining Life ... 13.59 Years

Montana-Dakota Utilities Company
Electric Plant
345.10 Accessory Electric Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
		GLENDIVE TURBINE			
Interim Survivor Curve: Iowa 28 L2					
Probable Retirement Year: 2022					
1980	256.44	26.97	9.51	5.53	52.57
1992	15,961.31	24.00	665.08	5.97	3,969.62
1993	3,122.10	23.60	132.29	6.02	796.15
1999	256,770.70	20.55	12,497.24	6.46	80,706.29
2005	19,830.61	16.23	1,222.03	7.05	8,609.65
2007	89,391.15	14.53	6,153.45	7.19	44,236.26
2008	81,241.18	13.64	5,957.06	7.24	43,158.60
Total	466,573.49	17.52	26,636.66	6.82	181,529.13
		MILES CITY TURBINE			
Interim Survivor Curve: Iowa 28 L2					
Probable Retirement Year: 2019					
1994	2,762.03	21.70	127.28	3.98	506.43
1997	3,132.89	19.92	157.31	4.07	640.20
1999	254,587.22	18.55	13,727.74	4.14	56,887.98
2005	16,443.82	13.64	1,205.75	4.37	5,265.77
2008	49,208.81	10.85	4,533.88	4.43	20,072.09
2010	19,896.72	8.93	2,228.05	4.45	9,924.48
Total	346,031.49	15.74	21,980.02	4.24	93,296.95
		PORTABLE GENERATORS			
Interim Survivor Curve: Iowa 28 L2					
Probable Retirement Year: 2047					
2005	93,760.27	26.97	3,476.68	18.15	63,109.91

Montana-Dakota Utilities Company

Electric Plant

345.10 Accessory Electric Equipment

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2014

Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2012	479,224.44	25.60	18,721.04	23.12	432,774.00
Total	572,984.71	25.81	22,197.72	22.34	495,883.90
Account Total	1,385,589.69	19.57	70,814.40	10.88	770,709.98

Composite Average Remaining Life ... 10.88 Years

Montana-Dakota Utilities Company

Electric Plant

345.20 Accessory Electric Equipment-Wind Farm

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2014

Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
		DIAMOND WILLOW WIND FARM			
Interim Survivor Curve: Iowa 28 L2					
Probable Retirement Year: 2027					
2007	4,978,177.74	18.55	268,431.07	11.28	3,027,691.26
2010	3,315,620.20	16.23	204,319.04	11.78	2,407,543.63
Total	8,293,797.94	17.54	472,750.10	11.50	5,435,234.89
		CEDAR HILLS WIND FARM			
Interim Survivor Curve: Iowa 28 L2					
Probable Retirement Year: 2030					
2010	5,967,801.82	18.55	321,793.13	14.11	4,540,827.88
Total	5,967,801.82	18.55	321,793.13	14.11	4,540,827.88
Account Total	14,261,599.76	17.95	794,543.24	12.56	9,976,062.77

Composite Average Remaining Life ... 12.56 Years

Montana-Dakota Utilities Company
Electric Plant
346.10 Miscellaneous Power Plant Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
		HESKETT III GAS TURBINE			
Interim Survivor Curve: Iowa 28 S1					
Probable Retirement Year: 2057					
2014	1,045,533.32	27.66	37,800.23	27.16	1,026,643.10
Total	1,045,533.32	27.66	37,800.23	27.16	1,026,643.10
		GLENDIVE TURBINE			
Interim Survivor Curve: Iowa 28 S1					
Probable Retirement Year: 2022					
1979	3,890.84	27.66	140.67	4.86	683.64
1980	592.82	27.56	21.51	4.99	107.44
1981	313.45	27.44	11.42	5.12	58.52
1983	429.74	27.13	15.84	5.36	84.85
1985	1,869.90	26.73	69.95	5.57	389.58
1990	3,329.86	25.25	131.90	6.03	794.71
1991	531.58	24.86	21.39	6.11	130.58
1992	937.22	24.44	38.35	6.18	237.19
1993	503.92	23.99	21.01	6.26	131.53
1994	1,128.37	23.50	48.01	6.33	304.14
1997	225.59	21.86	10.32	6.54	67.55
1998	893.93	21.25	42.08	6.61	278.20
2004	2,167.14	16.94	127.90	6.98	892.96
2005	6,200.90	16.13	384.40	7.04	2,705.39
2006	4,130.55	15.30	270.05	7.09	1,915.53
2007	1,050.70	14.44	72.78	7.15	520.09
2008	86,726.10	13.56	6,396.73	7.20	46,042.50
2009	441.34	12.66	34.86	7.25	252.63
2012	11,313.22	9.87	1,146.61	7.38	8,457.44

Montana-Dakota Utilities Company
Electric Plant
346.10 Miscellaneous Power Plant Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
Total	126,677.17	14.07	9,005.78	7.11	64,054.47
		GLENDIVE II TURBINE			
Interim Survivor Curve: Iowa 28 S1					
Probable Retirement Year: 2046					
2004	6,995.27	27.56	253.84	18.20	4,621.07
2010	5,618.71	26.49	212.10	22.13	4,692.99
Total	12,613.98	27.07	465.94	19.99	9,314.06
		MILES CITY TURBINE			
Interim Survivor Curve: Iowa 28 S1					
Probable Retirement Year: 2019					
1973	2,089.58	27.87	74.99	3.04	227.90
1984	698.04	26.22	26.62	3.75	99.78
1987	651.17	25.25	25.79	3.87	99.75
1990	3,199.91	23.99	133.40	3.97	529.63
1991	735.87	23.50	31.31	4.00	125.29
1996	683.99	20.60	33.20	4.14	137.57
2012	9,930.46	6.96	1,426.07	4.47	6,373.88
Total	17,989.02	10.27	1,751.38	4.34	7,593.79
Account Total	1,202,813.49	24.54	49,023.33	22.59	1,107,605.42

Composite Average Remaining Life ... 22.59 Years

Montana-Dakota Utilities Company

Electric Plant

346.20 Miscellaneous Power Plant Eq-Wind Farm

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2014

Based Upon Broad Group/Remaining Life Procedure and Technique

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
		DIAMOND WILLOW WIND FARM			
Interim Survivor Curve: Iowa	*28*	*S1*			
Probable Retirement Year:	*2027*				
2007	46,500.00	18.49	2,514.74	11.29	28,402.44
2010	9,290.93	16.13	575.95	11.71	6,742.40
Total	55,790.93	18.05	3,090.68	11.37	35,144.84
		CEDAR HILLS WIND FARM			
Interim Survivor Curve: Iowa	*28*	*S1*			
Probable Retirement Year:	*2030*				
2010	38,642.98	18.49	2,089.82	14.08	29,424.41
2011	24,665.49	17.73	1,391.12	14.27	19,857.86
Total	63,308.47	18.19	3,480.95	14.16	49,282.27
Account Total	119,099.40	18.12	6,571.63	12.85	84,427.12

Composite Average Remaining Life ... 12.85 Years

Montana-Dakota Utilities Company
Electric Plant
350.20 Transmission Land & Land Rights
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *R3*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1958	69.29	50.00	1.39	7.43	10.30
1964	9,631.40	50.00	192.63	9.86	1,898.99
1977	155,792.83	50.00	3,115.86	17.38	54,142.62
1978	772,255.66	50.00	15,445.11	18.07	279,066.75
1979	40,377.04	50.00	807.54	18.77	15,160.48
1980	313,167.33	50.00	6,263.34	19.49	122,085.53
1981	120,334.73	50.00	2,406.69	20.22	48,670.78
1982	58,698.30	50.00	1,173.97	20.97	24,613.72
1983	42,080.06	50.00	841.60	21.72	18,280.70
1984	438,615.45	50.00	8,772.31	22.49	197,270.27
1985	34,526.03	50.00	690.52	23.27	16,065.32
1986	37,272.70	50.00	745.45	24.05	17,931.23
1987	13,064.40	50.00	261.29	24.85	6,493.88
1988	14,436.09	50.00	288.72	25.66	7,409.45
1989	19,603.26	50.00	392.07	26.48	10,382.97
1990	5,847.27	50.00	116.95	27.31	3,194.07
1991	12,896.73	50.00	257.93	28.15	7,261.38
1992	37,161.27	50.00	743.23	29.00	21,554.31
1993	61,781.74	50.00	1,235.63	29.86	36,895.26
1994	24,581.09	50.00	491.62	30.73	15,105.93
1995	11,924.58	50.00	238.49	31.60	7,537.03
1996	14,686.46	50.00	293.73	32.49	9,542.56
1997	79,902.17	50.00	1,598.04	33.38	53,343.60
1998	6,297.77	50.00	125.96	34.28	4,317.94
1999	28,655.73	50.00	573.11	35.19	20,167.96
2000	14,669.06	50.00	293.38	36.11	10,592.83
2001	3,511.20	50.00	70.22	37.03	2,600.32

Montana-Dakota Utilities Company
Electric Plant
350.20 Transmission Land & Land Rights
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *R3*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2002	14,761.59	50.00	295.23	37.96	11,206.59
2003	924.19	50.00	18.48	38.89	718.92
2004	42,887.23	50.00	857.74	39.84	34,169.53
2005	1,943.56	50.00	38.87	40.78	1,585.32
2006	11,843.91	50.00	236.88	41.74	9,886.55
2007	48,194.42	50.00	963.89	42.69	41,152.78
2008	9,291.02	50.00	185.82	43.66	8,112.33
2009	2,269.76	50.00	45.40	44.62	2,025.68
2010	1,633.61	50.00	32.67	45.59	1,489.65
2011	334,753.79	50.00	6,695.07	46.57	311,773.86
2012	46,206.87	50.00	924.14	47.54	43,937.94
Total	2,886,549.59	50.00	57,730.97	25.60	1,477,655.35

Composite Average Remaining Life ... 25.6 Years

Montana-Dakota Utilities Company
Electric Plant
352.00 Transmission Structures & Improvements
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: ***45*** ***Survivor Curve:*** ***R2***

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1948	1,788.84	45.00	39.75	4.73	188.08
Total	1,788.84	45.00	39.75	4.73	188.08

Composite Average Remaining Life ... ***4.73*** ***Years***

Montana-Dakota Utilities Company
Electric Plant
353.00 Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *60* ***Survivor Curve:*** *R3*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1946	1,039.92	60.00	17.33	8.67	150.23
1947	26,186.83	60.00	436.45	9.02	3,936.56
1948	32,929.78	60.00	548.83	9.38	5,149.27
1949	26,958.24	60.00	449.30	9.76	4,385.14
1950	110,164.58	60.00	1,836.08	10.15	18,640.30
1951	16,218.47	60.00	270.31	10.56	2,854.21
1952	2,736.65	60.00	45.61	10.98	500.90
1953	74,596.87	60.00	1,243.28	11.42	14,198.51
1954	74,743.46	60.00	1,245.73	11.87	14,790.55
1955	12,729.55	60.00	212.16	12.34	2,618.77
1956	103,117.65	60.00	1,718.63	12.83	22,048.77
1957	236,630.55	60.00	3,943.85	13.33	52,569.33
1958	250,582.37	60.00	4,176.38	13.85	57,833.33
1959	35,197.76	60.00	586.63	14.38	8,434.51
1960	245,782.77	60.00	4,096.38	14.93	61,151.61
1961	23,024.36	60.00	383.74	15.49	5,945.27
1962	209,762.33	60.00	3,496.04	16.07	56,188.15
1963	505,586.72	60.00	8,426.45	16.66	140,415.27
1964	509,308.82	60.00	8,488.49	17.27	146,615.51
1965	220,874.21	60.00	3,681.24	17.89	65,859.89
1966	43,249.98	60.00	720.83	18.53	13,355.29
1967	1,133,711.57	60.00	18,895.21	19.18	362,347.06
1968	133,493.82	60.00	2,224.90	19.84	44,136.78
1969	8,650.91	60.00	144.18	20.51	2,957.06
1970	571,908.96	60.00	9,531.82	21.20	202,028.45
1971	397,153.64	60.00	6,619.23	21.89	144,887.74
1972	472,730.23	60.00	7,878.84	22.60	178,048.42

Montana-Dakota Utilities Company
Electric Plant
353.00 Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *60* ***Survivor Curve:*** *R3*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1973	284,211.39	60.00	4,736.86	23.32	110,452.82
1974	818,002.15	60.00	13,633.38	24.05	327,841.73
1975	960,861.52	60.00	16,014.37	24.78	396,916.04
1976	527,150.52	60.00	8,785.85	25.54	224,347.47
1977	844,767.98	60.00	14,079.48	26.29	370,173.76
1978	1,466,941.30	60.00	24,449.04	27.06	661,631.55
1979	4,102,388.07	60.00	68,373.18	27.84	1,903,523.33
1980	788,964.86	60.00	13,149.42	28.63	376,431.76
1981	8,063,677.33	60.00	134,394.71	29.42	3,954,150.85
1982	6,095,598.51	60.00	101,593.38	30.23	3,070,880.15
1983	2,602,604.65	60.00	43,376.77	31.04	1,346,339.90
1984	7,353,337.32	60.00	122,555.70	31.86	3,904,753.55
1985	844,743.43	60.00	14,079.07	32.69	460,266.43
1986	876,299.78	60.00	14,605.01	33.53	489,700.88
1987	909,799.21	60.00	15,163.33	34.37	521,234.33
1988	247,772.52	60.00	4,129.54	35.23	145,479.86
1989	507,443.30	60.00	8,457.39	36.09	305,216.71
1990	885,372.84	60.00	14,756.22	36.96	545,370.76
1991	526,102.12	60.00	8,768.37	37.84	331,755.59
1992	1,466,013.91	60.00	24,433.58	38.72	946,042.68
1993	373,792.95	60.00	6,229.89	39.61	246,756.36
1994	555,022.48	60.00	9,250.38	40.51	374,696.04
1995	472,433.21	60.00	7,873.89	41.41	326,043.84
1996	671,020.96	60.00	11,183.69	42.32	473,281.87
1997	886,901.93	60.00	14,781.71	43.24	639,092.41
1998	166,641.51	60.00	2,777.36	44.16	122,637.14
1999	137,847.88	60.00	2,297.47	45.08	103,579.45

Montana-Dakota Utilities Company
Electric Plant
353.00 Station Equipment

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: ***60*** ***Survivor Curve:*** ***R3***

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2000	1,301,726.37	60.00	21,695.45	46.02	998,369.49
2001	829,600.14	60.00	13,826.68	46.95	649,224.07
2002	254,526.11	60.00	4,242.10	47.90	203,188.29
2003	1,424,439.56	60.00	23,740.68	48.85	1,159,634.15
2004	2,261,827.20	60.00	37,697.15	49.80	1,877,239.79
2005	1,429,925.38	60.00	23,832.11	50.75	1,209,566.66
2006	1,015,618.11	60.00	16,926.98	51.71	875,361.68
2007	7,284,046.87	60.00	121,400.86	52.68	6,395,039.78
2008	1,507,407.27	60.00	25,123.47	53.64	1,347,740.10
2009	3,843,413.16	60.00	64,056.93	54.62	3,498,486.44
2010	6,686,018.76	60.00	111,433.72	55.59	6,194,454.89
2011	7,632,532.18	60.00	127,208.96	56.56	7,195,521.10
2012	7,205,103.64	60.00	120,085.14	57.54	6,910,112.17
2013	8,791,867.93	60.00	146,531.23	58.52	8,575,603.90
2014	18,308,039.00	60.00	305,134.19	59.51	18,157,782.70
Total	118,690,876.31	60.00	1,978,182.61	45.27	89,557,969.33

Composite Average Remaining Life ... 45.2 Years

Montana-Dakota Utilities Company
Electric Plant
354.00 Towers & Fixtures

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1960	53,560.45	55.00	973.83	5.70	5,546.44
1967	410,105.96	55.00	7,456.52	9.75	72,666.10
1976	311.86	55.00	5.67	17.00	96.41
1979	9,301.65	55.00	169.12	19.75	3,340.26
1980	26,315.04	55.00	478.46	20.69	9,900.56
1981	58,398.89	55.00	1,061.80	21.64	22,982.74
1982	29,524.45	55.00	536.81	22.61	12,135.46
1983	3,779,020.84	55.00	68,709.87	23.58	1,619,922.67
1986	77,282.79	55.00	1,405.15	26.52	37,268.22
1987	3,894.34	55.00	70.81	27.51	1,948.17
2008	545,169.84	55.00	9,912.24	48.50	480,740.30
Total	4,992,886.11	55.00	90,780.28	24.97	2,266,547.34

Composite Average Remaining Life ... 24.9 Years

Montana-Dakota Utilities Company
Electric Plant
355.00 Poles & Fixtures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *R3*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1925	4,808.02	0.00	0.00	0.00	0.00
1939	6,011.47	50.00	120.23	2.19	263.46
1940	6,161.76	50.00	123.24	2.44	300.90
1941	6,315.80	50.00	126.32	2.69	340.38
1946	20,238.54	50.00	404.77	3.97	1,608.72
1947	23,819.03	50.00	476.38	4.23	2,015.76
1948	27,807.06	50.00	556.14	4.49	2,496.87
1949	7,467.33	50.00	149.35	4.75	709.41
1950	84,372.10	50.00	1,687.44	5.01	8,460.95
1951	21,370.64	50.00	427.41	5.28	2,258.00
1952	16,505.76	50.00	330.12	5.56	1,834.87
1953	51,696.83	50.00	1,033.94	5.84	6,039.87
1954	17,705.73	50.00	354.11	6.13	2,172.33
1955	54,382.68	50.00	1,087.65	6.44	7,002.85
1956	120,925.01	50.00	2,418.50	6.75	16,336.66
1957	42,653.10	50.00	853.06	7.08	6,043.91
1958	85,846.79	50.00	1,716.94	7.43	12,756.67
1959	30,094.23	50.00	601.88	7.79	4,689.11
1960	138,699.08	50.00	2,773.98	8.17	22,658.54
1961	181,842.67	50.00	3,636.85	8.56	31,143.24
1962	88,595.86	50.00	1,771.92	8.98	15,905.27
1963	177,026.94	50.00	3,540.54	9.41	33,308.99
1964	479,865.77	50.00	9,597.31	9.86	94,613.36
1965	49,269.61	50.00	985.39	10.33	10,176.92
1966	136,307.67	50.00	2,726.15	10.82	29,487.09
1967	762,703.73	50.00	15,254.07	11.32	172,737.63
1968	161,765.54	50.00	3,235.31	11.85	38,340.40

Montana-Dakota Utilities Company
Electric Plant
355.00 Poles & Fixtures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *R3*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1969	233,393.95	50.00	4,667.88	12.40	57,862.31
1970	120,982.42	50.00	2,419.65	12.96	31,357.21
1971	116,570.63	50.00	2,331.41	13.54	31,569.37
1972	165,258.44	50.00	3,305.17	14.14	46,734.33
1973	133,843.90	50.00	2,676.88	14.76	39,498.86
1974	1,420,101.70	50.00	28,402.02	15.39	437,042.47
1975	635,677.15	50.00	12,713.54	16.04	203,869.71
1976	109,146.56	50.00	2,182.93	16.70	36,452.21
1977	20,931.83	50.00	418.64	17.38	7,274.43
1978	269,096.46	50.00	5,381.93	18.07	97,242.25
1979	318,903.97	50.00	6,378.08	18.77	119,739.80
1980	329,415.23	50.00	6,588.30	19.49	128,419.63
1981	4,338,297.94	50.00	86,765.92	20.22	1,754,675.05
1982	2,534,459.84	50.00	50,689.18	20.97	1,062,764.79
1983	602,060.31	50.00	12,041.20	21.72	261,551.01
1984	1,372,071.07	50.00	27,441.41	22.49	617,098.27
1985	735,496.62	50.00	14,709.93	23.27	342,234.28
1986	484,903.33	50.00	9,698.06	24.05	233,278.28
1987	599,625.62	50.00	11,992.51	24.85	298,053.81
1988	227,726.60	50.00	4,554.53	25.66	116,882.73
1989	212,549.85	50.00	4,251.00	26.48	112,578.11
1990	374,686.62	50.00	7,493.73	27.31	204,672.70
1991	503,810.79	50.00	10,076.21	28.15	283,665.85
1992	917,748.35	50.00	18,354.96	29.00	532,313.24
1993	719,528.55	50.00	14,390.57	29.86	429,693.23
1994	1,541,867.52	50.00	30,837.34	30.73	947,530.87
1995	279,425.27	50.00	5,588.50	31.60	176,612.97

Montana-Dakota Utilities Company
Electric Plant
355.00 Poles & Fixtures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *R3*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1996	754,336.07	50.00	15,086.72	32.49	490,131.44
1997	1,111,283.58	50.00	22,225.66	33.38	741,905.65
1998	167,503.40	50.00	3,350.07	34.28	114,845.38
1999	166,907.78	50.00	3,338.15	35.19	117,470.03
2000	508,198.61	50.00	10,163.97	36.11	366,980.79
2001	288,677.97	50.00	5,773.56	37.03	213,789.07
2002	386,789.16	50.00	7,735.78	37.96	293,639.59
2003	500,839.90	50.00	10,016.79	38.89	389,598.95
2004	1,405,676.37	50.00	28,113.52	39.84	1,119,944.10
2005	393,406.03	50.00	7,868.12	40.78	320,893.63
2006	440,689.87	50.00	8,813.79	41.74	367,860.00
2007	1,381,255.73	50.00	27,625.10	42.69	1,179,441.87
2008	1,057,579.65	50.00	21,151.58	43.66	923,411.53
2009	369,989.99	50.00	7,399.80	44.62	330,203.67
2010	1,269,905.13	50.00	25,398.09	45.59	1,157,993.54
2011	3,945,044.13	50.00	78,900.85	46.57	3,674,227.66
2012	6,196,602.81	50.00	123,932.01	47.54	5,892,326.78
2013	3,593,210.06	50.00	71,864.17	48.52	3,487,205.22
2014	10,893,287.36	50.00	217,865.66	49.51	10,786,032.57
Total	56,953,022.87	49.32	1,138,963.83	36.09	41,102,271.43

Composite Average Remaining Life ... 36.0 Years

Montana-Dakota Utilities Company
Electric Plant
356.00 Overhead Conductor & Devices
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: ***65*** ***Survivor Curve:*** ***R3***

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1936	12,369.23	65.00	190.30	8.01	1,525.22
1937	12,369.23	65.00	190.30	8.32	1,582.64
1938	12,678.47	65.00	195.05	8.63	1,683.88
1939	12,995.43	65.00	199.93	8.95	1,790.31
1940	13,320.31	65.00	204.93	9.29	1,904.04
1941	13,653.32	65.00	210.05	9.64	2,024.08
1946	41,253.03	65.00	634.66	11.56	7,337.04
1947	46,759.93	65.00	719.38	11.99	8,622.55
1948	52,711.10	65.00	810.94	12.43	10,077.71
1949	13,230.71	65.00	203.55	12.88	2,621.94
1950	153,105.93	65.00	2,355.48	13.35	31,450.07
1951	37,989.21	65.00	584.45	13.83	8,085.64
1952	25,306.93	65.00	389.34	14.34	5,581.25
1953	102,516.37	65.00	1,577.17	14.85	23,415.97
1954	30,232.49	65.00	465.12	15.38	7,152.07
1955	96,732.29	65.00	1,488.19	15.92	23,687.41
1956	198,277.59	65.00	3,050.42	16.48	50,259.07
1957	55,232.61	65.00	849.73	17.05	14,485.90
1958	123,499.14	65.00	1,899.99	17.63	33,497.99
1959	40,593.56	65.00	624.52	18.23	11,384.62
1960	224,731.21	65.00	3,457.40	18.84	65,132.99
1961	338,036.83	65.00	5,200.57	19.46	101,222.00
1962	117,301.19	65.00	1,804.63	20.10	36,269.09
1963	242,168.08	65.00	3,725.66	20.75	77,297.96
1964	578,657.54	65.00	8,902.42	21.41	190,557.54
1965	132,360.47	65.00	2,036.31	22.08	44,958.07
1966	197,825.24	65.00	3,043.47	22.76	69,263.52

Montana-Dakota Utilities Company
Electric Plant
356.00 Overhead Conductor & Devices
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: ***65*** ***Survivor Curve:*** ***R3***

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1967	1,216,312.72	65.00	18,712.50	23.45	438,866.62
1968	227,598.21	65.00	3,501.51	24.15	84,575.82
1969	330,879.46	65.00	5,090.45	24.87	126,598.74
1970	147,469.20	65.00	2,268.76	25.59	58,066.44
1971	145,657.62	65.00	2,240.89	26.33	58,993.35
1972	190,768.90	65.00	2,934.91	27.07	79,445.46
1973	142,170.63	65.00	2,187.24	27.82	60,847.79
1974	503,377.37	65.00	7,744.27	28.58	221,338.48
1975	416,006.86	65.00	6,400.11	29.35	187,834.96
1976	38,645.23	65.00	594.54	30.13	17,912.18
1977	229,037.69	65.00	3,523.66	30.91	108,924.36
1978	308,317.40	65.00	4,743.34	31.71	150,402.31
1979	312,231.07	65.00	4,803.55	32.51	156,158.32
1980	493,087.88	65.00	7,585.97	33.32	252,771.02
1981	3,197,930.24	65.00	49,198.93	34.14	1,679,522.64
1982	2,081,847.17	65.00	32,028.42	34.96	1,119,873.55
1983	3,235,490.55	65.00	49,776.78	35.80	1,781,963.90
1984	1,483,637.80	65.00	22,825.20	36.64	836,300.82
1985	737,193.33	65.00	11,341.44	37.49	425,171.90
1986	458,946.47	65.00	7,060.72	38.34	270,729.00
1987	482,716.45	65.00	7,426.41	39.21	291,162.18
1988	37,761.45	65.00	580.95	40.07	23,281.27
1989	78,846.14	65.00	1,213.02	40.95	49,675.34
1990	162,812.95	65.00	2,504.81	41.83	104,785.38
1991	272,742.44	65.00	4,196.04	42.72	179,270.54
1992	627,157.60	65.00	9,648.58	43.62	420,852.68
1993	531,264.67	65.00	8,173.30	44.52	363,881.08

Montana-Dakota Utilities Company
Electric Plant
356.00 Overhead Conductor & Devices
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: ***65*** ***Survivor Curve:*** ***R3***

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1994	1,110,499.53	65.00	17,084.61	45.43	776,101.88
1995	232,781.63	65.00	3,581.26	46.34	165,959.76
1996	189,719.90	65.00	2,918.77	47.26	137,941.71
1997	688,051.94	65.00	10,585.41	48.18	510,045.49
1998	94,545.25	65.00	1,454.54	49.11	71,437.45
1999	3,333.70	65.00	51.29	50.05	2,566.79
2000	322,836.76	65.00	4,966.72	50.99	253,233.70
2001	71,706.86	65.00	1,103.18	51.93	57,286.95
2002	104,639.87	65.00	1,609.84	52.88	85,123.52
2003	117,931.85	65.00	1,814.34	53.83	97,661.93
2004	672,472.40	65.00	10,345.73	54.78	566,779.90
2005	40,651.60	65.00	625.41	55.74	34,861.89
2006	220,871.07	65.00	3,398.02	56.71	192,686.87
2007	703,242.14	65.00	10,819.11	57.67	623,948.75
2008	789,023.77	65.00	12,138.83	58.64	711,826.29
2009	215,514.97	65.00	3,315.61	59.61	197,651.77
2010	566,878.52	65.00	8,721.21	60.59	528,388.78
2011	1,667,859.38	65.00	25,659.38	61.56	1,579,688.16
2012	3,447,513.44	65.00	53,038.67	62.54	3,317,186.72
2013	2,785,182.02	65.00	42,848.95	63.52	2,721,953.32
2014	4,721,124.66	65.00	72,632.69	64.51	4,685,353.62
Total	39,782,196.20	65.00	612,033.80	45.26	27,699,761.90

Composite Average Remaining Life ... 45.2 Years

Montana-Dakota Utilities Company

Electric Plant

357.00 Underground Conduit

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2014

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: ***50*** ***Survivor Curve:*** ***R3***

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2008	1,942,209.80	50.00	38,844.18	43.66	1,695,814.52
2014	4,799.73	50.00	95.99	49.51	4,752.47
Total	1,947,009.53	50.00	38,940.17	43.67	1,700,566.99

Composite Average Remaining Life ... 43.6 Years

Montana-Dakota Utilities Company
Electric Plant
358.00 Underground Conductor & Devices
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: ***50*** ***Survivor Curve:*** ***R3***

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2008	3,101,857.38	50.00	62,037.12	43.66	2,708,345.30
Total	3,101,857.38	50.00	62,037.12	43.66	2,708,345.30

Composite Average Remaining Life ... ***43.6*** ***Years***

Montana-Dakota Utilities Company
Electric Plant
360.20 Distribution Rights of Ways
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1977	181,841.02	50.00	3,636.81	20.70	75,271.00
1978	169,596.80	50.00	3,391.92	21.32	72,323.52
1979	6,642.87	50.00	132.86	21.96	2,917.29
1980	43,620.64	50.00	872.41	22.60	19,720.24
1981	60,680.06	50.00	1,213.60	23.26	28,229.19
1982	38,133.37	50.00	762.66	23.93	18,248.44
1983	26,028.91	50.00	520.58	24.60	12,808.00
1984	39,095.40	50.00	781.90	25.29	19,773.94
1985	56,126.27	50.00	1,122.52	25.98	29,168.53
1986	21,234.70	50.00	424.69	26.69	11,334.84
1987	2,677.34	50.00	53.55	27.40	1,467.36
1988	7,589.00	50.00	151.78	28.13	4,268.96
1989	4,315.35	50.00	86.31	28.86	2,490.60
1990	13,486.70	50.00	269.73	29.60	7,983.47
1991	8,741.25	50.00	174.82	30.35	5,305.26
1992	22,640.28	50.00	452.80	31.10	14,083.58
1993	3,053.55	50.00	61.07	31.87	1,946.20
1994	18,873.28	50.00	377.46	32.64	12,320.75
1995	6,717.69	50.00	134.35	33.42	4,490.30
1996	668.34	50.00	13.37	34.21	457.28
1997	24,644.97	50.00	492.90	35.01	17,254.27
1998	3,405.65	50.00	68.11	35.81	2,439.05
1999	14,588.14	50.00	291.76	36.62	10,684.17
2000	29,992.32	50.00	599.84	37.44	22,456.40
2001	2,145.61	50.00	42.91	38.26	1,641.88
2002	1,523.49	50.00	30.47	39.09	1,191.15
2003	2,772.58	50.00	55.45	39.93	2,214.22

Montana-Dakota Utilities Company
Electric Plant
360.20 Distribution Rights of Ways
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: ***50*** ***Survivor Curve:*** ***R2***

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2004	5,072.96	50.00	101.46	40.78	4,137.01
2005	980.51	50.00	19.61	41.63	816.29
2006	4,732.21	50.00	94.64	42.48	4,020.78
2007	9,420.85	50.00	188.42	43.35	8,167.18
2008	3,880.32	50.00	77.61	44.22	3,431.40
2009	8,521.87	50.00	170.44	45.09	7,685.09
2011	9,916.23	50.00	198.32	46.86	9,292.92
2012	908.46	50.00	18.17	47.75	867.55
2013	6,374.31	50.00	127.49	48.65	6,201.62
2014	28,283.06	50.00	565.66	49.55	28,026.95
Total	888,926.36	50.00	17,778.45	26.73	475,136.66

Composite Average Remaining Life ... 26.7 Years

Montana-Dakota Utilities Company
Electric Plant
362.00 Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1946	14,210.86	50.00	284.22	5.96	1,694.89
1947	20,398.29	50.00	407.96	6.20	2,530.28
1948	24,642.02	50.00	492.84	6.45	3,176.60
1949	28,683.96	50.00	573.68	6.69	3,840.21
1950	41,397.46	50.00	827.95	6.95	5,753.07
1951	37,915.05	50.00	758.30	7.21	5,467.50
1952	26,577.74	50.00	531.55	7.48	3,976.01
1953	58,509.09	50.00	1,170.18	7.76	9,079.43
1954	52,904.77	50.00	1,058.09	8.05	8,516.03
1955	78,136.94	50.00	1,562.73	8.35	13,048.02
1956	48,604.18	50.00	972.08	8.66	8,421.25
1957	69,036.42	50.00	1,380.72	8.99	12,413.22
1958	104,747.04	50.00	2,094.94	9.33	19,550.22
1959	126,030.64	50.00	2,520.61	9.69	24,422.68
1960	202,756.50	50.00	4,055.12	10.06	40,803.65
1961	113,402.04	50.00	2,268.04	10.45	23,705.11
1962	102,909.73	50.00	2,058.19	10.86	22,348.54
1963	118,884.45	50.00	2,377.68	11.28	26,825.32
1964	132,635.75	50.00	2,652.71	11.72	31,098.61
1965	234,277.65	50.00	4,685.54	12.18	57,079.67
1966	131,839.24	50.00	2,636.78	12.66	33,377.18
1967	149,258.39	50.00	2,985.16	13.15	39,260.63
1968	373,470.64	50.00	7,469.39	13.66	102,052.14
1969	206,079.45	50.00	4,121.58	14.19	58,486.72
1970	137,578.99	50.00	2,751.57	14.73	40,543.24
1971	95,968.28	50.00	1,919.36	15.29	29,356.45
1972	169,258.87	50.00	3,385.17	15.87	53,725.86

Montana-Dakota Utilities Company
Electric Plant
362.00 Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1973	336,977.22	50.00	6,739.53	16.46	110,947.69
1974	344,140.62	50.00	6,882.80	17.07	117,477.40
1975	895,677.95	50.00	17,913.51	17.69	316,864.52
1976	624,306.91	50.00	12,486.11	18.32	228,778.61
1977	850,557.97	50.00	17,011.12	18.97	322,701.55
1978	684,704.82	50.00	13,694.06	19.63	268,818.12
1979	1,204,762.26	50.00	24,095.19	20.30	489,202.48
1980	1,307,575.10	50.00	26,151.44	20.99	548,854.81
1981	259,528.68	50.00	5,190.56	21.68	112,551.19
1982	1,281,296.15	50.00	25,625.86	22.39	573,797.56
1983	1,581,673.58	50.00	31,633.39	23.11	731,041.89
1984	184,652.03	50.00	3,693.03	23.84	88,037.89
1985	322,625.85	50.00	6,452.50	24.58	158,592.10
1986	141,786.64	50.00	2,835.73	25.33	71,823.17
1987	166,737.90	50.00	3,334.75	26.09	86,994.98
1988	260,608.10	50.00	5,212.15	26.86	139,980.02
1989	553,800.34	50.00	11,075.98	27.63	306,084.66
1990	449,199.43	50.00	8,983.97	28.42	255,348.78
1991	284,856.20	50.00	5,697.11	29.22	166,466.47
1992	1,602,620.36	50.00	32,052.33	30.03	962,371.34
1993	2,144,902.67	50.00	42,897.95	30.84	1,322,936.68
1994	820,862.26	50.00	16,417.20	31.66	519,796.81
1995	508,766.75	50.00	10,175.31	32.49	330,620.84
1996	133,660.37	50.00	2,673.20	33.33	89,100.96
1997	201,635.25	50.00	4,032.69	34.18	137,828.14
1998	279,948.71	50.00	5,598.96	35.03	196,141.12
1999	222,915.85	50.00	4,458.31	35.89	160,022.14

Montana-Dakota Utilities Company
Electric Plant
362.00 Station Equipment

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2000	248,909.21	50.00	4,978.17	36.76	183,004.80
2001	508,350.78	50.00	10,166.99	37.64	382,651.94
2002	372,611.28	50.00	7,452.21	38.52	287,048.21
2003	1,596,161.83	50.00	31,923.16	39.41	1,257,987.95
2004	405,502.18	50.00	8,110.02	40.30	326,842.63
2005	1,003,311.08	50.00	20,066.17	41.20	826,751.52
2006	3,292,123.39	50.00	65,842.30	42.11	2,772,426.75
2007	3,112,021.34	50.00	62,240.27	43.02	2,677,468.57
2008	1,945,442.84	50.00	38,908.76	43.93	1,709,440.63
2009	2,216,107.85	50.00	44,322.05	44.86	1,988,102.47
2010	1,613,413.25	50.00	32,268.18	45.78	1,477,293.40
2011	2,715,579.86	50.00	54,311.46	46.71	2,537,001.60
2012	6,933,047.16	50.00	138,660.60	47.65	6,606,712.96
2013	2,257,060.71	50.00	45,141.10	48.59	2,193,190.36
2014	8,509,282.76	50.00	170,185.23	49.53	8,428,863.83
Total	57,279,819.93	50.00	1,145,593.55	37.66	43,148,522.04

Composite Average Remaining Life ... 37.6 Years

Montana-Dakota Utilities Company
Electric Plant
364.00 Poles, Towers & Fixtures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *R1*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1935	638.35	50.00	12.77	6.64	84.73
1936	894.22	50.00	17.88	6.96	124.47
1937	894.22	50.00	17.88	7.29	130.32
1938	916.57	50.00	18.33	7.62	139.67
1939	939.49	50.00	18.79	7.96	149.49
1940	962.98	50.00	19.26	8.30	159.80
1941	987.05	50.00	19.74	8.64	170.63
1946	8,385.37	50.00	167.70	10.45	1,752.59
1947	10,373.39	50.00	207.46	10.83	2,246.28
1948	12,651.02	50.00	253.01	11.21	2,836.19
1949	15,408.53	50.00	308.16	11.60	3,573.84
1950	16,105.25	50.00	322.10	11.99	3,862.08
1951	23,373.05	50.00	467.45	12.39	5,791.32
1952	30,710.12	50.00	614.19	12.79	7,857.70
1953	43,138.51	50.00	862.75	13.20	11,391.63
1954	50,329.16	50.00	1,006.56	13.62	13,709.29
1955	56,333.24	50.00	1,126.64	14.04	15,820.23
1956	66,411.49	50.00	1,328.20	14.47	19,219.09
1957	77,378.44	50.00	1,547.53	14.90	23,064.77
1958	79,613.76	50.00	1,592.24	15.34	24,432.27
1959	108,601.46	50.00	2,171.98	15.79	34,298.32
1960	107,708.38	50.00	2,154.12	16.24	34,992.19
1961	119,016.17	50.00	2,380.27	16.70	39,759.57
1962	139,825.54	50.00	2,796.44	17.17	48,014.53
1963	146,985.08	50.00	2,939.63	17.64	51,862.37
1964	177,594.14	50.00	3,551.80	18.12	64,364.85
1965	174,422.33	50.00	3,488.36	18.61	64,910.72

Montana-Dakota Utilities Company
Electric Plant
364.00 Poles, Towers & Fixtures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *R1*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1966	201,332.11	50.00	4,026.55	19.10	76,909.46
1967	184,317.76	50.00	3,686.27	19.60	72,251.84
1968	215,882.32	50.00	4,317.54	20.11	86,812.11
1969	329,966.15	50.00	6,599.17	20.62	136,076.87
1970	241,091.58	50.00	4,821.72	21.14	101,934.80
1971	195,812.59	50.00	3,916.16	21.67	84,856.13
1972	321,138.41	50.00	6,422.62	22.20	142,599.05
1973	267,877.66	50.00	5,357.43	22.74	121,849.73
1974	175,258.13	50.00	3,505.08	23.29	81,642.08
1975	302,493.37	50.00	6,049.72	23.85	144,273.27
1976	416,005.73	50.00	8,319.92	24.41	203,091.26
1977	385,352.60	50.00	7,706.87	24.98	192,513.59
1978	376,825.93	50.00	7,536.34	25.56	192,595.30
1979	480,924.74	50.00	9,618.27	26.14	251,405.82
1980	610,257.13	50.00	12,204.86	26.73	326,209.63
1981	568,540.28	50.00	11,370.54	27.32	310,687.72
1982	531,101.86	50.00	10,621.79	27.93	296,628.66
1983	656,606.62	50.00	13,131.82	28.54	374,719.96
1984	505,616.17	50.00	10,112.09	29.15	294,769.81
1985	889,947.78	50.00	17,798.54	29.77	529,884.36
1986	749,073.01	50.00	14,981.11	30.40	455,396.25
1987	459,152.73	50.00	9,182.84	31.03	284,947.75
1988	439,259.87	50.00	8,784.99	31.67	278,205.84
1989	471,713.78	50.00	9,434.05	32.31	304,827.10
1990	624,961.72	50.00	12,498.94	32.96	411,957.23
1991	759,073.55	50.00	15,181.11	33.61	510,269.48
1992	937,706.58	50.00	18,753.69	34.27	642,677.17

Montana-Dakota Utilities Company
Electric Plant
364.00 Poles, Towers & Fixtures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *R1*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1993	936,559.87	50.00	18,730.76	34.93	654,281.55
1994	1,217,113.33	50.00	24,341.69	35.60	866,475.97
1995	1,285,509.26	50.00	25,709.58	36.27	932,374.57
1996	970,311.30	50.00	19,405.77	36.94	716,819.63
1997	759,261.71	50.00	15,184.88	37.61	571,174.11
1998	568,370.79	50.00	11,367.15	38.29	435,294.02
1999	740,248.46	50.00	14,804.62	38.98	577,031.62
2000	527,268.99	50.00	10,545.13	39.66	418,239.36
2001	530,155.08	50.00	10,602.85	40.35	427,827.29
2002	779,271.07	50.00	15,585.05	41.04	639,636.31
2003	481,947.43	50.00	9,638.72	41.74	402,284.75
2004	657,700.82	50.00	13,153.71	42.43	558,169.18
2005	662,990.58	50.00	13,259.50	43.14	571,960.84
2006	688,186.92	50.00	13,763.41	43.84	603,403.98
2007	685,239.38	50.00	13,704.46	44.55	610,536.24
2008	796,340.13	50.00	15,926.43	45.26	720,879.50
2009	860,401.38	50.00	17,207.62	45.98	791,207.96
2010	701,398.94	50.00	14,027.65	46.70	655,108.59
2011	929,236.14	50.00	18,584.29	47.43	881,391.01
2012	1,535,055.29	50.00	30,700.38	48.16	1,478,424.19
2013	3,606,342.19	50.00	72,125.15	48.89	3,526,264.04
2014	3,872,946.97	50.00	77,457.12	49.63	3,844,189.56
Total	37,559,743.50	50.00	751,177.18	37.63	28,267,685.50

Composite Average Remaining Life ... 37.6 Years

Montana-Dakota Utilities Company
Electric Plant
365.00 Overhead Conductor & Devices
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R1*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1935	0.59	55.00	0.01	9.98	0.11
1936	0.83	55.00	0.02	10.34	0.16
1937	0.83	55.00	0.02	10.70	0.16
1938	0.85	55.00	0.02	11.07	0.17
1939	0.87	55.00	0.02	11.44	0.18
1940	0.89	55.00	0.02	11.81	0.19
1941	0.91	55.00	0.02	12.20	0.20
1946	1,602.41	55.00	29.13	14.17	412.95
1947	2,488.99	55.00	45.25	14.59	660.03
1948	3,620.65	55.00	65.83	15.00	987.55
1949	4,816.02	55.00	87.56	15.42	1,350.55
1950	6,287.40	55.00	114.31	15.85	1,812.04
1951	9,448.19	55.00	171.78	16.28	2,797.39
1952	14,542.45	55.00	264.40	16.72	4,421.63
1953	21,289.54	55.00	387.07	17.17	6,645.12
1954	27,828.09	55.00	505.95	17.62	8,913.81
1955	31,524.96	55.00	573.17	18.07	10,359.38
1956	35,155.45	55.00	639.18	18.54	11,847.66
1957	45,969.37	55.00	835.79	19.00	15,882.59
1958	49,192.98	55.00	894.40	19.48	17,420.35
1959	67,050.05	55.00	1,219.07	19.96	24,329.22
1960	77,609.75	55.00	1,411.06	20.44	28,846.86
1961	92,776.21	55.00	1,686.80	20.94	35,314.56
1962	115,386.45	55.00	2,097.89	21.43	44,966.74
1963	114,386.56	55.00	2,079.71	21.94	45,625.19
1964	142,649.95	55.00	2,593.58	22.45	58,224.60
1965	152,018.82	55.00	2,763.92	22.97	63,479.02

Montana-Dakota Utilities Company
Electric Plant
365.00 Overhead Conductor & Devices
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R1*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1966	157,451.58	55.00	2,862.69	23.49	67,247.11
1967	142,628.37	55.00	2,593.19	24.02	62,290.78
1968	172,305.37	55.00	3,132.76	24.56	76,928.82
1969	241,308.70	55.00	4,387.34	25.10	110,119.39
1970	231,051.53	55.00	4,200.85	25.65	107,746.47
1971	156,300.16	55.00	2,841.76	26.20	74,466.61
1972	232,088.94	55.00	4,219.71	26.77	112,945.81
1973	203,164.26	55.00	3,693.82	27.33	100,967.92
1974	94,063.03	55.00	1,710.20	27.91	47,727.55
1975	243,945.27	55.00	4,435.27	28.49	126,353.61
1976	327,145.56	55.00	5,947.97	29.08	172,938.04
1977	284,410.11	55.00	5,170.98	29.67	153,411.70
1978	285,734.76	55.00	5,195.07	30.27	157,235.65
1979	304,972.26	55.00	5,544.83	30.87	171,165.97
1980	427,001.05	55.00	7,763.49	31.48	244,393.51
1981	331,317.60	55.00	6,023.83	32.10	193,339.17
1982	435,289.38	55.00	7,914.18	32.72	258,927.95
1983	520,779.15	55.00	9,468.51	33.34	315,712.10
1984	307,601.33	55.00	5,592.63	33.97	190,008.85
1985	819,691.37	55.00	14,903.16	34.61	515,804.12
1986	574,073.03	55.00	10,437.47	35.25	367,940.81
1987	301,963.42	55.00	5,490.13	35.90	197,084.39
1988	285,191.12	55.00	5,185.18	36.55	189,509.73
1989	332,432.89	55.00	6,044.11	37.20	224,857.80
1990	314,717.30	55.00	5,722.01	37.86	216,637.28
1991	599,813.69	55.00	10,905.47	38.52	420,110.80
1992	573,158.68	55.00	10,420.84	39.19	408,383.11

Montana-Dakota Utilities Company
Electric Plant
365.00 Overhead Conductor & Devices
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R1*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1993	497,121.17	55.00	9,038.37	39.86	360,256.14
1994	576,285.65	55.00	10,477.70	40.53	424,672.98
1995	2,260,890.71	55.00	41,106.23	41.21	1,693,854.63
1996	390,769.84	55.00	7,104.75	41.88	297,580.21
1997	473,072.53	55.00	8,601.13	42.57	366,117.90
1998	355,338.88	55.00	6,460.57	43.25	279,422.59
1999	518,198.09	55.00	9,421.58	43.94	413,959.02
2000	234,661.59	55.00	4,266.48	44.63	190,399.71
2001	398,516.61	55.00	7,245.60	45.32	328,359.19
2002	278,881.47	55.00	5,070.46	46.01	233,312.12
2003	258,511.10	55.00	4,700.10	46.71	219,553.66
2004	389,580.44	55.00	7,083.13	47.41	335,841.37
2005	428,430.64	55.00	7,789.48	48.12	374,824.06
2006	428,667.13	55.00	7,793.78	48.83	380,551.77
2007	467,553.88	55.00	8,500.80	49.54	421,119.24
2008	472,088.12	55.00	8,583.24	50.25	431,346.75
2009	339,986.46	55.00	6,181.44	50.97	315,092.74
2010	396,106.36	55.00	7,201.78	51.70	372,312.09
2011	479,819.01	55.00	8,723.80	52.42	457,339.31
2012	1,471,164.15	55.00	26,747.87	53.15	1,421,771.09
2013	4,007,458.56	55.00	72,861.33	53.89	3,926,502.60
2014	3,888,480.00	55.00	70,698.13	54.63	3,862,221.13
Total	28,926,832.36	55.00	525,931.17	43.30	22,774,963.73

Composite Average Remaining Life ... 43.3 Years

Montana-Dakota Utilities Company
Electric Plant
366.00 Underground Conduit
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *R3*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1949	130.44	50.00	2.61	4.75	12.39
1950	7,926.12	50.00	158.52	5.01	794.84
1951	847.30	50.00	16.95	5.28	89.52
1952	6,022.29	50.00	120.45	5.56	669.47
1954	103.06	50.00	2.06	6.13	12.64
1956	1,237.06	50.00	24.74	6.75	167.12
1961	1,419.95	50.00	28.40	8.56	243.19
1962	1,011.82	50.00	20.24	8.98	181.65
1963	77.11	50.00	1.54	9.41	14.51
1964	3,403.57	50.00	68.07	9.86	671.07
1965	5,764.92	50.00	115.30	10.33	1,190.78
1966	2,882.38	50.00	57.65	10.82	623.54
1967	3,659.12	50.00	73.18	11.32	828.72
1968	183.04	50.00	3.66	11.85	43.38
1983	27,140.52	50.00	542.81	21.72	11,790.56
1986	1,150.22	50.00	23.00	24.05	553.35
1987	9,443.09	50.00	188.86	24.85	4,693.84
1989	851.50	50.00	17.03	26.48	451.00
1996	15,673.33	50.00	313.47	32.49	10,183.78
1997	5,807.65	50.00	116.15	33.38	3,877.25
1999	21,859.09	50.00	437.18	35.19	15,384.47
2000	1,715.65	50.00	34.31	36.11	1,238.91
2001	73,079.78	50.00	1,461.60	37.03	54,121.41
2004	26,764.87	50.00	535.30	39.84	21,324.37

Montana-Dakota Utilities Company
Electric Plant
366.00 Underground Conduit
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *R3*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
Total	218,153.88	50.00	4,363.08	29.60	129,161.78

Composite Average Remaining Life ... 29.6 Years

Montana-Dakota Utilities Company
Electric Plant
367.00 Underground Conductor & Devices
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *40* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1949	0.03	40.00	0.00	2.37	0.00
1950	7.22	40.00	0.18	2.65	0.48
1951	1.66	40.00	0.04	2.94	0.12
1952	2.84	40.00	0.07	3.23	0.23
1954	0.14	40.00	0.00	3.80	0.01
1955	0.47	40.00	0.01	4.10	0.05
1956	3.29	40.00	0.08	4.38	0.36
1960	27,705.60	40.00	692.64	5.57	3,859.96
1961	84.30	40.00	2.11	5.88	12.40
1962	33.23	40.00	0.83	6.20	5.15
1963	6.37	40.00	0.16	6.52	1.04
1964	533.21	40.00	13.33	6.85	91.32
1965	1,017.51	40.00	25.44	7.19	182.98
1966	2,611.10	40.00	65.28	7.54	492.51
1967	6,380.64	40.00	159.52	7.91	1,261.68
1968	11,022.59	40.00	275.56	8.29	2,283.23
1969	9,990.25	40.00	249.75	8.68	2,166.70
1970	25,009.37	40.00	625.23	9.08	5,676.03
1971	26,056.91	40.00	651.42	9.50	6,185.29
1972	41,262.68	40.00	1,031.56	9.93	10,239.86
1973	105,079.26	40.00	2,626.97	10.37	27,246.95
1974	226,650.20	40.00	5,666.22	10.83	61,382.02
1975	240,444.48	40.00	6,011.08	11.31	67,972.59
1976	393,022.60	40.00	9,825.51	11.80	115,928.98
1977	454,677.41	40.00	11,366.87	12.30	139,851.67
1978	536,991.85	40.00	13,424.72	12.82	172,162.05
1979	927,355.06	40.00	23,183.75	13.36	309,700.76

Montana-Dakota Utilities Company
Electric Plant
367.00 Underground Conductor & Devices
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *40* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1980	715,250.55	40.00	17,881.16	13.91	248,706.66
1981	993,876.46	40.00	24,846.77	14.47	359,588.68
1982	785,525.09	40.00	19,638.02	15.05	295,579.74
1983	777,489.98	40.00	19,437.14	15.64	304,057.77
1984	769,557.51	40.00	19,238.83	16.25	312,634.88
1985	733,251.52	40.00	18,331.19	16.87	309,234.67
1986	733,015.72	40.00	18,325.29	17.50	320,752.11
1987	425,565.44	40.00	10,639.08	18.15	193,085.26
1988	376,327.72	40.00	9,408.14	18.81	176,951.52
1989	252,260.80	40.00	6,306.48	19.48	122,843.81
1990	630,950.62	40.00	15,773.68	20.16	318,047.70
1991	549,974.87	40.00	13,749.30	20.86	286,780.88
1992	1,388,918.03	40.00	34,722.76	21.57	748,813.92
1993	1,216,396.24	40.00	30,409.74	22.28	677,623.27
1994	1,459,938.20	40.00	36,498.25	23.01	839,936.79
1995	1,884,119.38	40.00	47,102.72	23.75	1,118,807.79
1996	825,203.30	40.00	20,629.97	24.50	505,511.36
1997	1,461,832.50	40.00	36,545.61	25.26	923,288.23
1998	1,312,004.41	40.00	32,799.93	26.04	853,962.22
1999	1,794,755.83	40.00	44,868.65	26.82	1,203,179.53
2000	1,354,951.40	40.00	33,873.60	27.61	935,127.98
2001	1,943,014.48	40.00	48,575.09	28.41	1,379,795.58
2002	2,157,193.84	40.00	53,929.55	29.21	1,575,530.51
2003	2,090,718.92	40.00	52,267.68	30.03	1,569,684.04
2004	1,932,981.03	40.00	48,324.26	30.86	1,491,205.76
2005	1,884,019.64	40.00	47,100.23	31.69	1,492,723.34
2006	3,251,100.79	40.00	81,277.07	32.54	2,644,414.45

Montana-Dakota Utilities Company
Electric Plant
367.00 Underground Conductor & Devices
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: ***40*** ***Survivor Curve:*** ***R2***

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2007	3,794,910.39	40.00	94,872.23	33.39	3,167,423.17
2008	4,600,444.57	40.00	115,010.48	34.25	3,938,563.19
2009	4,081,397.64	40.00	102,034.37	35.11	3,582,531.46
2010	4,528,876.85	40.00	113,221.29	35.98	4,074,261.10
2011	4,428,543.74	40.00	110,712.98	36.87	4,081,452.94
2012	8,585,385.67	40.00	214,633.45	37.75	8,103,063.23
2013	12,323,466.56	40.00	308,084.95	38.65	11,906,506.08
2014	12,800,249.19	40.00	320,004.45	39.55	12,655,449.30
Total	91,879,419.15	40.00	2,296,972.72	32.06	73,643,823.33

Composite Average Remaining Life ... 32.0 Years

Montana-Dakota Utilities Company
Electric Plant
368.00 Line Transformers
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R3*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1936	149.46	55.00	2.72	3.56	9.68
1937	149.46	55.00	2.72	3.81	10.37
1938	306.40	55.00	5.57	4.07	22.67
1939	314.06	55.00	5.71	4.33	24.70
1940	321.91	55.00	5.85	4.58	26.83
1941	329.95	55.00	6.00	4.85	29.09
1946	5,546.57	55.00	100.85	6.19	623.77
1947	7,238.86	55.00	131.62	6.47	851.25
1948	9,234.69	55.00	167.90	6.76	1,135.04
1949	11,294.45	55.00	205.35	7.06	1,450.50
1950	9,714.73	55.00	176.63	7.38	1,303.30
1951	23,527.58	55.00	427.77	7.71	3,296.62
1952	31,740.47	55.00	577.10	8.05	4,644.98
1953	36,723.25	55.00	667.70	8.40	5,610.78
1954	38,998.74	55.00	709.07	8.77	6,220.60
1955	42,941.82	55.00	780.76	9.16	7,150.59
1956	70,739.61	55.00	1,286.17	9.56	12,296.17
1957	72,273.76	55.00	1,314.07	9.98	13,111.19
1958	79,984.02	55.00	1,454.25	10.41	15,143.03
1959	132,601.22	55.00	2,410.93	10.87	26,196.09
1960	149,960.74	55.00	2,726.56	11.34	30,906.89
1961	165,492.51	55.00	3,008.95	11.82	35,574.00
1962	147,094.67	55.00	2,674.45	12.33	32,968.24
1963	167,424.83	55.00	3,044.09	12.85	39,106.02
1964	179,758.57	55.00	3,268.34	13.39	43,749.84
1965	236,804.53	55.00	4,305.54	13.94	60,027.67
1966	180,167.89	55.00	3,275.78	14.51	47,545.43

Montana-Dakota Utilities Company
Electric Plant
368.00 Line Transformers

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R3*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1967	357,426.22	55.00	6,498.66	15.10	98,145.16
1968	347,516.39	55.00	6,318.48	15.70	99,220.39
1969	90,422.39	55.00	1,644.04	16.32	26,835.99
1970	213,665.68	55.00	3,884.83	16.96	65,877.52
1971	240,618.79	55.00	4,374.89	17.61	77,024.88
1972	271,431.53	55.00	4,935.12	18.27	90,155.94
1973	428,013.63	55.00	7,782.06	18.94	147,419.43
1974	793,026.31	55.00	14,418.66	19.63	283,030.09
1975	398,930.22	55.00	7,253.27	20.33	147,465.02
1976	589,203.81	55.00	10,712.79	21.04	225,439.90
1977	989,301.21	55.00	17,987.29	21.77	391,557.86
1978	1,243,568.98	55.00	22,610.34	22.50	508,829.44
1979	1,247,256.04	55.00	22,677.38	23.25	527,216.93
1980	1,109,868.50	55.00	20,179.42	24.01	484,439.35
1981	1,380,090.69	55.00	25,092.55	24.77	621,662.36
1982	1,187,629.99	55.00	21,593.27	25.55	551,770.41
1983	965,627.87	55.00	17,556.86	26.34	462,460.80
1984	1,267,098.26	55.00	23,038.14	27.14	625,212.16
1985	863,699.77	55.00	15,703.63	27.94	438,812.93
1986	652,939.44	55.00	11,871.62	28.76	341,429.91
1987	264,937.53	55.00	4,817.04	29.59	142,516.54
1988	497,969.38	55.00	9,053.99	30.42	275,425.79
1989	734,600.73	55.00	13,356.37	31.26	417,567.27
1990	539,083.80	55.00	9,801.52	32.11	314,761.36
1991	440,653.57	55.00	8,011.88	32.97	264,184.72
1992	649,204.16	55.00	11,803.71	33.84	399,470.00
1993	696,956.43	55.00	12,671.93	34.72	439,959.68

Montana-Dakota Utilities Company
Electric Plant
368.00 Line Transformers

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R3*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1994	604,097.76	55.00	10,983.59	35.60	391,052.58
1995	794,000.27	55.00	14,436.36	36.49	526,853.46
1996	945,222.41	55.00	17,185.86	37.39	642,624.30
1997	1,117,883.02	55.00	20,325.14	38.30	778,430.57
1998	1,066,136.39	55.00	19,384.29	39.21	760,093.89
1999	1,010,221.03	55.00	18,367.65	40.13	737,115.72
2000	870,807.91	55.00	15,832.87	41.06	650,045.16
2001	883,612.63	55.00	16,065.68	41.99	674,551.31
2002	1,112,260.27	55.00	20,222.91	42.92	868,059.23
2003	1,095,721.79	55.00	19,922.21	43.87	873,932.94
2004	1,333,130.27	55.00	24,238.72	44.81	1,086,258.13
2005	951,691.02	55.00	17,303.47	45.77	791,935.14
2006	1,846,339.53	55.00	33,569.80	46.72	1,568,525.38
2007	3,776,965.73	55.00	68,672.08	47.68	3,274,616.26
2008	4,073,583.39	55.00	74,065.13	48.65	3,603,272.96
2009	2,057,880.50	55.00	37,416.00	49.62	1,856,539.10
2010	1,881,859.54	55.00	34,215.62	50.59	1,731,001.52
2011	2,911,083.15	55.00	52,928.77	51.57	2,729,333.45
2012	5,824,752.83	55.00	105,904.56	52.54	5,564,623.19
2013	5,445,015.34	55.00	99,000.25	53.52	5,298,942.67
2014	5,013,637.32	55.00	91,157.01	54.51	4,968,755.06
Total	64,877,478.17	55.00	1,179,590.14	40.89	48,233,489.18

