

Montana-Dakota Utilities Company
Common Plant

390.00 STRUCTURES & IMPROVEMENTS

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2008

<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>
<u>Annual Activity</u>							
1968	4,755.66	662.00	13.92%	40.08	0.84%	621.92	13.08%
1969	23,146.27	350.00	1.51%	978.69	4.23%	(628.69)	-2.72%
1970	9,535.95	5,550.94	58.21%	1,401.83	14.70%	4,149.11	43.51%
1971	55.50	816.00	1470.27%	1,457.69	2626.47%	(641.69)	-1156.20%
1972	89,020.14	20,850.79	23.42%	100.23	0.11%	20,750.56	23.31%
1973	823.15	556.00	67.55%	0.00	0.00%	556.00	67.55%
1974	6,649.36	0.00	0.00%	2,380.69	35.80%	(2,380.69)	-35.80%
1975	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1976	698.69	0.00	0.00%	17.84	2.55%	(17.84)	-2.55%
1977	33,563.08	10.00	0.03%	7,368.10	21.95%	(7,358.10)	-21.92%
1978	5,945.18	166.75	2.80%	470.81	7.92%	(304.06)	-5.11%
1979	361.83	-2.15	-0.59%	28.73	7.94%	(30.88)	-8.53%
1980	36,428.79	46,043.00	126.39%	0.00	0.00%	46,043.00	126.39%
1981	386.16	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982	2,390.36	-35,198.49	-1472.52%	0.00	0.00%	(35,198.49)	-1472.52%
1983	151,268.18	52,055.19	34.41%	17,106.40	11.31%	34,948.79	23.10%
1984	0.00	239.87	0.00%	0.00	0.00%	239.87	0.00%
1985	29,321.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986	353,205.79	462.87	0.13%	23,017.27	6.52%	(22,554.40)	-6.39%
1987	114,668.89	6.60	0.01%	178,550.90	155.71%	(178,544.30)	-155.70%
1988	1,065.81	20.00	1.88%	44,427.72	4168.45%	(44,407.72)	-4166.57%
1989	2,907.81	0.00	0.00%	1,361.75	46.83%	(1,361.75)	-46.83%
1990	1,179.28	0.00	0.00%	4,183.53	354.75%	(4,183.53)	-354.75%
1991	11,317.67	0.00	0.00%	21,000.00	185.55%	(21,000.00)	-185.55%
1992	6,400.00	0.00	0.00%	59,485.65	929.46%	(59,485.65)	-929.46%
1993	66,938.07	5,500.00	8.22%	11,015.00	16.46%	(5,515.00)	-8.24%
1994	76,339.95	52.50	0.07%	3,348.28	4.39%	(3,295.78)	-4.32%
1995	249,269.07	188,096.00	75.46%	48,516.38	19.46%	139,579.62	56.00%

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	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>								
1996	174,572.37		26,753.21	15.32%	22,545.80	12.91%	4,207.41	2.41%
1997	97,788.56		45,363.50	46.39%	4,264.75	4.36%	41,098.75	42.03%
1998	255,811.74		0.00	0.00%	40,398.90	15.79%	(40,398.90)	-15.79%
1999	303,792.23		30,685.00	10.10%	12,226.33	4.02%	18,458.67	6.08%
2000	172,070.45		10,283.75	5.98%	30,934.95	17.98%	(20,651.20)	-12.00%
2001	109,759.98		0.00	0.00%	14,718.75	13.41%	(14,718.75)	-13.41%
2002	110,036.20		0.00	0.00%	29,201.73	26.54%	(29,201.73)	-26.54%
2003	16,416.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2004	1,053,662.14		639,099.00	60.66%	26,474.19	2.51%	612,624.81	58.14%
2005	-32,272.79		0.00	0.00%	225.00	0.00%	(225.00)	0.00%
2006	381,881.81		330,000.00	86.41%	9,972.50	2.61%	320,027.50	83.80%
2007	95,847.37		111,000.00	115.81%	14,204.68	14.82%	96,795.32	100.99%
2008	26,948.70		0.00	0.00%	2,070.30	7.68%	(2,070.30)	-7.68%

