



**MONTANA-DAKOTA UTILITIES CO.
GAS DIVISION**

Depreciation Study
as of December 31, 2015

Earl M. Robinson, Principal
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December 2016



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March 27, 2017

Ms Tammy Nygard, Controller
Montana-Dakota Utilities Company
400 North Fourth Street
Bismarck, ND 58501

Dear Ms Nygard:

Re: MDU Gas 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 - Gas Division as of December 31, 2015. 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, 2015 results in an annual depreciation expense of \$14,027,816. In comparison, the application of the proposed depreciation rates to the depreciable plant in service at December 31, 2015 results in an annual depreciation expense of \$18,132,509 which is an increase of \$4,104,693 from current rates. The composite annual depreciation rate under present rates is 3.27 percent, while the proposed composite depreciation rate is 4.23 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,

A handwritten signature in black ink that reads 'Earl M. Robinson'.

EARL M. ROBINSON, CDP
&

A handwritten signature in black ink that reads 'D.A. Sheffer'.

DAVID A. SHEFFER

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SECTION 1

MONTANA-DAKOTA UTILITIES COMPANY

Gas

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 – Gas (the "Company") plant in service as of December 31, 2015. 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 2-4 and 2-6 summarizes the segmentation of the Company's property group's December 31, 2015 book depreciation reserves into the plant only, gross salvage, and cost of removal components.

Table 2 - Plant Only on pages 2-7 through 2-9, (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 2-10 through 2-12 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 2-13 through 2-15 summarizes the depreciation recovery rates for the cost of removal segment of the total plant cost.

Table 3 on pages 2-16 and 2-17 reconciles the December 31, 2015 account level plant in service balances per books versus the balances utilized in the performance of the depreciation study.

Likewise, Table 4, on pages 2-18 and 2-19, reconciles the December 31, 2015 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 2-20 to 2-22, contains a summary of Original Cost of Utility Plant in Service as of December 31, 2015 and the present and proposed depreciation parameters.

Table 5a, on pages 2-23 to 2-25, contains a calculation of the weighted average remaining lives for Account 376.20-Plastic Mains and Account 380.20-Plastic Services to recognize the Company plans to replace certain identified vintage plastic pipes as a part of its Distribution Integrity Management Program.

Table 6 on page 2-26 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 6 (-Acct No.) on page 2-27 to 2-36 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 is 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, due to the longer term phase-in of the amortization process variances between the theoretical reserves and actual book depreciation reserves. To the extent that such variances exist, the net variance amounts are being distributed over the annual remaining amortization amounts—that are being

recovered during the applicable remaining life periods.

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 changes occurred relative to Account 376.20 – Plastic Mains, Account 380.20 - Plastic Services, Account 381.00 - Meters, Account 392.2 - Transportation Equipment - Cars & Trucks, and Account 396.20 – Power Operated Equipment.

The proposed depreciation rate for Account 376.20 – Plastic Mains, increased from 2.15 percent to 3.41 percent. The proposed depreciation rate increased notwithstanding the fact that the underlying depreciation parameters remained the same. Based upon the Company’s actual historical plant in service and net salvage data service life and net salvage parameters were estimated to develop the proposed depreciation rate. The proposed average service life remained the same as the current average service life of forty-seven (47) years. Likewise, the future negative net salvage remained the same at negative -50 percent. Accordingly, the ARL depreciation rate increase is being driven by the fact that the current book depreciation reserve is at a lower level than required relative to the estimated depreciation parameters and currently average age of the property group. Furthermore, as noted in Section 4 of the depreciation study, the Company is in the process of developing a plan and process to replace certain identified vintage plastic pipes as a part of its Distribution Integrity Management Program. These vintage pipes are currently in service across the Company’s service territory.

The proposed depreciation rate for Account 380.20 – Plastic Services, increased from 6.46 percent to 7.06 percent. Based upon the Company’s actual historical plant in service and net salvage data service life and net salvage parameters were estimated for the property group as outlined in section 4 of this depreciation study report. The proposed average service life is a thirty-eight (38) years, as compared to a forty (40) year average service life underlying the present depreciation rate. The future net salvage underlying the proposed depreciation rates is the same negative two hundred (200) percent as underlying the current depreciation rate. The proposed depreciation rate is the result of a minor change to the average service life and more significantly to the fact that the current book depreciation reserve is at a lower level than required

relative to the estimated depreciation parameters and currently average age of the property group. Furthermore, as noted in Section 4 of the depreciation study, the Company is in the process of developing a plan and process to replace to replace certain identified vintage plastic pipes as a part of its Distribution Integrity Management Program. These vintage pipes are currently in service across the Company's service territory.

The depreciation rate relative to Account 381.00 - Meters increased from 3.01 percent to 4.13 percent. The current estimated average service life is thirty-five (35) years and the net salvage factor is estimated at negative -15 percent. The average service life underlying the proposed depreciation rate is thirty-one (31) years and the future net salvage is estimated at negative -20 percent. In prior years, the Company implemented an AMR system through the installation of ETS on its gas meters with the result that a large portion of Meter reads are now automated. It has been approximately 8 years since the initial implementation, thus Meters are beginning to age notwithstanding the fact that Meters are cycled and tested on a routine basis, with new Meters purchased and installed as required. Presently, management estimates that approximately 10 percent of the Company's Meters need to be replaced.

The depreciation rate relative to Account 392.2 - Transportation Equipment - Cars & Trucks increased from 0.26 percent to 7.25 percent. The current estimated average service life is 7 years and the underlying net salvage factor is 20 percent. The average service life underlying the proposed depreciation rate is nine (9) years and the estimated future net salvage is 20 percent. Notwithstanding that the average service life for the proposed depreciation rate was lengthened, the depreciation rate increase is the product of the fact that the property group life is short and the current depreciation rate is very low (the plant investment was nearly fully depreciated at the

time of the development of the current depreciation rate) plus during the time between depreciation studies an even moderate variation in plant activity can cause the resulting depreciation to vary materially.

The depreciation rate relative to Account 396.20 – Power Operated Equipment Account increased from 0.23 percent to 5.30 percent. The current estimated average service life is 4 years and the net salvage factor is estimated at 80 percent. The average service life underlying the proposed depreciation rate is three (3) years and the estimated future net salvage is 85 percent. The depreciation rate increase is the product of the fact that the property group is very short and the current depreciation rate is very low (the plant investment was nearly fully depreciated at the time of the development of the current depreciation rate) plus during the time between depreciation studies an even moderate variation in plant activity can cause the resulting depreciation to vary materially.

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, 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, 2015 plant in service produces annual depreciation/amortization expense of \$18,132,509 which is an increase of \$4,104,693 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. Table 1, in Section 2 of this depreciation report, lists the recommended annual depreciation rates for each property group.

Present Depreciation Rates

Depreciable Plant In Service at December 31, 2015	\$428,940,637
Annual Depreciation Expense	14,027,816
Composite Annual Depreciation Rate	3.27%

Proposed Depreciation Rates

Depreciable Plant In Service at December 31, 2015	\$428,940,637
Annual Depreciation Expense	18,132,508
Composite Annual Depreciation Rate	4.23%

SECTION 2

Montana-Dakota Utilities Company
Gas Division

Summary or Original Cost of Utility Plant in Service as of December 31, 2015
and Related Annual Depreciation Expense Under Present and Proposed Rates

Account No.	Description	Original Cost 12/31/15 (c)	Present Rates (d)		Proposed Plant Only Rates (e)		Proposed Gross Salv Rates (f)		Proposed COR Rates (g)		Total Proposed Rates (h)		Net Change Depr. Exp. (n)
			Rate %	Annual Accrual	Rate %	Annual Accrual	Rate %	Annual Accrual	Rate %	Annual Accrual	Rate %	Annual Accrual	
DEPRECIABLE PLANT													
Distribution Plant													
374.20	Rights of Way	431,148.22	1.39%	5,992.96	1.37%	5,906.73	0.00%	0.00	0.00%	0.00	1.37%	5,906.73	(86.23)
375.00	Distr. Meas & Reg Station Structures	842,394.15	2.30%	19,359.83	1.40%	11,793.52	0.13%	1,095.11	0.96%	8,086.98	2.49%	20,975.61	1,615.78
Mains													
376.10	Mains-Steel	69,466,300.96	2.15%	1,492,180.12	1.56%	1,083,674.29	-0.01%	(6,946.63)	0.84%	583,516.93	2.39%	1,660,244.59	168,064.47
376.20	Mains-Plastic	133,632,165.42	2.15%	2,870,503.50	2.24%	2,993,360.51	-0.01%	(13,363.22)	1.18%	1,576,859.55	3.41%	4,556,856.84	1,686,353.34
376.30	Mains-Valves	2,585,180.49	2.15%	55,531.31	2.48%	64,112.48	0.00%	0.00	1.26%	32,573.27	3.74%	96,685.75	41,154.44
376.40	Mains-Manholes	3,287.49	2.15%	70.82	1.75%	57.53	-0.01%	(0.33)	0.96%	31.56	2.70%	88.76	18.14
376.50	Mains-Bridge & River Crossings	92,766.81	2.15%	1,992.69	2.18%	2,022.32	-0.01%	(9.28)	1.14%	1,057.54	3.31%	3,070.58	1,077.89
	Total Mains	205,779,701.17	2.15%	4,420,278.24	2.01%	4,143,227.13	-0.01%	(20,319.46)	1.07%	2,194,038.85	3.07%	6,316,946.52	1,896,668.28
378.00	Meas & Reg Station Equip-General	3,438,763.73	3.22%	110,683.69	1.74%	59,834.49	0.00%	0.00	0.66%	22,695.84	2.40%	82,530.33	(28,153.36)
379.00	Meas & Reg Station Equip-City Gate	6,204,779.16	3.08%	190,817.85	2.13%	132,161.80	0.00%	0.00	0.37%	22,957.68	2.50%	155,119.48	(35,698.37)
Services													
380.10	Services-Steel	7,315,313.52	6.46%	472,254.67	1.82%	133,138.71	0.00%	0.00	6.47%	473,300.78	8.29%	606,439.49	134,184.82
380.20	Services-Plastic	86,602,560.59	6.46%	5,590,801.17	2.23%	1,931,237.10	0.00%	0.00	4.83%	4,182,903.68	7.06%	6,114,140.78	523,339.61
380.30	Farm & Fuel Lines	89,507.84	6.46%	5,778.36	3.20%	2,864.25	0.00%	0.00	7.02%	6,283.45	10.22%	9,147.70	3,369.34
	Total Services	94,007,381.95	6.46%	6,068,834.20	2.20%	2,067,240.06	0.00%	0.00	4.96%	4,662,487.91	7.16%	6,729,727.97	660,893.77
381.00	Meters	70,002,133.59	3.01%	2,107,943.69	3.17%	2,219,067.63	0.00%	0.00	0.96%	672,020.48	4.13%	2,891,088.12	783,144.43
383.00	Service Regulators	9,356,598.12	1.68%	156,885.71	1.47%	137,541.99	0.00%	0.00	0.00%	0.00	1.47%	137,541.99	(19,343.72)
385.00	Industrial Meas. & Reg. Station Equip	1,276,280.83	2.77%	35,381.87	2.37%	30,247.86	0.17%	2,169.68	0.49%	6,253.78	3.03%	38,671.31	3,289.44
MISCELLANEOUS EQUIPMENT													
386.10	Misc Property on Customers Premise	1,679.84	2.39%	40.15	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	(40.15)
386.20	CNG Refueling station	113,206.71	0.27%	305.66	0.00%	0.00	-19.37%	(21,928.14)	0.00%	0.00	-19.37%	-21,928.14	(22,233.80)
386.30	CNG Lease/Demo	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00
	TOTAL Account 386	114,886.55	0.30%	345.81	0.00%	0.00	-19.09%	(21,928.14)	0.00%	0.00	-19.09%	-21,928.14	(22,273.95)
OTHER EQUIPMENT													
387.10	Catholic Protection Equipment	3,157,815.43	3.21%	101,365.88	1.65%	52,103.95	0.00%	0.00	0.01%	315.78	1.66%	52,419.74	(48,946.14)
387.20	Other Distribution Equipment	663,051.09	0.99%	6,564.21	2.14%	14,189.29	0.00%	0.00	0.00%	0.00	2.14%	14,189.29	7,625.08
	TOTAL Account 387	3,820,866.52	2.82%	107,930.09	1.74%	66,293.24	0.00%	0.00	0.01%	315.78	1.74%	66,609.03	(41,321.06)
	TOTAL Distribution Plant	395,274,933.99	3.35%	13,224,453.94	2.24%	8,873,314.45	-0.01%	(38,982.81)	1.92%	7,588,857.30	4.15%	16,423,188.95	3,198,735.01
General Plant													
390.00	General Structures	8,943,375.22	3.36%	300,602.72	2.28%	203,908.96	-0.20%	(17,886.75)	0.34%	30,407.48	2.42%	216,429.68	(84,173.04)

Table 1

Montana-Dakota Utilities Company
Gas Division

**Summary or Original Cost of Utility Plant in Service as of December 31, 2015
and Related Annual Depreciation Expense Under Present and Proposed Rates**

Account No.	Description	Original Cost 12/31/15	Present Rates		Proposed Plant Only Rates		Proposed Gross Salv Rates		Proposed COR Rates		Total Proposed Rates		Net Change Depr., Exp.
			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)
391.10	OFFICE FURNITURE & EQUIPMENT												
	Office Furniture & Equipment	288,341.27	6.67%	19,222.75	3.89%	11,220.65	0.00%	0.00	0.00%	0.00	0.00	11,220.65	(8,002.10)
391.30	Computer Equipment - PC	363,387.91	20.00%	72,677.58	17.22%	62,559.18	0.00%	0.00	0.00%	0.00	0.00	62,559.18	(10,118.40)
	TOTAL Account 391	651,729.18	14.10%	91,900.33	11.32%	73,779.83	0.00%	0.00	0.00%	0.00	0.00	73,779.83	(18,120.50)
	TRANSPORTATION EQUIPMENT												
392.10	Transportation Equipment (Trailers)	456,602.00	9.67%	44,153.41	1.64%	7,488.27	-1.26%	(5,753.19)	0.00%	0.00	0.00	1,735.09	(42,418.32)
392.20	Trans Equipment (Cars & Trucks)	9,713,348.49	0.26%	25,254.71	12.44%	1,208,340.55	-5.19%	(504,122.79)	0.00%	0.00	0.00	704,217.77	678,963.06
	TOTAL Account 392	10,169,950.49	0.68%	69,408.12	11.96%	1,215,828.82	-5.01%	(509,875.98)	0.00%	0.00	0.00	705,952.86	636,544.74
393.00	Stores Equipment	57,182.96	2.86%	1,633.80	2.71%	1,551.60	0.00%	0.00	0.00%	0.00	0.00	1,551.60	(82.20)
	TOOLS, SHOP & GARAGE EQ.												
394.10	Tools, Shop & Garage Equip. (Non-Unit)	2,992,790.35	5.56%	165,710.58	5.62%	167,776.74	0.00%	0.00	0.00%	0.00	0.00	167,776.74	2,066.16
394.30	Vehicle Maintenance Equipment	5,923.44	5.00%	296.17	5.62%	332.65	0.00%	0.00	0.00%	0.00	0.00	332.65	36.48
	TOTAL Account 394	2,998,713.79	5.55%	166,006.75	5.62%	168,109.39	0.00%	0.00	0.00%	0.00	0.00	168,109.39	2,102.64
395.00	Laboratory Equipment	195,761.82	5.00%	9,788.09	2.06%	4,026.01	0.00%	0.00	0.00%	0.00	0.00	4,026.01	(5,762.08)
	POWER OPERATED EQUIPMENT												
396.10	Work Equipment (Trailers)	804,547.65	6.02%	48,433.77	2.26%	18,182.78	-1.03%	(8,286.84)	0.00%	0.00	0.00	9,895.94	(38,537.83)
396.20	Power Operated Equipment	8,408,367.50	0.23%	19,339.25	66.84%	5,620,152.84	-61.54%	(5,174,509.36)	0.00%	0.00	0.00	445,643.48	426,304.23
	TOTAL Account 396	9,212,915.15	0.74%	67,773.02	61.20%	5,638,335.62	-56.26%	(5,182,796.20)	0.00%	0.00	0.00	455,539.42	387,766.40
	COMMUNICATION EQUIPMENT												
397.10	Radio Communication Equip. (Fixed)	995,296.68	6.67%	66,353.11	6.26%	62,315.23	0.00%	0.00	0.00%	0.00	0.00	62,315.23	(4,037.88)
397.20	Radio Communication Equip. (Mobile)	392,158.85	6.67%	26,143.92	6.34%	24,862.52	0.00%	0.00	0.00%	0.00	0.00	24,862.52	(1,281.40)
397.30	General Telephone Communication Eq	16,429.94	10.00%	1,642.99	8.67%	1,425.03	0.00%	0.00	0.00%	0.00	0.00	1,425.03	(217.96)
	TOTAL Account 397	1,403,885.47	6.71%	94,140.02	6.31%	88,602.78	0.00%	0.00	0.00%	0.00	0.00	88,602.78	(5,537.24)
398.00	Miscellaneous Equipment	42,188.71	5.00%	2,109.44	-11.07%	(4,671.72)	0.00%	0.00	0.00%	0.00	0.00	(4,671.72)	(6,781.16)
	Sub-Total (General Plant) Amortization	5,339,461.93	6.85%	365,578.43	6.21%	331,397.89	0.00%	0.00	0.00%	0.00	0.00	331,397.89	-34,160.54
	TOTAL General Plant	33,665,702.79	2.39%	803,362.29	21.95%	7,389,471.29	-16.96%	(5,710,558.93)	0.09%	30,407.48	5.08%	1,709,319.85	905,957.56
	TOTAL Depreciable Plant	428,940,636.78	3.27%	14,027,816.23	3.79%	16,262,785.74	-1.34%	(5,749,541.74)	1.78%	7,619,264.78	4.23%	18,132,508.80	4,104,692.57

Montana-Dakota Utilities Company
Gas Division

Summary or Original Cost of Utility Plant in Service as of December 31, 2015
and Related Annual Depreciation Expense Under Present and Proposed Rates

Account No. (a)	Description (b)	Original Cost 12/31/15 (c)	Present Rates		Proposed Plant Only Rates		Proposed Gross Salv Rates		Proposed COR Rates		Total Proposed Rates		Net Change Depr., Exp. (n)
			Rate % (d)	Annual Accrual (e)	Rate % (f)	Annual Accrual (g)	Rate % (h)	Annual Accrual (i)	Rate % (j)	Annual Accrual (k)	Rate % (l)	Annual Accrual (m)	
NON-DEPRECIABLE PLANT													
374.1	Land (Distribution)	1,016,238.95											
389	Land & Land Rights (General)	1,519,439.18											
	Total Land	2,535,678.13											
INTANGIBLE PLANT													
303	Miscellaneous Intangible Plant	6,467,429.81											
	Total Intangible Plant	6,467,429.81											
	TOTAL Non-Depreciable Plant	9,003,107.94											
	TOTAL Plant in Service	437,943,744.72											

Table 1a

Montana-Dakota Utilities Company
Gas Division

Summary of Book Depreciation Reserve by Recovery Component as of December 31, 2015

Account No.	Description	Original Cost 12/31/15	Proposed		Theoretical Depreciation 12/31/15	Total Book Depr Reserve 12/31/15	Cost of Removal In Book Res.	Gross Salvage In Book Res.	Plant Only Depr Reserve 12/31/15
			A.S.L./ 12/31/15	Net Salvage 12/31/15					
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
<u>DEPRECIABLE PLANT</u>									
Distribution Plant									
374.20	Rights of Way	431,148.22	65-R3	0%		115,390.38	0.00	0.00	115,390.38
375.00	Distr. Meas & Reg Station Structures	842,394.15	60-R3	-50%		477,829.79	117,197.15	(41,095.64)	401,728.28
Mains									
376.10	Mains-Steel	69,466,300.96	62-R3	-50%	32,783,473.71	33,669,994.95	9,831,218.85	300,665.02	23,538,111.09
376.20	Mains-Plastic	133,632,165.42	47-R4	-50%	48,138,819.72	49,440,575.80	14,436,031.89	441,492.54	34,563,051.38
376.30	Mains-Valves	2,585,180.49	40-R3	-50%	286,145.59	293,883.46	85,810.31	2,624.31	205,448.84
376.40	Mains-Manholes	3,287.49	55-R3	-50%	1,659.15	1,704.02	497.55	15.22	1,191.25
376.50	Mains-Bridge & River Crossings	92,766.81	45-R3	-50%	29,902.97	30,711.60	8,967.40	274.25	21,469.95
	Total Mains	205,779,701.17			81,240,001.14	83,436,869.83	24,362,526.00	745,071.33	58,329,272.50
378.00	Meas & Reg Station Equip-General	3,438,763.73	50-R2	-30%		1,447,014.74	200,618.07	0.00	1,246,396.67
379.00	Meas & Reg Station Equip-City Gate	6,204,779.16	45-R2.5	-15%		1,082,973.39	28,458.29	0.00	1,054,515.10
Services									
380.10	Services-Steel	7,315,313.52	38-R0.5	-200%	13,580,674.47	13,822,417.35	8,290,115.26	274.48	5,532,027.61
380.20	Services-Plastic	86,602,560.59	47-R4	-200%	52,256,471.00	53,186,662.64	31,899,164.41	1,056.15	21,286,442.08
380.30	Farm & Fuel Lines	89,507.84	30-R1.5	-200%	60,678.02	61,758.12	37,039.97	1.23	24,716.92
	Total Services	94,007,381.95			65,897,823.49	67,070,838.11	40,226,319.64	1,331.85	26,843,186.62
381.00	Meters	70,002,133.59	31-R3	-20%		23,335,199.71	(81,594.40)	36,727.95	23,380,066.16
383.00	Service Regulators	9,356,598.12	60-R3	0%		3,242,160.51	(5,898.54)	293.11	3,247,765.94
385.00	Industrial Meas. & Reg. Station Equipment	1,276,280.83	40-R4	-15%		439,722.89	24,628.73	(58,248.11)	473,342.27
MISCELLANEOUS EQUIPMENT									
386.10	Misc Property on Customers Premise	1,679.84	15-R3	0%		1,679.84	0.00	0.00	1,679.84
386.20	CNG Refueling station	113,206.71	15R-3	0%		141,706.71	0.00	28,500.00	113,206.71
386.30	CNG Lease/Demo	0.00	0%	0%		0.00	0.00	0.00	0.00
	TOTAL Account 386	114,886.55				143,386.55	0.00	28,500.00	114,886.55

Table 1a

Montana-Dakota Utilities Company
Gas Division

Summary of Book Depreciation Reserve by Recovery Component as of December 31, 2015

Account No.	Description	Original Cost 12/31/15	Proposed		Theoretical Depreciation 12/31/15	Total Book Depr Reserve 12/31/15	Cost of Removal In Book Res.	Gross Salvage In Book Res.	Plant Only Depr Reserve 12/31/15
			A.S.L./ 12/31/15	Net Salvage 12/31/15					
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
OTHER EQUIPMENT									
387.10	Cathodic Protection Equipment	3,157,815.43	40-R2	0%		1,665,103.53	(7344.84)	0.00	1,672,448.37
387.20	Other Distribution Equipment	663,051.09	25-R3	0%		551,166.28	0.00	0.00	551,166.28
	TOTAL Account 387	3,820,866.52				2,216,269.81	(7344.84)	0.00	2,223,614.65
	TOTAL Distribution Plant	395,274,933.99				183,007,655.71	64,864,910.10	712,580.49	117,430,165.12
General Plant									
390.00	General Structures	8,943,375.22	40-R2	-10%		3,439,218.45	(8,766.69)	530,523.59	2,917,461.55
OFFICE FURNITURE & EQUIPMENT									
391.10	Office Furniture & Equipment	288,341.27	N/A	0%		224,559.24	0.00	0.00	224,559.24
391.30	Computer Equipment - PC	363,387.91	N/A	0%		216,979.30	0.00	0.00	216,979.30
	TOTAL Account 391	651,729.18				441,538.54	0.00	0.00	441,538.54
TRANSPORTATION EQUIPMENT									
392.10	Transportation Equipment (Trailers)	456,602.00	19-R1.5	15%		367,672.74	0.00	0.00	367,672.74
392.20	Transportation Equipment (Cars & Trucks)	9,713,348.49	9-R3	20%		4,957,460.19	0.00	75,648.00	4,881,812.19
	TOTAL Account 392	10,169,950.49				5,325,132.93	0.00	75,648.00	5,249,484.93
393.00	Stores Equipment	57,182.96	N/A	0%		20,488.92	0.00	0.00	20,488.92
TOOLS, SHOP & GARAGE EQ.									
394.10	Tools, Shop & Garage Equip. (Non-Unitized)	2,982,790.35	N/A	0%		1,207,123.96	0.00	0.00	1,207,123.96
394.30	Vehicle Maintenance Equipment	5,923.44	N/A	0%		2,936.92	0.00	0.00	2,936.92
	TOTAL Account 394	2,988,713.79				1,210,060.88	0.00	0.00	1,210,060.88
395.00	Laboratory Equipment	195,761.82	N/A	0%		62,041.03	0.00	0.00	62,041.03

Table 1a

Montana-Dakota Utilities Company
Gas Division

Summary of Book Depreciation Reserve by Recovery Component as of December 31, 2015

Account No.	Description (b)	Original Cost 12/31/15 (c)	Proposed		Theoretical Depreciation 12/31/15 (f)	Total Book Depr Reserve 12/31/15 (g)	Cost of Removal In Book Res. (h)	Gross Salvage In Book Res. (i)	Plant Only Depr Reserve 12/31/15 (j)
			A.S.L./ 12/31/15 (d)	Net Salvage 12/31/15 (e)					
POWER OPERATED EQUIPMENT									
396.10	Work Equipment (Trailers)	804,547.65	28-R2	20%		441,184.22	0.00	10,500.00	430,684.22
396.20	Power Operated Equipment	8,408,367.50	3-L1	85%		4,15,081.49	0.00	2,685,253.14	-2,270,171.65
	TOTAL Account 396	9,212,915.15				856,265.71	0.00	2,695,753.14	-1,839,487.43
COMMUNICATION EQUIPMENT									
397.10	Radio Communication Equip. (Fixed)	995,296.68	N/A	0%		262,964.41	0.00	0.00	262,964.41
397.20	Radio Communication Equip. (Mobile)	392,158.85	N/A	0%		158,720.54	0.00	0.00	158,720.54
397.30	General Telephone Communication Equip.	16,429.94	N/A	0%		8,937.09	0.00	0.00	8,937.09
	TOTAL Account 397	1,403,885.47				430,622.04	0.00	0.00	430,622.04
398.00	Miscellaneous Equipment	42,188.71	N/A	0%		(11,708.85)	0.00	0.00	(11,708.85)
	Sub-Total (General Plant) Amortization	5,339,461.93				2,153,042.56	0.00	0.00	2,153,042.56
	TOTAL General Plant	33,665,702.79				11,773,659.65	(8,766.69)	3,301,924.73	8,480,501.61
	TOTAL Depreciable Plant	428,940,636.78				194,781,315.36	64,856,143.41	4,014,505.22	125,910,666.73
NON-DEPRECIABLE PLANT									
374.1	Land (Distribution)	1,016,238.95				0.00			
389	Land & Land Rights (General)	1,519,439.18				0.00			
	Total Land	2,535,678.13				0.00			
INTANGIBLE PLANT									
303	Miscellaneous Intangible Plant	6,467,429.81				1,040,961.17			
	Total Intangible Plant	6,467,429.81				1,040,961.17			
	TOTAL Non-Depreciable Plant	9,003,107.94				1,040,961.17			
	TOTAL Plant in Service	437,943,744.72				195,822,276.53			

Table 2 - Plant Only

Montana-Dakota Utilities Company
Gas Division

Summary of Original Cost of Utility Plant in Service and Calculation of Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of Book Depreciation Reserve and Average Remaining Lives as of December 31, 2015

Account No.	Description	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
		Original Cost 12/31/15	Estimated Future Net Salvage %	Original Cost Less Salvage	Book Depreciation Reserve	Net Original Cost Less Salvage	A.S.L./ Survivor Curve	Average Remaining Life	Annual Depreciation Accrual	Annual Depreciation Rate			
DEPRECIABLE PLANT													
Distribution Plant													
374.20	Rights of Way	431,148.22	0%	431,148.22	115,390.38	315,757.84	65-R3	53.4	5,913.07	1.37%			
375.00	Distr. Meas & Reg Station Structures	842,394.15	0%	842,394.15	401,728.28	440,665.87	60-R3	37.4	11,782.51	1.40%			
Mains													
376.10	Mains-Steel	69,466,300.96	0%	69,466,300.96	23,538,111.09	45,928,189.87	62-R3	42.5	1,080,663.29	1.56%			
376.20	Mains-Plastic	133,632,165.42	0%	133,632,165.42	34,563,051.38	99,069,114.04	47-R4	33.1	2,993,747.53	2.24%			
376.30	Mains-Valves	2,585,180.49	0%	2,585,180.49	205,448.84	2,379,731.65	40-R3	37.1	64,143.71	2.48%			
376.40	Mains-Manholes	3,287.49	0%	3,287.49	1,191.25	2,096.24	55-R3	36.4	57.59	1.75%			
376.50	Mains-Bridge & River Crossings	92,766.81	0%	92,766.81	21,469.95	71,296.86	45-R3	35.3	2,019.74	2.18%			
	Total Mains	205,779,701.17		205,779,701.17	58,329,272.50	147,450,428.67			4,140,631.86	2.01%			
378.00	Meas & Reg Station Equip-General	3,438,763.73	0%	3,438,763.73	1,246,396.67	2,192,367.06	50-R2	36.7	59,737.52	1.74%			
379.00	Meas & Reg Station Equip-City Gate	6,204,779.16	0%	6,204,779.16	1,054,515.10	5,150,264.06	45-R2.5	38.9	132,397.53	2.13%			
Services													
380.10	Services-Steel	7,315,313.52	0%	7,315,313.52	5,532,027.61	1,783,285.91	38-R0.5	13.4	133,081.04	1.82%			
380.20	Services-Plastic	86,602,560.59	0%	86,602,560.59	21,286,442.08	65,316,118.51	47-R4	33.8	1,934,505.07	2.23%			
380.30	Farm & Fuel Lines	89,507.84	0%	89,507.84	24,716.92	64,790.92	30-R1.5	22.6	2,866.85	3.20%			
	Total Services	94,007,381.95		94,007,381.95	26,843,186.62	67,164,195.33			2,070,452.96	2.20%			
381.00	Meters	70,002,133.59	0%	70,002,133.59	23,380,066.16	46,622,067.43	31-R3	21.0	2,220,098.45	3.17%			
383.00	Service Regulators	9,356,598.12	0%	9,356,598.12	3,247,765.94	6,108,832.18	60-R3	44.3	137,896.89	1.47%			
385.00	Industrial Meas. & Reg. Station Equipment	1,276,280.83	0%	1,276,280.83	473,342.27	802,938.56	40-R4	26.5	30,299.57	2.37%			
MISCELLANEOUS EQUIPMENT													
386.10	Miscellaneous Property on Customers Premise	1,679.84	0%	1,679.84	1,679.84	0.00	15-R3	1.5	0.00	0.00%			
386.20	CNG Refueling station	113,206.71	0%	113,206.71	113,206.71	0.00	15R-3	1.3	0.00	0.00%			
386.30	CNG Lease/Demo	0.00	0%	0.00	0.00	0.00	0	0.0	0.00	0.00%			
	TOTAL Account 386	114,886.55		114,886.55	114,886.55	0.00			0.00	0.00%			
OTHER EQUIPMENT													
387.10	Catholic Protection Equipment	3,157,815.43	0%	3,157,815.43	1,672,448.37	1,485,367.06	40-R2	28.5	52,118.14	1.65%			
387.20	Other Distribution Equipment	663,051.09	0%	663,051.09	551,166.28	111,884.81	25-R3	7.9	14,162.63	2.14%			
	TOTAL Account 387	3,820,866.52		3,820,866.52	2,223,614.65	1,597,251.87			66,280.78	1.73%			
	TOTAL Distribution Plant	395,274,933.99		395,274,933.99	117,430,165.12	277,844,768.87			8,875,491.14	2.25%			
General Plant													
390.00	General Structures	8,943,375.22	0%	8,943,375.22	2,917,461.55	6,025,913.67	40-R2	29.6	203,578.16	2.28%			

Table 2 - Plant Only

Montana-Dakota Utilities Company
Gas Division

Summary of Original Cost of Utility Plant in Service and Calculation of Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of Book Depreciation Reserve and Average Remaining Lives as of December 31, 2015

Account No.	Description	Original Cost 12/31/15	Estimated Future Net Salvage %	Original Cost Less Salvage	Book Depreciation Reserve	Net Original Cost Less Salvage	A.S.L./ Survivor Curve	Average Remaining Life	Annual Depreciation Accrual	Annual Depreciation Rate
(a)	(b)	(c)	(d)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
OFFICE FURNITURE & EQUIPMENT										
391.10	Office Furniture & Equipment	288,341.27	0%	288,341.27	224,559.24	63,782.03	N/A	N/A	11,220.65	3.89% (2)
391.30	Computer Equipment - PC	363,387.91	0%	363,387.91	216,979.30	146,408.61	N/A	N/A	62,559.18	17.22% (2)
	TOTAL Account 391	651,729.18		651,729.18	441,538.54	210,190.64			73,779.83	11.32%
TRANSPORTATION EQUIPMENT										
392.10	Transportation Equipment (Trailers)	456,602.00	0%	456,602.00	367,672.74	88,929.26	19-R1.5	11.9	7,473.05	1.64%
392.20	Transportation Equipment (Cars & Trucks)	9,713,348.49	0%	9,713,348.49	4,881,812.19	4,831,536.30	9-R3	4.0	1,207,884.08	12.44%
	TOTAL Account 392	10,169,950.49		10,169,950.49	5,249,484.93	4,920,465.56			1,215,357.12	11.95%
393.00	Stores Equipment	57,182.96	0%	57,182.96	20,488.92	36,694.04	N/A	N/A	1,551.60	2.71% (2)
TOOLS, SHOP & GARAGE EQ.										
394.10	Tools, Shop & Garage Equip. (Non-Utilized)	2,982,790.35	0%	2,982,790.35	1,207,123.96	1,775,666.39	N/A	N/A	167,776.74	5.62% (2)
394.30	Vehicle Maintenance Equipment	5,923.44	0%	5,923.44	2,936.92	2,986.52	N/A	N/A	332.65	5.62% (2)
	TOTAL Account 394	2,988,713.79		2,988,713.79	1,210,060.88	1,778,652.91			168,109.39	5.62%
395.00	Laboratory Equipment	195,761.82	0%	195,761.82	62,041.03	133,720.79	N/A	N/A	4,026.01	2.06% (2)
POWER OPERATED EQUIPMENT										
396.10	Work Equipment (Trailers)	804,547.65	0%	804,547.65	430,684.22	373,863.43	28-R2	20.6	18,148.71	2.26%
396.20	Power Operated Equipment	8,408,367.50	0%	8,408,367.50	(2,270,171.65)	10,678,539.15	3-L1	1.9	5,620,283.76	66.84%
	TOTAL Account 396	9,212,915.15		9,212,915.15	(1,839,487.43)	11,052,402.58			5,638,432.47	61.20%
COMMUNICATION EQUIPMENT										
397.10	Radio Communication Equip. (Fixed)	995,296.68	0%	995,296.68	262,964.41	732,332.27	N/A	N/A	62,315.23	6.26% (2)
397.20	Radio Communication Equip. (Mobile)	392,158.85	0%	392,158.85	158,720.54	233,438.31	N/A	N/A	24,862.52	6.34% (2)
397.30	General Telephone Communication Equip.	16,429.94	0%	16,429.94	8,937.09	7,492.85	N/A	N/A	1,425.03	8.67% (2)
	TOTAL Account 397	1,403,885.47		1,403,885.47	430,622.04	973,263.43			88,602.78	6.31%
398.00	Miscellaneous Equipment	42,188.71	0%	42,188.71	(11,708.85)	53,897.56	N/A	N/A	-4,671.72	-11.07% (2)
	Sub-Total (General Plant) Amortization	5,339,461.93		5,339,461.93	2,153,042.56	3,186,419.37			331,397.89	6.21%
	TOTAL General Plant	33,665,702.79		33,665,702.79	8,480,501.61	25,185,201.18			7,388,765.65	21.95%
	TOTAL Depreciable Plant	428,940,636.78		428,940,636.78	125,910,666.73	303,029,970.05			16,264,256.79	3.79%

Montana-Dakota Utilities Company
Gas Division

Summary of Original Cost of Utility Plant in Service and Calculation of Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of Book Depreciation Reserve and Average Remaining Lives as of December 31, 2015

Account No. (a)	Description (b)	Original Cost 12/31/15 (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 Depreciation Rate (l)	
NON-DEPRECIABLE PLANT												
374.1	Land (Distribution)	1,016,238.95										
389	Land & Land Rights (General)	1,519,439.18										
	Total Land	2,535,678.13										
INTANGIBLE PLANT												
303	Miscellaneous Intangible Plant	6,467,429.81										
	Total Intangible Plant	6,467,429.81										
	TOTAL Non-Depreciable Plant	9,003,107.94										
	TOTAL Plant in Service	437,943,744.72										
	(2) General Plant Amortization											

Table 2 - Gross Salvage

Montana-Dakota Utilities Company
Gas Division

**Summary of Original Cost of Utility Plant in Service and Calculation of
Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of
Book Depreciation Reserve and Average Remaining Lives as of December 31, 2015**

Account No.	Description	Original Cost 12/31/15	Estimated Future Net Salvage	Original Cost Less Salvage	Book Depreciation Reserve	Net Original Cost Less Salvage	A.S.L./Survivor Curve	Average Remaining Life	Annual Depreciation Accrual	Annual Depreciation Rate	
											(a)
DEPRECIABLE PLANT											
Distribution Plant											
374.20	Rights of Way	431,148.22	0.00	431,148.22	0.00	0.00	65-R3	53.4	0.00	0.00%	
375.00	Distr. Meas & Reg Station Structures	842,394.15	0.00	842,394.15	(41,095.64)	41,095.64	60-R3	37.4	1,098.81	0.13%	
Mains											
376.10	Mains-Steel	69,466,300.96	0.00	69,466,300.96	300,665.02	(300,665.02)	62-R3	42.5	(7,074.47)	-0.01%	
376.20	Mains-Plastic	133,632,165.42	0.00	133,632,165.42	441,492.54	(441,492.54)	47-R4	33.1	(13,341.36)	-0.01%	
376.30	Mains-Valves	2,585,180.49	0.00	2,585,180.49	2,624.31	(2,624.31)	40-R3	37.1	(70.74)	0.00%	
376.40	Mains-Manholes	3,287.49	0.00	3,287.49	15.22	(15.22)	55-R3	36.4	(0.42)	-0.01%	
376.50	Mains-Bridge & River Crossings	92,766.81	0.00	92,766.81	274.25	(274.25)	45-R3	35.3	(7.77)	-0.01%	
	Total Mains	205,779,701.17	0.00	205,779,701.17	745,071.33	(745,071.33)			(20,494.76)	-0.01%	
378.00	Meas & Reg Station Equip-General	3,438,763.73	0.00	3,438,763.73	0.00	0.00	50-R2	36.7	0.00	0.00%	
379.00	Meas & Reg Station Equip-City Gate	6,204,779.16	0.00	6,204,779.16	0.00	0.00	45-R2.5	38.9	0.00	0.00%	
Services											
380.10	Services-Steel	7,315,313.52	0.00	7,315,313.52	274.48	(274.48)	38-R0.5	13.4	(20.48)	0.00%	
380.20	Services-Plastic	86,602,560.59	0.00	86,602,560.59	1,056.15	(1,056.15)	47-R4	33.8	(31.28)	0.00%	
380.30	Farm & Fuel Lines	89,507.84	0.00	89,507.84	1.23	(1.23)	30-R1.5	22.6	(0.05)	0.00%	
	Total Services	94,007,381.95	0.00	94,007,381.95	1,331.85	(1,331.85)			(51.82)	0.00%	
381.00	Meters	70,002,133.59	0.00	70,002,133.59	36,727.95	(36,727.95)	31-R3	21.0	(1,748.95)	0.00%	
383.00	Service Regulators	9,356,598.12	0.00	9,356,598.12	293.11	(293.11)	60-R3	44.3	(6.62)	0.00%	
385.00	Industrial Meas. & Reg. Station Equipment	1,276,280.83	0.00	1,276,280.83	(58,248.11)	58,248.11	40-R4	26.5	2,198.04	0.17%	
MISCELLANEOUS EQUIPMENT											
386.10	Miscellaneous Property on Customers Prem	1,679.84	0.00	1,679.84	0.00	0.00	15-R3	1.5	0.00	0.00%	
386.20	CNG Refueling station	113,206.71	0.00	113,206.71	28,500.00	(28,500.00)	15R-3	1.3	(21,923.08)	-19.37%	
386.30	CNG Lease/Demo	0.00	0.00	0.00	0.00	0.00	0.00	0.0	0.00	0.00%	
	TOTAL Account 386	114,886.55	0.00	114,886.55	28,500.00	(28,500.00)			(21,923.08)	-19.08%	
OTHER EQUIPMENT											
387.10	Catholic Protection Equipment	3,157,815.43	0.00	3,157,815.43	0.00	0.00	40-R2	28.5	0.00	0.00%	
387.20	Other Distribution Equipment	663,051.09	0.00	663,051.09	0.00	0.00	25-R3	7.9	0.00	0.00%	
	TOTAL Account 387	3,820,866.52	0.00	3,820,866.52	0.00	0.00			0.00	0.00%	
	TOTAL Distribution Plant	395,274,933.99	0.00	395,274,933.99	712,580.49	(712,580.49)			(40,928.36)	-0.01%	

Table 2 - Gross Salvage

Montana-Dakota Utilities Company
Gas Division

**Summary of Original Cost of Utility Plant in Service and Calculation of
Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of
Book Depreciation Reserve and Average Remaining Lives as of December 31, 2015**

Account No.	Description	Original Cost 12/31/15 (c)	Estimated Future Net Salvage (d)	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 Depreciation Rate (l)
General Plant										
390.00	General Structures	8,943,375.22	0.00	8,943,375.22	530,523.59	(530,523.59)	40-R2	29.6	(17,923.09)	-0.20%
OFFICE FURNITURE & EQUIPMENT										
391.10	Office Furniture & Equipment	288,341.27	0.00	288,341.27	0.00	0.00	N/A	N/A	0.00	0.00% (2)
391.30	Computer Equipment - PC	363,387.91	0.00	363,387.91	0.00	0.00	N/A	N/A	0.00	0.00% (2)
	TOTAL Account 391	651,729.18	0.00	651,729.18	0.00	0.00			0.00	0.00%
TRANSPORTATION EQUIPMENT										
392.10	Transportation Equipment (Trailers)	456,602.00	15%	388,111.70	0.00	(68,490.30)	19-R1.5	11.9	(5,755.49)	-1.26%
392.20	Transportation Equipment (Cars & Trucks)	9,713,348.49	20%	7,770,678.79	75,648.00	(2,018,317.70)	9-R3	4.0	(504,579.43)	-5.19%
	TOTAL Account 392	10,169,950.49		8,158,790.49	75,648.00	(2,086,808.00)			(510,334.91)	-5.02%
393.00	Stores Equipment	57,182.96	0%	57,182.96	0.00	0.00	N/A	N/A	0.00	0.00% (2)
TOOLS, SHOP & GARAGE EQ.										
394.10	Tools, Shop & Garage Equip. (Non-Utilizec	2,982,790.35	0%	2,982,790.35	0.00	0.00	N/A	N/A	0.00	0.00% (2)
394.30	Vehicle Maintenance Equipment	5,923.44	0%	5,923.44	0.00	0.00	N/A	N/A	0.00	0.00% (2)
	TOTAL Account 394	2,988,713.79		2,988,713.79	0.00	0.00			0.00	0.00%
395.00	Laboratory Equipment	195,761.82	0%	195,761.82	0.00	0.00	N/A	N/A	0.00	0.00% (2)
POWER OPERATED EQUIPMENT										
396.10	Work Equipment (Trailers)	804,547.65	20%	643,638.12	10,500.00	(171,409.53)	28-R2	20.6	(8,320.85)	-1.03%
396.20	Power Operated Equipment	8,408,367.50	85%	1,261,255.12	2,685,253.14	(9,832,365.52)	3-L1	1.9	(5,174,929.22)	-61.54%
	TOTAL Account 396	9,212,915.15		1,904,893.24	2,695,753.14	(10,003,775.05)			(5,183,250.07)	-56.26%
COMMUNICATION EQUIPMENT										
397.10	Radio Communication Equip. (Fixed)	995,296.68	0%	995,296.68	0.00	0.00	N/A	N/A	0.00	0.00% (2)
397.20	Radio Communication Equip. (Mobile)	392,158.85	0%	392,158.85	0.00	0.00	N/A	N/A	0.00	0.00% (2)
397.30	General Telephone Communication Equip.	16,429.94	0%	16,429.94	0.00	0.00	N/A	N/A	0.00	0.00% (2)
	TOTAL Account 397	1,403,885.47		1,403,885.47	0.00	0.00			0.00	0.00%
398.00	Miscellaneous Equipment	42,188.71	0%	42,188.71	0.00	0.00	N/A	N/A	0.00	0.00% (2)
	Sub-Total (General Plant) Amortization	5,339,461.93		5,339,461.93	0.00	0.00			0.00	0.00%
	TOTAL General Plant	33,665,702.79		24,346,520.88	3,301,924.73	(12,621,106.64)			(5,711,508.08)	-16.97%
	TOTAL Depreciable Plant	428,940,636.78		419,621,454.87	4,014,505.22	(13,333,687.13)			(5,752,436.44)	-1.34%

Montana-Dakota Utilities Company
Gas Division

Summary of Original Cost of Utility Plant in Service and Calculation of Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of Book Depreciation Reserve and Average Remaining Lives as of December 31, 2015

Account No. (a)	Description (b)	Original Cost 12/31/15 (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 Depreciation Rate (l)	
NON-DEPRECIABLE PLANT												
374.1	Land (Distribution)	1,016,238.95										
389	Land & Land Rights (General)	1,519,439.18										
	Total Land	2,535,678.13										
INTANGIBLE PLANT												
303	Miscellaneous Intangible Plant	6,467,429.81										
	Total Intangible Plant	6,467,429.81										
	TOTAL Non-Depreciable Plant	9,003,107.94										
	TOTAL Plant in Service	437,943,744.72										
	(2) General Plant Amortization											

Table 2 - COR

Montana-Dakota Utilities Company
Gas Division

**Summary of Original Cost of Utility Plant in Service and Calculation of
Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of
Book Depreciation Reserve and Average Remaining Lives as of December 31, 2015**

Account No.	Description (b)	Original Cost 12/31/15 (c)	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 (ii)	Annual Depreciation Accrual (k)	Annual Depreciation Rate (l)
DEPRECIABLE PLANT										
Distribution Plant										
374.20	Rights of Way	431,148.22	0.00	431,148.22	0.00	0.00	65-R3	53.4	0.00	0.00%
375.00	Distr. Meas & Reg Station Structures	842,394.15	(421,197.08)	1,263,591.23	117,197.15	303,999.93	60-R3	37.4	8,128.34	0.96%
Mains										
376.10	Mains-Steel	69,466,300.96	(34,733,150.48)	104,199,451.44	9,831,218.85	24,901,931.63	62-R3	42.5	585,927.80	0.84%
376.20	Mains-Plastic	133,632,165.42	(66,816,082.71)	200,448,248.13	14,436,031.89	52,380,050.82	47-R4	33.1	1,582,861.11	1.18%
376.30	Mains-Valves	2,585,180.49	(1,292,590.25)	3,877,770.74	85,810.31	1,206,779.94	40-R3	37.1	32,527.76	1.26%
376.40	Mains-Manholes	3,287.49	(1,643.75)	4,931.24	497.55	1,146.20	55-R3	36.4	31.49	0.96%
376.50	Mains-Bridge & River Crossings	92,766.81	(46,383.41)	139,150.22	8,967.40	37,416.01	45-R3	35.3	1,059.94	1.14%
	Total Mains	205,779,701.17	(102,889,850.60)	308,669,551.77	24,362,526.00	78,527,324.60			2,202,408.11	1.07%
378.00	Meas & Reg Station Equip-General	3,438,763.73	(1,031,629.12)	4,470,392.85	200,618.07	831,011.05	50-R2	36.7	22,643.35	0.66%
379.00	Meas & Reg Station Equip-City Gate	6,204,779.16	(930,716.87)	7,135,496.03	28,458.29	902,258.58	45-R2.5	38.9	23,194.31	0.37%
Services										
380.10	Services-Steel	7,315,313.52	(14,630,627.04)	21,945,940.56	8,290,115.26	6,340,511.78	38-R0.5	13.4	473,172.52	6.47%
380.20	Services-Plastic	86,602,560.59	(173,205,121.18)	259,807,681.77	31,899,164.41	141,305,956.77	47-R4	33.8	4,185,139.84	4.83%
380.30	Farm & Fuel Lines	89,507.84	(179,015.68)	288,523.52	37,039.97	141,975.71	30-R1.5	22.6	6,282.11	7.02%
	Total Services	94,007,381.95	(188,014,763.90)	282,022,145.85	40,226,319.64	147,788,444.26			4,664,594.47	4.96%
381.00	Meters	70,002,133.59	(14,000,426.72)	84,002,560.31	-81,594.40	14,082,021.12	31-R3	21.0	670,572.43	0.96%
383.00	Service Regulators	9,356,598.12	0.00	9,356,598.12	-5,898.54	5,898.54	60-R3	44.3	133.15	0.00%
385.00	Industrial Meas. & Reg. Station Equipment	1,276,280.83	(191,442.12)	1,467,722.95	24,628.73	166,813.39	40-R4	26.5	6,294.84	0.49%
MISCELLANEOUS EQUIPMENT										
386.10	Miscellaneous Property on Customers Premise	1,679.84	0.00	1,679.84	0.00	0.00	15-R3	1.5	0.00	0.00%
386.20	CNG Refueling station	113,206.71	0.00	113,206.71	0.00	0.00	15R-3	1.3	0.00	0.00%
386.30	CNG Lease/Demo	0.00	0.00	0.00	0.00	0.00		0.0	0.00	0.00%
	TOTAL Account 386	114,886.55	0.00	114,886.55	0.00	0.00			0.00	0.00%
OTHER EQUIPMENT										
387.10	Catholic Protection Equipment	3,157,815.43	0.00	3,157,815.43	-7,344.84	7,344.84	40-R2	28.5	257.71	0.01%
387.20	Other Distribution Equipment	663,051.09	0.00	663,051.09	0.00	0.00	25-R3	7.9	0.00	0.00%
	TOTAL Account 387	3,820,866.52	0.00	3,820,866.52	-7,344.84	7,344.84			257.71	0.01%
	TOTAL Distribution Plant	395,274,933.99	(307,480,026.41)	702,754,960.40	64,864,910.10	242,615,116.31			7,598,226.72	1.92%
General Plant										
390.00	General Structures	8,943,375.22	(894,337.52)	9,837,712.74	-8,766.69	903,104.21	40-R2	29.6	30,510.28	0.34%

Table 2 - COR

Montana-Dakota Utilities Company
Gas Division

Summary of Original Cost of Utility Plant in Service and Calculation of Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of Book Depreciation Reserve and Average Remaining Lives as of December 31, 2015

Account No.	Description	Original Cost 12/31/15	Estimated Future Net Salvage	Original Cost Less Salvage	Book Depreciation Reserve	Net Original Cost Less Salvage	A.S.L./ Survivor Curve	Average Remaining Life	Annual Depreciation Accrual	Annual Depreciation Rate
(a)	(b)	(c)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
OFFICE FURNITURE & EQUIPMENT										
391.10	Office Furniture & Equipment	288,341.27	0.00	288,341.27	0.00	0.00	N/A	N/A	0.00	0.00% (2)
391.30	Computer Equipment - PC	363,387.91	0.00	363,387.91	0.00	0.00	N/A	N/A	0.00	0.00% (2)
	TOTAL Account 391	651,729.18	0.00	651,729.18	0.00	0.00			0.00	0.00%
TRANSPORTATION EQUIPMENT										
392.10	Transportation Equipment (Trailers)	456,602.00	0.00	456,602.00	0.00	0.00	19-R1.5	11.9	0.00	0.00%
392.20	Transportation Equipment (Cars & Trucks)	9,713,348.49	0.00	9,713,348.49	0.00	0.00	9-R3	4.0	0.00	0.00%
	TOTAL Account 392	10,169,950.49	0.00	10,169,950.49	0.00	0.00			0.00	0.00%
393.00	Stores Equipment	57,182.96	0.00	57,182.96	0.00	0.00	N/A	N/A	0.00	0.00% (2)
TOOLS, SHOP & GARAGE EQ.										
394.10	Tools, Shop & Garage Equip. (Non-Utilized)	2,982,790.35	0.00	2,982,790.35	0.00	0.00	N/A	N/A	0.00	0.00% (2)
394.30	Vehicle Maintenance Equipment	5,923.44	0.00	5,923.44	0.00	0.00	N/A	N/A	0.00	0.00% (2)
	TOTAL Account 394	2,988,713.79	0.00	3,045,896.75	0.00	0.00			0.00	0.00%
395.00	Laboratory Equipment	195,761.82	0.00	195,761.82	0.00	0.00	N/A	N/A	0.00	0.00% (2)
POWER OPERATED EQUIPMENT										
396.10	Work Equipment (Trailers)	804,547.65	0.00	804,547.65	0.00	0.00	28-R2	20.6	0.00	0.00%
396.20	Power Operated Equipment	8,408,367.50	0.00	8,408,367.50	0.00	0.00	3-L1	1.9	0.00	0.00%
	TOTAL Account 396	9,212,915.15	0.00	9,212,915.15	0.00	0.00			0.00	0.00%
COMMUNICATION EQUIPMENT										
397.10	Radio Communication Equip. (Fixed)	995,296.68	0.00	995,296.68	0.00	0.00	N/A	N/A	0.00	0.00% (2)
397.20	Radio Communication Equip. (Mobile)	392,158.85	0.00	392,158.85	0.00	0.00	N/A	N/A	0.00	0.00% (2)
397.30	General Telephone Communication Equip.	16,429.94	0.00	16,429.94	0.00	0.00	N/A	N/A	0.00	0.00% (2)
	TOTAL Account 397	1,403,885.47	0.00	1,403,885.47	0.00	0.00			0.00	0.00%
398.00	Miscellaneous Equipment	42,188.71	0.00	42,188.71	0.00	0.00	N/A	N/A	0.00	0.00% (2)
	Sub-Total (General Plant) Amortization	5,339,461.93	0.00	5,396,644.89	0.00	0.00			0.00	0.00%
	TOTAL General Plant	33,665,702.79	(894,337.52)	34,560,040.31	-8,766.69	903,104.21			30,510.28	0.09%
	TOTAL Depreciable Plant	428,940,636.78	(308,374,363.93)	737,315,000.71	64,856,143.41	243,518,220.52			7,628,737.00	1.78%

Montana-Dakota Utilities Company
Gas Division

Summary of Original Cost of Utility Plant in Service and Calculation of Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of Book Depreciation Reserve and Average Remaining Lives as of December 31, 2015

Account No. (a)	Description (b)	Original Cost 12/31/15 (c)	% (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 Depreciation Rate (l)	
NON-DEPRECIABLE PLANT												
374.1	Land (Distribution)	1,016,238.95										
389	Land & Land Rights (General)	1,519,439.18										
	Total Land	2,535,678.13										
INTANGIBLE PLANT												
303	Miscellaneous Intangible Plant	6,467,429.81										
	Total Intangible Plant	6,467,429.81										
	TOTAL Non-Depreciable Plant	9,003,107.94										
	TOTAL Plant in Service	437,943,744.72										
	(2) General Plant Amortization											

**Montana-Dakota Utilities Company
Gas Division**

**Original Cost Per Company Books, Adjustments, And
Original Cost Per Depreciation Study of December 31, 2015**

Account No.	Description	Original Cost Per Co. Books 12/31/15	(Pending) Retirements	Company Pending Adjustments	Original Cost Per Depr Study Data 12/31/15
(a)	(b)	(c)	(d)	(e)	(e)
<u>DEPRECIABLE PLANT</u>					
Distribution Plant					
374.20	Rights of Way	431,148.22			431,148.22
375.00	Distr. Meas & Reg Station Structures	842,394.15			842,394.15
Mains					
376.10	Mains-Steel	69,466,300.96			69,466,300.96
376.20	Mains-Plastic	133,632,165.42			133,632,165.42
376.30	Mains-Valves	2,585,180.49			2,585,180.49
376.40	Mains-Manholes	3,287.49			3,287.49
376.50	Mains-Bridge & River Crossings	92,766.81			92,766.81
	Total Mains	205,779,701.17	0.00	0.00	205,779,701.17
378.00	Meas & Reg Station Equip-General	3,438,763.73			3,438,763.73
379.00	Meas & Reg Station Equip-City Gate	6,204,779.16			6,204,779.16
Services					
380.10	Services-Steel	7,315,313.52			7,315,313.52
380.20	Services-Plastic	86,602,560.59			86,602,560.59
380.30	Farm & Fuel Lines	89,507.84			89,507.84
	Total Services	94,007,381.95	0.00	0.00	94,007,381.95
381.00	Meters	70,002,133.59			70,002,133.59
383.00	Service Regulators	9,356,598.12			9,356,598.12
385.00	Industrial Meas. & Reg. Station Equipment	1,276,280.83			1,276,280.83
MISCELLANEOUS EQUIPMENT					
386.10	Miscellaneous Property on Customers Premis	1,679.84			1,679.84
386.20	CNG Refueling station	113,206.71			113,206.71
386.30	CNG Lease/Demo	0.00			0.00
	TOTAL Account 386	114,886.55	0.00	0.00	114,886.55
OTHER EQUIPMENT					
387.10	Cathodic Protection Equipment	3,157,815.43			3,157,815.43
387.20	Other Distribution Equipment	663,051.09			663,051.09
	TOTAL Account 387	3,820,866.52	0.00	0.00	3,820,866.52
	TOTAL Distribution Plant	395,274,933.99	-	-	395,274,933.99
General Plant					
390.00	General Structures	8,943,375.22			8,943,375.22
OFFICE FURNITURE & EQUIPMENT					
391.10	Office Furniture & Equipment	288,341.27			288,341.27
391.30	Computer Equipment - PC	363,387.91			363,387.91
	TOTAL Account 391	651,729.18	0.00	0.00	651,729.18
TRANSPORTATION EQUIPMENT					
392.10	Transportation Equipment (Trailers)	456,602.00			456,602.00
392.20	Transportation Equipment (Cars & Trucks)	9,713,348.49			9,713,348.49
	TOTAL Account 392	10,169,950.49	0.00	0.00	10,169,950.49
393.00	Stores Equipment	57,182.96			57,182.96

**Montana-Dakota Utilities Company
Gas Division**

**Original Cost Per Company Books, Adjustments, And
Original Cost Per Depreciation Study of December 31, 2015**

Account No. (a)	Description (b)	Original Cost Per Co. Books 12/31/15 (c)	(Pending) Retirements (d)	Company Pending Adjustments (e)	Original Cost Per Depr Study Data 12/31/15 (e)
	TOOLS, SHOP & GARAGE EQ.				
394.10	Tools, Shop & Garage Equip. (Non-Unitized)	2,982,790.35			2,982,790.35
394.30	Vehicle Maintenance Equipment	5,923.44			5,923.44
	TOTAL Account 394	2,988,713.79	-	-	2,988,713.79
395.00	Laboratory Equipment	195,761.82			195,761.82
	POWER OPERATED EQUIPMENT				
396.10	Work Equipment (Trailers)	804,547.65			804,547.65
396.20	Power Operated Equipment	8,408,367.50			8,408,367.50
	TOTAL Account 396	9,212,915.15	0.00	0.00	9,212,915.15
	COMMUNICATION EQUIPMENT				
397.10	Radio Communication Equip. (Fixed)	995,296.68			995,296.68
397.20	Radio Communication Equip. (Mobile)	392,158.85			392,158.85
397.30	General Telephone Communication Equip.	16,429.94			16,429.94
	TOTAL Account 397	1,403,885.47	0.00	0.00	1,403,885.47
398.00	Miscellaneous Equipment	42,188.71			42,188.71
	Sub-Total (General Plant) Amortization	5,339,461.93	0.00	0.00	5,339,461.93
	TOTAL General Plant	33,665,702.79	0.00	0.00	33,665,702.79
	TOTAL Depreciable Plant	428,940,636.78	0.00	0.00	428,940,636.78
	NON-DEPRECIABLE PLANT				
374.10	Land (Distribution)	1,016,238.95			1,016,238.95
389.00	Land & Land Rights (General)	1,519,439.18			1,519,439.18
	Total Land	2,535,678.13	0.00	0.00	2,535,678.13
	INTANGIBLE PLANT				
303.00	Miscellaneous Intangible Plant	6,467,429.81			6,467,429.81
	Total Intangible Plant	6,467,429.81	0.00	0.00	6,467,429.81
	TOTAL Non-Depreciable Plant	9,003,107.94	0.00	0.00	9,003,107.94
	TOTAL Plant in Service	437,943,744.72	0.00	0.00	437,943,744.72

Table 4

**Montana-Dakota Utilities Company
Gas Division**

**Summary of Book Depreciation Reserves Relative To Original Cost of Utility Plant in Service,
Adjustments, And Depreciation Reserves Per Depreciation Study as of December 31, 2015**

Account No.	Description (b)	Depr Reserve Per Books 12/31/15 (c)	(Pending) Retirements (d)	Depr Reserve Per Depr Study 12/31/15 (e)
<u>DEPRECIABLE PLANT</u>				
Distribution Plant				
374.20	Rights of Way	115,390.38		115,390.38
375.00	Distr. Meas & Reg Station Structures	477,829.79		477,829.79
Mains				
376.10	Mains-Steel	33,669,994.95		33,669,994.95
376.20	Mains-Plastic	49,440,575.80		49,440,575.80
376.30	Mains-Valves	293,883.46		293,883.46
376.40	Mains-Manholes	1,704.02		1,704.02
376.50	Mains-Bridge & River Crossings	30,711.60		30,711.60
	Total Mains	83,436,869.83	0.00	83,436,869.83
378.00	Meas & Reg Station Equip-General	1,447,014.74		1,447,014.74
379.00	Meas & Reg Station Equip-City Gate	1,082,973.39		1,082,973.39
Services				
380.10	Services-Steel	13,822,417.35		13,822,417.35
380.20	Services-Plastic	53,186,662.64		53,186,662.64
380.30	Farm & Fuel Lines	61,758.12		61,758.12
	Total Services	67,070,838.11	0.00	67,070,838.11
381.00	Meters	23,335,199.71		23,335,199.71
383.00	Service Regulators	3,242,160.51		3,242,160.51
385.00	Industrial Meas. & Reg. Station Equipment	439,722.89		439,722.89
MISCELLANEOUS EQUIPMENT				
386.10	Miscellaneous Property on Customers Premise	1,679.84		1,679.84
386.20	CNG Refueling station	141,706.71		141,706.71
386.30	CNG Lease/Demo	-		-
	TOTAL Account 386	143,386.55	0.00	143,386.55
OTHER EQUIPMENT				
387.10	Cathodic Protection Equipment	1,665,103.53		1,665,103.53
387.20	Other Distribution Equipment	551,166.28		551,166.28
	TOTAL Account 387	2,216,269.81	0.00	2,216,269.81
	TOTAL Distribution Plant	183,007,655.71	-	183,007,655.71
General Plant				
390.00	General Structures	3,439,218.45		3,439,218.45
OFFICE FURNITURE & EQUIPMENT				
391.10	Office Furniture & Equipment	224,559.24		224,559.24
391.30	Computer Equipment - PC	216,979.30		216,979.30
	TOTAL Account 391	441,538.54	0.00	441,538.54
TRANSPORTATION EQUIPMENT				
392.10	Transportation Equipment (Trailers)	367,672.74		367,672.74
392.20	Transportation Equipment (Cars & Trucks)	4,957,460.19		4,957,460.19
	TOTAL Account 392	5,325,132.93	0.00	5,325,132.93
393.00	Stores Equipment	20,488.92		20,488.92

Table 4

**Montana-Dakota Utilities Company
Gas Division**

**Summary of Book Depreciation Reserves Relative To Original Cost of Utility Plant in Service,
Adjustments, And Depreciation Reserves Per Depreciation Study as of December 31, 2015**

Account No.	Description (b)	Depr Reserve Per Books 12/31/15 (c)	(Pending) Retirements (d)	Depr Reserve Per Depr Study 12/31/15 (e)
	TOOLS, SHOP & GARAGE EQ.			
394.10	Tools, Shop & Garage Equip. (Non-Unitized)	1,207,123.96		1,207,123.96
394.30	Vehicle Maintenance Equipment	2,936.92		2,936.92
	TOTAL Account 394	1,210,060.88	0.00	1,210,060.88
395.00	Laboratory Equipment	62,041.03		62,041.03
	POWER OPERATED EQUIPMENT			
396.10	Work Equipment (Trailers)	441,184.22		441,184.22
396.20	Power Operated Equipment	415,081.49		415,081.49
	TOTAL Account 396	856,265.71	0.00	856,265.71
	<u>COMMUNICATION EQUIPMENT</u>			
397.10	Radio Communication Equip. (Fixed)	262,964.41		262,964.41
397.20	Radio Communication Equip. (Mobile)	158,720.54		158,720.54
397.30	General Telephone Communication Equip.	8,937.09		8,937.09
	TOTAL Account 397	430,622.04	0.00	430,622.04
398.00	Miscellaneous Equipment	(11,708.85)		(11,708.85)
	Sub-Total (General Plant) Amortization	2,153,042.56		2,153,042.56
	TOTAL General Plant	11,773,659.65	0.00	11,773,659.65
	TOTAL Depreciable Plant	194,781,315.36	0.00	194,781,315.36
	NON-DEPRECIABLE PLANT			
374.10	Land (Distribution)	0.00		0.00
389.00	Land & Land Rights (General)	0.00		0.00
	Total Land	0.00		0.00
	INTANGIBLE PLANT			
303.00	Miscellaneous Intangible Plant	1,040,961.17		1,040,961.17
	Total Intangible Plant	1,040,961.17		1,040,961.17
	TOTAL Non-Depreciable Plant	1,040,961.17	0.00	1,040,961.17
	TOTAL Plant in Service	195,822,276.53	0.00	195,822,276.53

Table 5

Montana-Dakota Utilities Company
Gas Division

Summary of Original Cost of Utility Plant in Service as of December 31, 2015 and Present and Proposed Parameters

Account No.	Description	Original Cost 12/31/15 (c)	Present Parameters				Proposed Parameters				
			Net Salvage W/COR %	Gross COR %	A.S.L./ Survivor Curve (g)	Present Depr Rate-% (h)	Average Remaining Life (i)	Net Salvage W/COR %	Gross COR %	A.S.L./ Survivor Curve (o)	Average Remaining Life (p)
DEPRECIABLE PLANT											
Distribution Plant											
374.20	Rights of Way	431,148.22	0%	0%	65-R3	1.39%	49.3	0%	0%	65-R3	53.4
375.00	Distr. Meas & Reg Station Structures	842,394.15	-50%	-50%	60-R3	2.30%	29.9	-50%	0%	60-R3	37.4
	Mains										
376.10	Mains-Steel	69,466,300.96	-50%	-50%	47-R4	2.15%	21.4	-50%	0%	62-R3	42.5
376.20	Mains-Plastic	133,632,165.42	-50%	-50%	47-R4	2.15%	33.7	-50%	0%	47-R4	33.1
376.30	Mains-Valves	2,585,180.49	-50%	-50%	40-R2.5	2.15%	30.4	-50%	0%	40-R3	37.1
376.40	Mains-Manholes	3,287.49	-50%	-50%	47-R4	2.15%	29.9	-50%	0%	55-R3	36.4
376.50	Mains-Bridge & River Crossings	92,766.81	-50%	-50%	47-R4	2.15%	3.1	-50%	0%	45-R3	35.3
	Total Mains	205,779,701.17									
378.00	Meas & Reg Station Equip-General	3,438,763.73	-30%	-30%	40-R2	3.22%	23.3	-30%	0%	50-R2	36.7
379.00	Meas & Reg Station Equip-City Gate	6,204,779.16	-15%	-15%	27-L0	3.08%	18.9	-15%	0%	45-R2.5	38.9
	Services										
380.10	Services-Steel	7,315,313.52	-200%	-200%	40-R3	6.46%	18.8	-200%	0%	38-R0.5	13.4
380.20	Services-Plastic	86,602,560.59	-200%	-200%	40-R3	6.46%	29.0	-200%	0%	47-R4	33.8
380.30	Farm & Fuel Lines	89,507.84	-200%	-200%	30-R1.5	6.46%	20.6	-200%	0%	30-R1.5	22.6
	Total Services	94,007,381.95									
381.00	Meters	70,002,133.59	-15%	-15%	35-R4	3.01%	19.9	-20%	0%	31-R3	21.0
383.00	House Regulators	9,356,598.12	10%	0%	40-R2	1.68%	18.0	0%	0%	60-R3	44.3
385.00	Industrial Meas. & Reg. Station Equipment	1,276,280.83	-15%	-15%	35-R2	2.77%	20.6	-15%	0%	40-R4	26.5
	MISCELLANEOUS EQUIPMENT										
386.10	Miscellaneous Property on Customers Premis	1,679.84	0%	0%	15-R3	2.39%	10.7	0%	0%	15-R3	1.5
386.20	CNG Refueling station	113,206.71	0%	0%	15R-3	0.27%	8.1	0%	0%	15R-3	1.3
386.30	CNG Lease/Demo	0.00									
	TOTAL Account 386	114,886.55									
	OTHER EQUIPMENT										
387.10	Catholic Protection Equipment	3,157,815.43	0%	0%	20-R1.5	3.21%	10.1	0%	0%	40-R2	28.5
387.20	Other Distribution Equipment	663,051.09	0%	0%	25-R3	0.99%	17.8	0%	0%	25-R3	7.9
	TOTAL Account 387	3,820,866.52									
	TOTAL Distribution Plant	395,274,933.99									

Montana-Dakota Utilities Company
Gas Division

Summary of Original Cost of Utility Plant in Service as of December 31, 2015 and Present and Proposed Parameters

Account No.	Description	Original Cost 12/31/15				Present Parameters				Proposed Parameters							
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)
General Plant																	
390.00	General Structures			8,943,375.22	-10%	0%	-10%	31-R4	3.36%	11.3	-10%	0%	-10%	40-R2	29.6		
OFFICE FURNITURE & EQUIPMENT																	
391.10	Office Furniture & Equipment			288,341.27	0%	0%	0%	15-R1	6.67%	N/A	0%	0%	0%	N/A	N/A		
391.30	Computer Equipment - PC			363,387.91	0%	0%	0%	5-R2	20.00%	2.4	0%	0%	0%	N/A	N/A		
	TOTAL Account 391			651,729.18													
TRANSPORTATION EQUIPMENT																	
392.10	Transportation Equipment (Trailers)			456,602.00	15%	15%	0%	8-R0.5	9.67%	5.3	15%	15%	0%	19-R1.5	11.9		
392.20	Transportation Equipment (Cars & Trucks)			9,713,348.49	20%	20%	0%	7-R3	0.26%	2.3	20%	20%	0%	9-R3	4.0		
	TOTAL Account 392			10,169,950.49													
393.00	Stores Equipment			57,182.96	0%	0%	0%	(2)	2.86%	N/A	0%	0%	0%	(2)	N/A		
TOOLS, SHOP & GARAGE EQ.																	
394.10	Tools, Shop & Garage Equip. (Non-Unitized)			2,982,790.35	0%	0%	0%	(2)	5.56%	N/A	0%	0%	0%	(2)	N/A		
394.30	Vehicle Maintenance Equipment			5,923.44	0%	0%	0%	(2)	5.00%	N/A	0%	0%	0%	(2)	N/A		
	TOTAL Account 394			2,988,713.79													
395.00	Laboratory Equipment			195,761.82	0%	0%	0%	(2)	5.00%	N/A	0%	0%	0%	(2)	N/A		
POWER OPERATED EQUIPMENT																	
396.10	Work Equipment (Trailers)			804,547.65	20%	20%	0%	10-R2	6.02%	5.9	20%	20%	0%	28-R2	20.6		
396.20	Power Operated Equipment			8,408,367.50	80%	80%	0%	4-L1	0.23%	3.2	80%	85%	0%	3-L1	1.9		
	TOTAL Account 396			9,212,915.15													
COMMUNICATION EQUIPMENT																	
397.10	Radio Communication Equip. (Fixed)			995,296.68	0%	0%	0%	(2)	6.67%	N/A	0%	0%	0%	(2)	N/A		
397.20	Radio Communication Equip. (Mobile)			392,158.85	0%	0%	0%	(2)	6.67%	N/A	0%	0%	0%	(2)	N/A		
397.30	General Telephone Communication Equip.			16,429.94	0%	0%	0%	(2)	10.00%	N/A	0%	0%	0%	(2)	N/A		
	TOTAL Account 397			1,403,885.47													
398.00	Miscellaneous Equipment			42,188.71													
	Sub-Total (General Plant) Amortization			5,339,461.93													
	TOTAL General Plant			33,665,702.79													
	TOTAL Depreciable Plant			428,940,636.78													

Montana-Dakota Utilities Company
Gas Division

Summary of Original Cost of Utility Plant in Service as of December 31, 2015 and Present and Proposed Parameters

Account No. (a)	Description (b)	Original Cost 12/31/15 (c)	Present Parameters			Proposed Parameters						
			Net Salvage W/COR % (d)	Gross COR % (f)	A.S.L./Survivor Curve (g)	Present Depr Rate-% (h)	Average Remaining Life (i)	Net Salvage W/O COR % (k)	Gross COR % (l)	A.S.L./Survivor Curve (o)	Average Remaining Life (p)	
NON-DEPRECIABLE PLANT												
374.1	Land (Distribution)	1,016,238.95										
389	Land & Land Rights (General)	1,519,439.18										
	Total Land	2,535,678.13										
INTANGIBLE PLANT												
303	Miscellaneous Intangible Plant	6,467,429.81										
	Total Intangible Plant	6,467,429.81										
	TOTAL Non-Depreciable Plant	9,003,107.94										
	TOTAL Plant in Service	437,943,744.72										

(1) ARL Adjusted For Aldyl-A Pipe Conversion.

