

SECTION 2

Table 1

Montana-Dakota Utilities Company
Common Plant

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

Account No.	Description	Original Cost		Present Rates		Proposed Plant Only Rates		Proposed Gross Salv Rates		Proposed COR Rates		Total Proposed Rates		Net Change Depr. Exp.
		12/31/14 (c)		Rate % (d)	Annual Accrual (e)	Rate % (f)	Annual Accrual (g)	Rate % (f)	Annual Accrual (g)	Rate % (h)	Annual Accrual (i)	Rate % (j)	Annual Accrual (k)	
390.0	General Structures	49,299,196.01	1,042,311.35	2.11%	1,042,311.35	2.60%	1,281,779.10	0.02%	9,859.84	-0.31%	(152,827.51)	2.31%	1,138,811.43	96,500.08
DEPRECIABLE PLANT														
General Plant														
OFFICE FURNITURE & EQUIPMENT														
391.1	Office Furniture & Equipment	2,599,028.93	173,268.60	6.67%	173,268.60	6.67%	173,268.60	0.00%	0.00	0.00%	0.00	6.67%	173,268.60	0.00
391.3	Computer Equipment - PC	1,796,304.13	359,260.83	20.00%	359,260.83	20.00%	359,260.83	0.00%	0.00	0.00%	0.00	20.00%	359,260.83	0.00
391.5	Computer Equipment - Other	2,083,247.21	416,649.44	20.00%	416,649.44	20.00%	416,649.44	0.00%	0.00	0.00%	0.00	20.00%	416,649.44	0.00
TOTAL Account 391		6,478,580.27	949,178.87	14.65%	949,178.87	14.65%	949,178.87	0.00%	0.00	0.00%	0.00	14.65%	949,178.87	0.00
TRANSPORTATION EQUIPMENT														
392.1	Transportation Equipment (Trailers)	2,482.58	103.52	4.17%	103.52	0.00%	0.00	0.00%	0.00	0.00%	0.00 (1)	0.00%	0.00	(103.52)
392.2	Transportation Equipment (Cars & Trucks)	7,053,425.86	289,895.80	4.11%	289,895.80	10.73%	756,832.59	-4.08%	(287,779.78)	0.00%	0.00	6.65%	469,052.82	179,157.02
TOTAL Account 392		7,055,908.44	289,999.32	4.11%	289,999.32	10.73%	756,832.59	-4.08%	(287,779.78)	0.00%	0.00	6.65%	469,052.82	179,053.50
393.0	Stores Equipment	97,054.09	3,235.14	3.33%	3,235.14	3.33%	3,235.14	0.00%	0.00	0.00%	0.00	3.33%	3,235.14	0.00
TOOLS, SHOP & GARAGE EQ.														
394.1	Tools, Shop & Garage Equip. (Non-Unitized)	514,458.89	28,581.05	5.56%	28,581.05	5.56%	28,581.05	0.00%	0.00	0.00%	0.00	5.56%	28,581.05	0.00
394.3	Vehicle Maintenance Equipment	104,823.25	5,241.16	5.00%	5,241.16	5.00%	5,241.16	0.00%	0.00	0.00%	0.00	5.00%	5,241.16	0.00
394.4	Vehicle Refueling Equipment	14,529.19	726.46	5.00%	726.46	5.00%	726.46	0.00%	0.00	0.00%	0.00	5.00%	726.46	0.00
TOTAL Account 394		633,811.33	34,548.67	5.45%	34,548.67	5.45%	34,548.67	0.00%	0.00	0.00%	0.00	5.45%	34,548.67	0.00
COMMUNICATION EQUIPMENT														
397.1	Radio Communication Equip. (Fixed)	1,591,742.35	106,116.16	6.67%	106,116.16	6.67%	106,116.16	0.00%	0.00	0.00%	0.00	6.67%	106,116.16	0.00
397.2	Radio Communication Equip. (Mobile)	810,002.48	54,000.17	6.67%	54,000.17	6.67%	54,000.17	0.00%	0.00	0.00%	0.00	6.67%	54,000.17	0.00
397.3	General Telephone Communication Equip.	508,064.64	50,806.46	10.00%	50,806.46	10.00%	50,806.46	0.00%	0.00	0.00%	0.00	10.00%	50,806.46	0.00
397.5	Supervisory & Telemetering Equip.	26,716.56	1,781.10	6.67%	1,781.10	6.67%	1,781.10	0.00%	0.00	0.00%	0.00	6.67%	1,781.10	0.00
397.8	Network Equipment	275,521.69	55,104.34	20.00%	55,104.34	20.00%	55,104.34	0.00%	0.00	0.00%	0.00	20.00%	55,104.34	0.00
TOTAL Account 397		3,212,047.72	267,808.23	8.34%	267,808.23	8.34%	267,808.23	0.00%	0.00	0.00%	0.00	8.34%	267,808.23	0.00
398.0	Miscellaneous Equipment	1,238,732.27	61,936.61	5.00%	61,936.61	5.00%	61,936.61	0.00%	0.00	0.00%	0.00	5.00%	61,936.61	0.00
Sub-Total (General Plant) Amortization		11,660,225.68	1,316,707.52	11.29%	1,316,707.52	11.29%	1,316,707.52	0.00%	0.00	0.00%	0.00	11.29%	1,316,707.52	0.00
TOTAL General Plant		68,015,330.13	2,649,018.19	3.89%	2,649,018.19	4.93%	3,355,319.21	-0.41%	(277,919.94)	-0.22%	(152,827.51)	4.30%	2,924,571.77	275,553.58
TOTAL Depreciable Plant		68,015,330.13	2,649,018.19	3.89%	2,649,018.19	4.93%	3,355,319.21	-0.41%	(277,919.94)	-0.22%	(152,827.51)	4.30%	2,924,571.77	275,553.58

Montana-Dakota Utilities Company
Common Plant

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

Account No.	Description	Original Cost 12/31/14	Present Rates		Proposed 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)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
Amortizable Plant													
392.3	Aircraft Equipment	4,333,824.70											
	TOTAL Amortizable Plant	4,333,824.70											
NON-DEPRECIABLE PLANT													
389.0	Land & Land Rights (General)	3,086,836.15											
	Total Land	3,086,836.15											
INTANGIBLE PLANT													
303.0	Miscellaneous Intangible Plant	50,883,328.74											
	Total Intangible Plant	50,883,328.74											
	TOTAL Non-Depreciable Plant	53,970,164.89											
	TOTAL Plant in Service	126,319,319.72											
	(1) Account Fully Depreciated. No further current depreciation accrual.												