Composite Average Remaining Life ... 40.8 Years

Montana-Dakota Utilities Company
Electric Plant
369.10 Services - Overhead
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *37* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1950	19.75	37.00	0.53	3.02	1.61
1953	19.75	37.00	0.53	3.70	1.97
1959	0.29	37.00	0.01	5.26	0.04
1960	62.20	37.00	1.68	5.54	9.32
1961	257.78	37.00	6.97	5.84	40.65
1962	590.48	37.00	15.96	6.13	97.81
1963	1,329.69	37.00	35.94	6.43	231.06
1964	2,141.47	37.00	57.88	6.74	389.94
1965	3,346.99	37.00	90.46	7.05	638.06
1966	4,352.68	37.00	117.64	7.38	867.72
1967	6,122.69	37.00	165.48	7.71	1,275.48
1968	9,717.51	37.00	262.63	8.05	2,114.25
1969	12,523.06	37.00	338.46	8.40	2,843.61
1970	16,604.31	37.00	448.76	8.76	3,933.22
1971	18,505.17	37.00	500.13	9.14	4,571.13
1972	27,580.82	37.00	745.41	9.53	7,101.53
1973	41,781.46	37.00	1,129.21	9.93	11,209.83
1974	68,217.01	37.00	1,843.67	10.34	19,064.91
1975	75,828.45	37.00	2,049.38	10.77	22,067.14
1976	104,664.40	37.00	2,828.72	11.21	31,707.03
1977	114,209.30	37.00	3,086.68	11.66	36,003.98
1978	95,197.02	37.00	2,572.85	12.13	31,216.66
1979	106,713.44	37.00	2,884.10	12.62	36,388.83
1980	132,743.44	37.00	3,587.60	13.12	47,051.66
1981	126,594.32	37.00	3,421.41	13.63	46,620.57
1982	113,360.60	37.00	3,063.75	14.15	43,359.86
1983	118,700.16	37.00	3,208.06	14.69	47,134.77

Montana-Dakota Utilities Company
Electric Plant
369.10 Services - Overhead
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *37* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1984	115,055.40	37.00	3,109.55	15.25	47,408.55
1985	119,907.55	37.00	3,240.69	15.81	51,242.28
1986	109,789.04	37.00	2,967.22	16.39	48,640.04
1987	90,807.04	37.00	2,454.20	16.99	41,685.54
1988	91,129.01	37.00	2,462.90	17.59	43,321.84
1989	89,718.26	37.00	2,424.77	18.21	44,149.62
1990	82,617.76	37.00	2,232.87	18.84	42,061.34
1991	71,024.04	37.00	1,919.53	19.48	37,387.05
1992	85,724.39	37.00	2,316.83	20.13	46,637.22
1993	86,426.57	37.00	2,335.81	20.79	48,568.11
1994	113,080.18	37.00	3,056.17	21.47	65,603.96
1995	48,101.08	37.00	1,300.01	22.15	28,793.28
1996	96,946.57	37.00	2,620.13	22.84	59,848.25
1997	82,346.26	37.00	2,225.54	23.54	52,397.56
1998	80,344.46	37.00	2,171.43	24.25	52,665.46
1999	59,447.73	37.00	1,606.67	24.97	40,123.74
2000	63,539.19	37.00	1,717.25	25.70	44,134.17
2001	84,461.10	37.00	2,282.69	26.44	60,343.62
2002	66,035.36	37.00	1,784.71	27.18	48,502.60
2003	69,204.47	37.00	1,870.36	27.93	52,231.39
2004	81,407.19	37.00	2,200.16	28.68	63,103.78
2005	99,401.92	37.00	2,686.49	29.44	79,098.51
2006	99,403.43	37.00	2,686.53	30.21	81,165.13
2007	93,552.36	37.00	2,528.40	30.99	78,347.35
2008	128,386.87	37.00	3,469.85	31.77	110,229.38
2009	153,909.82	37.00	4,159.65	32.56	135,420.67
2010	116,880.96	37.00	3,158.89	33.35	105,348.99

Montana-Dakota Utilities Company
Electric Plant
369.10 Services - Overhead
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *37* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2011	121,786.72	37.00	3,291.47	34.15	112,405.28
2012	168,171.77	37.00	4,545.10	34.96	158,881.72
2013	398,505.90	37.00	10,770.24	35.77	385,249.06
2014	180,621.85	37.00	4,881.59	36.59	178,612.09
Total	4,548,918.49	37.00	122,941.57	23.10	2,839,550.26

Composite Average Remaining Life ... 23.1 Years

Montana-Dakota Utilities Company
Electric Plant
369.20 Services - Underground
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: ***45*** ***Survivor Curve:*** ***R3***

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1955	1.10	45.00	0.02	4.13	0.10
1956	8.53	45.00	0.19	4.40	0.83
1957	36.24	45.00	0.81	4.66	3.76
1958	100.27	45.00	2.23	4.94	11.00
1959	262.87	45.00	5.84	5.21	30.46
1960	534.62	45.00	11.88	5.51	65.42
1961	1,055.74	45.00	23.46	5.81	136.34
1962	1,345.25	45.00	29.89	6.13	183.25
1963	2,316.22	45.00	51.47	6.46	332.59
1964	3,247.25	45.00	72.16	6.81	491.56
1965	4,602.40	45.00	102.28	7.18	734.37
1966	5,843.81	45.00	129.86	7.57	982.71
1967	8,223.25	45.00	182.74	7.97	1,457.14
1968	13,446.51	45.00	298.81	8.40	2,510.62
1969	18,252.55	45.00	405.61	8.85	3,589.72
1970	25,304.73	45.00	562.33	9.32	5,240.42
1971	30,919.10	45.00	687.09	9.81	6,739.80
1972	50,532.69	45.00	1,122.95	10.32	11,591.67
1973	84,258.53	45.00	1,872.41	10.86	20,325.22
1974	153,072.25	45.00	3,401.60	11.41	38,805.66
1975	195,246.17	45.00	4,338.80	11.98	51,982.74
1976	316,922.22	45.00	7,042.71	12.57	88,548.92
1977	426,406.01	45.00	9,475.68	13.19	124,960.09
1978	470,255.62	45.00	10,450.12	13.82	144,393.63
1979	539,508.82	45.00	11,989.08	14.46	173,418.90
1980	570,469.00	45.00	12,677.08	15.13	191,788.34
1981	699,883.45	45.00	15,552.96	15.81	245,912.28

Montana-Dakota Utilities Company
Electric Plant
369.20 Services - Underground
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *45* ***Survivor Curve:*** *R3*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1982	629,748.00	45.00	13,994.39	16.51	231,011.40
1983	553,332.11	45.00	12,296.26	17.22	211,719.71
1984	450,091.65	45.00	10,002.03	17.94	179,467.51
1985	346,038.30	45.00	7,689.74	18.68	143,656.48
1986	280,180.84	45.00	6,226.24	19.44	121,011.77
1987	266,487.20	45.00	5,921.93	20.20	119,627.50
1988	262,068.58	45.00	5,823.74	20.98	122,170.49
1989	258,772.99	45.00	5,750.51	21.77	125,172.55
1990	247,549.54	45.00	5,501.10	22.57	124,159.65
1991	242,470.89	45.00	5,388.24	23.38	125,992.41
1992	365,398.87	45.00	8,119.97	24.21	196,558.57
1993	357,471.75	45.00	7,943.81	25.04	198,925.67
1994	566,335.17	45.00	12,585.22	25.89	325,792.85
1995	398,496.56	45.00	8,855.47	26.74	236,835.09
1996	469,818.97	45.00	10,440.42	27.61	288,266.77
1997	477,212.37	45.00	10,604.71	28.49	302,091.47
1998	437,644.94	45.00	9,725.44	29.37	285,653.39
1999	435,074.93	45.00	9,668.33	30.27	292,634.85
2000	380,401.34	45.00	8,453.36	31.17	263,497.81
2001	484,086.76	45.00	10,757.48	32.08	345,126.60
2002	482,565.01	45.00	10,723.66	33.00	353,903.18
2003	567,228.99	45.00	12,605.08	33.93	427,680.35
2004	631,304.64	45.00	14,028.98	34.86	489,114.28
2005	658,655.57	45.00	14,636.78	35.81	524,080.41
2006	754,649.47	45.00	16,769.98	36.75	616,348.37
2007	770,426.00	45.00	17,120.57	37.71	645,552.29
2008	1,033,354.10	45.00	22,963.41	38.67	887,890.50

Montana-Dakota Utilities Company
Electric Plant
369.20 Services - Underground
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: ***45*** ***Survivor Curve:*** ***R3***

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2009	987,455.15	45.00	21,943.44	39.63	869,598.77
2010	1,234,905.73	45.00	27,442.33	40.60	1,114,083.77
2011	1,501,150.08	45.00	33,358.87	41.57	1,386,712.75
2012	2,771,372.12	45.00	61,586.01	42.55	2,620,209.33
2013	2,961,913.32	45.00	65,820.26	43.53	2,864,849.78
2014	2,631,589.46	45.00	58,479.73	44.51	2,602,803.72
Total	28,517,306.60	45.00	633,717.56	32.75	20,756,437.55

Composite Average Remaining Life ... ***32.7*** ***Years***

Montana-Dakota Utilities Company
Electric Plant
370.00 Meters

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *20* ***Survivor Curve:*** *L3*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1995	71,958.80	20.00	3,597.97	6.10	21,946.89
1996	172,364.60	20.00	8,618.30	6.28	54,163.76
1997	74,479.57	20.00	3,724.01	6.50	24,218.09
1998	46,540.42	20.00	2,327.04	6.78	15,767.91
1999	42,760.81	20.00	2,138.06	7.12	15,222.51
2000	36,958.93	20.00	1,847.96	7.54	13,940.91
2001	82,704.17	20.00	4,135.24	8.06	33,335.08
2002	66,303.72	20.00	3,315.21	8.67	28,727.95
2003	90,338.49	20.00	4,516.96	9.36	42,270.29
2004	155,561.14	20.00	7,778.12	10.12	78,710.40
2005	192,440.57	20.00	9,622.10	10.94	105,267.61
2006	166,579.29	20.00	8,329.03	11.80	98,288.55
2007	4,940,324.74	20.00	247,018.19	12.69	3,135,843.65
2008	2,271,621.66	20.00	113,581.98	13.61	1,546,313.42
2009	461,628.96	20.00	23,081.63	14.56	336,022.79
2010	1,229,520.75	20.00	61,476.52	15.52	954,322.30
2011	645,182.00	20.00	32,259.36	16.51	532,482.73
2012	3,590,842.42	20.00	179,543.54	17.50	3,142,079.61
2013	1,727,477.96	20.00	86,374.58	18.50	1,597,916.19
2014	906,938.04	20.00	45,347.26	19.50	884,264.41
Total	16,972,527.04	20.00	848,633.06	14.92	12,661,105.05

Composite Average Remaining Life ... 14.9 Years

Montana-Dakota Utilities Company
Electric Plant
371.00 Installation on Customers Premises
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *22* ***Survivor Curve:*** *R0.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1967	90.55	0.00	0.00	0.00	0.00
1970	90.55	0.00	0.00	0.00	0.00
1972	205.72	22.00	9.35	0.82	7.66
1973	145.83	22.00	6.63	1.26	8.35
1974	89.80	22.00	4.08	1.71	6.97
1975	108.93	22.00	4.95	2.15	10.63
1977	115.06	22.00	5.23	2.98	15.60
1978	430.19	22.00	19.55	3.39	66.24
1979	1,377.20	22.00	62.59	3.79	236.97
1980	3,883.49	22.00	176.51	4.18	738.07
1981	5,426.70	22.00	246.65	4.58	1,128.59
1982	6,205.95	22.00	282.06	4.97	1,402.34
1983	14,078.86	22.00	639.89	5.37	3,436.21
1984	16,228.60	22.00	737.59	5.77	4,258.22
1985	16,993.17	22.00	772.34	6.18	4,774.12
1986	23,826.96	22.00	1,082.94	6.60	7,143.60
1987	22,626.49	22.00	1,028.38	7.02	7,218.02
1988	29,980.68	22.00	1,362.63	7.45	10,150.93
1989	35,216.09	22.00	1,600.58	7.89	12,627.06
1990	51,567.82	22.00	2,343.77	8.34	19,542.33
1991	59,991.38	22.00	2,726.62	8.80	23,985.17
1992	74,501.73	22.00	3,386.12	9.27	31,374.41
1993	70,543.33	22.00	3,206.21	9.74	31,243.69
1994	77,455.58	22.00	3,520.38	10.23	36,029.78
1995	26,828.33	22.00	1,219.36	10.73	13,089.60
1996	109,558.02	22.00	4,979.44	11.25	55,998.55
1997	83,693.54	22.00	3,803.89	11.77	44,760.62

Montana-Dakota Utilities Company
Electric Plant
371.00 Installation on Customers Premises
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *22* ***Survivor Curve:*** *R0.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1998	71,132.56	22.00	3,232.99	12.30	39,761.61
1999	79,748.78	22.00	3,624.60	12.84	46,539.73
2000	53,831.03	22.00	2,446.64	13.39	32,761.14
2001	77,359.46	22.00	3,516.01	13.95	49,046.49
2002	70,096.99	22.00	3,185.93	14.52	46,248.23
2003	86,510.51	22.00	3,931.93	15.09	59,335.73
2004	99,563.61	22.00	4,525.19	15.67	70,915.09
2005	110,384.55	22.00	5,017.01	16.26	81,562.87
2006	134,373.28	22.00	6,107.30	16.85	102,893.92
2007	100,154.38	22.00	4,552.04	17.44	79,397.29
2008	149,219.00	22.00	6,782.04	18.04	122,344.34
2009	114,994.95	22.00	5,226.55	18.64	97,422.30
2010	117,364.25	22.00	5,334.24	19.24	102,648.12
2011	173,762.43	22.00	7,897.55	19.85	156,764.97
2012	155,963.24	22.00	7,088.57	20.46	145,032.50
2013	272,332.76	22.00	12,377.60	21.07	260,843.57
2014	144,574.16	22.00	6,570.94	21.69	142,534.78
Total	2,742,626.49	21.00	124,644.90	15.61	1,945,306.39

Composite Average Remaining Life ... 15.6 Years

Montana-Dakota Utilities Company
Electric Plant
373.00 Street Lighting System
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *43* ***Survivor Curve:*** *R1*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1948	0.45	43.00	0.01	6.32	0.07
1949	14.82	43.00	0.34	6.65	2.29
1950	54.13	43.00	1.26	6.99	8.80
1951	190.96	43.00	4.44	7.33	32.57
1952	470.86	43.00	10.95	7.68	84.13
1953	973.50	43.00	22.64	8.04	182.00
1954	2,452.30	43.00	57.03	8.40	479.11
1955	3,248.84	43.00	75.55	8.77	662.44
1956	4,323.93	43.00	100.55	9.14	919.25
1957	2,779.92	43.00	64.65	9.52	615.58
1958	6,867.54	43.00	159.71	9.91	1,582.32
1959	13,021.13	43.00	302.81	10.30	3,119.04
1960	14,057.75	43.00	326.92	10.70	3,497.85
1961	16,146.82	43.00	375.50	11.10	4,169.90
1962	29,512.13	43.00	686.31	11.52	7,904.53
1963	44,974.25	43.00	1,045.89	11.94	12,484.42
1964	64,891.38	43.00	1,509.07	12.36	18,656.39
1965	50,123.54	43.00	1,165.64	12.80	14,915.68
1966	78,240.08	43.00	1,819.49	13.24	24,083.94
1967	86,928.16	43.00	2,021.54	13.68	27,663.91
1968	75,939.34	43.00	1,765.99	14.14	24,970.77
1969	205,661.52	43.00	4,782.71	14.60	69,839.45
1970	57,607.05	43.00	1,339.67	15.07	20,193.02
1971	74,875.16	43.00	1,741.24	15.55	27,078.55
1972	88,689.28	43.00	2,062.49	16.04	33,076.38
1973	99,878.79	43.00	2,322.71	16.53	38,395.81
1974	104,730.17	43.00	2,435.53	17.03	41,484.74

Montana-Dakota Utilities Company
Electric Plant
373.00 Street Lighting System
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *43* ***Survivor Curve:*** *R1*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1975	117,655.22	43.00	2,736.10	17.54	47,999.02
1976	158,468.47	43.00	3,685.23	18.06	66,556.69
1977	103,018.12	43.00	2,395.71	18.59	44,529.77
1978	121,808.13	43.00	2,832.68	19.12	54,164.42
1979	332,176.92	43.00	7,724.86	19.66	151,895.48
1980	306,015.61	43.00	7,116.48	20.21	143,855.98
1981	169,174.31	43.00	3,934.19	20.77	81,724.38
1982	192,182.77	43.00	4,469.26	21.34	95,369.67
1983	212,150.07	43.00	4,933.61	21.91	108,117.25
1984	63,502.15	43.00	1,476.76	22.50	33,222.17
1985	174,648.84	43.00	4,061.51	23.09	93,765.73
1986	96,626.80	43.00	2,247.08	23.69	53,222.32
1987	85,368.42	43.00	1,985.27	24.29	48,222.35
1988	71,434.47	43.00	1,661.23	24.90	41,368.29
1989	82,532.39	43.00	1,919.31	25.52	48,985.75
1990	72,884.82	43.00	1,694.96	26.15	44,320.91
1991	63,044.80	43.00	1,466.12	26.78	39,264.60
1992	74,368.87	43.00	1,729.47	27.42	47,423.84
1993	73,039.10	43.00	1,698.54	28.07	47,671.33
1994	180,017.53	43.00	4,186.36	28.72	120,217.18
1995	65,008.07	43.00	1,511.78	29.37	44,405.64
1996	113,747.80	43.00	2,645.24	30.03	79,447.04
1997	90,820.98	43.00	2,112.07	30.70	64,839.32
1998	123,407.22	43.00	2,869.87	31.37	90,027.90
1999	106,122.99	43.00	2,467.92	32.04	79,082.19
2000	116,641.62	43.00	2,712.53	32.72	88,758.92
2001	148,080.90	43.00	3,443.66	33.40	115,031.21

Montana-Dakota Utilities Company
Electric Plant
373.00 Street Lighting System
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *43* ***Survivor Curve:*** *R1*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2002	104,991.78	43.00	2,441.61	34.09	83,231.33
2003	103,155.75	43.00	2,398.91	34.78	83,426.90
2004	104,032.61	43.00	2,419.31	35.47	85,811.35
2005	137,189.97	43.00	3,190.39	36.17	115,381.09
2006	123,940.09	43.00	2,882.26	36.86	106,254.10
2007	135,509.19	43.00	3,151.30	37.57	118,392.33
2008	249,412.24	43.00	5,800.15	38.28	222,016.38
2009	210,729.82	43.00	4,900.58	38.99	191,075.86
2010	183,973.59	43.00	4,278.36	39.71	169,887.45
2011	184,591.12	43.00	4,292.72	40.43	173,559.34
2012	153,465.33	43.00	3,568.88	41.16	146,889.84
2013	382,282.10	43.00	8,890.07	41.89	372,421.14
2014	460,024.31	43.00	10,697.99	42.63	456,054.66
Total	7,173,899.09	43.00	166,830.96	28.02	4,673,994.09

Composite Average Remaining Life ... 28.0 Years

Montana-Dakota Utilities Company
Electric Plant
390.00 General Structures & Improvements
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *29* ***Survivor Curve:*** *L2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1933	2,970.24	0.00	0.00	0.00	0.00
1934	4,683.84	29.00	161.51	0.50	80.76
1935	4,800.94	29.00	165.55	0.72	119.67
1936	5,043.99	29.00	173.93	0.87	151.44
1937	5,043.99	29.00	173.93	1.01	176.23
1938	5,170.09	29.00	178.28	1.18	209.75
1939	5,299.34	29.00	182.74	1.33	242.61
1940	5,431.82	29.00	187.30	1.50	280.82
1941	5,567.62	29.00	191.99	1.66	318.98
1946	5,567.62	29.00	191.99	2.53	485.35
1947	5,567.62	29.00	191.99	2.71	520.50
1948	5,567.62	29.00	191.99	2.89	554.50
1949	497.53	29.00	17.16	3.07	52.74
1950	3,578.09	29.00	123.38	3.26	401.74
1951	12,627.24	29.00	435.42	3.44	1,499.88
1952	1,869.74	29.00	64.47	3.64	234.46
1953	1,142.52	29.00	39.40	3.82	150.59
1954	7,276.16	29.00	250.90	4.02	1,008.12
1955	2,806.55	29.00	96.78	4.21	407.40
1956	1,449.95	29.00	50.00	4.41	220.45
1957	461.49	29.00	15.91	4.61	73.31
1958	946.47	29.00	32.64	4.81	157.00
1959	728.01	29.00	25.10	5.01	125.86
1960	625.77	29.00	21.58	5.22	112.69
1961	630.72	29.00	21.75	5.43	118.13
1962	434.20	29.00	14.97	5.65	84.53
1963	404.13	29.00	13.94	5.86	81.71

Montana-Dakota Utilities Company
Electric Plant
390.00 General Structures & Improvements
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *29* ***Survivor Curve:*** *L2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1964	1,675.67	29.00	57.78	6.08	351.36
1965	1,271.45	29.00	43.84	6.30	276.43
1966	461.70	29.00	15.92	6.53	103.95
1967	855.11	29.00	29.49	6.76	199.34
1968	617.84	29.00	21.30	6.99	148.97
1969	501.43	29.00	17.29	7.23	125.00
1970	43.53	29.00	1.50	7.47	11.21
1971	1,694.22	29.00	58.42	7.71	450.54
1972	7,088.56	29.00	244.43	7.96	1,945.40
1973	4,419.35	29.00	152.39	8.21	1,250.43
1974	16,856.90	29.00	581.27	8.46	4,915.44
1975	913.30	29.00	31.49	8.71	274.19
1976	2,275.10	29.00	78.45	8.96	702.87
1978	70.12	29.00	2.42	9.46	22.88
1979	10,868.62	29.00	374.78	9.71	3,639.77
1980	7,552.74	29.00	260.44	9.96	2,594.10
1981	27,991.52	29.00	965.22	10.21	9,852.61
1982	4,075.75	29.00	140.54	10.45	1,468.67
1983	3,472.40	29.00	119.74	10.69	1,280.30
1985	958.30	29.00	33.04	11.17	369.15
1987	1,598.50	29.00	55.12	11.65	642.32
1988	3,654.26	29.00	126.01	11.90	1,499.43
1989	48,437.42	29.00	1,670.25	12.15	20,299.83
1990	48,805.21	29.00	1,682.94	12.42	20,898.64
1991	6,318.27	29.00	217.87	12.70	2,766.17
1992	4,408.75	29.00	152.03	12.99	1,975.16
1993	7,414.56	29.00	255.67	13.31	3,403.02

Montana-Dakota Utilities Company
Electric Plant
390.00 General Structures & Improvements
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *29* ***Survivor Curve:*** *L2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1994	949.33	29.00	32.74	13.65	446.95
1997	3,318.83	29.00	114.44	14.89	1,703.80
2000	17,890.44	29.00	616.91	16.51	10,187.11
2001	38,053.91	29.00	1,312.20	17.15	22,509.97
2003	58,200.84	29.00	2,006.92	18.59	37,306.63
2004	20,575.64	29.00	709.50	19.37	13,744.17
2006	68,477.09	29.00	2,361.28	21.02	49,640.16
2009	4,259.08	29.00	146.86	23.67	3,476.46
2012	164,475.84	29.00	5,671.58	26.52	150,405.03
2014	148,609.51	29.00	5,124.46	28.50	146,047.77
Total	835,304.39	28.55	28,701.16	18.29	524,804.46

Composite Average Remaining Life ... 18.2 Years

Montana-Dakota Utilities Company
Electric Plant
392.10 Transportation Equipment - Non Unitized
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *15* ***Survivor Curve:*** *R4*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1961	2,089.77	0.00	0.00	0.00	0.00
1964	2,451.58	0.00	0.00	0.00	0.00
1968	5,720.00	0.00	0.00	0.00	0.00
1973	2,494.29	0.00	0.00	0.00	0.00
1978	4,251.63	0.00	0.00	0.00	0.00
1979	9,410.50	0.00	0.00	0.00	0.00
1980	8,572.24	0.00	0.00	0.00	0.00
1983	1,419.80	0.00	0.00	0.00	0.00
1989	3,103.25	0.00	0.00	0.00	0.00
1990	1,475.69	0.00	0.00	0.00	0.00
1992	5,808.06	15.00	387.20	0.50	193.60
1993	40,628.23	15.00	2,708.53	0.51	1,373.99
1995	11,127.61	15.00	741.84	0.83	617.74
1998	19,633.76	15.00	1,308.91	1.64	2,141.48
1999	32,668.85	15.00	2,177.91	2.00	4,354.95
2000	11,900.93	15.00	793.39	2.46	1,949.27
2001	29,093.27	15.00	1,939.54	3.02	5,865.43
2002	21,319.83	15.00	1,421.31	3.68	5,225.83
2003	33,677.49	15.00	2,245.15	4.38	9,834.20
2004	20,394.39	15.00	1,359.62	5.13	6,980.01
2005	8,138.97	15.00	542.59	5.94	3,221.71
2006	25,278.64	15.00	1,685.23	6.79	11,439.86
2007	95,414.03	15.00	6,360.90	7.68	48,859.90
2008	77,019.84	15.00	5,134.63	8.61	44,199.03
2009	25,149.42	15.00	1,676.62	9.56	16,029.31
2010	201,423.40	15.00	13,428.15	10.53	141,423.40
2011	216,618.42	15.00	14,441.14	11.52	166,297.07

Montana-Dakota Utilities Company
Electric Plant
392.10 Transportation Equipment - Non Unitized
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *15* ***Survivor Curve:*** *R4*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2012	56,123.86	15.00	3,741.57	12.51	46,794.93
Total	972,407.75	9.64	62,094.23	8.32	516,801.71

Composite Average Remaining Life ... *8.32* ***Years***

Montana-Dakota Utilities Company
Electric Plant
392.20 Transportation Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *11* ***Survivor Curve:*** *L3*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1991	4,231.99	11.00	384.74	0.66	254.47
1992	17,085.87	11.00	1,553.31	0.82	1,275.86
1997	31,862.70	11.00	2,896.71	1.85	5,362.31
1998	76,929.27	11.00	6,993.81	2.09	14,651.93
1999	65,299.69	11.00	5,936.54	2.35	13,945.29
2000	147,438.81	11.00	13,403.98	2.61	34,927.18
2001	94,729.15	11.00	8,612.03	2.85	24,542.74
2002	104,314.19	11.00	9,483.43	3.06	29,050.89
2003	279,623.75	11.00	25,421.20	3.24	82,400.80
2004	397,959.71	11.00	36,179.38	3.41	123,320.36
2005	478,145.78	11.00	43,469.26	3.62	157,357.57
2006	635,232.23	11.00	57,750.33	3.93	227,218.63
2007	770,051.74	11.00	70,007.06	4.40	307,872.90
2008	610,918.56	11.00	55,539.92	5.02	279,056.12
2009	479,224.75	11.00	43,567.36	5.79	252,246.74
2010	259,332.78	11.00	23,576.50	6.65	156,689.46
2011	770,126.57	11.00	70,013.87	7.56	529,176.96
2012	153,508.05	11.00	13,955.75	8.51	118,811.75
2013	658,809.76	11.00	59,893.82	9.50	569,008.78
2014	946,030.00	11.00	86,005.63	10.50	903,027.19
Total	6,980,855.35	11.00	634,644.61	6.04	3,830,197.91

Composite Average Remaining Life ... 6.04 Years

SECTION 7

Montana-Dakota Utilities Company
Electric Plant
341.10 Other Production Structures & Improvements
Original Cost Of Utility Plant In Service
And Development Of Calculated Depr Reserve as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Salvage Value: 0 %

Year	*Original Cost*	*Expectancy*	*Avg. Service Life*	*Reserve Ratio*	*Calculated Reserve*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
		GLENDIVE TURBINE			
Interim Survivor Curve: Iowa 70 R1					
Probable Retirement Year: 2022					
1979	201.70	7.27	38.63	0.81179	164
1983	4,718.63	7.29	35.49	0.79452	3,750
1989	11,483.74	7.32	30.57	0.76060	8,735
1993	1,620.51	7.33	27.16	0.73007	1,184
1994	1,424.22	7.34	26.30	0.72105	1,027
1997	974.64	7.34	23.66	0.68964	673
2008	257,912.63	7.38	13.61	0.45800	118,125
Total	278,336.07				133,657
		GLENDIVE II TURBINE			
Interim Survivor Curve: Iowa 70 R1					
Probable Retirement Year: 2046					
2008	15,386.47	29.00	34.68	0.16387	2,522
Total	15,386.47				2,522
		MILES CITY TURBINE			
Interim Survivor Curve: Iowa 70 R1					
Probable Retirement Year: 2019					
1978	4,636.58	4.42	37.07	0.88086	4,085
1996	5,264.17	4.44	21.88	0.79693	4,196
2005	29,641.95	4.45	13.61	0.67276	19,942
2006	32,225.75	4.45	12.66	0.64829	20,892

Montana-Dakota Utilities Company

Electric Plant

341.10 Other Production Structures & Improvements

Original Cost Of Utility Plant In Service

And Development Of Calculated Depr Reserve as of December 31, 2014

Based Upon Broad Group/Remaining Life Procedure and Technique

Salvage Value: 0 %

Year	*Original Cost*	*Expectancy*	*Avg. Service Life*	*Reserve Ratio*	*Calculated Reserve*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2008	75,421.88	4.46	10.76	0.58597	44,195
2013	60,431.80	4.46	5.93	0.24799	14,987
Total	207,622.13				108,297

PORTABLE GENERATORS

Interim Survivor Curve: Iowa 70 R1

Probable Retirement Year: 2047

2005	30,137.23	29.66	37.86	0.21643	6,523
2012	135,973.35	30.03	32.23	0.06847	9,310
Total	166,110.58				15,833
Account Total	667,455.25				260,309.91

Montana-Dakota Utilities Company
Electric Plant
342.00 Fuel Holders, Producers & Accessories
Original Cost Of Utility Plant In Service
And Development Of Calculated Depr Reserve as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Salvage Value: 0 %

Year	*Original Cost*	*Expectancy*	*Avg. Service Life*	*Reserve Ratio*	*Calculated Reserve*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
		GLENDIVE TURBINE			
Interim Survivor Curve: Iowa		***43***	***R5***		
Probable Retirement Year:		***2022***			
1980	4,305.00	6.45	40.14	0.83924	3,613
1987	1,172.41	7.27	34.67	0.79034	927
1991	11,079.56	7.42	30.91	0.75983	8,419
1993	22,315.05	7.46	28.96	0.74233	16,566
1994	65,828.13	7.47	27.97	0.73281	48,240
2007	204,752.46	7.50	15.00	0.50000	102,377
Total	309,452.61				180,142
		GLENDIVE II TURBINE			
Interim Survivor Curve: Iowa		***43***	***R5***		
Probable Retirement Year:		***2046***			
2006	102,515.47	30.31	38.81	0.21903	22,454
2007	11,289.90	30.56	38.06	0.19705	2,225
2009	1,941,845.46	30.93	36.43	0.15096	293,134
Total	2,055,650.83				317,813
		MILES CITY TURBINE			
Interim Survivor Curve: Iowa		***43***	***R5***		
Probable Retirement Year:		***2019***			
1975	74,848.64	3.70	41.21	0.91022	68,129
1978	258.35	4.03	39.50	0.89791	232
1980	2,072.92	4.19	38.06	0.88992	1,845

Montana-Dakota Utilities Company

Electric Plant

342.00 Fuel Holders, Producers & Accessories

Original Cost Of Utility Plant In Service

And Development Of Calculated Depr Reserve as of December 31, 2014

Based Upon Broad Group/Remaining Life Procedure and Technique

Salvage Value: 0 %

Year	*Original Cost*	*Expectancy*	*Avg. Service Life*	*Reserve Ratio*	*Calculated Reserve*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1988	11,257.93	4.45	30.91	0.85594	9,637
1991	5,393.54	4.48	27.97	0.83977	4,530
2013	107,005.90	4.50	6.00	0.25000	26,752
Total	200,837.28				111,125

PORTABLE GENERATORS

Interim Survivor Curve: Iowa 43 R5

Probable Retirement Year: 2047

2005	20,091.49	30.64	40.14	0.23669	4,756
2012	135,973.35	32.17	34.67	0.07210	9,804
Total	156,064.84				14,560
Account Total	2,722,005.56				623,640.44

Montana-Dakota Utilities Company

Electric Plant

344.10 Generators

Original Cost Of Utility Plant In Service

And Development Of Calculated Depr Reserve as of December 31, 2014

Based Upon Broad Group/Remaining Life Procedure and Technique

Salvage Value: 0 %

Year	*Original Cost*	*Expectancy*	*Avg. Service Life*	*Reserve Ratio*	*Calculated Reserve*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
		HESKETT III GAS TURBINE			
Interim Survivor Curve: Iowa		***55***	***R3***		
Probable Retirement Year:		***2057***			
2014	52,131,730.78	40.23	40.73	0.01214	632,761
Total	52,131,730.78				632,761
		GLENDIVE TURBINE			
Interim Survivor Curve: Iowa		***55***	***R3***		
Probable Retirement Year:		***2022***			
1979	4,460,173.97	7.15	40.73	0.82456	3,677,672
1980	7,320.08	7.17	39.93	0.82040	6,006
1981	278,930.23	7.19	39.11	0.81604	227,620
1982	2,194.14	7.22	38.28	0.81149	1,781
1983	319,427.63	7.24	37.43	0.80670	257,683
1984	4,297.67	7.26	36.58	0.80167	3,446
1986	9,144.04	7.29	34.84	0.79077	7,231
1987	111.98	7.30	33.95	0.78486	88
1994	134,105.48	7.39	27.52	0.73153	98,103
1999	1,582.84	7.43	22.75	0.67344	1,066
2000	176,856.20	7.44	21.78	0.65864	116,486
2005	6,048.10	7.46	16.90	0.55849	3,378
2006	17,362.81	7.47	15.92	0.53094	9,219
2007	1,298,998.74	7.47	14.93	0.49972	649,134
2011	19,242.42	7.48	10.97	0.31801	6,120
Total	6,735,796.33				5,065,033

Montana-Dakota Utilities Company

Electric Plant

344.10 Generators

Original Cost Of Utility Plant In Service

And Development Of Calculated Depr Reserve as of December 31, 2014

Based Upon Broad Group/Remaining Life Procedure and Technique

Salvage Value: 0 %

Year	*Original Cost*	*Expectancy*	*Avg. Service Life*	*Reserve Ratio*	*Calculated Reserve*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
		GLENDIVE II TURBINE			
Interim Survivor Curve: Iowa		***55***	***R3***		
Probable Retirement Year:		***2046***			
2003	17,938,437.97	29.49	40.73	0.27603	4,951,500
2007	29,945.96	30.06	37.43	0.19712	5,904
Total	17,968,383.93				4,957,403
		MILES CITY TURBINE			
Interim Survivor Curve: Iowa		***55***	***R3***		
Probable Retirement Year:		***2019***			
1972	1,865,820.31	4.30	43.78	0.90180	1,682,600
1973	15,141.51	4.31	43.04	0.89978	13,625
1995	9,112.50	4.47	23.71	0.81165	7,397
1996	4,888.57	4.47	22.75	0.80356	3,929
2000	177,974.74	4.48	18.86	0.76253	135,712
2004	556,340.68	4.49	14.93	0.69952	389,174
2011	18,860.23	4.49	7.99	0.43728	8,248
2013	20,175.83	4.50	5.99	0.24989	5,042
Total	2,668,314.37				2,245,726
		PORTABLE GENERATORS			
Interim Survivor Curve: Iowa		***55***	***R3***		
Probable Retirement Year:		***2047***			
2005	191,299.80	30.61	39.93	0.23329	44,630
2012	1,206,071.50	31.48	33.95	0.07285	87,864

Montana-Dakota Utilities Company

Electric Plant

344.10 Generators

Original Cost Of Utility Plant In Service

And Development Of Calculated Depr Reserve as of December 31, 2014

Based Upon Broad Group/Remaining Life Procedure and Technique

Salvage Value: 0 %

Year	*Original Cost*	*Expectancy*	*Avg. Service Life*	*Reserve Ratio*	*Calculated Reserve*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
Total	1,397,371.30				132,493

ORMAT GENERATION FACILITY

Interim Survivor Curve: Iowa 55 R3

Probable Retirement Year: 2029

2009	14,990,109.57	14.38	19.84	0.27529	4,126,615
2012	122,659.37	14.41	16.90	0.14716	18,052
2013	71,353.50	14.42	15.92	0.09381	6,694
Total	15,184,122.44				4,151,361

Account Total	96,085,719.15	17,184,777.47

Montana-Dakota Utilities Company
Electric Plant
345.10 Accessory Electric Equipment
Original Cost Of Utility Plant In Service
And Development Of Calculated Depr Reserve as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Salvage Value: 0 %

Year	*Original Cost*	*Expectancy*	*Avg. Service Life*	*Reserve Ratio*	*Calculated Reserve*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
		GLENDIVE TURBINE			
Interim Survivor Curve: Iowa 28 L2					
Probable Retirement Year: 2022					
1980	256.44	5.53	26.97	0.79501	204
1992	15,961.31	5.97	24.00	0.75130	11,992
1993	3,122.10	6.02	23.60	0.74500	2,326
1999	256,770.70	6.46	20.55	0.68569	176,065
2005	19,830.61	7.05	16.23	0.56584	11,221
2007	89,391.15	7.19	14.53	0.50514	45,155
2008	81,241.18	7.24	13.64	0.46876	38,083
Total	466,573.49				285,048
		MILES CITY TURBINE			
Interim Survivor Curve: Iowa 28 L2					
Probable Retirement Year: 2019					
1994	2,762.03	3.98	21.70	0.81664	2,256
1997	3,132.89	4.07	19.92	0.79565	2,493
1999	254,587.22	4.14	18.55	0.77655	197,700
2005	16,443.82	4.37	13.64	0.67977	11,179
2008	49,208.81	4.43	10.85	0.59210	29,137
2010	19,896.72	4.45	8.93	0.50120	9,973
Total	346,031.49				252,738

Montana-Dakota Utilities Company
Electric Plant
345.10 Accessory Electric Equipment
Original Cost Of Utility Plant In Service
And Development Of Calculated Depr Reserve as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Salvage Value: 0 %

Year	*Original Cost*	*Expectancy*	*Avg. Service Life*	*Reserve Ratio*	*Calculated Reserve*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
		PORTABLE GENERATORS			
Interim Survivor Curve: Iowa 28 L2					
Probable Retirement Year: 2047					
2005	93,760.27	18.15	26.97	0.32690	30,651
2012	479,224.44	23.12	25.60	0.09693	46,451
Total	572,984.71				77,102
Account Total	1,385,589.69				614,887.21

Montana-Dakota Utilities Company
Electric Plant
346.10 Miscellaneous Power Plant Equipment
Original Cost Of Utility Plant In Service
And Development Of Calculated Depr Reserve as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Salvage Value: 0 %

Year	*Original Cost*	*Expectancy*	*Avg. Service Life*	*Reserve Ratio*	*Calculated Reserve*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
		HESKETT III GAS TURBINE			
Interim Survivor Curve: Iowa 28 S1					
Probable Retirement Year: 2057					
2014	1,045,533.32	27.16	27.66	0.01807	18,891
Total	1,045,533.32				18,891
		GLENDIVE TURBINE			
Interim Survivor Curve: Iowa 28 S1					
Probable Retirement Year: 2022					
1979	3,890.84	4.86	27.66	0.82429	3,208
1980	592.82	4.99	27.56	0.81876	486
1981	313.45	5.12	27.44	0.81331	255
1983	429.74	5.36	27.13	0.80255	345
1985	1,869.90	5.57	26.73	0.79166	1,481
1990	3,329.86	6.03	25.25	0.76134	2,536
1991	531.58	6.11	24.86	0.75435	401
1992	937.22	6.18	24.44	0.74692	701
1993	503.92	6.26	23.99	0.73899	373
1994	1,128.37	6.33	23.50	0.73046	825
1997	225.59	6.54	21.86	0.70057	159
1998	893.93	6.61	21.25	0.68879	616
2004	2,167.14	6.98	16.94	0.58796	1,275
2005	6,200.90	7.04	16.13	0.56371	3,496
2006	4,130.55	7.09	15.30	0.53625	2,216
2007	1,050.70	7.15	14.44	0.50500	531
2008	86,726.10	7.20	13.56	0.46910	40,684

Montana-Dakota Utilities Company
Electric Plant
346.10 Miscellaneous Power Plant Equipment
Original Cost Of Utility Plant In Service
And Development Of Calculated Depr Reserve as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Salvage Value: 0 %

Year	*Original Cost*	*Expectancy*	*Avg. Service Life*	*Reserve Ratio*	*Calculated Reserve*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2009	441.34	7.25	12.66	0.42758	189
2012	11,313.22	7.38	9.87	0.25243	2,856
Total	126,677.17				62,632

GLENDIVE II TURBINE

Interim Survivor Curve: Iowa 28 S1
Probable Retirement Year: 2046

2004	6,995.27	18.20	27.56	0.33940	2,375
2010	5,618.71	22.13	26.49	0.16476	926
Total	12,613.98				3,301

MILES CITY TURBINE

Interim Survivor Curve: Iowa 28 S1
Probable Retirement Year: 2019

1973	2,089.58	3.04	27.87	0.89094	1,862
1984	698.04	3.75	26.22	0.85706	599
1987	651.17	3.87	25.25	0.84681	552
1990	3,199.91	3.97	23.99	0.83449	2,671
1991	735.87	4.00	23.50	0.82974	611
1996	683.99	4.14	20.60	0.79888	547
2012	9,930.46	4.47	6.96	0.35815	3,557
Total	17,989.02				10,399

Account Total	1,202,813.49	95,222.57

Montana-Dakota Utilities Company
Electric Plant
369.10 Services - Overhead
Original Cost Of Utility Plant In Service
And Development Of Calculated Depr Reserve as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Salvage Value: *-50 %* ***Average Service Life:*** *37* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Expectancy*	*Avg. Service Life*	*Reserve Ratio*	*Calculated Reserve*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1950	19.75	3.02	37.00	1.37766	27
1953	19.75	3.70	37.00	1.35006	27
1959	0.29	5.26	37.00	1.28676	0
1960	62.20	5.54	37.00	1.27528	79
1961	257.78	5.84	37.00	1.26344	326
1962	590.48	6.13	37.00	1.25153	739
1963	1,329.69	6.43	37.00	1.23934	1,648
1964	2,141.47	6.74	37.00	1.22686	2,627
1965	3,346.99	7.05	37.00	1.21405	4,063
1966	4,352.68	7.38	37.00	1.20097	5,227
1967	6,122.69	7.71	37.00	1.18752	7,271
1968	9,717.51	8.05	37.00	1.17364	11,405
1969	12,523.06	8.40	37.00	1.15939	14,519
1970	16,604.31	8.76	37.00	1.14468	19,007
1971	18,505.17	9.14	37.00	1.12947	20,901
1972	27,580.82	9.53	37.00	1.11378	30,719
1973	41,781.46	9.93	37.00	1.09755	45,857
1974	68,217.01	10.34	37.00	1.08079	73,728
1975	75,828.45	10.77	37.00	1.06348	80,642
1976	104,664.40	11.21	37.00	1.04559	109,436
1977	114,209.30	11.66	37.00	1.02713	117,308
1978	95,197.02	12.13	37.00	1.00813	95,971
1979	106,713.44	12.62	37.00	0.98851	105,487
1980	132,743.44	13.12	37.00	0.96832	128,538
1981	126,594.32	13.63	37.00	0.94760	119,961
1982	113,360.60	14.15	37.00	0.92626	105,001
1983	118,700.16	14.69	37.00	0.90436	107,348
1984	115,055.40	15.25	37.00	0.88193	101,470

Montana-Dakota Utilities Company
Electric Plant
369.10 Services - Overhead
Original Cost Of Utility Plant In Service
And Development Of Calculated Depr Reserve as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Salvage Value: *-50 %* ***Average Service Life:*** *37* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Expectancy*	*Avg. Service Life*	*Reserve Ratio*	*Calculated Reserve*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1985	119,907.55	15.81	37.00	0.85898	102,998
1986	109,789.04	16.39	37.00	0.83545	91,723
1987	90,807.04	16.99	37.00	0.81142	73,682
1988	91,129.01	17.59	37.00	0.78691	71,711
1989	89,718.26	18.21	37.00	0.76186	68,353
1990	82,617.76	18.84	37.00	0.73634	60,835
1991	71,024.04	19.48	37.00	0.71040	50,455
1992	85,724.39	20.13	37.00	0.68394	58,631
1993	86,426.57	20.79	37.00	0.65706	56,788
1994	113,080.18	21.47	37.00	0.62977	71,214
1995	48,101.08	22.15	37.00	0.60210	28,962
1996	96,946.57	22.84	37.00	0.57400	55,647
1997	82,346.26	23.54	37.00	0.54554	44,923
1998	80,344.46	24.25	37.00	0.51676	41,519
1999	59,447.73	24.97	37.00	0.48759	28,986
2000	63,539.19	25.70	37.00	0.45810	29,108
2001	84,461.10	26.44	37.00	0.42832	36,176
2002	66,035.36	27.18	37.00	0.39826	26,299
2003	69,204.47	27.93	37.00	0.36789	25,460
2004	81,407.19	28.68	37.00	0.33726	27,455
2005	99,401.92	29.44	37.00	0.30638	30,455
2006	99,403.43	30.21	37.00	0.27522	27,357
2007	93,552.36	30.99	37.00	0.24379	22,808
2008	128,386.87	31.77	37.00	0.21214	27,236
2009	153,909.82	32.56	37.00	0.18019	27,734
2010	116,880.96	33.35	37.00	0.14800	17,298
2011	121,786.72	34.15	37.00	0.11555	14,072
2012	168,171.77	34.96	37.00	0.08286	13,935

Montana-Dakota Utilities Company
Electric Plant
369.10 Services - Overhead
Original Cost Of Utility Plant In Service
And Development Of Calculated Depr Reserve as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Salvage Value: *-50 %* ***Average Service Life:*** *37* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Expectancy*	*Avg. Service Life*	*Reserve Ratio*	*Calculated Reserve*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2013	398,505.90	35.77	37.00	0.04990	19,885
2014	180,621.85	36.59	37.00	0.01669	3,015
Total	4,548,918.49				2,564,052.35

Montana-Dakota Utilities Company
Electric Plant
369.20 Services - Underground
Original Cost Of Utility Plant In Service
And Development Of Calculated Depr Reserve as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Salvage Value: *-50 %* ***Average Service Life:*** *45* ***Survivor Curve:*** *R3*

Year	*Original Cost*	*Expectancy*	*Avg. Service Life*	*Reserve Ratio*	*Calculated Reserve*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1955	1.10	4.13	45.00	1.36227	1
1956	8.53	4.40	45.00	1.35349	12
1957	36.24	4.66	45.00	1.34455	49
1958	100.27	4.94	45.00	1.33541	134
1959	262.87	5.21	45.00	1.32620	349
1960	534.62	5.51	45.00	1.31644	704
1961	1,055.74	5.81	45.00	1.30628	1,379
1962	1,345.25	6.13	45.00	1.29567	1,743
1963	2,316.22	6.46	45.00	1.28461	2,975
1964	3,247.25	6.81	45.00	1.27293	4,134
1965	4,602.40	7.18	45.00	1.26066	5,802
1966	5,843.81	7.57	45.00	1.24776	7,292
1967	8,223.25	7.97	45.00	1.23420	10,149
1968	13,446.51	8.40	45.00	1.21993	16,404
1969	18,252.55	8.85	45.00	1.20500	21,994
1970	25,304.73	9.32	45.00	1.18936	30,096
1971	30,919.10	9.81	45.00	1.17303	36,269
1972	50,532.69	10.32	45.00	1.15592	58,412
1973	84,258.53	10.86	45.00	1.13816	95,900
1974	153,072.25	11.41	45.00	1.11973	171,400
1975	195,246.17	11.98	45.00	1.10064	214,895
1976	316,922.22	12.57	45.00	1.08090	342,560
1977	426,406.01	13.19	45.00	1.06042	452,169
1978	470,255.62	13.82	45.00	1.03942	488,793
1979	539,508.82	14.46	45.00	1.01784	549,135
1980	570,469.00	15.13	45.00	0.99571	568,021
1981	699,883.45	15.81	45.00	0.97296	680,957
1982	629,748.00	16.51	45.00	0.94975	598,105

Montana-Dakota Utilities Company
Electric Plant
369.20 Services - Underground
Original Cost Of Utility Plant In Service
And Development Of Calculated Depr Reserve as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Salvage Value: *-50 %* ***Average Service Life:*** *45* ***Survivor Curve:*** *R3*

Year	*Original Cost*	*Expectancy*	*Avg. Service Life*	*Reserve Ratio*	*Calculated Reserve*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1983	553,332.11	17.22	45.00	0.92606	512,419
1984	450,091.65	17.94	45.00	0.90190	405,936
1985	346,038.30	18.68	45.00	0.87728	303,573
1986	280,180.84	19.44	45.00	0.85214	238,754
1987	266,487.20	20.20	45.00	0.82664	220,290
1988	262,068.58	20.98	45.00	0.80073	209,847
1989	258,772.99	21.77	45.00	0.77443	200,401
1990	247,549.54	22.57	45.00	0.74767	185,085
1991	242,470.89	23.38	45.00	0.72057	174,718
1992	365,398.87	24.21	45.00	0.69311	253,260
1993	357,471.75	25.04	45.00	0.66528	237,819
1994	566,335.17	25.89	45.00	0.63710	360,813
1995	398,496.56	26.74	45.00	0.60852	242,492
1996	469,818.97	27.61	45.00	0.57965	272,328
1997	477,212.37	28.49	45.00	0.55045	262,681
1998	437,644.94	29.37	45.00	0.52094	227,987
1999	435,074.93	30.27	45.00	0.49109	213,660
2000	380,401.34	31.17	45.00	0.46097	175,355
2001	484,086.76	32.08	45.00	0.43058	208,440
2002	482,565.01	33.00	45.00	0.39993	192,993
2003	567,228.99	33.93	45.00	0.36903	209,323
2004	631,304.64	34.86	45.00	0.33785	213,286
2005	658,655.57	35.81	45.00	0.30648	201,863
2006	754,649.47	36.75	45.00	0.27490	207,452
2007	770,426.00	37.71	45.00	0.24313	187,311
2008	1,033,354.10	38.67	45.00	0.21115	218,195
2009	987,455.15	39.63	45.00	0.17903	176,785
2010	1,234,905.73	40.60	45.00	0.14676	181,233

Montana-Dakota Utilities Company
Electric Plant
369.20 Services - Underground
Original Cost Of Utility Plant In Service
And Development Of Calculated Depr Reserve as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Salvage Value: *-50 %* ***Average Service Life:*** *45* ***Survivor Curve:*** *R3*

Year	*Original Cost*	*Expectancy*	*Avg. Service Life*	*Reserve Ratio*	*Calculated Reserve*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2011	1,501,150.08	41.57	45.00	0.11435	171,656
2012	2,771,372.12	42.55	45.00	0.08182	226,744
2013	2,961,913.32	43.53	45.00	0.04916	145,595
2014	2,631,589.46	44.51	45.00	0.01641	43,179
Total	28,517,306.60				11,641,303.58

SECTION 8

Montana-Dakota Utilities Company
Electric Plant
311.00 Steam Production Structures & Improvement
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1969 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
	Annual Activity						
1969	0.00	130.10	0.00%	0.00	0.00%	130.10	0.00%
1970	770.00	75.00	9.74%	0.00	0.00%	75.00	9.74%
1971	3,000.00	104.00	3.47%	0.00	0.00%	104.00	3.47%
1972	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1973	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1974	92,904.28	0.00	0.00%	37,290.86	40.14%	(37,290.86)	-40.14%
1975	0.00	0.00	0.00%	1,929.35	0.00%	(1,929.35)	0.00%
1976	405,996.63	75.35	0.02%	3,847.60	0.95%	(3,772.25)	-0.93%
1977	3,178.58	5,554.40	174.74%	1,251.70	39.38%	4,302.70	135.37%
1978	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1979	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1980	920.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1981	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983	1,480.19	0.00	0.00%	0.00	0.00%	0.00	0.00%
1984	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985	185,283.66	4,000.00	2.16%	0.00	0.00%	4,000.00	2.16%
1986	529,842.29	-502.12	-0.09%	3,338.32	0.63%	(3,840.44)	-0.72%
1987	27,100.52	0.00	0.00%	48,925.81	180.53%	(48,925.81)	-180.53%
1988	0.00	0.00	0.00%	62,083.49	0.00%	(62,083.49)	0.00%
1989	21.10	0.00	0.00%	9,759.34	46252.80%	(9,759.34)	-46252.80%
1990	19,436.67	0.00	0.00%	50,450.14	259.56%	(50,450.14)	-259.56%
1991	363,435.20	0.00	0.00%	5,879.76	1.62%	(5,879.76)	-1.62%
1992	825.00	0.00	0.00%	17,854.61	2164.20%	(17,854.61)	-2164.20%
1993	1,127.05	0.00	0.00%	(16,404.05)	1455.49%	16,404.05	1455.49%
1994	97,436.46	0.00	0.00%	34,199.22	35.10%	(34,199.22)	-35.10%
1995	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996	39,570.58	0.00	0.00%	7,668.38	19.38%	(7,668.38)	-19.38%

Montana-Dakota Utilities Company
Electric Plant
311.00 Steam Production Structures & Improvement
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1969 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Annual Activity							
1997	95,371.86	82.29	0.09%	12,838.08	13.46%	(12,755.79)	-13.37%
1998	60,234.27	0.00	0.00%	12,298.81	20.42%	(12,298.81)	-20.42%
1999	52,903.16	0.00	0.00%	46,767.93	88.40%	(46,767.93)	-88.40%
2000	113,777.73	0.00	0.00%	13,150.86	11.56%	(13,150.86)	-11.56%
2001	50,140.61	29.51	0.06%	6,606.02	13.17%	(6,576.51)	-13.12%
2002	77,968.87	0.00	0.00%	12,987.04	16.66%	(12,987.04)	-16.66%
2003	83,131.22	146.25	0.18%	18,479.52	22.23%	(18,333.27)	-22.05%
2004	182,350.28	2,118.63	1.16%	13,535.16	7.42%	(11,416.53)	-6.26%
2005	86,209.71	748.00	0.87%	108,781.06	126.18%	(108,033.06)	-125.31%
2006	149,329.28	0.00	0.00%	418,674.03	280.37%	(418,674.03)	-280.37%
2007	263,865.27	0.00	0.00%	83,273.93	31.56%	(83,273.93)	-31.56%
2008	140,118.33	0.00	0.00%	336,625.05	240.24%	(336,625.05)	-240.24%
2009	59,199.26	0.00	0.00%	60,194.71	101.68%	(60,194.71)	-101.68%
2010	245,304.93	0.00	0.00%	561,184.58	228.77%	(561,184.58)	-228.77%
2011	219,319.23	0.00	0.00%	146,745.57	66.91%	(146,745.57)	-66.91%
2012	387,745.52	0.00	0.00%	189,653.33	48.91%	(189,653.33)	-48.91%
2013	66,023.33	0.00	0.00%	79,258.92	120.05%	(79,258.92)	-120.05%
2014	56,135.00	0.00	0.00%	10,003.52	17.82%	(10,003.52)	-17.82%

Montana-Dakota Utilities Company
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Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1969 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1969 - 1971	3,770.00	309.10	8.20%	0.00	0.00%	309.10	8.20%
1970 - 1972	3,770.00	179.00	4.75%	0.00	0.00%	179.00	4.75%
1971 - 1973	3,000.00	104.00	3.47%	0.00	0.00%	104.00	3.47%
1972 - 1974	92,904.28	0.00	0.00%	37,290.86	40.14%	(37,290.86)	-40.14%
1973 - 1975	92,904.28	0.00	0.00%	39,220.21	42.22%	(39,220.21)	-42.22%
1974 - 1976	498,900.91	75.35	0.02%	43,067.81	8.63%	(42,992.46)	-8.62%
1975 - 1977	409,175.21	5,629.75	1.38%	7,028.65	1.72%	(1,398.90)	-0.34%
1976 - 1978	409,175.21	5,629.75	1.38%	5,099.30	1.25%	530.45	0.13%
1977 - 1979	3,178.58	5,554.40	174.74%	1,251.70	39.38%	4,302.70	135.37%
1978 - 1980	920.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1979 - 1981	920.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1980 - 1982	920.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1981 - 1983	1,480.19	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982 - 1984	1,480.19	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983 - 1985	186,763.85	4,000.00	2.14%	0.00	0.00%	4,000.00	2.14%
1984 - 1986	715,125.95	3,497.88	0.49%	3,338.32	0.47%	159.56	0.02%
1985 - 1987	742,226.47	3,497.88	0.47%	52,264.13	7.04%	(48,766.25)	-6.57%
1986 - 1988	556,942.81	-502.12	-0.09%	114,347.62	20.53%	(114,849.74)	-20.62%
1987 - 1989	27,121.62	0.00	0.00%	120,768.64	445.29%	(120,768.64)	-445.29%
1988 - 1990	19,457.77	0.00	0.00%	122,292.97	628.50%	(122,292.97)	-628.50%
1989 - 1991	382,892.97	0.00	0.00%	66,089.24	17.26%	(66,089.24)	-17.26%
1990 - 1992	383,696.87	0.00	0.00%	74,184.51	19.33%	(74,184.51)	-19.33%
1991 - 1993	365,387.25	0.00	0.00%	7,330.32	2.01%	(7,330.32)	-2.01%
1992 - 1994	99,388.51	0.00	0.00%	35,649.78	35.87%	(35,649.78)	-35.87%
1993 - 1995	98,563.51	0.00	0.00%	17,795.17	18.05%	(17,795.17)	-18.05%
1994 - 1996	137,007.04	0.00	0.00%	41,867.60	30.56%	(41,867.60)	-30.56%
1995 - 1997	134,942.44	82.29	0.06%	20,506.46	15.20%	(20,424.17)	-15.14%
1996 - 1998	195,176.71	82.29	0.04%	32,805.27	16.81%	(32,722.98)	-16.77%

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Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1997 - 1999	208,509.29	82.29	0.04%	71,904.82	34.49%	(71,822.53)	-34.45%
1998 - 2000	226,915.16	0.00	0.00%	72,217.60	31.83%	(72,217.60)	-31.83%
1999 - 2001	216,821.50	29.51	0.01%	66,524.81	30.68%	(66,495.30)	-30.67%
2000 - 2002	241,887.21	29.51	0.01%	32,743.92	13.54%	(32,714.41)	-13.52%
2001 - 2003	211,240.70	175.76	0.08%	38,072.58	18.02%	(37,896.82)	-17.94%
2002 - 2004	343,450.37	2,264.88	0.66%	45,001.72	13.10%	(42,736.84)	-12.44%
2003 - 2005	351,691.21	3,012.88	0.86%	140,795.74	40.03%	(137,782.86)	-39.18%
2004 - 2006	417,889.27	2,866.63	0.69%	540,990.25	129.46%	(538,123.62)	-128.77%
2005 - 2007	499,404.26	748.00	0.15%	610,729.02	122.29%	(609,981.02)	-122.14%
2006 - 2008	553,312.88	0.00	0.00%	838,573.01	151.55%	(838,573.01)	-151.55%
2007 - 2009	463,182.86	0.00	0.00%	480,093.69	103.65%	(480,093.69)	-103.65%
2008 - 2010	444,622.52	0.00	0.00%	958,004.34	215.46%	(958,004.34)	-215.46%
2009 - 2011	523,823.42	0.00	0.00%	768,124.86	146.64%	(768,124.86)	-146.64%
2010 - 2012	852,369.68	0.00	0.00%	897,583.48	105.30%	(897,583.48)	-105.30%
2011 - 2013	673,088.08	0.00	0.00%	415,657.82	61.75%	(415,657.82)	-61.75%
2012 - 2014	509,903.85	0.00	0.00%	278,915.77	54.70%	(278,915.77)	-54.70%

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Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1969 - 2014	4,161,456.07	12,561.41	0.30	2,399,132.65	57.65	(2,386,571.24)	-57.35

Trend Analysis (End Year) **2014**

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	63.0
Average Retirement Age (Yrs)	30.5
Years To ASL	32.5
Inflation Factor At 2.75% to ASL	2.41

Gross Salvage
Linear Trend Analysis

1995-2014	**20 - Year Trend**	0.14%
2000-2014	**15 - Year Trend**	0.03%
2005-2014	**10 - Year Trend**	0.00%
2010-2014	**5 - Year Trend**	0.00%

Forcasted

Gross Salvage (Five Year Trend)	0.00%
Cost Of Removal	139.20%
Net Salvage	-139.20%

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Based Upon Experienced Net Salvage 1968 - 2014