(2) General Plant Amortization

MDU-Gas

**Account 376.20 and 380.20 -- Plastic Pipe
Specific Vintage Plastic Pipe Conversion**

Table 5-a

Start Project in 5 Years (2021)---Complete in 20 Years
Project Range 2021 to 2036
Average Retirement Year 2028

ARL--

ARL Weighted Calculation

2028
2015
13
(Yrs)

Account 376.20-Plastic Mains

	12-31-15 Plt In Service	47-R4 12-31-15 ARL (Yrs)	Weight
1970-1983	10,657,567.62	13	819,812.89
1984-2015	<u>122,974,597.80</u>	38.21	<u>3,218,387.80</u>
	133,632,165.42	33.09	4,038,200.69

Account 380.20-Plastic Services

	12-31-15 Plt In Service	47-R4 12-31-15 ARL (Yrs)	Weight
1970-1983	6,193,259.91	13	476,404.61
1984-2015	<u>80,409,300.68</u>	38.5	<u>2,088,553.26</u>
	86,602,560.59	33.76	2,564,957.87

Unadjusted ARL

		47-R4 12-31-15 ARL (Yrs)
<u>Account 376.20</u>	133,632,165.42	36.2
<u>Account 380.20</u>	86,602,560.59	36.6

Supporting Surviving Data

Account Number	Division	Location	Icode	Trans Year	Install Year	Aval	Sub-Totals	Totals
376.20	MU	9999	8	2015	1970	360,960.85		
376.20	MU	9999	8	2015	1971	140,497.51		
376.20	MU	9999	8	2015	1972	1,258,125.92		
376.20	MU	9999	8	2015	1973	301,498.63		
376.20	MU	9999	8	2015	1974	241,844.34		
376.20	MU	9999	8	2015	1975	864,405.51		
376.20	MU	9999	8	2015	1976	645,293.23		
376.20	MU	9999	8	2015	1977	317,566.24		
376.20	MU	9999	8	2015	1978	508,859.96		
376.20	MU	9999	8	2015	1979	1,090,019.71		
376.20	MU	9999	8	2015	1980	1,517,876.74		
376.20	MU	9999	8	2015	1981	1,137,597.86		
376.20	MU	9999	8	2015	1982	1,129,925.56		
376.20	MU	9999	8	2015	1983	1,143,095.56	10,657,567.62	

MDU-Gas

Table 5-a

Account 376.20 and 380.20 -- Plastic Pipe

Specific Vintage Plastic Pipe Conversion

376.20	MU	9999	8	2015	1984	1,219,729.54		
376.20	MU	9999	8	2015	1985	1,240,062.47		
376.20	MU	9999	8	2015	1986	1,178,380.35		
376.20	MU	9999	8	2015	1987	1,238,990.07		
376.20	MU	9999	8	2015	1988	810,156.97		
376.20	MU	9999	8	2015	1989	608,006.39		
376.20	MU	9999	8	2015	1990	895,566.07		
376.20	MU	9999	8	2015	1991	1,277,869.62		
376.20	MU	9999	8	2015	1992	1,852,379.26		
376.20	MU	9999	8	2015	1993	6,544,178.31		
376.20	MU	9999	8	2015	1994	4,279,204.10		
376.20	MU	9999	8	2015	1995	1,538,675.90		
376.20	MU	9999	8	2015	1996	1,815,024.44		
376.20	MU	9999	8	2015	1997	1,607,913.66		
376.20	MU	9999	8	2015	1998	1,420,802.71		
376.20	MU	9999	8	2015	1999	1,091,957.49		
376.20	MU	9999	8	2015	2000	1,457,290.07		
376.20	MU	9999	8	2015	2001	1,746,497.87		
376.20	MU	9999	8	2015	2002	2,118,850.53		
376.20	MU	9999	8	2015	2003	2,528,207.24		
376.20	MU	9999	8	2015	2004	2,451,269.33		
376.20	MU	9999	8	2015	2005	3,340,294.31		
376.20	MU	9999	8	2015	2006	3,207,448.33		
376.20	MU	9999	8	2015	2007	2,815,945.48		
376.20	MU	9999	8	2015	2008	4,058,737.52		
376.20	MU	9999	8	2015	2009	2,482,145.50		
376.20	MU	9999	8	2015	2010	4,016,719.00		
376.20	MU	9999	8	2015	2011	5,757,252.71		
376.20	MU	9999	8	2015	2012	16,644,424.51		
376.20	MU	9999	8	2015	2013	10,902,116.54		
376.20	MU	9999	8	2015	2014	17,464,150.79		
376.20	MU	9999	8	2015	2015	13,364,350.72	122,974,597.80	133,632,165.42
380.20	MU	9999	8	2015	1950	21.20		
380.20	MU	9999	8	2015	1951	225.32		
380.20	MU	9999	8	2015	1952	112.66		
380.20	MU	9999	8	2015	1953	151.98		
380.20	MU	9999	8	2015	1954	185.08		
380.20	MU	9999	8	2015	1956	130.63		
380.20	MU	9999	8	2015	1958	140.93		
380.20	MU	9999	8	2015	1959	134.01		
380.20	MU	9999	8	2015	1960	738.18		
380.20	MU	9999	8	2015	1962	228.96		
380.20	MU	9999	8	2015	1963	56.12		
380.20	MU	9999	8	2015	1964	70.71		
380.20	MU	9999	8	2015	1966	72.97		
380.20	MU	9999	8	2015	1967	546.40		
380.20	MU	9999	8	2015	1968	72.97		
380.20	MU	9999	8	2015	1969	187.00		
380.20	MU	9999	8	2015	1970	690.88		
380.20	MU	9999	8	2015	1971	8,474.43		

MDU-Gas

Account 376.20 and 380.20 -- Plastic Pipe

Specific Vintage Plastic Pipe Conversion

Table 5-a

380.20	MU	9999	8	2015	1972	235,188.97		
380.20	MU	9999	8	2015	1973	213,829.79		
380.20	MU	9999	8	2015	1974	506,159.33		
380.20	MU	9999	8	2015	1975	295,691.91		
380.20	MU	9999	8	2015	1976	575,270.36		
380.20	MU	9999	8	2015	1977	391,241.29		
380.20	MU	9999	8	2015	1978	407,346.70		
380.20	MU	9999	8	2015	1979	635,186.83		
380.20	MU	9999	8	2015	1980	727,404.56		
380.20	MU	9999	8	2015	1981	620,527.57		
380.20	MU	9999	8	2015	1982	708,478.64		
380.20	MU	9999	8	2015	1983	864,693.53	6,193,259.91	
380.20	MU	9999	8	2015	1984	755,451.72		
380.20	MU	9999	8	2015	1985	850,884.99		
380.20	MU	9999	8	2015	1986	654,106.19		
380.20	MU	9999	8	2015	1987	564,260.95		
380.20	MU	9999	8	2015	1988	562,206.86		
380.20	MU	9999	8	2015	1989	458,861.72		
380.20	MU	9999	8	2015	1990	515,891.30		
380.20	MU	9999	8	2015	1991	703,498.43		
380.20	MU	9999	8	2015	1992	833,072.65		
380.20	MU	9999	8	2015	1993	972,990.39		
380.20	MU	9999	8	2015	1994	1,976,689.97		
380.20	MU	9999	8	2015	1995	1,009,865.80		
380.20	MU	9999	8	2015	1996	1,503,303.85		
380.20	MU	9999	8	2015	1997	1,434,793.50		
380.20	MU	9999	8	2015	1998	1,199,606.28		
380.20	MU	9999	8	2015	1999	999,370.69		
380.20	MU	9999	8	2015	2000	1,084,182.19		
380.20	MU	9999	8	2015	2001	1,208,228.51		
380.20	MU	9999	8	2015	2002	1,406,586.89		
380.20	MU	9999	8	2015	2003	2,180,642.87		
380.20	MU	9999	8	2015	2004	2,600,383.29		
380.20	MU	9999	8	2015	2005	2,805,488.73		
380.20	MU	9999	8	2015	2006	2,996,536.28		
380.20	MU	9999	8	2015	2007	3,020,408.35		
380.20	MU	9999	8	2015	2008	3,739,082.45		
380.20	MU	9999	8	2015	2009	3,313,233.85		
380.20	MU	9999	8	2015	2010	3,810,304.58		
380.20	MU	9999	8	2015	2011	5,312,168.05		
380.20	MU	9999	8	2015	2012	8,021,313.88		
380.20	MU	9999	8	2015	2013	8,211,108.95		
380.20	MU	9999	8	2015	2014	8,155,486.56		
380.20	MU	9999	8	2015	2015	7,549,289.96	80,409,300.68	86,602,560.59

Table 6

Montana-Dakota Utilities Company
Gas Division

**Summary or Original Cost of Utility Plant in Service as of December 31, 2015
and Related Annual Depreciation/Amortization Expense
Under Present Rates and Proposed Amortization**

Account No. (a)	Description (b)	Original Cost 12/31/15 (c)		Present Rates (d)		Proposed Amortization (e)		Proposed Amortization (f)		Annual Accrual (g)	Net Change Depr/Amort Expense (h)
		Rate %	Annual Accrual	Rate %	Annual Accrual	Rate %	Annual Accrual				
<u>DEPRECIABLE PLANT</u>											
<u>General Plant</u>											
<u>GENERAL STRUCTURES</u>											
<u>OFFICE FURNITURE & EQUIPMENT</u>											
391.10	Office Furniture & Equipment	288,341.27	19,222.75	6.67%	19,222.75	3.89%	11,220.65			11,220.65	-8,002.10
391.30	Computer Equipment - PC	363,387.91	72,677.58	20.00%	72,677.58	17.22%	62,559.18			62,559.18	-10,118.40
	TOTAL Account 391	651,729.18	91,900.33	14.10%	91,900.33	11.32%	73,779.83			73,779.83	-18,120.50
393.00	Stores Equipment	57,182.96	1,633.80	2.86%	1,633.80	2.71%	1,551.60			1,551.60	-82.20
394.10	Tools, Shop & Garage Equip. (Non-Unitized)	2,982,790.35	165,710.58	5.56%	165,710.58	5.62%	167,776.74			167,776.74	2,066.16
394.30	Vehicle Maintenance Equipment	5,923.44	296.17	5.00%	296.17	5.62%	332.65			332.65	36.48
	TOTAL Account 394	2,988,713.79	166,006.75	5.55%	166,006.75	5.62%	168,109.39			168,109.39	2,102.64
395.00	Laboratory Equipment	195,761.82	9,788.09	5.00%	9,788.09	2.06%	4,026.01			4,026.01	-5,762.08
<u>COMMUNICATION EQUIPMENT</u>											
397.10	Radio Communication Equip. (Fixed)	995,296.68	66,353.11	6.67%	66,353.11	6.26%	62,315.23			62,315.23	-4,037.88
397.20	Radio Communication Equip. (Mobile)	392,158.85	26,143.92	6.67%	26,143.92	6.34%	24,862.52			24,862.52	-1,281.40
397.30	General Telephone Communication Equip.	16,429.94	1,642.99	10.00%	1,642.99	8.67%	1,425.03			1,425.03	-217.96
	TOTAL Account 397	1,403,885.47	94,140.02	6.71%	94,140.02	6.31%	88,602.78			88,602.78	-5,537.24
398.00	Miscellaneous Equipment	42,188.71	2,109.44	5.00%	2,109.44	-11.07%	-4,671.72			-4,671.72	-6,781.16
	Sub-Total (General Plant) Amortization	5,339,461.93	365,578.43	6.85%	365,578.43	6.21%	331,397.89			331,397.89	-34,180.54

Montana-Dakota Utilities
 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	12/31/2015 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Amortization Period Amount	Amortization True-Up Amt	Adj'd Remain. Amount To Be Amortized	Amortization Amount
2001	1,114.85	1,077.69	37.16	0.5	74.32	(54.49)	(17.33)	(34.65)
2002	224,000.09	201,600.08	22,400.01	1.5	14,933.34	(10,948.04)	11,451.97	7,634.64
2003	5,310.85	4,425.71	885.14	2.5	354.06	(259.57)	625.57	250.23
2004	9,223.49	7,071.34	2,152.15	3.5	614.90	(450.80)	1,701.35	486.10
2005	8,661.77	6,063.24	2,598.53	4.5	577.45	(423.35)	2,175.19	483.37
2006	9,567.47	6,059.40	3,508.07	5.5	637.83	(467.61)	3,040.46	552.81
2007	15,918.93	9,020.73	6,898.20	6.5	1,061.26	(778.04)	6,120.16	941.56
2008	1,188.84	594.42	594.42	7.5	79.26	(58.10)	536.32	71.51
2009	-	-	-	0.0	0.0	0.0	0.0	-
2010	-	-	-	0.0	0.0	0.0	0.0	-
2011	3,687.21	1,106.16	2,581.05	10.5	245.81	(180.21)	2,400.83	228.65
2012	2,878.08	671.55	2,206.53	11.5	191.87	(140.67)	2,065.86	179.64
2013	5,514.96	919.16	4,595.80	12.5	367.66	(269.54)	4,326.26	346.10
2014	-	42.49	-	0.0	0.0	0.0	0.0	-
2015	1,274.73	-	1,232.24	14.5	84.98	(62.30)	1,169.94	80.69
	288,341.27	238,651.97	49,689.30		19,222.75	(14,092.73)	35,596.57	11,220.65

Composite Depr. Rate $\frac{11,220.65}{288,341.27} = 3.89\%$

Montana-Dakota Utilities
 Account 391.30 - Computer Equipment - PC
 Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Service Lif		5 Years									
Year	Original Cost	12/31/2015 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount	Amortization True-Up Amt	Adj'd Remain. Amount To Be Amortized	Amortization Amount	Amortization Amount	Amortization Amount	
2011	86,841.13	78,157.02	8,684.11	0.5	17,368.23	(2,916.30)	5,767.81	11,535.62			
2012	63,761.01	44,632.71	19,128.30	1.5	12,752.20	(2,141.23)	16,987.08	11,324.72			
2013	212,785.77	106,392.89	106,392.89	2.5	42,557.15	(7,145.78)	99,247.10	39,698.84			
2014	-	-	-	3.5	-	-	-	-			
2015	-	-	-	4.5	-	-	-	-			
	<u>363,387.91</u>	<u>229,182.61</u>	<u>134,205.30</u>		<u>72,677.58</u>	<u>(12,203.31)</u>	<u>122,001.99</u>	<u>62,559.18</u>			

Composite Depr. Rate = $\frac{62,559.18}{363,387.91} = 17.22\%$

Table 6-393.00

Montana-Dakota Utilities
Account 393 - Stores Equipment
Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Service ¹		35 Years									
Year	Original Cost	12/31/2015 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount	Amortization True-Up Amt	Adj'd Remain. Amount To Be Amortized	Amortization Amount			
1996	1,389.93	774.39	615.54	15.5	39.71	(42.53)	573.01	36.97			
1997	-	-	-	16.5	-	-	-	-			
1998	-	-	-	17.5	-	-	-	-			
1999	-	-	-	18.5	-	-	-	-			
2000	755.02	334.37	420.65	19.5	21.57	(23.10)	397.55	20.39			
2001	21,319.46	8,832.35	12,487.11	20.5	609.13	(652.32)	11,834.79	577.31			
2002	14,197.38	5,476.13	8,721.25	21.5	405.64	(434.40)	8,286.84	385.43			
2003	14,253.48	5,090.53	9,162.95	22.5	407.24	(436.12)	8,726.83	387.86			
2004	5,267.69	1,730.81	3,536.88	23.5	150.51	(161.18)	3,375.70	143.65			
2005	-	-	-	24.5	-	-	-	-			
2006	-	-	-	25.5	-	-	-	-			
2007	-	-	-	26.5	-	-	-	-			
2008	-	-	-	27.5	-	-	-	-			
2009	-	-	-	28.5	-	-	-	-			
2010	-	-	-	29.5	-	-	-	-			
2011	-	-	-	30.5	-	-	-	-			
2012	-	-	-	31.5	-	-	-	-			
2013	-	-	-	32.5	-	-	-	-			
2014	-	-	-	33.5	-	-	-	-			
2015	-	-	-	34.5	-	-	-	-			
	<u>57,182.96</u>	<u>22,238.58</u>	<u>34,944.38</u>		<u>1,633.80</u>	<u>(1,749.66)</u>	<u>33,194.73</u>	<u>1,551.60</u>			

Composite Depr. Rate 1,551.60 / 57,182.96 = 2.71%

Table 6-394.10

Montana-Dakota Utilities
 Account 394.1 - Tools, Shop & Garage Equipment (Non-Unitized)
 Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Servic 18 Years

Year	Original Cost	12/31/2015 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount	Amortization True-Up Amt	Adj'd Remain. Amount To Be Amortized	Amortization Amount
1998	-	-	-	1	-	-	-	-
1999	46,241.02	42,387.60	3,853.42	2	2,568.95	245.76	4,099.17	2,732.78
2000	143,512.67	123,580.35	19,932.32	3	7,972.93	762.72	20,695.04	8,278.02
2001	111,026.89	89,438.33	21,588.56	4	6,168.16	590.07	22,178.63	6,336.75
2002	131,542.12	98,656.59	32,885.53	5	7,307.90	699.10	33,584.63	7,463.25
2003	142,796.69	99,164.37	43,632.32	6	7,933.15	758.92	44,391.24	8,071.13
2004	172,050.35	109,921.06	62,129.29	7	9,558.35	914.39	63,043.68	9,699.03
2005	209,470.07	122,190.87	87,279.20	8	11,637.23	1,113.26	88,392.46	11,785.66
2006	234,239.43	123,626.37	110,613.06	9	13,013.30	1,244.91	111,857.97	13,159.76
2007	189,720.92	89,590.43	100,130.49	10	10,540.05	1,008.30	101,138.79	10,646.19
2008	157,584.50	65,660.21	91,924.29	11	8,754.69	837.51	92,761.80	8,834.46
2009	72,922.59	26,333.16	46,589.43	12	4,051.26	387.56	46,976.99	4,084.96
2010	172,074.59	52,578.35	119,496.24	13	9,559.70	914.52	120,410.76	9,632.86
2011	157,395.97	39,348.99	118,046.98	14	8,744.22	836.51	118,883.49	8,806.18
2012	158,798.39	30,877.46	127,920.93	15	8,822.13	843.96	128,764.89	8,880.34
2013	351,862.77	48,869.83	302,992.94	16	19,547.93	1,870.04	304,862.98	19,668.58
2014	257,078.06	21,423.17	235,654.89	17	14,282.11	1,366.29	237,021.17	14,364.92
2015	274,473.32	7,624.26	266,849.06	18	15,248.52	1,458.74	268,307.80	15,331.87
	2,982,790.35	1,191,271.40	1,791,518.95		165,710.58	15,852.56	1,807,371.50	167,776.74

Composite Depr. Rate 167,776.74 / 2,982,790.35 = 5.62%

Montana-Dakota Utilities
Account 395 - Laboratory Equipment
Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Service Life 20 Years

Year	Original Cost	12/31/2015 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount	Amortization True-Up Amt	Adj'd Remain. Amount To Be Amortized	Amortization Amount
1996	2,166.83	2,112.66	54.17	1	108.34	(416.55)	(362.38)	(724.76)
1997	-	-	-	2	-	-	-	-
1998	-	-	-	3	-	-	-	-
1999	-	-	-	4	-	-	-	-
2000	51,552.30	39,953.03	11,599.27	5	2,577.62	(9,910.44)	1,688.83	375.30
2001	-	-	-	6	-	-	-	-
2002	53,124.91	35,859.31	17,265.60	7	2,656.25	(10,212.76)	7,052.84	1,085.05
2003	-	-	-	8	-	-	-	-
2004	-	-	-	9	-	-	-	-
2005	-	-	-	10	-	-	-	-
2006	-	-	-	11	-	-	-	-
2007	-	-	-	12	-	-	-	-
2008	-	-	-	13	-	-	-	-
2009	59,556.79	19,355.96	40,200.83	14	2,977.84	(11,449.23)	28,751.61	2,129.75
2010	-	-	-	15	-	-	-	-
2011	-	-	-	16	-	-	-	-
2012	-	-	-	17	-	-	-	-
2013	3,826.75	478.34	3,348.41	18	191.34	(735.66)	2,612.75	149.30
2014	25,534.24	1,915.07	23,619.17	19	1,276.71	(4,908.71)	18,710.46	1,011.38
2015	-	-	-	20	-	-	-	-
	<u>195,761.82</u>	<u>99,674.37</u>	<u>96,087.45</u>		<u>9,788.09</u>	<u>(37,633.34)</u>	<u>58,454.10</u>	<u>4,026.01</u>

Composite Depr. Rate 4,026.01 / 195,761.82 = 2.06%

Table 6-397.10

Montana-Dakota Utilities
 Account 397.10 - Radio Communications Equipment (Fixed)
 Development of Annual Amortization Amount Over Estimated Average Life of Property

Year	Original Cost	12/31/2015 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount	Amortization True-Up Amt	Adj'd Remain. Amount To Be Amortized	Amortization Amount
2001	20,762.91	20,070.81	692.10	1	1,384.19	(555.54)	136.56	273.12
2002	27,774.34	24,996.91	2,777.43	2	1,851.62	(743.13)	2,034.30	1,356.20
2003	-	-	-	3	-	-	-	-
2004	10,670.34	8,180.59	2,489.75	4	711.36	(285.50)	2,204.25	629.79
2005	-	-	-	5	-	-	-	-
2006	16,384.34	10,376.75	6,007.59	6	1,092.29	(438.38)	5,569.21	1,012.58
2007	25,677.39	14,550.52	11,126.87	7	1,711.83	(687.03)	10,439.84	1,606.13
2008	-	-	-	8	-	-	-	-
2009	230,835.87	100,028.88	130,806.99	9	15,389.06	(6,176.28)	124,630.72	14,662.44
2010	60,049.13	22,018.01	38,031.12	10	4,003.28	(1,606.68)	36,424.43	3,834.15
2011	38,559.26	11,567.78	26,991.48	11	2,570.62	(1,031.70)	25,959.79	2,472.36
2012	-	-	-	12	-	-	-	-
2013	351,331.96	58,555.33	292,776.63	13	23,422.13	(9,400.29)	283,376.35	22,670.11
2014	182,111.30	18,211.13	163,900.17	14	12,140.75	(4,872.59)	159,027.58	11,779.82
2015	31,139.84	1,037.99	30,101.85	15	2,075.99	(833.18)	29,268.66	2,018.53
	995,296.68	289,594.70	705,701.98		66,353.11	(26,630.29)	679,071.68	62,315.23

Composite Depr. Rate = $\frac{62,315.23}{995,296.68} = 6.26\%$

Montana-Dakota Utilities
Account 397.20 - Radio Communications Equipment (Mobile)
Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Service Lif **15 Years**

Year	Original Cost	12/31/2015 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount	Amortization True-Up Amt	Adj'd Remain. Amount To Be Amortized	Amortization Amount
2001	-	-	-	1	-	-	-	-
2002	15,101.42	13,591.28	1,510.14	2	1,006.76	(355.79)	1,154.35	769.57
2003	1,031.50	859.58	171.92	3	68.77	(24.30)	147.61	59.05
2004	2,061.65	1,580.60	481.05	4	137.44	(48.57)	432.48	123.57
2005	-	-	-	5	-	-	-	-
2006	7,368.20	4,666.53	2,701.67	6	491.21	(173.60)	2,528.08	459.65
2007	-	-	-	7	-	-	-	-
2008	98,031.63	49,015.82	49,015.82	8	6,535.44	(2,309.66)	46,706.16	6,227.49
2009	164,946.06	71,476.63	93,469.43	9	10,996.40	(3,886.18)	89,583.25	10,539.21
2010	45,022.41	16,508.22	28,514.19	10	3,001.49	(1,060.74)	27,453.45	2,889.84
2011	2,138.33	641.50	1,496.83	11	142.56	(50.38)	1,446.45	137.76
2012	21,603.54	5,040.83	16,562.71	12	1,440.24	(508.99)	16,053.73	1,395.98
2013	19,539.26	3,256.54	16,282.72	13	1,302.62	(460.35)	15,822.37	1,265.79
2014	12,178.79	1,217.88	10,960.91	14	811.92	(286.94)	10,673.97	790.66
2015	3,136.06	104.54	3,031.52	15	209.07	(73.89)	2,957.64	203.98
	<u>392,158.85</u>	<u>167,959.93</u>	<u>224,198.92</u>		<u>26,143.92</u>	<u>(9,239.39)</u>	<u>214,959.54</u>	<u>24,862.52</u>

Composite Depr. Rate $\frac{24,862.52}{392,158.85} = 6.34\%$

Montana-Dakota Utilities
Account 397.30 - General Telephone Communication Equipment
Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Service Life: 10 Years

Year	Original Cost	12/31/2015 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount	Amortization True-Up Amt	Adj'd Remain. Amount To Be Amortized	Amortization Amount
2006	-	-	-	1	-	-	-	-
2007	-	-	-	2	-	-	-	-
2008	-	-	-	3	-	-	-	-
2009	14,134.71	9,187.56	4,947.15	4	1,413.47	(709.13)	4,238.02	1,210.86
2010	-	-	-	5	-	-	-	-
2011	-	-	-	6	-	-	-	-
2012	-	-	-	7	-	-	-	-
2013	2,295.23	573.81	1,721.42	8	229.52	(115.15)	1,606.27	214.17
2014	-	-	-	9	-	-	-	-
2015	-	-	-	10	-	-	-	-
	16,429.94	9,761.37	6,668.57		1,642.99	(824.28)	5,844.29	1,425.03

Composite Depr. Rate = $\frac{1,425.03}{16,429.94} = 8.67\%$

Montana-Dakota Utilities
 Account 398.0 - Miscellaneous Equipment
 Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Service Lif 20 Years

Year	Original Cost	12/31/2015 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount	Amortization True-Up Amt	Adj'd Remain. Amount To Be Amortized	Amortization Amount
1996	1,371.41	1,337.12	34.29	1	68.57	(1,002.45)	(968.16)	(1,936.32)
1997	3,408.31	3,152.69	255.62	2	170.42	(2,491.34)	(2,235.72)	(1,490.48)
1998	2,640.34	2,310.30	330.04	3	132.02	(1,929.99)	(1,599.94)	(639.98)
1999	-	-	-	4	-	-	-	-
2000	854.71	662.40	192.31	5	42.74	(624.76)	(432.45)	(96.10)
2001	3,090.80	2,240.83	849.97	6	154.54	(2,259.25)	(1,409.28)	(256.23)
2002	2,240.64	1,512.43	728.21	7	112.03	(1,637.82)	(909.61)	(139.94)
2003	541.85	338.66	203.19	8	27.09	(396.07)	(192.88)	(25.72)
2004	-	-	-	9	-	-	-	-
2005	790.03	414.77	375.26	10	39.50	(577.48)	(202.22)	(21.29)
2006	9,792.27	4,651.33	5,140.94	11	489.61	(7,157.77)	(2,016.83)	(192.08)
2007	-	-	-	12	-	-	-	-
2008	-	-	-	13	-	-	-	-
2009	-	-	-	14	-	-	-	-
2010	-	-	-	15	-	-	-	-
2011	2,281.70	513.38	1,768.32	16	114.09	(1,667.83)	100.48	6.48
2012	1,969.43	344.65	1,624.78	17	98.47	(1,439.58)	185.20	11.22
2013	13,207.22	1,650.90	11,556.32	18	660.36	(9,653.96)	1,902.35	108.71
2014	-	-	-	19	-	-	-	-
2015	-	-	-	20	-	-	-	-
	42,188.71	19,129.46	23,059.25		2,109.44	(30,838.31)	(7,779.05)	(4,671.72)

Composite Depr. Rate (4,671.72) / 42,188.71 = -11.07%

SECTION 3

MONTANA-DAKOTA UTILITIES

Gas Division

General

This report sets forth the results of our study of the depreciable property of Montana-Dakota Utilities - Gas (MDU or the Company) as of December 31, 2015 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, 2015.

The scope of the study included an analysis of MDU's historical data through December 31, 2015, 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, 2015.

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 7

BASED UPON AN IOWA 10-R3 CURVE USING THE EQUAL LIFE GROUP (ELG) 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	EQUAL LIFE GROUP PROCEDURE			
							AVERAGE SERVICE LIFE	AVERAGE REMAINING LIFE	ELG/ARL DEPR RATE	ACCRUED DEPR RES FACTOR
							(H)	(I)	(J)	(K)
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
0.0	1.0000000	0.0009198	0.9995401	0.25	0.0009198	0.0583036	8.57	8.57	11.67	0.0000000
0.5	0.9990802	0.0033314	0.9974145	1.0	0.0033314	0.1131019	8.82	8.32	11.34	0.0566975
1.5	0.9957488	0.0065393	0.9924792	2.0	0.0032697	0.1098013	9.04	7.54	11.06	0.1659501
2.5	0.9892095	0.0117037	0.9833577	3.0	0.0039012	0.1062159	9.26	6.76	10.80	0.2700337
3.5	0.9775058	0.0193690	0.9678213	4.0	0.0048422	0.1018442	9.50	6.00	10.52	0.3683062
4.5	0.9581368	0.0300339	0.9431199	5.0	0.0060068	0.0964196	9.78	5.28	10.22	0.4600565
5.5	0.9281029	0.0442969	0.9059545	6.0	0.0073828	0.0897248	10.10	4.60	9.90	0.5447146
6.5	0.8838060	0.0631367	0.8522377	7.0	0.0090195	0.0815237	10.45	3.95	9.57	0.6217794
7.5	0.8206693	0.0876232	0.7768577	8.0	0.0109529	0.0715375	10.86	3.36	9.21	0.6906424
8.5	0.7330461	0.1166879	0.6747022	9.0	0.0129653	0.0595783	11.32	2.82	8.83	0.7505770
9.5	0.6163582	0.1431836	0.5447664	10.0	0.0143184	0.0459365	11.86	2.36	8.43	0.8010714
10.5	0.4731746	0.1533568	0.3964962	11.0	0.0139415	0.0318066	12.47	1.97	8.02	0.8423003
11.5	0.3198178	0.1363216	0.2516570	12.0	0.0113601	0.0191557	13.14	1.64	7.61	0.8753616
12.5	0.1834962	0.0975199	0.1347363	13.0	0.0075015	0.0097249	13.85	1.35	7.22	0.9022159
13.5	0.0859763	0.0559043	0.0580242	14.0	0.0039932	0.0039775	14.59	1.09	6.85	0.9254232
14.5	0.0300720	0.0244398	0.0178521	15.0	0.0016293	0.0011663	15.31	0.81	6.53	0.9473077
15.5	0.0056322	0.0055324	0.0028660	16.0	0.0003458	0.0001788	16.03	0.53	6.24	0.9667657
16.5	0.0000998	0.0000998	0.0000499	17.0	0.0000059	0.0000029	17.00	0.50	5.88	0.9705882
17.5	0.0000000	0.0000000	0.0000000	18.0	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

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:

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

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.

<u>Unit</u>	<u>Cost</u>	<u>Ret. Age (Yrs)</u>	<u>% Salv.</u>	<u>Salvage Amount</u>
Car # 1	\$20,000	2	75%	\$15,000
<u>Car # 2</u>	<u>20,000</u>	<u>10</u>	<u>5%</u>	<u>1,000</u>
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. - GAS

Study Analysis & Results

ACCOUNT – 374.20 Land Rights

Historical Experience

Plant Statistics Plant Balance = \$431,148
Original Gross Additions = \$407,620
Oldest Surviving Vintage = 1977
Retirements = \$65 or 0.0% of historical additions.

Experience Bands 1995-2015 65-R3

Historic Net Salvage: N/A

Plant Considerations/Future Expectations

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

Life Analysis Method: Retirement Rate Method

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 65-R3
Net Salv: 0%

Proposed Depreciation Parameters

ASL/Curve: 65-R3
Future Net Salv: 0%

	<u>New Rate @New Parameters</u>	<u>Old Rate @ Old Parameters</u>
Rate	1.37%	1.39%
Average Remaining Life	53.4 years	N/A

ACCOUNT – 375.00 Distr. Meas. & Reg. Structures And Improvements

Historical Experience

Plant Statistics Plant Balance = \$842,394,
Original Gross Additions = \$845,292
Oldest Surviving Vintage = 1918
Retirements = \$42,887 or 5.1% of historical additions.

Experience Band 1995- 2015 60-R3

Historic Net Salvage: (1968-2015)

Three Year Average Net Salvage Percent			<u>Full Depth</u>
<u>2011-13</u>	<u>2012-14</u>	<u>2013-15</u>	<u>1968-2015</u>
0%	0%	-2%	-30%

Gross Salvage Trend Analysis			
<u>20 Year</u>	<u>15 Year</u>	<u>10 Year</u>	<u>5 Year</u>
0%	0%	0%	0%

Forecasted Net Salvage: -109%

Plant Considerations/Future Expectations

The costs included in this account investment are related to various modest distribution related structures. Ongoing changes occur due to required component upgrades as well as changes in business environment conditions. End of life costs relative to rehabilitation or disposal is routinely experience within this property class.

Life Analysis Method: Retirement Rate Method

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 60-R3
Net Salv: -50%

Proposed Depreciation Parameters

ASL/Curve: 60-R3
Future Net Salv: -50%

	<u>New Rate @New Parameters</u>	<u>Old Rate @ Old Parameters</u>
Rate	2.49%	2.30 %
Average Remaining Life	37.4 years	N/A

ACCOUNT – 376.10 Distribution Mains – Steel

Historical Experience

Plant Statistics Plant Balance = \$69,466,301
Original Gross Additions = \$51,521,510
Oldest Surviving Vintage = 1916
Retirements = \$3,154,913 or 6.1% of historical additions.

Experience Bands 2011 – 2015 62-R3
1995 – 2015 65-R2.5

Historic Net Salvage: (1968-2015)

Three Year Average Net Salvage Percent			<u>Full Depth</u>
<u>2011-13</u>	<u>2012-14</u>	<u>2013-15</u>	<u>1968-2015</u>
-51%	-41%	-56%	-36%

Gross Salvage Trend Analysis			
<u>20 Year</u>	<u>15 Year</u>	<u>10 Year</u>	<u>5 Year</u>
0%	0.1%	0%	0%

Forecasted Net Salvage: -94%

Plant Considerations/Future Expectations

This property group is comprised of the Company's investment and related experience of Steel Distribution Mains. While portions of this property class (bare steel) were originally installed during earlier years, coated and wrapped steel has continue to be installed for higher pressure and larger size requirements. The earlier vintage assets in this account have aged considerably. Likewise, due to the lack of serviceability of the older vintaged property low pressure Mains (which are Bare Steel Mains) contained within the Steel Mains category, they are being replaced at an increasing rate.

Life Analysis Method: Retirement Rate Method

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 47-R4
Net Salv: -50%

Proposed Depreciation Parameters

ASL/Curve: 62-R3
Future Net Salv: -50%

	<u>New Rate @New Parameters</u>	<u>Old Rate @ Old Parameters</u>
Rate	2.39%	2.15%
Average Remaining Life	42.5 years	N/A

ACCOUNT – 376.20 Distribution Mains – Plastic

Historical Experience

Plant Statistics Plant Balance = \$133,632,165
Original Gross Additions = \$135,537,981
Oldest Surviving Vintage = 1970
Retirements = \$2,419,177 or 1.8% of historical additions.

Experience Band 1995 – 2015 47-R4

Historic Net Salvage: (1968-2015)

Three Year Average Net Salvage Percent			<u>Full Depth</u>
<u>2011-13</u>	<u>2012-14</u>	<u>2013-15</u>	<u>1968-2015</u>
-51%	-41%	-56%	-36%

Gross Salvage Trend Analysis			
<u>20 Year</u>	<u>15 Year</u>	<u>10 Year</u>	<u>5 Year</u>
0%	0.1%	0%	0%

Forecasted Net Salvage: -94%

Plant Considerations/Future Expectations

This property group investment is comprised of the Company’s investment and related experience of Plastic Distribution Mains and are typically related to the more recently installed portions of Mains. The property investment within this category has grown dramatically since initial constructed during the 1970’s.

Numerous completed depreciation studies have identified that Plastic Mains have often experienced shorter lives than their metal counterparts. Such shorter lives can be the product of higher levels of physical issues (e.g. physical damage, etc.) impacting the mains as well as the fact that the Plastic mains have often been installed in areas that experience higher growth and replacements.

Furthermore, during the late 1960’s through the early to mid-1980’s the Company installed plastic pipes that were manufactured with plastic properties that have shown to limit the life of these pipe facilities. These identified vintage pipes have been determined to be towards the end of their useful life within the pipeline systems at the Company. Presently the Company has approximately 875 miles of these identified vintage plastic pipe mains in service throughout its operating areas. Accordingly, the Company is developing a plan and program to replace all the identified vintage plastic pipes determined by the Company’s Distribution Integrity Management Program to be of higher risk. The plan is anticipated to be in place within five years with the goal of completed replacement within approximately twenty years. In the process of developing the applicable depreciation rate for the Company’s Plastic Mains, the resulting average remaining life for the overall property group was developed by weighting the calculated average remaining life for non-identified vintage class plastic pipe Mains vintage investments together with the calculated average remaining life for the identified vintage plastic pipe Mains vintage investments. The average remaining

life for the identified vintage plastic pipe was determined based upon the anticipated timeline for the vintage plastic pipe replacement (per Table 5a within Section 2 of this depreciation study report).

Life Analysis Method: Retirement Rate Method

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 47-R4

Net Salv: -50%

Proposed Depreciation Parameters

ASL/Curve: 47-R4

Future Net Salv: -50%

	<u>New Rate @New Parameters</u>	<u>Old Rate @ Old Parameters</u>
Rate	3.41%	2.15%
Average Remaining Life	33.1 years	N/A

ACCOUNT – 376.30 Mains – Valves

Historical Experience

Plant Statistics Plant Balance = \$2,585,180
Original Gross Additions = \$2,591,867
Oldest Surviving Vintage = 1995
Retirements = \$6,473 or .2% of historical additions.

Experience Band 2009 – 2015 40–R3

Historic Net Salvage: (1968-2015)

Three Year Average Net Salvage Percent			<u>Full Depth</u>
<u>2011-13</u>	<u>2012-14</u>	<u>2013-15</u>	<u>1968-2015</u>
-51%	-41%	-56%	-36%

Gross Salvage Trend Analysis			
<u>20 Year</u>	<u>15 Year</u>	<u>10 Year</u>	<u>5 Year</u>
0%	0.1%	0%	0%

Forecasted Net Salvage: -94%

Plant Considerations/Future Expectations

This account is comprised of costs related to recent vintage Valves installed in the distribution system. Given the mechanical nature of the property the class is anticipated to have a shorter life than Mains pipe.

Life Analysis Method: Retirement Rate Method

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 40-R2.5

Net Salv: -50%

Proposed Depreciation Parameters

ASL/Curve: 40-R3

Future Net Salv: -50%

	<u>New Rate @New Parameters</u>	<u>Old Rate @ Old Parameters</u>
Rate	3.74%	2.15%
Average Remaining Life	37.1 years	N/A

ACCOUNT – 376.40 Mains – Manholes

Historical Experience

Plant Statistics Plant Balance = \$3,287
Original Gross Additions = \$3,287
Oldest Surviving Vintage = 1996
Retirements = \$0 or 0.0% of historical additions.

Experience Band Est 55–R3

Historic Net Salvage: (1968-2015)

Three Year Average Net Salvage Percent			<u>Full Depth</u>
<u>2011-13</u>	<u>2012-14</u>	<u>2013-15</u>	<u>1968-2015</u>
-51%	-41%	-56%	-36%

Gross Salvage Trend Analysis			
<u>20 Year</u>	<u>15 Year</u>	<u>10 Year</u>	<u>5 Year</u>
0%	0.1%	0%	0%

Forecasted Net Salvage: -94%

Plant Considerations/Future Expectations

The investment in this property category is limited and is anticipated to experience a life generally similar to the overall Mains.

Life Analysis Method: Retirement Rate Method

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 47-R4
Net Salv: -50%

Proposed Depreciation Parameters

ASL/Curve: 55-R3
Future Net Salv: -50%

	<u>New Rate @New Parameters</u>	<u>Old Rate @ Old Parameters</u>
Rate	2.70%	2.15%
Average Remaining Life	36.4 years	N/A

ACCOUNT – 376.50 Bridge & River Crossings

Historical Experience

Plant Statistics Plant Balance = \$92,767
Original Gross Additions =\$93,016
Oldest Surviving Vintage = 1995
Retirements = \$249 or 0.0% of historical additions.

Experience Band Est 45–R3

Historic Net Salvage: (1968-2015)

Three Year Average Net Salvage Percent			<u>Full Depth</u>
<u>2011-13</u>	<u>2012-14</u>	<u>2013-15</u>	<u>1968-2015</u>
-51%	-41%	-56%	-36%

Gross Salvage Trend Analysis			
<u>20 Year</u>	<u>15 Year</u>	<u>10 Year</u>	<u>5 Year</u>
0%	0.1%	0%	0%

Forecasted Net Salvage: -94%

Plant Considerations/Future Expectations

The investment in this property category is limited and is anticipated to experience a life generally similar to the overall Mains.

Life Analysis Method: Retirement Rate Method

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 47-R4
Net Salv: -50%

Proposed Depreciation Parameters

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

	<u>New Rate @New Parameters</u>	<u>Old Rate @ Old Parameters</u>
Rate	3.31%	2.15%
Average Remaining Life	35.3 years	N/A

ACCOUNT – 378 .00 Measuring & Regulating Station Equipment - General

Historical Experience

Plant Statistics Plant Balance = \$3,438,764
Original Gross Additions = \$3,749,027
Oldest Surviving Vintage = 1920
Retirements = \$256,837 or 6.9% of historical additions.

Experience Bands 1995 – 2015 50-R2

Historic Net Salvage: (1968-2015)

Three Year Average Net Salvage Percent			<u>Full Depth</u>
<u>2011-13</u>	<u>2012-14</u>	<u>2013-15</u>	<u>1968-2015</u>
-26%	-39%	-62%	-14%

Gross Salvage Trend Analysis			
<u>20 Year</u>	<u>15 Year</u>	<u>10 Year</u>	<u>5 Year</u>
0%	0%	0%	0%

Forecasted Net Salvage: -68%

Plant Considerations/Future Expectations

This account investment is applicable to the costs associated with measuring and regulating vaults and equipment located throughout the Company’s distribution system. The Company’s distribution pressure systems generally range from 100lbs down to lower pressure systems (which are typically located in community central business district served by the Company). This class of property has been and will increasing be impacted by system pressure upgrades/changes as well as by manufacture discontinued properties. The Company is in the process of eliminating all of it low pressure systems currently in service.

Life Analysis Method: Retirement Rate Method

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 40-R2
Net Salv: -30%

Proposed Depreciation Parameters

ASL/Curve: 50-R2
Future Net Salv: -30%

	<u>New Rate @New Parameters</u>	<u>Old Rate @ Old Parameters</u>
Rate	2.40%	3.22%
Average Remaining Life	36.7 years	N/A

379.00 Measuring & Regulating Station Equipment – City Gate

Historical Experience

Plant Statistics Plant Balance = \$6,204,779
Original Gross Additions = \$6,537,312
Oldest Surviving Vintage = 1951
Retirements = \$112,070 or 1.7% of historical additions.

Experience Band 1995 – 2015 45-R2.5

Historic Net Salvage: (1968-2015)

Three Year Average Net Salvage Percent			<u>Full Depth</u>
<u>2011-13</u>	<u>2012-14</u>	<u>2013-15</u>	<u>1968-2015</u>
-6%	0%	0%	16%

Gross Salvage Trend Analysis			
<u>20 Year</u>	<u>15 Year</u>	<u>10 Year</u>	<u>5 Year</u>
0%	0%	0%	0%

Forecasted Net Salvage: -17%

Plant Considerations/Future Expectations

This account investment is applicable to the costs associated with measuring and regulating vaults and equipment located throughout the Company's City Gate Stations. Similar to general M&R equipment, this class of property is impacted by system pressure upgrades/changes as well as by manufacture discontinued properties.

Considering the range of the Company's service territory, the present quantity of City Gate stations and level of plant activity has been relatively modest. In future years, the Company anticipates numerous additional facilities as a result of pending changes in ownership from its Transmission supplier to MDU ownership. Along with the ultimate increased ownership and potential system changes, will likely result in increased plant upgrades and replacements. Accordingly, this property class investment should be monitored closely in future years for potential changes.

Life Analysis Method: Retirement Rate Method

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 27-L0

Net Salv: -15%

Proposed Depreciation Parameters

ASL/Curve: 45-R2.5
Future Net Salv: -15%

	<u>New Rate @New Parameters</u>	<u>Old Rate @ Old Parameters</u>
Rate	2.50%	3.08%
Average Remaining Life	38.9 years	N/A

ACCOUNT – 380.10 Services – Steel

Historical Experience

Plant Statistics Plant Balance = \$7,315,314
Original Gross Additions = \$8,627,713
Oldest Surviving Vintage = 1920
Retirements = \$1,312,400 or 15.2% of historical additions.

Experience Bands 1995– 2015 38-R0.5

Historic Net Salvage: (1968-2015)

Three Year Average Net Salvage Percent			<u>Full Depth</u>
<u>2011-13</u>	<u>2012-14</u>	<u>2013-15</u>	<u>1968-2015</u>
-191%	-168%	-159%	-164%

Gross Salvage Trend Analysis			
<u>20 Year</u>	<u>15 Year</u>	<u>10 Year</u>	<u>5 Year</u>
0%	0%	0%	0%

Forecasted Net Salvage: -360%

Plant Considerations/Future Expectations

This property group is comprised of the Company's investment and related experience of Steel Services. While portions of this property class (bare steel) were originally installed during earlier years, coated and wrapped steel has continue to be installed for higher pressure and larger size requirements. The earlier vintage assets in this account have aged considerably. Likewise, due to the lack of serviceability of the older vintaged property low pressure Mains (which are Bare Steel Mains) contained within the Steel category, they are being replaced at an increasing rate.

Life Analysis Method: Retirement Rate Method

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 40-R3
Net Salv: -200%

Proposed Depreciation Parameters

ASL/Curve: 38-R0.5
Future Net Salv: -200%

	<u>New Rate @New Parameters</u>	<u>Old Rate @ Old Parameters</u>
Rate	8.29%	6.46%
Average Remaining Life	13.4 years	N/A

ACCOUNT – 380.20 Services – Plastic

Historical Experience

Plant Statistics Plant Balance = \$86,602,561
Original Gross Additions = \$88,718,759
Oldest Surviving Vintage = 1950
Retirements = \$2,023,854 or 2.3% of historical additions.

Experience Bands 1995 – 2015 47-R4

Historic Net Salvage: (1968-2015)

Three Year Average Net Salvage Percent			<u>Full Depth</u>
<u>2011-13</u>	<u>2012-14</u>	<u>2013-15</u>	<u>1968-2015</u>
-191%	-168%	-159%	-164%

Gross Salvage Trend Analysis			
<u>20 Year</u>	<u>15 Year</u>	<u>10 Year</u>	<u>5 Year</u>
0%	0%	0%	0%

Forecasted Net Salvage: -360%

Plant Considerations/Future Expectations

This property group investment is comprised of the Company's investment and related experience of Plastic Services and are typically related to the more recently installed portions of Services. The property investment within this category has grown dramatically since initial constructed during the late 1960's.

Numerous completed depreciation studies have identified that Plastic Services have often experienced shorter lives than their metal counterparts. Such shorter lives can be the product of higher levels of physical issues (e.g. physical damage, etc.) impacting the Services as well as the fact that the Plastic Services have often been installed in areas that experience higher growth and replacements.

Furthermore, during the 1960's through the early to mid-1980's the Company installed plastic pipes that were manufactured with plastic properties that have shown to limit the life of these pipe facilities. These identified plastic vintage pipes have been determined to be towards the end of their useful life within the pipeline systems at the Company. Presently the company has approximately 45,000 identified vintage plastic services in service throughout its operating areas. Accordingly, the Company is developing a plan and program to replace all the identified vintage plastic pipes determined by the Company's Integrity Management Program to be of higher risk. The plan is anticipated to be in place within five years with the goal of completed replacement within approximately twenty years. In the process of developing the applicable depreciation rate for the Company's Plastic Services, the resulting average remaining life for the overall property group was developed by weighting the calculated average remaining life for the non-identified vintage class plastic Services vintage investments together with the calculated average remaining life for the identified vintage class plastic Services vintage investments. The

average remaining life for identified vintage plastic pipe was determined based upon the anticipated timeline for the identified vintage plastic service pipe replacement (per Table 5a within Section 2 of this depreciation study report).

Life Analysis Method: Retirement Rate Method

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 40-R3

Net Salv: -200%

Proposed Depreciation Parameters

ASL/Curve: 47-R4

Future Net Salv: -200%

	<u>New Rate @New Parameters</u>	<u>Old Rate @ Old Parameters</u>
Rate	7.06%	6.46%
Average Remaining Life	33.8 years	N/A

ACCOUNT – 380.30 Services – Farm & Fuel Lines

Historical Experience

Plant Statistics Plant Balance = \$89,508
Original Gross Additions = \$82,260
Oldest Surviving Vintage = 1995
Retirements = \$3,252 or 4.0% of historical additions.

Experience Bands Est 30–R1.5

Historic Net Salvage: (1968-2015)

Three Year Average Net Salvage Percent			<u>Full Depth</u>
<u>2011-13</u>	<u>2012-14</u>	<u>2013-15</u>	<u>1968-2015</u>
-191%	-168%	-159%	-164%

Gross Salvage Trend Analysis			
<u>20 Year</u>	<u>15 Year</u>	<u>10 Year</u>	<u>5 Year</u>
0%	0%	0%	0%

Forecasted Net Salvage: -360%

Plant Considerations/Future Expectations

This property group is comprised of the Company's investment in a limited amount of Farm and Fuel service lines. The future service life of this asset class is anticipated to generally be reflective of the recent experience.

Life Analysis Method: Retirement Rate Method

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 30-R1.5

Net Salv: -200%

Proposed Depreciation Parameters

ASL/Curve: 30-R1.5

Future Net Salv: -200%

	<u>New Rate @New Parameters</u>	<u>Old Rate @ Old Parameters</u>
Rate	10.22%	6.46%
Average Remaining Life	22.6 years	N/A

ACCOUNT – 381 Meters

Historical Experience

Plant Statistics Plant Balance = \$70,002,134
Original Gross Additions = \$78,468,887
Oldest Surviving Vintage = 1975
Retirements = \$8,012,536 or 10.2% of historical additions.

Experience Bands 1995 – 2015 31-R3

Historic Net Salvage: (1968-2015)

Three Year Average Net Salvage Percent			<u>Full Depth</u>
<u>2011-13</u>	<u>2012-14</u>	<u>2013-15</u>	<u>1968-2015</u>
-16%	-15%	-18%	-5%

Gross Salvage Trend Analysis			
<u>20 Year</u>	<u>15 Year</u>	<u>10 Year</u>	<u>5 Year</u>
6%	1%	2%	4%

Forecasted Net Salvage: -18%

Plant Considerations/Future Expectations

In prior years, the Company implemented an AMR system through the installation of ETS on its gas meters with the result that a large portion of Meter reads are now automated. There are a lot of inside Meter sets.

It has been approximately 8 years since the initial implementation, thus Meters are beginning to age notwithstanding the fact that Meters are cycled and tested on a routine basis, with new Meters purchased and installed as required. Presently, management estimates that approximately 10 percent of the Company's Meters need to be replaced. Accordingly, ongoing retirements are anticipated in future years.

Life Analysis Method: Retirement Rate Method

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 35-R4
Net Salv: -15%

Proposed Depreciation Parameters

ASL/Curve: 31-R3
Future Net Salv: -20%

	<u>New Rate @New Parameters</u>	<u>Old Rate @ Old Parameters</u>
Rate	4.13%	3.01%
Average Remaining Life	21.0 years	N/A

ACCOUNT – 383.00 House Regulators

Historical Experience

Plant Statistics Plant Balance = \$9,356,598
Original Gross Additions = \$9,789,293
Oldest Surviving Vintage = 1946
Retirements = \$345,536 or 3.5% of historical additions.

Experience Band 1995 – 2015 60-R3

Historic Net Salvage: (1968-2015)

Three Year Average Net Salvage Percent			<u>Full Depth</u>
<u>2011-13</u>	<u>2012-14</u>	<u>2013-15</u>	<u>1968-2015</u>
16%	32%	10%	21%

Gross Salvage Trend Analysis			
<u>20 Year</u>	<u>15 Year</u>	<u>10 Year</u>	<u>5 Year</u>
128%	83%	0%	14%

Forecasted Net Salvage: 9%

Plant Considerations/Future Expectations

The account contains the Company's investments related to the gas regulators located at the customer's location. Given that regulators are a component of the Meter set, it is believed that not all retirements may have been reported and booked. Ongoing efforts are being made to identify any such lack of retirement reporting. Historically, the Company has sold various regulators to small businesses, averaging approximately \$4,500 per year, over many years. Most recently, Gas management has concluded that sales of these assets to third parties should not have occurred. Field operations are being instructed to stop the past practice, thus sales of these properties will not occur in the future, and little or no salvage from scrap sales of removed house regulators are anticipated.

Life Analysis Method: Retirement Rate Method

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve 40-R2
Net Salv: 10%

Proposed Depreciation Parameters

ASL/Curve: 60-R3
Future Net Salv: 0%

	<u>New Rate @New Parameters</u>	<u>Old Rate @ Old Parameters</u>
Rate	1.47%	1.68%
Average Remaining Life	44.3 years	N/A

ACCOUNT – 385.00 Ind. Meas. & Reg. Station Equipment

Historical Experience

Plant Statistics Plant Balance = \$1,276,281
Original Gross Additions = \$1,692,751
Oldest Surviving Vintage = 1951
Retirements = \$28,535 or 1.7% of historical additions.

Experience Band 1995 – 2015 40-R4

Historic Net Salvage: (1968-2015)

Three Year Average Net Salvage Percent			<u>Full Depth</u>
<u>2011-13</u>	<u>2012-14</u>	<u>2013-15</u>	<u>1968-2015</u>
0%	0%	0%	21%

Gross Salvage Trend Analysis			
<u>20 Year</u>	<u>15 Year</u>	<u>10 Year</u>	<u>5 Year</u>
0%	0%	0%	0%

Forecasted Net Salvage: -12%

Plant Considerations/Future Expectations

The account contains the Company’s investments related to the industrial gas regulators located at the customer’s location. Much of the property within this asset class is getting older, with the increased occurrence of obsolescence and manufacture discontinuance. To the extent that this continues to occur, increase replacement activity during future years is possible/probable.

Life Analysis Method: Retirement Rate Method

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 35-R2

Net Salv: -15%

Proposed Depreciation Parameters

ASL/Curve: 40-R4

Future Net Salv: -15%

	<u>New Rate @New Parameters</u>	<u>Old Rate @ Old Parameters</u>
Rate	3.03%	2.77%
Average Remaining Life	26.5 years	N/A

ACCOUNT – 386.10 Misc. Property on Customer Premise

Historical Experience

Plant Statistics Plant Balance = \$1,680
Original Gross Additions = \$1,680
Oldest Surviving Vintage = 1996
Retirements - \$0 or 0% of historical additions.

Experience Bands Est 15-R3

Historic Net Salvage: (2006-2015)

Three Year Average Net Salvage Percent			<u>Full Depth</u>
<u>2011-13</u>	<u>2012-14</u>	<u>2013-15</u>	<u>1968-2015</u>
N/A	N/A	N/A	N/A

Gross Salvage Trend Analysis			
<u>20 Year</u>	<u>15 Year</u>	<u>10 Year</u>	<u>5 Year</u>
N/A	N/A	N/A	N/A

Forecasted Net Salvage: N/A

Plant Considerations/Future Expectations

The account currently contains only a minimal investment.

Life Analysis Method: Retirement Rate Method

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 15-R3

Net Salv: 0%

Proposed Depreciation Parameters

ASL/Curve: 15-R3

Future Net Salv: 0%

	<u>New Rate @New Parameters</u>	<u>Old Rate @ Old Parameters</u>
Rate	0%	2.39%
Average Remaining Life	1.5 years	N/A

ACCOUNT – 386.20 CNG Refueling Station

Historical Experience

Plant Statistics Plant Balance = \$113,207
Original Gross Additions = \$432,811
Oldest Surviving Vintage = 1995
Retirements - \$319,605 or 73.8% of historical additions.

Experience Bands Est 15-R3

Historic Net Salvage: (2006-2015)

Three Year Average Net Salvage Percent			<u>Full Depth</u>
<u>2011-13</u>	<u>2012-14</u>	<u>2013-15</u>	<u>2006-2015</u>
0%	0%	19%	9%

Gross Salvage Trend Analysis			
<u>20 Year</u>	<u>15 Year</u>	<u>10 Year</u>	<u>5 Year</u>
2%	2%	2%	15%

Forecasted Net Salvage: 15%

Plant Considerations/Future Expectations

The account contains the Company's investments related to CNG refueling equipment. The property was placed into service within the more recent years. While retirements have only occurred during two years they have aggregated more than 70 percent of the originally installed plant.

Life Analysis Method: Retirement Rate Method

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 15-R3

Net Salv: 0%

Proposed Depreciation Parameters

ASL/Curve: 15-R3

Future Net Salv: 0%

	<u>New Rate @New Parameters</u>	<u>Old Rate @ Old Parameters</u>
Rate	-19.37%	0.27%
Average Remaining Life	1.3 years	N/A

ACCOUNT – 387.10 Cathodic Protection Equipment

Historical Experience

Plant Statistics Plant Balance = \$3,157,815
Original Gross Additions = \$3,426,991
Oldest Surviving Vintage = 1948
Retirements = \$276,803 or 8.1% of historical additions.

Experience Bands 1995 – 2015 40-R2

Historic Net Salvage: (1968-2015)

Three Year Average Net Salvage Percent			<u>Full Depth</u>
<u>2011-13</u>	<u>2012-14</u>	<u>2013-15</u>	<u>1968-2015</u>
-16%	-31%	-53%	-3%

Gross Salvage Trend Analysis			
<u>20 Year</u>	<u>15 Year</u>	<u>10 Year</u>	<u>5 Year</u>
0%	0%	0%	0%

Forecasted Net Salvage: -7%

Plant Considerations/Future Expectations

This account includes the cost related to cathodic protection equipment used to control corrosion of the Company's plant.

Life Analysis Method: Retirement Rate Method

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 20-R1.5
Net Salv: 0%

Proposed Depreciation Parameters

ASL/Curve: 40-R2
Future Net Salv: 0%

	<u>New Rate @New Parameters</u>	<u>Old Rate @ Old Parameters</u>
Rate	1.66%	3.21%
Average Remaining Life	28.5 years	N/A

ACCOUNT – 387.20 Other Distribution Equipment

Historical Experience

Plant Statistics Plant Balance = \$663,051
Original Gross Additions = \$689,188
Oldest Surviving Vintage = 1950
Retirements = \$25,263 or 3.7% of historical additions.

Experience Bands Est 25-R3

Historic Net Salvage: (1977-2015)

Three Year Average Net Salvage Percent			<u>Full Depth</u>
<u>2011-13</u>	<u>2012-14</u>	<u>2013-15</u>	<u>1977-2015</u>
0%	0%	0%	0%

Gross Salvage Trend Analysis			
<u>20 Year</u>	<u>15 Year</u>	<u>10 Year</u>	<u>5 Year</u>
0%	0%	0%	0%

Forecasted Net Salvage: -0.4%

Plant Considerations/Future Expectations

This account includes the limited cost of non specifically classified equipment related to the distribution plant.

Life Analysis Method: Retirement Rate Method

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

AS/Curve: 25-R3
Net Salv: 0%

Proposed Depreciation Parameters

ASL/Curve: 25-R3
Future Net Salv: 0%

	<u>New Rate @New Parameters</u>	<u>Old Rate @ Old Parameters</u>
Rate	2.14%	0.99%
Average Remaining Life	7.9 years	N/A

ACCOUNT – 390.00 Structures And Improvements

Historical Experience

Plant Statistics Plant Balance = \$8,943,375
Original Gross Additions = \$10,365,160
Oldest Surviving Vintage = 1928
Retirements - \$1,230,962 or 11.9% of historical additions.

Experience Band 1995–2015 40-R2

Historic Net Salvage: (1968-2015)

Three Year Average Net Salvage Percent			<u>Full Depth</u>
<u>2011-13</u>	<u>2012-14</u>	<u>2013-15</u>	<u>1968-2015</u>
117%	92%	-15%	68%

Gross Salvage Trend Analysis			
<u>20 Year</u>	<u>15 Year</u>	<u>10 Year</u>	<u>5 Year</u>
175%	203%	146%	0%

Forecasted Net Salvage: -9%

Plant Considerations/Future Expectations

This investment is related to cost of various General related structures and improvements. Ongoing changes occur due to required component upgrades as well as changes in business environment conditions. End of life costs relative to rehabilitation or disposal is routinely experienced within this property class. Over the past 20 years MDU Gas closed many smaller walk in district customer service offices. MDU has now gone to a more centralized operation and call center operations for customer service. Through the closings and centralization, the company did generate approximately \$1 million of salvage proceeds, which were credit back to the book depreciation reserve as a return of rate base to customers. Any such opportunity for sales of assets and receipt of salvage proceeds in future years is significantly reduced due to the limited quantity of remaining properties. As of the depreciation study date, the Gas Company operation has 3 large structures with investments greater than \$1 million; 3 medium structures with investments ranging between \$200K and \$1M; and 6 smaller structures under \$200K. The referenced properties comprise approximately 99% of the Account 390 property account investment. Inasmuch as MDU has consolidated its offices significantly during the prior 2 decades, little opportunity exists for further consolidation. In general, when current properties approach end of life and require alternative operations, it is anticipated that upgrades, rehabilitations, etc. may likely occur. In such circumstances, the larger and medium facilities are anticipated to experience negative net salvage in the process of rehabilitation. Conversely, the smaller facilities may be sold thus generating some proceeds.

Life Analysis Method: Retirement Rate Method

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 31-R4

Net Salv: -10%

Proposed Depreciation Parameters

ASL/Curve: 40-R2

Future Net Salv: -10%

	<u>New Rate @New Parameters</u>	<u>Old Rate @ Old Parameters</u>
Rate	2.42%	3.36%
Average Remaining Life	29.6 years	N/A

ACCOUNT – 392.10 Transportation Equipment - Trailers

Historical Experience

Plant Statistics Plant Balance = \$456,602
Original Gross Additions = \$568,256
Oldest Surviving Vintage = 1964
Retirements = \$133,814 or 23.5% of historical additions.

Experience Band 2000–2015 19-R1.5

Historic Net Salvage: (1996-2015)

Three Year Average Net Salvage Percent			<u>Full Depth</u>
<u>2011-13</u>	<u>2012-14</u>	<u>2013-15</u>	<u>1996-2015</u>
40%	38%	38%	45%

Gross Salvage Trend Analysis			
<u>20 Year</u>	<u>15 Year</u>	<u>10 Year</u>	<u>5 Year</u>
27%	56%	53%	30%

Forecasted Net Salvage: 30%

Plant Considerations/Future Expectations

Life Analysis Method: Retirement Rate Method

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 8-R0.5

Net Salv: 15%

Proposed Depreciation Parameters

ASL/Curve: 19-R1.5

Future Net Salv: 15%

	<u>New Rate @New Parameters</u>	<u>Old Rate @ Old Parameters</u>
Rate	0.38%	9.67%
Average Remaining Life	11.9 years	N/A

ACCOUNT – 392.20 Transportation Equipment – (Cars & Trucks)

Historical Experience

Plant Statistics Plant Balance = \$9,713,350
Original Gross Additions = \$21,360,889
Oldest Surviving Vintage = 1982
Retirements = \$11,274,096 or 52.8% of historical additions.

Experience Band 1995–2015 9-R3

Historic Net Salvage: (1995-2015)

Three Year Average Net Salvage Percent			<u>Full Depth</u>
<u>2011-13</u>	<u>2012-14</u>	<u>2013-15</u>	<u>1995-2015</u>
30%	32%	28%	22%

Gross Salvage Trend Analysis			
<u>20 Year</u>	<u>15 Year</u>	<u>10 Year</u>	<u>5 Year</u>
22%	31%	33%	32%

Forecasted Net Salvage: 32%

Plant Considerations/Future Expectations

This investment is related to investments in automobiles & trucks used to maintain the Company's operating property. The Company general vehicle policy is to replace transportation equipment is driven by experience maintenance levels as well as a general 7-8 year life range.

Life Analysis Method: Retirement Rate Method

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 7-R3
Net Salv: 20%

Proposed Depreciation Parameters

ASL/Curve: 9-R3
Future Net Salv: 20%

	<u>New Rate @New Parameters</u>	<u>Old Rate @ Old Parameters</u>
Rate	7.25%	0.26%
Average Remaining Life	4.0 years	N/A

ACCOUNT – 396.10 Work Equipment - Trailers

Historical Experience

Plant Statistics Plant Balance = \$804,548
Original Gross Additions = \$983,629
Oldest Surviving Vintage = 1960
Retirements = \$132,447 or 13.5% of historical additions.

Experience Band 1997–2015 28-R2

Historic Net Salvage: (1996-2015)

Three Year Average Net Salvage Percent			<u>Full Depth</u>
<u>2011-13</u>	<u>2012-14</u>	<u>2013-15</u>	<u>1996-2015</u>
10%	0%	35%	28%

Gross Salvage Trend Analysis			
<u>20 Year</u>	<u>15 Year</u>	<u>10 Year</u>	<u>5 Year</u>
25%	10%	17%	22%

Forecasted Net Salvage: 22%

Plant Considerations/Future Expectations

This investment is related to investments in work trailers.

Life Analysis Method: Retirement Rate Method

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 10-R2

Net Salv: 20%

Proposed Depreciation Parameters

ASL/Curve: 28-R2

Future Net Salv: 20%

	<u>New Rate @New Parameters</u>	<u>Old Rate @ Old Parameters</u>
Rate	1.23%	6.02%
Average Remaining Life	20.6 years	N/A

ACCOUNT – 396.20 Power Operated Equipment

Historical Experience

Plant Statistics Plant Balance = \$8,408,368
Original Gross Additions = \$41,852,484
Oldest Surviving Vintage = 1987
Retirements = \$33,438,080 or 79.9% of historical additions.

Experience Band 1995–2015 3-L1

Historic Net Salvage: (1968-2015)

Three Year Average Net Salvage Percent			<u>Full Depth</u>
<u>2011-13</u>	<u>2012-14</u>	<u>2013-15</u>	<u>1968-2015</u>
92%	95%	95%	87%

Gross Salvage Trend Analysis			
<u>20 Year</u>	<u>15 Year</u>	<u>10 Year</u>	<u>5 Year</u>
93%	100%	98%	95%

Forecasted Net Salvage: 94%

Plant Considerations/Future Expectations

This investment is related to investments in Power Operated equipment such as backhoes and other power equipment. Historic equipment vendor practices and trade in values have resulted in the Company replacing its equipment on a very short cycle. No change to the practice is currently anticipated.

Life Analysis Method: Retirement Rate Method

Average Remaining Life Development: Full Mortality

Current Depreciation Parameters

ASL/Curve: 4-L4
Net Salv: 80%

Proposed Depreciation Parameters

ASL/Curve: 3-L1
Future Net Salv: 85%

	<u>New Rate @New Parameters</u>	<u>Old Rate @ Old Parameters</u>
Rate	5.30%	0.23%
Average Remaining Life	1.9 years	N/A

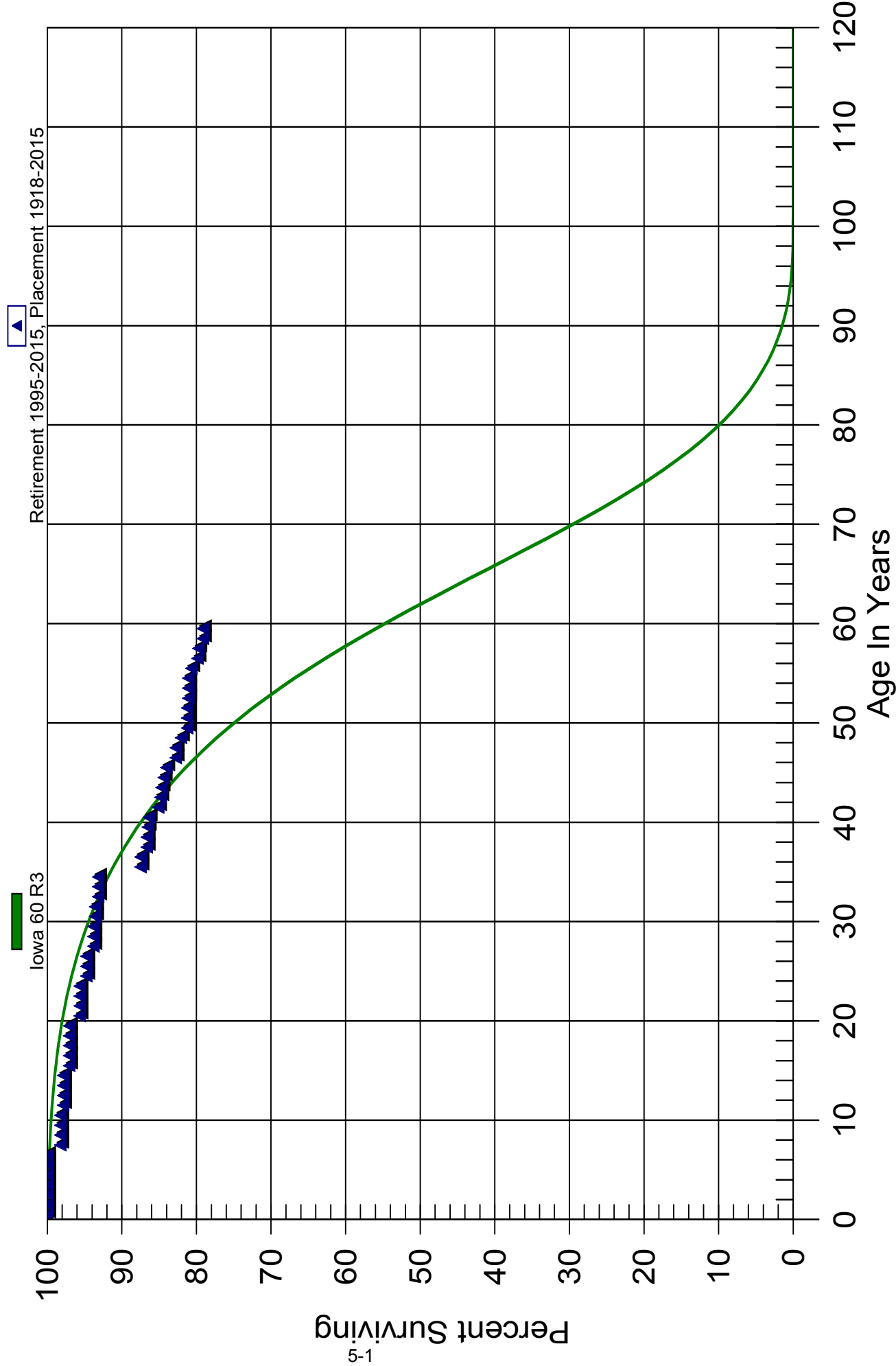
SECTION 5

Montana-Dakota Utilities Company

Gas Division

375.00 STRUCTURES & IMPROVEMENTS

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company
Gas Division

375.00 STRUCTURES & IMPROVEMENTS

Observed Life Table

Retirement Expr. 1995 TO 2015

Placement Years 1918 TO 2015

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	\$373,169.58	\$0.00	0.00000	100.00
0.5 - 1.5	\$402,495.42	\$0.00	0.00000	100.00
1.5 - 2.5	\$444,626.02	\$0.00	0.00000	100.00
2.5 - 3.5	\$455,260.50	\$0.00	0.00000	100.00
3.5 - 4.5	\$394,468.48	\$0.00	0.00000	100.00
4.5 - 5.5	\$264,825.76	\$0.00	0.00000	100.00
5.5 - 6.5	\$261,799.15	\$0.00	0.00000	100.00
6.5 - 7.5	\$263,022.95	\$4,564.30	0.01735	100.00
7.5 - 8.5	\$223,905.51	\$0.00	0.00000	98.26
8.5 - 9.5	\$239,551.00	\$0.00	0.00000	98.26
9.5 - 10.5	\$255,265.45	\$0.00	0.00000	98.26
10.5 - 11.5	\$249,183.59	\$955.86	0.00384	98.26
11.5 - 12.5	\$245,501.60	\$0.00	0.00000	97.89
12.5 - 13.5	\$234,867.67	\$0.00	0.00000	97.89
13.5 - 14.5	\$235,379.03	\$0.00	0.00000	97.89
14.5 - 15.5	\$236,941.22	\$1,969.82	0.00831	97.89
15.5 - 16.5	\$238,682.90	\$0.00	0.00000	97.07
16.5 - 17.5	\$238,682.90	\$0.00	0.00000	97.07
17.5 - 18.5	\$234,662.76	\$0.00	0.00000	97.07
18.5 - 19.5	\$230,329.71	\$0.00	0.00000	97.07
19.5 - 20.5	\$230,407.39	\$3,370.13	0.01463	97.07
20.5 - 21.5	\$228,561.93	\$0.00	0.00000	95.65
21.5 - 22.5	\$163,319.52	\$0.00	0.00000	95.65
22.5 - 23.5	\$124,328.00	\$0.00	0.00000	95.65
23.5 - 24.5	\$117,346.01	\$1,079.00	0.00920	95.65
24.5 - 25.5	\$113,456.72	\$0.00	0.00000	94.77
25.5 - 26.5	\$119,408.19	\$0.00	0.00000	94.77
26.5 - 27.5	\$118,770.93	\$1,212.98	0.01021	94.77
27.5 - 28.5	\$122,787.97	\$0.00	0.00000	93.81
28.5 - 29.5	\$128,025.93	\$0.00	0.00000	93.81
29.5 - 30.5	\$125,343.43	\$284.00	0.00227	93.81
30.5 - 31.5	\$105,160.56	\$0.00	0.00000	93.59
31.5 - 32.5	\$119,173.61	\$509.58	0.00428	93.59
32.5 - 33.5	\$140,662.22	\$0.00	0.00000	93.19
33.5 - 34.5	\$144,184.03	\$0.00	0.00000	93.19
34.5 - 35.5	\$157,752.12	\$9,653.20	0.06119	93.19
35.5 - 36.5	\$154,680.60	\$0.00	0.00000	87.49

Montana-Dakota Utilities Company
Gas Division

375.00 STRUCTURES & IMPROVEMENTS

Observed Life Table

Retirement Expr. 1995 TO 2015

Placement Years 1918 TO 2015

Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
36.5 - 37.5	\$169,809.10	\$1,612.95	0.00950	87.49
37.5 - 38.5	\$179,272.53	\$0.00	0.00000	86.66
38.5 - 39.5	\$209,152.02	\$350.00	0.00167	86.66
39.5 - 40.5	\$220,610.96	\$247.53	0.00112	86.52
40.5 - 41.5	\$237,006.42	\$3,522.89	0.01486	86.42
41.5 - 42.5	\$232,820.73	\$779.06	0.00335	85.13
42.5 - 43.5	\$235,096.98	\$500.00	0.00213	84.85
43.5 - 44.5	\$239,296.39	\$764.14	0.00319	84.67
44.5 - 45.5	\$232,926.31	\$950.00	0.00408	84.40
45.5 - 46.5	\$221,921.00	\$3,373.26	0.01520	84.05
46.5 - 47.5	\$213,240.32	\$0.00	0.00000	82.78
47.5 - 48.5	\$207,617.92	\$1,756.89	0.00846	82.78
48.5 - 49.5	\$200,641.92	\$2,009.94	0.01002	82.08
49.5 - 50.5	\$193,251.09	\$0.00	0.00000	81.25
50.5 - 51.5	\$184,371.12	\$0.00	0.00000	81.25
51.5 - 52.5	\$178,489.23	\$344.27	0.00193	81.25
52.5 - 53.5	\$161,352.49	\$0.00	0.00000	81.10
53.5 - 54.5	\$138,920.02	\$0.00	0.00000	81.10
54.5 - 55.5	\$128,238.43	\$618.33	0.00482	81.10
55.5 - 56.5	\$114,542.11	\$1,188.55	0.01038	80.71
56.5 - 57.5	\$104,549.57	\$150.63	0.00144	79.87
57.5 - 58.5	\$87,702.40	\$670.00	0.00764	79.75
58.5 - 59.5	\$76,757.52	\$0.00	0.00000	79.14
59.5 - 60.5	\$47,659.98	\$0.00	0.00000	79.14
60.5 - 61.5	\$41,427.09	\$0.00	0.00000	79.14
61.5 - 62.5	\$23,037.31	\$0.00	0.00000	79.14
62.5 - 63.5	\$20,627.56	\$0.00	0.00000	79.14
63.5 - 64.5	\$16,519.25	\$0.00	0.00000	79.14
64.5 - 65.5	\$13,243.49	\$0.00	0.00000	79.14
65.5 - 66.5	\$12,958.64	\$0.00	0.00000	79.14
66.5 - 67.5	\$13,063.95	\$0.00	0.00000	79.14
67.5 - 68.5	\$12,821.02	\$0.00	0.00000	79.14
68.5 - 69.5	\$12,562.44	\$0.00	0.00000	79.14
69.5 - 70.5	\$12,288.59	\$0.00	0.00000	79.14
70.5 - 71.5	\$12,884.55	\$0.00	0.00000	79.14
71.5 - 72.5	\$13,465.97	\$0.00	0.00000	79.14
72.5 - 73.5	\$14,033.21	\$450.00	0.03207	79.14

Montana-Dakota Utilities Company
Gas Division

375.00 STRUCTURES & IMPROVEMENTS

Observed Life Table

Retirement Expr. 1995 TO 2015

Placement Years 1918 TO 2015

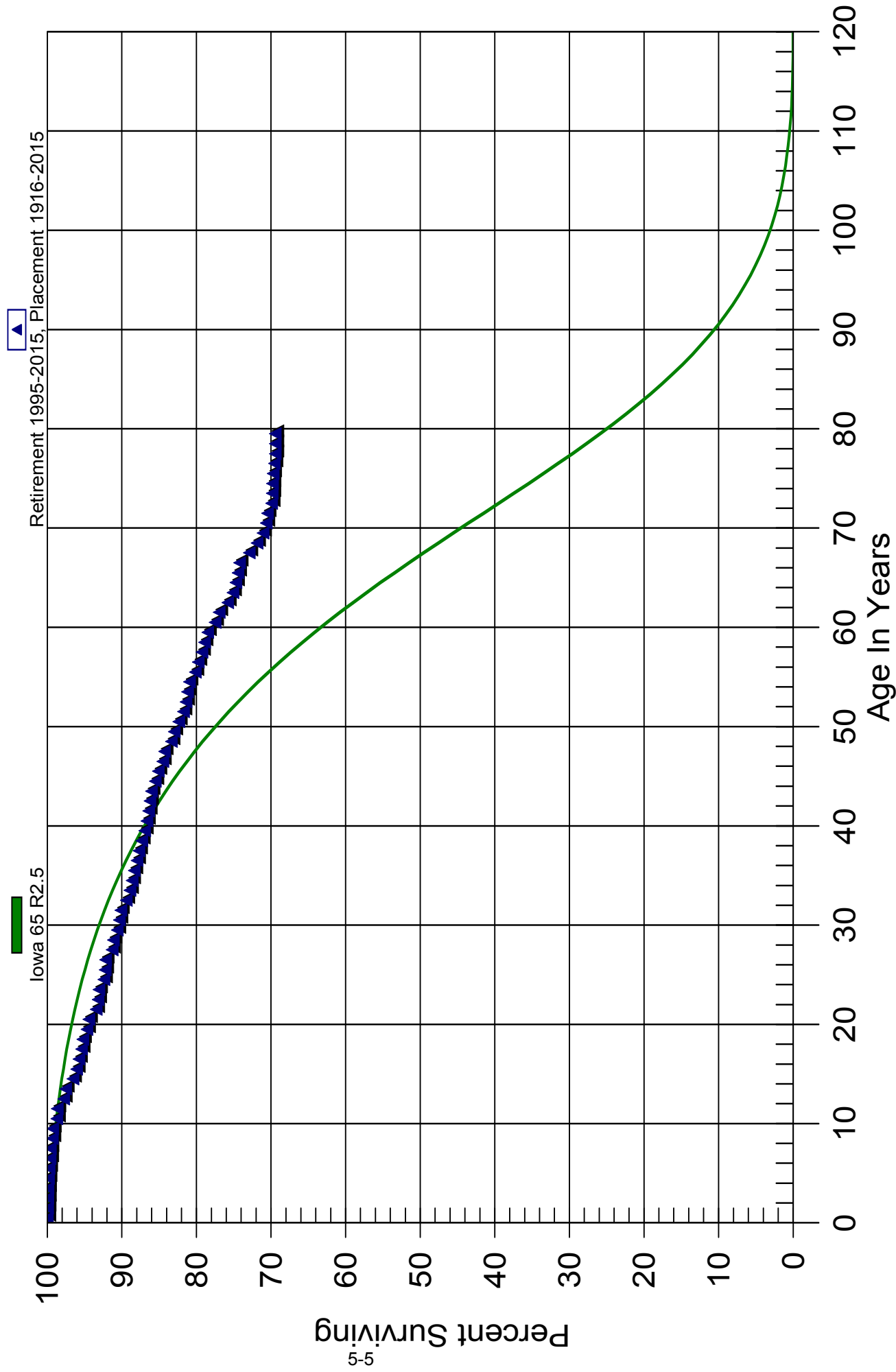
Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
73.5 - 74.5	\$14,136.62	\$0.00	0.00000	76.61
74.5 - 75.5	\$14,676.53	\$0.00	0.00000	76.61
75.5 - 76.5	\$14,318.56	\$0.00	0.00000	76.61
76.5 - 77.5	\$13,969.32	\$0.00	0.00000	76.61
77.5 - 78.5	\$13,127.24	\$0.00	0.00000	76.61
78.5 - 79.5	\$12,305.70	\$0.00	0.00000	76.61
79.5 - 80.5	\$11,504.20	\$0.00	0.00000	76.61
80.5 - 81.5	\$10,722.25	\$0.00	0.00000	76.61
81.5 - 82.5	\$9,959.37	\$0.00	0.00000	76.61
82.5 - 83.5	\$9,215.10	\$0.00	0.00000	76.61
83.5 - 84.5	\$8,488.98	\$0.00	0.00000	76.61
84.5 - 85.5	\$7,780.57	\$0.00	0.00000	76.61
85.5 - 86.5	\$7,089.44	\$0.00	0.00000	76.61
86.5 - 87.5	\$6,415.17	\$0.00	0.00000	76.61
87.5 - 88.5	\$5,757.34	\$0.00	0.00000	76.61
88.5 - 89.5	\$5,115.56	\$0.00	0.00000	76.61
89.5 - 90.5	\$4,489.43	\$0.00	0.00000	76.61
90.5 - 91.5	\$3,878.57	\$0.00	0.00000	76.61
91.5 - 92.5	\$3,282.61	\$0.00	0.00000	76.61
92.5 - 93.5	\$2,701.19	\$0.00	0.00000	76.61
93.5 - 94.5	\$2,133.95	\$0.00	0.00000	76.61
94.5 - 95.5	\$1,580.54	\$0.00	0.00000	76.61
95.5 - 96.5	\$1,040.63	\$0.00	0.00000	76.61
96.5 - 97.5	\$513.89	\$0.00	0.00000	76.61

Montana-Dakota Utilities Company

Gas Division

376.10 MAINS - STEEL

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company

Gas Division

376.10 MAINS - STEEL

Observed Life Table

Retirement Expr. 1995 TO 2015

Placement Years 1916 TO 2015

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	\$17,136,681.04	\$236.09	0.00001	100.00
0.5 - 1.5	\$39,123,165.03	\$16,172.41	0.00041	100.00
1.5 - 2.5	\$17,011,502.07	\$5,143.29	0.00030	99.96
2.5 - 3.5	\$16,410,560.59	\$4,764.69	0.00029	99.93
3.5 - 4.5	\$15,122,363.36	\$6,974.61	0.00046	99.90
4.5 - 5.5	\$13,437,670.50	\$14,444.15	0.00107	99.85
5.5 - 6.5	\$13,440,886.51	\$17,304.04	0.00129	99.74
6.5 - 7.5	\$13,293,756.45	\$4,016.17	0.00030	99.62
7.5 - 8.5	\$10,435,705.52	\$28,387.63	0.00272	99.59
8.5 - 9.5	\$11,049,549.84	\$4,211.76	0.00038	99.32
9.5 - 10.5	\$11,344,187.42	\$64,477.86	0.00568	99.28
10.5 - 11.5	\$10,094,752.48	\$6,653.57	0.00066	98.71
11.5 - 12.5	\$9,684,546.83	\$85,170.12	0.00879	98.65
12.5 - 13.5	\$9,764,302.55	\$23,923.33	0.00245	97.78
13.5 - 14.5	\$9,895,705.72	\$98,659.03	0.00997	97.54
14.5 - 15.5	\$10,285,170.52	\$53,832.17	0.00523	96.57
15.5 - 16.5	\$10,596,660.45	\$33,934.88	0.00320	96.06
16.5 - 17.5	\$10,498,222.36	\$40,035.34	0.00381	95.76
17.5 - 18.5	\$10,636,842.84	\$18,649.66	0.00175	95.39
18.5 - 19.5	\$11,040,295.59	\$63,469.32	0.00575	95.22
19.5 - 20.5	\$10,851,422.92	\$29,158.55	0.00269	94.68
20.5 - 21.5	\$10,972,454.51	\$112,694.46	0.01027	94.42
21.5 - 22.5	\$10,979,056.21	\$31,352.06	0.00286	93.45
22.5 - 23.5	\$10,653,230.41	\$14,311.76	0.00134	93.18
23.5 - 24.5	\$10,825,566.24	\$76,040.17	0.00702	93.06
24.5 - 25.5	\$12,882,919.51	\$23,656.60	0.00184	92.41
25.5 - 26.5	\$13,303,337.05	\$9,143.95	0.00069	92.24
26.5 - 27.5	\$13,779,036.52	\$130,681.75	0.00948	92.17
27.5 - 28.5	\$13,989,707.95	\$23,999.35	0.00172	91.30
28.5 - 29.5	\$14,242,326.66	\$83,809.11	0.00588	91.14
29.5 - 30.5	\$14,108,968.28	\$42,978.17	0.00305	90.61
30.5 - 31.5	\$14,355,540.59	\$31,660.86	0.00221	90.33
31.5 - 32.5	\$15,032,294.44	\$120,283.26	0.00800	90.13
32.5 - 33.5	\$15,292,300.48	\$86,176.24	0.00564	89.41
33.5 - 34.5	\$15,012,053.63	\$45,915.78	0.00306	88.91
34.5 - 35.5	\$15,082,296.55	\$48,721.22	0.00323	88.63
35.5 - 36.5	\$15,115,859.43	\$64,325.07	0.00426	88.35