Table 1a

**Montana-Dakota Utilities Company
Common Plant**

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

Account No. (a)	Description (b)	Cost 12/31/14 (c)	Total Book Depr Reserve 12/31/14 (f)	Cost of Removal In Book Res. (g)	Gross Salvage In Book Res. (h)	Plant Only Depr Reserve 12/31/14 (i)
<u>DEPRECIABLE PLANT</u>						
<u>General Plant</u>						
390.0	General Structures	49,299,196.01	14,804,363.01	1,912,317.79	(246,141.54)	13,138,186.76
OFFICE FURNITURE & EQUIPMENT						
391.1	Office Furniture & Equipment	2,599,028.93	1,197,289.08	0.00	0.00	1,197,289.08
391.3	Computer Equipment - PC	1,796,304.13	848,650.94	0.00	0.00	848,650.94
391.5	Computer Equipment - Other	2,083,247.21	1,043,724.92	0.00	0.00	1,043,724.92
	TOTAL Account 391	6,478,580.27	3,089,664.94	0.00	0.00	3,089,664.94
TRANSPORTATION EQUIPMENT						
392.1	Transportation Equipment (Trailers)	2,482.58	137.60	0.00	0.00	137.60
392.2	Transportation Equipment (Cars & Trucks)	7,053,425.86	3,344,198.87	0.00	0.00	3,344,198.87
	TOTAL Account 392	7,055,908.44	3,344,336.47	0.00	0.00	3,344,336.47
393.0	Stores Equipment	97,054.09	39,609.25	0.00	0.00	39,609.25
TOOLS, SHOP & GARAGE EQ.						
394.1	Tools, Shop & Garage Equip. (Non-Unitized)	514,458.89	262,037.30	0.00	0.00	262,037.30
394.3	Vehicle Maintenance Equipment	104,823.25	52,564.22	0.00	0.00	52,564.22
394.4	Vehicle Refueling Equipment	14,529.19	10,087.70	0.00	0.00	10,087.70
	TOTAL Account 394	633,811.33	324,689.22	0.00	0.00	324,689.22
COMMUNICATION EQUIPMENT						
397.1	Radio Communication Equip. (Fixed)	1,591,742.35	443,197.15	0.00	0.00	443,197.15
397.2	Radio Communication Equip. (Mobile)	810,002.48	231,171.48	0.00	0.00	231,171.48
397.3	General Telephone Communication Equip.	508,064.64	89,594.17	0.00	0.00	89,594.17
397.5	Supervisory & Telemetry Equip.	26,716.56	2,830.63	0.00	0.00	2,830.63
397.8	Network Equipment	275,521.69	153,929.32	0.00	0.00	153,929.32
	TOTAL Account 397	3,212,047.72	920,722.75	0.00	0.00	920,722.75
398.0	Miscellaneous Equipment	1,238,732.27	420,200.24	0.00	0.00	420,200.24
	Sub-Total (General Plant) Amortization	11,660,225.68	4,794,886.40	0.00	0.00	4,794,886.40
	TOTAL General Plant	68,015,330.13	22,943,585.88	1,912,317.79	(246,141.54)	21,277,409.63
	TOTAL Depreciable Plant	68,015,330.13	22,943,585.88	1,912,317.79	(246,141.54)	21,277,409.63

Table 1a

**Montana-Dakota Utilities Company
Common Plant**

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

Account No. (a)	Description (b)	Cost 12/31/14 (c)	Total Book Depr Reserve 12/31/14 (f)	Cost of Removal In Book Res. (g)	Gross Salvage In Book Res. (h)	Plant Only Depr Reserve 12/31/14 (i)
	<u>Amortizable Plant</u>					
392.3	Aircraft Equipment	4,333,824.70	2,219,871.79	0.00	0.00	2,219,871.79
	TOTAL Amortizable Plant	4,333,824.70	2,219,871.79	0.00	0.00	2,219,871.79
	<u>NON-DEPRECIABLE PLANT</u>					
389.0	Land & Land Rights (General)	3,086,836.15	0.00			0.00
	Total Land	3,086,836.15	0.00	0.00	0.00	0.00
	INTANGIBLE PLANT					
303.0	Miscellaneous Intangible Plant	50,883,328.74				0.00
	Total Intangible Plant	50,883,328.74	0.00	0.00	0.00	0.00
	TOTAL Non-Depreciable Plant	53,970,164.89	0.00	0.00	0.00	0.00
	TOTAL Common Utility Plant in Service	126,319,319.72	25,163,457.67	1,912,317.79	(246,141.54)	23,497,281.42

Table 2 - Plant Only

Montana-Dakota Utilities Company
Common Plant

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

Account No.	Description	Original Cost 12/31/14	Estimated Future Net Salvage %	Estimated Future Amount	Original Cost Less Salvage	Book Depreciation Reserve	Net Original Cost Less Salvage	A.S.L./ Survivor Curve	Average Remaining Life	Annual Depreciation Accrual	Annual Depr. Rate
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
390.0	General Structures	49,299,196.01	0%	0.00	49,299,196.01	13,138,186.76	36,161,009.25	38-R3	28.2	1,282,305.29	2.60%
391.1	OFFICE FURNITURE & EQUIPMENT Office Furniture & Equipment	2,599,028.93	0%	0.00	2,599,028.93	1,197,289.08	1,401,739.85	N/A	N/A	173,268.60	6.67% *
391.3	Computer Equipment - PC	1,796,304.13	0%	0.00	1,796,304.13	848,650.94	947,653.19	N/A	N/A	359,260.83	20.00% *
391.5	Computer Equipment - Other	2,083,247.21	0%	0.00	2,083,247.21	1,043,724.92	1,039,522.29	N/A	N/A	416,649.44	20.00% *
	TOTAL Account 391	6,478,580.27		0.00	6,478,580.27	3,089,664.94	3,388,915.33			949,178.86	14.65%
392.1	TRANSPORTATION EQUIPMENT Transportation Equipment (Trailers)	2,482.58	0%	0.00	2,482.58	137.60	2,344.98	25-L1	23.6	0.00	0.00% (1)
392.2	Transportation Equipment (Cars & Trucks)	7,053,425.86	0%	0.00	7,053,425.86	3,344,198.87	3,709,226.99	9-R3	4.9	756,985.10	10.73%
	TOTAL Account 392	7,055,908.44		0.00	7,055,908.44	3,344,336.47	3,711,571.97			756,985.10	10.73%
393.0	Stores Equipment	97,054.09	0%	0.00	97,054.09	39,609.25	57,444.84	N/A	N/A	3,235.14	3.33% *
394.1	TOOLS, SHOP & GARAGE EQ. Tools, Shop & Garage Equip. (Non-Utilize)	514,458.89	0%	0.00	514,458.89	262,037.30	252,421.59	N/A	N/A	28,581.05	5.56% *
394.3	Vehicle Maintenance Equipment	104,823.25	0%	0.00	104,823.25	52,564.22	52,259.03	N/A	N/A	5,241.16	5.00% *
394.4	Vehicle Refueling Equipment	14,529.19	0%	0.00	14,529.19	10,087.70	4,441.49	N/A	N/A	726.46	5.00% *
	TOTAL Account 394	633,811.33		0.00	633,811.33	324,689.22	309,122.11			34,548.67	5.45%
397.1	COMMUNICATION EQUIPMENT Radio Communication Equip. (Fixed)	1,591,742.35	0%	0.00	1,591,742.35	443,197.15	1,148,545.20	N/A	N/A	106,116.16	6.67% *
397.2	Radio Communication Equip. (Mobile)	810,002.48	0%	0.00	810,002.48	231,171.48	578,831.00	N/A	N/A	54,000.17	6.67% *
397.3	General Telephone Communication Equip.	508,064.64	0%	0.00	508,064.64	89,594.17	418,470.47	N/A	N/A	50,806.46	10.00% *
397.5	Supervisory & Telemetering Equip.	26,716.56	0%	0.00	26,716.56	2,830.63	23,885.93	N/A	N/A	1,781.10	6.67% *
397.8	Network Equipment	275,521.69	0%	0.00	275,521.69	153,929.32	121,592.37	N/A	N/A	55,104.34	20.00% *
	TOTAL Account 397	3,212,047.72		0.00	3,212,047.72	920,722.75	2,291,324.97			267,808.23	8.34%

