





**Montana-Dakota Utilities Co.**  
**Selected Electric Distribution Companies**  
**Dividend Yields**  
*November 2014 - April 2015*

Company	Ticker	Average Dividend Yield
ALLETE, Inc.	ALE	3.71%
Alliant Energy Corporation	LNT	3.34%
Ameren Corporation	AEE	3.76%
American Electric Power Company, Inc.	AEP	3.60%
Empire District Electric Company	EDE	3.82%
Great Plains Energy Inc.	GXP	3.58%
OGE Energy Corporation	OGE	2.94%
Otter Tail Corporation	OTTR	3.91%
PNM Resources, Inc.	PNM	2.68%
TECO Energy, Inc.	TE	4.45%
Westar Energy, Inc.	WR	3.56%
Xcel Energy Inc.	XEL	3.49%
<b>Average</b>		<b>3.57%</b>
<b>Median</b>		<b>3.59%</b>

			Price			Annualized Dividend	Dividend Yield
			Low	High	Average		
Otter Tail Corporation	OTTR	Nov-14	\$ 28.66	\$ 31.40	\$ 30.03	\$ 1.21	4.03%
		Dec-14	28.40	32.72	30.56	1.21	3.96%
		Jan-15	30.60	32.16	31.38	1.21	3.86%
		Feb-15	30.81	33.24	32.03	1.23	3.84%
		Mar-15	31.06	33.44	32.25	1.23	3.81%
		Apr-15	29.80	32.76	31.28	1.23	3.93%
						<u>3.91%</u>	
PNM Resources, Inc.	PNM	Nov-14	\$ 28.19	\$ 29.62	\$ 28.91	\$ 0.74	2.56%
		Dec-14	27.41	31.60	29.51	0.74	2.51%
		Jan-15	29.30	31.18	30.24	0.80	2.65%
		Feb-15	27.64	30.90	29.27	0.80	2.73%
		Mar-15	27.06	29.30	28.18	0.80	2.84%
		Apr-15	27.28	29.78	28.53	0.80	2.80%
						<u>2.68%</u>	
TECO Energy, Inc.	TE	Nov-14	\$ 19.12	\$ 20.17	\$ 19.65	\$ 0.88	4.48%
		Dec-14	18.89	21.29	20.09	0.88	4.38%
		Jan-15	20.07	22.02	21.04	0.88	4.18%
		Feb-15	19.39	21.97	20.68	0.90	4.35%
		Mar-15	18.55	20.15	19.35	0.90	4.65%
		Apr-15	18.77	19.94	19.35	0.90	4.65%
						<u>4.45%</u>	

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<b>Median</b>		<b>3.59%</b>

			Price			Annualized Dividend	Dividend Yield
			Low	High	Average		
Westar Energy, Inc.	WR	Nov-14	\$ 37.24	\$ 39.62	\$ 38.43	\$ 1.40	3.64%
		Dec-14	38.52	43.15	40.84	1.40	3.43%
		Jan-15	40.33	44.03	42.18	1.40	3.32%
		Feb-15	38.60	43.31	40.96	1.40	3.42%
		Mar-15	36.58	39.09	37.83	1.44	3.81%
		Apr-15	37.47	39.65	38.56	1.44	3.73%
						<b>3.56%</b>	
Xcel Energy Inc.	XEL	Nov-14	\$ 32.95	\$ 34.10	\$ 33.53	\$ 1.20	3.58%
		Dec-14	33.49	37.58	35.54	1.20	3.38%
		Jan-15	35.60	38.35	36.97	1.20	3.25%
		Feb-15	34.60	37.84	36.22	1.20	3.31%
		Mar-15	33.41	35.39	34.40	1.28	3.72%
		Apr-15	33.51	35.35	34.43	1.28	3.72%
						<b>3.49%</b>	