Montana-Dakota Utilities Company

Gas Division

376.10 MAINS - STEEL

Observed Life Table

Retirement Expr. 1995 TO 2015

Placement Years 1916 TO 2015

Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
36.5 - 37.5	\$15,129,716.94	\$44,024.26	0.00291	87.97
37.5 - 38.5	\$15,258,922.05	\$66,214.41	0.00434	87.72
38.5 - 39.5	\$15,665,730.89	\$70,766.28	0.00452	87.33
39.5 - 40.5	\$16,027,677.90	\$54,690.32	0.00341	86.94
40.5 - 41.5	\$16,486,938.72	\$43,714.45	0.00265	86.64
41.5 - 42.5	\$16,688,495.17	\$33,748.08	0.00202	86.41
42.5 - 43.5	\$16,617,585.41	\$38,588.37	0.00232	86.24
43.5 - 44.5	\$16,376,245.65	\$97,259.51	0.00594	86.04
44.5 - 45.5	\$16,123,048.37	\$77,384.25	0.00480	85.53
45.5 - 46.5	\$13,762,022.55	\$99,796.69	0.00725	85.12
46.5 - 47.5	\$13,094,775.78	\$32,887.09	0.00251	84.50
47.5 - 48.5	\$12,453,605.52	\$138,555.17	0.01113	84.29
48.5 - 49.5	\$11,781,900.25	\$54,592.44	0.00463	83.35
49.5 - 50.5	\$11,196,657.60	\$80,808.66	0.00722	82.96
50.5 - 51.5	\$10,342,456.19	\$79,904.26	0.00773	82.36
51.5 - 52.5	\$9,469,353.04	\$38,507.07	0.00407	81.73
52.5 - 53.5	\$8,626,186.12	\$23,034.80	0.00267	81.40
53.5 - 54.5	\$7,700,943.99	\$23,060.73	0.00299	81.18
54.5 - 55.5	\$7,158,802.16	\$69,425.89	0.00970	80.94
55.5 - 56.5	\$6,451,968.98	\$32,350.16	0.00501	80.15
56.5 - 57.5	\$5,908,220.01	\$35,889.15	0.00607	79.75
57.5 - 58.5	\$5,468,878.24	\$25,106.72	0.00459	79.26
58.5 - 59.5	\$5,140,887.24	\$27,520.14	0.00535	78.90
59.5 - 60.5	\$4,512,302.74	\$55,747.77	0.01235	78.48
60.5 - 61.5	\$3,644,816.00	\$25,553.82	0.00701	77.51
61.5 - 62.5	\$3,216,974.42	\$48,361.87	0.01503	76.97
62.5 - 63.5	\$2,816,094.99	\$25,796.77	0.00916	75.81
63.5 - 64.5	\$2,341,125.66	\$12,403.73	0.00530	75.11
64.5 - 65.5	\$2,131,548.39	\$8,553.06	0.00401	74.72
65.5 - 66.5	\$1,806,029.91	\$5,102.56	0.00283	74.42
66.5 - 67.5	\$1,774,285.32	\$31,020.14	0.01748	74.21
67.5 - 68.5	\$1,721,115.26	\$24,149.36	0.01403	72.91
68.5 - 69.5	\$1,665,160.24	\$18,520.29	0.01112	71.89
69.5 - 70.5	\$1,611,323.88	\$10,102.22	0.00627	71.09
70.5 - 71.5	\$1,680,282.09	\$4,068.52	0.00242	70.64
71.5 - 72.5	\$1,753,345.70	\$13,928.92	0.00794	70.47
72.5 - 73.5	\$1,814,708.44	\$1,874.08	0.00103	69.91

Montana-Dakota Utilities Company

Gas Division

376.10 MAINS - STEEL

Observed Life Table

Retirement Expr. 1995 TO 2015

Placement Years 1916 TO 2015

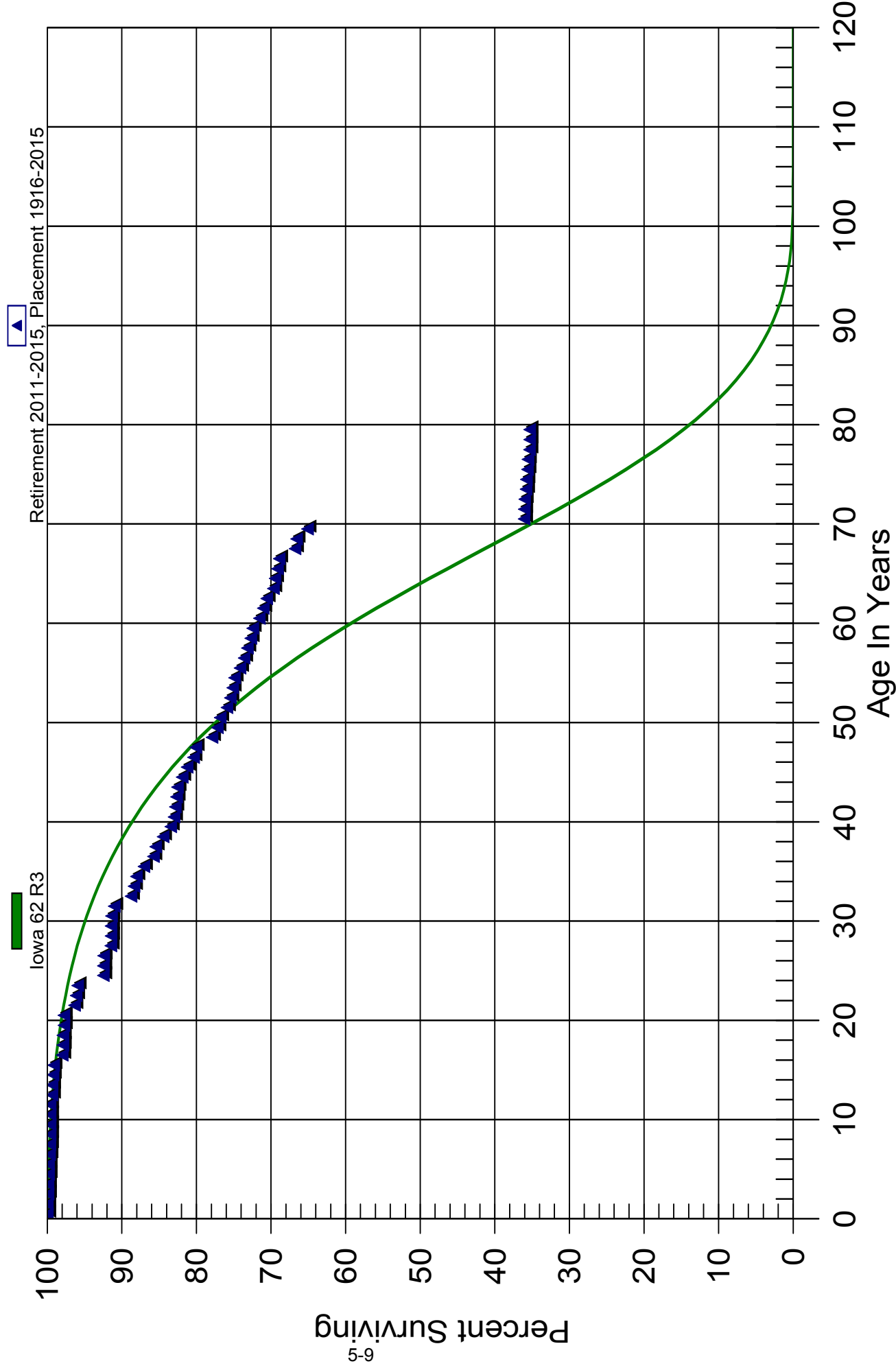
Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
73.5 - 74.5	\$1,886,249.83	\$944.52	0.00050	69.84
74.5 - 75.5	\$1,956,930.16	\$2,364.16	0.00121	69.80
75.5 - 76.5	\$1,908,078.53	\$4,710.88	0.00247	69.72
76.5 - 77.5	\$1,857,784.10	\$3,011.80	0.00162	69.55
77.5 - 78.5	\$1,811,600.38	\$337.84	0.00019	69.43
78.5 - 79.5	\$1,740,364.26	\$79.88	0.00005	69.42
79.5 - 80.5	\$1,634,029.97	\$868.34	0.00053	69.42
80.5 - 81.5	\$1,529,926.47	\$2,830.30	0.00185	69.38
81.5 - 82.5	\$1,425,892.13	\$0.00	0.00000	69.25
82.5 - 83.5	\$1,327,156.49	\$588.08	0.00044	69.25
83.5 - 84.5	\$1,230,693.06	\$0.00	0.00000	69.22
84.5 - 85.5	\$1,136,715.05	\$0.00	0.00000	69.22
85.5 - 86.5	\$1,045,554.72	\$546.00	0.00052	69.22
86.5 - 87.5	\$955,559.10	\$0.00	0.00000	69.18
87.5 - 88.5	\$868,291.18	\$250.32	0.00029	69.18
88.5 - 89.5	\$783,151.74	\$0.00	0.00000	69.16
89.5 - 90.5	\$700,088.87	\$0.00	0.00000	69.16
90.5 - 91.5	\$619,051.93	\$0.00	0.00000	69.16
91.5 - 92.5	\$539,991.50	\$0.00	0.00000	69.16
92.5 - 93.5	\$462,859.37	\$0.00	0.00000	69.16
93.5 - 94.5	\$387,608.51	\$0.00	0.00000	69.16
94.5 - 95.5	\$314,193.04	\$0.00	0.00000	69.16
95.5 - 96.5	\$242,568.19	\$0.00	0.00000	69.16
96.5 - 97.5	\$172,690.29	\$0.00	0.00000	69.16
97.5 - 98.5	\$104,516.72	\$0.00	0.00000	69.16
98.5 - 99.5	\$38,005.92	\$0.00	0.00000	69.16

Montana-Dakota Utilities Company

Gas Division

376.10 MAINS - STEEL

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company

Gas Division

376.10 MAINS - STEEL

Observed Life Table

Retirement Expr. 2011 TO 2015

Placement Years 1916 TO 2015

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	\$6,559,053.12	\$236.09	0.00004	100.00
0.5 - 1.5	\$28,407,923.17	\$1,384.40	0.00005	100.00
1.5 - 2.5	\$5,827,920.63	\$4,747.65	0.00081	99.99
2.5 - 3.5	\$8,011,639.38	\$1,875.24	0.00023	99.91
3.5 - 4.5	\$6,689,224.72	\$4,592.92	0.00069	99.89
4.5 - 5.5	\$5,037,806.44	\$0.00	0.00000	99.82
5.5 - 6.5	\$6,029,809.37	\$7,436.88	0.00123	99.82
6.5 - 7.5	\$6,550,662.01	\$3,957.09	0.00060	99.69
7.5 - 8.5	\$4,104,197.47	\$541.84	0.00013	99.63
8.5 - 9.5	\$4,311,052.42	\$0.00	0.00000	99.62
9.5 - 10.5	\$4,091,935.14	\$0.00	0.00000	99.62
10.5 - 11.5	\$2,953,703.69	\$173.84	0.00006	99.62
11.5 - 12.5	\$2,302,144.78	\$5,356.60	0.00233	99.62
12.5 - 13.5	\$1,630,483.81	\$325.91	0.00020	99.38
13.5 - 14.5	\$1,153,068.77	\$1,633.39	0.00142	99.36
14.5 - 15.5	\$1,200,669.87	\$894.65	0.00075	99.22
15.5 - 16.5	\$1,060,880.15	\$12,285.77	0.01158	99.15
16.5 - 17.5	\$1,169,334.62	\$923.65	0.00079	98.00
17.5 - 18.5	\$1,981,669.69	\$0.00	0.00000	97.92
18.5 - 19.5	\$2,299,892.01	\$3,477.66	0.00151	97.92
19.5 - 20.5	\$2,546,803.98	\$615.45	0.00024	97.78
20.5 - 21.5	\$2,756,436.21	\$39,809.85	0.01444	97.75
21.5 - 22.5	\$2,522,388.08	\$5,810.60	0.00230	96.34
22.5 - 23.5	\$1,984,942.23	\$3,980.30	0.00201	96.12
23.5 - 24.5	\$1,871,949.16	\$66,899.05	0.03574	95.93
24.5 - 25.5	\$2,410,198.56	\$0.00	0.00000	92.50
25.5 - 26.5	\$2,698,914.21	\$1,723.64	0.00064	92.50
26.5 - 27.5	\$2,567,211.25	\$26,928.66	0.01049	92.44
27.5 - 28.5	\$2,758,468.74	\$623.32	0.00023	91.47
28.5 - 29.5	\$3,320,322.70	\$0.00	0.00000	91.45
29.5 - 30.5	\$3,130,404.71	\$1,434.84	0.00046	91.45
30.5 - 31.5	\$3,119,338.92	\$13,231.33	0.00424	91.41
31.5 - 32.5	\$3,493,476.42	\$86,179.37	0.02467	91.02
32.5 - 33.5	\$3,110,563.95	\$14,656.20	0.00471	88.77
33.5 - 34.5	\$2,480,224.79	\$8,464.31	0.00341	88.35
34.5 - 35.5	\$2,275,466.17	\$26,481.96	0.01164	88.05
35.5 - 36.5	\$1,715,766.35	\$24,742.73	0.01442	87.03

Montana-Dakota Utilities Company

Gas Division

376.10 MAINS - STEEL

Observed Life Table

Retirement Expr. 2011 TO 2015

Placement Years 1916 TO 2015

Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
36.5 - 37.5	\$1,456,614.11	\$5,272.92	0.00362	85.77
37.5 - 38.5	\$1,811,712.30	\$21,095.92	0.01164	85.46
38.5 - 39.5	\$2,106,781.79	\$25,425.19	0.01207	84.47
39.5 - 40.5	\$2,147,664.50	\$11,290.23	0.00526	83.45
40.5 - 41.5	\$4,537,372.82	\$10,120.48	0.00223	83.01
41.5 - 42.5	\$4,993,994.99	\$9,435.09	0.00189	82.82
42.5 - 43.5	\$5,160,039.75	\$7,417.26	0.00144	82.67
43.5 - 44.5	\$5,273,867.67	\$40,169.50	0.00762	82.55
44.5 - 45.5	\$5,218,862.66	\$43,086.96	0.00826	81.92
45.5 - 46.5	\$3,577,538.25	\$37,867.67	0.01058	81.24
46.5 - 47.5	\$3,681,515.81	\$13,167.29	0.00358	80.38
47.5 - 48.5	\$3,765,152.06	\$102,765.56	0.02729	80.10
48.5 - 49.5	\$3,974,136.67	\$37,813.44	0.00951	77.91
49.5 - 50.5	\$4,079,747.03	\$19,012.27	0.00466	77.17
50.5 - 51.5	\$4,105,720.65	\$47,825.11	0.01165	76.81
51.5 - 52.5	\$3,915,265.90	\$24,023.60	0.00614	75.92
52.5 - 53.5	\$3,607,728.25	\$14,404.35	0.00399	75.45
53.5 - 54.5	\$3,081,995.71	\$11,394.91	0.00370	75.15
54.5 - 55.5	\$3,150,068.62	\$30,607.30	0.00972	74.87
55.5 - 56.5	\$3,267,906.73	\$23,017.76	0.00704	74.14
56.5 - 57.5	\$3,145,339.46	\$19,188.71	0.00610	73.62
57.5 - 58.5	\$3,078,103.86	\$19,664.98	0.00639	73.17
58.5 - 59.5	\$3,212,930.07	\$11,227.79	0.00349	72.70
59.5 - 60.5	\$2,838,817.68	\$34,503.47	0.01215	72.45
60.5 - 61.5	\$2,303,158.02	\$17,095.78	0.00742	71.57
61.5 - 62.5	\$1,907,958.94	\$12,006.27	0.00629	71.04
62.5 - 63.5	\$1,558,774.58	\$19,694.42	0.01263	70.59
63.5 - 64.5	\$1,108,621.67	\$4,017.81	0.00362	69.70
64.5 - 65.5	\$883,406.05	\$3,890.96	0.00440	69.45
65.5 - 66.5	\$482,126.84	\$1,519.72	0.00315	69.14
66.5 - 67.5	\$363,541.75	\$11,256.96	0.03096	68.92
67.5 - 68.5	\$235,399.06	\$782.00	0.00332	66.79
68.5 - 69.5	\$118,961.19	\$2,608.18	0.02192	66.57
69.5 - 70.5	\$196.24	\$87.48	0.44578	65.11
70.5 - 71.5	\$119,586.72	\$105.40	0.00088	36.08
71.5 - 72.5	\$234,669.84	\$474.80	0.00202	36.05
72.5 - 73.5	\$347,343.84	\$1,640.87	0.00472	35.98

Montana-Dakota Utilities Company

Gas Division

376.10 MAINS - STEEL

Observed Life Table

Retirement Expr. 2011 TO 2015

Placement Years 1916 TO 2015

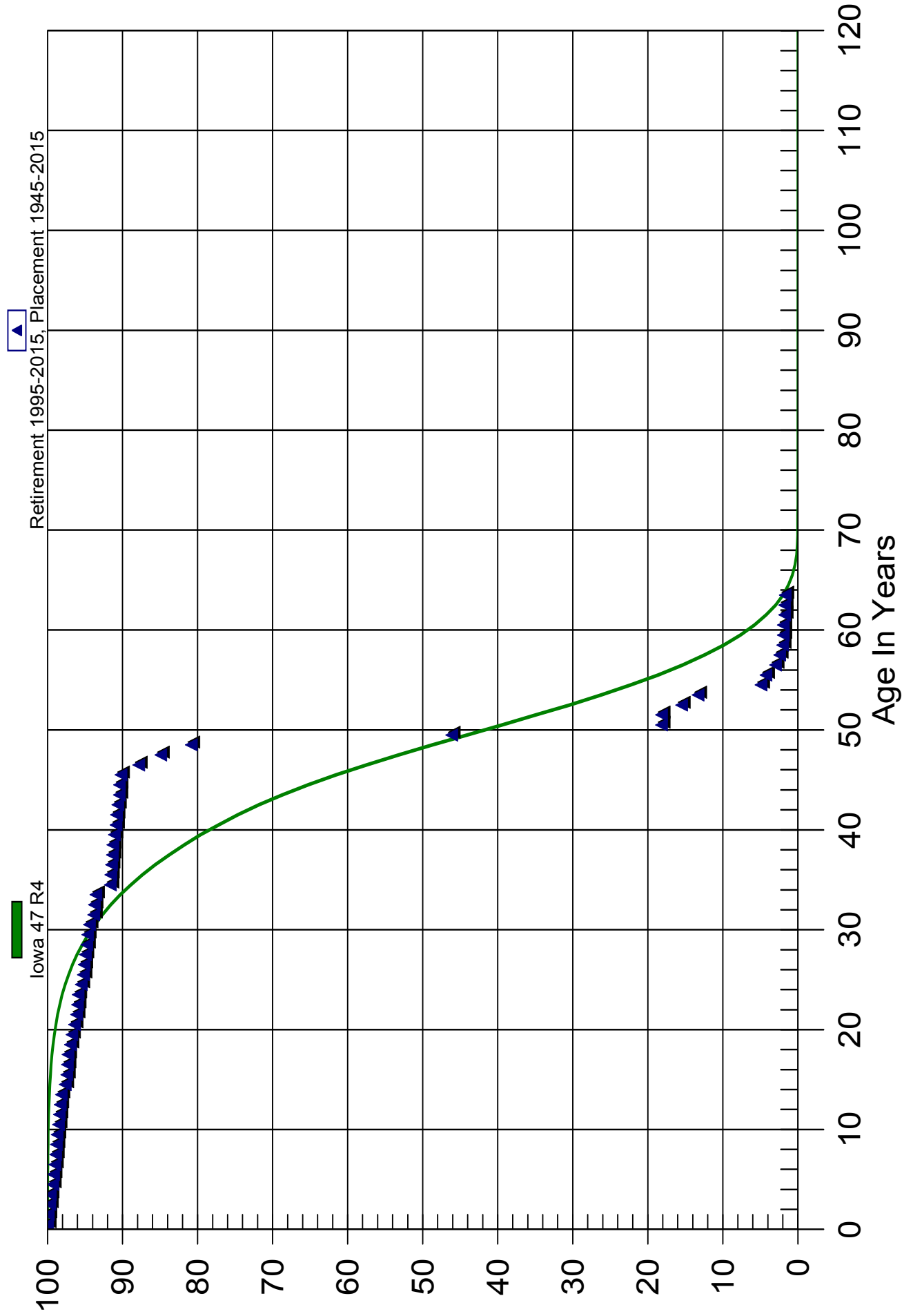
Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
73.5 - 74.5	\$455,632.05	\$572.56	0.00126	35.81
74.5 - 75.5	\$561,740.78	\$2,364.16	0.00421	35.76
75.5 - 76.5	\$546,392.09	\$1,062.88	0.00195	35.61
76.5 - 77.5	\$533,080.77	\$2,971.00	0.00557	35.54
77.5 - 78.5	\$519,781.49	\$337.84	0.00065	35.35
78.5 - 79.5	\$506,414.80	\$79.88	0.00016	35.32
79.5 - 80.5	\$495,103.42	\$868.34	0.00175	35.32
80.5 - 81.5	\$484,371.75	\$2,830.30	0.00584	35.26
81.5 - 82.5	\$469,787.03	\$0.00	0.00000	35.05
82.5 - 83.5	\$458,865.31	\$588.08	0.00128	35.05
83.5 - 84.5	\$447,541.32	\$0.00	0.00000	35.00
84.5 - 85.5	\$436,626.18	\$0.00	0.00000	35.00
85.5 - 86.5	\$426,502.79	\$546.00	0.00128	35.00
86.5 - 87.5	\$415,567.60	\$0.00	0.00000	34.96
87.5 - 88.5	\$405,431.81	\$250.32	0.00062	34.96
88.5 - 89.5	\$395,543.23	\$0.00	0.00000	34.94
89.5 - 90.5	\$385,895.83	\$0.00	0.00000	34.94
90.5 - 91.5	\$376,483.74	\$0.00	0.00000	34.94
91.5 - 92.5	\$367,301.21	\$0.00	0.00000	34.94
92.5 - 93.5	\$358,342.65	\$0.00	0.00000	34.94
93.5 - 94.5	\$349,602.59	\$0.00	0.00000	34.94
94.5 - 95.5	\$314,193.04	\$0.00	0.00000	34.94
95.5 - 96.5	\$242,568.19	\$0.00	0.00000	34.94
96.5 - 97.5	\$172,690.29	\$0.00	0.00000	34.94
97.5 - 98.5	\$104,516.72	\$0.00	0.00000	34.94
98.5 - 99.5	\$38,005.92	\$0.00	0.00000	34.94

Montana-Dakota Utilities Company

Gas Division

376.20 MAINS - PLASTIC

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company

Gas Division

376.20 MAINS - PLASTIC

Observed Life Table

Retirement Expr. 1995 TO 2015

Placement Years 1945 TO 2015

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	\$102,527,986.44	\$6,937.17	0.00007	100.00
0.5 - 1.5	\$93,798,516.81	\$96,088.38	0.00102	99.99
1.5 - 2.5	\$83,030,475.71	\$170,731.98	0.00206	99.89
2.5 - 3.5	\$73,856,751.16	\$54,767.65	0.00074	99.69
3.5 - 4.5	\$58,571,172.58	\$171,452.24	0.00293	99.61
4.5 - 5.5	\$53,570,270.52	\$65,148.12	0.00122	99.32
5.5 - 6.5	\$50,112,509.55	\$87,651.49	0.00175	99.20
6.5 - 7.5	\$48,394,997.15	\$49,412.21	0.00102	99.03
7.5 - 8.5	\$45,581,352.43	\$47,680.46	0.00105	98.92
8.5 - 9.5	\$43,944,747.42	\$49,889.37	0.00114	98.82
9.5 - 10.5	\$41,951,849.97	\$72,236.48	0.00172	98.71
10.5 - 11.5	\$39,797,053.90	\$48,325.19	0.00121	98.54
11.5 - 12.5	\$38,451,604.29	\$37,246.91	0.00097	98.42
12.5 - 13.5	\$37,064,902.49	\$59,220.78	0.00160	98.32
13.5 - 14.5	\$36,144,545.61	\$189,303.11	0.00524	98.17
14.5 - 15.5	\$35,817,208.72	\$78,995.69	0.00221	97.65
15.5 - 16.5	\$35,401,976.56	\$22,966.34	0.00065	97.44
16.5 - 17.5	\$34,800,341.30	\$36,431.62	0.00105	97.37
17.5 - 18.5	\$33,670,169.67	\$112,584.68	0.00334	97.27
18.5 - 19.5	\$32,610,045.20	\$67,111.93	0.00206	96.95
19.5 - 20.5	\$31,602,546.14	\$112,984.06	0.00358	96.75
20.5 - 21.5	\$30,381,156.39	\$78,481.54	0.00258	96.40
21.5 - 22.5	\$26,346,316.73	\$38,247.18	0.00145	96.15
22.5 - 23.5	\$21,037,727.15	\$21,472.28	0.00102	96.01
23.5 - 24.5	\$19,308,147.49	\$79,935.80	0.00414	95.91
24.5 - 25.5	\$18,318,460.81	\$56,495.99	0.00308	95.52
25.5 - 26.5	\$17,412,513.09	\$19,199.02	0.00110	95.22
26.5 - 27.5	\$16,785,425.07	\$23,726.34	0.00141	95.12
27.5 - 28.5	\$15,951,571.79	\$37,923.88	0.00238	94.98
28.5 - 29.5	\$14,676,043.14	\$14,109.79	0.00096	94.76
29.5 - 30.5	\$13,496,553.81	\$36,265.81	0.00269	94.67
30.5 - 31.5	\$12,234,894.51	\$71,760.78	0.00587	94.41
31.5 - 32.5	\$10,943,453.79	\$10,654.12	0.00097	93.86
32.5 - 33.5	\$9,790,524.93	\$23,401.10	0.00239	93.77
33.5 - 34.5	\$8,643,402.95	\$177,534.09	0.02054	93.54
34.5 - 35.5	\$7,333,394.43	\$3,305.88	0.00045	91.62
35.5 - 36.5	\$5,812,509.20	\$5,420.24	0.00093	91.58

Montana-Dakota Utilities Company

Gas Division

376.20 MAINS - PLASTIC

Observed Life Table

Retirement Expr. 1995 TO 2015

Placement Years 1945 TO 2015

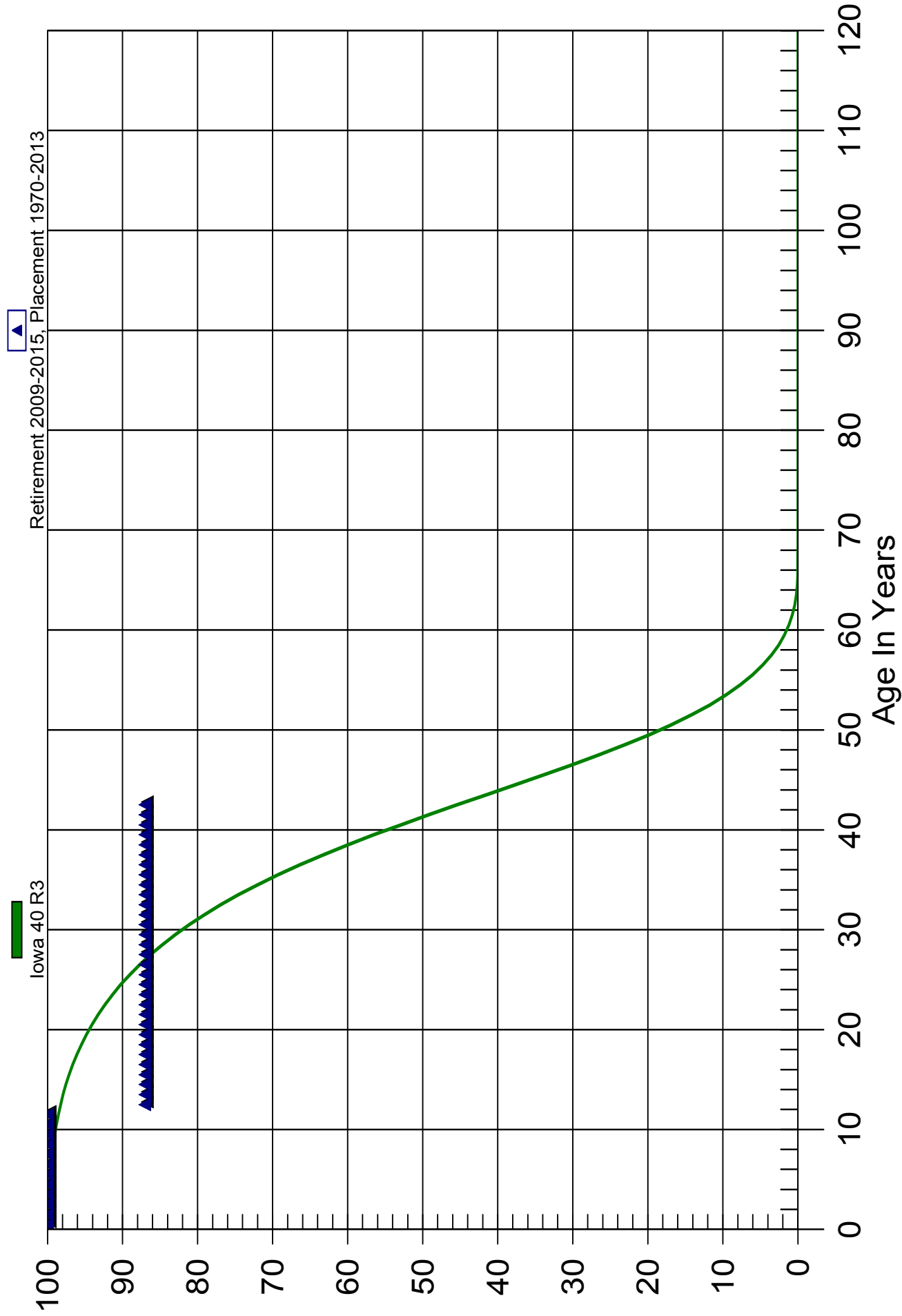
Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
36.5 - 37.5	\$4,717,184.40	\$6,678.88	0.00142	91.50
37.5 - 38.5	\$4,203,174.36	\$2,337.13	0.00056	91.37
38.5 - 39.5	\$3,883,688.77	\$8,800.48	0.00227	91.31
39.5 - 40.5	\$3,231,073.75	\$8,248.89	0.00255	91.11
40.5 - 41.5	\$2,359,070.38	\$1,741.35	0.00074	90.88
41.5 - 42.5	\$2,116,116.47	\$3,897.07	0.00184	90.81
42.5 - 43.5	\$1,810,720.77	\$3,794.63	0.00210	90.64
43.5 - 44.5	\$548,800.22	\$202.88	0.00037	90.45
44.5 - 45.5	\$408,293.51	\$923.00	0.00226	90.42
45.5 - 46.5	\$47,291.56	\$1,246.19	0.02635	90.21
46.5 - 47.5	\$46,045.37	\$1,528.80	0.03320	87.84
47.5 - 48.5	\$44,639.48	\$2,148.39	0.04813	84.92
48.5 - 49.5	\$42,491.09	\$18,232.25	0.42908	80.83
49.5 - 50.5	\$24,297.02	\$14,723.58	0.60598	46.15
50.5 - 51.5	\$9,573.44	\$0.00	0.00000	18.18
51.5 - 52.5	\$9,573.44	\$1,411.48	0.14744	18.18
52.5 - 53.5	\$8,161.96	\$1,163.98	0.14261	15.50
53.5 - 54.5	\$6,997.98	\$4,403.87	0.62931	13.29
54.5 - 55.5	\$2,594.11	\$349.74	0.13482	4.93
55.5 - 56.5	\$2,244.37	\$672.94	0.29983	4.26
56.5 - 57.5	\$1,571.43	\$289.49	0.18422	2.98
57.5 - 58.5	\$1,281.94	\$214.20	0.16709	2.43
58.5 - 59.5	\$1,067.74	\$43.85	0.04107	2.03
59.5 - 60.5	\$1,023.89	\$0.00	0.00000	1.94
60.5 - 61.5	\$1,023.89	\$94.36	0.09216	1.94
61.5 - 62.5	\$929.53	\$0.00	0.00000	1.77
62.5 - 63.5	\$929.53	\$47.63	0.05124	1.77

Montana-Dakota Utilities Company

Gas Division

376.30 MAINS - VALVES

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company

Gas Division

376.30 MAINS - VALVES

Observed Life Table

Retirement Expr. 2009 TO 2015

Placement Years 1970 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	\$2,474,749.47	\$0.00	0.00000	100.00
0.5 - 1.5	\$2,502,605.92	\$0.00	0.00000	100.00
1.5 - 2.5	\$2,503,802.41	\$0.00	0.00000	100.00
2.5 - 3.5	\$129,043.31	\$0.00	0.00000	100.00
3.5 - 4.5	\$71,770.20	\$0.00	0.00000	100.00
4.5 - 5.5	\$100,649.76	\$0.00	0.00000	100.00
5.5 - 6.5	\$103,749.17	\$0.00	0.00000	100.00
6.5 - 7.5	\$65,518.07	\$0.00	0.00000	100.00
7.5 - 8.5	\$41,949.00	\$0.00	0.00000	100.00
8.5 - 9.5	\$50,031.13	\$0.00	0.00000	100.00
9.5 - 10.5	\$69,343.31	\$0.00	0.00000	100.00
10.5 - 11.5	\$75,009.89	\$0.00	0.00000	100.00
11.5 - 12.5	\$46,130.33	\$5,974.75	0.12952	100.00
12.5 - 13.5	\$44,790.94	\$0.00	0.00000	87.05
13.5 - 14.5	\$44,912.95	\$0.00	0.00000	87.05
14.5 - 15.5	\$40,625.57	\$0.00	0.00000	87.05
15.5 - 16.5	\$31,346.95	\$0.00	0.00000	87.05
16.5 - 17.5	\$12,034.77	\$0.00	0.00000	87.05
17.5 - 18.5	\$12,034.77	\$0.00	0.00000	87.05
18.5 - 19.5	\$12,034.77	\$0.00	0.00000	87.05
19.5 - 20.5	\$4,300.00	\$0.00	0.00000	87.05
20.5 - 21.5	\$0.00	\$0.00	0.00000	87.05
21.5 - 22.5	\$0.00	\$0.00	0.00000	87.05
22.5 - 23.5	\$0.00	\$0.00	0.00000	87.05
23.5 - 24.5	\$0.00	\$0.00	0.00000	87.05
24.5 - 25.5	\$0.00	\$0.00	0.00000	87.05
25.5 - 26.5	\$0.00	\$0.00	0.00000	87.05
26.5 - 27.5	\$0.00	\$0.00	0.00000	87.05
27.5 - 28.5	\$0.00	\$0.00	0.00000	87.05
28.5 - 29.5	\$0.00	\$0.00	0.00000	87.05
29.5 - 30.5	\$0.00	\$0.00	0.00000	87.05
30.5 - 31.5	\$0.00	\$0.00	0.00000	87.05
31.5 - 32.5	\$0.00	\$0.00	0.00000	87.05
32.5 - 33.5	\$0.00	\$0.00	0.00000	87.05
33.5 - 34.5	\$0.00	\$0.00	0.00000	87.05
34.5 - 35.5	\$0.00	\$0.00	0.00000	87.05
35.5 - 36.5	\$0.00	\$0.00	0.00000	87.05

Montana-Dakota Utilities Company

Gas Division

376.30 MAINS - VALVES

Observed Life Table

Retirement Expr. 2009 TO 2015

Placement Years 1970 TO 2013

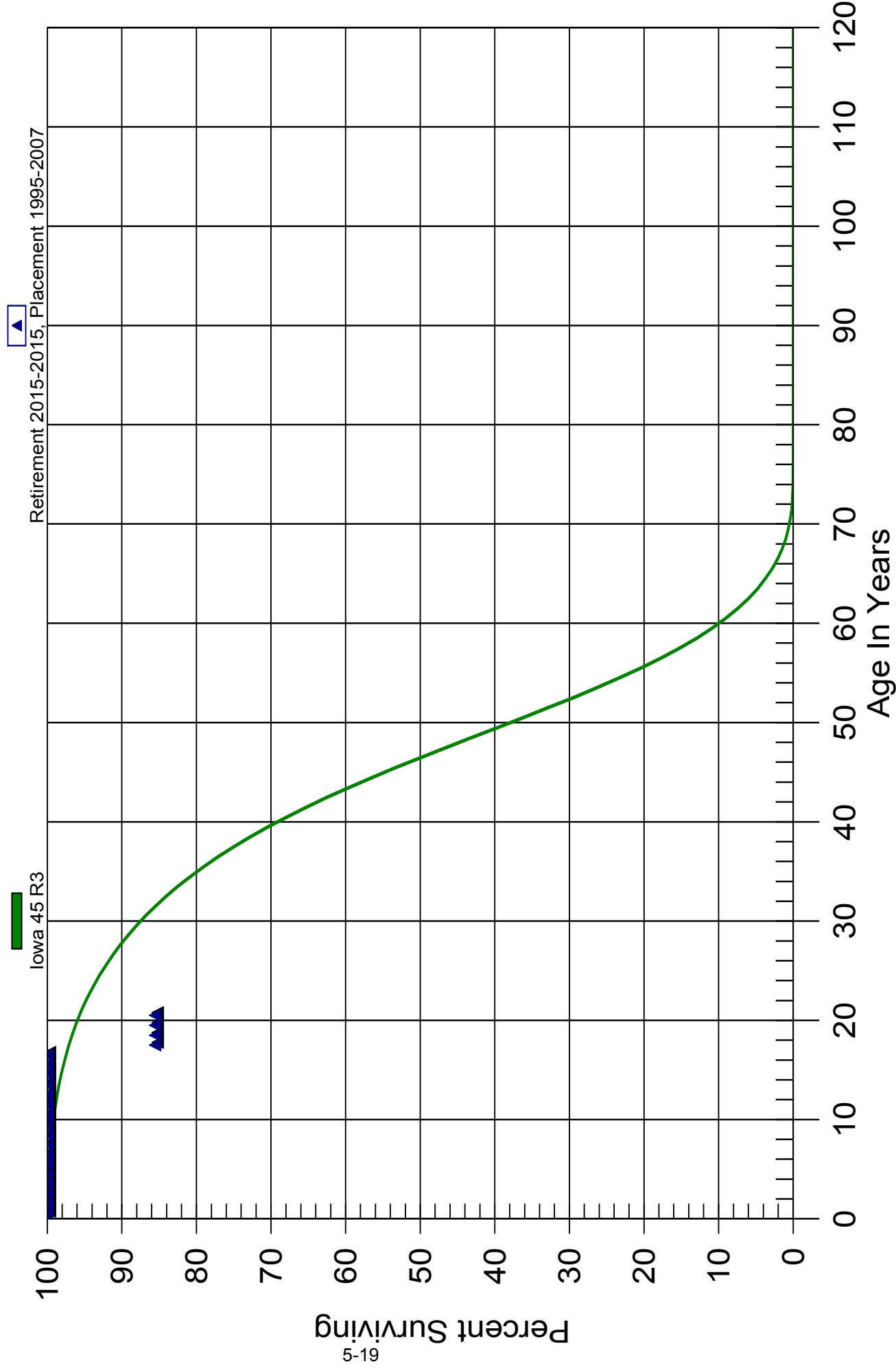
Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
36.5 - 37.5	\$0.00	\$0.00	0.00000	87.05
37.5 - 38.5	\$0.00	\$0.00	0.00000	87.05
38.5 - 39.5	\$498.32	\$0.00	0.00000	87.05
39.5 - 40.5	\$498.32	\$0.00	0.00000	87.05
40.5 - 41.5	\$498.32	\$0.00	0.00000	87.05
41.5 - 42.5	\$498.32	\$0.00	0.00000	87.05

Montana-Dakota Utilities Company

Gas Division

376.50 MAINS - BRIDGE & RIVER CROSSINGS

Original And Smooth Survivor Curves

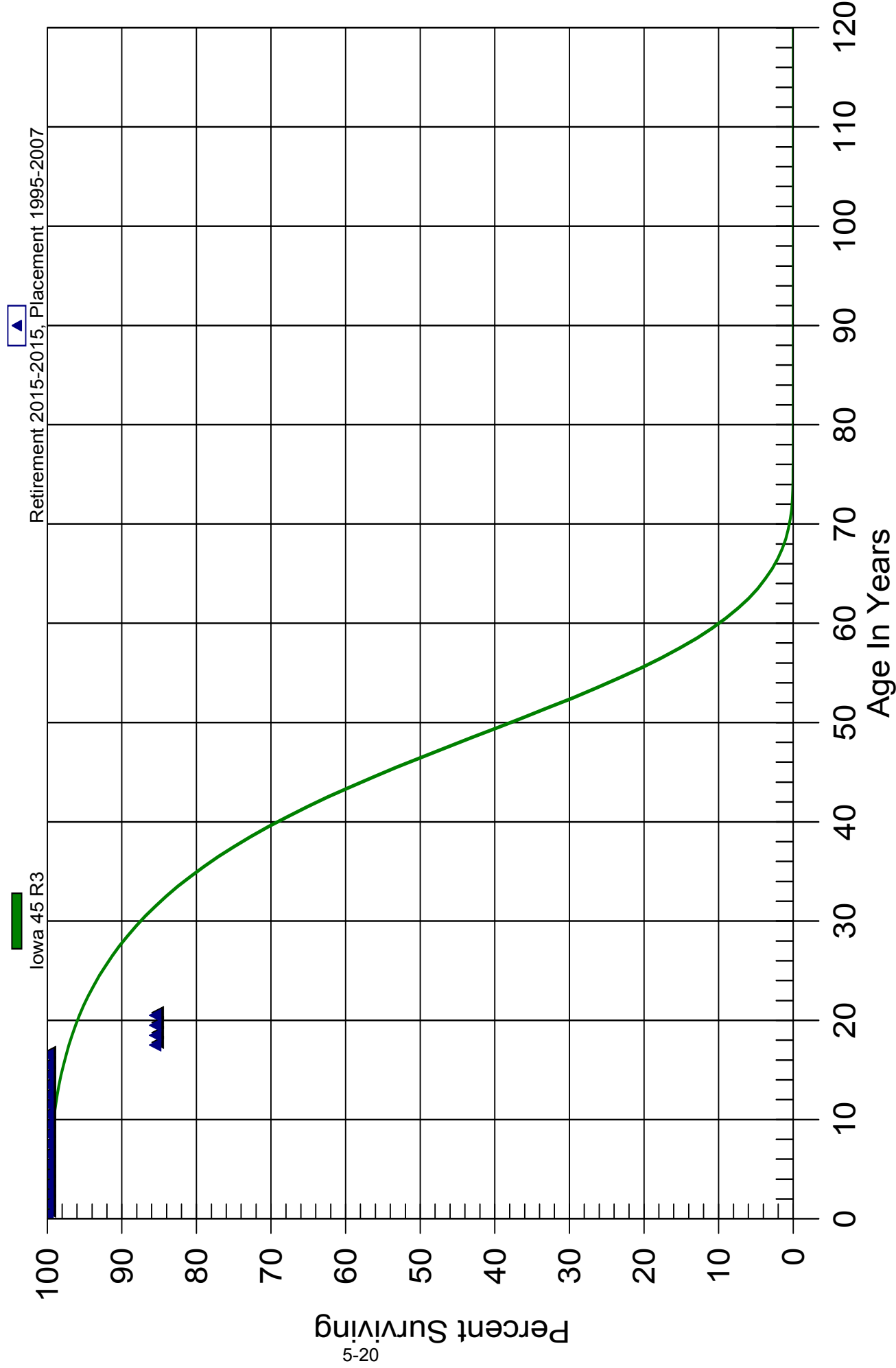


Montana-Dakota Utilities Company

Gas Division

376.50 MAINS - BRIDGE & RIVER CROSSINGS

Original And Smooth Survivor Curves

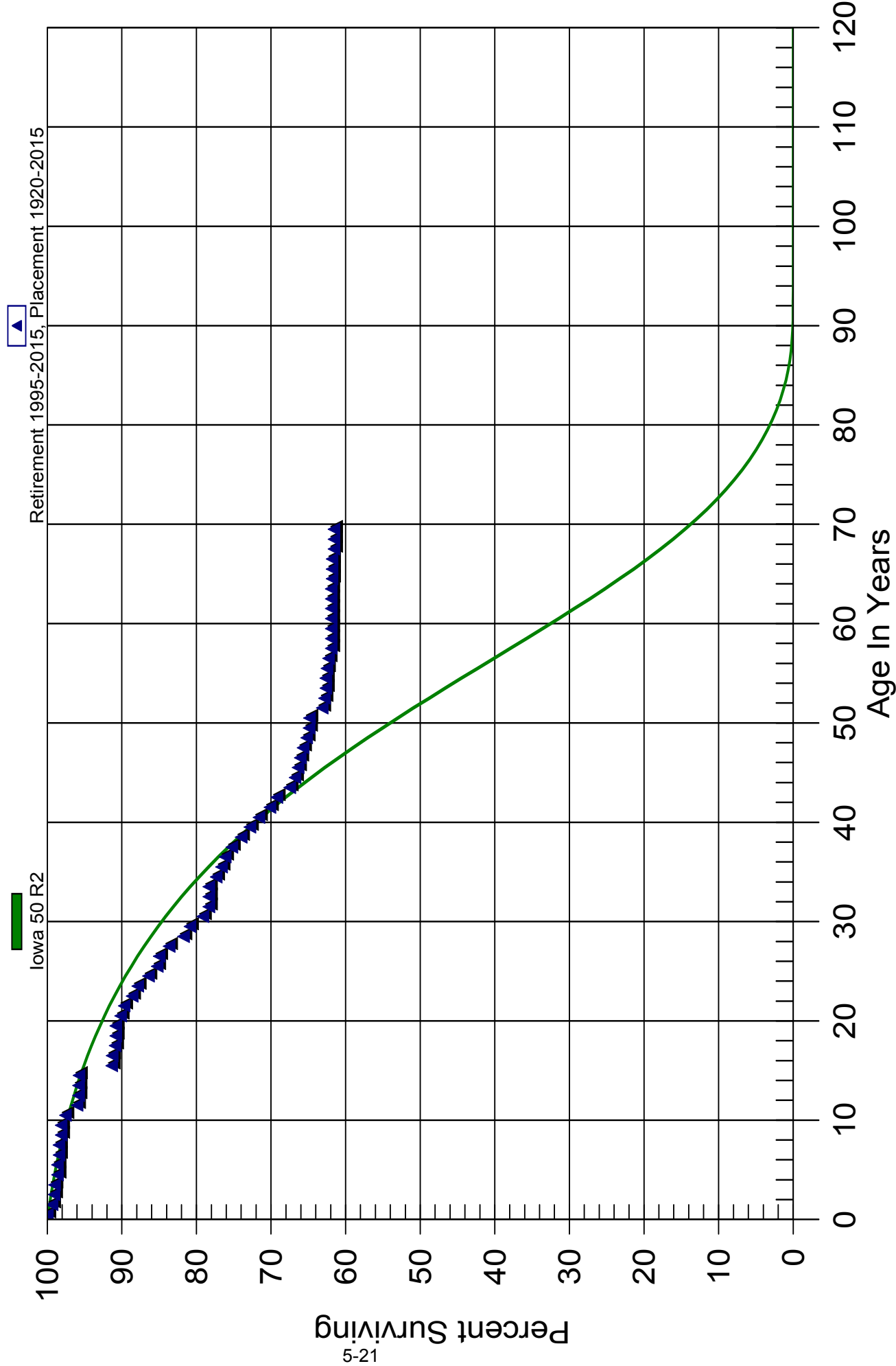


Montana-Dakota Utilities Company

Gas Division

378.00 MEAS. & REG. STATION EQUIP. - GENERAL

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company
Gas Division
378.00 MEAS. & REG. STATION EQUIP. - GENERAL

Observed Life Table
Retirement Expr. 1995 TO 2015
Placement Years 1920 TO 2015

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	\$2,591,339.53	\$0.00	0.00000	100.00
0.5 - 1.5	\$2,269,496.71	\$14,585.85	0.00643	100.00
1.5 - 2.5	\$2,211,411.48	\$6,048.43	0.00274	99.36
2.5 - 3.5	\$2,075,702.40	\$1,370.94	0.00066	99.09
3.5 - 4.5	\$1,819,388.25	\$7,200.00	0.00396	99.02
4.5 - 5.5	\$1,331,368.95	\$0.00	0.00000	98.63
5.5 - 6.5	\$1,297,213.63	\$2,695.53	0.00208	98.63
6.5 - 7.5	\$1,306,620.11	\$0.00	0.00000	98.42
7.5 - 8.5	\$1,028,017.65	\$2,995.49	0.00291	98.42
8.5 - 9.5	\$970,518.38	\$0.00	0.00000	98.14
9.5 - 10.5	\$897,893.65	\$5,364.86	0.00597	98.14
10.5 - 11.5	\$798,502.31	\$12,719.46	0.01593	97.55
11.5 - 12.5	\$666,520.55	\$1,409.36	0.00211	96.00
12.5 - 13.5	\$658,184.01	\$0.00	0.00000	95.79
13.5 - 14.5	\$609,459.20	\$317.67	0.00052	95.79
14.5 - 15.5	\$631,499.92	\$28,890.71	0.04575	95.74
15.5 - 16.5	\$585,398.86	\$330.33	0.00056	91.36
16.5 - 17.5	\$575,016.17	\$2,471.66	0.00430	91.31
17.5 - 18.5	\$561,561.17	\$664.92	0.00118	90.92
18.5 - 19.5	\$549,252.86	\$0.00	0.00000	90.81
19.5 - 20.5	\$576,339.65	\$4,183.24	0.00726	90.81
20.5 - 21.5	\$601,584.65	\$2,997.75	0.00498	90.15
21.5 - 22.5	\$576,236.67	\$6,888.91	0.01196	89.70
22.5 - 23.5	\$526,026.06	\$4,545.38	0.00864	88.63
23.5 - 24.5	\$525,136.96	\$8,463.94	0.01612	87.86
24.5 - 25.5	\$535,134.82	\$7,393.78	0.01382	86.45
25.5 - 26.5	\$548,796.30	\$1,582.71	0.00288	85.25
26.5 - 27.5	\$545,802.19	\$8,513.01	0.01560	85.01
27.5 - 28.5	\$522,663.09	\$12,113.99	0.02318	83.68
28.5 - 29.5	\$510,986.68	\$5,415.96	0.01060	81.74
29.5 - 30.5	\$526,350.34	\$11,326.96	0.02152	80.88
30.5 - 31.5	\$509,031.51	\$5,140.54	0.01010	79.14
31.5 - 32.5	\$497,852.41	\$0.00	0.00000	78.34
32.5 - 33.5	\$492,053.84	\$0.00	0.00000	78.34
33.5 - 34.5	\$479,381.70	\$6,046.93	0.01261	78.34
34.5 - 35.5	\$498,620.79	\$4,579.84	0.00919	77.35
35.5 - 36.5	\$476,998.91	\$3,068.86	0.00643	76.64

Montana-Dakota Utilities Company
Gas Division
378.00 MEAS. & REG. STATION EQUIP. - GENERAL

Observed Life Table
Retirement Expr. 1995 TO 2015
Placement Years 1920 TO 2015

Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
36.5 - 37.5	\$498,382.85	\$5,771.40	0.01158	76.15
37.5 - 38.5	\$481,581.86	\$8,063.80	0.01674	75.26
38.5 - 39.5	\$465,128.18	\$7,403.24	0.01592	74.00
39.5 - 40.5	\$444,586.81	\$7,287.37	0.01639	72.83
40.5 - 41.5	\$427,170.06	\$8,779.43	0.02055	71.63
41.5 - 42.5	\$371,847.97	\$4,975.37	0.01338	70.16
42.5 - 43.5	\$356,956.29	\$8,868.60	0.02485	69.22
43.5 - 44.5	\$328,795.16	\$3,490.56	0.01062	67.50
44.5 - 45.5	\$320,790.14	\$1,920.24	0.00599	66.78
45.5 - 46.5	\$302,281.40	\$1,417.38	0.00469	66.38
46.5 - 47.5	\$288,051.17	\$1,567.51	0.00544	66.07
47.5 - 48.5	\$276,958.70	\$2,136.99	0.00772	65.71
48.5 - 49.5	\$269,837.45	\$1,259.27	0.00467	65.21
49.5 - 50.5	\$257,076.99	\$189.17	0.00074	64.90
50.5 - 51.5	\$229,271.74	\$6,078.80	0.02651	64.85
51.5 - 52.5	\$211,591.94	\$1,055.84	0.00499	63.14
52.5 - 53.5	\$196,962.79	\$499.65	0.00254	62.82
53.5 - 54.5	\$181,196.04	\$0.00	0.00000	62.66
54.5 - 55.5	\$168,470.85	\$391.15	0.00232	62.66
55.5 - 56.5	\$147,125.58	\$565.32	0.00384	62.52
56.5 - 57.5	\$134,523.39	\$740.67	0.00551	62.27
57.5 - 58.5	\$125,086.60	\$0.00	0.00000	61.93
58.5 - 59.5	\$124,637.28	\$0.00	0.00000	61.93
59.5 - 60.5	\$113,870.36	\$0.00	0.00000	61.93
60.5 - 61.5	\$98,189.99	\$0.00	0.00000	61.93
61.5 - 62.5	\$89,290.88	\$0.00	0.00000	61.93
62.5 - 63.5	\$88,444.85	\$0.00	0.00000	61.93
63.5 - 64.5	\$85,147.56	\$170.00	0.00200	61.93
64.5 - 65.5	\$93,812.32	\$0.00	0.00000	61.81
65.5 - 66.5	\$82,130.60	\$0.00	0.00000	61.81
66.5 - 67.5	\$80,799.07	\$318.54	0.00394	61.81
67.5 - 68.5	\$77,164.90	\$0.00	0.00000	61.56
68.5 - 69.5	\$75,647.33	\$0.00	0.00000	61.56
69.5 - 70.5	\$74,040.14	\$0.00	0.00000	61.56
70.5 - 71.5	\$77,537.81	\$0.00	0.00000	61.56
71.5 - 72.5	\$80,950.17	\$0.00	0.00000	61.56
72.5 - 73.5	\$84,279.30	\$4,560.00	0.05411	61.56

Montana-Dakota Utilities Company
Gas Division
378.00 MEAS. & REG. STATION EQUIP. - GENERAL

Observed Life Table
Retirement Expr. 1995 TO 2015
Placement Years 1920 TO 2015

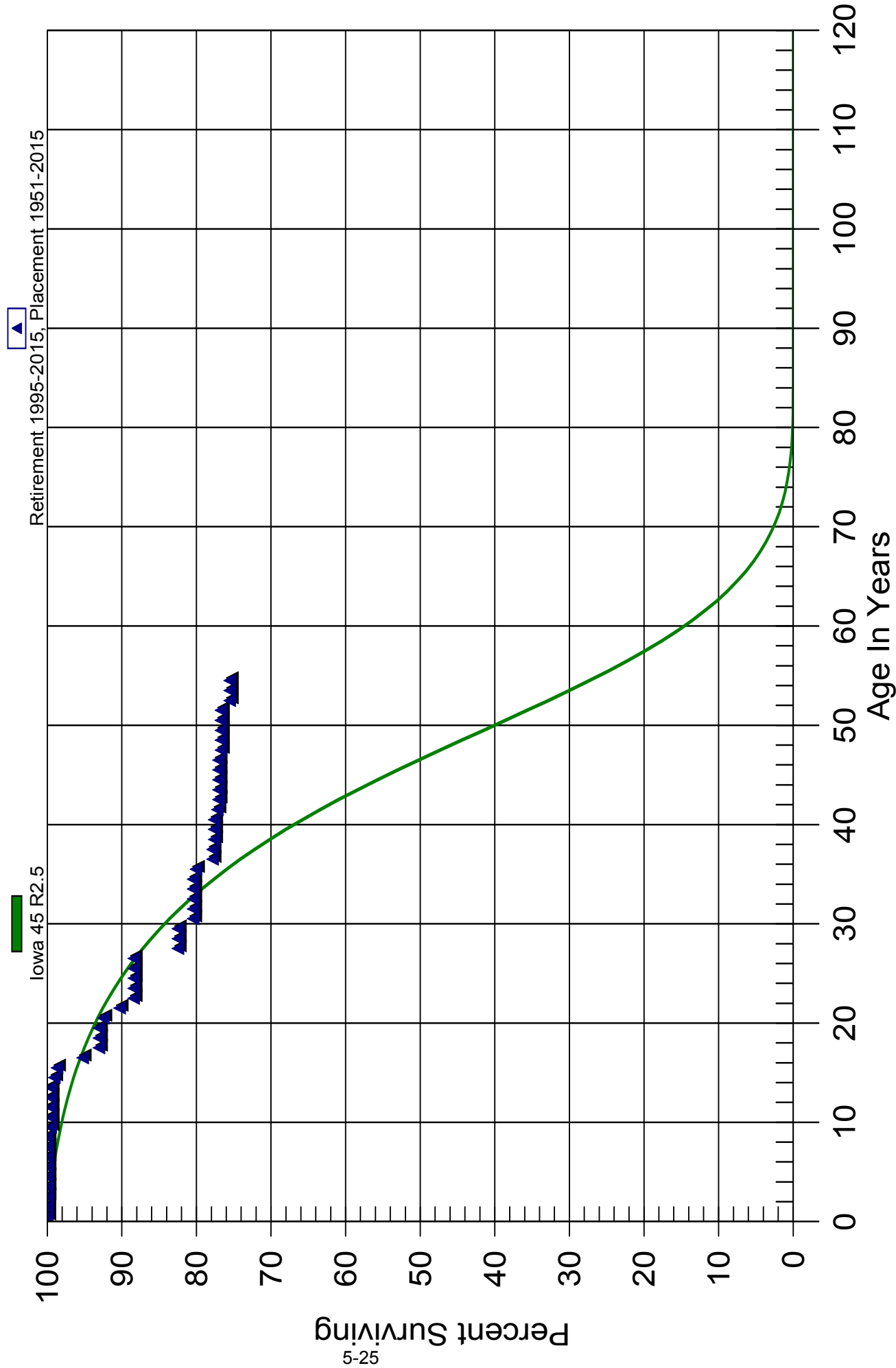
Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
73.5 - 74.5	\$82,967.23	\$0.00	0.00000	58.23
74.5 - 75.5	\$86,135.94	\$0.00	0.00000	58.23
75.5 - 76.5	\$80,943.64	\$0.00	0.00000	58.23
76.5 - 77.5	\$75,877.98	\$0.00	0.00000	58.23
77.5 - 78.5	\$70,935.87	\$0.00	0.00000	58.23
78.5 - 79.5	\$66,114.31	\$0.00	0.00000	58.23
79.5 - 80.5	\$61,410.34	\$0.00	0.00000	58.23
80.5 - 81.5	\$56,821.11	\$0.00	0.00000	58.23
81.5 - 82.5	\$52,343.81	\$0.00	0.00000	58.23
82.5 - 83.5	\$47,975.71	\$0.00	0.00000	58.23
83.5 - 84.5	\$43,714.15	\$0.00	0.00000	58.23
84.5 - 85.5	\$39,556.53	\$0.00	0.00000	58.23
85.5 - 86.5	\$35,500.31	\$0.00	0.00000	58.23
86.5 - 87.5	\$31,543.02	\$0.00	0.00000	58.23
87.5 - 88.5	\$27,682.25	\$0.00	0.00000	58.23
88.5 - 89.5	\$23,915.64	\$0.00	0.00000	58.23
89.5 - 90.5	\$20,240.91	\$0.00	0.00000	58.23
90.5 - 91.5	\$16,655.80	\$0.00	0.00000	58.23
91.5 - 92.5	\$13,158.13	\$0.00	0.00000	58.23
92.5 - 93.5	\$9,745.77	\$0.00	0.00000	58.23
93.5 - 94.5	\$6,416.64	\$0.00	0.00000	58.23
94.5 - 95.5	\$3,168.71	\$0.00	0.00000	58.23

Montana-Dakota Utilities Company

Gas Division

379.00 MEAS. & REG. STATION EQUIP. - CITY GATE

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company
Gas Division

379.00 MEAS. & REG. STATION EQUIP. - CITY GATE

Observed Life Table

Retirement Expr. 1995 TO 2015

Placement Years 1951 TO 2015

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	\$5,227,859.66	\$0.00	0.00000	100.00
0.5 - 1.5	\$4,132,075.64	\$0.00	0.00000	100.00
1.5 - 2.5	\$4,211,136.81	\$1,429.24	0.00034	100.00
2.5 - 3.5	\$2,027,648.72	\$0.00	0.00000	99.97
3.5 - 4.5	\$1,231,042.92	\$0.00	0.00000	99.97
4.5 - 5.5	\$752,623.51	\$0.00	0.00000	99.97
5.5 - 6.5	\$622,021.29	\$0.00	0.00000	99.97
6.5 - 7.5	\$616,096.10	\$0.00	0.00000	99.97
7.5 - 8.5	\$587,182.46	\$0.00	0.00000	99.97
8.5 - 9.5	\$587,623.74	\$2,445.56	0.00416	99.97
9.5 - 10.5	\$579,658.85	\$0.00	0.00000	99.55
10.5 - 11.5	\$648,349.36	\$0.00	0.00000	99.55
11.5 - 12.5	\$667,869.26	\$0.00	0.00000	99.55
12.5 - 13.5	\$657,872.14	\$0.00	0.00000	99.55
13.5 - 14.5	\$668,418.06	\$3,340.10	0.00500	99.55
14.5 - 15.5	\$683,797.58	\$2,593.97	0.00379	99.05
15.5 - 16.5	\$684,198.04	\$23,767.51	0.03474	98.68
16.5 - 17.5	\$671,373.53	\$15,453.52	0.02302	95.25
17.5 - 18.5	\$653,163.71	\$0.00	0.00000	93.06
18.5 - 19.5	\$595,307.29	\$0.00	0.00000	93.06
19.5 - 20.5	\$599,471.35	\$3,713.40	0.00619	93.06
20.5 - 21.5	\$590,933.86	\$14,000.00	0.02369	92.48
21.5 - 22.5	\$354,600.13	\$7,311.69	0.02062	90.29
22.5 - 23.5	\$155,840.51	\$0.00	0.00000	88.43
23.5 - 24.5	\$167,771.76	\$80.00	0.00048	88.43
24.5 - 25.5	\$207,275.55	\$0.00	0.00000	88.39
25.5 - 26.5	\$218,741.81	\$0.00	0.00000	88.39
26.5 - 27.5	\$228,813.04	\$15,277.73	0.06677	88.39
27.5 - 28.5	\$229,744.01	\$0.00	0.00000	82.48
28.5 - 29.5	\$232,846.47	\$0.00	0.00000	82.48
29.5 - 30.5	\$255,219.08	\$6,279.98	0.02461	82.48
30.5 - 31.5	\$292,606.49	\$0.00	0.00000	80.45
31.5 - 32.5	\$306,357.29	\$0.00	0.00000	80.45
32.5 - 33.5	\$314,941.09	\$0.00	0.00000	80.45
33.5 - 34.5	\$324,091.76	\$0.00	0.00000	80.45
34.5 - 35.5	\$315,936.71	\$1,470.33	0.00465	80.45
35.5 - 36.5	\$299,743.54	\$8,335.08	0.02781	80.08

Montana-Dakota Utilities Company
Gas Division

379.00 MEAS. & REG. STATION EQUIP. - CITY GATE

Observed Life Table

Retirement Expr. 1995 TO 2015

Placement Years 1951 TO 2015

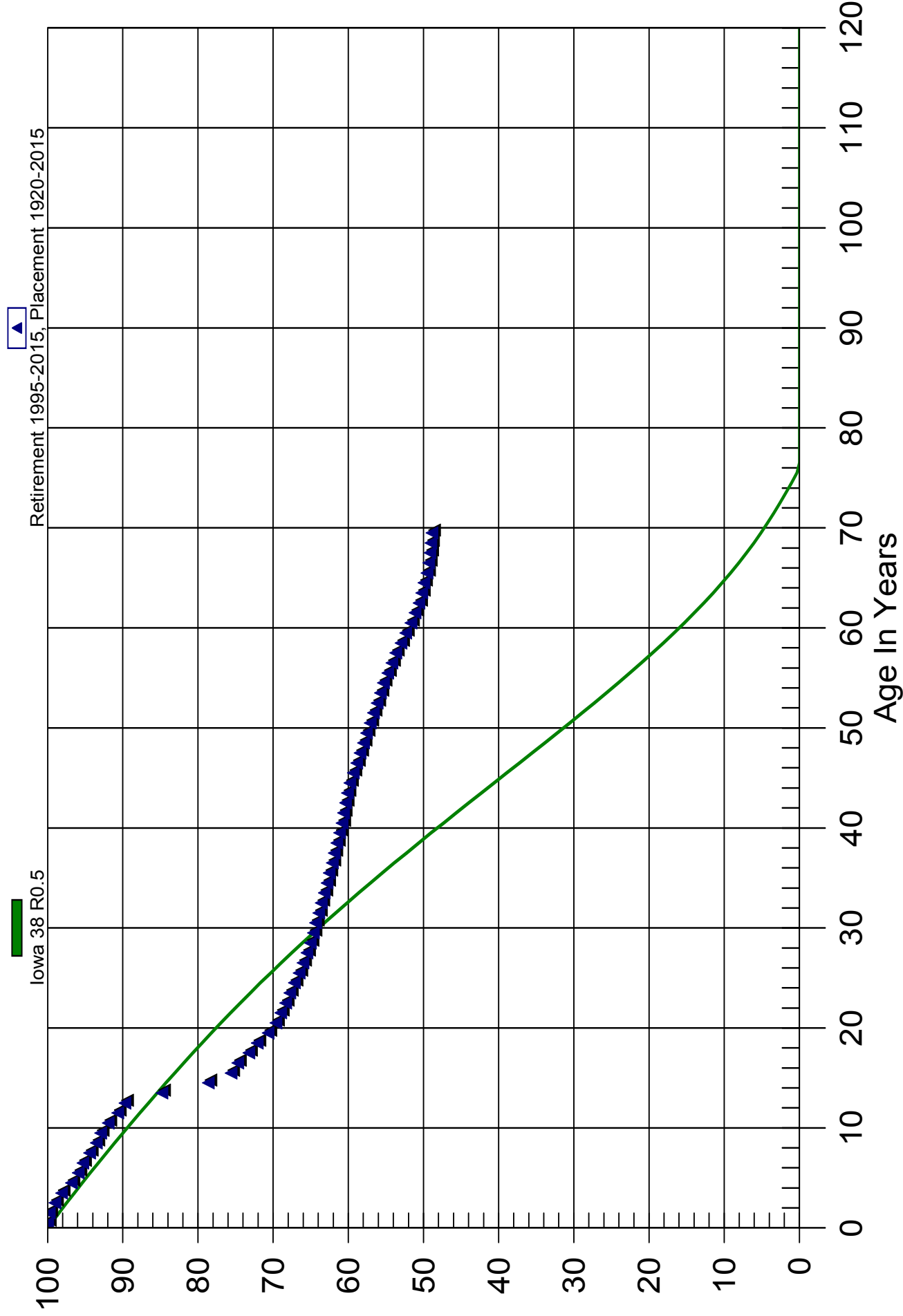
Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
36.5 - 37.5	\$292,468.20	\$0.00	0.00000	77.85
37.5 - 38.5	\$287,967.55	\$902.52	0.00313	77.85
38.5 - 39.5	\$288,375.67	\$0.00	0.00000	77.61
39.5 - 40.5	\$290,399.78	\$0.00	0.00000	77.61
40.5 - 41.5	\$302,825.76	\$1,664.33	0.00550	77.61
41.5 - 42.5	\$293,663.15	\$500.00	0.00170	77.18
42.5 - 43.5	\$288,898.59	\$0.00	0.00000	77.05
43.5 - 44.5	\$299,314.24	\$0.00	0.00000	77.05
44.5 - 45.5	\$287,382.99	\$0.00	0.00000	77.05
45.5 - 46.5	\$262,527.06	\$0.00	0.00000	77.05
46.5 - 47.5	\$251,487.75	\$1,039.33	0.00413	77.05
47.5 - 48.5	\$240,377.19	\$0.00	0.00000	76.73
48.5 - 49.5	\$224,168.49	\$0.00	0.00000	76.73
49.5 - 50.5	\$221,043.91	\$0.00	0.00000	76.73
50.5 - 51.5	\$199,132.54	\$0.00	0.00000	76.73
51.5 - 52.5	\$155,465.15	\$2,390.87	0.01538	76.73
52.5 - 53.5	\$135,983.94	\$0.00	0.00000	75.55
53.5 - 54.5	\$114,907.68	\$0.00	0.00000	75.55
54.5 - 55.5	\$94,914.06	\$0.00	0.00000	75.55
55.5 - 56.5	\$94,914.06	\$75.00	0.00079	75.55
56.5 - 57.5	\$94,839.06	\$0.00	0.00000	75.49
57.5 - 58.5	\$92,449.22	\$0.00	0.00000	75.49
58.5 - 59.5	\$86,006.87	\$0.00	0.00000	75.49
59.5 - 60.5	\$83,366.28	\$0.00	0.00000	75.49
60.5 - 61.5	\$72,277.28	\$0.00	0.00000	75.49
61.5 - 62.5	\$55,767.24	\$0.00	0.00000	75.49
62.5 - 63.5	\$42,976.03	\$0.00	0.00000	75.49
63.5 - 64.5	\$32,046.47	\$0.00	0.00000	75.49

Montana-Dakota Utilities Company

Gas Division

380.10 SERVICES - STEEL

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company

Gas Division

380.10 SERVICES - STEEL

Observed Life Table

Retirement Expr. 1995 TO 2015

Placement Years 1920 TO 2015

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	\$363,913.72	\$0.00	0.00000	100.00
0.5 - 1.5	\$348,124.83	\$771.08	0.00221	100.00
1.5 - 2.5	\$473,602.06	\$3,502.04	0.00739	99.78
2.5 - 3.5	\$510,038.81	\$4,572.16	0.00896	99.04
3.5 - 4.5	\$531,142.23	\$7,068.62	0.01331	98.15
4.5 - 5.5	\$563,933.28	\$5,411.08	0.00960	96.85
5.5 - 6.5	\$607,722.10	\$3,843.82	0.00632	95.92
6.5 - 7.5	\$653,781.60	\$6,011.07	0.00919	95.31
7.5 - 8.5	\$733,665.20	\$7,145.19	0.00974	94.43
8.5 - 9.5	\$805,750.60	\$4,810.33	0.00597	93.51
9.5 - 10.5	\$877,039.69	\$9,478.09	0.01081	92.96
10.5 - 11.5	\$948,734.73	\$13,198.72	0.01391	91.95
11.5 - 12.5	\$1,037,215.62	\$10,806.43	0.01042	90.67
12.5 - 13.5	\$1,170,079.51	\$64,201.29	0.05487	89.73
13.5 - 14.5	\$1,244,480.68	\$90,552.36	0.07276	84.80
14.5 - 15.5	\$1,285,923.33	\$49,577.16	0.03855	78.63
15.5 - 16.5	\$1,336,957.16	\$15,654.37	0.01171	75.60
16.5 - 17.5	\$1,429,696.06	\$28,309.70	0.01980	74.72
17.5 - 18.5	\$1,509,377.55	\$23,441.05	0.01553	73.24
18.5 - 19.5	\$1,613,902.86	\$32,045.69	0.01986	72.10
19.5 - 20.5	\$1,743,636.54	\$25,377.14	0.01455	70.67
20.5 - 21.5	\$1,826,685.10	\$17,161.04	0.00939	69.64
21.5 - 22.5	\$2,054,064.31	\$19,371.72	0.00943	68.99
22.5 - 23.5	\$2,354,689.02	\$19,053.57	0.00809	68.34
23.5 - 24.5	\$2,607,135.37	\$23,101.02	0.00886	67.78
24.5 - 25.5	\$3,404,357.81	\$31,841.36	0.00935	67.18
25.5 - 26.5	\$3,547,603.81	\$28,710.13	0.00809	66.55
26.5 - 27.5	\$3,664,775.39	\$28,119.23	0.00767	66.01
27.5 - 28.5	\$3,801,747.99	\$27,210.41	0.00716	65.51
28.5 - 29.5	\$3,908,036.46	\$23,126.05	0.00592	65.04
29.5 - 30.5	\$4,039,100.89	\$19,230.91	0.00476	64.65
30.5 - 31.5	\$4,200,187.85	\$26,720.50	0.00636	64.35
31.5 - 32.5	\$4,333,264.25	\$22,958.88	0.00530	63.94
32.5 - 33.5	\$4,473,273.54	\$28,596.11	0.00639	63.60
33.5 - 34.5	\$4,506,686.28	\$25,570.11	0.00567	63.19
34.5 - 35.5	\$4,526,131.41	\$20,185.06	0.00446	62.83
35.5 - 36.5	\$4,569,489.70	\$30,246.50	0.00662	62.55

Montana-Dakota Utilities Company

Gas Division

380.10 SERVICES - STEEL

Observed Life Table

Retirement Expr. 1995 TO 2015

Placement Years 1920 TO 2015

Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
36.5 - 37.5	\$4,583,884.70	\$18,755.55	0.00409	62.14
37.5 - 38.5	\$4,603,106.85	\$27,331.61	0.00594	61.88
38.5 - 39.5	\$4,679,136.99	\$27,826.74	0.00595	61.52
39.5 - 40.5	\$4,642,840.41	\$22,770.75	0.00490	61.15
40.5 - 41.5	\$4,588,599.12	\$16,650.16	0.00363	60.85
41.5 - 42.5	\$4,598,390.01	\$19,952.82	0.00434	60.63
42.5 - 43.5	\$4,449,885.86	\$18,545.72	0.00417	60.37
43.5 - 44.5	\$4,225,396.22	\$22,997.53	0.00544	60.12
44.5 - 45.5	\$4,011,322.50	\$30,754.20	0.00767	59.79
45.5 - 46.5	\$3,234,490.17	\$24,246.56	0.00750	59.33
46.5 - 47.5	\$3,072,162.90	\$23,231.30	0.00756	58.89
47.5 - 48.5	\$2,931,544.32	\$22,319.77	0.00761	58.44
48.5 - 49.5	\$2,779,968.89	\$19,666.58	0.00707	58.00
49.5 - 50.5	\$2,612,520.54	\$23,043.20	0.00882	57.59
50.5 - 51.5	\$2,404,345.34	\$17,436.06	0.00725	57.08
51.5 - 52.5	\$2,186,029.84	\$18,960.63	0.00867	56.66
52.5 - 53.5	\$1,978,892.63	\$15,286.94	0.00772	56.17
53.5 - 54.5	\$1,754,046.97	\$12,575.57	0.00717	55.74
54.5 - 55.5	\$1,629,777.99	\$16,920.39	0.01038	55.34
55.5 - 56.5	\$1,529,662.00	\$15,588.10	0.01019	54.76
56.5 - 57.5	\$1,396,288.83	\$12,925.22	0.00926	54.21
57.5 - 58.5	\$1,287,239.89	\$16,872.18	0.01311	53.70
58.5 - 59.5	\$1,170,406.22	\$14,273.92	0.01220	53.00
59.5 - 60.5	\$997,617.84	\$13,243.07	0.01327	52.35
60.5 - 61.5	\$914,084.76	\$9,337.87	0.01022	51.66
61.5 - 62.5	\$808,448.01	\$8,106.70	0.01003	51.13
62.5 - 63.5	\$724,566.40	\$5,466.16	0.00754	50.62
63.5 - 64.5	\$629,263.18	\$3,766.53	0.00599	50.24
64.5 - 65.5	\$561,185.06	\$4,550.78	0.00811	49.94
65.5 - 66.5	\$518,744.58	\$2,378.30	0.00458	49.53
66.5 - 67.5	\$507,652.88	\$1,652.90	0.00326	49.30
67.5 - 68.5	\$497,247.39	\$1,130.15	0.00227	49.14
68.5 - 69.5	\$486,610.12	\$1,682.10	0.00346	49.03
69.5 - 70.5	\$474,603.38	\$998.20	0.00210	48.86
70.5 - 71.5	\$497,312.51	\$308.05	0.00062	48.76
71.5 - 72.5	\$520,217.13	\$2,688.98	0.00517	48.73
72.5 - 73.5	\$540,093.12	\$168.80	0.00031	48.48

Montana-Dakota Utilities Company

Gas Division

380.10 SERVICES - STEEL

Observed Life Table

Retirement Expr. 1995 TO 2015

Placement Years 1920 TO 2015

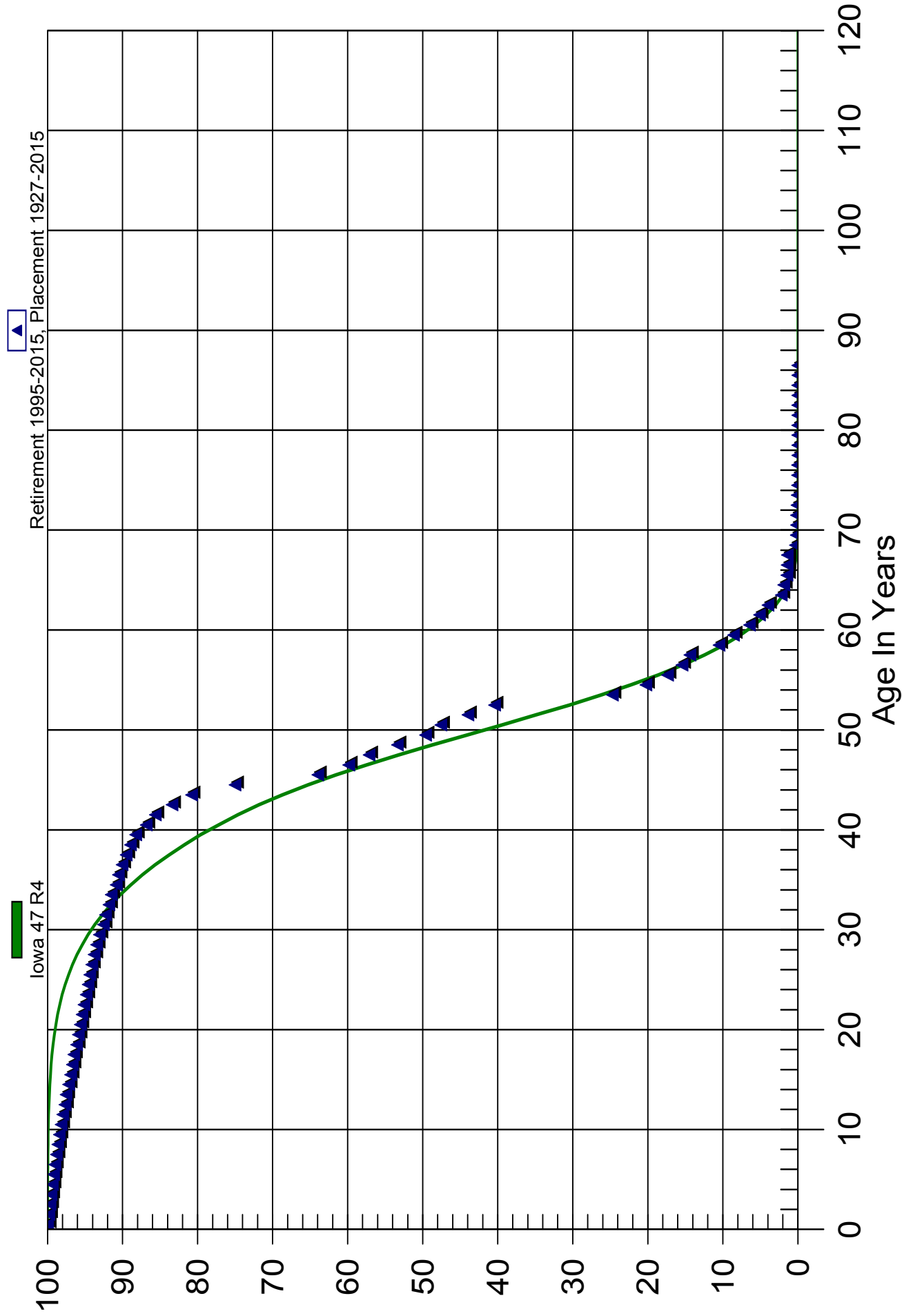
Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
73.5 - 74.5	\$561,938.93	\$326.56	0.00058	48.46
74.5 - 75.5	\$583,090.04	\$175.10	0.00030	48.43
75.5 - 76.5	\$548,306.17	\$108.90	0.00020	48.42
76.5 - 77.5	\$514,072.90	\$109.28	0.00021	48.41
77.5 - 78.5	\$480,465.80	\$21.35	0.00004	48.40
78.5 - 79.5	\$447,763.64	\$97.15	0.00022	48.40
79.5 - 80.5	\$415,782.78	\$54.45	0.00013	48.39
80.5 - 81.5	\$384,655.37	\$0.00	0.00000	48.38
81.5 - 82.5	\$354,307.99	\$0.00	0.00000	48.38
82.5 - 83.5	\$324,753.52	\$0.00	0.00000	48.38
83.5 - 84.5	\$295,868.45	\$0.00	0.00000	48.38
84.5 - 85.5	\$267,687.89	\$33.10	0.00012	48.38
85.5 - 86.5	\$240,706.08	\$0.00	0.00000	48.37
86.5 - 87.5	\$213,883.42	\$62.22	0.00029	48.37
87.5 - 88.5	\$187,652.75	\$21.35	0.00011	48.36
88.5 - 89.5	\$162,101.20	\$0.00	0.00000	48.35
89.5 - 90.5	\$137,193.69	\$0.00	0.00000	48.35
90.5 - 91.5	\$112,893.68	\$0.00	0.00000	48.35
91.5 - 92.5	\$89,186.35	\$0.00	0.00000	48.35
92.5 - 93.5	\$66,057.25	\$0.00	0.00000	48.35
93.5 - 94.5	\$43,492.28	\$0.00	0.00000	48.35
94.5 - 95.5	\$21,477.67	\$0.00	0.00000	48.35

