

SECTION 8

Montana-Dakota Utilities Company
Electric Plant

311.00 Steam Production Structures & Improvement

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1969 - 2014

<u>Year</u>	<u>Original Cost Of</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
	<u>Retirements</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>							
1969	0.00	130.10	0.00%	0.00	0.00%	130.10	0.00%
1970	770.00	75.00	9.74%	0.00	0.00%	75.00	9.74%
1971	3,000.00	104.00	3.47%	0.00	0.00%	104.00	3.47%
1972	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1973	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1974	92,904.28	0.00	0.00%	37,290.86	40.14%	(37,290.86)	-40.14%
1975	0.00	0.00	0.00%	1,929.35	0.00%	(1,929.35)	0.00%
1976	405,996.63	75.35	0.02%	3,847.60	0.95%	(3,772.25)	-0.93%
1977	3,178.58	5,554.40	174.74%	1,251.70	39.38%	4,302.70	135.37%
1978	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1979	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1980	920.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1981	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983	1,480.19	0.00	0.00%	0.00	0.00%	0.00	0.00%
1984	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985	185,283.66	4,000.00	2.16%	0.00	0.00%	4,000.00	2.16%
1986	529,842.29	-502.12	-0.09%	3,338.32	0.63%	(3,840.44)	-0.72%
1987	27,100.52	0.00	0.00%	48,925.81	180.53%	(48,925.81)	-180.53%
1988	0.00	0.00	0.00%	62,083.49	0.00%	(62,083.49)	0.00%
1989	21.10	0.00	0.00%	9,759.34	5252.80%	(9,759.34)	16252.80%
1990	19,436.67	0.00	0.00%	50,450.14	259.56%	(50,450.14)	-259.56%
1991	363,435.20	0.00	0.00%	5,879.76	1.62%	(5,879.76)	-1.62%
1992	825.00	0.00	0.00%	17,854.61	2164.20%	(17,854.61)	-2164.20%
1993	1,127.05	0.00	0.00%	(16,404.05)	1455.49%	16,404.05	1455.49%
1994	97,436.46	0.00	0.00%	34,199.22	35.10%	(34,199.22)	-35.10%
1995	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996	39,570.58	0.00	0.00%	7,668.38	19.38%	(7,668.38)	-19.38%

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<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>							
1997	95,371.86	82.29	0.09%	12,838.08	13.46%	(12,755.79)	-13.37%
1998	60,234.27	0.00	0.00%	12,298.81	20.42%	(12,298.81)	-20.42%
1999	52,903.16	0.00	0.00%	46,767.93	88.40%	(46,767.93)	-88.40%
2000	113,777.73	0.00	0.00%	13,150.86	11.56%	(13,150.86)	-11.56%
2001	50,140.61	29.51	0.06%	6,606.02	13.17%	(6,576.51)	-13.12%
2002	77,968.87	0.00	0.00%	12,987.04	16.66%	(12,987.04)	-16.66%
2003	83,131.22	146.25	0.18%	18,479.52	22.23%	(18,333.27)	-22.05%
2004	182,350.28	2,118.63	1.16%	13,535.16	7.42%	(11,416.53)	-6.26%
2005	86,209.71	748.00	0.87%	108,781.06	126.18%	(108,033.06)	-125.31%
2006	149,329.28	0.00	0.00%	418,674.03	280.37%	(418,674.03)	-280.37%
2007	263,865.27	0.00	0.00%	83,273.93	31.56%	(83,273.93)	-31.56%
2008	140,118.33	0.00	0.00%	336,625.05	240.24%	(336,625.05)	-240.24%
2009	59,199.26	0.00	0.00%	60,194.71	101.68%	(60,194.71)	-101.68%
2010	245,304.93	0.00	0.00%	561,184.58	228.77%	(561,184.58)	-228.77%
2011	219,319.23	0.00	0.00%	146,745.57	66.91%	(146,745.57)	-66.91%
2012	387,745.52	0.00	0.00%	189,653.33	48.91%	(189,653.33)	-48.91%
2013	66,023.33	0.00	0.00%	79,258.92	120.05%	(79,258.92)	-120.05%
2014	56,135.00	0.00	0.00%	10,003.52	17.82%	(10,003.52)	-17.82%

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<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>							
1969 - 1971	3,770.00	309.10	8.20%	0.00	0.00%	309.10	8.20%
1970 - 1972	3,770.00	179.00	4.75%	0.00	0.00%	179.00	4.75%
1971 - 1973	3,000.00	104.00	3.47%	0.00	0.00%	104.00	3.47%
1972 - 1974	92,904.28	0.00	0.00%	37,290.86	40.14%	(37,290.86)	-40.14%
1973 - 1975	92,904.28	0.00	0.00%	39,220.21	42.22%	(39,220.21)	-42.22%
1974 - 1976	498,900.91	75.35	0.02%	43,067.81	8.63%	(42,992.46)	-8.62%
1975 - 1977	409,175.21	5,629.75	1.38%	7,028.65	1.72%	(1,398.90)	-0.34%
1976 - 1978	409,175.21	5,629.75	1.38%	5,099.30	1.25%	530.45	0.13%
1977 - 1979	3,178.58	5,554.40	174.74%	1,251.70	39.38%	4,302.70	135.37%
1978 - 1980	920.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1979 - 1981	920.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1980 - 1982	920.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1981 - 1983	1,480.19	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982 - 1984	1,480.19	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983 - 1985	186,763.85	4,000.00	2.14%	0.00	0.00%	4,000.00	2.14%
1984 - 1986	715,125.95	3,497.88	0.49%	3,338.32	0.47%	159.56	0.02%
1985 - 1987	742,226.47	3,497.88	0.47%	52,264.13	7.04%	(48,766.25)	-6.57%
1986 - 1988	556,942.81	-502.12	-0.09%	114,347.62	20.53%	(114,849.74)	-20.62%
1987 - 1989	27,121.62	0.00	0.00%	120,768.64	445.29%	(120,768.64)	-445.29%
1988 - 1990	19,457.77	0.00	0.00%	122,292.97	628.50%	(122,292.97)	-628.50%
1989 - 1991	382,892.97	0.00	0.00%	66,089.24	17.26%	(66,089.24)	-17.26%
1990 - 1992	383,696.87	0.00	0.00%	74,184.51	19.33%	(74,184.51)	-19.33%
1991 - 1993	365,387.25	0.00	0.00%	7,330.32	2.01%	(7,330.32)	-2.01%
1992 - 1994	99,388.51	0.00	0.00%	35,649.78	35.87%	(35,649.78)	-35.87%
1993 - 1995	98,563.51	0.00	0.00%	17,795.17	18.05%	(17,795.17)	-18.05%
1994 - 1996	137,007.04	0.00	0.00%	41,867.60	30.56%	(41,867.60)	-30.56%
1995 - 1997	134,942.44	82.29	0.06%	20,506.46	15.20%	(20,424.17)	-15.14%
1996 - 1998	195,176.71	82.29	0.04%	32,805.27	16.81%	(32,722.98)	-16.77%

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		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1997 - 1999	208,509.29	82.29	0.04%	71,904.82	34.49%	(71,822.53)	-34.45%
1998 - 2000	226,915.16	0.00	0.00%	72,217.60	31.83%	(72,217.60)	-31.83%
1999 - 2001	216,821.50	29.51	0.01%	66,524.81	30.68%	(66,495.30)	-30.67%
2000 - 2002	241,887.21	29.51	0.01%	32,743.92	13.54%	(32,714.41)	-13.52%
2001 - 2003	211,240.70	175.76	0.08%	38,072.58	18.02%	(37,896.82)	-17.94%
2002 - 2004	343,450.37	2,264.88	0.66%	45,001.72	13.10%	(42,736.84)	-12.44%
2003 - 2005	351,691.21	3,012.88	0.86%	140,795.74	40.03%	(137,782.86)	-39.18%
2004 - 2006	417,889.27	2,866.63	0.69%	540,990.25	129.46%	(538,123.62)	-128.77%
2005 - 2007	499,404.26	748.00	0.15%	610,729.02	122.29%	(609,981.02)	-122.14%
2006 - 2008	553,312.88	0.00	0.00%	838,573.01	151.55%	(838,573.01)	-151.55%
2007 - 2009	463,182.86	0.00	0.00%	480,093.69	103.65%	(480,093.69)	-103.65%
2008 - 2010	444,622.52	0.00	0.00%	958,004.34	215.46%	(958,004.34)	-215.46%
2009 - 2011	523,823.42	0.00	0.00%	768,124.86	146.64%	(768,124.86)	-146.64%
2010 - 2012	852,369.68	0.00	0.00%	897,583.48	105.30%	(897,583.48)	-105.30%
2011 - 2013	673,088.08	0.00	0.00%	415,657.82	61.75%	(415,657.82)	-61.75%
2012 - 2014	509,903.85	0.00	0.00%	278,915.77	54.70%	(278,915.77)	-54.70%

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	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>

Three - Year Rolling Bands

1969 - 2014	4,161,456.07	12,561.41	0.30	2,399,132.65	57.65	(2,386,571.24)	-57.35
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Trend Analysis (End Year) 2014

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

Annual Inflation Rate	2.75%
Average Service Life (ASL)	63.0
Average Retirement Age (Yrs)	30.5
Years To ASL	32.5
Inflation Factor At 2.75% to ASL	2.41

Gross Salvage
Linear Trend Analysis

1995-2014	20 - Year Trend	0.14%
2000-2014	15 - Year Trend	0.03%
2005-2014	10 - Year Trend	0.00%
2010-2014	5 - Year Trend	0.00%

Forecasted

Gross Salvage	0.00%
(Five Year Trend)	
Cost Of Removal	139.20%
Net Salvage	-139.20%

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312.00 Boiler Plant Equipment

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	<u>Retirements</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>							
1968	0.00	150.00	0.00%	0.00	0.00%	150.00	0.00%
1969	-5,059.35	237.24	0.00%	0.00	0.00%	237.24	0.00%
1970	0.00	6.00	0.00%	2.43	0.00%	3.57	0.00%
1971	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1972	185,191.33	58.20	0.03%	1,364.94	0.74%	(1,306.74)	-0.71%
1973	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1974	0.00	0.00	0.00%	20,391.82	0.00%	(20,391.82)	0.00%
1975	463.45	2,500.00	539.43%	0.00	0.00%	2,500.00	539.43%
1976	1,072,886.87	44.22	0.00%	55,094.19	5.14%	(55,049.97)	-5.13%
1977	1,008,552.45	15,609.06	1.55%	5,658.21	0.56%	9,950.85	0.99%
1978	27,715.67	9,803.39	35.37%	5,152.58	18.59%	4,650.81	16.78%
1979	81,616.20	73,533.28	90.10%	10,277.30	12.59%	63,255.98	77.50%
1980	8,161.62	7,362.17	90.20%	1,960.18	24.02%	5,401.99	66.19%
1981	8,404.20	3,050.50	36.30%	99.24	1.18%	2,951.26	35.12%
1982	2,500.00	0.00	0.00%	1,650.76	66.03%	(1,650.76)	-66.03%
1983	44,999.57	0.00	0.00%	0.00	0.00%	0.00	0.00%
1984	45,794.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985	422,744.48	4,072.00	0.96%	21,574.00	5.10%	(17,502.00)	-4.14%
1986	4,064,660.89	958.84	0.02%	6,227.03	0.15%	(5,268.19)	-0.13%
1987	121,035.93	5,361.26	4.43%	792,179.44	654.50%	(786,818.18)	-650.07%
1988	204,099.16	3,115.86	1.53%	258,363.30	126.59%	(255,247.44)	-125.06%
1989	35,018.20	805.00	2.30%	90,994.39	259.85%	(90,189.39)	-257.55%
1990	222,783.79	9,500.00	4.26%	68,212.37	30.62%	(58,712.37)	-26.35%
1991	1,945,451.93	70,841.57	3.64%	73,265.48	3.77%	(2,423.91)	-0.12%
1992	154,632.66	-1,881.67	-1.22%	35,922.54	23.23%	(37,804.21)	-24.45%
1993	266,608.63	14,786.24	5.55%	41,069.13	15.40%	(26,282.89)	-9.86%
1994	554,999.62	21,983.27	3.96%	85,848.89	15.47%	(63,865.62)	-11.51%
1995	17,000.00	-7,190.25	-42.30%	41,203.31	242.37%	(48,393.56)	-284.67%

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312.00 Boiler Plant Equipment

Forecasted Future Net Salvage

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		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>							
1996	1,511,789.60	20,654.85	1.37%	40,348.91	2.67%	(19,694.06)	-1.30%
1997	2,135,157.18	11,656.04	0.55%	171,053.05	8.01%	(159,397.01)	-7.47%
1998	1,383,454.22	2,714.55	0.20%	125,594.16	9.08%	(122,879.61)	-8.88%
1999	1,231,356.06	8,941.49	0.73%	139,907.64	11.36%	(130,966.15)	-10.64%
2000	2,307,650.32	46,629.04	2.02%	78,091.49	3.38%	(31,462.45)	-1.36%
2001	187,522.99	4,030.00	2.15%	13,110.65	6.99%	(9,080.65)	-4.84%
2002	1,046,413.80	25,707.25	2.46%	26,456.29	2.53%	(749.04)	-0.07%
2003	2,104,407.80	4,219.04	0.20%	228,574.94	10.86%	(224,355.90)	-10.66%
2004	570,138.78	57,148.35	10.02%	151,289.64	26.54%	(94,141.29)	-16.51%
2005	652,761.80	42,500.00	6.51%	17,373.09	2.66%	25,126.91	3.85%
2006	2,864,116.90	53,119.34	1.85%	963,124.14	33.63%	(910,004.80)	-31.77%
2007	1,868,316.34	0.00	0.00%	428,271.38	22.92%	(428,271.38)	-22.92%
2008	744,180.94	40,629.96	5.46%	320,822.11	43.11%	(280,192.15)	-37.65%
2009	1,304,313.72	25,101.19	1.92%	809,388.70	62.05%	(784,287.51)	-60.13%
2010	449,629.94	16,281.12	3.62%	234,870.80	52.24%	(218,589.68)	-48.62%
2011	794,033.54	34,562.00	4.35%	379,448.37	47.79%	(344,886.37)	-43.43%
2012	3,817,043.47	36,579.91	0.96%	725,582.65	19.01%	(689,002.74)	-18.05%
2013	947,506.77	20,027.47	2.11%	334,433.04	35.30%	(314,405.57)	-33.18%
2014	463,940.63	0.00	0.00%	395,804.86	85.31%	(395,804.86)	-85.31%

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		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1968 - 1970	-5,059.35	393.24	0.00%	2.43	0.00%	390.81	0.00%
1969 - 1971	-5,059.35	243.24	0.00%	2.43	0.00%	240.81	0.00%
1970 - 1972	185,191.33	64.20	0.03%	1,367.37	0.74%	(1,303.17)	-0.70%
1971 - 1973	185,191.33	58.20	0.03%	1,364.94	0.74%	(1,306.74)	-0.71%
1972 - 1974	185,191.33	58.20	0.03%	21,756.76	11.75%	(21,698.56)	-11.72%
1973 - 1975	463.45	2,500.00	539.43%	20,391.82	4400.00%	(17,891.82)	-3860.57%
1974 - 1976	1,073,350.32	2,544.22	0.24%	75,486.01	7.03%	(72,941.79)	-6.80%
1975 - 1977	2,081,902.77	18,153.28	0.87%	60,752.40	2.92%	(42,599.12)	-2.05%
1976 - 1978	2,109,154.99	25,456.67	1.21%	65,904.98	3.12%	(40,448.31)	-1.92%
1977 - 1979	1,117,884.32	98,945.73	8.85%	21,088.09	1.89%	77,857.64	6.96%
1978 - 1980	117,493.49	90,698.84	77.19%	17,390.06	14.80%	73,308.78	62.39%
1979 - 1981	98,182.02	83,945.95	85.50%	12,336.72	12.57%	71,609.23	72.94%
1980 - 1982	19,065.82	10,412.67	54.61%	3,710.18	19.46%	6,702.49	35.15%
1981 - 1983	55,903.77	3,050.50	5.46%	1,750.00	3.13%	1,300.50	2.33%
1982 - 1984	93,293.57	0.00	0.00%	1,650.76	1.77%	(1,650.76)	-1.77%
1983 - 1985	513,538.05	4,072.00	0.79%	21,574.00	4.20%	(17,502.00)	-3.41%
1984 - 1986	4,533,199.37	5,030.84	0.11%	27,801.03	0.61%	(22,770.19)	-0.50%
1985 - 1987	4,608,441.30	10,392.10	0.23%	819,980.47	17.79%	(809,588.37)	-17.57%
1986 - 1988	4,389,795.98	9,435.96	0.21%	1,056,769.77	24.07%	(1,047,333.81)	-23.86%
1987 - 1989	360,153.29	9,282.12	2.58%	1,141,537.13	316.96%	(1,132,255.01)	-314.38%
1988 - 1990	461,901.15	13,420.86	2.91%	417,570.06	90.40%	(404,149.20)	-87.50%
1989 - 1991	2,203,253.92	81,146.57	3.68%	232,472.24	10.55%	(151,325.67)	-6.87%
1990 - 1992	2,322,868.38	78,459.90	3.38%	177,400.39	7.64%	(98,940.49)	-4.26%
1991 - 1993	2,366,693.22	83,746.14	3.54%	150,257.15	6.35%	(66,511.01)	-2.81%
1992 - 1994	976,240.91	34,887.84	3.57%	162,840.56	16.68%	(127,952.72)	-13.11%
1993 - 1995	838,608.25	29,579.26	3.53%	168,121.33	20.05%	(138,542.07)	-16.52%
1994 - 1996	2,083,789.22	35,447.87	1.70%	167,401.11	8.03%	(131,953.24)	-6.33%
1995 - 1997	3,663,946.78	25,120.64	0.69%	252,605.27	6.89%	(227,484.63)	-6.21%

Montana-Dakota Utilities Company

Electric Plant

312.00 Boiler Plant Equipment

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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	5,030,401.00	35,025.44	0.70%	336,996.12	6.70%	(301,970.68)	-6.00%
1997 - 1999	4,749,967.46	23,312.08	0.49%	436,554.85	9.19%	(413,242.77)	-8.70%
1998 - 2000	4,922,460.60	58,285.08	1.18%	343,593.29	6.98%	(285,308.21)	-5.80%
1999 - 2001	3,726,529.37	59,600.53	1.60%	231,109.78	6.20%	(171,509.25)	-4.60%
2000 - 2002	3,541,587.11	76,366.29	2.16%	117,658.43	3.32%	(41,292.14)	-1.17%
2001 - 2003	3,338,344.59	33,956.29	1.02%	268,141.88	8.03%	(234,185.59)	-7.02%
2002 - 2004	3,720,960.38	87,074.64	2.34%	406,320.87	10.92%	(319,246.23)	-8.58%
2003 - 2005	3,327,308.38	103,867.39	3.12%	397,237.67	11.94%	(293,370.28)	-8.82%
2004 - 2006	4,087,017.48	152,767.69	3.74%	1,131,786.87	27.69%	(979,019.18)	-23.95%
2005 - 2007	5,385,195.04	95,619.34	1.78%	1,408,768.61	26.16%	(1,313,149.27)	-24.38%
2006 - 2008	5,476,614.18	93,749.30	1.71%	1,712,217.63	31.26%	(1,618,468.33)	-29.55%
2007 - 2009	3,916,811.00	65,731.15	1.68%	1,558,482.19	39.79%	(1,492,751.04)	-38.11%
2008 - 2010	2,498,124.60	82,012.27	3.28%	1,365,081.61	54.64%	(1,283,069.34)	-51.36%
2009 - 2011	2,547,977.20	75,944.31	2.98%	1,423,707.87	55.88%	(1,347,763.56)	-52.90%
2010 - 2012	5,060,706.95	87,423.03	1.73%	1,339,901.82	26.48%	(1,252,478.79)	-24.75%
2011 - 2013	5,558,583.78	91,169.38	1.64%	1,439,464.06	25.90%	(1,348,294.68)	-24.26%
2012 - 2014	5,228,490.87	56,607.38	1.08%	1,455,820.55	27.84%	(1,399,213.17)	-26.76%

Montana-Dakota Utilities Company

Electric Plant

312.00 Boiler Plant Equipment

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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>

Three - Year Rolling Bands

1968 - 2014	36,873,996.10	685,207.78	1.86	7,200,057.44	19.53	(6,514,849.66)	-17.67
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Trend Analysis (End Year) 2014

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

Annual Inflation Rate	2.75%
Average Service Life (ASL)	45.0
Average Retirement Age (Yrs)	19.0
Years To ASL	26.0
Inflation Factor At 2.75% to ASL	2.03

**Gross Salvage
Linear Trend Analysis**

1995-2014	20 - Year Trend	2.23%
2000-2014	15 - Year Trend	2.16%
2005-2014	10 - Year Trend	1.35%
2010-2014	5 - Year Trend	0.42%

Forecasted

Gross Salvage	0.42%
(Five Year Trend)	
Cost Of Removal	39.57%
Net Salvage	-39.15%

Montana-Dakota Utilities Company

Electric Plant

314.00 Turbogenerator Units

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<u>Year</u>	<u>Original Cost Of</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
	<u>Retirements</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>							
1968	44,580.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1969	0.00	15.30	0.00%	0.00	0.00%	15.30	0.00%
1970	-42,930.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1971	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1972	220,323.77	49.24	0.02%	1,154.95	0.52%	(1,105.71)	-0.50%
1973	150,082.01	0.00	0.00%	75.07	0.05%	(75.07)	-0.05%
1974	0.00	0.00	0.00%	17,291.70	0.00%	(17,291.70)	0.00%
1975	73,740.26	15,000.00	20.34%	0.00	0.00%	15,000.00	20.34%
1976	431,752.62	2,771.76	0.64%	12,600.32	2.92%	(9,828.56)	-2.28%
1977	551,220.42	6,010.85	1.09%	2,985.83	0.54%	3,025.02	0.55%
1978	1,427.89	0.00	0.00%	83.90	5.88%	(83.90)	-5.88%
1979	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1980	36,092.03	6,000.00	16.62%	579.14	1.60%	5,420.86	15.02%
1981	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983	169,716.00	0.00	0.00%	8,549.00	5.04%	(8,549.00)	-5.04%
1984	0.00	60,137.26	0.00%	10,539.40	0.00%	49,597.86	0.00%
1985	357,043.68	0.00	0.00%	200.00	0.06%	(200.00)	-0.06%
1986	874,871.89	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987	16,242.44	0.00	0.00%	154,244.62	949.64%	(154,244.62)	-949.64%
1988	441,447.72	661,459.93	149.84%	116,193.77	26.32%	545,266.16	123.52%
1989	68,299.12	-35,704.35	-52.28%	66,828.29	97.85%	(102,532.64)	-150.12%
1990	14,285.41	8,261.54	57.83%	67,104.51	469.74%	(58,842.97)	-411.91%
1991	47,123.39	31,959.95	67.82%	12,970.19	27.52%	18,989.76	40.30%
1992	342.00	0.00	0.00%	1,482.68	433.53%	(1,482.68)	-433.53%
1993	108,700.00	-173.27	-0.16%	1,375.65	1.27%	(1,548.92)	-1.42%
1994	87,958.75	-626,401.36	-712.15%	28,208.47	32.07%	(654,609.83)	-744.22%
1995	38,600.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company

Electric Plant

314.00 Turbogenerator Units

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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	7,250.00		0.00	0.00%	9,191.40	126.78%	(9,191.40)	-126.78%
1997	1,246,999.60		10,853.00	0.87%	2,782.96	0.22%	8,070.04	0.65%
1998	173,349.50		750.00	0.43%	5,847.09	3.37%	(5,097.09)	-2.94%
1999	180,073.40		20,724.42	11.51%	15,160.38	8.42%	5,564.04	3.09%
2000	533,900.00		0.00	0.00%	104,186.23	19.51%	(104,186.23)	-19.51%
2001	89,200.00		0.00	0.00%	60,942.96	68.32%	(60,942.96)	-68.32%
2002	195,242.50		9,246.00	4.74%	1,500.36	0.77%	7,745.64	3.97%
2003	795,101.96		626.96	0.08%	84,397.01	10.61%	(83,770.05)	-10.54%
2004	70,466.52		94,444.48	134.03%	8,129.90	11.54%	86,314.58	122.49%
2005	30,247.51		2,400.00	7.93%	7,063.54	23.35%	(4,663.54)	-15.42%
2006	1,275,582.21		11,943.27	0.94%	20,028.58	1.57%	(8,085.31)	-0.63%
2007	48,949.87		0.00	0.00%	1,201.46	2.45%	(1,201.46)	-2.45%
2008	1,198,799.79		40,985.13	3.42%	309,693.44	25.83%	(268,708.31)	-22.41%
2009	929,166.28		4,791.67	0.52%	341,515.50	36.76%	(336,723.83)	-36.24%
2010	17,305.64		0.00	0.00%	158.90	0.92%	(158.90)	-0.92%
2011	628,998.07		27,540.00	4.38%	387,430.84	61.59%	(359,890.84)	-57.22%
2012	1,579,542.59		54,071.12	3.42%	33,000.00	2.09%	21,071.12	1.33%
2013	257,029.28		4,353.70	1.69%	20,402.76	7.94%	(16,049.06)	-6.24%
2014	43,631.87		0.00	0.00%	566,365.15	1298.05%	(566,365.15)	-1298.05%

Montana-Dakota Utilities Company

Electric Plant

314.00 Turbogenerator Units

Forecasted Future Net Salvage Based Upon Experienced Net Salvage 1968 - 2014

<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	1,650.00	15.30	0.93%	0.00	0.00%	15.30	0.93%
1969 - 1971	-42,930.00	15.30	0.00%	0.00	0.00%	15.30	0.00%
1970 - 1972	177,393.77	49.24	0.03%	1,154.95	0.65%	(1,105.71)	-0.62%
1971 - 1973	370,405.78	49.24	0.01%	1,230.02	0.33%	(1,180.78)	-0.32%
1972 - 1974	370,405.78	49.24	0.01%	18,521.72	5.00%	(18,472.48)	-4.99%
1973 - 1975	223,822.27	15,000.00	6.70%	17,366.77	7.76%	(2,366.77)	-1.06%
1974 - 1976	505,492.88	17,771.76	3.52%	29,892.02	5.91%	(12,120.26)	-2.40%
1975 - 1977	1,056,713.30	23,782.61	2.25%	15,586.15	1.47%	8,196.46	0.78%
1976 - 1978	984,400.93	8,782.61	0.89%	15,670.05	1.59%	(6,887.44)	-0.70%
1977 - 1979	552,648.31	6,010.85	1.09%	3,069.73	0.56%	2,941.12	0.53%
1978 - 1980	37,519.92	6,000.00	15.99%	663.04	1.77%	5,336.96	14.22%
1979 - 1981	36,092.03	6,000.00	16.62%	579.14	1.60%	5,420.86	15.02%
1980 - 1982	36,092.03	6,000.00	16.62%	579.14	1.60%	5,420.86	15.02%
1981 - 1983	169,716.00	0.00	0.00%	8,549.00	5.04%	(8,549.00)	-5.04%
1982 - 1984	169,716.00	60,137.26	35.43%	19,088.40	11.25%	41,048.86	24.19%
1983 - 1985	526,759.68	60,137.26	11.42%	19,288.40	3.66%	40,848.86	7.75%
1984 - 1986	1,231,915.57	60,137.26	4.88%	10,739.40	0.87%	49,397.86	4.01%
1985 - 1987	1,248,158.01	0.00	0.00%	154,444.62	12.37%	(154,444.62)	-12.37%
1986 - 1988	1,332,562.05	661,459.93	49.64%	270,438.39	20.29%	391,021.54	29.34%
1987 - 1989	525,989.28	625,755.58	118.97%	337,266.68	64.12%	288,488.90	54.85%
1988 - 1990	524,032.25	634,017.12	120.99%	250,126.57	47.73%	383,890.55	73.26%
1989 - 1991	129,707.92	4,517.14	3.48%	146,902.99	113.26%	(142,385.85)	-109.77%
1990 - 1992	61,750.80	40,221.49	65.14%	81,557.38	132.08%	(41,335.89)	-66.94%
1991 - 1993	156,165.39	31,786.68	20.35%	15,828.52	10.14%	15,958.16	10.22%
1992 - 1994	197,000.75	-626,574.63	-318.06%	31,066.80	15.77%	(657,641.43)	-333.83%
1993 - 1995	235,258.75	-626,574.63	-266.33%	29,584.12	12.58%	(656,158.75)	-278.91%
1994 - 1996	133,808.75	-626,401.36	-468.13%	37,399.87	27.95%	(663,801.23)	-496.08%
1995 - 1997	1,292,849.60	10,853.00	0.84%	11,974.36	0.93%	(1,121.36)	-0.09%

