

Table 1

Montana-Dakota Utilities Company
Gas Division

**Summary or Original Cost of Utility Plant in Service as of December 31, 2011
and Related Annual Depreciation Expense Under 12-31-08 Present and Proposed Rates (Except Accounts 333 & 392.20)**

Account No.	Description	Original Cost 12/31/11	Present Book Rates		Proposed Rates								Net Change Depr. Exp.
			Rate %	Annual Accrual	Proposed Plant Only Rates		Proposed Gross Salv Rates		Proposed COR Rates		Total Proposed Rates		
					Rate %	Annual Accrual	Rate %	Annual Accrual	Rate %	Annual Accrual	Rate %	Annual Accrual	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
DEPRECIABLE PLANT													
Production & Gathering Plant													
333.00	Field Compressor Station Equip.	10,778,166.68	3.33%	358,912.95	3.33%	358,912.95	0.00%	0.00	0.00%	0.00	3.33%	358,912.95	0.00
	TOTAL Production & Gathering Plant	10,778,166.68	3.33%	358,912.95	3.33%	358,912.95	0.00%	0.00	0.00%	0.00	3.33%	358,912.95	0.00
Distribution Plant													
374.20	Rights of Way	367,926.43	1.39%	5,114.18	1.39%	5,114.18	0.00%	0.00	0.00%	0.00	1.39%	5,114.18	0.00
375.00	Distr. Meas & Reg Station Structures	655,599.82	1.81%	11,866.36	1.52%	9,965.12	0.18%	1,180.08	1.07%	7,014.92	2.77%	18,160.12	6,293.76
Mains													
376.10	Mains-Steel		2.08%	0.00	1.77%	0.00	0.00%	0.00	1.07%	0.00	2.84%	0.00	0.00
376.20	Mains-Plastic		2.08%	0.00	1.99%	0.00	0.00%	0.00	1.06%	0.00	3.05%	0.00	0.00
376.30	Mains-Valves		2.08%	0.00	2.29%	0.00	0.00%	0.00	1.25%	0.00	3.54%	0.00	0.00
376.40	Mains-Manholes		2.08%	0.00	1.83%	0.00	0.00%	0.00	1.06%	0.00	2.89%	0.00	0.00
376.50	Mains-Bridge & River Crossings		2.08%	0.00	2.06%	0.00	0.00%	0.00	1.07%	0.00	3.13%	0.00	0.00
	Total Mains	118,706,390.10	2.08%	2,489,892.91	1.80%	2,279,709.22	0.00%	0.00	1.06%	1,274,566.06	2.97%	3,554,275.28	1,064,382.36
378.00	Meas & Reg Station Equip-General	2,408,361.07	3.29%	79,235.08	2.22%	53,465.62	0.00%	0.00	0.92%	22,156.92	3.14%	75,622.54	(3,612.54)
379.00	Meas & Reg Station Equip-City Gate	1,701,124.30	2.81%	47,801.59	2.81%	47,801.59	0.00%	0.00	0.94%	15,990.57	3.75%	63,792.16	15,990.57
Services													
380.10	Services-Steel		5.75%	0.00	2.48%	0.00	0.00%	0.00	7.17%	0.00	9.65%	0.00	0.00
380.20	Services-Plastic		5.75%	0.00	2.50%	0.00	0.00%	0.00	5.41%	0.00	7.91%	0.00	0.00
380.30	Farm & Fuel Lines		5.75%	0.00	3.34%	0.00	0.00%	0.00	7.67%	0.00	11.01%	0.00	0.00
	Total Services	61,760,842.19	5.75%	3,551,248.43	2.50%	1,544,797.66	0.00%	0.00	5.68%	3,505,843.56	8.18%	5,050,641.23	1,499,392.80
381.00	Meters	58,285,743.59	2.81%	1,637,829.39	2.91%	1,696,115.14	0.00%	0.00	0.62%	361,371.61	3.53%	2,057,486.75	419,657.35
383.00	Service Regulators	6,665,638.48	1.57%	104,650.52	2.16%	143,977.79	-0.39%	-25,995.99	0.00%	0.00	1.77%	117,981.80	13,331.28
385.00	Industrial Meas. & Reg. Station Equip	786,434.70	2.43%	19,110.36	2.43%	19,110.36	0.35%	2,752.52	0.53%	4,168.10	3.31%	26,030.99	6,920.63
MISCELLANEOUS EQUIPMENT													
386.10	Misc Property on Customers Premise	1,679.84	2.39%	40.15	2.39%	40.15	0.00%	0.00	0.00%	0.00	2.39%	40.15	0.00
386.20	CNG Refueling station	261,880.34	0.27%	707.08	0.27%	707.08	0.00%	0.00	0.00%	0.00	0.27%	707.08	0.00
386.30	CNG Lease/Demo												
	TOTAL Account 386	263,560.18	0.28%	747.23	0.28%	747.23	0.00%	0.00	0.00%	0.00	0.28%	747.23	0.00