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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	37,437.88	6,562.94	17.53%	2,420.60	6.47%	4,142.34	11.06%	
1969 - 1971	32,737.72	6,716.94	20.52%	3,838.21	11.72%	2,878.73	8.79%	
1970 - 1972	98,611.59	27,217.73	27.60%	2,959.75	3.00%	24,257.98	24.60%	
1971 - 1973	89,898.79	22,222.79	24.72%	1,557.92	1.73%	20,664.87	22.99%	
1972 - 1974	96,492.65	21,406.79	22.18%	2,480.92	2.57%	18,925.87	19.61%	
1973 - 1975	7,472.51	556.00	7.44%	2,380.69	31.86%	(1,824.69)	-24.42%	
1974 - 1976	7,348.05	0.00	0.00%	2,398.53	32.64%	(2,398.53)	-32.64%	
1975 - 1977	34,261.77	10.00	0.03%	7,385.94	21.56%	(7,375.94)	-21.53%	
1976 - 1978	40,206.95	176.75	0.44%	7,856.75	19.54%	(7,680.00)	-19.10%	
1977 - 1979	39,870.09	174.60	0.44%	7,867.64	19.73%	(7,693.04)	-19.30%	
1978 - 1980	42,735.80	46,207.60	108.12%	499.54	1.17%	45,708.06	106.95%	
1979 - 1981	37,176.78	46,040.85	123.84%	28.73	0.08%	46,012.12	123.77%	
1980 - 1982	39,205.31	10,844.51	27.66%	0.00	0.00%	10,844.51	27.66%	
1981 - 1983	154,044.70	16,856.70	10.94%	17,106.40	11.10%	(249.70)	-0.16%	
1982 - 1984	153,658.54	17,096.57	11.13%	17,106.40	11.13%	(9.83)	-0.01%	
1983 - 1985	180,589.18	52,295.06	28.96%	17,106.40	9.47%	35,188.66	19.49%	
1984 - 1986	382,526.79	702.74	0.18%	23,017.27	6.02%	(22,314.53)	-5.83%	
1985 - 1987	497,195.68	469.47	0.09%	201,568.17	40.54%	(201,098.70)	-40.45%	
1986 - 1988	468,940.49	489.47	0.10%	245,995.89	52.46%	(245,506.42)	-52.35%	
1987 - 1989	118,642.51	26.60	0.02%	224,340.37	189.09%	(224,313.77)	-189.07%	
1988 - 1990	5,152.90	20.00	0.39%	49,973.00	969.80%	(49,953.00)	-969.42%	
1989 - 1991	15,404.76	0.00	0.00%	26,545.28	172.32%	(26,545.28)	-172.32%	
1990 - 1992	18,896.95	0.00	0.00%	84,669.18	448.06%	(84,669.18)	-448.06%	
1991 - 1993	84,655.74	5,500.00	6.50%	91,500.65	108.09%	(86,000.65)	-101.59%	
1992 - 1994	149,678.02	5,552.50	3.71%	73,848.93	49.34%	(68,296.43)	-45.63%	
1993 - 1995	392,547.09	193,648.50	49.33%	62,879.66	16.02%	130,768.84	33.31%	
1994 - 1996	500,181.39	214,901.71	42.96%	74,410.46	14.88%	140,491.25	28.09%	
1995 - 1997	521,630.00	260,212.71	49.88%	75,326.93	14.44%	184,885.78	35.44%	