Montana-Dakota Utilities Company
Common Plant

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

Account No.	Description	Original Cost 12/31/14	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)
398.0	Miscellaneous Equipment	1,238,732.27	0%	1,238,732.27	420,200.24	818,532.03	N/A	N/A	61,936.61	5.00% *
	Sub-Total (General Plant) Amortization	11,660,225.68		11,660,225.68	4,794,886.40	6,865,339.28			1,316,707.51	11.29%
	TOTAL General Plant	68,015,330.13	0.00	68,015,330.13	21,277,409.63	46,737,920.50			3,355,997.91	4.93%
	TOTAL Depreciable Plant	68,015,330.13	0.00	68,015,330.13	21,277,409.63	46,737,920.50			3,355,997.91	4.93%
	<u>Amortizable Plant</u>									
392.3	Aircraft Equipment	4,333,824.70								
	TOTAL Amortizable Plant	4,333,824.70								
	<u>NON-DEPRECIABLE PLANT</u>									
389.0	Land & Land Rights (General)	3,086,836.15								
	Total Land	3,086,836.15								
	INTANGIBLE PLANT									
303.0	Miscellaneous Intangible Plant	50,883,328.74								
	Total Intangible Plant	50,883,328.74								
	TOTAL Non-Depreciable Plant	53,970,164.89								
	TOTAL Plant in Service	126,319,319.72								
	TOTAL Common Utility Plant in Service									

* Based Upon Amortization Rates.

(1) Account Fully Depreciated. No further current depreciation accrual.

Montana-Dakota Utilities Company
Common Plant

Montana-Dakota Utilities Company

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, 2014

Account No.	Description	Original Cost 12/31/14	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 Accrual	Annual Depr. Rate	
											(a)
390.0	General Structures	49,299,196.01	0%	49,299,196.01	(246,141.54)	246,141.54	38-R3	28.2	8,728.42	0.02%	
DEPRECIABLE PLANT											
General Plant											
OFFICE FURNITURE & EQUIPMENT											
391.1	Office Furniture & Equipment	2,599,028.93	0%	2,599,028.93	0.00	0.00	N/A	N/A	0.00	0.00%	
391.3	Computer Equipment - PC	1,796,304.13	0%	1,796,304.13	0.00	0.00	N/A	N/A	0.00	0.00%	
391.5	Computer Equipment - Other	2,083,247.21	0%	2,083,247.21	0.00	0.00	N/A	N/A	0.00	0.00%	
TOTAL Account 391											
TRANSPORTATION EQUIPMENT											
392.1	Transportation Equipment (Trailers)	2,482.58	20%	496.52	0.00	(496.52)	25-L1	23.6	0.00	0.00% (1)	
392.2	Transportation Equipment (Cars & Trucks)	7,053,425.86	20%	1,410,685.17	0.00	(1,410,685.17)	9-R3	4.9	(287,894.93)	-4.08%	
TOTAL Account 392											
393.0	Stores Equipment	97,054.09	0%	97,054.09	0.00	0.00	N/A	N/A	0.00	0.00%	
TOOLS, SHOP & GARAGE EQ.											
394.1	Tools, Shop & Garage Equip. (Non-Unitized)	514,458.89	0%	514,458.89	0.00	0.00	N/A	N/A	0.00	0.00%	
394.3	Vehicle Maintenance Equipment	104,823.25	0%	104,823.25	0.00	0.00	N/A	N/A	0.00	0.00%	
394.4	Vehicle Refueling Equipment	14,529.19	0%	14,529.19	0.00	0.00	N/A	N/A	0.00	0.00%	
TOTAL Account 394											
COMMUNICATION EQUIPMENT											
397.1	Radio Communication Equip. (Fixed)	1,591,742.35	0%	1,591,742.35	0.00	0.00	N/A	N/A	0.00	0.00%	
397.2	Radio Communication Equip. (Mobile)	810,002.48	0%	810,002.48	0.00	0.00	N/A	N/A	0.00	0.00%	
397.3	General Telephone Communication Equip.	508,064.64	0%	508,064.64	0.00	0.00	N/A	N/A	0.00	0.00%	
397.5	Supervisory & Telemetering Equip.	26,716.56	0%	26,716.56	0.00	0.00	N/A	N/A	0.00	0.00%	
397.8	Network Equipment	275,521.69	0%	275,521.69	0.00	0.00	N/A	N/A	0.00	0.00%	
TOTAL Account 397											

**Montana-Dakota Utilities Company
Common Plant**

Montana-Dakota Utilities Company

**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, 2014**

Account No.	Description	Original Cost 12/31/14	Estimated Future		Original Cost Less Salvage	Book Depreciation Reserve	Net Original Cost Less Salvage	A.S.L./ Survivor Curve	Average Remaining Life	Annual Depreciation Accrual	Annual Depr. Rate
			% Net Salvage	Amount							
398.0	Miscellaneous Equipment	1,238,732.27	0%	0.00	1,238,732.27	0.00	0.00	N/A	0.00	0.00%	
	Sub-Total (General Plant) Amortization	11,660,225.68		0.00	11,660,225.68	0.00	0.00		0.00	0.00%	
	TOTAL General Plant	68,015,330.13		1,411,181.69	66,604,148.44	(246,141.54)	(1,165,040.15)		(279,166.51)	-0.41%	
	TOTAL Depreciable Plant	68,015,330.13		1,411,181.69	66,604,148.44	(246,141.54)	(1,165,040.15)		(279,166.51)	-0.41%	
	<u>Amortizable Plant</u>										
392.3	Aircraft Equipment	4,333,824.70									
	TOTAL Amortizable Plant	4,333,824.70									
	<u>NON-DEPRECIABLE PLANT</u>										
389.0	Land & Land Rights (General)	3,086,836.15									
	Total Land	3,086,836.15									
	INTANGIBLE PLANT										
303.0	Miscellaneous Intangible Plant	50,883,328.74									
	Total Intangible Plant	50,883,328.74									
	TOTAL Non-Depreciable Plant	53,970,164.89									
	TOTAL Plant in Service	126,319,319.72									
	TOTAL Common Utility Plant in Service										

* Based Upon Amortization Rates.

