

**MONTANA-DAKOTA UTILITIES CO.
 AVERAGE LONG-TERM DEBT
 TWELVE MONTHS ENDING JUNE 30, 2012
 PRO FORMA JUNE 30, 2013**

	Balance Outstanding	Annual Cost	Adjusted Embedded Cost
First Mortgage Bonds			
Balance at 06/30/2011	\$280,000,000	\$19,126,500	6.831%
Minot Air Force Base Payable	492,403	29,544	6.000%
Amortization of Gain/Loss		43,469 ^{1/}	
Total @ 06/30/2011	\$280,492,403	\$19,199,513	6.845%
Balance at 06/30/2012	\$280,000,000	\$19,126,500	6.831%
Minot Air Force Base Payable	485,162	29,110	6.000%
Amortization of Gain/Loss		43,469 ^{1/}	
Total @ 06/30/2012	\$280,485,162	\$19,199,079	6.845%
Average @ 06/30/2012	\$280,488,783	\$19,199,296	6.845%
Balance at 6/30/2013	280,000,000	19,129,500	6.832%
Minot Air Force Base Payable	477,379	28,643	6.000%
Amortization of Gain/Loss		43,469 ^{1/}	
Total @ 6/31/13	\$280,477,379	\$19,201,612	6.846%
Average @ 6/30/2013	\$280,481,271	\$19,200,346	6.846%

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**MONTANA-DAKOTA UTILITIES CO.
LONG-TERM DEBT CAPITAL
JUNE 30, 2012**

<u>Description</u>	<u>Date of Issuance</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Principal Amount of Issue</u>	<u>Gross Proceeds</u>	<u>Underwriters' Commission</u>		<u>Loss on Reacquirement Redemption and Issuance Expense</u>	
						<u>Amount</u>	<u>% Gross Proceeds</u>	<u>Amount</u>	<u>% Gross Proceeds</u>
First Mortgage Bonds:									
Secured Medium-term Notes, Series A:									
5.98% - Senior Note	12/15/2003	12/15/2033	5.980%	\$30,000,000	\$30,000,000	\$262,500	0.875%	\$280,668	0.936%
6.33% - Senior Note	8/24/2006	8/24/2026	6.330%	100,000,000	100,000,000	344,061	0.344%	10,532,009	10.532%
6.04% - Senior Note	9/16/2008	9/16/2018	6.040%	100,000,000	100,000,000	362,432	0.362%	0	0.000%
6.61% - Senior Note	9/1/2009	9/30/2016	6.610%	25,000,000	25,000,000	59,494	0.238%	517,288	2.069%
6.66% - Senior Note	10/1/2009	9/30/2016	6.660%	25,000,000	25,000,000	59,494	0.238%	517,288	2.069%
Total Long-Term Debt Capital				\$280,000,000	\$280,000,000	\$1,087,981		\$11,847,253	

<u>Description</u>	<u>Net Proceeds</u>		<u>Cost of Money 1/</u>	<u>Principal Outstanding</u>	<u>Annual Cost</u>	<u>Embedded Cost</u>
	<u>Amount</u>	<u>Per Unit</u>				
First Mortgage Bonds:						
Secured Medium-term Notes, Series A:						
5.98% - Senior Note	\$29,456,832	98.189%	6.205%	\$30,000,000	1,861,500	
6.33% - Senior Note	89,123,930	89.124%	7.514%	100,000,000	7,514,000	
6.04% - Senior Note	99,637,568	99.638%	6.181%	100,000,000	6,181,000	
6.61% - Senior Note	24,423,218	97.693%	7.114%	25,000,000	1,778,500	
6.66% - Senior Note	24,423,218	97.693%	7.166%	25,000,000	1,791,500	
Total Long-Term Debt Capital	\$267,064,766			\$280,000,000	\$19,126,500	6.831%

1/ Yield to maturity based upon the life, net proceeds, semiannual compounding of stated interest rate, and amortization of indenture revision costs.