Montana-Dakota Utilities Company

Electric Plant

314.00 Turbogenerator Units

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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	1,427,599.10	11,603.00	0.81%	17,821.45	1.25%	(6,218.45)	-0.44%
1997 - 1999	1,600,422.50	32,327.42	2.02%	23,790.43	1.49%	8,536.99	0.53%
1998 - 2000	887,322.90	21,474.42	2.42%	125,193.70	14.11%	(103,719.28)	-11.69%
1999 - 2001	803,173.40	20,724.42	2.58%	180,289.57	22.45%	(159,565.15)	-19.87%
2000 - 2002	818,342.50	9,246.00	1.13%	166,629.55	20.36%	(157,383.55)	-19.23%
2001 - 2003	1,079,544.46	9,872.96	0.91%	146,840.33	13.60%	(136,967.37)	-12.69%
2002 - 2004	1,060,810.98	104,317.44	9.83%	94,027.27	8.86%	10,290.17	0.97%
2003 - 2005	895,815.99	97,471.44	10.88%	99,590.45	11.12%	(2,119.01)	-0.24%
2004 - 2006	1,376,296.24	108,787.75	7.90%	35,222.02	2.56%	73,565.73	5.35%
2005 - 2007	1,354,779.59	14,343.27	1.06%	28,293.58	2.09%	(13,950.31)	-1.03%
2006 - 2008	2,523,331.87	52,928.40	2.10%	330,923.48	13.11%	(277,995.08)	-11.02%
2007 - 2009	2,176,915.94	45,776.80	2.10%	652,410.40	29.97%	(606,633.60)	-27.87%
2008 - 2010	2,145,271.71	45,776.80	2.13%	651,367.84	30.36%	(605,591.04)	-28.23%
2009 - 2011	1,575,469.99	32,331.67	2.05%	729,105.24	46.28%	(696,773.57)	-44.23%
2010 - 2012	2,225,846.30	81,611.12	3.67%	420,589.74	18.90%	(338,978.62)	-15.23%
2011 - 2013	2,465,569.94	85,964.82	3.49%	440,833.60	17.88%	(354,868.78)	-14.39%
2012 - 2014	1,880,203.74	58,424.82	3.11%	619,767.91	32.96%	(561,343.09)	-29.86%

Montana-Dakota Utilities Company

Electric Plant

314.00 Turbogenerator Units

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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>

Three - Year Rolling Bands

1968 - 2014	12,991,755.99	412,116.60	3.17	2,481,465.95	19.10	(2,069,349.35)	-15.93
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Trend Analysis (End Year) 2014

*Based Upon Three - Year Rolling Averages

Annual Inflation Rate	2.75%
Average Service Life (ASL)	45.0
Average Retirement Age (Yrs)	22.1
Years To ASL	22.9
Inflation Factor At 2.75% to ASL	1.86

Gross Salvage
Linear Trend Analysis

1995-2014	20 - Year Trend	70.53%
2000-2014	15 - Year Trend	3.15%
2005-2014	10 - Year Trend	0.92%
2010-2014	5 - Year Trend	3.90%

Forecasted

Gross Salvage	3.90%
(Five Year Trend)	
Cost Of Removal	35.56%
Net Salvage	-31.66%

Montana-Dakota Utilities Company

Electric Plant

315.00 Accessory Electric Equipment

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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	1,592.00	36.00	2.26%	0.00	0.00%	36.00	2.26%
1969	1,630.78	2,036.00	124.85%	0.00	0.00%	2,036.00	124.85%
1970	7,500.00	543.36	7.24%	239.41	3.19%	303.95	4.05%
1971	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1972	100.00	0.00	0.00%	15.04	15.04%	(15.04)	-15.04%
1973	261.83	5.40	2.06%	14.19	5.42%	(8.79)	-3.36%
1974	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1975	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1976	243,540.18	54.00	0.02%	1,913.72	0.79%	(1,859.72)	-0.76%
1977	150,168.86	2,788.71	1.86%	872.06	0.58%	1,916.65	1.28%
1978	0.00	0.00	0.00%	22.81	0.00%	(22.81)	0.00%
1979	2,869.46	0.00	0.00%	0.00	0.00%	0.00	0.00%
1980	5,825.84	219.24	3.76%	337.29	5.79%	(118.05)	-2.03%
1981	423.74	810.00	191.15%	70.96	16.75%	739.04	174.41%
1982	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983	2,706.60	200.00	7.39%	0.00	0.00%	200.00	7.39%
1984	1,710.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985	69,271.38	721.17	1.04%	24.31	0.04%	696.86	1.01%
1986	194,008.50	-4,472.00	-2.31%	0.00	0.00%	(4,472.00)	-2.31%
1987	6,862.50	675.00	9.84%	19,109.02	278.46%	(18,434.02)	-268.62%
1988	4,129.27	0.00	0.00%	18,701.75	452.91%	(18,701.75)	-452.91%
1989	9,771.50	0.00	0.00%	5,637.28	57.69%	(5,637.28)	-57.69%
1990	0.00	0.00	0.00%	15,402.04	0.00%	(15,402.04)	0.00%
1991	8,579.88	2,429.12	28.31%	1,725.84	20.11%	703.28	8.20%
1992	0.00	0.00	0.00%	247.26	0.00%	(247.26)	0.00%
1993	4,698.88	0.00	0.00%	1,809.35	38.51%	(1,809.35)	-38.51%
1994	31,120.09	0.00	0.00%	8,166.57	26.24%	(8,166.57)	-26.24%
1995	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company

Electric Plant

315.00 Accessory Electric Equipment

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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		0.00	0.00%	2,024.36	0.00%	(2,024.36)	0.00%
1997	7,500.00		0.00	0.00%	116.53	1.55%	(116.53)	-1.55%
1998	2,000.00		0.00	0.00%	112.26	5.61%	(112.26)	-5.61%
1999	0.00		0.00	0.00%	503.10	0.00%	(503.10)	0.00%
2000	12,900.00		0.00	0.00%	3,806.81	29.51%	(3,806.81)	-29.51%
2001	0.00		0.00	0.00%	156.11	0.00%	(156.11)	0.00%
2002	9,291.43		0.00	0.00%	0.00	0.00%	0.00	0.00%
2003	23,270.71		51.76	0.22%	2,867.14	12.32%	(2,815.38)	-12.10%
2004	3,160.25		2,141.29	67.76%	0.00	0.00%	2,141.29	67.76%
2005	10,372.90		0.00	0.00%	84.66	0.82%	(84.66)	-0.82%
2006	33,838.51		0.00	0.00%	6,425.01	18.99%	(6,425.01)	-18.99%
2007	11,487.14		0.00	0.00%	2,644.41	23.02%	(2,644.41)	-23.02%
2008	3,327.51		0.00	0.00%	1,149.32	34.54%	(1,149.32)	-34.54%
2009	303,056.80		0.00	0.00%	7,594.95	2.51%	(7,594.95)	-2.51%
2010	7,658.26		1,100.00	14.36%	11,991.06	156.58%	(10,891.06)	-142.21%
2011	11,166.75		1,116.18	10.00%	1,340.80	12.01%	(224.62)	-2.01%
2012	260,525.17		0.00	0.00%	55,521.24	21.31%	(55,521.24)	-21.31%
2013	12,604.11		0.00	0.00%	8,073.66	64.06%	(8,073.66)	-64.06%
2014	64,831.75		0.00	0.00%	3,360.54	5.18%	(3,360.54)	-5.18%

Montana-Dakota Utilities Company

Electric Plant

315.00 Accessory Electric Equipment

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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	10,722.78	2,615.36	24.39%	239.41	2.23%	2,375.95	22.16%
1969 - 1971	9,130.78	2,579.36	28.25%	239.41	2.62%	2,339.95	25.63%
1970 - 1972	7,600.00	543.36	7.15%	254.45	3.35%	288.91	3.80%
1971 - 1973	361.83	5.40	1.49%	29.23	8.08%	(23.83)	-6.59%
1972 - 1974	361.83	5.40	1.49%	29.23	8.08%	(23.83)	-6.59%
1973 - 1975	261.83	5.40	2.06%	14.19	5.42%	(8.79)	-3.36%
1974 - 1976	243,540.18	54.00	0.02%	1,913.72	0.79%	(1,859.72)	-0.76%
1975 - 1977	393,709.04	2,842.71	0.72%	2,785.78	0.71%	56.93	0.01%
1976 - 1978	393,709.04	2,842.71	0.72%	2,808.59	0.71%	34.12	0.01%
1977 - 1979	153,038.32	2,788.71	1.82%	894.87	0.58%	1,893.84	1.24%
1978 - 1980	8,695.30	219.24	2.52%	360.10	4.14%	(140.86)	-1.62%
1979 - 1981	9,119.04	1,029.24	11.29%	408.25	4.48%	620.99	6.81%
1980 - 1982	6,249.58	1,029.24	16.47%	408.25	6.53%	620.99	9.94%
1981 - 1983	3,130.34	1,010.00	32.26%	70.96	2.27%	939.04	30.00%
1982 - 1984	4,416.60	200.00	4.53%	0.00	0.00%	200.00	4.53%
1983 - 1985	73,687.98	921.17	1.25%	24.31	0.03%	896.86	1.22%
1984 - 1986	264,989.88	-3,750.83	-1.42%	24.31	0.01%	(3,775.14)	-1.42%
1985 - 1987	270,142.38	-3,075.83	-1.14%	19,133.33	7.08%	(22,209.16)	-8.22%
1986 - 1988	205,000.27	-3,797.00	-1.85%	37,810.77	18.44%	(41,607.77)	-20.30%
1987 - 1989	20,763.27	675.00	3.25%	43,448.05	209.25%	(42,773.05)	-206.00%
1988 - 1990	13,900.77	0.00	0.00%	39,741.07	285.89%	(39,741.07)	-285.89%
1989 - 1991	18,351.38	2,429.12	13.24%	22,765.16	124.05%	(20,336.04)	-110.81%
1990 - 1992	8,579.88	2,429.12	28.31%	17,375.14	202.51%	(14,946.02)	-174.20%
1991 - 1993	13,278.76	2,429.12	18.29%	3,782.45	28.48%	(1,353.33)	-10.19%
1992 - 1994	35,818.97	0.00	0.00%	10,223.18	28.54%	(10,223.18)	-28.54%
1993 - 1995	35,818.97	0.00	0.00%	9,975.92	27.85%	(9,975.92)	-27.85%
1994 - 1996	31,120.09	0.00	0.00%	10,190.93	32.75%	(10,190.93)	-32.75%
1995 - 1997	7,500.00	0.00	0.00%	2,140.89	28.55%	(2,140.89)	-28.55%

Montana-Dakota Utilities Company

Electric Plant

315.00 Accessory Electric Equipment

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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	9,500.00	0.00	0.00%	2,253.15	23.72%	(2,253.15)	-23.72%
1997 - 1999	9,500.00	0.00	0.00%	731.89	7.70%	(731.89)	-7.70%
1998 - 2000	14,900.00	0.00	0.00%	4,422.17	29.68%	(4,422.17)	-29.68%
1999 - 2001	12,900.00	0.00	0.00%	4,466.02	34.62%	(4,466.02)	-34.62%
2000 - 2002	22,191.43	0.00	0.00%	3,962.92	17.86%	(3,962.92)	-17.86%
2001 - 2003	32,562.14	51.76	0.16%	3,023.25	9.28%	(2,971.49)	-9.13%
2002 - 2004	35,722.39	2,193.05	6.14%	2,867.14	8.03%	(674.09)	-1.89%
2003 - 2005	36,803.86	2,193.05	5.96%	2,951.80	8.02%	(758.75)	-2.06%
2004 - 2006	47,371.66	2,141.29	4.52%	6,509.67	13.74%	(4,368.38)	-9.22%
2005 - 2007	55,698.55	0.00	0.00%	9,154.08	16.44%	(9,154.08)	-16.44%
2006 - 2008	48,653.16	0.00	0.00%	10,218.74	21.00%	(10,218.74)	-21.00%
2007 - 2009	317,871.45	0.00	0.00%	11,388.68	3.58%	(11,388.68)	-3.58%
2008 - 2010	314,042.57	1,100.00	0.35%	20,735.33	6.60%	(19,635.33)	-6.25%
2009 - 2011	321,881.81	2,216.18	0.69%	20,926.81	6.50%	(18,710.63)	-5.81%
2010 - 2012	279,350.18	2,216.18	0.79%	68,853.10	24.65%	(66,636.92)	-23.85%
2011 - 2013	284,296.03	1,116.18	0.39%	64,935.70	22.84%	(63,819.52)	-22.45%
2012 - 2014	337,961.03	0.00	0.00%	66,955.44	19.81%	(66,955.44)	-19.81%

Montana-Dakota Utilities Company

Electric Plant

316.00 Miscellaneous Power Plant Equipment

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<u>Year</u>	<u>Original Cost Of</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
	<u>Retirements</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>							
1968	435.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1969	1,131.25	100.00	8.84%	0.00	0.00%	100.00	8.84%
1970	1,547.19	25.00	1.62%	0.00	0.00%	25.00	1.62%
1971	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1972	9,376.21	4.48	0.05%	116.21	1.24%	(111.73)	-1.19%
1973	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1974	320.00	0.00	0.00%	1,508.90	471.53%	(1,508.90)	-471.53%
1975	331.68	51.00	15.38%	0.00	0.00%	51.00	15.38%
1976	28,929.52	400.00	1.38%	271.38	0.94%	128.62	0.44%
1977	15,632.78	2,028.49	12.98%	6,046.42	38.68%	(4,017.93)	-25.70%
1978	1,352.17	501.00	37.05%	1.50	0.11%	499.50	36.94%
1979	602.74	500.00	82.95%	0.00	0.00%	500.00	82.95%
1980	2,537.03	701.40	27.65%	0.00	0.00%	701.40	27.65%
1981	45,381.33	214.20	0.47%	0.00	0.00%	214.20	0.47%
1982	2,012.49	20,710.05	1029.08%	0.00	0.00%	20,710.05	1029.08%
1983	6,283.81	9,555.80	152.07%	0.00	0.00%	9,555.80	152.07%
1984	224.28	117.00	52.17%	0.00	0.00%	117.00	52.17%
1985	33,372.43	740.94	2.22%	67.89	0.20%	673.05	2.02%
1986	64,105.70	9,361.32	14.60%	(119.38)	-0.19%	9,480.70	14.79%
1987	14,850.00	2,657.65	17.90%	9,241.27	62.23%	(6,583.62)	-44.33%
1988	56,632.39	5,978.68	10.56%	7,463.94	13.18%	(1,485.26)	-2.62%
1989	20,058.85	2,155.22	10.74%	5,087.02	25.36%	(2,931.80)	-14.62%
1990	41,142.27	9,278.95	22.55%	4,956.06	12.05%	4,322.89	10.51%
1991	36,977.23	17,458.72	47.21%	97,335.42	263.23%	(79,876.70)	-216.02%
1992	33,110.06	678.96	2.05%	98.80	0.30%	580.16	1.75%
1993	46,969.12	2,118.83	4.51%	130.66	0.28%	1,988.17	4.23%
1994	190,023.64	455.00	0.24%	(1,359.31)	-0.72%	1,814.31	0.95%
1995	8,000.00	-7,004.11	-87.55%	0.00	0.00%	(7,004.11)	-87.55%

Montana-Dakota Utilities Company
Electric Plant

316.00 Miscellaneous Power Plant Equipment

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

<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	110,741.78	5,063.70	4.57%	3,500.53	3.16%	1,563.17	1.41%
1997	49,860.97	1,407.10	2.82%	10,374.90	20.81%	(8,967.80)	-17.99%
1998	121,059.06	2,935.66	2.42%	299.52	0.25%	2,636.14	2.18%
1999	280,291.18	4,433.20	1.58%	295.84	0.11%	4,137.36	1.48%
2000	161,253.88	10,728.61	6.65%	247.84	0.15%	10,480.77	6.50%
2001	105,687.73	8,554.91	8.09%	2,064.72	1.95%	6,490.19	6.14%
2002	90,121.48	5,641.69	6.26%	0.00	0.00%	5,641.69	6.26%
2003	199,886.13	2,283.95	1.14%	1,681.64	0.84%	602.31	0.30%
2004	141,931.10	3,819.45	2.69%	0.00	0.00%	3,819.45	2.69%
2005	223,269.93	13,842.49	6.20%	1,525.90	0.68%	12,316.59	5.52%
2006	437,867.39	54,400.00	12.42%	9,202.94	2.10%	45,197.06	10.32%
2007	190,010.07	3,635.76	1.91%	2,208.64	1.16%	1,427.12	0.75%
2008	73,503.58	8,125.00	11.05%	7,307.56	9.94%	817.44	1.11%
2009	103,193.07	5,438.19	5.27%	7,255.52	7.03%	(1,817.33)	-1.76%
2010	720,851.17	167,738.45	23.27%	12,404.99	1.72%	155,333.46	21.55%
2011	1,047,982.87	3,715.50	0.35%	61,585.79	5.88%	(57,870.29)	-5.52%
2012	518,805.24	16,089.75	3.10%	1,500.00	0.29%	14,589.75	2.81%
2013	204,045.11	2,183.17	1.07%	1,986.93	0.97%	196.24	0.10%
2014	498,433.03	0.00	0.00%	1,739.63	0.35%	(1,739.63)	-0.35%

Montana-Dakota Utilities Company
Electric Plant

316.00 Miscellaneous Power Plant Equipment

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

<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	3,113.44	125.00	4.01%	0.00	0.00%	125.00	4.01%
1969 - 1971	2,678.44	125.00	4.67%	0.00	0.00%	125.00	4.67%
1970 - 1972	10,923.40	29.48	0.27%	116.21	1.06%	(86.73)	-0.79%
1971 - 1973	9,376.21	4.48	0.05%	116.21	1.24%	(111.73)	-1.19%
1972 - 1974	9,696.21	4.48	0.05%	1,625.11	16.76%	(1,620.63)	-16.71%
1973 - 1975	651.68	51.00	7.83%	1,508.90	231.54%	(1,457.90)	-223.71%
1974 - 1976	29,581.20	451.00	1.52%	1,780.28	6.02%	(1,329.28)	-4.49%
1975 - 1977	44,893.98	2,479.49	5.52%	6,317.80	14.07%	(3,838.31)	-8.55%
1976 - 1978	45,914.47	2,929.49	6.38%	6,319.30	13.76%	(3,389.81)	-7.38%
1977 - 1979	17,587.69	3,029.49	17.23%	6,047.92	34.39%	(3,018.43)	-17.16%
1978 - 1980	4,491.94	1,702.40	37.90%	1.50	0.03%	1,700.90	37.87%
1979 - 1981	48,521.10	1,415.60	2.92%	0.00	0.00%	1,415.60	2.92%
1980 - 1982	49,930.85	21,625.65	43.31%	0.00	0.00%	21,625.65	43.31%
1981 - 1983	53,677.63	30,480.05	56.78%	0.00	0.00%	30,480.05	56.78%
1982 - 1984	8,520.58	30,382.85	356.58%	0.00	0.00%	30,382.85	356.58%
1983 - 1985	39,880.52	10,413.74	26.11%	67.89	0.17%	10,345.85	25.94%
1984 - 1986	97,702.41	10,219.26	10.46%	(51.49)	-0.05%	10,270.75	10.51%
1985 - 1987	112,328.13	12,759.91	11.36%	9,189.78	8.18%	3,570.13	3.18%
1986 - 1988	135,588.09	17,997.65	13.27%	16,585.83	12.23%	1,411.82	1.04%
1987 - 1989	91,541.24	10,791.55	11.79%	21,792.23	23.81%	(11,000.68)	-12.02%
1988 - 1990	117,833.51	17,412.85	14.78%	17,507.02	14.86%	(94.17)	-0.08%
1989 - 1991	98,178.35	28,892.89	29.43%	107,378.50	109.37%	(78,485.61)	-79.94%
1990 - 1992	111,229.56	27,416.63	24.65%	102,390.28	92.05%	(74,973.65)	-67.40%
1991 - 1993	117,056.41	20,256.51	17.30%	97,564.88	83.35%	(77,308.37)	-66.04%
1992 - 1994	270,102.82	3,252.79	1.20%	(1,129.85)	-0.42%	4,382.64	1.62%
1993 - 1995	244,992.76	-4,430.28	-1.81%	(1,228.65)	-0.50%	(3,201.63)	-1.31%
1994 - 1996	308,765.42	-1,485.41	-0.48%	2,141.22	0.69%	(3,626.63)	-1.17%
1995 - 1997	168,602.75	-533.31	-0.32%	13,875.43	8.23%	(14,408.74)	-8.55%

Montana-Dakota Utilities Company
Electric Plant

316.00 Miscellaneous Power Plant Equipment

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

<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	281,661.81	9,406.46	3.34%	14,174.95	5.03%	(4,768.49)	-1.69%
1997 - 1999	451,211.21	8,775.96	1.94%	10,970.26	2.43%	(2,194.30)	-0.49%
1998 - 2000	562,604.12	18,097.47	3.22%	843.20	0.15%	17,254.27	3.07%
1999 - 2001	547,232.79	23,716.72	4.33%	2,608.40	0.48%	21,108.32	3.86%
2000 - 2002	357,063.09	24,925.21	6.98%	2,312.56	0.65%	22,612.65	6.33%
2001 - 2003	395,695.34	16,480.55	4.16%	3,746.36	0.95%	12,734.19	3.22%
2002 - 2004	431,938.71	11,745.09	2.72%	1,681.64	0.39%	10,063.45	2.33%
2003 - 2005	565,087.16	19,945.89	3.53%	3,207.54	0.57%	16,738.35	2.96%
2004 - 2006	803,068.42	72,061.94	8.97%	10,728.84	1.34%	61,333.10	7.64%
2005 - 2007	851,147.39	71,878.25	8.44%	12,937.48	1.52%	58,940.77	6.92%
2006 - 2008	701,381.04	66,160.76	9.43%	18,719.14	2.67%	47,441.62	6.76%
2007 - 2009	366,706.72	17,198.95	4.69%	16,771.72	4.57%	427.23	0.12%
2008 - 2010	897,547.82	181,301.64	20.20%	26,968.07	3.00%	154,333.57	17.20%
2009 - 2011	1,872,027.11	176,892.14	9.45%	81,246.30	4.34%	95,645.84	5.11%
2010 - 2012	2,287,639.28	187,543.70	8.20%	75,490.78	3.30%	112,052.92	4.90%
2011 - 2013	1,770,833.22	21,988.42	1.24%	65,072.72	3.67%	(43,084.30)	-2.43%
2012 - 2014	1,221,283.38	18,272.92	1.50%	5,226.56	0.43%	13,046.36	1.07%

Montana-Dakota Utilities Company
Electric Plant

316.00 Miscellaneous Power Plant Equipment

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

<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>

Three - Year Rolling Bands

1968 - 2014	5,940,133.94	398,825.16	6.71	256,029.67	4.31	142,795.49	2.40
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Trend Analysis (End Year) 2014

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

Annual Inflation Rate	2.75%
Average Service Life (ASL)	30.0
Average Retirement Age (Yrs)	12.4
Years To ASL	17.6
Inflation Factor At 2.75% to ASL	1.61

Gross Salvage
Linear Trend Analysis

1995-2014	20 - Year Trend	9.50%
2000-2014	15 - Year Trend	7.95%
2005-2014	10 - Year Trend	5.63%
2010-2014	5 - Year Trend	0.00%

Forecasted

Gross Salvage	0.00%
(Five Year Trend)	
Cost Of Removal	6.96%
Net Salvage	-6.96%

Montana-Dakota Utilities Company

Electric Plant

342.00 Fuel Holders, Producers & Accessories

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1976 - 2014

<u>Year</u>	<u>Original Cost Of</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
	<u>Retirements</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>							
1976	1,485.61	0.00	0.00%	57.47	3.87%	(57.47)	-3.87%
1977	0.00	58.93	0.00%	0.00	0.00%	58.93	0.00%
1978	0.00	0.00	0.00%	94.18	0.00%	(94.18)	0.00%
1979	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1980	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1981	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1984	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986	52,998.10	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987	0.00	0.00	0.00%	1,808.26	0.00%	(1,808.26)	0.00%
1988	0.00	0.00	0.00%	115.56	0.00%	(115.56)	0.00%
1989	0.00	0.00	0.00%	14,307.19	0.00%	(14,307.19)	0.00%
1990	1,000.00	-8.56	-0.86%	4,588.21	458.82%	(4,596.77)	-459.68%
1991	0.00	0.00	0.00%	(0.17)	0.00%	0.17	0.00%
1992	0.00	0.00	0.00%	19.76	0.00%	(19.76)	0.00%
1993	6,437.36	-15.60	-0.24%	1,400.00	21.75%	(1,415.60)	-21.99%
1994	0.00	0.00	0.00%	11.42	0.00%	(11.42)	0.00%
1995	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2001	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2002	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2003	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company

Electric Plant

342.00 Fuel Holders, Producers & Accessories

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1976 - 2014

<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>								
2004	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2005	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2006	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2007	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2008	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2009	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2010	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2011	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2012	77,662.15	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2013	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2014	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	

Montana-Dakota Utilities Company
Electric Plant

342.00 Fuel Holders, Producers & Accessories

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1976 - 2014

<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>								
1976 - 1978	1,485.61	58.93	3.97%	151.65	10.21%	(92.72)	-6.24%	
1977 - 1979	0.00	58.93	0.00%	94.18	0.00%	(35.25)	0.00%	
1978 - 1980	0.00	0.00	0.00%	94.18	0.00%	(94.18)	0.00%	
1979 - 1981	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1980 - 1982	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1981 - 1983	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1982 - 1984	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1983 - 1985	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1984 - 1986	52,998.10	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1985 - 1987	52,998.10	0.00	0.00%	1,808.26	3.41%	(1,808.26)	-3.41%	
1986 - 1988	52,998.10	0.00	0.00%	1,923.82	3.63%	(1,923.82)	-3.63%	
1987 - 1989	0.00	0.00	0.00%	16,231.01	0.00%	(16,231.01)	0.00%	
1988 - 1990	1,000.00	-8.56	-0.86%	19,010.96	1901.10%	(19,019.52)	-1901.95%	
1989 - 1991	1,000.00	-8.56	-0.86%	18,895.23	1889.52%	(18,903.79)	-1890.38%	
1990 - 1992	1,000.00	-8.56	-0.86%	4,607.80	460.78%	(4,616.36)	-461.64%	
1991 - 1993	6,437.36	-15.60	-0.24%	1,419.59	22.05%	(1,435.19)	-22.29%	
1992 - 1994	6,437.36	-15.60	-0.24%	1,431.18	22.23%	(1,446.78)	-22.47%	
1993 - 1995	6,437.36	-15.60	-0.24%	1,411.42	21.93%	(1,427.02)	-22.17%	
1994 - 1996	0.00	0.00	0.00%	11.42	0.00%	(11.42)	0.00%	
1995 - 1997	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1996 - 1998	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1997 - 1999	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1998 - 2000	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1999 - 2001	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2000 - 2002	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2001 - 2003	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2002 - 2004	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2003 - 2005	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	

Montana-Dakota Utilities Company

Electric Plant

342.00 Fuel Holders, Producers & Accessories

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1976 - 2014

<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>								
2004 - 2006	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2005 - 2007	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2006 - 2008	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2007 - 2009	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2008 - 2010	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2009 - 2011	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2010 - 2012	77,662.15	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2011 - 2013	77,662.15	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2012 - 2014	77,662.15	0.00	0.00%	0.00	0.00%	0.00	0.00%	