(1) Account Fully Depreciated. No further current depreciation accrual.

Montana-Dakota Utilities Company
Common Plant

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

Account No. (a)	Description (b)	Original Cost 12/31/14 (c)	Estimated Future Net Salvage % (d)	Estimated Future Amount (e)	Original Cost Less Salvage (f)	Book Depreciation Reserve (g)	Net Original Cost Less Salvage (h)	A.S.L./ Survivor Curve (i)	Average Remaining Life (j)	Annual Depreciation Accrual (k)	Annual Depr. Rate (l)
390.0	General Structures	49,299,196.01	5%	2,464,959.80	46,834,236.21	1,912,317.79	-4,377,277.59	38-R3	28.2	-155,222.61	-0.31%
DEPRECIABLE PLANT											
General Plant											
OFFICE FURNITURE & EQUIPMENT											
391.1	Office Furniture & Equipment	2,599,028.93	0%	0.00	2,599,028.93	0.00	0.00	N/A	N/A	0.00	0.00%
391.3	Computer Equipment - PC	1,796,304.13	0%	0.00	1,796,304.13	0.00	0.00	N/A	N/A	0.00	0.00%
391.5	Computer Equipment - Other	2,083,247.21	0%	0.00	2,083,247.21	0.00	0.00	N/A	N/A	0.00	0.00%
TOTAL Account 391											
TRANSPORTATION EQUIPMENT											
392.1	Transportation Equipment (Trailers)	2,482.58	0%	0.00	2,482.58	0.00	0.00	25-L1	23.6	0.00	0.00% (1)
392.2	Transportation Equipment (Cars & Trucks)	7,053,425.86	0%	0.00	7,053,425.86	0.00	0.00	9-R3	4.9	0.00	0.00%
TOTAL Account 392											
393.0	Stores Equipment	97,054.09	0%	0.00	97,054.09	0.00	0.00	N/A	N/A	0.00	0.00%
TOOLS, SHOP & GARAGE EQ.											
394.1	Tools, Shop & Garage Equip. (Non-Unitize)	514,458.89	0%	0.00	514,458.89	0.00	0.00	N/A	N/A	0.00	0.00%
394.3	Vehicle Maintenance Equipment	104,823.25	0%	0.00	104,823.25	0.00	0.00	N/A	N/A	0.00	0.00%
394.4	Vehicle Refueling Equipment	14,529.19	0%	0.00	14,529.19	0.00	0.00	N/A	N/A	0.00	0.00%
TOTAL Account 394											
COMMUNICATION EQUIPMENT											
397.1	Radio Communication Equip. (Fixed)	1,591,742.35	0%	0.00	1,591,742.35	0.00	0.00	N/A	N/A	0.00	0.00%
397.2	Radio Communication Equip. (Mobile)	810,002.48	0%	0.00	810,002.48	0.00	0.00	N/A	N/A	0.00	0.00%
397.3	General Telephone Communication Equip.	508,064.64	0%	0.00	508,064.64	0.00	0.00	N/A	N/A	0.00	0.00%
397.5	Supervisory & Telemetering Equip.	26,716.56	0%	0.00	26,716.56	0.00	0.00	N/A	N/A	0.00	0.00%
397.8	Network Equipment	275,521.69	0%	0.00	275,521.69	0.00	0.00	N/A	N/A	0.00	0.00%
TOTAL Account 397											
TOTAL Account 397											

Montana-Dakota Utilities Company
Common Plant

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

Account No.	Description	Original Cost 12/31/14	Estimated Future Net Salvage Amount	Original Cost Less Salvage		Book Depreciation Reserve	Net Original Cost Less Salvage	A.S.L./Survivor Curve	Average Remaining Life	Annual Depreciation Accrual	Annual Depr. Rate	
				(c)	(d)							(e)
398.0	Miscellaneous Equipment	1,238,732.27	0.00	0.00	1,238,732.27	0.00	0.00	N/A	N/A	0.00	0.00%	
	Sub-Total (General Plant) Amortization	11,660,225.68	0.00	0.00	11,660,225.68	0.00	0.00			0.00	0.00%	
	TOTAL General Plant	68,015,330.13	2,464,959.80	2,464,959.80	65,550,370.33	1,912,317.79	-4,377,277.59			-155,222.61	-0.23%	
	TOTAL Depreciable Plant	68,015,330.13	2,464,959.80	2,464,959.80	65,550,370.33	1,912,317.79	-4,377,277.59			-155,222.61	-0.23%	
	<u>Amortizable Plant</u>											
392.3	Aircraft Equipment	4,333,824.70										
	TOTAL Amortizable Plant	4,333,824.70										
	<u>NON-DEPRECIABLE PLANT</u>											
389.0	Land & Land Rights (General)	3,086,836.15										
	Total Land	3,086,836.15										
	INTANGIBLE PLANT											
303.0	Miscellaneous Intangible Plant	50,883,328.74										
	Total Intangible Plant	50,883,328.74										
	TOTAL Non-Depreciable Plant	53,970,164.89										
	TOTAL Plant in Service	126,319,319.72										
	TOTAL Common Utility Plant in Service											

* Based Upon Amortization Rates.

(1) Account Fully Depreciated. No further current depreciation accrual.

