

**MONTANA-DAKOTA UTILITIES CO.
 AVERAGE UTILITY CAPITAL STRUCTURE
 TWELVE MONTHS ENDING DECEMBER 31, 2014
 PRO FORMA 2015**

| | <u>Balance</u> | <u>Ratio</u> | <u>Cost</u> | <u>Required Return</u> |
|------------------------------|------------------------|-----------------|-------------|----------------------------|
| <u>2014</u> | | | | |
| Long Term Debt | \$392,969,139 | 42.556% | 5.870% | 2.498% |
| Short Term Debt 1/ | 37,099,969 | 4.017% | 1.213% | 0.049% |
| Preferred Stock | 15,308,600 | 1.658% | 4.581% | 0.076% |
| Common Equity | 478,046,673 | 51.769% | 10.000% | 5.177% |
| Total | <u>\$923,424,381</u> | <u>100.000%</u> | | <u>7.800%</u> |
| | | | | |
| <u>Pro Forma 2015</u> | | | | |
| Long Term Debt | \$505,460,413 | 41.135% | 5.949% | 2.447% |
| Short Term Debt 1/ | 99,623,527 | 8.108% | 1.631% | 0.132% |
| Preferred Stock | 15,258,600 | 1.242% | 4.579% | 0.057% |
| Common Equity | 608,435,332 | 49.515% | 10.000% | 4.952% |
| Total | <u>\$1,228,777,872</u> | <u>100.000%</u> | | <u>7.588%</u> |

1/ Reflects average monthly balance.