Montana-Dakota Utilities Company
Electric Plant

342.00 Fuel Holders, Producers & Accessories

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1976 - 2014

<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>

Three - Year Rolling Bands

1976 - 2014	139,583.22	34.77	0.02	22,401.88	16.05	(22,367.11)	-16.02
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Trend Analysis (End Year) 2014

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

Annual Inflation Rate	2.75%
Average Service Life (ASL)	43.0
Average Retirement Age (Yrs)	58.5
Years To ASL	-15.5
Inflation Factor At 2.75% to ASL	0.66

Gross Salvage
Linear Trend Analysis

1995-2014	20 - Year Trend	0.02%
2000-2014	15 - Year Trend	0.00%
2005-2014	10 - Year Trend	0.00%
2010-2014	5 - Year Trend	0.00%

Forecasted

Gross Salvage	0.00%
(Five Year Trend)	
Cost Of Removal	10.54%
Net Salvage	-10.54%

Montana-Dakota Utilities Company

Electric Plant

350.20 Transmission Land & Land Rights

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1986 - 2014

<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>								
1986	1,119.25		1,147.48	102.52%	0.00	0.00%	1,147.48	102.52%
1987	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1988	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1989	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1990	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1991	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1992	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1993	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1994	780.59		0.00	0.00%	0.00	0.00%	0.00	0.00%
1995	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1996	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1997	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1998	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1999	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2000	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2001	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2002	26,868.96		0.00	0.00%	0.00	0.00%	0.00	0.00%
2003	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2004	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2005	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2006	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2007	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2008	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2009	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2010	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2011	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2012	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2013	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company

Electric Plant

350.20 Transmission Land & Land Rights

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1986 - 2014

<u>Year</u>	<u>Original Cost Of Retirements</u>	<u>Gross Salvage Amount</u>	<u>%</u>	<u>Cost of Removal Amount</u>	<u>%</u>	<u>Net Salvage Amount</u>	<u>%</u>
<u>Annual Activity</u>							
2014	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company

Electric Plant

350.20 Transmission Land & Land Rights

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1986 - 2014

<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>								
1986 - 1988	1,119.25		1,147.48	102.52%	0.00	0.00%	1,147.48	102.52%
1987 - 1989	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1988 - 1990	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1989 - 1991	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1990 - 1992	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1991 - 1993	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1992 - 1994	780.59		0.00	0.00%	0.00	0.00%	0.00	0.00%
1993 - 1995	780.59		0.00	0.00%	0.00	0.00%	0.00	0.00%
1994 - 1996	780.59		0.00	0.00%	0.00	0.00%	0.00	0.00%
1995 - 1997	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1996 - 1998	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1997 - 1999	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1998 - 2000	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1999 - 2001	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2000 - 2002	26,868.96		0.00	0.00%	0.00	0.00%	0.00	0.00%
2001 - 2003	26,868.96		0.00	0.00%	0.00	0.00%	0.00	0.00%
2002 - 2004	26,868.96		0.00	0.00%	0.00	0.00%	0.00	0.00%
2003 - 2005	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2004 - 2006	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2005 - 2007	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2006 - 2008	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2007 - 2009	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2008 - 2010	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2009 - 2011	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2010 - 2012	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2011 - 2013	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2012 - 2014	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company

Electric Plant

350.20 Transmission Land & Land Rights

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1986 - 2014

<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>

Three - Year Rolling Bands

1986 - 2014	28,768.80	1,147.48	3.99	0.00	0.00	1,147.48	3.99
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Trend Analysis (End Year) 2014

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

Annual Inflation Rate	2.75%
Average Service Life (ASL)	50.0
Average Retirement Age (Yrs)	23.4
Years To ASL	26.6
Inflation Factor At 2.75% to ASL	2.06

Gross Salvage
Linear Trend Analysis

1995-2014	20 - Year Trend	0.00%
2000-2014	15 - Year Trend	0.00%
2005-2014	10 - Year Trend	0.00%
2010-2014	5 - Year Trend	0.00%

Forecasted

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

Montana-Dakota Utilities Company

Electric Plant

353.00 Station Equipment

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<u>Year</u>	<u>Original Cost Of</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
	<u>Retirements</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>							
1968	95,574.86	7,834.78	8.20%	2,866.85	3.00%	4,967.93	5.20%
1969	5,630.69	4,626.00	82.16%	1,288.76	22.89%	3,337.24	59.27%
1970	12,245.13	6,336.38	51.75%	473.31	3.87%	5,863.07	47.88%
1971	47,444.19	14,129.50	29.78%	3,188.70	6.72%	10,940.80	23.06%
1972	21,515.07	2,313.00	10.75%	397.95	1.85%	1,915.05	8.90%
1973	69,036.68	2,105.99	3.05%	2,354.40	3.41%	(248.41)	-0.36%
1974	43,081.29	10,999.21	25.53%	9,279.53	21.54%	1,719.68	3.99%
1975	80,219.11	6,979.62	8.70%	3,959.83	4.94%	3,019.79	3.76%
1976	255,047.79	145,244.74	56.95%	9,041.34	3.54%	136,203.40	53.40%
1977	9,313.74	2,059.54	22.11%	772.15	8.29%	1,287.39	13.82%
1978	172,067.83	166,981.43	97.04%	0.00	0.00%	166,981.43	97.04%
1979	44,028.43	16,216.63	36.83%	7,759.82	17.62%	8,456.81	19.21%
1980	14,728.68	1,586.62	10.77%	1,712.10	11.62%	(125.48)	-0.85%
1981	537,167.75	539,762.61	100.48%	2,598.00	0.48%	537,164.61	100.00%
1982	27,242.16	90.90	0.33%	1,500.42	5.51%	(1,409.52)	-5.17%
1983	99,073.91	7,287.72	7.36%	9,488.30	9.58%	(2,200.58)	-2.22%
1984	75,588.98	5,922.60	7.84%	11,578.77	15.32%	(5,656.17)	-7.48%
1985	164,185.14	30,238.03	18.42%	21,769.55	13.26%	8,468.48	5.16%
1986	44,368.47	25,381.16	57.21%	14,012.33	31.58%	11,368.83	25.62%
1987	354,705.65	47,018.02	13.26%	33,976.73	9.58%	13,041.29	3.68%
1988	54,694.00	2,135.78	3.90%	13,066.31	23.89%	(10,930.53)	-19.98%
1989	297,489.34	104,580.40	35.15%	12,392.79	4.17%	92,187.61	30.99%
1990	157,008.12	1,809.24	1.15%	47,419.99	30.20%	(45,610.75)	-29.05%
1991	109,767.41	52.50	0.05%	7,808.20	7.11%	(7,755.70)	-7.07%
1992	479,482.45	949.59	0.20%	50,094.47	10.45%	(49,144.88)	-10.25%
1993	77,901.96	24,840.38	31.89%	3,533.84	4.54%	21,306.54	27.35%
1994	74,343.93	6,448.85	8.67%	19,848.60	26.70%	(13,399.75)	-18.02%
1995	197,782.34	0.00	0.00%	14,193.30	7.18%	(14,193.30)	-7.18%

Montana-Dakota Utilities Company

Electric Plant

353.00 Station Equipment

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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	331,648.01	37,741.43	11.38%	77,396.13	23.34%	(39,654.70)	-11.96%
1997	264,012.82	0.00	0.00%	26,774.53	10.14%	(26,774.53)	-10.14%
1998	120,513.71	0.00	0.00%	10,299.31	8.55%	(10,299.31)	-8.55%
1999	21,388.45	0.00	0.00%	5,368.13	25.10%	(5,368.13)	-25.10%
2000	227,298.24	0.00	0.00%	21,075.98	9.27%	(21,075.98)	-9.27%
2001	133,697.46	35,041.44	26.21%	14,968.60	11.20%	20,072.84	15.01%
2002	100,165.90	9,747.34	9.73%	4,460.16	4.45%	5,287.18	5.28%
2003	221,081.84	24,198.04	10.95%	8,690.57	3.93%	15,507.47	7.01%
2004	891,209.25	94,338.48	10.59%	88,526.99	9.93%	5,811.49	0.65%
2005	106,745.53	689,215.05	645.66%	34,835.48	32.63%	654,379.57	613.03%
2006	583,198.18	37,813.44	6.48%	99,337.04	17.03%	(61,523.60)	-10.55%
2007	155,607.76	0.00	0.00%	23,584.25	15.16%	(23,584.25)	-15.16%
2008	409,865.84	5,272.31	1.29%	29,495.45	7.20%	(24,223.14)	-5.91%
2009	50,103.46	0.00	0.00%	22,264.62	44.44%	(22,264.62)	-44.44%
2010	130,679.18	0.03	0.00%	17,754.86	13.59%	(17,754.83)	-13.59%
2011	130,953.50	13,834.80	10.56%	84,745.10	64.71%	(70,910.30)	-54.15%
2012	147,161.97	1,394.39	0.95%	(33,589.36)	-22.82%	34,983.75	23.77%
2013	62,937.60	790.08	1.26%	3,994.16	6.35%	(3,204.08)	-5.09%
2014	224,433.05	0.00	0.00%	29,440.85	13.12%	(29,440.85)	-13.12%

Montana-Dakota Utilities Company

Electric Plant

353.00 Station Equipment

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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	113,450.68	18,797.16	16.57%	4,628.92	4.08%	14,168.24	12.49%
1969 - 1971	65,320.01	25,091.88	38.41%	4,950.77	7.58%	20,141.11	30.83%
1970 - 1972	81,204.39	22,778.88	28.05%	4,059.96	5.00%	18,718.92	23.05%
1971 - 1973	137,995.94	18,548.49	13.44%	5,941.05	4.31%	12,607.44	9.14%
1972 - 1974	133,633.04	15,418.20	11.54%	12,031.88	9.00%	3,386.32	2.53%
1973 - 1975	192,337.08	20,084.82	10.44%	15,593.76	8.11%	4,491.06	2.33%
1974 - 1976	378,348.19	163,223.57	43.14%	22,280.70	5.89%	140,942.87	37.25%
1975 - 1977	344,580.64	154,283.90	44.77%	13,773.32	4.00%	140,510.58	40.78%
1976 - 1978	436,429.36	314,285.71	72.01%	9,813.49	2.25%	304,472.22	69.76%
1977 - 1979	225,410.00	185,257.60	82.19%	8,531.97	3.79%	176,725.63	78.40%
1978 - 1980	230,824.94	184,784.68	80.05%	9,471.92	4.10%	175,312.76	75.95%
1979 - 1981	595,924.86	557,565.86	93.56%	12,069.92	2.03%	545,495.94	91.54%
1980 - 1982	579,138.59	541,440.13	93.49%	5,810.52	1.00%	535,629.61	92.49%
1981 - 1983	663,483.82	547,141.23	82.46%	13,586.72	2.05%	533,554.51	80.42%
1982 - 1984	201,905.05	13,301.22	6.59%	22,567.49	11.18%	(9,266.27)	-4.59%
1983 - 1985	338,848.03	43,448.35	12.82%	42,836.62	12.64%	611.73	0.18%
1984 - 1986	284,142.59	61,541.79	21.66%	47,360.65	16.67%	14,181.14	4.99%
1985 - 1987	563,259.26	102,637.21	18.22%	69,758.61	12.38%	32,878.60	5.84%
1986 - 1988	453,768.12	74,534.96	16.43%	61,055.37	13.46%	13,479.59	2.97%
1987 - 1989	706,888.99	153,734.20	21.75%	59,435.83	8.41%	94,298.37	13.34%
1988 - 1990	509,191.46	108,525.42	21.31%	72,879.09	14.31%	35,646.33	7.00%
1989 - 1991	564,264.87	106,442.14	18.86%	67,620.98	11.98%	38,821.16	6.88%
1990 - 1992	746,257.98	2,811.33	0.38%	105,322.66	14.11%	(102,511.33)	-13.74%
1991 - 1993	667,151.82	25,842.47	3.87%	61,436.51	9.21%	(35,594.04)	-5.34%
1992 - 1994	631,728.34	32,238.82	5.10%	73,476.91	11.63%	(41,238.09)	-6.53%
1993 - 1995	350,028.23	31,289.23	8.94%	37,575.74	10.74%	(6,286.51)	-1.80%
1994 - 1996	603,774.28	44,190.28	7.32%	111,438.03	18.46%	(67,247.75)	-11.14%
1995 - 1997	793,443.17	37,741.43	4.76%	118,363.96	14.92%	(80,622.53)	-10.16%

Montana-Dakota Utilities Company

Electric Plant

353.00 Station Equipment

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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	716,174.54	37,741.43	5.27%	114,469.97	15.98%	(76,728.54)	-10.71%
1997 - 1999	405,914.98	0.00	0.00%	42,441.97	10.46%	(42,441.97)	-10.46%
1998 - 2000	369,200.40	0.00	0.00%	36,743.42	9.95%	(36,743.42)	-9.95%
1999 - 2001	382,384.15	35,041.44	9.16%	41,412.71	10.83%	(6,371.27)	-1.67%
2000 - 2002	461,161.60	44,788.78	9.71%	40,504.74	8.78%	4,284.04	0.93%
2001 - 2003	454,945.20	68,986.82	15.16%	28,119.33	6.18%	40,867.49	8.98%
2002 - 2004	1,212,456.99	128,283.86	10.58%	101,677.72	8.39%	26,606.14	2.19%
2003 - 2005	1,219,036.62	807,751.57	66.26%	132,053.04	10.83%	675,698.53	55.43%
2004 - 2006	1,581,152.96	821,366.97	51.95%	222,699.51	14.08%	598,667.46	37.86%
2005 - 2007	845,551.47	727,028.49	85.98%	157,756.77	18.66%	569,271.72	67.33%
2006 - 2008	1,148,671.78	43,085.75	3.75%	152,416.74	13.27%	(109,330.99)	-9.52%
2007 - 2009	615,577.06	5,272.31	0.86%	75,344.32	12.24%	(70,072.01)	-11.38%
2008 - 2010	590,648.48	5,272.34	0.89%	69,514.93	11.77%	(64,242.59)	-10.88%
2009 - 2011	311,736.14	13,834.83	4.44%	124,764.58	40.02%	(110,929.75)	-35.58%
2010 - 2012	408,794.65	15,229.22	3.73%	68,910.60	16.86%	(53,681.38)	-13.13%
2011 - 2013	341,053.07	16,019.27	4.70%	55,149.90	16.17%	(39,130.63)	-11.47%
2012 - 2014	434,532.62	2,184.47	0.50%	(154.35)	-0.04%	2,338.82	0.54%

Montana-Dakota Utilities Company

Electric Plant

354.00 Towers & Fixtures

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 2008 - 2014

<u>Year</u>	<u>Original Cost Of</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
	<u>Retirements</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>							
2008	515.74	0.00	0.00%	362.18	70.23%	(362.18)	-70.23%
2009	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2010	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2011	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2012	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2013	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2014	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company

Electric Plant

354.00 Towers & Fixtures

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 2008 - 2014

<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>								
2008 - 2010	515.74	0.00	0.00%	362.18	70.23%	(362.18)	-70.23%	
2009 - 2011	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2010 - 2012	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2011 - 2013	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2012 - 2014	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2008 - 2014	515.74	0.00	0.00	362.18	70.23	(362.18)	-70.23	

Trend Analysis (End Year) 2014

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

Annual Inflation Rate	2.75%
Average Service Life (ASL)	55.0
Average Retirement Age (Yrs)	31.5
Years To ASL	23.5
Inflation Factor At 2.75% to ASL	1.89

Gross Salvage
Linear Trend Analysis

1995-2014	20 - Year Trend	0.00%
2000-2014	15 - Year Trend	0.00%
2005-2014	10 - Year Trend	0.00%
2010-2014	5 - Year Trend	0.00%

Forecasted

Gross Salvage	0.00%
(Five Year Trend)	
Cost Of Removal	132.86%
Net Salvage	-132.86%

Montana-Dakota Utilities Company

Electric Plant

355.00 Poles & Fixtures

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<u>Year</u>	<u>Original Cost Of</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
	<u>Retirements</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>							
1968	104,280.32	68,996.79	66.16%	24,098.17	23.11%	44,898.62	43.06%
1969	110,533.90	82,690.54	74.81%	33,505.02	30.31%	49,185.52	44.50%
1970	130,163.71	41,724.37	32.06%	24,676.01	18.96%	17,048.36	13.10%
1971	69,680.14	20,493.49	29.41%	16,758.57	24.05%	3,734.92	5.36%
1972	83,489.69	39,216.03	46.97%	14,312.07	17.14%	24,903.96	29.83%
1973	128,680.30	27,268.29	21.19%	27,760.37	21.57%	(492.08)	-0.38%
1974	86,326.88	41,906.84	48.54%	21,046.52	24.38%	20,860.32	24.16%
1975	174,393.78	58,463.22	33.52%	37,750.20	21.65%	20,713.02	11.88%
1976	21,342.88	22,659.49	106.17%	15,325.67	71.81%	7,333.82	34.36%
1977	51,246.29	25,547.46	49.85%	15,171.57	29.61%	10,375.89	20.25%
1978	33,119.91	32,618.15	98.49%	10,972.01	33.13%	21,646.14	65.36%
1979	39,116.67	35,206.02	90.00%	36,359.24	92.95%	(1,153.22)	-2.95%
1980	25,542.32	25,083.18	98.20%	28,624.25	112.07%	(3,541.07)	-13.86%
1981	60,730.52	57,691.86	95.00%	29,647.19	48.82%	28,044.67	46.18%
1982	55,112.53	55,968.81	101.55%	32,291.10	58.59%	23,677.71	42.96%
1983	91,344.05	59,861.79	65.53%	71,657.47	78.45%	(11,795.68)	-12.91%
1984	122,464.19	102,353.99	83.58%	27,939.79	22.81%	74,414.20	60.76%
1985	71,426.49	54,551.13	76.37%	12,533.83	17.55%	42,017.30	58.83%
1986	129,874.44	125,508.31	96.64%	16,422.37	12.64%	109,085.94	83.99%
1987	213,813.28	35,061.34	16.40%	45,747.87	21.40%	(10,686.53)	-5.00%
1988	71,519.16	17,920.26	25.06%	50,996.95	71.31%	(33,076.69)	-46.25%
1989	90,554.50	34,651.55	38.27%	53,734.07	59.34%	(19,082.52)	-21.07%
1990	98,433.73	32,738.52	33.26%	37,082.02	37.67%	(4,343.50)	-4.41%
1991	129,356.83	28,128.51	21.74%	58,212.10	45.00%	(30,083.59)	-23.26%
1992	153,193.37	14,172.42	9.25%	48,135.68	31.42%	(33,963.26)	-22.17%
1993	71,613.86	14,010.96	19.56%	37,938.80	52.98%	(23,927.84)	-33.41%
1994	181,965.13	39,800.98	21.87%	123,158.00	67.68%	(83,357.02)	-45.81%
1995	115,814.18	37,647.06	32.51%	43,664.57	37.70%	(6,017.51)	-5.20%

Montana-Dakota Utilities Company

Electric Plant

355.00 Poles & Fixtures

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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	320,030.21	88,015.62	27.50%	141,828.35	44.32%	(53,812.73)	-16.81%
1997	144,531.28	32,376.25	22.40%	105,285.71	72.85%	(72,909.46)	-50.45%
1998	93,576.75	26,758.78	28.60%	35,895.90	38.36%	(9,137.12)	-9.76%
1999	16,092.20	906.55	5.63%	2,623.31	16.30%	(1,716.76)	-10.67%
2000	14,456.64	9,418.85	65.15%	35,304.61	244.21%	(25,885.76)	-179.06%
2001	63,687.37	13,028.47	20.46%	35,756.60	56.14%	(22,728.13)	-35.69%
2002	19,842.26	4,511.00	22.73%	38,992.03	196.51%	(34,481.03)	-173.78%
2003	52,028.40	8,981.60	17.26%	171,002.36	328.67%	(162,020.76)	-311.41%
2004	145,216.47	14,881.59	10.25%	116,345.00	80.12%	(101,463.41)	-69.87%
2005	31,389.44	6,820.19	21.73%	17,240.99	54.93%	(10,420.80)	-33.20%
2006	44,903.35	6,786.23	15.11%	62,387.98	138.94%	(55,601.75)	-123.83%
2007	33,583.16	6,696.80	19.94%	18,860.44	56.16%	(12,163.64)	-36.22%
2008	85,336.22	51,826.65	60.73%	66,529.91	77.96%	(14,703.26)	-17.23%
2009	14,181.34	4,154.25	29.29%	12,226.45	86.22%	(8,072.20)	-56.92%
2010	56,953.86	1,745.73	3.07%	66,939.82	117.53%	(65,194.09)	-114.47%
2011	258,159.68	1,792.64	0.69%	284,311.93	110.13%	(282,519.29)	-109.44%
2012	120,677.36	30,041.36	24.89%	122,153.48	101.22%	(92,112.12)	-76.33%
2013	64,955.66	5,847.42	9.00%	64,420.07	99.18%	(58,572.65)	-90.17%
2014	782,858.58	0.00	0.00%	291,412.07	37.22%	(291,412.07)	-37.22%

Montana-Dakota Utilities Company

Electric Plant

355.00 Poles & Fixtures

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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	344,977.93	193,411.70	56.06%	82,279.20	23.85%	111,132.50	32.21%
1969 - 1971	310,377.75	144,908.40	46.69%	74,939.60	24.14%	69,968.80	22.54%
1970 - 1972	283,333.54	101,433.89	35.80%	55,746.65	19.68%	45,687.24	16.12%
1971 - 1973	281,850.13	86,977.81	30.86%	58,831.01	20.87%	28,146.80	9.99%
1972 - 1974	298,496.87	108,391.16	36.31%	63,118.96	21.15%	45,272.20	15.17%
1973 - 1975	389,400.96	127,638.35	32.78%	86,557.09	22.23%	41,081.26	10.55%
1974 - 1976	282,063.54	123,029.55	43.62%	74,122.39	26.28%	48,907.16	17.34%
1975 - 1977	246,982.95	106,670.17	43.19%	68,247.44	27.63%	38,422.73	15.56%
1976 - 1978	105,709.08	80,825.10	76.46%	41,469.25	39.23%	39,355.85	37.23%
1977 - 1979	123,482.87	93,371.63	75.62%	62,502.82	50.62%	30,868.81	25.00%
1978 - 1980	97,778.90	92,907.35	95.02%	75,955.50	77.68%	16,951.85	17.34%
1979 - 1981	125,389.51	117,981.06	94.09%	94,630.68	75.47%	23,350.38	18.62%
1980 - 1982	141,385.37	138,743.85	98.13%	90,562.54	64.05%	48,181.31	34.08%
1981 - 1983	207,187.10	173,522.46	83.75%	133,595.76	64.48%	39,926.70	19.27%
1982 - 1984	268,920.77	218,184.59	81.13%	131,888.36	49.04%	86,296.23	32.09%
1983 - 1985	285,234.73	216,766.91	76.00%	112,131.09	39.31%	104,635.82	36.68%
1984 - 1986	323,765.12	282,413.43	87.23%	56,895.99	17.57%	225,517.44	69.65%
1985 - 1987	415,114.21	215,120.78	51.82%	74,704.07	18.00%	140,416.71	33.83%
1986 - 1988	415,206.88	178,489.91	42.99%	113,167.19	27.26%	65,322.72	15.73%
1987 - 1989	375,886.94	87,633.15	23.31%	150,478.89	40.03%	(62,845.74)	-16.72%
1988 - 1990	260,507.39	85,310.33	32.75%	141,813.04	54.44%	(56,502.71)	-21.69%
1989 - 1991	318,345.06	95,518.58	30.00%	149,028.19	46.81%	(53,509.61)	-16.81%
1990 - 1992	380,983.93	75,039.45	19.70%	143,429.80	37.65%	(68,390.35)	-17.95%
1991 - 1993	354,164.06	56,311.89	15.90%	144,286.58	40.74%	(87,974.69)	-24.84%
1992 - 1994	406,772.36	67,984.36	16.71%	209,232.48	51.44%	(141,248.12)	-34.72%
1993 - 1995	369,393.17	91,459.00	24.76%	204,761.37	55.43%	(113,302.37)	-30.67%
1994 - 1996	617,809.52	165,463.66	26.78%	308,650.92	49.96%	(143,187.26)	-23.18%
1995 - 1997	580,375.67	158,038.93	27.23%	290,778.63	50.10%	(132,739.70)	-22.87%

Montana-Dakota Utilities Company

Electric Plant

355.00 Poles & Fixtures

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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	558,138.24	147,150.65	26.36%	283,009.96	50.71%	(135,859.31)	-24.34%
1997 - 1999	254,200.23	60,041.58	23.62%	143,804.92	56.57%	(83,763.34)	-32.95%
1998 - 2000	124,125.59	37,084.18	29.88%	73,823.82	59.48%	(36,739.64)	-29.60%
1999 - 2001	94,236.21	23,353.87	24.78%	73,684.52	78.19%	(50,330.65)	-53.41%
2000 - 2002	97,986.27	26,958.32	27.51%	110,053.24	112.31%	(83,094.92)	-84.80%
2001 - 2003	135,558.03	26,521.07	19.56%	245,750.99	181.29%	(219,229.92)	-161.72%
2002 - 2004	217,087.13	28,374.19	13.07%	326,339.39	150.33%	(297,965.20)	-137.26%
2003 - 2005	228,634.31	30,683.38	13.42%	304,588.35	133.22%	(273,904.97)	-119.80%
2004 - 2006	221,509.26	28,488.01	12.86%	195,973.97	88.47%	(167,485.96)	-75.61%
2005 - 2007	109,875.95	20,303.22	18.48%	98,489.41	89.64%	(78,186.19)	-71.16%
2006 - 2008	163,822.73	65,309.68	39.87%	147,778.33	90.21%	(82,468.65)	-50.34%
2007 - 2009	133,100.72	62,677.70	47.09%	97,616.80	73.34%	(34,939.10)	-26.25%
2008 - 2010	156,471.42	57,726.63	36.89%	145,696.18	93.11%	(87,969.55)	-56.22%
2009 - 2011	329,294.88	7,692.62	2.34%	363,478.20	110.38%	(355,785.58)	-108.04%
2010 - 2012	435,790.90	33,579.73	7.71%	473,405.23	108.63%	(439,825.50)	-100.93%
2011 - 2013	443,792.70	37,681.42	8.49%	470,885.48	106.10%	(433,204.06)	-97.61%
2012 - 2014	968,491.60	35,888.78	3.71%	477,985.62	49.35%	(442,096.84)	-45.65%

Montana-Dakota Utilities Company

Electric Plant

355.00 Poles & Fixtures

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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>

Three - Year Rolling Bands

1968 - 2014	5,077,593.28	1,546,531.34	30.46	2,685,038.49	52.88	(1,138,507.15)	-22.42
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Trend Analysis (End Year) 2014

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

Annual Inflation Rate	2.75%
Average Service Life (ASL)	57.0
Average Retirement Age (Yrs)	31.0
Years To ASL	26.0
Inflation Factor At 2.75% to ASL	2.02

**Gross Salvage
Linear Trend Analysis**

1995-2014	20 - Year Trend	14.03%
2000-2014	15 - Year Trend	12.29%
2005-2014	10 - Year Trend	9.26%
2010-2014	5 - Year Trend	0.00%

Forecasted

Gross Salvage	0.00%
(Five Year Trend)	
Cost Of Removal	107.07%
Net Salvage	-107.07%

