

MONTANA-DAKOTA UTILITIES CO.
DIFFERENCE IN BOOK AND TAX DEPRECIATION - GAS UTILITY
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011

<u>Tax Depreciation</u>	
CIAC's - MACRS	(\$423,561)
Depreciation	31,757,689
Capitalized Interest Expense	(61,942)
Capitalized Tax Depreciation	(1,052,015)
Capitalized Inventory on Stores Inventory	(12,723)
Capitalized Property Taxes	(231,402)
Expenses for the Retirement of Assets	1,103,042
Reversal of Intercompany Gain-Airplanes	(151,182)
Gain on Disposition of Property	95,880
Retirement of Assets	(231,121)
Cost Segregation Study-481a Adjustment	151,392
Expensed Reusable Property	(8)
Allowance For Funds Used During Construction-Not Yet in Service	<u>239,313</u>
Total Gas	<u><u>\$31,183,362</u></u>
<u>Book Depreciation</u>	
Depreciation Expense	\$9,407,230
Amortization Expense	433,252
Allowance For Funds Used During Construction	<u>(36,005)</u>
Total Book Depreciation	<u><u>\$9,804,477</u></u>
Book over Tax Depreciation	<u><u>(\$21,378,885)</u></u>