Source: SNL Financial

## Montana-Dakota Utilities Co.

### Selected Electric Distribution Companies Projected Earnings Retention Growth Rates

Company	Ticker	Value Line Forecast 2018-2020			Retention Rate	Retention Growth
		EPS	DPS	ROE		
ALLETE, Inc.	ALE	\$4.00	\$2.40	9.50%	40.00%	3.80%
Alliant Energy Corporation	LNT	\$4.25	\$2.85	12.00%	32.94%	3.95%
Ameren Corporation	AEE	\$3.25	\$1.85	9.50%	43.08%	4.09%
American Electric Power Company, Inc.	AEP	\$4.50	\$2.65	10.50%	41.11%	4.32%
Empire District Electric Company	EDE	\$1.75	\$1.20	8.50%	31.43%	2.67%
Great Plains Energy Inc.	GXP	\$2.00	\$1.20	7.50%	40.00%	3.00%
OGE Energy Corporation	OGE	\$2.25	\$1.55	11.00%	31.11%	3.42%
Otter Tail Corporation	OTTR	\$2.35	\$1.32	13.00%	43.83%	5.70%
PNM Resources, Inc.	PNM	\$2.35	\$1.15	9.50%	51.06%	4.85%
TECO Energy, Inc.	TE	\$1.45	\$1.05	12.00%	27.59%	3.31%
Westar Energy, Inc.	WR	\$3.00	\$1.65	9.50%	45.00%	4.28%
Xcel Energy Inc.	XEL	\$2.50	\$1.45	10.00%	42.00%	4.20%
<b>Average</b>						<b>3.97%</b>
<b>Median</b>						<b>4.02%</b>

Source: Value Line, as of January 31, 2015, February 20, 2015 and March 20, 2015.

**Montana-Dakota Utilities Co.**

**Selected Electric Distribution Companies  
Blended Growth Rate Estimates**

Company	Ticker	1/2	1/2	Average Earnings Growth	Retention Growth	Weighted Average
		Zacks 5-Yr Earnings Growth Est.	Yahoo! Finance Earnings Growth			
ALLETE, Inc.	ALE	N/A	6.00%	6.00%	3.80%	4.90%
Alliant Energy Corporation	LNT	5.30%	5.40%	5.35%	3.95%	4.65%
Ameren Corporation	AEE	7.30%	6.85%	7.08%	4.09%	5.58%
American Electric Power Company, Inc.	AEP	5.00%	5.18%	5.09%	4.32%	4.70%
Empire District Electric Company	EDE	3.00%	3.00%	3.00%	2.67%	2.84%
Great Plains Energy Inc.	GXP	5.40%	5.90%	5.65%	3.00%	4.33%
OGE Energy Corporation	OGE	5.00%	4.00%	4.50%	3.42%	3.96%
Otter Tail Corporation	OTTR	N/A	6.00%	6.00%	5.70%	5.85%
PNM Resources, Inc.	PNM	8.90%	9.86%	9.38%	4.85%	7.12%
TECO Energy, Inc.	TE	7.10%	9.20%	8.15%	3.31%	5.73%
Westar Energy, Inc.	WR	3.50%	3.07%	3.29%	4.28%	3.78%
Xcel Energy Inc.	XEL	4.70%	4.58%	4.64%	4.20%	4.42%
<b>Average</b>		<b>5.52%</b>	<b>5.75%</b>	<b>5.68%</b>	<b>3.97%</b>	<b>4.82%</b>
<b>Median</b>		<b>5.15%</b>	<b>5.65%</b>	<b>5.50%</b>	<b>4.02%</b>	<b>4.68%</b>

Source: Zacks.com and Yahoo Finance

## Montana-Dakota Utilities Co.

### Selected Electric Distribution Companies Retention Growth DCF Calculation

Company	Ticker	Dividend Yield	Dividend Yield x (1 + 0.625g)	Expected Growth Rate (g)	Secondary Market:	Flotation Cost Adjustment	Primary Market:
					Investor Required Return		Cost of Capital
ALLETE, Inc.	ALE	3.71%	3.80%	3.80%	7.60%	1.0350	7.87%
Alliant Energy Corporation	LNT	3.34%	3.42%	3.95%	7.37%	1.0350	7.63%
Ameren Corporation	AEE	3.76%	3.86%	4.09%	7.95%	1.0350	8.23%
American Electric Power Company, Inc.	AEP	3.60%	3.69%	4.32%	8.01%	1.0350	8.29%
Empire District Electric Company	EDE	3.82%	3.88%	2.67%	6.55%	1.0350	6.78%
Great Plains Energy Inc.	GXP	3.58%	3.65%	3.00%	6.65%	1.0350	6.88%
OGE Energy Corporation	OGE	2.94%	3.01%	3.42%	6.43%	1.0350	6.65%
Otter Tail Corporation	OTTR	3.91%	4.04%	5.70%	9.74%	1.0350	10.08%
PNM Resources, Inc.	PNM	2.68%	2.76%	4.85%	7.61%	1.0350	7.88%
TECO Energy, Inc.	TE	4.45%	4.54%	3.31%	7.85%	1.0350	8.13%
Westar Energy, Inc.	WR	3.56%	3.65%	4.28%	7.93%	1.0350	8.21%
Xcel Energy Inc.	XEL	3.49%	3.58%	4.20%	7.78%	1.0350	8.06%
High					9.74%		10.08%
3 <sup>rd</sup> Quartile					7.93%		8.21%
<b>2<sup>nd</sup> Quartile (Median)</b>					<b>7.70%</b>		<b>7.97%</b>
1 <sup>st</sup> Quartile					7.19%		7.44%
Low					6.43%		6.65%