Year	Orginal Cost Of Retirements	Gross Salvage		Cost of Removal		Net Salvage	
		Amount	%	Amount	%	Amount	%
	Annual Activity						
1968	0.00	150.00	0.00%	0.00	0.00%	150.00	0.00%
1969	-5,059.35	237.24	0.00%	0.00	0.00%	237.24	0.00%
1970	0.00	6.00	0.00%	2.43	0.00%	3.57	0.00%
1971	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1972	185,191.33	58.20	0.03%	1,364.94	0.74%	(1,306.74)	-0.71%
1973	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1974	0.00	0.00	0.00%	20,391.82	0.00%	(20,391.82)	0.00%
1975	463.45	2,500.00	539.43%	0.00	0.00%	2,500.00	539.43%
1976	1,072,886.87	44.22	0.00%	55,094.19	5.14%	(55,049.97)	-5.13%
1977	1,008,552.45	15,609.06	1.55%	5,658.21	0.56%	9,950.85	0.99%
1978	27,715.67	9,803.39	35.37%	5,152.58	18.59%	4,650.81	16.78%
1979	81,616.20	73,533.28	90.10%	10,277.30	12.59%	63,255.98	77.50%
1980	8,161.62	7,362.17	90.20%	1,960.18	24.02%	5,401.99	66.19%
1981	8,404.20	3,050.50	36.30%	99.24	1.18%	2,951.26	35.12%
1982	2,500.00	0.00	0.00%	1,650.76	66.03%	(1,650.76)	-66.03%
1983	44,999.57	0.00	0.00%	0.00	0.00%	0.00	0.00%
1984	45,794.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985	422,744.48	4,072.00	0.96%	21,574.00	5.10%	(17,502.00)	-4.14%
1986	4,064,660.89	958.84	0.02%	6,227.03	0.15%	(5,268.19)	-0.13%
1987	121,035.93	5,361.26	4.43%	792,179.44	654.50%	(786,818.18)	-650.07%
1988	204,099.16	3,115.86	1.53%	258,363.30	126.59%	(255,247.44)	-125.06%
1989	35,018.20	805.00	2.30%	90,994.39	259.85%	(90,189.39)	-257.55%
1990	222,783.79	9,500.00	4.26%	68,212.37	30.62%	(58,712.37)	-26.35%
1991	1,945,451.93	70,841.57	3.64%	73,265.48	3.77%	(2,423.91)	-0.12%
1992	154,632.66	-1,881.67	-1.22%	35,922.54	23.23%	(37,804.21)	-24.45%
1993	266,608.63	14,786.24	5.55%	41,069.13	15.40%	(26,282.89)	-9.86%
1994	554,999.62	21,983.27	3.96%	85,848.89	15.47%	(63,865.62)	-11.51%
1995	17,000.00	-7,190.25	-42.30%	41,203.31	242.37%	(48,393.56)	-284.67%

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Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
	Annual Activity						
1996	1,511,789.60	20,654.85	1.37%	40,348.91	2.67%	(19,694.06)	-1.30%
1997	2,135,157.18	11,656.04	0.55%	171,053.05	8.01%	(159,397.01)	-7.47%
1998	1,383,454.22	2,714.55	0.20%	125,594.16	9.08%	(122,879.61)	-8.88%
1999	1,231,356.06	8,941.49	0.73%	139,907.64	11.36%	(130,966.15)	-10.64%
2000	2,307,650.32	46,629.04	2.02%	78,091.49	3.38%	(31,462.45)	-1.36%
2001	187,522.99	4,030.00	2.15%	13,110.65	6.99%	(9,080.65)	-4.84%
2002	1,046,413.80	25,707.25	2.46%	26,456.29	2.53%	(749.04)	-0.07%
2003	2,104,407.80	4,219.04	0.20%	228,574.94	10.86%	(224,355.90)	-10.66%
2004	570,138.78	57,148.35	10.02%	151,289.64	26.54%	(94,141.29)	-16.51%
2005	652,761.80	42,500.00	6.51%	17,373.09	2.66%	25,126.91	3.85%
2006	2,864,116.90	53,119.34	1.85%	963,124.14	33.63%	(910,004.80)	-31.77%
2007	1,868,316.34	0.00	0.00%	428,271.38	22.92%	(428,271.38)	-22.92%
2008	744,180.94	40,629.96	5.46%	320,822.11	43.11%	(280,192.15)	-37.65%
2009	1,304,313.72	25,101.19	1.92%	809,388.70	62.05%	(784,287.51)	-60.13%
2010	449,629.94	16,281.12	3.62%	234,870.80	52.24%	(218,589.68)	-48.62%
2011	794,033.54	34,562.00	4.35%	379,448.37	47.79%	(344,886.37)	-43.43%
2012	3,817,043.47	36,579.91	0.96%	725,582.65	19.01%	(689,002.74)	-18.05%
2013	947,506.77	20,027.47	2.11%	334,433.04	35.30%	(314,405.57)	-33.18%
2014	463,940.63	0.00	0.00%	395,804.86	85.31%	(395,804.86)	-85.31%

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Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1968 - 1970	-5,059.35	393.24	0.00%	2.43	0.00%	390.81	0.00%
1969 - 1971	-5,059.35	243.24	0.00%	2.43	0.00%	240.81	0.00%
1970 - 1972	185,191.33	64.20	0.03%	1,367.37	0.74%	(1,303.17)	-0.70%
1971 - 1973	185,191.33	58.20	0.03%	1,364.94	0.74%	(1,306.74)	-0.71%
1972 - 1974	185,191.33	58.20	0.03%	21,756.76	11.75%	(21,698.56)	-11.72%
1973 - 1975	463.45	2,500.00	539.43%	20,391.82	4400.00%	(17,891.82)	-3860.57%
1974 - 1976	1,073,350.32	2,544.22	0.24%	75,486.01	7.03%	(72,941.79)	-6.80%
1975 - 1977	2,081,902.77	18,153.28	0.87%	60,752.40	2.92%	(42,599.12)	-2.05%
1976 - 1978	2,109,154.99	25,456.67	1.21%	65,904.98	3.12%	(40,448.31)	-1.92%
1977 - 1979	1,117,884.32	98,945.73	8.85%	21,088.09	1.89%	77,857.64	6.96%
1978 - 1980	117,493.49	90,698.84	77.19%	17,390.06	14.80%	73,308.78	62.39%
1979 - 1981	98,182.02	83,945.95	85.50%	12,336.72	12.57%	71,609.23	72.94%
1980 - 1982	19,065.82	10,412.67	54.61%	3,710.18	19.46%	6,702.49	35.15%
1981 - 1983	55,903.77	3,050.50	5.46%	1,750.00	3.13%	1,300.50	2.33%
1982 - 1984	93,293.57	0.00	0.00%	1,650.76	1.77%	(1,650.76)	-1.77%
1983 - 1985	513,538.05	4,072.00	0.79%	21,574.00	4.20%	(17,502.00)	-3.41%
1984 - 1986	4,533,199.37	5,030.84	0.11%	27,801.03	0.61%	(22,770.19)	-0.50%
1985 - 1987	4,608,441.30	10,392.10	0.23%	819,980.47	17.79%	(809,588.37)	-17.57%
1986 - 1988	4,389,795.98	9,435.96	0.21%	1,056,769.77	24.07%	(1,047,333.81)	-23.86%
1987 - 1989	360,153.29	9,282.12	2.58%	1,141,537.13	316.96%	(1,132,255.01)	-314.38%
1988 - 1990	461,901.15	13,420.86	2.91%	417,570.06	90.40%	(404,149.20)	-87.50%
1989 - 1991	2,203,253.92	81,146.57	3.68%	232,472.24	10.55%	(151,325.67)	-6.87%
1990 - 1992	2,322,868.38	78,459.90	3.38%	177,400.39	7.64%	(98,940.49)	-4.26%
1991 - 1993	2,366,693.22	83,746.14	3.54%	150,257.15	6.35%	(66,511.01)	-2.81%
1992 - 1994	976,240.91	34,887.84	3.57%	162,840.56	16.68%	(127,952.72)	-13.11%
1993 - 1995	838,608.25	29,579.26	3.53%	168,121.33	20.05%	(138,542.07)	-16.52%
1994 - 1996	2,083,789.22	35,447.87	1.70%	167,401.11	8.03%	(131,953.24)	-6.33%
1995 - 1997	3,663,946.78	25,120.64	0.69%	252,605.27	6.89%	(227,484.63)	-6.21%

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		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1996 - 1998	5,030,401.00	35,025.44	0.70%	336,996.12	6.70%	(301,970.68)	-6.00%
1997 - 1999	4,749,967.46	23,312.08	0.49%	436,554.85	9.19%	(413,242.77)	-8.70%
1998 - 2000	4,922,460.60	58,285.08	1.18%	343,593.29	6.98%	(285,308.21)	-5.80%
1999 - 2001	3,726,529.37	59,600.53	1.60%	231,109.78	6.20%	(171,509.25)	-4.60%
2000 - 2002	3,541,587.11	76,366.29	2.16%	117,658.43	3.32%	(41,292.14)	-1.17%
2001 - 2003	3,338,344.59	33,956.29	1.02%	268,141.88	8.03%	(234,185.59)	-7.02%
2002 - 2004	3,720,960.38	87,074.64	2.34%	406,320.87	10.92%	(319,246.23)	-8.58%
2003 - 2005	3,327,308.38	103,867.39	3.12%	397,237.67	11.94%	(293,370.28)	-8.82%
2004 - 2006	4,087,017.48	152,767.69	3.74%	1,131,786.87	27.69%	(979,019.18)	-23.95%
2005 - 2007	5,385,195.04	95,619.34	1.78%	1,408,768.61	26.16%	(1,313,149.27)	-24.38%
2006 - 2008	5,476,614.18	93,749.30	1.71%	1,712,217.63	31.26%	(1,618,468.33)	-29.55%
2007 - 2009	3,916,811.00	65,731.15	1.68%	1,558,482.19	39.79%	(1,492,751.04)	-38.11%
2008 - 2010	2,498,124.60	82,012.27	3.28%	1,365,081.61	54.64%	(1,283,069.34)	-51.36%
2009 - 2011	2,547,977.20	75,944.31	2.98%	1,423,707.87	55.88%	(1,347,763.56)	-52.90%
2010 - 2012	5,060,706.95	87,423.03	1.73%	1,339,901.82	26.48%	(1,252,478.79)	-24.75%
2011 - 2013	5,558,583.78	91,169.38	1.64%	1,439,464.06	25.90%	(1,348,294.68)	-24.26%
2012 - 2014	5,228,490.87	56,607.38	1.08%	1,455,820.55	27.84%	(1,399,213.17)	-26.76%

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Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1968 - 2014	36,873,996.10	685,207.78	1.86	7,200,057.44	19.53	(6,514,849.66)	-17.67

Trend Analysis (End Year) **2014**

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	45.0
Average Retirement Age (Yrs)	19.0
Years To ASL	26.0
Inflation Factor At 2.75% to ASL	2.03

Gross Salvage
Linear Trend Analysis

1995-2014	**20 - Year Trend**	2.23%
2000-2014	**15 - Year Trend**	2.16%
2005-2014	**10 - Year Trend**	1.35%
2010-2014	**5 - Year Trend**	0.42%

Forcasted

Gross Salvage (Five Year Trend)	0.42%
Cost Of Removal	39.57%
Net Salvage	-39.15%

Montana-Dakota Utilities Company
Electric Plant
314.00 Turbogenerator Units
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
	Annual Activity						
1968	44,580.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1969	0.00	15.30	0.00%	0.00	0.00%	15.30	0.00%
1970	-42,930.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1971	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1972	220,323.77	49.24	0.02%	1,154.95	0.52%	(1,105.71)	-0.50%
1973	150,082.01	0.00	0.00%	75.07	0.05%	(75.07)	-0.05%
1974	0.00	0.00	0.00%	17,291.70	0.00%	(17,291.70)	0.00%
1975	73,740.26	15,000.00	20.34%	0.00	0.00%	15,000.00	20.34%
1976	431,752.62	2,771.76	0.64%	12,600.32	2.92%	(9,828.56)	-2.28%
1977	551,220.42	6,010.85	1.09%	2,985.83	0.54%	3,025.02	0.55%
1978	1,427.89	0.00	0.00%	83.90	5.88%	(83.90)	-5.88%
1979	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1980	36,092.03	6,000.00	16.62%	579.14	1.60%	5,420.86	15.02%
1981	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983	169,716.00	0.00	0.00%	8,549.00	5.04%	(8,549.00)	-5.04%
1984	0.00	60,137.26	0.00%	10,539.40	0.00%	49,597.86	0.00%
1985	357,043.68	0.00	0.00%	200.00	0.06%	(200.00)	-0.06%
1986	874,871.89	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987	16,242.44	0.00	0.00%	154,244.62	949.64%	(154,244.62)	-949.64%
1988	441,447.72	661,459.93	149.84%	116,193.77	26.32%	545,266.16	123.52%
1989	68,299.12	-35,704.35	-52.28%	66,828.29	97.85%	(102,532.64)	-150.12%
1990	14,285.41	8,261.54	57.83%	67,104.51	469.74%	(58,842.97)	-411.91%
1991	47,123.39	31,959.95	67.82%	12,970.19	27.52%	18,989.76	40.30%
1992	342.00	0.00	0.00%	1,482.68	433.53%	(1,482.68)	-433.53%
1993	108,700.00	-173.27	-0.16%	1,375.65	1.27%	(1,548.92)	-1.42%
1994	87,958.75	-626,401.36	-712.15%	28,208.47	32.07%	(654,609.83)	-744.22%
1995	38,600.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company
Electric Plant
314.00 Turbogenerator Units
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Annual Activity							
1996	7,250.00	0.00	0.00%	9,191.40	126.78%	(9,191.40)	-126.78%
1997	1,246,999.60	10,853.00	0.87%	2,782.96	0.22%	8,070.04	0.65%
1998	173,349.50	750.00	0.43%	5,847.09	3.37%	(5,097.09)	-2.94%
1999	180,073.40	20,724.42	11.51%	15,160.38	8.42%	5,564.04	3.09%
2000	533,900.00	0.00	0.00%	104,186.23	19.51%	(104,186.23)	-19.51%
2001	89,200.00	0.00	0.00%	60,942.96	68.32%	(60,942.96)	-68.32%
2002	195,242.50	9,246.00	4.74%	1,500.36	0.77%	7,745.64	3.97%
2003	795,101.96	626.96	0.08%	84,397.01	10.61%	(83,770.05)	-10.54%
2004	70,466.52	94,444.48	134.03%	8,129.90	11.54%	86,314.58	122.49%
2005	30,247.51	2,400.00	7.93%	7,063.54	23.35%	(4,663.54)	-15.42%
2006	1,275,582.21	11,943.27	0.94%	20,028.58	1.57%	(8,085.31)	-0.63%
2007	48,949.87	0.00	0.00%	1,201.46	2.45%	(1,201.46)	-2.45%
2008	1,198,799.79	40,985.13	3.42%	309,693.44	25.83%	(268,708.31)	-22.41%
2009	929,166.28	4,791.67	0.52%	341,515.50	36.76%	(336,723.83)	-36.24%
2010	17,305.64	0.00	0.00%	158.90	0.92%	(158.90)	-0.92%
2011	628,998.07	27,540.00	4.38%	387,430.84	61.59%	(359,890.84)	-57.22%
2012	1,579,542.59	54,071.12	3.42%	33,000.00	2.09%	21,071.12	1.33%
2013	257,029.28	4,353.70	1.69%	20,402.76	7.94%	(16,049.06)	-6.24%
2014	43,631.87	0.00	0.00%	566,365.15	1298.05%	(566,365.15)	-1298.05%

Montana-Dakota Utilities Company
Electric Plant
314.00 Turbogenerator Units
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1968 - 1970	1,650.00	15.30	0.93%	0.00	0.00%	15.30	0.93%
1969 - 1971	-42,930.00	15.30	0.00%	0.00	0.00%	15.30	0.00%
1970 - 1972	177,393.77	49.24	0.03%	1,154.95	0.65%	(1,105.71)	-0.62%
1971 - 1973	370,405.78	49.24	0.01%	1,230.02	0.33%	(1,180.78)	-0.32%
1972 - 1974	370,405.78	49.24	0.01%	18,521.72	5.00%	(18,472.48)	-4.99%
1973 - 1975	223,822.27	15,000.00	6.70%	17,366.77	7.76%	(2,366.77)	-1.06%
1974 - 1976	505,492.88	17,771.76	3.52%	29,892.02	5.91%	(12,120.26)	-2.40%
1975 - 1977	1,056,713.30	23,782.61	2.25%	15,586.15	1.47%	8,196.46	0.78%
1976 - 1978	984,400.93	8,782.61	0.89%	15,670.05	1.59%	(6,887.44)	-0.70%
1977 - 1979	552,648.31	6,010.85	1.09%	3,069.73	0.56%	2,941.12	0.53%
1978 - 1980	37,519.92	6,000.00	15.99%	663.04	1.77%	5,336.96	14.22%
1979 - 1981	36,092.03	6,000.00	16.62%	579.14	1.60%	5,420.86	15.02%
1980 - 1982	36,092.03	6,000.00	16.62%	579.14	1.60%	5,420.86	15.02%
1981 - 1983	169,716.00	0.00	0.00%	8,549.00	5.04%	(8,549.00)	-5.04%
1982 - 1984	169,716.00	60,137.26	35.43%	19,088.40	11.25%	41,048.86	24.19%
1983 - 1985	526,759.68	60,137.26	11.42%	19,288.40	3.66%	40,848.86	7.75%
1984 - 1986	1,231,915.57	60,137.26	4.88%	10,739.40	0.87%	49,397.86	4.01%
1985 - 1987	1,248,158.01	0.00	0.00%	154,444.62	12.37%	(154,444.62)	-12.37%
1986 - 1988	1,332,562.05	661,459.93	49.64%	270,438.39	20.29%	391,021.54	29.34%
1987 - 1989	525,989.28	625,755.58	118.97%	337,266.68	64.12%	288,488.90	54.85%
1988 - 1990	524,032.25	634,017.12	120.99%	250,126.57	47.73%	383,890.55	73.26%
1989 - 1991	129,707.92	4,517.14	3.48%	146,902.99	113.26%	(142,385.85)	-109.77%
1990 - 1992	61,750.80	40,221.49	65.14%	81,557.38	132.08%	(41,335.89)	-66.94%
1991 - 1993	156,165.39	31,786.68	20.35%	15,828.52	10.14%	15,958.16	10.22%
1992 - 1994	197,000.75	-626,574.63	-318.06%	31,066.80	15.77%	(657,641.43)	-333.83%
1993 - 1995	235,258.75	-626,574.63	-266.33%	29,584.12	12.58%	(656,158.75)	-278.91%
1994 - 1996	133,808.75	-626,401.36	-468.13%	37,399.87	27.95%	(663,801.23)	-496.08%
1995 - 1997	1,292,849.60	10,853.00	0.84%	11,974.36	0.93%	(1,121.36)	-0.09%

Montana-Dakota Utilities Company
Electric Plant
314.00 Turbogenerator Units

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1996 - 1998	1,427,599.10	11,603.00	0.81%	17,821.45	1.25%	(6,218.45)	-0.44%
1997 - 1999	1,600,422.50	32,327.42	2.02%	23,790.43	1.49%	8,536.99	0.53%
1998 - 2000	887,322.90	21,474.42	2.42%	125,193.70	14.11%	(103,719.28)	-11.69%
1999 - 2001	803,173.40	20,724.42	2.58%	180,289.57	22.45%	(159,565.15)	-19.87%
2000 - 2002	818,342.50	9,246.00	1.13%	166,629.55	20.36%	(157,383.55)	-19.23%
2001 - 2003	1,079,544.46	9,872.96	0.91%	146,840.33	13.60%	(136,967.37)	-12.69%
2002 - 2004	1,060,810.98	104,317.44	9.83%	94,027.27	8.86%	10,290.17	0.97%
2003 - 2005	895,815.99	97,471.44	10.88%	99,590.45	11.12%	(2,119.01)	-0.24%
2004 - 2006	1,376,296.24	108,787.75	7.90%	35,222.02	2.56%	73,565.73	5.35%
2005 - 2007	1,354,779.59	14,343.27	1.06%	28,293.58	2.09%	(13,950.31)	-1.03%
2006 - 2008	2,523,331.87	52,928.40	2.10%	330,923.48	13.11%	(277,995.08)	-11.02%
2007 - 2009	2,176,915.94	45,776.80	2.10%	652,410.40	29.97%	(606,633.60)	-27.87%
2008 - 2010	2,145,271.71	45,776.80	2.13%	651,367.84	30.36%	(605,591.04)	-28.23%
2009 - 2011	1,575,469.99	32,331.67	2.05%	729,105.24	46.28%	(696,773.57)	-44.23%
2010 - 2012	2,225,846.30	81,611.12	3.67%	420,589.74	18.90%	(338,978.62)	-15.23%
2011 - 2013	2,465,569.94	85,964.82	3.49%	440,833.60	17.88%	(354,868.78)	-14.39%
2012 - 2014	1,880,203.74	58,424.82	3.11%	619,767.91	32.96%	(561,343.09)	-29.86%

Montana-Dakota Utilities Company
Electric Plant
314.00 Turbogenerator Units

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1968 - 2014	12,991,755.99	412,116.60	3.17	2,481,465.95	19.10	(2,069,349.35)	-15.93

Trend Analysis (End Year) **2014**

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	45.0
Average Retirement Age (Yrs)	22.1
Years To ASL	22.9
Inflation Factor At 2.75% to ASL	1.86

Gross Salvage
Linear Trend Analysis

1995-2014	**20 - Year Trend**	70.53%
2000-2014	**15 - Year Trend**	3.15%
2005-2014	**10 - Year Trend**	0.92%
2010-2014	**5 - Year Trend**	3.90%

Forcasted

Gross Salvage (Five Year Trend)	3.90%
Cost Of Removal	35.56%
Net Salvage	-31.66%

Montana-Dakota Utilities Company
Electric Plant
315.00 Accessory Electric Equipment
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
	Annual Activity						
1968	1,592.00	36.00	2.26%	0.00	0.00%	36.00	2.26%
1969	1,630.78	2,036.00	124.85%	0.00	0.00%	2,036.00	124.85%
1970	7,500.00	543.36	7.24%	239.41	3.19%	303.95	4.05%
1971	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1972	100.00	0.00	0.00%	15.04	15.04%	(15.04)	-15.04%
1973	261.83	5.40	2.06%	14.19	5.42%	(8.79)	-3.36%
1974	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1975	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1976	243,540.18	54.00	0.02%	1,913.72	0.79%	(1,859.72)	-0.76%
1977	150,168.86	2,788.71	1.86%	872.06	0.58%	1,916.65	1.28%
1978	0.00	0.00	0.00%	22.81	0.00%	(22.81)	0.00%
1979	2,869.46	0.00	0.00%	0.00	0.00%	0.00	0.00%
1980	5,825.84	219.24	3.76%	337.29	5.79%	(118.05)	-2.03%
1981	423.74	810.00	191.15%	70.96	16.75%	739.04	174.41%
1982	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983	2,706.60	200.00	7.39%	0.00	0.00%	200.00	7.39%
1984	1,710.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985	69,271.38	721.17	1.04%	24.31	0.04%	696.86	1.01%
1986	194,008.50	-4,472.00	-2.31%	0.00	0.00%	(4,472.00)	-2.31%
1987	6,862.50	675.00	9.84%	19,109.02	278.46%	(18,434.02)	-268.62%
1988	4,129.27	0.00	0.00%	18,701.75	452.91%	(18,701.75)	-452.91%
1989	9,771.50	0.00	0.00%	5,637.28	57.69%	(5,637.28)	-57.69%
1990	0.00	0.00	0.00%	15,402.04	0.00%	(15,402.04)	0.00%
1991	8,579.88	2,429.12	28.31%	1,725.84	20.11%	703.28	8.20%
1992	0.00	0.00	0.00%	247.26	0.00%	(247.26)	0.00%
1993	4,698.88	0.00	0.00%	1,809.35	38.51%	(1,809.35)	-38.51%
1994	31,120.09	0.00	0.00%	8,166.57	26.24%	(8,166.57)	-26.24%
1995	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company
Electric Plant
315.00 Accessory Electric Equipment
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Annual Activity							
1996	0.00	0.00	0.00%	2,024.36	0.00%	(2,024.36)	0.00%
1997	7,500.00	0.00	0.00%	116.53	1.55%	(116.53)	-1.55%
1998	2,000.00	0.00	0.00%	112.26	5.61%	(112.26)	-5.61%
1999	0.00	0.00	0.00%	503.10	0.00%	(503.10)	0.00%
2000	12,900.00	0.00	0.00%	3,806.81	29.51%	(3,806.81)	-29.51%
2001	0.00	0.00	0.00%	156.11	0.00%	(156.11)	0.00%
2002	9,291.43	0.00	0.00%	0.00	0.00%	0.00	0.00%
2003	23,270.71	51.76	0.22%	2,867.14	12.32%	(2,815.38)	-12.10%
2004	3,160.25	2,141.29	67.76%	0.00	0.00%	2,141.29	67.76%
2005	10,372.90	0.00	0.00%	84.66	0.82%	(84.66)	-0.82%
2006	33,838.51	0.00	0.00%	6,425.01	18.99%	(6,425.01)	-18.99%
2007	11,487.14	0.00	0.00%	2,644.41	23.02%	(2,644.41)	-23.02%
2008	3,327.51	0.00	0.00%	1,149.32	34.54%	(1,149.32)	-34.54%
2009	303,056.80	0.00	0.00%	7,594.95	2.51%	(7,594.95)	-2.51%
2010	7,658.26	1,100.00	14.36%	11,991.06	156.58%	(10,891.06)	-142.21%
2011	11,166.75	1,116.18	10.00%	1,340.80	12.01%	(224.62)	-2.01%
2012	260,525.17	0.00	0.00%	55,521.24	21.31%	(55,521.24)	-21.31%
2013	12,604.11	0.00	0.00%	8,073.66	64.06%	(8,073.66)	-64.06%
2014	64,831.75	0.00	0.00%	3,360.54	5.18%	(3,360.54)	-5.18%

Montana-Dakota Utilities Company
Electric Plant
315.00 Accessory Electric Equipment
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1968 - 1970	10,722.78	2,615.36	24.39%	239.41	2.23%	2,375.95	22.16%
1969 - 1971	9,130.78	2,579.36	28.25%	239.41	2.62%	2,339.95	25.63%
1970 - 1972	7,600.00	543.36	7.15%	254.45	3.35%	288.91	3.80%
1971 - 1973	361.83	5.40	1.49%	29.23	8.08%	(23.83)	-6.59%
1972 - 1974	361.83	5.40	1.49%	29.23	8.08%	(23.83)	-6.59%
1973 - 1975	261.83	5.40	2.06%	14.19	5.42%	(8.79)	-3.36%
1974 - 1976	243,540.18	54.00	0.02%	1,913.72	0.79%	(1,859.72)	-0.76%
1975 - 1977	393,709.04	2,842.71	0.72%	2,785.78	0.71%	56.93	0.01%
1976 - 1978	393,709.04	2,842.71	0.72%	2,808.59	0.71%	34.12	0.01%
1977 - 1979	153,038.32	2,788.71	1.82%	894.87	0.58%	1,893.84	1.24%
1978 - 1980	8,695.30	219.24	2.52%	360.10	4.14%	(140.86)	-1.62%
1979 - 1981	9,119.04	1,029.24	11.29%	408.25	4.48%	620.99	6.81%
1980 - 1982	6,249.58	1,029.24	16.47%	408.25	6.53%	620.99	9.94%
1981 - 1983	3,130.34	1,010.00	32.26%	70.96	2.27%	939.04	30.00%
1982 - 1984	4,416.60	200.00	4.53%	0.00	0.00%	200.00	4.53%
1983 - 1985	73,687.98	921.17	1.25%	24.31	0.03%	896.86	1.22%
1984 - 1986	264,989.88	-3,750.83	-1.42%	24.31	0.01%	(3,775.14)	-1.42%
1985 - 1987	270,142.38	-3,075.83	-1.14%	19,133.33	7.08%	(22,209.16)	-8.22%
1986 - 1988	205,000.27	-3,797.00	-1.85%	37,810.77	18.44%	(41,607.77)	-20.30%
1987 - 1989	20,763.27	675.00	3.25%	43,448.05	209.25%	(42,773.05)	-206.00%
1988 - 1990	13,900.77	0.00	0.00%	39,741.07	285.89%	(39,741.07)	-285.89%
1989 - 1991	18,351.38	2,429.12	13.24%	22,765.16	124.05%	(20,336.04)	-110.81%
1990 - 1992	8,579.88	2,429.12	28.31%	17,375.14	202.51%	(14,946.02)	-174.20%
1991 - 1993	13,278.76	2,429.12	18.29%	3,782.45	28.48%	(1,353.33)	-10.19%
1992 - 1994	35,818.97	0.00	0.00%	10,223.18	28.54%	(10,223.18)	-28.54%
1993 - 1995	35,818.97	0.00	0.00%	9,975.92	27.85%	(9,975.92)	-27.85%
1994 - 1996	31,120.09	0.00	0.00%	10,190.93	32.75%	(10,190.93)	-32.75%
1995 - 1997	7,500.00	0.00	0.00%	2,140.89	28.55%	(2,140.89)	-28.55%

Montana-Dakota Utilities Company
Electric Plant
315.00 Accessory Electric Equipment
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1996 - 1998	9,500.00	0.00	0.00%	2,253.15	23.72%	(2,253.15)	-23.72%
1997 - 1999	9,500.00	0.00	0.00%	731.89	7.70%	(731.89)	-7.70%
1998 - 2000	14,900.00	0.00	0.00%	4,422.17	29.68%	(4,422.17)	-29.68%
1999 - 2001	12,900.00	0.00	0.00%	4,466.02	34.62%	(4,466.02)	-34.62%
2000 - 2002	22,191.43	0.00	0.00%	3,962.92	17.86%	(3,962.92)	-17.86%
2001 - 2003	32,562.14	51.76	0.16%	3,023.25	9.28%	(2,971.49)	-9.13%
2002 - 2004	35,722.39	2,193.05	6.14%	2,867.14	8.03%	(674.09)	-1.89%
2003 - 2005	36,803.86	2,193.05	5.96%	2,951.80	8.02%	(758.75)	-2.06%
2004 - 2006	47,371.66	2,141.29	4.52%	6,509.67	13.74%	(4,368.38)	-9.22%
2005 - 2007	55,698.55	0.00	0.00%	9,154.08	16.44%	(9,154.08)	-16.44%
2006 - 2008	48,653.16	0.00	0.00%	10,218.74	21.00%	(10,218.74)	-21.00%
2007 - 2009	317,871.45	0.00	0.00%	11,388.68	3.58%	(11,388.68)	-3.58%
2008 - 2010	314,042.57	1,100.00	0.35%	20,735.33	6.60%	(19,635.33)	-6.25%
2009 - 2011	321,881.81	2,216.18	0.69%	20,926.81	6.50%	(18,710.63)	-5.81%
2010 - 2012	279,350.18	2,216.18	0.79%	68,853.10	24.65%	(66,636.92)	-23.85%
2011 - 2013	284,296.03	1,116.18	0.39%	64,935.70	22.84%	(63,819.52)	-22.45%
2012 - 2014	337,961.03	0.00	0.00%	66,955.44	19.81%	(66,955.44)	-19.81%

Montana-Dakota Utilities Company
Electric Plant
315.00 Accessory Electric Equipment
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1968 - 2014	1,523,762.58	10,455.23	0.69	182,080.86	11.95	(171,625.63)	-11.26

Trend Analysis (End Year) **2014**

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	50.0
Average Retirement Age (Yrs)	29.0
Years To ASL	21.0
Inflation Factor At 2.75% to ASL	1.77

Gross Salvage
Linear Trend Analysis

1995-2014	**20 - Year Trend**	1.30%
2000-2014	**15 - Year Trend**	0.54%
2005-2014	**10 - Year Trend**	0.00%
2010-2014	**5 - Year Trend**	0.15%

Forcasted

Gross Salvage (Five Year Trend)	0.15%
Cost Of Removal	21.11%
Net Salvage	-20.96%

Montana-Dakota Utilities Company
Electric Plant
316.00 Miscellaneous Power Plant Equipment
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
	Annual Activity						
1968	435.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1969	1,131.25	100.00	8.84%	0.00	0.00%	100.00	8.84%
1970	1,547.19	25.00	1.62%	0.00	0.00%	25.00	1.62%
1971	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1972	9,376.21	4.48	0.05%	116.21	1.24%	(111.73)	-1.19%
1973	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1974	320.00	0.00	0.00%	1,508.90	471.53%	(1,508.90)	-471.53%
1975	331.68	51.00	15.38%	0.00	0.00%	51.00	15.38%
1976	28,929.52	400.00	1.38%	271.38	0.94%	128.62	0.44%
1977	15,632.78	2,028.49	12.98%	6,046.42	38.68%	(4,017.93)	-25.70%
1978	1,352.17	501.00	37.05%	1.50	0.11%	499.50	36.94%
1979	602.74	500.00	82.95%	0.00	0.00%	500.00	82.95%
1980	2,537.03	701.40	27.65%	0.00	0.00%	701.40	27.65%
1981	45,381.33	214.20	0.47%	0.00	0.00%	214.20	0.47%
1982	2,012.49	20,710.05	1029.08%	0.00	0.00%	20,710.05	1029.08%
1983	6,283.81	9,555.80	152.07%	0.00	0.00%	9,555.80	152.07%
1984	224.28	117.00	52.17%	0.00	0.00%	117.00	52.17%
1985	33,372.43	740.94	2.22%	67.89	0.20%	673.05	2.02%
1986	64,105.70	9,361.32	14.60%	(119.38)	-0.19%	9,480.70	14.79%
1987	14,850.00	2,657.65	17.90%	9,241.27	62.23%	(6,583.62)	-44.33%
1988	56,632.39	5,978.68	10.56%	7,463.94	13.18%	(1,485.26)	-2.62%
1989	20,058.85	2,155.22	10.74%	5,087.02	25.36%	(2,931.80)	-14.62%
1990	41,142.27	9,278.95	22.55%	4,956.06	12.05%	4,322.89	10.51%
1991	36,977.23	17,458.72	47.21%	97,335.42	263.23%	(79,876.70)	-216.02%
1992	33,110.06	678.96	2.05%	98.80	0.30%	580.16	1.75%
1993	46,969.12	2,118.83	4.51%	130.66	0.28%	1,988.17	4.23%
1994	190,023.64	455.00	0.24%	(1,359.31)	-0.72%	1,814.31	0.95%
1995	8,000.00	-7,004.11	-87.55%	0.00	0.00%	(7,004.11)	-87.55%

Montana-Dakota Utilities Company
Electric Plant
316.00 Miscellaneous Power Plant Equipment
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
	Annual Activity						
1996	110,741.78	5,063.70	4.57%	3,500.53	3.16%	1,563.17	1.41%
1997	49,860.97	1,407.10	2.82%	10,374.90	20.81%	(8,967.80)	-17.99%
1998	121,059.06	2,935.66	2.42%	299.52	0.25%	2,636.14	2.18%
1999	280,291.18	4,433.20	1.58%	295.84	0.11%	4,137.36	1.48%
2000	161,253.88	10,728.61	6.65%	247.84	0.15%	10,480.77	6.50%
2001	105,687.73	8,554.91	8.09%	2,064.72	1.95%	6,490.19	6.14%
2002	90,121.48	5,641.69	6.26%	0.00	0.00%	5,641.69	6.26%
2003	199,886.13	2,283.95	1.14%	1,681.64	0.84%	602.31	0.30%
2004	141,931.10	3,819.45	2.69%	0.00	0.00%	3,819.45	2.69%
2005	223,269.93	13,842.49	6.20%	1,525.90	0.68%	12,316.59	5.52%
2006	437,867.39	54,400.00	12.42%	9,202.94	2.10%	45,197.06	10.32%
2007	190,010.07	3,635.76	1.91%	2,208.64	1.16%	1,427.12	0.75%
2008	73,503.58	8,125.00	11.05%	7,307.56	9.94%	817.44	1.11%
2009	103,193.07	5,438.19	5.27%	7,255.52	7.03%	(1,817.33)	-1.76%
2010	720,851.17	167,738.45	23.27%	12,404.99	1.72%	155,333.46	21.55%
2011	1,047,982.87	3,715.50	0.35%	61,585.79	5.88%	(57,870.29)	-5.52%
2012	518,805.24	16,089.75	3.10%	1,500.00	0.29%	14,589.75	2.81%
2013	204,045.11	2,183.17	1.07%	1,986.93	0.97%	196.24	0.10%
2014	498,433.03	0.00	0.00%	1,739.63	0.35%	(1,739.63)	-0.35%

Montana-Dakota Utilities Company
Electric Plant
316.00 Miscellaneous Power Plant Equipment
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1968 - 1970	3,113.44	125.00	4.01%	0.00	0.00%	125.00	4.01%
1969 - 1971	2,678.44	125.00	4.67%	0.00	0.00%	125.00	4.67%
1970 - 1972	10,923.40	29.48	0.27%	116.21	1.06%	(86.73)	-0.79%
1971 - 1973	9,376.21	4.48	0.05%	116.21	1.24%	(111.73)	-1.19%
1972 - 1974	9,696.21	4.48	0.05%	1,625.11	16.76%	(1,620.63)	-16.71%
1973 - 1975	651.68	51.00	7.83%	1,508.90	231.54%	(1,457.90)	-223.71%
1974 - 1976	29,581.20	451.00	1.52%	1,780.28	6.02%	(1,329.28)	-4.49%
1975 - 1977	44,893.98	2,479.49	5.52%	6,317.80	14.07%	(3,838.31)	-8.55%
1976 - 1978	45,914.47	2,929.49	6.38%	6,319.30	13.76%	(3,389.81)	-7.38%
1977 - 1979	17,587.69	3,029.49	17.23%	6,047.92	34.39%	(3,018.43)	-17.16%
1978 - 1980	4,491.94	1,702.40	37.90%	1.50	0.03%	1,700.90	37.87%
1979 - 1981	48,521.10	1,415.60	2.92%	0.00	0.00%	1,415.60	2.92%
1980 - 1982	49,930.85	21,625.65	43.31%	0.00	0.00%	21,625.65	43.31%
1981 - 1983	53,677.63	30,480.05	56.78%	0.00	0.00%	30,480.05	56.78%
1982 - 1984	8,520.58	30,382.85	356.58%	0.00	0.00%	30,382.85	356.58%
1983 - 1985	39,880.52	10,413.74	26.11%	67.89	0.17%	10,345.85	25.94%
1984 - 1986	97,702.41	10,219.26	10.46%	(51.49)	-0.05%	10,270.75	10.51%
1985 - 1987	112,328.13	12,759.91	11.36%	9,189.78	8.18%	3,570.13	3.18%
1986 - 1988	135,588.09	17,997.65	13.27%	16,585.83	12.23%	1,411.82	1.04%
1987 - 1989	91,541.24	10,791.55	11.79%	21,792.23	23.81%	(11,000.68)	-12.02%
1988 - 1990	117,833.51	17,412.85	14.78%	17,507.02	14.86%	(94.17)	-0.08%
1989 - 1991	98,178.35	28,892.89	29.43%	107,378.50	109.37%	(78,485.61)	-79.94%
1990 - 1992	111,229.56	27,416.63	24.65%	102,390.28	92.05%	(74,973.65)	-67.40%
1991 - 1993	117,056.41	20,256.51	17.30%	97,564.88	83.35%	(77,308.37)	-66.04%
1992 - 1994	270,102.82	3,252.79	1.20%	(1,129.85)	-0.42%	4,382.64	1.62%
1993 - 1995	244,992.76	-4,430.28	-1.81%	(1,228.65)	-0.50%	(3,201.63)	-1.31%
1994 - 1996	308,765.42	-1,485.41	-0.48%	2,141.22	0.69%	(3,626.63)	-1.17%
1995 - 1997	168,602.75	-533.31	-0.32%	13,875.43	8.23%	(14,408.74)	-8.55%

Montana-Dakota Utilities Company
Electric Plant
316.00 Miscellaneous Power Plant Equipment
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1996 - 1998	281,661.81	9,406.46	3.34%	14,174.95	5.03%	(4,768.49)	-1.69%
1997 - 1999	451,211.21	8,775.96	1.94%	10,970.26	2.43%	(2,194.30)	-0.49%
1998 - 2000	562,604.12	18,097.47	3.22%	843.20	0.15%	17,254.27	3.07%
1999 - 2001	547,232.79	23,716.72	4.33%	2,608.40	0.48%	21,108.32	3.86%
2000 - 2002	357,063.09	24,925.21	6.98%	2,312.56	0.65%	22,612.65	6.33%
2001 - 2003	395,695.34	16,480.55	4.16%	3,746.36	0.95%	12,734.19	3.22%
2002 - 2004	431,938.71	11,745.09	2.72%	1,681.64	0.39%	10,063.45	2.33%
2003 - 2005	565,087.16	19,945.89	3.53%	3,207.54	0.57%	16,738.35	2.96%
2004 - 2006	803,068.42	72,061.94	8.97%	10,728.84	1.34%	61,333.10	7.64%
2005 - 2007	851,147.39	71,878.25	8.44%	12,937.48	1.52%	58,940.77	6.92%
2006 - 2008	701,381.04	66,160.76	9.43%	18,719.14	2.67%	47,441.62	6.76%
2007 - 2009	366,706.72	17,198.95	4.69%	16,771.72	4.57%	427.23	0.12%
2008 - 2010	897,547.82	181,301.64	20.20%	26,968.07	3.00%	154,333.57	17.20%
2009 - 2011	1,872,027.11	176,892.14	9.45%	81,246.30	4.34%	95,645.84	5.11%
2010 - 2012	2,287,639.28	187,543.70	8.20%	75,490.78	3.30%	112,052.92	4.90%
2011 - 2013	1,770,833.22	21,988.42	1.24%	65,072.72	3.67%	(43,084.30)	-2.43%
2012 - 2014	1,221,283.38	18,272.92	1.50%	5,226.56	0.43%	13,046.36	1.07%

Montana-Dakota Utilities Company
Electric Plant
316.00 Miscellaneous Power Plant Equipment
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1968 - 2014	5,940,133.94	398,825.16	6.71	256,029.67	4.31	142,795.49	2.40

Trend Analysis (End Year) **2014**

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	30.0
Average Retirement Age (Yrs)	12.4
Years To ASL	17.6
Inflation Factor At 2.75% to ASL	1.61

Gross Salvage
Linear Trend Analysis

1995-2014	**20 - Year Trend**	9.50%
2000-2014	**15 - Year Trend**	7.95%
2005-2014	**10 - Year Trend**	5.63%
2010-2014	**5 - Year Trend**	0.00%

Forcasted

Gross Salvage (Five Year Trend)	0.00%
Cost Of Removal	6.96%
Net Salvage	-6.96%

Montana-Dakota Utilities Company
Electric Plant
342.00 Fuel Holders, Producers & Accessories
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1976 - 2014

Year	Orginal Cost Of Retirements	Gross Salvage		Cost of Removal		Net Salvage	
		Amount	%	Amount	%	Amount	%
Annual Activity							
1976	1,485.61	0.00	0.00%	57.47	3.87%	(57.47)	-3.87%
1977	0.00	58.93	0.00%	0.00	0.00%	58.93	0.00%
1978	0.00	0.00	0.00%	94.18	0.00%	(94.18)	0.00%
1979	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1980	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1981	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1984	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986	52,998.10	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987	0.00	0.00	0.00%	1,808.26	0.00%	(1,808.26)	0.00%
1988	0.00	0.00	0.00%	115.56	0.00%	(115.56)	0.00%
1989	0.00	0.00	0.00%	14,307.19	0.00%	(14,307.19)	0.00%
1990	1,000.00	-8.56	-0.86%	4,588.21	458.82%	(4,596.77)	-459.68%
1991	0.00	0.00	0.00%	(0.17)	0.00%	0.17	0.00%
1992	0.00	0.00	0.00%	19.76	0.00%	(19.76)	0.00%
1993	6,437.36	-15.60	-0.24%	1,400.00	21.75%	(1,415.60)	-21.99%
1994	0.00	0.00	0.00%	11.42	0.00%	(11.42)	0.00%
1995	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2001	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2002	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2003	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company
Electric Plant
342.00 Fuel Holders, Producers & Accessories
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1976 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Annual Activity							
2004	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2005	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2006	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2007	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2008	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2009	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2010	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2011	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2012	77,662.15	0.00	0.00%	0.00	0.00%	0.00	0.00%
2013	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2014	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company
Electric Plant
342.00 Fuel Holders, Producers & Accessories
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1976 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1976 - 1978	1,485.61	58.93	3.97%	151.65	10.21%	(92.72)	-6.24%
1977 - 1979	0.00	58.93	0.00%	94.18	0.00%	(35.25)	0.00%
1978 - 1980	0.00	0.00	0.00%	94.18	0.00%	(94.18)	0.00%
1979 - 1981	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1980 - 1982	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1981 - 1983	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982 - 1984	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983 - 1985	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1984 - 1986	52,998.10	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985 - 1987	52,998.10	0.00	0.00%	1,808.26	3.41%	(1,808.26)	-3.41%
1986 - 1988	52,998.10	0.00	0.00%	1,923.82	3.63%	(1,923.82)	-3.63%
1987 - 1989	0.00	0.00	0.00%	16,231.01	0.00%	(16,231.01)	0.00%
1988 - 1990	1,000.00	-8.56	-0.86%	19,010.96	1901.10%	(19,019.52)	-1901.95%
1989 - 1991	1,000.00	-8.56	-0.86%	18,895.23	1889.52%	(18,903.79)	-1890.38%
1990 - 1992	1,000.00	-8.56	-0.86%	4,607.80	460.78%	(4,616.36)	-461.64%
1991 - 1993	6,437.36	-15.60	-0.24%	1,419.59	22.05%	(1,435.19)	-22.29%
1992 - 1994	6,437.36	-15.60	-0.24%	1,431.18	22.23%	(1,446.78)	-22.47%
1993 - 1995	6,437.36	-15.60	-0.24%	1,411.42	21.93%	(1,427.02)	-22.17%
1994 - 1996	0.00	0.00	0.00%	11.42	0.00%	(11.42)	0.00%
1995 - 1997	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996 - 1998	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997 - 1999	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998 - 2000	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999 - 2001	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000 - 2002	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2001 - 2003	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2002 - 2004	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2003 - 2005	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company
Electric Plant
342.00 Fuel Holders, Producers & Accessories
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1976 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
2004 - 2006	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2005 - 2007	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2006 - 2008	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2007 - 2009	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2008 - 2010	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2009 - 2011	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2010 - 2012	77,662.15	0.00	0.00%	0.00	0.00%	0.00	0.00%
2011 - 2013	77,662.15	0.00	0.00%	0.00	0.00%	0.00	0.00%
2012 - 2014	77,662.15	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company
Electric Plant
342.00 Fuel Holders, Producers & Accessories
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1976 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1976 - 2014	139,583.22	34.77	0.02	22,401.88	16.05	(22,367.11)	-16.02

Trend Analysis (End Year) **2014**

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	43.0
Average Retirement Age (Yrs)	58.5
Years To ASL	-15.5
Inflation Factor At 2.75% to ASL	0.66

Gross Salvage
Linear Trend Analysis

1995-2014	**20 - Year Trend**	0.02%
2000-2014	**15 - Year Trend**	0.00%
2005-2014	**10 - Year Trend**	0.00%
2010-2014	**5 - Year Trend**	0.00%

Forcasted

Gross Salvage (Five Year Trend)	0.00%
Cost Of Removal	10.54%
Net Salvage	-10.54%

Montana-Dakota Utilities Company
Electric Plant
350.20 Transmission Land & Land Rights
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1986 - 2014

Year	Orginal Cost Of Retirements	Gross Salvage		Cost of Removal		Net Salvage	
		Amount	%	Amount	%	Amount	%
Annual Activity							
1986	1,119.25	1,147.48	102.52%	0.00	0.00%	1,147.48	102.52%
1987	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994	780.59	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2001	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2002	26,868.96	0.00	0.00%	0.00	0.00%	0.00	0.00%
2003	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2004	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2005	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2006	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2007	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2008	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2009	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2010	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2011	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2012	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2013	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company
Electric Plant
350.20 Transmission Land & Land Rights
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1986 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Annual Activity							
2014	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company
Electric Plant
350.20 Transmission Land & Land Rights
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1986 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1986 - 1988	1,119.25	1,147.48	102.52%	0.00	0.00%	1,147.48	102.52%
1987 - 1989	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988 - 1990	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989 - 1991	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990 - 1992	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991 - 1993	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992 - 1994	780.59	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993 - 1995	780.59	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994 - 1996	780.59	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995 - 1997	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996 - 1998	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997 - 1999	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998 - 2000	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999 - 2001	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000 - 2002	26,868.96	0.00	0.00%	0.00	0.00%	0.00	0.00%
2001 - 2003	26,868.96	0.00	0.00%	0.00	0.00%	0.00	0.00%
2002 - 2004	26,868.96	0.00	0.00%	0.00	0.00%	0.00	0.00%
2003 - 2005	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2004 - 2006	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2005 - 2007	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2006 - 2008	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2007 - 2009	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2008 - 2010	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2009 - 2011	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2010 - 2012	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2011 - 2013	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2012 - 2014	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company
Electric Plant
350.20 Transmission Land & Land Rights
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1986 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1986 - 2014	28,768.80	1,147.48	3.99	0.00	0.00	1,147.48	3.99

Trend Analysis (End Year) **2014**

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	50.0
Average Retirement Age (Yrs)	23.4
Years To ASL	26.6
Inflation Factor At 2.75% to ASL	2.06

Gross Salvage
Linear Trend Analysis

1995-2014	**20 - Year Trend**	0.00%
2000-2014	**15 - Year Trend**	0.00%
2005-2014	**10 - Year Trend**	0.00%
2010-2014	**5 - Year Trend**	0.00%

Forcasted

Gross Salvage (Five Year Trend)	0.00%
Cost Of Removal	0.00%
Net Salvage	0.00%

Montana-Dakota Utilities Company
Electric Plant
353.00 Station Equipment
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
	Annual Activity						
1968	95,574.86	7,834.78	8.20%	2,866.85	3.00%	4,967.93	5.20%
1969	5,630.69	4,626.00	82.16%	1,288.76	22.89%	3,337.24	59.27%
1970	12,245.13	6,336.38	51.75%	473.31	3.87%	5,863.07	47.88%
1971	47,444.19	14,129.50	29.78%	3,188.70	6.72%	10,940.80	23.06%
1972	21,515.07	2,313.00	10.75%	397.95	1.85%	1,915.05	8.90%
1973	69,036.68	2,105.99	3.05%	2,354.40	3.41%	(248.41)	-0.36%
1974	43,081.29	10,999.21	25.53%	9,279.53	21.54%	1,719.68	3.99%
1975	80,219.11	6,979.62	8.70%	3,959.83	4.94%	3,019.79	3.76%
1976	255,047.79	145,244.74	56.95%	9,041.34	3.54%	136,203.40	53.40%
1977	9,313.74	2,059.54	22.11%	772.15	8.29%	1,287.39	13.82%
1978	172,067.83	166,981.43	97.04%	0.00	0.00%	166,981.43	97.04%
1979	44,028.43	16,216.63	36.83%	7,759.82	17.62%	8,456.81	19.21%
1980	14,728.68	1,586.62	10.77%	1,712.10	11.62%	(125.48)	-0.85%
1981	537,167.75	539,762.61	100.48%	2,598.00	0.48%	537,164.61	100.00%
1982	27,242.16	90.90	0.33%	1,500.42	5.51%	(1,409.52)	-5.17%
1983	99,073.91	7,287.72	7.36%	9,488.30	9.58%	(2,200.58)	-2.22%
1984	75,588.98	5,922.60	7.84%	11,578.77	15.32%	(5,656.17)	-7.48%
1985	164,185.14	30,238.03	18.42%	21,769.55	13.26%	8,468.48	5.16%
1986	44,368.47	25,381.16	57.21%	14,012.33	31.58%	11,368.83	25.62%
1987	354,705.65	47,018.02	13.26%	33,976.73	9.58%	13,041.29	3.68%
1988	54,694.00	2,135.78	3.90%	13,066.31	23.89%	(10,930.53)	-19.98%
1989	297,489.34	104,580.40	35.15%	12,392.79	4.17%	92,187.61	30.99%
1990	157,008.12	1,809.24	1.15%	47,419.99	30.20%	(45,610.75)	-29.05%
1991	109,767.41	52.50	0.05%	7,808.20	7.11%	(7,755.70)	-7.07%
1992	479,482.45	949.59	0.20%	50,094.47	10.45%	(49,144.88)	-10.25%
1993	77,901.96	24,840.38	31.89%	3,533.84	4.54%	21,306.54	27.35%
1994	74,343.93	6,448.85	8.67%	19,848.60	26.70%	(13,399.75)	-18.02%
1995	197,782.34	0.00	0.00%	14,193.30	7.18%	(14,193.30)	-7.18%

Montana-Dakota Utilities Company
Electric Plant
353.00 Station Equipment
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Annual Activity							
1996	331,648.01	37,741.43	11.38%	77,396.13	23.34%	(39,654.70)	-11.96%
1997	264,012.82	0.00	0.00%	26,774.53	10.14%	(26,774.53)	-10.14%
1998	120,513.71	0.00	0.00%	10,299.31	8.55%	(10,299.31)	-8.55%
1999	21,388.45	0.00	0.00%	5,368.13	25.10%	(5,368.13)	-25.10%
2000	227,298.24	0.00	0.00%	21,075.98	9.27%	(21,075.98)	-9.27%
2001	133,697.46	35,041.44	26.21%	14,968.60	11.20%	20,072.84	15.01%
2002	100,165.90	9,747.34	9.73%	4,460.16	4.45%	5,287.18	5.28%
2003	221,081.84	24,198.04	10.95%	8,690.57	3.93%	15,507.47	7.01%
2004	891,209.25	94,338.48	10.59%	88,526.99	9.93%	5,811.49	0.65%
2005	106,745.53	689,215.05	645.66%	34,835.48	32.63%	654,379.57	613.03%
2006	583,198.18	37,813.44	6.48%	99,337.04	17.03%	(61,523.60)	-10.55%
2007	155,607.76	0.00	0.00%	23,584.25	15.16%	(23,584.25)	-15.16%
2008	409,865.84	5,272.31	1.29%	29,495.45	7.20%	(24,223.14)	-5.91%
2009	50,103.46	0.00	0.00%	22,264.62	44.44%	(22,264.62)	-44.44%
2010	130,679.18	0.03	0.00%	17,754.86	13.59%	(17,754.83)	-13.59%
2011	130,953.50	13,834.80	10.56%	84,745.10	64.71%	(70,910.30)	-54.15%
2012	147,161.97	1,394.39	0.95%	(33,589.36)	-22.82%	34,983.75	23.77%
2013	62,937.60	790.08	1.26%	3,994.16	6.35%	(3,204.08)	-5.09%
2014	224,433.05	0.00	0.00%	29,440.85	13.12%	(29,440.85)	-13.12%

Montana-Dakota Utilities Company
Electric Plant
353.00 Station Equipment
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1968 - 1970	113,450.68	18,797.16	16.57%	4,628.92	4.08%	14,168.24	12.49%
1969 - 1971	65,320.01	25,091.88	38.41%	4,950.77	7.58%	20,141.11	30.83%
1970 - 1972	81,204.39	22,778.88	28.05%	4,059.96	5.00%	18,718.92	23.05%
1971 - 1973	137,995.94	18,548.49	13.44%	5,941.05	4.31%	12,607.44	9.14%
1972 - 1974	133,633.04	15,418.20	11.54%	12,031.88	9.00%	3,386.32	2.53%
1973 - 1975	192,337.08	20,084.82	10.44%	15,593.76	8.11%	4,491.06	2.33%
1974 - 1976	378,348.19	163,223.57	43.14%	22,280.70	5.89%	140,942.87	37.25%
1975 - 1977	344,580.64	154,283.90	44.77%	13,773.32	4.00%	140,510.58	40.78%
1976 - 1978	436,429.36	314,285.71	72.01%	9,813.49	2.25%	304,472.22	69.76%
1977 - 1979	225,410.00	185,257.60	82.19%	8,531.97	3.79%	176,725.63	78.40%
1978 - 1980	230,824.94	184,784.68	80.05%	9,471.92	4.10%	175,312.76	75.95%
1979 - 1981	595,924.86	557,565.86	93.56%	12,069.92	2.03%	545,495.94	91.54%
1980 - 1982	579,138.59	541,440.13	93.49%	5,810.52	1.00%	535,629.61	92.49%
1981 - 1983	663,483.82	547,141.23	82.46%	13,586.72	2.05%	533,554.51	80.42%
1982 - 1984	201,905.05	13,301.22	6.59%	22,567.49	11.18%	(9,266.27)	-4.59%
1983 - 1985	338,848.03	43,448.35	12.82%	42,836.62	12.64%	611.73	0.18%
1984 - 1986	284,142.59	61,541.79	21.66%	47,360.65	16.67%	14,181.14	4.99%
1985 - 1987	563,259.26	102,637.21	18.22%	69,758.61	12.38%	32,878.60	5.84%
1986 - 1988	453,768.12	74,534.96	16.43%	61,055.37	13.46%	13,479.59	2.97%
1987 - 1989	706,888.99	153,734.20	21.75%	59,435.83	8.41%	94,298.37	13.34%
1988 - 1990	509,191.46	108,525.42	21.31%	72,879.09	14.31%	35,646.33	7.00%
1989 - 1991	564,264.87	106,442.14	18.86%	67,620.98	11.98%	38,821.16	6.88%
1990 - 1992	746,257.98	2,811.33	0.38%	105,322.66	14.11%	(102,511.33)	-13.74%
1991 - 1993	667,151.82	25,842.47	3.87%	61,436.51	9.21%	(35,594.04)	-5.34%
1992 - 1994	631,728.34	32,238.82	5.10%	73,476.91	11.63%	(41,238.09)	-6.53%
1993 - 1995	350,028.23	31,289.23	8.94%	37,575.74	10.74%	(6,286.51)	-1.80%
1994 - 1996	603,774.28	44,190.28	7.32%	111,438.03	18.46%	(67,247.75)	-11.14%
1995 - 1997	793,443.17	37,741.43	4.76%	118,363.96	14.92%	(80,622.53)	-10.16%

Montana-Dakota Utilities Company
Electric Plant
353.00 Station Equipment

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1996 - 1998	716,174.54	37,741.43	5.27%	114,469.97	15.98%	(76,728.54)	-10.71%
1997 - 1999	405,914.98	0.00	0.00%	42,441.97	10.46%	(42,441.97)	-10.46%
1998 - 2000	369,200.40	0.00	0.00%	36,743.42	9.95%	(36,743.42)	-9.95%
1999 - 2001	382,384.15	35,041.44	9.16%	41,412.71	10.83%	(6,371.27)	-1.67%
2000 - 2002	461,161.60	44,788.78	9.71%	40,504.74	8.78%	4,284.04	0.93%
2001 - 2003	454,945.20	68,986.82	15.16%	28,119.33	6.18%	40,867.49	8.98%
2002 - 2004	1,212,456.99	128,283.86	10.58%	101,677.72	8.39%	26,606.14	2.19%
2003 - 2005	1,219,036.62	807,751.57	66.26%	132,053.04	10.83%	675,698.53	55.43%
2004 - 2006	1,581,152.96	821,366.97	51.95%	222,699.51	14.08%	598,667.46	37.86%
2005 - 2007	845,551.47	727,028.49	85.98%	157,756.77	18.66%	569,271.72	67.33%
2006 - 2008	1,148,671.78	43,085.75	3.75%	152,416.74	13.27%	(109,330.99)	-9.52%
2007 - 2009	615,577.06	5,272.31	0.86%	75,344.32	12.24%	(70,072.01)	-11.38%
2008 - 2010	590,648.48	5,272.34	0.89%	69,514.93	11.77%	(64,242.59)	-10.88%
2009 - 2011	311,736.14	13,834.83	4.44%	124,764.58	40.02%	(110,929.75)	-35.58%
2010 - 2012	408,794.65	15,229.22	3.73%	68,910.60	16.86%	(53,681.38)	-13.13%
2011 - 2013	341,053.07	16,019.27	4.70%	55,149.90	16.17%	(39,130.63)	-11.47%
2012 - 2014	434,532.62	2,184.47	0.50%	(154.35)	-0.04%	2,338.82	0.54%