Table 3

**Montana-Dakota Utilities
Common Plant**

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

Account No. (a)	<u>Description</u> (b)	Original Cost Per Co. Books <u>12/31/14</u> (c)	(Pending) <u>Retirements</u> (d)	Original Cost Per Depr Study Data <u>12/31/14</u> (e)
<u>DEPRECIABLE PLANT</u>				
<u>General Plant</u>				
390.0	General Structures	49,299,196.01		49,299,196.01
OFFICE FURNITURE & EQUIPMENT				
391.1	Office Furniture & Equipment	2,599,028.93		2,599,028.93
391.2	Computer Equipment - Honeywell	0.00		0.00
391.3	Computer Equipment - PC	1,796,304.13		1,796,304.13
391.4	Computer Equipment - Prime/Sun	0.00		0.00
391.5	Computer Equipment - Other	2,083,247.21		2,083,247.21
	TOTAL Account 391	6,478,580.27	0.00	6,478,580.27
TRANSPORTATION EQUIPMENT				
392.1	Transportation Equipment (Trailers)	2,482.58		2,482.58
392.2	Transportation Equipment (Cars & Trucks)	7,053,425.86		7,053,425.86
	TOTAL Account 392	7,055,908.44	0.00	7,055,908.44
393.0	Stores Equipment	97,054.09		97,054.09
TOOLS, SHOP & GARAGE EQ.				
394.1	Tools, Shop & Garage Equip. (Non-Unitizec	514,458.89		514,458.89
394.3	Vehicle Maintenance Equipment	104,823.25		104,823.25
394.4	Vehicle Refueling Equipment	14,529.19		14,529.19
	TOTAL Account 394	633,811.33	0.00	633,811.33

Table 3

**Montana-Dakota Utilities
Common Plant**

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

Account <u>No.</u> (a)	<u>Description</u> (b)	Original Cost Per Co. Books <u>12/31/14</u> (c)	(Pending) <u>Retirements</u> (d)	Original Cost Per Depr Study Data <u>12/31/14</u> (e)
	COMMUNICATION EQUIPMENT			
397.1	Radio Communication Equip. (Fixed)	1,591,742.35		1,591,742.35
397.2	Radio Communication Equip. (Mobile)	810,002.48		810,002.48
397.3	General Telephone Communication Equip.	508,064.64		508,064.64
397.5	Supervisory & Telemetering Equip.	26,716.56		26,716.56
397.8	Network Equipment	275,521.69		275,521.69
	TOTAL Account 397	3,212,047.72	0.00	3,212,047.72
398.0	Miscellaneous Equipment	1,238,732.27		1,238,732.27
	Sub-Total (General Plant) Amortization	11,660,225.68	0.00	11,660,225.68
	TOTAL General Plant	68,015,330.13	0.00	68,015,330.13
	TOTAL Depreciable Plant	68,015,330.13	0.00	68,015,330.13
	<u>Amortizable Plant</u>			
392.3	Aircraft Equipment	4,333,824.70		4,333,824.70
	TOTAL Amortizable Plant	4,333,824.70	0.00	4,333,824.70
	<u>NON-DEPRECIABLE PLANT</u>			
389.0	Land & Land Rights (General)	3,086,836.15		3,086,836.15
	Total Land	3,086,836.15	0.00	3,086,836.15
	INTANGIBLE PLANT			
303.0	Miscellaneous Intangible Plant	50,883,328.74		50,883,328.74
	Total Intangible Plant	50,883,328.74	0.00	50,883,328.74
	TOTAL Non-Depreciable Plant	53,970,164.89	0.00	53,970,164.89
	TOTAL Plant in Service	126,319,319.72	0.00	126,319,319.72

Table 4

**Montana-Dakota Utilities Company
Common Plant**

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

Account <u>No.</u> (a)	<u>Description</u> (b)	Depr Reserve Per Books <u>12/31/14</u> (c)	(Pending) <u>Retirements</u> (d)	Depr Reserve Per Depr Study <u>12/31/14</u> (e)
<u>DEPRECIABLE PLANT</u>				
<u>General Plant</u>				
390.00	General Structures	14,804,363.01		14,804,363.01
OFFICE FURNITURE & EQUIPMENT				
391.10	Office Furniture & Equipment	1,197,289.08		1,197,289.08
391.20	Computer Equipment - Honeywell	0.00		0.00
391.30	Computer Equipment - PC	848,650.94		848,650.94
391.40	Computer Equipment - Prime/Sun	0.00		0.00
391.50	Computer Equipment - Other	1,043,724.92		1,043,724.92
	TOTAL Account 391	3,089,664.94	0.00	3,089,664.94
TRANSPORTATION EQUIPMENT				
392.10	Transportation Equipment (Trailers)	137.60		137.60
392.20	Transportation Equipment (Cars & Trucks)	3,344,198.87		3,344,198.87
	TOTAL Account 392	3,344,336.47	0.00	3,344,336.47
393.00	Stores Equipment	39,609.25		39,609.25
TOOLS, SHOP & GARAGE EQ.				
394.10	Tools, Shop & Garage Equip. (Non-Unitized)	262,037.30		262,037.30
394.30	Vehicle Maintenance Equipment	52,564.22		52,564.22
394.40	Vehicle Refueling Equipment	10,087.70		10,087.70
	TOTAL Account 394	324,689.22	0.00	324,689.22
COMMUNICATION EQUIPMENT				
397.10	Radio Communication Equip. (Fixed)	443,197.15		443,197.15
397.20	Radio Communication Equip. (Mobile)	231,171.48		231,171.48
397.30	General Telephone Communication Equip.	89,594.17		89,594.17
397.50	Supervisory & Telemetering Equip.	2,830.63		2,830.63
397.80	Network Equipment	153,929.32		153,929.32
	TOTAL Account 397	920,722.75	0.00	920,722.75

Table 4

**Montana-Dakota Utilities Company
Common Plant**

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

Account <u>No.</u> (a)	<u>Description</u> (b)	Depr Reserve Per Books <u>12/31/14</u> (c)	(Pending) <u>Retirements</u> (d)	Depr Reserve Per Depr Study <u>12/31/14</u> (e)
398.00	Miscellaneous Equipment	420,200.24		420,200.24
	Sub-Total (General Plant) Amortization	4,794,886.40		4,794,886.40
	TOTAL General Plant	22,943,585.88	0.00	22,943,585.88
	TOTAL Depreciable Plant	22,943,585.88	0.00	22,943,585.88
	<u>Amortizable Plant</u>			
392.30	Aircraft Equipment	2,219,871.79		2,219,871.79
	TOTAL Amortizable Plant	2,219,871.79	0.00	2,219,871.79
	<u>NON-DEPRECIABLE PLANT</u>			
389.00	Land & Land Rights (General)	0.00		0.00
	Total Land	0.00	0.00	0.00
	INTANGIBLE PLANT			
303.00	Miscellaneous Intangible Plant	18,334,573.27		18,334,573.27
	Total Intangible Plant	18,334,573.27	0.00	18,334,573.27
	TOTAL Non-Depreciable Plant	18,334,573.27	0.00	18,334,573.27
	TOTAL Plant in Service	43,498,030.94	0.00	43,498,030.94
	TOTAL Common Utility Plant in Service	43,498,030.94	0.00	43,498,030.94
399.00	ARO	0.00		
	Total Including ARO	43,498,030.94		