## Montana-Dakota Utilities Co.

### Selected Electric Distribution Companies Basic DCF Calculation

Company	Ticker	Dividend Yield	Dividend Yield x (1 + 0.625g)	Expected Growth Rate (g)	Secondary Market:	Flotation Cost Adjustment	Primary Market:
					Investor Required Return		Cost of Capital
ALLETE, Inc.	ALE	3.71%	3.85%	6.00%	9.85%	1.0350	10.20%
Alliant Energy Corporation	LNT	3.34%	3.45%	5.35%	8.80%	1.0350	9.10%
Ameren Corporation	AEE	3.76%	3.93%	7.08%	11.00%	1.0350	11.39%
American Electric Power Company, Inc.	AEP	3.60%	3.71%	5.09%	8.80%	1.0350	9.11%
Empire District Electric Company	EDE	3.82%	3.89%	3.00%	6.89%	1.0350	7.13%
Great Plains Energy Inc.	GXP	3.58%	3.71%	5.65%	9.36%	1.0350	9.69%
OGE Energy Corporation	OGE	2.94%	3.03%	4.50%	7.53%	1.0350	7.79%
Otter Tail Corporation	OTTR	3.91%	4.05%	6.00%	10.05%	1.0350	10.40%
PNM Resources, Inc.	PNM	2.68%	2.84%	9.38%	12.22%	1.0350	12.65%
TECO Energy, Inc.	TE	4.45%	4.68%	8.15%	12.83%	1.0350	13.27%
Westar Energy, Inc.	WR	3.56%	3.63%	3.29%	6.92%	1.0350	7.16%
Xcel Energy Inc.	XEL	3.49%	3.59%	4.64%	8.23%	1.0350	8.52%
High					12.83%		13.27%
3 <sup>rd</sup> Quartile					10.29%		10.65%
<b>2<sup>nd</sup> Quartile (Median)</b>					<b>9.08%</b>		<b>9.40%</b>
1 <sup>st</sup> Quartile					8.06%		8.34%
Low					6.89%		7.13%



## Montana-Dakota Utilities Co.

### Selected Electric Distribution Companies Blended Growth Rate DCF Calculation

Company	Ticker	Dividend Yield	Dividend Yield x (1 + 0.625g)	Expected Growth Rate (g)	Secondary Market:	Flotation Cost Adjustment	Primary Market:
					Investor Required Return		Cost of Capital
ALLETE, Inc.	ALE	3.71%	3.83%	4.90%	8.73%	1.0350	9.03%
Alliant Energy Corporation	LNT	3.34%	3.43%	4.65%	8.08%	1.0350	8.37%
Ameren Corporation	AEE	3.76%	3.89%	5.58%	9.47%	1.0350	9.81%
American Electric Power Company, Inc.	AEP	3.60%	3.70%	4.70%	8.40%	1.0350	8.70%
Empire District Electric Company	EDE	3.82%	3.89%	2.84%	6.72%	1.0350	6.96%
Great Plains Energy Inc.	GXP	3.58%	3.68%	4.33%	8.00%	1.0350	8.28%
OGE Energy Corporation	OGE	2.94%	3.02%	3.96%	6.98%	1.0350	7.22%
Otter Tail Corporation	OTTR	3.91%	4.05%	5.85%	9.90%	1.0350	10.24%
PNM Resources, Inc.	PNM	2.68%	2.80%	7.12%	9.92%	1.0350	10.26%
TECO Energy, Inc.	TE	4.45%	4.61%	5.73%	10.34%	1.0350	10.70%
Westar Energy, Inc.	WR	3.56%	3.64%	3.78%	7.42%	1.0350	7.68%
Xcel Energy Inc.	XEL	3.49%	3.59%	4.42%	8.01%	1.0350	8.29%
High					10.34%		10.70%
3 <sup>rd</sup> Quartile					9.58%		9.92%
<b>2<sup>nd</sup> Quartile (Median)</b>					<b>8.24%</b>		<b>8.53%</b>
1 <sup>st</sup> Quartile					7.86%		8.13%
Low					6.72%		6.96%