Montana-Dakota Utilities Company
Electric Plant
353.00 Station Equipment

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1968 - 2014	7,933,436.85	2,133,318.05	26.89	875,799.19	11.04	1,257,518.86	15.85

Trend Analysis (End Year) **2014**

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	60.0
Average Retirement Age (Yrs)	28.2
Years To ASL	31.8
Inflation Factor At 2.75% to ASL	2.37

Gross Salvage
Linear Trend Analysis

1995-2014	**20 - Year Trend**	17.03%
2000-2014	**15 - Year Trend**	9.15%
2005-2014	**10 - Year Trend**	0.00%
2010-2014	**5 - Year Trend**	2.69%

Forcasted

Gross Salvage (Five Year Trend)	2.69%
Cost Of Removal	26.18%
Net Salvage	-23.48%

Montana-Dakota Utilities Company
Electric Plant
354.00 Towers & Fixtures

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 2008 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Annual Activity							
2008	515.74	0.00	0.00%	362.18	70.23%	(362.18)	-70.23%
2009	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2010	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2011	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2012	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2013	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2014	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company
Electric Plant
354.00 Towers & Fixtures

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 2008 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
2008 - 2010	515.74	0.00	0.00%	362.18	70.23%	(362.18)	-70.23%
2009 - 2011	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2010 - 2012	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2011 - 2013	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2012 - 2014	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2008 - 2014	515.74	0.00	0.00	362.18	70.23	(362.18)	-70.23

Trend Analysis (End Year) **2014**

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	55.0
Average Retirement Age (Yrs)	31.5
Years To ASL	23.5
Inflation Factor At 2.75% to ASL	1.89

Gross Salvage
Linear Trend Analysis

1995-2014	**20 - Year Trend**	0.00%
2000-2014	**15 - Year Trend**	0.00%
2005-2014	**10 - Year Trend**	0.00%
2010-2014	**5 - Year Trend**	0.00%

Forcasted

Gross Salvage (Five Year Trend)	0.00%
Cost Of Removal	132.86%
Net Salvage	-132.86%

Montana-Dakota Utilities Company
Electric Plant
355.00 Poles & Fixtures

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	Orginal Cost Of Retirements	Gross Salvage		Cost of Removal		Net Salvage	
		Amount	%	Amount	%	Amount	%
Annual Activity							
1968	104,280.32	68,996.79	66.16%	24,098.17	23.11%	44,898.62	43.06%
1969	110,533.90	82,690.54	74.81%	33,505.02	30.31%	49,185.52	44.50%
1970	130,163.71	41,724.37	32.06%	24,676.01	18.96%	17,048.36	13.10%
1971	69,680.14	20,493.49	29.41%	16,758.57	24.05%	3,734.92	5.36%
1972	83,489.69	39,216.03	46.97%	14,312.07	17.14%	24,903.96	29.83%
1973	128,680.30	27,268.29	21.19%	27,760.37	21.57%	(492.08)	-0.38%
1974	86,326.88	41,906.84	48.54%	21,046.52	24.38%	20,860.32	24.16%
1975	174,393.78	58,463.22	33.52%	37,750.20	21.65%	20,713.02	11.88%
1976	21,342.88	22,659.49	106.17%	15,325.67	71.81%	7,333.82	34.36%
1977	51,246.29	25,547.46	49.85%	15,171.57	29.61%	10,375.89	20.25%
1978	33,119.91	32,618.15	98.49%	10,972.01	33.13%	21,646.14	65.36%
1979	39,116.67	35,206.02	90.00%	36,359.24	92.95%	(1,153.22)	-2.95%
1980	25,542.32	25,083.18	98.20%	28,624.25	112.07%	(3,541.07)	-13.86%
1981	60,730.52	57,691.86	95.00%	29,647.19	48.82%	28,044.67	46.18%
1982	55,112.53	55,968.81	101.55%	32,291.10	58.59%	23,677.71	42.96%
1983	91,344.05	59,861.79	65.53%	71,657.47	78.45%	(11,795.68)	-12.91%
1984	122,464.19	102,353.99	83.58%	27,939.79	22.81%	74,414.20	60.76%
1985	71,426.49	54,551.13	76.37%	12,533.83	17.55%	42,017.30	58.83%
1986	129,874.44	125,508.31	96.64%	16,422.37	12.64%	109,085.94	83.99%
1987	213,813.28	35,061.34	16.40%	45,747.87	21.40%	(10,686.53)	-5.00%
1988	71,519.16	17,920.26	25.06%	50,996.95	71.31%	(33,076.69)	-46.25%
1989	90,554.50	34,651.55	38.27%	53,734.07	59.34%	(19,082.52)	-21.07%
1990	98,433.73	32,738.52	33.26%	37,082.02	37.67%	(4,343.50)	-4.41%
1991	129,356.83	28,128.51	21.74%	58,212.10	45.00%	(30,083.59)	-23.26%
1992	153,193.37	14,172.42	9.25%	48,135.68	31.42%	(33,963.26)	-22.17%
1993	71,613.86	14,010.96	19.56%	37,938.80	52.98%	(23,927.84)	-33.41%
1994	181,965.13	39,800.98	21.87%	123,158.00	67.68%	(83,357.02)	-45.81%
1995	115,814.18	37,647.06	32.51%	43,664.57	37.70%	(6,017.51)	-5.20%

Montana-Dakota Utilities Company
Electric Plant
355.00 Poles & Fixtures

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Annual Activity							
1996	320,030.21	88,015.62	27.50%	141,828.35	44.32%	(53,812.73)	-16.81%
1997	144,531.28	32,376.25	22.40%	105,285.71	72.85%	(72,909.46)	-50.45%
1998	93,576.75	26,758.78	28.60%	35,895.90	38.36%	(9,137.12)	-9.76%
1999	16,092.20	906.55	5.63%	2,623.31	16.30%	(1,716.76)	-10.67%
2000	14,456.64	9,418.85	65.15%	35,304.61	244.21%	(25,885.76)	-179.06%
2001	63,687.37	13,028.47	20.46%	35,756.60	56.14%	(22,728.13)	-35.69%
2002	19,842.26	4,511.00	22.73%	38,992.03	196.51%	(34,481.03)	-173.78%
2003	52,028.40	8,981.60	17.26%	171,002.36	328.67%	(162,020.76)	-311.41%
2004	145,216.47	14,881.59	10.25%	116,345.00	80.12%	(101,463.41)	-69.87%
2005	31,389.44	6,820.19	21.73%	17,240.99	54.93%	(10,420.80)	-33.20%
2006	44,903.35	6,786.23	15.11%	62,387.98	138.94%	(55,601.75)	-123.83%
2007	33,583.16	6,696.80	19.94%	18,860.44	56.16%	(12,163.64)	-36.22%
2008	85,336.22	51,826.65	60.73%	66,529.91	77.96%	(14,703.26)	-17.23%
2009	14,181.34	4,154.25	29.29%	12,226.45	86.22%	(8,072.20)	-56.92%
2010	56,953.86	1,745.73	3.07%	66,939.82	117.53%	(65,194.09)	-114.47%
2011	258,159.68	1,792.64	0.69%	284,311.93	110.13%	(282,519.29)	-109.44%
2012	120,677.36	30,041.36	24.89%	122,153.48	101.22%	(92,112.12)	-76.33%
2013	64,955.66	5,847.42	9.00%	64,420.07	99.18%	(58,572.65)	-90.17%
2014	782,858.58	0.00	0.00%	291,412.07	37.22%	(291,412.07)	-37.22%

Montana-Dakota Utilities Company
Electric Plant
355.00 Poles & Fixtures
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1968 - 1970	344,977.93	193,411.70	56.06%	82,279.20	23.85%	111,132.50	32.21%
1969 - 1971	310,377.75	144,908.40	46.69%	74,939.60	24.14%	69,968.80	22.54%
1970 - 1972	283,333.54	101,433.89	35.80%	55,746.65	19.68%	45,687.24	16.12%
1971 - 1973	281,850.13	86,977.81	30.86%	58,831.01	20.87%	28,146.80	9.99%
1972 - 1974	298,496.87	108,391.16	36.31%	63,118.96	21.15%	45,272.20	15.17%
1973 - 1975	389,400.96	127,638.35	32.78%	86,557.09	22.23%	41,081.26	10.55%
1974 - 1976	282,063.54	123,029.55	43.62%	74,122.39	26.28%	48,907.16	17.34%
1975 - 1977	246,982.95	106,670.17	43.19%	68,247.44	27.63%	38,422.73	15.56%
1976 - 1978	105,709.08	80,825.10	76.46%	41,469.25	39.23%	39,355.85	37.23%
1977 - 1979	123,482.87	93,371.63	75.62%	62,502.82	50.62%	30,868.81	25.00%
1978 - 1980	97,778.90	92,907.35	95.02%	75,955.50	77.68%	16,951.85	17.34%
1979 - 1981	125,389.51	117,981.06	94.09%	94,630.68	75.47%	23,350.38	18.62%
1980 - 1982	141,385.37	138,743.85	98.13%	90,562.54	64.05%	48,181.31	34.08%
1981 - 1983	207,187.10	173,522.46	83.75%	133,595.76	64.48%	39,926.70	19.27%
1982 - 1984	268,920.77	218,184.59	81.13%	131,888.36	49.04%	86,296.23	32.09%
1983 - 1985	285,234.73	216,766.91	76.00%	112,131.09	39.31%	104,635.82	36.68%
1984 - 1986	323,765.12	282,413.43	87.23%	56,895.99	17.57%	225,517.44	69.65%
1985 - 1987	415,114.21	215,120.78	51.82%	74,704.07	18.00%	140,416.71	33.83%
1986 - 1988	415,206.88	178,489.91	42.99%	113,167.19	27.26%	65,322.72	15.73%
1987 - 1989	375,886.94	87,633.15	23.31%	150,478.89	40.03%	(62,845.74)	-16.72%
1988 - 1990	260,507.39	85,310.33	32.75%	141,813.04	54.44%	(56,502.71)	-21.69%
1989 - 1991	318,345.06	95,518.58	30.00%	149,028.19	46.81%	(53,509.61)	-16.81%
1990 - 1992	380,983.93	75,039.45	19.70%	143,429.80	37.65%	(68,390.35)	-17.95%
1991 - 1993	354,164.06	56,311.89	15.90%	144,286.58	40.74%	(87,974.69)	-24.84%
1992 - 1994	406,772.36	67,984.36	16.71%	209,232.48	51.44%	(141,248.12)	-34.72%
1993 - 1995	369,393.17	91,459.00	24.76%	204,761.37	55.43%	(113,302.37)	-30.67%
1994 - 1996	617,809.52	165,463.66	26.78%	308,650.92	49.96%	(143,187.26)	-23.18%
1995 - 1997	580,375.67	158,038.93	27.23%	290,778.63	50.10%	(132,739.70)	-22.87%

Montana-Dakota Utilities Company
Electric Plant
355.00 Poles & Fixtures

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1996 - 1998	558,138.24	147,150.65	26.36%	283,009.96	50.71%	(135,859.31)	-24.34%
1997 - 1999	254,200.23	60,041.58	23.62%	143,804.92	56.57%	(83,763.34)	-32.95%
1998 - 2000	124,125.59	37,084.18	29.88%	73,823.82	59.48%	(36,739.64)	-29.60%
1999 - 2001	94,236.21	23,353.87	24.78%	73,684.52	78.19%	(50,330.65)	-53.41%
2000 - 2002	97,986.27	26,958.32	27.51%	110,053.24	112.31%	(83,094.92)	-84.80%
2001 - 2003	135,558.03	26,521.07	19.56%	245,750.99	181.29%	(219,229.92)	-161.72%
2002 - 2004	217,087.13	28,374.19	13.07%	326,339.39	150.33%	(297,965.20)	-137.26%
2003 - 2005	228,634.31	30,683.38	13.42%	304,588.35	133.22%	(273,904.97)	-119.80%
2004 - 2006	221,509.26	28,488.01	12.86%	195,973.97	88.47%	(167,485.96)	-75.61%
2005 - 2007	109,875.95	20,303.22	18.48%	98,489.41	89.64%	(78,186.19)	-71.16%
2006 - 2008	163,822.73	65,309.68	39.87%	147,778.33	90.21%	(82,468.65)	-50.34%
2007 - 2009	133,100.72	62,677.70	47.09%	97,616.80	73.34%	(34,939.10)	-26.25%
2008 - 2010	156,471.42	57,726.63	36.89%	145,696.18	93.11%	(87,969.55)	-56.22%
2009 - 2011	329,294.88	7,692.62	2.34%	363,478.20	110.38%	(355,785.58)	-108.04%
2010 - 2012	435,790.90	33,579.73	7.71%	473,405.23	108.63%	(439,825.50)	-100.93%
2011 - 2013	443,792.70	37,681.42	8.49%	470,885.48	106.10%	(433,204.06)	-97.61%
2012 - 2014	968,491.60	35,888.78	3.71%	477,985.62	49.35%	(442,096.84)	-45.65%

Montana-Dakota Utilities Company
Electric Plant
355.00 Poles & Fixtures

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1968 - 2014	5,077,593.28	1,546,531.34	30.46	2,685,038.49	52.88	(1,138,507.15)	-22.42

Trend Analysis (End Year) **2014**

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	57.0
Average Retirement Age (Yrs)	31.0
Years To ASL	26.0
Inflation Factor At 2.75% to ASL	2.02

Gross Salvage
Linear Trend Analysis

1995-2014	**20 - Year Trend**	14.03%
2000-2014	**15 - Year Trend**	12.29%
2005-2014	**10 - Year Trend**	9.26%
2010-2014	**5 - Year Trend**	0.00%

Forcasted

Gross Salvage (Five Year Trend)	0.00%
Cost Of Removal	107.07%
Net Salvage	-107.07%

Montana-Dakota Utilities Company
Electric Plant
356.00 Overhead Conductor & Devices
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	Orginal Cost Of Retirements	Gross Salvage		Cost of Removal		Net Salvage	
		Amount	%	Amount	%	Amount	%
Annual Activity							
1968	107,847.04	48,427.18	44.90%	14,800.72	13.72%	33,626.46	31.18%
1969	136,961.26	93,655.37	68.38%	37,521.83	27.40%	56,133.54	40.98%
1970	153,986.99	58,853.87	38.22%	28,682.90	18.63%	30,170.97	19.59%
1971	81,070.71	24,091.87	29.72%	16,513.78	20.37%	7,578.09	9.35%
1972	82,052.77	45,337.07	55.25%	14,523.64	17.70%	30,813.43	37.55%
1973	144,622.09	36,928.28	25.53%	30,376.80	21.00%	6,551.48	4.53%
1974	79,730.47	144,835.56	181.66%	24,232.06	30.39%	120,603.50	151.26%
1975	179,578.32	139,479.09	77.67%	33,522.44	18.67%	105,956.65	59.00%
1976	16,284.66	46,722.16	286.91%	52,472.83	322.22%	(5,750.67)	-35.31%
1977	63,674.76	34,998.13	54.96%	(4,850.28)	-7.62%	39,848.41	62.58%
1978	27,923.80	16,325.09	58.46%	13,899.53	49.78%	2,425.56	8.69%
1979	30,719.62	24,047.99	78.28%	24,338.83	79.23%	(290.84)	-0.95%
1980	15,405.32	11,841.49	76.87%	12,574.51	81.62%	(733.02)	-4.76%
1981	44,412.68	50,617.47	113.97%	34,975.11	78.75%	15,642.36	35.22%
1982	43,836.93	45,101.56	102.88%	21,662.03	49.42%	23,439.53	53.47%
1983	85,507.50	56,422.34	65.99%	53,434.09	62.49%	2,988.25	3.49%
1984	142,942.21	135,966.52	95.12%	131,997.71	92.34%	3,968.81	2.78%
1985	65,974.80	61,577.13	93.33%	93,015.77	140.99%	(31,438.64)	-47.65%
1986	178,120.07	184,970.43	103.85%	24,187.34	13.58%	160,783.09	90.27%
1987	215,671.42	74,862.82	34.71%	81,404.13	37.74%	(6,541.31)	-3.03%
1988	30,484.67	61,050.21	200.27%	21,070.48	69.12%	39,979.73	131.15%
1989	17,008.52	30,775.39	180.94%	17,131.36	100.72%	13,644.03	80.22%
1990	29,421.77	29,267.91	99.48%	17,623.69	59.90%	11,644.22	39.58%
1991	57,058.44	23,175.50	40.62%	18,529.99	32.48%	4,645.51	8.14%
1992	115,623.64	154,093.01	133.27%	25,358.48	21.93%	128,734.53	111.34%
1993	49,607.94	61,826.56	124.63%	18,018.43	36.32%	43,808.13	88.31%
1994	152,132.28	101,275.09	66.57%	94,573.12	62.17%	6,701.97	4.41%
1995	151,893.87	149,062.91	98.14%	28,930.84	19.05%	120,132.07	79.09%

Montana-Dakota Utilities Company
Electric Plant
356.00 Overhead Conductor & Devices

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	Orginal Cost Of Retirements	Gross Salvage		Cost of Removal		Net Salvage	
		Amount	%	Amount	%	Amount	%
Annual Activity							
1996	201,556.44	77,773.44	38.59%	67,689.52	33.58%	10,083.92	5.00%
1997	94,383.65	96,509.65	102.25%	81,605.03	86.46%	14,904.62	15.79%
1998	70,024.98	45,467.64	64.93%	29,311.31	41.86%	16,156.33	23.07%
1999	189.10	-412.27	-218.02%	(171.95)	-90.93%	(240.32)	-127.09%
2000	4,641.22	4,991.75	107.55%	3,722.60	80.21%	1,269.15	27.35%
2001	29,458.39	9,643.85	32.74%	12,553.48	42.61%	(2,909.63)	-9.88%
2002	16,463.41	24,898.11	151.23%	27,615.34	167.74%	(2,717.23)	-16.50%
2003	69,959.75	4,039.44	5.77%	95,239.56	136.13%	(91,200.12)	-130.36%
2004	117,071.01	11,828.33	10.10%	67,272.44	57.46%	(55,444.11)	-47.36%
2005	26,128.52	4,347.71	16.64%	3,676.95	14.07%	670.76	2.57%
2006	1,714.92	0.00	0.00%	3,778.54	220.33%	(3,778.54)	-220.33%
2007	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2008	90,070.88	34,204.06	37.97%	52,199.34	57.95%	(17,995.28)	-19.98%
2009	66,384.24	8,217.00	12.38%	174.54	0.26%	8,042.46	12.12%
2010	3,476.14	501.28	14.42%	8,186.79	235.51%	(7,685.51)	-221.09%
2011	149,248.18	98,243.00	65.83%	127,913.23	85.71%	(29,670.23)	-19.88%
2012	60,836.84	22,942.88	37.71%	101,801.94	167.34%	(78,859.06)	-129.62%
2013	19,830.28	2,065.58	10.42%	(75,549.55)	-380.98%	77,615.13	391.40%
2014	197,780.80	0.00	0.00%	53,848.26	27.23%	(53,848.26)	-27.23%

Montana-Dakota Utilities Company
Electric Plant
356.00 Overhead Conductor & Devices
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1968 - 1970	398,795.29	200,936.42	50.39%	81,005.45	20.31%	119,930.97	30.07%
1969 - 1971	372,018.96	176,601.11	47.47%	82,718.51	22.24%	93,882.60	25.24%
1970 - 1972	317,110.47	128,282.81	40.45%	59,720.32	18.83%	68,562.49	21.62%
1971 - 1973	307,745.57	106,357.22	34.56%	61,414.22	19.96%	44,943.00	14.60%
1972 - 1974	306,405.33	227,100.91	74.12%	69,132.50	22.56%	157,968.41	51.56%
1973 - 1975	403,930.88	321,242.93	79.53%	88,131.30	21.82%	233,111.63	57.71%
1974 - 1976	275,593.45	331,036.81	120.12%	110,227.33	40.00%	220,809.48	80.12%
1975 - 1977	259,537.74	221,199.38	85.23%	81,144.99	31.27%	140,054.39	53.96%
1976 - 1978	107,883.22	98,045.38	90.88%	61,522.08	57.03%	36,523.30	33.85%
1977 - 1979	122,318.18	75,371.21	61.62%	33,388.08	27.30%	41,983.13	34.32%
1978 - 1980	74,048.74	52,214.57	70.51%	50,812.87	68.62%	1,401.70	1.89%
1979 - 1981	90,537.62	86,506.95	95.55%	71,888.45	79.40%	14,618.50	16.15%
1980 - 1982	103,654.93	107,560.52	103.77%	69,211.65	66.77%	38,348.87	37.00%
1981 - 1983	173,757.11	152,141.37	87.56%	110,071.23	63.35%	42,070.14	24.21%
1982 - 1984	272,286.64	237,490.42	87.22%	207,093.83	76.06%	30,396.59	11.16%
1983 - 1985	294,424.51	253,965.99	86.26%	278,447.57	94.57%	(24,481.58)	-8.32%
1984 - 1986	387,037.08	382,514.08	98.83%	249,200.82	64.39%	133,313.26	34.44%
1985 - 1987	459,766.29	321,410.38	69.91%	198,607.24	43.20%	122,803.14	26.71%
1986 - 1988	424,276.16	320,883.46	75.63%	126,661.95	29.85%	194,221.51	45.78%
1987 - 1989	263,164.61	166,688.42	63.34%	119,605.97	45.45%	47,082.45	17.89%
1988 - 1990	76,914.96	121,093.51	157.44%	55,825.53	72.58%	65,267.98	84.86%
1989 - 1991	103,488.73	83,218.80	80.41%	53,285.04	51.49%	29,933.76	28.92%
1990 - 1992	202,103.85	206,536.42	102.19%	61,512.16	30.44%	145,024.26	71.76%
1991 - 1993	222,290.02	239,095.07	107.56%	61,906.90	27.85%	177,188.17	79.71%
1992 - 1994	317,363.86	317,194.66	99.95%	137,950.03	43.47%	179,244.63	56.48%
1993 - 1995	353,634.09	312,164.56	88.27%	141,522.39	40.02%	170,642.17	48.25%
1994 - 1996	505,582.59	328,111.44	64.90%	191,193.48	37.82%	136,917.96	27.08%
1995 - 1997	447,833.96	323,346.00	72.20%	178,225.39	39.80%	145,120.61	32.41%

Montana-Dakota Utilities Company
Electric Plant
356.00 Overhead Conductor & Devices
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1996 - 1998	365,965.07	219,750.73	60.05%	178,605.86	48.80%	41,144.87	11.24%
1997 - 1999	164,597.73	141,565.02	86.01%	110,744.39	67.28%	30,820.63	18.72%
1998 - 2000	74,855.30	50,047.12	66.86%	32,861.96	43.90%	17,185.16	22.96%
1999 - 2001	34,288.71	14,223.33	41.48%	16,104.13	46.97%	(1,880.80)	-5.49%
2000 - 2002	50,563.02	39,533.71	78.19%	43,891.42	86.81%	(4,357.71)	-8.62%
2001 - 2003	115,881.55	38,581.40	33.29%	135,408.38	116.85%	(96,826.98)	-83.56%
2002 - 2004	203,494.17	40,765.88	20.03%	190,127.34	93.43%	(149,361.46)	-73.40%
2003 - 2005	213,159.28	20,215.48	9.48%	166,188.95	77.96%	(145,973.47)	-68.48%
2004 - 2006	144,914.45	16,176.04	11.16%	74,727.93	51.57%	(58,551.89)	-40.40%
2005 - 2007	27,843.44	4,347.71	15.61%	7,455.49	26.78%	(3,107.78)	-11.16%
2006 - 2008	91,785.80	34,204.06	37.27%	55,977.88	60.99%	(21,773.82)	-23.72%
2007 - 2009	156,455.12	42,421.06	27.11%	52,373.88	33.48%	(9,952.82)	-6.36%
2008 - 2010	159,931.26	42,922.34	26.84%	60,560.67	37.87%	(17,638.33)	-11.03%
2009 - 2011	219,108.56	106,961.28	48.82%	136,274.56	62.19%	(29,313.28)	-13.38%
2010 - 2012	213,561.16	121,687.16	56.98%	237,901.96	111.40%	(116,214.80)	-54.42%
2011 - 2013	229,915.30	123,251.46	53.61%	154,165.62	67.05%	(30,914.16)	-13.45%
2012 - 2014	278,447.92	25,008.46	8.98%	80,100.65	28.77%	(55,092.19)	-19.79%

Montana-Dakota Utilities Company
Electric Plant
356.00 Overhead Conductor & Devices
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1968 - 2014	3,718,773.30	2,390,849.45	64.29	1,641,389.53	44.14	749,459.92	20.15

Trend Analysis (End Year) **2014**

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	70.0
Average Retirement Age (Yrs)	34.0
Years To ASL	36.0
Inflation Factor At 2.75% to ASL	2.65

Gross Salvage
Linear Trend Analysis

1995-2014	**20 - Year Trend**	17.72%
2000-2014	**15 - Year Trend**	27.30%
2005-2014	**10 - Year Trend**	47.38%
2010-2014	**5 - Year Trend**	29.77%

Forcasted

Gross Salvage (Five Year Trend)	29.77%
Cost Of Removal	117.06%
Net Salvage	-87.29%

Montana-Dakota Utilities Company
Electric Plant
360.20 Distribution Rights of Ways
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1987 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Annual Activity							
1987	66.00	0.00	0.00%	181.50	275.00%	(181.50)	-275.00%
1988	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2001	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2002	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2003	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2004	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2005	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2006	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2007	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2008	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2009	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2010	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2011	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2012	484.39	0.00	0.00%	0.00	0.00%	0.00	0.00%
2013	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2014	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company
Electric Plant
360.20 Distribution Rights of Ways
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1987 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1987 - 1989	66.00	0.00	0.00%	181.50	275.00%	(181.50)	-275.00%
1988 - 1990	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989 - 1991	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990 - 1992	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991 - 1993	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992 - 1994	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993 - 1995	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994 - 1996	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995 - 1997	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996 - 1998	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997 - 1999	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998 - 2000	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999 - 2001	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000 - 2002	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2001 - 2003	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2002 - 2004	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2003 - 2005	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2004 - 2006	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2005 - 2007	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2006 - 2008	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2007 - 2009	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2008 - 2010	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2009 - 2011	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2010 - 2012	484.39	0.00	0.00%	0.00	0.00%	0.00	0.00%
2011 - 2013	484.39	0.00	0.00%	0.00	0.00%	0.00	0.00%
2012 - 2014	484.39	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company
Electric Plant
360.20 Distribution Rights of Ways
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1987 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1987 - 2014	550.39	0.00	0.00	181.50	32.98	(181.50)	-32.98

Trend Analysis (End Year) **2014**

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	50.0
Average Retirement Age (Yrs)	15.1
Years To ASL	34.9
Inflation Factor At 2.75% to ASL	2.58

Gross Salvage
Linear Trend Analysis

1995-2014	**20 - Year Trend**	0.00%
2000-2014	**15 - Year Trend**	0.00%
2005-2014	**10 - Year Trend**	0.00%
2010-2014	**5 - Year Trend**	0.00%

Forcasted

Gross Salvage (Five Year Trend)	0.00%
Cost Of Removal	85.08%
Net Salvage	-85.08%

Montana-Dakota Utilities Company
Electric Plant
362.00 Station Equipment

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Annual Activity							
1968	44,189.19	13,463.25	30.47%	2,608.44	5.90%	10,854.81	24.56%
1969	40,769.51	7,632.34	18.72%	2,228.10	5.47%	5,404.24	13.26%
1970	50,937.00	14,756.17	28.97%	4,366.09	8.57%	10,390.08	20.40%
1971	28,060.37	13,475.50	48.02%	2,605.86	9.29%	10,869.64	38.74%
1972	32,340.92	11,810.14	36.52%	3,563.08	11.02%	8,247.06	25.50%
1973	50,602.26	13,707.08	27.09%	6,459.55	12.77%	7,247.53	14.32%
1974	43,283.61	27,346.05	63.18%	6,307.99	14.57%	21,038.06	48.61%
1975	83,710.24	17,202.18	20.55%	(3,943.44)	-4.71%	21,145.62	25.26%
1976	74,057.83	16,544.90	22.34%	3,978.86	5.37%	12,566.04	16.97%
1977	94,017.15	16,955.77	18.03%	3,142.46	3.34%	13,813.31	14.69%
1978	70,074.15	15,909.85	22.70%	9,518.60	13.58%	6,391.25	9.12%
1979	18,190.79	8,754.49	48.13%	4,046.07	22.24%	4,708.42	25.88%
1980	41,399.57	19,858.29	47.97%	3,214.93	7.77%	16,643.36	40.20%
1981	44,594.70	36,208.15	81.19%	8,502.44	19.07%	27,705.71	62.13%
1982	97,825.37	38,099.41	38.95%	9,858.37	10.08%	28,241.04	28.87%
1983	69,130.61	58,251.00	84.26%	12,626.08	18.26%	45,624.92	66.00%
1984	38,636.36	13,067.64	33.82%	8,491.44	21.98%	4,576.20	11.84%
1985	53,343.30	23,940.73	44.88%	9,015.94	16.90%	14,924.79	27.98%
1986	34,671.21	6,130.62	17.68%	9,480.36	27.34%	(3,349.74)	-9.66%
1987	88,610.06	42,928.44	48.45%	7,261.93	8.20%	35,666.51	40.25%
1988	108,055.18	34,557.19	31.98%	13,339.10	12.34%	21,218.09	19.64%
1989	184,166.51	17,477.14	9.49%	13,483.79	7.32%	3,993.35	2.17%
1990	51,454.60	14,868.33	28.90%	16,798.16	32.65%	(1,929.83)	-3.75%
1991	34,473.78	27,837.14	80.75%	15,985.72	46.37%	11,851.42	34.38%
1992	87,956.59	14,079.82	16.01%	21,812.15	24.80%	(7,732.33)	-8.79%
1993	112,357.69	31,959.54	28.44%	17,052.50	15.18%	14,907.04	13.27%
1994	195,007.10	61,013.61	31.29%	50,539.27	25.92%	10,474.34	5.37%
1995	22,944.93	29,944.00	130.50%	6,338.17	27.62%	23,605.83	102.88%

Montana-Dakota Utilities Company
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Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Annual Activity							
1996	40,930.60	16,480.23	40.26%	9,084.50	22.19%	7,395.73	18.07%
1997	123,562.15	24,675.27	19.97%	10,766.37	8.71%	13,908.90	11.26%
1998	142,405.16	46,908.50	32.94%	7,483.89	5.26%	39,424.61	27.68%
1999	24,858.93	-7,698.65	-30.97%	2,211.22	8.90%	(9,909.87)	-39.86%
2000	16,259.50	0.00	0.00%	2,367.99	14.56%	(2,367.99)	-14.56%
2001	44,709.40	3,572.59	7.99%	16,525.48	36.96%	(12,952.89)	-28.97%
2002	80,408.48	3,572.59	4.44%	6,219.74	7.74%	(2,647.15)	-3.29%
2003	64,184.70	1,987.60	3.10%	13,016.45	20.28%	(11,028.85)	-17.18%
2004	29,034.97	0.00	0.00%	1,718.33	5.92%	(1,718.33)	-5.92%
2005	129,821.59	17,681.86	13.62%	11,962.18	9.21%	5,719.68	4.41%
2006	675,160.14	531,454.18	78.72%	3,603.09	0.53%	527,851.09	78.18%
2007	9,790.96	204,292.00	2086.54%	153.35	1.57%	204,138.65	2084.97%
2008	65,170.87	327.61	0.50%	2,508.77	3.85%	(2,181.16)	-3.35%
2009	28,596.15	0.00	0.00%	1,547.02	5.41%	(1,547.02)	-5.41%
2010	154,830.04	74,999.97	48.44%	12,525.48	8.09%	62,474.49	40.35%
2011	102,804.60	4,050.24	3.94%	30,759.04	29.92%	(26,708.80)	-25.98%
2012	206,948.31	0.00	0.00%	4,469.00	2.16%	(4,469.00)	-2.16%
2013	40,026.75	0.00	0.00%	11,250.76	28.11%	(11,250.76)	-28.11%
2014	1,122,906.19	0.00	0.00%	167,752.86	14.94%	(167,752.86)	-14.94%

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Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1968 - 1970	135,895.70	35,851.76	26.38%	9,202.63	6.77%	26,649.13	19.61%
1969 - 1971	119,766.88	35,864.01	29.94%	9,200.05	7.68%	26,663.96	22.26%
1970 - 1972	111,338.29	40,041.81	35.96%	10,535.03	9.46%	29,506.78	26.50%
1971 - 1973	111,003.55	38,992.72	35.13%	12,628.49	11.38%	26,364.23	23.75%
1972 - 1974	126,226.79	52,863.27	41.88%	16,330.62	12.94%	36,532.65	28.94%
1973 - 1975	177,596.11	58,255.31	32.80%	8,824.10	4.97%	49,431.21	27.83%
1974 - 1976	201,051.68	61,093.13	30.39%	6,343.41	3.16%	54,749.72	27.23%
1975 - 1977	251,785.22	50,702.85	20.14%	3,177.88	1.26%	47,524.97	18.88%
1976 - 1978	238,149.13	49,410.52	20.75%	16,639.92	6.99%	32,770.60	13.76%
1977 - 1979	182,282.09	41,620.11	22.83%	16,707.13	9.17%	24,912.98	13.67%
1978 - 1980	129,664.51	44,522.63	34.34%	16,779.60	12.94%	27,743.03	21.40%
1979 - 1981	104,185.06	64,820.93	62.22%	15,763.44	15.13%	49,057.49	47.09%
1980 - 1982	183,819.64	94,165.85	51.23%	21,575.74	11.74%	72,590.11	39.49%
1981 - 1983	211,550.68	132,558.56	62.66%	30,986.89	14.65%	101,571.67	48.01%
1982 - 1984	205,592.34	109,418.05	53.22%	30,975.89	15.07%	78,442.16	38.15%
1983 - 1985	161,110.27	95,259.37	59.13%	30,133.46	18.70%	65,125.91	40.42%
1984 - 1986	126,650.87	43,138.99	34.06%	26,987.74	21.31%	16,151.25	12.75%
1985 - 1987	176,624.57	72,999.79	41.33%	25,758.23	14.58%	47,241.56	26.75%
1986 - 1988	231,336.45	83,616.25	36.14%	30,081.39	13.00%	53,534.86	23.14%
1987 - 1989	380,831.75	94,962.77	24.94%	34,084.82	8.95%	60,877.95	15.99%
1988 - 1990	343,676.29	66,902.66	19.47%	43,621.05	12.69%	23,281.61	6.77%
1989 - 1991	270,094.89	60,182.61	22.28%	46,267.67	17.13%	13,914.94	5.15%
1990 - 1992	173,884.97	56,785.29	32.66%	54,596.03	31.40%	2,189.26	1.26%
1991 - 1993	234,788.06	73,876.50	31.47%	54,850.37	23.36%	19,026.13	8.10%
1992 - 1994	395,321.38	107,052.97	27.08%	89,403.92	22.62%	17,649.05	4.46%
1993 - 1995	330,309.72	122,917.15	37.21%	73,929.94	22.38%	48,987.21	14.83%
1994 - 1996	258,882.63	107,437.84	41.50%	65,961.94	25.48%	41,475.90	16.02%
1995 - 1997	187,437.68	71,099.50	37.93%	26,189.04	13.97%	44,910.46	23.96%

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Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1996 - 1998	306,897.91	88,064.00	28.69%	27,334.76	8.91%	60,729.24	19.79%
1997 - 1999	290,826.24	63,885.12	21.97%	20,461.48	7.04%	43,423.64	14.93%
1998 - 2000	183,523.59	39,209.85	21.37%	12,063.10	6.57%	27,146.75	14.79%
1999 - 2001	85,827.83	-4,126.06	-4.81%	21,104.69	24.59%	(25,230.75)	-29.40%
2000 - 2002	141,377.38	7,145.18	5.05%	25,113.21	17.76%	(17,968.03)	-12.71%
2001 - 2003	189,302.58	9,132.78	4.82%	35,761.67	18.89%	(26,628.89)	-14.07%
2002 - 2004	173,628.15	5,560.19	3.20%	20,954.52	12.07%	(15,394.33)	-8.87%
2003 - 2005	223,041.26	19,669.46	8.82%	26,696.96	11.97%	(7,027.50)	-3.15%
2004 - 2006	834,016.70	549,136.04	65.84%	17,283.60	2.07%	531,852.44	63.77%
2005 - 2007	814,772.69	753,428.04	92.47%	15,718.62	1.93%	737,709.42	90.54%
2006 - 2008	750,121.97	736,073.79	98.13%	6,265.21	0.84%	729,808.58	97.29%
2007 - 2009	103,557.98	204,619.61	197.59%	4,209.14	4.06%	200,410.47	193.52%
2008 - 2010	248,597.06	75,327.58	30.30%	16,581.27	6.67%	58,746.31	23.63%
2009 - 2011	286,230.79	79,050.21	27.62%	44,831.54	15.66%	34,218.67	11.95%
2010 - 2012	464,582.95	79,050.21	17.02%	47,753.52	10.28%	31,296.69	6.74%
2011 - 2013	349,779.66	4,050.24	1.16%	46,478.80	13.29%	(42,428.56)	-12.13%
2012 - 2014	1,369,881.25	0.00	0.00%	183,472.62	13.39%	(183,472.62)	-13.39%

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Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1968 - 2014	4,997,270.07	1,570,082.76	31.42	584,607.53	11.70	985,475.23	19.72

Trend Analysis (End Year) **2014**

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	57.0
Average Retirement Age (Yrs)	27.1
Years To ASL	29.9
Inflation Factor At 2.75% to ASL	2.25

Gross Salvage
Linear Trend Analysis

1995-2014	**20 - Year Trend**	47.08%
2000-2014	**15 - Year Trend**	53.00%
2005-2014	**10 - Year Trend**	10.95%
2010-2014	**5 - Year Trend**	0.00%

Forcasted

Gross Salvage (Five Year Trend)	0.00%
Cost Of Removal	26.30%
Net Salvage	-26.30%

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Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
	Annual Activity						
1968	165,677.30	50,066.79	30.22%	36,133.32	21.81%	13,933.47	8.41%
1969	195,583.04	56,467.55	28.87%	47,704.54	24.39%	8,763.01	4.48%
1970	179,724.95	70,033.76	38.97%	49,457.54	27.52%	20,576.22	11.45%
1971	120,366.42	30,817.25	25.60%	35,309.97	29.34%	(4,492.72)	-3.73%
1972	148,052.12	40,173.73	27.13%	41,472.36	28.01%	(1,298.63)	-0.88%
1973	154,281.93	37,166.49	24.09%	49,727.05	32.23%	(12,560.56)	-8.14%
1974	143,974.60	65,518.20	45.51%	53,382.60	37.08%	12,135.60	8.43%
1975	126,042.72	49,558.48	39.32%	44,917.19	35.64%	4,641.29	3.68%
1976	127,714.27	57,993.69	45.41%	46,553.47	36.45%	11,440.22	8.96%
1977	149,475.89	70,414.38	47.11%	46,563.58	31.15%	23,850.80	15.96%
1978	142,560.33	70,050.43	49.14%	56,044.10	39.31%	14,006.33	9.82%
1979	256,469.08	77,887.19	30.37%	106,473.91	41.52%	(28,586.72)	-11.15%
1980	106,531.41	84,379.10	79.21%	113,479.86	106.52%	(29,100.76)	-27.32%
1981	120,475.48	59,746.63	49.59%	82,255.12	68.28%	(22,508.49)	-18.68%
1982	156,040.22	61,560.09	39.45%	107,595.57	68.95%	(46,035.48)	-29.50%
1983	160,910.40	99,144.87	61.61%	106,064.96	65.92%	(6,920.09)	-4.30%
1984	64,563.48	46,495.64	72.02%	107,618.16	166.69%	(61,122.52)	-94.67%
1985	196,925.82	69,789.09	35.44%	26,488.64	13.45%	43,300.45	21.99%
1986	157,530.33	53,828.37	34.17%	28,671.67	18.20%	25,156.70	15.97%
1987	124,622.24	34,402.46	27.61%	76,620.71	61.48%	(42,218.25)	-33.88%
1988	89,842.17	35,750.68	39.79%	92,847.74	103.35%	(57,097.06)	-63.55%
1989	96,611.82	31,512.60	32.62%	91,931.42	95.16%	(60,418.82)	-62.54%
1990	128,678.88	37,783.20	29.36%	108,813.30	84.56%	(71,030.10)	-55.20%
1991	120,277.77	38,296.55	31.84%	109,568.17	91.10%	(71,271.62)	-59.26%
1992	151,688.05	53,834.22	35.49%	122,483.86	80.75%	(68,649.64)	-45.26%
1993	129,231.21	33,731.31	26.10%	186,888.24	144.62%	(153,156.93)	-118.51%
1994	142,630.30	35,953.07	25.21%	172,324.63	120.82%	(136,371.56)	-95.61%
1995	88,232.49	17,104.06	19.39%	109,985.73	124.65%	(92,881.67)	-105.27%

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Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Annual Activity							
1996	283,703.57	60,598.90	21.36%	225,603.17	79.52%	(165,004.27)	-58.16%
1997	128,626.36	28,942.53	22.50%	123,211.39	95.79%	(94,268.86)	-73.29%
1998	234,079.57	27,111.33	11.58%	111,539.88	47.65%	(84,428.55)	-36.07%
1999	118,173.49	19,511.01	16.51%	107,431.75	90.91%	(87,920.74)	-74.40%
2000	106,368.11	25,459.16	23.93%	112,329.81	105.60%	(86,870.65)	-81.67%
2001	106,258.43	10,713.86	10.08%	97,718.54	91.96%	(87,004.68)	-81.88%
2002	115,026.77	11,482.35	9.98%	130,433.39	113.39%	(118,951.04)	-103.41%
2003	106,619.70	15,441.50	14.48%	125,879.93	118.06%	(110,438.43)	-103.58%
2004	143,866.90	23,997.28	16.68%	144,218.33	100.24%	(120,221.05)	-83.56%
2005	138,054.35	15,619.59	11.31%	146,213.54	105.91%	(130,593.95)	-94.60%
2006	166,865.63	10,525.21	6.31%	145,384.89	87.13%	(134,859.68)	-80.82%
2007	94,215.87	12,436.88	13.20%	89,363.97	94.85%	(76,927.09)	-81.65%
2008	272,477.71	9,216.60	3.38%	175,466.63	64.40%	(166,250.03)	-61.01%
2009	145,897.52	8,899.26	6.10%	151,217.60	103.65%	(142,318.34)	-97.55%
2010	97,405.64	6,208.61	6.37%	68,010.44	69.82%	(61,801.83)	-63.45%
2011	188,675.01	7,517.85	3.98%	191,083.38	101.28%	(183,565.53)	-97.29%
2012	217,696.42	33,819.71	15.54%	173,556.55	79.72%	(139,736.84)	-64.19%
2013	189,378.60	23,229.72	12.27%	545,728.56	288.17%	(522,498.84)	-275.90%
2014	492,867.15	0.00	0.00%	762,640.01	154.74%	(762,640.01)	-154.74%

Montana-Dakota Utilities Company
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Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1968 - 1970	540,985.29	176,568.10	32.64%	133,295.40	24.64%	43,272.70	8.00%
1969 - 1971	495,674.41	157,318.56	31.74%	132,472.05	26.73%	24,846.51	5.01%
1970 - 1972	448,143.49	141,024.74	31.47%	126,239.87	28.17%	14,784.87	3.30%
1971 - 1973	422,700.47	108,157.47	25.59%	126,509.38	29.93%	(18,351.91)	-4.34%
1972 - 1974	446,308.65	142,858.42	32.01%	144,582.01	32.40%	(1,723.59)	-0.39%
1973 - 1975	424,299.25	152,243.17	35.88%	148,026.84	34.89%	4,216.33	0.99%
1974 - 1976	397,731.59	173,070.37	43.51%	144,853.26	36.42%	28,217.11	7.09%
1975 - 1977	403,232.88	177,966.55	44.13%	138,034.24	34.23%	39,932.31	9.90%
1976 - 1978	419,750.49	198,458.50	47.28%	149,161.15	35.54%	49,297.35	11.74%
1977 - 1979	548,505.30	218,352.00	39.81%	209,081.59	38.12%	9,270.41	1.69%
1978 - 1980	505,560.82	232,316.72	45.95%	275,997.87	54.59%	(43,681.15)	-8.64%
1979 - 1981	483,475.97	222,012.92	45.92%	302,208.89	62.51%	(80,195.97)	-16.59%
1980 - 1982	383,047.11	205,685.82	53.70%	303,330.55	79.19%	(97,644.73)	-25.49%
1981 - 1983	437,426.10	220,451.59	50.40%	295,915.65	67.65%	(75,464.06)	-17.25%
1982 - 1984	381,514.10	207,200.60	54.31%	321,278.69	84.21%	(114,078.09)	-29.90%
1983 - 1985	422,399.70	215,429.60	51.00%	240,171.76	56.86%	(24,742.16)	-5.86%
1984 - 1986	419,019.63	170,113.10	40.60%	162,778.47	38.85%	7,334.63	1.75%
1985 - 1987	479,078.39	158,019.92	32.98%	131,781.02	27.51%	26,238.90	5.48%
1986 - 1988	371,994.74	123,981.51	33.33%	198,140.12	53.26%	(74,158.61)	-19.94%
1987 - 1989	311,076.23	101,665.74	32.68%	261,399.87	84.03%	(159,734.13)	-51.35%
1988 - 1990	315,132.87	105,046.48	33.33%	293,592.46	93.16%	(188,545.98)	-59.83%
1989 - 1991	345,568.47	107,592.35	31.13%	310,312.89	89.80%	(202,720.54)	-58.66%
1990 - 1992	400,644.70	129,913.97	32.43%	340,865.33	85.08%	(210,951.36)	-52.65%
1991 - 1993	401,197.03	125,862.08	31.37%	418,940.27	104.42%	(293,078.19)	-73.05%
1992 - 1994	423,549.56	123,518.60	29.16%	481,696.73	113.73%	(358,178.13)	-84.57%
1993 - 1995	360,094.00	86,788.44	24.10%	469,198.60	130.30%	(382,410.16)	-106.20%
1994 - 1996	514,566.36	113,656.03	22.09%	507,913.53	98.71%	(394,257.50)	-76.62%
1995 - 1997	500,562.42	106,645.49	21.31%	458,800.29	91.66%	(352,154.80)	-70.35%

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Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1996 - 1998	646,409.50	116,652.76	18.05%	460,354.44	71.22%	(343,701.68)	-53.17%
1997 - 1999	480,879.42	75,564.87	15.71%	342,183.02	71.16%	(266,618.15)	-55.44%
1998 - 2000	458,621.17	72,081.50	15.72%	331,301.44	72.24%	(259,219.94)	-56.52%
1999 - 2001	330,800.03	55,684.03	16.83%	317,480.10	95.97%	(261,796.07)	-79.14%
2000 - 2002	327,653.31	47,655.37	14.54%	340,481.74	103.92%	(292,826.37)	-89.37%
2001 - 2003	327,904.90	37,637.71	11.48%	354,031.86	107.97%	(316,394.15)	-96.49%
2002 - 2004	365,513.37	50,921.13	13.93%	400,531.65	109.58%	(349,610.52)	-95.65%
2003 - 2005	388,540.95	55,058.37	14.17%	416,311.80	107.15%	(361,253.43)	-92.98%
2004 - 2006	448,786.88	50,142.08	11.17%	435,816.76	97.11%	(385,674.68)	-85.94%
2005 - 2007	399,135.85	38,581.68	9.67%	380,962.40	95.45%	(342,380.72)	-85.78%
2006 - 2008	533,559.21	32,178.69	6.03%	410,215.49	76.88%	(378,036.80)	-70.85%
2007 - 2009	512,591.10	30,552.74	5.96%	416,048.20	81.17%	(385,495.46)	-75.21%
2008 - 2010	515,780.87	24,324.47	4.72%	394,694.67	76.52%	(370,370.20)	-71.81%
2009 - 2011	431,978.17	22,625.72	5.24%	410,311.42	94.98%	(387,685.70)	-89.75%
2010 - 2012	503,777.07	47,546.17	9.44%	432,650.37	85.88%	(385,104.20)	-76.44%
2011 - 2013	595,750.03	64,567.28	10.84%	910,368.49	152.81%	(845,801.21)	-141.97%
2012 - 2014	899,942.17	57,049.43	6.34%	1,481,925.12	164.67%	(1,424,875.69)	-158.33%

Montana-Dakota Utilities Company
Electric Plant
364.00 Poles, Towers & Fixtures

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1968 - 2014	7,290,971.52	1,820,191.23	24.97	5,884,409.17	80.71	(4,064,217.94)	-55.74

Trend Analysis (End Year) **2014**

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	56.0
Average Retirement Age (Yrs)	24.4
Years To ASL	31.6
Inflation Factor At 2.75% to ASL	2.35

Gross Salvage
Linear Trend Analysis

1995-2014	**20 - Year Trend**	3.53%
2000-2014	**15 - Year Trend**	4.65%
2005-2014	**10 - Year Trend**	5.77%
2010-2014	**5 - Year Trend**	9.97%

Forcasted

Gross Salvage (Five Year Trend)	9.97%
Cost Of Removal	189.97%
Net Salvage	-180.00%

Montana-Dakota Utilities Company
Electric Plant
365.00 Overhead Conductor & Devices
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Annual Activity							
1968	139,510.18	34,642.76	24.83%	32,752.25	23.48%	1,890.51	1.36%
1969	174,594.29	49,900.49	28.58%	44,573.50	25.53%	5,326.99	3.05%
1970	159,449.88	51,249.86	32.14%	45,224.84	28.36%	6,025.02	3.78%
1971	105,265.56	34,748.53	33.01%	38,048.80	36.15%	(3,300.27)	-3.14%
1972	127,381.69	41,497.29	32.58%	39,088.46	30.69%	2,408.83	1.89%
1973	132,210.76	77,941.18	58.95%	43,862.79	33.18%	34,078.39	25.78%
1974	130,904.99	60,784.69	46.43%	44,095.62	33.69%	16,689.07	12.75%
1975	120,477.72	49,196.34	40.83%	46,866.07	38.90%	2,330.27	1.93%
1976	115,756.19	73,330.12	63.35%	41,554.34	35.90%	31,775.78	27.45%
1977	113,442.01	59,676.87	52.61%	77,609.22	68.41%	(17,932.35)	-15.81%
1978	111,463.06	51,389.29	46.10%	52,868.73	47.43%	(1,479.44)	-1.33%
1979	189,662.43	125,040.68	65.93%	84,948.63	44.79%	40,092.05	21.14%
1980	94,587.97	53,723.38	56.80%	87,415.74	92.42%	(33,692.36)	-35.62%
1981	70,883.66	39,534.52	55.77%	61,171.46	86.30%	(21,636.94)	-30.52%
1982	157,414.28	62,396.37	39.64%	89,388.25	56.79%	(26,991.88)	-17.15%
1983	112,925.29	54,977.19	48.68%	90,592.59	80.22%	(35,615.40)	-31.54%
1984	104,738.18	26,464.46	25.27%	36,275.11	34.63%	(9,810.65)	-9.37%
1985	201,437.02	47,378.12	23.52%	186,095.35	92.38%	(138,717.23)	-68.86%
1986	97,461.12	56,187.92	57.65%	141,867.08	145.56%	(85,679.16)	-87.91%
1987	70,066.10	79,574.38	113.57%	83,180.20	118.72%	(3,605.82)	-5.15%
1988	49,765.71	-6,276.30	-12.61%	53,602.82	107.71%	(59,879.12)	-120.32%
1989	47,434.52	38,532.13	81.23%	48,319.69	101.87%	(9,787.56)	-20.63%
1990	74,385.26	43,480.52	58.45%	59,284.75	79.70%	(15,804.23)	-21.25%
1991	59,960.21	20,527.71	34.24%	48,324.89	80.59%	(27,797.18)	-46.36%
1992	118,977.52	44,978.75	37.80%	83,937.69	70.55%	(38,958.94)	-32.74%
1993	66,657.13	44,338.21	66.52%	97,368.33	146.07%	(53,030.12)	-79.56%
1994	89,594.10	22,869.42	25.53%	68,460.58	76.41%	(45,591.16)	-50.89%
1995	47,997.81	21,089.26	43.94%	42,101.85	87.72%	(21,012.59)	-43.78%

Montana-Dakota Utilities Company
Electric Plant
365.00 Overhead Conductor & Devices

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Annual Activity							
1996	101,888.04	32,693.45	32.09%	105,806.82	103.85%	(73,113.37)	-71.76%
1997	52,936.15	11,719.68	22.14%	79,529.65	150.24%	(67,809.97)	-128.10%
1998	71,667.25	13,346.28	18.62%	65,076.80	90.80%	(51,730.52)	-72.18%
1999	56,360.45	13,077.00	23.20%	49,046.92	87.02%	(35,969.92)	-63.82%
2000	49,626.13	15,245.14	30.72%	52,891.26	106.58%	(37,646.12)	-75.86%
2001	84,004.57	9,248.46	11.01%	49,613.70	59.06%	(40,365.24)	-48.05%
2002	60,976.95	1,024.05	1.68%	69,023.84	113.20%	(67,999.79)	-111.52%
2003	82,311.04	5,515.85	6.70%	60,289.79	73.25%	(54,773.94)	-66.55%
2004	77,309.58	8,561.41	11.07%	84,850.36	109.75%	(76,288.95)	-98.68%
2005	51,883.75	7,004.97	13.50%	87,756.02	169.14%	(80,751.05)	-155.64%
2006	73,911.49	14,448.92	19.55%	77,932.12	105.44%	(63,483.20)	-85.89%
2007	65,550.77	6,007.60	9.16%	51,877.74	79.14%	(45,870.14)	-69.98%
2008	270,642.68	22,058.56	8.15%	86,157.90	31.83%	(64,099.34)	-23.68%
2009	79,775.82	4,252.21	5.33%	50,322.77	63.08%	(46,070.56)	-57.75%
2010	49,501.97	6,199.15	12.52%	32,056.36	64.76%	(25,857.21)	-52.23%
2011	91,666.94	2,597.76	2.83%	50,646.31	55.25%	(48,048.55)	-52.42%
2012	151,459.31	9,117.51	6.02%	188,740.00	124.61%	(179,622.49)	-118.59%
2013	81,822.32	19,987.37	24.43%	321,439.01	392.85%	(301,451.64)	-368.42%
2014	337,555.49	0.00	0.00%	496,872.06	147.20%	(496,872.06)	-147.20%

Montana-Dakota Utilities Company
Electric Plant
365.00 Overhead Conductor & Devices
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1968 - 1970	473,554.35	135,793.11	28.68%	122,550.59	25.88%	13,242.52	2.80%
1969 - 1971	439,309.73	135,898.88	30.93%	127,847.14	29.10%	8,051.74	1.83%
1970 - 1972	392,097.13	127,495.68	32.52%	122,362.10	31.21%	5,133.58	1.31%
1971 - 1973	364,858.01	154,187.00	42.26%	121,000.05	33.16%	33,186.95	9.10%
1972 - 1974	390,497.44	180,223.16	46.15%	127,046.87	32.53%	53,176.29	13.62%
1973 - 1975	383,593.47	187,922.21	48.99%	134,824.48	35.15%	53,097.73	13.84%
1974 - 1976	367,138.90	183,311.15	49.93%	132,516.03	36.09%	50,795.12	13.84%
1975 - 1977	349,675.92	182,203.33	52.11%	166,029.63	47.48%	16,173.70	4.63%
1976 - 1978	340,661.26	184,396.28	54.13%	172,032.29	50.50%	12,363.99	3.63%
1977 - 1979	414,567.50	236,106.84	56.95%	215,426.58	51.96%	20,680.26	4.99%
1978 - 1980	395,713.46	230,153.35	58.16%	225,233.10	56.92%	4,920.25	1.24%
1979 - 1981	355,134.06	218,298.58	61.47%	233,535.83	65.76%	(15,237.25)	-4.29%
1980 - 1982	322,885.91	155,654.27	48.21%	237,975.45	73.70%	(82,321.18)	-25.50%
1981 - 1983	341,223.23	156,908.08	45.98%	241,152.30	70.67%	(84,244.22)	-24.69%
1982 - 1984	375,077.75	143,838.02	38.35%	216,255.95	57.66%	(72,417.93)	-19.31%
1983 - 1985	419,100.49	128,819.77	30.74%	312,963.05	74.67%	(184,143.28)	-43.94%
1984 - 1986	403,636.32	130,030.50	32.21%	364,237.54	90.24%	(234,207.04)	-58.02%
1985 - 1987	368,964.24	183,140.42	49.64%	411,142.63	111.43%	(228,002.21)	-61.80%
1986 - 1988	217,292.93	129,486.00	59.59%	278,650.10	128.24%	(149,164.10)	-68.65%
1987 - 1989	167,266.33	111,830.21	66.86%	185,102.71	110.66%	(73,272.50)	-43.81%
1988 - 1990	171,585.49	75,736.35	44.14%	161,207.26	93.95%	(85,470.91)	-49.81%
1989 - 1991	181,779.99	102,540.36	56.41%	155,929.33	85.78%	(53,388.97)	-29.37%
1990 - 1992	253,322.99	108,986.98	43.02%	191,547.33	75.61%	(82,560.35)	-32.59%
1991 - 1993	245,594.86	109,844.67	44.73%	229,630.91	93.50%	(119,786.24)	-48.77%
1992 - 1994	275,228.75	112,186.38	40.76%	249,766.60	90.75%	(137,580.22)	-49.99%
1993 - 1995	204,249.04	88,296.89	43.23%	207,930.76	101.80%	(119,633.87)	-58.57%
1994 - 1996	239,479.95	76,652.13	32.01%	216,369.25	90.35%	(139,717.12)	-58.34%
1995 - 1997	202,822.00	65,502.39	32.30%	227,438.32	112.14%	(161,935.93)	-79.84%

Montana-Dakota Utilities Company
Electric Plant
365.00 Overhead Conductor & Devices
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1996 - 1998	226,491.44	57,759.41	25.50%	250,413.27	110.56%	(192,653.86)	-85.06%
1997 - 1999	180,963.85	38,142.96	21.08%	193,653.37	107.01%	(155,510.41)	-85.93%
1998 - 2000	177,653.83	41,668.42	23.45%	167,014.98	94.01%	(125,346.56)	-70.56%
1999 - 2001	189,991.15	37,570.60	19.77%	151,551.88	79.77%	(113,981.28)	-59.99%
2000 - 2002	194,607.65	25,517.65	13.11%	171,528.80	88.14%	(146,011.15)	-75.03%
2001 - 2003	227,292.56	15,788.36	6.95%	178,927.33	78.72%	(163,138.97)	-71.77%
2002 - 2004	220,597.57	15,101.31	6.85%	214,163.99	97.08%	(199,062.68)	-90.24%
2003 - 2005	211,504.37	21,082.23	9.97%	232,896.17	110.11%	(211,813.94)	-100.15%
2004 - 2006	203,104.82	30,015.30	14.78%	250,538.50	123.35%	(220,523.20)	-108.58%
2005 - 2007	191,346.01	27,461.49	14.35%	217,565.88	113.70%	(190,104.39)	-99.35%
2006 - 2008	410,104.94	42,515.08	10.37%	215,967.76	52.66%	(173,452.68)	-42.29%
2007 - 2009	415,969.27	32,318.37	7.77%	188,358.41	45.28%	(156,040.04)	-37.51%
2008 - 2010	399,920.47	32,509.92	8.13%	168,537.03	42.14%	(136,027.11)	-34.01%
2009 - 2011	220,944.73	13,049.12	5.91%	133,025.44	60.21%	(119,976.32)	-54.30%
2010 - 2012	292,628.22	17,914.42	6.12%	271,442.67	92.76%	(253,528.25)	-86.64%
2011 - 2013	324,948.57	31,702.64	9.76%	560,825.32	172.59%	(529,122.68)	-162.83%
2012 - 2014	570,837.12	29,104.88	5.10%	1,007,051.07	176.42%	(977,946.19)	-171.32%

Montana-Dakota Utilities Company
Electric Plant
365.00 Overhead Conductor & Devices
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1968 - 2014	4,975,255.34	1,561,279.51	31.38	3,928,809.06	78.97	(2,367,529.55)	-47.59

Trend Analysis (End Year) **2014**

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	60.0
Average Retirement Age (Yrs)	22.4
Years To ASL	37.6
Inflation Factor At 2.75% to ASL	2.77

Gross Salvage
Linear Trend Analysis

1995-2014	**20 - Year Trend**	0.00%
2000-2014	**15 - Year Trend**	4.18%
2005-2014	**10 - Year Trend**	4.79%
2010-2014	**5 - Year Trend**	6.34%