Montana-Dakota Utilities Company

Electric Plant

356.00 Overhead Conductor & Devices

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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	107,847.04	48,427.18	44.90%	14,800.72	13.72%	33,626.46	31.18%
1969	136,961.26	93,655.37	68.38%	37,521.83	27.40%	56,133.54	40.98%
1970	153,986.99	58,853.87	38.22%	28,682.90	18.63%	30,170.97	19.59%
1971	81,070.71	24,091.87	29.72%	16,513.78	20.37%	7,578.09	9.35%
1972	82,052.77	45,337.07	55.25%	14,523.64	17.70%	30,813.43	37.55%
1973	144,622.09	36,928.28	25.53%	30,376.80	21.00%	6,551.48	4.53%
1974	79,730.47	144,835.56	181.66%	24,232.06	30.39%	120,603.50	151.26%
1975	179,578.32	139,479.09	77.67%	33,522.44	18.67%	105,956.65	59.00%
1976	16,284.66	46,722.16	286.91%	52,472.83	322.22%	(5,750.67)	-35.31%
1977	63,674.76	34,998.13	54.96%	(4,850.28)	-7.62%	39,848.41	62.58%
1978	27,923.80	16,325.09	58.46%	13,899.53	49.78%	2,425.56	8.69%
1979	30,719.62	24,047.99	78.28%	24,338.83	79.23%	(290.84)	-0.95%
1980	15,405.32	11,841.49	76.87%	12,574.51	81.62%	(733.02)	-4.76%
1981	44,412.68	50,617.47	113.97%	34,975.11	78.75%	15,642.36	35.22%
1982	43,836.93	45,101.56	102.88%	21,662.03	49.42%	23,439.53	53.47%
1983	85,507.50	56,422.34	65.99%	53,434.09	62.49%	2,988.25	3.49%
1984	142,942.21	135,966.52	95.12%	131,997.71	92.34%	3,968.81	2.78%
1985	65,974.80	61,577.13	93.33%	93,015.77	140.99%	(31,438.64)	-47.65%
1986	178,120.07	184,970.43	103.85%	24,187.34	13.58%	160,783.09	90.27%
1987	215,671.42	74,862.82	34.71%	81,404.13	37.74%	(6,541.31)	-3.03%
1988	30,484.67	61,050.21	200.27%	21,070.48	69.12%	39,979.73	131.15%
1989	17,008.52	30,775.39	180.94%	17,131.36	100.72%	13,644.03	80.22%
1990	29,421.77	29,267.91	99.48%	17,623.69	59.90%	11,644.22	39.58%
1991	57,058.44	23,175.50	40.62%	18,529.99	32.48%	4,645.51	8.14%
1992	115,623.64	154,093.01	133.27%	25,358.48	21.93%	128,734.53	111.34%
1993	49,607.94	61,826.56	124.63%	18,018.43	36.32%	43,808.13	88.31%
1994	152,132.28	101,275.09	66.57%	94,573.12	62.17%	6,701.97	4.41%
1995	151,893.87	149,062.91	98.14%	28,930.84	19.05%	120,132.07	79.09%

Montana-Dakota Utilities Company

Electric Plant

356.00 Overhead Conductor & Devices

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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	201,556.44	77,773.44	38.59%	67,689.52	33.58%	10,083.92	5.00%
1997	94,383.65	96,509.65	102.25%	81,605.03	86.46%	14,904.62	15.79%
1998	70,024.98	45,467.64	64.93%	29,311.31	41.86%	16,156.33	23.07%
1999	189.10	-412.27	-218.02%	(171.95)	-90.93%	(240.32)	-127.09%
2000	4,641.22	4,991.75	107.55%	3,722.60	80.21%	1,269.15	27.35%
2001	29,458.39	9,643.85	32.74%	12,553.48	42.61%	(2,909.63)	-9.88%
2002	16,463.41	24,898.11	151.23%	27,615.34	167.74%	(2,717.23)	-16.50%
2003	69,959.75	4,039.44	5.77%	95,239.56	136.13%	(91,200.12)	-130.36%
2004	117,071.01	11,828.33	10.10%	67,272.44	57.46%	(55,444.11)	-47.36%
2005	26,128.52	4,347.71	16.64%	3,676.95	14.07%	670.76	2.57%
2006	1,714.92	0.00	0.00%	3,778.54	220.33%	(3,778.54)	-220.33%
2007	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2008	90,070.88	34,204.06	37.97%	52,199.34	57.95%	(17,995.28)	-19.98%
2009	66,384.24	8,217.00	12.38%	174.54	0.26%	8,042.46	12.12%
2010	3,476.14	501.28	14.42%	8,186.79	235.51%	(7,685.51)	-221.09%
2011	149,248.18	98,243.00	65.83%	127,913.23	85.71%	(29,670.23)	-19.88%
2012	60,836.84	22,942.88	37.71%	101,801.94	167.34%	(78,859.06)	-129.62%
2013	19,830.28	2,065.58	10.42%	(75,549.55)	-380.98%	77,615.13	391.40%
2014	197,780.80	0.00	0.00%	53,848.26	27.23%	(53,848.26)	-27.23%

Montana-Dakota Utilities Company

Electric Plant

356.00 Overhead Conductor & Devices

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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	398,795.29	200,936.42	50.39%	81,005.45	20.31%	119,930.97	30.07%
1969 - 1971	372,018.96	176,601.11	47.47%	82,718.51	22.24%	93,882.60	25.24%
1970 - 1972	317,110.47	128,282.81	40.45%	59,720.32	18.83%	68,562.49	21.62%
1971 - 1973	307,745.57	106,357.22	34.56%	61,414.22	19.96%	44,943.00	14.60%
1972 - 1974	306,405.33	227,100.91	74.12%	69,132.50	22.56%	157,968.41	51.56%
1973 - 1975	403,930.88	321,242.93	79.53%	88,131.30	21.82%	233,111.63	57.71%
1974 - 1976	275,593.45	331,036.81	120.12%	110,227.33	40.00%	220,809.48	80.12%
1975 - 1977	259,537.74	221,199.38	85.23%	81,144.99	31.27%	140,054.39	53.96%
1976 - 1978	107,883.22	98,045.38	90.88%	61,522.08	57.03%	36,523.30	33.85%
1977 - 1979	122,318.18	75,371.21	61.62%	33,388.08	27.30%	41,983.13	34.32%
1978 - 1980	74,048.74	52,214.57	70.51%	50,812.87	68.62%	1,401.70	1.89%
1979 - 1981	90,537.62	86,506.95	95.55%	71,888.45	79.40%	14,618.50	16.15%
1980 - 1982	103,654.93	107,560.52	103.77%	69,211.65	66.77%	38,348.87	37.00%
1981 - 1983	173,757.11	152,141.37	87.56%	110,071.23	63.35%	42,070.14	24.21%
1982 - 1984	272,286.64	237,490.42	87.22%	207,093.83	76.06%	30,396.59	11.16%
1983 - 1985	294,424.51	253,965.99	86.26%	278,447.57	94.57%	(24,481.58)	-8.32%
1984 - 1986	387,037.08	382,514.08	98.83%	249,200.82	64.39%	133,313.26	34.44%
1985 - 1987	459,766.29	321,410.38	69.91%	198,607.24	43.20%	122,803.14	26.71%
1986 - 1988	424,276.16	320,883.46	75.63%	126,661.95	29.85%	194,221.51	45.78%
1987 - 1989	263,164.61	166,688.42	63.34%	119,605.97	45.45%	47,082.45	17.89%
1988 - 1990	76,914.96	121,093.51	157.44%	55,825.53	72.58%	65,267.98	84.86%
1989 - 1991	103,488.73	83,218.80	80.41%	53,285.04	51.49%	29,933.76	28.92%
1990 - 1992	202,103.85	206,536.42	102.19%	61,512.16	30.44%	145,024.26	71.76%
1991 - 1993	222,290.02	239,095.07	107.56%	61,906.90	27.85%	177,188.17	79.71%
1992 - 1994	317,363.86	317,194.66	99.95%	137,950.03	43.47%	179,244.63	56.48%
1993 - 1995	353,634.09	312,164.56	88.27%	141,522.39	40.02%	170,642.17	48.25%
1994 - 1996	505,582.59	328,111.44	64.90%	191,193.48	37.82%	136,917.96	27.08%
1995 - 1997	447,833.96	323,346.00	72.20%	178,225.39	39.80%	145,120.61	32.41%

Montana-Dakota Utilities Company

Electric Plant

356.00 Overhead Conductor & Devices

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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	365,965.07	219,750.73	60.05%	178,605.86	48.80%	41,144.87	11.24%
1997 - 1999	164,597.73	141,565.02	86.01%	110,744.39	67.28%	30,820.63	18.72%
1998 - 2000	74,855.30	50,047.12	66.86%	32,861.96	43.90%	17,185.16	22.96%
1999 - 2001	34,288.71	14,223.33	41.48%	16,104.13	46.97%	(1,880.80)	-5.49%
2000 - 2002	50,563.02	39,533.71	78.19%	43,891.42	86.81%	(4,357.71)	-8.62%
2001 - 2003	115,881.55	38,581.40	33.29%	135,408.38	116.85%	(96,826.98)	-83.56%
2002 - 2004	203,494.17	40,765.88	20.03%	190,127.34	93.43%	(149,361.46)	-73.40%
2003 - 2005	213,159.28	20,215.48	9.48%	166,188.95	77.96%	(145,973.47)	-68.48%
2004 - 2006	144,914.45	16,176.04	11.16%	74,727.93	51.57%	(58,551.89)	-40.40%
2005 - 2007	27,843.44	4,347.71	15.61%	7,455.49	26.78%	(3,107.78)	-11.16%
2006 - 2008	91,785.80	34,204.06	37.27%	55,977.88	60.99%	(21,773.82)	-23.72%
2007 - 2009	156,455.12	42,421.06	27.11%	52,373.88	33.48%	(9,952.82)	-6.36%
2008 - 2010	159,931.26	42,922.34	26.84%	60,560.67	37.87%	(17,638.33)	-11.03%
2009 - 2011	219,108.56	106,961.28	48.82%	136,274.56	62.19%	(29,313.28)	-13.38%
2010 - 2012	213,561.16	121,687.16	56.98%	237,901.96	111.40%	(116,214.80)	-54.42%
2011 - 2013	229,915.30	123,251.46	53.61%	154,165.62	67.05%	(30,914.16)	-13.45%
2012 - 2014	278,447.92	25,008.46	8.98%	80,100.65	28.77%	(55,092.19)	-19.79%

Montana-Dakota Utilities Company

Electric Plant

356.00 Overhead Conductor & Devices

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<u>Year</u>	<u>Original Cost Of</u> <u>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>

Three - Year Rolling Bands

1968 - 2014	3,718,773.30	2,390,849.45	64.29	1,641,389.53	44.14	749,459.92	20.15
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Trend Analysis (End Year) 2014

*Based Upon Three - Year Rolling Averages

Annual Inflation Rate	2.75%
Average Service Life (ASL)	70.0
Average Retirement Age (Yrs)	34.0
Years To ASL	36.0
Inflation Factor At 2.75% to ASL	2.65

Gross Salvage Linear Trend Analysis

1995-2014	20 - Year Trend	17.72%
2000-2014	15 - Year Trend	27.30%
2005-2014	10 - Year Trend	47.38%
2010-2014	5 - Year Trend	29.77%

Forecasted

Gross Salvage	29.77%
(Five Year Trend)	
Cost Of Removal	117.06%
Net Salvage	-87.29%

Montana-Dakota Utilities Company

Electric Plant

360.20 Distribution Rights of Ways

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1987 - 2014

<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>								
1987	66.00		0.00	0.00%	181.50	275.00%	(181.50)	-275.00%
1988	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1989	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1990	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1991	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1992	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1993	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1994	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1995	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1996	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1997	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1998	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1999	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2000	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2001	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2002	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2003	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2004	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2005	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2006	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2007	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2008	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2009	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2010	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2011	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2012	484.39		0.00	0.00%	0.00	0.00%	0.00	0.00%
2013	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2014	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company

Electric Plant

360.20 Distribution Rights of Ways

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1987 - 2014

<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>								
1987 - 1989	66.00		0.00	0.00%	181.50	275.00%	(181.50)	-275.00%
1988 - 1990	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1989 - 1991	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1990 - 1992	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1991 - 1993	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1992 - 1994	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1993 - 1995	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1994 - 1996	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1995 - 1997	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1996 - 1998	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1997 - 1999	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1998 - 2000	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1999 - 2001	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2000 - 2002	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2001 - 2003	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2002 - 2004	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2003 - 2005	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2004 - 2006	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2005 - 2007	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2006 - 2008	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2007 - 2009	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2008 - 2010	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2009 - 2011	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2010 - 2012	484.39		0.00	0.00%	0.00	0.00%	0.00	0.00%
2011 - 2013	484.39		0.00	0.00%	0.00	0.00%	0.00	0.00%
2012 - 2014	484.39		0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company

Electric Plant

360.20 Distribution Rights of Ways

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1987 - 2014

<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>

Three - Year Rolling Bands

1987 - 2014	550.39		0.00	0.00		181.50	32.98		(181.50)	-32.98
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Trend Analysis (End Year) 2014

*Based Upon Three - Year Rolling Averages

Annual Inflation Rate	2.75%
Average Service Life (ASL)	50.0
Average Retirement Age (Yrs)	15.1
Years To ASL	34.9
Inflation Factor At 2.75% to ASL	2.58

Gross Salvage
Linear Trend Analysis

1995-2014	20 - Year Trend	0.00%
2000-2014	15 - Year Trend	0.00%
2005-2014	10 - Year Trend	0.00%
2010-2014	5 - Year Trend	0.00%

Forecasted

Gross Salvage	0.00%
(Five Year Trend)	
Cost Of Removal	85.08%
Net Salvage	-85.08%

Montana-Dakota Utilities Company

Electric Plant

362.00 Station Equipment

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<u>Year</u>	<u>Original Cost Of</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
	<u>Retirements</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>							
1968	44,189.19	13,463.25	30.47%	2,608.44	5.90%	10,854.81	24.56%
1969	40,769.51	7,632.34	18.72%	2,228.10	5.47%	5,404.24	13.26%
1970	50,937.00	14,756.17	28.97%	4,366.09	8.57%	10,390.08	20.40%
1971	28,060.37	13,475.50	48.02%	2,605.86	9.29%	10,869.64	38.74%
1972	32,340.92	11,810.14	36.52%	3,563.08	11.02%	8,247.06	25.50%
1973	50,602.26	13,707.08	27.09%	6,459.55	12.77%	7,247.53	14.32%
1974	43,283.61	27,346.05	63.18%	6,307.99	14.57%	21,038.06	48.61%
1975	83,710.24	17,202.18	20.55%	(3,943.44)	-4.71%	21,145.62	25.26%
1976	74,057.83	16,544.90	22.34%	3,978.86	5.37%	12,566.04	16.97%
1977	94,017.15	16,955.77	18.03%	3,142.46	3.34%	13,813.31	14.69%
1978	70,074.15	15,909.85	22.70%	9,518.60	13.58%	6,391.25	9.12%
1979	18,190.79	8,754.49	48.13%	4,046.07	22.24%	4,708.42	25.88%
1980	41,399.57	19,858.29	47.97%	3,214.93	7.77%	16,643.36	40.20%
1981	44,594.70	36,208.15	81.19%	8,502.44	19.07%	27,705.71	62.13%
1982	97,825.37	38,099.41	38.95%	9,858.37	10.08%	28,241.04	28.87%
1983	69,130.61	58,251.00	84.26%	12,626.08	18.26%	45,624.92	66.00%
1984	38,636.36	13,067.64	33.82%	8,491.44	21.98%	4,576.20	11.84%
1985	53,343.30	23,940.73	44.88%	9,015.94	16.90%	14,924.79	27.98%
1986	34,671.21	6,130.62	17.68%	9,480.36	27.34%	(3,349.74)	-9.66%
1987	88,610.06	42,928.44	48.45%	7,261.93	8.20%	35,666.51	40.25%
1988	108,055.18	34,557.19	31.98%	13,339.10	12.34%	21,218.09	19.64%
1989	184,166.51	17,477.14	9.49%	13,483.79	7.32%	3,993.35	2.17%
1990	51,454.60	14,868.33	28.90%	16,798.16	32.65%	(1,929.83)	-3.75%
1991	34,473.78	27,837.14	80.75%	15,985.72	46.37%	11,851.42	34.38%
1992	87,956.59	14,079.82	16.01%	21,812.15	24.80%	(7,732.33)	-8.79%
1993	112,357.69	31,959.54	28.44%	17,052.50	15.18%	14,907.04	13.27%
1994	195,007.10	61,013.61	31.29%	50,539.27	25.92%	10,474.34	5.37%
1995	22,944.93	29,944.00	130.50%	6,338.17	27.62%	23,605.83	102.88%

Montana-Dakota Utilities Company

Electric Plant

362.00 Station Equipment

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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	40,930.60	16,480.23	40.26%	9,084.50	22.19%	7,395.73	18.07%
1997	123,562.15	24,675.27	19.97%	10,766.37	8.71%	13,908.90	11.26%
1998	142,405.16	46,908.50	32.94%	7,483.89	5.26%	39,424.61	27.68%
1999	24,858.93	-7,698.65	-30.97%	2,211.22	8.90%	(9,909.87)	-39.86%
2000	16,259.50	0.00	0.00%	2,367.99	14.56%	(2,367.99)	-14.56%
2001	44,709.40	3,572.59	7.99%	16,525.48	36.96%	(12,952.89)	-28.97%
2002	80,408.48	3,572.59	4.44%	6,219.74	7.74%	(2,647.15)	-3.29%
2003	64,184.70	1,987.60	3.10%	13,016.45	20.28%	(11,028.85)	-17.18%
2004	29,034.97	0.00	0.00%	1,718.33	5.92%	(1,718.33)	-5.92%
2005	129,821.59	17,681.86	13.62%	11,962.18	9.21%	5,719.68	4.41%
2006	675,160.14	531,454.18	78.72%	3,603.09	0.53%	527,851.09	78.18%
2007	9,790.96	204,292.00	2086.54%	153.35	1.57%	204,138.65	2084.97%
2008	65,170.87	327.61	0.50%	2,508.77	3.85%	(2,181.16)	-3.35%
2009	28,596.15	0.00	0.00%	1,547.02	5.41%	(1,547.02)	-5.41%
2010	154,830.04	74,999.97	48.44%	12,525.48	8.09%	62,474.49	40.35%
2011	102,804.60	4,050.24	3.94%	30,759.04	29.92%	(26,708.80)	-25.98%
2012	206,948.31	0.00	0.00%	4,469.00	2.16%	(4,469.00)	-2.16%
2013	40,026.75	0.00	0.00%	11,250.76	28.11%	(11,250.76)	-28.11%
2014	1,122,906.19	0.00	0.00%	167,752.86	14.94%	(167,752.86)	-14.94%

Montana-Dakota Utilities Company

Electric Plant

362.00 Station Equipment

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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	135,895.70	35,851.76	26.38%	9,202.63	6.77%	26,649.13	19.61%
1969 - 1971	119,766.88	35,864.01	29.94%	9,200.05	7.68%	26,663.96	22.26%
1970 - 1972	111,338.29	40,041.81	35.96%	10,535.03	9.46%	29,506.78	26.50%
1971 - 1973	111,003.55	38,992.72	35.13%	12,628.49	11.38%	26,364.23	23.75%
1972 - 1974	126,226.79	52,863.27	41.88%	16,330.62	12.94%	36,532.65	28.94%
1973 - 1975	177,596.11	58,255.31	32.80%	8,824.10	4.97%	49,431.21	27.83%
1974 - 1976	201,051.68	61,093.13	30.39%	6,343.41	3.16%	54,749.72	27.23%
1975 - 1977	251,785.22	50,702.85	20.14%	3,177.88	1.26%	47,524.97	18.88%
1976 - 1978	238,149.13	49,410.52	20.75%	16,639.92	6.99%	32,770.60	13.76%
1977 - 1979	182,282.09	41,620.11	22.83%	16,707.13	9.17%	24,912.98	13.67%
1978 - 1980	129,664.51	44,522.63	34.34%	16,779.60	12.94%	27,743.03	21.40%
1979 - 1981	104,185.06	64,820.93	62.22%	15,763.44	15.13%	49,057.49	47.09%
1980 - 1982	183,819.64	94,165.85	51.23%	21,575.74	11.74%	72,590.11	39.49%
1981 - 1983	211,550.68	132,558.56	62.66%	30,986.89	14.65%	101,571.67	48.01%
1982 - 1984	205,592.34	109,418.05	53.22%	30,975.89	15.07%	78,442.16	38.15%
1983 - 1985	161,110.27	95,259.37	59.13%	30,133.46	18.70%	65,125.91	40.42%
1984 - 1986	126,650.87	43,138.99	34.06%	26,987.74	21.31%	16,151.25	12.75%
1985 - 1987	176,624.57	72,999.79	41.33%	25,758.23	14.58%	47,241.56	26.75%
1986 - 1988	231,336.45	83,616.25	36.14%	30,081.39	13.00%	53,534.86	23.14%
1987 - 1989	380,831.75	94,962.77	24.94%	34,084.82	8.95%	60,877.95	15.99%
1988 - 1990	343,676.29	66,902.66	19.47%	43,621.05	12.69%	23,281.61	6.77%
1989 - 1991	270,094.89	60,182.61	22.28%	46,267.67	17.13%	13,914.94	5.15%
1990 - 1992	173,884.97	56,785.29	32.66%	54,596.03	31.40%	2,189.26	1.26%
1991 - 1993	234,788.06	73,876.50	31.47%	54,850.37	23.36%	19,026.13	8.10%
1992 - 1994	395,321.38	107,052.97	27.08%	89,403.92	22.62%	17,649.05	4.46%
1993 - 1995	330,309.72	122,917.15	37.21%	73,929.94	22.38%	48,987.21	14.83%
1994 - 1996	258,882.63	107,437.84	41.50%	65,961.94	25.48%	41,475.90	16.02%
1995 - 1997	187,437.68	71,099.50	37.93%	26,189.04	13.97%	44,910.46	23.96%

Montana-Dakota Utilities Company

Electric Plant

362.00 Station Equipment

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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	306,897.91	88,064.00	28.69%	27,334.76	8.91%	60,729.24	19.79%
1997 - 1999	290,826.24	63,885.12	21.97%	20,461.48	7.04%	43,423.64	14.93%
1998 - 2000	183,523.59	39,209.85	21.37%	12,063.10	6.57%	27,146.75	14.79%
1999 - 2001	85,827.83	-4,126.06	-4.81%	21,104.69	24.59%	(25,230.75)	-29.40%
2000 - 2002	141,377.38	7,145.18	5.05%	25,113.21	17.76%	(17,968.03)	-12.71%
2001 - 2003	189,302.58	9,132.78	4.82%	35,761.67	18.89%	(26,628.89)	-14.07%
2002 - 2004	173,628.15	5,560.19	3.20%	20,954.52	12.07%	(15,394.33)	-8.87%
2003 - 2005	223,041.26	19,669.46	8.82%	26,696.96	11.97%	(7,027.50)	-3.15%
2004 - 2006	834,016.70	549,136.04	65.84%	17,283.60	2.07%	531,852.44	63.77%
2005 - 2007	814,772.69	753,428.04	92.47%	15,718.62	1.93%	737,709.42	90.54%
2006 - 2008	750,121.97	736,073.79	98.13%	6,265.21	0.84%	729,808.58	97.29%
2007 - 2009	103,557.98	204,619.61	197.59%	4,209.14	4.06%	200,410.47	193.52%
2008 - 2010	248,597.06	75,327.58	30.30%	16,581.27	6.67%	58,746.31	23.63%
2009 - 2011	286,230.79	79,050.21	27.62%	44,831.54	15.66%	34,218.67	11.95%
2010 - 2012	464,582.95	79,050.21	17.02%	47,753.52	10.28%	31,296.69	6.74%
2011 - 2013	349,779.66	4,050.24	1.16%	46,478.80	13.29%	(42,428.56)	-12.13%
2012 - 2014	1,369,881.25	0.00	0.00%	183,472.62	13.39%	(183,472.62)	-13.39%

Montana-Dakota Utilities Company

Electric Plant

362.00 Station Equipment

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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>

Three - Year Rolling Bands

1968 - 2014	4,997,270.07	1,570,082.76	31.42	584,607.53	11.70	985,475.23	19.72
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Trend Analysis (End Year) 2014

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

Annual Inflation Rate	2.75%
Average Service Life (ASL)	57.0
Average Retirement Age (Yrs)	27.1
Years To ASL	29.9
Inflation Factor At 2.75% to ASL	2.25

Gross Salvage
Linear Trend Analysis

1995-2014	20 - Year Trend	47.08%
2000-2014	15 - Year Trend	53.00%
2005-2014	10 - Year Trend	10.95%
2010-2014	5 - Year Trend	0.00%

Forecasted

Gross Salvage	0.00%
(Five Year Trend)	
Cost Of Removal	26.30%
Net Salvage	-26.30%

Montana-Dakota Utilities Company

Electric Plant

364.00 Poles, Towers & Fixtures

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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	165,677.30	50,066.79	30.22%	36,133.32	21.81%	13,933.47	8.41%
1969	195,583.04	56,467.55	28.87%	47,704.54	24.39%	8,763.01	4.48%
1970	179,724.95	70,033.76	38.97%	49,457.54	27.52%	20,576.22	11.45%
1971	120,366.42	30,817.25	25.60%	35,309.97	29.34%	(4,492.72)	-3.73%
1972	148,052.12	40,173.73	27.13%	41,472.36	28.01%	(1,298.63)	-0.88%
1973	154,281.93	37,166.49	24.09%	49,727.05	32.23%	(12,560.56)	-8.14%
1974	143,974.60	65,518.20	45.51%	53,382.60	37.08%	12,135.60	8.43%
1975	126,042.72	49,558.48	39.32%	44,917.19	35.64%	4,641.29	3.68%
1976	127,714.27	57,993.69	45.41%	46,553.47	36.45%	11,440.22	8.96%
1977	149,475.89	70,414.38	47.11%	46,563.58	31.15%	23,850.80	15.96%
1978	142,560.33	70,050.43	49.14%	56,044.10	39.31%	14,006.33	9.82%
1979	256,469.08	77,887.19	30.37%	106,473.91	41.52%	(28,586.72)	-11.15%
1980	106,531.41	84,379.10	79.21%	113,479.86	106.52%	(29,100.76)	-27.32%
1981	120,475.48	59,746.63	49.59%	82,255.12	68.28%	(22,508.49)	-18.68%
1982	156,040.22	61,560.09	39.45%	107,595.57	68.95%	(46,035.48)	-29.50%
1983	160,910.40	99,144.87	61.61%	106,064.96	65.92%	(6,920.09)	-4.30%
1984	64,563.48	46,495.64	72.02%	107,618.16	166.69%	(61,122.52)	-94.67%
1985	196,925.82	69,789.09	35.44%	26,488.64	13.45%	43,300.45	21.99%
1986	157,530.33	53,828.37	34.17%	28,671.67	18.20%	25,156.70	15.97%
1987	124,622.24	34,402.46	27.61%	76,620.71	61.48%	(42,218.25)	-33.88%
1988	89,842.17	35,750.68	39.79%	92,847.74	103.35%	(57,097.06)	-63.55%
1989	96,611.82	31,512.60	32.62%	91,931.42	95.16%	(60,418.82)	-62.54%
1990	128,678.88	37,783.20	29.36%	108,813.30	84.56%	(71,030.10)	-55.20%
1991	120,277.77	38,296.55	31.84%	109,568.17	91.10%	(71,271.62)	-59.26%
1992	151,688.05	53,834.22	35.49%	122,483.86	80.75%	(68,649.64)	-45.26%
1993	129,231.21	33,731.31	26.10%	186,888.24	144.62%	(153,156.93)	-118.51%
1994	142,630.30	35,953.07	25.21%	172,324.63	120.82%	(136,371.56)	-95.61%
1995	88,232.49	17,104.06	19.39%	109,985.73	124.65%	(92,881.67)	-105.27%

Montana-Dakota Utilities Company

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364.00 Poles, Towers & Fixtures

