

**MONTANA-DAKOTA UTILITIES CO.
 AVERAGE PREFERRED STOCK
 TWELVE MONTHS ENDING JUNE 30, 2012
 PRO FORMA JUNE 30, 2013**

<u>Description</u>	<u>Balance Outstanding</u>	<u>Annual Cost</u>	<u>Adjusted Embedded Cost</u>
Balance at 06/30/2011	\$15,500,000	\$711,425	4.590%
2011-12 Redemptions: 5.1% Series	(100,000)	(5,285)	
Balance at 06/30/2012	<u>\$15,400,000</u>	<u>\$706,140</u>	<u>4.585%</u>
Average @ 06/30/2012	<u>\$15,450,000</u>	<u>\$708,783</u>	<u>4.588%</u>
2012-2013 Redemptions 5.1% Series	(100,000)	(5,285)	5.285%
Balance at 6/30/2013	<u>\$15,300,000</u>	<u>\$700,855</u>	<u>4.581%</u>
Average @ 6/30/2013	<u>\$15,350,000</u>	<u>\$703,498</u>	<u>4.583%</u>

**MONTANA-DAKOTA UTILITIES CO.
PREFERRED STOCK CAPITAL
JUNE 30, 2012**

<u>Description</u>	<u>Date of Issuance</u>	<u>Call (Redemption) Price</u>	<u>Dividend Rate</u>	<u>Par Value of Issue</u>	<u>Gross Proceeds (000's)</u>	<u>Underwriters' Commission</u>		<u>Issuance Expense</u>	
						<u>Amount</u>	<u>% Gross Proceeds</u>	<u>Amount</u>	<u>% Gross Proceeds</u>
4.5% Series	01/01/51	\$105	4.5%	\$100	\$10,000				
4.7% Series	12/07/55	102	4.7%	100	5,000				
5.1% Series	05/23/61	100/102	5.1%	100	5,000	\$25,000	0.50%	\$27,452	0.549%

<u>Description</u>	<u>Net Proceeds</u>		<u>Cost of Money 1/ 2/</u>	<u>Principal Outstanding</u>	<u>June 30, 2012</u>		<u>Method of Offering</u>
	<u>Amount (000's)</u>	<u>Per Unit</u>			<u>Annual Cost</u>	<u>Embedded Cost</u>	
4.5% Series	\$10,000	100.000%	4.500%	\$10,000,000	\$450,000		Public
4.7% Series	5,000	100.000%	4.700%	5,000,000	235,000		Public
5.1% Series	4,948	98.951%	5.285%	400,000	21,140		Private
Total				<u><u>\$15,400,000</u></u>	<u><u>\$706,140</u></u>	<u><u>4.585%</u></u>	

1/ Yield to maturity based upon the life, net proceeds, and quarterly compounding of the stated dividend rate of each issue.

2/ 4.5% Series and 4.7% Series issue expense fully recovered.

**MONTANA-DAKOTA UTILITIES CO.
PREFERRED STOCK CAPITAL
JUNE 30, 2013 /**

<u>Description</u>	<u>Date of Issuance</u>	<u>Call (Redemption) Price</u>	<u>Dividend Rate</u>	<u>Par Value of Issue</u>	<u>Gross Proceeds (000's)</u>	<u>Underwriters' Commission</u>		<u>Issuance Expense</u>	
						<u>Amount</u>	<u>% Gross Proceeds</u>	<u>Amount</u>	<u>% Gross Proceeds</u>
4.5% Series	01/01/51	\$105	4.5%	\$100	\$10,000				
4.7% Series	12/07/55	102	4.7%	100	5,000				
5.1% Series	05/23/61	100/102	5.1%	100	5,000	\$25,000 /	0.50% /	\$27,452 /	0.549%

<u>Description</u>	<u>Net Proceeds</u>		<u>Cost of Money 1/ 2/</u>	<u>Principal Outstanding</u>	<u>December 31, 2012</u>		<u>Method of Offering</u>
	<u>Amount (000's)</u>	<u>Per Unit</u>			<u>Annual Cost</u>	<u>Embedded Cost</u>	
4.5% Series	\$10,000	100.000%	4.500%	\$10,000,000	\$450,000 /		Public
4.7% Series	5,000	100.000%	4.700%	5,000,000	235,000		Public
5.1% Series	4,948	98.951%	5.285%	300,000	15,855		Private
Total				<u>\$15,300,000</u>	<u>\$700,855 /</u>	<u>4.581%</u>	

1/ Yield to maturity based upon the life, net proceeds, and quarterly compounding of the stated dividend rate of each issue.

2/ 4.5% Series and 4.7% Series issue expense fully recovered.