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Account No. (a)	Description (b)	Original Cost 12/31/11 (c)	Present Book Rates		Proposed Plant Only Rates		Proposed Gross Salv Rates		Proposed COR Rates		Total Proposed Rates		Net Change Depr. Exp. (n)
			Rate % (d)	Annual Accrual (e)	Rate % (f)	Annual Accrual (g)	Rate % (h)	Annual Accrual (i)	Rate % (j)	Annual Accrual (k)	Rate % (l)	Annual Accrual (m)	
OTHER EQUIPMENT													
387.10	Cathodic Protection Equipment	2,406,620.03	3.21%	77,252.50	3.21%	77,252.50	0.00%	0.00	0.00%	0.00	3.21%	77,252.50	0.00
387.20	Other Distribution Equipment	587,151.32	0.99%	5,812.80	0.99%	5,812.80	0.00%	0.00	0.00%	0.00	0.99%	5,812.80	0.00
	TOTAL Account 387	2,993,771.35	2.77%	83,065.30	2.77%	83,065.30	0.00%	0.00	0.00%	0.00	2.77%	83,065.30	0.00
	TOTAL Distribution Plant	255,595,392.21	3.14%	8,030,561.35	2.30%	5,883,869.20	-0.01%	(22,063.39)	2.03%	5,191,111.75	4.32%	11,052,917.56	3,022,356.20
General Plant													
390.00	General Structures	8,599,225.65	3.09%	265,716.07	3.09%	265,716.07	-0.04%	-3,439.69	0.41%	35,256.83	3.46%	297,533.21	31,817.13
OFFICE FURNITURE & EQUIPMENT													
391.10	Office Furniture & Equipment	355,712.70	4.97%	17,678.92	6.59%	23,447.73	0.00%	0.00	0.00%	0.00	6.59%	23,447.73	5,768.81
391.30	Computer Equipment - PC	463,672.83	26.02%	120,647.67	11.28%	52,286.49	0.00%	0.00	0.00%	0.00	11.28%	52,286.49	(68,361.18)
391.50	Other Computer Equipment	54,035.44	0.00%	0.00	4.97%	2,683.89	0.00%	0.00	0.00%	0.00	4.97%	2,683.89	2,683.89
	TOTAL Account 391	873,420.97	15.84%	138,326.59	8.98%	78,418.11	0.00%	0.00	0.00%	0.00	14.14%	123,463.20	(59,908.48)
TRANSPORTATION EQUIPMENT													
392.10	Transportation Equipment (Trailers)	447,872.48	9.67%	43,309.27	12.35%	55,312.25	-2.68%	-12,002.98	0.00%	0.00	9.67%	43,309.27	0.00
392.20	Trans Equipment (Cars & Trucks)	7,955,254.31	0.26%	20,683.66	1.04%	82,734.64	0.00%	0.00	0.00%	0.00	1.04%	82,734.64	62,050.98
	TOTAL Account 392	8,403,126.79	0.76%	63,992.93	1.64%	138,046.90	-0.14%	(12,002.98)	0.00%	0.00	1.50%	126,043.91	62,050.98
393.00	Stores Equipment	63,604.67	2.49%	1,583.76	2.44%	1,550.00	0.00%	0.00	0.00%	0.00	2.44%	1,550.00	(78.70)
TOOLS, SHOP & GARAGE EQ.													
394.10	Tools, Shop & Garage Equip. (Non-U)	2,091,733.29	6.62%	138,472.74	5.65%	118,162.30	0.00%	0.00	0.00%	0.00	5.65%	118,162.30	(20,310.45)
394.30	Vehicle Maintenance Equipment	37,100.02	5.78%	2,144.38	7.12%	2,640.27	0.00%	0.00	0.00%	0.00	7.12%	2,640.27	495.89
394.40	Vehicle Refueling Equipment	12,444.04	4.72%	587.36	10.32%	1,284.61	0.00%	0.00	0.00%	0.00	10.32%	1,284.61	697.25
	TOTAL Account 394	2,141,277.35	6.59%	141,204.48	5.70%	122,087.17	0.00%	0.00	0.00%	0.00	5.70%	122,087.17	(19,117.31)
395.00	Laboratory Equipment	217,351.36	7.67%	16,670.85	6.95%	15,113.85	0.00%	0.00	0.00%	0.00	6.95%	15,113.85	(1,557.00)
POWER OPERATED EQUIPMENT													
396.10	Work Equipment (Trailers)	569,975.26	6.02%	34,312.51	10.19%	56,080.48	-4.17%	-23,767.97	0.00%	0.00	6.02%	34,312.51	0.00
396.20	Power Operated Equipment	6,998,028.24	0.95%	66,481.27	31.72%	2,219,774.56	-30.77%	-2,153,293.29	0.00%	0.00	0.95%	66,481.27	0.00
	TOTAL Account 396	7,568,003.50	1.33%	100,793.78	30.10%	2,277,855.04	-28.77%	(2,177,081.26)	0.00%	0.00	1.33%	100,793.78	0.00

