

**MONTANA-DAKOTA UTILITIES CO.  
 MATERIALS AND SUPPLIES  
 BY PRINCIPAL ITEM OF MAIN ACCOUNT  
 GAS UTILITY - SOUTH DAKOTA  
 JUNE 30, 2011 AND JUNE 30, 2012**

<u>Description</u>	<u>Balance @ 06/30/2011</u>		<u>Balance @ 06/30/2012</u>		<u>South Dakota Beginning &amp; Ending Average</u>
	<u>Black Hills</u>	<u>East River</u>	<u>Black Hills</u>	<u>East River</u>	
Natural Gas Material	\$375,154	\$84,730	\$431,013	\$84,454	\$487,675.
Transportation Material	52	0	2,221	0	1,136
Reserve for Inventory Shrinkage	<u>(5,872)</u>	<u>(4,164)</u>	<u>(3,994)</u>	<u>(5,002)</u>	<u>(9,516)</u>
Total	<u>\$369,334</u>	<u>\$80,566</u>	<u>\$429,240</u>	<u>\$79,452</u>	<u>\$479,295</u>

**MONTANA-DAKOTA UTILITIES CO.  
 MATERIALS AND SUPPLIES  
 GAS UTILITY - SOUTH DAKOTA  
 FOR THE TWELVE MONTHS ENDING JUNE 30, 2012  
 ADJUSTMENT C**

	<u>Per Books</u>			<u>Pro Forma 1/</u>
	<u>Black Hills</u>	<u>East River</u>	<u>Total South Dakota</u>	
June 2011	\$369,334	\$80,566	\$449,900	\$508,690
July	374,607	93,354	467,961	535,071
August	408,992	96,597	505,589	552,037
September	339,248	104,467	443,715	536,783
October	708,603	117,373	825,976	825,976
November	694,517	111,909	806,426	806,426
December	334,861	70,982	405,843	405,843
January 2012	364,750	63,417	428,167	428,167
February	378,998	67,285	446,283	446,283
March	363,785	62,657	426,442	426,442
April	417,259	66,395	483,654	483,654
May	339,906	81,231	421,137	421,137
June	429,239	79,451	508,690	508,690
Beginning and ending average			<u>\$479,295</u> ✓	
Thirteen month average				<u>\$529,631</u> ✓
Pro Forma Adjustment				<u>\$50,336</u>

1/ Reflects actual balances through September 2012.

**MONTANA-DAKOTA UTILITIES CO.  
 PREPAID INSURANCE  
 GAS UTILITY - SOUTH DAKOTA  
 FOR THE TWELVE MONTHS ENDING JUNE 30, 2012  
 ADJUSTMENT D**

	Per Books			Pro Forma 1/
	Black Hills	East River	Total South Dakota	
June 2011	\$97,984	\$21,695	\$119,679	\$127,695
July	82,301	18,222	100,523	106,597
August	66,619	14,750	81,369	85,500
September	50,936	11,278	62,214	64,402
October	39,462	8,737	48,199	48,800
November	37,029	8,199	45,228	41,676
December	21,515	4,764	26,279	18,417
January 2012	184,200	45,873	230,073	209,143
February	169,612	42,134	211,746	189,812
March	152,728	37,929	190,657	170,481
April	135,844	33,725	169,569	151,150
May	119,210	29,582	148,792	131,819
June	102,319	25,376	127,695	112,488
Beginning and ending average			<u>\$123,687</u>	
Thirteen month average				<u>\$112,152</u>
Pro Forma Adjustment				<u>(\$11,535)</u>

1/ Reflects actual balances June 2012 to October 2012 and November 2012 to June 2013 reflects pro forma expense.

**MONTANA-DAKOTA UTILITIES CO.  
UNAMORTIZED GAIN(LOSS) ON DEBT  
GAS UTILITY - SOUTH DAKOTA  
FOR THE TWELVE MONTHS ENDING JUNE 30, 2012  
ADJUSTMENT E**