Montana-Dakota Utilities Company

Gas Division

380.20 SERVICES - PLASTIC

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company

Gas Division

380.20 SERVICES - PLASTIC

Observed Life Table

Retirement Expr. 1995 TO 2015

Placement Years 1927 TO 2015

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	\$72,285,488.89	\$12,749.45	0.00018	100.00
0.5 - 1.5	\$66,773,885.74	\$107,209.59	0.00161	99.98
1.5 - 2.5	\$59,573,486.09	\$98,485.44	0.00165	99.82
2.5 - 3.5	\$52,127,305.36	\$70,390.49	0.00135	99.66
3.5 - 4.5	\$44,781,716.39	\$70,730.46	0.00158	99.52
4.5 - 5.5	\$39,951,324.51	\$63,582.60	0.00159	99.37
5.5 - 6.5	\$36,567,389.51	\$59,017.46	0.00161	99.21
6.5 - 7.5	\$33,790,030.77	\$70,211.95	0.00208	99.05
7.5 - 8.5	\$30,589,664.23	\$62,289.14	0.00204	98.84
8.5 - 9.5	\$28,230,204.94	\$61,016.06	0.00216	98.64
9.5 - 10.5	\$26,082,733.33	\$63,329.48	0.00243	98.43
10.5 - 11.5	\$24,005,939.09	\$51,597.29	0.00215	98.19
11.5 - 12.5	\$22,257,404.67	\$64,840.24	0.00291	97.98
12.5 - 13.5	\$20,819,103.82	\$35,083.26	0.00169	97.69
13.5 - 14.5	\$20,071,317.48	\$72,167.76	0.00360	97.53
14.5 - 15.5	\$19,579,660.04	\$49,581.74	0.00253	97.18
15.5 - 16.5	\$19,128,658.50	\$43,720.29	0.00229	96.93
16.5 - 17.5	\$18,517,551.57	\$40,889.54	0.00221	96.71
17.5 - 18.5	\$17,689,605.60	\$66,575.66	0.00376	96.49
18.5 - 19.5	\$16,797,355.84	\$39,591.49	0.00236	96.13
19.5 - 20.5	\$15,576,017.46	\$43,856.39	0.00282	95.90
20.5 - 21.5	\$15,064,056.39	\$37,504.77	0.00249	95.63
21.5 - 22.5	\$13,290,576.81	\$36,064.37	0.00271	95.40
22.5 - 23.5	\$12,547,022.31	\$37,708.61	0.00301	95.14
23.5 - 24.5	\$11,700,544.92	\$30,752.74	0.00263	94.85
24.5 - 25.5	\$11,011,276.39	\$28,777.98	0.00261	94.60
25.5 - 26.5	\$10,493,663.45	\$29,094.08	0.00277	94.36
26.5 - 27.5	\$10,012,626.99	\$32,825.25	0.00328	94.09
27.5 - 28.5	\$9,427,329.87	\$30,481.25	0.00323	93.79
28.5 - 29.5	\$8,837,431.89	\$35,338.41	0.00400	93.48
29.5 - 30.5	\$8,155,960.97	\$48,780.93	0.00598	93.11
30.5 - 31.5	\$7,263,645.15	\$23,800.68	0.00328	92.55
31.5 - 32.5	\$6,488,156.31	\$28,733.72	0.00443	92.25
32.5 - 33.5	\$5,602,111.06	\$19,340.29	0.00345	91.84
33.5 - 34.5	\$4,885,068.92	\$35,468.89	0.00726	91.52
34.5 - 35.5	\$4,265,900.79	\$13,863.21	0.00325	90.86
35.5 - 36.5	\$3,532,006.46	\$18,773.11	0.00532	90.56

Montana-Dakota Utilities Company

Gas Division

380.20 SERVICES - PLASTIC

Observed Life Table

Retirement Expr. 1995 TO 2015

Placement Years 1927 TO 2015

Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
36.5 - 37.5	\$2,881,842.17	\$18,338.30	0.00636	90.08
37.5 - 38.5	\$2,458,614.68	\$15,221.19	0.00619	89.51
38.5 - 39.5	\$2,056,244.32	\$16,445.45	0.00800	88.95
39.5 - 40.5	\$1,476,203.11	\$23,617.49	0.01600	88.24
40.5 - 41.5	\$1,164,221.31	\$15,983.59	0.01373	86.83
41.5 - 42.5	\$645,841.93	\$16,765.00	0.02596	85.64
42.5 - 43.5	\$418,543.34	\$13,005.38	0.03107	83.42
43.5 - 44.5	\$174,587.77	\$12,505.33	0.07163	80.82
44.5 - 45.5	\$156,710.11	\$23,102.67	0.14742	75.03
45.5 - 46.5	\$134,169.12	\$8,641.20	0.06441	63.97
46.5 - 47.5	\$125,814.41	\$5,679.08	0.04514	59.85
47.5 - 48.5	\$120,268.16	\$7,958.85	0.06618	57.15
48.5 - 49.5	\$113,786.68	\$7,982.86	0.07016	53.37
49.5 - 50.5	\$105,858.95	\$4,368.11	0.04126	49.62
50.5 - 51.5	\$101,605.69	\$7,687.19	0.07566	47.58
51.5 - 52.5	\$93,847.79	\$7,552.47	0.08048	43.98
52.5 - 53.5	\$86,326.75	\$33,534.87	0.38846	40.44
53.5 - 54.5	\$52,648.32	\$9,560.63	0.18159	24.73
54.5 - 55.5	\$43,151.59	\$6,123.84	0.14191	20.24
55.5 - 56.5	\$36,322.67	\$4,025.00	0.11081	17.37
56.5 - 57.5	\$32,163.66	\$2,143.09	0.06663	15.44
57.5 - 58.5	\$30,064.04	\$8,147.18	0.27099	14.41
58.5 - 59.5	\$21,916.86	\$4,053.69	0.18496	10.51
59.5 - 60.5	\$17,765.64	\$4,376.93	0.24637	8.56
60.5 - 61.5	\$13,388.71	\$2,786.55	0.20813	6.45
61.5 - 62.5	\$10,417.08	\$2,296.92	0.22050	5.11
62.5 - 63.5	\$8,053.58	\$3,592.44	0.44607	3.98
63.5 - 64.5	\$4,348.48	\$603.98	0.13889	2.21
64.5 - 65.5	\$3,519.18	\$798.66	0.22694	1.90
65.5 - 66.5	\$2,699.32	\$97.15	0.03599	1.47
66.5 - 67.5	\$2,602.17	\$42.70	0.01641	1.42
67.5 - 68.5	\$2,592.57	\$1,971.07	0.76028	1.39
68.5 - 69.5	\$621.50	\$221.45	0.35632	0.33
69.5 - 70.5	\$400.05	\$33.10	0.08274	0.21
70.5 - 71.5	\$366.95	\$0.00	0.00000	0.20
71.5 - 72.5	\$366.95	\$139.55	0.38030	0.20
72.5 - 73.5	\$227.40	\$106.75	0.46944	0.12

Montana-Dakota Utilities Company
Gas Division

380.20 SERVICES - PLASTIC

Observed Life Table

Retirement Expr. 1995 TO 2015

Placement Years 1927 TO 2015

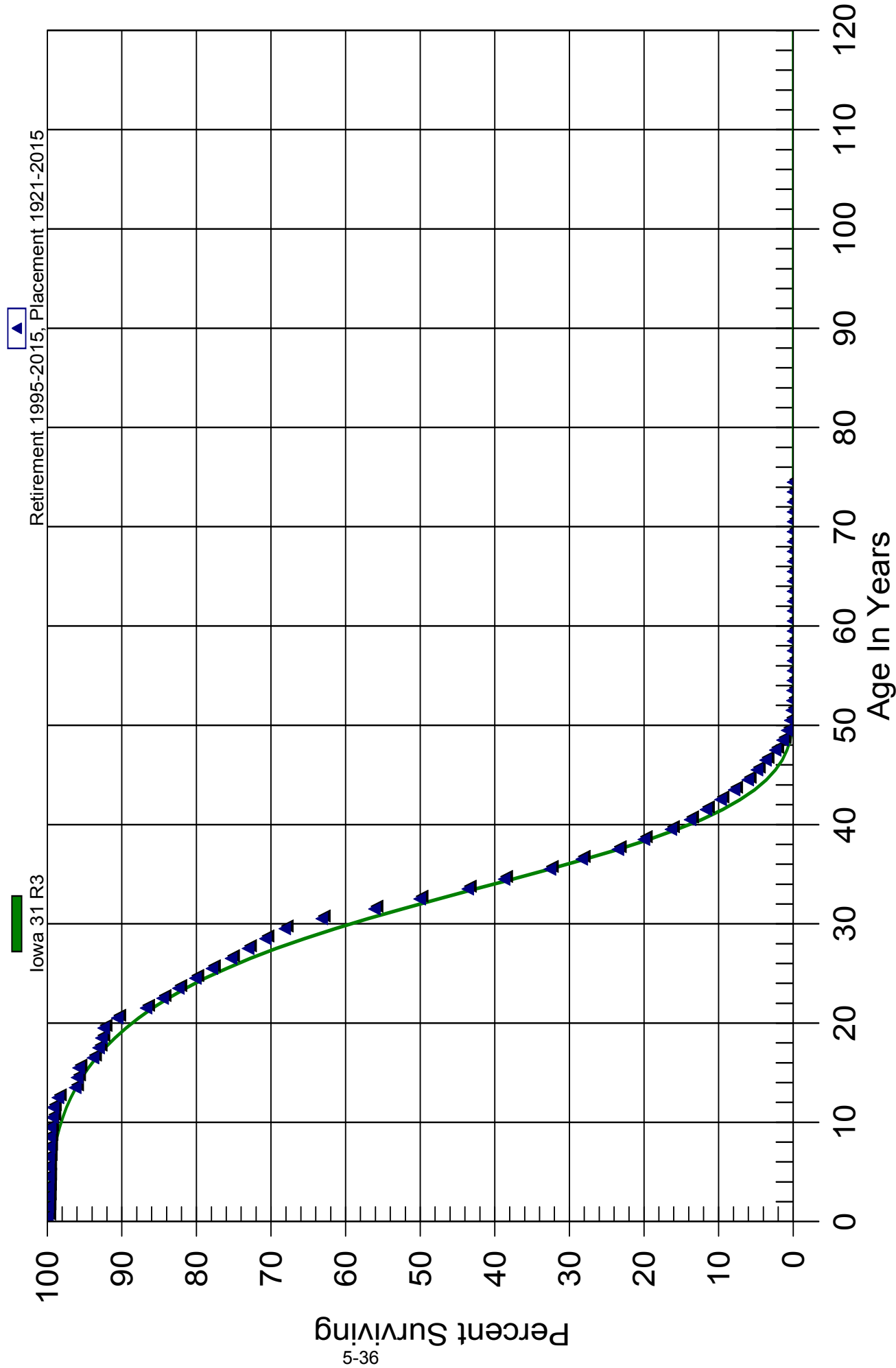
Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
73.5 - 74.5	\$120.65	\$21.35	0.17696	0.06
74.5 - 75.5	\$99.30	\$33.10	0.33333	0.05
75.5 - 76.5	\$66.20	\$0.00	0.00000	0.04
76.5 - 77.5	\$66.20	\$33.10	0.50000	0.04
77.5 - 78.5	\$33.10	\$0.00	0.00000	0.02
78.5 - 79.5	\$33.10	\$0.00	0.00000	0.02
79.5 - 80.5	\$33.10	\$0.00	0.00000	0.02
80.5 - 81.5	\$33.10	\$0.00	0.00000	0.02
81.5 - 82.5	\$33.10	\$0.00	0.00000	0.02
82.5 - 83.5	\$33.10	\$0.00	0.00000	0.02
83.5 - 84.5	\$33.10	\$0.00	0.00000	0.02
84.5 - 85.5	\$33.10	\$0.00	0.00000	0.02
85.5 - 86.5	\$33.10	\$0.00	0.00000	0.02

Montana-Dakota Utilities Company

Gas Division

381.00 METERS

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company

Gas Division

381.00 METERS

Observed Life Table

Retirement Expr. 1995 TO 2015

Placement Years 1921 TO 2015

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	\$72,220,831.99	\$8,067.30	0.00011	100.00
0.5 - 1.5	\$68,093,600.68	\$15,867.53	0.00023	99.99
1.5 - 2.5	\$65,184,570.30	\$25,451.50	0.00039	99.97
2.5 - 3.5	\$62,519,982.39	\$17,755.59	0.00028	99.93
3.5 - 4.5	\$58,976,396.92	\$11,184.52	0.00019	99.90
4.5 - 5.5	\$55,941,607.26	\$12,167.70	0.00022	99.88
5.5 - 6.5	\$54,287,704.07	\$28,785.85	0.00053	99.86
6.5 - 7.5	\$53,611,667.95	\$22,344.29	0.00042	99.80
7.5 - 8.5	\$43,768,893.59	\$26,416.53	0.00060	99.76
8.5 - 9.5	\$34,955,142.61	\$29,422.64	0.00084	99.70
9.5 - 10.5	\$32,987,176.04	\$93,399.42	0.00283	99.62
10.5 - 11.5	\$30,308,931.01	\$29,656.09	0.00098	99.34
11.5 - 12.5	\$28,952,137.68	\$194,228.80	0.00671	99.24
12.5 - 13.5	\$27,472,236.57	\$639,031.50	0.02326	98.57
13.5 - 14.5	\$25,493,195.63	\$68,784.03	0.00270	96.28
14.5 - 15.5	\$23,974,167.72	\$52,479.43	0.00219	96.02
15.5 - 16.5	\$22,361,866.45	\$454,535.36	0.02033	95.81
16.5 - 17.5	\$20,500,678.81	\$158,348.36	0.00772	93.86
17.5 - 18.5	\$19,049,209.58	\$78,056.20	0.00410	93.14
18.5 - 19.5	\$18,248,420.81	\$55,425.18	0.00304	92.76
19.5 - 20.5	\$17,457,224.40	\$350,006.17	0.02005	92.47
20.5 - 21.5	\$2,431,008.39	\$103,540.45	0.04259	90.62
21.5 - 22.5	\$2,683,958.30	\$68,659.46	0.02558	86.76
22.5 - 23.5	\$3,052,079.53	\$76,725.38	0.02514	84.54
23.5 - 24.5	\$3,196,812.04	\$87,503.78	0.02737	82.42
24.5 - 25.5	\$3,469,100.90	\$96,927.66	0.02794	80.16
25.5 - 26.5	\$3,526,217.90	\$116,071.33	0.03292	77.92
26.5 - 27.5	\$3,608,116.84	\$109,003.48	0.03021	75.36
27.5 - 28.5	\$3,669,805.35	\$116,479.34	0.03174	73.08
28.5 - 29.5	\$3,695,364.10	\$136,018.59	0.03681	70.76
29.5 - 30.5	\$3,748,649.07	\$271,786.29	0.07250	68.16
30.5 - 31.5	\$3,615,952.75	\$405,222.01	0.11207	63.21
31.5 - 32.5	\$3,380,765.80	\$363,138.52	0.10741	56.13
32.5 - 33.5	\$3,225,285.71	\$416,582.74	0.12916	50.10
33.5 - 34.5	\$2,962,533.10	\$331,182.91	0.11179	43.63
34.5 - 35.5	\$2,701,708.66	\$427,225.75	0.15813	38.75
35.5 - 36.5	\$2,311,348.15	\$303,744.68	0.13141	32.62

Montana-Dakota Utilities Company

Gas Division

381.00 METERS

Observed Life Table

Retirement Expr. 1995 TO 2015

Placement Years 1921 TO 2015

Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
36.5 - 37.5	\$2,029,176.79	\$345,169.86	0.17010	28.34
37.5 - 38.5	\$1,706,504.12	\$253,482.29	0.14854	23.52
38.5 - 39.5	\$1,477,643.57	\$267,386.21	0.18095	20.02
39.5 - 40.5	\$1,228,472.77	\$193,154.59	0.15723	16.40
40.5 - 41.5	\$1,050,007.04	\$162,808.95	0.15506	13.82
41.5 - 42.5	\$897,718.20	\$149,518.48	0.16655	11.68
42.5 - 43.5	\$758,842.13	\$141,649.42	0.18667	9.73
43.5 - 44.5	\$625,820.85	\$143,448.77	0.22922	7.92
44.5 - 45.5	\$493,231.98	\$101,572.52	0.20593	6.10
45.5 - 46.5	\$402,853.91	\$95,209.86	0.23634	4.85
46.5 - 47.5	\$316,232.41	\$109,753.02	0.34706	3.70
47.5 - 48.5	\$215,005.37	\$88,670.90	0.41241	2.42
48.5 - 49.5	\$130,312.14	\$58,829.58	0.45145	1.42
49.5 - 50.5	\$75,524.49	\$38,555.11	0.51050	0.78
50.5 - 51.5	\$41,326.67	\$22,197.13	0.53711	0.38
51.5 - 52.5	\$21,096.49	\$9,896.64	0.46911	0.18
52.5 - 53.5	\$14,736.90	\$5,449.43	0.36978	0.09
53.5 - 54.5	\$12,456.95	\$4,657.57	0.37389	0.06
54.5 - 55.5	\$10,887.72	\$3,252.32	0.29871	0.04
55.5 - 56.5	\$9,850.32	\$1,840.06	0.18680	0.03
56.5 - 57.5	\$9,642.19	\$2,007.90	0.20824	0.02
57.5 - 58.5	\$8,880.40	\$1,977.83	0.22272	0.02
58.5 - 59.5	\$7,306.13	\$1,831.09	0.25062	0.01
59.5 - 60.5	\$6,078.69	\$1,866.72	0.30709	0.01
60.5 - 61.5	\$4,231.99	\$1,275.00	0.30128	0.01
61.5 - 62.5	\$2,997.00	\$1,134.72	0.37862	0.00
62.5 - 63.5	\$1,993.24	\$595.48	0.29875	0.00
63.5 - 64.5	\$1,830.30	\$335.43	0.18327	0.00
64.5 - 65.5	\$1,885.77	\$674.29	0.35757	0.00
65.5 - 66.5	\$2,159.67	\$234.02	0.10836	0.00
66.5 - 67.5	\$2,186.65	\$402.96	0.18428	0.00
67.5 - 68.5	\$2,139.42	\$266.97	0.12479	0.00
68.5 - 69.5	\$2,062.29	\$786.33	0.38129	0.00
69.5 - 70.5	\$1,275.96	\$496.50	0.38912	0.00
70.5 - 71.5	\$779.46	\$240.85	0.30900	0.00
71.5 - 72.5	\$538.61	\$69.02	0.12814	0.00
72.5 - 73.5	\$583.25	\$233.79	0.40084	0.00

Montana-Dakota Utilities Company

Gas Division

381.00 METERS

Observed Life Table

Retirement Expr. 1995 TO 2015

Placement Years 1921 TO 2015

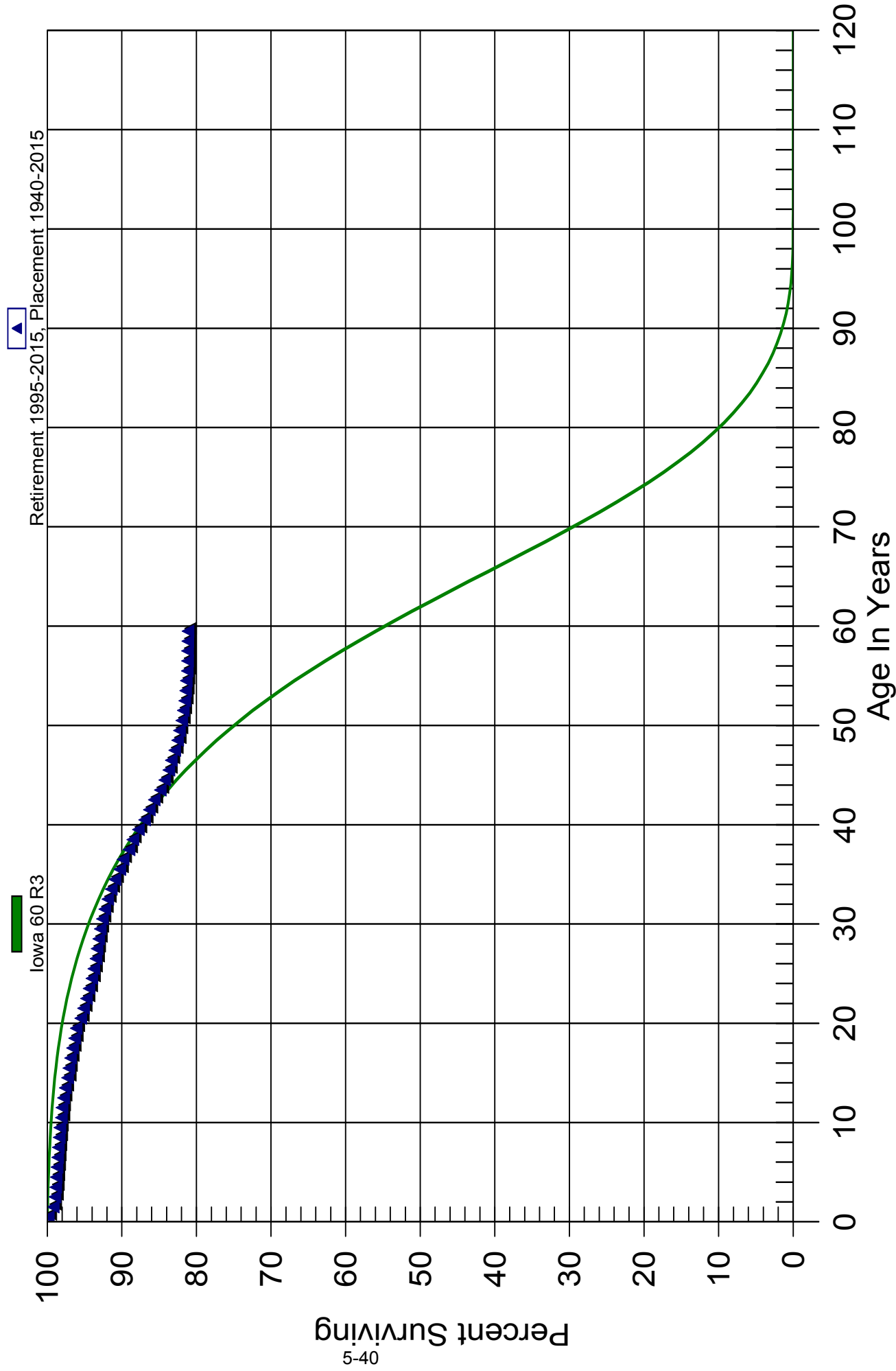
Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
73.5 - 74.5	\$378.46	\$314.50	0.83100	0.00

Montana-Dakota Utilities Company

Gas Division

383.00 HOUSE REGULATORS

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company

Gas Division

383.00 HOUSE REGULATORS

Observed Life Table

Retirement Expr. 1995 TO 2015

Placement Years 1940 TO 2015

<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
0.0 - 0.5	\$6,618,753.58	\$8,069.21	0.00122	100.00
0.5 - 1.5	\$5,641,207.08	\$37,631.07	0.00667	99.88
1.5 - 2.5	\$5,022,394.28	\$11,972.54	0.00238	99.21
2.5 - 3.5	\$4,560,846.75	\$5,152.61	0.00113	98.98
3.5 - 4.5	\$3,927,503.29	\$2,924.90	0.00074	98.86
4.5 - 5.5	\$3,395,441.73	\$3,670.05	0.00108	98.79
5.5 - 6.5	\$3,110,201.27	\$2,356.20	0.00076	98.68
6.5 - 7.5	\$3,052,728.32	\$3,284.17	0.00108	98.61
7.5 - 8.5	\$2,787,908.56	\$3,253.13	0.00117	98.50
8.5 - 9.5	\$2,692,756.77	\$2,316.33	0.00086	98.39
9.5 - 10.5	\$2,577,018.25	\$4,644.37	0.00180	98.30
10.5 - 11.5	\$2,500,235.33	\$2,819.73	0.00113	98.13
11.5 - 12.5	\$2,485,106.26	\$4,703.08	0.00189	98.01
12.5 - 13.5	\$2,371,975.00	\$5,701.78	0.00240	97.83
13.5 - 14.5	\$2,392,153.48	\$7,682.42	0.00321	97.59
14.5 - 15.5	\$2,440,517.26	\$4,465.00	0.00183	97.28
15.5 - 16.5	\$2,366,392.55	\$5,327.59	0.00225	97.10
16.5 - 17.5	\$2,296,067.56	\$6,749.02	0.00294	96.88
17.5 - 18.5	\$2,171,894.25	\$6,027.02	0.00278	96.60
18.5 - 19.5	\$2,108,672.07	\$4,740.68	0.00225	96.33
19.5 - 20.5	\$2,087,560.28	\$12,858.84	0.00616	96.11
20.5 - 21.5	\$2,060,929.87	\$8,323.31	0.00404	95.52
21.5 - 22.5	\$2,005,389.95	\$8,193.59	0.00409	95.14
22.5 - 23.5	\$1,951,029.62	\$7,544.98	0.00387	94.75
23.5 - 24.5	\$1,888,351.59	\$7,034.66	0.00373	94.38
24.5 - 25.5	\$1,864,371.85	\$5,205.95	0.00279	94.03
25.5 - 26.5	\$1,823,023.41	\$6,002.06	0.00329	93.77
26.5 - 27.5	\$1,806,307.84	\$2,769.89	0.00153	93.46
27.5 - 28.5	\$1,784,817.71	\$4,260.00	0.00239	93.32
28.5 - 29.5	\$1,753,747.27	\$3,952.68	0.00225	93.09
29.5 - 30.5	\$1,727,676.79	\$4,907.22	0.00284	92.88
30.5 - 31.5	\$1,648,646.69	\$6,038.75	0.00366	92.62
31.5 - 32.5	\$1,554,200.95	\$6,867.18	0.00442	92.28
32.5 - 33.5	\$1,503,919.95	\$7,175.23	0.00477	91.87
33.5 - 34.5	\$1,476,600.57	\$7,860.34	0.00532	91.43
34.5 - 35.5	\$1,413,109.98	\$10,422.90	0.00738	90.95
35.5 - 36.5	\$1,300,280.74	\$6,301.29	0.00485	90.28

Montana-Dakota Utilities Company

Gas Division

383.00 HOUSE REGULATORS

Observed Life Table

Retirement Expr. 1995 TO 2015

Placement Years 1940 TO 2015

Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
36.5 - 37.5	\$1,235,256.90	\$11,253.36	0.00911	89.84
37.5 - 38.5	\$1,195,755.47	\$6,584.77	0.00551	89.02
38.5 - 39.5	\$1,190,827.03	\$10,021.71	0.00842	88.53
39.5 - 40.5	\$1,143,581.69	\$10,715.15	0.00937	87.79
40.5 - 41.5	\$1,054,409.39	\$7,762.70	0.00736	86.96
41.5 - 42.5	\$976,645.68	\$7,652.75	0.00784	86.32
42.5 - 43.5	\$920,943.06	\$8,505.56	0.00924	85.65
43.5 - 44.5	\$848,050.88	\$6,087.29	0.00718	84.86
44.5 - 45.5	\$824,538.79	\$5,349.59	0.00649	84.25
45.5 - 46.5	\$782,260.47	\$3,050.59	0.00390	83.70
46.5 - 47.5	\$777,090.09	\$4,136.68	0.00532	83.37
47.5 - 48.5	\$761,795.62	\$3,784.90	0.00497	82.93
48.5 - 49.5	\$748,080.03	\$2,152.83	0.00288	82.52
49.5 - 50.5	\$728,625.21	\$2,827.20	0.00388	82.28
50.5 - 51.5	\$693,169.60	\$1,546.01	0.00223	81.96
51.5 - 52.5	\$662,905.21	\$1,615.66	0.00244	81.78
52.5 - 53.5	\$625,732.76	\$1,084.45	0.00173	81.58
53.5 - 54.5	\$577,880.53	\$559.72	0.00097	81.44
54.5 - 55.5	\$532,305.09	\$950.37	0.00179	81.36
55.5 - 56.5	\$458,874.56	\$90.38	0.00020	81.21
56.5 - 57.5	\$413,245.52	\$74.20	0.00018	81.20
57.5 - 58.5	\$384,016.41	\$103.88	0.00027	81.18
58.5 - 59.5	\$346,492.00	\$63.82	0.00018	81.16
59.5 - 60.5	\$261,660.97	\$0.00	0.00000	81.15
60.5 - 61.5	\$216,419.39	\$0.00	0.00000	81.15
61.5 - 62.5	\$187,797.91	\$201.44	0.00107	81.15
62.5 - 63.5	\$153,040.28	\$151.08	0.00099	81.06
63.5 - 64.5	\$125,854.62	\$0.00	0.00000	80.98
64.5 - 65.5	\$100,045.37	\$0.00	0.00000	80.98
65.5 - 66.5	\$79,238.43	\$0.00	0.00000	80.98
66.5 - 67.5	\$58,108.18	\$0.00	0.00000	80.98
67.5 - 68.5	\$36,977.93	\$0.00	0.00000	80.98
68.5 - 69.5	\$15,847.68	\$0.00	0.00000	80.98
69.5 - 70.5	\$0.00	\$0.00	0.00000	80.98
70.5 - 71.5	\$0.00	\$0.00	0.00000	80.98
71.5 - 72.5	\$0.00	\$0.00	0.00000	80.98
72.5 - 73.5	\$0.00	\$0.00	0.00000	80.98

Montana-Dakota Utilities Company
Gas Division

383.00 HOUSE REGULATORS

Observed Life Table

Retirement Expr. 1995 TO 2015

Placement Years 1940 TO 2015

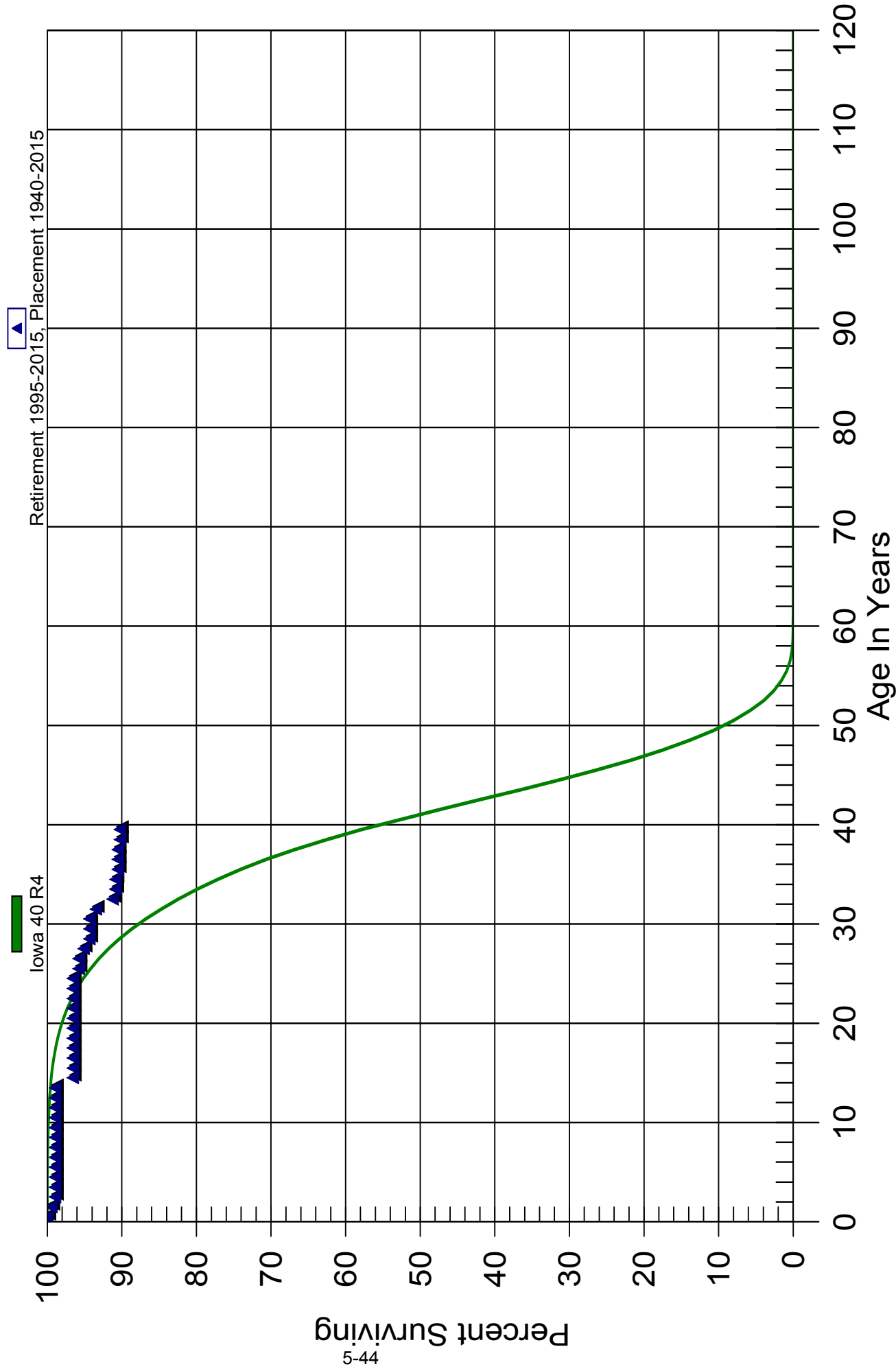
Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
73.5 - 74.5	\$0.00	\$0.00	0.00000	80.98
74.5 - 75.5	\$0.00	\$0.00	0.00000	80.98

Montana-Dakota Utilities Company

Gas Division

385.00 IND. MEAS. & REG. STA. EQUIP.

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company
Gas Division

385.00 IND. MEAS. & REG. STA. EQUIP.

Observed Life Table
Retirement Expr. 1996 TO 2015
Placement Years 1951 TO 2015

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	\$927,997.36	\$0.00	0.00000	100.00
0.5 - 1.5	\$652,980.22	\$3,439.95	0.00527	100.00
1.5 - 2.5	\$654,953.34	\$3,255.75	0.00497	99.47
2.5 - 3.5	\$481,850.34	\$0.00	0.00000	98.98
3.5 - 4.5	\$493,528.85	\$0.00	0.00000	98.98
4.5 - 5.5	\$511,428.91	\$0.00	0.00000	98.98
5.5 - 6.5	\$526,577.82	\$0.00	0.00000	98.98
6.5 - 7.5	\$526,681.41	\$0.00	0.00000	98.98
7.5 - 8.5	\$375,804.79	\$0.00	0.00000	98.98
8.5 - 9.5	\$392,770.06	\$0.00	0.00000	98.98
9.5 - 10.5	\$349,133.39	\$0.00	0.00000	98.98
10.5 - 11.5	\$361,355.77	\$0.00	0.00000	98.98
11.5 - 12.5	\$379,873.50	\$0.00	0.00000	98.98
12.5 - 13.5	\$325,207.60	\$0.00	0.00000	98.98
13.5 - 14.5	\$326,900.09	\$7,894.41	0.02415	98.98
14.5 - 15.5	\$312,496.35	\$0.00	0.00000	96.59
15.5 - 16.5	\$315,855.33	\$0.00	0.00000	96.59
16.5 - 17.5	\$306,101.17	\$0.00	0.00000	96.59
17.5 - 18.5	\$290,164.70	\$0.00	0.00000	96.59
18.5 - 19.5	\$276,235.68	\$0.00	0.00000	96.59
19.5 - 20.5	\$248,122.78	\$0.00	0.00000	96.59
20.5 - 21.5	\$236,407.38	\$0.00	0.00000	96.59
21.5 - 22.5	\$233,350.35	\$0.00	0.00000	96.59
22.5 - 23.5	\$224,770.78	\$0.00	0.00000	96.59
23.5 - 24.5	\$225,435.00	\$0.00	0.00000	96.59
24.5 - 25.5	\$216,264.86	\$1,778.43	0.00822	96.59
25.5 - 26.5	\$210,755.09	\$0.00	0.00000	95.79
26.5 - 27.5	\$225,681.65	\$1,530.15	0.00678	95.79
27.5 - 28.5	\$213,724.02	\$1,750.38	0.00819	95.14
28.5 - 29.5	\$199,514.76	\$14.96	0.00007	94.37
29.5 - 30.5	\$200,467.87	\$0.00	0.00000	94.36
30.5 - 31.5	\$132,646.86	\$1,207.13	0.00910	94.36
31.5 - 32.5	\$132,717.20	\$3,206.04	0.02416	93.50
32.5 - 33.5	\$136,989.97	\$561.38	0.00410	91.24
33.5 - 34.5	\$134,993.74	\$24.58	0.00018	90.87
34.5 - 35.5	\$142,922.74	\$464.54	0.00325	90.85
35.5 - 36.5	\$144,378.84	\$0.00	0.00000	90.56

Montana-Dakota Utilities Company
Gas Division

385.00 IND. MEAS. & REG. STA. EQUIP.

Observed Life Table

Retirement Expr. 1996 TO 2015

Placement Years 1951 TO 2015

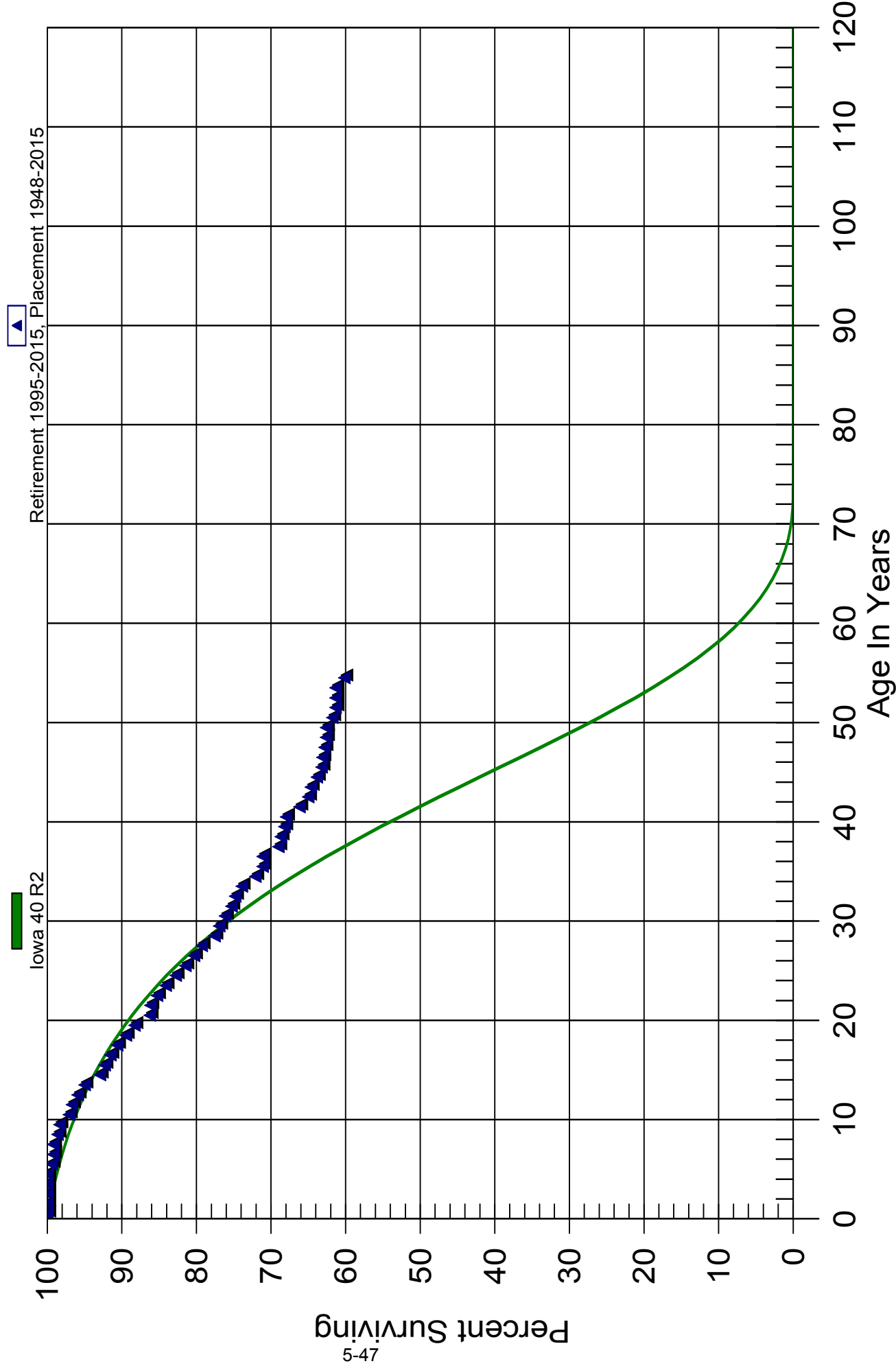
Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
36.5 - 37.5	\$148,952.62	\$0.00	0.00000	90.56
37.5 - 38.5	\$153,512.85	\$506.05	0.00330	90.56
38.5 - 39.5	\$159,068.21	\$0.00	0.00000	90.26
39.5 - 40.5	\$165,665.24	\$0.00	0.00000	90.26
40.5 - 41.5	\$154,933.21	\$2,526.60	0.01631	90.26
41.5 - 42.5	\$151,495.94	\$0.00	0.00000	88.78
42.5 - 43.5	\$147,514.74	\$0.00	0.00000	88.78
43.5 - 44.5	\$144,556.24	\$0.00	0.00000	88.78
44.5 - 45.5	\$141,713.24	\$0.00	0.00000	88.78
45.5 - 46.5	\$130,295.67	\$0.00	0.00000	88.78
46.5 - 47.5	\$116,291.44	\$0.00	0.00000	88.78
47.5 - 48.5	\$106,379.80	\$375.00	0.00353	88.78
48.5 - 49.5	\$101,513.37	\$0.00	0.00000	88.47
49.5 - 50.5	\$96,120.30	\$0.00	0.00000	88.47
50.5 - 51.5	\$84,946.96	\$0.00	0.00000	88.47
51.5 - 52.5	\$67,111.86	\$0.00	0.00000	88.47
52.5 - 53.5	\$56,528.66	\$0.00	0.00000	88.47
53.5 - 54.5	\$54,765.30	\$0.00	0.00000	88.47
54.5 - 55.5	\$46,569.08	\$0.00	0.00000	88.47
55.5 - 56.5	\$34,107.97	\$0.00	0.00000	88.47
56.5 - 57.5	\$29,534.19	\$0.00	0.00000	88.47
57.5 - 58.5	\$25,480.01	\$0.00	0.00000	88.47
58.5 - 59.5	\$19,418.60	\$0.00	0.00000	88.47
59.5 - 60.5	\$12,821.57	\$0.00	0.00000	88.47
60.5 - 61.5	\$10,458.62	\$0.00	0.00000	88.47
61.5 - 62.5	\$9,713.25	\$0.00	0.00000	88.47
62.5 - 63.5	\$7,549.40	\$0.00	0.00000	88.47
63.5 - 64.5	\$2,680.88	\$0.00	0.00000	88.47

Montana-Dakota Utilities Company

Gas Division

387.10 CATHODIC PROTECTION EQUIP.

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company
Gas Division

387.10 CATHODIC PROTECTION EQUIP.

Observed Life Table

Retirement Expr. 1995 TO 2015

Placement Years 1948 TO 2015

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	\$2,334,302.30	\$0.00	0.00000	100.00
0.5 - 1.5	\$2,128,939.96	\$0.00	0.00000	100.00
1.5 - 2.5	\$2,151,348.95	\$0.00	0.00000	100.00
2.5 - 3.5	\$1,953,347.98	\$0.00	0.00000	100.00
3.5 - 4.5	\$1,838,990.22	\$0.00	0.00000	100.00
4.5 - 5.5	\$1,668,515.23	\$9,721.97	0.00583	100.00
5.5 - 6.5	\$1,253,721.18	\$2,719.89	0.00217	99.42
6.5 - 7.5	\$1,200,094.52	\$0.00	0.00000	99.20
7.5 - 8.5	\$1,152,403.40	\$6,662.18	0.00578	99.20
8.5 - 9.5	\$1,212,181.10	\$3,265.55	0.00269	98.63
9.5 - 10.5	\$1,212,370.33	\$15,377.78	0.01268	98.36
10.5 - 11.5	\$1,209,885.96	\$5,037.65	0.00416	97.11
11.5 - 12.5	\$1,155,764.18	\$9,464.13	0.00819	96.71
12.5 - 13.5	\$1,136,953.27	\$10,955.16	0.00964	95.92
13.5 - 14.5	\$1,130,578.22	\$24,331.06	0.02152	94.99
14.5 - 15.5	\$1,045,443.47	\$7,088.53	0.00678	92.95
15.5 - 16.5	\$985,204.71	\$8,243.26	0.00837	92.32
16.5 - 17.5	\$948,884.31	\$9,364.20	0.00987	91.55
17.5 - 18.5	\$896,205.33	\$11,526.21	0.01286	90.64
18.5 - 19.5	\$839,660.97	\$10,863.97	0.01294	89.48
19.5 - 20.5	\$757,784.03	\$17,618.36	0.02325	88.32
20.5 - 21.5	\$738,380.00	\$771.03	0.00104	86.27
21.5 - 22.5	\$702,364.99	\$7,219.86	0.01028	86.18
22.5 - 23.5	\$689,132.19	\$9,262.84	0.01344	85.29
23.5 - 24.5	\$666,250.08	\$10,728.37	0.01610	84.14
24.5 - 25.5	\$607,739.43	\$9,699.26	0.01596	82.79
25.5 - 26.5	\$611,171.54	\$8,470.78	0.01386	81.47
26.5 - 27.5	\$595,502.30	\$7,765.02	0.01304	80.34
27.5 - 28.5	\$538,128.81	\$11,547.79	0.02146	79.29
28.5 - 29.5	\$497,461.93	\$4,145.20	0.00833	77.59
29.5 - 30.5	\$428,125.42	\$4,353.26	0.01017	76.94
30.5 - 31.5	\$378,153.37	\$4,261.74	0.01127	76.16
31.5 - 32.5	\$347,293.37	\$2,216.61	0.00638	75.30
32.5 - 33.5	\$321,366.91	\$3,859.58	0.01201	74.82
33.5 - 34.5	\$305,517.36	\$7,515.06	0.02460	73.92
34.5 - 35.5	\$295,336.67	\$3,979.03	0.01347	72.11
35.5 - 36.5	\$280,079.90	\$0.00	0.00000	71.13

Montana-Dakota Utilities Company
Gas Division
387.10 CATHODIC PROTECTION EQUIP.

Observed Life Table
Retirement Expr. 1995 TO 2015
Placement Years 1948 TO 2015

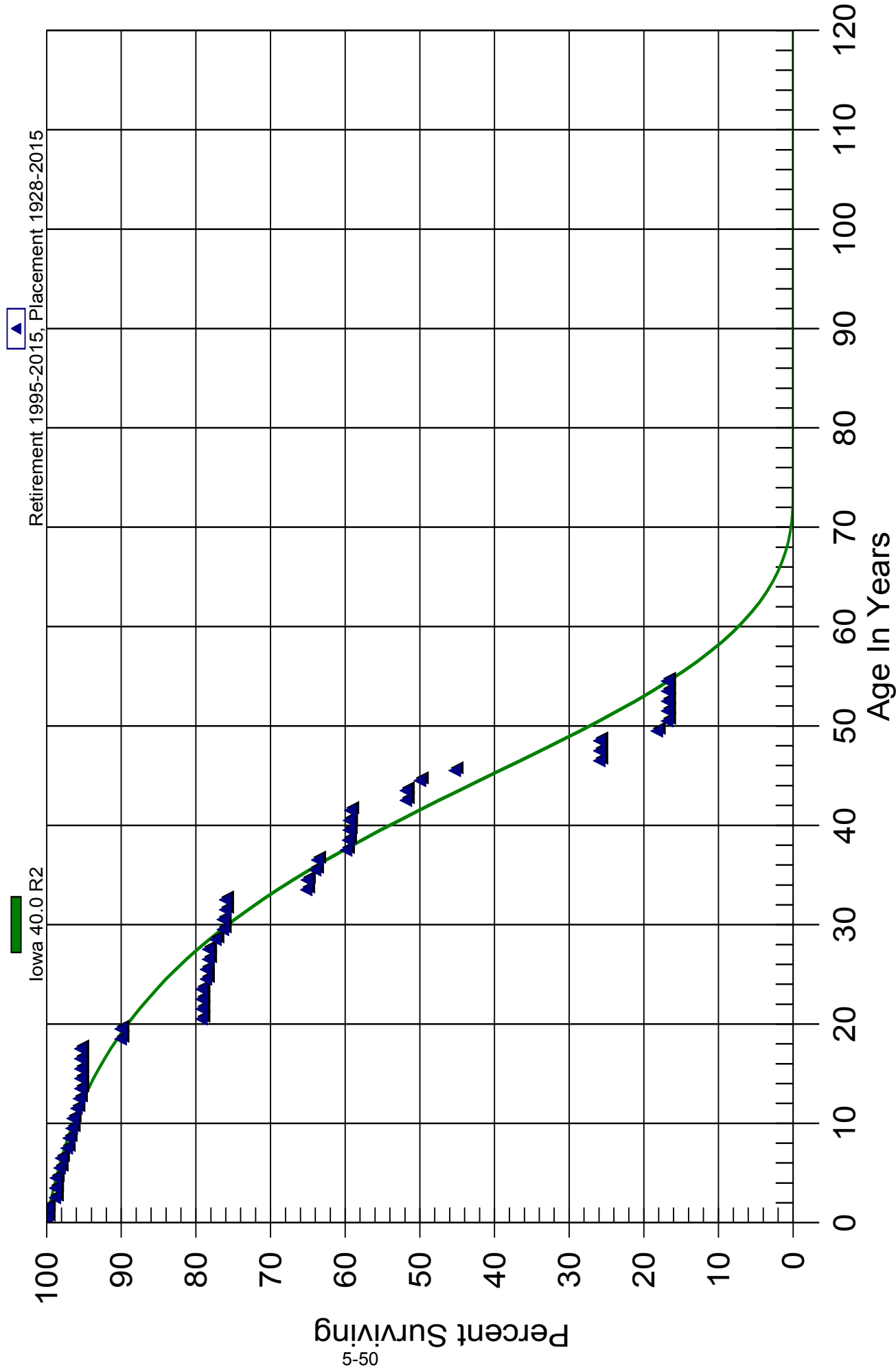
Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
36.5 - 37.5	\$271,730.82	\$8,006.44	0.02946	71.13
37.5 - 38.5	\$244,152.07	\$1,118.73	0.00458	69.04
38.5 - 39.5	\$223,226.28	\$1,622.73	0.00727	68.72
39.5 - 40.5	\$207,224.46	\$702.65	0.00339	68.22
40.5 - 41.5	\$199,787.09	\$5,239.81	0.02623	67.99
41.5 - 42.5	\$180,741.55	\$3,252.46	0.01800	66.21
42.5 - 43.5	\$164,670.50	\$851.99	0.00517	65.02
43.5 - 44.5	\$152,647.11	\$1,913.52	0.01254	64.68
44.5 - 45.5	\$140,750.15	\$1,434.27	0.01019	63.87
45.5 - 46.5	\$137,524.50	\$197.58	0.00144	63.22
46.5 - 47.5	\$123,513.03	\$569.93	0.00461	63.13
47.5 - 48.5	\$113,350.31	\$401.75	0.00354	62.84
48.5 - 49.5	\$105,977.95	\$0.00	0.00000	62.61
49.5 - 50.5	\$104,195.33	\$1,359.39	0.01305	62.61
50.5 - 51.5	\$95,166.63	\$686.04	0.00721	61.80
51.5 - 52.5	\$85,439.81	\$0.00	0.00000	61.35
52.5 - 53.5	\$71,830.37	\$0.00	0.00000	61.35
53.5 - 54.5	\$62,111.14	\$1,177.94	0.01897	61.35
54.5 - 55.5	\$46,431.98	\$0.00	0.00000	60.19
55.5 - 56.5	\$31,719.29	\$231.98	0.00731	60.19
56.5 - 57.5	\$24,108.64	\$0.00	0.00000	59.75
57.5 - 58.5	\$20,500.56	\$0.00	0.00000	59.75
58.5 - 59.5	\$15,845.76	\$0.00	0.00000	59.75
59.5 - 60.5	\$15,052.24	\$0.00	0.00000	59.75
60.5 - 61.5	\$13,822.47	\$0.00	0.00000	59.75
61.5 - 62.5	\$13,716.48	\$0.00	0.00000	59.75
62.5 - 63.5	\$13,674.76	\$0.00	0.00000	59.75
63.5 - 64.5	\$13,037.64	\$0.00	0.00000	59.75
64.5 - 65.5	\$8,832.21	\$0.00	0.00000	59.75
65.5 - 66.5	\$7,850.18	\$0.00	0.00000	59.75
66.5 - 67.5	\$3,147.50	\$0.00	0.00000	59.75

Montana-Dakota Utilities Company

Gas Division

390.00 STRUCTURES & IMPROVEMENTS

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company
Gas Division

390.00 STRUCTURES & IMPROVEMENTS

Observed Life Table

Retirement Expr. 1995 TO 2015

Placement Years 1928 TO 2015

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	\$8,223,068.51	\$0.00	0.00000	100.00
0.5 - 1.5	\$8,143,323.63	\$2,754.16	0.00034	100.00
1.5 - 2.5	\$8,205,469.64	\$87,478.81	0.01066	99.97
2.5 - 3.5	\$7,766,311.26	\$2,604.12	0.00034	98.90
3.5 - 4.5	\$7,553,554.05	\$7,754.16	0.00103	98.87
4.5 - 5.5	\$7,534,317.08	\$38,405.96	0.00510	98.77
5.5 - 6.5	\$6,287,327.06	\$10,955.01	0.00174	98.26
6.5 - 7.5	\$4,821,417.50	\$39,237.24	0.00814	98.09
7.5 - 8.5	\$4,662,614.13	\$11,747.32	0.00252	97.29
8.5 - 9.5	\$4,639,928.86	\$19,236.33	0.00415	97.05
9.5 - 10.5	\$4,620,548.65	\$5,501.47	0.00119	96.65
10.5 - 11.5	\$4,583,982.18	\$24,573.17	0.00536	96.53
11.5 - 12.5	\$4,578,683.62	\$16,800.00	0.00367	96.01
12.5 - 13.5	\$4,649,036.93	\$7,990.00	0.00172	95.66
13.5 - 14.5	\$560,884.12	\$0.00	0.00000	95.50
14.5 - 15.5	\$464,994.58	\$0.00	0.00000	95.50
15.5 - 16.5	\$337,541.42	\$0.00	0.00000	95.50
16.5 - 17.5	\$380,762.64	\$0.00	0.00000	95.50
17.5 - 18.5	\$382,197.66	\$21,596.42	0.05651	95.50
18.5 - 19.5	\$421,314.58	\$0.00	0.00000	90.10
19.5 - 20.5	\$426,065.01	\$51,260.98	0.12031	90.10
20.5 - 21.5	\$376,464.41	\$0.00	0.00000	79.26
21.5 - 22.5	\$381,664.77	\$0.00	0.00000	79.26
22.5 - 23.5	\$428,265.06	\$0.00	0.00000	79.26
23.5 - 24.5	\$436,368.00	\$3,408.84	0.00781	79.26
24.5 - 25.5	\$671,818.52	\$0.00	0.00000	78.64
25.5 - 26.5	\$672,103.50	\$2,373.20	0.00353	78.64
26.5 - 27.5	\$662,995.63	\$0.00	0.00000	78.36
27.5 - 28.5	\$661,594.17	\$8,368.36	0.01265	78.36
28.5 - 29.5	\$687,127.12	\$8,646.96	0.01258	77.37
29.5 - 30.5	\$713,651.16	\$0.00	0.00000	76.40
30.5 - 31.5	\$711,179.39	\$3,000.00	0.00422	76.40
31.5 - 32.5	\$704,201.76	\$0.00	0.00000	76.08
32.5 - 33.5	\$683,106.93	\$97,454.87	0.14266	76.08
33.5 - 34.5	\$591,520.32	\$800.00	0.00135	65.22
34.5 - 35.5	\$596,639.53	\$10,100.30	0.01693	65.13
35.5 - 36.5	\$559,898.02	\$2,477.16	0.00442	64.03

Montana-Dakota Utilities Company
Gas Division

390.00 STRUCTURES & IMPROVEMENTS

Observed Life Table

Retirement Expr. 1995 TO 2015

Placement Years 1928 TO 2015

Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
36.5 - 37.5	\$557,593.51	\$33,729.08	0.06049	63.75
37.5 - 38.5	\$513,802.43	\$2,256.93	0.00439	59.89
38.5 - 39.5	\$883,969.80	\$1,528.00	0.00173	59.63
39.5 - 40.5	\$880,855.18	\$500.00	0.00057	59.53
40.5 - 41.5	\$878,755.68	\$2,532.65	0.00288	59.49
41.5 - 42.5	\$1,020,971.95	\$128,072.06	0.12544	59.32
42.5 - 43.5	\$879,203.82	\$0.00	0.00000	51.88
43.5 - 44.5	\$890,059.98	\$32,011.96	0.03597	51.88
44.5 - 45.5	\$872,631.69	\$81,666.15	0.09359	50.01
45.5 - 46.5	\$702,382.35	\$299,982.51	0.42709	45.33
46.5 - 47.5	\$414,516.36	\$0.00	0.00000	25.97
47.5 - 48.5	\$427,206.10	\$0.00	0.00000	25.97
48.5 - 49.5	\$435,662.90	\$129,402.96	0.29703	25.97
49.5 - 50.5	\$290,386.20	\$22,020.88	0.07583	18.26
50.5 - 51.5	\$234,457.33	\$0.00	0.00000	16.87
51.5 - 52.5	\$224,519.72	\$0.00	0.00000	16.87
52.5 - 53.5	\$220,382.16	\$0.00	0.00000	16.87
53.5 - 54.5	\$217,768.45	\$0.00	0.00000	16.87
54.5 - 55.5	\$226,960.47	\$925.47	0.00408	16.87
55.5 - 56.5	\$228,220.41	\$0.00	0.00000	16.80
56.5 - 57.5	\$241,133.02	\$10,076.54	0.04179	16.80
57.5 - 58.5	\$243,767.76	\$0.00	0.00000	16.10
58.5 - 59.5	\$254,475.09	\$0.00	0.00000	16.10
59.5 - 60.5	\$192,025.83	\$1,137.75	0.00592	16.10
60.5 - 61.5	\$192,008.76	\$594.09	0.00309	16.01
61.5 - 62.5	\$200,933.43	\$0.00	0.00000	15.96
62.5 - 63.5	\$193,185.48	\$0.00	0.00000	15.96
63.5 - 64.5	\$196,966.55	\$0.00	0.00000	15.96
64.5 - 65.5	\$204,501.82	\$0.00	0.00000	15.96
65.5 - 66.5	\$207,161.63	\$0.00	0.00000	15.96
66.5 - 67.5	\$214,725.89	\$0.00	0.00000	15.96
67.5 - 68.5	\$199,665.61	\$0.00	0.00000	15.96
68.5 - 69.5	\$184,605.33	\$0.00	0.00000	15.96
69.5 - 70.5	\$169,545.05	\$0.00	0.00000	15.96
70.5 - 71.5	\$169,545.05	\$0.00	0.00000	15.96
71.5 - 72.5	\$169,545.05	\$0.00	0.00000	15.96
72.5 - 73.5	\$169,545.05	\$0.00	0.00000	15.96

Montana-Dakota Utilities Company
Gas Division

390.00 STRUCTURES & IMPROVEMENTS

Observed Life Table

Retirement Expr. 1995 TO 2015

Placement Years 1928 TO 2015

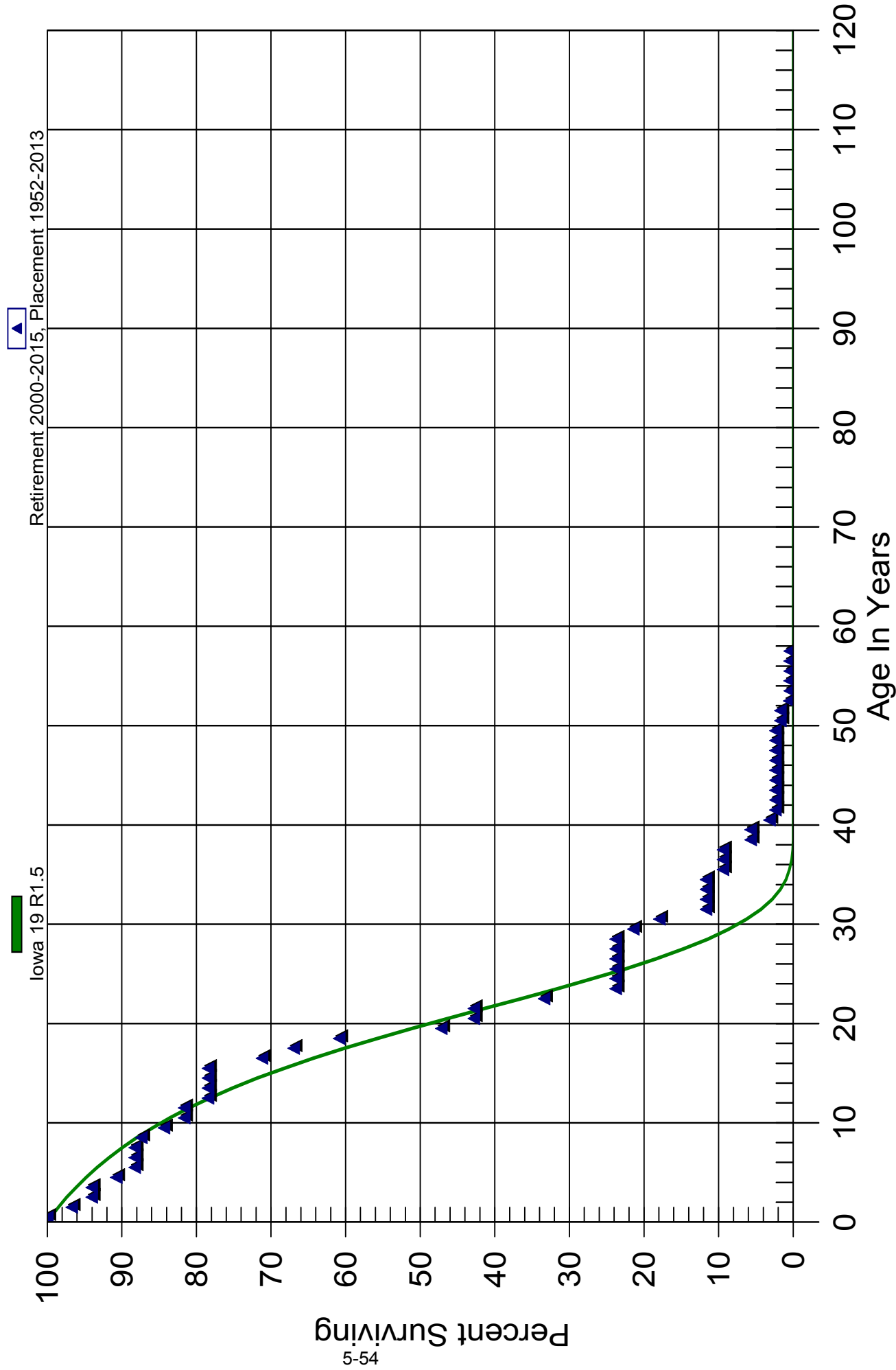
Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
73.5 - 74.5	\$169,545.05	\$0.00	0.00000	15.96
74.5 - 75.5	\$169,545.05	\$0.00	0.00000	15.96
75.5 - 76.5	\$154,484.77	\$0.00	0.00000	15.96
76.5 - 77.5	\$139,791.82	\$0.00	0.00000	15.96
77.5 - 78.5	\$125,457.23	\$0.00	0.00000	15.96
78.5 - 79.5	\$111,472.27	\$0.00	0.00000	15.96
79.5 - 80.5	\$97,828.41	\$0.00	0.00000	15.96
80.5 - 81.5	\$84,517.32	\$0.00	0.00000	15.96
81.5 - 82.5	\$71,530.90	\$0.00	0.00000	15.96
82.5 - 83.5	\$58,861.21	\$0.00	0.00000	15.96
83.5 - 84.5	\$46,500.54	\$0.00	0.00000	15.96
84.5 - 85.5	\$34,441.35	\$0.00	0.00000	15.96
85.5 - 86.5	\$22,676.28	\$0.00	0.00000	15.96
86.5 - 87.5	\$11,198.16	\$0.00	0.00000	15.96

Montana-Dakota Utilities Company

Gas Division

392.10 TRANSPORTATION EQUIPMENT - TRAILERS

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company
Gas Division

392.10 TRANSPORTATION EQUIPMENT - TRAILERS

Observed Life Table

Retirement Expr. 2000 TO 2015

Placement Years 1952 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	\$452,444.60	\$0.00	0.00000	100.00
0.5 - 1.5	\$464,819.19	\$15,197.03	0.03269	100.00
1.5 - 2.5	\$482,820.69	\$13,430.56	0.02782	96.73
2.5 - 3.5	\$474,678.11	\$0.00	0.00000	94.04
3.5 - 4.5	\$438,702.37	\$15,273.89	0.03482	94.04
4.5 - 5.5	\$360,881.94	\$9,844.46	0.02728	90.77
5.5 - 6.5	\$322,669.14	\$0.00	0.00000	88.29
6.5 - 7.5	\$329,945.47	\$0.00	0.00000	88.29
7.5 - 8.5	\$293,322.07	\$3,011.51	0.01027	88.29
8.5 - 9.5	\$226,996.02	\$7,814.17	0.03442	87.38
9.5 - 10.5	\$224,624.10	\$7,244.16	0.03225	84.38
10.5 - 11.5	\$177,609.32	\$0.00	0.00000	81.65
11.5 - 12.5	\$159,273.58	\$6,228.03	0.03910	81.65
12.5 - 13.5	\$125,387.40	\$0.00	0.00000	78.46
13.5 - 14.5	\$93,913.51	\$0.00	0.00000	78.46
14.5 - 15.5	\$92,125.11	\$0.00	0.00000	78.46
15.5 - 16.5	\$86,931.35	\$8,011.78	0.09216	78.46
16.5 - 17.5	\$73,417.88	\$4,371.06	0.05954	71.23
17.5 - 18.5	\$51,616.01	\$4,710.19	0.09125	66.99
18.5 - 19.5	\$46,592.38	\$10,485.74	0.22505	60.88
19.5 - 20.5	\$36,106.64	\$3,328.52	0.09219	47.18
20.5 - 21.5	\$27,479.84	\$0.00	0.00000	42.83
21.5 - 22.5	\$22,597.26	\$4,974.54	0.22014	42.83
22.5 - 23.5	\$13,029.84	\$3,750.37	0.28783	33.40
23.5 - 24.5	\$9,561.87	\$0.00	0.00000	23.79
24.5 - 25.5	\$4,590.36	\$0.00	0.00000	23.79
25.5 - 26.5	\$6,636.23	\$0.00	0.00000	23.79
26.5 - 27.5	\$8,424.63	\$0.00	0.00000	23.79
27.5 - 28.5	\$7,505.40	\$0.00	0.00000	23.79
28.5 - 29.5	\$8,332.33	\$826.93	0.09924	23.79
29.5 - 30.5	\$10,997.83	\$1,788.40	0.16261	21.43
30.5 - 31.5	\$10,024.10	\$3,492.43	0.34840	17.94
31.5 - 32.5	\$6,531.67	\$0.00	0.00000	11.69
32.5 - 33.5	\$6,531.67	\$0.00	0.00000	11.69
33.5 - 34.5	\$6,531.67	\$0.00	0.00000	11.69
34.5 - 35.5	\$6,531.67	\$1,269.45	0.19435	11.69
35.5 - 36.5	\$7,170.21	\$0.00	0.00000	9.42

Montana-Dakota Utilities Company
Gas Division

392.10 TRANSPORTATION EQUIPMENT - TRAILERS

Observed Life Table

Retirement Expr. 2000 TO 2015

Placement Years 1952 TO 2013

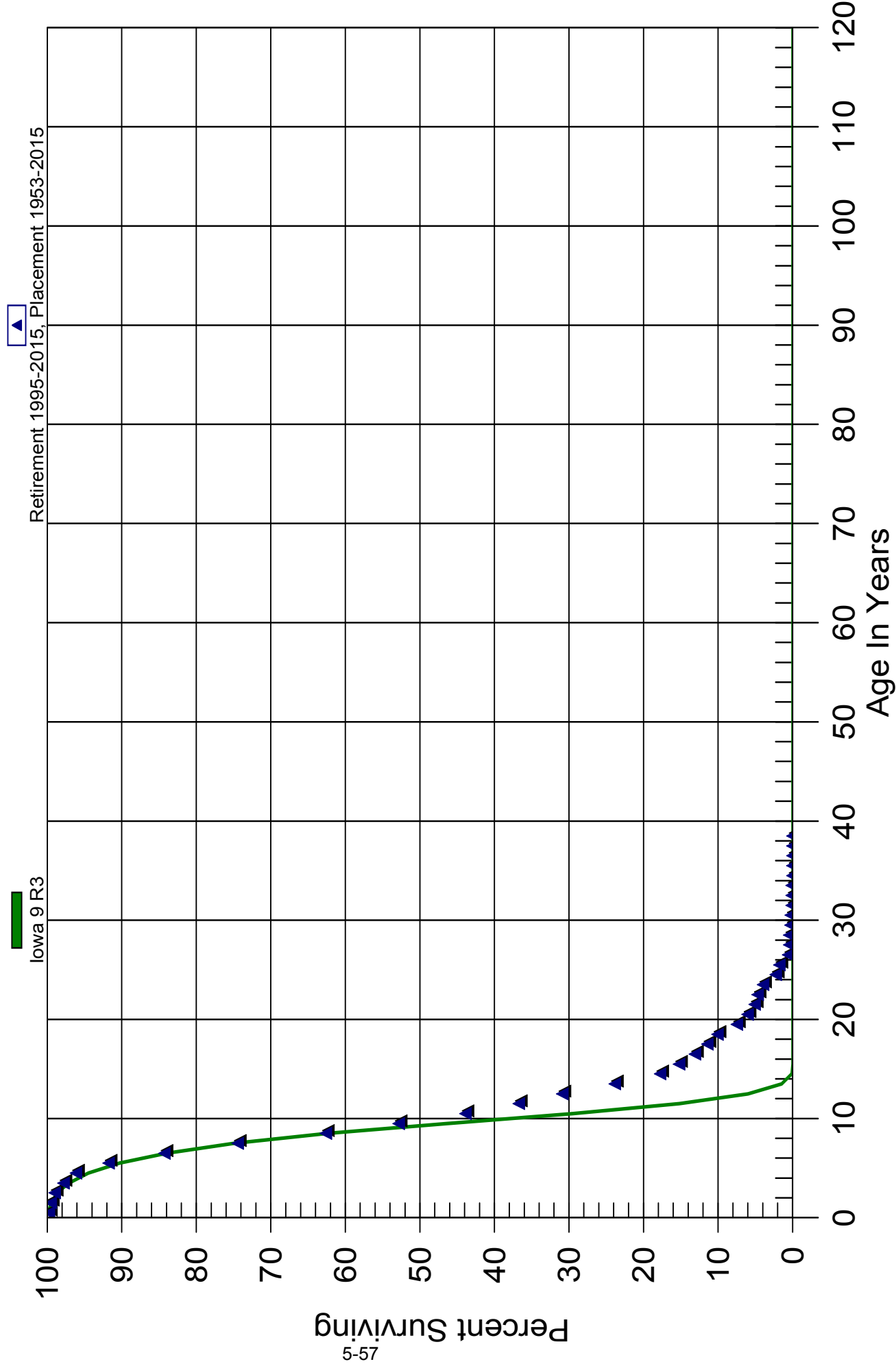
Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
36.5 - 37.5	\$10,233.49	\$0.00	0.00000	9.42
37.5 - 38.5	\$9,484.02	\$3,740.11	0.39436	9.42
38.5 - 39.5	\$6,493.38	\$0.00	0.00000	5.70
39.5 - 40.5	\$6,493.38	\$2,860.54	0.44053	5.70
40.5 - 41.5	\$1,231.16	\$310.22	0.25197	3.19
41.5 - 42.5	\$920.94	\$0.00	0.00000	2.39
42.5 - 43.5	\$920.94	\$0.00	0.00000	2.39
43.5 - 44.5	\$956.41	\$0.00	0.00000	2.39
44.5 - 45.5	\$1,727.88	\$0.00	0.00000	2.39
45.5 - 46.5	\$1,727.88	\$0.00	0.00000	2.39
46.5 - 47.5	\$1,727.88	\$0.00	0.00000	2.39
47.5 - 48.5	\$2,021.44	\$0.00	0.00000	2.39
48.5 - 49.5	\$2,021.44	\$0.00	0.00000	2.39
49.5 - 50.5	\$2,770.91	\$771.47	0.27842	2.39
50.5 - 51.5	\$1,999.44	\$0.00	0.00000	1.72
51.5 - 52.5	\$1,078.50	\$749.47	0.69492	1.72
52.5 - 53.5	\$329.03	\$35.47	0.10780	0.53
53.5 - 54.5	\$293.56	\$0.00	0.00000	0.47
54.5 - 55.5	\$293.56	\$0.00	0.00000	0.47
55.5 - 56.5	\$293.56	\$0.00	0.00000	0.47
56.5 - 57.5	\$293.56	\$0.00	0.00000	0.47

Montana-Dakota Utilities Company

Gas Division

392.20 TRANSPORTATION EQUIPMENT - CARS & TRUCKS

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company
Gas Division

392.20 TRANSPORTATION EQUIPMENT - CARS & TRUCKS

Observed Life Table

Retirement Expr. 1995 TO 2015

Placement Years 1953 TO 2015

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	\$16,832,333.18	\$37,674.75	0.00224	100.00
0.5 - 1.5	\$15,613,665.57	\$37,852.94	0.00242	99.78
1.5 - 2.5	\$15,488,655.76	\$83,728.42	0.00541	99.53
2.5 - 3.5	\$15,209,922.57	\$179,981.45	0.01183	99.00
3.5 - 4.5	\$14,975,253.27	\$255,874.31	0.01709	97.82
4.5 - 5.5	\$14,604,012.83	\$664,018.95	0.04547	96.15
5.5 - 6.5	\$13,788,505.02	\$1,127,107.30	0.08174	91.78
6.5 - 7.5	\$12,624,585.16	\$1,475,158.04	0.11685	84.28
7.5 - 8.5	\$10,604,297.32	\$1,682,503.82	0.15866	74.43
8.5 - 9.5	\$8,261,259.11	\$1,289,065.80	0.15604	62.62
9.5 - 10.5	\$6,650,826.84	\$1,126,052.47	0.16931	52.85
10.5 - 11.5	\$5,069,118.55	\$828,472.17	0.16344	43.90
11.5 - 12.5	\$3,550,636.38	\$564,875.31	0.15909	36.73
12.5 - 13.5	\$2,596,379.54	\$590,230.63	0.22733	30.88
13.5 - 14.5	\$1,686,907.86	\$430,025.46	0.25492	23.86
14.5 - 15.5	\$1,112,643.11	\$158,673.89	0.14261	17.78
15.5 - 16.5	\$801,706.99	\$112,901.24	0.14083	15.24
16.5 - 17.5	\$621,502.91	\$78,795.57	0.12678	13.10
17.5 - 18.5	\$572,585.25	\$68,562.26	0.11974	11.44
18.5 - 19.5	\$476,949.02	\$122,741.14	0.25735	10.07
19.5 - 20.5	\$391,878.72	\$75,416.09	0.19245	7.48
20.5 - 21.5	\$281,017.32	\$44,572.41	0.15861	6.04
21.5 - 22.5	\$213,882.38	\$16,631.07	0.07776	5.08
22.5 - 23.5	\$198,709.39	\$31,199.32	0.15701	4.69
23.5 - 24.5	\$176,991.91	\$75,908.38	0.42888	3.95
24.5 - 25.5	\$101,401.81	\$21,070.78	0.20779	2.26
25.5 - 26.5	\$89,411.45	\$60,469.02	0.67630	1.79
26.5 - 27.5	\$37,992.16	\$9,080.42	0.23901	0.58
27.5 - 28.5	\$28,911.74	\$493.81	0.01708	0.44
28.5 - 29.5	\$28,417.93	\$10,864.36	0.38231	0.43
29.5 - 30.5	\$17,713.39	\$709.59	0.04006	0.27
30.5 - 31.5	\$17,003.80	\$8,617.83	0.50682	0.26
31.5 - 32.5	\$8,385.97	\$0.00	0.00000	0.13
32.5 - 33.5	\$8,385.97	\$0.00	0.00000	0.13
33.5 - 34.5	\$3,211.57	\$3,051.75	0.95024	0.13
34.5 - 35.5	\$159.82	\$0.00	0.00000	0.01
35.5 - 36.5	\$159.82	\$0.00	0.00000	0.01