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					Rate %	Annual Accrual	Rate %	Annual Accrual	Rate %	Annual Accrual	Rate %	Annual Accrual		Rate %
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	
COMMUNICATION EQUIPMENT														
397.10	Radio Communication Equip. (Fixed)	530,130.48	7.37%	39,070.62	6.07%	32,165.58	0.00%	0.00	0.00%	0.00	6.07%	32,165.58	(6,905.04)	
397.20	Radio Communication Equip. (Mobile)	389,337.39	7.34%	28,577.36	4.06%	15,820.46	0.00%	0.00	0.00%	0.00	4.06%	15,820.46	(12,756.91)	
397.30	General Telephone Communication E	60,470.40	9.88%	5,974.48	10.69%	6,465.81	0.00%	0.00	0.00%	0.00	10.69%	6,465.81	491.34	
397.80	Network Equipment	137,334.06	28.26%	36,063.92	17.68%	24,280.34	0.00%	0.00	0.00%	0.00	17.68%	24,280.34	(11,783.59)	
	TOTAL Account 397	1,117,272.33	9.82%	109,686.38	7.05%	78,732.19	0.00%	0.00	0.00%	0.00	7.05%	78,732.19	(30,954.19)	
398.00	Miscellaneous Equipment	59,131.90	1.27%	750.98	9.43%	5,576.59	0.00%	0.00	0.00%	0.00	9.43%	5,576.59	4,825.61	
	Sub-Total (General Plant) Amortizatio	4,472,058.58	9.13%	408,223.04	6.74%	301,477.91	0.00%	0.00	0.00%	0.00	7.75%	346,523.00	(106,790.06)	
	TOTAL General Plant	29,042,414.52	2.89%	838,725.82	10.27%	2,983,095.92	-7.55%	(2,192,503.93)	0.12%	35,256.83	3.00%	870,893.90	(12,921.95)	
	TOTAL Depreciable Plant	295,415,973.41	3.12%	9,228,200.12	3.12%	9,225,878.07	-0.75%	-2,214,567.32	1.77%	5,226,388.57	4.16%	12,282,724.41	3,009,434.26	
NON-DEPRECIABLE PLANT														
374.1	Land (Distribution)	276,933.70												
389	Land & Land Rights (General)	1,484,244.41												
	Total Land	1,761,178.11												
INTANGIBLE PLANT														
303	Miscellaneous Intangible Plant	2,660,120.02												
	Total Intangible Plant	2,660,120.02												
	TOTAL Non-Depreciable Plant	4,421,298.13												
	TOTAL Plant in Service	299,837,271.54												
339	ARO-Production & Gathering	98,285.22												
388	ARO-Distribution	115,629.38												
	TOTAL ARO	300,051,186.14												