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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>							
1996 - 1998	528,172.67	72,116.71	13.65%	67,209.45	12.72%	4,907.26	0.93%
1997 - 1999	657,392.53	76,048.50	11.57%	56,889.98	8.65%	19,158.52	2.91%
1998 - 2000	731,674.42	40,968.75	5.60%	83,560.18	11.42%	(42,591.43)	-5.82%
1999 - 2001	585,622.66	40,968.75	7.00%	57,880.03	9.88%	(16,911.28)	-2.89%
2000 - 2002	391,866.63	10,283.75	2.62%	74,855.43	19.10%	(64,571.68)	-16.48%
2001 - 2003	236,212.18	0.00	0.00%	43,920.48	18.59%	(43,920.48)	-18.59%
2002 - 2004	1,180,114.34	639,099.00	54.16%	55,675.92	4.72%	583,423.08	49.44%
2003 - 2005	1,037,805.35	639,099.00	61.58%	26,699.19	2.57%	612,399.81	59.01%
2004 - 2006	1,403,271.16	969,099.00	69.06%	36,671.69	2.61%	932,427.31	66.45%
2005 - 2007	445,456.39	441,000.00	99.00%	24,402.18	5.48%	416,597.82	93.52%
2006 - 2008	504,677.88	441,000.00	87.38%	26,247.48	5.20%	414,752.52	82.18%

Montana-Dakota Utilities Company

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391.30 COMPUTER EQUIPMENT - PC

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1992 - 2008

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		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	
<u>Annual Activity</u>								
1992	16,323.58	218.76	1.34%	0.00	0.00%	218.76	1.34%	
1993	24,638.45	1,093.74	4.44%	0.00	0.00%	1,093.74	4.44%	
1994	71,970.57	3,693.70	5.13%	0.00	0.00%	3,693.70	5.13%	
1995	101,939.34	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1996	24,221.86	0.00	0.00%	0.00	0.00%	0.00	0.00%	
1997	26,853.75	2,585.00	9.63%	0.00	0.00%	2,585.00	9.63%	
1998	390,103.65	5,604.45	1.44%	0.00	0.00%	5,604.45	1.44%	
1999	435,616.00	2,250.00	0.52%	0.00	0.00%	2,250.00	0.52%	
2000	154,278.59	250.00	0.16%	0.00	0.00%	250.00	0.16%	
2001	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2002	444,820.83	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2003	650,072.78	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2004	394,974.39	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2005	670,290.52	4,502.00	0.67%	0.00	0.00%	4,502.00	0.67%	
2006	666,529.90	104,988.09	15.75%	0.00	0.00%	104,988.09	15.75%	
2007	253,197.24	0.00	0.00%	0.00	0.00%	0.00	0.00%	
2008	2,218,537.77	642.04	0.03%	0.00	0.00%	642.04	0.03%	

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391.30 COMPUTER EQUIPMENT - PC

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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>							
1992 - 1994	112,932.60	5,006.20	4.43%	0.00	0.00%	5,006.20	4.43%
1993 - 1995	198,548.36	4,787.44	2.41%	0.00	0.00%	4,787.44	2.41%
1994 - 1996	198,131.77	3,693.70	1.86%	0.00	0.00%	3,693.70	1.86%
1995 - 1997	153,014.95	2,585.00	1.69%	0.00	0.00%	2,585.00	1.69%
1996 - 1998	441,179.26	8,189.45	1.86%	0.00	0.00%	8,189.45	1.86%
1997 - 1999	852,573.40	10,439.45	1.22%	0.00	0.00%	10,439.45	1.22%
1998 - 2000	979,998.24	8,104.45	0.83%	0.00	0.00%	8,104.45	0.83%
1999 - 2001	589,894.59	2,500.00	0.42%	0.00	0.00%	2,500.00	0.42%
2000 - 2002	599,099.42	250.00	0.04%	0.00	0.00%	250.00	0.04%
2001 - 2003	1,094,893.61	0.00	0.00%	0.00	0.00%	0.00	0.00%
2002 - 2004	1,489,868.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2003 - 2005	1,715,337.69	4,502.00	0.26%	0.00	0.00%	4,502.00	0.26%
2004 - 2006	1,731,794.81	109,490.09	6.32%	0.00	0.00%	109,490.09	6.32%
2005 - 2007	1,590,017.66	109,490.09	6.89%	0.00	0.00%	109,490.09	6.89%
2006 - 2008	3,138,264.91	105,630.13	3.37%	0.00	0.00%	105,630.13	3.37%