Montana-Dakota Utilities Company
Gas Division

392.20 TRANSPORTATION EQUIPMENT - CARS & TRUCKS

Observed Life Table

Retirement Expr. 1995 TO 2015

Placement Years 1953 TO 2015

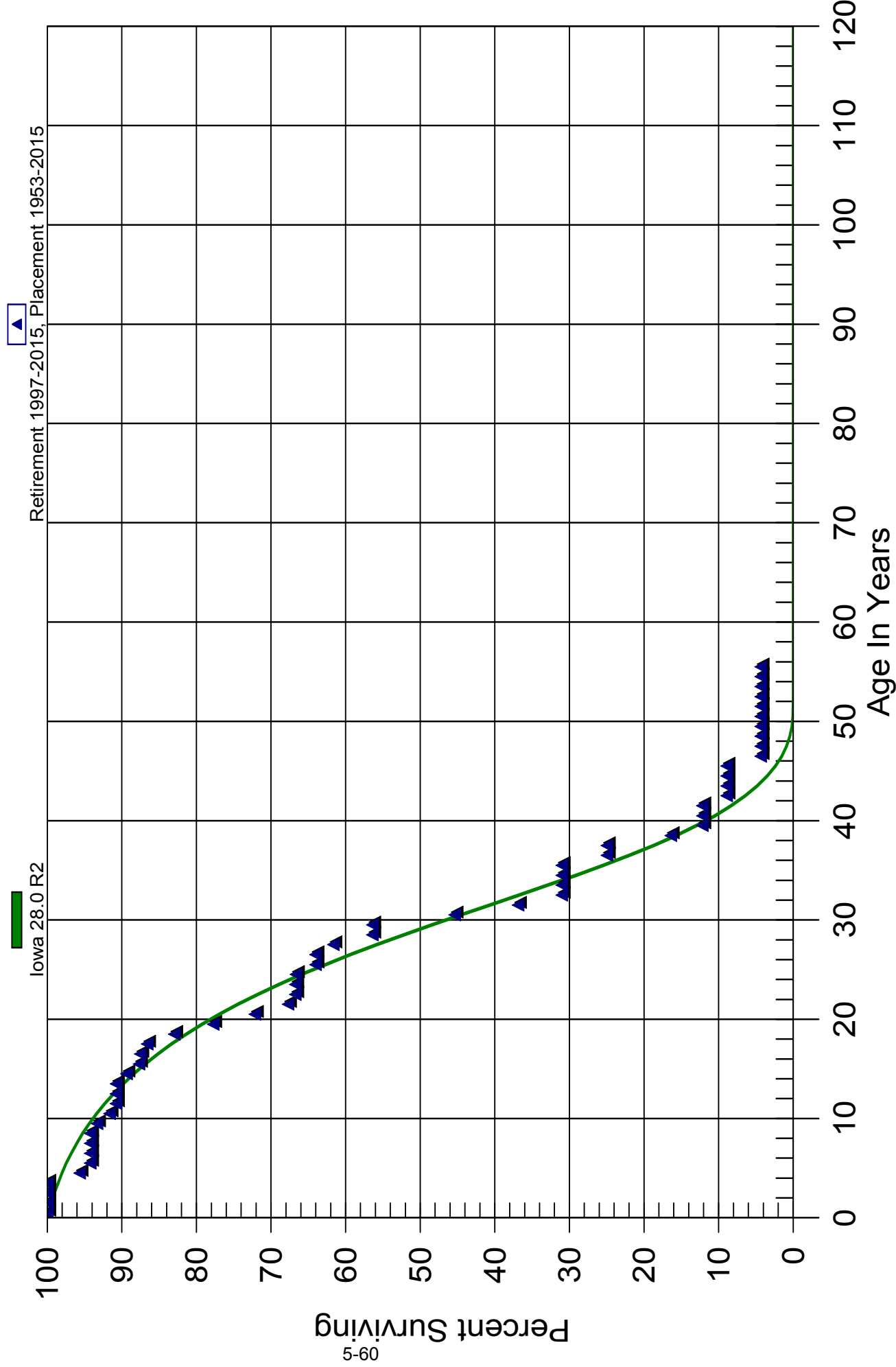
Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
36.5 - 37.5	\$159.82	\$0.00	0.00000	0.01
37.5 - 38.5	\$159.82	\$0.00	0.00000	0.01

Montana-Dakota Utilities Company

Gas Division

396.10 WORK EQUIPMENT TRAILERS

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company
Gas Division

396.10 WORK EQUIPMENT TRAILERS

Observed Life Table

Retirement Expr. 1997 TO 2015

Placement Years 1953 TO 2015

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	\$747,679.32	\$0.00	0.00000	100.00
0.5 - 1.5	\$724,939.44	\$0.00	0.00000	100.00
1.5 - 2.5	\$598,213.30	\$0.00	0.00000	100.00
2.5 - 3.5	\$584,604.58	\$0.00	0.00000	100.00
3.5 - 4.5	\$556,606.33	\$24,078.91	0.04326	100.00
4.5 - 5.5	\$482,325.53	\$7,207.44	0.01494	95.67
5.5 - 6.5	\$436,555.96	\$0.00	0.00000	94.24
6.5 - 7.5	\$436,116.63	\$0.00	0.00000	94.24
7.5 - 8.5	\$427,989.94	\$0.00	0.00000	94.24
8.5 - 9.5	\$405,817.06	\$4,000.00	0.00986	94.24
9.5 - 10.5	\$361,834.95	\$6,461.59	0.01786	93.32
10.5 - 11.5	\$309,087.64	\$2,906.69	0.00940	91.65
11.5 - 12.5	\$306,242.54	\$0.00	0.00000	90.79
12.5 - 13.5	\$308,401.82	\$0.00	0.00000	90.79
13.5 - 14.5	\$273,762.70	\$4,222.13	0.01542	90.79
14.5 - 15.5	\$254,476.39	\$4,751.06	0.01867	89.39
15.5 - 16.5	\$239,697.12	\$537.66	0.00224	87.72
16.5 - 17.5	\$177,815.74	\$1,837.67	0.01033	87.52
17.5 - 18.5	\$169,559.94	\$7,104.55	0.04190	86.62
18.5 - 19.5	\$150,192.46	\$9,466.55	0.06303	82.99
19.5 - 20.5	\$130,328.89	\$9,389.26	0.07204	77.76
20.5 - 21.5	\$122,509.94	\$7,510.91	0.06131	72.16
21.5 - 22.5	\$86,548.18	\$1,245.24	0.01439	67.73
22.5 - 23.5	\$84,650.19	\$0.00	0.00000	66.76
23.5 - 24.5	\$90,166.35	\$137.55	0.00153	66.76
24.5 - 25.5	\$78,737.30	\$3,098.58	0.03935	66.66
25.5 - 26.5	\$77,024.71	\$0.00	0.00000	64.03
26.5 - 27.5	\$64,996.43	\$2,411.60	0.03710	64.03
27.5 - 28.5	\$55,472.77	\$4,702.17	0.08477	61.66
28.5 - 29.5	\$50,770.60	\$0.00	0.00000	56.43
29.5 - 30.5	\$44,185.01	\$8,653.41	0.19584	56.43
30.5 - 31.5	\$27,277.55	\$5,105.11	0.18715	45.38
31.5 - 32.5	\$20,864.73	\$3,307.81	0.15854	36.89
32.5 - 33.5	\$17,556.92	\$0.00	0.00000	31.04
33.5 - 34.5	\$19,771.85	\$0.00	0.00000	31.04
34.5 - 35.5	\$19,771.85	\$0.00	0.00000	31.04
35.5 - 36.5	\$19,771.85	\$3,851.64	0.19480	31.04

Montana-Dakota Utilities Company
Gas Division

396.10 WORK EQUIPMENT TRAILERS

Observed Life Table

Retirement Expr. 1997 TO 2015

Placement Years 1953 TO 2015

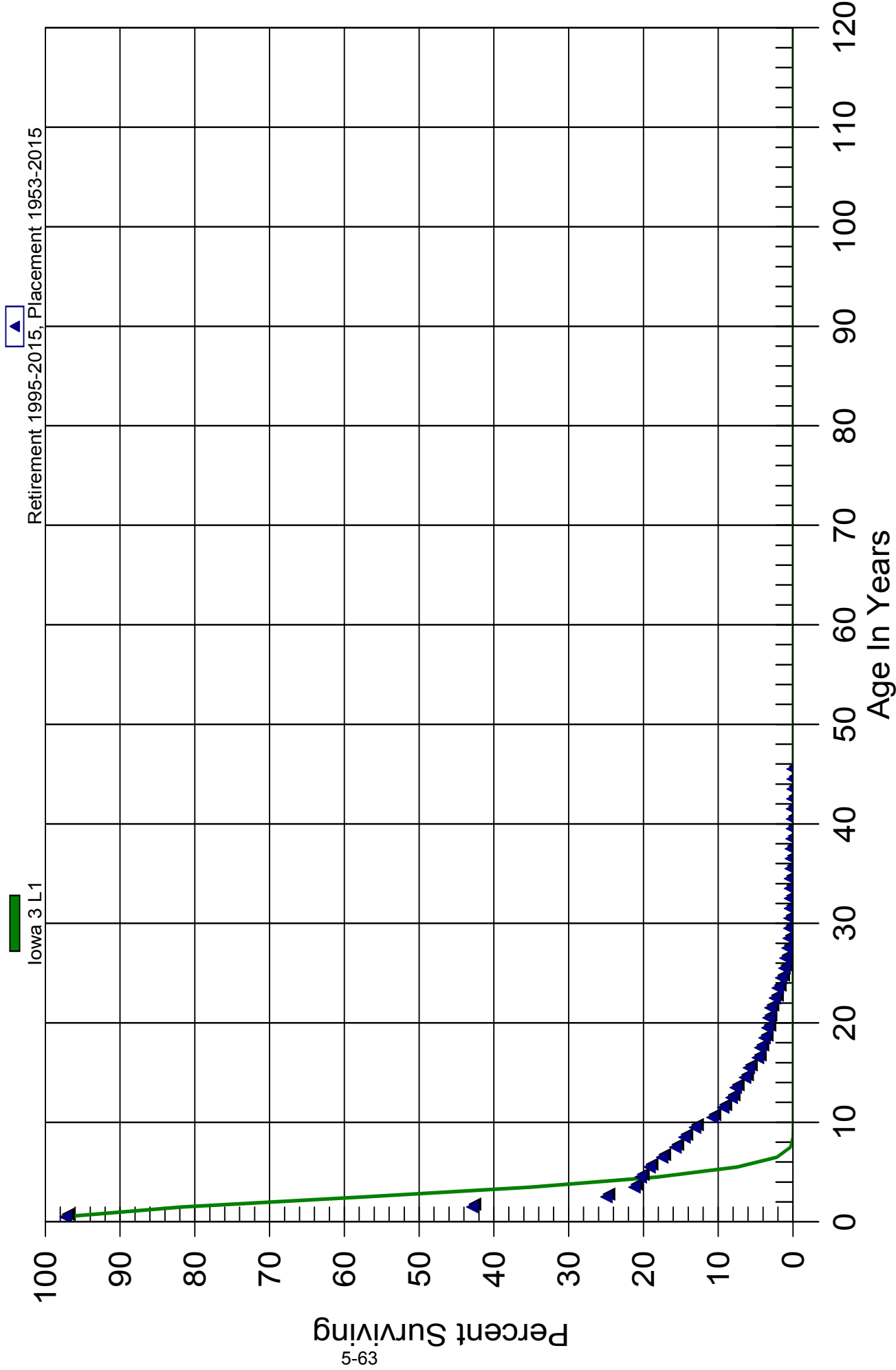
Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
36.5 - 37.5	\$9,007.27	\$0.00	0.00000	24.99
37.5 - 38.5	\$9,007.27	\$3,095.10	0.34362	24.99
38.5 - 39.5	\$5,912.17	\$1,520.28	0.25714	16.40
39.5 - 40.5	\$4,391.89	\$0.00	0.00000	12.19
40.5 - 41.5	\$4,391.89	\$0.00	0.00000	12.19
41.5 - 42.5	\$3,964.84	\$1,066.23	0.26892	12.19
42.5 - 43.5	\$2,898.61	\$0.00	0.00000	8.91
43.5 - 44.5	\$5,083.45	\$0.00	0.00000	8.91
44.5 - 45.5	\$5,083.45	\$0.00	0.00000	8.91
45.5 - 46.5	\$5,083.45	\$2,592.61	0.51001	8.91
46.5 - 47.5	\$2,490.84	\$0.00	0.00000	4.37
47.5 - 48.5	\$2,490.84	\$0.00	0.00000	4.37
48.5 - 49.5	\$2,490.84	\$0.00	0.00000	4.37
49.5 - 50.5	\$2,490.84	\$0.00	0.00000	4.37
50.5 - 51.5	\$2,490.84	\$0.00	0.00000	4.37
51.5 - 52.5	\$2,490.84	\$0.00	0.00000	4.37
52.5 - 53.5	\$2,490.84	\$0.00	0.00000	4.37
53.5 - 54.5	\$2,490.84	\$0.00	0.00000	4.37
54.5 - 55.5	\$2,490.84	\$0.00	0.00000	4.37

Montana-Dakota Utilities Company

Gas Division

396.20 POWER OPERATED EQUIPMENT

Original And Smooth Survivor Curves



Montana-Dakota Utilities Company
Gas Division
396.20 POWER OPERATED EQUIPMENT

Observed Life Table
Retirement Expr. 1995 TO 2015
Placement Years 1953 TO 2015

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	\$38,712,079.44	\$1,053,881.37	0.02722	100.00
0.5 - 1.5	\$35,000,850.15	\$19,567,500.77	0.55906	97.28
1.5 - 2.5	\$15,615,655.04	\$6,537,402.88	0.41864	42.89
2.5 - 3.5	\$9,048,580.60	\$1,352,359.00	0.14946	24.94
3.5 - 4.5	\$6,590,201.90	\$262,801.22	0.03988	21.21
4.5 - 5.5	\$5,875,376.40	\$341,349.88	0.05810	20.36
5.5 - 6.5	\$5,472,697.03	\$482,863.25	0.08823	19.18
6.5 - 7.5	\$5,037,267.44	\$507,073.86	0.10066	17.49
7.5 - 8.5	\$4,448,783.05	\$344,272.78	0.07739	15.73
8.5 - 9.5	\$3,797,833.60	\$365,934.32	0.09635	14.51
9.5 - 10.5	\$3,289,730.44	\$585,253.89	0.17790	13.11
10.5 - 11.5	\$2,612,722.12	\$353,197.01	0.13518	10.78
11.5 - 12.5	\$1,969,202.48	\$239,207.02	0.12147	9.32
12.5 - 13.5	\$1,625,686.15	\$106,919.69	0.06577	8.19
13.5 - 14.5	\$1,456,173.43	\$234,233.53	0.16086	7.65
14.5 - 15.5	\$1,089,674.30	\$89,292.53	0.08194	6.42
15.5 - 16.5	\$953,092.87	\$197,221.06	0.20693	5.89
16.5 - 17.5	\$755,118.22	\$51,266.93	0.06789	4.67
17.5 - 18.5	\$669,074.03	\$85,967.13	0.12849	4.36
18.5 - 19.5	\$603,780.70	\$62,849.07	0.10409	3.80
19.5 - 20.5	\$510,345.33	\$18,569.28	0.03639	3.40
20.5 - 21.5	\$512,938.33	\$42,263.85	0.08240	3.28
21.5 - 22.5	\$479,417.69	\$96,946.52	0.20222	3.01
22.5 - 23.5	\$368,320.80	\$55,251.26	0.15001	2.40
23.5 - 24.5	\$318,839.92	\$73,032.10	0.22906	2.04
24.5 - 25.5	\$292,049.39	\$80,486.08	0.27559	1.57
25.5 - 26.5	\$230,497.92	\$26,767.85	0.11613	1.14
26.5 - 27.5	\$118,063.19	\$34,709.83	0.29399	1.01
27.5 - 28.5	\$88,124.93	\$17,163.54	0.19476	0.71
28.5 - 29.5	\$84,102.87	\$15,844.15	0.18839	0.57
29.5 - 30.5	\$90,875.49	\$2,497.72	0.02749	0.46
30.5 - 31.5	\$99,290.38	\$15,680.00	0.15792	0.45
31.5 - 32.5	\$83,610.38	\$0.00	0.00000	0.38
32.5 - 33.5	\$99,513.48	\$0.00	0.00000	0.38
33.5 - 34.5	\$99,513.48	\$0.00	0.00000	0.38
34.5 - 35.5	\$107,160.37	\$20,288.16	0.18933	0.38
35.5 - 36.5	\$86,872.21	\$10,912.61	0.12562	0.31

Montana-Dakota Utilities Company
Gas Division

396.20 POWER OPERATED EQUIPMENT

Observed Life Table

Retirement Expr. 1995 TO 2015

Placement Years 1953 TO 2015

Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
36.5 - 37.5	\$75,959.60	\$1,727.02	0.02274	0.27
37.5 - 38.5	\$77,423.47	\$19,393.45	0.25049	0.26
38.5 - 39.5	\$58,030.02	\$15,903.10	0.27405	0.20
39.5 - 40.5	\$51,599.71	\$0.00	0.00000	0.14
40.5 - 41.5	\$51,599.71	\$8,672.37	0.16807	0.14
41.5 - 42.5	\$61,124.41	\$20,647.61	0.33780	0.12
42.5 - 43.5	\$40,476.80	\$18,270.81	0.45139	0.08
43.5 - 44.5	\$22,205.99	\$3,190.89	0.14370	0.04
44.5 - 45.5	\$19,015.10	\$0.00	0.00000	0.04

SECTION 6

Montana-Dakota Utilities Company

Gas Division

374.20 LAND RIGHTS

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2015

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 65

Survivor Curve: R3

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1977	11,086.99	65.00	170.57	30.13	5,138.85
1978	32,936.47	65.00	506.71	30.91	15,663.73
1979	703.19	65.00	10.82	31.71	343.03
1980	1,196.55	65.00	18.41	32.51	598.44
1981	1,257.25	65.00	19.34	33.32	644.50
1982	9,392.30	65.00	144.50	34.14	4,932.75
1983	1,756.61	65.00	27.02	34.96	944.92
1984	3,781.55	65.00	58.18	35.80	2,082.71
1985	1,520.05	65.00	23.39	36.64	856.83
1986	4,821.22	65.00	74.17	37.49	2,780.61
1987	2,724.79	65.00	41.92	38.34	1,607.33
1988	104.71	65.00	1.61	39.21	63.16
1989	52.84	65.00	0.81	40.07	32.58
1990	1,367.84	65.00	21.04	40.95	861.78
1991	207.89	65.00	3.20	41.83	133.80
1992	892.88	65.00	13.74	42.72	586.88
1994	2,478.24	65.00	38.13	44.52	1,697.43
1995	1,270.26	65.00	19.54	45.43	887.75
1996	2,817.57	65.00	43.35	46.34	2,008.76
1997	10.13	65.00	0.16	47.26	7.37
1998	423.48	65.00	6.52	48.18	313.92
1999	103.23	65.00	1.59	49.11	78.00
2000	7,121.24	65.00	109.56	50.05	5,483.01
2001	1,417.26	65.00	21.80	50.99	1,111.70
2002	5,947.12	65.00	91.49	51.93	4,751.18
2003	1,495.91	65.00	23.01	52.88	1,216.91
2004	24,900.55	65.00	383.09	53.83	20,620.69

Montana-Dakota Utilities Company

Gas Division

374.20 LAND RIGHTS

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2015

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 65

Survivor Curve: R3

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2005	11,746.86	65.00	180.72	54.78	9,900.61
2006	32,481.06	65.00	499.71	55.74	27,855.02
2007	105,201.84	65.00	1,618.49	56.71	91,777.58
2008	15,054.53	65.00	231.61	57.67	13,357.07
2009	8,595.96	65.00	132.25	58.64	7,754.94
2010	4,915.75	65.00	75.63	59.61	4,508.30
2011	77,682.44	65.00	1,195.11	60.59	72,407.98
2012	49,726.92	65.00	765.03	61.56	47,098.11
2014	3,954.75	65.00	60.84	63.52	3,864.97
Total	431,148.23	65.00	6,633.05	53.37	353,973.19

Composite Average Remaining Life ... 53.37 Years

Montana-Dakota Utilities Company
Gas Division

375.00 STRUCTURES & IMPROVEMENTS

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 60

Survivor Curve: R3

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
(1)	(2)	(3)	(4)	(5)	(6)
1918	513.89	60.00	8.56	1.03	8.84
1919	526.74	60.00	8.78	1.20	10.50
1920	539.91	60.00	9.00	1.42	12.75
1921	553.41	60.00	9.22	1.66	15.27
1922	567.24	60.00	9.45	1.91	18.08
1923	581.42	60.00	9.69	2.14	20.77
1924	595.96	60.00	9.93	2.41	23.95
1925	610.86	60.00	10.18	2.64	26.89
1926	626.13	60.00	10.44	2.89	30.12
1927	641.78	60.00	10.70	3.14	33.59
1928	657.83	60.00	10.96	3.40	37.33
1929	674.27	60.00	11.24	3.65	41.07
1930	691.13	60.00	11.52	3.93	45.21
1931	708.41	60.00	11.81	4.17	49.25
1932	726.12	60.00	12.10	4.42	53.54
1933	744.27	60.00	12.40	4.68	58.06
1934	762.88	60.00	12.71	4.94	62.86
1935	781.95	60.00	13.03	5.20	67.74
1936	801.50	60.00	13.36	5.47	73.02
1937	821.54	60.00	13.69	5.72	78.33
1938	842.08	60.00	14.03	5.98	83.95
1939	863.13	60.00	14.39	6.25	89.91
1940	884.71	60.00	14.75	6.53	96.24
1946	884.71	60.00	14.75	8.33	122.84
1947	884.71	60.00	14.75	8.67	127.81
1948	884.71	60.00	14.75	9.02	132.99
1949	552.52	60.00	9.21	9.38	86.40

Montana-Dakota Utilities Company
Gas Division

375.00 STRUCTURES & IMPROVEMENTS

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 60

Survivor Curve: R3

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
(1)	(2)	(3)	(4)	(5)	(6)
1950	959.12	60.00	15.99	9.76	156.01
1951	4,416.89	60.00	73.61	10.15	747.36
1952	4,816.72	60.00	80.28	10.56	847.67
1953	3,135.87	60.00	52.26	10.98	573.97
1954	19,134.05	60.00	318.90	11.42	3,641.91
1955	6,995.77	60.00	116.60	11.87	1,384.35
1956	29,879.49	60.00	497.99	12.34	6,146.93
1957	11,076.38	60.00	184.61	12.83	2,368.37
1958	17,518.08	60.00	291.97	13.33	3,891.78
1959	9,646.07	60.00	160.77	13.85	2,226.27
1960	13,941.12	60.00	232.35	14.38	3,340.74
1961	11,566.30	60.00	192.77	14.93	2,877.74
1962	22,583.10	60.00	376.39	15.49	5,831.33
1963	16,792.47	60.00	279.87	16.07	4,498.13
1964	5,881.89	60.00	98.03	16.66	1,633.56
1965	9,224.24	60.00	153.74	17.27	2,655.40
1966	5,380.89	60.00	89.68	17.89	1,604.46
1967	6,103.82	60.00	101.73	18.53	1,884.82
1968	6,507.11	60.00	108.45	19.18	2,079.75
1969	6,192.13	60.00	103.20	19.84	2,047.29
1970	10,607.83	60.00	176.80	20.51	3,625.97
1971	6,565.06	60.00	109.42	21.20	2,319.13
1972	4,084.24	60.00	68.07	21.89	1,489.99
1973	2,949.96	60.00	49.17	22.60	1,111.07
1974	3,798.67	60.00	63.31	23.32	1,476.27
1975	2,491.06	60.00	41.52	24.05	998.38
1979	2,889.58	60.00	48.16	27.06	1,303.28

Montana-Dakota Utilities Company
Gas Division

375.00 STRUCTURES & IMPROVEMENTS

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 60

Survivor Curve: R3

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1980	3,064.39	60.00	51.07	27.84	1,421.89
1981	511.36	60.00	8.52	28.63	243.98
1982	9,546.69	60.00	159.11	29.42	4,681.37
1983	1,383.87	60.00	23.06	30.23	697.18
1984	6,446.16	60.00	107.44	31.04	3,334.63
1985	26,544.90	60.00	442.42	31.86	14,095.82
1986	13,663.63	60.00	227.73	32.69	7,444.76
1987	426.93	60.00	7.12	33.53	238.58
1988	1,223.80	60.00	20.40	34.37	701.13
1989	7,653.95	60.00	127.57	35.23	4,494.02
1990	1,453.64	60.00	24.23	36.09	874.33
1991	13,418.12	60.00	223.64	36.96	8,265.28
1992	13,547.05	60.00	225.78	37.84	8,542.66
1993	43,075.76	60.00	717.93	38.72	27,797.49
1994	68,192.37	60.00	1,136.54	39.61	45,016.64
1995	2,274.00	60.00	37.90	40.51	1,535.18
1996	2,413.38	60.00	40.22	41.41	1,665.56
1997	12,484.05	60.00	208.07	42.32	8,805.20
1998	2,173.67	60.00	36.23	43.24	1,566.32
2000	680.28	60.00	11.34	45.08	511.17
2003	22,150.44	60.00	369.17	47.90	17,682.70
2004	4,110.00	60.00	68.50	48.85	3,345.94
2005	13,949.02	60.00	232.48	49.80	11,577.21
2006	11,786.31	60.00	196.44	50.75	9,969.98
2007	2,467.27	60.00	41.12	51.71	2,126.54
2008	34,980.07	60.00	583.00	52.68	30,710.80
2010	10,680.56	60.00	178.01	54.62	9,722.03

**Montana-Dakota Utilities Company
Gas Division**

375.00 STRUCTURES & IMPROVEMENTS

**Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique**

Average Service Life: 60 Survivor Curve: R3

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2011	131,096.36	60.00	2,184.94	55.59	121,458.00
2012	74,210.14	60.00	1,236.84	56.56	69,961.14
2013	2,912.57	60.00	48.54	57.54	2,793.32
2014	945.16	60.00	15.75	58.52	921.91
2015	38,866.53	60.00	647.78	59.51	38,547.55
Total	842,394.15	60.00	14,039.91	37.39	525,019.56

Composite Average Remaining Life ... 37.39 Years

Montana-Dakota Utilities Company

Gas Division

376.10 MAINS - STEEL

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2015

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 62

Survivor Curve: R3

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1916	38,005.92	62.00	613.00	1.29	788.77
1917	66,510.80	62.00	1,072.75	1.54	1,649.30
1918	68,173.57	62.00	1,099.57	1.75	1,929.49
1919	69,877.90	62.00	1,127.06	2.01	2,270.81
1920	71,624.85	62.00	1,155.24	2.24	2,582.90
1921	73,415.47	62.00	1,184.12	2.48	2,934.27
1922	75,250.86	62.00	1,213.72	2.74	3,325.57
1923	77,132.13	62.00	1,244.07	2.98	3,709.60
1924	79,060.43	62.00	1,275.17	3.25	4,144.57
1925	81,036.94	62.00	1,307.05	3.49	4,564.30
1926	83,062.87	62.00	1,339.72	3.74	5,016.28
1927	84,889.12	62.00	1,369.18	4.01	5,491.38
1928	87,267.92	62.00	1,407.55	4.26	5,996.26
1929	89,449.62	62.00	1,442.74	4.53	6,533.95
1930	91,160.33	62.00	1,470.33	4.78	7,021.68
1931	93,978.01	62.00	1,515.77	5.03	7,622.69
1932	95,875.35	62.00	1,546.38	5.29	8,187.81
1933	98,735.64	62.00	1,592.51	5.55	8,834.11
1934	101,204.04	62.00	1,632.32	5.81	9,477.70
1935	103,235.16	62.00	1,665.08	6.07	10,114.05
1936	106,254.41	62.00	1,713.78	6.34	10,860.57
1937	108,904.20	62.00	1,756.52	6.61	11,618.05
1938	109,682.72	62.00	1,769.08	6.89	12,181.36
1939	113,757.12	62.00	1,834.79	7.17	13,150.17
1940	116,365.37	62.00	1,876.86	7.46	14,002.69
1946	116,353.01	62.00	1,876.66	9.41	17,656.16
1947	117,026.33	62.00	1,887.52	9.78	18,450.83

Montana-Dakota Utilities Company
Gas Division

376.10 MAINS - STEEL

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 62

Survivor Curve: R3

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1948	116,885.73	62.00	1,885.25	10.16	19,146.31
1949	117,272.09	62.00	1,891.48	10.55	19,956.25
1950	408,129.69	62.00	6,582.74	10.96	72,141.16
1951	339,367.90	62.00	5,473.67	11.38	62,310.33
1952	549,289.51	62.00	8,859.51	11.82	104,746.55
1953	456,970.46	62.00	7,370.49	12.28	90,482.72
1954	502,195.96	62.00	8,099.93	12.75	103,249.04
1955	915,425.79	62.00	14,764.93	13.23	195,339.10
1956	714,299.46	62.00	11,520.96	13.73	158,205.47
1957	416,003.97	62.00	6,709.74	14.25	95,603.94
1958	522,541.80	62.00	8,428.09	14.78	124,547.54
1959	633,684.76	62.00	10,220.72	15.33	156,633.61
1960	797,327.52	62.00	12,860.12	15.88	204,257.52
1961	655,072.90	62.00	10,565.69	16.46	173,916.59
1962	945,630.68	62.00	15,252.10	17.05	260,065.10
1963	814,602.38	62.00	13,138.75	17.65	231,928.60
1964	795,937.06	62.00	12,837.69	18.27	234,557.26
1965	774,536.91	62.00	12,492.53	18.90	236,130.61
1966	552,063.05	62.00	8,904.24	19.54	174,017.34
1967	660,200.41	62.00	10,648.39	20.20	215,095.85
1968	766,962.21	62.00	12,370.36	20.86	258,107.07
1969	698,975.14	62.00	11,273.79	21.55	242,904.88
1970	2,419,008.95	62.00	39,016.27	22.24	867,613.85
1971	593,554.63	62.00	9,573.46	22.94	219,587.94
1972	578,798.24	62.00	9,335.45	23.65	220,789.40
1973	636,258.26	62.00	10,262.23	24.37	250,099.61
1974	260,227.66	62.00	4,197.22	25.11	105,372.61

Montana-Dakota Utilities Company
Gas Division

376.10 MAINS - STEEL

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 62

Survivor Curve: R3

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1975	45,589.52	62.00	735.31	25.85	19,006.86
1976	539,324.52	62.00	8,698.78	26.60	231,379.18
1977	287,429.31	62.00	4,635.96	27.36	126,847.67
1978	292,720.32	62.00	4,721.29	28.13	132,822.48
1979	498,570.33	62.00	8,041.46	28.91	232,487.43
1980	593,962.02	62.00	9,580.03	29.70	284,528.90
1981	744,558.96	62.00	12,009.01	30.50	366,220.33
1982	905,914.76	62.00	14,611.53	31.30	457,370.31
1983	617,652.89	62.00	9,962.14	32.12	319,945.17
1984	228,227.17	62.00	3,681.08	32.94	121,243.11
1985	615,538.35	62.00	9,928.04	33.77	335,244.41
1986	946,687.73	62.00	15,269.15	34.60	528,366.33
1987	345,330.48	62.00	5,569.85	35.45	197,451.65
1988	402,701.80	62.00	6,495.19	36.30	235,798.72
1989	358,494.00	62.00	5,782.16	37.16	214,881.90
1990	328,332.25	62.00	5,295.68	38.03	201,402.29
1991	364,550.57	62.00	5,879.85	38.90	228,753.70
1992	463,955.93	62.00	7,483.16	39.79	297,736.73
1993	934,445.38	62.00	15,071.70	40.68	613,065.26
1994	552,732.28	62.00	8,915.03	41.57	370,603.53
1995	131,681.46	62.00	2,123.89	42.47	90,207.88
1996	205,661.80	62.00	3,317.13	43.38	143,899.45
1997	150,722.72	62.00	2,431.01	44.29	107,678.62
1998	127,248.71	62.00	2,052.40	45.21	92,796.41
1999	433,279.69	62.00	6,988.38	46.14	322,427.43
2000	270,576.53	62.00	4,364.14	47.07	205,413.89
2001	167,896.27	62.00	2,708.00	48.00	129,995.70

Montana-Dakota Utilities Company

Gas Division

376.10 MAINS - STEEL

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2015

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 62

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	628,199.23	62.00	10,132.24	48.94	495,911.58
2003	795,186.47	62.00	12,825.59	49.89	639,858.70
2004	1,085,420.10	62.00	17,506.77	50.84	890,004.63
2005	1,414,268.75	62.00	22,810.78	51.79	1,181,411.59
2006	387,013.55	62.00	6,242.15	52.75	329,270.28
2007	420,802.44	62.00	6,787.13	53.71	364,537.85
2008	3,238,658.24	62.00	52,236.41	54.68	2,856,033.54
2009	557,130.58	62.00	8,985.98	55.64	500,008.12
2010	422,807.66	62.00	6,819.48	56.61	386,077.05
2011	2,034,286.58	62.00	32,811.07	57.59	1,889,521.12
2012	1,741,341.86	62.00	28,086.15	58.56	1,644,837.97
2013	1,066,117.46	62.00	17,195.44	59.54	1,023,871.95
2014	23,135,748.72	62.00	373,157.16	60.52	22,585,153.31
2015	927,020.36	62.00	14,951.94	61.51	919,657.23
Total	69,466,300.96	62.00	1,120,423.98	42.49	47,610,651.82

Composite Average Remaining Life ... 42.49 Years

Montana-Dakota Utilities Company

Gas Division

376.20 MAINS - PLASTIC

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2015

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 47

Survivor Curve: R4

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1970	360,960.85	47.00	7,679.93	7.62	58,509.38
1971	140,497.51	47.00	2,989.28	8.15	24,368.32
1972	1,258,125.92	47.00	26,768.34	8.72	233,408.89
1973	301,498.63	47.00	6,414.79	9.32	59,811.13
1974	241,844.34	47.00	5,145.57	9.95	51,208.71
1975	864,405.51	47.00	18,391.40	10.60	195,009.44
1976	645,293.23	47.00	13,729.49	11.27	154,774.16
1977	317,566.24	47.00	6,756.65	11.96	80,797.07
1978	508,859.96	47.00	10,826.69	12.66	137,038.04
1979	1,090,019.71	47.00	23,191.65	13.37	310,108.39
1980	1,517,876.74	47.00	32,294.90	14.10	455,394.16
1981	1,137,597.86	47.00	24,203.94	14.85	359,421.13
1982	1,129,925.56	47.00	24,040.71	15.61	375,313.97
1983	1,143,095.56	47.00	24,320.92	16.39	398,609.64
1984	1,219,729.54	47.00	25,951.41	17.18	445,937.04
1985	1,240,062.47	47.00	26,384.02	17.99	474,734.54
1986	1,178,380.35	47.00	25,071.65	18.82	471,808.55
1987	1,238,990.07	47.00	26,361.20	19.66	518,222.69
1988	810,156.97	47.00	17,237.19	20.51	353,588.71
1989	608,006.39	47.00	12,936.16	21.38	276,626.23
1990	895,566.07	47.00	19,054.39	22.27	424,259.86
1991	1,277,869.62	47.00	27,188.42	23.16	629,680.02
1992	1,852,379.26	47.00	39,411.89	24.07	948,470.04
1993	6,544,178.31	47.00	139,236.31	24.98	3,478,413.12
1994	4,279,204.10	47.00	91,045.90	25.91	2,358,868.86
1995	1,538,675.90	47.00	32,737.43	26.84	878,810.58
1996	1,815,024.44	47.00	38,617.12	27.79	1,073,142.56

Montana-Dakota Utilities Company
Gas Division

376.20 MAINS - PLASTIC

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 47

Survivor Curve: R4

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1997	1,607,913.66	47.00	34,210.55	28.74	983,245.19
1998	1,420,802.71	47.00	30,229.51	29.70	897,799.98
1999	1,091,957.49	47.00	23,232.88	30.66	712,412.24
2000	1,457,290.07	47.00	31,005.83	31.63	980,833.55
2001	1,746,497.87	47.00	37,159.12	32.61	1,211,701.39
2002	2,118,850.53	47.00	45,081.43	33.59	1,514,158.45
2003	2,528,207.24	47.00	53,791.05	34.57	1,859,530.18
2004	2,451,269.33	47.00	52,154.09	35.56	1,854,353.63
2005	3,340,294.31	47.00	71,069.31	36.54	2,597,110.07
2006	3,207,448.33	47.00	68,242.83	37.53	2,561,400.65
2007	2,815,945.48	47.00	59,913.08	38.53	2,308,197.61
2008	4,058,737.52	47.00	86,355.17	39.52	3,412,712.04
2009	2,482,145.50	47.00	52,811.03	40.51	2,139,611.74
2010	4,016,719.00	47.00	85,461.17	41.51	3,547,540.17
2011	5,757,252.71	47.00	122,493.39	42.51	5,206,885.33
2012	16,644,424.51	47.00	354,132.80	43.51	15,406,612.38
2013	10,902,116.54	47.00	231,957.38	44.50	10,322,883.16
2014	17,464,150.79	47.00	371,573.60	45.50	16,907,332.59
2015	13,364,350.72	47.00	284,344.77	46.50	13,222,296.72
Total	133,632,165.42	47.00	2,843,206.35	36.18	102,872,952.27

Composite Average Remaining Life ... 36.18 Years

Montana-Dakota Utilities Company

Gas Division

376.30 MAINS - VALVES

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2015

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 40

Survivor Curve: R3

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1995	4,300.00	40.00	107.50	21.10	2,268.71
1996	7,734.77	40.00	193.37	21.93	4,241.22
1999	19,312.18	40.00	482.80	24.49	11,826.11
2000	9,278.62	40.00	231.97	25.37	5,885.00
2001	4,287.38	40.00	107.18	26.26	2,814.40
2002	4,177.99	40.00	104.45	27.15	2,836.22
2003	3,099.41	40.00	77.49	28.06	2,174.32
2004	28,879.56	40.00	721.99	28.98	20,920.79
2005	308.17	40.00	7.70	29.90	230.37
2007	1,196.49	40.00	29.91	31.77	950.46
2008	27,856.45	40.00	696.41	32.72	22,788.04
2009	42,409.09	40.00	1,060.23	33.68	35,704.71
2012	57,581.28	40.00	1,439.53	36.57	52,646.68
2013	2,374,759.10	40.00	59,368.94	37.55	2,229,129.72
Total	2,585,180.49	40.00	64,629.47	37.05	2,394,416.76

Composite Average Remaining Life ... 37.05 Years

Montana-Dakota Utilities Company
Gas Division

376.40 MAINS - MANHOLES

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 55 Survivor Curve: R3

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1996	3,287.49	55.00	59.77	36.49	2,181.39
Total	3,287.49	55.00	59.77	36.49	2,181.39

Composite Average Remaining Life ... 36.49 Years

**Montana-Dakota Utilities Company
Gas Division**

376.50 MAINS - BRIDGE & RIVER CROSSINGS

**Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique**

Average Service Life: 45 Survivor Curve: R3

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1995	9,905.79	45.00	220.13	25.89	5,698.46
1998	1,473.90	45.00	32.75	28.49	933.03
2002	2,617.45	45.00	58.17	32.08	1,866.09
2007	78,769.67	45.00	1,750.44	36.75	64,333.92
Total	92,766.81	45.00	2,061.48	35.33	72,831.50

Composite Average Remaining Life ... 35.33 Years

**Montana-Dakota Utilities Company
Gas Division**

378.00 MEAS. & REG. STATION EQUIP. - GENERAL

**Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique**

Average Service Life: 50

Survivor Curve: R2

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1920	3,168.71	0.00	0.00	0.00	0.00
1921	3,247.93	0.00	0.00	0.00	0.00
1922	3,329.13	0.00	0.00	0.00	0.00
1923	3,412.36	50.00	68.25	0.50	34.12
1924	3,497.67	50.00	69.95	0.52	36.57
1925	3,585.11	50.00	71.70	0.71	50.55
1926	3,674.73	50.00	73.49	0.93	68.43
1927	3,766.61	50.00	75.33	1.17	88.47
1928	3,860.77	50.00	77.22	1.43	110.25
1929	3,957.29	50.00	79.15	1.69	133.61
1930	4,056.22	50.00	81.12	1.95	158.54
1931	4,157.62	50.00	83.15	2.23	185.03
1932	4,261.56	50.00	85.23	2.50	213.10
1933	4,368.10	50.00	87.36	2.78	242.77
1934	4,477.30	50.00	89.55	3.06	274.07
1935	4,589.23	50.00	91.78	3.34	306.99
1936	4,703.97	50.00	94.08	3.63	341.58
1937	4,821.56	50.00	96.43	3.92	377.83
1938	4,942.11	50.00	98.84	4.21	415.78
1939	5,065.66	50.00	101.31	4.50	455.47
1940	5,192.30	50.00	103.85	4.79	496.94
1946	5,192.30	50.00	103.85	6.55	679.86
1947	5,192.30	50.00	103.85	6.85	711.21
1948	7,082.24	50.00	141.64	7.15	1,013.43
1949	5,192.30	50.00	103.85	7.47	775.28
1950	15,739.01	50.00	314.78	7.78	2,449.68
1952	7,454.91	50.00	149.10	8.44	1,257.65

Montana-Dakota Utilities Company
Gas Division

378.00 MEAS. & REG. STATION EQUIP. - GENERAL

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 50

Survivor Curve: R2

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
(1)	(2)	(3)	(4)	(5)	(6)
1953	5,277.59	50.00	105.55	8.77	925.98
1954	13,267.21	50.00	265.34	9.12	2,419.60
1955	20,157.67	50.00	403.15	9.47	3,819.31
1956	15,356.15	50.00	307.12	9.84	3,021.43
1957	5,153.29	50.00	103.07	10.21	1,052.50
1958	13,517.68	50.00	270.35	10.60	2,864.74
1959	16,978.98	50.00	339.58	10.99	3,732.39
1960	26,019.78	50.00	520.39	11.40	5,930.99
1961	18,482.81	50.00	369.65	11.81	4,367.17
1962	16,007.77	50.00	320.15	12.24	3,919.53
1963	13,573.31	50.00	271.47	12.68	3,442.91
1964	12,100.65	50.00	242.01	13.13	3,178.70
1965	27,616.08	50.00	552.32	13.60	7,510.47
1966	11,501.19	50.00	230.02	14.07	3,237.24
1967	10,176.56	50.00	203.53	14.56	2,963.61
1968	14,717.26	50.00	294.34	15.06	4,432.93
1969	20,113.63	50.00	402.27	15.57	6,264.04
1970	22,438.06	50.00	448.76	16.09	7,222.74
1971	21,588.19	50.00	431.76	16.63	7,180.17
1972	19,122.53	50.00	382.45	17.18	6,569.21
1973	18,203.33	50.00	364.07	17.74	6,456.73
1974	52,064.25	50.00	1,041.28	18.31	19,060.67
1975	25,899.13	50.00	517.98	18.89	9,782.75
1976	41,087.90	50.00	821.75	19.48	16,006.84
1977	25,003.86	50.00	500.08	20.08	10,042.75
1978	17,076.63	50.00	341.53	20.70	7,068.67
1979	6,260.06	50.00	125.20	21.32	2,669.56

Montana-Dakota Utilities Company
Gas Division

378.00 MEAS. & REG. STATION EQUIP. - GENERAL

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 50

Survivor Curve: R2

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1980	34,609.81	50.00	692.19	21.96	15,199.26
1981	5,316.47	50.00	106.33	22.60	2,403.50
1982	33,936.06	50.00	678.72	23.26	15,787.52
1983	27,981.80	50.00	559.63	23.93	13,390.48
1984	25,100.15	50.00	502.00	24.60	12,350.98
1985	18,347.74	50.00	366.95	25.29	9,280.04
1986	11,821.32	50.00	236.43	25.98	6,143.48
1987	16,018.09	50.00	320.36	26.69	8,550.27
1988	26,043.21	50.00	520.86	27.40	14,273.36
1989	21,913.57	50.00	438.27	28.13	12,326.81
1990	2,845.45	50.00	56.91	28.86	1,642.25
1991	13,130.02	50.00	262.60	29.60	7,772.33
1992	23,454.34	50.00	469.08	30.35	14,234.96
1993	72,468.33	50.00	1,449.36	31.10	45,079.53
1994	45,915.18	50.00	918.30	31.87	29,264.36
1995	22,114.83	50.00	442.29	32.64	14,436.88
1996	7,774.40	50.00	155.49	33.42	5,196.63
1997	65,253.79	50.00	1,305.07	34.21	44,646.37
1998	25,865.86	50.00	517.32	35.01	18,109.03
1999	31,038.93	50.00	620.78	35.81	22,229.40
2000	23,766.12	50.00	475.32	36.62	17,406.01
2001	26,598.34	50.00	531.96	37.44	19,915.20
2002	57,242.60	50.00	1,144.85	38.26	43,803.65
2003	44,707.44	50.00	894.15	39.09	34,954.69
2004	149,686.89	50.00	2,993.73	39.93	119,541.93
2005	119,416.60	50.00	2,388.32	40.78	97,384.57
2006	94,474.17	50.00	1,889.48	41.63	78,651.62

**Montana-Dakota Utilities Company
Gas Division**

378.00 MEAS. & REG. STATION EQUIP. - GENERAL

**Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique**

Average Service Life: 50 Survivor Curve: R2

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
(1)	(2)	(3)	(4)	(5)	(6)
2007	71,324.14	50.00	1,426.48	42.48	60,601.39
2008	292,468.74	50.00	5,849.35	43.35	253,548.63
2009	15,915.17	50.00	318.30	44.22	14,073.92
2010	68,458.32	50.00	1,369.16	45.09	61,736.24
2011	485,802.54	50.00	9,716.01	45.97	446,656.61
2012	264,764.03	50.00	5,295.26	46.86	248,121.73
2013	153,075.78	50.00	3,061.50	47.75	146,183.27
2014	128,141.37	50.00	2,562.82	48.65	124,669.78
2015	271,221.58	50.00	5,424.41	49.55	268,765.57
Total	3,438,763.73	48.33	68,580.08	36.66	2,514,353.13

Composite Average Remaining Life ... 36.66 Years

Montana-Dakota Utilities Company
Gas Division

379.00 MEAS. & REG. STATION EQUIP. - CITY GATE

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 45

Survivor Curve: R2.5

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
(1)	(2)	(3)	(4)	(5)	(6)
1951	32,046.47	45.00	712.14	4.71	3,352.39
1952	10,929.56	45.00	242.88	4.94	1,198.98
1953	12,791.21	45.00	284.25	5.17	1,469.45
1954	16,510.04	45.00	366.89	5.41	1,983.66
1955	11,089.00	45.00	246.42	5.64	1,390.23
1956	2,640.59	45.00	58.68	5.89	345.48
1957	6,442.35	45.00	143.16	6.14	878.97
1958	2,389.84	45.00	53.11	6.40	339.85
1961	19,993.62	45.00	444.30	7.23	3,212.01
1962	21,076.26	45.00	468.36	7.53	3,527.18
1963	17,090.34	45.00	379.78	7.85	2,979.94
1964	43,667.39	45.00	970.38	8.18	7,933.63
1965	21,911.37	45.00	486.92	8.52	4,149.86
1966	3,124.58	45.00	69.43	8.89	617.06
1967	16,208.70	45.00	360.19	9.27	3,338.59
1968	10,071.23	45.00	223.80	9.67	2,164.05
1969	11,039.31	45.00	245.32	10.09	2,475.25
1970	24,855.93	45.00	552.35	10.53	5,815.76
1971	11,931.25	45.00	265.14	10.99	2,913.19
1972	21,630.82	45.00	480.68	11.47	5,511.04
1973	15,194.12	45.00	337.65	11.96	4,039.50
1974	20,289.49	45.00	450.88	12.48	5,626.91
1975	4,084.06	45.00	90.76	13.01	1,181.16
1976	9,564.89	45.00	212.55	13.57	2,883.74
1977	2,444.28	45.00	54.32	14.14	767.90
1978	10,943.00	45.00	243.18	14.73	3,581.30
1979	2,994.43	45.00	66.54	15.33	1,020.18

Montana-Dakota Utilities Company
Gas Division

379.00 MEAS. & REG. STATION EQUIP. - CITY GATE

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 45

Survivor Curve: R2.5

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
(1)	(2)	(3)	(4)	(5)	(6)
1980	18,719.62	45.00	415.99	15.95	6,635.46
1981	10,545.92	45.00	234.35	16.59	3,886.96
1982	10,842.95	45.00	240.95	17.24	4,153.47
1983	12,492.46	45.00	277.61	17.90	4,969.72
1984	3,339.54	45.00	74.21	18.58	1,378.82
1986	441.28	45.00	9.81	19.97	195.86
1987	22.12	45.00	0.49	20.69	10.17
1990	1,043.38	45.00	23.19	22.91	531.14
1991	549.87	45.00	12.22	23.67	289.24
1993	221,413.83	45.00	4,920.29	25.22	124,114.39
1994	237,527.85	45.00	5,278.38	26.02	137,329.48
1995	21,116.80	45.00	469.26	26.82	12,585.33
1997	67,421.31	45.00	1,498.25	28.45	42,631.73
1998	5,200.58	45.00	115.57	29.28	3,384.39
2003	23,171.92	45.00	514.93	33.57	17,284.00
2004	5,186.61	45.00	115.26	34.45	3,970.05
2006	5,519.33	45.00	122.65	36.23	4,443.20
2008	28,935.76	45.00	643.02	38.03	24,455.39
2009	5,925.19	45.00	131.67	38.95	5,127.95
2010	130,602.22	45.00	2,902.26	39.86	115,693.50
2011	479,462.79	45.00	10,654.70	40.79	434,566.89
2012	797,155.67	45.00	17,714.52	41.71	738,954.75
2013	2,182,058.85	45.00	48,490.06	42.65	2,067,985.02
2014	188,861.10	45.00	4,196.90	43.59	182,925.36
2015	1,364,268.06	45.00	30,316.98	44.53	1,349,945.20

**Montana-Dakota Utilities Company
Gas Division**

379.00 MEAS. & REG. STATION EQUIP. - CITY GATE

**Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique**

Average Service Life: 45 Survivor Curve: R2.5

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
Total	6,204,779.14	45.00	137,883.59	38.89	5,362,144.75

Composite Average Remaining Life ... 38.89 Years

Montana-Dakota Utilities Company
Gas Division

380.10 SERVICES - STEEL

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 38

Survivor Curve: R0.5

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1920	21,477.67	0.00	0.00	0.00	0.00
1921	22,014.61	0.00	0.00	0.00	0.00
1922	22,564.97	0.00	0.00	0.00	0.00
1923	23,129.10	0.00	0.00	0.00	0.00
1924	23,707.33	0.00	0.00	0.00	0.00
1925	24,300.01	0.00	0.00	0.00	0.00
1926	24,907.51	0.00	0.00	0.00	0.00
1927	25,530.20	0.00	0.00	0.00	0.00
1928	26,168.45	0.00	0.00	0.00	0.00
1929	26,822.66	0.00	0.00	0.00	0.00
1930	26,948.71	0.00	0.00	0.00	0.00
1931	28,180.56	0.00	0.00	0.00	0.00
1932	28,885.07	0.00	0.00	0.00	0.00
1933	29,554.47	0.00	0.00	0.00	0.00
1934	30,347.38	0.00	0.00	0.00	0.00
1935	31,072.96	0.00	0.00	0.00	0.00
1936	31,883.71	0.00	0.00	0.00	0.00
1937	32,680.81	0.00	0.00	0.00	0.00
1938	33,497.82	0.00	0.00	0.00	0.00
1939	34,124.37	0.00	0.00	0.00	0.00
1940	34,608.77	38.00	910.72	0.50	455.36
1946	34,624.65	38.00	911.14	3.11	2,834.61
1947	34,547.03	38.00	909.10	3.55	3,229.72
1948	34,524.09	38.00	908.50	3.99	3,622.37
1949	35,096.50	38.00	923.56	4.41	4,073.81
1950	64,866.11	38.00	1,706.94	4.83	8,241.55
1951	93,134.50	38.00	2,450.82	5.24	12,844.21

Montana-Dakota Utilities Company
Gas Division

380.10 SERVICES - STEEL

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 38

Survivor Curve: R0.5

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1952	118,526.97	38.00	3,119.02	5.65	17,611.02
1953	107,874.33	38.00	2,838.70	6.05	17,169.77
1954	126,407.13	38.00	3,326.38	6.45	21,450.05
1955	101,451.84	38.00	2,669.69	6.85	18,274.28
1956	194,466.67	38.00	5,117.36	7.24	37,059.73
1957	133,247.15	38.00	3,506.38	7.64	26,776.71
1958	130,523.48	38.00	3,434.71	8.03	27,587.12
1959	154,481.36	38.00	4,065.15	8.43	34,264.89
1960	123,969.42	38.00	3,262.24	8.83	28,793.50
1961	152,185.76	38.00	4,004.74	9.23	36,947.67
1962	213,524.34	38.00	5,618.86	9.63	54,101.46
1963	189,894.23	38.00	4,997.04	10.03	50,137.07
1964	201,727.39	38.00	5,308.42	10.44	55,430.97
1965	185,907.55	38.00	4,892.13	10.85	53,097.58
1966	151,026.22	38.00	3,974.23	11.27	44,787.24
1967	170,868.19	38.00	4,496.37	11.69	52,560.99
1968	158,025.08	38.00	4,158.41	12.11	50,375.22
1969	181,408.00	38.00	4,773.72	12.54	59,878.42
1970	788,949.96	38.00	20,761.10	12.98	269,429.42
1971	275,880.61	38.00	7,259.76	13.42	97,404.14
1972	315,189.69	38.00	8,294.17	13.86	114,971.73
1973	270,508.82	38.00	7,118.40	14.31	101,878.09
1974	105,598.63	38.00	2,778.81	14.77	41,037.14
1975	187,967.96	38.00	4,946.35	15.23	75,329.65
1976	132,972.56	38.00	3,499.15	15.70	54,926.15
1977	119,565.31	38.00	3,146.34	16.17	50,878.07
1978	114,254.61	38.00	3,006.59	16.65	50,059.24

Montana-Dakota Utilities Company
Gas Division

380.10 SERVICES - STEEL

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 38

Survivor Curve: R0.5

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
(1)	(2)	(3)	(4)	(5)	(6)
1979	101,666.33	38.00	2,675.33	17.14	45,843.38
1980	111,261.68	38.00	2,927.83	17.63	51,609.92
1981	130,919.16	38.00	3,445.12	18.12	62,442.56
1982	113,741.35	38.00	2,993.09	18.63	55,758.33
1983	84,952.87	38.00	2,235.52	19.14	42,784.92
1984	61,720.44	38.00	1,624.16	19.66	31,922.99
1985	57,764.87	38.00	1,520.07	20.18	30,670.86
1986	57,400.14	38.00	1,510.48	20.70	31,274.07
1987	52,819.55	38.00	1,389.94	21.24	29,520.55
1988	31,831.29	38.00	837.64	21.78	18,242.19
1989	37,760.51	38.00	993.66	22.32	22,181.24
1990	27,318.28	38.00	718.88	22.87	16,442.90
1991	16,870.74	38.00	443.95	23.43	10,401.04
1992	25,256.70	38.00	664.63	23.99	15,943.22
1993	25,730.67	38.00	677.10	24.55	16,624.93
1994	48,519.47	38.00	1,276.78	25.12	32,075.30
1995	19,889.92	38.00	523.40	25.70	13,449.04
1996	47,463.51	38.00	1,248.99	26.27	32,814.55
1997	25,981.16	38.00	683.69	26.85	18,359.24
1998	30,947.92	38.00	814.39	27.44	22,344.63
1999	25,142.27	38.00	661.61	28.02	18,541.23
2000	26,994.94	38.00	710.37	28.61	20,326.14
2001	14,363.69	38.00	377.98	29.21	11,039.08
2002	14,668.63	38.00	386.00	29.80	11,502.63
2003	1,760.33	38.00	46.32	30.40	1,408.00
2015	136,963.82	38.00	3,604.18	37.69	135,844.52

**Montana-Dakota Utilities Company
Gas Division**

380.10 SERVICES - STEEL

**Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique**

Average Service Life: 38 Survivor Curve: R0.5

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
Total	7,315,313.52	28.50	178,086.11	13.35	2,376,886.44

Composite Average Remaining Life ... 13.35 Years

Montana-Dakota Utilities Company
Gas Division

380.20 SERVICES - PLASTIC

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 47

Survivor Curve: R4

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
(1)	(2)	(3)	(4)	(5)	(6)
1950	21.20	47.00	0.45	1.34	0.60
1951	225.32	47.00	4.79	1.56	7.50
1952	112.66	47.00	2.40	1.80	4.31
1953	151.98	47.00	3.23	2.04	6.59
1954	185.08	47.00	3.94	2.29	9.00
1956	130.63	47.00	2.78	2.80	7.77
1958	140.93	47.00	3.00	3.32	9.94
1959	134.01	47.00	2.85	3.59	10.23
1960	738.18	47.00	15.71	3.87	60.77
1962	228.96	47.00	4.87	4.46	21.71
1963	56.12	47.00	1.19	4.77	5.69
1964	70.71	47.00	1.50	5.10	7.67
1966	72.97	47.00	1.55	5.82	9.04
1967	546.40	47.00	11.63	6.22	72.35
1968	72.97	47.00	1.55	6.66	10.33
1969	187.00	47.00	3.98	7.12	28.33
1970	690.88	47.00	14.70	7.62	111.99
1971	8,474.43	47.00	180.31	8.15	1,469.83
1972	235,188.97	47.00	5,003.97	8.72	43,632.51
1973	213,829.79	47.00	4,549.52	9.32	42,419.43
1974	506,159.33	47.00	10,769.23	9.95	107,175.41
1975	295,691.91	47.00	6,291.25	10.60	66,707.94
1976	575,270.36	47.00	12,239.66	11.27	137,979.11
1977	391,241.29	47.00	8,324.19	11.96	99,541.91
1978	407,346.70	47.00	8,666.86	12.66	109,700.11
1979	635,186.83	47.00	13,514.47	13.37	180,709.36
1980	727,404.56	47.00	15,476.52	14.10	218,236.29

Montana-Dakota Utilities Company
Gas Division

380.20 SERVICES - PLASTIC

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 47

Survivor Curve: R4

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
(1)	(2)	(3)	(4)	(5)	(6)
1981	620,527.57	47.00	13,202.57	14.85	196,054.10
1982	708,478.64	47.00	15,073.85	15.61	235,326.95
1983	864,693.53	47.00	18,397.53	16.39	301,527.88
1984	755,451.72	47.00	16,073.26	17.18	276,195.57
1985	850,884.99	47.00	18,103.74	17.99	325,745.28
1986	654,106.19	47.00	13,917.00	18.82	261,895.82
1987	564,260.95	47.00	12,005.42	19.66	236,009.02
1988	562,206.86	47.00	11,961.72	20.51	245,372.20
1989	458,861.72	47.00	9,762.91	21.38	208,769.49
1990	515,891.30	47.00	10,976.29	22.27	244,395.11
1991	703,498.43	47.00	14,967.89	23.16	346,654.23
1992	833,072.65	47.00	17,724.76	24.07	426,556.52
1993	972,990.39	47.00	20,701.70	24.98	517,171.50
1994	1,976,689.97	47.00	42,056.77	25.91	1,089,630.76
1995	1,009,865.80	47.00	21,486.27	26.84	576,782.12
1996	1,503,303.85	47.00	31,984.84	27.79	888,836.16
1997	1,434,793.50	47.00	30,527.19	28.74	877,381.57
1998	1,199,606.28	47.00	25,523.26	29.70	758,026.78
1999	999,370.69	47.00	21,262.97	30.66	652,006.99
2000	1,084,182.19	47.00	23,067.45	31.63	729,712.15
2001	1,208,228.51	47.00	25,706.71	32.61	838,255.91
2002	1,406,586.89	47.00	29,927.05	33.59	1,005,165.49
2003	2,180,642.87	47.00	46,396.15	34.57	1,603,891.94
2004	2,600,383.29	47.00	55,326.70	35.56	1,967,156.42
2005	2,805,488.73	47.00	59,690.59	36.54	2,181,293.73
2006	2,996,536.28	47.00	63,755.39	37.53	2,392,970.73
2007	3,020,408.35	47.00	64,263.30	38.53	2,475,793.43

Montana-Dakota Utilities Company

Gas Division

380.20 SERVICES - PLASTIC

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2015

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 47

Survivor Curve: R4

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
2008	3,739,082.45	47.00	79,554.07	39.52	3,143,936.17
2009	3,313,233.85	47.00	70,493.56	40.51	2,856,010.67
2010	3,810,304.58	47.00	81,069.42	41.51	3,365,236.30
2011	5,312,168.05	47.00	113,023.61	42.51	4,804,348.75
2012	8,021,313.88	47.00	170,664.38	43.51	7,424,785.02
2013	8,211,108.95	47.00	174,702.53	44.50	7,774,849.77
2014	8,155,486.56	47.00	173,519.09	45.50	7,895,461.13
2015	7,549,289.96	47.00	160,621.43	46.50	7,469,046.12
Total	86,602,560.59	47.00	1,842,587.45	36.69	67,600,207.50

Composite Average Remaining Life ... 36.69 Years

**Montana-Dakota Utilities Company
Gas Division**

380.30 SERVICES - FARM & FUEL LINES

**Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique**

Average Service Life: 30

Survivor Curve: R1.5

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1995	13,866.23	30.00	462.20	14.87	6,874.62
1997	5,715.62	30.00	190.52	16.15	3,077.49
1998	1,236.10	30.00	41.20	16.81	692.80
1999	1,279.46	30.00	42.65	17.49	745.82
2000	3,382.25	30.00	112.74	18.17	2,048.82
2001	3,380.55	30.00	112.68	18.87	2,126.43
2003	1,404.66	30.00	46.82	20.30	950.35
2004	86.22	30.00	2.87	21.03	60.43
2006	5,554.58	30.00	185.15	22.51	4,167.80
2007	1,473.36	30.00	49.11	23.27	1,142.60
2008	26,182.98	30.00	872.74	24.03	20,970.83
2013	11,024.41	30.00	367.47	27.96	10,275.10
2014	14,921.42	30.00	497.37	28.77	14,310.01
Total	89,507.84	30.00	2,983.52	22.61	67,443.11

Composite Average Remaining Life ... 22.61 Years

Montana-Dakota Utilities Company
Gas Division
381.00 METERS

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 31 Survivor Curve: R3

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1975	493.76	31.00	15.93	2.99	47.59
1995	15,183,497.98	31.00	489,790.96	12.74	6,239,487.45
1996	1,171,315.02	31.00	37,784.41	13.49	509,736.15
1997	1,028,411.71	31.00	33,174.62	14.26	473,091.45
1998	1,289,300.73	31.00	41,590.41	15.05	625,919.67
1999	1,662,493.62	31.00	53,628.90	15.85	850,269.78
2000	1,752,667.17	31.00	56,537.73	16.68	942,831.14
2001	1,653,070.59	31.00	53,324.93	17.51	933,901.60
2002	1,524,314.82	31.00	49,171.52	18.37	903,081.70
2003	1,332,939.87	31.00	42,998.12	19.23	827,042.87
2004	1,391,040.68	31.00	44,872.34	20.12	902,647.83
2005	2,678,096.34	31.00	86,390.33	21.01	1,815,121.61
2006	1,999,777.46	31.00	64,509.04	21.92	1,413,911.93
2007	8,868,716.39	31.00	286,088.04	22.84	6,533,644.17
2008	9,842,821.48	31.00	317,510.83	23.77	7,546,598.94
2009	651,155.51	31.00	21,005.05	24.71	518,994.17
2010	1,654,274.34	31.00	53,363.77	25.66	1,369,163.17
2011	3,021,795.34	31.00	97,477.41	26.61	2,594,302.75
2012	3,491,923.55	31.00	112,642.86	27.58	3,106,620.20
2013	2,682,503.33	31.00	86,532.49	28.55	2,470,525.22
2014	3,483,333.49	31.00	112,365.76	29.53	3,317,782.89
2015	3,638,190.41	31.00	117,361.15	30.51	3,580,420.82
Total	70,002,133.59	31.00	2,258,136.60	21.02	47,475,143.10

Composite Average Remaining Life ... 21.02 Years

Montana-Dakota Utilities Company
Gas Division

383.00 HOUSE REGULATORS

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 60

Survivor Curve: R3

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1946	15,847.68	60.00	264.13	8.33	2,200.46
1947	21,130.25	60.00	352.17	8.67	3,052.56
1948	21,130.25	60.00	352.17	9.02	3,176.43
1949	21,130.25	60.00	352.17	9.38	3,304.16
1950	20,806.94	60.00	346.78	9.76	3,384.55
1951	25,809.25	60.00	430.15	10.15	4,367.03
1952	27,034.58	60.00	450.58	10.56	4,757.69
1953	34,556.19	60.00	575.94	10.98	6,324.90
1954	28,772.56	60.00	479.54	11.42	5,476.47
1955	45,241.58	60.00	754.03	11.87	8,952.59
1956	84,767.21	60.00	1,412.79	12.34	17,438.65
1957	37,420.53	60.00	623.68	12.83	8,001.31
1958	29,209.77	60.00	486.83	13.33	6,489.18
1959	45,612.86	60.00	760.21	13.85	10,527.25
1960	72,480.16	60.00	1,208.00	14.38	17,368.56
1961	45,077.65	60.00	751.29	14.93	11,215.48
1962	46,955.68	60.00	782.60	15.49	12,124.73
1963	35,725.45	60.00	595.42	16.07	9,569.62
1964	28,802.16	60.00	480.04	16.66	7,999.15
1965	32,842.81	60.00	547.38	17.27	9,454.51
1966	17,395.00	60.00	289.92	17.89	5,186.81
1967	26,039.75	60.00	434.00	18.53	8,040.89
1968	32,911.06	60.00	548.52	19.18	10,518.75
1969	24,353.63	60.00	405.89	19.84	8,051.99
1970	59,385.00	60.00	989.75	20.51	20,299.00
1971	41,693.69	60.00	694.90	21.20	14,728.41
1972	91,957.32	60.00	1,532.62	21.89	33,547.44

Montana-Dakota Utilities Company
Gas Division

383.00 HOUSE REGULATORS

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 60

Survivor Curve: R3

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1973	77,390.14	60.00	1,289.84	22.60	29,148.11
1974	106,436.70	60.00	1,773.95	23.32	41,364.40
1975	111,000.59	60.00	1,850.01	24.05	44,487.20
1976	90,178.26	60.00	1,502.97	24.78	37,251.15
1977	88,459.35	60.00	1,474.32	25.54	37,646.99
1978	70,255.34	60.00	1,170.92	26.29	30,785.59
1979	92,243.06	60.00	1,537.39	27.06	41,604.20
1980	153,568.64	60.00	2,559.48	27.84	71,256.42
1981	139,866.90	60.00	2,331.12	28.63	66,733.45
1982	71,864.30	60.00	1,197.74	29.42	35,239.79
1983	99,026.84	60.00	1,650.45	30.23	49,888.38
1984	129,427.07	60.00	2,157.12	31.04	66,953.25
1985	108,442.47	60.00	1,807.38	31.86	57,584.89
1986	59,765.36	60.00	996.09	32.69	32,563.72
1987	48,142.58	60.00	802.38	33.53	26,903.42
1988	50,237.29	60.00	837.29	34.37	28,781.52
1989	48,828.87	60.00	813.82	35.23	28,669.91
1990	62,924.41	60.00	1,048.74	36.09	37,847.74
1991	84,034.96	60.00	1,400.58	36.96	51,763.74
1992	103,642.08	60.00	1,727.37	37.84	65,355.83
1993	145,987.42	60.00	2,433.13	38.72	94,208.06
1994	135,469.00	60.00	2,257.82	39.61	89,428.75
1995	130,219.93	60.00	2,170.33	40.51	87,911.56
1996	137,517.96	60.00	2,291.97	41.41	94,906.29
1997	160,188.45	60.00	2,669.81	42.32	112,983.49
1998	190,482.64	60.00	3,174.71	43.24	137,259.83
1999	138,981.90	60.00	2,316.37	44.16	102,281.49

**Montana-Dakota Utilities Company
Gas Division**

383.00 HOUSE REGULATORS

**Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique**

Average Service Life: 60

Survivor Curve: R3

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2000	167,259.48	60.00	2,787.66	45.08	125,679.44
2001	109,543.54	60.00	1,825.73	46.02	84,015.30
2002	120,250.07	60.00	2,004.17	46.95	94,104.66
2003	186,653.41	60.00	3,110.89	47.90	149,005.49
2004	115,262.18	60.00	1,921.04	48.85	93,834.77
2005	207,845.70	60.00	3,464.10	49.80	172,504.88
2006	226,768.92	60.00	3,779.48	50.75	191,822.68
2007	154,283.10	60.00	2,571.39	51.71	132,976.67
2008	312,317.94	60.00	5,205.30	52.68	274,200.00
2009	110,178.86	60.00	1,836.32	53.64	98,508.53
2010	326,556.94	60.00	5,442.62	54.62	297,250.12
2011	589,634.96	60.00	9,827.26	55.59	546,284.31
2012	711,982.94	60.00	11,866.39	56.56	671,217.38
2013	543,711.18	60.00	9,061.86	57.54	521,450.55
2014	733,208.58	60.00	12,220.15	58.52	715,172.98
2015	892,468.54	60.00	14,874.49	59.51	885,143.94
Total	9,356,598.11	60.00	155,943.41	44.31	6,909,539.45

Composite Average Remaining Life ... 44.31 Years

Montana-Dakota Utilities Company
Gas Division

385.00 IND. MEAS. & REG. STA. EQUIP.

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 40

Survivor Curve: R4

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
(1)	(2)	(3)	(4)	(5)	(6)
1951	2,680.88	0.00	0.00	0.00	0.00
1952	4,868.52	0.00	0.00	0.00	0.00
1953	2,163.85	0.00	0.00	0.00	0.00
1954	745.37	0.00	0.00	0.00	0.00
1955	2,362.95	40.00	59.07	0.50	29.54
1956	6,597.03	40.00	164.92	0.53	87.93
1957	6,061.41	40.00	151.53	0.63	95.52
1958	4,054.18	40.00	101.35	0.82	83.52
1959	4,573.78	40.00	114.34	1.00	113.89
1960	12,461.11	40.00	311.53	1.22	380.00
1961	8,196.22	40.00	204.90	1.43	292.85
1962	1,763.36	40.00	44.08	1.67	73.73
1963	10,583.20	40.00	264.58	1.91	504.58
1964	17,835.10	40.00	445.88	2.16	965.17
1965	11,173.34	40.00	279.33	2.42	674.67
1966	5,393.07	40.00	134.83	2.68	361.71
1967	4,491.43	40.00	112.29	2.95	330.81
1968	9,911.64	40.00	247.79	3.23	799.17
1969	14,004.23	40.00	350.10	3.51	1,227.64
1970	11,417.57	40.00	285.44	3.81	1,086.52
1971	5,523.88	40.00	138.10	4.12	568.77
1972	7,827.02	40.00	195.67	4.46	871.75
1973	6,520.05	40.00	163.00	4.82	784.94
1974	1,656.04	40.00	41.40	5.21	215.57
1975	13,094.98	40.00	327.37	5.63	1,844.30
1980	6,543.69	40.00	163.59	8.35	1,366.54
1981	242.64	40.00	6.07	9.00	54.62

Montana-Dakota Utilities Company
Gas Division

385.00 IND. MEAS. & REG. STA. EQUIP.

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 40

Survivor Curve: R4

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
(1)	(2)	(3)	(4)	(5)	(6)
1982	3,198.21	40.00	79.95	9.67	773.44
1983	3,104.39	40.00	77.61	10.36	804.27
1984	19,084.23	40.00	477.10	11.07	5,280.33
1985	78,994.35	40.00	1,974.85	11.79	23,287.53
1986	4,425.00	40.00	110.62	12.53	1,386.44
1987	16,965.27	40.00	424.13	13.29	5,638.72
1988	20,339.12	40.00	508.48	14.07	7,156.01
1989	103.59	40.00	2.59	14.87	38.52
1990	15,148.91	40.00	378.72	15.69	5,941.80
1991	17,900.06	40.00	447.50	16.53	7,394.94
1992	11,678.51	40.00	291.96	17.38	5,073.18
1993	15,099.62	40.00	377.49	18.25	6,887.46
1994	8,709.85	40.00	217.75	19.13	4,165.14
1995	26,585.34	40.00	664.63	20.03	13,310.79
1996	28,112.90	40.00	702.82	20.94	14,715.68
1997	13,929.02	40.00	348.22	21.86	7,612.94
1998	15,936.47	40.00	398.41	22.80	9,082.22
1999	9,754.16	40.00	243.85	23.74	5,789.31
2000	3,184.71	40.00	79.62	24.69	1,966.05
2001	6,751.97	40.00	168.80	25.65	4,330.52
2002	1,505.72	40.00	37.64	26.62	1,002.14
2003	55,438.44	40.00	1,385.95	27.60	38,246.80
2004	8,460.91	40.00	211.52	28.57	6,044.06
2006	48,061.67	40.00	1,201.54	30.54	36,698.51
2008	171,215.74	40.00	4,280.37	32.52	139,212.92
2013	184,946.87	40.00	4,623.65	37.50	173,401.83
2014	3,296.78	40.00	82.42	38.50	3,173.28

**Montana-Dakota Utilities Company
Gas Division**

385.00 IND. MEAS. & REG. STA. EQUIP.

**Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique**

Average Service Life: 40 Survivor Curve: R4

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2015	301,602.48	40.00	7,540.03	39.50	297,835.68
Total	1,276,280.83	37.09	31,645.40	26.51	839,064.22

Composite Average Remaining Life ... 26.51 Years

**Montana-Dakota Utilities Company
Gas Division**

386.10 MISC. PROPERTY ON CUSTOMERS PREMISE

**Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique**

Average Service Life: 15 Survivor Curve: R3

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1996	1,679.84	15.00	111.99	1.50	168.21
Total	1,679.84	15.00	111.99	1.50	168.21

Composite Average Remaining Life ... 1.50 Years

**Montana-Dakota Utilities Company
Gas Division**

386.20 CNG REFUELING STATIONS

**Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique**

Average Service Life: 15 Survivor Curve: R3

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1995	113,206.71	15.00	7,547.07	1.25	9,456.70
Total	113,206.71	15.00	7,547.07	1.25	9,456.70

Composite Average Remaining Life ... 1.25 Years

Montana-Dakota Utilities Company
Gas Division

387.10 CATHODIC PROTECTION EQUIP.

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 40

Survivor Curve: R2

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1948	3,147.50	40.00	78.69	1.82	143.38
1949	4,702.68	40.00	117.57	2.09	245.72
1950	982.03	40.00	24.55	2.37	58.30
1951	4,205.43	40.00	105.14	2.65	278.86
1952	637.12	40.00	15.93	2.94	46.86
1953	41.72	40.00	1.04	3.23	3.36
1954	105.99	40.00	2.65	3.52	9.32
1955	1,229.77	40.00	30.74	3.80	116.92
1956	793.52	40.00	19.84	4.10	81.25
1957	4,654.80	40.00	116.37	4.38	510.17
1958	3,608.08	40.00	90.20	4.68	422.06
1959	7,378.67	40.00	184.47	4.97	917.12
1960	14,712.69	40.00	367.82	5.27	1,939.15
1961	14,501.22	40.00	362.53	5.57	2,020.32
1962	9,719.23	40.00	242.98	5.88	1,429.37
1963	14,543.95	40.00	363.60	6.20	2,252.89
1964	9,040.78	40.00	226.02	6.52	1,473.66
1965	7,669.31	40.00	191.73	6.85	1,313.50
1966	2,468.66	40.00	61.72	7.19	443.93
1967	6,970.61	40.00	174.26	7.54	1,314.82
1968	9,592.79	40.00	239.82	7.91	1,896.84
1969	16,961.39	40.00	424.03	8.29	3,513.40
1970	6,494.06	40.00	162.35	8.68	1,408.44
1971	10,965.47	40.00	274.14	9.08	2,488.68
1972	15,376.83	40.00	384.42	9.50	3,650.09
1973	13,455.71	40.00	336.39	9.93	3,339.20
1974	14,059.27	40.00	351.48	10.37	3,645.55

Montana-Dakota Utilities Company
Gas Division

387.10 CATHODIC PROTECTION EQUIP.

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 40

Survivor Curve: R2

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
(1)	(2)	(3)	(4)	(5)	(6)
1975	6,840.71	40.00	171.02	10.83	1,852.62
1976	15,608.86	40.00	390.22	11.31	4,412.56
1977	22,013.30	40.00	550.33	11.80	6,493.21
1978	24,227.11	40.00	605.67	12.30	7,451.88
1979	11,957.16	40.00	298.93	12.82	3,833.52
1980	22,791.29	40.00	569.78	13.36	7,611.41
1981	19,568.17	40.00	489.20	13.91	6,804.24
1982	25,800.11	40.00	645.00	14.47	9,334.59
1983	36,179.08	40.00	904.47	15.05	13,613.57
1984	45,090.09	40.00	1,127.25	15.64	17,633.66
1985	54,534.99	40.00	1,363.37	16.25	22,154.99
1986	75,159.11	40.00	1,878.97	16.87	31,696.90
1987	31,587.75	40.00	789.69	17.50	13,822.13
1988	59,999.30	40.00	1,499.97	18.15	27,222.56
1989	17,043.41	40.00	426.08	18.81	8,013.91
1990	10,960.58	40.00	274.01	19.48	5,337.49
1991	56,488.37	40.00	1,412.20	20.16	28,474.49
1992	25,897.42	40.00	647.43	20.86	13,504.04
1993	35,241.27	40.00	881.03	21.57	18,999.79
1994	54,037.17	40.00	1,350.92	22.28	30,102.73
1995	22,834.58	40.00	570.86	23.01	13,137.27
1996	82,667.19	40.00	2,066.67	23.75	49,088.55
1997	66,569.72	40.00	1,664.23	24.50	40,779.95
1998	61,929.35	40.00	1,548.23	25.26	39,114.36
1999	59,869.64	40.00	1,496.73	26.04	38,968.17
2000	68,394.11	40.00	1,709.84	26.82	45,850.47
2001	98,382.49	40.00	2,459.55	27.61	67,899.28

**Montana-Dakota Utilities Company
Gas Division**

387.10 CATHODIC PROTECTION EQUIP.

**Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique**

Average Service Life: 40 Survivor Curve: R2

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2002	20,383.69	40.00	509.59	28.41	14,475.10
2003	44,807.00	40.00	1,120.17	29.21	32,725.29
2004	103,470.45	40.00	2,586.75	30.03	77,684.24
2005	39,770.35	40.00	994.25	30.86	30,680.99
2006	81,317.58	40.00	2,032.93	31.69	64,428.55
2007	22,130.31	40.00	553.25	32.54	18,000.58
2008	90,598.99	40.00	2,264.96	33.39	75,618.48
2009	125,385.94	40.00	3,134.63	34.25	107,346.24
2010	422,115.49	40.00	10,552.83	35.11	370,520.63
2011	186,524.39	40.00	4,663.08	35.98	167,800.78
2012	192,773.41	40.00	4,819.31	36.87	177,664.63
2013	225,972.92	40.00	5,649.29	37.75	213,277.88
2014	36,730.68	40.00	918.26	38.65	35,487.91
2015	256,142.63	40.00	6,403.53	39.55	253,245.08
Total	3,157,815.44	40.00	78,944.95	28.46	2,247,127.89

Composite Average Remaining Life ... 28.46 Years

Montana-Dakota Utilities Company
Gas Division

387.20 OTHER DISTRIBUTION EQUIP.

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 25

Survivor Curve: R3

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
(1)	(2)	(3)	(4)	(5)	(6)
1950	6,095.32	0.00	0.00	0.00	0.00
1951	5,583.99	0.00	0.00	0.00	0.00
1952	3,835.98	0.00	0.00	0.00	0.00
1953	285.53	0.00	0.00	0.00	0.00
1955	5,026.90	0.00	0.00	0.00	0.00
1956	826.65	0.00	0.00	0.00	0.00
1958	3,434.38	0.00	0.00	0.00	0.00
1959	3,727.71	0.00	0.00	0.00	0.00
1960	6,953.03	0.00	0.00	0.00	0.00
1961	857.93	0.00	0.00	0.00	0.00
1962	1,632.84	0.00	0.00	0.00	0.00
1963	6,585.10	0.00	0.00	0.00	0.00
1964	1,401.51	0.00	0.00	0.00	0.00
1965	2,334.15	0.00	0.00	0.00	0.00
1966	355.00	0.00	0.00	0.00	0.00
1967	1,372.26	0.00	0.00	0.00	0.00
1968	474.99	0.00	0.00	0.00	0.00
1969	205.76	0.00	0.00	0.00	0.00
1970	1,862.30	0.00	0.00	0.00	0.00
1971	82.78	0.00	0.00	0.00	0.00
1974	129.72	25.00	5.19	0.50	2.59
1978	193.93	25.00	7.76	1.20	9.30
1979	11,269.15	25.00	450.77	1.44	650.95
1980	21,479.90	25.00	859.19	1.69	1,456.03
1981	18,505.15	25.00	740.20	1.95	1,441.38
1982	24,398.55	25.00	975.94	2.20	2,148.49
1983	34,342.71	25.00	1,373.71	2.46	3,378.85

**Montana-Dakota Utilities Company
Gas Division**

387.20 OTHER DISTRIBUTION EQUIP.

**Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique**

Average Service Life: 25

Survivor Curve: R3

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1984	42,801.42	25.00	1,712.05	2.73	4,668.07
1985	51,766.92	25.00	2,070.67	3.01	6,228.96
1986	71,344.20	25.00	2,853.76	3.31	9,447.37
1987	2,462.33	25.00	98.49	3.64	358.42
1988	11,522.03	25.00	460.88	4.00	1,842.80
1989	9,146.81	25.00	365.87	4.39	1,606.95
1990	13,687.46	25.00	547.50	4.82	2,640.31
1991	3,018.54	25.00	120.74	5.29	638.83
1992	8,276.24	25.00	331.05	5.80	1,919.29
1993	8,327.43	25.00	333.10	6.34	2,112.49
1994	33,680.29	25.00	1,347.21	6.92	9,326.34
1995	16,037.28	25.00	641.49	7.54	4,835.47
1996	52,982.29	25.00	2,119.29	8.19	17,346.87
1997	38,312.61	25.00	1,532.50	8.86	13,581.80
1998	4,950.24	25.00	198.01	9.57	1,894.45
2000	7,454.90	25.00	298.20	11.05	3,295.93
2002	1,415.33	25.00	56.61	12.63	714.99
2004	35,060.95	25.00	1,402.44	14.29	20,038.47
2005	9,902.45	25.00	396.10	15.15	5,999.49
2006	1,748.39	25.00	69.94	16.02	1,120.54
2015	75,899.77	25.00	3,035.98	24.51	74,406.07
Total	663,051.10	14.58	24,404.63	7.91	193,111.49