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<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	283,703.57	60,598.90	21.36%	225,603.17	79.52%	(165,004.27)	-58.16%
1997	128,626.36	28,942.53	22.50%	123,211.39	95.79%	(94,268.86)	-73.29%
1998	234,079.57	27,111.33	11.58%	111,539.88	47.65%	(84,428.55)	-36.07%
1999	118,173.49	19,511.01	16.51%	107,431.75	90.91%	(87,920.74)	-74.40%
2000	106,368.11	25,459.16	23.93%	112,329.81	105.60%	(86,870.65)	-81.67%
2001	106,258.43	10,713.86	10.08%	97,718.54	91.96%	(87,004.68)	-81.88%
2002	115,026.77	11,482.35	9.98%	130,433.39	113.39%	(118,951.04)	-103.41%
2003	106,619.70	15,441.50	14.48%	125,879.93	118.06%	(110,438.43)	-103.58%
2004	143,866.90	23,997.28	16.68%	144,218.33	100.24%	(120,221.05)	-83.56%
2005	138,054.35	15,619.59	11.31%	146,213.54	105.91%	(130,593.95)	-94.60%
2006	166,865.63	10,525.21	6.31%	145,384.89	87.13%	(134,859.68)	-80.82%
2007	94,215.87	12,436.88	13.20%	89,363.97	94.85%	(76,927.09)	-81.65%
2008	272,477.71	9,216.60	3.38%	175,466.63	64.40%	(166,250.03)	-61.01%
2009	145,897.52	8,899.26	6.10%	151,217.60	103.65%	(142,318.34)	-97.55%
2010	97,405.64	6,208.61	6.37%	68,010.44	69.82%	(61,801.83)	-63.45%
2011	188,675.01	7,517.85	3.98%	191,083.38	101.28%	(183,565.53)	-97.29%
2012	217,696.42	33,819.71	15.54%	173,556.55	79.72%	(139,736.84)	-64.19%
2013	189,378.60	23,229.72	12.27%	545,728.56	288.17%	(522,498.84)	-275.90%
2014	492,867.15	0.00	0.00%	762,640.01	154.74%	(762,640.01)	-154.74%

Montana-Dakota Utilities Company

Electric Plant

364.00 Poles, Towers & Fixtures

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Based Upon Experienced Net Salvage 1968 - 2014

<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	540,985.29	176,568.10	32.64%	133,295.40	24.64%	43,272.70	8.00%
1969 - 1971	495,674.41	157,318.56	31.74%	132,472.05	26.73%	24,846.51	5.01%
1970 - 1972	448,143.49	141,024.74	31.47%	126,239.87	28.17%	14,784.87	3.30%
1971 - 1973	422,700.47	108,157.47	25.59%	126,509.38	29.93%	(18,351.91)	-4.34%
1972 - 1974	446,308.65	142,858.42	32.01%	144,582.01	32.40%	(1,723.59)	-0.39%
1973 - 1975	424,299.25	152,243.17	35.88%	148,026.84	34.89%	4,216.33	0.99%
1974 - 1976	397,731.59	173,070.37	43.51%	144,853.26	36.42%	28,217.11	7.09%
1975 - 1977	403,232.88	177,966.55	44.13%	138,034.24	34.23%	39,932.31	9.90%
1976 - 1978	419,750.49	198,458.50	47.28%	149,161.15	35.54%	49,297.35	11.74%
1977 - 1979	548,505.30	218,352.00	39.81%	209,081.59	38.12%	9,270.41	1.69%
1978 - 1980	505,560.82	232,316.72	45.95%	275,997.87	54.59%	(43,681.15)	-8.64%
1979 - 1981	483,475.97	222,012.92	45.92%	302,208.89	62.51%	(80,195.97)	-16.59%
1980 - 1982	383,047.11	205,685.82	53.70%	303,330.55	79.19%	(97,644.73)	-25.49%
1981 - 1983	437,426.10	220,451.59	50.40%	295,915.65	67.65%	(75,464.06)	-17.25%
1982 - 1984	381,514.10	207,200.60	54.31%	321,278.69	84.21%	(114,078.09)	-29.90%
1983 - 1985	422,399.70	215,429.60	51.00%	240,171.76	56.86%	(24,742.16)	-5.86%
1984 - 1986	419,019.63	170,113.10	40.60%	162,778.47	38.85%	7,334.63	1.75%
1985 - 1987	479,078.39	158,019.92	32.98%	131,781.02	27.51%	26,238.90	5.48%
1986 - 1988	371,994.74	123,981.51	33.33%	198,140.12	53.26%	(74,158.61)	-19.94%
1987 - 1989	311,076.23	101,665.74	32.68%	261,399.87	84.03%	(159,734.13)	-51.35%
1988 - 1990	315,132.87	105,046.48	33.33%	293,592.46	93.16%	(188,545.98)	-59.83%
1989 - 1991	345,568.47	107,592.35	31.13%	310,312.89	89.80%	(202,720.54)	-58.66%
1990 - 1992	400,644.70	129,913.97	32.43%	340,865.33	85.08%	(210,951.36)	-52.65%
1991 - 1993	401,197.03	125,862.08	31.37%	418,940.27	104.42%	(293,078.19)	-73.05%
1992 - 1994	423,549.56	123,518.60	29.16%	481,696.73	113.73%	(358,178.13)	-84.57%
1993 - 1995	360,094.00	86,788.44	24.10%	469,198.60	130.30%	(382,410.16)	-106.20%
1994 - 1996	514,566.36	113,656.03	22.09%	507,913.53	98.71%	(394,257.50)	-76.62%
1995 - 1997	500,562.42	106,645.49	21.31%	458,800.29	91.66%	(352,154.80)	-70.35%

Montana-Dakota Utilities Company

Electric Plant

364.00 Poles, Towers & Fixtures

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<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	646,409.50	116,652.76	18.05%	460,354.44	71.22%	(343,701.68)	-53.17%
1997 - 1999	480,879.42	75,564.87	15.71%	342,183.02	71.16%	(266,618.15)	-55.44%
1998 - 2000	458,621.17	72,081.50	15.72%	331,301.44	72.24%	(259,219.94)	-56.52%
1999 - 2001	330,800.03	55,684.03	16.83%	317,480.10	95.97%	(261,796.07)	-79.14%
2000 - 2002	327,653.31	47,655.37	14.54%	340,481.74	103.92%	(292,826.37)	-89.37%
2001 - 2003	327,904.90	37,637.71	11.48%	354,031.86	107.97%	(316,394.15)	-96.49%
2002 - 2004	365,513.37	50,921.13	13.93%	400,531.65	109.58%	(349,610.52)	-95.65%
2003 - 2005	388,540.95	55,058.37	14.17%	416,311.80	107.15%	(361,253.43)	-92.98%
2004 - 2006	448,786.88	50,142.08	11.17%	435,816.76	97.11%	(385,674.68)	-85.94%
2005 - 2007	399,135.85	38,581.68	9.67%	380,962.40	95.45%	(342,380.72)	-85.78%
2006 - 2008	533,559.21	32,178.69	6.03%	410,215.49	76.88%	(378,036.80)	-70.85%
2007 - 2009	512,591.10	30,552.74	5.96%	416,048.20	81.17%	(385,495.46)	-75.21%
2008 - 2010	515,780.87	24,324.47	4.72%	394,694.67	76.52%	(370,370.20)	-71.81%
2009 - 2011	431,978.17	22,625.72	5.24%	410,311.42	94.98%	(387,685.70)	-89.75%
2010 - 2012	503,777.07	47,546.17	9.44%	432,650.37	85.88%	(385,104.20)	-76.44%
2011 - 2013	595,750.03	64,567.28	10.84%	910,368.49	152.81%	(845,801.21)	-141.97%
2012 - 2014	899,942.17	57,049.43	6.34%	1,481,925.12	164.67%	(1,424,875.69)	-158.33%

Montana-Dakota Utilities Company

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365.00 Overhead Conductor & Devices

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Based Upon Experienced Net Salvage 1968 - 2014

<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	139,510.18	34,642.76	24.83%	32,752.25	23.48%	1,890.51	1.36%
1969	174,594.29	49,900.49	28.58%	44,573.50	25.53%	5,326.99	3.05%
1970	159,449.88	51,249.86	32.14%	45,224.84	28.36%	6,025.02	3.78%
1971	105,265.56	34,748.53	33.01%	38,048.80	36.15%	(3,300.27)	-3.14%
1972	127,381.69	41,497.29	32.58%	39,088.46	30.69%	2,408.83	1.89%
1973	132,210.76	77,941.18	58.95%	43,862.79	33.18%	34,078.39	25.78%
1974	130,904.99	60,784.69	46.43%	44,095.62	33.69%	16,689.07	12.75%
1975	120,477.72	49,196.34	40.83%	46,866.07	38.90%	2,330.27	1.93%
1976	115,756.19	73,330.12	63.35%	41,554.34	35.90%	31,775.78	27.45%
1977	113,442.01	59,676.87	52.61%	77,609.22	68.41%	(17,932.35)	-15.81%
1978	111,463.06	51,389.29	46.10%	52,868.73	47.43%	(1,479.44)	-1.33%
1979	189,662.43	125,040.68	65.93%	84,948.63	44.79%	40,092.05	21.14%
1980	94,587.97	53,723.38	56.80%	87,415.74	92.42%	(33,692.36)	-35.62%
1981	70,883.66	39,534.52	55.77%	61,171.46	86.30%	(21,636.94)	-30.52%
1982	157,414.28	62,396.37	39.64%	89,388.25	56.79%	(26,991.88)	-17.15%
1983	112,925.29	54,977.19	48.68%	90,592.59	80.22%	(35,615.40)	-31.54%
1984	104,738.18	26,464.46	25.27%	36,275.11	34.63%	(9,810.65)	-9.37%
1985	201,437.02	47,378.12	23.52%	186,095.35	92.38%	(138,717.23)	-68.86%
1986	97,461.12	56,187.92	57.65%	141,867.08	145.56%	(85,679.16)	-87.91%
1987	70,066.10	79,574.38	113.57%	83,180.20	118.72%	(3,605.82)	-5.15%
1988	49,765.71	-6,276.30	-12.61%	53,602.82	107.71%	(59,879.12)	-120.32%
1989	47,434.52	38,532.13	81.23%	48,319.69	101.87%	(9,787.56)	-20.63%
1990	74,385.26	43,480.52	58.45%	59,284.75	79.70%	(15,804.23)	-21.25%
1991	59,960.21	20,527.71	34.24%	48,324.89	80.59%	(27,797.18)	-46.36%
1992	118,977.52	44,978.75	37.80%	83,937.69	70.55%	(38,958.94)	-32.74%
1993	66,657.13	44,338.21	66.52%	97,368.33	146.07%	(53,030.12)	-79.56%
1994	89,594.10	22,869.42	25.53%	68,460.58	76.41%	(45,591.16)	-50.89%
1995	47,997.81	21,089.26	43.94%	42,101.85	87.72%	(21,012.59)	-43.78%

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<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	101,888.04	32,693.45	32.09%	105,806.82	103.85%	(73,113.37)	-71.76%
1997	52,936.15	11,719.68	22.14%	79,529.65	150.24%	(67,809.97)	-128.10%
1998	71,667.25	13,346.28	18.62%	65,076.80	90.80%	(51,730.52)	-72.18%
1999	56,360.45	13,077.00	23.20%	49,046.92	87.02%	(35,969.92)	-63.82%
2000	49,626.13	15,245.14	30.72%	52,891.26	106.58%	(37,646.12)	-75.86%
2001	84,004.57	9,248.46	11.01%	49,613.70	59.06%	(40,365.24)	-48.05%
2002	60,976.95	1,024.05	1.68%	69,023.84	113.20%	(67,999.79)	-111.52%
2003	82,311.04	5,515.85	6.70%	60,289.79	73.25%	(54,773.94)	-66.55%
2004	77,309.58	8,561.41	11.07%	84,850.36	109.75%	(76,288.95)	-98.68%
2005	51,883.75	7,004.97	13.50%	87,756.02	169.14%	(80,751.05)	-155.64%
2006	73,911.49	14,448.92	19.55%	77,932.12	105.44%	(63,483.20)	-85.89%
2007	65,550.77	6,007.60	9.16%	51,877.74	79.14%	(45,870.14)	-69.98%
2008	270,642.68	22,058.56	8.15%	86,157.90	31.83%	(64,099.34)	-23.68%
2009	79,775.82	4,252.21	5.33%	50,322.77	63.08%	(46,070.56)	-57.75%
2010	49,501.97	6,199.15	12.52%	32,056.36	64.76%	(25,857.21)	-52.23%
2011	91,666.94	2,597.76	2.83%	50,646.31	55.25%	(48,048.55)	-52.42%
2012	151,459.31	9,117.51	6.02%	188,740.00	124.61%	(179,622.49)	-118.59%
2013	81,822.32	19,987.37	24.43%	321,439.01	392.85%	(301,451.64)	-368.42%
2014	337,555.49	0.00	0.00%	496,872.06	147.20%	(496,872.06)	-147.20%

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		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1968 - 1970	473,554.35	135,793.11	28.68%	122,550.59	25.88%	13,242.52	2.80%
1969 - 1971	439,309.73	135,898.88	30.93%	127,847.14	29.10%	8,051.74	1.83%
1970 - 1972	392,097.13	127,495.68	32.52%	122,362.10	31.21%	5,133.58	1.31%
1971 - 1973	364,858.01	154,187.00	42.26%	121,000.05	33.16%	33,186.95	9.10%
1972 - 1974	390,497.44	180,223.16	46.15%	127,046.87	32.53%	53,176.29	13.62%
1973 - 1975	383,593.47	187,922.21	48.99%	134,824.48	35.15%	53,097.73	13.84%
1974 - 1976	367,138.90	183,311.15	49.93%	132,516.03	36.09%	50,795.12	13.84%
1975 - 1977	349,675.92	182,203.33	52.11%	166,029.63	47.48%	16,173.70	4.63%
1976 - 1978	340,661.26	184,396.28	54.13%	172,032.29	50.50%	12,363.99	3.63%
1977 - 1979	414,567.50	236,106.84	56.95%	215,426.58	51.96%	20,680.26	4.99%
1978 - 1980	395,713.46	230,153.35	58.16%	225,233.10	56.92%	4,920.25	1.24%
1979 - 1981	355,134.06	218,298.58	61.47%	233,535.83	65.76%	(15,237.25)	-4.29%
1980 - 1982	322,885.91	155,654.27	48.21%	237,975.45	73.70%	(82,321.18)	-25.50%
1981 - 1983	341,223.23	156,908.08	45.98%	241,152.30	70.67%	(84,244.22)	-24.69%
1982 - 1984	375,077.75	143,838.02	38.35%	216,255.95	57.66%	(72,417.93)	-19.31%
1983 - 1985	419,100.49	128,819.77	30.74%	312,963.05	74.67%	(184,143.28)	-43.94%
1984 - 1986	403,636.32	130,030.50	32.21%	364,237.54	90.24%	(234,207.04)	-58.02%
1985 - 1987	368,964.24	183,140.42	49.64%	411,142.63	111.43%	(228,002.21)	-61.80%
1986 - 1988	217,292.93	129,486.00	59.59%	278,650.10	128.24%	(149,164.10)	-68.65%
1987 - 1989	167,266.33	111,830.21	66.86%	185,102.71	110.66%	(73,272.50)	-43.81%
1988 - 1990	171,585.49	75,736.35	44.14%	161,207.26	93.95%	(85,470.91)	-49.81%
1989 - 1991	181,779.99	102,540.36	56.41%	155,929.33	85.78%	(53,388.97)	-29.37%
1990 - 1992	253,322.99	108,986.98	43.02%	191,547.33	75.61%	(82,560.35)	-32.59%
1991 - 1993	245,594.86	109,844.67	44.73%	229,630.91	93.50%	(119,786.24)	-48.77%
1992 - 1994	275,228.75	112,186.38	40.76%	249,766.60	90.75%	(137,580.22)	-49.99%
1993 - 1995	204,249.04	88,296.89	43.23%	207,930.76	101.80%	(119,633.87)	-58.57%
1994 - 1996	239,479.95	76,652.13	32.01%	216,369.25	90.35%	(139,717.12)	-58.34%
1995 - 1997	202,822.00	65,502.39	32.30%	227,438.32	112.14%	(161,935.93)	-79.84%

Montana-Dakota Utilities Company

Electric Plant

365.00 Overhead Conductor & Devices

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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	226,491.44	57,759.41	25.50%	250,413.27	110.56%	(192,653.86)	-85.06%
1997 - 1999	180,963.85	38,142.96	21.08%	193,653.37	107.01%	(155,510.41)	-85.93%
1998 - 2000	177,653.83	41,668.42	23.45%	167,014.98	94.01%	(125,346.56)	-70.56%
1999 - 2001	189,991.15	37,570.60	19.77%	151,551.88	79.77%	(113,981.28)	-59.99%
2000 - 2002	194,607.65	25,517.65	13.11%	171,528.80	88.14%	(146,011.15)	-75.03%
2001 - 2003	227,292.56	15,788.36	6.95%	178,927.33	78.72%	(163,138.97)	-71.77%
2002 - 2004	220,597.57	15,101.31	6.85%	214,163.99	97.08%	(199,062.68)	-90.24%
2003 - 2005	211,504.37	21,082.23	9.97%	232,896.17	110.11%	(211,813.94)	-100.15%
2004 - 2006	203,104.82	30,015.30	14.78%	250,538.50	123.35%	(220,523.20)	-108.58%
2005 - 2007	191,346.01	27,461.49	14.35%	217,565.88	113.70%	(190,104.39)	-99.35%
2006 - 2008	410,104.94	42,515.08	10.37%	215,967.76	52.66%	(173,452.68)	-42.29%
2007 - 2009	415,969.27	32,318.37	7.77%	188,358.41	45.28%	(156,040.04)	-37.51%
2008 - 2010	399,920.47	32,509.92	8.13%	168,537.03	42.14%	(136,027.11)	-34.01%
2009 - 2011	220,944.73	13,049.12	5.91%	133,025.44	60.21%	(119,976.32)	-54.30%
2010 - 2012	292,628.22	17,914.42	6.12%	271,442.67	92.76%	(253,528.25)	-86.64%
2011 - 2013	324,948.57	31,702.64	9.76%	560,825.32	172.59%	(529,122.68)	-162.83%
2012 - 2014	570,837.12	29,104.88	5.10%	1,007,051.07	176.42%	(977,946.19)	-171.32%

Montana-Dakota Utilities Company

Electric Plant

365.00 Overhead Conductor & Devices

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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>

Three - Year Rolling Bands

1968 - 2014	4,975,255.34	1,561,279.51	31.38	3,928,809.06	78.97	(2,367,529.55)	-47.59
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Trend Analysis (End Year) 2014

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

Annual Inflation Rate	2.75%
Average Service Life (ASL)	60.0
Average Retirement Age (Yrs)	22.4
Years To ASL	37.6
Inflation Factor At 2.75% to ASL	2.77

Gross Salvage
Linear Trend Analysis

1995-2014	20 - Year Trend	0.00%
2000-2014	15 - Year Trend	4.18%
2005-2014	10 - Year Trend	4.79%
2010-2014	5 - Year Trend	6.34%

Forecasted

Gross Salvage	6.34%
(Five Year Trend)	
Cost Of Removal	219.07%
Net Salvage	-212.73%

Montana-Dakota Utilities Company

Electric Plant

366.00 Underground Conduit

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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>								
1968	259.75		105.57	40.64%	0.00	0.00%	105.57	40.64%
1969	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1970	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1971	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1972	1,068.68		43.46	4.07%	14.08	1.32%	29.38	2.75%
1973	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1974	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1975	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1976	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1977	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1978	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1979	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1980	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1981	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1982	1,310.40		0.00	0.00%	315.24	24.06%	(315.24)	-24.06%
1983	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1984	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1985	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1986	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1987	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1988	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1989	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1990	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1991	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1992	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1993	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1994	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1995	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company

Electric Plant

366.00 Underground Conduit

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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		0.00	0.00%	0.00	0.00%	0.00	0.00%
1997	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1998	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1999	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2000	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2001	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2002	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2003	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2004	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2005	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2006	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2007	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2008	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2009	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2010	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2011	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2012	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2013	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2014	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company

Electric Plant

366.00 Underground Conduit

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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	259.75	105.57	40.64%	0.00	0.00%	105.57	40.64%	
1969 - 1971	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1970 - 1972	1,068.68	43.46	4.07%	14.08	1.32%	29.38	2.75%	
1971 - 1973	1,068.68	43.46	4.07%	14.08	1.32%	29.38	2.75%	
1972 - 1974	1,068.68	43.46	4.07%	14.08	1.32%	29.38	2.75%	
1973 - 1975	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1974 - 1976	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1975 - 1977	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1976 - 1978	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1977 - 1979	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1978 - 1980	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1979 - 1981	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1980 - 1982	1,310.40	0.00	0.00%	315.24	24.06%	(315.24)	-24.06%	
1981 - 1983	1,310.40	0.00	0.00%	315.24	24.06%	(315.24)	-24.06%	
1982 - 1984	1,310.40	0.00	0.00%	315.24	24.06%	(315.24)	-24.06%	
1983 - 1985	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1984 - 1986	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1985 - 1987	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1986 - 1988	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1987 - 1989	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1988 - 1990	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1989 - 1991	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1990 - 1992	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1991 - 1993	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1992 - 1994	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1993 - 1995	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1994 - 1996	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1995 - 1997	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	

Montana-Dakota Utilities Company

Electric Plant

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Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1997 - 1999	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1998 - 2000	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1999 - 2001	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2000 - 2002	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2001 - 2003	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2002 - 2004	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2003 - 2005	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2004 - 2006	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2005 - 2007	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2006 - 2008	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2007 - 2009	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2008 - 2010	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2009 - 2011	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2010 - 2012	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2011 - 2013	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2012 - 2014	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	

Montana-Dakota Utilities Company

Electric Plant

367.00 Underground Conductor & Devices

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<u>Year</u>	<u>Original Cost Of</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
	<u>Retirements</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>							
1968	1,280.34	515.43	40.26%	140.85	11.00%	374.58	29.26%
1969	76.60	29.58	38.62%	9.10	11.88%	20.48	26.74%
1970	1,014.48	78.11	7.70%	10.45	1.03%	67.66	6.67%
1971	1,010.78	359.13	35.53%	23.05	2.28%	336.08	33.25%
1972	4,364.63	176.56	4.05%	67.37	1.54%	109.19	2.50%
1973	1,353.54	223.24	16.49%	86.89	6.42%	136.35	10.07%
1974	1,753.34	666.19	38.00%	523.55	29.86%	142.64	8.14%
1975	1,937.86	324.68	16.75%	163.91	8.46%	160.77	8.30%
1976	3,579.99	293.51	8.20%	848.14	23.69%	(554.63)	-15.49%
1977	9,455.90	2,514.80	26.60%	1,065.64	11.27%	1,449.16	15.33%
1978	8,462.91	2,692.37	31.81%	2,114.04	24.98%	578.33	6.83%
1979	20,033.29	4,042.04	20.18%	2,476.08	12.36%	1,565.96	7.82%
1980	17,239.47	2,470.04	14.33%	1,207.91	7.01%	1,262.13	7.32%
1981	27,613.00	2,266.29	8.21%	2,354.58	8.53%	(88.29)	-0.32%
1982	25,741.88	5,699.95	22.14%	6,977.74	27.11%	(1,277.79)	-4.96%
1983	27,472.39	3,908.90	14.23%	4,189.09	15.25%	(280.19)	-1.02%
1984	21,143.03	4,475.66	21.17%	14,570.48	68.91%	(10,094.82)	-47.75%
1985	65,086.98	7,436.05	11.42%	10,394.12	15.97%	(2,958.07)	-4.54%
1986	10,482.33	2,179.16	20.79%	6,493.64	61.95%	(4,314.48)	-41.16%
1987	35,629.49	8,900.21	24.98%	4,319.19	12.12%	4,581.02	12.86%
1988	37,496.30	13,539.45	36.11%	6,818.21	18.18%	6,721.24	17.93%
1989	31,506.11	5,275.98	16.75%	5,501.65	17.46%	(225.67)	-0.72%
1990	41,383.62	6,411.26	15.49%	6,357.34	15.36%	53.92	0.13%
1991	393,513.34	18,985.36	4.82%	18,450.39	4.69%	534.97	0.14%
1992	81,435.48	27,115.08	33.30%	16,090.85	19.76%	11,024.23	13.54%
1993	142,440.32	6,916.72	4.86%	10,096.07	7.09%	(3,179.35)	-2.23%
1994	182,606.07	9,236.02	5.06%	22,650.63	12.40%	(13,414.61)	-7.35%
1995	130,428.88	11,778.11	9.03%	4,451.73	3.41%	7,326.38	5.62%

Montana-Dakota Utilities Company
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367.00 Underground Conductor & Devices

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

<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	393,130.88	13,984.14	3.56%	21,387.92	5.44%	(7,403.78)	-1.88%
1997	177,535.40	5,347.64	3.01%	20,322.70	11.45%	(14,975.06)	-8.43%
1998	182,710.96	10,938.41	5.99%	28,993.98	15.87%	(18,055.57)	-9.88%
1999	275,780.96	2,957.19	1.07%	24,828.73	9.00%	(21,871.54)	-7.93%
2000	251,264.74	12,389.88	4.93%	35,745.91	14.23%	(23,356.03)	-9.30%
2001	242,465.84	4,819.36	1.99%	35,600.58	14.68%	(30,781.22)	-12.70%
2002	313,978.15	4,265.76	1.36%	52,473.62	16.71%	(48,207.86)	-15.35%
2003	312,482.29	2,586.89	0.83%	39,002.79	12.48%	(36,415.90)	-11.65%
2004	259,179.46	9,529.17	3.68%	47,857.03	18.46%	(38,327.86)	-14.79%
2005	244,022.13	3,513.97	1.44%	35,927.13	14.72%	(32,413.16)	-13.28%
2006	162,043.41	8,629.76	5.33%	50,781.32	31.34%	(42,151.56)	-26.01%
2007	196,914.41	4,344.14	2.21%	38,297.28	19.45%	(33,953.14)	-17.24%
2008	638,233.94	23,155.01	3.63%	135,231.45	21.19%	(112,076.44)	-17.56%
2009	391,986.14	5,909.17	1.51%	76,699.10	19.57%	(70,789.93)	-18.06%
2010	189,624.52	3,664.92	1.93%	42,882.14	22.61%	(39,217.22)	-20.68%
2011	523,961.15	7,992.17	1.53%	146,726.88	28.00%	(138,734.71)	-26.48%
2012	221,460.53	13,990.05	6.32%	67,622.85	30.53%	(53,632.80)	-24.22%
2013	443,661.47	9,758.24	2.20%	621,585.89	140.10%	(611,827.65)	-137.90%
2014	455,031.60	0.00	0.00%	465,096.63	102.21%	(465,096.63)	-102.21%

Montana-Dakota Utilities Company

Electric Plant

367.00 Underground Conductor & Devices

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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	2,371.42	623.12	26.28%	160.40	6.76%	462.72	19.51%
1969 - 1971	2,101.86	466.82	22.21%	42.60	2.03%	424.22	20.18%
1970 - 1972	6,389.89	613.80	9.61%	100.87	1.58%	512.93	8.03%
1971 - 1973	6,728.95	758.93	11.28%	177.31	2.64%	581.62	8.64%
1972 - 1974	7,471.51	1,065.99	14.27%	677.81	9.07%	388.18	5.20%
1973 - 1975	5,044.74	1,214.11	24.07%	774.35	15.35%	439.76	8.72%
1974 - 1976	7,271.19	1,284.38	17.66%	1,535.60	21.12%	(251.22)	-3.46%
1975 - 1977	14,973.75	3,132.99	20.92%	2,077.69	13.88%	1,055.30	7.05%
1976 - 1978	21,498.80	5,500.68	25.59%	4,027.82	18.74%	1,472.86	6.85%
1977 - 1979	37,952.10	9,249.21	24.37%	5,655.76	14.90%	3,593.45	9.47%
1978 - 1980	45,735.67	9,204.45	20.13%	5,798.03	12.68%	3,406.42	7.45%
1979 - 1981	64,885.76	8,778.37	13.53%	6,038.57	9.31%	2,739.80	4.22%
1980 - 1982	70,594.35	10,436.28	14.78%	10,540.23	14.93%	(103.95)	-0.15%
1981 - 1983	80,827.27	11,875.14	14.69%	13,521.41	16.73%	(1,646.27)	-2.04%
1982 - 1984	74,357.30	14,084.51	18.94%	25,737.31	34.61%	(11,652.80)	-15.67%
1983 - 1985	113,702.40	15,820.61	13.91%	29,153.69	25.64%	(13,333.08)	-11.73%
1984 - 1986	96,712.34	14,090.87	14.57%	31,458.24	32.53%	(17,367.37)	-17.96%
1985 - 1987	111,198.80	18,515.42	16.65%	21,206.95	19.07%	(2,691.53)	-2.42%
1986 - 1988	83,608.12	24,618.82	29.45%	17,631.04	21.09%	6,987.78	8.36%
1987 - 1989	104,631.90	27,715.64	26.49%	16,639.05	15.90%	11,076.59	10.59%
1988 - 1990	110,386.03	25,226.69	22.85%	18,677.20	16.92%	6,549.49	5.93%
1989 - 1991	466,403.07	30,672.60	6.58%	30,309.38	6.50%	363.22	0.08%
1990 - 1992	516,332.44	52,511.70	10.17%	40,898.58	7.92%	11,613.12	2.25%
1991 - 1993	617,389.14	53,017.16	8.59%	44,637.31	7.23%	8,379.85	1.36%
1992 - 1994	406,481.87	43,267.82	10.64%	48,837.55	12.01%	(5,569.73)	-1.37%
1993 - 1995	455,475.27	27,930.85	6.13%	37,198.43	8.17%	(9,267.58)	-2.03%
1994 - 1996	706,165.83	34,998.27	4.96%	48,490.28	6.87%	(13,492.01)	-1.91%
1995 - 1997	701,095.16	31,109.89	4.44%	46,162.35	6.58%	(15,052.46)	-2.15%