Montana-Dakota Utilities Company
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392.10 TRANSPORTATION EQUIPMENT - (TRAILERS)

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1971 - 2008

<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>								
1971	246.00		71,707.06	29149.21%	149.91	60.94%	71,557.15	9088.27%
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	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	2,704.53		1,212.98	44.85%	0.00	0.00%	1,212.98	44.85%
1977	1,185.10		0.00	0.00%	0.00	0.00%	0.00	0.00%
1978	412.19		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	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1983	3,422.98		732.00	21.38%	0.00	0.00%	732.00	21.38%
1984	7,618.25		2,000.00	26.25%	0.00	0.00%	2,000.00	26.25%
1985	118,612.65		4,547.20	3.83%	0.00	0.00%	4,547.20	3.83%
1986	661.19		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		30.12	0.00%	0.00	0.00%	30.12	0.00%
1989	1,569.70		400.00	25.48%	0.00	0.00%	400.00	25.48%
1990	1,141.64		0.00	0.00%	5.92	0.52%	(5.92)	-0.52%
1991	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1992	3,394.18		1,817.50	53.55%	0.00	0.00%	1,817.50	53.55%
1993	10.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1994	2,004.82		345.00	17.21%	0.00	0.00%	345.00	17.21%
1995	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
1996	15,692.74		9,858.08	62.82%	356.00	2.27%	9,502.08	60.55%
1997	1,174.62		54.30	4.62%	0.00	0.00%	54.30	4.62%
1998	1,161.61		39.95	3.44%	0.00	0.00%	39.95	3.44%

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392.10 TRANSPORTATION EQUIPMENT - (TRAILERS)

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	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Annual Activity</u>								
1999	8,701.98		1,450.00	16.66%	0.00	0.00%	1,450.00	16.66%
2000	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2001	181.56		275.00	151.47%	0.00	0.00%	275.00	151.47%
2002	1,666.61		298.65	17.92%	0.00	0.00%	298.65	17.92%
2003	2,052.44		25.00	1.22%	0.00	0.00%	25.00	1.22%
2004	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2005	14,523.90		3,500.00	24.10%	0.00	0.00%	3,500.00	24.10%
2006	0.00		0.00	0.00%	0.00	0.00%	0.00	0.00%
2007	4,477.25		950.00	21.22%	0.00	0.00%	950.00	21.22%
2008	15,588.19		4,850.00	31.11%	0.00	0.00%	4,850.00	31.11%

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392.10 TRANSPORTATION EQUIPMENT - (TRAILERS)