Table 5

**Montana-Dakota Utilities Company
Common Plant**

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

Account No.	Description	Present Parameters					Proposed Parameters					
		Original Cost 12/31/14 (c)	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/ COR % (j)	W/O COR % (k)	Gross COR % (l)	A.S.L./ Survivor Curve (n)	Average Remaining Life (o)
DEPRECIABLE PLANT												
General Plant												
390.0	General Structures	49,299,196.01	-10%	-10%	35-R3	2.11%	17.8	5%	0%	5%	38-R3	28.2
OFFICE FURNITURE & EQUIPMENT												
391.1	Office Furniture & Equipment	2,599,028.93	0%	0%	N/A	6.67%	23.8	0%	0%	0%	N/A	*
391.3	Computer Equipment - PC	1,796,304.13	0%	0%	5-R3	20.00%	26.1	0%	0%	0%	N/A	*
391.5	Computer Equipment - Other	2,083,247.21	0%	0%	N/A	20.00%	26.2	0%	0%	0%	N/A	*
TOTAL Account 391		6,478,580.27										
TRANSPORTATION EQUIPMENT												
392.1	Transportation Equipment (Trailers)	2,482.58	15%	0%	20-L2	4.17%	8.0	20%	20%	0%	25-L1	23.6
392.2	Transportation Equipment (Cars & Trucks)	7,053,425.86	20%	0%	7-R3	4.11%	3.2	20%	20%	0%	9-R3	4.9
TOTAL Account 392		7,055,908.44										
393.0	Stores Equipment	97,054.09	0%	0%	N/A	3.33%	24.0	0%	0%	0%	N/A	*
TOOLS, SHOP & GARAGE EQ.												
394.1	Tools, Shop & Garage Equip. (Non-Unitized)	514,458.89	0%	0%	N/A	5.56%	12.6	0%	0%	0%	N/A	*
394.3	Vehicle Maintenance Equipment	104,823.25	0%	0%	N/A	5.00%	16.5	0%	0%	0%	N/A	*
394.4	Vehicle Refueling Equipment	14,529.19	0%	0%	N/A	5.00%	5.5	0%	0%	0%	N/A	*
TOTAL Account 394		633,811.33										
COMMUNICATION EQUIPMENT												
397.1	Radio Communication Equip. (Fixed)	1,591,742.35	-10%	-10%	N/A	6.67%	12.3	0%	0%	0%	N/A	*
397.2	Radio Communication Equip. (Mobile)	810,002.48	0%	0%	N/A	6.67%	7.6	0%	0%	0%	N/A	*
397.3	General Telephone Communication Equip.	508,064.64	10%	0%	N/A	10.00%	9.8	0%	0%	0%	N/A	*
397.5	Supervisory & Telemetering Equip.	26,716.56	0%	0%	N/A	6.67%	9.3	0%	0%	0%	N/A	*
397.8	Network Equipment	275,521.69	0%	0%	N/A	20.00%	2.4	0%	0%	0%	N/A	*
TOTAL Account 397		3,212,047.72										
398.0	Miscellaneous Equipment	1,238,732.27	5%	0%	N/A	5.00%	11.3	0%	0%	0%	N/A	*
Sub-Total (General Plant) Amortization		11,660,225.68										
TOTAL General Plant		68,015,330.13										
TOTAL Depreciable Plant		68,015,330.13										

Montana-Dakota Utilities Company
Common Plant

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

Account No. (a)	Description (b)	Original Cost 12/31/14 (c)	Present Parameters				Proposed Parameters								
			Net Salvage W/ COR % (d)	Net Salvage W/O COR % (e)	Gross COR % (f)	A.S.L./ Survivor Curve (g)	Present Depr. Rate-% (h)	Average Remaining Life (i)	Net Salvage W/ COR % (j)	Net Salvage W/O COR % (k)	Gross COR % (l)	A.S.L./ Survivor Curve (n)	Average Remaining Life (o)		
Amortizable Plant															
392.3	Aircraft Equipment	4,333,824.70													
	TOTAL Amortizable Plant	4,333,824.70													
NON-DEPRECIABLE PLANT															
389.0	Land & Land Rights (General)	3,086,836.15													
	Total Land	3,086,836.15													
INTANGIBLE PLANT															
303.0	Miscellaneous Intangible Plant	50,883,328.74													
	Total Intangible Plant	50,883,328.74													
	TOTAL Non-Depreciable Plant	53,970,164.89													
	TOTAL Plant in Service	126,319,319.72													

TOTAL Common Utility Plant in Service

* Based Upon Amortization Rates.

Montana-Dakota Utilities Company
Common Plant

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

Account No.	Description (b)	Original Cost (c)		Present Rates (d)		Annual Accrual (e)		Proposed Amortization Rate % (f)		Annual Accrual (g)	Net Change Depr/Amort Expense (h)
		12/31/14		Rate %	Rate %	Accrual	Accrual	Rate %	Rate %		
DEPRECIABLE GENERAL PLANT											
OFFICE FURNITURE & EQUIPMENT											
391.1	Office Furniture & Equipment	2,599,028.93		6.67%		173,268.60		6.67%		173,268.60	0.00
391.3	Computer Equipment - PC	1,796,304.13		20.00%		359,260.83		20.00%		359,260.83	0.00
391.5	Computer Equipment - Other	2,083,247.21		20.00%		416,649.44		20.00%		416,649.44	0.00
	TOTAL Account 391	6,478,580.27		14.65%		949,178.87		14.65%		949,178.87	0.00
393	Stores Equipment	97,054.09		3.33%		3,235.14		3.33%		3,235.14	0.00
TOOLS, SHOP & GARAGE EQ.											
394.1	Tools, Shop & Garage Equip. (Non-Unitized)	514,458.89		5.56%		28,581.05		5.56%		28,581.05	0.00
394.3	Vehicle Maintenance Equipment	104,823.25		5.00%		5,241.16		5.00%		5,241.16	0.00
394.4	Vehicle Refueling Equipment	14,529.19		5.00%		726.46		5.00%		726.46	0.00
	TOTAL Account 394	633,811.33		5.45%		34,548.67		5.45%		34,548.67	0.00
COMMUNICATION EQUIPMENT											
397.1	Radio Communication Equip. (Fixed)	1,591,742.35		6.67%		106,116.16		6.67%		106,116.16	0.00
397.2	Radio Communication Equip. (Mobile)	810,002.48		6.67%		54,000.17		6.67%		54,000.17	0.00
397.3	General Telephone Communication Equip.	508,064.64		10.00%		50,806.46		10.00%		50,806.46	0.00
397.5	Supervisory & Telemetering Equip.	26,716.56		6.67%		1,781.10		6.67%		1,781.10	0.00
397.8	Network Equipment	275,521.69		20.00%		55,104.34		20.00%		55,104.34	0.00
	TOTAL Account 397	3,212,047.72		8.34%		267,808.23		8.34%		267,808.23	0.00
398	Miscellaneous Equipment	1,238,732.27		5.00%		61,936.61		5.00%		61,936.61	0.00
	Total (General Plant) Amortization	11,660,225.68		11.29%		1,316,707.52		11.29%		1,316,707.52	0.00