Forcasted

Gross Salvage (Five Year Trend)	6.34%
Cost Of Removal	219.07%
Net Salvage	-212.73%

Montana-Dakota Utilities Company
Electric Plant
366.00 Underground Conduit

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	Orginal Cost Of Retirements	Gross Salvage		Cost of Removal		Net Salvage	
		Amount	%	Amount	%	Amount	%
	Annual Activity						
1968	259.75	105.57	40.64%	0.00	0.00%	105.57	40.64%
1969	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1970	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1971	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1972	1,068.68	43.46	4.07%	14.08	1.32%	29.38	2.75%
1973	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1974	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1975	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1976	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1977	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1978	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1979	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1980	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1981	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982	1,310.40	0.00	0.00%	315.24	24.06%	(315.24)	-24.06%
1983	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1984	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company
Electric Plant
366.00 Underground Conduit
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Annual Activity							
1996	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2001	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2002	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2003	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2004	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2005	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2006	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2007	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2008	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2009	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2010	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2011	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2012	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2013	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2014	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company
Electric Plant
366.00 Underground Conduit

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1968 - 1970	259.75	105.57	40.64%	0.00	0.00%	105.57	40.64%
1969 - 1971	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1970 - 1972	1,068.68	43.46	4.07%	14.08	1.32%	29.38	2.75%
1971 - 1973	1,068.68	43.46	4.07%	14.08	1.32%	29.38	2.75%
1972 - 1974	1,068.68	43.46	4.07%	14.08	1.32%	29.38	2.75%
1973 - 1975	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1974 - 1976	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1975 - 1977	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1976 - 1978	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1977 - 1979	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1978 - 1980	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1979 - 1981	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1980 - 1982	1,310.40	0.00	0.00%	315.24	24.06%	(315.24)	-24.06%
1981 - 1983	1,310.40	0.00	0.00%	315.24	24.06%	(315.24)	-24.06%
1982 - 1984	1,310.40	0.00	0.00%	315.24	24.06%	(315.24)	-24.06%
1983 - 1985	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1984 - 1986	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985 - 1987	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986 - 1988	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987 - 1989	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988 - 1990	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989 - 1991	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990 - 1992	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991 - 1993	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992 - 1994	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993 - 1995	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994 - 1996	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995 - 1997	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company
Electric Plant
366.00 Underground Conduit

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1996 - 1998	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997 - 1999	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998 - 2000	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999 - 2001	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000 - 2002	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2001 - 2003	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2002 - 2004	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2003 - 2005	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2004 - 2006	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2005 - 2007	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2006 - 2008	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2007 - 2009	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2008 - 2010	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2009 - 2011	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2010 - 2012	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2011 - 2013	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2012 - 2014	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company
Electric Plant
366.00 Underground Conduit

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1968 - 2014	2,638.83	149.03	5.65	329.32	12.48	(180.29)	-6.83

Trend Analysis (End Year) **2014**

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	50.0
Average Retirement Age (Yrs)	0.0
Years To ASL	50.0
Inflation Factor At 2.75% to ASL	3.88

Gross Salvage
Linear Trend Analysis

1995-2014	**20 - Year Trend**	0.00%
2000-2014	**15 - Year Trend**	0.00%
2005-2014	**10 - Year Trend**	0.00%
2010-2014	**5 - Year Trend**	0.00%

Forcasted

Gross Salvage (Five Year Trend)	0.00%
Cost Of Removal	48.45%
Net Salvage	-48.45%

Montana-Dakota Utilities Company
Electric Plant
367.00 Underground Conductor & Devices
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Annual Activity							
1968	1,280.34	515.43	40.26%	140.85	11.00%	374.58	29.26%
1969	76.60	29.58	38.62%	9.10	11.88%	20.48	26.74%
1970	1,014.48	78.11	7.70%	10.45	1.03%	67.66	6.67%
1971	1,010.78	359.13	35.53%	23.05	2.28%	336.08	33.25%
1972	4,364.63	176.56	4.05%	67.37	1.54%	109.19	2.50%
1973	1,353.54	223.24	16.49%	86.89	6.42%	136.35	10.07%
1974	1,753.34	666.19	38.00%	523.55	29.86%	142.64	8.14%
1975	1,937.86	324.68	16.75%	163.91	8.46%	160.77	8.30%
1976	3,579.99	293.51	8.20%	848.14	23.69%	(554.63)	-15.49%
1977	9,455.90	2,514.80	26.60%	1,065.64	11.27%	1,449.16	15.33%
1978	8,462.91	2,692.37	31.81%	2,114.04	24.98%	578.33	6.83%
1979	20,033.29	4,042.04	20.18%	2,476.08	12.36%	1,565.96	7.82%
1980	17,239.47	2,470.04	14.33%	1,207.91	7.01%	1,262.13	7.32%
1981	27,613.00	2,266.29	8.21%	2,354.58	8.53%	(88.29)	-0.32%
1982	25,741.88	5,699.95	22.14%	6,977.74	27.11%	(1,277.79)	-4.96%
1983	27,472.39	3,908.90	14.23%	4,189.09	15.25%	(280.19)	-1.02%
1984	21,143.03	4,475.66	21.17%	14,570.48	68.91%	(10,094.82)	-47.75%
1985	65,086.98	7,436.05	11.42%	10,394.12	15.97%	(2,958.07)	-4.54%
1986	10,482.33	2,179.16	20.79%	6,493.64	61.95%	(4,314.48)	-41.16%
1987	35,629.49	8,900.21	24.98%	4,319.19	12.12%	4,581.02	12.86%
1988	37,496.30	13,539.45	36.11%	6,818.21	18.18%	6,721.24	17.93%
1989	31,506.11	5,275.98	16.75%	5,501.65	17.46%	(225.67)	-0.72%
1990	41,383.62	6,411.26	15.49%	6,357.34	15.36%	53.92	0.13%
1991	393,513.34	18,985.36	4.82%	18,450.39	4.69%	534.97	0.14%
1992	81,435.48	27,115.08	33.30%	16,090.85	19.76%	11,024.23	13.54%
1993	142,440.32	6,916.72	4.86%	10,096.07	7.09%	(3,179.35)	-2.23%
1994	182,606.07	9,236.02	5.06%	22,650.63	12.40%	(13,414.61)	-7.35%
1995	130,428.88	11,778.11	9.03%	4,451.73	3.41%	7,326.38	5.62%

Montana-Dakota Utilities Company
Electric Plant
367.00 Underground Conductor & Devices
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Annual Activity							
1996	393,130.88	13,984.14	3.56%	21,387.92	5.44%	(7,403.78)	-1.88%
1997	177,535.40	5,347.64	3.01%	20,322.70	11.45%	(14,975.06)	-8.43%
1998	182,710.96	10,938.41	5.99%	28,993.98	15.87%	(18,055.57)	-9.88%
1999	275,780.96	2,957.19	1.07%	24,828.73	9.00%	(21,871.54)	-7.93%
2000	251,264.74	12,389.88	4.93%	35,745.91	14.23%	(23,356.03)	-9.30%
2001	242,465.84	4,819.36	1.99%	35,600.58	14.68%	(30,781.22)	-12.70%
2002	313,978.15	4,265.76	1.36%	52,473.62	16.71%	(48,207.86)	-15.35%
2003	312,482.29	2,586.89	0.83%	39,002.79	12.48%	(36,415.90)	-11.65%
2004	259,179.46	9,529.17	3.68%	47,857.03	18.46%	(38,327.86)	-14.79%
2005	244,022.13	3,513.97	1.44%	35,927.13	14.72%	(32,413.16)	-13.28%
2006	162,043.41	8,629.76	5.33%	50,781.32	31.34%	(42,151.56)	-26.01%
2007	196,914.41	4,344.14	2.21%	38,297.28	19.45%	(33,953.14)	-17.24%
2008	638,233.94	23,155.01	3.63%	135,231.45	21.19%	(112,076.44)	-17.56%
2009	391,986.14	5,909.17	1.51%	76,699.10	19.57%	(70,789.93)	-18.06%
2010	189,624.52	3,664.92	1.93%	42,882.14	22.61%	(39,217.22)	-20.68%
2011	523,961.15	7,992.17	1.53%	146,726.88	28.00%	(138,734.71)	-26.48%
2012	221,460.53	13,990.05	6.32%	67,622.85	30.53%	(53,632.80)	-24.22%
2013	443,661.47	9,758.24	2.20%	621,585.89	140.10%	(611,827.65)	-137.90%
2014	455,031.60	0.00	0.00%	465,096.63	102.21%	(465,096.63)	-102.21%

Montana-Dakota Utilities Company
Electric Plant
367.00 Underground Conductor & Devices
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1968 - 1970	2,371.42	623.12	26.28%	160.40	6.76%	462.72	19.51%
1969 - 1971	2,101.86	466.82	22.21%	42.60	2.03%	424.22	20.18%
1970 - 1972	6,389.89	613.80	9.61%	100.87	1.58%	512.93	8.03%
1971 - 1973	6,728.95	758.93	11.28%	177.31	2.64%	581.62	8.64%
1972 - 1974	7,471.51	1,065.99	14.27%	677.81	9.07%	388.18	5.20%
1973 - 1975	5,044.74	1,214.11	24.07%	774.35	15.35%	439.76	8.72%
1974 - 1976	7,271.19	1,284.38	17.66%	1,535.60	21.12%	(251.22)	-3.46%
1975 - 1977	14,973.75	3,132.99	20.92%	2,077.69	13.88%	1,055.30	7.05%
1976 - 1978	21,498.80	5,500.68	25.59%	4,027.82	18.74%	1,472.86	6.85%
1977 - 1979	37,952.10	9,249.21	24.37%	5,655.76	14.90%	3,593.45	9.47%
1978 - 1980	45,735.67	9,204.45	20.13%	5,798.03	12.68%	3,406.42	7.45%
1979 - 1981	64,885.76	8,778.37	13.53%	6,038.57	9.31%	2,739.80	4.22%
1980 - 1982	70,594.35	10,436.28	14.78%	10,540.23	14.93%	(103.95)	-0.15%
1981 - 1983	80,827.27	11,875.14	14.69%	13,521.41	16.73%	(1,646.27)	-2.04%
1982 - 1984	74,357.30	14,084.51	18.94%	25,737.31	34.61%	(11,652.80)	-15.67%
1983 - 1985	113,702.40	15,820.61	13.91%	29,153.69	25.64%	(13,333.08)	-11.73%
1984 - 1986	96,712.34	14,090.87	14.57%	31,458.24	32.53%	(17,367.37)	-17.96%
1985 - 1987	111,198.80	18,515.42	16.65%	21,206.95	19.07%	(2,691.53)	-2.42%
1986 - 1988	83,608.12	24,618.82	29.45%	17,631.04	21.09%	6,987.78	8.36%
1987 - 1989	104,631.90	27,715.64	26.49%	16,639.05	15.90%	11,076.59	10.59%
1988 - 1990	110,386.03	25,226.69	22.85%	18,677.20	16.92%	6,549.49	5.93%
1989 - 1991	466,403.07	30,672.60	6.58%	30,309.38	6.50%	363.22	0.08%
1990 - 1992	516,332.44	52,511.70	10.17%	40,898.58	7.92%	11,613.12	2.25%
1991 - 1993	617,389.14	53,017.16	8.59%	44,637.31	7.23%	8,379.85	1.36%
1992 - 1994	406,481.87	43,267.82	10.64%	48,837.55	12.01%	(5,569.73)	-1.37%
1993 - 1995	455,475.27	27,930.85	6.13%	37,198.43	8.17%	(9,267.58)	-2.03%
1994 - 1996	706,165.83	34,998.27	4.96%	48,490.28	6.87%	(13,492.01)	-1.91%
1995 - 1997	701,095.16	31,109.89	4.44%	46,162.35	6.58%	(15,052.46)	-2.15%

Montana-Dakota Utilities Company
Electric Plant
367.00 Underground Conductor & Devices
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1996 - 1998	753,377.24	30,270.19	4.02%	70,704.60	9.39%	(40,434.41)	-5.37%
1997 - 1999	636,027.32	19,243.24	3.03%	74,145.41	11.66%	(54,902.17)	-8.63%
1998 - 2000	709,756.66	26,285.48	3.70%	89,568.62	12.62%	(63,283.14)	-8.92%
1999 - 2001	769,511.54	20,166.43	2.62%	96,175.22	12.50%	(76,008.79)	-9.88%
2000 - 2002	807,708.73	21,475.00	2.66%	123,820.11	15.33%	(102,345.11)	-12.67%
2001 - 2003	868,926.28	11,672.01	1.34%	127,076.99	14.62%	(115,404.98)	-13.28%
2002 - 2004	885,639.90	16,381.82	1.85%	139,333.44	15.73%	(122,951.62)	-13.88%
2003 - 2005	815,683.88	15,630.03	1.92%	122,786.95	15.05%	(107,156.92)	-13.14%
2004 - 2006	665,245.00	21,672.90	3.26%	134,565.48	20.23%	(112,892.58)	-16.97%
2005 - 2007	602,979.95	16,487.87	2.73%	125,005.73	20.73%	(108,517.86)	-18.00%
2006 - 2008	997,191.76	36,128.91	3.62%	224,310.05	22.49%	(188,181.14)	-18.87%
2007 - 2009	1,227,134.49	33,408.32	2.72%	250,227.83	20.39%	(216,819.51)	-17.67%
2008 - 2010	1,219,844.60	32,729.10	2.68%	254,812.69	20.89%	(222,083.59)	-18.21%
2009 - 2011	1,105,571.81	17,566.26	1.59%	266,308.12	24.09%	(248,741.86)	-22.50%
2010 - 2012	935,046.20	25,647.14	2.74%	257,231.87	27.51%	(231,584.73)	-24.77%
2011 - 2013	1,189,083.15	31,740.46	2.67%	835,935.62	70.30%	(804,195.16)	-67.63%
2012 - 2014	1,120,153.60	23,748.29	2.12%	1,154,305.37	103.05%	(1,130,557.08)	-100.93%

Montana-Dakota Utilities Company
Electric Plant
367.00 Underground Conductor & Devices
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1968 - 2014	7,201,010.33	296,285.75	4.11	2,135,516.62	29.66	(1,839,230.87)	-25.54

Trend Analysis (End Year) **2014**

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	40.0
Average Retirement Age (Yrs)	20.6
Years To ASL	19.4
Inflation Factor At 2.75% to ASL	1.69

Gross Salvage
Linear Trend Analysis

1995-2014	**20 - Year Trend**	1.69%
2000-2014	**15 - Year Trend**	2.41%
2005-2014	**10 - Year Trend**	2.33%
2010-2014	**5 - Year Trend**	2.35%

Forcasted

Gross Salvage (Five Year Trend)	2.35%
Cost Of Removal	50.15%
Net Salvage	-47.81%

Montana-Dakota Utilities Company
Electric Plant
368.00 Line Transformers
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	Orginal Cost Of Retirements	Gross Salvage		Cost of Removal		Net Salvage	
		Amount	%	Amount	%	Amount	%
	Annual Activity						
1968	50,315.19	2,514.67	5.00%	113.73	0.23%	2,400.94	4.77%
1969	55,662.82	1,551.12	2.79%	159.32	0.29%	1,391.80	2.50%
1970	46,715.10	2,689.62	5.76%	390.38	0.84%	2,299.24	4.92%
1971	50,668.83	6,951.26	13.72%	45.12	0.09%	6,906.14	13.63%
1972	49,963.90	3,450.16	6.91%	0.00	0.00%	3,450.16	6.91%
1973	27,614.46	3,883.52	14.06%	255.00	0.92%	3,628.52	13.14%
1974	31,759.14	2,677.56	8.43%	0.00	0.00%	2,677.56	8.43%
1975	18,493.67	962.62	5.21%	(598.09)	-3.23%	1,560.71	8.44%
1976	77,937.89	28,545.46	36.63%	3.00	0.00%	28,542.46	36.62%
1977	41,175.34	10,612.53	25.77%	0.00	0.00%	10,612.53	25.77%
1978	58,538.01	5,655.70	9.66%	388.86	0.66%	5,266.84	9.00%
1979	43,842.00	4,664.30	10.64%	90.87	0.21%	4,573.43	10.43%
1980	69,533.14	8,113.39	11.67%	(141.20)	-0.20%	8,254.59	11.87%
1981	45,328.74	4,573.10	10.09%	0.00	0.00%	4,573.10	10.09%
1982	76,339.14	5,398.82	7.07%	61.80	0.08%	5,337.02	6.99%
1983	112,656.76	19,086.96	16.94%	0.00	0.00%	19,086.96	16.94%
1984	120,383.84	5,379.47	4.47%	0.00	0.00%	5,379.47	4.47%
1985	181,599.46	6,531.09	3.60%	0.00	0.00%	6,531.09	3.60%
1986	118,404.99	14,601.39	12.33%	0.00	0.00%	14,601.39	12.33%
1987	185,677.67	2,963.93	1.60%	0.00	0.00%	2,963.93	1.60%
1988	109,826.83	6,538.43	5.95%	18.99	0.02%	6,519.44	5.94%
1989	151,299.54	11,449.08	7.57%	11,581.35	7.65%	(132.27)	-0.09%
1990	62,769.15	16,854.90	26.85%	0.00	0.00%	16,854.90	26.85%
1991	124,205.67	2,632.80	2.12%	0.00	0.00%	2,632.80	2.12%
1992	64,562.03	10,871.64	16.84%	534.88	0.83%	10,336.76	16.01%
1993	88,043.84	13,413.36	15.23%	0.00	0.00%	13,413.36	15.23%
1994	59,548.36	1,672.65	2.81%	137.93	0.23%	1,534.72	2.58%
1995	22,430.24	2,306.60	10.28%	0.00	0.00%	2,306.60	10.28%

Montana-Dakota Utilities Company
Electric Plant
368.00 Line Transformers
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	Orginal Cost Of Retirements	Gross Salvage		Cost of Removal		Net Salvage	
		Amount	%	Amount	%	Amount	%
Annual Activity							
1996	90,418.30	4,201.34	4.65%	0.00	0.00%	4,201.34	4.65%
1997	67,872.41	422.35	0.62%	0.00	0.00%	422.35	0.62%
1998	152,731.44	1,120.40	0.73%	0.00	0.00%	1,120.40	0.73%
1999	93,914.74	10,903.76	11.61%	0.00	0.00%	10,903.76	11.61%
2000	86,091.48	2,565.18	2.98%	0.00	0.00%	2,565.18	2.98%
2001	84,739.60	6,574.47	7.76%	32,428.81	38.27%	(25,854.34)	-30.51%
2002	120,295.56	1,995.95	1.66%	34,678.92	28.83%	(32,682.97)	-27.17%
2003	102,453.08	3,713.26	3.62%	30,974.00	30.23%	(27,260.74)	-26.61%
2004	114,343.59	3,102.74	2.71%	45,374.00	39.68%	(42,271.26)	-36.97%
2005	102,238.97	6,660.62	6.51%	35,092.55	34.32%	(28,431.93)	-27.81%
2006	141,363.73	38,495.69	27.23%	66,830.98	47.28%	(28,335.29)	-20.04%
2007	119,349.79	20,322.48	17.03%	41,681.00	34.92%	(21,358.52)	-17.90%
2008	197,559.77	41,451.32	20.98%	41,290.00	20.90%	161.32	0.08%
2009	179,903.65	30,778.20	17.11%	85,772.68	47.68%	(54,994.48)	-30.57%
2010	138,691.95	12,553.70	9.05%	48,134.98	34.71%	(35,581.28)	-25.65%
2011	190,171.18	37,823.61	19.89%	90,700.68	47.69%	(52,877.07)	-27.80%
2012	179,493.05	48,617.93	27.09%	66,361.19	36.97%	(17,743.26)	-9.89%
2013	577,259.66	890.01	0.15%	0.00	0.00%	890.01	0.15%
2014	542,256.95	0.00	0.00%	266,825.65	49.21%	(266,825.65)	-49.21%

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Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1968 - 1970	152,693.11	6,755.41	4.42%	663.43	0.43%	6,091.98	3.99%
1969 - 1971	153,046.75	11,192.00	7.31%	594.82	0.39%	10,597.18	6.92%
1970 - 1972	147,347.83	13,091.04	8.88%	435.50	0.30%	12,655.54	8.59%
1971 - 1973	128,247.19	14,284.94	11.14%	300.12	0.23%	13,984.82	10.90%
1972 - 1974	109,337.50	10,011.24	9.16%	255.00	0.23%	9,756.24	8.92%
1973 - 1975	77,867.27	7,523.70	9.66%	(343.09)	-0.44%	7,866.79	10.10%
1974 - 1976	128,190.70	32,185.64	25.11%	(595.09)	-0.46%	32,780.73	25.57%
1975 - 1977	137,606.90	40,120.61	29.16%	(595.09)	-0.43%	40,715.70	29.59%
1976 - 1978	177,651.24	44,813.69	25.23%	391.86	0.22%	44,421.83	25.01%
1977 - 1979	143,555.35	20,932.53	14.58%	479.73	0.33%	20,452.80	14.25%
1978 - 1980	171,913.15	18,433.39	10.72%	338.53	0.20%	18,094.86	10.53%
1979 - 1981	158,703.88	17,350.79	10.93%	(50.33)	-0.03%	17,401.12	10.96%
1980 - 1982	191,201.02	18,085.31	9.46%	(79.40)	-0.04%	18,164.71	9.50%
1981 - 1983	234,324.64	29,058.88	12.40%	61.80	0.03%	28,997.08	12.37%
1982 - 1984	309,379.74	29,865.25	9.65%	61.80	0.02%	29,803.45	9.63%
1983 - 1985	414,640.06	30,997.52	7.48%	0.00	0.00%	30,997.52	7.48%
1984 - 1986	420,388.29	26,511.95	6.31%	0.00	0.00%	26,511.95	6.31%
1985 - 1987	485,682.12	24,096.41	4.96%	0.00	0.00%	24,096.41	4.96%
1986 - 1988	413,909.49	24,103.75	5.82%	18.99	0.00%	24,084.76	5.82%
1987 - 1989	446,804.04	20,951.44	4.69%	11,600.34	2.60%	9,351.10	2.09%
1988 - 1990	323,895.52	34,842.41	10.76%	11,600.34	3.58%	23,242.07	7.18%
1989 - 1991	338,274.36	30,936.78	9.15%	11,581.35	3.42%	19,355.43	5.72%
1990 - 1992	251,536.85	30,359.34	12.07%	534.88	0.21%	29,824.46	11.86%
1991 - 1993	276,811.54	26,917.80	9.72%	534.88	0.19%	26,382.92	9.53%
1992 - 1994	212,154.23	25,957.65	12.24%	672.81	0.32%	25,284.84	11.92%
1993 - 1995	170,022.44	17,392.61	10.23%	137.93	0.08%	17,254.68	10.15%
1994 - 1996	172,396.90	8,180.59	4.75%	137.93	0.08%	8,042.66	4.67%
1995 - 1997	180,720.95	6,930.29	3.83%	0.00	0.00%	6,930.29	3.83%

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Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1996 - 1998	311,022.15	5,744.09	1.85%	0.00	0.00%	5,744.09	1.85%
1997 - 1999	314,518.59	12,446.51	3.96%	0.00	0.00%	12,446.51	3.96%
1998 - 2000	332,737.66	14,589.34	4.38%	0.00	0.00%	14,589.34	4.38%
1999 - 2001	264,745.82	20,043.41	7.57%	32,428.81	12.25%	(12,385.40)	-4.68%
2000 - 2002	291,126.64	11,135.60	3.83%	67,107.73	23.05%	(55,972.13)	-19.23%
2001 - 2003	307,488.24	12,283.68	3.99%	98,081.73	31.90%	(85,798.05)	-27.90%
2002 - 2004	337,092.23	8,811.95	2.61%	111,026.92	32.94%	(102,214.97)	-30.32%
2003 - 2005	319,035.64	13,476.62	4.22%	111,440.55	34.93%	(97,963.93)	-30.71%
2004 - 2006	357,946.29	48,259.05	13.48%	147,297.53	41.15%	(99,038.48)	-27.67%
2005 - 2007	362,952.49	65,478.79	18.04%	143,604.53	39.57%	(78,125.74)	-21.53%
2006 - 2008	458,273.29	100,269.49	21.88%	149,801.98	32.69%	(49,532.49)	-10.81%
2007 - 2009	496,813.21	92,552.00	18.63%	168,743.68	33.97%	(76,191.68)	-15.34%
2008 - 2010	516,155.37	84,783.22	16.43%	175,197.66	33.94%	(90,414.44)	-17.52%
2009 - 2011	508,766.78	81,155.51	15.95%	224,608.34	44.15%	(143,452.83)	-28.20%
2010 - 2012	508,356.18	98,995.24	19.47%	205,196.85	40.36%	(106,201.61)	-20.89%
2011 - 2013	946,923.89	87,331.55	9.22%	157,061.87	16.59%	(69,730.32)	-7.36%
2012 - 2014	1,299,009.66	49,507.94	3.81%	333,186.84	25.65%	(283,678.90)	-21.84%

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Forecasted Future Net Salvage
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Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1968 - 2014	5,426,444.65	478,739.14	8.82	899,187.38	16.57	(420,448.24)	-7.75

Trend Analysis (End Year) **2014**

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	55.0
Average Retirement Age (Yrs)	27.5
Years To ASL	27.5
Inflation Factor At 2.75% to ASL	2.11

Gross Salvage
Linear Trend Analysis

1995-2014	**20 - Year Trend**	16.03%
2000-2014	**15 - Year Trend**	16.92%
2005-2014	**10 - Year Trend**	12.57%
2010-2014	**5 - Year Trend**	3.39%

Forcasted

Gross Salvage (Five Year Trend)	3.39%
Cost Of Removal	34.94%
Net Salvage	-31.55%

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Forecasted Future Net Salvage
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Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Annual Activity							
1968	59,689.65	11,394.56	19.09%	17,959.89	30.09%	(6,565.33)	-11.00%
1969	59,088.54	14,940.79	25.29%	20,797.13	35.20%	(5,856.34)	-9.91%
1970	64,904.32	15,056.74	23.20%	23,310.43	35.92%	(8,253.69)	-12.72%
1971	51,502.18	12,944.87	25.13%	19,138.34	37.16%	(6,193.47)	-12.03%
1972	46,391.41	12,286.56	26.48%	20,115.35	43.36%	(7,828.79)	-16.88%
1973	59,332.28	28,212.95	47.55%	25,067.03	42.25%	3,145.92	5.30%
1974	52,701.42	13,833.48	26.25%	24,320.62	46.15%	(10,487.14)	-19.90%
1975	57,556.33	18,572.81	32.27%	27,517.00	47.81%	(8,944.19)	-15.54%
1976	50,750.37	14,400.63	28.38%	29,996.40	59.11%	(15,595.77)	-30.73%
1977	71,701.52	23,040.36	32.13%	45,184.32	63.02%	(22,143.96)	-30.88%
1978	50,201.11	13,741.33	27.37%	26,219.86	52.23%	(12,478.53)	-24.86%
1979	66,096.94	20,783.11	31.44%	38,601.81	58.40%	(17,818.70)	-26.96%
1980	58,164.82	17,669.40	30.38%	38,128.06	65.55%	(20,458.66)	-35.17%
1981	59,104.59	17,453.04	29.53%	42,924.38	72.62%	(25,471.34)	-43.10%
1982	57,687.58	18,267.11	31.67%	43,126.71	74.76%	(24,859.60)	-43.09%
1983	60,445.10	16,172.70	26.76%	48,475.87	80.20%	(32,303.17)	-53.44%
1984	53,538.51	14,729.36	27.51%	48,174.32	89.98%	(33,444.96)	-62.47%
1985	74,716.08	19,611.21	26.25%	61,353.48	82.12%	(41,742.27)	-55.87%
1986	45,286.15	13,676.67	30.20%	40,051.14	88.44%	(26,374.47)	-58.24%
1987	51,275.74	13,352.10	26.04%	44,387.71	86.57%	(31,035.61)	-60.53%
1988	53,290.49	13,278.80	24.92%	46,533.45	87.32%	(33,254.65)	-62.40%
1989	60,865.83	15,016.63	24.67%	53,727.01	88.27%	(38,710.38)	-63.60%
1990	54,331.91	12,421.81	22.86%	41,673.57	76.70%	(29,251.76)	-53.84%
1991	65,150.78	14,733.07	22.61%	48,667.60	74.70%	(33,934.53)	-52.09%
1992	78,604.34	17,733.01	22.56%	48,442.55	61.63%	(30,709.54)	-39.07%
1993	65,478.14	11,378.27	17.38%	43,769.31	66.85%	(32,391.04)	-49.47%
1994	112,537.94	14,070.08	12.50%	58,334.07	51.84%	(44,263.99)	-39.33%
1995	10,832.03	2,982.01	27.53%	12,897.56	119.07%	(9,915.55)	-91.54%

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Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Annual Activity							
1996	119,539.86	18,061.91	15.11%	79,739.18	66.71%	(61,677.27)	-51.60%
1997	75,654.74	10,237.56	13.53%	49,247.32	65.09%	(39,009.76)	-51.56%
1998	86,268.33	9,700.85	11.24%	52,375.85	60.71%	(42,675.00)	-49.47%
1999	100,500.04	7,513.50	7.48%	48,276.46	48.04%	(40,762.96)	-40.56%
2000	84,424.50	9,343.11	11.07%	54,382.04	64.41%	(45,038.93)	-53.35%
2001	73,349.35	3,742.94	5.10%	42,190.60	57.52%	(38,447.66)	-52.42%
2002	87,799.45	3,975.76	4.53%	49,063.51	55.88%	(45,087.75)	-51.35%
2003	70,356.12	3,445.56	4.90%	50,974.28	72.45%	(47,528.72)	-67.55%
2004	106,841.39	6,554.15	6.13%	67,931.75	63.58%	(61,377.60)	-57.45%
2005	109,073.57	3,579.49	3.28%	71,206.73	65.28%	(67,627.24)	-62.00%
2006	127,753.05	4,155.16	3.25%	88,706.60	69.44%	(84,551.44)	-66.18%
2007	69,039.57	2,899.12	4.20%	35,414.86	51.30%	(32,515.74)	-47.10%
2008	239,100.90	15,991.46	6.69%	100,274.52	41.94%	(84,283.06)	-35.25%
2009	120,069.66	8,863.84	7.38%	78,697.77	65.54%	(69,833.93)	-58.16%
2010	103,750.12	1,077.49	1.04%	41,915.90	40.40%	(40,838.41)	-39.36%
2011	199,744.39	2,146.86	1.07%	94,646.32	47.38%	(92,499.46)	-46.31%
2012	174,253.00	4,319.59	2.48%	60,109.07	34.50%	(55,789.48)	-32.02%
2013	148,391.45	11,870.02	8.00%	66,812.29	45.02%	(54,942.27)	-37.03%
2014	169,167.02	0.00	0.00%	51,155.35	30.24%	(51,155.35)	-30.24%

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Forecasted Future Net Salvage
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Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1968 - 1970	183,682.51	41,392.09	22.53%	62,067.45	33.79%	(20,675.36)	-11.26%
1969 - 1971	175,495.04	42,942.40	24.47%	63,245.90	36.04%	(20,303.50)	-11.57%
1970 - 1972	162,797.91	40,288.17	24.75%	62,564.12	38.43%	(22,275.95)	-13.68%
1971 - 1973	157,225.87	53,444.38	33.99%	64,320.72	40.91%	(10,876.34)	-6.92%
1972 - 1974	158,425.11	54,332.99	34.30%	69,503.00	43.87%	(15,170.01)	-9.58%
1973 - 1975	169,590.03	60,619.24	35.74%	76,904.65	45.35%	(16,285.41)	-9.60%
1974 - 1976	161,008.12	46,806.92	29.07%	81,834.02	50.83%	(35,027.10)	-21.75%
1975 - 1977	180,008.22	56,013.80	31.12%	102,697.72	57.05%	(46,683.92)	-25.93%
1976 - 1978	172,653.00	51,182.32	29.64%	101,400.58	58.73%	(50,218.26)	-29.09%
1977 - 1979	187,999.57	57,564.80	30.62%	110,005.99	58.51%	(52,441.19)	-27.89%
1978 - 1980	174,462.87	52,193.84	29.92%	102,949.73	59.01%	(50,755.89)	-29.09%
1979 - 1981	183,366.35	55,905.55	30.49%	119,654.25	65.25%	(63,748.70)	-34.77%
1980 - 1982	174,956.99	53,389.55	30.52%	124,179.15	70.98%	(70,789.60)	-40.46%
1981 - 1983	177,237.27	51,892.85	29.28%	134,526.96	75.90%	(82,634.11)	-46.62%
1982 - 1984	171,671.19	49,169.17	28.64%	139,776.90	81.42%	(90,607.73)	-52.78%
1983 - 1985	188,699.69	50,513.27	26.77%	158,003.67	83.73%	(107,490.40)	-56.96%
1984 - 1986	173,540.74	48,017.24	27.67%	149,578.94	86.19%	(101,561.70)	-58.52%
1985 - 1987	171,277.97	46,639.98	27.23%	145,792.33	85.12%	(99,152.35)	-57.89%
1986 - 1988	149,852.38	40,307.57	26.90%	130,972.30	87.40%	(90,664.73)	-60.50%
1987 - 1989	165,432.06	41,647.53	25.18%	144,648.17	87.44%	(103,000.64)	-62.26%
1988 - 1990	168,488.23	40,717.24	24.17%	141,934.03	84.24%	(101,216.79)	-60.07%
1989 - 1991	180,348.52	42,171.51	23.38%	144,068.18	79.88%	(101,896.67)	-56.50%
1990 - 1992	198,087.03	44,887.89	22.66%	138,783.72	70.06%	(93,895.83)	-47.40%
1991 - 1993	209,233.26	43,844.35	20.95%	140,879.46	67.33%	(97,035.11)	-46.38%
1992 - 1994	256,620.42	43,181.36	16.83%	150,545.93	58.66%	(107,364.57)	-41.84%
1993 - 1995	188,848.11	28,430.36	15.05%	115,000.94	60.90%	(86,570.58)	-45.84%
1994 - 1996	242,909.83	35,114.00	14.46%	150,970.81	62.15%	(115,856.81)	-47.70%
1995 - 1997	206,026.63	31,281.48	15.18%	141,884.06	68.87%	(110,602.58)	-53.68%

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Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1996 - 1998	281,462.93	38,000.32	13.50%	181,362.35	64.44%	(143,362.03)	-50.93%
1997 - 1999	262,423.11	27,451.91	10.46%	149,899.63	57.12%	(122,447.72)	-46.66%
1998 - 2000	271,192.87	26,557.46	9.79%	155,034.35	57.17%	(128,476.89)	-47.37%
1999 - 2001	258,273.89	20,599.55	7.98%	144,849.10	56.08%	(124,249.55)	-48.11%
2000 - 2002	245,573.30	17,061.81	6.95%	145,636.15	59.30%	(128,574.34)	-52.36%
2001 - 2003	231,504.92	11,164.26	4.82%	142,228.39	61.44%	(131,064.13)	-56.61%
2002 - 2004	264,996.96	13,975.47	5.27%	167,969.54	63.39%	(153,994.07)	-58.11%
2003 - 2005	286,271.08	13,579.20	4.74%	190,112.76	66.41%	(176,533.56)	-61.67%
2004 - 2006	343,668.01	14,288.80	4.16%	227,845.08	66.30%	(213,556.28)	-62.14%
2005 - 2007	305,866.19	10,633.77	3.48%	195,328.19	63.86%	(184,694.42)	-60.38%
2006 - 2008	435,893.52	23,045.74	5.29%	224,395.98	51.48%	(201,350.24)	-46.19%
2007 - 2009	428,210.13	27,754.42	6.48%	214,387.15	50.07%	(186,632.73)	-43.58%
2008 - 2010	462,920.68	25,932.79	5.60%	220,888.19	47.72%	(194,955.40)	-42.11%
2009 - 2011	423,564.17	12,088.19	2.85%	215,259.99	50.82%	(203,171.80)	-47.97%
2010 - 2012	477,747.51	7,543.94	1.58%	196,671.29	41.17%	(189,127.35)	-39.59%
2011 - 2013	522,388.84	18,336.47	3.51%	221,567.68	42.41%	(203,231.21)	-38.90%
2012 - 2014	491,811.47	16,189.61	3.29%	178,076.71	36.21%	(161,887.10)	-32.92%

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Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1968 - 2014	3,916,302.61	559,231.83	14.28	2,222,015.37	56.74	(1,662,783.54)	-42.46

Trend Analysis (End Year) **2014**

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	44.0
Average Retirement Age (Yrs)	20.9
Years To ASL	23.1
Inflation Factor At 2.75% to ASL	1.87

Gross Salvage
Linear Trend Analysis

1995-2014	**20 - Year Trend**	0.32%
2000-2014	**15 - Year Trend**	2.16%
2005-2014	**10 - Year Trend**	2.92%
2010-2014	**5 - Year Trend**	2.18%

Forcasted

Gross Salvage (Five Year Trend)	2.18%
Cost Of Removal	106.04%
Net Salvage	-103.87%

Montana-Dakota Utilities Company
Electric Plant
370.00 Meters

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Annual Activity							
1968	49,395.50	128.23	0.26%	0.00	0.00%	128.23	0.26%
1969	33,679.09	254.75	0.76%	0.00	0.00%	254.75	0.76%
1970	38,220.16	844.85	2.21%	3.52	0.01%	841.33	2.20%
1971	20,711.51	2,704.84	13.06%	385.88	1.86%	2,318.96	11.20%
1972	32,859.81	37.65	0.11%	0.00	0.00%	37.65	0.11%
1973	37,469.67	-830.47	-2.22%	(385.88)	-1.03%	(444.59)	-1.19%
1974	58,485.49	3,257.03	5.57%	0.00	0.00%	3,257.03	5.57%
1975	74,858.55	7,658.69	10.23%	18.75	0.03%	7,639.94	10.21%
1976	57,076.29	160.25	0.28%	0.00	0.00%	160.25	0.28%
1977	72,307.10	736.27	1.02%	0.00	0.00%	736.27	1.02%
1978	47,133.42	309.43	0.66%	0.00	0.00%	309.43	0.66%
1979	53,521.26	1,130.98	2.11%	(625.70)	-1.17%	1,756.68	3.28%
1980	98,472.73	430.66	0.44%	0.00	0.00%	430.66	0.44%
1981	52,876.63	3,034.40	5.74%	0.00	0.00%	3,034.40	5.74%
1982	67,981.14	53.09	0.08%	(266.49)	-0.39%	319.58	0.47%
1983	98,944.20	1,826.72	1.85%	0.00	0.00%	1,826.72	1.85%
1984	87,297.36	223.15	0.26%	0.00	0.00%	223.15	0.26%
1985	88,267.94	193.59	0.22%	0.00	0.00%	193.59	0.22%
1986	77,450.01	320.57	0.41%	0.00	0.00%	320.57	0.41%
1987	140,617.32	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988	103,626.53	87.05	0.08%	0.00	0.00%	87.05	0.08%
1989	80,878.02	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990	78,739.49	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991	78,635.53	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992	239,560.57	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993	105,026.86	1,354.84	1.29%	0.00	0.00%	1,354.84	1.29%
1994	134,305.54	955.55	0.71%	98.08	0.07%	857.47	0.64%
1995	36,609.81	175.55	0.48%	0.00	0.00%	175.55	0.48%

Montana-Dakota Utilities Company
Electric Plant
370.00 Meters

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Annual Activity							
1996	249,171.17	10,021.38	4.02%	1,055.83	0.42%	8,965.55	3.60%
1997	114,473.95	-175.55	-0.15%	0.00	0.00%	(175.55)	-0.15%
1998	91,467.62	1,362.00	1.49%	0.00	0.00%	1,362.00	1.49%
1999	118,311.62	-259.00	-0.22%	0.00	0.00%	(259.00)	-0.22%
2000	120,306.58	1,589.77	1.32%	0.00	0.00%	1,589.77	1.32%
2001	172,893.21	0.00	0.00%	24,234.18	14.02%	(24,234.18)	-14.02%
2002	86,007.53	0.00	0.00%	14,085.75	16.38%	(14,085.75)	-16.38%
2003	54,896.56	0.00	0.00%	13,757.00	25.06%	(13,757.00)	-25.06%
2004	56,820.29	0.00	0.00%	18,870.00	33.21%	(18,870.00)	-33.21%
2005	69,826.63	0.00	0.00%	20,910.00	29.95%	(20,910.00)	-29.95%
2006	108,047.45	0.00	0.00%	33,337.00	30.85%	(33,337.00)	-30.85%
2007	2,905,247.76	3,498.60	0.12%	2,234.84	0.08%	1,263.76	0.04%
2008	829,576.50	25,028.72	3.02%	4,324.10	0.52%	20,704.62	2.50%
2009	272,660.71	0.00	0.00%	43,081.06	15.80%	(43,081.06)	-15.80%
2010	418,910.90	0.00	0.00%	47,809.28	11.41%	(47,809.28)	-11.41%
2011	382,350.69	0.00	0.00%	27,350.13	7.15%	(27,350.13)	-7.15%
2012	2,639,325.75	13,793.25	0.52%	232,700.51	8.82%	(218,907.26)	-8.29%
2013	40,961.90	14,043.15	34.28%	14,940.67	36.47%	(897.52)	-2.19%
2014	1,620,236.52	0.00	0.00%	16,599.47	1.02%	(16,599.47)	-1.02%

Montana-Dakota Utilities Company
Electric Plant
370.00 Meters

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1968 - 1970	121,294.75	1,227.83	1.01%	3.52	0.00%	1,224.31	1.01%
1969 - 1971	92,610.76	3,804.44	4.11%	389.40	0.42%	3,415.04	3.69%
1970 - 1972	91,791.48	3,587.34	3.91%	389.40	0.42%	3,197.94	3.48%
1971 - 1973	91,040.99	1,912.02	2.10%	0.00	0.00%	1,912.02	2.10%
1972 - 1974	128,814.97	2,464.21	1.91%	(385.88)	-0.30%	2,850.09	2.21%
1973 - 1975	170,813.71	10,085.25	5.90%	(367.13)	-0.21%	10,452.38	6.12%
1974 - 1976	190,420.33	11,075.97	5.82%	18.75	0.01%	11,057.22	5.81%
1975 - 1977	204,241.94	8,555.21	4.19%	18.75	0.01%	8,536.46	4.18%
1976 - 1978	176,516.81	1,205.95	0.68%	0.00	0.00%	1,205.95	0.68%
1977 - 1979	172,961.78	2,176.68	1.26%	(625.70)	-0.36%	2,802.38	1.62%
1978 - 1980	199,127.41	1,871.07	0.94%	(625.70)	-0.31%	2,496.77	1.25%
1979 - 1981	204,870.62	4,596.04	2.24%	(625.70)	-0.31%	5,221.74	2.55%
1980 - 1982	219,330.50	3,518.15	1.60%	(266.49)	-0.12%	3,784.64	1.73%
1981 - 1983	219,801.97	4,914.21	2.24%	(266.49)	-0.12%	5,180.70	2.36%
1982 - 1984	254,222.70	2,102.96	0.83%	(266.49)	-0.10%	2,369.45	0.93%
1983 - 1985	274,509.50	2,243.46	0.82%	0.00	0.00%	2,243.46	0.82%
1984 - 1986	253,015.31	737.31	0.29%	0.00	0.00%	737.31	0.29%
1985 - 1987	306,335.27	514.16	0.17%	0.00	0.00%	514.16	0.17%
1986 - 1988	321,693.86	407.62	0.13%	0.00	0.00%	407.62	0.13%
1987 - 1989	325,121.87	87.05	0.03%	0.00	0.00%	87.05	0.03%
1988 - 1990	263,244.04	87.05	0.03%	0.00	0.00%	87.05	0.03%
1989 - 1991	238,253.04	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990 - 1992	396,935.59	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991 - 1993	423,222.96	1,354.84	0.32%	0.00	0.00%	1,354.84	0.32%
1992 - 1994	478,892.97	2,310.39	0.48%	98.08	0.02%	2,212.31	0.46%
1993 - 1995	275,942.21	2,485.94	0.90%	98.08	0.04%	2,387.86	0.87%
1994 - 1996	420,086.52	11,152.48	2.65%	1,153.91	0.27%	9,998.57	2.38%
1995 - 1997	400,254.93	10,021.38	2.50%	1,055.83	0.26%	8,965.55	2.24%

Montana-Dakota Utilities Company
Electric Plant
370.00 Meters

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1996 - 1998	455,112.74	11,207.83	2.46%	1,055.83	0.23%	10,152.00	2.23%
1997 - 1999	324,253.19	927.45	0.29%	0.00	0.00%	927.45	0.29%
1998 - 2000	330,085.82	2,692.77	0.82%	0.00	0.00%	2,692.77	0.82%
1999 - 2001	411,511.41	1,330.77	0.32%	24,234.18	5.89%	(22,903.41)	-5.57%
2000 - 2002	379,207.32	1,589.77	0.42%	38,319.93	10.11%	(36,730.16)	-9.69%
2001 - 2003	313,797.30	0.00	0.00%	52,076.93	16.60%	(52,076.93)	-16.60%
2002 - 2004	197,724.38	0.00	0.00%	46,712.75	23.63%	(46,712.75)	-23.63%
2003 - 2005	181,543.48	0.00	0.00%	53,537.00	29.49%	(53,537.00)	-29.49%
2004 - 2006	234,694.37	0.00	0.00%	73,117.00	31.15%	(73,117.00)	-31.15%
2005 - 2007	3,083,121.84	3,498.60	0.11%	56,481.84	1.83%	(52,983.24)	-1.72%
2006 - 2008	3,842,871.71	28,527.32	0.74%	39,895.94	1.04%	(11,368.62)	-0.30%
2007 - 2009	4,007,484.97	28,527.32	0.71%	49,640.00	1.24%	(21,112.68)	-0.53%
2008 - 2010	1,521,148.11	25,028.72	1.65%	95,214.44	6.26%	(70,185.72)	-4.61%
2009 - 2011	1,073,922.30	0.00	0.00%	118,240.47	11.01%	(118,240.47)	-11.01%
2010 - 2012	3,440,587.34	13,793.25	0.40%	307,859.92	8.95%	(294,066.67)	-8.55%
2011 - 2013	3,062,638.34	27,836.40	0.91%	274,991.31	8.98%	(247,154.91)	-8.07%
2012 - 2014	4,300,524.17	27,836.40	0.65%	264,240.65	6.14%	(236,404.25)	-5.50%

Montana-Dakota Utilities Company
Electric Plant
370.00 Meters

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1968 - 2014	12,496,500.87	93,949.99	0.75	514,517.98	4.12	(420,567.99)	-3.37

Trend Analysis (End Year) **2014**

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	15.0
Average Retirement Age (Yrs)	19.2
Years To ASL	-4.2
Inflation Factor At 2.75% to ASL	0.89

Gross Salvage
Linear Trend Analysis

1995-2014	**20 - Year Trend**	0.12%
2000-2014	**15 - Year Trend**	0.72%
2005-2014	**10 - Year Trend**	0.93%
2010-2014	**5 - Year Trend**	0.39%

Forcasted

Gross Salvage (Five Year Trend)	0.39%
Cost Of Removal	3.67%
Net Salvage	-3.28%

Montana-Dakota Utilities Company
Electric Plant
371.00 Installation on Customers Premises
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	Orginal Cost Of Retirements	Gross Salvage		Cost of Removal		Net Salvage	
		Amount	%	Amount	%	Amount	%
Annual Activity							
1968	19,377.81	8,209.30	42.36%	1,640.00	8.46%	6,569.30	33.90%
1969	26,934.78	9,016.46	33.48%	2,120.77	7.87%	6,895.69	25.60%
1970	21,871.19	7,958.52	36.39%	2,735.64	12.51%	5,222.88	23.88%
1971	21,026.08	6,763.19	32.17%	2,115.17	10.06%	4,648.02	22.11%
1972	20,693.71	7,017.30	33.91%	2,408.32	11.64%	4,608.98	22.27%
1973	28,396.36	9,874.27	34.77%	3,658.81	12.88%	6,215.46	21.89%
1974	27,704.50	10,939.11	39.48%	3,745.28	13.52%	7,193.83	25.97%
1975	25,664.99	11,200.40	43.64%	3,690.27	14.38%	7,510.13	29.26%
1976	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1977	46,033.16	21,128.46	45.90%	9,187.67	19.96%	11,940.79	25.94%
1978	56,721.18	24,522.77	43.23%	7,720.69	13.61%	16,802.08	29.62%
1979	39,454.42	14,189.64	35.96%	7,631.03	19.34%	6,558.61	16.62%
1980	44,588.68	21,073.07	47.26%	8,838.91	19.82%	12,234.16	27.44%
1981	47,185.65	21,886.73	46.38%	10,590.06	22.44%	11,296.67	23.94%
1982	49,483.66	24,365.99	49.24%	12,523.34	25.31%	11,842.65	23.93%
1983	52,663.56	23,612.80	44.84%	13,296.04	25.25%	10,316.76	19.59%
1984	59,605.88	25,162.83	42.22%	16,751.54	28.10%	8,411.29	14.11%
1985	61,280.18	27,733.30	45.26%	16,031.79	26.16%	11,701.51	19.10%
1986	55,053.78	22,727.95	41.28%	14,163.19	25.73%	8,564.76	15.56%
1987	59,425.78	23,932.12	40.27%	15,914.68	26.78%	8,017.44	13.49%
1988	43,565.49	17,810.16	40.88%	12,160.44	27.91%	5,649.72	12.97%
1989	45,040.83	15,172.27	33.69%	13,071.31	29.02%	2,100.96	4.66%
1990	46,895.52	17,989.93	38.36%	12,988.11	27.70%	5,001.82	10.67%
1991	51,052.87	16,617.74	32.55%	14,422.64	28.25%	2,195.10	4.30%
1992	42,423.68	9,856.16	23.23%	12,014.41	28.32%	(2,158.25)	-5.09%
1993	51,351.46	13,410.59	26.12%	10,004.76	19.48%	3,405.83	6.63%
1994	40,691.14	10,945.46	26.90%	14,378.43	35.34%	(3,432.97)	-8.44%
1995	4,899.70	3,100.23	63.27%	3,560.75	72.67%	(460.52)	-9.40%

Montana-Dakota Utilities Company
Electric Plant
371.00 Installation on Customers Premises
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Annual Activity							
1996	85,556.19	18,619.36	21.76%	24,129.50	28.20%	(5,510.14)	-6.44%
1997	53,238.12	13,661.74	25.66%	14,998.20	28.17%	(1,336.46)	-2.51%
1998	64,850.63	14,771.17	22.78%	20,375.71	31.42%	(5,604.54)	-8.64%
1999	53,614.16	13,645.27	25.45%	12,440.46	23.20%	1,204.81	2.25%
2000	60,068.61	13,986.55	23.28%	14,290.61	23.79%	(304.06)	-0.51%
2001	41,530.98	6,438.88	15.50%	9,317.05	22.43%	(2,878.17)	-6.93%
2002	47,502.03	9,586.20	20.18%	13,688.22	28.82%	(4,102.02)	-8.64%
2003	66,456.74	13,836.13	20.82%	15,036.59	22.63%	(1,200.46)	-1.81%
2004	59,953.85	14,170.28	23.64%	18,256.37	30.45%	(4,086.09)	-6.82%
2005	63,804.01	11,404.43	17.87%	19,414.50	30.43%	(8,010.07)	-12.55%
2006	59,016.85	6,815.13	11.55%	19,400.51	32.87%	(12,585.38)	-21.33%
2007	34,764.65	5,092.46	14.65%	13,124.58	37.75%	(8,032.12)	-23.10%
2008	79,643.26	9,936.06	12.48%	23,680.31	29.73%	(13,744.25)	-17.26%
2009	109,354.52	30,377.38	27.78%	28,893.28	26.42%	1,484.10	1.36%
2010	51,159.61	8,717.60	17.04%	11,817.87	23.10%	(3,100.27)	-6.06%
2011	74,407.25	6,331.98	8.51%	19,359.81	26.02%	(13,027.83)	-17.51%
2012	72,737.27	9,769.33	13.43%	21,767.05	29.93%	(11,997.72)	-16.49%
2013	64,892.28	0.00	0.00%	53,122.55	81.86%	(53,122.55)	-81.86%
2014	81,621.52	0.00	0.00%	35,153.20	43.07%	(35,153.20)	-43.07%

Montana-Dakota Utilities Company
Electric Plant
371.00 Installation on Customers Premises
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1968 - 1970	68,183.78	25,184.28	36.94%	6,496.41	9.53%	18,687.87	27.41%
1969 - 1971	69,832.05	23,738.17	33.99%	6,971.58	9.98%	16,766.59	24.01%
1970 - 1972	63,590.98	21,739.01	34.19%	7,259.13	11.42%	14,479.88	22.77%
1971 - 1973	70,116.15	23,654.76	33.74%	8,182.30	11.67%	15,472.46	22.07%
1972 - 1974	76,794.57	27,830.68	36.24%	9,812.41	12.78%	18,018.27	23.46%
1973 - 1975	81,765.85	32,013.78	39.15%	11,094.36	13.57%	20,919.42	25.58%
1974 - 1976	53,369.49	22,139.51	41.48%	7,435.55	13.93%	14,703.96	27.55%
1975 - 1977	71,698.15	32,328.86	45.09%	12,877.94	17.96%	19,450.92	27.13%
1976 - 1978	102,754.34	45,651.23	44.43%	16,908.36	16.46%	28,742.87	27.97%
1977 - 1979	142,208.76	59,840.87	42.08%	24,539.39	17.26%	35,301.48	24.82%
1978 - 1980	140,764.28	59,785.48	42.47%	24,190.63	17.19%	35,594.85	25.29%
1979 - 1981	131,228.75	57,149.44	43.55%	27,060.00	20.62%	30,089.44	22.93%
1980 - 1982	141,257.99	67,325.79	47.66%	31,952.31	22.62%	35,373.48	25.04%
1981 - 1983	149,332.87	69,865.52	46.79%	36,409.44	24.38%	33,456.08	22.40%
1982 - 1984	161,753.10	73,141.62	45.22%	42,570.92	26.32%	30,570.70	18.90%
1983 - 1985	173,549.62	76,508.93	44.08%	46,079.37	26.55%	30,429.56	17.53%
1984 - 1986	175,939.84	75,624.08	42.98%	46,946.52	26.68%	28,677.56	16.30%
1985 - 1987	175,759.74	74,393.37	42.33%	46,109.66	26.23%	28,283.71	16.09%
1986 - 1988	158,045.05	64,470.23	40.79%	42,238.31	26.73%	22,231.92	14.07%
1987 - 1989	148,032.10	56,914.55	38.45%	41,146.43	27.80%	15,768.12	10.65%
1988 - 1990	135,501.84	50,972.36	37.62%	38,219.86	28.21%	12,752.50	9.41%
1989 - 1991	142,989.22	49,779.94	34.81%	40,482.06	28.31%	9,297.88	6.50%
1990 - 1992	140,372.07	44,463.83	31.68%	39,425.16	28.09%	5,038.67	3.59%
1991 - 1993	144,828.01	39,884.49	27.54%	36,441.81	25.16%	3,442.68	2.38%
1992 - 1994	134,466.28	34,212.21	25.44%	36,397.60	27.07%	(2,185.39)	-1.63%
1993 - 1995	96,942.30	27,456.28	28.32%	27,943.94	28.83%	(487.66)	-0.50%
1994 - 1996	131,147.03	32,665.05	24.91%	42,068.68	32.08%	(9,403.63)	-7.17%
1995 - 1997	143,694.01	35,381.33	24.62%	42,688.45	29.71%	(7,307.12)	-5.09%

Montana-Dakota Utilities Company
Electric Plant
371.00 Installation on Customers Premises
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1996 - 1998	203,644.94	47,052.27	23.11%	59,503.41	29.22%	(12,451.14)	-6.11%
1997 - 1999	171,702.91	42,078.18	24.51%	47,814.37	27.85%	(5,736.19)	-3.34%
1998 - 2000	178,533.40	42,402.99	23.75%	47,106.78	26.39%	(4,703.79)	-2.63%
1999 - 2001	155,213.75	34,070.70	21.95%	36,048.12	23.22%	(1,977.42)	-1.27%
2000 - 2002	149,101.62	30,011.63	20.13%	37,295.88	25.01%	(7,284.25)	-4.89%
2001 - 2003	155,489.75	29,861.21	19.20%	38,041.86	24.47%	(8,180.65)	-5.26%
2002 - 2004	173,912.62	37,592.61	21.62%	46,981.18	27.01%	(9,388.57)	-5.40%
2003 - 2005	190,214.60	39,410.84	20.72%	52,707.46	27.71%	(13,296.62)	-6.99%
2004 - 2006	182,774.71	32,389.84	17.72%	57,071.38	31.22%	(24,681.54)	-13.50%
2005 - 2007	157,585.51	23,312.02	14.79%	51,939.59	32.96%	(28,627.57)	-18.17%
2006 - 2008	173,424.76	21,843.65	12.60%	56,205.40	32.41%	(34,361.75)	-19.81%
2007 - 2009	223,762.43	45,405.90	20.29%	65,698.17	29.36%	(20,292.27)	-9.07%
2008 - 2010	240,157.39	49,031.04	20.42%	64,391.46	26.81%	(15,360.42)	-6.40%
2009 - 2011	234,921.38	45,426.96	19.34%	60,070.96	25.57%	(14,644.00)	-6.23%
2010 - 2012	198,304.13	24,818.91	12.52%	52,944.73	26.70%	(28,125.82)	-14.18%
2011 - 2013	212,036.80	16,101.31	7.59%	94,249.41	44.45%	(78,148.10)	-36.86%
2012 - 2014	219,251.07	9,769.33	4.46%	110,042.80	50.19%	(100,273.47)	-45.73%

Montana-Dakota Utilities Company
Electric Plant
371.00 Installation on Customers Premises

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1968 - 2014	2,313,258.57	633,376.70	27.38	635,630.42	27.48	(2,253.72)	-0.10

Trend Analysis (End Year) **2014**

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	22.0
Average Retirement Age (Yrs)	17.1
Years To ASL	4.9
Inflation Factor At 2.75% to ASL	1.14

Gross Salvage
Linear Trend Analysis

1995-2014	**20 - Year Trend**	10.03%
2000-2014	**15 - Year Trend**	9.47%
2005-2014	**10 - Year Trend**	8.10%
2010-2014	**5 - Year Trend**	0.00%

Forcasted

Gross Salvage (Five Year Trend)	0.00%
Cost Of Removal	31.41%
Net Salvage	-31.41%

Montana-Dakota Utilities Company
Electric Plant
373.00 Street Lighting System
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	Orginal Cost Of Retirements	Gross Salvage		Cost of Removal		Net Salvage	
		Amount	%	Amount	%	Amount	%
Annual Activity							
1968	31,552.59	4,352.81	13.80%	4,691.97	14.87%	(339.16)	-1.07%
1969	39,427.32	6,870.26	17.43%	7,473.79	18.96%	(603.53)	-1.53%
1970	28,523.06	6,874.49	24.10%	4,685.73	16.43%	2,188.76	7.67%
1971	30,912.09	7,542.83	24.40%	5,031.93	16.28%	2,510.90	8.12%
1972	23,296.31	1,786.12	7.67%	3,928.67	16.86%	(2,142.55)	-9.20%
1973	35,901.30	2,000.22	5.57%	4,692.80	13.07%	(2,692.58)	-7.50%
1974	22,584.53	2,259.41	10.00%	4,302.76	19.05%	(2,043.35)	-9.05%
1975	32,600.81	10,570.92	32.43%	6,695.77	20.54%	3,875.15	11.89%
1976	6,042.36	127.35	2.11%	2,313.93	38.30%	(2,186.58)	-36.19%
1977	25,481.75	6,768.60	26.56%	4,202.67	16.49%	2,565.93	10.07%
1978	29,152.44	6,364.08	21.83%	6,656.61	22.83%	(292.53)	-1.00%
1979	21,014.20	6,451.43	30.70%	4,728.86	22.50%	1,722.57	8.20%
1980	26,353.67	14,148.09	53.69%	4,774.78	18.12%	9,373.31	35.57%
1981	27,543.53	14,069.11	51.08%	6,802.44	24.70%	7,266.67	26.38%
1982	31,557.89	24,149.42	76.52%	7,732.96	24.50%	16,416.46	52.02%
1983	21,680.19	11,358.18	52.39%	5,249.48	24.21%	6,108.70	28.18%
1984	22,716.94	5,978.43	26.32%	5,013.56	22.07%	964.87	4.25%
1985	59,132.11	25,067.53	42.39%	16,577.39	28.03%	8,490.14	14.36%
1986	33,627.38	6,224.02	18.51%	12,153.67	36.14%	(5,929.65)	-17.63%
1987	42,650.22	11,628.38	27.26%	15,265.99	35.79%	(3,637.61)	-8.53%
1988	39,455.20	9,911.35	25.12%	16,072.31	40.74%	(6,160.96)	-15.62%
1989	39,609.38	8,628.40	21.78%	17,649.86	44.56%	(9,021.46)	-22.78%
1990	26,511.45	11,730.78	44.25%	9,784.83	36.91%	1,945.95	7.34%
1991	31,256.28	6,783.64	21.70%	13,344.62	42.69%	(6,560.98)	-20.99%
1992	42,453.67	12,061.02	28.41%	12,232.94	28.81%	(171.92)	-0.40%
1993	31,924.21	5,861.09	18.36%	13,627.83	42.69%	(7,766.74)	-24.33%
1994	58,227.92	8,480.10	14.56%	25,317.71	43.48%	(16,837.61)	-28.92%
1995	10,763.60	7,398.27	68.73%	6,463.61	60.05%	934.66	8.68%