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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>							
1971 - 1973	246.00	71,707.06	29149.21%	149.91	60.94%	71,557.15	29088.27%
1972 - 1974	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1973 - 1975	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1974 - 1976	2,704.53	1,212.98	44.85%	0.00	0.00%	1,212.98	44.85%
1975 - 1977	3,889.63	1,212.98	31.18%	0.00	0.00%	1,212.98	31.18%
1976 - 1978	4,301.82	1,212.98	28.20%	0.00	0.00%	1,212.98	28.20%
1977 - 1979	1,597.29	0.00	0.00%	0.00	0.00%	0.00	0.00%
1978 - 1980	412.19	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	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1981 - 1983	3,422.98	732.00	21.38%	0.00	0.00%	732.00	21.38%
1982 - 1984	11,041.23	2,732.00	24.74%	0.00	0.00%	2,732.00	24.74%
1983 - 1985	129,653.88	7,279.20	5.61%	0.00	0.00%	7,279.20	5.61%
1984 - 1986	126,892.09	6,547.20	5.16%	0.00	0.00%	6,547.20	5.16%
1985 - 1987	119,273.84	4,547.20	3.81%	0.00	0.00%	4,547.20	3.81%
1986 - 1988	661.19	30.12	4.56%	0.00	0.00%	30.12	4.56%
1987 - 1989	1,569.70	430.12	27.40%	0.00	0.00%	430.12	27.40%
1988 - 1990	2,711.34	430.12	15.86%	5.92	0.22%	424.20	15.65%
1989 - 1991	2,711.34	400.00	14.75%	5.92	0.22%	394.08	14.53%
1990 - 1992	4,535.82	1,817.50	40.07%	5.92	0.13%	1,811.58	39.94%
1991 - 1993	3,404.18	1,817.50	53.39%	0.00	0.00%	1,817.50	53.39%
1992 - 1994	5,409.00	2,162.50	39.98%	0.00	0.00%	2,162.50	39.98%
1993 - 1995	2,014.82	345.00	17.12%	0.00	0.00%	345.00	17.12%
1994 - 1996	17,697.56	10,203.08	57.65%	356.00	2.01%	9,847.08	55.64%
1995 - 1997	16,867.36	9,912.38	58.77%	356.00	2.11%	9,556.38	56.66%
1996 - 1998	18,028.97	9,952.33	55.20%	356.00	1.97%	9,596.33	53.23%
1997 - 1999	11,038.21	1,544.25	13.99%	0.00	0.00%	1,544.25	13.99%
1998 - 2000	9,863.59	1,489.95	15.11%	0.00	0.00%	1,489.95	15.11%

Montana-Dakota Utilities Company
Common Plant

392.10 TRANSPORTATION EQUIPMENT - (TRAILERS)

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1971 - 2008

<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>								
1999 - 2001	8,883.54	1,725.00	19.42%	0.00	0.00%	1,725.00	19.42%	
2000 - 2002	1,848.17	573.65	31.04%	0.00	0.00%	573.65	31.04%	
2001 - 2003	3,900.61	598.65	15.35%	0.00	0.00%	598.65	15.35%	
2002 - 2004	3,719.05	323.65	8.70%	0.00	0.00%	323.65	8.70%	
2003 - 2005	16,576.34	3,525.00	21.27%	0.00	0.00%	3,525.00	21.27%	
2004 - 2006	14,523.90	3,500.00	24.10%	0.00	0.00%	3,500.00	24.10%	
2005 - 2007	19,001.15	4,450.00	23.42%	0.00	0.00%	4,450.00	23.42%	
2006 - 2008	20,065.44	5,800.00	28.91%	0.00	0.00%	5,800.00	28.91%	
1971 - 2008	208,204.13	104,092.84	50.00	511.83	0.25	103,581.01	49.75	

Trend Analysis (End Year)

2008

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

Annual Inflation Rate	2.75%
Average Service Life (ASL)	20.0
Average Retirement Age (Yrs)	4.9
Years To ASL	15.1
Inflation Factor At 2.75% to ASL	1.51

Gross Salvage
Linear Trend Analysis

1989-2008	20 - Year Trend	21.76%
1994-2008	15 - Year Trend	15.00%
1999-2008	10 - Year Trend	26.12%
2004-2008	5 - Year Trend	34.05%