Composite Average Remaining Life ... 7.91 Years

Montana-Dakota Utilities Company
Gas Division

390.00 STRUCTURES & IMPROVEMENTS

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 40

Survivor Curve: R2

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
(1)	(2)	(3)	(4)	(5)	(6)
1928	11,198.16	0.00	0.00	0.00	0.00
1929	11,478.12	0.00	0.00	0.00	0.00
1930	11,765.07	0.00	0.00	0.00	0.00
1931	12,059.19	0.00	0.00	0.00	0.00
1932	12,360.67	0.00	0.00	0.00	0.00
1933	12,669.69	0.00	0.00	0.00	0.00
1934	12,986.42	0.00	0.00	0.00	0.00
1935	13,311.09	0.00	0.00	0.00	0.00
1936	13,643.86	0.00	0.00	0.00	0.00
1937	13,984.96	0.00	0.00	0.00	0.00
1938	14,334.59	0.00	0.00	0.00	0.00
1939	14,692.95	0.00	0.00	0.00	0.00
1940	15,060.28	0.00	0.00	0.00	0.00
1946	15,060.28	40.00	376.50	1.29	487.03
1947	15,060.28	40.00	376.50	1.55	581.93
1948	15,060.28	40.00	376.50	1.82	686.04
1949	3,633.90	40.00	90.85	2.09	189.88
1950	8,818.31	40.00	220.46	2.37	523.51
1951	4,229.80	40.00	105.74	2.65	280.48
1952	8,278.12	40.00	206.95	2.94	608.85
1953	20,108.62	40.00	502.71	3.23	1,621.33
1954	3,150.93	40.00	78.77	3.52	277.04
1955	11,865.74	40.00	296.64	3.80	1,128.09
1956	75,760.35	40.00	1,894.00	4.10	7,757.41
1957	2,936.53	40.00	73.41	4.38	321.84
1958	1,273.68	40.00	31.84	4.68	148.99
1959	1,421.98	40.00	35.55	4.97	176.74

Montana-Dakota Utilities Company
Gas Division

390.00 STRUCTURES & IMPROVEMENTS

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 40

Survivor Curve: R2

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1960	12,507.54	40.00	312.69	5.27	1,648.51
1961	5,868.26	40.00	146.71	5.57	817.57
1962	2,613.71	40.00	65.34	5.88	384.39
1963	4,137.56	40.00	103.44	6.20	640.92
1964	9,937.61	40.00	248.44	6.52	1,619.84
1965	33,907.99	40.00	847.70	6.85	5,807.33
1966	37,894.62	40.00	947.36	7.19	6,814.48
1967	6,603.48	40.00	165.09	7.54	1,245.57
1968	2,370.54	40.00	59.26	7.91	468.74
1969	2,943.76	40.00	73.59	8.29	609.77
1970	92,217.09	40.00	2,305.41	8.68	20,000.15
1971	4,311.18	40.00	107.78	9.08	978.45
1972	76,771.63	40.00	1,919.28	9.50	18,223.75
1973	21,974.19	40.00	549.35	9.93	5,453.17
1974	4,762.66	40.00	119.07	10.37	1,234.95
1975	4,750.43	40.00	118.76	10.83	1,286.52
1976	13,452.36	40.00	336.31	11.31	3,802.92
1977	3,318.56	40.00	82.96	11.80	978.87
1978	12,998.53	40.00	324.96	12.30	3,998.14
1979	1,101.03	40.00	27.53	12.82	353.00
1980	28,063.19	40.00	701.58	13.36	9,372.02
1981	7,513.80	40.00	187.84	13.91	2,612.70
1983	24,108.54	40.00	602.71	15.05	9,071.63
1984	8,115.19	40.00	202.88	15.64	3,173.66
1985	12,909.38	40.00	322.73	16.25	5,244.47
1986	31,684.40	40.00	792.11	16.87	13,362.28
1987	3,993.31	40.00	99.83	17.50	1,747.39

Montana-Dakota Utilities Company
Gas Division

390.00 STRUCTURES & IMPROVEMENTS

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 40

Survivor Curve: R2

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1988	8,004.94	40.00	200.12	18.15	3,631.96
1989	9,105.21	40.00	227.63	18.81	4,281.32
1990	2,658.78	40.00	66.47	19.48	1,294.75
1991	6,507.76	40.00	162.69	20.16	3,280.41
1992	1,151.44	40.00	28.79	20.86	600.41
1993	36,136.97	40.00	903.42	21.57	19,482.69
1994	20,158.83	40.00	503.97	22.28	11,229.97
1995	3,102.28	40.00	77.56	23.01	1,784.81
1998	1,883.54	40.00	47.09	25.26	1,189.64
1999	10,810.87	40.00	270.27	26.04	7,036.62
2000	133,614.95	40.00	3,340.36	26.82	89,573.62
2001	123,952.73	40.00	3,098.80	27.61	85,546.73
2002	4,087,676.61	40.00	102,191.35	28.41	2,902,787.49
2004	4,833.93	40.00	120.85	30.03	3,629.25
2005	39,180.19	40.00	979.50	30.86	30,225.71
2006	16,639.46	40.00	415.98	31.69	13,183.57
2007	42,622.35	40.00	1,065.55	32.54	34,668.61
2008	123,559.44	40.00	3,088.97	33.39	103,128.93
2009	1,462,959.49	40.00	36,573.78	34.25	1,252,478.60
2010	1,237,110.45	40.00	30,927.59	35.11	1,085,899.36
2011	14,141.59	40.00	353.54	35.98	12,722.04
2012	221,832.84	40.00	5,545.79	36.87	204,446.51
2013	352,831.01	40.00	8,820.73	37.75	333,009.15
2014	55,961.45	40.00	1,399.03	38.65	54,068.01
2015	99,903.71	40.00	2,497.58	39.55	98,773.57

**Montana-Dakota Utilities Company
Gas Division**

390.00 STRUCTURES & IMPROVEMENTS

**Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique**

Average Service Life: 40 Survivor Curve: R2

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
Total	8,943,375.21	33.42	219,344.54	29.60	6,493,694.13

Composite Average Remaining Life ... 29.60 Years

Montana-Dakota Utilities Company
Gas Division

392.10 TRANSPORTATION EQUIPMENT - TRAILERS

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 19

Survivor Curve: R1.5

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
(1)	(2)	(3)	(4)	(5)	(6)
1964	920.94	0.00	0.00	0.00	0.00
1975	2,401.68	0.00	0.00	0.00	0.00
1988	919.23	19.00	48.38	3.00	145.27
1991	8,360.24	19.00	439.99	3.93	1,730.28
1993	4,592.88	19.00	241.72	4.64	1,121.60
1994	4,882.58	19.00	256.97	5.03	1,292.17
1995	5,298.28	19.00	278.84	5.44	1,517.65
1997	5,287.98	19.00	278.30	6.35	1,767.93
1998	17,430.81	19.00	917.37	6.85	6,282.98
1999	7,244.16	19.00	381.25	7.37	2,810.85
2000	6,982.16	19.00	367.46	7.92	2,911.47
2002	31,473.89	19.00	1,656.44	9.10	15,076.53
2003	27,658.15	19.00	1,455.62	9.73	14,158.59
2004	26,348.45	19.00	1,386.69	10.37	14,385.84
2005	39,770.62	19.00	2,093.09	11.04	23,114.50
2007	75,425.15	19.00	3,969.55	12.44	49,368.76
2008	53,783.17	19.00	2,830.55	13.16	37,248.44
2010	45,133.06	19.00	2,375.31	14.65	34,791.84
2011	66,102.35	19.00	3,478.90	15.41	53,612.65
2012	26,586.22	19.00	1,399.20	16.19	22,649.29
Total	456,602.00	17.10	23,855.61	11.90	283,986.63

Composite Average Remaining Life ... 11.90 Years

**Montana-Dakota Utilities Company
Gas Division**

392.20 TRANSPORTATION EQUIPMENT - CARS & TRUCKS

**Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique**

Average Service Life: 9

Survivor Curve: R3

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1982	5,174.40	0.00	0.00	0.00	0.00
1994	35,717.39	0.00	0.00	0.00	0.00
1995	35,445.31	0.00	0.00	0.00	0.00
1996	1,076.97	0.00	0.00	0.00	0.00
1997	53,974.40	0.00	0.00	0.00	0.00
1998	7,376.05	0.00	0.00	0.00	0.00
1999	68,127.34	0.00	0.00	0.00	0.00
2000	171,345.64	0.00	0.00	0.00	0.00
2001	141,009.64	9.00	15,667.73	0.50	7,833.86
2002	364,213.29	9.00	40,468.11	0.56	22,701.27
2003	591,351.63	9.00	65,705.69	0.76	49,994.54
2004	838,751.39	9.00	93,194.53	1.00	92,760.68
2005	744,098.21	9.00	82,677.52	1.27	105,002.57
2006	602,927.90	9.00	66,991.94	1.62	108,791.45
2007	822,972.70	9.00	91,441.34	2.08	190,461.96
2008	633,496.77	9.00	70,388.48	2.65	186,443.23
2009	267,227.70	9.00	29,691.94	3.31	98,234.20
2010	527,427.28	9.00	58,602.99	4.04	237,016.84
2011	627,566.62	9.00	69,729.57	4.84	337,767.03
2012	300,923.06	9.00	33,435.87	5.70	190,543.06
2013	523,854.13	9.00	58,205.97	6.60	384,225.51
2014	514,619.37	9.00	57,179.89	7.54	431,222.96
2015	1,834,671.30	9.00	203,852.22	8.51	1,734,603.48
Total	9,713,348.49	5.87	1,037,233.80	4.03	4,177,602.63

Composite Average Remaining Life ... 4.03 Years

Montana-Dakota Utilities Company
Gas Division

396.10 WORK EQUIPMENT TRAILERS

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 28

Survivor Curve: R2

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1960	306.00	0.00	0.00	0.00	0.00
1974	427.05	28.00	15.25	2.92	44.51
1979	8,285.17	28.00	295.90	4.42	1,308.95
1984	1,685.39	28.00	60.19	6.22	374.19
1985	8,254.05	28.00	294.78	6.63	1,954.15
1988	7,781.60	28.00	277.91	7.99	2,220.85
1989	13,548.56	28.00	483.87	8.49	4,106.71
1991	2,671.59	28.00	95.41	9.54	910.68
1993	2,788.91	28.00	99.60	10.68	1,064.21
1994	29,115.83	28.00	1,039.84	11.28	11,733.87
1995	3,679.90	28.00	131.42	11.90	1,564.53
1996	3,215.63	28.00	114.84	12.54	1,440.41
1997	12,262.93	28.00	437.96	13.20	5,781.04
1998	16,322.26	28.00	582.93	13.87	8,087.56
1999	59,564.89	28.00	2,127.29	14.57	30,987.37
2000	4,249.34	28.00	151.76	15.28	2,318.19
2001	24,061.37	28.00	859.33	16.00	13,748.69
2002	34,639.12	28.00	1,237.10	16.74	20,708.76
2003	5,063.98	28.00	180.85	17.49	3,163.90
2004	27,881.96	28.00	995.77	18.26	18,186.88
2005	48,600.51	28.00	1,735.71	19.05	33,061.14
2006	39,982.11	28.00	1,427.92	19.84	28,335.84
2007	34,972.79	28.00	1,249.01	20.65	25,797.51
2008	25,857.30	28.00	923.47	21.48	19,832.71
2010	34,581.51	28.00	1,235.04	23.16	28,600.00
2011	70,757.77	28.00	2,527.04	24.01	60,686.69
2012	43,492.85	28.00	1,553.30	24.88	38,650.40

**Montana-Dakota Utilities Company
Gas Division**

396.10 WORK EQUIPMENT TRAILERS

**Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique**

Average Service Life: 28 Survivor Curve: R2

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2013	68,079.28	28.00	2,431.38	25.76	62,636.50
2014	151,715.01	28.00	5,418.34	26.65	144,400.34
2015	20,702.99	28.00	739.38	27.55	20,368.49
Total	804,547.65	27.07	28,722.61	20.61	592,075.07

Composite Average Remaining Life ... 20.61 Years

Montana-Dakota Utilities Company
Gas Division

396.20 POWER OPERATED EQUIPMENT

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 3

Survivor Curve: LI

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1987	11,210.89	0.00	0.00	0.00	0.00
1988	6,980.43	0.00	0.00	0.00	0.00
1989	83,751.23	0.00	0.00	0.00	0.00
1992	28,376.16	0.00	0.00	0.00	0.00
1993	14,150.37	0.00	0.00	0.00	0.00
1994	21,151.49	0.00	0.00	0.00	0.00
1995	3,202.81	0.00	0.00	0.00	0.00
1996	32,573.93	0.00	0.00	0.00	0.00
1999	753.59	0.00	0.00	0.00	0.00
2000	129,701.57	0.00	0.00	0.00	0.00
2001	132,265.60	0.00	0.00	0.00	0.00
2002	104,953.05	0.00	0.00	0.00	0.00
2003	194,405.82	0.00	0.00	0.00	0.00
2004	397,288.15	0.00	0.00	0.00	0.00
2005	285,303.54	0.00	0.00	0.00	0.00
2006	324,792.12	0.00	0.00	0.00	0.00
2007	471,763.22	3.01	156,980.32	0.50	78,490.16
2008	127,949.71	3.01	42,575.57	0.54	23,119.10
2009	22,284.52	3.01	7,415.23	0.67	4,939.34
2010	275,815.92	3.01	91,778.40	0.84	76,821.75
2011	559,319.24	3.01	186,114.80	1.05	195,034.40
2012	1,089,408.48	3.01	362,503.24	1.30	471,583.18
2013	218,973.07	3.01	72,863.81	1.60	116,902.18
2014	532,633.64	3.01	177,235.10	1.97	349,825.93
2015	3,339,358.95	3.01	1,111,179.56	2.57	2,851,595.44

**Montana-Dakota Utilities Company
Gas Division**

396.20 POWER OPERATED EQUIPMENT

**Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2015
Based Upon Broad Group/Remaining Life Procedure and Technique**

Average Service Life: 3 Survivor Curve: LI

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
Total	8,408,367.50	1.08	2,208,646.02	1.89	4,168,311.48

Composite Average Remaining Life ... 1.89 Years

SECTION 7

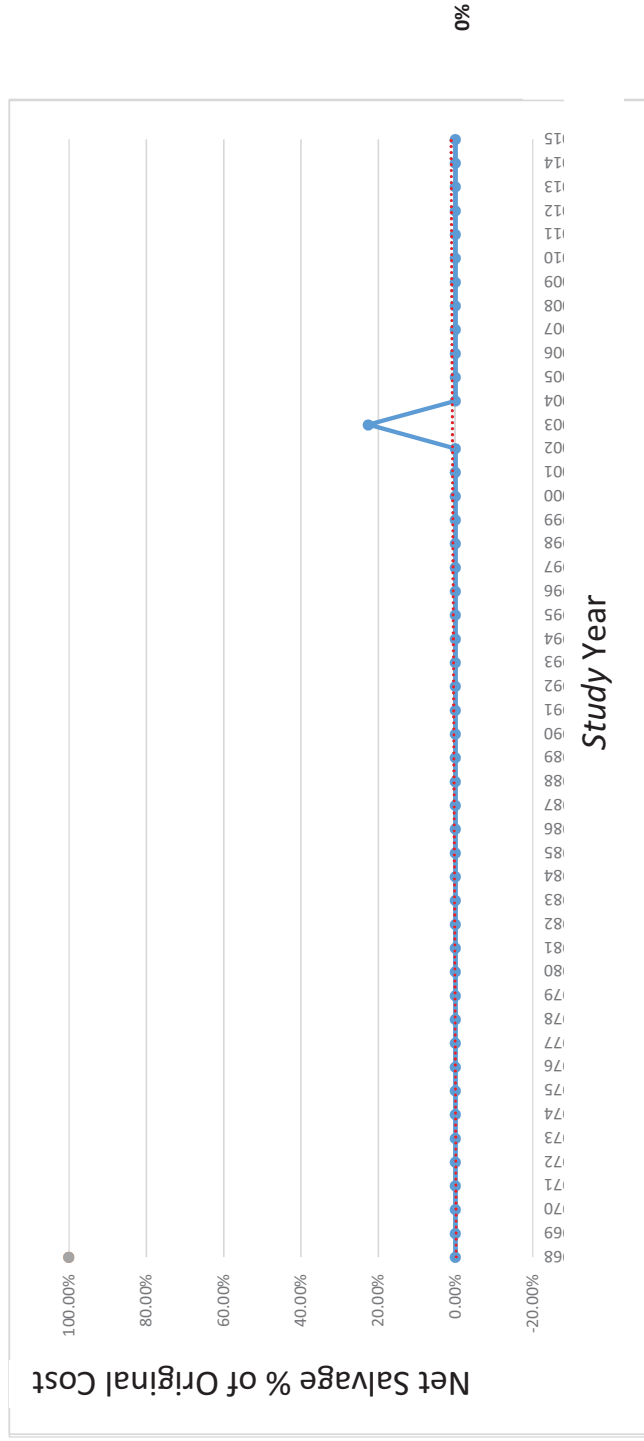
MDU-Gas

Trend Analysis of Experienced Net Salvage

Study Year	Neg. Net Salv. Amount	Net Salvage % of Original Cost of Ret.
1968	0	0.00%
1969	0	0.00%
1970	0	0.00%
1971	0	0.00%
1972	0	0.00%
1973	0	0.00%
1974	0	0.00%
1975	0	0.00%
1976	0	0.00%
1977	0	0.00%
1978	0	0.00%
1979	0	0.00%
1980	0	0.00%
1981	0	0.00%
1982	0	0.00%
1983	0	0.00%
1984	0	0.00%
1985	0	0.00%
1986	0	0.00%
1987	0	0.00%
1988	0	0.00%
1989	0	0.00%
1990	0	0.00%
1991	0	0.00%
1992	0	0.00%
1993	0	0.00%

**Montana Dakota Utilities-Gas
374.20 Rights of Way**

Experienced Net Salvage



MDU-Gas

Trend Analysis of Experienced Net Salvage

Study Year	Neg. Net Salv. Amount	Net Salvage % of Original Cost of Ret.
1994	0	0.00%
1995	0	0.00%
1996	0	0.00%
1997	0	0.00%
1998	0	0.00%
1999	0	0.00%
2000	0	0.00%
2001	0	0.00%
2002	0	0.00%
2003	65	22.52%
2004	0	0.00%
2005	0	0.00%
2006	0	0.00%
2007	0	0.00%
2008	0	0.00%
2009	0	0.00%
2010	0	0.00%
2011	0	0.00%
2012	0	0.00%
2013	0	0.00%
2014	0	0.00%
2015	0	0.00%

**Montana Dakota Utilities-Gas
374.20 Rights of Way**

Experienced Net Salvage

Montana-Dakota Utilities Company

Gas Division

374.20 LAND RIGHTS

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1985 - 2015

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>							
1985	1,754.13	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%
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	65.41	14.73	22.52%	0.00	0.00%	14.73	22.52%
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%

Montana-Dakota Utilities Company

Gas Division

374.20 LAND RIGHTS

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1985 - 2015

<u>Year</u>	<u>Original Cost Of Retirements</u>		<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>								
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%
2015	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company

Gas Division

374.20 LAND RIGHTS

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1985 - 2015

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>		
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	
<u>Three - Year Rolling Bands</u>								
1985 - 1987	1,754.13	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%	
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	65.41	14.73	22.52%	0.00	0.00%	14.73	22.52%	
2002 - 2004	65.41	14.73	22.52%	0.00	0.00%	14.73	22.52%	
2003 - 2005	65.41	14.73	22.52%	0.00	0.00%	14.73	22.52%	
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

Gas Division

374.20 LAND RIGHTS

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1985 - 2015

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>		
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	
<u>Three - Year Rolling Bands</u>								
2013 - 2015	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1985 - 2015	1,819.54	14.73	0.81%	0.00	0.00%	14.73	0.81%	

Trend Analysis (End Year) 2015

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	65.0
Average Retirement Age (Yrs)	4.5
Years To ASL	60.5
Inflation Factor At 2.75% to ASL	5.16

**Gross Salvage
Linear Trend Analysis**

1996-2015	20 - Year Trend	1.78%
2001-2015	15 - Year Trend	0.00%
2006-2015	10 - Year Trend	0.00%
2011-2015	5 - Year Trend	0.00%

Forecasted

Gross Salvage	0.00%
(Five Year Trend)	
Cost Of Removal	0.00%
Net Salvage	0.00%

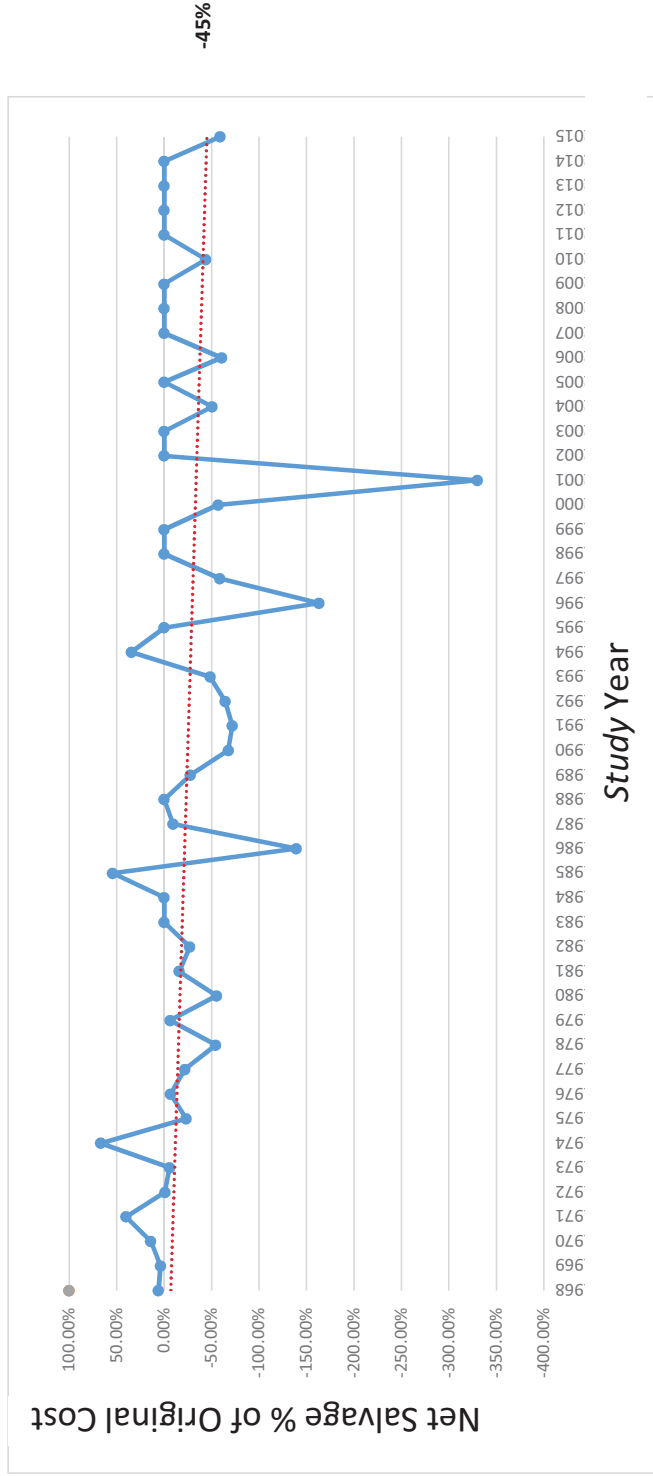
MDU-Gas

Trend Analysis of Experienced Net Salvage

Study Year	Neg. Net Salv. Amount	Net Salvage % of Original Cost of Ret.
1968	205	5.99%
1969	164	3.79%
1970	626	14.12%
1971	835	40.12%
1972	-20	-0.97%
1973	-59	-5.85%
1974	2,178	66.63%
1975	-372	-23.45%
1976	-167	-6.82%
1977	-145	-21.89%
1978	-875	-54.49%
1979	-19	-6.34%
1980	-628	-55.33%
1981	-230	-15.98%
1982	-610	-27.02%
1983	0	0.00%
1984	0	0.00%
1985	1,137	54.28%
1986	-1,402	-139.26%
1987	-83	-9.35%
1988	0	0.00%
1989	-447	-27.64%
1990	-523	-67.72%
1991	-2,521	-71.90%
1992	-2,552	-64.50%
1993	-1,634	-48.52%

**Montana Dakota Utilities-Gas
375 Distr Meas & Reg Station Structures**

Experienced Net Salvage



MDU-Gas Current Net Salvage Percent -50%
MDU-Gas Proposed Net Salvage Percent -50%

MDU-Gas

Trend Analysis of Experienced Net Salvage

**Montana Dakota Utilities-Gas
375 Distr Meas & Reg Station Structures**

Experienced Net Salvage

Study Year	Neg. Net Salv. Amount	Net Salvage % of Original Cost of Ret.
1994	1,958	34.43%
1995	0	0.00%
1996	-5,340	-163.12%
1997	-3,694	-58.72%
1998	0	0.00%
1999	0	0.00%
2000	-2,218	-56.91%
2001	-2,596	-330.08%
2002	0	0.00%
2003	0	0.00%
2004	-4,129	-50.68%
2005	0	0.00%
2006	-2,254	-60.58%
2007	0	0.00%
2008	0	0.00%
2009	0	0.00%
2010	-4,274	-44.01%
2011	0	0.00%
2012	0	0.00%
2013	0	0.00%
2014	0	0.00%
2015	-82	-59.15%

Montana-Dakota Utilities Company
Gas Division

375.00 STRUCTURES & IMPROVEMENTS

*Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015*

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>							
1968	3,425.08	435.45	12.71%	230.31	6.72%	205.14	5.99%
1969	4,310.44	819.74	19.02%	656.20	15.22%	163.54	3.79%
1970	4,433.29	1,076.90	24.29%	450.82	10.17%	626.08	14.12%
1971	2,081.69	883.96	42.46%	48.83	2.35%	835.13	40.12%
1972	2,058.30	0.00	0.00%	19.89	0.97%	(19.89)	-0.97%
1973	1,012.35	0.00	0.00%	59.26	5.85%	(59.26)	-5.85%
1974	3,269.04	2,424.62	74.17%	246.45	7.54%	2,178.17	66.63%
1975	1,584.93	98.73	6.23%	470.32	29.67%	(371.59)	-23.45%
1976	2,446.53	0.00	0.00%	166.82	6.82%	(166.82)	-6.82%
1977	661.00	0.00	0.00%	144.69	21.89%	(144.69)	-21.89%
1978	1,605.72	0.00	0.00%	875.01	54.49%	(875.01)	-54.49%
1979	303.10	0.00	0.00%	19.22	6.34%	(19.22)	-6.34%
1980	1,134.17	0.00	0.00%	627.51	55.33%	(627.51)	-55.33%
1981	1,442.23	0.00	0.00%	230.47	15.98%	(230.47)	-15.98%
1982	2,256.89	0.00	0.00%	609.90	27.02%	(609.90)	-27.02%
1983	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1984	628.89	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985	2,094.04	1,870.26	89.31%	733.70	35.04%	1,136.56	54.28%
1986	1,006.41	-620.46	-61.65%	781.10	77.61%	(1,401.56)	-139.26%
1987	891.58	0.00	0.00%	83.33	9.35%	(83.33)	-9.35%
1988	457.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989	1,618.28	1.00	0.06%	448.28	27.70%	(447.28)	-27.64%
1990	773.00	0.00	0.00%	523.47	67.72%	(523.47)	-67.72%
1991	3,506.79	0.00	0.00%	2,521.31	71.90%	(2,521.31)	-71.90%
1992	3,956.71	0.00	0.00%	2,552.03	64.50%	(2,552.03)	-64.50%
1993	3,366.82	0.00	0.00%	1,633.72	48.52%	(1,633.72)	-48.52%
1994	5,686.28	4,904.42	86.25%	2,946.35	51.82%	1,958.07	34.43%
1995	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company
Gas Division

375.00 STRUCTURES & IMPROVEMENTS

*Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015*

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>							
1996	3,273.61	0.00	0.00%	5,339.85	163.12%	(5,339.85)	-163.12%
1997	6,290.33	850.00	13.51%	4,543.94	72.24%	(3,693.94)	-58.72%
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	3,897.84	1.00	0.03%	2,219.11	56.93%	(2,218.11)	-56.91%
2001	786.50	0.00	0.00%	2,596.09	330.08%	(2,596.09)	-330.08%
2002	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2003	450.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2004	8,146.99	0.00	0.00%	4,128.60	50.68%	(4,128.60)	-50.68%
2005	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2006	3,720.13	0.00	0.00%	2,253.63	60.58%	(2,253.63)	-60.58%
2007	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2008	1,952.69	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	9,710.00	0.00	0.00%	4,273.61	44.01%	(4,273.61)	-44.01%
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	2,426.89	0.00	0.00%	0.00	0.00%	0.00	0.00%
2014	1,846.47	0.00	0.00%	0.00	0.00%	0.00	0.00%
2015	138.33	0.00	0.00%	81.82	59.15%	(81.82)	-59.15%

Montana-Dakota Utilities Company
Gas Division

375.00 STRUCTURES & IMPROVEMENTS

*Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015*

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1968 - 1970	12,168.81	2,332.09	19.16%	1,337.33	10.99%	994.76	8.17%
1969 - 1971	10,825.42	2,780.60	25.69%	1,155.85	10.68%	1,624.75	15.01%
1970 - 1972	8,573.28	1,960.86	22.87%	519.54	6.06%	1,441.32	16.81%
1971 - 1973	5,152.34	883.96	17.16%	127.98	2.48%	755.98	14.67%
1972 - 1974	6,339.69	2,424.62	38.25%	325.60	5.14%	2,099.02	33.11%
1973 - 1975	5,866.32	2,523.35	43.01%	776.03	13.23%	1,747.32	29.79%
1974 - 1976	7,300.50	2,523.35	34.56%	883.59	12.10%	1,639.76	22.46%
1975 - 1977	4,692.46	98.73	2.10%	781.83	16.66%	(683.10)	-14.56%
1976 - 1978	4,713.25	0.00	0.00%	1,186.52	25.17%	(1,186.52)	-25.17%
1977 - 1979	2,569.82	0.00	0.00%	1,038.92	40.43%	(1,038.92)	-40.43%
1978 - 1980	3,042.99	0.00	0.00%	1,521.74	50.01%	(1,521.74)	-50.01%
1979 - 1981	2,879.50	0.00	0.00%	877.20	30.46%	(877.20)	-30.46%
1980 - 1982	4,833.29	0.00	0.00%	1,467.88	30.37%	(1,467.88)	-30.37%
1981 - 1983	3,699.12	0.00	0.00%	840.37	22.72%	(840.37)	-22.72%
1982 - 1984	2,885.78	0.00	0.00%	609.90	21.13%	(609.90)	-21.13%
1983 - 1985	2,722.93	1,870.26	68.69%	733.70	26.95%	1,136.56	41.74%
1984 - 1986	3,729.34	1,249.80	33.51%	1,514.80	40.62%	(265.00)	-7.11%
1985 - 1987	3,992.03	1,249.80	31.31%	1,598.13	40.03%	(348.33)	-8.73%
1986 - 1988	2,354.99	-620.46	-26.35%	864.43	36.71%	(1,484.89)	-63.05%
1987 - 1989	2,966.86	1.00	0.03%	531.61	17.92%	(530.61)	-17.88%
1988 - 1990	2,848.28	1.00	0.04%	971.75	34.12%	(970.75)	-34.08%
1989 - 1991	5,898.07	1.00	0.02%	3,493.06	59.22%	(3,492.06)	-59.21%
1990 - 1992	8,236.50	0.00	0.00%	5,596.81	67.95%	(5,596.81)	-67.95%
1991 - 1993	10,830.32	0.00	0.00%	6,707.06	61.93%	(6,707.06)	-61.93%
1992 - 1994	13,009.81	4,904.42	37.70%	7,132.10	54.82%	(2,227.68)	-17.12%
1993 - 1995	9,053.10	4,904.42	54.17%	4,580.07	50.59%	324.35	3.58%
1994 - 1996	8,959.89	4,904.42	54.74%	8,286.20	92.48%	(3,381.78)	-37.74%
1995 - 1997	9,563.94	850.00	8.89%	9,883.79	103.34%	(9,033.79)	-94.46%

Montana-Dakota Utilities Company
Gas Division

375.00 STRUCTURES & IMPROVEMENTS

*Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015*

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1996 - 1998	9,563.94	850.00	8.89%	9,883.79	103.34%	(9,033.79)	-94.46%
1997 - 1999	6,290.33	850.00	13.51%	4,543.94	72.24%	(3,693.94)	-58.72%
1998 - 2000	3,897.84	1.00	0.03%	2,219.11	56.93%	(2,218.11)	-56.91%
1999 - 2001	4,684.34	1.00	0.02%	4,815.20	102.79%	(4,814.20)	-102.77%
2000 - 2002	4,684.34	1.00	0.02%	4,815.20	102.79%	(4,814.20)	-102.77%
2001 - 2003	1,236.50	0.00	0.00%	2,596.09	209.95%	(2,596.09)	-209.95%
2002 - 2004	8,596.99	0.00	0.00%	4,128.60	48.02%	(4,128.60)	-48.02%
2003 - 2005	8,596.99	0.00	0.00%	4,128.60	48.02%	(4,128.60)	-48.02%
2004 - 2006	11,867.12	0.00	0.00%	6,382.23	53.78%	(6,382.23)	-53.78%
2005 - 2007	3,720.13	0.00	0.00%	2,253.63	60.58%	(2,253.63)	-60.58%
2006 - 2008	5,672.82	0.00	0.00%	2,253.63	39.73%	(2,253.63)	-39.73%
2007 - 2009	1,952.69	0.00	0.00%	0.00	0.00%	0.00	0.00%
2008 - 2010	11,662.69	0.00	0.00%	4,273.61	36.64%	(4,273.61)	-36.64%
2009 - 2011	9,710.00	0.00	0.00%	4,273.61	44.01%	(4,273.61)	-44.01%
2010 - 2012	9,710.00	0.00	0.00%	4,273.61	44.01%	(4,273.61)	-44.01%
2011 - 2013	2,426.89	0.00	0.00%	0.00	0.00%	0.00	0.00%
2012 - 2014	4,273.36	0.00	0.00%	0.00	0.00%	0.00	0.00%
2013 - 2015	4,411.69	0.00	0.00%	81.82	1.85%	(81.82)	-1.85%

Montana-Dakota Utilities Company
Gas Division

375.00 STRUCTURES & IMPROVEMENTS

*Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015*

<u>Year</u>	<u>Original Cost Of Retirements</u>		<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>								
1968 - 2015	98,650.34		12,745.62	12.92%	42,515.64	43.10%	(29,770.02)	-30.18%

Trend Analysis (End Year) 2015

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	60.0
Average Retirement Age (Yrs)	25.9
Years To ASL	34.1
Inflation Factor At 2.75% to ASL	2.52

Gross Salvage
Linear Trend Analysis

1996-2015	20 - Year Trend	0.00%
2001-2015	15 - Year Trend	0.00%
2006-2015	10 - Year Trend	0.00%
2011-2015	5 - Year Trend	0.00%

Forecasted

Gross Salvage	0.00%
(Five Year Trend)	
Cost Of Removal	108.67%
Net Salvage	-108.67%

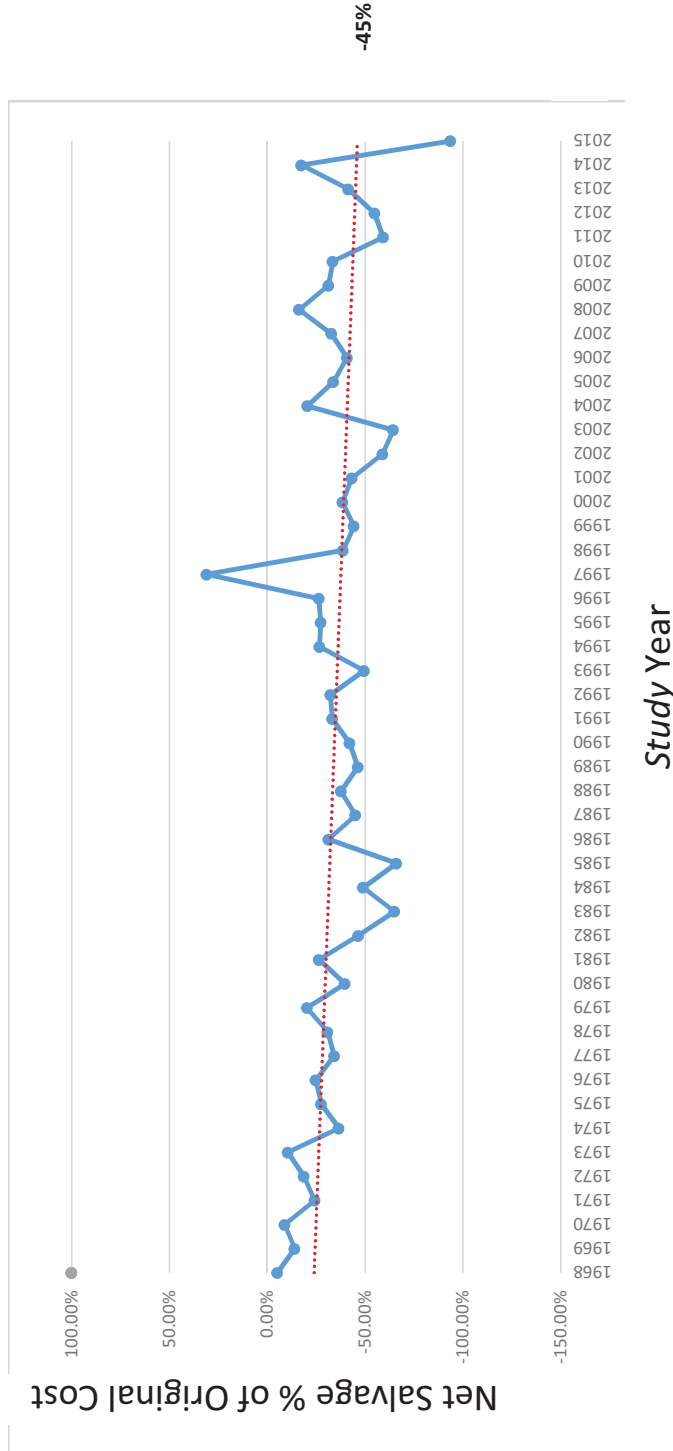
MDU-Gas

Trend Analysis of Experienced Net Salvage

Study Year	Neg. Net Salv. Amount	Net Salvage % of Original Cost of Ret.
1968	-10,261	-5.12%
1969	-27,229	-14.03%
1970	-23,721	-8.88%
1971	-42,976	-24.26%
1972	-29,477	-18.75%
1973	-14,203	-10.47%
1974	-29,181	-36.62%
1975	-35,215	-27.59%
1976	-48,620	-24.82%
1977	-28,871	-34.24%
1978	-35,926	-30.87%
1979	-25,054	-20.34%
1980	-35,181	-39.74%
1981	-40,396	-26.49%
1982	-59,344	-46.52%
1983	-104,676	-65.00%
1984	-91,009	-49.03%
1985	-94,131	-66.06%
1986	-51,411	-31.27%
1987	-90,675	-45.10%
1988	-106,036	-37.63%
1989	-69,281	-46.33%
1990	-38,754	-42.05%
1991	-69,184	-33.22%
1992	-84,372	-32.23%
1993	-64,096	-49.46%

**Montana Dakota Utilities-Gas
376 Mains**

Experienced Net Salvage



MDU-Gas Current Net Salvage Percent -50%
MDU-Gas Proposed Net Salvage Percent -50% Give consideration to 10 year average

MDU-Gas
Trend Analysis of Experienced Net Salvage

Montana Dakota Utilities-Gas
376 Mains

Experienced Net Salvage

Study Year	Neg. Net Salv. Amount	% of Original Cost of Ret.	Net Salvage
1994	-96,847	-26.74%	
1995	-22,342	-27.39%	
1996	-82,624	-26.41%	
1997	56,675	31.08%	
1998	-75,556	-38.69%	
1999	-82,439	-44.26%	
2000	-61,044	-38.51%	
2001	-74,110	-43.31%	
2002	-70,046	-58.89%	
2003	-150,702	-64.40%	
2004	-80,069	-20.48%	
2005	-57,360	-33.79%	
2006	-49,810	-40.78%	
2007	-85,342	-32.79%	
2008	-72,359	-16.32%	
2009	-72,302	-31.31%	
2010	-101,644	-33.47%	
2011	-201,206	-59.27%	
2012	-120,281	-54.87%	
2013	176,361	-41.41%	
2014	-250,309	-17.46%	
2015	<u>-476,808</u>	<u>-93.71%</u>	
	-1,253,700	-57.39%	

Wght
 20,313
 27,984
 11,809
 22,638
 34,020
 119,255
 65,998
 -73,031
 43,704
446,817
 719,506 **10 Year Weighted Average**

Montana-Dakota Utilities Company

Gas Division

376.00, 376.10, 376.20, 376.30, 376.40, 376.50

*Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015*

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>							
1968	200,220.26	16,598.28	8.29%	26,859.47	13.41%	(10,261.19)	-5.12%
1969	194,137.09	15,939.46	8.21%	43,168.49	22.24%	(27,229.03)	-14.03%
1970	267,046.03	23,230.21	8.70%	46,950.89	17.58%	(23,720.68)	-8.88%
1971	177,113.50	13,833.58	7.81%	56,809.25	32.08%	(42,975.67)	-24.26%
1972	157,195.80	13,435.85	8.55%	42,912.41	27.30%	(29,476.56)	-18.75%
1973	135,609.90	13,644.75	10.06%	27,848.00	20.54%	(14,203.25)	-10.47%
1974	79,682.47	4,158.86	5.22%	33,340.09	41.84%	(29,181.23)	-36.62%
1975	127,632.18	7,857.70	6.16%	43,072.35	33.75%	(35,214.65)	-27.59%
1976	195,879.62	9,760.39	4.98%	58,379.94	29.80%	(48,619.55)	-24.82%
1977	84,326.99	0.00	0.00%	28,871.17	34.24%	(28,871.17)	-34.24%
1978	116,364.42	10,832.09	9.31%	46,758.20	40.18%	(35,926.11)	-30.87%
1979	123,150.94	11,190.96	9.09%	36,244.68	29.43%	(25,053.72)	-20.34%
1980	88,516.03	3,479.59	3.93%	38,660.28	43.68%	(35,180.69)	-39.74%
1981	152,498.86	6,295.38	4.13%	46,691.72	30.62%	(40,396.34)	-26.49%
1982	127,572.66	0.00	0.00%	59,344.34	46.52%	(59,344.34)	-46.52%
1983	161,051.86	0.00	0.00%	104,675.84	65.00%	(104,675.84)	-65.00%
1984	185,619.78	0.00	0.00%	91,009.44	49.03%	(91,009.44)	-49.03%
1985	142,490.14	0.00	0.00%	94,130.78	66.06%	(94,130.78)	-66.06%
1986	164,397.14	0.00	0.00%	51,410.78	31.27%	(51,410.78)	-31.27%
1987	201,062.80	0.00	0.00%	90,675.31	45.10%	(90,675.31)	-45.10%
1988	281,758.55	0.00	0.00%	106,036.10	37.63%	(106,036.10)	-37.63%
1989	149,536.04	317.65	0.21%	69,598.16	46.54%	(69,280.51)	-46.33%
1990	92,157.64	0.00	0.00%	38,753.99	42.05%	(38,753.99)	-42.05%
1991	208,283.95	3,390.22	1.63%	72,574.40	34.84%	(69,184.18)	-33.22%
1992	261,776.43	0.00	0.00%	84,344.95	32.22%	(84,344.95)	-32.22%
1993	129,595.28	0.00	0.00%	64,095.75	49.46%	(64,095.75)	-49.46%
1994	362,204.01	0.00	0.00%	96,846.89	26.74%	(96,846.89)	-26.74%
1995	81,561.25	0.10	0.00%	22,341.68	27.39%	(22,341.58)	-27.39%

Montana-Dakota Utilities Company

Gas Division

376.00, 376.10, 376.20, 376.30, 376.40, 376.50

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>							
1996	312,810.33	767.42	0.25%	83,391.55	26.66%	(82,624.13)	-26.41%
1997	182,351.81	56,675.22	31.08%	0.00	0.00%	56,675.22	31.08%
1998	196,796.74	805.67	0.41%	76,362.06	38.80%	(75,556.39)	-38.39%
1999	186,253.29	0.00	0.00%	82,439.31	44.26%	(82,439.31)	-44.26%
2000	158,497.94	0.00	0.00%	61,044.27	38.51%	(61,044.27)	-38.51%
2001	171,123.71	0.00	0.00%	74,109.60	43.31%	(74,109.60)	-43.31%
2002	118,946.90	0.00	0.00%	70,046.34	58.89%	(70,046.34)	-58.89%
2003	234,006.15	0.00	0.00%	150,701.69	64.40%	(150,701.69)	-64.40%
2004	390,887.97	0.00	0.00%	80,069.14	20.48%	(80,069.14)	-20.48%
2005	169,754.69	0.00	0.00%	57,360.40	33.79%	(57,360.40)	-33.79%
2006	122,131.96	804.98	0.66%	50,615.34	41.44%	(49,810.36)	-40.78%
2007	260,243.03	230.02	0.09%	85,572.48	32.88%	(85,342.46)	-32.79%
2008	443,390.53	155.02	0.03%	72,514.10	16.35%	(72,359.08)	-16.32%
2009	230,893.16	2,250.00	0.97%	74,552.05	32.29%	(72,302.05)	-31.31%
2010	303,711.07	0.00	0.00%	101,643.51	33.47%	(101,643.51)	-33.47%
2011	339,445.69	287.45	0.08%	201,493.73	59.36%	(201,206.28)	-59.27%
2012	219,226.12	0.00	0.00%	120,280.90	54.87%	(120,280.90)	-54.87%
2013	425,927.44	0.00	0.00%	176,360.60	41.41%	(176,360.60)	-41.41%
2014	691,897.88	0.00	0.00%	250,308.88	36.18%	(250,308.88)	-36.18%
2015	508,794.97	0.00	0.00%	476,807.62	93.71%	(476,807.62)	-93.71%

Montana-Dakota Utilities Company
Gas Division

376.00, 376.10, 376.20, 376.30, 376.40, 376.50

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1968 - 1970	661,403.38	55,767.95	8.43%	116,978.85	17.69%	(61,210.90)	-9.25%
1969 - 1971	638,296.62	53,003.25	8.30%	146,928.63	23.02%	(93,925.38)	-14.72%
1970 - 1972	601,355.33	50,499.64	8.40%	146,672.55	24.39%	(96,172.91)	-15.99%
1971 - 1973	469,919.20	40,914.18	8.71%	127,569.66	27.15%	(86,655.48)	-18.44%
1972 - 1974	372,488.17	31,239.46	8.39%	104,100.50	27.95%	(72,861.04)	-19.56%
1973 - 1975	342,924.55	25,661.31	7.48%	104,260.44	30.40%	(78,599.13)	-22.92%
1974 - 1976	403,194.27	21,776.95	5.40%	134,792.38	33.43%	(113,015.43)	-28.03%
1975 - 1977	407,838.79	17,618.09	4.32%	130,323.46	31.95%	(112,705.37)	-27.63%
1976 - 1978	396,571.03	20,592.48	5.19%	134,009.31	33.79%	(113,416.83)	-28.60%
1977 - 1979	323,842.35	22,023.05	6.80%	111,874.05	34.55%	(89,851.00)	-27.75%
1978 - 1980	328,031.39	25,502.64	7.77%	121,663.16	37.09%	(96,160.52)	-29.31%
1979 - 1981	364,165.83	20,965.93	5.76%	121,596.68	33.39%	(100,630.75)	-27.63%
1980 - 1982	368,587.55	9,774.97	2.65%	144,696.34	39.26%	(134,921.37)	-36.60%
1981 - 1983	441,123.38	6,295.38	1.43%	210,711.90	47.77%	(204,416.52)	-46.34%
1982 - 1984	474,244.30	0.00	0.00%	255,029.62	53.78%	(255,029.62)	-53.78%
1983 - 1985	489,161.78	0.00	0.00%	289,816.06	59.25%	(289,816.06)	-59.25%
1984 - 1986	492,507.06	0.00	0.00%	236,551.00	48.03%	(236,551.00)	-48.03%
1985 - 1987	507,950.08	0.00	0.00%	236,216.87	46.50%	(236,216.87)	-46.50%
1986 - 1988	647,218.49	0.00	0.00%	248,122.19	38.34%	(248,122.19)	-38.34%
1987 - 1989	632,357.39	317.65	0.05%	266,309.57	42.11%	(265,991.92)	-42.06%
1988 - 1990	523,452.23	317.65	0.06%	214,388.25	40.96%	(214,070.60)	-40.90%
1989 - 1991	449,977.63	3,707.87	0.82%	180,926.55	40.21%	(177,218.68)	-39.38%
1990 - 1992	562,218.02	3,390.22	0.60%	195,673.34	34.80%	(192,283.12)	-34.20%
1991 - 1993	599,655.66	3,390.22	0.57%	221,015.10	36.86%	(217,624.88)	-36.29%
1992 - 1994	753,575.72	0.00	0.00%	245,287.59	32.55%	(245,287.59)	-32.55%
1993 - 1995	573,360.54	0.10	0.00%	183,284.32	31.97%	(183,284.22)	-31.97%
1994 - 1996	756,575.59	767.52	0.10%	202,580.12	26.78%	(201,812.60)	-26.67%
1995 - 1997	576,723.39	57,442.74	9.96%	105,733.23	18.33%	(48,290.49)	-8.37%

Montana-Dakota Utilities Company

Gas Division

376.00, 376.10, 376.20, 376.30, 376.40, 376.50

*Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015*

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1996 - 1998	691,958.88	58,248.31	8.42%	159,753.61	23.09%	(101,505.30)	-14.67%
1997 - 1999	565,401.84	57,480.89	10.17%	158,801.37	28.09%	(101,320.48)	-17.92%
1998 - 2000	541,547.97	805.67	0.15%	219,845.64	40.60%	(219,039.97)	-40.45%
1999 - 2001	515,874.94	0.00	0.00%	217,593.18	42.18%	(217,593.18)	-42.18%
2000 - 2002	448,568.55	0.00	0.00%	205,200.21	45.75%	(205,200.21)	-45.75%
2001 - 2003	524,076.76	0.00	0.00%	294,857.63	56.26%	(294,857.63)	-56.26%
2002 - 2004	743,841.02	0.00	0.00%	300,817.17	40.44%	(300,817.17)	-40.44%
2003 - 2005	794,648.81	0.00	0.00%	288,131.23	36.26%	(288,131.23)	-36.26%
2004 - 2006	682,774.62	804.98	0.12%	188,044.88	27.54%	(187,239.90)	-27.42%
2005 - 2007	552,129.68	1,035.00	0.19%	193,548.22	35.05%	(192,513.22)	-34.87%
2006 - 2008	825,765.52	1,190.02	0.14%	208,701.92	25.27%	(207,511.90)	-25.13%
2007 - 2009	934,526.72	2,635.04	0.28%	232,638.63	24.89%	(230,003.59)	-24.61%
2008 - 2010	977,994.76	2,405.02	0.25%	248,709.66	25.43%	(246,304.64)	-25.18%
2009 - 2011	874,049.92	2,537.45	0.29%	377,689.29	43.21%	(375,151.84)	-42.92%
2010 - 2012	862,382.88	287.45	0.03%	423,418.14	49.10%	(423,130.69)	-49.07%
2011 - 2013	984,599.25	287.45	0.03%	498,135.23	50.59%	(497,847.78)	-50.56%
2012 - 2014	1,337,051.44	0.00	0.00%	546,950.38	40.91%	(546,950.38)	-40.91%
2013 - 2015	1,626,620.29	0.00	0.00%	903,477.10	55.54%	(903,477.10)	-55.54%

Montana-Dakota Utilities Company
Gas Division

376.00, 376.10, 376.20, 376.30, 376.40, 376.50

*Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015*

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1968 - 2015	10,315,533.00	215,940.85	2.09%	3,968,078.92	38.47%	(3,752,138.07)	-36.37%

Trend Analysis (End Year)

2015

*Based Upon Three - Year Rolling Averages

Annual Inflation Rate	2.75%
Average Service Life (ASL)	52.0
Average Retirement Age (Yrs)	19.0
Years To ASL	32.9
Inflation Factor At 2.75% to ASL	2.44

Gross Salvage
Linear Trend Analysis

1996-2015	20 - Year Trend	0.00%
2001-2015	15 - Year Trend	0.13%
2006-2015	10 - Year Trend	0.01%
2011-2015	5 - Year Trend	0.00%

Forecasted

Gross Salvage	0.00%
(Five Year Trend)	
Cost Of Removal	93.99%
Net Salvage	-93.99%

MDU-Gas

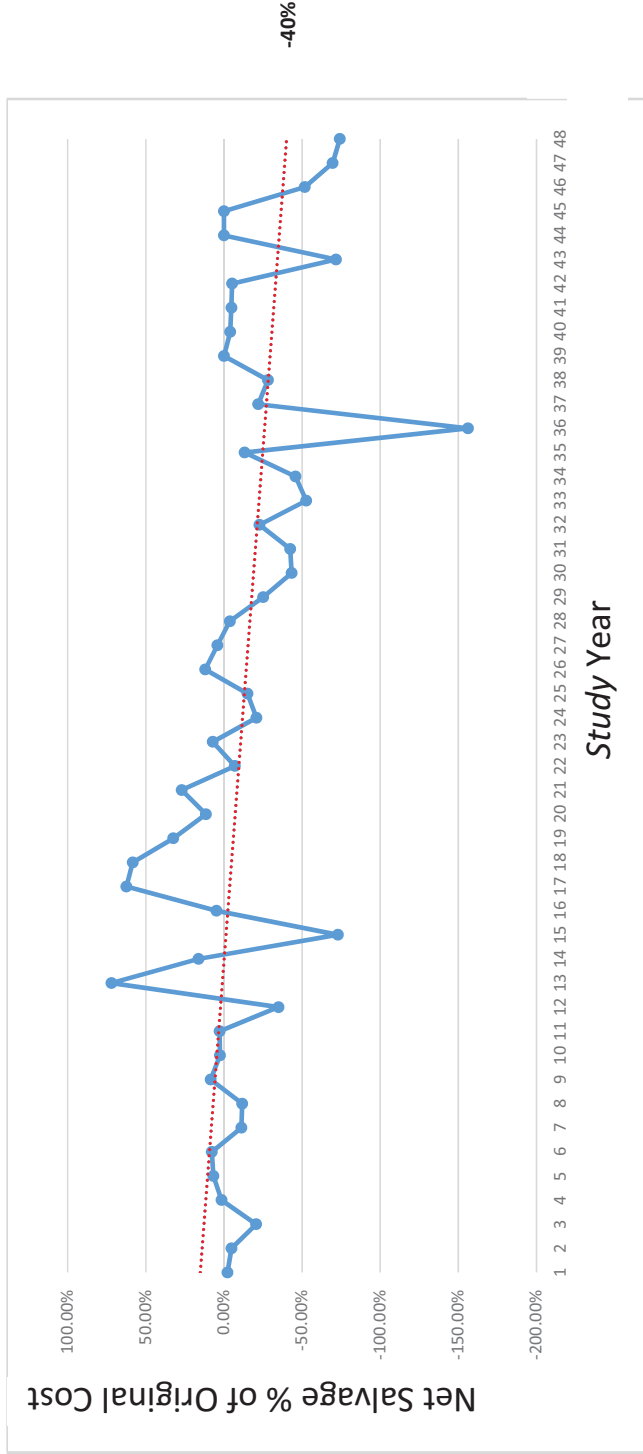
Trend Analysis of Experienced Net Salvage

Neg. Net Salv. Amount Net Salvage % of Original Cost of Ret.

1968	-139	-2.26%
1969	-245	-4.84%
1970	-495	-20.63%
1971	88	1.48%
1972	552	6.75%
1973	367	7.77%
1974	-868	-11.15%
1975	-680	-11.73%
1976	791	8.44%
1977	237	2.58%
1978	214	2.72%
1979	-1,543	-34.89%
1980	8,458	71.97%
1981	469	16.22%
1982	-2,264	-72.88%
1983	738	4.82%
1984	4,847	62.39%
1985	6,511	58.31%
1986	1,954	32.42%
1987	560	11.52%
1988	4,835	26.96%
1989	-816	-6.97%
1990	279	7.15%
1991	-1,071	-20.81%
1992	-2,249	-15.06%
1993	605	11.92%

**Montana Dakota Utilities-Gas
378 Meas & Reg Station Equipment-General**

Experienced Net Salvage



MDU-Gas Current Net Salvage Percent **-30%**
MDU-Gas Proposed Net Salvage Percent **-30%**

MDU-Gas

Trend Analysis of Experienced Net Salvage

**Montana Dakota Utilities-Gas
378 Meas & Reg Station Equipment-General**

Experienced Net Salvage

Study Year	Neg. Net Salv. Amount	Net Salvage % of Original Cost of Ret.
1994	2,259	4.22%
1995	-142	-3.76%
1996	-5,789	-25.14%
1997	-7,344	-43.32%
1998	-7,272	-42.45%
1999	-749	-22.76%
2000	-5,876	-52.67%
2001	-3,986	-45.83%
2002	-940	-13.27%
2003	-16,775	-156.13%
2004	-3,678	-21.98%
2005	-2,304	-28.16%
2006	0	0.00%
2007	-913	-4.04%
2008	-850	-4.79%
2009	-1,147	-5.23%
2010	-8,961	-71.73%
2011	0	0.00%
2012	0	0.00%
2013	-10,761	-51.73%
2014	-12,015	-69.54%
2015	-4,268	-74.16%

Montana-Dakota Utilities Company

Gas Division

378.00 MEAS. & REG. STATION EQUIP. - GENERAL

*Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015*

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>							
1968	6,165.67	245.53	3.98%	384.57	6.24%	(139.04)	-2.26%
1969	5,072.04	681.64	13.44%	926.88	18.27%	(245.24)	-4.84%
1970	2,400.38	299.68	12.48%	794.84	33.11%	(495.16)	-20.63%
1971	5,953.07	1,423.90	23.92%	1,335.56	22.43%	88.34	1.48%
1972	8,537.76	1,548.78	18.14%	996.65	11.67%	552.13	6.47%
1973	4,721.42	136.76	2.90%	(230.17)	-4.88%	366.93	7.77%
1974	7,786.40	934.98	12.01%	1,803.46	23.16%	(868.48)	-11.15%
1975	5,798.87	1,131.96	19.52%	1,811.88	31.25%	(679.92)	-11.73%
1976	9,370.41	1,641.73	17.52%	850.97	9.08%	790.76	8.44%
1977	9,211.09	2,097.50	22.77%	1,860.19	20.20%	237.31	2.58%
1978	7,880.15	1,956.75	24.83%	1,742.60	22.11%	214.15	2.72%
1979	4,423.45	694.41	15.70%	2,237.76	50.59%	(1,543.35)	-34.89%
1980	11,750.95	11,103.62	94.49%	2,645.90	22.52%	8,457.72	71.97%
1981	2,893.54	856.15	29.59%	386.70	13.36%	469.45	16.22%
1982	3,107.26	1,493.08	48.05%	3,757.57	120.93%	(2,264.49)	-72.88%
1983	15,302.51	4,641.93	30.33%	3,904.22	25.51%	737.71	4.82%
1984	7,769.09	5,792.53	74.56%	945.55	12.17%	4,846.98	62.39%
1985	11,166.83	8,110.43	72.63%	1,598.99	14.32%	6,511.44	58.31%
1986	6,028.86	3,133.32	51.97%	1,178.98	19.56%	1,954.34	32.42%
1987	4,864.25	1,168.80	24.03%	608.41	12.51%	560.39	11.52%
1988	17,936.07	8,021.93	44.73%	3,187.18	17.77%	4,834.75	26.96%
1989	11,708.76	2,017.11	17.23%	2,832.97	24.20%	(815.86)	-6.97%
1990	3,904.28	1,256.18	32.17%	977.17	25.03%	279.01	7.15%
1991	5,145.64	868.70	16.88%	1,939.74	37.70%	(1,071.04)	-20.81%
1992	14,934.74	1,870.26	12.52%	4,119.48	27.58%	(2,249.22)	-15.06%
1993	5,076.89	671.04	13.22%	65.67	1.29%	605.37	11.92%
1994	53,564.31	6,804.16	12.70%	4,545.24	8.49%	2,258.92	4.22%
1995	3,767.18	4,785.35	127.03%	4,926.89	130.78%	(141.54)	-3.76%

Montana-Dakota Utilities Company

Gas Division

378.00 MEAS. & REG. STATION EQUIP. - GENERAL

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2015

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>							
1996	23,029.73	4,351.90	18.90%	10,141.37	44.04%	(5,789.47)	-25.14%
1997	16,951.86	712.79	4.20%	8,056.88	47.53%	(7,344.09)	-43.32%
1998	17,131.15	1,482.18	8.65%	8,754.03	51.10%	(7,271.85)	-42.45%
1999	3,292.16	0.00	0.00%	749.36	22.76%	(749.36)	-22.76%
2000	11,156.50	962.68	8.63%	6,839.22	61.30%	(5,876.54)	-52.67%
2001	8,696.02	2,153.63	24.77%	6,139.17	70.60%	(3,985.54)	-45.83%
2002	7,083.00	0.00	0.00%	939.67	13.27%	(939.67)	-13.27%
2003	10,744.38	0.00	0.00%	16,774.97	156.13%	(16,774.97)	-156.13%
2004	16,732.36	0.00	0.00%	3,678.39	21.98%	(3,678.39)	-21.98%
2005	8,182.35	0.00	0.00%	2,304.18	28.16%	(2,304.18)	-28.16%
2006	2,239.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2007	22,625.76	0.00	0.00%	913.41	4.04%	(913.41)	-4.04%
2008	17,733.46	0.00	0.00%	850.20	4.79%	(850.20)	-4.79%
2009	21,934.66	0.00	0.00%	1,147.30	5.23%	(1,147.30)	-5.23%
2010	12,493.77	0.00	0.00%	8,961.48	71.73%	(8,961.48)	-71.73%
2011	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2012	20,368.04	0.00	0.00%	0.00	0.00%	0.00	0.00%
2013	20,800.48	0.00	0.00%	10,760.57	51.73%	(10,760.57)	-51.73%
2014	17,276.86	0.00	0.00%	12,015.04	69.54%	(12,015.04)	-69.54%
2015	5,755.09	0.00	0.00%	4,268.05	74.16%	(4,268.05)	-74.16%

Montana-Dakota Utilities Company
Gas Division

378.00 MEAS. & REG. STATION EQUIP. - GENERAL

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1968 - 1970	13,638.09	1,226.85	9.00%	2,106.29	15.44%	(879.44)	-6.45%
1969 - 1971	13,425.49	2,405.22	17.92%	3,057.28	22.77%	(652.06)	-4.86%
1970 - 1972	16,891.21	3,272.36	19.37%	3,127.05	18.51%	145.31	0.86%
1971 - 1973	19,212.25	3,109.44	16.18%	2,102.04	10.94%	1,007.40	5.24%
1972 - 1974	21,045.58	2,620.52	12.45%	2,569.94	12.21%	50.58	0.24%
1973 - 1975	18,306.69	2,203.70	12.04%	3,385.17	18.49%	(1,181.47)	-6.45%
1974 - 1976	22,955.68	3,708.67	16.16%	4,466.31	19.46%	(757.64)	-3.30%
1975 - 1977	24,380.37	4,871.19	19.98%	4,523.04	18.55%	348.15	1.43%
1976 - 1978	26,461.65	5,695.98	21.53%	4,453.76	16.83%	1,242.22	4.69%
1977 - 1979	21,514.69	4,748.66	22.07%	5,840.55	27.15%	(1,091.89)	-5.08%
1978 - 1980	24,054.55	13,754.78	57.18%	6,626.26	27.55%	7,128.52	29.63%
1979 - 1981	19,067.94	12,654.18	66.36%	5,270.36	27.64%	7,383.82	38.72%
1980 - 1982	17,751.75	13,452.85	75.78%	6,790.17	38.25%	6,662.68	37.53%
1981 - 1983	21,303.31	6,991.16	32.82%	8,048.49	37.78%	(1,057.33)	-4.96%
1982 - 1984	26,178.86	11,927.54	45.56%	8,607.34	32.88%	3,320.20	12.68%
1983 - 1985	34,238.43	18,544.89	54.16%	6,448.76	18.83%	12,096.13	35.33%
1984 - 1986	24,964.78	17,036.28	68.24%	3,723.52	14.92%	13,312.76	53.33%
1985 - 1987	22,059.94	12,412.55	56.27%	3,386.38	15.35%	9,026.17	40.92%
1986 - 1988	28,829.18	12,324.05	42.75%	4,974.57	17.26%	7,349.48	25.49%
1987 - 1989	34,509.08	11,207.84	32.48%	6,628.56	19.21%	4,579.28	13.27%
1988 - 1990	33,549.11	11,295.22	33.67%	6,997.32	20.86%	4,297.90	12.81%
1989 - 1991	20,758.68	4,141.99	19.95%	5,749.88	27.70%	(1,607.89)	-7.75%
1990 - 1992	23,984.66	3,995.14	16.66%	7,036.39	29.34%	(3,041.25)	-12.68%
1991 - 1993	25,157.27	3,410.00	13.55%	6,124.89	24.35%	(2,714.89)	-10.79%
1992 - 1994	73,575.94	9,345.46	12.70%	8,730.39	11.87%	615.07	0.84%
1993 - 1995	62,408.38	12,260.55	19.65%	9,537.80	15.28%	2,722.75	4.36%
1994 - 1996	80,361.22	15,941.41	19.84%	19,613.50	24.41%	(3,672.09)	-4.57%
1995 - 1997	43,748.77	9,850.04	22.52%	23,125.14	52.86%	(13,275.10)	-30.34%

Montana-Dakota Utilities Company
Gas Division

378.00 MEAS. & REG. STATION EQUIP. - GENERAL

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1996 - 1998	57,112.74	6,546.87	11.46%	26,952.28	47.19%	(20,405.41)	-35.73%
1997 - 1999	37,375.17	2,194.97	5.87%	17,560.27	46.98%	(15,365.30)	-41.11%
1998 - 2000	31,579.81	2,444.86	7.74%	16,342.61	51.75%	(13,897.75)	-44.01%
1999 - 2001	23,144.68	3,116.31	13.46%	13,727.75	59.31%	(10,611.44)	-45.85%
2000 - 2002	26,935.52	3,116.31	11.57%	13,918.06	51.67%	(10,801.75)	-40.10%
2001 - 2003	26,523.40	2,153.63	8.12%	23,853.81	89.93%	(21,700.18)	-81.82%
2002 - 2004	34,559.74	0.00	0.00%	21,393.03	61.90%	(21,393.03)	-61.90%
2003 - 2005	35,659.09	0.00	0.00%	22,757.54	63.82%	(22,757.54)	-63.82%
2004 - 2006	27,153.71	0.00	0.00%	5,982.57	22.03%	(5,982.57)	-22.03%
2005 - 2007	33,047.11	0.00	0.00%	3,217.59	9.74%	(3,217.59)	-9.74%
2006 - 2008	42,598.22	0.00	0.00%	1,763.61	4.14%	(1,763.61)	-4.14%
2007 - 2009	62,293.88	0.00	0.00%	2,910.91	4.67%	(2,910.91)	-4.67%
2008 - 2010	52,161.89	0.00	0.00%	10,958.98	21.01%	(10,958.98)	-21.01%
2009 - 2011	34,428.43	0.00	0.00%	10,108.78	29.36%	(10,108.78)	-29.36%
2010 - 2012	32,861.81	0.00	0.00%	8,961.48	27.27%	(8,961.48)	-27.27%
2011 - 2013	41,168.52	0.00	0.00%	10,760.57	26.14%	(10,760.57)	-26.14%
2012 - 2014	58,445.38	0.00	0.00%	22,775.61	38.97%	(22,775.61)	-38.97%
2013 - 2015	43,832.43	0.00	0.00%	27,043.66	61.70%	(27,043.66)	-61.70%

Montana-Dakota Utilities Company
Gas Division

378.00 MEAS. & REG. STATION EQUIP. - GENERAL

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015

<u>Year</u>	<u>Original Cost Of Retirements</u>		<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>								
1968 - 2015	520,468.50		85,051.39	16.34 %	155,429.14	29.86%	(70,377.75)	-13.52%

Trend Analysis (End Year) 2015

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	50.0
Average Retirement Age (Yrs)	19.5
Years To ASL	30.5
Inflation Factor At 2.75% to ASL	2.29

Gross Salvage
Linear Trend Analysis

1996-2015	20 - Year Trend	0.00%
2001-2015	15 - Year Trend	0.00%
2006-2015	10 - Year Trend	0.00%
2011-2015	5 - Year Trend	0.00%

Forecasted

Gross Salvage	0.00%
(Five Year Trend)	
Cost Of Removal	68.34%
Net Salvage	-68.34%

MDU-Gas

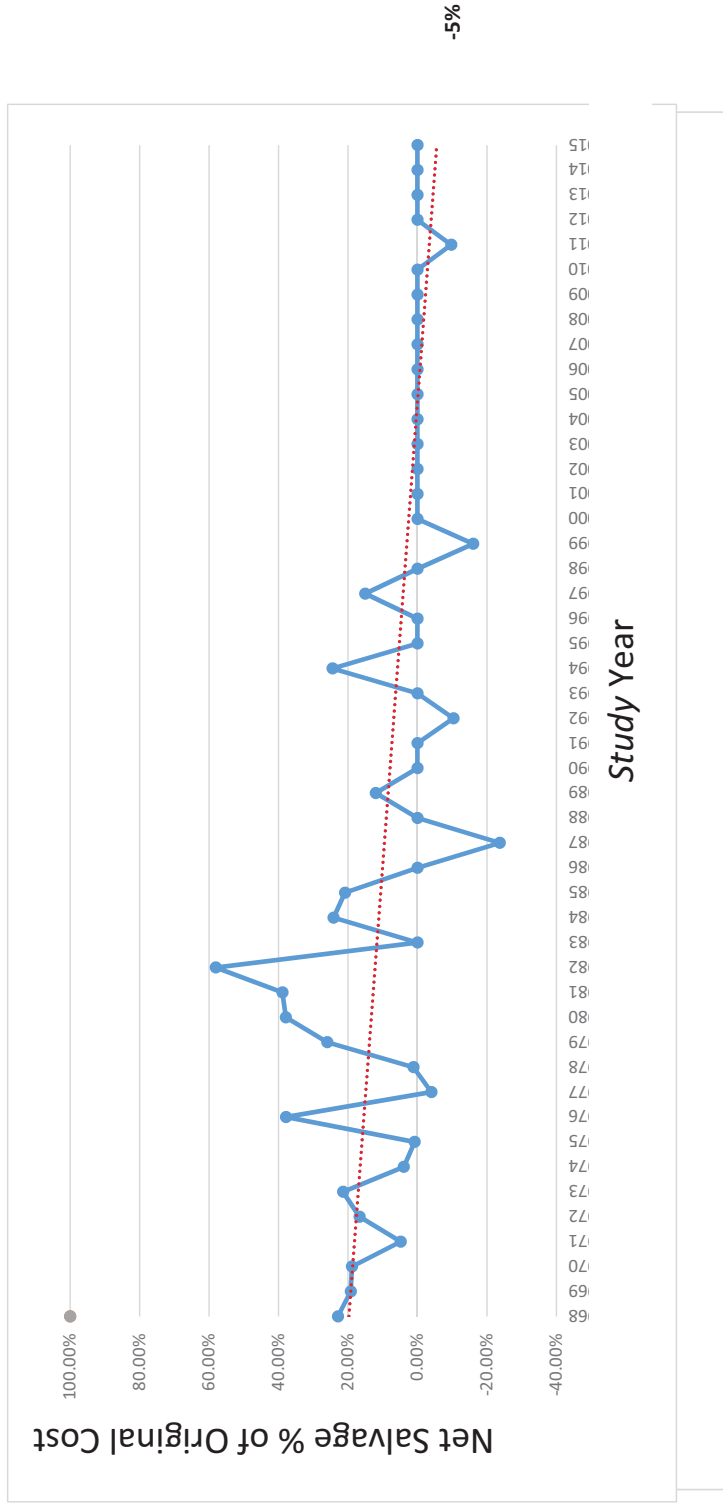
Trend Analysis of Experienced Net Salvage

Neg. Net Salv. Amount Cost of Ret.
 % of Original

Study Year	Neg. Net Salv. Amount	% of Original	Cost of Ret.
1968	4,216	22.90%	
1969	3,184	19.22%	
1970	2,592	18.87%	
1971	404	4.82%	
1972	5,050	16.69%	
1973	1,185	21.43%	
1974	270	3.95%	
1975	26	0.81%	
1976	1,944	37.88%	
1977	-49	-4.00%	
1978	96	1.16%	
1979	648	25.97%	
1980	1,891	37.91%	
1981	7,682	38.88%	
1982	12,030	58.08%	
1983	0	0.00%	
1984	2,856	24.18%	
1985	4,190	20.87%	
1986	0	0.00%	
1987	-57	-23.68%	
1988	0	0.00%	
1989	68	12.00%	
1990	0	0.00%	
1991	0	0.00%	
1992	-23	-10.36%	
1993	0	0.00%	

Montana Dakota Utilities-Gas
379 Meas & Reg Station Equipment-City Gate

Experienced Net Salvage



MDU-Gas Current Net Salvage Percent -15%

MDU-Gas Proposed Net Salvage Percent -15%

Low volume-Give consideration to Acct 378.