Montana-Dakota Utilities Company

Electric Plant

367.00 Underground Conductor & Devices

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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	753,377.24	30,270.19	4.02%	70,704.60	9.39%	(40,434.41)	-5.37%
1997 - 1999	636,027.32	19,243.24	3.03%	74,145.41	11.66%	(54,902.17)	-8.63%
1998 - 2000	709,756.66	26,285.48	3.70%	89,568.62	12.62%	(63,283.14)	-8.92%
1999 - 2001	769,511.54	20,166.43	2.62%	96,175.22	12.50%	(76,008.79)	-9.88%
2000 - 2002	807,708.73	21,475.00	2.66%	123,820.11	15.33%	(102,345.11)	-12.67%
2001 - 2003	868,926.28	11,672.01	1.34%	127,076.99	14.62%	(115,404.98)	-13.28%
2002 - 2004	885,639.90	16,381.82	1.85%	139,333.44	15.73%	(122,951.62)	-13.88%
2003 - 2005	815,683.88	15,630.03	1.92%	122,786.95	15.05%	(107,156.92)	-13.14%
2004 - 2006	665,245.00	21,672.90	3.26%	134,565.48	20.23%	(112,892.58)	-16.97%
2005 - 2007	602,979.95	16,487.87	2.73%	125,005.73	20.73%	(108,517.86)	-18.00%
2006 - 2008	997,191.76	36,128.91	3.62%	224,310.05	22.49%	(188,181.14)	-18.87%
2007 - 2009	1,227,134.49	33,408.32	2.72%	250,227.83	20.39%	(216,819.51)	-17.67%
2008 - 2010	1,219,844.60	32,729.10	2.68%	254,812.69	20.89%	(222,083.59)	-18.21%
2009 - 2011	1,105,571.81	17,566.26	1.59%	266,308.12	24.09%	(248,741.86)	-22.50%
2010 - 2012	935,046.20	25,647.14	2.74%	257,231.87	27.51%	(231,584.73)	-24.77%
2011 - 2013	1,189,083.15	31,740.46	2.67%	835,935.62	70.30%	(804,195.16)	-67.63%
2012 - 2014	1,120,153.60	23,748.29	2.12%	1,154,305.37	103.05%	(1,130,557.08)	-100.93%

Montana-Dakota Utilities Company

Electric Plant

368.00 Line Transformers

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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	50,315.19	2,514.67	5.00%	113.73	0.23%	2,400.94	4.77%
1969	55,662.82	1,551.12	2.79%	159.32	0.29%	1,391.80	2.50%
1970	46,715.10	2,689.62	5.76%	390.38	0.84%	2,299.24	4.92%
1971	50,668.83	6,951.26	13.72%	45.12	0.09%	6,906.14	13.63%
1972	49,963.90	3,450.16	6.91%	0.00	0.00%	3,450.16	6.91%
1973	27,614.46	3,883.52	14.06%	255.00	0.92%	3,628.52	13.14%
1974	31,759.14	2,677.56	8.43%	0.00	0.00%	2,677.56	8.43%
1975	18,493.67	962.62	5.21%	(598.09)	-3.23%	1,560.71	8.44%
1976	77,937.89	28,545.46	36.63%	3.00	0.00%	28,542.46	36.62%
1977	41,175.34	10,612.53	25.77%	0.00	0.00%	10,612.53	25.77%
1978	58,538.01	5,655.70	9.66%	388.86	0.66%	5,266.84	9.00%
1979	43,842.00	4,664.30	10.64%	90.87	0.21%	4,573.43	10.43%
1980	69,533.14	8,113.39	11.67%	(141.20)	-0.20%	8,254.59	11.87%
1981	45,328.74	4,573.10	10.09%	0.00	0.00%	4,573.10	10.09%
1982	76,339.14	5,398.82	7.07%	61.80	0.08%	5,337.02	6.99%
1983	112,656.76	19,086.96	16.94%	0.00	0.00%	19,086.96	16.94%
1984	120,383.84	5,379.47	4.47%	0.00	0.00%	5,379.47	4.47%
1985	181,599.46	6,531.09	3.60%	0.00	0.00%	6,531.09	3.60%
1986	118,404.99	14,601.39	12.33%	0.00	0.00%	14,601.39	12.33%
1987	185,677.67	2,963.93	1.60%	0.00	0.00%	2,963.93	1.60%
1988	109,826.83	6,538.43	5.95%	18.99	0.02%	6,519.44	5.94%
1989	151,299.54	11,449.08	7.57%	11,581.35	7.65%	(132.27)	-0.09%
1990	62,769.15	16,854.90	26.85%	0.00	0.00%	16,854.90	26.85%
1991	124,205.67	2,632.80	2.12%	0.00	0.00%	2,632.80	2.12%
1992	64,562.03	10,871.64	16.84%	534.88	0.83%	10,336.76	16.01%
1993	88,043.84	13,413.36	15.23%	0.00	0.00%	13,413.36	15.23%
1994	59,548.36	1,672.65	2.81%	137.93	0.23%	1,534.72	2.58%
1995	22,430.24	2,306.60	10.28%	0.00	0.00%	2,306.60	10.28%

Montana-Dakota Utilities Company

Electric Plant

368.00 Line Transformers

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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	90,418.30	4,201.34	4.65%	0.00	0.00%	4,201.34	4.65%
1997	67,872.41	422.35	0.62%	0.00	0.00%	422.35	0.62%
1998	152,731.44	1,120.40	0.73%	0.00	0.00%	1,120.40	0.73%
1999	93,914.74	10,903.76	11.61%	0.00	0.00%	10,903.76	11.61%
2000	86,091.48	2,565.18	2.98%	0.00	0.00%	2,565.18	2.98%
2001	84,739.60	6,574.47	7.76%	32,428.81	38.27%	(25,854.34)	-30.51%
2002	120,295.56	1,995.95	1.66%	34,678.92	28.83%	(32,682.97)	-27.17%
2003	102,453.08	3,713.26	3.62%	30,974.00	30.23%	(27,260.74)	-26.61%
2004	114,343.59	3,102.74	2.71%	45,374.00	39.68%	(42,271.26)	-36.97%
2005	102,238.97	6,660.62	6.51%	35,092.55	34.32%	(28,431.93)	-27.81%
2006	141,363.73	38,495.69	27.23%	66,830.98	47.28%	(28,335.29)	-20.04%
2007	119,349.79	20,322.48	17.03%	41,681.00	34.92%	(21,358.52)	-17.90%
2008	197,559.77	41,451.32	20.98%	41,290.00	20.90%	161.32	0.08%
2009	179,903.65	30,778.20	17.11%	85,772.68	47.68%	(54,994.48)	-30.57%
2010	138,691.95	12,553.70	9.05%	48,134.98	34.71%	(35,581.28)	-25.65%
2011	190,171.18	37,823.61	19.89%	90,700.68	47.69%	(52,877.07)	-27.80%
2012	179,493.05	48,617.93	27.09%	66,361.19	36.97%	(17,743.26)	-9.89%
2013	577,259.66	890.01	0.15%	0.00	0.00%	890.01	0.15%
2014	542,256.95	0.00	0.00%	266,825.65	49.21%	(266,825.65)	-49.21%

Montana-Dakota Utilities Company

Electric Plant

368.00 Line Transformers

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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	152,693.11	6,755.41	4.42%	663.43	0.43%	6,091.98	3.99%
1969 - 1971	153,046.75	11,192.00	7.31%	594.82	0.39%	10,597.18	6.92%
1970 - 1972	147,347.83	13,091.04	8.88%	435.50	0.30%	12,655.54	8.59%
1971 - 1973	128,247.19	14,284.94	11.14%	300.12	0.23%	13,984.82	10.90%
1972 - 1974	109,337.50	10,011.24	9.16%	255.00	0.23%	9,756.24	8.92%
1973 - 1975	77,867.27	7,523.70	9.66%	(343.09)	-0.44%	7,866.79	10.10%
1974 - 1976	128,190.70	32,185.64	25.11%	(595.09)	-0.46%	32,780.73	25.57%
1975 - 1977	137,606.90	40,120.61	29.16%	(595.09)	-0.43%	40,715.70	29.59%
1976 - 1978	177,651.24	44,813.69	25.23%	391.86	0.22%	44,421.83	25.01%
1977 - 1979	143,555.35	20,932.53	14.58%	479.73	0.33%	20,452.80	14.25%
1978 - 1980	171,913.15	18,433.39	10.72%	338.53	0.20%	18,094.86	10.53%
1979 - 1981	158,703.88	17,350.79	10.93%	(50.33)	-0.03%	17,401.12	10.96%
1980 - 1982	191,201.02	18,085.31	9.46%	(79.40)	-0.04%	18,164.71	9.50%
1981 - 1983	234,324.64	29,058.88	12.40%	61.80	0.03%	28,997.08	12.37%
1982 - 1984	309,379.74	29,865.25	9.65%	61.80	0.02%	29,803.45	9.63%
1983 - 1985	414,640.06	30,997.52	7.48%	0.00	0.00%	30,997.52	7.48%
1984 - 1986	420,388.29	26,511.95	6.31%	0.00	0.00%	26,511.95	6.31%
1985 - 1987	485,682.12	24,096.41	4.96%	0.00	0.00%	24,096.41	4.96%
1986 - 1988	413,909.49	24,103.75	5.82%	18.99	0.00%	24,084.76	5.82%
1987 - 1989	446,804.04	20,951.44	4.69%	11,600.34	2.60%	9,351.10	2.09%
1988 - 1990	323,895.52	34,842.41	10.76%	11,600.34	3.58%	23,242.07	7.18%
1989 - 1991	338,274.36	30,936.78	9.15%	11,581.35	3.42%	19,355.43	5.72%
1990 - 1992	251,536.85	30,359.34	12.07%	534.88	0.21%	29,824.46	11.86%
1991 - 1993	276,811.54	26,917.80	9.72%	534.88	0.19%	26,382.92	9.53%
1992 - 1994	212,154.23	25,957.65	12.24%	672.81	0.32%	25,284.84	11.92%
1993 - 1995	170,022.44	17,392.61	10.23%	137.93	0.08%	17,254.68	10.15%
1994 - 1996	172,396.90	8,180.59	4.75%	137.93	0.08%	8,042.66	4.67%
1995 - 1997	180,720.95	6,930.29	3.83%	0.00	0.00%	6,930.29	3.83%

Montana-Dakota Utilities Company

Electric Plant

368.00 Line Transformers

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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	311,022.15	5,744.09	1.85%	0.00	0.00%	5,744.09	1.85%
1997 - 1999	314,518.59	12,446.51	3.96%	0.00	0.00%	12,446.51	3.96%
1998 - 2000	332,737.66	14,589.34	4.38%	0.00	0.00%	14,589.34	4.38%
1999 - 2001	264,745.82	20,043.41	7.57%	32,428.81	12.25%	(12,385.40)	-4.68%
2000 - 2002	291,126.64	11,135.60	3.83%	67,107.73	23.05%	(55,972.13)	-19.23%
2001 - 2003	307,488.24	12,283.68	3.99%	98,081.73	31.90%	(85,798.05)	-27.90%
2002 - 2004	337,092.23	8,811.95	2.61%	111,026.92	32.94%	(102,214.97)	-30.32%
2003 - 2005	319,035.64	13,476.62	4.22%	111,440.55	34.93%	(97,963.93)	-30.71%
2004 - 2006	357,946.29	48,259.05	13.48%	147,297.53	41.15%	(99,038.48)	-27.67%
2005 - 2007	362,952.49	65,478.79	18.04%	143,604.53	39.57%	(78,125.74)	-21.53%
2006 - 2008	458,273.29	100,269.49	21.88%	149,801.98	32.69%	(49,532.49)	-10.81%
2007 - 2009	496,813.21	92,552.00	18.63%	168,743.68	33.97%	(76,191.68)	-15.34%
2008 - 2010	516,155.37	84,783.22	16.43%	175,197.66	33.94%	(90,414.44)	-17.52%
2009 - 2011	508,766.78	81,155.51	15.95%	224,608.34	44.15%	(143,452.83)	-28.20%
2010 - 2012	508,356.18	98,995.24	19.47%	205,196.85	40.36%	(106,201.61)	-20.89%
2011 - 2013	946,923.89	87,331.55	9.22%	157,061.87	16.59%	(69,730.32)	-7.36%
2012 - 2014	1,299,009.66	49,507.94	3.81%	333,186.84	25.65%	(283,678.90)	-21.84%

Montana-Dakota Utilities Company

Electric Plant

369.00 Services

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<u>Year</u>	<u>Original Cost Of</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
	<u>Retirements</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>							
1968	59,689.65	11,394.56	19.09%	17,959.89	30.09%	(6,565.33)	-11.00%
1969	59,088.54	14,940.79	25.29%	20,797.13	35.20%	(5,856.34)	-9.91%
1970	64,904.32	15,056.74	23.20%	23,310.43	35.92%	(8,253.69)	-12.72%
1971	51,502.18	12,944.87	25.13%	19,138.34	37.16%	(6,193.47)	-12.03%
1972	46,391.41	12,286.56	26.48%	20,115.35	43.36%	(7,828.79)	-16.88%
1973	59,332.28	28,212.95	47.55%	25,067.03	42.25%	3,145.92	5.30%
1974	52,701.42	13,833.48	26.25%	24,320.62	46.15%	(10,487.14)	-19.90%
1975	57,556.33	18,572.81	32.27%	27,517.00	47.81%	(8,944.19)	-15.54%
1976	50,750.37	14,400.63	28.38%	29,996.40	59.11%	(15,595.77)	-30.73%
1977	71,701.52	23,040.36	32.13%	45,184.32	63.02%	(22,143.96)	-30.88%
1978	50,201.11	13,741.33	27.37%	26,219.86	52.23%	(12,478.53)	-24.86%
1979	66,096.94	20,783.11	31.44%	38,601.81	58.40%	(17,818.70)	-26.96%
1980	58,164.82	17,669.40	30.38%	38,128.06	65.55%	(20,458.66)	-35.17%
1981	59,104.59	17,453.04	29.53%	42,924.38	72.62%	(25,471.34)	-43.10%
1982	57,687.58	18,267.11	31.67%	43,126.71	74.76%	(24,859.60)	-43.09%
1983	60,445.10	16,172.70	26.76%	48,475.87	80.20%	(32,303.17)	-53.44%
1984	53,538.51	14,729.36	27.51%	48,174.32	89.98%	(33,444.96)	-62.47%
1985	74,716.08	19,611.21	26.25%	61,353.48	82.12%	(41,742.27)	-55.87%
1986	45,286.15	13,676.67	30.20%	40,051.14	88.44%	(26,374.47)	-58.24%
1987	51,275.74	13,352.10	26.04%	44,387.71	86.57%	(31,035.61)	-60.53%
1988	53,290.49	13,278.80	24.92%	46,533.45	87.32%	(33,254.65)	-62.40%
1989	60,865.83	15,016.63	24.67%	53,727.01	88.27%	(38,710.38)	-63.60%
1990	54,331.91	12,421.81	22.86%	41,673.57	76.70%	(29,251.76)	-53.84%
1991	65,150.78	14,733.07	22.61%	48,667.60	74.70%	(33,934.53)	-52.09%
1992	78,604.34	17,733.01	22.56%	48,442.55	61.63%	(30,709.54)	-39.07%
1993	65,478.14	11,378.27	17.38%	43,769.31	66.85%	(32,391.04)	-49.47%
1994	112,537.94	14,070.08	12.50%	58,334.07	51.84%	(44,263.99)	-39.33%
1995	10,832.03	2,982.01	27.53%	12,897.56	119.07%	(9,915.55)	-91.54%

Montana-Dakota Utilities Company

Electric Plant

369.00 Services

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

<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	119,539.86	18,061.91	15.11%	79,739.18	66.71%	(61,677.27)	-51.60%
1997	75,654.74	10,237.56	13.53%	49,247.32	65.09%	(39,009.76)	-51.56%
1998	86,268.33	9,700.85	11.24%	52,375.85	60.71%	(42,675.00)	-49.47%
1999	100,500.04	7,513.50	7.48%	48,276.46	48.04%	(40,762.96)	-40.56%
2000	84,424.50	9,343.11	11.07%	54,382.04	64.41%	(45,038.93)	-53.35%
2001	73,349.35	3,742.94	5.10%	42,190.60	57.52%	(38,447.66)	-52.42%
2002	87,799.45	3,975.76	4.53%	49,063.51	55.88%	(45,087.75)	-51.35%
2003	70,356.12	3,445.56	4.90%	50,974.28	72.45%	(47,528.72)	-67.55%
2004	106,841.39	6,554.15	6.13%	67,931.75	63.58%	(61,377.60)	-57.45%
2005	109,073.57	3,579.49	3.28%	71,206.73	65.28%	(67,627.24)	-62.00%
2006	127,753.05	4,155.16	3.25%	88,706.60	69.44%	(84,551.44)	-66.18%
2007	69,039.57	2,899.12	4.20%	35,414.86	51.30%	(32,515.74)	-47.10%
2008	239,100.90	15,991.46	6.69%	100,274.52	41.94%	(84,283.06)	-35.25%
2009	120,069.66	8,863.84	7.38%	78,697.77	65.54%	(69,833.93)	-58.16%
2010	103,750.12	1,077.49	1.04%	41,915.90	40.40%	(40,838.41)	-39.36%
2011	199,744.39	2,146.86	1.07%	94,646.32	47.38%	(92,499.46)	-46.31%
2012	174,253.00	4,319.59	2.48%	60,109.07	34.50%	(55,789.48)	-32.02%
2013	148,391.45	11,870.02	8.00%	66,812.29	45.02%	(54,942.27)	-37.03%
2014	169,167.02	0.00	0.00%	51,155.35	30.24%	(51,155.35)	-30.24%

Montana-Dakota Utilities Company

Electric Plant

369.00 Services

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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	183,682.51	41,392.09	22.53%	62,067.45	33.79%	(20,675.36)	-11.26%
1969 - 1971	175,495.04	42,942.40	24.47%	63,245.90	36.04%	(20,303.50)	-11.57%
1970 - 1972	162,797.91	40,288.17	24.75%	62,564.12	38.43%	(22,275.95)	-13.68%
1971 - 1973	157,225.87	53,444.38	33.99%	64,320.72	40.91%	(10,876.34)	-6.92%
1972 - 1974	158,425.11	54,332.99	34.30%	69,503.00	43.87%	(15,170.01)	-9.58%
1973 - 1975	169,590.03	60,619.24	35.74%	76,904.65	45.35%	(16,285.41)	-9.60%
1974 - 1976	161,008.12	46,806.92	29.07%	81,834.02	50.83%	(35,027.10)	-21.75%
1975 - 1977	180,008.22	56,013.80	31.12%	102,697.72	57.05%	(46,683.92)	-25.93%
1976 - 1978	172,653.00	51,182.32	29.64%	101,400.58	58.73%	(50,218.26)	-29.09%
1977 - 1979	187,999.57	57,564.80	30.62%	110,005.99	58.51%	(52,441.19)	-27.89%
1978 - 1980	174,462.87	52,193.84	29.92%	102,949.73	59.01%	(50,755.89)	-29.09%
1979 - 1981	183,366.35	55,905.55	30.49%	119,654.25	65.25%	(63,748.70)	-34.77%
1980 - 1982	174,956.99	53,389.55	30.52%	124,179.15	70.98%	(70,789.60)	-40.46%
1981 - 1983	177,237.27	51,892.85	29.28%	134,526.96	75.90%	(82,634.11)	-46.62%
1982 - 1984	171,671.19	49,169.17	28.64%	139,776.90	81.42%	(90,607.73)	-52.78%
1983 - 1985	188,699.69	50,513.27	26.77%	158,003.67	83.73%	(107,490.40)	-56.96%
1984 - 1986	173,540.74	48,017.24	27.67%	149,578.94	86.19%	(101,561.70)	-58.52%
1985 - 1987	171,277.97	46,639.98	27.23%	145,792.33	85.12%	(99,152.35)	-57.89%
1986 - 1988	149,852.38	40,307.57	26.90%	130,972.30	87.40%	(90,664.73)	-60.50%
1987 - 1989	165,432.06	41,647.53	25.18%	144,648.17	87.44%	(103,000.64)	-62.26%
1988 - 1990	168,488.23	40,717.24	24.17%	141,934.03	84.24%	(101,216.79)	-60.07%
1989 - 1991	180,348.52	42,171.51	23.38%	144,068.18	79.88%	(101,896.67)	-56.50%
1990 - 1992	198,087.03	44,887.89	22.66%	138,783.72	70.06%	(93,895.83)	-47.40%
1991 - 1993	209,233.26	43,844.35	20.95%	140,879.46	67.33%	(97,035.11)	-46.38%
1992 - 1994	256,620.42	43,181.36	16.83%	150,545.93	58.66%	(107,364.57)	-41.84%
1993 - 1995	188,848.11	28,430.36	15.05%	115,000.94	60.90%	(86,570.58)	-45.84%
1994 - 1996	242,909.83	35,114.00	14.46%	150,970.81	62.15%	(115,856.81)	-47.70%
1995 - 1997	206,026.63	31,281.48	15.18%	141,884.06	68.87%	(110,602.58)	-53.68%

Montana-Dakota Utilities Company

Electric Plant

369.00 Services

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

<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	281,462.93	38,000.32	13.50%	181,362.35	64.44%	(143,362.03)	-50.93%
1997 - 1999	262,423.11	27,451.91	10.46%	149,899.63	57.12%	(122,447.72)	-46.66%
1998 - 2000	271,192.87	26,557.46	9.79%	155,034.35	57.17%	(128,476.89)	-47.37%
1999 - 2001	258,273.89	20,599.55	7.98%	144,849.10	56.08%	(124,249.55)	-48.11%
2000 - 2002	245,573.30	17,061.81	6.95%	145,636.15	59.30%	(128,574.34)	-52.36%
2001 - 2003	231,504.92	11,164.26	4.82%	142,228.39	61.44%	(131,064.13)	-56.61%
2002 - 2004	264,996.96	13,975.47	5.27%	167,969.54	63.39%	(153,994.07)	-58.11%
2003 - 2005	286,271.08	13,579.20	4.74%	190,112.76	66.41%	(176,533.56)	-61.67%
2004 - 2006	343,668.01	14,288.80	4.16%	227,845.08	66.30%	(213,556.28)	-62.14%
2005 - 2007	305,866.19	10,633.77	3.48%	195,328.19	63.86%	(184,694.42)	-60.38%
2006 - 2008	435,893.52	23,045.74	5.29%	224,395.98	51.48%	(201,350.24)	-46.19%
2007 - 2009	428,210.13	27,754.42	6.48%	214,387.15	50.07%	(186,632.73)	-43.58%
2008 - 2010	462,920.68	25,932.79	5.60%	220,888.19	47.72%	(194,955.40)	-42.11%
2009 - 2011	423,564.17	12,088.19	2.85%	215,259.99	50.82%	(203,171.80)	-47.97%
2010 - 2012	477,747.51	7,543.94	1.58%	196,671.29	41.17%	(189,127.35)	-39.59%
2011 - 2013	522,388.84	18,336.47	3.51%	221,567.68	42.41%	(203,231.21)	-38.90%
2012 - 2014	491,811.47	16,189.61	3.29%	178,076.71	36.21%	(161,887.10)	-32.92%

Montana-Dakota Utilities Company

Electric Plant

369.00 Services

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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>

Three - Year Rolling Bands

1968 - 2014	3,916,302.61	559,231.83	14.28	2,222,015.37	56.74	(1,662,783.54)	-42.46
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Trend Analysis (End Year) 2014

*Based Upon Three - Year Rolling Averages

Annual Inflation Rate	2.75%
Average Service Life (ASL)	44.0
Average Retirement Age (Yrs)	20.9
Years To ASL	23.1
Inflation Factor At 2.75% to ASL	1.87

Gross Salvage Linear Trend Analysis

1995-2014	20 - Year Trend	0.32%
2000-2014	15 - Year Trend	2.16%
2005-2014	10 - Year Trend	2.92%
2010-2014	5 - Year Trend	2.18%

Forecasted

Gross Salvage 2.18%
(Five Year Trend)

Cost Of Removal 106.04%

Net Salvage -103.87%

Montana-Dakota Utilities Company

Electric Plant

370.00 Meters

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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	49,395.50	128.23	0.26%	0.00	0.00%	128.23	0.26%
1969	33,679.09	254.75	0.76%	0.00	0.00%	254.75	0.76%
1970	38,220.16	844.85	2.21%	3.52	0.01%	841.33	2.20%
1971	20,711.51	2,704.84	13.06%	385.88	1.86%	2,318.96	11.20%
1972	32,859.81	37.65	0.11%	0.00	0.00%	37.65	0.11%
1973	37,469.67	-830.47	-2.22%	(385.88)	-1.03%	(444.59)	-1.19%
1974	58,485.49	3,257.03	5.57%	0.00	0.00%	3,257.03	5.57%
1975	74,858.55	7,658.69	10.23%	18.75	0.03%	7,639.94	10.21%
1976	57,076.29	160.25	0.28%	0.00	0.00%	160.25	0.28%
1977	72,307.10	736.27	1.02%	0.00	0.00%	736.27	1.02%
1978	47,133.42	309.43	0.66%	0.00	0.00%	309.43	0.66%
1979	53,521.26	1,130.98	2.11%	(625.70)	-1.17%	1,756.68	3.28%
1980	98,472.73	430.66	0.44%	0.00	0.00%	430.66	0.44%
1981	52,876.63	3,034.40	5.74%	0.00	0.00%	3,034.40	5.74%
1982	67,981.14	53.09	0.08%	(266.49)	-0.39%	319.58	0.47%
1983	98,944.20	1,826.72	1.85%	0.00	0.00%	1,826.72	1.85%
1984	87,297.36	223.15	0.26%	0.00	0.00%	223.15	0.26%
1985	88,267.94	193.59	0.22%	0.00	0.00%	193.59	0.22%
1986	77,450.01	320.57	0.41%	0.00	0.00%	320.57	0.41%
1987	140,617.32	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988	103,626.53	87.05	0.08%	0.00	0.00%	87.05	0.08%
1989	80,878.02	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990	78,739.49	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991	78,635.53	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992	239,560.57	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993	105,026.86	1,354.84	1.29%	0.00	0.00%	1,354.84	1.29%
1994	134,305.54	955.55	0.71%	98.08	0.07%	857.47	0.64%
1995	36,609.81	175.55	0.48%	0.00	0.00%	175.55	0.48%