Forecasted

Gross Salvage	34.05%
(Five Year Trend)	
Cost Of Removal	0.38%
Net Salvage	33.67%

Montana-Dakota Utilities Company
Common Plant

392.20 TRANSPORTATION EQUIPMENT - (CARS & TRUCKS)

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2008

<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	164,451.98	32,704.22	19.89%	25.78	0.02%	32,678.44	19.87%
1969	271,841.22	60,346.77	22.20%	143.11	0.05%	60,203.66	22.15%
1970	259,931.35	66,130.69	25.44%	236.99	0.09%	65,893.70	25.35%
1971	271,416.28	0.00	0.00%	0.00	0.00%	0.00	0.00%
1972	264,790.15	63,974.31	24.16%	164.57	0.06%	63,809.74	24.10%
1973	308,598.98	72,199.39	23.40%	293.41	0.10%	71,905.98	23.30%
1974	241,605.95	77,536.50	32.09%	27.05	0.01%	77,509.45	32.08%
1975	130,372.99	45,884.59	35.19%	0.00	0.00%	45,884.59	35.19%
1976	281,236.74	96,623.97	34.36%	(251.54)	-0.09%	96,875.51	34.45%
1977	382,864.17	134,230.29	35.06%	156.23	0.04%	134,074.06	35.02%
1978	320,558.46	113,702.73	35.47%	0.00	0.00%	113,702.73	35.47%
1979	352,093.67	132,818.59	37.72%	100.47	0.03%	132,718.12	37.69%
1980	366,920.67	129,850.00	35.39%	0.00	0.00%	129,850.00	35.39%
1981	401,828.38	126,607.71	31.51%	1,158.67	0.29%	125,449.04	31.22%
1982	413,793.54	132,072.06	31.92%	1,613.11	0.39%	130,458.95	31.53%
1983	547,143.10	146,554.84	26.79%	539.73	0.10%	146,015.11	26.69%
1984	442,158.28	72,941.51	16.50%	370.55	0.08%	72,570.96	16.41%
1985	2,255,621.28	781,800.12	34.66%	912.53	0.04%	780,887.59	34.62%
1986	539,562.46	64,181.75	11.90%	588.94	0.11%	63,592.81	11.79%
1987	406,940.32	67,112.86	16.49%	2,422.53	0.60%	64,690.33	15.90%
1988	506,735.34	83,356.19	16.45%	5,663.79	1.12%	77,692.40	15.33%
1989	563,190.62	93,145.36	16.54%	2,529.33	0.45%	90,616.03	16.09%
1990	415,225.52	-93,656.92	-22.56%	2,350.94	0.57%	(96,007.86)	-23.12%
1991	502,235.39	79,339.80	15.80%	1,463.28	0.29%	77,876.52	15.51%
1992	134,810.89	14,484.99	10.74%	859.07	0.64%	13,625.92	10.11%
1993	137,487.82	20,294.21	14.76%	317.04	0.23%	19,977.17	14.53%
1994	317,142.07	65,427.26	20.63%	934.85	0.29%	64,492.41	20.34%
1995	148,592.83	10,008.39	6.74%	48.15	0.03%	9,960.24	6.70%

Montana-Dakota Utilities Company
Common Plant

392.20 TRANSPORTATION EQUIPMENT - (CARS & TRUCKS)

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2008

<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	310,798.23		118,826.49	38.23%	43.49	0.01%	118,783.00	38.22%
1997	140,592.98		31,757.00	22.59%	10,417.57	7.41%	21,339.43	15.18%
1998	240,376.81		47,056.25	19.58%	900.00	0.37%	46,156.25	19.20%
1999	272,550.94		54,971.23	20.17%	206.49	0.08%	54,764.74	20.09%
2000	388,959.44		84,465.00	21.72%	0.00	0.00%	84,465.00	21.72%
2001	505,831.14		135,236.30	26.74%	0.00	0.00%	135,236.30	26.74%
2002	115,214.63		44,505.06	38.63%	0.00	0.00%	44,505.06	38.63%
2003	335,793.68		81,933.00	24.40%	0.00	0.00%	81,933.00	24.40%
2004	583,450.75		124,142.50	21.28%	0.00	0.00%	124,142.50	21.28%
2005	421,851.72		74,531.00	17.67%	0.00	0.00%	74,531.00	17.67%
2006	449,922.13		112,620.00	25.03%	0.00	0.00%	112,620.00	25.03%
2007	625,878.69		143,063.17	22.86%	0.00	0.00%	143,063.17	22.86%
2008	488,488.81		123,203.00	25.22%	0.00	0.00%	123,203.00	25.22%