Montana-Dakota Utilities Company
Electric Plant
373.00 Street Lighting System

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Annual Activity							
1996	90,086.59	17,124.32	19.01%	28,872.12	32.05%	(11,747.80)	-13.04%
1997	69,439.88	16,911.90	24.35%	21,019.56	30.27%	(4,107.66)	-5.92%
1998	46,364.53	7,279.50	15.70%	21,605.09	46.60%	(14,325.59)	-30.90%
1999	43,493.03	7,301.53	16.79%	18,854.86	43.35%	(11,553.33)	-26.56%
2000	45,693.54	7,341.63	16.07%	18,153.71	39.73%	(10,812.08)	-23.66%
2001	53,502.32	2,732.47	5.11%	16,723.57	31.26%	(13,991.10)	-26.15%
2002	75,132.01	11,399.20	15.17%	34,163.62	45.47%	(22,764.42)	-30.30%
2003	52,166.29	3,453.20	6.62%	21,318.40	40.87%	(17,865.20)	-34.25%
2004	89,228.73	10,795.26	12.10%	37,311.32	41.82%	(26,516.06)	-29.72%
2005	52,266.94	6,125.25	11.72%	23,633.94	45.22%	(17,508.69)	-33.50%
2006	75,810.52	8,906.08	11.75%	38,555.60	50.86%	(29,649.52)	-39.11%
2007	33,042.19	1,763.01	5.34%	20,462.84	61.93%	(18,699.83)	-56.59%
2008	80,794.04	3,237.15	4.01%	36,574.30	45.27%	(33,337.15)	-41.26%
2009	89,188.32	5,471.85	6.14%	36,579.99	41.01%	(31,108.14)	-34.88%
2010	55,662.41	4,452.68	8.00%	19,566.72	35.15%	(15,114.04)	-27.15%
2011	131,148.75	4,216.37	3.21%	65,352.08	49.83%	(61,135.71)	-46.62%
2012	82,830.42	7,674.78	9.27%	43,398.58	52.39%	(35,723.80)	-43.13%
2013	77,038.59	0.00	0.00%	92,051.86	119.49%	(92,051.86)	-119.49%
2014	126,208.42	0.00	0.00%	147,090.61	116.55%	(147,090.61)	-116.55%

Montana-Dakota Utilities Company
Electric Plant
373.00 Street Lighting System
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1968 - 1970	99,502.97	18,097.56	18.19%	16,851.49	16.94%	1,246.07	1.25%
1969 - 1971	98,862.47	21,287.58	21.53%	17,191.45	17.39%	4,096.13	4.14%
1970 - 1972	82,731.46	16,203.44	19.59%	13,646.33	16.49%	2,557.11	3.09%
1971 - 1973	90,109.70	11,329.17	12.57%	13,653.40	15.15%	(2,324.23)	-2.58%
1972 - 1974	81,782.14	6,045.75	7.39%	12,924.23	15.80%	(6,878.48)	-8.41%
1973 - 1975	91,086.64	14,830.55	16.28%	15,691.33	17.23%	(860.78)	-0.95%
1974 - 1976	61,227.70	12,957.68	21.16%	13,312.46	21.74%	(354.78)	-0.58%
1975 - 1977	64,124.92	17,466.87	27.24%	13,212.37	20.60%	4,254.50	6.63%
1976 - 1978	60,676.55	13,260.03	21.85%	13,173.21	21.71%	86.82	0.14%
1977 - 1979	75,648.39	19,584.11	25.89%	15,588.14	20.61%	3,995.97	5.28%
1978 - 1980	76,520.31	26,963.60	35.24%	16,160.25	21.12%	10,803.35	14.12%
1979 - 1981	74,911.40	34,668.63	46.28%	16,306.08	21.77%	18,362.55	24.51%
1980 - 1982	85,455.09	52,366.62	61.28%	19,310.18	22.60%	33,056.44	38.68%
1981 - 1983	80,781.61	49,576.71	61.37%	19,784.88	24.49%	29,791.83	36.88%
1982 - 1984	75,955.02	41,486.03	54.62%	17,996.00	23.69%	23,490.03	30.93%
1983 - 1985	103,529.24	42,404.14	40.96%	26,840.43	25.93%	15,563.71	15.03%
1984 - 1986	115,476.43	37,269.98	32.27%	33,744.62	29.22%	3,525.36	3.05%
1985 - 1987	135,409.71	42,919.93	31.70%	43,997.05	32.49%	(1,077.12)	-0.80%
1986 - 1988	115,732.80	27,763.75	23.99%	43,491.97	37.58%	(15,728.22)	-13.59%
1987 - 1989	121,714.80	30,168.13	24.79%	48,988.16	40.25%	(18,820.03)	-15.46%
1988 - 1990	105,576.03	30,270.53	28.67%	43,507.00	41.21%	(13,236.47)	-12.54%
1989 - 1991	97,377.11	27,142.82	27.87%	40,779.31	41.88%	(13,636.49)	-14.00%
1990 - 1992	100,221.40	30,575.44	30.51%	35,362.39	35.28%	(4,786.95)	-4.78%
1991 - 1993	105,634.16	24,705.75	23.39%	39,205.39	37.11%	(14,499.64)	-13.73%
1992 - 1994	132,605.80	26,402.21	19.91%	51,178.48	38.59%	(24,776.27)	-18.68%
1993 - 1995	100,915.73	21,739.46	21.54%	45,409.15	45.00%	(23,669.69)	-23.45%
1994 - 1996	159,078.11	33,002.69	20.75%	60,653.44	38.13%	(27,650.75)	-17.38%
1995 - 1997	170,290.07	41,434.49	24.33%	56,355.29	33.09%	(14,920.80)	-8.76%

Montana-Dakota Utilities Company
Electric Plant
373.00 Street Lighting System

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1996 - 1998	205,891.00	41,315.72	20.07%	71,496.77	34.73%	(30,181.05)	-14.66%
1997 - 1999	159,297.44	31,492.93	19.77%	61,479.51	38.59%	(29,986.58)	-18.82%
1998 - 2000	135,551.10	21,922.66	16.17%	58,613.66	43.24%	(36,691.00)	-27.07%
1999 - 2001	142,688.89	17,375.63	12.18%	53,732.14	37.66%	(36,356.51)	-25.48%
2000 - 2002	174,327.87	21,473.30	12.32%	69,040.90	39.60%	(47,567.60)	-27.29%
2001 - 2003	180,800.62	17,584.87	9.73%	72,205.59	39.94%	(54,620.72)	-30.21%
2002 - 2004	216,527.03	25,647.66	11.85%	92,793.34	42.86%	(67,145.68)	-31.01%
2003 - 2005	193,661.96	20,373.71	10.52%	82,263.66	42.48%	(61,889.95)	-31.96%
2004 - 2006	217,306.19	25,826.59	11.88%	99,500.86	45.79%	(73,674.27)	-33.90%
2005 - 2007	161,119.65	16,794.34	10.42%	82,652.38	51.30%	(65,858.04)	-40.88%
2006 - 2008	189,646.75	13,906.24	7.33%	95,592.74	50.41%	(81,686.50)	-43.07%
2007 - 2009	203,024.55	10,472.01	5.16%	93,617.13	46.11%	(83,145.12)	-40.95%
2008 - 2010	225,644.77	13,161.68	5.83%	92,721.01	41.09%	(79,559.33)	-35.26%
2009 - 2011	275,999.48	14,140.90	5.12%	121,498.79	44.02%	(107,357.89)	-38.90%
2010 - 2012	269,641.58	16,343.83	6.06%	128,317.38	47.59%	(111,973.55)	-41.53%
2011 - 2013	291,017.76	11,891.15	4.09%	200,802.52	69.00%	(188,911.37)	-64.91%
2012 - 2014	286,077.43	7,674.78	2.68%	282,541.05	98.76%	(274,866.27)	-96.08%

Montana-Dakota Utilities Company
Electric Plant
373.00 Street Lighting System

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1968 - 2014	2,241,049.92	371,632.51	16.58	988,758.24	44.12	(617,125.73)	-27.54

Trend Analysis (End Year) **2014**

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	43.0
Average Retirement Age (Yrs)	25.9
Years To ASL	17.1
Inflation Factor At 2.75% to ASL	1.59

Gross Salvage
Linear Trend Analysis

1995-2014	**20 - Year Trend**	0.83%
2000-2014	**15 - Year Trend**	2.30%
2005-2014	**10 - Year Trend**	1.81%
2010-2014	**5 - Year Trend**	2.56%

Forcasted

Gross Salvage (Five Year Trend)	2.56%
Cost Of Removal	70.16%
Net Salvage	-67.61%

Montana-Dakota Utilities Company
Electric Plant
390.00 General Structures & Improvements
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1973 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Annual Activity							
1973	6,819.40	0.00	0.00%	1,376.86	20.19%	(1,376.86)	-20.19%
1974	12,585.82	511.25	4.06%	3,567.06	28.34%	(3,055.81)	-24.28%
1975	2,597.89	2,506.48	96.48%	0.00	0.00%	2,506.48	96.48%
1976	1,110.82	0.00	0.00%	1,638.00	147.46%	(1,638.00)	-147.46%
1977	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1978	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1979	10,524.70	11,059.50	105.08%	10.42	0.10%	11,049.08	104.98%
1980	0.00	0.00	0.00%	1.02	0.00%	(1.02)	0.00%
1981	26,603.14	43,451.05	163.33%	366.53	1.38%	43,084.52	161.95%
1982	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983	10,563.83	-104.00	-0.98%	4,594.00	43.49%	(4,698.00)	-44.47%
1984	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985	4,044.29	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986	3,864.24	2,084.62	53.95%	0.00	0.00%	2,084.62	53.95%
1987	42,792.08	-2,340.62	-5.47%	0.00	0.00%	(2,340.62)	-5.47%
1988	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989	25,745.00	729.21	2.83%	7,996.57	31.06%	(7,267.36)	-28.23%
1990	8,971.20	0.00	0.00%	37,678.19	419.99%	(37,678.19)	-419.99%
1991	7,571.17	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992	1,500.00	0.00	0.00%	6.99	0.47%	(6.99)	-0.47%
1993	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994	13,344.05	12,386.95	92.83%	631.40	4.73%	11,755.55	88.10%
1995	21,447.15	13,542.82	63.15%	470.00	2.19%	13,072.82	60.95%
1996	63,049.36	39,125.19	62.05%	1,100.46	1.75%	38,024.73	60.31%
1997	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998	179,676.14	84,878.69	47.24%	500.00	0.28%	84,378.69	46.96%
1999	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company
Electric Plant
390.00 General Structures & Improvements
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1973 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Annual Activity							
2001	446.08	0.00	0.00%	0.00	0.00%	0.00	0.00%
2002	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2003	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2004	11,164.38	0.00	0.00%	18,500.00	165.71%	(18,500.00)	-165.71%
2005	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2006	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2007	4,054.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2008	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2009	642.20	0.00	0.00%	0.00	0.00%	0.00	0.00%
2010	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2011	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2012	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2013	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2014	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company
Electric Plant
390.00 General Structures & Improvements
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1973 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1973 - 1975	22,003.11	3,017.73	13.72%	4,943.92	22.47%	(1,926.19)	-8.75%
1974 - 1976	16,294.53	3,017.73	18.52%	5,205.06	31.94%	(2,187.33)	-13.42%
1975 - 1977	3,708.71	2,506.48	67.58%	1,638.00	44.17%	868.48	23.42%
1976 - 1978	1,110.82	0.00	0.00%	1,638.00	147.46%	(1,638.00)	-147.46%
1977 - 1979	10,524.70	11,059.50	105.08%	10.42	0.10%	11,049.08	104.98%
1978 - 1980	10,524.70	11,059.50	105.08%	11.44	0.11%	11,048.06	104.97%
1979 - 1981	37,127.84	54,510.55	146.82%	377.97	1.02%	54,132.58	145.80%
1980 - 1982	26,603.14	43,451.05	163.33%	367.55	1.38%	43,083.50	161.95%
1981 - 1983	37,166.97	43,347.05	116.63%	4,960.53	13.35%	38,386.52	103.28%
1982 - 1984	10,563.83	-104.00	-0.98%	4,594.00	43.49%	(4,698.00)	-44.47%
1983 - 1985	14,608.12	-104.00	-0.71%	4,594.00	31.45%	(4,698.00)	-32.16%
1984 - 1986	7,908.53	2,084.62	26.36%	0.00	0.00%	2,084.62	26.36%
1985 - 1987	50,700.61	-256.00	-0.50%	0.00	0.00%	(256.00)	-0.50%
1986 - 1988	46,656.32	-256.00	-0.55%	0.00	0.00%	(256.00)	-0.55%
1987 - 1989	68,537.08	-1,611.41	-2.35%	7,996.57	11.67%	(9,607.98)	-14.02%
1988 - 1990	34,716.20	729.21	2.10%	45,674.76	131.57%	(44,945.55)	-129.47%
1989 - 1991	42,287.37	729.21	1.72%	45,674.76	108.01%	(44,945.55)	-106.29%
1990 - 1992	18,042.37	0.00	0.00%	37,685.18	208.87%	(37,685.18)	-208.87%
1991 - 1993	9,071.17	0.00	0.00%	6.99	0.08%	(6.99)	-0.08%
1992 - 1994	14,844.05	12,386.95	83.45%	638.39	4.30%	11,748.56	79.15%
1993 - 1995	34,791.20	25,929.77	74.53%	1,101.40	3.17%	24,828.37	71.36%
1994 - 1996	97,840.56	65,054.96	66.49%	2,201.86	2.25%	62,853.10	64.24%
1995 - 1997	84,496.51	52,668.01	62.33%	1,570.46	1.86%	51,097.55	60.47%
1996 - 1998	242,725.50	124,003.88	51.09%	1,600.46	0.66%	122,403.42	50.43%
1997 - 1999	179,676.14	84,878.69	47.24%	500.00	0.28%	84,378.69	46.96%
1998 - 2000	179,676.14	84,878.69	47.24%	500.00	0.28%	84,378.69	46.96%
1999 - 2001	446.08	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000 - 2002	446.08	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company
Electric Plant
390.00 General Structures & Improvements
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1973 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
2001 - 2003	446.08	0.00	0.00%	0.00	0.00%	0.00	0.00%
2002 - 2004	11,164.38	0.00	0.00%	18,500.00	165.71%	(18,500.00)	-165.71%
2003 - 2005	11,164.38	0.00	0.00%	18,500.00	165.71%	(18,500.00)	-165.71%
2004 - 2006	11,164.38	0.00	0.00%	18,500.00	165.71%	(18,500.00)	-165.71%
2005 - 2007	4,054.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2006 - 2008	4,054.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2007 - 2009	4,696.20	0.00	0.00%	0.00	0.00%	0.00	0.00%
2008 - 2010	642.20	0.00	0.00%	0.00	0.00%	0.00	0.00%
2009 - 2011	642.20	0.00	0.00%	0.00	0.00%	0.00	0.00%
2010 - 2012	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2011 - 2013	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2012 - 2014	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company
Electric Plant
390.00 General Structures & Improvements
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1973 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1973 - 2014	459,116.94	207,831.14	45.27	78,437.50	17.08	129,393.64	28.18

Trend Analysis (End Year) **2014**

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	29.0
Average Retirement Age (Yrs)	24.8
Years To ASL	4.2
Inflation Factor At 2.75% to ASL	1.12

Gross Salvage
Linear Trend Analysis

1995-2014	**20 - Year Trend**	0.00%
2000-2014	**15 - Year Trend**	0.00%
2005-2014	**10 - Year Trend**	0.00%
2010-2014	**5 - Year Trend**	0.00%

Forcasted

Gross Salvage (Five Year Trend)	0.00%
Cost Of Removal	19.17%
Net Salvage	-19.17%

Montana-Dakota Utilities Company
Electric Plant
392.10 Transportation Equipment - Non Unitized
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 2004 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Annual Activity							
2004	1,810.70	0.00	0.00%	0.00	0.00%	0.00	0.00%
2005	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2006	1,358.44	0.00	0.00%	0.00	0.00%	0.00	0.00%
2007	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2008	2,342.88	900.00	38.41%	0.00	0.00%	900.00	38.41%
2009	10,769.11	0.00	0.00%	0.00	0.00%	0.00	0.00%
2010	8,914.16	0.00	0.00%	0.00	0.00%	0.00	0.00%
2011	7,994.32	3,606.00	45.11%	0.00	0.00%	3,606.00	45.11%
2012	5,801.85	1,481.00	25.53%	0.00	0.00%	1,481.00	25.53%
2013	4,363.13	0.00	0.00%	0.00	0.00%	0.00	0.00%
2014	5,357.24	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company
Electric Plant
392.10 Transportation Equipment - Non Unitized
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 2004 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
2004 - 2006	3,169.14	0.00	0.00%	0.00	0.00%	0.00	0.00%
2005 - 2007	1,358.44	0.00	0.00%	0.00	0.00%	0.00	0.00%
2006 - 2008	3,701.32	900.00	24.32%	0.00	0.00%	900.00	24.32%
2007 - 2009	13,111.99	900.00	6.86%	0.00	0.00%	900.00	6.86%
2008 - 2010	22,026.15	900.00	4.09%	0.00	0.00%	900.00	4.09%
2009 - 2011	27,677.59	3,606.00	13.03%	0.00	0.00%	3,606.00	13.03%
2010 - 2012	22,710.33	5,087.00	22.40%	0.00	0.00%	5,087.00	22.40%
2011 - 2013	18,159.30	5,087.00	28.01%	0.00	0.00%	5,087.00	28.01%
2012 - 2014	15,522.22	1,481.00	9.54%	0.00	0.00%	1,481.00	9.54%

Montana-Dakota Utilities Company
Electric Plant
392.10 Transportation Equipment - Non Unitized
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 2004 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
2004 - 2014	48,711.83	5,987.00	12.29	0.00	0.00	5,987.00	12.29

Trend Analysis (End Year) **2014**

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	15.0
Average Retirement Age (Yrs)	34.0
Years To ASL	-19.0
Inflation Factor At 2.75% to ASL	0.60

Gross Salvage
Linear Trend Analysis

1995-2014	**20 - Year Trend**	12.06%
2000-2014	**15 - Year Trend**	12.06%
2005-2014	**10 - Year Trend**	12.06%
2010-2014	**5 - Year Trend**	23.18%

Forcasted

Gross Salvage (Five Year Trend)	23.18%
Cost Of Removal	0.00%
Net Salvage	23.18%

Montana-Dakota Utilities Company
Electric Plant
392.20 Transportation Equipment
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1995 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Annual Activity							
1995	210,729.72	37,265.25	17.68%	143.66	0.07%	37,121.59	17.62%
1996	291,507.32	73,909.04	25.35%	216.28	0.07%	73,692.76	25.28%
1997	151,642.12	29,077.00	19.17%	257.95	0.17%	28,819.05	19.00%
1998	249,998.86	42,592.63	17.04%	942.74	0.38%	41,649.89	16.66%
1999	131,831.99	23,607.66	17.91%	0.00	0.00%	23,607.66	17.91%
2000	185,844.58	40,635.55	21.87%	0.00	0.00%	40,635.55	21.87%
2001	368,923.39	76,862.28	20.83%	0.00	0.00%	76,862.28	20.83%
2002	206,122.57	55,229.82	26.79%	0.00	0.00%	55,229.82	26.79%
2003	163,177.92	22,241.00	13.63%	0.00	0.00%	22,241.00	13.63%
2004	562,110.82	117,336.02	20.87%	0.00	0.00%	117,336.02	20.87%
2005	307,528.41	74,590.00	24.25%	0.00	0.00%	74,590.00	24.25%
2006	233,734.48	52,575.00	22.49%	0.00	0.00%	52,575.00	22.49%
2007	568,265.14	116,523.11	20.51%	0.00	0.00%	116,523.11	20.51%
2008	272,077.39	66,200.00	24.33%	0.00	0.00%	66,200.00	24.33%
2009	269,462.20	40,755.00	15.12%	0.00	0.00%	40,755.00	15.12%
2010	441,048.94	92,469.00	20.97%	0.00	0.00%	92,469.00	20.97%
2011	253,822.29	70,026.00	27.59%	0.00	0.00%	70,026.00	27.59%
2012	256,067.85	68,996.00	26.94%	0.00	0.00%	68,996.00	26.94%
2013	154,788.04	27,800.00	17.96%	0.00	0.00%	27,800.00	17.96%
2014	226,181.91	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company
Electric Plant
392.20 Transportation Equipment
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1995 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1995 - 1997	653,879.16	140,251.29	21.45%	617.89	0.09%	139,633.40	21.35%
1996 - 1998	693,148.30	145,578.67	21.00%	1,416.97	0.20%	144,161.70	20.80%
1997 - 1999	533,472.97	95,277.29	17.86%	1,200.69	0.23%	94,076.60	17.63%
1998 - 2000	567,675.43	106,835.84	18.82%	942.74	0.17%	105,893.10	18.65%
1999 - 2001	686,599.96	141,105.49	20.55%	0.00	0.00%	141,105.49	20.55%
2000 - 2002	760,890.54	172,727.65	22.70%	0.00	0.00%	172,727.65	22.70%
2001 - 2003	738,223.88	154,333.10	20.91%	0.00	0.00%	154,333.10	20.91%
2002 - 2004	931,411.31	194,806.84	20.92%	0.00	0.00%	194,806.84	20.92%
2003 - 2005	1,032,817.15	214,167.02	20.74%	0.00	0.00%	214,167.02	20.74%
2004 - 2006	1,103,373.71	244,501.02	22.16%	0.00	0.00%	244,501.02	22.16%
2005 - 2007	1,109,528.03	243,688.11	21.96%	0.00	0.00%	243,688.11	21.96%
2006 - 2008	1,074,077.01	235,298.11	21.91%	0.00	0.00%	235,298.11	21.91%
2007 - 2009	1,109,804.73	223,478.11	20.14%	0.00	0.00%	223,478.11	20.14%
2008 - 2010	982,588.53	199,424.00	20.30%	0.00	0.00%	199,424.00	20.30%
2009 - 2011	964,333.43	203,250.00	21.08%	0.00	0.00%	203,250.00	21.08%
2010 - 2012	950,939.08	231,491.00	24.34%	0.00	0.00%	231,491.00	24.34%
2011 - 2013	664,678.18	166,822.00	25.10%	0.00	0.00%	166,822.00	25.10%
2012 - 2014	637,037.80	96,796.00	15.19%	0.00	0.00%	96,796.00	15.19%

Montana-Dakota Utilities Company
Electric Plant
392.20 Transportation Equipment
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1995 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1995 - 2014	5,504,865.94	1,128,690.36	20.50	1,560.63	0.03	1,127,129.73	20.48

Trend Analysis (End Year) **2014**

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	11.0
Average Retirement Age (Yrs)	10.2
Years To ASL	0.8
Inflation Factor At 2.75% to ASL	1.02

Gross Salvage
Linear Trend Analysis

1995-2014	**20 - Year Trend**	21.05%
2000-2014	**15 - Year Trend**	21.33%
2005-2014	**10 - Year Trend**	20.63%
2010-2014	**5 - Year Trend**	19.35%

Forcasted

Gross Salvage (Five Year Trend)	19.35%
Cost Of Removal	0.03%
Net Salvage	19.32%

Montana-Dakota Utilities Company
Electric Plant
396.10 Trailers - Work Equipment

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 2008 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Annual Activity							
2008	795.80	0.00	0.00%	0.00	0.00%	0.00	0.00%
2009	12,902.87	850.00	6.59%	0.00	0.00%	850.00	6.59%
2010	10,604.67	2,000.00	18.86%	0.00	0.00%	2,000.00	18.86%
2011	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2012	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2013	3,013.92	0.00	0.00%	0.00	0.00%	0.00	0.00%
2014	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company
Electric Plant
396.10 Trailers - Work Equipment

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 2008 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
2008 - 2010	24,303.34	2,850.00	11.73%	0.00	0.00%	2,850.00	11.73%
2009 - 2011	23,507.54	2,850.00	12.12%	0.00	0.00%	2,850.00	12.12%
2010 - 2012	10,604.67	2,000.00	18.86%	0.00	0.00%	2,000.00	18.86%
2011 - 2013	3,013.92	0.00	0.00%	0.00	0.00%	0.00	0.00%
2012 - 2014	3,013.92	0.00	0.00%	0.00	0.00%	0.00	0.00%
2008 - 2014	27,317.26	2,850.00	10.43	0.00	0.00	2,850.00	10.43

Trend Analysis (End Year) **2014**

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	20.0
Average Retirement Age (Yrs)	26.2
Years To ASL	-6.2
Inflation Factor At 2.75% to ASL	0.85

Gross Salvage
Linear Trend Analysis

1995-2014	**20 - Year Trend**	8.55%
2000-2014	**15 - Year Trend**	8.55%
2005-2014	**10 - Year Trend**	8.55%
2010-2014	**5 - Year Trend**	0.00%

Forcasted

Gross Salvage (Five Year Trend)	0.00%
Cost Of Removal	0.00%
Net Salvage	0.00%

Montana-Dakota Utilities Company
Electric Plant
396.20 Power Operated Equipment
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1969 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Annual Activity							
1969	3,182.19	135.00	4.24%	0.00	0.00%	135.00	4.24%
1970	28,902.64	2,280.00	7.89%	8.98	0.03%	2,271.02	7.86%
1971	29,543.35	377.00	1.28%	5.53	0.02%	371.47	1.26%
1972	15,956.20	1,578.00	9.89%	606.23	3.80%	971.77	6.09%
1973	37,799.51	1,480.00	3.92%	0.00	0.00%	1,480.00	3.92%
1974	45,509.14	7,800.00	17.14%	0.00	0.00%	7,800.00	17.14%
1975	102,283.20	14,656.00	14.33%	106.06	0.10%	14,549.94	14.23%
1976	38,823.70	6,961.00	17.93%	92.22	0.24%	6,868.78	17.69%
1977	34,893.43	7,250.00	20.78%	55.62	0.16%	7,194.38	20.62%
1978	10,064.02	5,500.00	54.65%	0.00	0.00%	5,500.00	54.65%
1979	-848.74	0.00	0.00%	0.00	0.00%	0.00	0.00%
1980	45,393.14	21,361.00	47.06%	0.00	0.00%	21,361.00	47.06%
1981	38,847.42	18,871.72	48.58%	0.00	0.00%	18,871.72	48.58%
1982	51,782.01	13,092.00	25.28%	0.00	0.00%	13,092.00	25.28%
1983	124,416.84	33,600.00	27.01%	469.60	0.38%	33,130.40	26.63%
1984	35,979.07	3,713.00	10.32%	0.00	0.00%	3,713.00	10.32%
1985	95,448.96	45,647.00	47.82%	265.67	0.28%	45,381.33	47.55%
1986	50,362.26	12,597.38	25.01%	671.64	1.33%	11,925.74	23.68%
1987	22,933.05	210.64	0.92%	69.68	0.30%	140.96	0.61%
1988	46,473.60	11,088.36	23.86%	47.24	0.10%	11,041.12	23.76%
1989	50,957.69	9,760.10	19.15%	462.67	0.91%	9,297.43	18.25%
1990	69,625.22	6,535.53	9.39%	881.76	1.27%	5,653.77	8.12%
1991	181,834.95	23,198.79	12.76%	458.11	0.25%	22,740.68	12.51%
1992	102,293.36	43,250.00	42.28%	5.69	0.01%	43,244.31	42.27%
1993	162,633.29	35,395.49	21.76%	1,594.80	0.98%	33,800.69	20.78%
1994	513,993.19	19,734.11	3.84%	2,177.78	0.42%	17,556.33	3.42%
1995	188,517.97	29,200.00	15.49%	281.96	0.15%	28,918.04	15.34%
1996	323,739.22	89,119.00	27.53%	111.55	0.03%	89,007.45	27.49%

Montana-Dakota Utilities Company
Electric Plant
396.20 Power Operated Equipment
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1969 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Annual Activity							
1997	121,228.31	17,873.60	14.74%	0.00	0.00%	17,873.60	14.74%
1998	368,747.36	105,112.00	28.51%	0.00	0.00%	105,112.00	28.51%
1999	624,903.77	85,484.33	13.68%	38.64	0.01%	85,445.69	13.67%
2000	91,105.59	28,400.00	31.17%	888.58	0.98%	27,511.42	30.20%
2001	416,965.46	76,870.00	18.44%	0.00	0.00%	76,870.00	18.44%
2002	42,458.81	9,600.00	22.61%	200.00	0.47%	9,400.00	22.14%
2003	173,259.15	13,550.00	7.82%	150.00	0.09%	13,400.00	7.73%
2004	551,345.02	46,225.00	8.38%	0.00	0.00%	46,225.00	8.38%
2005	202,783.25	44,451.40	21.92%	38.51	0.02%	44,412.89	21.90%
2006	236,120.99	35,541.00	15.05%	0.00	0.00%	35,541.00	15.05%
2007	231,734.44	56,548.50	24.40%	0.00	0.00%	56,548.50	24.40%
2008	231,953.33	41,425.38	17.86%	0.00	0.00%	41,425.38	17.86%
2009	747,245.53	81,341.10	10.89%	0.00	0.00%	81,341.10	10.89%
2010	283,590.21	40,446.32	14.26%	0.00	0.00%	40,446.32	14.26%
2011	538,073.42	248,536.23	46.19%	0.00	0.00%	248,536.23	46.19%
2012	400,293.69	303,753.87	75.88%	0.00	0.00%	303,753.87	75.88%
2013	275,509.51	224,206.03	81.38%	0.00	0.00%	224,206.03	81.38%
2014	603,764.47	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company
Electric Plant
396.20 Power Operated Equipment
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1969 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1969 - 1971	61,628.18	2,792.00	4.53%	14.51	0.02%	2,777.49	4.51%
1970 - 1972	74,402.19	4,235.00	5.69%	620.74	0.83%	3,614.26	4.86%
1971 - 1973	83,299.06	3,435.00	4.12%	611.76	0.73%	2,823.24	3.39%
1972 - 1974	99,264.85	10,858.00	10.94%	606.23	0.61%	10,251.77	10.33%
1973 - 1975	185,591.85	23,936.00	12.90%	106.06	0.06%	23,829.94	12.84%
1974 - 1976	186,616.04	29,417.00	15.76%	198.28	0.11%	29,218.72	15.66%
1975 - 1977	176,000.33	28,867.00	16.40%	253.90	0.14%	28,613.10	16.26%
1976 - 1978	83,781.15	19,711.00	23.53%	147.84	0.18%	19,563.16	23.35%
1977 - 1979	44,108.71	12,750.00	28.91%	55.62	0.13%	12,694.38	28.78%
1978 - 1980	54,608.42	26,861.00	49.19%	0.00	0.00%	26,861.00	49.19%
1979 - 1981	83,391.82	40,232.72	48.25%	0.00	0.00%	40,232.72	48.25%
1980 - 1982	136,022.57	53,324.72	39.20%	0.00	0.00%	53,324.72	39.20%
1981 - 1983	215,046.27	65,563.72	30.49%	469.60	0.22%	65,094.12	30.27%
1982 - 1984	212,177.92	50,405.00	23.76%	469.60	0.22%	49,935.40	23.53%
1983 - 1985	255,844.87	82,960.00	32.43%	735.27	0.29%	82,224.73	32.14%
1984 - 1986	181,790.29	61,957.38	34.08%	937.31	0.52%	61,020.07	33.57%
1985 - 1987	168,744.27	58,455.02	34.64%	1,006.99	0.60%	57,448.03	34.04%
1986 - 1988	119,768.91	23,896.38	19.95%	788.56	0.66%	23,107.82	19.29%
1987 - 1989	120,364.34	21,059.10	17.50%	579.59	0.48%	20,479.51	17.01%
1988 - 1990	167,056.51	27,383.99	16.39%	1,391.67	0.83%	25,992.32	15.56%
1989 - 1991	302,417.86	39,494.42	13.06%	1,802.54	0.60%	37,691.88	12.46%
1990 - 1992	353,753.53	72,984.32	20.63%	1,345.56	0.38%	71,638.76	20.25%
1991 - 1993	446,761.60	101,844.28	22.80%	2,058.60	0.46%	99,785.68	22.34%
1992 - 1994	778,919.84	98,379.60	12.63%	3,778.27	0.49%	94,601.33	12.15%
1993 - 1995	865,144.45	84,329.60	9.75%	4,054.54	0.47%	80,275.06	9.28%
1994 - 1996	1,026,250.38	138,053.11	13.45%	2,571.29	0.25%	135,481.82	13.20%
1995 - 1997	633,485.50	136,192.60	21.50%	393.51	0.06%	135,799.09	21.44%
1996 - 1998	813,714.89	212,104.60	26.07%	111.55	0.01%	211,993.05	26.05%

Montana-Dakota Utilities Company
Electric Plant
396.20 Power Operated Equipment
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1969 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1997 - 1999	1,114,879.44	208,469.93	18.70%	38.64	0.00%	208,431.29	18.70%
1998 - 2000	1,084,756.72	218,996.33	20.19%	927.22	0.09%	218,069.11	20.10%
1999 - 2001	1,132,974.82	190,754.33	16.84%	927.22	0.08%	189,827.11	16.75%
2000 - 2002	550,529.86	114,870.00	20.87%	1,088.58	0.20%	113,781.42	20.67%
2001 - 2003	632,683.42	100,020.00	15.81%	350.00	0.06%	99,670.00	15.75%
2002 - 2004	767,062.98	69,375.00	9.04%	350.00	0.05%	69,025.00	9.00%
2003 - 2005	927,387.42	104,226.40	11.24%	188.51	0.02%	104,037.89	11.22%
2004 - 2006	990,249.26	126,217.40	12.75%	38.51	0.00%	126,178.89	12.74%
2005 - 2007	670,638.68	136,540.90	20.36%	38.51	0.01%	136,502.39	20.35%
2006 - 2008	699,808.76	133,514.88	19.08%	0.00	0.00%	133,514.88	19.08%
2007 - 2009	1,210,933.30	179,314.98	14.81%	0.00	0.00%	179,314.98	14.81%
2008 - 2010	1,262,789.07	163,212.80	12.92%	0.00	0.00%	163,212.80	12.92%
2009 - 2011	1,568,909.16	370,323.65	23.60%	0.00	0.00%	370,323.65	23.60%
2010 - 2012	1,221,957.32	592,736.42	48.51%	0.00	0.00%	592,736.42	48.51%
2011 - 2013	1,213,876.62	776,496.13	63.97%	0.00	0.00%	776,496.13	63.97%
2012 - 2014	1,279,567.67	527,959.90	41.26%	0.00	0.00%	527,959.90	41.26%

Montana-Dakota Utilities Company
Electric Plant
396.20 Power Operated Equipment
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1969 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1969 - 2014	8,592,422.19	1,923,755.88	22.39	9,688.52	0.11	1,914,067.36	22.28

Trend Analysis (End Year) **2014**

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	9.0
Average Retirement Age (Yrs)	12.2
Years To ASL	-3.2
Inflation Factor At 2.75% to ASL	0.92

Gross Salvage
Linear Trend Analysis

1995-2014	**20 - Year Trend**	35.65%
2000-2014	**15 - Year Trend**	41.27%
2005-2014	**10 - Year Trend**	52.89%
2010-2014	**5 - Year Trend**	67.16%

Forcasted

Gross Salvage (Five Year Trend)	67.16%
Cost Of Removal	0.10%
Net Salvage	67.06%

MONTANA-DAKOTA UTILITIES CO.
COMMON PLANT

Depreciation Study
as of December 31, 2014

Earl M. Robinson, Principal
David A. Sheffer, Principal

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April 2015

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April 30, 2015

Mr. Paul Bienek
Montana-Dakota Utilities Company
400 North Fourth Street
Bismarck, ND 58501

Dear Mr. Bienek: Re: MDU Common Plant Depreciation Study

In accordance with your authorization, we have prepared a depreciation study related to the utility plant in service of Montana-Dakota Utilities Company - Common Plant as of December 31, 2014. Our findings and recommendations, together with supporting schedules and exhibits, are set forth in the accompanying report.

Summary schedules have been prepared to illustrate the impact of instituting the recommended annual depreciation rates as a basis for the Company's annual depreciation expense as compared to the rates presently utilized. The application of the present rates to the depreciable plant in service as of December 31, 2014 results in an annual depreciation expense of $2,649,018. In comparison the application of the proposed amortization/depreciation rates to the depreciable plant in service at December 31, 2014 results in an annual amortization/depreciation expense of $2,924,572, which is an increase of $275,554 from current rates. The composite annual depreciation rate under present rates is 3.89 percent, while the proposed pro forma composite depreciation rate is 4.30 percent.

Section 2 of our report contains the summary schedules showing the results of our service life and salvage studies and summaries of presently utilized depreciation rates. The subsequent sections of the report present a detailed outline of the methodology and procedures used in the study together with supporting calculations and analyses used in the development of the results. A detailed table of contents follows this letter.

Respectfully submitted,

EARL M. ROBINSON, CDP
&

DAVID A. SHEFFER

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SECTION 1

MONTANA-DAKOTA UTILITIES COMPANY
Common Plant

Executive Summary

Table 1 on pages 2-1 to 2-2 is a comparative summary which illustrates the effect of instituting the revised depreciation rates. The schedule includes a comparison of the annual depreciation rates and annual depreciation expense under both present and proposed rates applied using the Straight Line Method for each depreciable property group of the Montana Dakota Utilities Company – Common Plant (the "Company") plant in service as of December 31, 2014. Both the present and proposed depreciation rates were developed utilizing the Straight Line (SL) Method, Broad Group (BG) Procedure, and the Average Remaining Life (ARL) Technique. The utilization of the recommended depreciation rates based upon the Straight Line Average Remaining Life Procedure results in the setting of depreciation rates which will continuously true up the Company's level of capital recovery over the life of each asset group. Application of this procedure, which is based upon the current best estimates of service life and net salvage together with the Company's plant in service and accrued depreciation, produces annual depreciation rates that will result in the Company recovering 100 percent of its investment -- no more, no less.

Table 1a on pages 2-3 and 2-4 summarizes the segmentation of the Company’s property group’s December 31, 2014 book depreciation reserves into the plant only, gross salvage, and cost of removal components.

Table 2 - Plant Only on pages 2-5 through 2-6, (which is the development of average remaining life depreciation rates for the Plant Only recovery component) provides a summary of

the detailed life estimates and service life parameters utilized in preparing the Average Remaining Life depreciation rates for each property group. The schedule provides a summary of the detailed data and narrative of the study results set forth in Sections 4 through 7. The developed depreciation rates (Column I) were determined by studying the Company's historical investment data together with the interpretation of future life expectancies which will have a bearing on the overall service life of the Company's property. This study included an analysis of the content of the property groups, discussions with senior management regarding current and anticipated events that may impact the various property groups.

Table 2 - Gross Salvage on pages 2-7 through 2-8 is a similar table to Table 2 – Plant Only, except that this table develops the component level depreciation rates for the recovery of the gross salvage portion of the property cost.

Table 2 - Cost of Removal on pages 2-9 and 2-10 summarizes the depreciation recovery rates for the cost of removal segment of the total plant cost.

Table 3 on pages 2-11 and 2-12 reconciles the December 31, 2014 account level plant in service balances per books versus the balances utilized in the performance of the depreciation study. The table incorporates pending (unrecorded) retirements identified during the course of completing the depreciation study.

Likewise, Table 4, on pages 2-13 and 2-14, reconciles the December 31, 2014 book depreciation reserve balances per books versus the balances utilized in preparing the depreciation rates per this study. The table incorporates the pending (unrecorded) retirements identified in assembling the detailed accounting data for this study.

Table 5 on pages 2-15 and 2-16 summarizes the depreciation parameters underlying the Company's current depreciation rates as well as also provides similar information relative to the proposed depreciation parameters and depreciation rates as of December 31, 2014.

Table 6 on page 2-17 summarizes the annual amortization rates and amounts for each of the general plant accounts for which the depreciation amortization approach is being used while Table 7 on page 2-18 through 2-30 are the supporting detail calculations that develop the amortization rates. The amortization of the investments within the selected general plant accounts is driven by the Company's ongoing difficulty to effectively track various of the property account investments that are in many cases related to a large quantity of items of corresponding small investment amounts. Due to the inability to effectively track the items, many times the items are no longer utilized but remain on the company's books and records as unrecorded retirements. Therefore, the accounting procedure for these property items it that the investments within each vintage of the applicable property group is amortized over a predetermined time period. Once attaining the stated amortization period age the asset's original cost investment will have been fully amortized, and accordingly, is retired from the company's books and records. The property accounts for which asset investment amortization is being proposed includes Account 391, 393, 394, 395, 397, and 398.

In the process of amortization of the selected general plant accounts, there are, by the very nature of average service life dispersion, vintage investments with the applicable property group which exceeds the estimated average service life / proposed amortization period. Given that each vintage of property is being amortized over the average service life an adjustment needs to be incorporated into the change over process to recover the under depreciated position of those

older investments. Accordingly, the variance between the amortization starting point depreciation reserve and the Company's actual book reserve (either positive or negative) is being recorded on a straight line basis over the proposed amortization period along with the annual amortization of all other vintage investments. The amortization starting point book depreciation reserve is equal to the sum of the original cost for vintage older than the amortization period plus the calculated deprecation reserve for vintages with ages equal to or less than the amortization period. .

It is recommended that the Company continue to apply depreciation rates and maintain its book depreciation reserve on an account-level basis. The maintenance of the book reserve on an account-level basis requires both the development of annual depreciation expense and distribution of other reserve account charges to an individual level. Maintaining the Company's depreciation records in this detail will aid in completing the various rate studies and, most importantly, clearly identifies the Company's level of capital recovery relative to each category of plant investment.

The general drivers for the proposed depreciation rates include an assessment of the Company's historical experience with regard to achieved service lives and net salvage factors. In addition, consideration is given to current and anticipated events which are anticipated to impact the Company's ability to recover its fixed capital costs related to utility plant in service utilized to provide service to the Company's customers.

The depreciation rate for each individual account changed as a result of reflecting estimates obtained through the in-depth analysis of the Company's most recent data together with an interpretation of ongoing and anticipated future events. Some of the revisions were not

significant and typically reflect fine tuning of previously utilized depreciation rates while others were more substantial in nature. Several of the accounts did reflect more significant changes (as outlined in Section 4 of this report) from the previously utilized depreciation rates.

The most notable depreciation/amortization change occurred relative to Account 392.20 - Transportation Equipment - Cars & Trucks.

The depreciation rate relative to Account 392.20 - Transportation Equipment - Cars & Trucks increased from 4.11 percent to 6.65 percent. Contributing to the depreciation expense increase is the change in the estimated average service life from seven to nine years while the future net salvage estimate remained at 20%. However, the more significant driver of the depreciation rate increase is the fact that the current book depreciation reserve is currently lower than required in comparison to the current age of the property group's investment.

The remaining account/sub-accounts experienced increases and/or declines in recommended depreciation rates to a lesser degree, as noted per Table 1 of this report. This revision in annual depreciation rates and expense is the result of both changes in the estimated service lives and salvage factors, and reflects the impact of the Company's property changes since the most recent study.

With regard to the inclusion of higher negative net salvage levels in the development of proposed depreciation rates, as noted within my discussion related to net salvage both in Section 3 of the depreciation report, the level of experienced net salvage should simply be a benchmark from which to estimate future net salvage. It is highly likely that the negative net salvage amounts experienced even recently will simply be the floor above which future negative net salvage levels will increase to a higher level. To appropriately and proportionately allocate the

true total asset cost (original cost adjusted for net salvage) over its applicable service life, proper consideration must be given in each accounting period, to the total costs that are anticipated to occur relative to the Company's assets that provide customer service.

Applying the proposed depreciation rates to the Company's December 31, 2014 plant in service produces annual depreciation/amortization expense of $2,924,572 which is an increase of $275,554 from current depreciation rates.

The following summary compares the present and proposed composite depreciation rates for illustrative purposes only. The Composite Depreciation Rate should not be applied to the total Company investment inasmuch as the non-proportional change in plant investment as a result of property additions or retirements would render the composite rate inappropriate. The Table 1 schedule lists the recommended annual depreciation rates for each property account.

Present Depreciation Rates

Depreciable Plant In Service at December 31, 2014	$68,015,330
Annual Depreciation Expense	2,649,018
Composite Annual Depreciation Rate	3.89%

Proposed Depreciation Rates

Depreciable Plant In Service at December 31, 2014	$68,015,330
Annual Depreciation Expense	2,924,572
Composite Annual Depreciation Rate	4.30%

SECTION 2

Montana-Dakota Utilities Company
Common Plant

Summary or Original Cost of Utility Plant in Service as of December 31, 2014
and Related Annual Depreciation Expense Under Present and Proposed Rates

Account No.	Description	Original Cost 12/31/14	Present Rates		Proposed Rates								Net Change Depr.. Exp.
					Proposed Plant Only Rates		Proposed Gross Salv Rates		Proposed COR Rates		Total Proposed Rates		
			Rate %	Annual Accrual	Rate %	Annual Accrual	Rate %	Annual Accrual	Rate %	Annual Accrual	Rate %	Annual Accrual	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	DEPRECIABLE PLANT												
	General Plant												
390.0	General Structures	49,299,196.01	2.11%	1,042,311.35	2.60%	1,281,779.10	0.02%	9,859.84	-0.31%	(152,827.51)	2.31%	1,138,811.43	96,500.08
	OFFICE FURNITURE & EQUIPMENT												
391.1	Office Furniture & Equipment	2,599,028.93	6.67%	173,268.60	6.67%	173,268.60	0.00%	0.00	0.00%	0.00	6.67%	173,268.60	0.00
391.3	Computer Equipment - PC	1,796,304.13	20.00%	359,260.83	20.00%	359,260.83	0.00%	0.00	0.00%	0.00	20.00%	359,260.83	0.00
391.5	Computer Equipment - Other	2,083,247.21	20.00%	416,649.44	20.00%	416,649.44	0.00%	0.00	0.00%	0.00	20.00%	416,649.44	0.00
	TOTAL Account 391	6,478,580.27	14.65%	949,178.87	14.65%	949,178.87	0.00%	0.00	0.00%	0.00	14.65%	949,178.87	0.00
	TRANSPORTATION EQUIPMENT												
392.1	Transportation Equipment (Trailers)	2,482.58	4.17%	103.52	0.00%	0.00	0.00%	0.00	0.00%	0.00 (1)	0.00%	0.00	(103.52)
392.2	Transportation Equipment (Cars & Trucks)	7,053,425.86	4.11%	289,895.80	10.73%	756,832.59	-4.08%	(287,779.78)	0.00%	0.00	6.65%	469,052.82	179,157.02
	TOTAL Account 392	7,055,908.44	4.11%	289,999.32	10.73%	756,832.59	-4.08%	(287,779.78)	0.00%	0.00	6.65%	469,052.82	179,053.50
393.0	Stores Equipment	97,054.09	3.33%	3,235.14	3.33%	3,235.14	0.00%	0.00	0.00%	0.00	3.33%	3,235.14	0.00
	TOOLS, SHOP & GARAGE EQ.												
394.1	Tools, Shop & Garage Equip. (Non-Unitized)	514,458.89	5.56%	28,581.05	5.56%	28,581.05	0.00%	0.00	0.00%	0.00	5.56%	28,581.05	0.00
394.3	Vehicle Maintenance Equipment	104,823.25	5.00%	5,241.16	5.00%	5,241.16	0.00%	0.00	0.00%	0.00	5.00%	5,241.16	0.00
394.4	Vehicle Refueling Equipment	14,529.19	5.00%	726.46	5.00%	726.46	0.00%	0.00	0.00%	0.00	5.00%	726.46	0.00
	TOTAL Account 394	633,811.33	5.45%	34,548.67	5.45%	34,548.67	0.00%	0.00	0.00%	0.00	5.45%	34,548.67	0.00
	COMMUNICATION EQUIPMENT												
397.1	Radio Communication Equip. (Fixed)	1,591,742.35	6.67%	106,116.16	6.67%	106,116.16	0.00%	0.00	0.00%	0.00	6.67%	106,116.16	0.00
397.2	Radio Communication Equip. (Mobile)	810,002.48	6.67%	54,000.17	6.67%	54,000.17	0.00%	0.00	0.00%	0.00	6.67%	54,000.17	0.00
397.3	General Telephone Communication Equip.	508,064.64	10.00%	50,806.46	10.00%	50,806.46	0.00%	0.00	0.00%	0.00	10.00%	50,806.46	0.00
397.5	Supervisory & Telemetering Equip.	26,716.56	6.67%	1,781.10	6.67%	1,781.10	0.00%	0.00	0.00%	0.00	6.67%	1,781.10	0.00
397.8	Network Equipment	275,521.69	20.00%	55,104.34	20.00%	55,104.34	0.00%	0.00	0.00%	0.00	20.00%	55,104.34	0.00
	TOTAL Account 397	3,212,047.72	8.34%	267,808.23	8.34%	267,808.23	0.00%	0.00	0.00%	0.00	8.34%	267,808.23	0.00
398.0	Miscellaneous Equipment	1,238,732.27	5.00%	61,936.61	5.00%	61,936.61	0.00%	0.00	0.00%	0.00	5.00%	61,936.61	0.00
	Sub-Total (General Plant) Amortization	**11,660,225.68**	**11.29%**	**1,316,707.52**	**11.29%**	**1,316,707.52**	**0.00%**	**0.00**	**0.00%**	**0.00**	**11.29%**	**1,316,707.52**	**0.00**
	TOTAL General Plant	68,015,330.13	3.89%	2,649,018.19	4.93%	3,355,319.21	-0.41%	(277,919.94)	-0.22%	(152,827.51)	4.30%	2,924,571.77	275,553.58
	TOTAL Depreciable Plant	68,015,330.13	3.89%	2,649,018.19	4.93%	3,355,319.21	-0.41%	(277,919.94)	-0.22%	(152,827.51)	4.30%	2,924,571.77	275,553.58

Montana-Dakota Utilities Company
Common Plant

Summary or Original Cost of Utility Plant in Service as of December 31, 2014
and Related Annual Depreciation Expense Under Present and Proposed Rates

Account No.	Description	Original Cost 12/31/14	Present Rates		Proposed Rates								Net Change Depr.. Exp.
					Proposed Plant Only Rates		Proposed Gross Salv Rates		Proposed COR Rates		Total Proposed Rates		
			Rate %	Annual Accrual	Rate %	Annual Accrual	Rate %	Annual Accrual	Rate %	Annual Accrual	Rate %	Annual Accrual	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	Amortizable Plant												
392.3	Aircraft Equipment	4,333,824.70											
	TOTAL Amortizable Plant	4,333,824.70											
	NON-DEPRECIABLE PLANT												
389.0	Land & Land Rights (General)	3,086,836.15											
	Total Land	3,086,836.15											
	INTANGIBLE PLANT												
303.0	Miscellaneous Intangible Plant	50,883,328.74											
	Total Intangible Plant	50,883,328.74											
	TOTAL Non-Depreciable Plant	53,970,164.89											
	TOTAL Plant in Service	126,319,319.72											

(1) Account Fully Depreciated. No further current depreciation accrual.

Table 1a

Montana-Dakota Utilities Company
Common Plant

Summary of Book Depreciation Reserve by Recovery Component as of December 31, 2014

Account No. (a)	Description (b)	Cost 12/31/14 (c)	Total Book Depr Reserve 12/31/14 (f)	Cost of Removal In Book Res. (g)	Gross Salvage In Book Res. (h)	Plant Only Depr Reserve 12/31/14 (i)
	DEPRECIABLE PLANT					
	General Plant					
390.0	General Structures	49,299,196.01	14,804,363.01	1,912,317.79	(246,141.54)	13,138,186.76
	OFFICE FURNITURE & EQUIPMENT					
391.1	Office Furniture & Equipment	2,599,028.93	1,197,289.08	0.00	0.00	1,197,289.08
391.3	Computer Equipment - PC	1,796,304.13	848,650.94	0.00	0.00	848,650.94
391.5	Computer Equipment - Other	2,083,247.21	1,043,724.92	0.00	0.00	1,043,724.92
	TOTAL Account 391	6,478,580.27	3,089,664.94	0.00	0.00	3,089,664.94
	TRANSPORTATION EQUIPMENT					
392.1	Transportation Equipment (Trailers)	2,482.58	137.60	0.00	0.00	137.60
392.2	Transportation Equipment (Cars & Trucks)	7,053,425.86	3,344,198.87	0.00	0.00	3,344,198.87
	TOTAL Account 392	7,055,908.44	3,344,336.47	0.00	0.00	3,344,336.47
393.0	Stores Equipment	97,054.09	39,609.25	0.00	0.00	39,609.25
	TOOLS, SHOP & GARAGE EQ.					
394.1	Tools, Shop & Garage Equip. (Non-Unitized)	514,458.89	262,037.30	0.00	0.00	262,037.30
394.3	Vehicle Maintenance Equipment	104,823.25	52,564.22	0.00	0.00	52,564.22
394.4	Vehicle Refueling Equipment	14,529.19	10,087.70	0.00	0.00	10,087.70
	TOTAL Account 394	633,811.33	324,689.22	0.00	0.00	324,689.22
	COMMUNICATION EQUIPMENT					
397.1	Radio Communication Equip. (Fixed)	1,591,742.35	443,197.15	0.00	0.00	443,197.15
397.2	Radio Communication Equip. (Mobile)	810,002.48	231,171.48	0.00	0.00	231,171.48
397.3	General Telephone Communication Equip.	508,064.64	89,594.17	0.00	0.00	89,594.17
397.5	Supervisory & Telemetering Equip.	26,716.56	2,830.63	0.00	0.00	2,830.63
397.8	Network Equipment	275,521.69	153,929.32	0.00	0.00	153,929.32
	TOTAL Account 397	3,212,047.72	920,722.75	0.00	0.00	920,722.75
398.0	Miscellaneous Equipment	1,238,732.27	420,200.24	0.00	0.00	420,200.24
	Sub-Total (General Plant) Amortization	**11,660,225.68**	**4,794,886.40**	**0.00**	**0.00**	**4,794,886.40**
	TOTAL General Plant	68,015,330.13	22,943,585.88	1,912,317.79	(246,141.54)	21,277,409.63
	TOTAL Depreciable Plant	68,015,330.13	22,943,585.88	1,912,317.79	(246,141.54)	21,277,409.63

Table 1a

Montana-Dakota Utilities Company
Common Plant

Summary of Book Depreciation Reserve by Recovery Component as of December 31, 2014

Account No. (a)	Description (b)	Cost 12/31/14 (c)	Total Book Depr Reserve 12/31/14 (f)	Cost of Removal In Book Res. (g)	Gross Salvage In Book Res. (h)	Plant Only Depr Reserve 12/31/14 (i)
	Amortizable Plant					
392.3	Aircraft Equipment	4,333,824.70	2,219,871.79	0.00	0.00	2,219,871.79
	TOTAL Amortizable Plant	4,333,824.70	2,219,871.79	0.00	0.00	2,219,871.79
	NON-DEPRECIABLE PLANT					
389.0	Land & Land Rights (General)	3,086,836.15	0.00			0.00
	Total Land	3,086,836.15	0.00	0.00	0.00	0.00
	INTANGIBLE PLANT					
303.0	Miscellaneous Intangible Plant	50,883,328.74				0.00
	Total Intangible Plant	50,883,328.74	0.00	0.00	0.00	0.00
	TOTAL Non-Depreciable Plant	53,970,164.89	0.00	0.00	0.00	0.00
	TOTAL Common Utility Plant in Service	126,319,319.72	25,163,457.67	1,912,317.79	(246,141.54)	23,497,281.42

Montana-Dakota Utilities Company
Common Plant

Summary of Original Cost of Utility Plant in Service and Calculation of Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of Book Deprecation Reserve and Average Remaining Lives as of December 31, 2014

Account No. (a)	Description (b)	Original Cost 12/31/14 (c)	Estimated Future Net Salvage % (d)	Estimated Future Net Salvage Amount (e)	Original Cost Less Salvage (f)	Book Depreciation Reserve (g)	Net Original Cost Less Salvage (h)	A.S.L./ Survivor Curve (i)	Average Remaining Life (j)	Annual Depreciation Accrual (k)	Annual Depr. Rate (l)	
	DEPRECIABLE PLANT											
	General Plant											
390.0	General Structures	49,299,196.01	0%	0.00	49,299,196.01	13,138,186.76	36,161,009.25	38-R3	28.2	1,282,305.29	2.60%	
	OFFICE FURNITURE & EQUIPMENT											
391.1	Office Furniture & Equipment	2,599,028.93	0%	0.00	2,599,028.93	1,197,289.08	1,401,739.85	N/A	N/A	173,268.60	6.67%	*
391.3	Computer Equipment - PC	1,796,304.13	0%	0.00	1,796,304.13	848,650.94	947,653.19	N/A	N/A	359,260.83	20.00%	*
391.5	Computer Equipment - Other	2,083,247.21	0%	0.00	2,083,247.21	1,043,724.92	1,039,522.29	N/A	N/A	416,649.44	20.00%	*
	TOTAL Account 391	6,478,580.27		0.00	6,478,580.27	3,089,664.94	3,388,915.33			949,178.86	14.65%	
	TRANSPORTATION EQUIPMENT											
392.1	Transportation Equipment (Trailers)	2,482.58	0%	0.00	2,482.58	137.60	2,344.98	25-L1	23.6	0.00	0.00%	(1)
392.2	Transportation Equipment (Cars & Trucks)	7,053,425.86	0%	0.00	7,053,425.86	3,344,198.87	3,709,226.99	9-R3	4.9	756,985.10	10.73%	
	TOTAL Account 392	7,055,908.44		0.00	7,055,908.44	3,344,336.47	3,711,571.97			756,985.10	10.73%	
393.0	Stores Equipment	97,054.09	0%	0.00	97,054.09	39,609.25	57,444.84	N/A	N/A	3,235.14	3.33%	*
	TOOLS, SHOP & GARAGE EQ.											
394.1	Tools, Shop & Garage Equip. (Non-Unitize	514,458.89	0%	0.00	514,458.89	262,037.30	252,421.59	N/A	N/A	28,581.05	5.56%	*
394.3	Vehicle Maintenance Equipment	104,823.25	0%	0.00	104,823.25	52,564.22	52,259.03	N/A	N/A	5,241.16	5.00%	*
394.4	Vehicle Refueling Equipment	14,529.19	0%	0.00	14,529.19	10,087.70	4,441.49	N/A	N/A	726.46	5.00%	*
	TOTAL Account 394	633,811.33		0.00	633,811.33	324,689.22	309,122.11			34,548.67	5.45%	
	COMMUNICATION EQUIPMENT											
397.1	Radio Communication Equip. (Fixed)	1,591,742.35	0%	0.00	1,591,742.35	443,197.15	1,148,545.20	N/A	N/A	106,116.16	6.67%	*
397.2	Radio Communication Equip. (Mobile)	810,002.48	0%	0.00	810,002.48	231,171.48	578,831.00	N/A	N/A	54,000.17	6.67%	*
397.3	General Telephone Communication Equip.	508,064.64	0%	0.00	508,064.64	89,594.17	418,470.47	N/A	N/A	50,806.46	10.00%	*
397.5	Supervisory & Telemetering Equip.	26,716.56	0%	0.00	26,716.56	2,830.63	23,885.93	N/A	N/A	1,781.10	6.67%	*
397.8	Network Equipment	275,521.69	0%	0.00	275,521.69	153,929.32	121,592.37	N/A	N/A	55,104.34	20.00%	*
	TOTAL Account 397	3,212,047.72		0.00	3,212,047.72	920,722.75	2,291,324.97			267,808.23	8.34%	

Montana-Dakota Utilities Company
Common Plant

Summary of Original Cost of Utility Plant in Service and Calculation of Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of Book Deprecation Reserve and Average Remaining Lives as of December 31, 2014

Account No.	Description	Original Cost 12/31/14	Estimated Future Net Salvage %	Estimated Future Net Salvage Amount	Original Cost Less Salvage	Book Depreciation Reserve	Net Original Cost Less Salvage	A.S.L./ Survivor Curve	Average Remaining Life	Annual Depreciation Accrual	Annual Depr. Rate	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
398.0	Miscellaneous Equipment	1,238,732.27	0%	0.00	1,238,732.27	420,200.24	818,532.03	N/A	N/A	61,936.61	5.00%	*
	Sub-Total (General Plant) Amortization	**11,660,225.68**		**0.00**	**11,660,225.68**	**4,794,886.40**	**6,865,339.28**			**1,316,707.51**	**11.29%**	
	TOTAL General Plant	68,015,330.13		0.00	68,015,330.13	21,277,409.63	46,737,920.50			3,355,997.91	4.93%	
	TOTAL Depreciable Plant	68,015,330.13		0.00	68,015,330.13	21,277,409.63	46,737,920.50			3,355,997.91	4.93%	
	Amortizable Plant											
392.3	Aircraft Equipment	4,333,824.70										
	TOTAL Amortizable Plant	4,333,824.70										
	NON-DEPRECIABLE PLANT											
389.0	Land & Land Rights (General)	3,086,836.15										
	Total Land	3,086,836.15										
	INTANGIBLE PLANT											
303.0	Miscellaneous Intangible Plant	50,883,328.74										
	Total Intangible Plant	50,883,328.74										
	TOTAL Non-Depreciable Plant	53,970,164.89										
	TOTAL Plant in Service	126,319,319.72										
	TOTAL Common Utility Plant in Service											

* Based Upon Amoritzation Rates.
(1) Account Fully Depreciated. No further current depreciation accrual.