Montana-Dakota Utilities Company

Electric Plant

370.00 Meters

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<u>Year</u>	<u>Original Cost Of</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
	<u>Retirements</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>							
1996	249,171.17	10,021.38	4.02%	1,055.83	0.42%	8,965.55	3.60%
1997	114,473.95	-175.55	-0.15%	0.00	0.00%	(175.55)	-0.15%
1998	91,467.62	1,362.00	1.49%	0.00	0.00%	1,362.00	1.49%
1999	118,311.62	-259.00	-0.22%	0.00	0.00%	(259.00)	-0.22%
2000	120,306.58	1,589.77	1.32%	0.00	0.00%	1,589.77	1.32%
2001	172,893.21	0.00	0.00%	24,234.18	14.02%	(24,234.18)	-14.02%
2002	86,007.53	0.00	0.00%	14,085.75	16.38%	(14,085.75)	-16.38%
2003	54,896.56	0.00	0.00%	13,757.00	25.06%	(13,757.00)	-25.06%
2004	56,820.29	0.00	0.00%	18,870.00	33.21%	(18,870.00)	-33.21%
2005	69,826.63	0.00	0.00%	20,910.00	29.95%	(20,910.00)	-29.95%
2006	108,047.45	0.00	0.00%	33,337.00	30.85%	(33,337.00)	-30.85%
2007	2,905,247.76	3,498.60	0.12%	2,234.84	0.08%	1,263.76	0.04%
2008	829,576.50	25,028.72	3.02%	4,324.10	0.52%	20,704.62	2.50%
2009	272,660.71	0.00	0.00%	43,081.06	15.80%	(43,081.06)	-15.80%
2010	418,910.90	0.00	0.00%	47,809.28	11.41%	(47,809.28)	-11.41%
2011	382,350.69	0.00	0.00%	27,350.13	7.15%	(27,350.13)	-7.15%
2012	2,639,325.75	13,793.25	0.52%	232,700.51	8.82%	(218,907.26)	-8.29%
2013	40,961.90	14,043.15	34.28%	14,940.67	36.47%	(897.52)	-2.19%
2014	1,620,236.52	0.00	0.00%	16,599.47	1.02%	(16,599.47)	-1.02%

Montana-Dakota Utilities Company

Electric Plant

370.00 Meters

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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	121,294.75	1,227.83	1.01%	3.52	0.00%	1,224.31	1.01%
1969 - 1971	92,610.76	3,804.44	4.11%	389.40	0.42%	3,415.04	3.69%
1970 - 1972	91,791.48	3,587.34	3.91%	389.40	0.42%	3,197.94	3.48%
1971 - 1973	91,040.99	1,912.02	2.10%	0.00	0.00%	1,912.02	2.10%
1972 - 1974	128,814.97	2,464.21	1.91%	(385.88)	-0.30%	2,850.09	2.21%
1973 - 1975	170,813.71	10,085.25	5.90%	(367.13)	-0.21%	10,452.38	6.12%
1974 - 1976	190,420.33	11,075.97	5.82%	18.75	0.01%	11,057.22	5.81%
1975 - 1977	204,241.94	8,555.21	4.19%	18.75	0.01%	8,536.46	4.18%
1976 - 1978	176,516.81	1,205.95	0.68%	0.00	0.00%	1,205.95	0.68%
1977 - 1979	172,961.78	2,176.68	1.26%	(625.70)	-0.36%	2,802.38	1.62%
1978 - 1980	199,127.41	1,871.07	0.94%	(625.70)	-0.31%	2,496.77	1.25%
1979 - 1981	204,870.62	4,596.04	2.24%	(625.70)	-0.31%	5,221.74	2.55%
1980 - 1982	219,330.50	3,518.15	1.60%	(266.49)	-0.12%	3,784.64	1.73%
1981 - 1983	219,801.97	4,914.21	2.24%	(266.49)	-0.12%	5,180.70	2.36%
1982 - 1984	254,222.70	2,102.96	0.83%	(266.49)	-0.10%	2,369.45	0.93%
1983 - 1985	274,509.50	2,243.46	0.82%	0.00	0.00%	2,243.46	0.82%
1984 - 1986	253,015.31	737.31	0.29%	0.00	0.00%	737.31	0.29%
1985 - 1987	306,335.27	514.16	0.17%	0.00	0.00%	514.16	0.17%
1986 - 1988	321,693.86	407.62	0.13%	0.00	0.00%	407.62	0.13%
1987 - 1989	325,121.87	87.05	0.03%	0.00	0.00%	87.05	0.03%
1988 - 1990	263,244.04	87.05	0.03%	0.00	0.00%	87.05	0.03%
1989 - 1991	238,253.04	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990 - 1992	396,935.59	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991 - 1993	423,222.96	1,354.84	0.32%	0.00	0.00%	1,354.84	0.32%
1992 - 1994	478,892.97	2,310.39	0.48%	98.08	0.02%	2,212.31	0.46%
1993 - 1995	275,942.21	2,485.94	0.90%	98.08	0.04%	2,387.86	0.87%
1994 - 1996	420,086.52	11,152.48	2.65%	1,153.91	0.27%	9,998.57	2.38%
1995 - 1997	400,254.93	10,021.38	2.50%	1,055.83	0.26%	8,965.55	2.24%

Montana-Dakota Utilities Company

Electric Plant

370.00 Meters

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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	455,112.74	11,207.83	2.46%	1,055.83	0.23%	10,152.00	2.23%
1997 - 1999	324,253.19	927.45	0.29%	0.00	0.00%	927.45	0.29%
1998 - 2000	330,085.82	2,692.77	0.82%	0.00	0.00%	2,692.77	0.82%
1999 - 2001	411,511.41	1,330.77	0.32%	24,234.18	5.89%	(22,903.41)	-5.57%
2000 - 2002	379,207.32	1,589.77	0.42%	38,319.93	10.11%	(36,730.16)	-9.69%
2001 - 2003	313,797.30	0.00	0.00%	52,076.93	16.60%	(52,076.93)	-16.60%
2002 - 2004	197,724.38	0.00	0.00%	46,712.75	23.63%	(46,712.75)	-23.63%
2003 - 2005	181,543.48	0.00	0.00%	53,537.00	29.49%	(53,537.00)	-29.49%
2004 - 2006	234,694.37	0.00	0.00%	73,117.00	31.15%	(73,117.00)	-31.15%
2005 - 2007	3,083,121.84	3,498.60	0.11%	56,481.84	1.83%	(52,983.24)	-1.72%
2006 - 2008	3,842,871.71	28,527.32	0.74%	39,895.94	1.04%	(11,368.62)	-0.30%
2007 - 2009	4,007,484.97	28,527.32	0.71%	49,640.00	1.24%	(21,112.68)	-0.53%
2008 - 2010	1,521,148.11	25,028.72	1.65%	95,214.44	6.26%	(70,185.72)	-4.61%
2009 - 2011	1,073,922.30	0.00	0.00%	118,240.47	11.01%	(118,240.47)	-11.01%
2010 - 2012	3,440,587.34	13,793.25	0.40%	307,859.92	8.95%	(294,066.67)	-8.55%
2011 - 2013	3,062,638.34	27,836.40	0.91%	274,991.31	8.98%	(247,154.91)	-8.07%
2012 - 2014	4,300,524.17	27,836.40	0.65%	264,240.65	6.14%	(236,404.25)	-5.50%

Montana-Dakota Utilities Company

Electric Plant

370.00 Meters

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

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

Three - Year Rolling Bands

1968 - 2014	12,496,500.87	93,949.99	0.75	514,517.98	4.12	(420,567.99)	-3.37
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Trend Analysis (End Year) 2014

*Based Upon Three - Year Rolling Averages

Annual Inflation Rate	2.75%
Average Service Life (ASL)	15.0
Average Retirement Age (Yrs)	19.2
Years To ASL	-4.2
Inflation Factor At 2.75% to ASL	0.89

Gross Salvage Linear Trend Analysis

1995-2014	20 - Year Trend	0.12%
2000-2014	15 - Year Trend	0.72%
2005-2014	10 - Year Trend	0.93%
2010-2014	5 - Year Trend	0.39%

Forecasted

Gross Salvage	0.39%
(Five Year Trend)	
Cost Of Removal	3.67%
Net Salvage	-3.28%

Montana-Dakota Utilities Company

Electric Plant

371.00 Installation on Customers Premises

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<u>Year</u>	<u>Original Cost Of</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
	<u>Retirements</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>							
1968	19,377.81	8,209.30	42.36%	1,640.00	8.46%	6,569.30	33.90%
1969	26,934.78	9,016.46	33.48%	2,120.77	7.87%	6,895.69	25.60%
1970	21,871.19	7,958.52	36.39%	2,735.64	12.51%	5,222.88	23.88%
1971	21,026.08	6,763.19	32.17%	2,115.17	10.06%	4,648.02	22.11%
1972	20,693.71	7,017.30	33.91%	2,408.32	11.64%	4,608.98	22.27%
1973	28,396.36	9,874.27	34.77%	3,658.81	12.88%	6,215.46	21.89%
1974	27,704.50	10,939.11	39.48%	3,745.28	13.52%	7,193.83	25.97%
1975	25,664.99	11,200.40	43.64%	3,690.27	14.38%	7,510.13	29.26%
1976	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1977	46,033.16	21,128.46	45.90%	9,187.67	19.96%	11,940.79	25.94%
1978	56,721.18	24,522.77	43.23%	7,720.69	13.61%	16,802.08	29.62%
1979	39,454.42	14,189.64	35.96%	7,631.03	19.34%	6,558.61	16.62%
1980	44,588.68	21,073.07	47.26%	8,838.91	19.82%	12,234.16	27.44%
1981	47,185.65	21,886.73	46.38%	10,590.06	22.44%	11,296.67	23.94%
1982	49,483.66	24,365.99	49.24%	12,523.34	25.31%	11,842.65	23.93%
1983	52,663.56	23,612.80	44.84%	13,296.04	25.25%	10,316.76	19.59%
1984	59,605.88	25,162.83	42.22%	16,751.54	28.10%	8,411.29	14.11%
1985	61,280.18	27,733.30	45.26%	16,031.79	26.16%	11,701.51	19.10%
1986	55,053.78	22,727.95	41.28%	14,163.19	25.73%	8,564.76	15.56%
1987	59,425.78	23,932.12	40.27%	15,914.68	26.78%	8,017.44	13.49%
1988	43,565.49	17,810.16	40.88%	12,160.44	27.91%	5,649.72	12.97%
1989	45,040.83	15,172.27	33.69%	13,071.31	29.02%	2,100.96	4.66%
1990	46,895.52	17,989.93	38.36%	12,988.11	27.70%	5,001.82	10.67%
1991	51,052.87	16,617.74	32.55%	14,422.64	28.25%	2,195.10	4.30%
1992	42,423.68	9,856.16	23.23%	12,014.41	28.32%	(2,158.25)	-5.09%
1993	51,351.46	13,410.59	26.12%	10,004.76	19.48%	3,405.83	6.63%
1994	40,691.14	10,945.46	26.90%	14,378.43	35.34%	(3,432.97)	-8.44%
1995	4,899.70	3,100.23	63.27%	3,560.75	72.67%	(460.52)	-9.40%

Montana-Dakota Utilities Company
Electric Plant

371.00 Installation on Customers Premises

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

<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	85,556.19		18,619.36	21.76%	24,129.50	28.20%	(5,510.14)	-6.44%
1997	53,238.12		13,661.74	25.66%	14,998.20	28.17%	(1,336.46)	-2.51%
1998	64,850.63		14,771.17	22.78%	20,375.71	31.42%	(5,604.54)	-8.64%
1999	53,614.16		13,645.27	25.45%	12,440.46	23.20%	1,204.81	2.25%
2000	60,068.61		13,986.55	23.28%	14,290.61	23.79%	(304.06)	-0.51%
2001	41,530.98		6,438.88	15.50%	9,317.05	22.43%	(2,878.17)	-6.93%
2002	47,502.03		9,586.20	20.18%	13,688.22	28.82%	(4,102.02)	-8.64%
2003	66,456.74		13,836.13	20.82%	15,036.59	22.63%	(1,200.46)	-1.81%
2004	59,953.85		14,170.28	23.64%	18,256.37	30.45%	(4,086.09)	-6.82%
2005	63,804.01		11,404.43	17.87%	19,414.50	30.43%	(8,010.07)	-12.55%
2006	59,016.85		6,815.13	11.55%	19,400.51	32.87%	(12,585.38)	-21.33%
2007	34,764.65		5,092.46	14.65%	13,124.58	37.75%	(8,032.12)	-23.10%
2008	79,643.26		9,936.06	12.48%	23,680.31	29.73%	(13,744.25)	-17.26%
2009	109,354.52		30,377.38	27.78%	28,893.28	26.42%	1,484.10	1.36%
2010	51,159.61		8,717.60	17.04%	11,817.87	23.10%	(3,100.27)	-6.06%
2011	74,407.25		6,331.98	8.51%	19,359.81	26.02%	(13,027.83)	-17.51%
2012	72,737.27		9,769.33	13.43%	21,767.05	29.93%	(11,997.72)	-16.49%
2013	64,892.28		0.00	0.00%	53,122.55	81.86%	(53,122.55)	-81.86%
2014	81,621.52		0.00	0.00%	35,153.20	43.07%	(35,153.20)	-43.07%

Montana-Dakota Utilities Company

Electric Plant

371.00 Installation on Customers Premises

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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	68,183.78	25,184.28	36.94%	6,496.41	9.53%	18,687.87	27.41%
1969 - 1971	69,832.05	23,738.17	33.99%	6,971.58	9.98%	16,766.59	24.01%
1970 - 1972	63,590.98	21,739.01	34.19%	7,259.13	11.42%	14,479.88	22.77%
1971 - 1973	70,116.15	23,654.76	33.74%	8,182.30	11.67%	15,472.46	22.07%
1972 - 1974	76,794.57	27,830.68	36.24%	9,812.41	12.78%	18,018.27	23.46%
1973 - 1975	81,765.85	32,013.78	39.15%	11,094.36	13.57%	20,919.42	25.58%
1974 - 1976	53,369.49	22,139.51	41.48%	7,435.55	13.93%	14,703.96	27.55%
1975 - 1977	71,698.15	32,328.86	45.09%	12,877.94	17.96%	19,450.92	27.13%
1976 - 1978	102,754.34	45,651.23	44.43%	16,908.36	16.46%	28,742.87	27.97%
1977 - 1979	142,208.76	59,840.87	42.08%	24,539.39	17.26%	35,301.48	24.82%
1978 - 1980	140,764.28	59,785.48	42.47%	24,190.63	17.19%	35,594.85	25.29%
1979 - 1981	131,228.75	57,149.44	43.55%	27,060.00	20.62%	30,089.44	22.93%
1980 - 1982	141,257.99	67,325.79	47.66%	31,952.31	22.62%	35,373.48	25.04%
1981 - 1983	149,332.87	69,865.52	46.79%	36,409.44	24.38%	33,456.08	22.40%
1982 - 1984	161,753.10	73,141.62	45.22%	42,570.92	26.32%	30,570.70	18.90%
1983 - 1985	173,549.62	76,508.93	44.08%	46,079.37	26.55%	30,429.56	17.53%
1984 - 1986	175,939.84	75,624.08	42.98%	46,946.52	26.68%	28,677.56	16.30%
1985 - 1987	175,759.74	74,393.37	42.33%	46,109.66	26.23%	28,283.71	16.09%
1986 - 1988	158,045.05	64,470.23	40.79%	42,238.31	26.73%	22,231.92	14.07%
1987 - 1989	148,032.10	56,914.55	38.45%	41,146.43	27.80%	15,768.12	10.65%
1988 - 1990	135,501.84	50,972.36	37.62%	38,219.86	28.21%	12,752.50	9.41%
1989 - 1991	142,989.22	49,779.94	34.81%	40,482.06	28.31%	9,297.88	6.50%
1990 - 1992	140,372.07	44,463.83	31.68%	39,425.16	28.09%	5,038.67	3.59%
1991 - 1993	144,828.01	39,884.49	27.54%	36,441.81	25.16%	3,442.68	2.38%
1992 - 1994	134,466.28	34,212.21	25.44%	36,397.60	27.07%	(2,185.39)	-1.63%
1993 - 1995	96,942.30	27,456.28	28.32%	27,943.94	28.83%	(487.66)	-0.50%
1994 - 1996	131,147.03	32,665.05	24.91%	42,068.68	32.08%	(9,403.63)	-7.17%
1995 - 1997	143,694.01	35,381.33	24.62%	42,688.45	29.71%	(7,307.12)	-5.09%

Montana-Dakota Utilities Company
Electric Plant

371.00 Installation on Customers Premises

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2014

<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	203,644.94	47,052.27	23.11%	59,503.41	29.22%	(12,451.14)	-6.11%
1997 - 1999	171,702.91	42,078.18	24.51%	47,814.37	27.85%	(5,736.19)	-3.34%
1998 - 2000	178,533.40	42,402.99	23.75%	47,106.78	26.39%	(4,703.79)	-2.63%
1999 - 2001	155,213.75	34,070.70	21.95%	36,048.12	23.22%	(1,977.42)	-1.27%
2000 - 2002	149,101.62	30,011.63	20.13%	37,295.88	25.01%	(7,284.25)	-4.89%
2001 - 2003	155,489.75	29,861.21	19.20%	38,041.86	24.47%	(8,180.65)	-5.26%
2002 - 2004	173,912.62	37,592.61	21.62%	46,981.18	27.01%	(9,388.57)	-5.40%
2003 - 2005	190,214.60	39,410.84	20.72%	52,707.46	27.71%	(13,296.62)	-6.99%
2004 - 2006	182,774.71	32,389.84	17.72%	57,071.38	31.22%	(24,681.54)	-13.50%
2005 - 2007	157,585.51	23,312.02	14.79%	51,939.59	32.96%	(28,627.57)	-18.17%
2006 - 2008	173,424.76	21,843.65	12.60%	56,205.40	32.41%	(34,361.75)	-19.81%
2007 - 2009	223,762.43	45,405.90	20.29%	65,698.17	29.36%	(20,292.27)	-9.07%
2008 - 2010	240,157.39	49,031.04	20.42%	64,391.46	26.81%	(15,360.42)	-6.40%
2009 - 2011	234,921.38	45,426.96	19.34%	60,070.96	25.57%	(14,644.00)	-6.23%
2010 - 2012	198,304.13	24,818.91	12.52%	52,944.73	26.70%	(28,125.82)	-14.18%
2011 - 2013	212,036.80	16,101.31	7.59%	94,249.41	44.45%	(78,148.10)	-36.86%
2012 - 2014	219,251.07	9,769.33	4.46%	110,042.80	50.19%	(100,273.47)	-45.73%

Montana-Dakota Utilities Company

Electric Plant

373.00 Street Lighting System

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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	31,552.59	4,352.81	13.80%	4,691.97	14.87%	(339.16)	-1.07%
1969	39,427.32	6,870.26	17.43%	7,473.79	18.96%	(603.53)	-1.53%
1970	28,523.06	6,874.49	24.10%	4,685.73	16.43%	2,188.76	7.67%
1971	30,912.09	7,542.83	24.40%	5,031.93	16.28%	2,510.90	8.12%
1972	23,296.31	1,786.12	7.67%	3,928.67	16.86%	(2,142.55)	-9.20%
1973	35,901.30	2,000.22	5.57%	4,692.80	13.07%	(2,692.58)	-7.50%
1974	22,584.53	2,259.41	10.00%	4,302.76	19.05%	(2,043.35)	-9.05%
1975	32,600.81	10,570.92	32.43%	6,695.77	20.54%	3,875.15	11.89%
1976	6,042.36	127.35	2.11%	2,313.93	38.30%	(2,186.58)	-36.19%
1977	25,481.75	6,768.60	26.56%	4,202.67	16.49%	2,565.93	10.07%
1978	29,152.44	6,364.08	21.83%	6,656.61	22.83%	(292.53)	-1.00%
1979	21,014.20	6,451.43	30.70%	4,728.86	22.50%	1,722.57	8.20%
1980	26,353.67	14,148.09	53.69%	4,774.78	18.12%	9,373.31	35.57%
1981	27,543.53	14,069.11	51.08%	6,802.44	24.70%	7,266.67	26.38%
1982	31,557.89	24,149.42	76.52%	7,732.96	24.50%	16,416.46	52.02%
1983	21,680.19	11,358.18	52.39%	5,249.48	24.21%	6,108.70	28.18%
1984	22,716.94	5,978.43	26.32%	5,013.56	22.07%	964.87	4.25%
1985	59,132.11	25,067.53	42.39%	16,577.39	28.03%	8,490.14	14.36%
1986	33,627.38	6,224.02	18.51%	12,153.67	36.14%	(5,929.65)	-17.63%
1987	42,650.22	11,628.38	27.26%	15,265.99	35.79%	(3,637.61)	-8.53%
1988	39,455.20	9,911.35	25.12%	16,072.31	40.74%	(6,160.96)	-15.62%
1989	39,609.38	8,628.40	21.78%	17,649.86	44.56%	(9,021.46)	-22.78%
1990	26,511.45	11,730.78	44.25%	9,784.83	36.91%	1,945.95	7.34%
1991	31,256.28	6,783.64	21.70%	13,344.62	42.69%	(6,560.98)	-20.99%
1992	42,453.67	12,061.02	28.41%	12,232.94	28.81%	(171.92)	-0.40%
1993	31,924.21	5,861.09	18.36%	13,627.83	42.69%	(7,766.74)	-24.33%
1994	58,227.92	8,480.10	14.56%	25,317.71	43.48%	(16,837.61)	-28.92%
1995	10,763.60	7,398.27	68.73%	6,463.61	60.05%	934.66	8.68%

Montana-Dakota Utilities Company

Electric Plant

373.00 Street Lighting System

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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	90,086.59	17,124.32	19.01%	28,872.12	32.05%	(11,747.80)	-13.04%
1997	69,439.88	16,911.90	24.35%	21,019.56	30.27%	(4,107.66)	-5.92%
1998	46,364.53	7,279.50	15.70%	21,605.09	46.60%	(14,325.59)	-30.90%
1999	43,493.03	7,301.53	16.79%	18,854.86	43.35%	(11,553.33)	-26.56%
2000	45,693.54	7,341.63	16.07%	18,153.71	39.73%	(10,812.08)	-23.66%
2001	53,502.32	2,732.47	5.11%	16,723.57	31.26%	(13,991.10)	-26.15%
2002	75,132.01	11,399.20	15.17%	34,163.62	45.47%	(22,764.42)	-30.30%
2003	52,166.29	3,453.20	6.62%	21,318.40	40.87%	(17,865.20)	-34.25%
2004	89,228.73	10,795.26	12.10%	37,311.32	41.82%	(26,516.06)	-29.72%
2005	52,266.94	6,125.25	11.72%	23,633.94	45.22%	(17,508.69)	-33.50%
2006	75,810.52	8,906.08	11.75%	38,555.60	50.86%	(29,649.52)	-39.11%
2007	33,042.19	1,763.01	5.34%	20,462.84	61.93%	(18,699.83)	-56.59%
2008	80,794.04	3,237.15	4.01%	36,574.30	45.27%	(33,337.15)	-41.26%
2009	89,188.32	5,471.85	6.14%	36,579.99	41.01%	(31,108.14)	-34.88%
2010	55,662.41	4,452.68	8.00%	19,566.72	35.15%	(15,114.04)	-27.15%
2011	131,148.75	4,216.37	3.21%	65,352.08	49.83%	(61,135.71)	-46.62%
2012	82,830.42	7,674.78	9.27%	43,398.58	52.39%	(35,723.80)	-43.13%
2013	77,038.59	0.00	0.00%	92,051.86	119.49%	(92,051.86)	-119.49%
2014	126,208.42	0.00	0.00%	147,090.61	116.55%	(147,090.61)	-116.55%

Montana-Dakota Utilities Company

Electric Plant

373.00 Street Lighting System

Forecasted Future Net Salvage Based Upon Experienced Net Salvage 1968 - 2014

<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	99,502.97	18,097.56	18.19%	16,851.49	16.94%	1,246.07	1.25%
1969 - 1971	98,862.47	21,287.58	21.53%	17,191.45	17.39%	4,096.13	4.14%
1970 - 1972	82,731.46	16,203.44	19.59%	13,646.33	16.49%	2,557.11	3.09%
1971 - 1973	90,109.70	11,329.17	12.57%	13,653.40	15.15%	(2,324.23)	-2.58%
1972 - 1974	81,782.14	6,045.75	7.39%	12,924.23	15.80%	(6,878.48)	-8.41%
1973 - 1975	91,086.64	14,830.55	16.28%	15,691.33	17.23%	(860.78)	-0.95%
1974 - 1976	61,227.70	12,957.68	21.16%	13,312.46	21.74%	(354.78)	-0.58%
1975 - 1977	64,124.92	17,466.87	27.24%	13,212.37	20.60%	4,254.50	6.63%
1976 - 1978	60,676.55	13,260.03	21.85%	13,173.21	21.71%	86.82	0.14%
1977 - 1979	75,648.39	19,584.11	25.89%	15,588.14	20.61%	3,995.97	5.28%
1978 - 1980	76,520.31	26,963.60	35.24%	16,160.25	21.12%	10,803.35	14.12%
1979 - 1981	74,911.40	34,668.63	46.28%	16,306.08	21.77%	18,362.55	24.51%
1980 - 1982	85,455.09	52,366.62	61.28%	19,310.18	22.60%	33,056.44	38.68%
1981 - 1983	80,781.61	49,576.71	61.37%	19,784.88	24.49%	29,791.83	36.88%
1982 - 1984	75,955.02	41,486.03	54.62%	17,996.00	23.69%	23,490.03	30.93%
1983 - 1985	103,529.24	42,404.14	40.96%	26,840.43	25.93%	15,563.71	15.03%
1984 - 1986	115,476.43	37,269.98	32.27%	33,744.62	29.22%	3,525.36	3.05%
1985 - 1987	135,409.71	42,919.93	31.70%	43,997.05	32.49%	(1,077.12)	-0.80%
1986 - 1988	115,732.80	27,763.75	23.99%	43,491.97	37.58%	(15,728.22)	-13.59%
1987 - 1989	121,714.80	30,168.13	24.79%	48,988.16	40.25%	(18,820.03)	-15.46%
1988 - 1990	105,576.03	30,270.53	28.67%	43,507.00	41.21%	(13,236.47)	-12.54%
1989 - 1991	97,377.11	27,142.82	27.87%	40,779.31	41.88%	(13,636.49)	-14.00%
1990 - 1992	100,221.40	30,575.44	30.51%	35,362.39	35.28%	(4,786.95)	-4.78%
1991 - 1993	105,634.16	24,705.75	23.39%	39,205.39	37.11%	(14,499.64)	-13.73%
1992 - 1994	132,605.80	26,402.21	19.91%	51,178.48	38.59%	(24,776.27)	-18.68%
1993 - 1995	100,915.73	21,739.46	21.54%	45,409.15	45.00%	(23,669.69)	-23.45%
1994 - 1996	159,078.11	33,002.69	20.75%	60,653.44	38.13%	(27,650.75)	-17.38%
1995 - 1997	170,290.07	41,434.49	24.33%	56,355.29	33.09%	(14,920.80)	-8.76%

Montana-Dakota Utilities Company

Electric Plant

373.00 Street Lighting System

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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	205,891.00	41,315.72	20.07%	71,496.77	34.73%	(30,181.05)	-14.66%
1997 - 1999	159,297.44	31,492.93	19.77%	61,479.51	38.59%	(29,986.58)	-18.82%
1998 - 2000	135,551.10	21,922.66	16.17%	58,613.66	43.24%	(36,691.00)	-27.07%
1999 - 2001	142,688.89	17,375.63	12.18%	53,732.14	37.66%	(36,356.51)	-25.48%
2000 - 2002	174,327.87	21,473.30	12.32%	69,040.90	39.60%	(47,567.60)	-27.29%
2001 - 2003	180,800.62	17,584.87	9.73%	72,205.59	39.94%	(54,620.72)	-30.21%
2002 - 2004	216,527.03	25,647.66	11.85%	92,793.34	42.86%	(67,145.68)	-31.01%
2003 - 2005	193,661.96	20,373.71	10.52%	82,263.66	42.48%	(61,889.95)	-31.96%
2004 - 2006	217,306.19	25,826.59	11.88%	99,500.86	45.79%	(73,674.27)	-33.90%
2005 - 2007	161,119.65	16,794.34	10.42%	82,652.38	51.30%	(65,858.04)	-40.88%
2006 - 2008	189,646.75	13,906.24	7.33%	95,592.74	50.41%	(81,686.50)	-43.07%
2007 - 2009	203,024.55	10,472.01	5.16%	93,617.13	46.11%	(83,145.12)	-40.95%
2008 - 2010	225,644.77	13,161.68	5.83%	92,721.01	41.09%	(79,559.33)	-35.26%
2009 - 2011	275,999.48	14,140.90	5.12%	121,498.79	44.02%	(107,357.89)	-38.90%
2010 - 2012	269,641.58	16,343.83	6.06%	128,317.38	47.59%	(111,973.55)	-41.53%
2011 - 2013	291,017.76	11,891.15	4.09%	200,802.52	69.00%	(188,911.37)	-64.91%
2012 - 2014	286,077.43	7,674.78	2.68%	282,541.05	98.76%	(274,866.27)	-96.08%