Montana-Dakota Utilities Company
Common Plant

392.20 TRANSPORTATION EQUIPMENT - (CARS & TRUCKS)

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2008

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1968 - 1970	696,224.55	159,181.68	22.86%	405.88	0.06%	158,775.80	22.81%
1969 - 1971	803,188.85	126,477.46	15.75%	380.10	0.05%	126,097.36	15.70%
1970 - 1972	796,137.78	130,105.00	16.34%	401.56	0.05%	129,703.44	16.29%
1971 - 1973	844,805.41	136,173.70	16.12%	457.98	0.05%	135,715.72	16.06%
1972 - 1974	814,995.08	213,710.20	26.22%	485.03	0.06%	213,225.17	26.16%
1973 - 1975	680,577.92	195,620.48	28.74%	320.46	0.05%	195,300.02	28.70%
1974 - 1976	653,215.68	220,045.06	33.69%	(224.49)	-0.03%	220,269.55	33.72%
1975 - 1977	794,473.90	276,738.85	34.83%	(95.31)	-0.01%	276,834.16	34.84%
1976 - 1978	984,659.37	344,556.99	34.99%	(95.31)	-0.01%	344,652.30	35.00%
1977 - 1979	1,055,516.30	380,751.61	36.07%	256.70	0.02%	380,494.91	36.05%
1978 - 1980	1,039,572.80	376,371.32	36.20%	100.47	0.01%	376,270.85	36.19%
1979 - 1981	1,120,842.72	389,276.30	34.73%	1,259.14	0.11%	388,017.16	34.62%
1980 - 1982	1,182,542.59	388,529.77	32.86%	2,771.78	0.23%	385,757.99	32.62%
1981 - 1983	1,362,765.02	405,234.61	29.74%	3,311.51	0.24%	401,923.10	29.49%
1982 - 1984	1,403,094.92	351,568.41	25.06%	2,523.39	0.18%	349,045.02	24.88%
1983 - 1985	3,244,922.66	1,001,296.47	30.86%	1,822.81	0.06%	999,473.66	30.80%
1984 - 1986	3,237,342.02	918,923.38	28.39%	1,872.02	0.06%	917,051.36	28.33%
1985 - 1987	3,202,124.06	913,094.73	28.52%	3,924.00	0.12%	909,170.73	28.39%
1986 - 1988	1,453,238.12	214,650.80	14.77%	8,675.26	0.60%	205,975.54	14.17%
1987 - 1989	1,476,866.28	243,614.41	16.50%	10,615.65	0.72%	232,998.76	15.78%
1988 - 1990	1,485,151.48	82,844.63	5.58%	10,544.06	0.71%	72,300.57	4.87%
1989 - 1991	1,480,651.53	78,828.24	5.32%	6,343.55	0.43%	72,484.69	4.90%
1990 - 1992	1,052,271.80	167.87	0.02%	4,673.29	0.44%	(4,505.42)	-0.43%
1991 - 1993	774,534.10	114,119.00	14.73%	2,639.39	0.34%	111,479.61	14.39%
1992 - 1994	589,440.78	100,206.46	17.00%	2,110.96	0.36%	98,095.50	16.64%
1993 - 1995	603,222.72	95,729.86	15.87%	1,300.04	0.22%	94,429.82	15.65%
1994 - 1996	776,533.13	194,262.14	25.02%	1,026.49	0.13%	193,235.65	24.88%
1995 - 1997	599,984.04	160,591.88	26.77%	10,509.21	1.75%	150,082.67	25.01%