Montana-Dakota Utilities Company
Common Plant
Montana-Dakota Utilties Company
Summary of Original Cost of Utility Plant in Service and Calculation of Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of Book Deprecation Reserve and Average Remaining Lives as of December 31, 2014

Account No. (a)	Description (b)	Original Cost 12/31/14 (c)	Estimated Future Net Salvage % (d)	Estimated Future Net Salvage Amount (e)	Original Cost Less Salvage (f)	Book Depreciation Reserve (g)	Net Original Cost Less Salvage (h)	A.S.L./ Survivor Curve (i)	Average Remaining Life (j)	Annual Depreciation Accrual (k)	Annual Depr. Rate (l)	
	DEPRECIABLE PLANT											
	General Plant											
390.0	General Structures	49,299,196.01	0%	0.00	49,299,196.01	(246,141.54)	246,141.54	38-R3	28.2	8,728.42	0.02%	
	OFFICE FURNITURE & EQUIPMENT											
391.1	Office Furniture & Equipment	2,599,028.93	0%	0.00	2,599,028.93	0.00	0.00	N/A	N/A	0.00	0.00%	*
391.3	Computer Equipment - PC	1,796,304.13	0%	0.00	1,796,304.13	0.00	0.00	N/A	N/A	0.00	0.00%	*
391.5	Computer Equipment - Other	2,083,247.21	0%	0.00	2,083,247.21	0.00	0.00	N/A	N/A	0.00	0.00%	*
	TOTAL Account 391	6,478,580.27		0.00	6,478,580.27	0.00	0.00			0.00	0.00%	
	TRANSPORTATION EQUIPMENT											
392.1	Transportation Equipment (Trailers)	2,482.58	20%	496.52	1,986.06	0.00	(496.52)	25-L1	23.6	0.00	0.00%	(1)
392.2	Transportation Equipment (Cars & Trucks)	7,053,425.86	20%	1,410,685.17	5,642,740.69	0.00	(1,410,685.17)	9-R3	4.9	(287,894.93)	-4.08%	
	TOTAL Account 392	7,055,908.44		1,411,181.69	5,644,726.75	0.00	(1,411,181.69)			(287,894.93)	-4.08%	
393.0	Stores Equipment	97,054.09	0%	0.00	97,054.09	0.00	0.00	N/A	N/A	0.00	0.00%	*
	TOOLS, SHOP & GARAGE EQ.											
394.1	Tools, Shop & Garage Equip. (Non-Unitized	514,458.89	0%	0.00	514,458.89	0.00	0.00	N/A	N/A	0.00	0.00%	*
394.3	Vehicle Maintenance Equipment	104,823.25	0%	0.00	104,823.25	0.00	0.00	N/A	N/A	0.00	0.00%	*
394.4	Vehicle Refueling Equipment	14,529.19	0%	0.00	14,529.19	0.00	0.00	N/A	N/A	0.00	0.00%	*
	TOTAL Account 394	633,811.33		0.00	633,811.33	0.00	0.00			0.00	0.00%	
	COMMUNICATION EQUIPMENT											
397.1	Radio Communication Equip. (Fixed)	1,591,742.35	0%	0.00	1,591,742.35	0.00	0.00	N/A	N/A	0.00	0.00%	*
397.2	Radio Communication Equip. (Mobile)	810,002.48	0%	0.00	810,002.48	0.00	0.00	N/A	N/A	0.00	0.00%	*
397.3	General Telephone Communication Equip.	508,064.64	0%	0.00	508,064.64	0.00	0.00	N/A	N/A	0.00	0.00%	*
397.5	Supervisory & Telemetering Equip.	26,716.56	0%	0.00	26,716.56	0.00	0.00	N/A	N/A	0.00	0.00%	*
397.8	Network Equipment	275,521.69	0%	0.00	275,521.69	0.00	0.00	N/A	N/A	0.00	0.00%	*
	TOTAL Account 397	3,212,047.72		0.00	3,212,047.72	0.00	0.00			0.00	0.00%	

Montana-Dakota Utilities Company
Common Plant
Montana-Dakota Utilties Company
Summary of Original Cost of Utility Plant in Service and Calculation of Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of Book Deprecation Reserve and Average Remaining Lives as of December 31, 2014

Account No. (a)	Description (b)	Original Cost 12/31/14 (c)	Estimated Future Net Salvage % (d)	Estimated Future Net Salvage Amount (e)	Original Cost Less Salvage (f)	Book Depreciation Reserve (g)	Net Original Cost Less Salvage (h)	A.S.L./ Survivor Curve (i)	Average Remaining Life (j)	Annual Depreciation Accrual (k)	Annual Depr. Rate (l)	
398.0	Miscellaneous Equipment	1,238,732.27	0%	0.00	1,238,732.27	0.00	0.00	N/A	N/A	0.00	0.00%	*
	Sub-Total (General Plant) Amortization	**11,660,225.68**		**0.00**	**11,660,225.68**	**0.00**	**0.00**			**0.00**	**0.00%**	
	TOTAL General Plant	68,015,330.13		1,411,181.69	66,604,148.44	(246,141.54)	(1,165,040.15)			(279,166.51)	-0.41%	
	TOTAL Depreciable Plant	68,015,330.13		1,411,181.69	66,604,148.44	(246,141.54)	(1,165,040.15)			(279,166.51)	-0.41%	
	Amortizable Plant											
392.3	Aircraft Equipment	4,333,824.70										
	TOTAL Amortizable Plant	4,333,824.70										
	NON-DEPRECIABLE PLANT											
389.0	Land & Land Rights (General)	3,086,836.15										
	Total Land	3,086,836.15										
	INTANGIBLE PLANT											
303.0	Miscellaneous Intangible Plant	50,883,328.74										
	Total Intangible Plant	50,883,328.74										
	TOTAL Non-Depreciable Plant	53,970,164.89										
	TOTAL Plant in Service	126,319,319.72										
	TOTAL Common Utility Plant in Service											

* Based Upon Amoritzation Rates.
(1) Account Fully Depreciated. No further current depreciation accrual.

Montana-Dakota Utilities Company
Common Plant

Summary of Original Cost of Utility Plant in Service and Calculation of Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of Book Deprecation Reserve and Average Remaining Lives as of December 31, 2014

Account No. (a)	Description (b)	Original Cost 12/31/14 (c)	Estimated Future Net Salvage % (d)	Estimated Future Net Salvage Amount (e)	Original Cost Less Salvage (f)	Book Depreciation Reserve (g)	Net Original Cost Less Salvage (h)	A.S.L./ Survivor Curve (i)	Average Remaining Life (j)	Annual Depreciation Accrual (k)	Annual Depr. Rate (l)	
	DEPRECIABLE PLANT											
	General Plant											
390.0	General Structures	49,299,196.01	5%	2,464,959.80	46,834,236.21	1,912,317.79	-4,377,277.59	38-R3	28.2	-155,222.61	-0.31%	
	OFFICE FURNITURE & EQUIPMENT											
391.1	Office Furniture & Equipment	2,599,028.93	0%	0.00	2,599,028.93	0.00	0.00	N/A	N/A	0.00	0.00%	*
391.3	Computer Equipment - PC	1,796,304.13	0%	0.00	1,796,304.13	0.00	0.00	N/A	N/A	0.00	0.00%	*
391.5	Computer Equipment - Other	2,083,247.21	0%	0.00	2,083,247.21	0.00	0.00	N/A	N/A	0.00	0.00%	*
	TOTAL Account 391	6,478,580.27		0.00	6,478,580.27	0.00	0.00			0.00	0.00%	
	TRANSPORTATION EQUIPMENT											
392.1	Transportation Equipment (Trailers)	2,482.58	0%	0.00	2,482.58	0.00	0.00	25-L1	23.6	0.00	0.00%	(1)
392.2	Transportation Equipment (Cars & Trucks)	7,053,425.86	0%	0.00	7,053,425.86	0.00	0.00	9-R3	4.9	0.00	0.00%	
	TOTAL Account 392	7,055,908.44		0.00	7,055,908.44	0.00	0.00			0.00	0.00%	
393.0	Stores Equipment	97,054.09	0%	0.00	97,054.09	0.00	0.00	N/A	N/A	0.00	0.00%	*
	TOOLS, SHOP & GARAGE EQ.											
394.1	Tools, Shop & Garage Equip. (Non-Unitize	514,458.89	0%	0.00	514,458.89	0.00	0.00	N/A	N/A	0.00	0.00%	*
394.3	Vehicle Maintenance Equipment	104,823.25	0%	0.00	104,823.25	0.00	0.00	N/A	N/A	0.00	0.00%	*
394.4	Vehicle Refueling Equipment	14,529.19	0%	0.00	14,529.19	0.00	0.00	N/A	N/A	0.00	0.00%	*
	TOTAL Account 394	633,811.33		0.00	633,811.33	0.00	0.00			0.00	0.00%	
	COMMUNICATION EQUIPMENT											
397.1	Radio Communication Equip. (Fixed)	1,591,742.35	0%	0.00	1,591,742.35	0.00	0.00	N/A	N/A	0.00	0.00%	*
397.2	Radio Communication Equip. (Mobile)	810,002.48	0%	0.00	810,002.48	0.00	0.00	N/A	N/A	0.00	0.00%	*
397.3	General Telephone Communication Equip.	508,064.64	0%	0.00	508,064.64	0.00	0.00	N/A	N/A	0.00	0.00%	*
397.5	Supervisory & Telemetering Equip.	26,716.56	0%	0.00	26,716.56	0.00	0.00	N/A	N/A	0.00	0.00%	*
397.8	Network Equipment	275,521.69	0%	0.00	275,521.69	0.00	0.00	N/A	N/A	0.00	0.00%	*
	TOTAL Account 397	3,212,047.72		0.00	3,212,047.72	0.00	0.00			0.00	0.00%	

Montana-Dakota Utilities Company
Common Plant

Summary of Original Cost of Utility Plant in Service and Calculation of Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of Book Deprecation Reserve and Average Remaining Lives as of December 31, 2014

Account No. (a)	Description (b)	Original Cost 12/31/14 (c)	Estimated Future Net Salvage % (d)	Estimated Future Net Salvage Amount (e)	Original Cost Less Salvage (f)	Book Depreciation Reserve (g)	Net Original Cost Less Salvage (h)	A.S.L./ Survivor Curve (i)	Average Remaining Life (j)	Annual Depreciation Accrual (k)	Annual Depr. Rate (l)	
398.0	Miscellaneous Equipment	1,238,732.27	0%	0.00	1,238,732.27	0.00	0.00	N/A	N/A	0.00	0.00%	*
	Sub-Total (General Plant) Amortization	**11,660,225.68**		**0.00**	**11,660,225.68**	**0.00**	**0.00**			**0.00**	**0.00%**	
	TOTAL General Plant	68,015,330.13		2,464,959.80	65,550,370.33	1,912,317.79	-4,377,277.59			-155,222.61	-0.23%	
	TOTAL Depreciable Plant	68,015,330.13		2,464,959.80	65,550,370.33	1,912,317.79	-4,377,277.59			-155,222.61	-0.23%	
	Amortizable Plant											
392.3	Aircraft Equipment	4,333,824.70										
	TOTAL Amortizable Plant	4,333,824.70										
	NON-DEPRECIABLE PLANT											
389.0	Land & Land Rights (General)	3,086,836.15										
	Total Land	3,086,836.15										
	INTANGIBLE PLANT											
303.0	Miscellaneous Intangible Plant	50,883,328.74										
	Total Intangible Plant	50,883,328.74										
	TOTAL Non-Depreciable Plant	53,970,164.89										
	TOTAL Plant in Service	126,319,319.72										
	TOTAL Common Utility Plant in Service											

* Based Upon Amoritzation Rates.
(1) Account Fully Depreciated. No further current depreciation accrual.

Table 3

Montana-Dakota Utilities
Common Plant

Original Cost Per Company Books, Adjustments, And Original Cost Per Depreciation Study of December 31, 2014

Account No. (a)	Description (b)	Original Cost Per Co. Books 12/31/14 (c)	(Pending) Retirements (d)	Original Cost Per Depr Study Data 12/31/14 (e)
	DEPRECIABLE PLANT			
	General Plant			
390.0	General Structures	49,299,196.01		49,299,196.01
	OFFICE FURNITURE & EQUIPMENT			
391.1	Office Furniture & Equipment	2,599,028.93		2,599,028.93
391.2	Computer Equipment - Honeywell	0.00		0.00
391.3	Computer Equipment - PC	1,796,304.13		1,796,304.13
391.4	Computer Equipment - Prime/Sun	0.00		0.00
391.5	Computer Equipment - Other	2,083,247.21		2,083,247.21
	TOTAL Account 391	6,478,580.27	0.00	6,478,580.27
	TRANSPORTATION EQUIPMENT			
392.1	Transportation Equipment (Trailers)	2,482.58		2,482.58
392.2	Transportation Equipment (Cars & Trucks)	7,053,425.86		7,053,425.86
	TOTAL Account 392	7,055,908.44	0.00	7,055,908.44
393.0	Stores Equipment	97,054.09		97,054.09
	TOOLS, SHOP & GARAGE EQ.			
394.1	Tools, Shop & Garage Equip. (Non-Unitizec	514,458.89		514,458.89
394.3	Vehicle Maintenance Equipment	104,823.25		104,823.25
394.4	Vehicle Refueling Equipment	14,529.19		14,529.19
	TOTAL Account 394	633,811.33	0.00	633,811.33

Table 3

Montana-Dakota Utilities
Common Plant

Original Cost Per Company Books, Adjustments, And Original Cost Per Depreciation Study of December 31, 2014

Account No.	Description	Original Cost Per Co. Books 12/31/14	(Pending) Retirements	Original Cost Per Depr Study Data 12/31/14
(a)	(b)	(c)	(d)	(e)
	COMMUNICATION EQUIPMENT			
397.1	Radio Communication Equip. (Fixed)	1,591,742.35		1,591,742.35
397.2	Radio Communication Equip. (Mobile)	810,002.48		810,002.48
397.3	General Telephone Communication Equip.	508,064.64		508,064.64
397.5	Supervisory & Telemetering Equip.	26,716.56		26,716.56
397.8	Network Equipment	275,521.69		275,521.69
	TOTAL Account 397	3,212,047.72	0.00	3,212,047.72
398.0	Miscellaneous Equipment	1,238,732.27		1,238,732.27
	Sub-Total (General Plant) Amortization	**11,660,225.68**	**0.00**	**11,660,225.68**
	TOTAL General Plant	68,015,330.13	0.00	68,015,330.13
	TOTAL Depreciable Plant	68,015,330.13	0.00	68,015,330.13
	Amortizable Plant			
392.3	Aircraft Equipment	4,333,824.70		4,333,824.70
	TOTAL Amortizable Plant	4,333,824.70	0.00	4,333,824.70
	NON-DEPRECIABLE PLANT			
389.0	Land & Land Rights (General)	3,086,836.15		3,086,836.15
	Total Land	3,086,836.15	0.00	3,086,836.15
	INTANGIBLE PLANT			
303.0	Miscellaneous Intangible Plant	50,883,328.74		50,883,328.74
	Total Intangible Plant	50,883,328.74	0.00	50,883,328.74
	TOTAL Non-Depreciable Plant	53,970,164.89	0.00	53,970,164.89
	TOTAL Plant in Service	126,319,319.72	0.00	126,319,319.72

Table 4

Montana-Dakota Utilties Company
Common Plant

Summary of Book Depreciation Reserve Relative To Original Cost of Utility Plant in Service, Adjustments, And Depreciation Reserve Per Depreciation Study as of December 31, 2014

Account No. (a)	Description (b)	Depr Reserve Per Books 12/31/14 (c)	(Pending) Retirements (d)	Depr Reserve Per Depr Study 12/31/14 (e)
	DEPRECIABLE PLANT			
	General Plant			
390.00	General Structures	14,804,363.01		14,804,363.01
	OFFICE FURNITURE & EQUIPMENT			
391.10	Office Furniture & Equipment	1,197,289.08		1,197,289.08
391.20	Computer Equipment - Honeywell	0.00		0.00
391.30	Computer Equipment - PC	848,650.94		848,650.94
391.40	Computer Equipment - Prime/Sun	0.00		0.00
391.50	Computer Equipment - Other	1,043,724.92		1,043,724.92
	TOTAL Account 391	3,089,664.94	0.00	3,089,664.94
	TRANSPORTATION EQUIPMENT			
392.10	Transportation Equipment (Trailers)	137.60		137.60
392.20	Transportation Equipment (Cars & Trucks)	3,344,198.87		3,344,198.87
	TOTAL Account 392	3,344,336.47	0.00	3,344,336.47
393.00	Stores Equipment	39,609.25		39,609.25
	TOOLS, SHOP & GARAGE EQ.			
394.10	Tools, Shop & Garage Equip. (Non-Unitized)	262,037.30		262,037.30
394.30	Vehicle Maintenance Equipment	52,564.22		52,564.22
394.40	Vehicle Refueling Equipment	10,087.70		10,087.70
	TOTAL Account 394	324,689.22	0.00	324,689.22
	COMMUNICATION EQUIPMENT			
397.10	Radio Communication Equip. (Fixed)	443,197.15		443,197.15
397.20	Radio Communication Equip. (Mobile)	231,171.48		231,171.48
397.30	General Telephone Communication Equip.	89,594.17		89,594.17
397.50	Supervisory & Telemetering Equip.	2,830.63		2,830.63
397.80	Network Equipment	153,929.32		153,929.32
	TOTAL Account 397	920,722.75	0.00	920,722.75

Table 4

Montana-Dakota Utilties Company
Common Plant

Summary of Book Depreciation Reserve Relative To Original Cost of Utility Plant in Service, Adjustments, And Depreciation Reserve Per Depreciation Study as of December 31, 2014

Account No.	Description	Depr Reserve Per Books 12/31/14	(Pending) Retirements	Depr Reserve Per Depr Study 12/31/14
(a)	(b)	(c)	(d)	(e)
398.00	Miscellaneous Equipment	420,200.24		420,200.24
	Sub-Total (General Plant) Amortization	**4,794,886.40**		**4,794,886.40**
	TOTAL General Plant	22,943,585.88	0.00	22,943,585.88
	TOTAL Depreciable Plant	22,943,585.88	0.00	22,943,585.88
	Amortizable Plant			
392.30	Aircraft Equipment	2,219,871.79		2,219,871.79
	TOTAL Amortizable Plant	2,219,871.79	0.00	2,219,871.79
	NON-DEPRECIABLE PLANT			
389.00	Land & Land Rights (General)	0.00		0.00
	Total Land	0.00	0.00	0.00
	INTANGIBLE PLANT			
303.00	Miscellaneous Intangible Plant	18,334,573.27		18,334,573.27
	Total Intangible Plant	18,334,573.27	0.00	18,334,573.27
	TOTAL Non-Depreciable Plant	18,334,573.27	0.00	18,334,573.27
	TOTAL Plant in Service	43,498,030.94	0.00	43,498,030.94
	TOTAL Common Utility Plant in Service	43,498,030.94	0.00	43,498,030.94
399.00	ARO	0.00		
	Total Including ARO	43,498,030.94		

Montana-Dakota Utilities Company
Common Plant

Summary of Original Cost of Utility Plant in Service as of December 31, 2014 and Present and Proposed Parameters

Account No. (a)	Description (b)	Original Cost 12/31/14 (c)	Present Parameters: Net Salvage W/ COR % (d)	Present Parameters: Net Salvage W/O COR % (e)	Present Parameters: Gross COR % (f)	Present Parameters: A.S.L./ Survivor Curve (g)	Present Parameters: Present Depr. Rate-% (h)	Present Parameters: Average Remaining Life (i)	Proposed Parameters: Net Salvage W/ COR % (j)	Proposed Parameters: Net Salvage W/O COR % (k)	Proposed Parameters: Gross COR % (l)	Proposed Parameters: A.S.L./ Survivor Curve (n)		Proposed Parameters: Average Remaining Life (o)	
	DEPRECIABLE PLANT														
	General Plant														
390.0	General Structures	49,299,196.01	-10%	0%	-10%	35-R3	2.11%	17.8	5%	0%	5%	38-R3		28.2	
	OFFICE FURNITURE & EQUIPMENT														
391.1	Office Furniture & Equipment	2,599,028.93	0%	0%	0%	N/A	6.67%	23.8	0%	0%	0%	N/A	*	*	
391.3	Computer Equipment - PC	1,796,304.13	0%	0%	0%	5-R3	20.00%	26.1	0%	0%	0%	N/A	*	*	
391.5	Computer Equipment - Other	2,083,247.21	0%	0%	0%	N/A	20.00%	26.2	0%	0%	0%	N/A	*	*	
	TOTAL Account 391	6,478,580.27													
	TRANSPORTATION EQUIPMENT														
392.1	Transportation Equipment (Trailers)	2,482.58	15%	15%	0%	20-L2	4.17%	8.0	20%	20%	0%	25-L1		23.6	
392.2	Transportation Equipment (Cars & Trucks)	7,053,425.86	20%	20%	0%	7-R3	4.11%	3.2	20%	20%	0%	9-R3		4.9	
	TOTAL Account 392	7,055,908.44													
393.0	Stores Equipment	97,054.09	0%	0%	0%	N/A	3.33%	24.0	0%	0%	0%	N/A	*	*	
	TOOLS, SHOP & GARAGE EQ.														
394.1	Tools, Shop & Garage Equip. (Non-Unitized)	514,458.89	0%	0%	0%	N/A	5.56%	12.6	0%	0%	0%	N/A	*	*	
394.3	Vehicle Maintenance Equipment	104,823.25	0%	0%	0%	N/A	5.00%	16.5	0%	0%	0%	N/A	*	*	
394.4	Vehicle Refueling Equipment	14,529.19	0%	0%	0%	N/A	5.00%	5.5	0%	0%	0%	N/A	*	*	
	TOTAL Account 394	633,811.33													
	COMMUNICATION EQUIPMENT														
397.1	Radio Communication Equip. (Fixed)	1,591,742.35	-10%	0%	-10%	N/A	6.67%	12.3	0%	0%	0%	N/A	*	*	
397.2	Radio Communication Equip. (Mobile)	810,002.48	0%	0%	0%	N/A	6.67%	7.6	0%	0%	0%	N/A	*	*	
397.3	General Telephone Communication Equip.	508,064.64	10%	10%	0%	N/A	10.00%	9.8	0%	0%	0%	N/A	*	*	
397.5	Supervisory & Telemetering Equip.	26,716.56	0%	0%	0%	N/A	6.67%	9.3	0%	0%	0%	N/A	*	*	
397.8	Network Equipment	275,521.69	0%	0%	0%	N/A	20.00%	2.4	0%	0%	0%	N/A	*	*	
	TOTAL Account 397	3,212,047.72													
398.0	Miscellaneous Equipment	1,238,732.27	5%	5%	0%	N/A	5.00%	11.3	0%	0%	0%	N/A	*	*	
	Sub-Total (General Plant) Amortization	**11,660,225.68**													
	TOTAL General Plant	68,015,330.13													
	TOTAL Depreciable Plant	68,015,330.13													

Montana-Dakota Utilities Company
Common Plant

Summary of Original Cost of Utility Plant in Service as of December 31, 2014 and Present and Proposed Parameters

Account No. (a)	Description (b)	Original Cost 12/31/14 (c)	Present Parameters: Net Salvage W/ COR % (d)	Present Parameters: Net Salvage W/O COR % (e)	Present Parameters: Gross COR % (f)	Present Parameters: A.S.L./ Survivor Curve (g)	Present Parameters: Present Depr. Rate-% (h)	Present Parameters: Average Remaining Life (i)	Proposed Parameters: Net Salvage W/ COR % (j)	Proposed Parameters: Net Salvage W/O COR % (k)	Proposed Parameters: Gross COR % (l)	Proposed Parameters: A.S.L./ Survivor Curve (n)	Proposed Parameters: Average Remaining Life (o)
	Amortizable Plant												
392.3	Aircraft Equipment	4,333,824.70											
	TOTAL Amortizable Plant	4,333,824.70											
	NON-DEPRECIABLE PLANT												
389.0	Land & Land Rights (General)	3,086,836.15											
	Total Land	3,086,836.15											
	INTANGIBLE PLANT												
303.0	Miscellaneous Intangible Plant	50,883,328.74											
	Total Intangible Plant	50,883,328.74											
	TOTAL Non-Depreciable Plant	53,970,164.89											
	TOTAL Plant in Service	126,319,319.72											
	TOTAL Common Utility Plant in Service												

* Based Upon Amoritzation Rates.

Table 6

Montana-Dakota Utilities Company
Common Plant

Summary or Original Cost of Utility Plant in Service as of December 31, 2014
and Related Annual Depreciation/Amortization Expense
Under Present Rates and Proposed Amortization

Account No.	Description	Original Cost 12/31/14	Present Rates Rate %	Present Rates Annual Accrual	Proposed Amortization Rate %	Proposed Amortization Annual Accrual	Net Change Depr/Amort Expense
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	DEPRECIABLE GENERAL PLANT						
	OFFICE FURNITURE & EQUIPMENT						
391.1	Office Furniture & Equipment	2,599,028.93	6.67%	173,268.60	6.67%	173,268.60	0.00
391.3	Computer Equipment - PC	1,796,304.13	20.00%	359,260.83	20.00%	359,260.83	0.00
391.5	Computer Equipment - Other	2,083,247.21	20.00%	416,649.44	20.00%	416,649.44	0.00
	TOTAL Account 391	6,478,580.27	14.65%	949,178.87	14.65%	949,178.87	0.00
393	Stores Equipment	97,054.09	3.33%	3,235.14	3.33%	3,235.14	0.00
	TOOLS, SHOP & GARAGE EQ.						
394.1	Tools, Shop & Garage Equip. (Non-Unitized)	514,458.89	5.56%	28,581.05	5.56%	28,581.05	0.00
394.3	Vehicle Maintenance Equipment	104,823.25	5.00%	5,241.16	5.00%	5,241.16	0.00
394.4	Vehicle Refueling Equipment	14,529.19	5.00%	726.46	5.00%	726.46	0.00
	TOTAL Account 394	633,811.33	5.45%	34,548.67	5.45%	34,548.67	0.00
	COMMUNICATION EQUIPMENT						
397.1	Radio Communication Equip. (Fixed)	1,591,742.35	6.67%	106,116.16	6.67%	106,116.16	0.00
397.2	Radio Communication Equip. (Mobile)	810,002.48	6.67%	54,000.17	6.67%	54,000.17	0.00
397.3	General Telephone Communication Equip.	508,064.64	10.00%	50,806.46	10.00%	50,806.46	0.00
397.5	Supervisory & Telemetering Equip.	26,716.56	6.67%	1,781.10	6.67%	1,781.10	0.00
397.8	Network Equipment	275,521.69	20.00%	55,104.34	20.00%	55,104.34	0.00
	TOTAL Account 397	3,212,047.72	8.34%	267,808.23	8.34%	267,808.23	0.00
398	Miscellaneous Equipment	1,238,732.27	5.00%	61,936.61	5.00%	61,936.61	0.00
	Total (General Plant) Amortization	**11,660,225.68**	11.29%	**1,316,707.52**	11.29%	**1,316,707.52**	**0.00**

Montana-Dakota Utilities **Table 7**

Account 391.10 - Office Furniture & Equipment

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Servic 15 Years

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount
2000	112,470.56	105,309.17	7,161.39	1	7,498.04
2001	259,787.82	226,470.62	33,317.20	2	17,319.19
2002	128,177.44	103,462.01	24,715.43	3	8,545.16
2003	200,359.86	148,787.99	51,571.87	4	13,357.32
2004	238,450.48	161,676.47	76,774.01	5	15,896.70
2005	194,119.53	119,083.65	75,035.88	6	12,941.30
2006	113,039.74	62,045.37	50,994.37	7	7,535.98
2007	287,605.77	139,289.43	148,316.34	8	19,173.72
2008	95,339.47	40,017.08	55,322.39	9	6,355.96
2009	-	-	-	10	-
2010	32,157.67	9,344.51	22,813.16	11	2,143.84
2011	74,683.24	16,879.15	57,804.09	12	4,978.88
2012	216,594.23	34,966.02	181,628.21	13	14,439.62
2013	140,803.66	13,638.43	127,165.23	14	9,386.91
	2,599,028.93	1,197,289.08	1,401,739.85		173,268.60

Composite Depr. Rate 173,268.60 / 2,599,028.93 = 6.67%

Montana-Dakota Utilities **Table 7**
Account 391.30 - Computer Equipment - PC
Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Servic **5 Years**

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount
2010	278,017.93	260,892.89	17,125.04	1	55,603.59
2011	281,451.83	205,422.99	76,028.84	2	56,290.37
2012	412,086.52	214,835.15	197,251.37	3	82,417.30
2013	390,851.86	122,258.87	268,592.99	4	78,170.37
2014	433,895.99	45,241.04	388,654.95	5	86,779.20
	1,796,304.13	848,650.95	947,653.18		359,260.83

Composite Depr. Rate 359,260.83 / 1,796,304.13 = 20.00%

Montana-Dakota Utilities **Table 7**

Account 391.50 - Computer Equipment - Other

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Service 5 Years

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount
2011	9,116.71	6,542.27	2,574.44	2	1,823.34
2012	2,010,784.29	1,030,688.66	980,095.63	3	402,156.86
2013	-	-	-	4	-
2014	63,346.21	6,494.01	56,852.20	5	12,669.24
	2,083,247.21	1,043,724.93	1,039,522.28		416,649.44

Composite Depr. Rate 416,649.44 / 2,083,247.21 = 20.00%

Montana-Dakota Utilities **Table 7**

Account 393 - Stores Equipment

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Servic **30 Years**

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remainin Amortizati Period	Annual Amortization Amount
1995	10,272.04	8,685.30	1,586.74	11	342.40
1996		-	-	12	-
1997	18,926.69	14,361.71	4,564.98	13	630.89
1998		-	-	14	-
1999	9,502.32	6,386.38	3,115.94	15	316.74
2000	12,486.01	7,850.28	4,635.73	16	416.20
2001		-	-	17	-
2002		-	-	18	-
2003		-	-	19	-
2004	-	-	-	20	-
2005	-	-	-	21	-
2006	-	-	-	22	-
2007	4,385.78	1,426.27	2,959.51	23	146.19
2008	-	-	-	24	-
2009	-	-	-	25	-
2010	-	-	-	26	-
2011	-	-	-	27	-
2012	-	-	-	28	-
2013	-	-	-	29	-
2014	41,481.25	899.32	40,581.93	30	1,382.71
	97,054.09	39,609.25	57,444.84		3,235.14

Composite Depr. Rate 3,235.14 / 97,054.09 = 3.33%

Montana-Dakota Utilities **Table 7**

Account 394.1 - Tools, Shop & Garage Equipment (Non-Unitized)

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Service **18 Years**

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortizatio Period	Annual Amortization Amount
1996	6,676.00	6,676.00	-	-	370.89
1997	35,774.05	35,774.05	-	1	1,987.45
1998	24,269.19	24,269.19	-	2	1,348.29
1999	18,290.18	18,290.18	-	3	1,016.12
2000	29,508.19	29,508.19	-	4	1,639.34
2001	10,700.16	9,088.02	1,612.14	5	594.45
2002	12,564.39	9,694.44	2,869.95	6	698.02
2003	4,145.01	2,942.35	1,202.66	7	230.28
2004	46,034.92	29,836.51	16,198.41	8	2,557.50
2005	30,657.04	17,977.33	12,679.71	9	1,703.17
2006	34,082.71	17,882.34	16,200.37	10	1,893.48
2007	15,616.53	7,229.65	8,386.88	11	867.59
2008	46,070.14	18,484.35	27,585.79	12	2,559.45
2009	6,617.89	2,246.74	4,371.15	13	367.66
2010	29,472.55	8,186.56	21,285.99	14	1,637.36
2011	64,949.37	14,031.83	50,917.54	15	3,608.30
2012	39,091.97	6,032.52	33,059.45	16	2,171.78
2013	33,002.84	3,055.72	29,947.12	17	1,833.49
2014	26,935.76	831.32	26,104.44	18	1,496.43
	514,458.89	262,037.30	252,421.59		28,581.05

Composite Depr. Rate 28,581.05 / 514,458.89 = 5.56%

Montana-Dakota Utilities **Table 7**

Account 394.3 - Vehicle Maintenance Equipment

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Servic 20 Years

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount
1998	15,978.08	12,955.77	3,022.31	4	798.90
1999	3,603.02	2,744.44	858.58	5	180.15
2000	5,963.88	4,249.64	1,714.24	6	298.19
2001	2,238.57	1,485.11	753.46	7	111.93
2002		-	-	8	-
2003	9,575.67	5,411.55	4,164.12	9	478.78
2004	3,101.37	1,600.29	1,501.08	10	155.07
2005		-	-	11	-
2006	8,048.09	3,361.76	4,686.33	12	402.40
2007	56,314.57	20,755.67	35,558.90	13	2,815.73
2008		-	-	14	-
2009		-	-	15	-
2010		-	-	16	-
2011		-	-	17	-
2012		-	-	18	-
2013		-	-	19	-
2014		-	-	20	-
	104,823.25	52,564.22	52,259.03		5,241.16

Composite Depr. Rate 5,241.16 / 104,823.25 = 5.00%

Montana-Dakota Utilities **Table 7**

Account 394.4 - Vehicle Refueling Equipment

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Servic **20 Years**

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount
2001	10,714.54	8,066.70	2,647.84	7	535.73
2002		-	-	8	-
2003		-	-	9	-
2004		-	-	10	-
2005	3,814.65	2,021.00	1,793.65	11	190.73
2006		-	-	12	-
2007		-	-	13	-
2008		-	-	14	-
2009		-	-	15	-
2010		-	-	16	-
2011		-	-	17	-
2012		-	-	18	-
2013		-	-	19	-
2014		-	-	20	-
	14,529.19	10,087.70	4,441.49		726.46

Composite Depr. Rate 726.46 / 14,529.19 = 5.00%

Montana-Dakota Utilities **Table 7**

Account 397.10 - Radio Communications Equipment (Fixed)

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Service 15 Years

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount
2000	70,244.37	61,177.82	9,066.55	1	4,682.96
2001		-	-	2	-
2002	27,105.71	20,350.98	6,754.73	3	1,807.05
2003	2,425.10	1,675.10	750.00	4	161.67
2004	25,355.96	15,991.30	9,364.66	5	1,690.40
2005	16,932.68	9,661.93	7,270.75	6	1,128.85
2006	62,129.28	31,719.75	30,409.53	7	4,141.95
2007	6,750.02	3,040.75	3,709.27	8	450.00
2008	25,327.84	9,888.40	15,439.44	9	1,688.52
2009	678,246.85	224,060.34	454,186.51	10	45,216.46
2010	67,374.52	18,210.54	49,163.98	11	4,491.63
2011	91,653.20	19,267.71	72,385.49	12	6,110.21
2012	27,015.84	4,056.70	22,959.14	13	1,801.06
2013	155,578.42	14,017.00	141,561.42	14	10,371.89
2014	335,602.56	10,078.82	325,523.74	15	22,373.50
	1,591,742.35	443,197.15	1,148,545.20		106,116.16

Composite Depr. Rate 106,116.16 / 1,591,742.35 = 6.67%

Montana-Dakota Utilities **Table 7**

Account 397.20 - Radio Communications Equipment (Mobile)

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Service l **15 Years**

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount
2002	10,689.91	8,319.40	2,370.51	3	712.66
2003	16,673.03	11,937.69	4,735.34	4	1,111.54
2004	41,983.31	27,445.67	14,537.64	5	2,798.89
2005	8,242.00	4,874.88	3,367.12	6	549.47
2006	-	-	-	7	-
2007	1,255.68	586.34	669.34	8	83.71
2008	95,101.86	38,486.66	56,615.20	9	6,340.12
2009	265,292.40	90,843.80	174,448.60	10	17,686.16
2010	61,810.83	17,317.49	44,493.34	11	4,120.72
2011	56,091.35	12,222.83	43,868.52	12	3,739.42
2012	64,821.15	10,089.38	54,731.77	13	4,321.41
2013	51,295.64	4,790.49	46,505.15	14	3,419.71
2014	136,745.32	4,256.87	132,488.45	15	9,116.35
	810,002.48	231,171.48	578,831.00		54,000.17

Composite Depr. Rate 54,000.17 / 810,002.48 = 6.67%

Montana-Dakota Utilities **Table 7**

Account 397.30 - General Telephone Communication Equipment

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Servic 10 Years

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount
2005	683.97	498.37	185.60	1	68.40
2006		-	-	2	-
2007	46,853.50	26,951.99	19,901.51	3	4,685.35
2008	26,647.79	13,285.02	13,362.77	4	2,664.78
2009	717.34	302.60	414.74	5	71.73
2010	-	-	-	6	-
2011	-	-	-	7	-
2012	22,514.99	4,317.17	18,197.82	8	2,251.50
2013	371,466.82	42,736.49	328,730.33	9	37,146.68
2014	39,180.23	1,502.53	37,677.70	10	3,918.02
	508,064.64	89,594.17	418,470.47		50,806.46

Composite Depr. Rate 50,806.46 / 508,064.64 = 10.00%

Montana-Dakota Utilities **Table 7**

Account 397.50 - Supervisory & Telemetering Equipment

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Servic 15 Years

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount
2005	2,001.82	1,129.18	872.64	6	133.45
2006	-	-	-	7	-
2007	-	-	-	8	-
2008	-	-	-	9	-
2009	-	-	-	10	-
2010	-	-	-	11	-
2011	-	-	-	12	-
2012	3,111.92	461.94	2,649.98	13	207.46
2013	10,073.86	897.23	9,176.63	14	671.59
2014	11,528.96	342.28	11,186.68	15	768.60
	26,716.56	2,830.63	23,885.93		1,781.10

Composite Depr. Rate 1,781.10 / 26,716.56 = 6.67%

Montana-Dakota Utilities **Table 7**

Account 397.8 - Network Equipment

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Servic **5 Years**

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount
2009	12,511.22	12,511.22	-	-	2,502.24
2010	124,218.01	103,822.33	20,395.68	1	24,843.60
2011	14,912.44	9,769.10	5,143.34	2	2,982.49
2012	36,883.11	17,258.60	19,624.51	3	7,376.62
2013	12,963.75	3,639.65	9,324.10	4	2,592.75
2014	74,033.16	6,928.42	67,104.74	5	14,806.63
	275,521.69	153,929.32	121,592.37		55,104.34

Composite Depr. Rate 55,104.34 / 275,521.69 = 20.00%

Montana-Dakota Utilities **Table 7**

Account 398.0 - Miscellaneous Equipment

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Servic **20 Years**

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount
1994	22,987.54	22,987.54	-	-	1,149.38
1995	11,583.82	11,583.82	-	1	579.19
2009	-	-	-	15	-
2010	74,799.68	18,211.09	56,588.59	16	3,739.98
2011	31,820.28	6,025.54	25,794.74	17	1,591.01
2012	385,682.19	52,166.69	333,515.50	18	19,284.11
2013	44,771.16	3,633.40	41,137.76	19	2,238.56
2014	123,935.77	3,352.67	120,583.10	20	6,196.79
	1,238,732.27	420,200.24	818,532.03		61,936.61

Composite Depr. Rate 61,936.61 / 1,238,732.27 = 5.00%

SECTION 3

MONTANA-DAKOTA UTILITIES

Common Plant

General

This report sets forth the results of our study of the depreciable property of Montana-Dakota Utilities – Common Plant (MDU or the Company) as of December 31, 2014 and contains the basic parameters (recommended average service lives and life characteristics) for the proposed average remaining life depreciation rates. All average service lives set forth in this report are developed based upon plant in service as of December 31, 2014.

The scope of the study included an analysis of MDU's historical data through December 31, 2014, discussions with Company management and staff to identify prior and prospective factors affecting the Company's plant in service, as well as interpretation of past service life data experience and future life expectancies to determine the appropriate average service lives of the Company's surviving plant. The service lives and life characteristics resulting from the in-depth study were utilized together with the Company's plant in service and book depreciation reserve to determine the recommended Average Remaining Life (ARL) depreciation rates for the Company's plant in service as of December 31, 2014.

In preparing the study, the Company's historical investment data were studied using various service life analysis techniques. Further, discussions were held with the MDU's management to obtain an overview of the Company's facilities and to discuss

the general scope of operations together with other factors which could have a bearing on the service lives of the Company's property.

The Company maintains property records containing a summary of its fixed capital investments by property account. This investment data was analyzed and summarized by property group and/or sub group and vintage then utilized as a basis for the various depreciation calculations.

Depreciation Study Overview

There are numerous methods utilized to recover property investment depending upon the goal. For example, accelerated methods such as double declining balance and sum of years digits are methods used in tax accounting to motivate additional investments. Broad Group (BG) and Equal Life Group (ELG) are both Straight Line Grouping Procedures recognized and utilized by various regulatory jurisdictions depending upon the policy of the specific agency.

The Straight Line Group Method of depreciation utilized in this study to develop the recommended depreciation rates is the Broad Group Procedure together with the Average Remaining Life Technique.

The distinction between the Whole Life and Remaining Life Techniques is that under the Whole Life Technique, the depreciation rate is based on the recovery of the investment and average net salvage over the average service life of the property group. In comparison, under the Average Remaining Life Technique, the resulting annual depreciation rate incorporates the recovery of the investment (and future net salvage) less any recovery experienced to date over the average remaining life of the property group.

That is, the Average Remaining Life technique is based upon recovering the net book cost (original cost less book reserve) of the surviving plant in service over its estimated remaining useful life. Any variance between the book reserve and an implied theoretical calculated reserve is compensated for under this procedure. As the Company's book reserve increases above or declines below the theoretical reserve at a specific point in time, the Company's average remaining life depreciation rate in subsequent years will be increased or decreased to compensate for the variance, thereby, assuring full recovery of the Company's investment by the end of the property's life.

The Company, like any other business, includes as an annual operating expense an amount which reflects a portion of the capital investment which was consumed in providing service during the accounting period. The annual depreciation amount to be recognized is based upon the remaining productive life over which the un-depreciated capital investment needs to be recovered. The determination of the productive remaining life for each property group usually includes an in-depth study of past experience in addition to estimates of future expectations.

Annual Depreciation Accrual

Through the utilization of the Average Remaining Life Technique, the Company will recover the un-depreciated fixed capital investment in the appropriate amounts as annual depreciation expense in each year throughout the remaining life of the property. The procedure incorporates the future life expectancy of the property, the vintage surviving plant in service, and estimated net salvage, together with the book depreciation reserve balance to develop the annual depreciation rate for each property

account. Accordingly, the ARL technique meets the objective of providing a straight line recovery of the un-depreciated fixed capital property investment.

The use of the Average Remaining Life Technique results in charging the appropriate annual depreciation amounts over the remaining life of the property to insure full recovery by the end of the life of the property. The annual expense is calculated on a Straight Line Method rather than by the previously mentioned, “sum of the years digits” or “double declining balance” methods, etc. The "group" refers to the method of calculating annual depreciation on the summation of the investment in any one depreciable group or plant account rather than calculating depreciation for each individual unit.

Under Broad Group Depreciation some units may be over depreciated and other units may be under depreciated at the time when they are retired from service, but overall, the account is fully depreciated when average service life is attained. By comparison, Equal Life Group depreciation rates are designed to fully accrue the cost of the asset group by the time of retirement. For both the Broad Group and Equal Life Group Procedures the full cost of the investment is credited to plant in service when the retirement occurs and likewise the depreciation reserve is debited with an equal retirement cost. No gain or loss is recognized at the time of property retirement because of the assumption that the retired property was at average service life.

Group Depreciation Procedures

Group depreciation procedures are utilized to depreciate property when more than one item of property is being depreciated. Such a procedure is appropriate because all of the items within a specific group typically do not have identical service

lives, but have lives which are dispersed over a range of time. Utilizing a group depreciation procedure allows for a condensed application of depreciation rates to groups of similar property in lieu of extensive depreciation calculations on an item by item basis. The two more common group depreciation procedures are the Broad Group (BG) and Equal Life Group (ELG) approach.

In developing depreciation rates using the Broad Group procedure, the annual depreciation rate is based on the average life of the overall property group, which is then applied to the group's surviving original cost investment. A characteristic of this procedure is that retirements of individual units occurring prior to average service life will be under depreciated, while individual units retired after average service life will be over depreciated when removed from service, but overall, the group investment will achieve full recovery by the end of the life of the total property group. That is, the under recovery occurring early in the life of the account is balanced by the over recovery occurring subsequent to average service life. In summary, the cost of the investment is complete at the end of the property's life cycle, but the rate of recovery does not match the consumption pattern which was used to provide service to the company's customers.

Under the average service life procedure, the annual depreciation rate is calculated by the following formula:

$$\text{Annual Accrual Rate, Percent} = \frac{100\% - \text{Salvage}}{\text{Average Service Life}} \times 100$$

The application of the broad group procedure to life span groups results in each vintage investment having a different average service life. This circumstance exists because the concurrent retirement of all vintages at the anticipated retirement year

results in truncating and, therefore, restricting the life of each successive years vintage investment. An average service life is calculated for each vintage investment in accordance with the above formula. Subsequently, a composite service life and depreciation rate is calculated relative to all vintages within the property group by weighting the life for each vintage by the related surviving vintage investment within the group.

In the Equal Life Group, the property group is subdivided, through the use of plant life tables, into equal life groups. In each equal life group, portions of the overall property group includes that portion which experiences the life of the specific sub-group. The relative size of each sub-group is determined from the overall group life characteristic (property dispersion curve). This procedure both overcomes the disadvantage of voluminous record requirements of unit depreciation, as well as eliminates the need to base depreciation on overall lives as required under the broad group procedure. The application of this procedure results in each sub-group of the property having a single life. In this procedure, the full cost of short lived units is accrued during their lives leaving no under accruals to be recovered by over accruals on long lived plant. The annual depreciation for the group is the summation of the depreciation accruals based on the service life of each Equal Life Group.

The ELG Procedure is viewed as being the more definitive procedure for identifying the life characteristics of utility property and as a basis for developing service lives and depreciation rates, nevertheless, the Broad Group procedure is more widely utilized throughout the utility industry by regulatory commissions as a basis for depreciation rates. That is, the ELG Procedure is more definitive because it allocates

the capital cost of a group property to annual expense in accordance with the consumption of the property group providing service to customers. In this regard, the company's customers are more appropriately charged with the cost of the property consumed in providing them service during the applicable service period. The more timely return of plant cost is accomplished by fully accruing each unit's cost during its service life, thereby not only reducing the risk of incomplete cost recovery, but also resulting in less return on rate base over the life of a depreciable group. The total depreciation expense over the life of the property is the same for all procedures which allocate the full capital cost to expense, but at any specific point in time, the depreciated original cost is less under the ELG procedure than under the BG procedure. This circumstance exists because under the equal life group procedure, the rate base is not maintained at a level of greater than the future service value of the surviving plant as is the case when using the average service life procedure. Consequently, the total return required from the ratepayers is less under the ELG procedure.

While the Equal Life Group procedure has been known to depreciation experts for many years, widespread interest in applying the procedure developed only after high speed electronic computers became available to perform the large volume of arithmetic computations required in developing ELG based depreciation lives and rates. The table on the following page illustrates the procedure for calculating equal life group depreciation accrual rates and summarizes the results of the underlying calculations. Depreciation rates are determined for each age interval (one year increment) during the life of a group of property which was installed in a given year or vintage group. The age of the vintage group is shown in column (A) of the ELG table. The percent surviving at

XYZ UTILITY COMPANY

CALCULATION OF ASL, ARL AND ACCRUED DEPRECIATION FACTORS — Table 8

BASED UPON AN NEW YORK STATE (KIMBALL) h3.00 CURVE USING THE EQUAL LIFE GROUP (ELG) PROCEDURE

							EQUAL LIFE GROUP PROCEDURE			
AGE AT BEGIN OF INTERVAL	LIFE TABLE BEGIN OF INTERVAL	RETIREMENT DURING INTERVAL	AVERAGE SURVIVING	AGE OF AMOUNT RETIRED	AMOUNT FOR EACH LIFE GROUP	AMOUNT FOR REMAINING LIFE GROUPS	AVERAGE SERVICE LIFE	AVERAGE REMAINING LIFE	ELG/ARL DEPR RATE	ACCRUED DEPR RES FACTOR
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
0.0	1.0000000	0.0006400	0.9996800	0.25	0.0006400	0.0587873	8.50	8.50	11.76	0.0000000
0.5	0.9993600	0.0029600	0.9978800	1.0	0.0029600	0.1148146	8.69	8.19	11.51	0.0575293
1.5	0.9964000	0.0064000	0.9932000	2.0	0.0032000	0.1117346	8.89	7.39	11.25	0.1687494
2.5	0.9900000	0.0126200	0.9836900	3.0	0.0042067	0.1080313	9.11	6.61	10.98	0.2745562
3.5	0.9773800	0.0227600	0.9660000	4.0	0.0056900	0.1030830	9.37	5.87	10.67	0.3734890
4.5	0.9546200	0.0375500	0.9358450	5.0	0.0075100	0.0964830	9.70	5.20	10.31	0.4639372
5.5	0.9170700	0.0566100	0.8887650	6.0	0.0094350	0.0880105	10.10	4.60	9.90	0.5446406
6.5	0.8604600	0.0780600	0.8214300	7.0	0.0111514	0.0777172	10.57	4.07	9.46	0.6149789
7.5	0.7824000	0.0984200	0.7331900	8.0	0.0123025	0.0659903	11.11	3.61	9.00	0.6750325
8.5	0.6839800	0.1134200	0.6272700	9.0	0.0126022	0.0535379	11.72	3.22	8.54	0.7254808
9.5	0.5705600	0.1195400	0.5107900	10.0	0.0119540	0.0412598	12.38	2.88	8.08	0.7673764
10.5	0.4510200	0.1151700	0.3934350	11.0	0.0104700	0.0300478	13.09	2.59	7.64	0.8019165
11.5	0.3358500	0.1014600	0.2851200	12.0	0.0084550	0.0205853	13.85	2.35	7.22	0.8302857
12.5	0.2343900	0.0817300	0.1935250	13.0	0.0062869	0.0132143	14.65	2.15	6.83	0.8535298
13.5	0.1526600	0.0601800	0.1225700	14.0	0.0042986	0.0079216	15.47	1.97	6.46	0.8724942
14.5	0.0924800	0.0405200	0.0722200	15.0	0.0027013	0.0044216	16.33	1.83	6.12	0.8877583
15.5	0.0519600	0.0249500	0.0394850	16.0	0.0015594	0.0022913	17.23	1.73	5.80	0.8994571
16.5	0.0270100	0.0140400	0.0199900	17.0	0.0008259	0.0010987	18.19	1.69	5.50	0.9068526
17.5	0.0129700	0.0072300	0.0093550	18.0	0.0004017	0.0004849	19.29	1.79	5.18	0.9070652
18.5	0.0057400	0.0000000	0.0057400	19.0	0.0000000	0.0002841	20.21	1.71	4.95	0.9155172
19.5	0.0057400	0.0048600	0.0033100	20.0	0.0002430	0.0001626	20.36	0.86	4.91	0.9576667
20.5	0.0008800	0.0005800	0.0005900	21.0	0.0000276	0.0000272	21.65	1.15	4.62	0.9467615
21.5	0.0003000	0.0002000	0.0002000	22.0	0.0000091	0.0000089	22.49	0.99	4.45	0.9560277
22.5	0.0001000	0.0001000	0.0000500	23.0	0.0000043	0.0000022	23.00	0.50	4.35	0.9782609
23.5	0.0000000	0.0000000	0.0000000	24.0	0.0000000	0.0000000				
		1.0000000				1.0000000				

the beginning of each age interval is determined from the Iowa 10-R3 survivor curve which is set forth in column (B). The percent retired during each age interval, as shown in column (C), is the difference between the percent surviving at successive age intervals. Accordingly, the percentage amount of the vintage group retired defines the size of each equal life group. For example, during the interval 3 1/2 to 4 1/2, 1.93690 percent of the vintage group is retired at an average age of four years. In this case, the 1.93690 percent of the group experiences an equal life of four years. Likewise, 3.00339 percent is retired during the interval 4 1/2 to 5 1/2 and experiences a service life of five years. Furthermore, 4.42969 percent experiences a six-year life; etc. Calculations are made for each age interval from the zero age interval through the end of the life of the vintage group. The average service life for each age interval's equal life group is shown in column (E) of the table.

The amount to be accrued annually for each equal life group is equal to the percentage retired in the equal life group divided by its service life. In as much as additions retirements are assumed, for calculation purposes, to occur at midyear only one-half of the equal life group's annual accrual is allocated to expense during its first and last years of service life. The accrual amount for the property retired during age interval 0 to .5 must be equal to the amount retired to insure full recovery of that component during that period. The accruals for each equal life group during the age intervals of the vintage group's life cycle are shown in column (F). The total accrual for a given year is the summation of the equal life group accruals for that year. For example, the total accrual for the second year, as shown in column (G), is 11.31019 percent and is the sum of all succeeding years remaining equal life group accruals plus

one half of the current years life group accrual listed in column (F). For the zero age interval year the total accrual is equal to one half of the sum of all succeeding years remaining equal life accruals plus the amount for the zero interval equal life group accrual. The one half year accrual for the zero age interval is consistent with the half year convention relative to property during its installation year. The sum of the annual accruals for each age interval contained in column (G) total to 1.000 demonstrating that the developed rates will recover 100% of plant no more and no less. The annual accrual rate which will result in the accrual amount is the ratio of the accrual amount (11.31019 percent) to the average percent surviving during the interval, column (D), (99.74145 percent), which is a rate of 11.34% (column J). Column (J) contains a summary of the accrual rates for each age interval of the property groups life cycle based upon an Iowa 10-R3 survivor curve.

Remaining Life Technique

As previously noted, while I prefer the Average Remaining Life Technique (because it considers all factors in developing the applicable depreciation rates) the NY Commission and its staff have indicated that the Whole Life depreciation Technique should be used to develop depreciation rates other than for Electric generating facilities.

In the Average Remaining Life depreciation technique, the annual accrual is calculated according to the following formula where, (A) the annual depreciation for each group equals, (D) the depreciable cost of plant less (U) the accumulated provision for depreciation less (S) the estimated future net salvage, divided by (R) the composite remaining life of the group:

$$A = \frac{D - U - S}{R}$$

The annual accrual rate (a) is expressed as a percentage of the depreciable plant balance by dividing the equation by (D) the depreciable cost of plant times 100:

$$(a) = \frac{D - U - S}{R} \times \frac{1}{D} \times 100$$

As further indicated by the equation, the accumulated provision for depreciation by vintage is required in order to calculate the remaining life depreciation rate for each property group. In practice, most often such detail is not available; therefore, composite remaining lives are determined for each depreciable group, (i.e., property account).

The remaining life for a depreciable group is calculated by first determining the remaining life for each vintage year in which there is surviving investment. This is accomplished by solving the area under the survivor curve selected to represent the average life and life characteristic of the property account. The remaining life for each vintage is determined by dividing (D) the depreciable cost of each vintage, by (L) its average service life, and multiplying this ratio by its average remaining life (E). The composite remaining life of the group (R) equals the sums of products divided by the sum of the quotients:

$$\text{R Group} = \frac{\sum \frac{D/L \times E}{}}{\sum D/L}$$

The accumulated provision for depreciation, which was the basis for developing the composite average remaining life accrual and annual depreciation rate for each property account as per this report, was obtained from the Company's books and records.

Salvage

Net salvage is the difference between gross salvage, or what is received when an

asset is disposed of, and the cost of removing it from service. Salvage experience is normally included with the depreciation rate so that current accounting periods reflect a proportional share of the ultimate abandonment and removal cost or salvage received at the end of the property service life. Net salvage is said to be positive if gross salvage exceeds the cost of removal, but if cost of removal exceeds gross salvage the result is then negative salvage.

The cost of removal includes such costs as demolishing, dismantling, tearing down, disconnecting or otherwise removing plant, as well as normal environmental clean up costs associated with the property. Salvage includes proceeds received for the sale of plant and materials or the return of equipment to stores for reuse.

Net salvage experience is studied for a period of years to determine the trends which have occurred in the past. These trends are considered together with any changes that are anticipated in the future to determine the future net salvage factor for remaining life depreciation purposes. The net salvage percentage is determined by relating the total net positive or negative salvage to the book cost of the property investment.

Many retired assets generate little, if any, positive salvage. Instead, many of the Company's asset property groups generate negative net salvage at end of their life as a result of the cost of removal (retirement).

The method used to estimate the retirement cost is a standard analysis approach which is used to identify a company's historical experience with regard to what the end of life cost will be relative to the cost of the plant when first placed into service. This information, along with knowledge about the average age of the historical

retirements that have occurred to date, enables the depreciation professional to estimate the level of retirement cost that will be experienced by the Company at the end of each property group's useful life. The study methodology utilized has been extensively set forth in depreciation textbooks and has been the accepted practice by depreciation professionals for many decades. Furthermore, the cost of removal analysis approach is the current standard practice used for mass assets by essentially all depreciation professionals in estimating future net salvage for the purpose of identifying the applicable depreciation for a property group. There is a direct relationship to the installation of specific plant in service and its corresponding removal in that the installation is its beginning of life cost while the removal is its end of life cost. Also, it is important to note that average remaining life based depreciation rates incorporate future net salvage which is routinely more representative of recent versus long-term past average net salvage.

The Company's historical net salvage experience was analyzed to identify the historical net salvage factor for each applicable property group. This analysis routinely identifies that historical retirements have occurred at average ages significantly prior to the property group's average service life. This occurrence of historical retirements, at an age which is significantly younger than the average service life of the property category, clearly demonstrates that the historical data does not appropriately recognize the true level of retirement cost at the end of the property's useful life. An additional level of cost to retire will occur due to the passage of time until all the current in service plant is retired at end of life. That is, the level of retirement costs will increase over time until the average service life is attained. The estimated additional inflation, within the estimate of retirement cost, is related to those additional year's cost increases (primarily higher labor

costs over time) that will occur prior to the end of the property group's average life.

To provide an additional explanation of the issue, several general principles surrounding property retirements and related net salvage need to be highlighted. Those are that as property continues to age, the retirement of assets, if generating positive salvage when retired, will typically generate a lower percent of positive salvage. By comparison, if the class of property is one that typically generates negative net salvage (cost of removal), with increasing age at retirement the negative percentage as related to original cost will typically be greater. This situation is routinely driven by the higher labor cost with the passage of time.

