

**MONTANA-DAKOTA UTILITIES CO.
 AVERAGE LONG-TERM DEBT
 TWELVE MONTHS ENDING DECEMBER 31, 2014
 PRO FORMA**

	<u>Balance Outstanding</u>	<u>Annual Cost</u>	<u>Adjusted Embedded Cost</u>
Balance at 12/31/2013	\$355,000,000	\$19,834,125	5.587%
Minot Air Force Base Payable	473,372	28,402	6.000%
Amortization of Gain/Loss		43,469	1/
Total @ 12/31/2013	<u>\$355,473,372</u>	<u>\$19,905,996</u>	<u>5.600%</u>
Balance at 12/31/2014	\$430,000,000	\$26,154,600	6.082%
Minot Air Force Base Payable	464,906	27,894	6.000%
Amortization of Gain/Loss		43,469	1/
Total @ 12/31/2014	<u>\$430,464,906</u>	<u>\$26,225,963</u>	<u>6.092%</u>
Average @ 12/31/2014	<u>\$392,969,139</u>	<u>\$23,065,980</u>	<u>5.870%</u>
Balance at 12/31/2015	580,000,000	33,840,600	5.835%
Minot Air Force Base Payable	455,919	27,355	6.000%
Amortization of Gain/Loss		43,469	1/
Total @ 12/31/2015	<u>\$580,455,919</u>	<u>\$33,911,424</u>	<u>5.842%</u>
Average @ 12/31/2015	<u>\$505,460,413</u>	<u>\$30,068,694</u>	<u>5.949%</u>

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**MONTANA-DAKOTA UTILITIES CO.
LONG-TERM DEBT CAPITAL
TWELVE MONTHS ENDING DECEMBER 31, 2014**

Description	Date of Issuance	Date of Maturity	Interest Rate	Principal Amount of Issue	Gross Proceeds	Underwriters' Commission		Loss on Reacquisition Redemption and Issuance Expense	
						Amount	% Gross Proceeds	Amount	% Gross Proceeds
Secured Medium-term Notes, Series A:									
5.98% - Senior Note	12/15/2003	12/15/2033	5.980%	\$30,000,000	\$30,000,000	\$624,465	2.082%		0.000%
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	68,308	0.273%	517,287	2.069%
6.66% - Senior Note	10/1/2009	9/30/2016	6.660%	25,000,000	25,000,000	68,308	0.273%	517,287	2.069%
5.18% - Senior Note	4/15/2014	4/15/2044	5.180%	50,000,000	50,000,000	239,178	0.478%	0	0.000%
4.24% - Senior Note	7/15/2014	7/15/2024	4.240%	60,000,000	60,000,000	289,913	0.483%	0	0.000%
4.34% - Senior Note	7/15/2014	7/15/2026	4.340%	40,000,000	40,000,000	195,691	0.489%	0	0.000%
Total Long-Term Debt Capital				\$430,000,000	\$430,000,000	\$2,192,356		\$11,566,583	

Description	Net Proceeds		Cost of Money 1/	Principal Outstanding	Annual Cost	Embedded Cost
	Amount	Per Unit				
Secured Medium-term Notes, Series A:						
5.98% - Senior Note	\$29,375,535	97.918%	6.210%	\$30,000,000	1,863,000	
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	24,414,405	97.658%	7.120%	25,000,000	1,780,000	
6.66% - Senior Note	24,414,405	97.658%	7.172%	25,000,000	1,793,000	
5.18% - Senior Note	49,760,822	99.522%	5.280%	50,000,000	2,640,000	
4.24% - Senior Note	59,710,087	99.517%	4.346%	60,000,000	2,607,600	
4.34% - Senior Note	39,804,309	99.511%	4.440%	40,000,000	1,776,000	
Total Long-Term Debt Capital	\$416,241,061			\$430,000,000	\$26,154,600	6.082%

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

**MONTANA-DAKOTA UTILITIES CO.
LONG-TERM DEBT CAPITAL
TWELVE MONTHS ENDING DECEMBER 31, 2015**

Description	Date of Issuance	Date of Maturity	Interest Rate	Principal Amount of Issue	Gross Proceeds	Underwriters' Commission		Loss on Reacquirement Redemption and Issuance Expense	
						Amount	% Gross Proceeds	Amount	% Gross Proceeds
Secured Medium-term Notes, Series A:									
5.98% - Senior Note	12/15/2003	12/15/2033	5.980%	\$30,000,000	\$30,000,000	\$624,465	2.082%		0.000%
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	68,308	0.273%	517,287	2.069%
6.66% - Senior Note	10/1/2009	9/30/2016	6.660%	25,000,000	25,000,000	68,308	0.273%	517,287	2.069%
5.18% - Senior Note	4/15/2014	4/15/2044	5.180%	50,000,000	50,000,000	239,178	0.478%	0	0.000%
4.24% - Senior Note	7/15/2014	7/15/2024	4.240%	60,000,000	60,000,000	289,913	0.483%	0	0.000%
4.34% - Senior Note	7/15/2014	7/15/2026	4.340%	40,000,000	40,000,000	195,691	0.489%	0	0.000%
5.00% - Senior Note	4/15/2015	4/15/2025	5.000%	150,000,000	150,000,000	362,391	0.242%		0.000%
Total Long-Term Debt Capital				\$580,000,000	\$580,000,000	\$2,554,747		\$11,566,583	

Description	Net Proceeds		Cost of Money 1/	Principal Outstanding	Annual Cost	Embedded Cost
	Amount	Per Unit				
Secured Medium-term Notes, Series A:						
5.98% - Senior Note	\$29,375,535	97.918%	6.210%	\$30,000,000	1,863,000	
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	24,414,405	97.658%	7.120%	25,000,000	1,780,000	
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4.34% - Senior Note	39,804,309	99.511%	4.440%	40,000,000	1,776,000	
5.00% - Senior Note	149,637,609	99.758%	5.124%	150,000,000	7,686,000	
Total Long-Term Debt Capital	\$565,878,670			\$580,000,000	\$33,840,600	5.835%

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

MONTANA-DAKOTA UTILITIES CO.
AMORTIZATION OF LOSS ON REACQUIRED DEBT
TWELVE MONTHS ENDING DECEMBER 31, 2014
PRO FORMA

<u>Acct. 1890 - Unamortized Loss</u>	<u>Amortization</u>
PCN Notes Loss/Unamortized Expense - 2013	\$43,469
PCN Notes Loss/Unamortized Expense - 2014	43,469
PCN Notes Loss/Unamortized Expense - 2015	43,469

**MONTANA-DAKOTA UTILITIES CO.
 AVERAGE SHORT-TERM DEBT
 TWELVE MONTHS ENDING DECEMBER 31, 2014
 PRO FORMA**

	<u>Balance Outstanding</u>	<u>Annual Cost</u>	<u>Average Cost</u>
<u>2014</u>			
Average Balance 1/	\$37,099,969	\$132,954	0.358%
Amortization of Fees 2/		317,200	
Total	<u>\$37,099,969</u>	<u>\$450,154</u>	<u>1.213%</u>
 <u>Pro Form</u>			
Average Balance 1/	\$99,623,527	\$1,273,144	1.278%
Amortization of Fees 2/		351,826	
Total	<u>\$99,623,527</u>	<u>\$1,624,970</u>	<u>1.631%</u>

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