Montana-Dakota Utilities Company
Common Plant

392.20 TRANSPORTATION EQUIPMENT - (CARS & TRUCKS)

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2008

<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>
<u>Three - Year Rolling Bands</u>							
1996 - 1998	691,768.02	197,639.74	28.57%	11,361.06	1.64%	186,278.68	26.93%
1997 - 1999	653,520.73	133,784.48	20.47%	11,524.06	1.76%	122,260.42	18.71%
1998 - 2000	901,887.19	186,492.48	20.68%	1,106.49	0.12%	185,385.99	20.56%
1999 - 2001	1,167,341.52	274,672.53	23.53%	206.49	0.02%	274,466.04	23.51%
2000 - 2002	1,010,005.21	264,206.36	26.16%	0.00	0.00%	264,206.36	26.16%
2001 - 2003	956,839.45	261,674.36	27.35%	0.00	0.00%	261,674.36	27.35%
2002 - 2004	1,034,459.06	250,580.56	24.22%	0.00	0.00%	250,580.56	24.22%
2003 - 2005	1,341,096.15	280,606.50	20.92%	0.00	0.00%	280,606.50	20.92%
2004 - 2006	1,455,224.60	311,293.50	21.39%	0.00	0.00%	311,293.50	21.39%
2005 - 2007	1,497,652.54	330,214.17	22.05%	0.00	0.00%	330,214.17	22.05%
2006 - 2008	1,564,289.63	378,886.17	24.22%	0.00	0.00%	378,886.17	24.22%

Montana-Dakota Utilities Company
Common Plant

392.20 TRANSPORTATION EQUIPMENT - (CARS & TRUCKS)

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1968 - 2008

<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 - 2008	16,228,860.40	3,865,982.18	23.82	34,236.13	0.21	3,831,746.05	23.61
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Trend Analysis (End Year) 2008

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

Annual Inflation Rate	2.75%
Average Service Life (ASL)	8.0
Average Retirement Age (Yrs)	4.0
Years To ASL	4.0
Inflation Factor At 2.75% to ASL	1.12

<u>Gross Salvage</u>		
<u>Linear Trend Analysis</u>		
1989-2008	20 - Year Trend	28.60%
1994-2008	15 - Year Trend	24.44%
1999-2008	10 - Year Trend	23.56%
2004-2008	5 - Year Trend	22.90%

Forecasted

Gross Salvage	22.90%
(Five Year Trend)	
Cost Of Removal	0.23%
Net Salvage	22.66%

Montana-Dakota Utilities Company

Common Plant

396.20 POWER OPERATED EQUIPMENT

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 2001 - 2008

<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	6,082.85	3,000.00	49.32%	0.00	0.00%	3,000.00	49.32%
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	14,192.25	8,000.00	56.37%	0.00	0.00%	8,000.00	56.37%
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%

Montana-Dakota Utilities Company
Common Plant

396.20 POWER OPERATED EQUIPMENT

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 2001 - 2008

<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	6,082.85	3,000.00	49.32%	0.00	0.00%	3,000.00	49.32%	
2002 - 2004	14,192.25	8,000.00	56.37%	0.00	0.00%	8,000.00	56.37%	
2003 - 2005	14,192.25	8,000.00	56.37%	0.00	0.00%	8,000.00	56.37%	
2004 - 2006	14,192.25	8,000.00	56.37%	0.00	0.00%	8,000.00	56.37%	
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%	

2001 - 2008	20,275.10	11,000.00	54.25	0.00	0.00	11,000.00	54.25
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Trend Analysis (End Year)

2008

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

Annual Inflation Rate	2.75%
Average Service Life (ASL)	10.0
Average Retirement Age (Yrs)	-15.2
Years To ASL	25.2
Inflation Factor At 2.75% to ASL	1.98

Gross Salvage
Linear Trend Analysis

1989-2008	20 - Year Trend	36.45%
1994-2008	15 - Year Trend	36.45%
1999-2008	10 - Year Trend	36.45%
2004-2008	5 - Year Trend	0.00% *

***Forecasted Gross Salvage Calculates To Less Than 0.00%---Percentage Set To A Floor of 0.00%.**

Forecasted

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