**MONTANA-DAKOTA UTILITIES CO.
LONG-TERM DEBT CAPITAL
JUNE 30, 2013**

<u>Description</u>	<u>Date of Issuance</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Principal Amount of Issue</u>	<u>Gross Proceeds</u>	<u>Underwriters' Commission</u>		<u>Loss on Reacquirement Redemption and Issuance Expense</u>	
						<u>Amount</u>	<u>% Gross Proceeds</u>	<u>Amount</u>	<u>% Gross Proceeds</u>
First Mortgage Bonds:									
Secured Medium-term Notes, Series A:									
5.98% - Senior Note	12/15/2003	12/15/2033	5.980%	\$30,000,000	\$30,000,000	\$262,500	0.875%	\$280,668	0.936%
6.33% - Senior Note	8/24/2006	8/24/2026	6.330%	100,000,000	100,000,000	344,061	0.344%	10,532,009	10.532%
6.04% - Senior Note	9/16/2008	9/16/2018	6.040%	100,000,000	100,000,000	362,432	0.362%	0	0.000%
6.61% - Senior Note	9/1/2009	9/30/2016	6.610%	25,000,000	25,000,000	68,319	0.273%	517,288	2.069%
6.66% - Senior Note	10/1/2009	9/30/2016	6.660%	25,000,000	25,000,000	68,319	0.273%	517,288	2.069%
Total Long-Term Debt Capital				\$280,000,000	\$280,000,000	\$1,105,631		\$11,847,253	

<u>Description</u>	<u>Net Proceeds</u>		<u>Cost of Money 1/</u>	<u>Principal Outstanding</u>	<u>Annual Cost</u>	<u>Embedded Cost</u>
	<u>Amount</u>	<u>Per Unit</u>				
First Mortgage Bonds:						
Secured Medium-term Notes, Series A:						
5.98% - Senior Note	\$29,456,832	98.189%	6.205%	\$30,000,000	1,861,500	
6.33% - Senior Note	89,123,930	89.124%	7.514%	100,000,000	7,514,000	
6.04% - Senior Note	99,637,568	99.638%	6.181%	100,000,000	6,181,000	
6.61% - Senior Note	24,414,393	97.658%	7.114%	25,000,000	1,778,500	
6.66% - Senior Note	24,414,393	97.658%	7.166%	25,000,000	1,791,500	
Total Long-Term Debt Capital	\$267,047,116			\$280,000,000	\$19,126,500	6.831%

1/ Yield to maturity based upon the life, net proceeds, semiannual compounding of stated interest rate, and amortization of indenture revision costs.

**MONTANA-DAKOTA UTILITIES CO.
AMORTIZATION OF LOSS ON REACQUIRED DEBT
TWELVE MONTHS ENDING JUNE 30, 2012
PRO FORMA JUNE 30, 2013**

<u>Acct. 1890 - Unamortized Loss</u>	<u>Amortization</u>
PCN Notes Loss/Unamortized Expense - 2010	\$43,469
PCN Notes Loss/Unamortized Expense - 2011	43,469
PCN Notes Loss/Unamortized Expense - 2012	43,469

**MONTANA-DAKOTA UTILITIES CO.
 AVERAGE SHORT-TERM DEBT
 TWELVE MONTHS ENDING JUNE 30, 2012
 PRO FORMA JUNE 30, 2013**

	<u>Balance Outstanding</u>	<u>Annual Cost</u>	<u>Average Cost</u>
<u>June 30, 2012</u>			
Average Balance 1/	\$945,355	\$3,751	0.397%
Amortization of Fees 2/		<u>240,142</u>	
Total	<u>\$945,355</u>	<u>\$243,893</u>	<u>25.799%</u>
<u>Pro Forma June 30, 2013</u>			
Average Balance 1/	\$70,893,500	\$431,342	0.608%
Amortization of Fees 2/		<u>320,368</u>	
Total	<u>\$70,893,500</u>	<u>\$751,710</u>	<u>1.060%</u>

- 1/ Twelve month average balance.
 2/ Negotiation and commitment fees.