Montana-Dakota Utilities

Table 7

Account 391.10 - Office Furniture & Equipment

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Service 15 Years

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount
2000	112,470.56	105,309.17	7,161.39	1	7,498.04
2001	259,787.82	226,470.62	33,317.20	2	17,319.19
2002	128,177.44	103,462.01	24,715.43	3	8,545.16
2003	200,359.86	148,787.99	51,571.87	4	13,357.32
2004	238,450.48	161,676.47	76,774.01	5	15,896.70
2005	194,119.53	119,083.65	75,035.88	6	12,941.30
2006	113,039.74	62,045.37	50,994.37	7	7,535.98
2007	287,605.77	139,289.43	148,316.34	8	19,173.72
2008	95,339.47	40,017.08	55,322.39	9	6,355.96
2009	-	-	-	10	-
2010	32,157.67	9,344.51	22,813.16	11	2,143.84
2011	74,683.24	16,879.15	57,804.09	12	4,978.88
2012	216,594.23	34,966.02	181,628.21	13	14,439.62
2013	140,803.66	13,638.43	127,165.23	14	9,386.91
	<u>2,599,028.93</u>	<u>1,197,289.08</u>	<u>1,401,739.85</u>		<u>173,268.60</u>

Composite Depr. Rate 173,268.60 / 2,599,028.93 = 6.67%

Montana-Dakota Utilities

Table 7

Account 391.30 - Computer Equipment - PC

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Service 5 Years

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount
2010	278,017.93	260,892.89	17,125.04	1	55,603.59
2011	281,451.83	205,422.99	76,028.84	2	56,290.37
2012	412,086.52	214,835.15	197,251.37	3	82,417.30
2013	390,851.86	122,258.87	268,592.99	4	78,170.37
2014	433,895.99	45,241.04	388,654.95	5	86,779.20
	1,796,304.13	848,650.95	947,653.18		359,260.83

Composite Depr. Rate 359,260.83 / 1,796,304.13 = 20.00%

Montana-Dakota Utilities

Table 7

Account 391.50 - Computer Equipment - Other

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Service 5 Years

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount
2011	9,116.71	6,542.27	2,574.44	2	1,823.34
2012	2,010,784.29	1,030,688.66	980,095.63	3	402,156.86
2013	-	-	-	4	-
2014	63,346.21	6,494.01	56,852.20	5	12,669.24
	<u>2,083,247.21</u>	<u>1,043,724.93</u>	<u>1,039,522.28</u>		<u>416,649.44</u>

Composite Depr. Rate 416,649.44 / 2,083,247.21 = 20.00%

Montana-Dakota Utilities
Account 393 - Stores Equipment

Table 7

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Service **30 Years**

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount
1995	10,272.04	8,685.30	1,586.74	11	342.40
1996		-	-	12	-
1997	18,926.69	14,361.71	4,564.98	13	630.89
1998		-	-	14	-
1999	9,502.32	6,386.38	3,115.94	15	316.74
2000	12,486.01	7,850.28	4,635.73	16	416.20
2001		-	-	17	-
2002		-	-	18	-
2003		-	-	19	-
2004	-	-	-	20	-
2005	-	-	-	21	-
2006	-	-	-	22	-
2007	4,385.78	1,426.27	2,959.51	23	146.19
2008	-	-	-	24	-
2009	-	-	-	25	-
2010	-	-	-	26	-
2011	-	-	-	27	-
2012	-	-	-	28	-
2013	-	-	-	29	-
2014	41,481.25	899.32	40,581.93	30	1,382.71
	<u>97,054.09</u>	<u>39,609.25</u>	<u>57,444.84</u>		<u>3,235.14</u>

Composite Depr. Rate 3,235.14 / 97,054.09 = 3.33%

Montana-Dakota Utilities

Table 7

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

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Service 18 Years

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount
1996	6,676.00	6,676.00	-	-	370.89
1997	35,774.05	35,774.05	-	1	1,987.45
1998	24,269.19	24,269.19	-	2	1,348.29
1999	18,290.18	18,290.18	-	3	1,016.12
2000	29,508.19	29,508.19	-	4	1,639.34
2001	10,700.16	9,088.02	1,612.14	5	594.45
2002	12,564.39	9,694.44	2,869.95	6	698.02
2003	4,145.01	2,942.35	1,202.66	7	230.28
2004	46,034.92	29,836.51	16,198.41	8	2,557.50
2005	30,657.04	17,977.33	12,679.71	9	1,703.17
2006	34,082.71	17,882.34	16,200.37	10	1,893.48
2007	15,616.53	7,229.65	8,386.88	11	867.59
2008	46,070.14	18,484.35	27,585.79	12	2,559.45
2009	6,617.89	2,246.74	4,371.15	13	367.66
2010	29,472.55	8,186.56	21,285.99	14	1,637.36
2011	64,949.37	14,031.83	50,917.54	15	3,608.30
2012	39,091.97	6,032.52	33,059.45	16	2,171.78
2013	33,002.84	3,055.72	29,947.12	17	1,833.49
2014	26,935.76	831.32	26,104.44	18	1,496.43
	514,458.89	262,037.30	252,421.59		28,581.05

Composite Depr. Rate 28,581.05 / 514,458.89 = 5.56%

Montana-Dakota Utilities

Table 7

Account 394.3 - Vehicle Maintenance Equipment

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Service **20 Years**

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount
1998	15,978.08	12,955.77	3,022.31	4	798.90
1999	3,603.02	2,744.44	858.58	5	180.15
2000	5,963.88	4,249.64	1,714.24	6	298.19
2001	2,238.57	1,485.11	753.46	7	111.93
2002		-	-	8	-
2003	9,575.67	5,411.55	4,164.12	9	478.78
2004	3,101.37	1,600.29	1,501.08	10	155.07
2005		-	-	11	-
2006	8,048.09	3,361.76	4,686.33	12	402.40
2007	56,314.57	20,755.67	35,558.90	13	2,815.73
2008		-	-	14	-
2009		-	-	15	-
2010		-	-	16	-
2011		-	-	17	-
2012		-	-	18	-
2013		-	-	19	-
2014		-	-	20	-
	<u>104,823.25</u>	<u>52,564.22</u>	<u>52,259.03</u>		<u>5,241.16</u>