Montana-Dakota Utilities Company

Electric Plant

373.00 Street Lighting System

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1968 - 2014

<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>

Three - Year Rolling Bands

1968 - 2014	2,241,049.92	371,632.51	16.58	988,758.24	44.12	(617,125.73)	-27.54
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Trend Analysis (End Year) 2014

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

Annual Inflation Rate	2.75%
Average Service Life (ASL)	43.0
Average Retirement Age (Yrs)	25.9
Years To ASL	17.1
Inflation Factor At 2.75% to ASL	1.59

Gross Salvage
Linear Trend Analysis

1995-2014	20 - Year Trend	0.83%
2000-2014	15 - Year Trend	2.30%
2005-2014	10 - Year Trend	1.81%
2010-2014	5 - Year Trend	2.56%

Forecasted

Gross Salvage	2.56%
(Five Year Trend)	
Cost Of Removal	70.16%
Net Salvage	-67.61%

Montana-Dakota Utilities Company
Electric Plant

390.00 General Structures & Improvements

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1973 - 2014

<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>								
1973	6,819.40		0.00	0.00%	1,376.86	20.19%	(1,376.86)	-20.19%
1974	12,585.82		511.25	4.06%	3,567.06	28.34%	(3,055.81)	-24.28%
1975	2,597.89		2,506.48	96.48%	0.00	0.00%	2,506.48	96.48%
1976	1,110.82		0.00	0.00%	1,638.00	147.46%	(1,638.00)	-147.46%
1977	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1978	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1979	10,524.70		11,059.50	105.08%	10.42	0.10%	11,049.08	104.98%
1980	0.00		0.00	0.00%	1.02	0.00%	(1.02)	0.00%
1981	26,603.14		43,451.05	163.33%	366.53	1.38%	43,084.52	161.95%
1982	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1983	10,563.83		-104.00	-0.98%	4,594.00	43.49%	(4,698.00)	-44.47%
1984	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1985	4,044.29		0.00	0.00%	0.00	0.00%	0.00	0.00%
1986	3,864.24		2,084.62	53.95%	0.00	0.00%	2,084.62	53.95%
1987	42,792.08		-2,340.62	-5.47%	0.00	0.00%	(2,340.62)	-5.47%
1988	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1989	25,745.00		729.21	2.83%	7,996.57	31.06%	(7,267.36)	-28.23%
1990	8,971.20		0.00	0.00%	37,678.19	419.99%	(37,678.19)	-419.99%
1991	7,571.17		0.00	0.00%	0.00	0.00%	0.00	0.00%
1992	1,500.00		0.00	0.00%	6.99	0.47%	(6.99)	-0.47%
1993	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1994	13,344.05		12,386.95	92.83%	631.40	4.73%	11,755.55	88.10%
1995	21,447.15		13,542.82	63.15%	470.00	2.19%	13,072.82	60.95%
1996	63,049.36		39,125.19	62.05%	1,100.46	1.75%	38,024.73	60.31%
1997	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1998	179,676.14		84,878.69	47.24%	500.00	0.28%	84,378.69	46.96%
1999	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2000	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company

Electric Plant

390.00 General Structures & Improvements

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1973 - 2014

<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>							
2001	446.08	0.00	0.00%	0.00	0.00%	0.00	0.00%
2002	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2003	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2004	11,164.38	0.00	0.00%	18,500.00	165.71%	(18,500.00)	-165.71%
2005	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2006	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2007	4,054.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2008	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2009	642.20	0.00	0.00%	0.00	0.00%	0.00	0.00%
2010	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2011	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2012	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2013	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2014	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company

Electric Plant

390.00 General Structures & Improvements

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1973 - 2014

<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>							
1973 - 1975	22,003.11	3,017.73	13.72%	4,943.92	22.47%	(1,926.19)	-8.75%
1974 - 1976	16,294.53	3,017.73	18.52%	5,205.06	31.94%	(2,187.33)	-13.42%
1975 - 1977	3,708.71	2,506.48	67.58%	1,638.00	44.17%	868.48	23.42%
1976 - 1978	1,110.82	0.00	0.00%	1,638.00	147.46%	(1,638.00)	-147.46%
1977 - 1979	10,524.70	11,059.50	105.08%	10.42	0.10%	11,049.08	104.98%
1978 - 1980	10,524.70	11,059.50	105.08%	11.44	0.11%	11,048.06	104.97%
1979 - 1981	37,127.84	54,510.55	146.82%	377.97	1.02%	54,132.58	145.80%
1980 - 1982	26,603.14	43,451.05	163.33%	367.55	1.38%	43,083.50	161.95%
1981 - 1983	37,166.97	43,347.05	116.63%	4,960.53	13.35%	38,386.52	103.28%
1982 - 1984	10,563.83	-104.00	-0.98%	4,594.00	43.49%	(4,698.00)	-44.47%
1983 - 1985	14,608.12	-104.00	-0.71%	4,594.00	31.45%	(4,698.00)	-32.16%
1984 - 1986	7,908.53	2,084.62	26.36%	0.00	0.00%	2,084.62	26.36%
1985 - 1987	50,700.61	-256.00	-0.50%	0.00	0.00%	(256.00)	-0.50%
1986 - 1988	46,656.32	-256.00	-0.55%	0.00	0.00%	(256.00)	-0.55%
1987 - 1989	68,537.08	-1,611.41	-2.35%	7,996.57	11.67%	(9,607.98)	-14.02%
1988 - 1990	34,716.20	729.21	2.10%	45,674.76	131.57%	(44,945.55)	-129.47%
1989 - 1991	42,287.37	729.21	1.72%	45,674.76	108.01%	(44,945.55)	-106.29%
1990 - 1992	18,042.37	0.00	0.00%	37,685.18	208.87%	(37,685.18)	-208.87%
1991 - 1993	9,071.17	0.00	0.00%	6.99	0.08%	(6.99)	-0.08%
1992 - 1994	14,844.05	12,386.95	83.45%	638.39	4.30%	11,748.56	79.15%
1993 - 1995	34,791.20	25,929.77	74.53%	1,101.40	3.17%	24,828.37	71.36%
1994 - 1996	97,840.56	65,054.96	66.49%	2,201.86	2.25%	62,853.10	64.24%
1995 - 1997	84,496.51	52,668.01	62.33%	1,570.46	1.86%	51,097.55	60.47%
1996 - 1998	242,725.50	124,003.88	51.09%	1,600.46	0.66%	122,403.42	50.43%
1997 - 1999	179,676.14	84,878.69	47.24%	500.00	0.28%	84,378.69	46.96%
1998 - 2000	179,676.14	84,878.69	47.24%	500.00	0.28%	84,378.69	46.96%
1999 - 2001	446.08	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000 - 2002	446.08	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company
Electric Plant

390.00 General Structures & Improvements

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1973 - 2014

<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>							
2001 - 2003	446.08	0.00	0.00%	0.00	0.00%	0.00	0.00%
2002 - 2004	11,164.38	0.00	0.00%	18,500.00	165.71%	(18,500.00)	-165.71%
2003 - 2005	11,164.38	0.00	0.00%	18,500.00	165.71%	(18,500.00)	-165.71%
2004 - 2006	11,164.38	0.00	0.00%	18,500.00	165.71%	(18,500.00)	-165.71%
2005 - 2007	4,054.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2006 - 2008	4,054.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2007 - 2009	4,696.20	0.00	0.00%	0.00	0.00%	0.00	0.00%
2008 - 2010	642.20	0.00	0.00%	0.00	0.00%	0.00	0.00%
2009 - 2011	642.20	0.00	0.00%	0.00	0.00%	0.00	0.00%
2010 - 2012	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2011 - 2013	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2012 - 2014	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company
Electric Plant

390.00 General Structures & Improvements

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1973 - 2014

<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>

Three - Year Rolling Bands

1973 - 2014	459,116.94	207,831.14	45.27	78,437.50	17.08	129,393.64	28.18
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Trend Analysis (End Year) 2014

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

Annual Inflation Rate	2.75%
Average Service Life (ASL)	29.0
Average Retirement Age (Yrs)	24.8
Years To ASL	4.2
Inflation Factor At 2.75% to ASL	1.12

Gross Salvage
Linear Trend Analysis

1995-2014	20 - Year Trend	0.00%
2000-2014	15 - Year Trend	0.00%
2005-2014	10 - Year Trend	0.00%
2010-2014	5 - Year Trend	0.00%

Forecasted

Gross Salvage	0.00%
(Five Year Trend)	
Cost Of Removal	19.17%
Net Salvage	-19.17%

Montana-Dakota Utilities Company
Electric Plant

392.10 Transportation Equipment - Non Unitized

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 2004 - 2014

<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>							
2004	1,810.70	0.00	0.00%	0.00	0.00%	0.00	0.00%
2005	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2006	1,358.44	0.00	0.00%	0.00	0.00%	0.00	0.00%
2007	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2008	2,342.88	900.00	38.41%	0.00	0.00%	900.00	38.41%
2009	10,769.11	0.00	0.00%	0.00	0.00%	0.00	0.00%
2010	8,914.16	0.00	0.00%	0.00	0.00%	0.00	0.00%
2011	7,994.32	3,606.00	45.11%	0.00	0.00%	3,606.00	45.11%
2012	5,801.85	1,481.00	25.53%	0.00	0.00%	1,481.00	25.53%
2013	4,363.13	0.00	0.00%	0.00	0.00%	0.00	0.00%
2014	5,357.24	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company
Electric Plant

392.10 Transportation Equipment - Non Unitized

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 2004 - 2014

<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>								
2004 - 2006	3,169.14	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2005 - 2007	1,358.44	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2006 - 2008	3,701.32	900.00	24.32%	0.00	0.00%	900.00	24.32%	
2007 - 2009	13,111.99	900.00	6.86%	0.00	0.00%	900.00	6.86%	
2008 - 2010	22,026.15	900.00	4.09%	0.00	0.00%	900.00	4.09%	
2009 - 2011	27,677.59	3,606.00	13.03%	0.00	0.00%	3,606.00	13.03%	
2010 - 2012	22,710.33	5,087.00	22.40%	0.00	0.00%	5,087.00	22.40%	
2011 - 2013	18,159.30	5,087.00	28.01%	0.00	0.00%	5,087.00	28.01%	
2012 - 2014	15,522.22	1,481.00	9.54%	0.00	0.00%	1,481.00	9.54%	

Montana-Dakota Utilities Company
Electric Plant

392.10 Transportation Equipment - Non Unitized

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 2004 - 2014

<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>

Three - Year Rolling Bands

2004 - 2014	48,711.83	5,987.00	12.29	0.00	0.00	5,987.00	12.29
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Trend Analysis (End Year) 2014

*Based Upon Three - Year Rolling Averages

Annual Inflation Rate	2.75%
Average Service Life (ASL)	15.0
Average Retirement Age (Yrs)	34.0
Years To ASL	-19.0
Inflation Factor At 2.75% to ASL	0.60

Gross Salvage
Linear Trend Analysis

1995-2014	20 - Year Trend	12.06%
2000-2014	15 - Year Trend	12.06%
2005-2014	10 - Year Trend	12.06%
2010-2014	5 - Year Trend	23.18%

Forecasted

Gross Salvage	23.18%
(Five Year Trend)	
Cost Of Removal	0.00%
Net Salvage	23.18%

Montana-Dakota Utilities Company

Electric Plant

392.20 Transportation Equipment

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1995 - 2014

<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	210,729.72	37,265.25	17.68%	143.66	0.07%	37,121.59	17.62%
1996	291,507.32	73,909.04	25.35%	216.28	0.07%	73,692.76	25.28%
1997	151,642.12	29,077.00	19.17%	257.95	0.17%	28,819.05	19.00%
1998	249,998.86	42,592.63	17.04%	942.74	0.38%	41,649.89	16.66%
1999	131,831.99	23,607.66	17.91%	0.00	0.00%	23,607.66	17.91%
2000	185,844.58	40,635.55	21.87%	0.00	0.00%	40,635.55	21.87%
2001	368,923.39	76,862.28	20.83%	0.00	0.00%	76,862.28	20.83%
2002	206,122.57	55,229.82	26.79%	0.00	0.00%	55,229.82	26.79%
2003	163,177.92	22,241.00	13.63%	0.00	0.00%	22,241.00	13.63%
2004	562,110.82	117,336.02	20.87%	0.00	0.00%	117,336.02	20.87%
2005	307,528.41	74,590.00	24.25%	0.00	0.00%	74,590.00	24.25%
2006	233,734.48	52,575.00	22.49%	0.00	0.00%	52,575.00	22.49%
2007	568,265.14	116,523.11	20.51%	0.00	0.00%	116,523.11	20.51%
2008	272,077.39	66,200.00	24.33%	0.00	0.00%	66,200.00	24.33%
2009	269,462.20	40,755.00	15.12%	0.00	0.00%	40,755.00	15.12%
2010	441,048.94	92,469.00	20.97%	0.00	0.00%	92,469.00	20.97%
2011	253,822.29	70,026.00	27.59%	0.00	0.00%	70,026.00	27.59%
2012	256,067.85	68,996.00	26.94%	0.00	0.00%	68,996.00	26.94%
2013	154,788.04	27,800.00	17.96%	0.00	0.00%	27,800.00	17.96%
2014	226,181.91	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company

Electric Plant

392.20 Transportation Equipment

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1995 - 2014

<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	653,879.16	140,251.29	21.45%	617.89	0.09%	139,633.40	21.35%
1996 - 1998	693,148.30	145,578.67	21.00%	1,416.97	0.20%	144,161.70	20.80%
1997 - 1999	533,472.97	95,277.29	17.86%	1,200.69	0.23%	94,076.60	17.63%
1998 - 2000	567,675.43	106,835.84	18.82%	942.74	0.17%	105,893.10	18.65%
1999 - 2001	686,599.96	141,105.49	20.55%	0.00	0.00%	141,105.49	20.55%
2000 - 2002	760,890.54	172,727.65	22.70%	0.00	0.00%	172,727.65	22.70%
2001 - 2003	738,223.88	154,333.10	20.91%	0.00	0.00%	154,333.10	20.91%
2002 - 2004	931,411.31	194,806.84	20.92%	0.00	0.00%	194,806.84	20.92%
2003 - 2005	1,032,817.15	214,167.02	20.74%	0.00	0.00%	214,167.02	20.74%
2004 - 2006	1,103,373.71	244,501.02	22.16%	0.00	0.00%	244,501.02	22.16%
2005 - 2007	1,109,528.03	243,688.11	21.96%	0.00	0.00%	243,688.11	21.96%
2006 - 2008	1,074,077.01	235,298.11	21.91%	0.00	0.00%	235,298.11	21.91%
2007 - 2009	1,109,804.73	223,478.11	20.14%	0.00	0.00%	223,478.11	20.14%
2008 - 2010	982,588.53	199,424.00	20.30%	0.00	0.00%	199,424.00	20.30%
2009 - 2011	964,333.43	203,250.00	21.08%	0.00	0.00%	203,250.00	21.08%
2010 - 2012	950,939.08	231,491.00	24.34%	0.00	0.00%	231,491.00	24.34%
2011 - 2013	664,678.18	166,822.00	25.10%	0.00	0.00%	166,822.00	25.10%
2012 - 2014	637,037.80	96,796.00	15.19%	0.00	0.00%	96,796.00	15.19%

Montana-Dakota Utilities Company

Electric Plant

392.20 Transportation Equipment

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1995 - 2014

<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>

Three - Year Rolling Bands

1995 - 2014	5,504,865.94	1,128,690.36	20.50	1,560.63	0.03	1,127,129.73	20.48
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Trend Analysis (End Year) 2014

*Based Upon Three - Year Rolling Averages

Annual Inflation Rate	2.75%
Average Service Life (ASL)	11.0
Average Retirement Age (Yrs)	10.2
Years To ASL	0.8
Inflation Factor At 2.75% to ASL	1.02

Gross Salvage
Linear Trend Analysis

1995-2014	20 - Year Trend	21.05%
2000-2014	15 - Year Trend	21.33%
2005-2014	10 - Year Trend	20.63%
2010-2014	5 - Year Trend	19.35%

Forecasted

Gross Salvage	19.35%
(Five Year Trend)	
Cost Of Removal	0.03%
Net Salvage	19.32%

Montana-Dakota Utilities Company

Electric Plant

396.10 Trailers - Work Equipment

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 2008 - 2014

<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>							
2008	795.80	0.00	0.00%	0.00	0.00%	0.00	0.00%
2009	12,902.87	850.00	6.59%	0.00	0.00%	850.00	6.59%
2010	10,604.67	2,000.00	18.86%	0.00	0.00%	2,000.00	18.86%
2011	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2012	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2013	3,013.92	0.00	0.00%	0.00	0.00%	0.00	0.00%
2014	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company

Electric Plant

396.10 Trailers - Work Equipment

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 2008 - 2014

<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>							
2008 - 2010	24,303.34	2,850.00	11.73%	0.00	0.00%	2,850.00	11.73%
2009 - 2011	23,507.54	2,850.00	12.12%	0.00	0.00%	2,850.00	12.12%
2010 - 2012	10,604.67	2,000.00	18.86%	0.00	0.00%	2,000.00	18.86%
2011 - 2013	3,013.92	0.00	0.00%	0.00	0.00%	0.00	0.00%
2012 - 2014	3,013.92	0.00	0.00%	0.00	0.00%	0.00	0.00%
2008 - 2014	27,317.26	2,850.00	10.43	0.00	0.00	2,850.00	10.43

Trend Analysis (End Year)

2014

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

Annual Inflation Rate	2.75%
Average Service Life (ASL)	20.0
Average Retirement Age (Yrs)	26.2
Years To ASL	-6.2
Inflation Factor At 2.75% to ASL	0.85

Gross Salvage
Linear Trend Analysis

1995-2014	20 - Year Trend	8.55%
2000-2014	15 - Year Trend	8.55%
2005-2014	10 - Year Trend	8.55%
2010-2014	5 - Year Trend	0.00%

Forecasted

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

Montana-Dakota Utilities Company

Electric Plant

396.20 Power Operated Equipment

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1969 - 2014

<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>							
1969	3,182.19	135.00	4.24%	0.00	0.00%	135.00	4.24%
1970	28,902.64	2,280.00	7.89%	8.98	0.03%	2,271.02	7.86%
1971	29,543.35	377.00	1.28%	5.53	0.02%	371.47	1.26%
1972	15,956.20	1,578.00	9.89%	606.23	3.80%	971.77	6.09%
1973	37,799.51	1,480.00	3.92%	0.00	0.00%	1,480.00	3.92%
1974	45,509.14	7,800.00	17.14%	0.00	0.00%	7,800.00	17.14%
1975	102,283.20	14,656.00	14.33%	106.06	0.10%	14,549.94	14.23%
1976	38,823.70	6,961.00	17.93%	92.22	0.24%	6,868.78	17.69%
1977	34,893.43	7,250.00	20.78%	55.62	0.16%	7,194.38	20.62%
1978	10,064.02	5,500.00	54.65%	0.00	0.00%	5,500.00	54.65%
1979	-848.74	0.00	0.00%	0.00	0.00%	0.00	0.00%
1980	45,393.14	21,361.00	47.06%	0.00	0.00%	21,361.00	47.06%
1981	38,847.42	18,871.72	48.58%	0.00	0.00%	18,871.72	48.58%
1982	51,782.01	13,092.00	25.28%	0.00	0.00%	13,092.00	25.28%
1983	124,416.84	33,600.00	27.01%	469.60	0.38%	33,130.40	26.63%
1984	35,979.07	3,713.00	10.32%	0.00	0.00%	3,713.00	10.32%
1985	95,448.96	45,647.00	47.82%	265.67	0.28%	45,381.33	47.55%
1986	50,362.26	12,597.38	25.01%	671.64	1.33%	11,925.74	23.68%
1987	22,933.05	210.64	0.92%	69.68	0.30%	140.96	0.61%
1988	46,473.60	11,088.36	23.86%	47.24	0.10%	11,041.12	23.76%
1989	50,957.69	9,760.10	19.15%	462.67	0.91%	9,297.43	18.25%
1990	69,625.22	6,535.53	9.39%	881.76	1.27%	5,653.77	8.12%
1991	181,834.95	23,198.79	12.76%	458.11	0.25%	22,740.68	12.51%
1992	102,293.36	43,250.00	42.28%	5.69	0.01%	43,244.31	42.27%
1993	162,633.29	35,395.49	21.76%	1,594.80	0.98%	33,800.69	20.78%
1994	513,993.19	19,734.11	3.84%	2,177.78	0.42%	17,556.33	3.42%
1995	188,517.97	29,200.00	15.49%	281.96	0.15%	28,918.04	15.34%
1996	323,739.22	89,119.00	27.53%	111.55	0.03%	89,007.45	27.49%

Montana-Dakota Utilities Company

Electric Plant

396.20 Power Operated Equipment

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1969 - 2014

<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>							
1997	121,228.31	17,873.60	14.74%	0.00	0.00%	17,873.60	14.74%
1998	368,747.36	105,112.00	28.51%	0.00	0.00%	105,112.00	28.51%
1999	624,903.77	85,484.33	13.68%	38.64	0.01%	85,445.69	13.67%
2000	91,105.59	28,400.00	31.17%	888.58	0.98%	27,511.42	30.20%
2001	416,965.46	76,870.00	18.44%	0.00	0.00%	76,870.00	18.44%
2002	42,458.81	9,600.00	22.61%	200.00	0.47%	9,400.00	22.14%
2003	173,259.15	13,550.00	7.82%	150.00	0.09%	13,400.00	7.73%
2004	551,345.02	46,225.00	8.38%	0.00	0.00%	46,225.00	8.38%
2005	202,783.25	44,451.40	21.92%	38.51	0.02%	44,412.89	21.90%
2006	236,120.99	35,541.00	15.05%	0.00	0.00%	35,541.00	15.05%
2007	231,734.44	56,548.50	24.40%	0.00	0.00%	56,548.50	24.40%
2008	231,953.33	41,425.38	17.86%	0.00	0.00%	41,425.38	17.86%
2009	747,245.53	81,341.10	10.89%	0.00	0.00%	81,341.10	10.89%
2010	283,590.21	40,446.32	14.26%	0.00	0.00%	40,446.32	14.26%
2011	538,073.42	248,536.23	46.19%	0.00	0.00%	248,536.23	46.19%
2012	400,293.69	303,753.87	75.88%	0.00	0.00%	303,753.87	75.88%
2013	275,509.51	224,206.03	81.38%	0.00	0.00%	224,206.03	81.38%
2014	603,764.47	0.00	0.00%	0.00	0.00%	0.00	0.00%

Montana-Dakota Utilities Company

Electric Plant

396.20 Power Operated Equipment

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1969 - 2014

<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>							
1969 - 1971	61,628.18	2,792.00	4.53%	14.51	0.02%	2,777.49	4.51%
1970 - 1972	74,402.19	4,235.00	5.69%	620.74	0.83%	3,614.26	4.86%
1971 - 1973	83,299.06	3,435.00	4.12%	611.76	0.73%	2,823.24	3.39%
1972 - 1974	99,264.85	10,858.00	10.94%	606.23	0.61%	10,251.77	10.33%
1973 - 1975	185,591.85	23,936.00	12.90%	106.06	0.06%	23,829.94	12.84%
1974 - 1976	186,616.04	29,417.00	15.76%	198.28	0.11%	29,218.72	15.66%
1975 - 1977	176,000.33	28,867.00	16.40%	253.90	0.14%	28,613.10	16.26%
1976 - 1978	83,781.15	19,711.00	23.53%	147.84	0.18%	19,563.16	23.35%
1977 - 1979	44,108.71	12,750.00	28.91%	55.62	0.13%	12,694.38	28.78%
1978 - 1980	54,608.42	26,861.00	49.19%	0.00	0.00%	26,861.00	49.19%
1979 - 1981	83,391.82	40,232.72	48.25%	0.00	0.00%	40,232.72	48.25%
1980 - 1982	136,022.57	53,324.72	39.20%	0.00	0.00%	53,324.72	39.20%
1981 - 1983	215,046.27	65,563.72	30.49%	469.60	0.22%	65,094.12	30.27%
1982 - 1984	212,177.92	50,405.00	23.76%	469.60	0.22%	49,935.40	23.53%
1983 - 1985	255,844.87	82,960.00	32.43%	735.27	0.29%	82,224.73	32.14%
1984 - 1986	181,790.29	61,957.38	34.08%	937.31	0.52%	61,020.07	33.57%
1985 - 1987	168,744.27	58,455.02	34.64%	1,006.99	0.60%	57,448.03	34.04%
1986 - 1988	119,768.91	23,896.38	19.95%	788.56	0.66%	23,107.82	19.29%
1987 - 1989	120,364.34	21,059.10	17.50%	579.59	0.48%	20,479.51	17.01%
1988 - 1990	167,056.51	27,383.99	16.39%	1,391.67	0.83%	25,992.32	15.56%
1989 - 1991	302,417.86	39,494.42	13.06%	1,802.54	0.60%	37,691.88	12.46%
1990 - 1992	353,753.53	72,984.32	20.63%	1,345.56	0.38%	71,638.76	20.25%
1991 - 1993	446,761.60	101,844.28	22.80%	2,058.60	0.46%	99,785.68	22.34%
1992 - 1994	778,919.84	98,379.60	12.63%	3,778.27	0.49%	94,601.33	12.15%
1993 - 1995	865,144.45	84,329.60	9.75%	4,054.54	0.47%	80,275.06	9.28%
1994 - 1996	1,026,250.38	138,053.11	13.45%	2,571.29	0.25%	135,481.82	13.20%
1995 - 1997	633,485.50	136,192.60	21.50%	393.51	0.06%	135,799.09	21.44%
1996 - 1998	813,714.89	212,104.60	26.07%	111.55	0.01%	211,993.05	26.05%

Montana-Dakota Utilities Company

Electric Plant

396.20 Power Operated Equipment

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1969 - 2014

<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>							
1997 - 1999	1,114,879.44	208,469.93	18.70%	38.64	0.00%	208,431.29	18.70%
1998 - 2000	1,084,756.72	218,996.33	20.19%	927.22	0.09%	218,069.11	20.10%
1999 - 2001	1,132,974.82	190,754.33	16.84%	927.22	0.08%	189,827.11	16.75%
2000 - 2002	550,529.86	114,870.00	20.87%	1,088.58	0.20%	113,781.42	20.67%
2001 - 2003	632,683.42	100,020.00	15.81%	350.00	0.06%	99,670.00	15.75%
2002 - 2004	767,062.98	69,375.00	9.04%	350.00	0.05%	69,025.00	9.00%
2003 - 2005	927,387.42	104,226.40	11.24%	188.51	0.02%	104,037.89	11.22%
2004 - 2006	990,249.26	126,217.40	12.75%	38.51	0.00%	126,178.89	12.74%
2005 - 2007	670,638.68	136,540.90	20.36%	38.51	0.01%	136,502.39	20.35%
2006 - 2008	699,808.76	133,514.88	19.08%	0.00	0.00%	133,514.88	19.08%
2007 - 2009	1,210,933.30	179,314.98	14.81%	0.00	0.00%	179,314.98	14.81%
2008 - 2010	1,262,789.07	163,212.80	12.92%	0.00	0.00%	163,212.80	12.92%
2009 - 2011	1,568,909.16	370,323.65	23.60%	0.00	0.00%	370,323.65	23.60%
2010 - 2012	1,221,957.32	592,736.42	48.51%	0.00	0.00%	592,736.42	48.51%
2011 - 2013	1,213,876.62	776,496.13	63.97%	0.00	0.00%	776,496.13	63.97%
2012 - 2014	1,279,567.67	527,959.90	41.26%	0.00	0.00%	527,959.90	41.26%