MDU-Gas

Trend Analysis of Experienced Net Salvage

**Montana Dakota Utilities-Gas
379 Meas & Reg Station Equipment-City Gate**

Experienced Net Salvage

Study Year	Neg. Net Salv. Amount	Net Salv. % of Original Cost of Ret.
1994	5,873	24.47%
1995	0	0.00%
1996	375	0.00%
1997	2,877	15.05%
1998	0	0.00%
1999	-280	-16.05%
2000	0	0.00%
2001	0	0.00%
2002	0	0.00%
2003	0	0.00%
2004	0	0.00%
2005	0	0.00%
2006	0	0.00%
2007	0	0.00%
2008	0	0.00%
2009	0	0.00%
2010	0	0.00%
2011	-1,500	-9.71%
2012	0	0.00%
2013	0	0.00%
2014	0	0.00%
2015	0	0.00%

Montana-Dakota Utilities Company

Gas Division

379.00 MEAS. & REG. STATION EQUIP. - CITY GATE

*Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015*

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>							
1968	18,414.18	5,785.41	31.42%	1,569.21	8.52%	4,216.20	22.90%
1969	16,569.97	4,369.23	26.37%	1,184.86	7.15%	3,184.37	19.22%
1970	13,735.04	3,662.00	26.66%	1,070.13	7.79%	2,591.87	18.87%
1971	8,371.34	2,075.36	24.79%	1,671.45	19.97%	403.91	4.82%
1972	30,257.72	6,523.51	21.56%	1,473.77	4.87%	5,049.74	16.69%
1973	5,526.84	2,274.92	41.16%	1,090.31	19.73%	1,184.61	21.43%
1974	6,833.15	879.07	12.86%	609.12	8.91%	269.95	3.95%
1975	3,276.17	851.21	25.98%	824.83	25.18%	26.38	0.81%
1976	5,133.75	2,898.47	56.46%	954.06	18.58%	1,944.41	37.88%
1977	1,235.92	386.35	31.26%	435.84	35.26%	(49.49)	-4.00%
1978	8,311.82	2,644.04	31.81%	2,548.00	30.66%	96.04	1.16%
1979	2,493.74	874.25	35.06%	226.52	9.08%	647.73	25.97%
1980	4,989.43	2,200.37	44.10%	308.90	6.19%	1,891.47	37.91%
1981	19,759.99	11,981.07	60.63%	4,298.58	21.75%	7,682.49	38.88%
1982	20,712.71	14,713.73	71.04%	2,684.06	12.96%	12,029.67	58.08%
1983	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1984	11,813.59	4,661.41	39.46%	1,805.26	15.28%	2,856.15	24.18%
1985	20,078.95	4,189.55	20.87%	0.00	0.00%	4,189.55	20.87%
1986	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987	240.01	0.00	0.00%	56.84	23.68%	(56.84)	-23.68%
1988	3,178.76	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989	565.28	109.81	19.43%	41.97	7.42%	67.84	12.00%
1990	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991	6,702.82	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992	225.00	0.00	0.00%	23.32	10.36%	(23.32)	-10.36%
1993	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994	24,000.34	6,121.69	25.51%	248.40	1.03%	5,873.29	24.47%
1995	1,429.24	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company

Gas Division

379.00 MEAS. & REG. STATION EQUIP. - CITY GATE

*Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015*

<u>Year</u>	<u>Original Cost Of Retirements</u>		<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>								
1996	0.00		375.00	0.00%	0.00	0.00%	375.00	0.00%
1997	19,117.83		3,723.12	19.47%	845.73	4.42%	2,877.39	15.05%
1998	2,593.97		0.00	0.00%	0.00	0.00%	0.00	0.00%
1999	1,744.33		0.00	0.00%	279.93	16.05%	(279.93)	-16.05%
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	4,387.41		0.00	0.00%	0.00	0.00%	0.00	0.00%
2004	1,470.33		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	8,335.08		0.00	0.00%	0.00	0.00%	0.00	0.00%
2009	23,767.51		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	15,453.52		0.00	0.00%	1,500.00	9.71%	(1,500.00)	-9.71%
2012	2,465.87		0.00	0.00%	0.00	0.00%	0.00	0.00%
2013	6,279.98		0.00	0.00%	0.00	0.00%	0.00	0.00%
2014	17,713.40		0.00	0.00%	0.00	0.00%	0.00	0.00%
2015	7,311.69		0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company
Gas Division

379.00 MEAS. & REG. STATION EQUIP. - CITY GATE

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1968 - 1970	48,719.19	13,816.64	28.36%	3,824.20	7.85%	9,992.44	20.51%
1969 - 1971	38,676.35	10,106.59	26.13%	3,926.44	10.15%	6,180.15	15.98%
1970 - 1972	52,364.10	12,260.87	23.41%	4,215.35	8.05%	8,045.52	15.36%
1971 - 1973	44,155.90	10,873.79	24.63%	4,235.53	9.59%	6,638.26	15.03%
1972 - 1974	42,617.71	9,677.50	22.71%	3,173.20	7.45%	6,504.30	15.26%
1973 - 1975	15,636.16	4,005.20	25.61%	2,524.26	16.14%	1,480.94	9.47%
1974 - 1976	15,243.07	4,628.75	30.37%	2,388.01	15.67%	2,240.74	14.70%
1975 - 1977	9,645.84	4,136.03	42.88%	2,214.73	22.96%	1,921.30	19.92%
1976 - 1978	14,681.49	5,928.86	40.38%	3,937.90	26.82%	1,990.96	13.56%
1977 - 1979	12,041.48	3,904.64	32.43%	3,210.36	26.66%	694.28	5.77%
1978 - 1980	15,794.99	5,718.66	36.21%	3,083.42	19.52%	2,635.24	16.68%
1979 - 1981	27,243.16	15,055.69	55.26%	4,834.00	17.74%	10,221.69	37.52%
1980 - 1982	45,462.13	28,895.17	63.56%	7,291.54	16.04%	21,603.63	47.52%
1981 - 1983	40,472.70	26,694.80	65.96%	6,982.64	17.25%	19,712.16	48.70%
1982 - 1984	32,526.30	19,375.14	59.57%	4,489.32	13.80%	14,885.82	45.77%
1983 - 1985	31,892.54	8,850.96	27.75%	1,805.26	5.66%	7,045.70	22.09%
1984 - 1986	31,892.54	8,850.96	27.75%	1,805.26	5.66%	7,045.70	22.09%
1985 - 1987	20,318.96	4,189.55	20.62%	56.84	0.28%	4,132.71	20.34%
1986 - 1988	3,418.77	0.00	0.00%	56.84	1.66%	(56.84)	-1.66%
1987 - 1989	3,984.05	109.81	2.76%	98.81	2.48%	11.00	0.28%
1988 - 1990	3,744.04	109.81	2.93%	41.97	1.12%	67.84	1.81%
1989 - 1991	7,268.10	109.81	1.51%	41.97	0.58%	67.84	0.93%
1990 - 1992	6,927.82	0.00	0.00%	23.32	0.34%	(23.32)	-0.34%
1991 - 1993	6,927.82	0.00	0.00%	23.32	0.34%	(23.32)	-0.34%
1992 - 1994	24,225.34	6,121.69	25.27%	271.72	1.12%	5,849.97	24.15%
1993 - 1995	25,429.58	6,121.69	24.07%	248.40	0.98%	5,873.29	23.10%
1994 - 1996	25,429.58	6,496.69	25.55%	248.40	0.98%	6,248.29	24.57%
1995 - 1997	20,547.07	4,098.12	19.95%	845.73	4.12%	3,252.39	15.83%

Montana-Dakota Utilities Company
Gas Division

379.00 MEAS. & REG. STATION EQUIP. - CITY GATE

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>		
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	
<u>Three - Year Rolling Bands</u>								
1996 - 1998	21,711.80	4,098.12	18.88%	845.73	3.90%	3,252.39	14.98%	
1997 - 1999	23,456.13	3,723.12	15.87%	1,125.66	4.80%	2,597.46	11.07%	
1998 - 2000	4,338.30	0.00	0.00%	279.93	6.45%	(279.93)	-6.45%	
1999 - 2001	1,744.33	0.00	0.00%	279.93	16.05%	(279.93)	-16.05%	
2000 - 2002	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2001 - 2003	4,387.41	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2002 - 2004	5,857.74	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2003 - 2005	5,857.74	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2004 - 2006	1,470.33	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	8,335.08	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2007 - 2009	32,102.59	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2008 - 2010	32,102.59	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2009 - 2011	39,221.03	0.00	0.00%	1,500.00	3.82%	(1,500.00)	-3.82%	
2010 - 2012	17,919.39	0.00	0.00%	1,500.00	8.37%	(1,500.00)	-8.37%	
2011 - 2013	24,199.37	0.00	0.00%	1,500.00	6.20%	(1,500.00)	-6.20%	
2012 - 2014	26,459.25	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2013 - 2015	31,305.07	0.00	0.00%	0.00	0.00%	0.00	0.00%	

Montana-Dakota Utilities Company

Gas Division

379.00 MEAS. & REG. STATION EQUIP. - CITY GATE

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2015

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1968 - 2015	344,496.68	81,299.57	23.60%	25,751.09	7.47%	55,548.48	16.12%

Trend Analysis (End Year) 2015

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	45.0
Average Retirement Age (Yrs)	14.0
Years To ASL	31.0
Inflation Factor At 2.75% to ASL	2.32

Gross Salvage
Linear Trend Analysis

1996-2015	20 - Year Trend	0.00%
2001-2015	15 - Year Trend	0.00%
2006-2015	10 - Year Trend	0.00%
2011-2015	5 - Year Trend	0.00%

Forecasted

Gross Salvage	0.00%
(Five Year Trend)	
Cost Of Removal	17.31%
Net Salvage	-17.31%

MDU-Gas

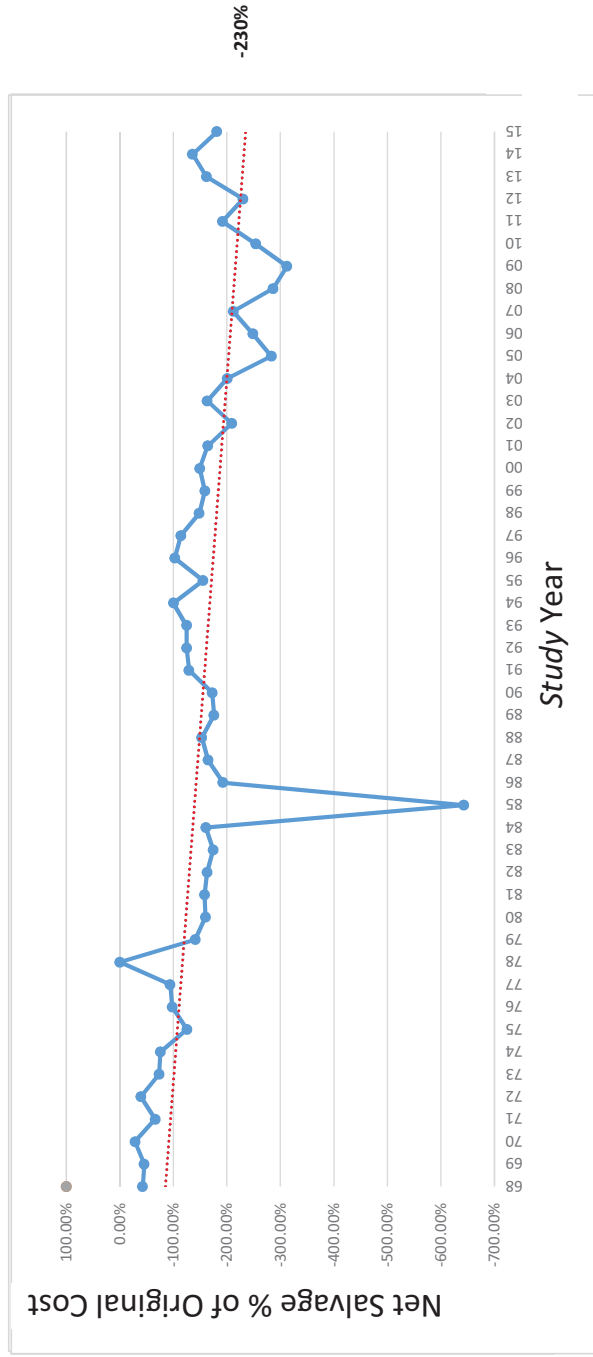
Trend Analysis of Experienced Net Salvage

Study Year	Neg. Net Salv. Amount	Net Salvage % of Original Cost of Ret.
1968	-24,665	-42.48%
1969	-25,355	-45.39%
1970	-22,471	-28.49%
1971	-34,849	-66.03%
1972	-31,314	-39.38%
1973	-47,568	-73.08%
1974	-48,950	-75.71%
1975	-47,317	-125.33%
1976	-66,670	-97.74%
1977	-93,455	-93.90%
1978	0	0.00%
1979	-78,253	-140.91%
1980	-98,276	-159.81%
1981	-100,384	-158.28%
1982	-138,433	-163.13%
1983	-128,807	-174.37%
1984	-152,831	-160.35%
1985	-218,283	-642.60%
1986	-158,250	-192.51%
1987	-169,635	-164.78%
1988	-199,305	-153.01%
1989	-181,323	-175.71%
1990	-150,247	-172.51%
1991	-145,016	-129.15%
1992	-189,284	-124.46%
1993	-146,610	-124.89%

Montana Dakota Utilities-Gas

380.00 Services

Experienced Net Salvage



MDU-Gas Current Net Salvage Percent -200%
 MDU-Gas Proposed Net Salvage Percent -200%

MDU-Gas

Trend Analysis of Experienced Net Salvage

Study Year	Neg. Net Salv. Amount	Net Salvage % of Original Cost of Ret.	Weight
1994	-213,461	-99.94%	
1995	-132,758	-155.46%	
1996	-195,985	-102.67%	
1997	-167,593	-113.99%	
1998	-232,674	-148.32%	
1999	-205,973	-158.68%	
2000	-200,261	-149.01%	
2001	-203,197	-164.09%	
2002	-198,438	-208.84%	
2003	-267,037	-163.18%	
2004	-371,150	-200.70%	
2005	-257,858	-283.21%	
2006	-265,723	-248.24%	
2007	-367,329	-212.08%	
2008	-322,277	-286.17%	
2009	-344,857	-312.06%	1,076,161
2010	-422,678	-254.01%	1,073,644
2011	-358,576	-191.52%	686,745
2012	-398,268	-230.19%	916,773
2013	-394,504	-161.87%	638,584
2014	-388,263	-135.73%	526,989
2015	-502,378	-181.20%	910,309
	-3,764,853	-217.54%	8,190,127

10 Year Weighted Average

**Montana Dakota Utilities-Gas
380.00 Services**

Experienced Net Salvage

Montana-Dakota Utilities Company

Gas Division

380.00, 380.10, 380.20, 380.30

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2015

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>							
1968	58,055.53	3,059.40	5.27%	27,723.99	47.75%	(24,664.59)	-42.48%
1969	55,853.48	845.59	1.51%	26,200.12	46.91%	(25,354.53)	-45.39%
1970	78,879.56	530.18	0.67%	23,001.10	29.16%	(22,470.92)	-28.49%
1971	52,774.35	880.28	1.67%	35,729.03	67.70%	(34,848.75)	-66.03%
1972	79,522.93	697.12	0.88%	32,010.82	40.25%	(31,313.70)	-39.38%
1973	65,093.43	0.00	0.00%	47,568.42	73.08%	(47,568.42)	-73.08%
1974	64,653.14	596.73	0.92%	49,546.52	76.63%	(48,949.79)	-75.71%
1975	37,754.54	2,843.03	7.53%	50,159.99	132.86%	(47,316.96)	-125.33%
1976	68,213.75	0.00	0.00%	66,670.18	97.74%	(66,670.18)	-97.74%
1977	99,524.40	0.00	0.00%	93,455.39	93.90%	(93,455.39)	-93.90%
1978	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1979	55,534.41	0.00	0.00%	78,252.84	140.91%	(78,252.84)	-140.91%
1980	61,494.60	0.00	0.00%	98,275.97	159.81%	(98,275.97)	-159.81%
1981	63,423.25	0.00	0.00%	100,383.73	158.28%	(100,383.73)	-158.28%
1982	84,858.56	0.00	0.00%	138,433.24	163.13%	(138,433.24)	-163.13%
1983	73,868.72	0.00	0.00%	128,807.41	174.37%	(128,807.41)	-174.37%
1984	95,311.04	0.00	0.00%	152,831.49	160.35%	(152,831.49)	-160.35%
1985	33,968.77	0.00	0.00%	218,282.65	642.60%	(218,282.65)	-642.60%
1986	82,204.03	0.00	0.00%	158,249.58	192.51%	(158,249.58)	-192.51%
1987	102,945.66	0.00	0.00%	169,635.34	164.78%	(169,635.34)	-164.78%
1988	130,255.01	0.00	0.00%	199,304.99	153.01%	(199,304.99)	-153.01%
1989	103,193.55	0.00	0.00%	181,323.25	175.71%	(181,323.25)	-175.71%
1990	87,093.75	0.00	0.00%	150,247.09	172.51%	(150,247.09)	-172.51%
1991	112,288.21	0.00	0.00%	145,015.85	129.15%	(145,015.85)	-129.15%
1992	152,087.98	0.00	0.00%	189,283.99	124.46%	(189,283.99)	-124.46%
1993	117,390.79	0.00	0.00%	146,610.41	124.89%	(146,610.41)	-124.89%
1994	213,594.75	0.00	0.00%	213,460.61	99.94%	(213,460.61)	-99.94%
1995	85,394.58	238.78	0.28%	132,997.10	155.74%	(132,758.32)	-155.46%

Montana-Dakota Utilities Company

Gas Division

380.00, 380.10, 380.20, 380.30

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2015

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>							
1996	190,887.20	489.25	0.26%	196,474.55	102.93%	(195,985.30)	-102.67%
1997	147,018.12	274.30	0.19%	167,867.03	114.18%	(167,592.73)	-113.99%
1998	156,868.35	165.57	0.11%	232,839.48	148.43%	(232,673.91)	-148.32%
1999	129,801.17	0.00	0.00%	205,972.55	158.68%	(205,972.55)	-158.68%
2000	134,394.03	0.00	0.00%	200,260.66	149.01%	(200,260.66)	-149.01%
2001	123,831.18	31.47	0.03%	203,228.57	164.12%	(203,197.10)	-164.09%
2002	95,019.90	0.00	0.00%	198,438.09	208.84%	(198,438.09)	-208.84%
2003	163,649.47	2,265.98	1.38%	269,303.25	164.56%	(267,037.27)	-163.18%
2004	184,931.55	0.00	0.00%	371,150.10	200.70%	(371,150.10)	-200.70%
2005	91,049.72	78.72	0.09%	257,936.56	283.29%	(257,857.84)	-283.21%
2006	107,041.95	275.02	0.26%	265,998.27	248.50%	(265,723.25)	-248.24%
2007	173,205.75	46.31	0.03%	367,375.64	212.10%	(367,329.33)	-212.08%
2008	112,617.91	461.23	0.41%	322,738.26	286.58%	(322,277.03)	-286.17%
2009	110,510.76	336.04	0.30%	345,192.98	312.36%	(344,856.94)	-312.06%
2010	166,403.85	134.57	0.08%	422,812.42	254.09%	(422,677.85)	-254.01%
2011	187,229.94	0.00	0.00%	358,576.00	191.52%	(358,576.00)	-191.52%
2012	173,017.19	0.00	0.00%	398,267.50	230.19%	(398,267.50)	-230.19%
2013	243,711.35	0.00	0.00%	394,503.77	161.87%	(394,503.77)	-161.87%
2014	286,051.76	0.00	0.00%	388,262.55	135.73%	(388,262.55)	-135.73%
2015	277,245.03	0.00	0.00%	502,378.17	181.20%	(502,378.17)	-181.20%

Montana-Dakota Utilities Company

Gas Division

380.00, 380.10, 380.20, 380.30

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2015

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1968 - 1970	192,788.57	4,435.17	2.30%	76,925.21	39.90%	(72,490.04)	-37.60%
1969 - 1971	187,507.39	2,256.05	1.20%	84,930.25	45.29%	(82,674.20)	-44.09%
1970 - 1972	211,176.84	2,107.58	1.00%	90,740.95	42.97%	(88,633.37)	-41.97%
1971 - 1973	197,390.71	1,577.40	0.80%	115,308.27	58.42%	(113,730.87)	-57.62%
1972 - 1974	209,269.50	1,293.85	0.62%	129,125.76	61.70%	(127,831.91)	-61.08%
1973 - 1975	167,501.11	3,439.76	2.05%	147,274.93	87.92%	(143,835.17)	-85.87%
1974 - 1976	170,621.43	3,439.76	2.02%	166,376.69	97.51%	(162,936.93)	-95.50%
1975 - 1977	205,492.69	2,843.03	1.38%	210,285.56	102.33%	(207,442.53)	-100.95%
1976 - 1978	167,738.15	0.00	0.00%	160,125.57	95.46%	(160,125.57)	-95.46%
1977 - 1979	155,058.81	0.00	0.00%	171,708.23	110.74%	(171,708.23)	-110.74%
1978 - 1980	117,029.01	0.00	0.00%	176,528.81	150.84%	(176,528.81)	-150.84%
1979 - 1981	180,452.26	0.00	0.00%	276,912.54	153.45%	(276,912.54)	-153.45%
1980 - 1982	209,776.41	0.00	0.00%	337,092.94	160.69%	(337,092.94)	-160.69%
1981 - 1983	222,150.53	0.00	0.00%	367,624.38	165.48%	(367,624.38)	-165.48%
1982 - 1984	254,038.32	0.00	0.00%	420,072.14	165.36%	(420,072.14)	-165.36%
1983 - 1985	203,148.53	0.00	0.00%	499,921.55	246.09%	(499,921.55)	-246.09%
1984 - 1986	211,483.84	0.00	0.00%	529,363.72	250.31%	(529,363.72)	-250.31%
1985 - 1987	219,118.46	0.00	0.00%	546,167.57	249.26%	(546,167.57)	-249.26%
1986 - 1988	315,404.70	0.00	0.00%	527,189.91	167.15%	(527,189.91)	-167.15%
1987 - 1989	336,394.22	0.00	0.00%	550,263.58	163.58%	(550,263.58)	-163.58%
1988 - 1990	320,542.31	0.00	0.00%	530,875.33	165.62%	(530,875.33)	-165.62%
1989 - 1991	302,575.51	0.00	0.00%	476,586.19	157.51%	(476,586.19)	-157.51%
1990 - 1992	351,469.94	0.00	0.00%	484,546.93	137.86%	(484,546.93)	-137.86%
1991 - 1993	381,766.98	0.00	0.00%	480,910.25	125.97%	(480,910.25)	-125.97%
1992 - 1994	483,073.52	0.00	0.00%	549,355.01	113.72%	(549,355.01)	-113.72%
1993 - 1995	416,380.12	238.78	0.06%	493,068.12	118.42%	(492,829.34)	-118.36%
1994 - 1996	489,876.53	728.03	0.15%	542,932.26	110.83%	(542,204.23)	-110.68%
1995 - 1997	423,299.90	1,002.33	0.24%	497,338.68	117.49%	(496,336.35)	-117.25%

Montana-Dakota Utilities Company

Gas Division

380.00, 380.10, 380.20, 380.30

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2015

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1996 - 1998	494,773.67	929.12	0.19%	597,181.06	120.70%	(596,251.94)	-120.51%
1997 - 1999	433,687.64	439.87	0.10%	606,679.06	139.89%	(606,239.19)	-139.79%
1998 - 2000	421,063.55	165.57	0.04%	639,072.69	151.78%	(638,907.12)	-151.74%
1999 - 2001	388,026.38	31.47	0.01%	609,461.78	157.07%	(609,430.31)	-157.06%
2000 - 2002	353,245.11	31.47	0.01%	601,927.32	170.40%	(601,895.85)	-170.39%
2001 - 2003	382,500.55	2,297.45	0.60%	670,969.91	175.42%	(668,672.46)	-174.82%
2002 - 2004	443,600.92	2,265.98	0.51%	838,891.44	189.11%	(836,625.46)	-188.60%
2003 - 2005	439,630.74	2,344.70	0.53%	898,389.91	204.35%	(896,045.21)	-203.82%
2004 - 2006	383,023.22	353.74	0.09%	895,084.93	233.69%	(894,731.19)	-233.60%
2005 - 2007	371,297.42	400.05	0.11%	891,310.47	240.05%	(890,910.42)	-239.95%
2006 - 2008	392,865.61	782.56	0.20%	956,112.17	243.37%	(955,329.61)	-243.17%
2007 - 2009	396,334.42	843.58	0.21%	1,035,306.88	261.22%	(1,034,463.30)	-261.01%
2008 - 2010	389,532.52	931.84	0.24%	1,090,743.66	280.01%	(1,089,811.82)	-279.77%
2009 - 2011	464,144.55	470.61	0.10%	1,126,581.40	242.72%	(1,126,110.79)	-242.62%
2010 - 2012	526,650.98	134.57	0.03%	1,179,655.92	223.99%	(1,179,521.35)	-223.97%
2011 - 2013	603,958.48	0.00	0.00%	1,151,347.27	190.63%	(1,151,347.27)	-190.63%
2012 - 2014	702,780.30	0.00	0.00%	1,181,033.82	168.05%	(1,181,033.82)	-168.05%
2013 - 2015	807,008.14	0.00	0.00%	1,285,144.49	159.25%	(1,285,144.49)	-159.25%

Montana-Dakota Utilities Company

Gas Division

380.00, 380.10, 380.20, 380.30

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2015

<u>Year</u>	<u>Original Cost Of Retirements</u>		<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>								
1968 - 2015	5,569,718.95		14,249.57	0.26%	9,123,037.50	163.80%	(9,108,787.93)	-163.54%

Trend Analysis (End Year) 2015

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	46.3
Average Retirement Age (Yrs)	17.2
Years To ASL	29.0
Inflation Factor At 2.75% to ASL	2.20

Gross Salvage
Linear Trend Analysis

1996-2015	20 - Year Trend	0.09%
2001-2015	15 - Year Trend	0.01%
2006-2015	10 - Year Trend	0.00%
2011-2015	5 - Year Trend	0.00%

Forecasted

Gross Salvage	0.00%
(Five Year Trend)	
Cost Of Removal	360.23%
Net Salvage	-360.23%

MDU-Gas

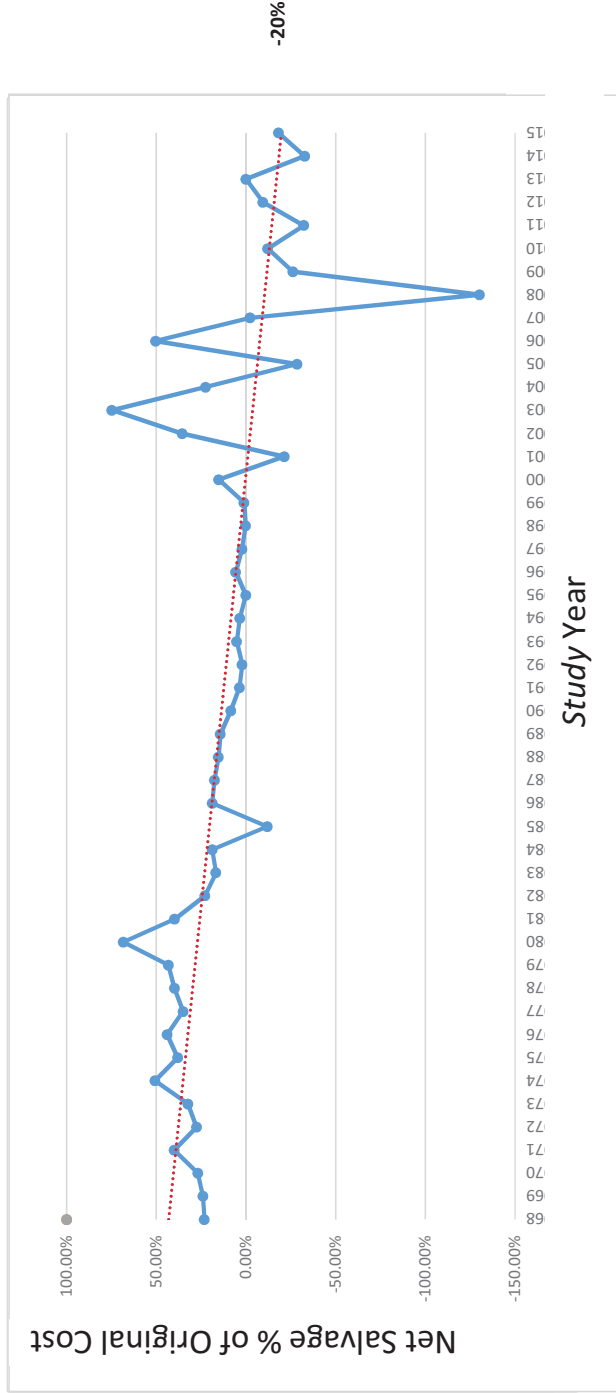
Trend Analysis of Experienced Net Salvage

Study Year	Neg. Net Salv. Amount	Net Salvage % of Original Cost of Ret.
1968	20,753	23.16%
1969	21,171	24.02%
1970	22,634	26.87%
1971	45,460	40.02%
1972	28,701	27.50%
1973	33,346	32.33%
1974	52,118	50.73%
1975	63,048	38.06%
1976	59,619	43.96%
1977	25,174	34.99%
1978	52,317	39.85%
1979	64,069	43.22%
1980	208,806	68.37%
1981	50,478	39.75%
1982	35,293	22.91%
1983	27,181	16.73%
1984	51,183	18.86%
1985	-700	-11.83%
1986	22,772	18.82%
1987	19,830	17.50%
1988	20,426	15.34%
1989	16,856	14.26%
1990	6,283	8.41%
1991	2,892	3.60%
1992	2,246	2.11%
1993	4,464	5.16%

MDU-Gas

381 Meters

Experienced Net Salvage



MDU-Gas Current Net Salvage Percent -15%
 MDU-Gas Proposed Net Salvage Percent -20%

MDU-Gas

Trend Analysis of Experienced Net Salvage

MDU-Gas

381 Meters

Experienced Net Salvage

Study Year	Neg. Net Salv. Amount	Net Salvage % of Original Cost of Ret.	Wght
1994	4,927	3.51%	
1995	141	0.05%	
1996	8,203	5.70%	
1997	3,569	2.18%	
1998	395	0.24%	
1999	1,112	1.05%	
2000	12,514	15.16%	
2001	-89,171	-21.36%	
2002	678	35.54%	
2003	10,013	74.73%	
2004	6,676	22.51%	
2005	-383,180	-28.54%	
2006	23,256	50.39%	11,719
2007	-13,173	-2.31%	304
2008	-70,221	-130.25%	91,463
2009	-641,706	-26.14%	167,742
2010	-26,488	-12.14%	3,216
2011	-141,360	-32.20%	45,518
2012	-45,791	-9.49%	4,346
2013	0	0.00%	0
2014	-121,327	-32.71%	39,686
2015	-65,444	-18.09%	11,839
	-1,102,254	-34.10%	375,832
			10 Year Weighted Average

Montana-Dakota Utilities Company

Gas Division

381.00 METERS

*Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015*

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>							
1968	89,621.05	20,853.15	23.27%	100.61	0.11%	20,752.54	23.16%
1969	88,141.67	21,175.77	24.02%	4.76	0.01%	21,171.01	24.02%
1970	84,232.62	22,634.02	26.87%	0.00	0.00%	22,634.02	26.87%
1971	113,603.29	45,459.80	40.02%	0.00	0.00%	45,459.80	40.02%
1972	104,367.42	28,705.75	27.50%	5.00	0.00%	28,700.75	27.50%
1973	103,144.67	33,345.95	32.33%	0.00	0.00%	33,345.95	32.33%
1974	102,736.09	52,118.35	50.73%	0.00	0.00%	52,118.35	50.73%
1975	165,635.60	63,047.92	38.06%	0.00	0.00%	63,047.92	38.06%
1976	135,627.82	59,618.84	43.96%	0.00	0.00%	59,618.84	43.96%
1977	71,937.22	25,174.11	34.99%	0.00	0.00%	25,174.11	34.99%
1978	131,277.92	52,316.96	39.85%	0.00	0.00%	52,316.96	39.85%
1979	148,233.80	64,025.07	43.19%	(43.43)	-0.03%	64,068.50	43.22%
1980	305,397.80	208,883.27	68.40%	77.59	0.03%	208,805.68	68.37%
1981	126,975.53	50,478.48	39.75%	0.00	0.00%	50,478.48	39.75%
1982	154,079.01	35,126.16	22.80%	(167.28)	-0.11%	35,293.44	22.91%
1983	162,477.00	27,158.04	16.72%	(22.73)	-0.01%	27,180.77	16.73%
1984	271,430.65	51,182.92	18.86%	0.00	0.00%	51,182.92	18.86%
1985	5,915.92	-700.00	-11.83%	0.00	0.00%	(700.00)	-11.83%
1986	120,997.42	22,771.82	18.82%	0.00	0.00%	22,771.82	18.82%
1987	113,329.32	19,829.78	17.50%	0.00	0.00%	19,829.78	17.50%
1988	133,122.11	20,425.53	15.34%	0.00	0.00%	20,425.53	15.34%
1989	118,174.74	16,855.60	14.26%	0.00	0.00%	16,855.60	14.26%
1990	74,744.83	6,283.18	8.41%	0.00	0.00%	6,283.18	8.41%
1991	80,430.53	2,892.22	3.60%	0.00	0.00%	2,892.22	3.60%
1992	106,428.89	2,245.90	2.11%	0.00	0.00%	2,245.90	2.11%
1993	86,460.76	4,464.18	5.16%	0.00	0.00%	4,464.18	5.16%
1994	140,444.26	4,954.94	3.53%	28.34	0.02%	4,926.60	3.51%
1995	265,413.57	140.83	0.05%	0.00	0.00%	140.83	0.05%

Montana-Dakota Utilities Company

Gas Division

381.00 METERS

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>							
1996	143,875.77	8,202.93	5.70%	0.00	0.00%	8,202.93	5.70%
1997	163,997.79	3,569.20	2.18%	0.00	0.00%	3,569.20	2.18%
1998	167,984.94	395.20	0.24%	0.00	0.00%	395.20	0.24%
1999	105,617.04	1,111.77	1.05%	0.00	0.00%	1,111.77	1.05%
2000	82,561.94	12,514.29	15.16%	0.00	0.00%	12,514.29	15.16%
2001	417,486.88	3,201.41	0.77%	92,372.21	22.13%	(89,170.80)	-21.36%
2002	1,907.40	755.86	39.63%	78.00	4.09%	677.86	35.54%
2003	13,397.63	10,850.29	80.99%	837.73	6.25%	10,012.56	74.73%
2004	29,662.11	13,191.45	44.47%	6,515.30	21.97%	6,676.15	22.51%
2005	1,342,411.55	35,501.30	2.64%	418,681.00	31.19%	(383,179.70)	-28.54%
2006	46,151.70	29,808.13	64.59%	6,552.00	14.20%	23,256.13	50.39%
2007	569,985.49	11,103.05	1.95%	24,276.00	4.26%	(13,172.95)	-2.31%
2008	53,910.77	48,607.78	90.16%	118,829.00	220.42%	(70,221.22)	-130.25%
2009	2,454,870.96	10,242.49	0.42%	651,948.00	26.56%	(641,705.51)	-26.14%
2010	218,164.25	8,228.24	3.77%	34,715.81	15.91%	(26,487.57)	-12.14%
2011	439,008.66	25,671.69	5.85%	167,032.10	38.05%	(141,360.41)	-32.20%
2012	482,546.13	15,025.70	3.11%	60,816.44	12.60%	(45,790.74)	-9.49%
2013	280,825.26	0.00	0.00%	0.00	0.00%	0.00	0.00%
2014	370,909.87	27,111.35	7.31%	148,438.26	40.02%	(121,326.91)	-32.71%
2015	361,846.72	9,616.60	2.66%	75,060.95	20.74%	(65,444.35)	-18.09%

Montana-Dakota Utilities Company

Gas Division

381.00 METERS

*Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015*

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1968 - 1970	261,995.34	64,662.94	24.68%	105.37	0.04%	64,557.57	24.64%
1969 - 1971	285,977.58	89,269.59	31.22%	4.76	0.00%	89,264.83	31.21%
1970 - 1972	302,203.33	96,799.57	32.03%	5.00	0.00%	96,794.57	32.03%
1971 - 1973	321,115.38	107,511.50	33.48%	5.00	0.00%	107,506.50	33.48%
1972 - 1974	310,248.18	114,170.05	36.80%	5.00	0.00%	114,165.05	36.80%
1973 - 1975	371,516.36	148,512.22	39.97%	0.00	0.00%	148,512.22	39.97%
1974 - 1976	403,999.51	174,785.11	43.26%	0.00	0.00%	174,785.11	43.26%
1975 - 1977	373,200.64	147,840.87	39.61%	0.00	0.00%	147,840.87	39.61%
1976 - 1978	338,842.96	137,109.91	40.46%	0.00	0.00%	137,109.91	40.46%
1977 - 1979	351,448.94	141,516.14	40.27%	(43.43)	-0.01%	141,559.57	40.28%
1978 - 1980	584,909.52	325,225.30	55.60%	34.16	0.01%	325,191.14	55.60%
1979 - 1981	580,607.13	323,386.82	55.70%	34.16	0.01%	323,352.66	55.69%
1980 - 1982	586,452.34	294,487.91	50.22%	(89.69)	-0.02%	294,577.60	50.23%
1981 - 1983	443,531.54	112,762.68	25.42%	(190.01)	-0.04%	112,952.69	25.47%
1982 - 1984	587,986.66	113,467.12	19.30%	(190.01)	-0.03%	113,657.13	19.33%
1983 - 1985	439,823.57	77,640.96	17.65%	(22.73)	-0.01%	77,663.69	17.66%
1984 - 1986	398,343.99	73,254.74	18.39%	0.00	0.00%	73,254.74	18.39%
1985 - 1987	240,242.66	41,901.60	17.44%	0.00	0.00%	41,901.60	17.44%
1986 - 1988	367,448.85	63,027.13	17.15%	0.00	0.00%	63,027.13	17.15%
1987 - 1989	364,626.17	57,110.91	15.66%	0.00	0.00%	57,110.91	15.66%
1988 - 1990	326,041.68	43,564.31	13.36%	0.00	0.00%	43,564.31	13.36%
1989 - 1991	273,350.10	26,031.00	9.52%	0.00	0.00%	26,031.00	9.52%
1990 - 1992	261,604.25	11,421.30	4.37%	0.00	0.00%	11,421.30	4.37%
1991 - 1993	273,320.18	9,602.30	3.51%	0.00	0.00%	9,602.30	3.51%
1992 - 1994	333,333.91	11,665.02	3.50%	28.34	0.01%	11,636.68	3.49%
1993 - 1995	492,318.59	9,559.95	1.94%	28.34	0.01%	9,531.61	1.94%
1994 - 1996	549,733.60	13,298.70	2.42%	28.34	0.01%	13,270.36	2.41%
1995 - 1997	573,287.13	11,912.96	2.08%	0.00	0.00%	11,912.96	2.08%

Montana-Dakota Utilities Company

Gas Division

381.00 METERS

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1996 - 1998	475,858.50	12,167.33	2.56%	0.00	0.00%	12,167.33	2.56%
1997 - 1999	437,599.77	5,076.17	1.16%	0.00	0.00%	5,076.17	1.16%
1998 - 2000	356,163.92	14,021.26	3.94%	0.00	0.00%	14,021.26	3.94%
1999 - 2001	605,665.86	16,827.47	2.78%	92,372.21	15.25%	(75,544.74)	-12.47%
2000 - 2002	501,956.22	16,471.56	3.28%	92,450.21	18.42%	(75,978.65)	-15.14%
2001 - 2003	432,791.91	14,807.56	3.42%	93,287.94	21.55%	(78,480.38)	-18.13%
2002 - 2004	44,967.14	24,797.60	55.15%	7,431.03	16.53%	17,366.57	38.62%
2003 - 2005	1,385,471.29	59,543.04	4.30%	426,034.03	30.75%	(366,490.99)	-26.45%
2004 - 2006	1,418,225.36	78,500.88	5.54%	431,748.30	30.44%	(353,247.42)	-24.91%
2005 - 2007	1,958,548.74	76,412.48	3.90%	449,509.00	22.95%	(373,096.52)	-19.05%
2006 - 2008	670,047.96	89,518.96	13.36%	149,657.00	22.34%	(60,138.04)	-8.98%
2007 - 2009	3,078,767.22	69,953.32	2.27%	795,053.00	25.82%	(725,099.68)	-23.55%
2008 - 2010	2,726,945.98	67,078.51	2.46%	805,492.81	29.54%	(738,414.30)	-27.08%
2009 - 2011	3,112,043.87	44,142.42	1.42%	853,695.91	27.43%	(809,553.49)	-26.01%
2010 - 2012	1,139,719.04	48,925.63	4.29%	262,564.35	23.04%	(213,638.72)	-18.74%
2011 - 2013	1,202,380.05	40,697.39	3.38%	227,848.54	18.95%	(187,151.15)	-15.57%
2012 - 2014	1,134,281.26	42,137.05	3.71%	209,254.70	18.45%	(167,117.65)	-14.73%
2013 - 2015	1,013,581.85	36,727.95	3.62%	223,499.21	22.05%	(186,771.26)	-18.43%

Montana-Dakota Utilities Company

Gas Division

381.00 METERS

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2015

<u>Year</u>	<u>Original Cost Of Retirements</u>		<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>								
1968 - 2015	11,351,504.37		1,236,177.27	10.89%	1,806,135.66	15.91%	(569,958.39)	-5.02%

Trend Analysis (End Year) 2015

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	31.0
Average Retirement Age (Yrs)	18.8
Years To ASL	12.2
Inflation Factor At 2.75% to ASL	1.39

Gross Salvage
Linear Trend Analysis

1996-2015	20 - Year Trend	5.96%
2001-2015	15 - Year Trend	1.48%
2006-2015	10 - Year Trend	2.28%
2011-2015	5 - Year Trend	4.44%

Forecasted

Gross Salvage	4.44%
(Five Year Trend)	
Cost Of Removal	22.17%
Net Salvage	-17.73%

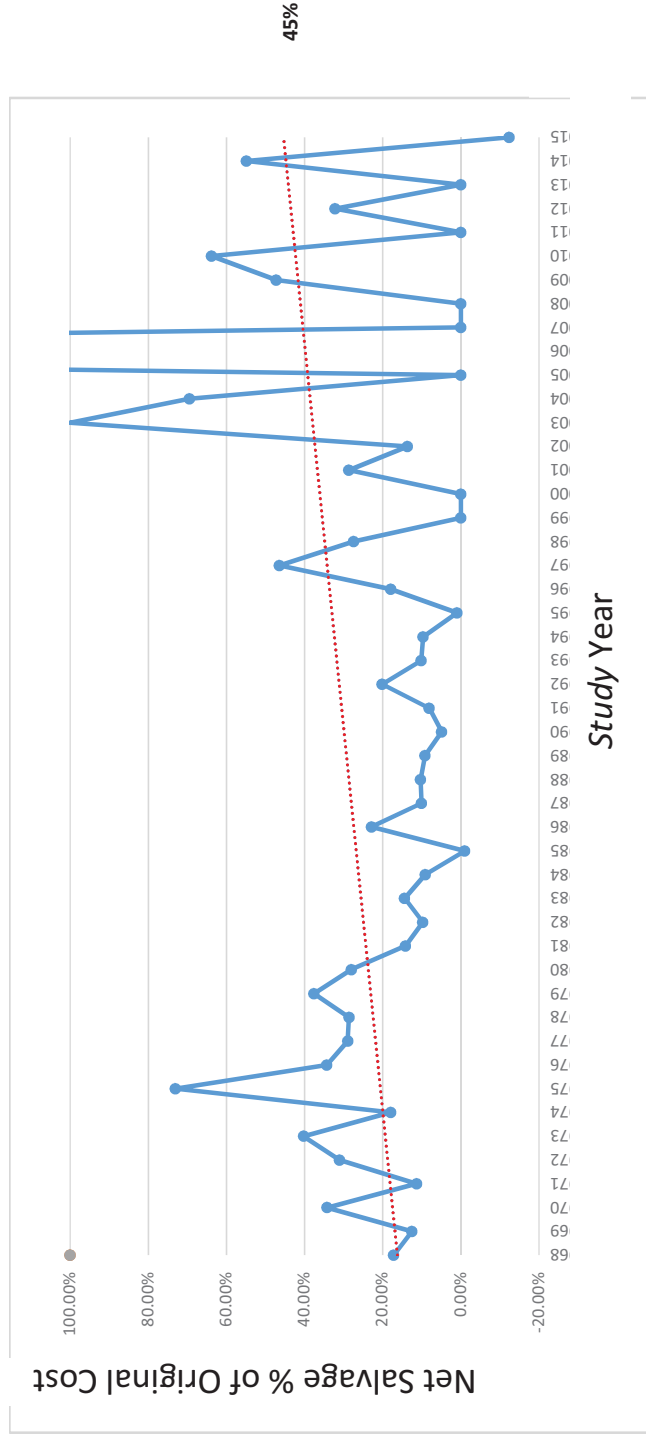
MDU-Gas

Trend Analysis of Experienced Net Salvage

Study Year	Neg. Net Salv. Amount	Net Salvage % of Original Cost of Ret.
1968	1,798	17.16%
1969	1,952	12.50%
1970	2,721	34.24%
1971	1,583	11.33%
1972	5,897	31.03%
1973	7,980	40.25%
1974	2,952	17.91%
1975	13,619	73.02%
1976	7,803	34.33%
1977	3,255	28.93%
1978	3,798	28.60%
1979	6,064	37.58%
1980	4,996	28.04%
1981	2,668	14.13%
1982	3,046	9.76%
1983	4,939	14.40%
1984	4,955	9.11%
1985	-316	-1.00%
1986	6,051	22.85%
1987	2,892	10.07%
1988	3,853	10.30%
1989	3,404	9.14%
1990	2,229	4.88%
1991	4,150	8.09%
1992	6,838	20.13%
1993	3,570	10.16%

**Montana Dakota Utilities-Gas
383 Service Regulators**

Experienced Net Salvage



MDU-Gas

Trend Analysis of Experienced Net Salvage

Study Year	Neg. Net Salv. Amount	Net Salvage % of Original Cost of Ret.
1994	3,465	9.67%
1995	378	0.99%
1996	9,961	17.96%
1997	7,614	46.41%
1998	9,455	27.40%
1999	0	0.00%
2000	0	0.00%
2001	6,353	28.66%
2002	717	13.65%
2003	19,217	100.06%
2004	2,287	69.47%
2005	0	0.00%
2006	8,135	44.249%
2007	0	0.00%
2008	0	0.00%
2009	4,739	47.26%
2010	18,173	63.83%
2011	0	0.00%
2012	5,853	32.17%
2013	0	0.00%
2014	15,147	54.91%
2015	-5,605	-12.37%

**Montana Dakota Utilities-Gas
383 Service Regulators**

Experienced Net Salvage

Note: MDU does not reuse scraped regulators and does not salvage any items to material stores account. The Company has sold various regulators to small businesses, averaging approximately \$4,500 per year, over many years. Most recently, Gas management has concluded that sales of these assets to third parties should not have occurred. Field operations are being instructed to stop the past practice, thus sales of these properties will not occur in the future, and little or no salvage from scrap sales of removed house regulators are anticipated. Cost of removal/retirement will likely equal or exceed and future gross salvage. Accordingly, future net salvage is estimated at 0%.

Montana-Dakota Utilities Company

Gas Division

383.00 HOUSE REGULATORS

Forecasted Future Net Salvage Based Upon Experienced Net Salvage 1968 - 2015

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>							
1968	10,480.51	1,798.17	17.16%	0.00	0.00%	1,798.17	17.16%
1969	15,625.37	1,952.40	12.50%	0.00	0.00%	1,952.40	12.50%
1970	7,948.48	2,721.43	34.24%	0.00	0.00%	2,721.43	34.24%
1971	13,967.47	1,582.76	11.33%	0.00	0.00%	1,582.76	11.33%
1972	19,005.32	5,947.81	31.30%	51.06	0.27%	5,896.75	31.03%
1973	19,824.36	7,979.91	40.25%	0.00	0.00%	7,979.91	40.25%
1974	16,485.63	2,951.77	17.91%	0.00	0.00%	2,951.77	17.91%
1975	18,650.29	13,618.89	73.02%	0.00	0.00%	13,618.89	73.02%
1976	22,731.51	7,934.37	34.90%	131.40	0.58%	7,802.97	34.33%
1977	11,250.78	3,332.87	29.62%	78.30	0.70%	3,254.57	28.93%
1978	13,280.23	3,807.19	28.67%	9.58	0.07%	3,797.61	28.60%
1979	16,135.49	6,063.67	37.58%	0.00	0.00%	6,063.67	37.58%
1980	17,812.86	5,072.17	28.47%	76.60	0.43%	4,995.57	28.04%
1981	18,881.47	2,694.22	14.27%	26.37	0.14%	2,667.85	14.13%
1982	31,214.62	3,046.01	9.76%	0.00	0.00%	3,046.01	9.76%
1983	34,299.20	4,938.52	14.40%	0.00	0.00%	4,938.52	14.40%
1984	54,363.07	4,955.13	9.11%	0.00	0.00%	4,955.13	9.11%
1985	31,528.72	-220.00	-0.70%	96.12	0.30%	(316.12)	-1.00%
1986	26,481.25	6,050.68	22.85%	0.00	0.00%	6,050.68	22.85%
1987	28,723.49	3,727.71	12.98%	836.11	2.91%	2,891.60	10.07%
1988	37,400.09	4,520.88	12.09%	668.31	1.79%	3,852.57	10.30%
1989	37,255.58	3,404.35	9.14%	0.00	0.00%	3,404.35	9.14%
1990	45,689.19	2,229.08	4.88%	0.00	0.00%	2,229.08	4.88%
1991	51,279.08	4,323.62	8.43%	173.62	0.34%	4,150.00	8.09%
1992	33,968.77	6,837.93	20.13%	0.00	0.00%	6,837.93	20.13%
1993	35,131.57	3,569.60	10.16%	0.00	0.00%	3,569.60	10.16%
1994	35,847.05	3,465.08	9.67%	0.00	0.00%	3,465.08	9.67%
1995	38,394.60	378.34	0.99%	0.00	0.00%	378.34	0.99%

Montana-Dakota Utilities Company

Gas Division

383.00 HOUSE REGULATORS

*Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015*

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>							
1996	55,447.33	10,698.81	19.30%	737.81	1.33%	9,961.00	17.96%
1997	16,405.83	7,613.53	46.41%	0.00	0.00%	7,613.53	46.41%
1998	34,509.18	9,527.09	27.61%	72.07	0.21%	9,455.02	27.40%
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	22,164.94	6,353.14	28.66%	0.00	0.00%	6,353.14	28.66%
2002	5,255.00	717.47	13.65%	0.00	0.00%	717.47	13.65%
2003	19,205.13	19,962.17	103.94%	745.37	3.88%	19,216.80	100.06%
2004	3,291.86	2,286.71	69.47%	0.00	0.00%	2,286.71	69.47%
2005	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2006	1,838.43	8,134.94	442.49%	0.00	0.00%	8,134.94	442.49%
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	10,028.33	4,731.07	47.18%	(8.00)	-0.08%	4,739.07	47.26%
2010	28,470.07	18,814.00	66.08%	641.25	2.25%	18,172.75	63.83%
2011	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2012	18,196.58	6,612.64	36.34%	759.50	4.17%	5,853.14	32.17%
2013	19,422.97	0.00	0.00%	0.00	0.00%	0.00	0.00%
2014	27,584.35	21,358.54	77.43%	6,211.16	22.52%	15,147.38	54.91%
2015	45,321.26	293.11	0.65%	5,898.54	13.01%	(5,605.43)	-12.37%

Montana-Dakota Utilities Company

Gas Division

383.00 HOUSE REGULATORS

*Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015*

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1968 - 1970	34,054.36	6,472.00	19.00%	0.00	0.00%	6,472.00	19.00%
1969 - 1971	37,541.32	6,256.59	16.67%	0.00	0.00%	6,256.59	16.67%
1970 - 1972	40,921.27	10,252.00	25.05%	51.06	0.12%	10,200.94	24.93%
1971 - 1973	52,797.15	15,510.48	29.38%	51.06	0.10%	15,459.42	29.28%
1972 - 1974	55,315.31	16,879.49	30.52%	51.06	0.09%	16,828.43	30.42%
1973 - 1975	54,960.28	24,550.57	44.67%	0.00	0.00%	24,550.57	44.67%
1974 - 1976	57,867.43	24,505.03	42.35%	131.40	0.23%	24,373.63	42.12%
1975 - 1977	52,632.58	24,886.13	47.28%	209.70	0.40%	24,676.43	46.88%
1976 - 1978	47,262.52	15,074.43	31.90%	219.28	0.46%	14,855.15	31.43%
1977 - 1979	40,666.50	13,203.73	32.47%	87.88	0.22%	13,115.85	32.25%
1978 - 1980	47,228.58	14,943.03	31.64%	86.18	0.18%	14,856.85	31.46%
1979 - 1981	52,829.82	13,830.06	26.18%	102.97	0.19%	13,727.09	25.98%
1980 - 1982	67,908.95	10,812.40	15.92%	102.97	0.15%	10,709.43	15.77%
1981 - 1983	84,395.29	10,678.75	12.65%	26.37	0.03%	10,652.38	12.62%
1982 - 1984	119,876.89	12,939.66	10.79%	0.00	0.00%	12,939.66	10.79%
1983 - 1985	120,190.99	9,673.65	8.05%	96.12	0.08%	9,577.53	7.97%
1984 - 1986	112,373.04	10,785.81	9.60%	96.12	0.09%	10,689.69	9.51%
1985 - 1987	86,733.46	9,558.39	11.02%	932.23	1.07%	8,626.16	9.95%
1986 - 1988	92,604.83	14,299.27	15.44%	1,504.42	1.62%	12,794.85	13.82%
1987 - 1989	103,379.16	11,652.94	11.27%	1,504.42	1.46%	10,148.52	9.82%
1988 - 1990	120,344.86	10,154.31	8.44%	668.31	0.56%	9,486.00	7.88%
1989 - 1991	134,223.85	9,957.05	7.42%	173.62	0.13%	9,783.43	7.29%
1990 - 1992	130,937.04	13,390.63	10.23%	173.62	0.13%	13,217.01	10.09%
1991 - 1993	120,379.42	14,731.15	12.24%	173.62	0.14%	14,557.53	12.09%
1992 - 1994	104,947.39	13,872.61	13.22%	0.00	0.00%	13,872.61	13.22%
1993 - 1995	109,373.22	7,413.02	6.78%	0.00	0.00%	7,413.02	6.78%
1994 - 1996	129,688.98	14,542.23	11.21%	737.81	0.57%	13,804.42	10.64%
1995 - 1997	110,247.76	18,690.68	16.95%	737.81	0.67%	17,952.87	16.28%

Montana-Dakota Utilities Company

Gas Division

383.00 HOUSE REGULATORS

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1996 - 1998	106,362.34	27,839.43	26.17%	809.88	0.76%	27,029.55	25.41%
1997 - 1999	50,915.01	17,140.62	33.67%	72.07	0.14%	17,068.55	33.52%
1998 - 2000	34,509.18	9,527.09	27.61%	72.07	0.21%	9,455.02	27.40%
1999 - 2001	22,164.94	6,353.14	28.66%	0.00	0.00%	6,353.14	28.66%
2000 - 2002	27,419.94	7,070.61	25.79%	0.00	0.00%	7,070.61	25.79%
2001 - 2003	46,625.07	27,032.78	57.98%	745.37	1.60%	26,287.41	56.38%
2002 - 2004	27,751.99	22,966.35	82.76%	745.37	2.69%	22,220.98	80.07%
2003 - 2005	22,496.99	22,248.88	98.90%	745.37	3.31%	21,503.51	95.58%
2004 - 2006	5,130.29	10,421.65	203.14%	0.00	0.00%	10,421.65	203.14%
2005 - 2007	1,838.43	8,134.94	442.49%	0.00	0.00%	8,134.94	442.49%
2006 - 2008	1,838.43	8,134.94	442.49%	0.00	0.00%	8,134.94	442.49%
2007 - 2009	10,028.33	4,731.07	47.18%	(8.00)	-0.08%	4,739.07	47.26%
2008 - 2010	38,498.40	23,545.07	61.16%	633.25	1.64%	22,911.82	59.51%
2009 - 2011	38,498.40	23,545.07	61.16%	633.25	1.64%	22,911.82	59.51%
2010 - 2012	46,666.65	25,426.64	54.49%	1,400.75	3.00%	24,025.89	51.48%
2011 - 2013	37,619.55	6,612.64	17.58%	759.50	2.02%	5,853.14	15.56%
2012 - 2014	65,203.90	27,971.18	42.90%	6,970.66	10.69%	21,000.52	32.21%
2013 - 2015	92,328.58	21,651.65	23.45%	12,109.70	13.12%	9,541.95	10.33%

Montana-Dakota Utilities Company

Gas Division

383.00 HOUSE REGULATORS

Forecasted Future Net Salvage Based Upon Experienced Net Salvage 1968 - 2015

<u>Year</u>	<u>Original Cost Of Retirements</u>		<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>								
1968 - 2015	1,050,797.31		235,787.78	22.44%	17,205.17	1.64%	218,582.61	20.80%

Trend Analysis (End Year) 2015

*Based Upon Three - Year Rolling Averages

Annual Inflation Rate	2.75%
Average Service Life (ASL)	60.0
Average Retirement Age (Yrs)	17.1
Years To ASL	42.9
Inflation Factor At 2.75% to ASL	3.20

Gross Salvage Linear Trend Analysis

1996-2015	20 - Year Trend	127.65%
2001-2015	15 - Year Trend	82.92%
2006-2015	10 - Year Trend	0.00%
2011-2015	5 - Year Trend	13.81%

Forecasted

Gross Salvage	13.81%
(Five Year Trend)	
Cost Of Removal	5.25%
Net Salvage	8.56%

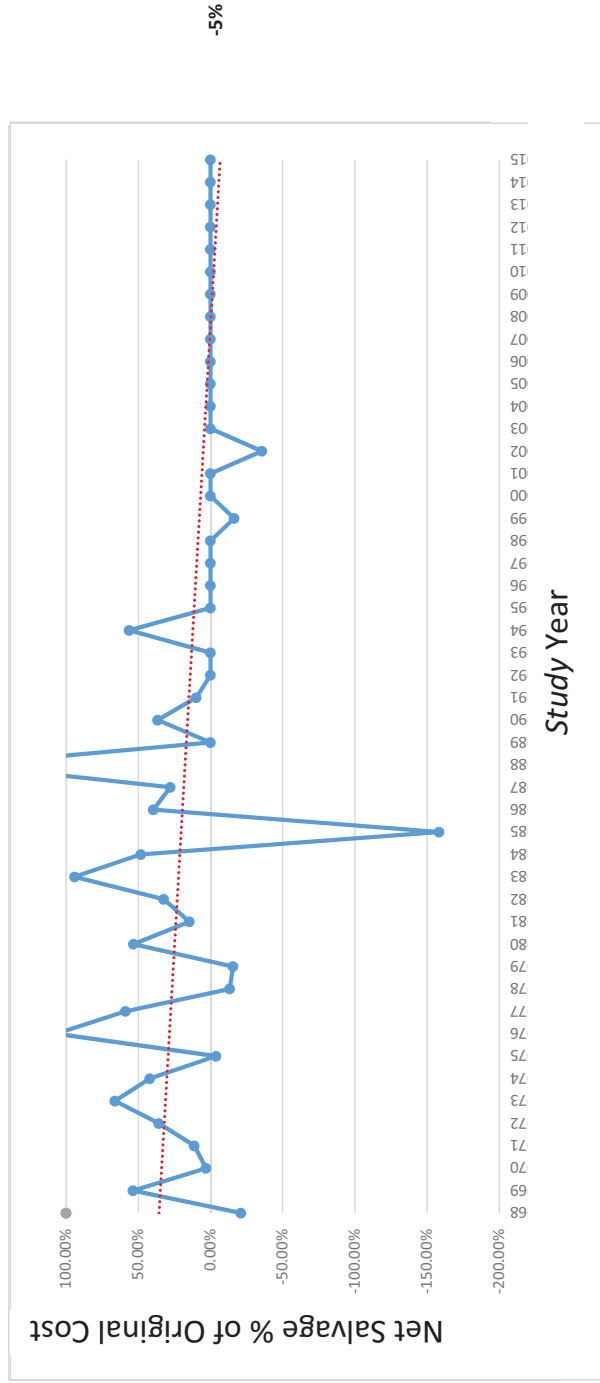
MDU-Gas

Trend Analysis of Experienced Net Salvage

Study Year	Neg. Net Salv. Amount	Net Salvage % of Original Cost of Ret.
1968	-129	-21.08%
1969	2,398	53.63%
1970	26	3.15%
1971	215	11.17%
1972	849	35.83%
1973	223	66.15%
1974	685	42.00%
1975	-31	-3.85%
1976	2,878	106.79%
1977	370	58.91%
1978	-33	-13.31%
1979	-132	-15.61%
1980	1,591	53.29%
1981	708	14.60%
1982	805	32.34%
1983	883	94.16%
1984	877	48.21%
1985	-385	-158.35%
1986	227	39.60%
1987	1,422	27.82%
1988	1,069	170.73%
1989	0	0.00%
1990	1,455	36.58%
1991	1,977	9.86%
1992	0	0.00%
1993	700	0.00%

Montana Dakota Utilities-Gas
385 Industrial Meas & Reg Equipment

Experienced Net Salvage



MDU-Gas Current Net Salvage Percent -15%
MDU-Gas Proposed Net Salvage Percent -15%
 Give consideration to Acct 378 plus most recent data experience

MDU-Gas

Trend Analysis of Experienced Net Salvage

Study Year	Neg. Net Salv. Amount	Net Salvage % of Original Cost of Ret.
1994	5,340	56.34%
1995	0	0.00%
1996	0	0.00%
1997	0	0.00%
1998	0	0.00%
1999	-1,351	-16.42%
2000	0	0.00%
2001	0	0.00%
2002	-200	-35.57%
2003	0	0.00%
2004	0	0.00%
2005	0	0.00%
2006	0	0.00%
2007	0	0.00%
2008	0	0.00%
2009	0	0.00%
2010	0	0.00%
2011	0	0.00%
2012	0	0.00%
2013	0	0.00%
2014	0	0.00%
2015	0	0.00%

**Montana Dakota Utilities-Gas
385 Industrial Meas & Reg Equipment**

Experienced Net Salvage

Montana-Dakota Utilities Company

Gas Division

385.00 IND. MEAS. & REG. STA. EQUIP.

*Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015*

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>							
1968	613.45	0.00	0.00%	129.34	21.08%	(129.34)	-21.08%
1969	4,471.70	2,577.52	57.64%	179.48	4.01%	2,398.04	53.63%
1970	840.44	26.46	3.15%	0.00	0.00%	26.46	3.15%
1971	1,921.57	274.04	14.26%	59.46	3.09%	214.58	11.17%
1972	2,369.19	1,005.39	42.44%	156.56	6.61%	848.83	35.83%
1973	337.68	236.27	69.97%	12.88	3.81%	223.39	66.15%
1974	1,632.24	693.23	42.47%	7.72	0.47%	685.51	42.00%
1975	809.14	0.00	0.00%	31.14	3.85%	(31.14)	-3.85%
1976	2,695.45	3,193.08	118.46%	314.64	11.67%	2,878.44	106.79%
1977	628.56	460.91	73.33%	90.60	14.41%	370.31	58.91%
1978	246.13	13.63	5.54%	46.40	18.85%	(32.77)	-13.31%
1979	848.27	225.71	26.61%	358.00	42.20%	(132.29)	-15.60%
1980	2,986.62	1,982.76	66.39%	391.29	13.10%	1,591.47	53.29%
1981	4,852.47	1,027.50	21.17%	318.84	6.57%	708.66	14.60%
1982	2,491.09	1,293.36	51.92%	487.82	19.58%	805.54	32.34%
1983	937.60	1,109.18	118.30%	226.31	24.14%	882.87	94.16%
1984	1,819.48	897.15	49.31%	20.05	1.10%	877.10	48.21%
1985	242.94	0.00	0.00%	384.69	158.35%	(384.69)	-158.35%
1986	573.60	227.14	39.60%	0.00	0.00%	227.14	39.60%
1987	5,110.78	2,075.47	40.61%	653.90	12.79%	1,421.57	27.82%
1988	626.39	1,187.43	189.57%	118.00	18.84%	1,069.43	170.73%
1989	352.03	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990	3,978.13	1,503.94	37.81%	48.64	1.22%	1,455.30	36.58%
1991	20,057.46	3,065.40	15.28%	1,088.57	5.43%	1,976.83	9.86%
1992	5,915.92	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993	0.00	700.00	0.00%	0.00	0.00%	700.00	0.00%
1994	9,478.47	5,952.35	62.80%	612.40	6.46%	5,339.95	56.34%
1995	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company

Gas Division

385.00 IND. MEAS. & REG. STA. EQUIP.

**Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015**

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>							
1996	521.01	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997	1,778.43	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998	7,894.41	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999	8,225.85	0.00	0.00%	1,350.95	16.42%	(1,350.95)	-16.42%
2000	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2001	375.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2002	561.38	0.00	0.00%	199.68	35.57%	(199.68)	-35.57%
2003	6,163.55	0.00	0.00%	0.00	0.00%	0.00	0.00%
2004	464.54	0.00	0.00%	0.00	0.00%	0.00	0.00%
2005	2,526.60	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	24.58	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%
2015	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company

Gas Division

385.00 IND. MEAS. & REG. STA. EQUIP.

*Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015*

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1968 - 1970	5,925.59	2,603.98	43.94%	308.82	5.21%	2,295.16	38.73%
1969 - 1971	7,233.71	2,878.02	39.79%	238.94	3.30%	2,639.08	36.48%
1970 - 1972	5,131.20	1,305.89	25.45%	216.02	4.21%	1,089.87	21.24%
1971 - 1973	4,628.44	1,515.70	32.75%	228.90	4.95%	1,286.80	27.80%
1972 - 1974	4,339.11	1,934.89	44.59%	177.16	4.08%	1,757.73	40.51%
1973 - 1975	2,779.06	929.50	33.45%	51.74	1.86%	877.76	31.58%
1974 - 1976	5,136.83	3,886.31	75.66%	353.50	6.88%	3,532.81	68.77%
1975 - 1977	4,133.15	3,653.99	88.41%	436.38	10.56%	3,217.61	77.85%
1976 - 1978	3,570.14	3,667.62	102.73%	451.64	12.65%	3,215.98	90.08%
1977 - 1979	1,722.96	700.25	40.64%	495.00	28.73%	205.25	11.91%
1978 - 1980	4,081.02	2,222.10	54.45%	795.69	19.50%	1,426.41	34.95%
1979 - 1981	8,687.36	3,235.97	37.25%	1,068.13	12.30%	2,167.84	24.95%
1980 - 1982	10,330.18	4,303.62	41.66%	1,197.95	11.60%	3,105.67	30.06%
1981 - 1983	8,281.16	3,430.04	41.42%	1,032.97	12.47%	2,397.07	28.95%
1982 - 1984	5,248.17	3,299.69	62.87%	734.18	13.99%	2,565.51	48.88%
1983 - 1985	3,000.02	2,006.33	66.88%	631.05	21.03%	1,375.28	45.84%
1984 - 1986	2,636.02	1,124.29	42.65%	404.74	15.35%	719.55	27.30%
1985 - 1987	5,927.32	2,302.61	38.85%	1,038.59	17.52%	1,264.02	21.33%
1986 - 1988	6,310.77	3,490.04	55.30%	771.90	12.23%	2,718.14	43.07%
1987 - 1989	6,089.20	3,262.90	53.59%	771.90	12.68%	2,491.00	40.91%
1988 - 1990	4,956.55	2,691.37	54.30%	166.64	3.36%	2,524.73	50.94%
1989 - 1991	24,387.62	4,569.34	18.74%	1,137.21	4.66%	3,432.13	14.07%
1990 - 1992	29,951.51	4,569.34	15.26%	1,137.21	3.80%	3,432.13	11.46%
1991 - 1993	25,973.38	3,765.40	14.50%	1,088.57	4.19%	2,676.83	10.31%
1992 - 1994	15,394.39	6,652.35	43.21%	612.40	3.98%	6,039.95	39.23%
1993 - 1995	9,478.47	6,652.35	70.18%	612.40	6.46%	6,039.95	63.72%
1994 - 1996	9,999.48	5,952.35	59.53%	612.40	6.12%	5,339.95	53.40%
1995 - 1997	2,299.44	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company

Gas Division

385.00 IND. MEAS. & REG. STA. EQUIP.

**Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015**

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>		
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	
<u>Three - Year Rolling Bands</u>								
1996 - 1998	10,193.85	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1997 - 1999	17,898.69	0.00	0.00%	1,350.95	7.55%	(1,350.95)	-7.55%	
1998 - 2000	16,120.26	0.00	0.00%	1,350.95	8.38%	(1,350.95)	-8.38%	
1999 - 2001	8,600.85	0.00	0.00%	1,350.95	15.71%	(1,350.95)	-15.71%	
2000 - 2002	936.38	0.00	0.00%	199.68	21.32%	(199.68)	-21.32%	
2001 - 2003	7,099.93	0.00	0.00%	199.68	2.81%	(199.68)	-2.81%	
2002 - 2004	7,189.47	0.00	0.00%	199.68	2.78%	(199.68)	-2.78%	
2003 - 2005	9,154.69	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2004 - 2006	2,991.14	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2005 - 2007	2,526.60	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	24.58	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2008 - 2010	24.58	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2009 - 2011	24.58	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%	
2013 - 2015	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	

Montana-Dakota Utilities Company

Gas Division

385.00 IND. MEAS. & REG. STA. EQUIP.

**Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015**

<u>Year</u>	<u>Original Cost Of Retirements</u>		<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>								
1968 - 2015	105,372.15		29,727.92	28.21 %	7,287.36	6.92%	22,440.56	21.30%

Trend Analysis (End Year) 2015

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	40.0
Average Retirement Age (Yrs)	20.5
Years To ASL	19.5
Inflation Factor At 2.75% to ASL	1.70

**Gross Salvage
Linear Trend Analysis**

1996-2015	20 - Year Trend	0.00%
2001-2015	15 - Year Trend	0.00%
2006-2015	10 - Year Trend	0.00%
2011-2015	5 - Year Trend	0.00%

Forecasted

Gross Salvage	0.00%
(Five Year Trend)	
Cost Of Removal	11.73%
Net Salvage	-11.73%

MDU-Gas

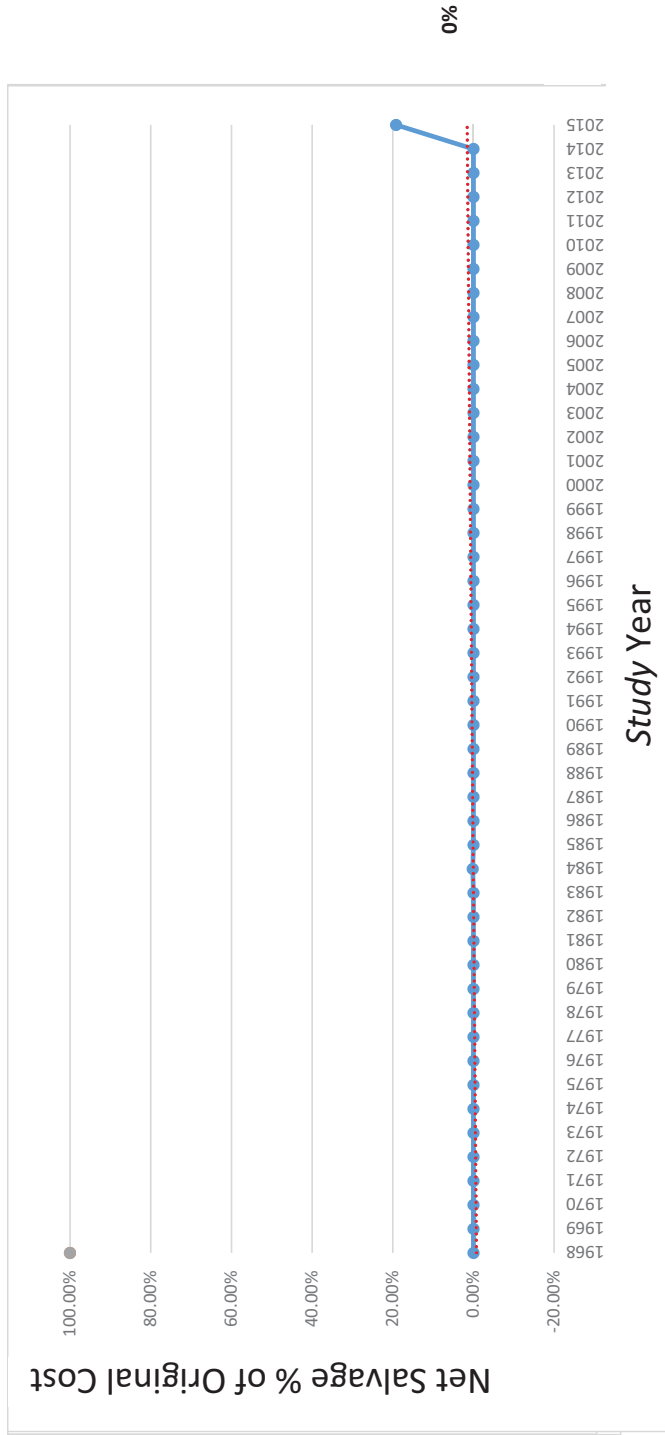
Trend Analysis of Experienced Net Salvage

Study Year Neg. Net Salv. Amount Net Salvage % of Original Cost of Ret.

1968	0	0.00%
1969	0	0.00%
1970	0	0.00%
1971	0	0.00%
1972	0	0.00%
1973	0	0.00%
1974	0	0.00%
1975	0	0.00%
1976	0	0.00%
1977	0	0.00%
1978	0	0.00%
1979	0	0.00%
1980	0	0.00%
1981	0	0.00%
1982	0	0.00%
1983	0	0.00%
1984	0	0.18%
1985	0	0.00%
1986	0	0.00%
1987	0	0.00%
1988	0	0.00%
1989	0	0.00%
1990	0	0.00%
1991	0	0.00%
1992	0	0.00%
1993	0	0.00%

Montana Dakota Utilities-Gas
386.20 CNG Refueling Stations

Experienced Net Salvage



MDU-Gas Current Net Salvage Percent 0%
MDU-Gas Proposed Net Salvage Percent 0%

MDU-Gas

Trend Analysis of Experienced Net Salvage

Study Year	Neg. Net Salv. Amount	Net Salvage % of Original Cost of Ret.
1994	0	0.00%
1995	0	0.00%
1996	0	0.00%
1997	0	0.00%
1998	0	0.00%
1999	0	0.00%
2000	0	0.00%
2001	0	0.00%
2002	0	0.00%
2003	0	0.00%
2004	0	0.00%
2005	0	0.00%
2006	0	0.00%
2007	0	0.00%
2008	0	0.00%
2009	0	0.00%
2010	0	0.00%
2011	0	0.00%
2012	0	0.00%
2013	0	0.00%
2014	0	0.00%
2015	28,500	19.17%

**Montana Dakota Utilities-Gas
386.20 CNG Refueling Stations**

Experienced Net Salvage

Montana-Dakota Utilities Company

Gas Division

386.20 CNG REFUELING STATIONS

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 2006 - 2015

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>							
2006	170,931.14	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%
2015	148,673.63	28,500.00	19.17%	0.00	0.00%	28,500.00	19.17%

Montana-Dakota Utilities Company

Gas Division

386.20 CNG REFUELING STATIONS

*Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 2006 - 2015*

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>		
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	
<u>Three - Year Rolling Bands</u>								
2006 - 2008	170,931.14	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%	
2013 - 2015	148,673.63	28,500.00	19.17%	0.00	0.00%	28,500.00	19.17%	
2006 - 2015	319,604.77	28,500.00	8.92%	0.00	0.00%	28,500.00	8.92%	

Trend Analysis (End Year)

2015

*Based Upon Three - Year Rolling Averages

Annual Inflation Rate	2.75%
Average Service Life (ASL)	15.0
Average Retirement Age (Yrs)	11.6
Years To ASL	3.4
Inflation Factor At 2.75% to ASL	1.10

Gross Salvage
Linear Trend Analysis

1996-2015	20 - Year Trend	2.41%
2001-2015	15 - Year Trend	2.41%
2006-2015	10 - Year Trend	2.41%
2011-2015	5 - Year Trend	15.34%

Forecasted

Gross Salvage	15.34%
(Five Year Trend)	
Cost Of Removal	0.00%
Net Salvage	15.34%

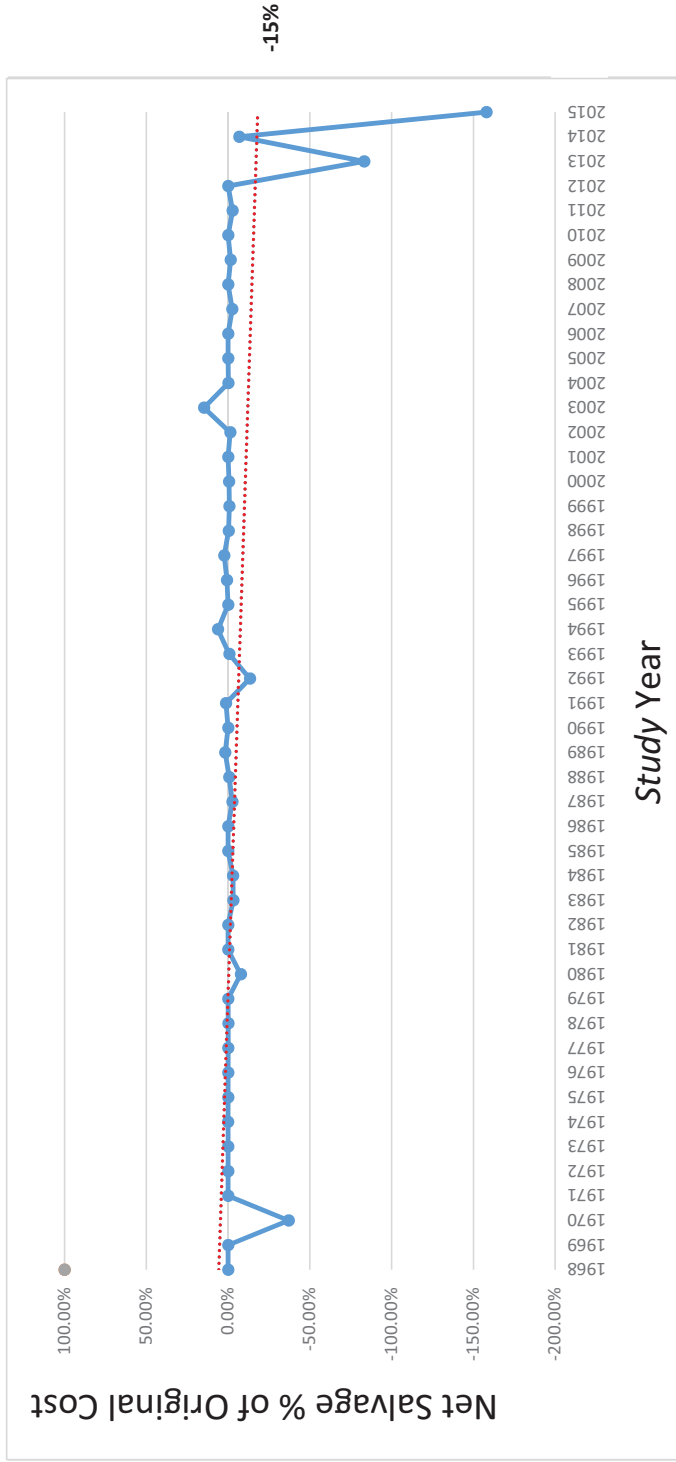
MDU-Gas

Trend Analysis of Experienced Net Salvage

Study Year	Neg. Net Salv. Amount	Net Salvage % of Original Cost of Ret.
1968	0	0.00%
1969	0	0.00%
1970	-571	-37.02%
1971	0	0.00%
1972	0	0.00%
1973	0	0.00%
1974	5	0.03%
1975	0	0.00%
1976	0	0.00%
1977	-13	-0.08%
1978	-16	-0.10%
1979	0	0.00%
1980	-1,530	-7.73%
1981	0	0.00%
1982	0	0.00%
1983	-500	-3.14%
1984	-616	-2.97%
1985	0	0.00%
1986	0	0.00%
1987	-483	-2.54%
1988	-207	-0.66%
1989	322	1.79%
1990	0	0.00%
1991	317	1.32%
1992	-4,194	-13.30%
1993	-399	-0.70%

Montana Dakota Utilities-Gas
387.10 Cathodic Protection Equipment

Experienced Net Salvage



Study Year

MDU-Gas Current Net Salvage Percent
MDU-Gas Proposed Net Salvage Percent

MDU-Gas

Trend Analysis of Experienced Net Salvage

Study Year	Neg. Net Salv. Amount	of Original Cost of Ret.	Net Salvage %
1994	2,095		6.18%
1995	0		0.00%
1996	182		0.73%
1997	450		2.42%
1998	-45		-0.30%
1999	-133		-0.73%
2000	-104		-0.58%
2001	0		0.00%
2002	-80		-1.29%
2003	744		14.72%
2004	-16		-0.14%
2005	0		0.00%
2006	0		0.00%
2007	-317		-2.50%
2008	0		0.00%
2009	-186		-1.55%
2010	0		0.00%
2011	-942		-2.71%
2012	0		0.00%
2013	-5,881		-83.19%
2014	-1,024		-6.83%
2015	-7,345		-157.98%

Montana Dakota Utilities-Gas
387.10 Cathodic Protection Equipment

Experienced Net Salvage

Montana-Dakota Utilities Company

Gas Division

387.10 CATHODIC PROTECTION EQUIP.

*Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015*

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>							
1968	5,811.75	0.00	0.00%	0.00	0.00%	0.00	0.00%
1969	11,739.35	0.00	0.00%	0.00	0.00%	0.00	0.00%
1970	1,543.21	-459.00	-29.74%	112.23	7.27%	(571.23)	-37.02%
1971	10,490.96	0.00	0.00%	0.00	0.00%	0.00	0.00%
1972	19,729.18	0.00	0.00%	0.00	0.00%	0.00	0.00%
1973	18,059.89	0.00	0.00%	0.00	0.00%	0.00	0.00%
1974	9,563.58	0.00	0.00%	0.00	0.00%	0.00	0.00%
1975	8,497.19	0.00	0.00%	0.00	0.00%	0.00	0.00%
1976	11,454.91	0.00	0.00%	0.00	0.00%	0.00	0.00%
1977	17,086.04	0.00	0.00%	13.44	0.08%	(13.44)	-0.08%
1978	15,552.61	0.00	0.00%	15.95	0.10%	(15.95)	-0.10%
1979	8,364.88	0.00	0.00%	0.00	0.00%	0.00	0.00%
1980	19,796.18	484.55	2.45%	2,014.67	10.18%	(1,530.12)	-7.73%
1981	15,697.01	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982	12,740.49	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983	15,906.12	0.00	0.00%	499.89	3.14%	(499.89)	-3.14%
1984	20,715.99	0.00	0.00%	615.83	2.97%	(615.83)	-2.97%
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	19,054.14	186.00	0.98%	669.05	3.51%	(483.05)	-2.54%
1988	31,269.89	200.00	0.64%	407.10	1.30%	(207.10)	-0.66%
1989	17,992.33	727.66	4.04%	405.51	2.25%	322.15	1.79%
1990	1,264.75	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991	23,983.88	834.24	3.48%	517.44	2.16%	316.80	1.32%
1992	31,528.72	0.00	0.00%	4,193.91	13.30%	(4,193.91)	-13.30%
1993	57,065.06	477.66	0.84%	876.70	1.54%	(399.04)	-0.70%
1994	33,869.58	2,255.32	6.66%	160.59	0.47%	2,094.73	6.18%
1995	7,284.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company
Gas Division

387.10 CATHODIC PROTECTION EQUIP.

*Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015*

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>							
1996	24,784.53	477.66	1.93%	295.65	1.19%	182.01	0.73%
1997	18,582.17	478.00	2.57%	27.98	0.15%	450.02	2.42%
1998	15,042.49	0.00	0.00%	44.71	0.30%	(44.71)	-0.30%
1999	18,373.16	0.00	0.00%	133.29	0.73%	(133.29)	-0.73%
2000	18,008.38	0.00	0.00%	104.13	0.58%	(104.13)	-0.58%
2001	20,910.61	0.00	0.00%	0.00	0.00%	0.00	0.00%
2002	6,232.69	0.00	0.00%	80.32	1.29%	(80.32)	-1.29%
2003	5,053.34	743.61	14.72%	0.00	0.00%	743.61	14.72%
2004	11,487.44	0.00	0.00%	16.10	0.14%	(16.10)	-0.14%
2005	17,644.73	0.00	0.00%	0.00	0.00%	0.00	0.00%
2006	4,083.92	0.00	0.00%	0.00	0.00%	0.00	0.00%
2007	12,684.22	0.00	0.00%	317.00	2.50%	(317.00)	-2.50%
2008	3,961.70	0.00	0.00%	0.00	0.00%	0.00	0.00%
2009	12,038.16	0.00	0.00%	186.00	1.55%	(186.00)	-1.55%
2010	18,083.89	0.00	0.00%	0.00	0.00%	0.00	0.00%
2011	34,764.44	0.00	0.00%	942.35	2.71%	(942.35)	-2.71%
2012	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2013	7,069.99	0.00	0.00%	5,881.29	83.19%	(5,881.29)	-83.19%
2014	14,981.07	0.00	0.00%	1,023.87	6.83%	(1,023.87)	-6.83%
2015	4,649.35	0.00	0.00%	7,344.84	157.98%	(7,344.84)	-157.98%