	<u>Unamortized Loss on Debt</u>			<u>Accumulated DIT - Unamortized Loss on Debt</u>		
	<u>Black Hills</u>	<u>East River</u>	<u>Total South Dakota</u>	<u>Black Hills</u>	<u>East River</u>	<u>Total South Dakota</u>
Balance at June 30, 2011	\$469,163	\$96,064	\$565,227	(\$164,207)	(\$33,622)	(\$197,829)
Balance at June 30, 2012	461,953	118,511	580,464	(161,683)	(41,479)	(203,162)
Average Balance	<u>\$465,558</u>	<u>\$107,288</u>	<u>\$572,846</u>	<u>(\$162,945)</u>	<u>(\$37,551)</u>	<u>(\$200,496)</u>
Pro Forma Amortization	<u>(39,166)</u>	<u>(10,048)</u>	<u>(49,214)</u>	<u>14,962</u>	<u>3,838</u>	<u>18,800</u>
Balance at June 30, 2013	422,787	108,463	531,250	(146,721)	(37,641)	(184,362)
Average Balance at June 30, 2013	<u>442,370</u>	<u>113,487</u>	<u>555,857</u>	<u>(154,202)</u>	<u>(39,560)</u>	<u>(193,762)</u>
Pro Forma Adjustment			<u>(\$16,989)</u>			<u>\$6,734</u>

**MONTANA-DAKOTA UTILITIES CO.  
DEFERRED FAS 106 BALANCE  
GAS UTILITY - SOUTH DAKOTA  
FOR THE TWELVE MONTHS ENDING JUNE 30, 2012  
ADJUSTMENT F**

	Deferred FAS 106			Deferred Income Tax - FAS 106		
	Black Hills	East River	Total South Dakota	Black Hills	East River	Total South Dakota
Balance at June 30, 2011	\$23,795	\$0	\$23,795	(\$8,329)	\$0	(\$8,329)
Balance at June 30, 2012	7,932	0	7,932	(2,775)	0	(2,775)
Average Balance	<u>\$15,864</u>	<u>\$0</u>	<u>\$15,864</u>	<u>(\$5,552)</u>	<u>\$0</u>	<u>(\$5,552)</u>
Pro Forma Amortization 1/	<u>7,932</u>	<u>0</u>	<u>7,932</u>	<u>(2,775)</u>	<u>0</u>	<u>(2,775)</u>
Balance at June 30, 2013	\$0	\$0	\$0	\$0	\$0	\$0
Average Balance at June 30, 2013	<u>\$3,966</u>	<u>\$0</u>	<u>\$3,966</u>	<u>(\$1,388)</u>	<u>\$0</u>	<u>(\$1,388)</u>
Pro Forma Adjustment			<u>(\$11,898)</u>			<u>\$4,164</u>

1/ Fully amortized.

**MONTANA-DAKOTA UTILITIES CO.  
 CUSTOMER GUARANTEE  
 GAS UTILITY - SOUTH DAKOTA  
 FOR THE TWELVE MONTHS ENDING JUNE 30, 2012  
 ADJUSTMENT G**

	<u>Black Hills</u>	<u>East River</u>	<u>Total South Dakota</u>
Balance at June 30, 2011	\$0	\$142,078	\$142,078
Balance at June 30, 2012	0	1,957,148	1,957,148
Average Balance	<u>\$0</u>	<u>\$1,049,613</u>	<u>\$1,049,613</u>
Accumulated Depreciation	<u>0</u>	<u>(61,927)</u>	<u>(61,927)</u>
Balance at June 30, 2013	\$0	\$1,895,221	\$1,895,221
Average Balance at June 30, 2013	<u>\$0</u>	<u>\$1,926,185</u>	<u>\$1,926,185</u>
Pro Forma Adjustment			<u><u>\$876,572</u></u>

**MONTANA-DAKOTA UTILITIES CO.  
 CUSTOMER ADVANCES FOR CONSTRUCTION  
 GAS UTILITY - SOUTH DAKOTA  
 FOR THE TWELVE MONTHS ENDING JUNE 30, 2012  
 ADJUSTMENT H**

	<u>Per Books</u>		<u>Total</u>	<u>Pro Forma 1/</u>
	<u>Black Hills</u>	<u>East River</u>		
June 2011	\$106,254	\$590,510	\$696,764	\$745,410
July	106,254	590,510	696,764	749,138
August	106,254	590,510	696,764	756,168
September	106,254	590,510	696,764	756,168
October	106,254	599,610	705,864	705,864
November	106,254	610,210	716,464	716,464
December	106,254	611,310	717,564	717,564
January 2012	106,254	610,087	716,341	716,341
February	106,254	610,087	716,341	716,341
March	106,254	614,837	721,091	721,091
April	106,254	614,837	721,091	721,091
May	113,916	616,469	730,385	730,385
June	128,941	616,469	745,410	745,410
Beginning and ending average			<u>\$721,087</u>	
13 month average				<u>\$730,572</u>
Pro Forma Adjustment				<u>\$9,485</u>

1/ Reflects actual balances through September 2012.