Next, a simple example will aid in a better understanding of the above discussed net salvage analysis and the required adjustment to the historical analysis results. Assume the following scenario. A company has two (2) cars, Car #1 and Car #2, each purchased for $20,000. Car #1 is retired after 2 years and Car #2, is retired after 10 years. Accordingly, the average life of the two cars is six (6) years (2 Yrs. Plus 10 Yrs./2). Car #1 generates 75% salvage or $15,000 when retired and Car #2 generates 5% salvage or $1,000 when retired.

Unit	Cost	Ret. Age (Yrs)	% Salv.	Salvage Amount
Car # 1	$20,000	2	75%	$15,000
Car # 2	20,000	10	5%	1,000
Total	40,000	6	40%	16,000

Assume an analysis of the experienced net salvage at year three (3). Based upon the Car #1 retirement, which was retired at a young age (2 Yrs.) as compared to the average six (6) year life of the property group, the analysis indicates that the property group would generate 75% salvage. This analysis indication is incorrect and is the result

of basing the estimate on incomplete data. That is, the estimate is based upon the salvage generated from a retirement that occurred at an age which is far less than the average service life of the property group. The actual total net salvage, that occurred over the average life of the assets (which experienced a six (6) year average life for the property group) is 40% as opposed to the initial incorrect estimate of 75%.

This is exactly the situation with the majority of the Company's historical net salvage data except that most of the Company's plant property groups routinely experience negative net salvage (cost of removal) as opposed to positive salvage.

The total end of life net salvage amount must be incorporated in the development of annual depreciation rates to enable the Company to fully recover its total plant life costs. Otherwise, upon retirement of the plant, the Company will incur end of life costs without having recovered those plant related costs from the customers who benefitted from the use of the expired plant.

With regard to location type properties (e.g. generation facilities, etc.) a company will routinely experience both interim and terminal net salvage. Interim net salvage occurs in conjunction with interim retirements that occur throughout the life of the asset group. This net salvage activity (routinely and largely cost of removal) is attributable to the removal of components within the Company's facilities to enable the placement of a new asset component. Interim net salvage is routinely negative given the care required in removing the defective component so as not to damage the remaining plant in service. Interim net salvage is applicable to the estimated interim retirement assets.

The terminal net salvage component is attributable to the end of life costs incurred (less any gross salvage received) to disconnect, remove, demolish and/or dispose of the

operating asset. Terminal net salvage is attributable to those assets remaining in service subsequent to the occurrence of interim retirements.

The total net salvage incorporated into the depreciation rate for location type plant account investments is the sum of interim and terminal net salvage. Both of the items must be incorporated in the development of annual depreciation rates to enable the Company to fully recover its total plant life costs. Otherwise, upon retirement of the plant, the Company will incur end of life costs without having recovered those plant related costs from the customers who benefitted from the use of the expired facility.

Service Lives

Several factors contribute to the length of time or average service life which the property achieves. The three (3) major categories under which these factors fall are: (1) physical; (2) functional; and (3) contingent casualties.

The physical category includes such things as deterioration, wear and tear and the action of the natural elements. The functional category includes inadequacy, obsolescence and requirements of governmental authorities. Obsolescence occurs when it is no longer economically feasible to use the property to provide service to customers or when technological advances have provided a substitute of superior performance. The remaining factor of contingent casualties relates to retirements caused by accidental damage or construction activity of one type or another.

In performing the life analysis for any property being studied, both past experience and future expectations must be considered in order to fully evaluate the circumstances which may have a bearing on the remaining life of the property. This ensures the selection of an average service life which best represents the expected life of each

property investment.

Survivor Curves

The preparation of a depreciation study or theoretical depreciation reserve typically incorporates smooth curves to represent the experienced or estimated survival characteristics of the property. The "smoothed" or standard survivor curves generally used are the family of curves developed at Iowa State University which are widely used and accepted throughout the utility industry.

The shape of the curves within the Iowa family of curves are dependent upon whether the maximum rate of retirement occurs before, during or after the average service life. If the maximum retirement rate occurs earlier in life, it is a left (L) mode curve; if occurring at average life, it is a symmetrical (S) mode curve; if it occurs after average life, it is a right (R) mode curve. In addition, there is the origin (O) mode curve for plant which has heavy retirements at the beginning of life.

Many times, actual Company data has not completed its life cycle, therefore, the survivor table generated from the Company data is not extended to zero percent surviving. This situation requires an estimate be made with regard to the remaining segment of the property group's life experience. Furthermore, actual Company experience is often erratic, making its utilization for average service life estimating difficult. Accordingly, the Iowa curves are used to both extend Company experience to zero percent surviving as well as to smooth actual Company data.

Study Procedures

Several study procedures were used to determine the prospective service lives recommended for the Company's plant in service. These include the review and

analysis of historical retirements, current and future construction, historical experience and future expectations of salvage and cost of removal as related to plant investment. Service lives are affected by many different factors, some of which can be obtained from studying plant experience, others which may rely heavily on future expectations. When physical aspects are the controlling factor in determining the service life of property, historical experience is a valuable tool in selecting service lives. In the case where changing technology or a less costly alternative develops, then historical experience is of lesser value.

While various methods are available to study historical data, the principal methods utilized to determine average service lives for a Company's property are the Retirement Rate Method, the Simulated Plant Record Method, the Life Span Method, and the Judgment Method.

Retirement Rate Method - The Retirement Rate Method uses actual Company retirement experience to develop a survivor curve (Observed Life Table) which is used to determine the average service life being experienced in the account under study. Computer processing provides the opportunity to review various experience bands throughout the life of the account to observe trends and changes. For each experience band studied, the "observed life table" is constructed based on retirement experience within the band of years. In some cases, the total life of the account has not been achieved and the experienced life table, when plotted, results in a "stub curve." It is this "stub curve" or total life curve, if achieved, which is matched or fitted to a standard Survivor curve. The matching process is performed both by computer analysis, using a least squares technique, and by manually plotting observed life tables to which smooth

curves are fitted. The fitted smooth curve provides the basis to determine the average service life of the property group under study.

Simulated Balances Method - In this method of analysis, simulated surviving balances are determined for each balance included in the test band by multiplying each proceeding year's original gross additions installed by the Company by the appropriate factor of each Standard Survivor Curve, summing the products, and comparing the results with the related year end plant balance to determine the "best fitting" curve and life within the test period. Various test bands are reviewed to determine trends or changes to indicated service lives in various bands of years. By definition, the curve with the "best fit" is the curve which produces simulated plant balances that most closely matches the actual plant balances as determined by the sum of the "least squares". The sum of the "least squares" is arrived at by starting with the difference between the simulated balances and the actual balance for a given year, squaring the difference, and the curve which produces the smallest sum (of squared difference) is judged to be the "best fit".

Period Retirements Method - The application of the Period Retirements Method is similar to the "Simulated Plant Balances" Method, except the procedure utilizes a Standard Survivor Curve and service life to simulate annual retirements instead of balances in performing the "least squares" fitting process during the test period. This procedure does tend to experience wider fluctuations due to the greater variations in level of experienced retirements versus additions and balances thereby producing greater variation in the study results.

Life Span Method - The Life Span or Forecast Method is a method utilized to

study various accounts in which the expected retirement dates of specific property or locations can be reasonably estimated. In the Life Span Method, an estimated probable retirement year is determined for each location of the property group. An example of this would be a structure account, in which the various segments of the account are "life spanned" to a probable retirement date which is determined after considering a number of factors, such as management plans, industry standards, the original construction date, subsequent additions, resultant average age and the current - as well as the overall - expected service life of the property being studied. If, in the past, the property has experienced interim retirements, these are studied to determine an interim retirement rate. Otherwise, interim retirement rate parameters are estimated for properties which are anticipated to experience such retirements. The selected interim service life parameters (Iowa curve and life) are then used with the vintage investment and probable retirement year of the property to determine the average remaining life as of the study date.

Judgment Method - Standard quantitative methods such as the Retirement Rate Method, Simulated Plant Record Method, etc. are normally utilized to analyze a Company's available historical service life data. The results of the analysis together with information provided by management as well as judgment are utilized in estimating the prospective recommended average service lives. However, there are some circumstances where sufficient retirements have not occurred, or where prospective plans or guidelines are unavailable. In these circumstances, judgment alone is utilized to estimate service lives based upon service lives used by other utilities for this class of plant as well as what is considered to be a reasonable life for this plant giving

consideration to the current age and use of the facilities.

SECTION 4

MONTANA-DAKOTA UTILITIES CO. - COMMON PLANT

Study Analysis & Results

ACCOUNT – 390.00 Structures And Improvements

Historical Experience

Plant Statistics
Plant Balance = $49,299,196
Average Age of Survivors = 11.2 years.
Original Gross Additions = $58,376,038
Oldest Surviving Vintage = 1953
Retirements - $3,717,530, or 6.4% of historical additions.
Average Age of Retirements = 30.8 years

Experience Bands 1977 – 2014 (Full Depth) 38-R3

Historic Net Salvage: (68-14)

Three Year Average Net Salvage Percent			Full Depth
2010-12	2011-13	2012-14	1968-2014
8%	8%	1%	-6%

Gross Salvage Trend Analysis

20 Year	15 Year	10 Year	5 Year
0%	5%	9%	3%

Forecasted Net Salvage: -20%

Plant Considerations/Future Expectations

This investment is related to cost of various General related structures and improvements. Ongoing changes occur due to required upgrades as well as changes in business environment conditions. In this regard, during the recent 15 plus years the Company has been consolidating offices plus got out of the service and repair business including the selling of appliances so there was less need for facilities.

Further future activity can be anticipated as the Company continues to make changes to meet ever changing business conditions.

Life Analysis Method: Retirement Rate Method (Actuarial)

Current Depreciation Parameters

ASL/Curve: 35-R3
Net Salv: -10%

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

Proposed Depreciation Parameters

ASL/Curve: 38-R3
Future Net Salv: 0%

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	2.31%	2.18%
Average Remaining Life	28.2 years	N/A

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

ACCOUNT – 392.10 Transportation Equipment - Trailers

Historical Experience

Plant Statistics
Plant Balance = $2,482
Average Age of Survivors = 1.5 years.
Original Gross Additions = $426,161
Oldest Surviving Vintage = 2013
Retirements - $261,809, or 61.4% of historical additions.
Average Age of Retirements = 16.7 years

Experience Bands 1977 – 2014 (Full Depth) 25-L1

Historic Net Salvage: (77-14)

Three Year Average Net Salvage Percent			Full Depth
2010-12	2011-13	2012-14	1977-2014
24%	23%	29%	50%

Gross Salvage Trend Analysis

20 Year	15 Year	10 Year	5 Year
21%	15%	26%	34%

Forecasted Net Salvage: 34%

Plant Considerations/Future Expectations

This property group contains investments principally related to trailers used by the Company's workforce. The minor investment in this property account is currently fully depreciated, therefore, no further accruals should be recorded until such time that significant additional plant is added and/or the fully accrued status is significantly reduced.*The proposed depreciation is currently set to zero percent.

Life Analysis Method: Retirement Rate Method (Actuarial)

Current Depreciation Parameters

ASL/Curve: 20-L2
Net Salv: 15%

Proposed Depreciation Parameters

ASL/Curve: 25-L1
Future Net Salv: 20%

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	0.00% *	4.17%
Average Remaining Life	23.6 years	N/A

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

ACCOUNT – 392.20 Transportation Equipment – Cars & Trucks

Historical Experience

Plant Statistics
Plant Balance = $7,053,425
Average Age of Survivors = 5.9 years.
Original Gross Additions = $23,694,568
Oldest Surviving Vintage = 1987
Retirements - $16,559,465, or 69.9% of historical additions.
Average Age of Retirements = 9.0 years

Experience Bands 2005 – 2014 (Full Depth) 9-R3

Historic Net Salvage: (68-14)

Three Year Average Net Salvage Percent			Full Depth
2010-12	2011-13	2012-14	1968-2014
21%	22%	24%	24%

Gross Salvage Trend Analysis

20 Year	15 Year	10 Year	5 Year
29%	24%	24%	23%

Forecasted Net Salvage: 23%

Plant Considerations/Future Expectations

This property group contains investments is related to vehicles which are used in constructing and maintaining distribution and transmission lines. The Company's general replacement policy is 8 years or 95,000 miles.

Life Analysis Method: Retirement Rate Method (Actuarial)

Current Depreciation Parameters

ASL/Curve: 7-R3
Net Salv: 20%

Proposed Depreciation Parameters

ASL/Curve: 9-R3
Future Net Salv: 20%

	New Rate @New Parameters	Old Rate @ Old Parameters
Rate	6.65%	4.11%
Average Remaining Life	4.9 years	N/A

(ASL – Average Service Life; NS – Net Salvage; FTA – Fit to Age; N/A—Not Available, Not Applicable

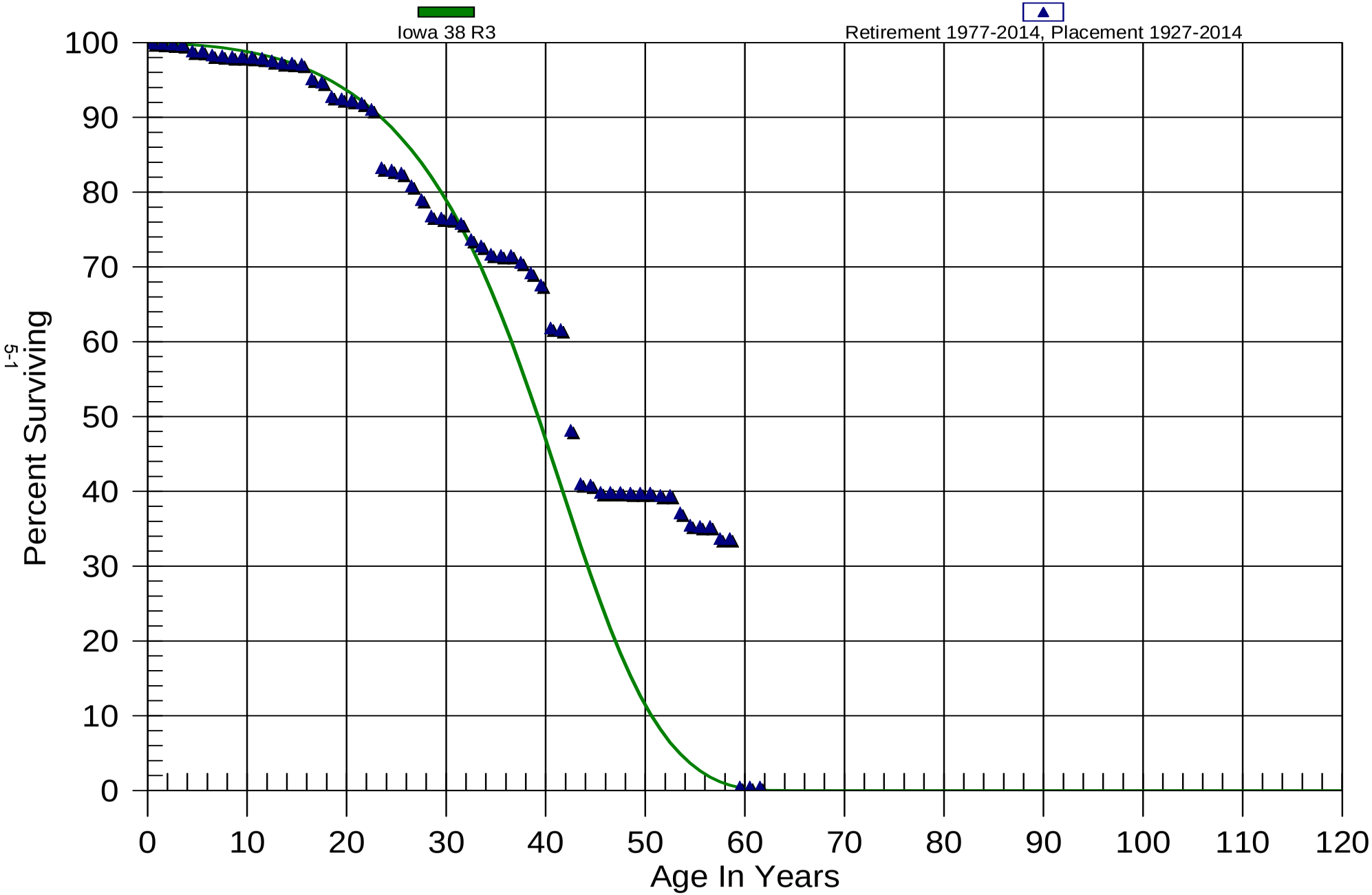
SECTION 5

Montana-Dakota Utilities Company

Common Plant

390.00 STRUCTURES & IMPROVEMENTS

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company
Common Plant
390.00 STRUCTURES & IMPROVEMENTS
Observed Life Table
Retirement Expr. 1977 TO 2014
Placement Years 1927 TO 2014

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
0.0 - 0.5	$51,386,462.17	$25,673.53	0.00050	100.00
0.5 - 1.5	$37,069,625.54	$23,092.38	0.00062	99.95
1.5 - 2.5	$35,724,362.90	$30,368.26	0.00085	99.89
2.5 - 3.5	$30,989,828.85	$21,067.24	0.00068	99.80
3.5 - 4.5	$30,181,839.15	$266,416.20	0.00883	99.74
4.5 - 5.5	$28,479,882.20	$7,321.78	0.00026	98.85
5.5 - 6.5	$28,620,601.98	$139,558.85	0.00488	98.83
6.5 - 7.5	$27,644,714.19	$34,965.67	0.00126	98.35
7.5 - 8.5	$23,216,229.11	$22,937.57	0.00099	98.22
8.5 - 9.5	$23,977,517.16	$3,506.22	0.00015	98.13
9.5 - 10.5	$20,351,346.32	$20,800.15	0.00102	98.11
10.5 - 11.5	$19,239,300.84	$22,460.50	0.00117	98.01
11.5 - 12.5	$19,019,350.49	$62,380.28	0.00328	97.90
12.5 - 13.5	$18,559,122.49	$50,345.38	0.00271	97.58
13.5 - 14.5	$18,259,241.48	$14,405.14	0.00079	97.31
14.5 - 15.5	$17,541,661.06	$23,427.31	0.00134	97.23
15.5 - 16.5	$17,267,907.53	$347,724.14	0.02014	97.10
16.5 - 17.5	$16,666,604.80	$76,946.11	0.00462	95.15
17.5 - 18.5	$15,290,782.31	$309,758.75	0.02026	94.71
18.5 - 19.5	$14,695,770.75	$49,274.84	0.00335	92.79
19.5 - 20.5	$14,080,472.00	$34,886.01	0.00248	92.48
20.5 - 21.5	$11,866,405.13	$45,061.83	0.00380	92.25
21.5 - 22.5	$11,896,477.46	$109,517.38	0.00921	91.90
22.5 - 23.5	$11,630,990.42	$993,464.06	0.08542	91.05
23.5 - 24.5	$10,598,164.75	$40,923.19	0.00386	83.28
24.5 - 25.5	$10,687,001.78	$51,633.39	0.00483	82.96
25.5 - 26.5	$10,631,550.44	$218,841.22	0.02058	82.55
26.5 - 27.5	$10,427,979.09	$241,150.76	0.02313	80.86
27.5 - 28.5	$10,187,429.04	$282,390.96	0.02772	78.99
28.5 - 29.5	$9,526,593.55	$29,871.72	0.00314	76.80
29.5 - 30.5	$8,970,339.51	$15,451.43	0.00172	76.56
30.5 - 31.5	$5,989,770.31	$48,328.18	0.00807	76.42
31.5 - 32.5	$5,603,875.46	$159,064.05	0.02838	75.81
32.5 - 33.5	$3,910,397.99	$45,747.70	0.01170	73.66
33.5 - 34.5	$3,713,192.79	$55,938.13	0.01506	72.79
34.5 - 35.5	$3,414,005.20	$7,220.80	0.00212	71.70

Montana-Dakota Utilities Company
Common Plant
390.00 STRUCTURES & IMPROVEMENTS
Observed Life Table
Retirement Expr. 1977 TO 2014
Placement Years 1927 TO 2014

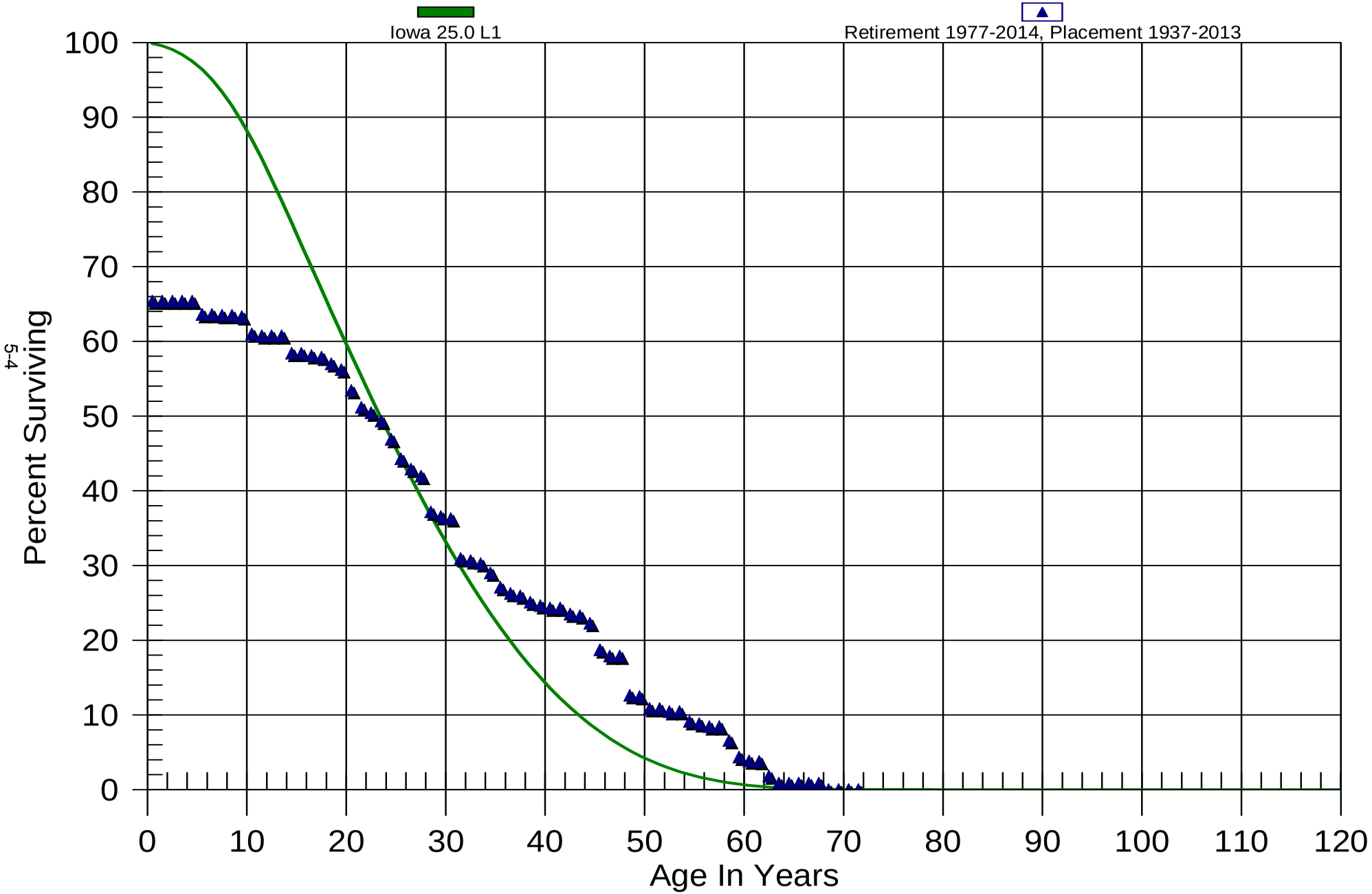
Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
35.5 - 36.5	$2,878,310.71	$0.00	0.00000	71.55
36.5 - 37.5	$2,919,547.05	$37,680.44	0.01291	71.55
37.5 - 38.5	$2,582,013.24	$51,569.55	0.01997	70.62
38.5 - 39.5	$2,491,649.17	$58,309.83	0.02340	69.21
39.5 - 40.5	$2,466,427.82	$209,702.82	0.08502	67.59
40.5 - 41.5	$2,832,493.56	$10,564.14	0.00373	61.84
41.5 - 42.5	$2,773,154.01	$605,124.47	0.21821	61.61
42.5 - 43.5	$1,744,711.63	$259,617.42	0.14880	48.17
43.5 - 44.5	$1,466,474.58	$6,119.46	0.00417	41.00
44.5 - 45.5	$1,454,610.53	$34,871.55	0.02397	40.83
45.5 - 46.5	$1,345,172.72	$0.00	0.00000	39.85
46.5 - 47.5	$429,879.72	$0.00	0.00000	39.85
47.5 - 48.5	$268,827.55	$551.05	0.00205	39.85
48.5 - 49.5	$116,831.53	$0.00	0.00000	39.77
49.5 - 50.5	$414,560.87	$0.00	0.00000	39.77
50.5 - 51.5	$395,576.93	$3,171.15	0.00802	39.77
51.5 - 52.5	$387,498.70	$0.00	0.00000	39.45
52.5 - 53.5	$377,886.76	$22,494.25	0.05953	39.45
53.5 - 54.5	$354,159.92	$15,598.57	0.04404	37.10
54.5 - 55.5	$336,483.05	$1,665.36	0.00495	35.47
55.5 - 56.5	$334,404.65	$0.00	0.00000	35.29
56.5 - 57.5	$333,066.63	$15,066.48	0.04524	35.29
57.5 - 58.5	$308,446.93	$0.00	0.00000	33.70
58.5 - 59.5	$305,938.50	$301,579.65	0.98575	33.70
59.5 - 60.5	$4,358.85	$0.00	0.00000	0.48
60.5 - 61.5	$3,494.96	$0.00	0.00000	0.48

Montana-Dakota Utilities Company

Common Plant

392.10 TRANSPORTATION EQUIPMENT - (TRAILERS)

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company
Common Plant
392.10 TRANSPORTATION EQUIPMENT - (TRAILERS)
Observed Life Table
Retirement Expr. 1977 TO 2014
Placement Years 1937 TO 2013

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
0.0 - 0.5	$330,428.96	$114,357.49	0.34609	100.00
0.5 - 1.5	$217,834.78	$0.00	0.00000	65.39
1.5 - 2.5	$216,449.46	$0.00	0.00000	65.39
2.5 - 3.5	$222,106.27	$0.00	0.00000	65.39
3.5 - 4.5	$227,017.66	$0.00	0.00000	65.39
4.5 - 5.5	$225,338.15	$6,163.53	0.02735	65.39
5.5 - 6.5	$240,460.31	$0.00	0.00000	63.60
6.5 - 7.5	$243,714.62	$386.34	0.00159	63.60
7.5 - 8.5	$229,203.60	$0.00	0.00000	63.50
8.5 - 9.5	$239,934.64	$725.94	0.00303	63.50
9.5 - 10.5	$227,783.16	$8,265.96	0.03629	63.31
10.5 - 11.5	$220,336.56	$948.01	0.00430	61.01
11.5 - 12.5	$219,803.26	$0.00	0.00000	60.75
12.5 - 13.5	$226,180.66	$0.00	0.00000	60.75
13.5 - 14.5	$233,857.60	$8,939.16	0.03822	60.75
14.5 - 15.5	$216,295.53	$0.00	0.00000	58.43
15.5 - 16.5	$203,285.05	$1,156.30	0.00569	58.43
16.5 - 17.5	$200,026.82	$717.60	0.00359	58.10
17.5 - 18.5	$181,492.19	$2,766.18	0.01524	57.89
18.5 - 19.5	$165,969.87	$2,304.69	0.01389	57.00
19.5 - 20.5	$164,643.45	$8,112.21	0.04927	56.21
20.5 - 21.5	$159,471.41	$6,780.89	0.04252	53.44
21.5 - 22.5	$150,259.95	$2,178.80	0.01450	51.17
22.5 - 23.5	$153,884.16	$3,353.83	0.02179	50.43
23.5 - 24.5	$155,934.50	$7,716.08	0.04948	49.33
24.5 - 25.5	$149,294.98	$8,264.54	0.05536	46.89
25.5 - 26.5	$136,620.62	$4,241.96	0.03105	44.29
26.5 - 27.5	$122,985.74	$2,723.07	0.02214	42.92
27.5 - 28.5	$116,648.20	$13,321.75	0.11420	41.97
28.5 - 29.5	$100,108.43	$1,673.57	0.01672	37.17
29.5 - 30.5	$100,787.37	$775.11	0.00769	36.55
30.5 - 31.5	$93,558.21	$13,769.43	0.14718	36.27
31.5 - 32.5	$65,631.99	$610.95	0.00931	30.93
32.5 - 33.5	$60,120.64	$776.26	0.01291	30.65
33.5 - 34.5	$59,344.38	$2,439.04	0.04110	30.25
34.5 - 35.5	$56,905.34	$3,768.07	0.06622	29.01

Montana-Dakota Utilities Company
Common Plant
392.10 TRANSPORTATION EQUIPMENT - (TRAILERS)
Observed Life Table
Retirement Expr. 1977 TO 2014
Placement Years 1937 TO 2013

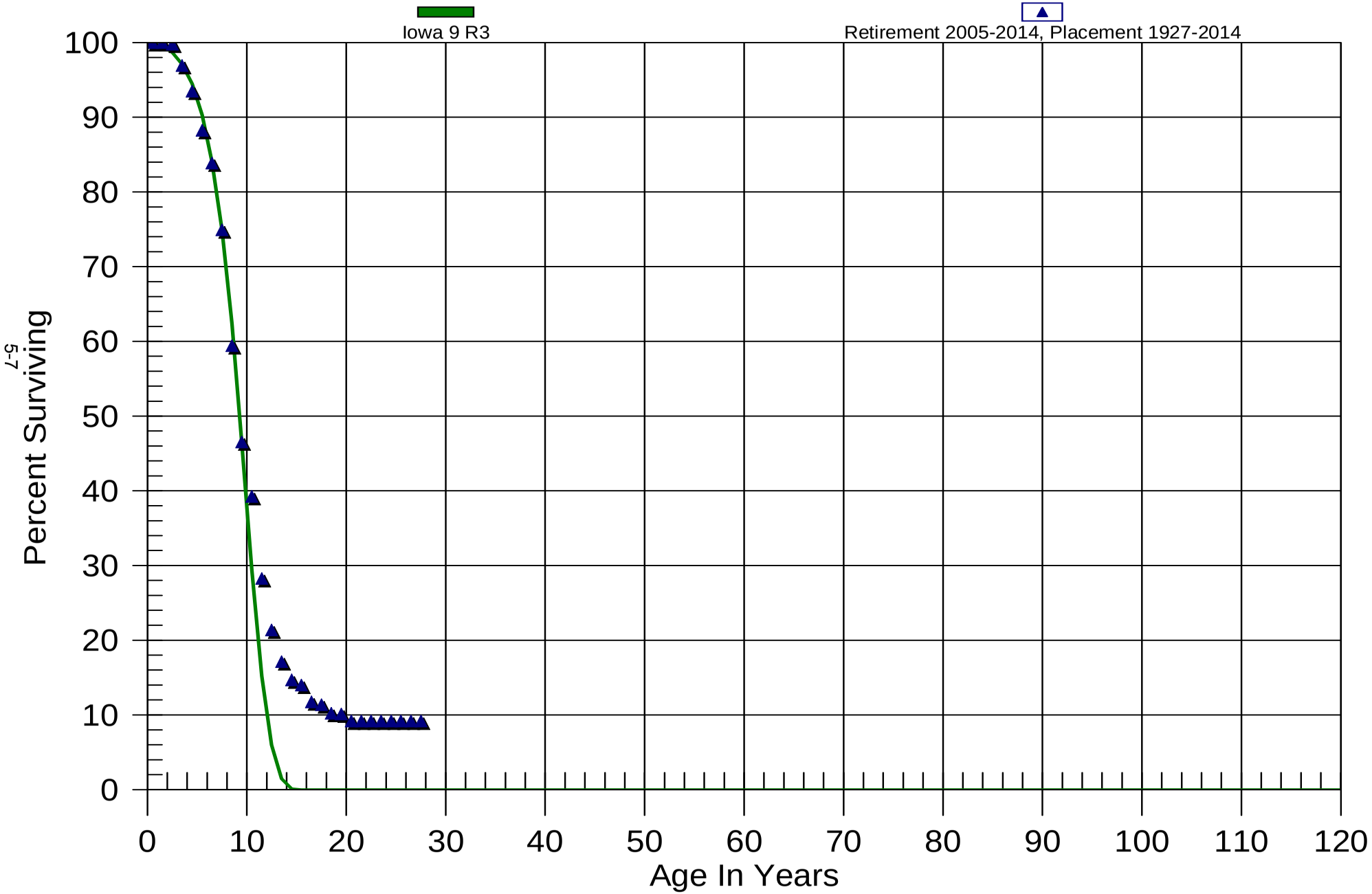
Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
35.5 - 36.5	$50,887.70	$1,544.14	0.03034	27.09
36.5 - 37.5	$46,847.76	$616.19	0.01315	26.26
37.5 - 38.5	$42,052.10	$1,318.81	0.03136	25.92
38.5 - 39.5	$38,167.20	$702.41	0.01840	25.11
39.5 - 40.5	$36,237.93	$478.15	0.01319	24.64
40.5 - 41.5	$35,759.78	$0.00	0.00000	24.32
41.5 - 42.5	$35,759.78	$1,174.62	0.03285	24.32
42.5 - 43.5	$33,864.45	$365.00	0.01078	23.52
43.5 - 44.5	$33,205.89	$1,412.40	0.04253	23.27
44.5 - 45.5	$31,793.49	$5,058.50	0.15910	22.28
45.5 - 46.5	$26,734.99	$1,188.78	0.04447	18.73
46.5 - 47.5	$25,546.21	$0.00	0.00000	17.90
47.5 - 48.5	$23,552.66	$6,949.98	0.29508	17.90
48.5 - 49.5	$16,602.68	$181.56	0.01094	12.62
49.5 - 50.5	$13,581.88	$1,757.50	0.12940	12.48
50.5 - 51.5	$11,824.38	$0.00	0.00000	10.86
51.5 - 52.5	$11,824.38	$451.13	0.03815	10.86
52.5 - 53.5	$11,373.25	$0.00	0.00000	10.45
53.5 - 54.5	$11,373.25	$1,438.98	0.12652	10.45
54.5 - 55.5	$9,934.27	$333.04	0.03352	9.13
55.5 - 56.5	$9,601.23	$416.94	0.04343	8.82
56.5 - 57.5	$9,184.29	$0.00	0.00000	8.44
57.5 - 58.5	$9,184.29	$2,020.83	0.22003	8.44
58.5 - 59.5	$7,163.46	$2,417.97	0.33754	6.58
59.5 - 60.5	$4,745.49	$550.82	0.11607	4.36
60.5 - 61.5	$4,194.67	$55.69	0.01328	3.85
61.5 - 62.5	$4,138.98	$2,154.98	0.52065	3.80
62.5 - 63.5	$1,984.00	$1,012.19	0.51018	1.82
63.5 - 64.5	$971.81	$0.00	0.00000	0.89
64.5 - 65.5	$971.81	$0.00	0.00000	0.89
65.5 - 66.5	$971.81	$0.00	0.00000	0.89
66.5 - 67.5	$971.81	$0.00	0.00000	0.89
67.5 - 68.5	$971.81	$946.81	0.97427	0.89
68.5 - 69.5	$25.00	$0.00	0.00000	0.02
69.5 - 70.5	$25.00	$0.00	0.00000	0.02
70.5 - 71.5	$25.00	$0.00	0.00000	0.02

Montana-Dakota Utilities Company

Common Plant

392.20 TRANSPORTATION EQUIPMENT - (CARS & TRUCKS)

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company
Common Plant
392.20 TRANSPORTATION EQUIPMENT - (CARS & TRUCKS)
Observed Life Table
Retirement Expr. 2005 TO 2014
Placement Years 1927 TO 2014

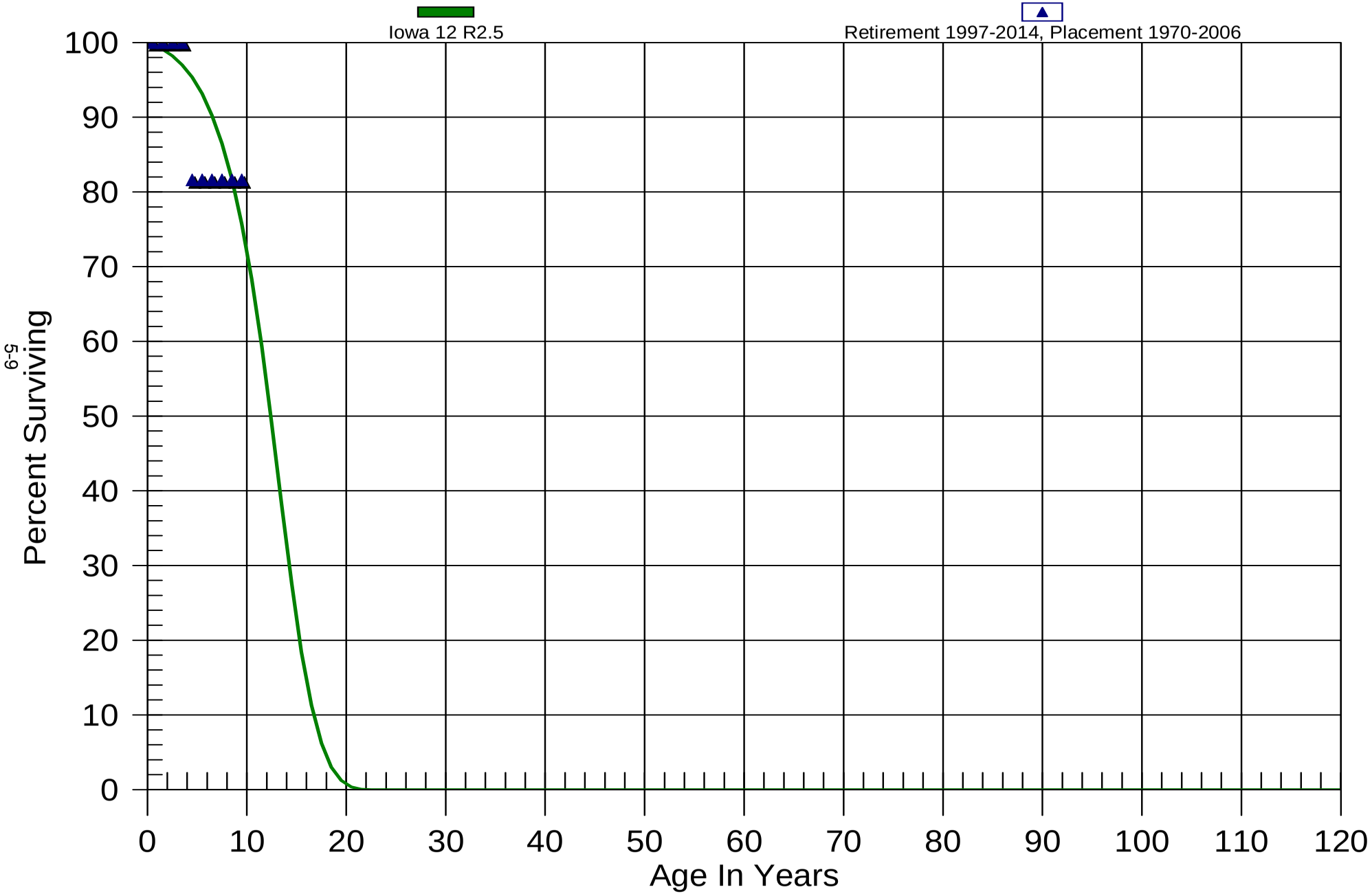
Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
0.0 - 0.5	$5,931,090.59	$0.00	0.00000	100.00
0.5 - 1.5	$5,130,823.60	$0.00	0.00000	100.00
1.5 - 2.5	$5,019,024.48	$10,581.83	0.00211	100.00
2.5 - 3.5	$4,754,379.70	$135,801.16	0.02856	99.79
3.5 - 4.5	$4,925,466.19	$174,309.83	0.03539	96.94
4.5 - 5.5	$5,426,020.31	$304,169.80	0.05606	93.51
5.5 - 6.5	$5,507,281.26	$274,162.37	0.04978	88.27
6.5 - 7.5	$4,820,835.70	$514,288.47	0.10668	83.87
7.5 - 8.5	$3,903,887.58	$807,786.68	0.20692	74.92
8.5 - 9.5	$2,797,796.49	$605,844.55	0.21654	59.42
9.5 - 10.5	$2,245,011.45	$351,859.11	0.15673	46.55
10.5 - 11.5	$1,659,650.90	$464,502.40	0.27988	39.26
11.5 - 12.5	$1,182,622.03	$288,221.78	0.24371	28.27
12.5 - 13.5	$688,558.38	$136,480.72	0.19821	21.38
13.5 - 14.5	$611,416.63	$88,078.72	0.14406	17.14
14.5 - 15.5	$564,391.31	$26,541.90	0.04703	14.67
15.5 - 16.5	$471,456.23	$75,264.83	0.15964	13.98
16.5 - 17.5	$386,644.93	$12,595.66	0.03258	11.75
17.5 - 18.5	$290,143.43	$29,290.92	0.10095	11.37
18.5 - 19.5	$252,934.50	$2,269.48	0.00897	10.22
19.5 - 20.5	$246,764.49	$23,023.38	0.09330	10.13
20.5 - 21.5	$223,741.11	$0.00	0.00000	9.18
21.5 - 22.5	$162,882.38	$0.00	0.00000	9.18
22.5 - 23.5	$138,180.14	$0.00	0.00000	9.18
23.5 - 24.5	$3,191.64	$0.00	0.00000	9.18
24.5 - 25.5	($5,487.89)	$0.00	0.00000	9.18
25.5 - 26.5	$1,122.40	$0.00	0.00000	9.18
26.5 - 27.5	$360.90	$0.00	0.00000	9.18

Montana-Dakota Utilities Company

Common Plant

396.20 POWER OPERATED EQUIPMENT

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company
Common Plant
396.20 POWER OPERATED EQUIPMENT
Observed Life Table
Retirement Expr. 1997 TO 2014
Placement Years 1970 TO 2006

Age Interval	*$ Surviving At Beginning of Age Interval*	*$ Retired During The Age Interval*	*Retirement Ratio*	*% Surviving At Beginning of Age Interval*
0.0 - 0.5	$196,415.18	$0.00	0.00000	100.00
0.5 - 1.5	$196,415.18	$0.00	0.00000	100.00
1.5 - 2.5	$152,067.51	$0.00	0.00000	100.00
2.5 - 3.5	$110,393.83	$0.00	0.00000	100.00
3.5 - 4.5	$110,393.83	$20,275.10	0.18366	100.00
4.5 - 5.5	$90,118.73	$0.00	0.00000	81.63
5.5 - 6.5	$85,376.75	$0.00	0.00000	81.63
6.5 - 7.5	$52,450.87	$0.00	0.00000	81.63
7.5 - 8.5	$15,707.42	$0.00	0.00000	81.63
8.5 - 9.5	$15,707.42	$0.00	0.00000	81.63

SECTION 6

Montana-Dakota Utilities Company
Common Plant
390.00 STRUCTURES & IMPROVEMENTS
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: ***38*** ***Survivor Curve:*** ***R3***

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1953	3,494.96	38.00	91.97	0.76	69.67
1954	863.89	38.00	22.73	0.95	21.56
1956	2,508.43	38.00	66.01	1.40	92.74
1957	9,553.22	38.00	251.40	1.65	413.73
1958	1,338.02	38.00	35.21	1.90	67.01
1959	413.04	38.00	10.87	2.15	23.35
1960	2,078.30	38.00	54.69	2.40	131.38
1961	1,232.59	38.00	32.44	2.66	86.37
1962	9,611.94	38.00	252.95	2.91	737.23
1963	4,907.08	38.00	129.13	3.18	410.24
1964	18,983.94	38.00	499.58	3.43	1,713.05
1965	3,850.31	38.00	101.32	3.69	373.67
1966	151,444.97	38.00	3,985.39	3.96	15,773.83
1967	161,052.17	38.00	4,238.21	4.23	17,922.41
1968	915,293.00	38.00	24,086.65	4.51	108,691.98
1969	74,566.26	38.00	1,962.27	4.81	9,442.72
1970	5,744.59	38.00	151.17	5.12	774.65
1971	18,619.63	38.00	489.99	5.46	2,673.15
1972	423,317.91	38.00	11,139.94	5.81	64,692.40
1973	65,575.41	38.00	1,725.67	6.18	10,664.43
1974	16,413.39	38.00	431.93	6.58	2,840.10
1976	38,794.52	38.00	1,020.91	7.44	7,595.23
1977	300,253.37	38.00	7,901.40	7.91	62,484.24
1978	6,271.01	38.00	165.03	8.40	1,386.75
1979	517,309.31	38.00	13,613.40	8.92	121,472.02
1980	243,249.46	38.00	6,401.30	9.47	60,594.86
1981	186,300.70	38.00	4,902.65	10.04	49,198.11

Montana-Dakota Utilities Company
Common Plant
390.00 STRUCTURES & IMPROVEMENTS
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: ***38*** ***Survivor Curve:*** ***R3***

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1982	1,534,413.42	38.00	40,379.28	10.62	429,018.19
1983	337,566.67	38.00	8,883.33	11.24	99,848.30
1984	2,988,209.11	38.00	78,637.04	11.88	933,893.15
1985	535,883.88	38.00	14,102.20	12.53	176,706.63
1986	379,603.59	38.00	9,989.56	13.21	131,930.82
1988	4,844.35	38.00	127.48	14.61	1,862.73
1989	5,026.60	38.00	132.28	15.34	2,029.26
1990	1,377.26	38.00	36.24	16.09	582.99
1991	70,702.10	38.00	1,860.58	16.84	31,340.57
1992	163,560.50	38.00	4,304.22	17.62	75,839.44
1993	301,888.43	38.00	7,944.43	18.41	146,238.92
1994	2,292,791.36	38.00	60,336.59	19.21	1,159,163.31
1995	578,721.33	38.00	15,229.50	20.03	305,024.89
1996	290,056.16	38.00	7,633.05	20.86	159,205.94
1997	643,800.12	38.00	16,942.10	21.70	367,653.07
1998	261,211.63	38.00	6,873.99	22.56	155,047.34
1999	253,140.13	38.00	6,661.58	23.42	156,027.16
2000	712,787.22	38.00	18,757.55	24.30	455,823.39
2001	258,152.69	38.00	6,793.49	25.19	171,124.21
2002	425,278.52	38.00	11,191.53	26.09	291,988.80
2003	231,680.54	38.00	6,096.85	27.00	164,618.52
2004	1,256,998.87	38.00	33,078.90	27.92	923,550.67
2005	3,898,831.72	38.00	102,600.78	28.85	2,959,891.42
2006	37,502.34	38.00	986.90	29.79	29,395.58
2007	4,473,390.22	38.00	117,720.74	30.73	3,617,547.96
2008	845,919.79	38.00	22,261.04	31.68	705,271.68
2010	2,447,246.60	38.00	64,401.19	33.60	2,164,139.31

Montana-Dakota Utilities Company
Common Plant
390.00 STRUCTURES & IMPROVEMENTS
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: ***38*** ***Survivor Curve:*** ***R3***

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2011	655,506.13	38.00	17,250.15	34.57	596,398.94
2012	4,517,749.95	38.00	118,888.10	35.55	4,226,158.39
2013	1,324,924.42	38.00	34,866.41	36.53	1,273,525.20
2014	14,387,388.94	38.00	378,615.31	37.51	14,201,054.32
Total	49,299,196.01	38.00	1,297,346.63	28.25	36,652,247.98

Composite Average Remaining Life ... 28.2 Years

Montana-Dakota Utilities Company
Common Plant
392.10 TRANSPORTATION EQUIPMENT - (TRAILERS)
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *25* ***Survivor Curve:*** *L1*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2013	2,482.58	25.00	99.30	23.61	2,344.74
Total	2,482.58	25.00	99.30	23.61	2,344.74

Composite Average Remaining Life ... 23.6 Years

Montana-Dakota Utilities Company
Common Plant
392.20 TRANSPORTATION EQUIPMENT - (CARS & TRUCKS)
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2014
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *9* ***Survivor Curve:*** *R3*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1987	360.90	0.00	0.00	0.00	0.00
1988	761.50	0.00	0.00	0.00	0.00
1989	2,069.24	0.00	0.00	0.00	0.00
1991	134,988.50	0.00	0.00	0.00	0.00
1992	24,702.24	0.00	0.00	0.00	0.00
1993	60,858.73	0.00	0.00	0.00	0.00
1995	3,900.53	0.00	0.00	0.00	0.00
1997	79,241.87	0.00	0.00	0.00	0.00
1999	83,826.63	0.00	0.00	0.00	0.00
2000	55,176.52	9.00	6,130.72	0.50	3,065.36
2001	103,334.00	9.00	11,481.55	0.56	6,440.77
2002	249,132.30	9.00	27,681.35	0.76	21,062.35
2003	195,383.44	9.00	21,709.26	1.00	21,608.19
2004	310,050.40	9.00	34,450.02	1.27	43,752.41
2005	80,708.66	9.00	8,967.62	1.62	14,562.96
2006	672,833.55	9.00	74,759.23	2.08	155,715.00
2007	801,384.55	9.00	89,042.66	2.65	235,853.96
2008	732,606.88	9.00	81,400.71	3.31	269,309.84
2010	133,489.72	9.00	14,832.18	4.84	71,846.44
2011	317,435.55	9.00	35,270.59	5.70	200,998.69
2012	1,098,742.33	9.00	122,082.39	6.60	805,882.41
2013	498,159.93	9.00	55,351.06	7.54	417,430.85
2014	1,414,277.89	9.00	157,141.87	8.51	1,337,139.44
Total	7,053,425.86	5.48	740,301.21	4.87	3,604,668.66

Composite Average Remaining Life ... 4.87 Years

SECTION 7

Montana-Dakota Utilities Company
Common Plant
390.00 STRUCTURES & IMPROVEMENTS
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
	Annual Activity						
1968	4,755.66	662.00	13.92%	40.08	0.84%	621.92	13.08%
1969	23,146.27	350.00	1.51%	978.69	4.23%	(628.69)	-2.72%
1970	9,535.95	5,550.94	58.21%	1,401.83	14.70%	4,149.11	43.51%
1971	55.50	816.00	1470.27%	1,457.69	2626.47%	(641.69)	-1156.20%
1972	89,020.14	20,850.79	23.42%	100.23	0.11%	20,750.56	23.31%
1973	823.15	556.00	67.55%	0.00	0.00%	556.00	67.55%
1974	6,649.36	0.00	0.00%	2,380.69	35.80%	(2,380.69)	-35.80%
1975	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1976	698.69	0.00	0.00%	17.84	2.55%	(17.84)	-2.55%
1977	33,563.08	10.00	0.03%	7,368.10	21.95%	(7,358.10)	-21.92%
1978	5,945.18	166.75	2.80%	470.81	7.92%	(304.06)	-5.11%
1979	361.83	-2.15	-0.59%	28.73	7.94%	(30.88)	-8.53%
1980	36,428.79	46,043.00	126.39%	0.00	0.00%	46,043.00	126.39%
1981	386.16	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982	2,390.36	-35,198.49	-1472.52%	0.00	0.00%	(35,198.49)	-1472.52%
1983	151,268.18	52,055.19	34.41%	17,106.40	11.31%	34,948.79	23.10%
1984	0.00	239.87	0.00%	0.00	0.00%	239.87	0.00%
1985	29,321.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986	353,205.79	462.87	0.13%	23,017.27	6.52%	(22,554.40)	-6.39%
1987	114,668.89	6.60	0.01%	178,550.90	155.71%	(178,544.30)	-155.70%
1988	1,065.81	20.00	1.88%	44,427.72	4168.45%	(44,407.72)	-4166.57%
1989	2,907.81	0.00	0.00%	1,361.75	46.83%	(1,361.75)	-46.83%
1990	1,179.28	0.00	0.00%	4,183.53	354.75%	(4,183.53)	-354.75%
1991	11,317.67	0.00	0.00%	21,000.00	185.55%	(21,000.00)	-185.55%
1992	6,400.00	0.00	0.00%	59,485.65	929.46%	(59,485.65)	-929.46%
1993	66,938.07	5,500.00	8.22%	11,015.00	16.46%	(5,515.00)	-8.24%
1994	76,339.95	52.50	0.07%	3,348.28	4.39%	(3,295.78)	-4.32%
1995	249,269.07	188,096.00	75.46%	48,516.38	19.46%	139,579.62	56.00%

Montana-Dakota Utilities Company
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Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
	Annual Activity						
1996	174,572.37	26,753.21	15.32%	22,545.80	12.91%	4,207.41	2.41%
1997	97,788.56	45,363.50	46.39%	4,264.75	4.36%	41,098.75	42.03%
1998	255,811.74	0.00	0.00%	40,398.90	15.79%	(40,398.90)	-15.79%
1999	303,792.23	30,685.00	10.10%	12,226.33	4.02%	18,458.67	6.08%
2000	172,070.45	10,283.75	5.98%	30,934.95	17.98%	(20,651.20)	-12.00%
2001	109,759.98	0.00	0.00%	14,718.75	13.41%	(14,718.75)	-13.41%
2002	110,036.20	0.00	0.00%	29,201.73	26.54%	(29,201.73)	-26.54%
2003	16,416.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2004	0.00	0.00	0.00%	26,474.19	0.00%	(26,474.19)	0.00%
2005	-32,272.79	0.00	0.00%	225.00	0.00%	(225.00)	0.00%
2006	13,529.44	0.00	0.00%	9,972.50	73.71%	(9,972.50)	-73.71%
2007	45,025.37	0.00	0.00%	14,204.68	31.55%	(14,204.68)	-31.55%
2008	26,948.70	0.00	0.00%	2,070.30	7.68%	(2,070.30)	-7.68%
2009	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2010	59,048.64	3,138.00	5.31%	243.60	0.41%	2,894.40	4.90%
2011	88,464.39	19,860.89	22.45%	452.55	0.51%	19,408.34	21.94%
2012	192,753.79	3,871.55	2.01%	250.00	0.13%	3,621.55	1.88%
2013	11,997.96	0.00	0.00%	0.00	0.00%	0.00	0.00%
2014	762,012.59	1,212.10	0.16%	0.00	0.00%	1,212.10	0.16%

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Year	*Orginal Cost Of Retirements*	*Gross Salvage*		*Cost of Removal*		*Net Salvage*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1968 - 1970	37,437.88	6,562.94	17.53%	2,420.60	6.47%	4,142.34	11.06%
1969 - 1971	32,737.72	6,716.94	20.52%	3,838.21	11.72%	2,878.73	8.79%
1970 - 1972	98,611.59	27,217.73	27.60%	2,959.75	3.00%	24,257.98	24.60%
1971 - 1973	89,898.79	22,222.79	24.72%	1,557.92	1.73%	20,664.87	22.99%
1972 - 1974	96,492.65	21,406.79	22.18%	2,480.92	2.57%	18,925.87	19.61%
1973 - 1975	7,472.51	556.00	7.44%	2,380.69	31.86%	(1,824.69)	-24.42%
1974 - 1976	7,348.05	0.00	0.00%	2,398.53	32.64%	(2,398.53)	-32.64%
1975 - 1977	34,261.77	10.00	0.03%	7,385.94	21.56%	(7,375.94)	-21.53%
1976 - 1978	40,206.95	176.75	0.44%	7,856.75	19.54%	(7,680.00)	-19.10%
1977 - 1979	39,870.09	174.60	0.44%	7,867.64	19.73%	(7,693.04)	-19.30%
1978 - 1980	42,735.80	46,207.60	108.12%	499.54	1.17%	45,708.06	106.95%
1979 - 1981	37,176.78	46,040.85	123.84%	28.73	0.08%	46,012.12	123.77%
1980 - 1982	39,205.31	10,844.51	27.66%	0.00	0.00%	10,844.51	27.66%
1981 - 1983	154,044.70	16,856.70	10.94%	17,106.40	11.10%	(249.70)	-0.16%
1982 - 1984	153,658.54	17,096.57	11.13%	17,106.40	11.13%	(9.83)	-0.01%
1983 - 1985	180,589.18	52,295.06	28.96%	17,106.40	9.47%	35,188.66	19.49%
1984 - 1986	382,526.79	702.74	0.18%	23,017.27	6.02%	(22,314.53)	-5.83%
1985 - 1987	497,195.68	469.47	0.09%	201,568.17	40.54%	(201,098.70)	-40.45%
1986 - 1988	468,940.49	489.47	0.10%	245,995.89	52.46%	(245,506.42)	-52.35%
1987 - 1989	118,642.51	26.60	0.02%	224,340.37	189.09%	(224,313.77)	-189.07%
1988 - 1990	5,152.90	20.00	0.39%	49,973.00	969.80%	(49,953.00)	-969.42%
1989 - 1991	15,404.76	0.00	0.00%	26,545.28	172.32%	(26,545.28)	-172.32%
1990 - 1992	18,896.95	0.00	0.00%	84,669.18	448.06%	(84,669.18)	-448.06%
1991 - 1993	84,655.74	5,500.00	6.50%	91,500.65	108.09%	(86,000.65)	-101.59%
1992 - 1994	149,678.02	5,552.50	3.71%	73,848.93	49.34%	(68,296.43)	-45.63%
1993 - 1995	392,547.09	193,648.50	49.33%	62,879.66	16.02%	130,768.84	33.31%
1994 - 1996	500,181.39	214,901.71	42.96%	74,410.46	14.88%	140,491.25	28.09%
1995 - 1997	521,630.00	260,212.71	49.88%	75,326.93	14.44%	184,885.78	35.44%

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		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1996 - 1998	528,172.67	72,116.71	13.65%	67,209.45	12.72%	4,907.26	0.93%
1997 - 1999	657,392.53	76,048.50	11.57%	56,889.98	8.65%	19,158.52	2.91%
1998 - 2000	731,674.42	40,968.75	5.60%	83,560.18	11.42%	(42,591.43)	-5.82%
1999 - 2001	585,622.66	40,968.75	7.00%	57,880.03	9.88%	(16,911.28)	-2.89%
2000 - 2002	391,866.63	10,283.75	2.62%	74,855.43	19.10%	(64,571.68)	-16.48%
2001 - 2003	236,212.18	0.00	0.00%	43,920.48	18.59%	(43,920.48)	-18.59%
2002 - 2004	126,452.20	0.00	0.00%	55,675.92	44.03%	(55,675.92)	-44.03%
2003 - 2005	-15,856.79	0.00	0.00%	26,699.19	0.00%	(26,699.19)	0.00%
2004 - 2006	-18,743.35	0.00	0.00%	36,671.69	0.00%	(36,671.69)	0.00%
2005 - 2007	26,282.02	0.00	0.00%	24,402.18	92.85%	(24,402.18)	-92.85%
2006 - 2008	85,503.51	0.00	0.00%	26,247.48	30.70%	(26,247.48)	-30.70%
2007 - 2009	71,974.07	0.00	0.00%	16,274.98	22.61%	(16,274.98)	-22.61%
2008 - 2010	85,997.34	3,138.00	3.65%	2,313.90	2.69%	824.10	0.96%
2009 - 2011	147,513.03	22,998.89	15.59%	696.15	0.47%	22,302.74	15.12%
2010 - 2012	340,266.82	26,870.44	7.90%	946.15	0.28%	25,924.29	7.62%
2011 - 2013	293,216.14	23,732.44	8.09%	702.55	0.24%	23,029.89	7.85%
2012 - 2014	966,764.34	5,083.65	0.53%	250.00	0.03%	4,833.65	0.50%

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		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Three - Year Rolling Bands							
1968 - 2014	3,685,397.26	427,405.87	11.60	634,441.60	17.22	(207,035.73)	-5.62

Trend Analysis (End Year) **2014**

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	42.0
Average Retirement Age (Yrs)	30.8
Years To ASL	11.2
Inflation Factor At 2.75% to ASL	1.36

Gross Salvage
Linear Trend Analysis

1995-2014	**20 - Year Trend**	0.00%
2000-2014	**15 - Year Trend**	5.42%
2005-2014	**10 - Year Trend**	8.62%
2010-2014	**5 - Year Trend**	3.03%

Forcasted

Gross Salvage (Five Year Trend)	3.03%
Cost Of Removal	23.36%
Net Salvage	-20.33%