Montana-Dakota Utilities Company
Gas Division

387.10 CATHODIC PROTECTION EQUIP.

*Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015*

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1968 - 1970	19,094.31	-459.00	-2.40%	112.23	0.59%	(571.23)	-2.99%
1969 - 1971	23,773.52	-459.00	-1.93%	112.23	0.47%	(571.23)	-2.40%
1970 - 1972	31,763.35	-459.00	-1.45%	112.23	0.35%	(571.23)	-1.80%
1971 - 1973	48,280.03	0.00	0.00%	0.00	0.00%	0.00	0.00%
1972 - 1974	47,352.65	0.00	0.00%	0.00	0.00%	0.00	0.00%
1973 - 1975	36,120.66	0.00	0.00%	0.00	0.00%	0.00	0.00%
1974 - 1976	29,515.68	0.00	0.00%	0.00	0.00%	0.00	0.00%
1975 - 1977	37,038.14	0.00	0.00%	13.44	0.04%	(13.44)	-0.04%
1976 - 1978	44,093.56	0.00	0.00%	29.39	0.07%	(29.39)	-0.07%
1977 - 1979	41,003.53	0.00	0.00%	29.39	0.07%	(29.39)	-0.07%
1978 - 1980	43,713.67	484.55	1.11%	2,030.62	4.65%	(1,546.07)	-3.54%
1979 - 1981	43,858.07	484.55	1.10%	2,014.67	4.59%	(1,530.12)	-3.49%
1980 - 1982	48,233.68	484.55	1.00%	2,014.67	4.18%	(1,530.12)	-3.17%
1981 - 1983	44,343.62	0.00	0.00%	499.89	1.13%	(499.89)	-1.13%
1982 - 1984	49,362.60	0.00	0.00%	1,115.72	2.26%	(1,115.72)	-2.26%
1983 - 1985	36,622.11	0.00	0.00%	1,115.72	3.05%	(1,115.72)	-3.05%
1984 - 1986	20,715.99	0.00	0.00%	615.83	2.97%	(615.83)	-2.97%
1985 - 1987	19,054.14	186.00	0.98%	669.05	3.51%	(483.05)	-2.54%
1986 - 1988	50,324.03	386.00	0.77%	1,076.15	2.14%	(690.15)	-1.37%
1987 - 1989	68,316.36	1,113.66	1.63%	1,481.66	2.17%	(368.00)	-0.54%
1988 - 1990	50,526.97	927.66	1.84%	812.61	1.61%	115.05	0.23%
1989 - 1991	43,240.96	1,561.90	3.61%	922.95	2.13%	638.95	1.48%
1990 - 1992	56,777.35	834.24	1.47%	4,711.35	8.30%	(3,877.11)	-6.83%
1991 - 1993	112,577.66	1,311.90	1.17%	5,588.05	4.96%	(4,276.15)	-3.80%
1992 - 1994	122,463.36	2,732.98	2.23%	5,231.20	4.27%	(2,498.22)	-2.04%
1993 - 1995	98,218.64	2,732.98	2.78%	1,037.29	1.06%	1,695.69	1.73%
1994 - 1996	65,938.11	2,732.98	4.14%	456.24	0.69%	2,276.74	3.45%
1995 - 1997	50,650.70	955.66	1.89%	323.63	0.64%	632.03	1.25%

Montana-Dakota Utilities Company
Gas Division

387.10 CATHODIC PROTECTION EQUIP.

*Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015*

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1996 - 1998	58,409.19	955.66	1.64%	368.34	0.63%	587.32	1.01%
1997 - 1999	51,997.82	478.00	0.92%	205.98	0.40%	272.02	0.52%
1998 - 2000	51,424.03	0.00	0.00%	282.13	0.55%	(282.13)	-0.55%
1999 - 2001	57,292.15	0.00	0.00%	237.42	0.41%	(237.42)	-0.41%
2000 - 2002	45,151.68	0.00	0.00%	184.45	0.41%	(184.45)	-0.41%
2001 - 2003	32,196.64	743.61	2.31%	80.32	0.25%	663.29	2.06%
2002 - 2004	22,773.47	743.61	3.27%	96.42	0.42%	647.19	2.84%
2003 - 2005	34,185.51	743.61	2.18%	16.10	0.05%	727.51	2.13%
2004 - 2006	33,216.09	0.00	0.00%	16.10	0.05%	(16.10)	-0.05%
2005 - 2007	34,412.87	0.00	0.00%	317.00	0.92%	(317.00)	-0.92%
2006 - 2008	20,729.84	0.00	0.00%	317.00	1.53%	(317.00)	-1.53%
2007 - 2009	28,684.08	0.00	0.00%	503.00	1.75%	(503.00)	-1.75%
2008 - 2010	34,083.75	0.00	0.00%	186.00	0.55%	(186.00)	-0.55%
2009 - 2011	64,886.49	0.00	0.00%	1,128.35	1.74%	(1,128.35)	-1.74%
2010 - 2012	52,848.33	0.00	0.00%	942.35	1.78%	(942.35)	-1.78%
2011 - 2013	41,834.43	0.00	0.00%	6,823.64	16.31%	(6,823.64)	-16.31%
2012 - 2014	22,051.06	0.00	0.00%	6,905.16	31.31%	(6,905.16)	-31.31%
2013 - 2015	26,700.41	0.00	0.00%	14,250.00	53.37%	(14,250.00)	-53.37%

Montana-Dakota Utilities Company
Gas Division

387.10 CATHODIC PROTECTION EQUIP.

*Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015*

<u>Year</u>	<u>Original Cost Of Retirements</u>		<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
			<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>								
1968 - 2015	714,497.97		6,405.70	0.90%	26,899.84	3.76%	(20,494.14)	-2.87%

Trend Analysis (End Year) 2015

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	40.0
Average Retirement Age (Yrs)	16.5
Years To ASL	23.5
Inflation Factor At 2.75% to ASL	1.89

Gross Salvage
Linear Trend Analysis

1996-2015	20 - Year Trend	0.00%
2001-2015	15 - Year Trend	0.00%
2006-2015	10 - Year Trend	0.00%
2011-2015	5 - Year Trend	0.00%

Forecasted

Gross Salvage	0.00%
(Five Year Trend)	
Cost Of Removal	7.12%
Net Salvage	-7.12%

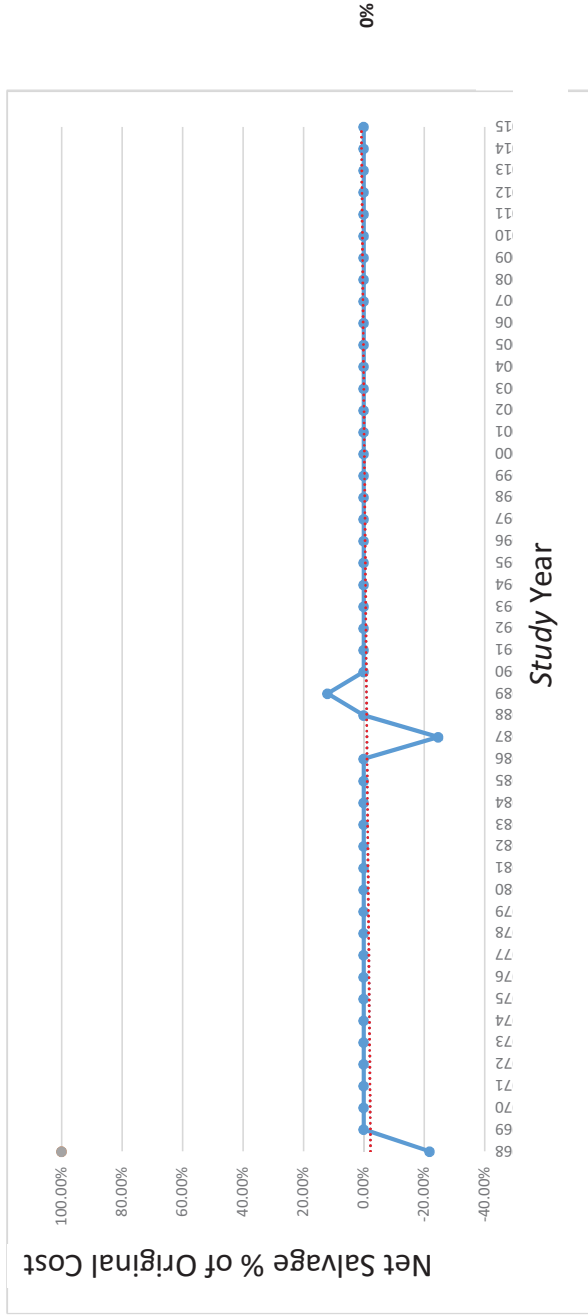
MDU-Gas

Trend Analysis of Experienced Net Salvage

**Montana Dakota Utilities-Gas
387.20 Other Distribution Equipment**

Experienced Net Salvage

Study Year	Neg. Net Salv. Amount	Net Salvage % of Original Cost of Ret.
1968	-91	-21.82%
1969	0	0.00%
1970	0	0.00%
1971	0	0.00%
1972	0	0.00%
1973	0	0.00%
1974	0	0.00%
1975	0	0.00%
1976	0	0.00%
1977	0	0.00%
1978	0	0.00%
1979	0	0.00%
1980	0	0.00%
1981	0	0.00%
1982	0	0.00%
1983	0	0.00%
1984	0	0.00%
1985	0	0.00%
1986	0	0.00%
1987	-149	-24.64%
1988	0	0.00%
1989	321	12.02%
1990	0	0.00%
1991	0	0.00%
1992	0	0.00%
1993	0	0.00%



MDU-Gas Current Net Salvage Percent 0%
MDU-Gas Proposed Net Salvage Percent 0%

MDU-Gas

Trend Analysis of Experienced Net Salvage

Study Year	Neg. Net Salv. Amount	Net Salvage % of Original Cost of Ret.
1994	0	0.00%
1995	0	0.00%
1996	0	0.00%
1997	0	0.00%
1998	0	0.00%
1999	0	0.00%
2000	0	0.00%
2001	0	0.00%
2002	0	0.00%
2003	0	0.00%
2004	0	0.00%
2005	0	0.00%
2006	0	0.00%
2007	0	0.00%
2008	0	0.00%
2009	0	0.00%
2010	0	0.00%
2011	0	0.00%
2012	0	0.00%
2013	0	0.00%
2014	0	0.00%
2015	0	0.00%

Montana Dakota Utilities-Gas
387.20 Other Distribution Equipment

Experienced Net Salvage

Montana-Dakota Utilities Company

Gas Division

387.20 OTHER DISTRIBUTION EQUIP.

**Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1977 - 2015**

<u>Year</u>	<u>Original Cost Of Retirements</u>		<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>								
1977	415.20		-1.98	-0.48%	88.61	21.34%	(90.59)	-21.82%
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	1,924.52		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	1,155.90		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	606.13		-149.36	-24.64%	0.00	0.00%	(149.36)	-24.64%
1988	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1989	2,669.54		321.00	12.02%	0.00	0.00%	321.00	12.02%
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	242.94		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	1,158.36		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	3,481.02		0.00	0.00%	0.00	0.00%	0.00	0.00%
1997	962.88		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	2,659.56		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	1,945.37		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%

Montana-Dakota Utilities Company

Gas Division

387.20 OTHER DISTRIBUTION EQUIP.

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1977 - 2015

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>							
2005	16,213.95	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%
2015	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company

Gas Division

387.20 OTHER DISTRIBUTION EQUIP.

**Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1977 - 2015**

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>		
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	
<u>Three - Year Rolling Bands</u>								
1977 - 1979	415.20	-1.98	-0.48%	88.61	21.34%	(90.59)	-21.82%	
1978 - 1980	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1979 - 1981	1,924.52	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1980 - 1982	1,924.52	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1981 - 1983	1,924.52	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1982 - 1984	1,155.90	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1983 - 1985	1,155.90	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1984 - 1986	1,155.90	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1985 - 1987	606.13	-149.36	-24.64%	0.00	0.00%	(149.36)	-24.64%	
1986 - 1988	606.13	-149.36	-24.64%	0.00	0.00%	(149.36)	-24.64%	
1987 - 1989	3,275.67	171.64	5.24%	0.00	0.00%	171.64	5.24%	
1988 - 1990	2,669.54	321.00	12.02%	0.00	0.00%	321.00	12.02%	
1989 - 1991	2,669.54	321.00	12.02%	0.00	0.00%	321.00	12.02%	
1990 - 1992	242.94	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1991 - 1993	242.94	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1992 - 1994	1,401.30	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1993 - 1995	1,158.36	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1994 - 1996	4,639.38	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1995 - 1997	4,443.90	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1996 - 1998	4,443.90	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1997 - 1999	3,622.44	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1998 - 2000	2,659.56	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1999 - 2001	2,659.56	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	1,945.37	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2002 - 2004	1,945.37	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2003 - 2005	18,159.32	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2004 - 2006	16,213.95	0.00	0.00%	0.00	0.00%	0.00	0.00%	

Montana-Dakota Utilities Company

Gas Division

387.20 OTHER DISTRIBUTION EQUIP.

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1977 - 2015

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>		
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	
<hr/>								
2005 - 2007	16,213.95	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%	
2013 - 2015	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	

Montana-Dakota Utilities Company
Gas Division

387.20 OTHER DISTRIBUTION EQUIP.

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1977 - 2015

<u>Year</u>	<u>Original Cost Of Retirements</u>		<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>								
1977 - 2015	33,435.37		169.66	0.51 %	88.61	0.27 %	81.05	0.24 %

Trend Analysis (End Year) 2015

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	25.0
Average Retirement Age (Yrs)	12.7
Years To ASL	12.3
Inflation Factor At 2.75% to ASL	1.40

Gross Salvage
Linear Trend Analysis

1996-2015	20 - Year Trend	0.00%
2001-2015	15 - Year Trend	0.00%
2006-2015	10 - Year Trend	0.00%
2011-2015	5 - Year Trend	0.00%

Forecasted

Gross Salvage	0.00%
(Five Year Trend)	
Cost Of Removal	0.38%
Net Salvage	-0.38%

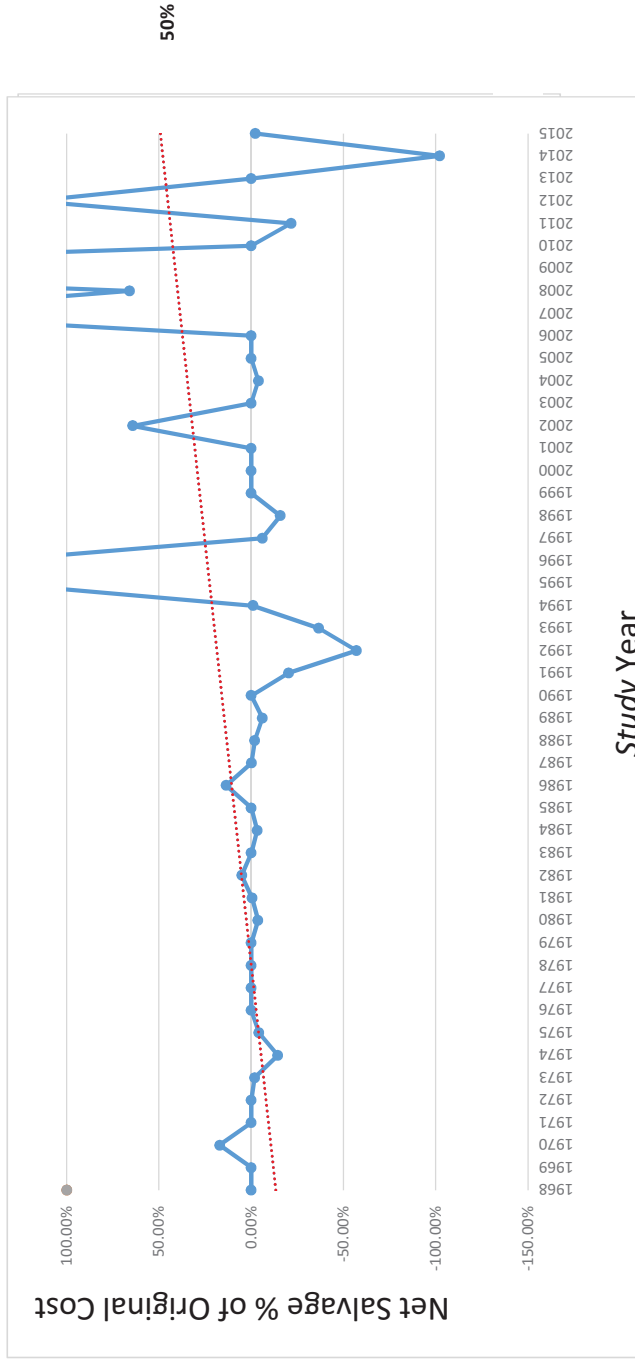
MDU-Gas

Trend Analysis of Experienced Net Salvage

Study Year	Neg. Net Salv. Amount	Net Salvage % of Original Cost of Ret.
1968	0	0.00%
1969	0	0.00%
1970	330	17.01%
1971	0	0.00%
1972	0	0.00%
1973	-98	-1.87%
1974	-456	-14.40%
1975	-62	-4.15%
1976	0	0.00%
1977	0	0.00%
1978	0	0.00%
1979	0	0.00%
1980	-153	-3.68%
1981	-29	-0.48%
1982	140	5.07%
1983	250	0.00%
1984	-1,685	-3.22%
1985	0	0.00%
1986	672	13.56%
1987	-86	-0.09%
1988	-2,076	-1.93%
1989	-630	-6.06%
1990	0	0.00%
1991	-107	-20.18%
1992	-2,750	-57.08%
1993	-1,860	-36.59%

**Montana Dakota Utilities-Gas
390 General Structures**

Experienced Net Salvage



MDU-Gas Current Net Salvage Percent
MDU-Gas Proposed Net Salvage Percent

-10%

See Acct 390 Adjusted Schedule

MDU-Gas

Trend Analysis of Experienced Net Salvage

Study Year	Neg. Net Salv. Amount	Net Salvage % of Original Cost of Ret.
1994	-16	-0.98%
1995	153,156	139.87%
1996	194,880	140.57%
1997	-578	-5.95%
1998	1,007	-15.79%
1999	0	0.00%
2000	0	0.00%
2001	0	0.00%
2002	301,470	64.23%
2003	0	0.00%
2004	-125	-3.87%
2005	0	0.00%
2006	0	0.00%
2007	38,373	219.63%
2008	7,171	65.86%
2009	180,172	378.00%
2010	0	0.00%
2011	-500	-21.55%
2012	219,199	118.34%
2013	0	0.00%
2014	-25,932	-102.15%
2015	-3,815	-2.17%

**Montana Dakota Utilities-Gas
390 General Structures**

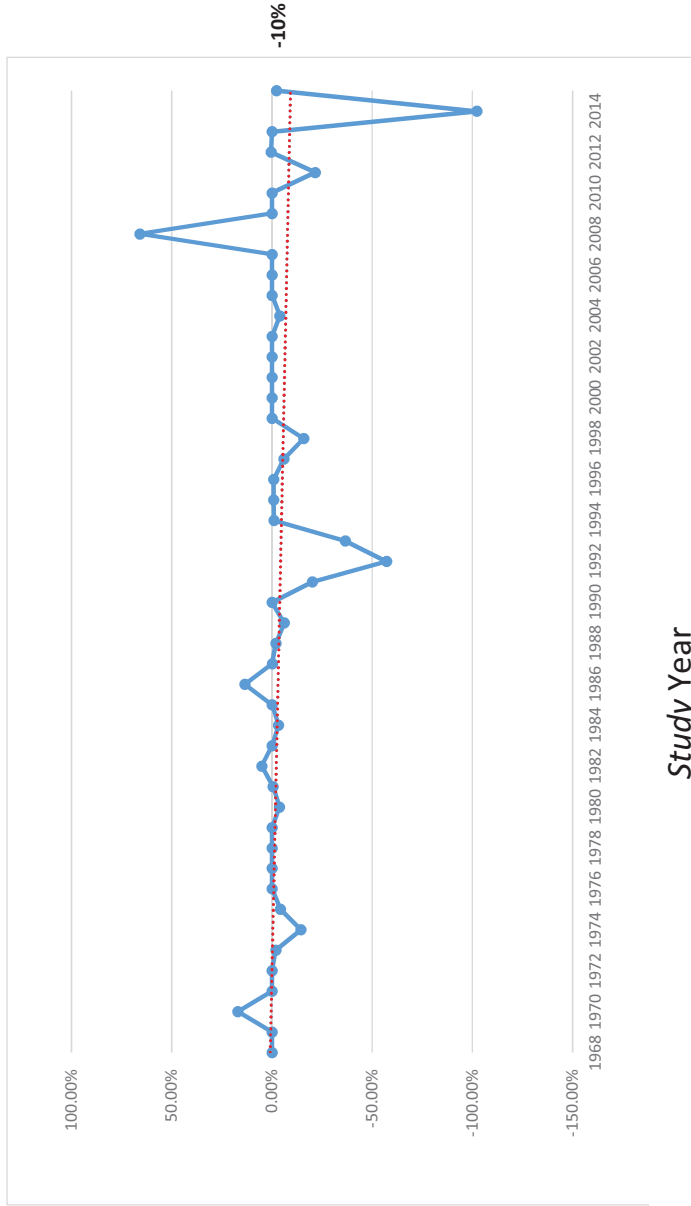
Experienced Net Salvage

MDU-Gas

Trend Analysis of Experienced Net Salvage

Study Year	Neg. Net Salv. Amount	Net Salv. % of Original Cost of Ret.	Adj'd Neg. Net Salv. Amount	Adj'd Net Salvage % of Original Cost of Ret.
1968	0	0.00%	0	0.00%
1969	0	0.00%	0	0.00%
1970	330	17.01%	330	17.01%
1971	0	0.00%	0	0.00%
1972	0	0.00%	0	0.00%
1973	-98	-1.87%	-98	-1.87%
1974	-456	-14.40%	-456	-14.40%
1975	-62	-4.15%	-62	-4.15%
1976	0	0.00%	0	0.00%
1977	0	0.00%	0	0.00%
1978	0	0.00%	0	0.00%
1979	0	0.00%	0	0.00%
1980	-153	-3.68%	-153	-3.68%
1981	-29	-0.48%	-29	-0.48%
1982	140	5.07%	140	5.07%
1983	250	0.00%	250	0.00%
1984	-1,685	-3.22%	-1,685	-3.22%
1985	0	0.00%	0	0.00%
1986	672	13.56%	672	13.56%
1987	-86	-0.09%	-86	-0.09%
1988	-2,076	-1.93%	-2,076	-1.93%
1989	-630	-6.06%	-630	-6.06%
1990	0	0.00%	0	0.00%
1991	-107	-20.18%	-107	-20.18%
1992	-2,750	-57.08%	-2,750	-57.08%
1993	-1,860	-36.59%	-1,860	-36.59%

Net Salvage % of Original Cost



MDU-Gas Current Net Salvage Percent **-10%**
 MDU-Gas Proposed Net Salvage Percent **-10%**

**Montana Dakota Utilities-Gas
390 General Structures**

Experienced Net Salvage

MDU-Gas

Trend Analysis of Experienced Net Salvage

Study Year	Neg. Net Salv. Amount	Net Salvage % of Original Cost of Ret.	Adj'd Neg. Net Salv. Amount	Adj'd Net Salvage % of Original Cost of Ret.
1994	-16	-0.98%	-16	-0.98%
1995	153,156	139.87%	-934	-0.85%
1996	194,880	140.57%	-1,218	-0.88%
1997	-578	-5.95%	-578	-5.95%
1998	1,007	-15.79%	1,007	-15.79%
1999	0	0.00%	0	0.00%
2000	0	0.00%	0	0.00%
2001	0	0.00%	0	0.00%
2002	301,470	64.23%	0	0.00%
2003	0	0.00%	0	0.00%
2004	-125	-3.87%	-125	-3.87%
2005	0	0.00%	0	0.00%
2006	0	0.00%	0	0.00%
2007	38,373	219.63%	0	0.00%
2008	7,171	65.86%	7,171	65.86%
2009	180,172	378.00%	0	0.00%
2010	0	0.00%	0	0.00%
2011	-500	-21.55%	-500	-21.55%
2012	219,199	118.34%	733	0.40%
2013	0	0.00%	0	0.00%
2014	-25,932	-102.15%	-25,932	-102.15%
2015	-3,815	-2.17%	-3,815	-2.17%

Montana Dakota Utilities-Gas

390 General Structures

Experienced Net Salvage

Note: Over the past 20 years MDU Gas closed many smaller walk in district customer service offices. MDU has now gone to a more centralized operation and call center operations for customer service. Through the closings and centralization, the company did generate approximately \$1 million of salvage proceeds, which were credit back to the book depreciation reserve as a return of rate base to customers. Any such opportunity for sales of assets and receipt of salvage proceeds in future years is significantly reduced due to the limited quantity of remaining properties. As of the depreciation study date, the Gas Company operation has 3 large structures with investments greater than \$1 million; 3 medium structures with investments ranging between \$200K and \$1M; and 6 smaller structures under \$200K. The referenced properties comprise approximately 99% of the Account 390 property account investment. Inasmuch as MDU has consolidated its offices significantly during the prior 2 decades, little opportunity exists for further consolidation. In general when current properties approach end of life and require alternative operations, it is anticipated that upgrades, rehabilitations, etc. may likely occur. In such circumstances, the larger and medium facilities are anticipated to experience negative net salvage in the process of rehabilitation. Conversely, the smaller facilities may be sold thus generating some proceeds. Weighting the various future net salvage percents; -20% for the larger structures; -15% for the medium structures; and positive 50% for the smaller structures produces a weight negative -14% net salvage. Eliminating the past positive proceeds for the consolidation sales, under the premise that such activity will not re-occur in future years, produces a historic net salvage trend of -10%. Accordingly, negative -10% net salvage continues to be estimated for Account 390.

Montana-Dakota Utilities Company
Gas Division

390.00 STRUCTURES & IMPROVEMENTS

*Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015*

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>							
1968	4,011.48	0.00	0.00%	0.00	0.00%	0.00	0.00%
1969	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1970	1,939.40	330.00	17.02%	0.19	0.01%	329.81	17.01%
1971	220.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1972	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1973	5,237.65	0.00	0.00%	98.15	1.87%	(98.15)	-1.87%
1974	3,163.71	0.00	0.00%	455.62	14.40%	(455.62)	-14.40%
1975	1,500.00	0.00	0.00%	62.31	4.15%	(62.31)	-4.15%
1976	150.00	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	4,154.28	0.00	0.00%	152.88	3.68%	(152.88)	-3.68%
1981	5,991.28	0.00	0.00%	28.54	0.48%	(28.54)	-0.48%
1982	2,768.63	197.20	7.12%	56.80	2.05%	140.40	5.07%
1983	0.00	250.00	0.00%	0.00	0.00%	250.00	0.00%
1984	52,319.71	0.00	0.00%	1,685.21	3.22%	(1,685.21)	-3.22%
1985	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986	4,959.76	1,000.00	20.16%	327.26	6.60%	672.74	13.56%
1987	100,209.57	0.00	0.00%	85.89	0.09%	(85.89)	-0.09%
1988	107,578.45	40.00	0.04%	2,115.59	1.97%	(2,075.59)	-1.93%
1989	10,343.74	0.00	0.00%	629.80	6.09%	(629.80)	-6.09%
1990	250.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991	531.17	0.00	0.00%	107.21	20.18%	(107.21)	-20.18%
1992	4,817.26	0.00	0.00%	2,749.51	57.08%	(2,749.51)	-57.08%
1993	5,081.86	0.00	0.00%	1,859.58	36.59%	(1,859.58)	-36.59%
1994	1,618.38	0.00	0.00%	15.82	0.98%	(15.82)	-0.98%
1995	109,499.69	154,090.00	140.72%	934.46	0.85%	153,155.54	139.87%

Montana-Dakota Utilities Company
Gas Division

390.00 STRUCTURES & IMPROVEMENTS

*Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015*

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>							
1996	138,637.71	196,098.21	141.45%	1,217.79	0.88%	194,880.42	140.57%
1997	9,710.60	0.00	0.00%	577.91	5.95%	(577.91)	-5.95%
1998	6,373.20	0.00	0.00%	1,006.53	15.79%	(1,006.53)	-15.79%
1999	2,036.72	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	469,368.95	325,000.00	69.24%	23,530.00	5.01%	301,470.00	64.23%
2003	9,314.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2004	3,228.00	0.00	0.00%	125.00	3.87%	(125.00)	-3.87%
2005	6,951.13	0.00	0.00%	0.00	0.00%	0.00	0.00%
2006	11,119.09	0.00	0.00%	0.00	0.00%	0.00	0.00%
2007	17,471.72	40,375.00	231.09%	2,001.88	11.46%	38,373.12	219.63%
2008	10,887.80	7,171.21	65.86%	0.00	0.00%	7,171.21	65.86%
2009	47,664.07	192,346.89	403.55%	12,175.11	25.54%	180,171.78	378.00%
2010	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2011	2,319.75	0.00	0.00%	500.00	21.55%	(500.00)	-21.55%
2012	185,228.07	234,016.23	126.34%	14,817.17	8.00%	219,199.06	118.34%
2013	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2014	25,386.20	0.00	0.00%	25,931.56	102.15%	(25,931.56)	-102.15%
2015	175,765.17	0.00	0.00%	3,814.90	2.17%	(3,814.90)	-2.17%

Montana-Dakota Utilities Company
Gas Division

390.00 STRUCTURES & IMPROVEMENTS

*Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015*

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1968 - 1970	5,950.88	330.00	5.55%	0.19	0.00%	329.81	5.54%
1969 - 1971	2,159.40	330.00	15.28%	0.19	0.01%	329.81	15.27%
1970 - 1972	2,159.40	330.00	15.28%	0.19	0.01%	329.81	15.27%
1971 - 1973	5,457.65	0.00	0.00%	98.15	1.80%	(98.15)	-1.80%
1972 - 1974	8,401.36	0.00	0.00%	553.77	6.59%	(553.77)	-6.59%
1973 - 1975	9,901.36	0.00	0.00%	616.08	6.22%	(616.08)	-6.22%
1974 - 1976	4,813.71	0.00	0.00%	517.93	10.76%	(517.93)	-10.76%
1975 - 1977	1,650.00	0.00	0.00%	62.31	3.78%	(62.31)	-3.78%
1976 - 1978	150.00	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	4,154.28	0.00	0.00%	152.88	3.68%	(152.88)	-3.68%
1979 - 1981	10,145.56	0.00	0.00%	181.42	1.79%	(181.42)	-1.79%
1980 - 1982	12,914.19	197.20	1.53%	238.22	1.84%	(41.02)	-0.32%
1981 - 1983	8,759.91	447.20	5.11%	85.34	0.97%	361.86	4.13%
1982 - 1984	55,088.34	447.20	0.81%	1,742.01	3.16%	(1,294.81)	-2.35%
1983 - 1985	52,319.71	250.00	0.48%	1,685.21	3.22%	(1,435.21)	-2.74%
1984 - 1986	57,279.47	1,000.00	1.75%	2,012.47	3.51%	(1,012.47)	-1.77%
1985 - 1987	105,169.33	1,000.00	0.95%	413.15	0.39%	586.85	0.56%
1986 - 1988	212,747.78	1,040.00	0.49%	2,528.74	1.19%	(1,488.74)	-0.70%
1987 - 1989	218,131.76	40.00	0.02%	2,831.28	1.30%	(2,791.28)	-1.28%
1988 - 1990	118,172.19	40.00	0.03%	2,745.39	2.32%	(2,705.39)	-2.29%
1989 - 1991	11,124.91	0.00	0.00%	737.01	6.62%	(737.01)	-6.62%
1990 - 1992	5,598.43	0.00	0.00%	2,856.72	51.03%	(2,856.72)	-51.03%
1991 - 1993	10,430.29	0.00	0.00%	4,716.30	45.22%	(4,716.30)	-45.22%
1992 - 1994	11,517.50	0.00	0.00%	4,624.91	40.16%	(4,624.91)	-40.16%
1993 - 1995	116,199.93	154,090.00	132.61%	2,809.86	2.42%	151,280.14	130.19%
1994 - 1996	249,755.78	350,188.21	140.21%	2,168.07	0.87%	348,020.14	139.34%
1995 - 1997	257,848.00	350,188.21	135.81%	2,730.16	1.06%	347,458.05	134.75%

Montana-Dakota Utilities Company
Gas Division

390.00 STRUCTURES & IMPROVEMENTS

*Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015*

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1996 - 1998	154,721.51	196,098.21	126.74%	2,802.23	1.81%	193,295.98	124.93%
1997 - 1999	18,120.52	0.00	0.00%	1,584.44	8.74%	(1,584.44)	-8.74%
1998 - 2000	8,409.92	0.00	0.00%	1,006.53	11.97%	(1,006.53)	-11.97%
1999 - 2001	2,036.72	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000 - 2002	469,368.95	325,000.00	69.24%	23,530.00	5.01%	301,470.00	64.23%
2001 - 2003	478,682.95	325,000.00	67.89%	23,530.00	4.92%	301,470.00	62.98%
2002 - 2004	481,910.95	325,000.00	67.44%	23,655.00	4.91%	301,345.00	62.53%
2003 - 2005	19,493.13	0.00	0.00%	125.00	0.64%	(125.00)	-0.64%
2004 - 2006	21,298.22	0.00	0.00%	125.00	0.59%	(125.00)	-0.59%
2005 - 2007	35,541.94	40,375.00	113.60%	2,001.88	5.63%	38,373.12	107.97%
2006 - 2008	39,478.61	47,546.21	120.44%	2,001.88	5.07%	45,544.33	115.36%
2007 - 2009	76,023.59	239,893.10	315.55%	14,176.99	18.65%	225,716.11	296.90%
2008 - 2010	58,551.87	199,518.10	340.75%	12,175.11	20.79%	187,342.99	319.96%
2009 - 2011	49,983.82	192,346.89	384.82%	12,675.11	25.36%	179,671.78	359.46%
2010 - 2012	187,547.82	234,016.23	124.78%	15,317.17	8.17%	218,699.06	116.61%
2011 - 2013	187,547.82	234,016.23	124.78%	15,317.17	8.17%	218,699.06	116.61%
2012 - 2014	210,614.27	234,016.23	111.11%	40,748.73	19.35%	193,267.50	91.76%
2013 - 2015	201,151.37	0.00	0.00%	29,746.46	14.79%	(29,746.46)	-14.79%

Montana-Dakota Utilities Company
Gas Division

390.00 STRUCTURES & IMPROVEMENTS

*Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015*

<u>Year</u>	<u>Original Cost Of Retirements</u>		<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>								
1968 - 2015	1,547,808.20		1,150,914.74	74.36%	97,062.67	6.27%	1,053,852.07	68.09%

Trend Analysis (End Year) 2015

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	40.0
Average Retirement Age (Yrs)	25.2
Years To ASL	14.8
Inflation Factor At 2.75% to ASL	1.49

Gross Salvage
Linear Trend Analysis

1996-2015	20 - Year Trend	174.79%
2001-2015	15 - Year Trend	202.78%
2006-2015	10 - Year Trend	146.12%
2011-2015	5 - Year Trend	0.00%

Forecasted

Gross Salvage	0.00%
(Five Year Trend)	
Cost Of Removal	9.37%
Net Salvage	-9.37%

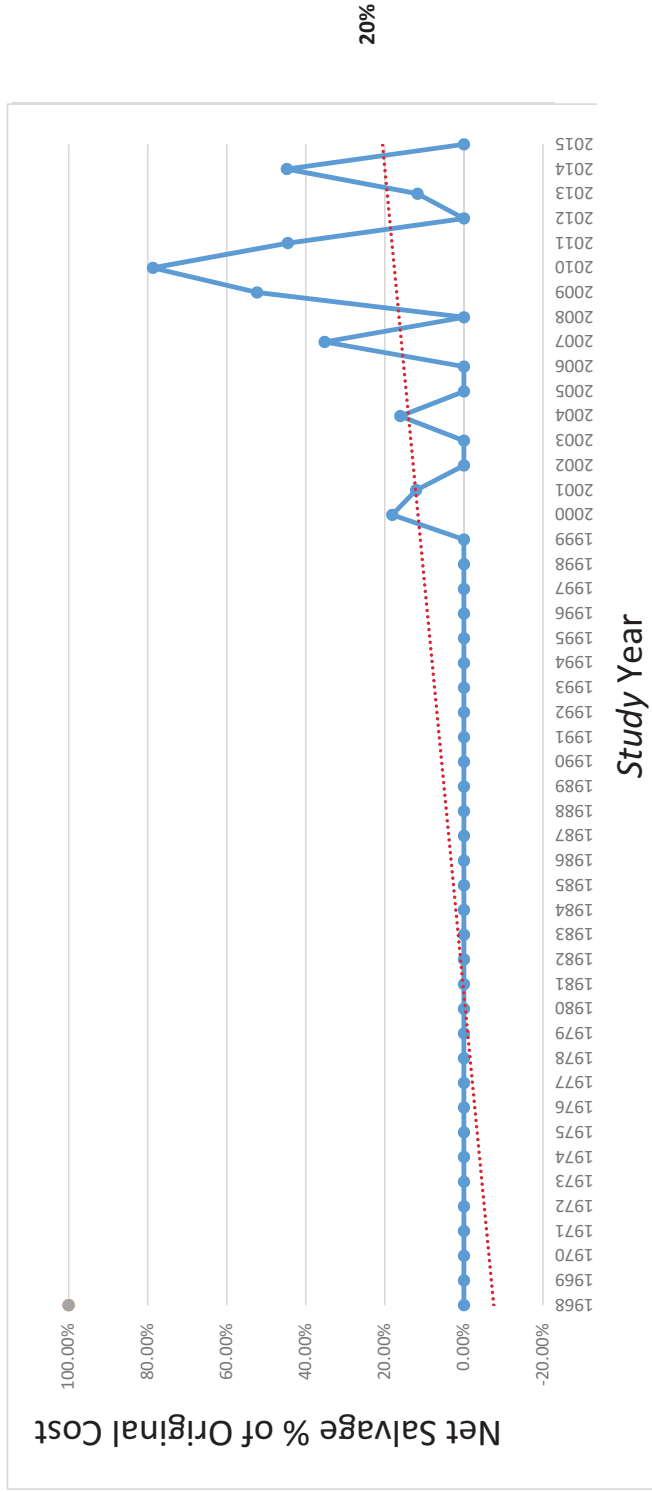
MDU-Gas

Trend Analysis of Experienced Net Salvage

Study Year	Neg. Net Salv. Amount	% of Original Cost of Ret.	Net Salvage
1968	0	0.00%	0
1969	0	0.00%	0
1970	0	0.00%	0
1971	0	0.00%	0
1972	0	0.00%	0
1973	0	0.00%	0
1974	0	0.00%	0
1975	0	0.00%	0
1976	0	0.00%	0
1977	0	0.00%	0
1978	0	0.00%	0
1979	0	0.00%	0
1980	0	0.00%	0
1981	0	0.00%	0
1982	0	0.00%	0
1983	0	0.00%	0
1984	0	0.00%	0
1985	0	0.00%	0
1986	0	0.00%	0
1987	0	0.00%	0
1988	0	0.00%	0
1989	0	0.00%	0
1990	0	0.00%	0
1991	0	0.00%	0
1992	0	0.00%	0
1993	0	0.00%	0

Montana Dakota Utilities-Gas
392.10 Transportation Equipment-Trailers

Experienced Net Salvage



MDU-Gas **Montana Dakota Utilities-Gas**
Trend Analysis of Experienced Net Salvage **392.10 Transportation Equipment-Trailers**

Study Year	Net Salvage	
	Neg. Net Salv. Amount	% of Original Cost of Ret.
1994	0	0.00%
1995	0	0.00%
1996	269	0.00%
1997	0	0.00%
1998	0	0.00%
1999	0	0.00%
2000	150	18.14%
2001	1,701	12.10%
2002	0	0.00%
2003	0	0.00%
2004	50	16.12%
2005	0	0.00%
2006	0	0.00%
2007	2,500	35.24%
2008	0	0.00%
2009	22,510	52.31%
2010	10,762	78.66%
2011	13,422	44.55%
2012	0	0.00%
2013	601	11.72%
2014	8,415	44.79%
2015	0	0.00%

Experienced Net Salvage

Montana-Dakota Utilities Company

Gas Division

392.10 TRANSPORTATION EQUIPMENT - TRAILERS

*Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1996 - 2015*

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>		
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	
<u>Annual Activity</u>								
1996	0.00	316.00	0.00%	47.25	0.00%	268.75	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	826.93	150.00	18.14%	0.00	0.00%	150.00	18.14%	
2001	14,059.66	1,701.00	12.10%	0.00	0.00%	1,701.00	12.10%	
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	310.22	50.00	16.12%	0.00	0.00%	50.00	16.12%	
2005	771.47	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	7,093.48	2,500.00	35.24%	0.00	0.00%	2,500.00	35.24%	
2008	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2009	43,028.41	22,510.00	52.31%	0.00	0.00%	22,510.00	52.31%	
2010	13,681.22	10,762.00	78.66%	0.00	0.00%	10,762.00	78.66%	
2011	30,126.68	13,422.00	44.55%	0.00	0.00%	13,422.00	44.55%	
2012	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2013	5,128.78	601.00	11.72%	0.00	0.00%	601.00	11.72%	
2014	18,787.21	8,415.00	44.79%	0.00	0.00%	8,415.00	44.79%	
2015	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	

Montana-Dakota Utilities Company
Gas Division

392.10 TRANSPORTATION EQUIPMENT - TRAILERS

*Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1996 - 2015*

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>		
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	
<u>Three - Year Rolling Bands</u>								
1996 - 1998	0.00	316.00	0.00%	47.25	0.00%	268.75	0.00%	
1997 - 1999	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1998 - 2000	826.93	150.00	18.14%	0.00	0.00%	150.00	18.14%	
1999 - 2001	14,886.59	1,851.00	12.43%	0.00	0.00%	1,851.00	12.43%	
2000 - 2002	14,886.59	1,851.00	12.43%	0.00	0.00%	1,851.00	12.43%	
2001 - 2003	14,059.66	1,701.00	12.10%	0.00	0.00%	1,701.00	12.10%	
2002 - 2004	310.22	50.00	16.12%	0.00	0.00%	50.00	16.12%	
2003 - 2005	1,081.69	50.00	4.62%	0.00	0.00%	50.00	4.62%	
2004 - 2006	1,081.69	50.00	4.62%	0.00	0.00%	50.00	4.62%	
2005 - 2007	7,864.95	2,500.00	31.79%	0.00	0.00%	2,500.00	31.79%	
2006 - 2008	7,093.48	2,500.00	35.24%	0.00	0.00%	2,500.00	35.24%	
2007 - 2009	50,121.89	25,010.00	49.90%	0.00	0.00%	25,010.00	49.90%	
2008 - 2010	56,709.63	33,272.00	58.67%	0.00	0.00%	33,272.00	58.67%	
2009 - 2011	86,836.31	46,694.00	53.77%	0.00	0.00%	46,694.00	53.77%	
2010 - 2012	43,807.90	24,184.00	55.20%	0.00	0.00%	24,184.00	55.20%	
2011 - 2013	35,255.46	14,023.00	39.78%	0.00	0.00%	14,023.00	39.78%	
2012 - 2014	23,915.99	9,016.00	37.70%	0.00	0.00%	9,016.00	37.70%	
2013 - 2015	23,915.99	9,016.00	37.70%	0.00	0.00%	9,016.00	37.70%	

Montana-Dakota Utilities Company
Gas Division

392.10 TRANSPORTATION EQUIPMENT - TRAILERS

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1996 - 2015

<u>Year</u>	<u>Original Cost Of Retirements</u>		<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>								
1996 - 2015	133,814.06		60,427.00	45.16%	47.25	0.04%	60,379.75	45.12%

Trend Analysis (End Year) **2015**

*Based Upon Three - Year Rolling Averages

Annual Inflation Rate	2.75%
Average Service Life (ASL)	19.0
Average Retirement Age (Yrs)	7.4
Years To ASL	11.6
Inflation Factor At 2.75% to ASL	1.37

Gross Salvage
Linear Trend Analysis

1996-2015	20 - Year Trend	26.85%
2001-2015	15 - Year Trend	56.43%
2006-2015	10 - Year Trend	52.86%
2011-2015	5 - Year Trend	29.93%

Forecasted

Gross Salvage	29.93%
(Five Year Trend)	
Cost Of Removal	0.05%
Net Salvage	29.88%

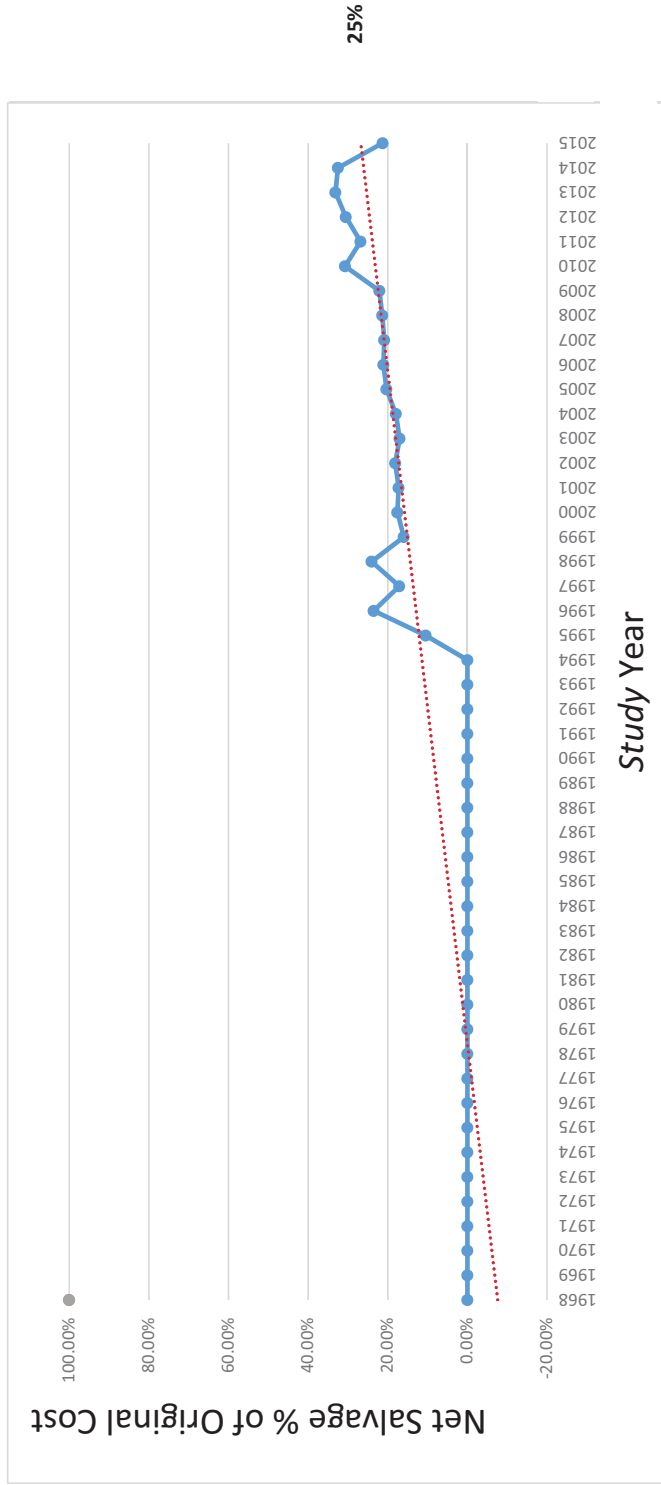
MDU-Gas

Trend Analysis of Experienced Net Salvage

**Montana Dakota Utilities-Gas
392.20 Transportation Equipment-Cars & Trucks**

Study Year	Neg. Net Salv. Amount	Net Salvage % of Original Cost of Ret.
1968	0	0.00%
1969	0	0.00%
1970	0	0.00%
1971	0	0.00%
1972	0	0.00%
1973	0	0.00%
1974	0	0.00%
1975	0	0.00%
1976	0	0.00%
1977	0	0.00%
1978	0	0.00%
1979	0	0.00%
1980	0	0.00%
1981	0	0.00%
1982	0	0.00%
1983	0	0.00%
1984	0	0.00%
1985	0	0.00%
1986	0	0.00%
1987	0	0.00%
1988	0	0.00%
1989	0	0.00%
1990	0	0.00%
1991	0	0.00%
1992	0	0.00%
1993	0	0.00%

Experienced Net Salvage



MDU-Gas Current Net Salvage Percent **20%**
 MDU-Gas Proposed Net Salvage Percent **20%**

MDU-Gas

Trend Analysis of Experienced Net Salvage

**Montana Dakota Utilities-Gas
392.20 Transportation Equipment-Cars & Trucks**

Study Year	Neg. Net Salv. Amount	Net Salvage % of Original Cost of Ret.
1994	0	0.00%
1995	30,894	10.49%
1996	90,937	23.52%
1997	34,600	17.09%
1998	105,010	24.04%
1999	55,752	15.97%
2000	124,196	17.57%
2001	83,025	17.26%
2002	69,828	18.09%
2003	93,817	17.01%
2004	126,187	17.94%
2005	189,285	20.30%
2006	133,632	21.07%
2007	158,848	20.87%
2008	182,816	21.35%
2009	319,046	22.08%
2010	150,945	30.73%
2011	62,100	26.83%
2012	147,910	30.53%
2013	96,441	33.15%
2014	95,259	32.48%
2015	75,648	21.30%

Experienced Net Salvage

Montana-Dakota Utilities Company

Gas Division

392.20 TRANSPORTATION EQUIPMENT - CARS & TRUCKS

*Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1995 - 2015*

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>							
1995	294,595.14	31,225.71	10.60%	332.01	0.11%	30,893.70	10.49%
1996	386,586.06	94,300.22	24.39%	3,363.10	0.87%	90,937.12	23.52%
1997	202,459.15	35,010.10	17.29%	409.73	0.20%	34,600.37	17.09%
1998	436,818.58	106,096.36	24.29%	1,086.25	0.25%	105,010.11	24.04%
1999	349,200.70	56,912.97	16.30%	1,161.44	0.33%	55,751.53	15.97%
2000	706,714.53	124,990.96	17.69%	794.80	0.11%	124,196.16	17.57%
2001	481,092.35	84,394.75	17.54%	1,370.15	0.28%	83,024.60	17.26%
2002	385,989.97	70,616.60	18.29%	788.63	0.20%	69,827.97	18.09%
2003	551,427.51	94,187.99	17.08%	371.20	0.07%	93,816.79	17.01%
2004	703,342.91	126,344.82	17.96%	157.88	0.02%	126,186.94	17.94%
2005	932,459.98	189,285.13	20.30%	0.00	0.00%	189,285.13	20.30%
2006	634,320.92	133,631.75	21.07%	0.00	0.00%	133,631.75	21.07%
2007	761,027.65	158,848.37	20.87%	0.00	0.00%	158,848.37	20.87%
2008	856,416.32	182,815.94	21.35%	0.00	0.00%	182,815.94	21.35%
2009	1,445,163.15	319,045.72	22.08%	0.00	0.00%	319,045.72	22.08%
2010	491,271.21	150,944.50	30.73%	0.00	0.00%	150,944.50	30.73%
2011	231,436.71	62,100.00	26.83%	0.00	0.00%	62,100.00	26.83%
2012	484,400.87	147,910.00	30.53%	0.00	0.00%	147,910.00	30.53%
2013	290,883.81	96,441.00	33.15%	0.00	0.00%	96,441.00	33.15%
2014	293,262.37	95,258.27	32.48%	0.00	0.00%	95,258.27	32.48%
2015	355,225.90	75,648.00	21.30%	0.00	0.00%	75,648.00	21.30%

Montana-Dakota Utilities Company
Gas Division

392.20 TRANSPORTATION EQUIPMENT - CARS & TRUCKS

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1995 - 2015

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1995 - 1997	883,640.35	160,536.03	18.17%	4,104.84	0.46%	156,431.19	17.70%
1996 - 1998	1,025,863.79	235,406.68	22.95%	4,859.08	0.47%	230,547.60	22.47%
1997 - 1999	988,478.43	198,019.43	20.03%	2,657.42	0.27%	195,362.01	19.76%
1998 - 2000	1,492,733.81	288,000.29	19.29%	3,042.49	0.20%	284,957.80	19.09%
1999 - 2001	1,537,007.58	266,298.68	17.33%	3,326.39	0.22%	262,972.29	17.11%
2000 - 2002	1,573,796.85	280,002.31	17.79%	2,953.58	0.19%	277,048.73	17.60%
2001 - 2003	1,418,509.83	249,199.34	17.57%	2,529.98	0.18%	246,669.36	17.39%
2002 - 2004	1,640,760.39	291,149.41	17.74%	1,317.71	0.08%	289,831.70	17.66%
2003 - 2005	2,187,230.40	409,817.94	18.74%	529.08	0.02%	409,288.86	18.71%
2004 - 2006	2,270,123.81	449,261.70	19.79%	157.88	0.01%	449,103.82	19.78%
2005 - 2007	2,327,808.55	481,765.25	20.70%	0.00	0.00%	481,765.25	20.70%
2006 - 2008	2,251,764.89	475,296.06	21.11%	0.00	0.00%	475,296.06	21.11%
2007 - 2009	3,062,607.12	660,710.03	21.57%	0.00	0.00%	660,710.03	21.57%
2008 - 2010	2,792,850.68	652,806.16	23.37%	0.00	0.00%	652,806.16	23.37%
2009 - 2011	2,167,871.07	532,090.22	24.54%	0.00	0.00%	532,090.22	24.54%
2010 - 2012	1,207,108.79	360,954.50	29.90%	0.00	0.00%	360,954.50	29.90%
2011 - 2013	1,006,721.39	306,451.00	30.44%	0.00	0.00%	306,451.00	30.44%
2012 - 2014	1,068,547.05	339,609.27	31.78%	0.00	0.00%	339,609.27	31.78%
2013 - 2015	939,372.08	267,347.27	28.46%	0.00	0.00%	267,347.27	28.46%

Montana-Dakota Utilities Company

Gas Division

392.20 TRANSPORTATION EQUIPMENT - CARS & TRUCKS

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1995 - 2015

<u>Year</u>	<u>Original Cost Of Retirements</u>		<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>								
1995 - 2015	11,274,095.79		2,436,009.16	21.61 %	9,835.19	0.09%	2,426,173.97	21.52%

Trend Analysis (End Year) 2015

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	9.0
Average Retirement Age (Yrs)	7.5
Years To ASL	1.5
Inflation Factor At 2.75% to ASL	1.04

Gross Salvage
Linear Trend Analysis

1996-2015	20 - Year Trend	22.29%
2001-2015	15 - Year Trend	31.30%
2006-2015	10 - Year Trend	32.78%
2011-2015	5 - Year Trend	31.94%

Forecasted

Gross Salvage	31.94%
(Five Year Trend)	
Cost Of Removal	0.09%
Net Salvage	31.85%

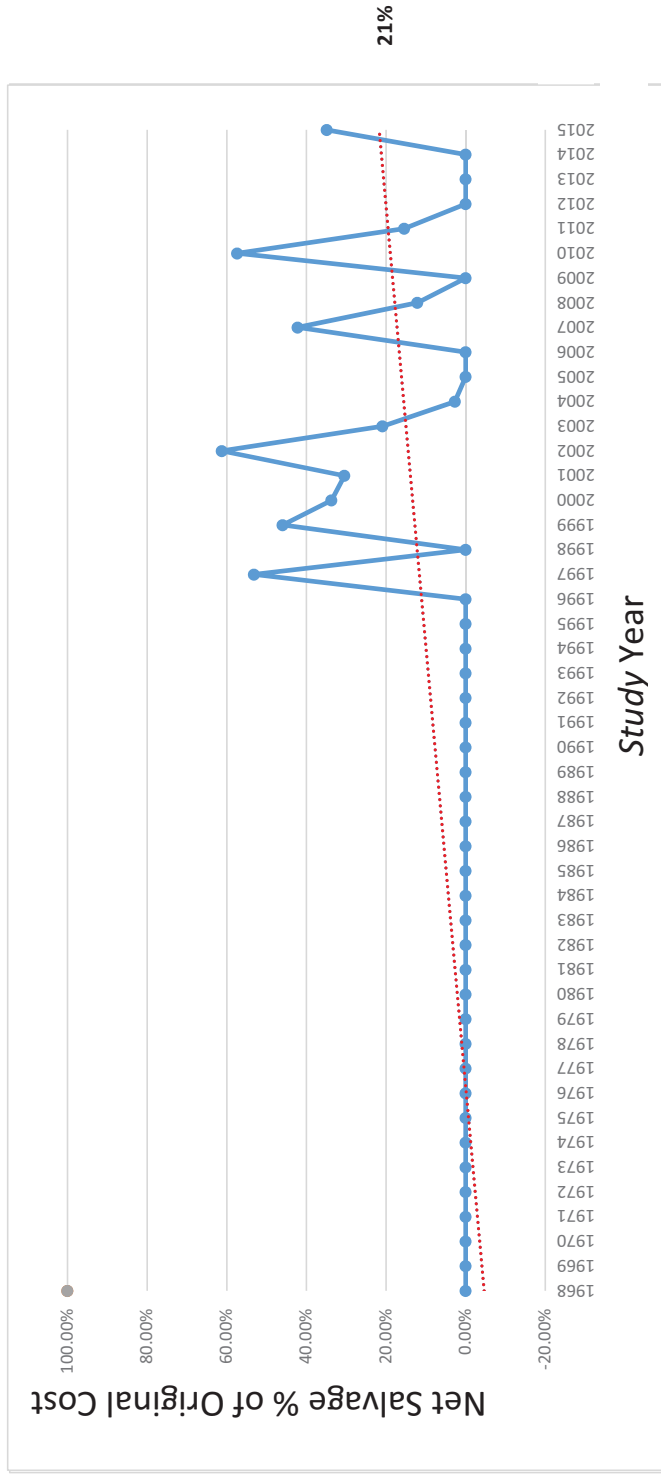
MDU-Gas

Trend Analysis of Experienced Net Salvage

Study Year	Neg. Net Salv. Amount	Net Salvage % of Original Cost of Ret.
1968	0	0.00%
1969	0	0.00%
1970	0	0.00%
1971	0	0.00%
1972	0	0.00%
1973	0	0.00%
1974	0	0.00%
1975	0	0.00%
1976	0	0.00%
1977	0	0.00%
1978	0	0.00%
1979	0	0.00%
1980	0	0.00%
1981	0	0.00%
1982	0	0.00%
1983	0	0.00%
1984	0	0.00%
1985	0	0.00%
1986	0	0.00%
1987	0	0.00%
1988	0	0.00%
1989	0	0.00%
1990	0	0.00%
1991	0	0.00%
1992	0	0.00%
1993	0	0.00%

**Montana Dakota Utilities-Gas
396.10 Work Equipment-Trailers**

Experienced Net Salvage



MDU-Gas Current Net Salvage Percent
MDU-Gas Proposed Net Salvage Percent

20%
20%

MDU-Gas

Trend Analysis of Experienced Net Salvage

Study Year	Neg. Net Salv. Amount	Net Salvage % of Original Cost of Ret.
1994	0	0.00%
1995	0	0.00%
1996	102	0.00%
1997	8,030	53.15%
1998	0	0.00%
1999	7,500	45.97%
2000	450	33.72%
2001	1,911	30.45%
2002	653	61.24%
2003	1,112	20.89%
2004	150	2.71%
2005	0	0.00%
2006	0	0.00%
2007	1,189	42.21%
2008	1,207	12.14%
2009	0	0.00%
2010	3,225	57.39%
2011	1,350	15.42%
2012	0	0.00%
2013	0	0.00%
2014	0	0.00%
2015	10,500	34.89%

**Montana Dakota Utilities-Gas
396.10 Work Equipment-Trailers**

Experienced Net Salvage

Montana-Dakota Utilities Company

Gas Division

396.10 WORK EQUIPMENT TRAILERS

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1996 - 2015

<u>Year</u>	<u>Original Cost Of Retirements</u>		<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
			<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>								
1996	0.00		101.99	0.00%	0.00	0.00%	101.99	0.00%
1997	15,108.23		8,030.00	53.15%	0.00	0.00%	8,030.00	53.15%
1998	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1999	16,315.67		7,500.00	45.97%	0.00	0.00%	7,500.00	45.97%
2000	1,334.52		450.00	33.72%	0.00	0.00%	450.00	33.72%
2001	6,275.36		2,059.88	32.82%	149.20	2.38%	1,910.68	30.45%
2002	1,066.23		653.00	61.24%	0.00	0.00%	653.00	61.24%
2003	5,322.87		1,112.00	20.89%	0.00	0.00%	1,112.00	20.89%
2004	5,537.87		150.00	2.71%	0.00	0.00%	150.00	2.71%
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	2,816.61		1,189.00	42.21%	0.00	0.00%	1,189.00	42.21%
2008	9,946.84		1,207.21	12.14%	0.00	0.00%	1,207.21	12.14%
2009	19,234.42		0.00	0.00%	0.00	0.00%	0.00	0.00%
2010	5,618.96		3,225.00	57.39%	0.00	0.00%	3,225.00	57.39%
2011	8,753.22		1,350.00	15.42%	0.00	0.00%	1,350.00	15.42%
2012	5,016.92		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%
2015	30,098.87		10,500.00	34.89%	0.00	0.00%	10,500.00	34.89%

Montana-Dakota Utilities Company
Gas Division

396.10 WORK EQUIPMENT TRAILERS

*Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1996 - 2015*

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1996 - 1998	15,108.23	8,131.99	53.82%	0.00	0.00%	8,131.99	53.82%
1997 - 1999	31,423.90	15,530.00	49.42%	0.00	0.00%	15,530.00	49.42%
1998 - 2000	17,650.19	7,950.00	45.04%	0.00	0.00%	7,950.00	45.04%
1999 - 2001	23,925.55	10,009.88	41.84%	149.20	0.62%	9,860.68	41.21%
2000 - 2002	8,676.11	3,162.88	36.46%	149.20	1.72%	3,013.68	34.74%
2001 - 2003	12,664.46	3,824.88	30.20%	149.20	1.18%	3,675.68	29.02%
2002 - 2004	11,926.97	1,915.00	16.06%	0.00	0.00%	1,915.00	16.06%
2003 - 2005	10,860.74	1,262.00	11.62%	0.00	0.00%	1,262.00	11.62%
2004 - 2006	5,537.87	150.00	2.71%	0.00	0.00%	150.00	2.71%
2005 - 2007	2,816.61	1,189.00	42.21%	0.00	0.00%	1,189.00	42.21%
2006 - 2008	12,763.45	2,396.21	18.77%	0.00	0.00%	2,396.21	18.77%
2007 - 2009	31,997.87	2,396.21	7.49%	0.00	0.00%	2,396.21	7.49%
2008 - 2010	34,800.22	4,432.21	12.74%	0.00	0.00%	4,432.21	12.74%
2009 - 2011	33,606.60	4,575.00	13.61%	0.00	0.00%	4,575.00	13.61%
2010 - 2012	19,389.10	4,575.00	23.60%	0.00	0.00%	4,575.00	23.60%
2011 - 2013	13,770.14	1,350.00	9.80%	0.00	0.00%	1,350.00	9.80%
2012 - 2014	5,016.92	0.00	0.00%	0.00	0.00%	0.00	0.00%
2013 - 2015	30,098.87	10,500.00	34.89%	0.00	0.00%	10,500.00	34.89%

Montana-Dakota Utilities Company

Gas Division

396.10 WORK EQUIPMENT TRAILERS

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1996 - 2015

<u>Year</u>	<u>Original Cost Of Retirements</u>		<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>								
1996 - 2015	132,446.59		37,528.08	28.33%	149.20	0.11%	37,378.88	28.22%

Trend Analysis (End Year) 2015

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	28.0
Average Retirement Age (Yrs)	12.9
Years To ASL	15.1
Inflation Factor At 2.75% to ASL	1.51

Gross Salvage
Linear Trend Analysis

1996-2015	20 - Year Trend	25.10%
2001-2015	15 - Year Trend	10.19%
2006-2015	10 - Year Trend	16.53%
2011-2015	5 - Year Trend	22.06%

Forecasted

Gross Salvage	22.06%
(Five Year Trend)	
Cost Of Removal	0.17%
Net Salvage	21.90%

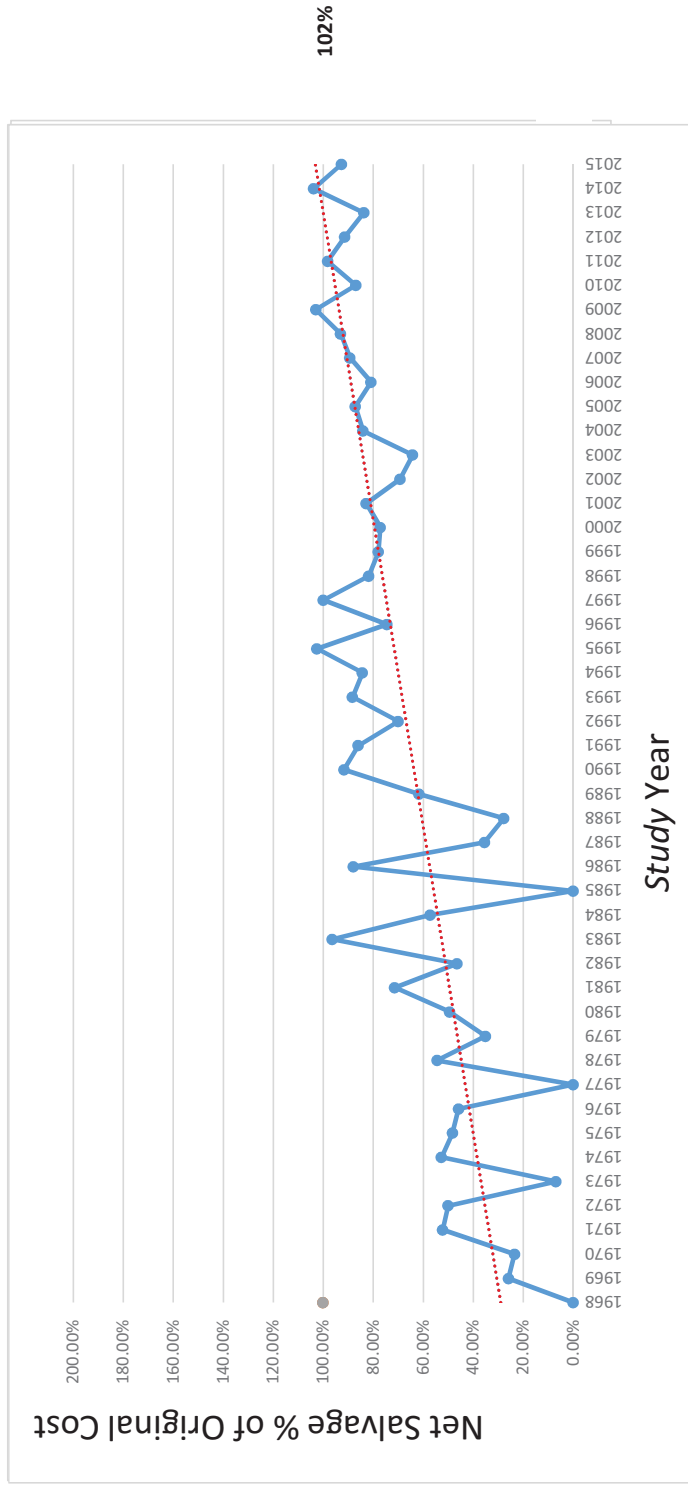
MDU-Gas

Trend Analysis of Experienced Net Salvage

Study Year	Neg. Net Salv. Amount	Net Salvage % of Original Cost of Ret.
1968	0	0.00%
1969	4,661	25.84%
1970	20,079	23.42%
1971	16,960	52.15%
1972	34,167	49.99%
1973	1,321	6.79%
1974	36,953	52.64%
1975	23,256	48.24%
1976	16,739	45.81%
1977	0	0.00%
1978	11,502	54.38%
1979	20,150	35.02%
1980	16,318	49.37%
1981	133,470	71.34%
1982	38,429	46.42%
1983	89,866	96.34%
1984	36,431	57.11%
1985	0	0.00%
1986	38,509	87.89%
1987	21,293	35.43%
1988	97,294	27.69%
1989	406,580	61.68%
1990	426,582	91.63%
1991	434,803	85.92%
1992	242,960	69.91%
1993	474,364	88.22%

Montana Dakota Utilities-Gas
396.20 Power Operated Equipment

Experienced Net Salvage



MDU-Gas Current Net Salvage Percent **80%**
 MDU-Gas Proposed Net Salvage Percent **85%** Give Consideration to Range & 10 Year Avg

MDU-Gas

Trend Analysis of Experienced Net Salvage

Study Year	Neg. Net Salv. Amount	Net Salvage % of Original Cost of Ret.
1994	374,755	84.26%
1995	775,929	102.45%
1996	631,731	74.50%
1997	1,287,217	99.90%
1998	519,790	81.80%
1999	1,280,009	77.86%
2000	446,315	77.13%
2001	1,117,281	82.76%
2002	203,674	69.24%
2003	954,123	64.15%
2004	1,087,417	84.03%
2005	1,384,643	87.12%
2006	1,363,963	80.85%
2007	1,749,870	89.30%
2008	1,894,912	92.96%
2009	1,943,421	102.91%
2010	1,969,431	86.92%
2011	2,284,215	98.15%
2012	2,613,890	91.32%
2013	1,026,320	83.72%
2014	2,615,759	103.81%
2015	<u>2,685,253</u>	<u>92.68%</u>
	20,147,034	93.47%

**Montana Dakota Utilities-Gas
396.20 Power Operated Equipment**

Experienced Net Salvage

Wght	Amount
	1,102,764
	1,562,634
	1,761,510
	1,999,975
	1,711,829
	2,241,957
	2,387,004
	859,235
	2,715,419
	<u>2,488,692</u>
	18,831,021

10 Year Weighted Average

Montana-Dakota Utilities Company

Gas Division

396.20 POWER OPERATED EQUIPMENT

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2015

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>							
1968	7,624.55	0.00	0.00%	0.00	0.00%	0.00	0.00%
1969	18,036.43	4,660.75	25.84%	0.00	0.00%	4,660.75	25.84%
1970	85,745.78	20,081.65	23.42%	2.56	0.00%	20,079.09	23.42%
1971	32,522.96	16,959.50	52.15%	0.00	0.00%	16,959.50	52.15%
1972	68,343.72	34,167.38	49.99%	0.00	0.00%	34,167.38	49.99%
1973	19,453.17	1,321.00	6.79%	0.00	0.00%	1,321.00	6.79%
1974	70,200.13	36,952.50	52.64%	0.00	0.00%	36,952.50	52.64%
1975	48,205.77	23,256.00	48.24%	0.00	0.00%	23,256.00	48.24%
1976	36,542.30	16,760.00	45.86%	21.00	0.06%	16,739.00	45.81%
1977	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1978	21,151.37	11,502.00	54.38%	0.00	0.00%	11,502.00	54.38%
1979	57,535.68	20,150.00	35.02%	0.00	0.00%	20,150.00	35.02%
1980	33,055.15	16,318.30	49.37%	0.00	0.00%	16,318.30	49.37%
1981	187,078.07	133,470.40	71.34%	0.00	0.00%	133,470.40	71.34%
1982	82,780.89	38,429.13	46.42%	0.00	0.00%	38,429.13	46.42%
1983	93,278.27	89,865.50	96.34%	0.00	0.00%	89,865.50	96.34%
1984	63,794.44	36,885.83	57.82%	455.00	0.71%	36,430.83	57.11%
1985	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986	43,816.13	38,509.33	87.89%	0.00	0.00%	38,509.33	87.89%
1987	60,103.95	21,504.91	35.78%	211.74	0.35%	21,293.17	35.43%
1988	351,349.08	97,992.00	27.89%	698.08	0.20%	97,293.92	27.69%
1989	659,158.69	406,813.00	61.72%	232.86	0.04%	406,580.14	61.68%
1990	465,530.32	426,773.25	91.67%	191.71	0.04%	426,581.54	91.63%
1991	506,039.47	434,830.37	85.93%	27.47	0.01%	434,802.90	85.92%
1992	347,508.62	243,091.00	69.95%	131.21	0.04%	242,959.79	69.91%
1993	537,705.71	474,364.03	88.22%	0.00	0.00%	474,364.03	88.22%
1994	444,780.98	374,784.00	84.26%	29.22	0.01%	374,754.78	84.26%
1995	757,408.90	775,939.25	102.45%	10.00	0.00%	775,929.25	102.45%

Montana-Dakota Utilities Company

Gas Division

396.20 POWER OPERATED EQUIPMENT

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>							
1996	847,905.78	632,158.36	74.56%	426.88	0.05%	631,731.48	74.50%
1997	1,288,447.77	1,287,216.85	99.90%	0.00	0.00%	1,287,216.85	99.90%
1998	635,435.44	520,006.27	81.83%	216.70	0.03%	519,789.57	81.80%
1999	1,644,011.39	1,296,953.70	78.89%	16,944.81	1.03%	1,280,008.89	77.86%
2000	578,648.60	446,315.01	77.13%	0.00	0.00%	446,315.01	77.13%
2001	1,350,062.37	1,118,466.41	82.85%	1,185.02	0.09%	1,117,281.39	82.76%
2002	294,171.49	203,871.50	69.30%	197.57	0.07%	203,673.93	69.24%
2003	1,487,414.47	954,759.67	64.19%	636.75	0.04%	954,122.92	64.15%
2004	1,294,071.91	1,087,417.11	84.03%	0.00	0.00%	1,087,417.11	84.03%
2005	1,589,284.84	1,384,642.73	87.12%	0.00	0.00%	1,384,642.73	87.12%
2006	1,686,987.64	1,363,963.11	80.85%	0.00	0.00%	1,363,963.11	80.85%
2007	1,959,431.97	1,749,870.13	89.30%	0.00	0.00%	1,749,870.13	89.30%
2008	2,038,426.92	1,894,911.85	92.96%	0.00	0.00%	1,894,911.85	92.96%
2009	1,888,457.69	1,943,420.85	102.91%	0.00	0.00%	1,943,420.85	102.91%
2010	2,265,667.30	1,969,431.24	86.92%	0.00	0.00%	1,969,431.24	86.92%
2011	2,327,229.09	2,284,214.55	98.15%	0.00	0.00%	2,284,214.55	98.15%
2012	2,862,270.40	2,613,890.32	91.32%	0.00	0.00%	2,613,890.32	91.32%
2013	1,225,836.51	1,026,319.71	83.72%	0.00	0.00%	1,026,319.71	83.72%
2014	2,519,689.41	2,615,759.47	103.81%	0.00	0.00%	2,615,759.47	103.81%
2015	2,897,220.60	2,685,253.14	92.68%	0.00	0.00%	2,685,253.14	92.68%

Montana-Dakota Utilities Company
Gas Division

396.20 POWER OPERATED EQUIPMENT

*Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015*

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1968 - 1970	111,406.76	24,742.40	22.21%	2.56	0.00%	24,739.84	22.21%
1969 - 1971	136,305.17	41,701.90	30.59%	2.56	0.00%	41,699.34	30.59%
1970 - 1972	186,612.46	71,208.53	38.16%	2.56	0.00%	71,205.97	38.16%
1971 - 1973	120,319.85	52,447.88	43.59%	0.00	0.00%	52,447.88	43.59%
1972 - 1974	157,997.02	72,440.88	45.85%	0.00	0.00%	72,440.88	45.85%
1973 - 1975	137,859.07	61,529.50	44.63%	0.00	0.00%	61,529.50	44.63%
1974 - 1976	154,948.20	76,968.50	49.67%	21.00	0.01%	76,947.50	49.66%
1975 - 1977	84,748.07	40,016.00	47.22%	21.00	0.02%	39,995.00	47.19%
1976 - 1978	57,693.67	28,262.00	48.99%	21.00	0.04%	28,241.00	48.95%
1977 - 1979	78,687.05	31,652.00	40.23%	0.00	0.00%	31,652.00	40.23%
1978 - 1980	111,742.20	47,970.30	42.93%	0.00	0.00%	47,970.30	42.93%
1979 - 1981	277,668.90	169,938.70	61.20%	0.00	0.00%	169,938.70	61.20%
1980 - 1982	302,914.11	188,217.83	62.14%	0.00	0.00%	188,217.83	62.14%
1981 - 1983	363,137.23	261,765.03	72.08%	0.00	0.00%	261,765.03	72.08%
1982 - 1984	239,853.60	165,180.46	68.87%	455.00	0.19%	164,725.46	68.68%
1983 - 1985	157,072.71	126,751.33	80.70%	455.00	0.29%	126,296.33	80.41%
1984 - 1986	107,610.57	75,395.16	70.06%	455.00	0.42%	74,940.16	69.64%
1985 - 1987	103,920.08	60,014.24	57.75%	211.74	0.20%	59,802.50	57.55%
1986 - 1988	455,269.16	158,006.24	34.71%	909.82	0.20%	157,096.42	34.51%
1987 - 1989	1,070,611.72	526,309.91	49.16%	1,142.68	0.11%	525,167.23	49.05%
1988 - 1990	1,476,038.09	931,578.25	63.11%	1,122.65	0.08%	930,455.60	63.04%
1989 - 1991	1,630,728.48	1,268,416.62	77.78%	452.04	0.03%	1,267,964.58	77.75%
1990 - 1992	1,319,078.41	1,104,694.62	83.75%	350.39	0.03%	1,104,344.23	83.72%
1991 - 1993	1,391,253.80	1,152,285.40	82.82%	158.68	0.01%	1,152,126.72	82.81%
1992 - 1994	1,329,995.31	1,092,239.03	82.12%	160.43	0.01%	1,092,078.60	82.11%
1993 - 1995	1,739,895.59	1,625,087.28	93.40%	39.22	0.00%	1,625,048.06	93.40%
1994 - 1996	2,050,095.66	1,782,881.61	86.97%	466.10	0.02%	1,782,415.51	86.94%
1995 - 1997	2,893,762.45	2,695,314.46	93.14%	436.88	0.02%	2,694,877.58	93.13%

Montana-Dakota Utilities Company
Gas Division

396.20 POWER OPERATED EQUIPMENT

*Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015*

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1996 - 1998	2,771,788.99	2,439,381.48	88.01%	643.58	0.02%	2,438,737.90	87.98%
1997 - 1999	3,567,894.60	3,104,176.82	87.00%	17,161.51	0.48%	3,087,015.31	86.52%
1998 - 2000	2,858,095.43	2,263,274.98	79.19%	17,161.51	0.60%	2,246,113.47	78.59%
1999 - 2001	3,572,722.36	2,861,735.12	80.10%	18,129.83	0.51%	2,843,605.29	79.59%
2000 - 2002	2,222,882.46	1,768,652.92	79.57%	1,382.59	0.06%	1,767,270.33	79.50%
2001 - 2003	3,131,648.33	2,277,097.58	72.71%	2,019.34	0.06%	2,275,078.24	72.65%
2002 - 2004	3,075,657.87	2,246,048.28	73.03%	834.32	0.03%	2,245,213.96	73.00%
2003 - 2005	4,370,771.22	3,426,819.51	78.40%	636.75	0.01%	3,426,182.76	78.39%
2004 - 2006	4,570,344.39	3,836,022.95	83.93%	0.00	0.00%	3,836,022.95	83.93%
2005 - 2007	5,235,704.45	4,498,475.97	85.92%	0.00	0.00%	4,498,475.97	85.92%
2006 - 2008	5,684,846.53	5,008,745.09	88.11%	0.00	0.00%	5,008,745.09	88.11%
2007 - 2009	5,886,316.58	5,588,202.83	94.94%	0.00	0.00%	5,588,202.83	94.94%
2008 - 2010	6,192,551.91	5,807,763.94	93.79%	0.00	0.00%	5,807,763.94	93.79%
2009 - 2011	6,481,354.08	6,197,066.64	95.61%	0.00	0.00%	6,197,066.64	95.61%
2010 - 2012	7,455,166.79	6,867,536.11	92.12%	0.00	0.00%	6,867,536.11	92.12%
2011 - 2013	6,415,336.00	5,924,424.58	92.35%	0.00	0.00%	5,924,424.58	92.35%
2012 - 2014	6,607,796.32	6,255,969.50	94.68%	0.00	0.00%	6,255,969.50	94.68%
2013 - 2015	6,642,746.52	6,327,332.32	95.25%	0.00	0.00%	6,327,332.32	95.25%

Montana-Dakota Utilities Company
Gas Division

396.20 POWER OPERATED EQUIPMENT

*Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2015*

<u>Year</u>	<u>Original Cost Of Retirements</u>		<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>								
1968 - 2015	37,779,422.12		32,874,223.06	87.02%	21,618.58	0.06%	32,852,604.48	86.96%

Trend Analysis (End Year) 2015

***Based Upon Three - Year Rolling Averages**

Annual Inflation Rate	2.75%
Average Service Life (ASL)	3.0
Average Retirement Age (Yrs)	2.2
Years To ASL	0.8
Inflation Factor At 2.75% to ASL	1.02

Gross Salvage
Linear Trend Analysis

1996-2015	20 - Year Trend	93.43%
2001-2015	15 - Year Trend	99.60%
2006-2015	10 - Year Trend	97.59%
2011-2015	5 - Year Trend	94.55%

Forecasted

Gross Salvage	94.55%
(Five Year Trend)	
Cost Of Removal	0.06%
Net Salvage	94.49%