Composite Depr. Rate 5,241.16 / 104,823.25 = 5.00%

Montana-Dakota Utilities

Table 7

Account 394.4 - Vehicle Refueling Equipment

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Service **20 Years**

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount
2001	10,714.54	8,066.70	2,647.84	7	535.73
2002		-	-	8	-
2003		-	-	9	-
2004		-	-	10	-
2005	3,814.65	2,021.00	1,793.65	11	190.73
2006		-	-	12	-
2007		-	-	13	-
2008		-	-	14	-
2009		-	-	15	-
2010		-	-	16	-
2011		-	-	17	-
2012		-	-	18	-
2013		-	-	19	-
2014		-	-	20	-
	14,529.19	10,087.70	4,441.49		726.46

Composite Depr. Rate 726.46 / 14,529.19 = 5.00%

Montana-Dakota Utilities

Table 7

Account 397.10 - Radio Communications Equipment (Fixed)

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Service 15 Years

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount
2000	70,244.37	61,177.82	9,066.55	1	4,682.96
2001		-	-	2	-
2002	27,105.71	20,350.98	6,754.73	3	1,807.05
2003	2,425.10	1,675.10	750.00	4	161.67
2004	25,355.96	15,991.30	9,364.66	5	1,690.40
2005	16,932.68	9,661.93	7,270.75	6	1,128.85
2006	62,129.28	31,719.75	30,409.53	7	4,141.95
2007	6,750.02	3,040.75	3,709.27	8	450.00
2008	25,327.84	9,888.40	15,439.44	9	1,688.52
2009	678,246.85	224,060.34	454,186.51	10	45,216.46
2010	67,374.52	18,210.54	49,163.98	11	4,491.63
2011	91,653.20	19,267.71	72,385.49	12	6,110.21
2012	27,015.84	4,056.70	22,959.14	13	1,801.06
2013	155,578.42	14,017.00	141,561.42	14	10,371.89
2014	335,602.56	10,078.82	325,523.74	15	22,373.50
	<u>1,591,742.35</u>	<u>443,197.15</u>	<u>1,148,545.20</u>		<u>106,116.16</u>

Composite Depr. Rate 106,116.16 / 1,591,742.35 = 6.67%

Montana-Dakota Utilities

Table 7

Account 397.20 - Radio Communications Equipment (Mobile)

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Service | 15 Years

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount
2002	10,689.91	8,319.40	2,370.51	3	712.66
2003	16,673.03	11,937.69	4,735.34	4	1,111.54
2004	41,983.31	27,445.67	14,537.64	5	2,798.89
2005	8,242.00	4,874.88	3,367.12	6	549.47
2006	-	-	-	7	-
2007	1,255.68	586.34	669.34	8	83.71
2008	95,101.86	38,486.66	56,615.20	9	6,340.12
2009	265,292.40	90,843.80	174,448.60	10	17,686.16
2010	61,810.83	17,317.49	44,493.34	11	4,120.72
2011	56,091.35	12,222.83	43,868.52	12	3,739.42
2012	64,821.15	10,089.38	54,731.77	13	4,321.41
2013	51,295.64	4,790.49	46,505.15	14	3,419.71
2014	136,745.32	4,256.87	132,488.45	15	9,116.35
	810,002.48	231,171.48	578,831.00		54,000.17

Composite Depr. Rate 54,000.17 / 810,002.48 = 6.67%

Montana-Dakota Utilities

Table 7

Account 397.30 - General Telephone Communication Equipment

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Service 10 Years

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount
2005	683.97	498.37	185.60	1	68.40
2006		-	-	2	-
2007	46,853.50	26,951.99	19,901.51	3	4,685.35
2008	26,647.79	13,285.02	13,362.77	4	2,664.78
2009	717.34	302.60	414.74	5	71.73
2010	-	-	-	6	-
2011	-	-	-	7	-
2012	22,514.99	4,317.17	18,197.82	8	2,251.50
2013	371,466.82	42,736.49	328,730.33	9	37,146.68
2014	39,180.23	1,502.53	37,677.70	10	3,918.02
	<u>508,064.64</u>	<u>89,594.17</u>	<u>418,470.47</u>		<u>50,806.46</u>

Composite Depr. Rate 50,806.46 / 418,470.47 = 10.00%

Montana-Dakota Utilities

Table 7

Account 397.50 - Supervisory & Telemetry Equipment

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Service 15 Years

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount
2005	2,001.82	1,129.18	872.64	6	133.45
2006	-	-	-	7	-
2007	-	-	-	8	-
2008	-	-	-	9	-
2009	-	-	-	10	-
2010	-	-	-	11	-
2011	-	-	-	12	-
2012	3,111.92	461.94	2,649.98	13	207.46
2013	10,073.86	897.23	9,176.63	14	671.59
2014	11,528.96	342.28	11,186.68	15	768.60
	<u>26,716.56</u>	<u>2,830.63</u>	<u>23,885.93</u>		<u>1,781.10</u>

Composite Depr. Rate 1,781.10 / 26,716.56 = 6.67%

Montana-Dakota Utilities

Table 7

Account 397.8 - Network Equipment

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Service **5 Years**

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount
2009	12,511.22	12,511.22	-	-	2,502.24
2010	124,218.01	103,822.33	20,395.68	1	24,843.60
2011	14,912.44	9,769.10	5,143.34	2	2,982.49
2012	36,883.11	17,258.60	19,624.51	3	7,376.62
2013	12,963.75	3,639.65	9,324.10	4	2,592.75
2014	74,033.16	6,928.42	67,104.74	5	14,806.63
	275,521.69	153,929.32	121,592.37		55,104.34

Composite Depr. Rate 55,104.34 / 275,521.69 = 20.00%

Montana-Dakota Utilities

Table 7

Account 398.0 - Miscellaneous Equipment

Development of Annual Amortization Amount Over Estimated Average Life of Property

Average Service Life: 20 Years

Year	Original Cost	12/31/2014 Accum. Reserve	Remaining Amount To Be Amortized	Remaining Amortization Period	Annual Amortization Amount
1994	22,987.54	22,987.54	-	-	1,149.38
1995	11,583.82	11,583.82	-	1	579.19
2009	-	-	-	15	-
2010	74,799.68	18,211.09	56,588.59	16	3,739.98
2011	31,820.28	6,025.54	25,794.74	17	1,591.01
2012	385,682.19	52,166.69	333,515.50	18	19,284.11
2013	44,771.16	3,633.40	41,137.76	19	2,238.56
2014	123,935.77	3,352.67	120,583.10	20	6,196.79
	<u>1,238,732.27</u>	<u>420,200.24</u>	<u>818,532.03</u>		<u>61,936.61</u>

Composite Depr. Rate = $\frac{61,936.61}{1,238,732.27} = 5.00\%$