

**MONTANA-DAKOTA UTILITIES CO.
SUMMARY OF DEPRECIATION EXPENSE
GAS UTILITY - SOUTH DAKOTA
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014**

<u>Function</u>	<u>Per books</u>	<u>Pro Forma Adjustment</u>	<u>Pro Forma Expense 1/</u>
Distribution	2,635,347	123,743	2,759,090
General	309,156	15,745	324,901
General Intangible	0	30,085	30,085
Common	127,509	20,215	147,724
Common - Intangible	<u>373,163</u>	<u>33,462</u>	<u>406,625</u>
Total	<u>\$3,445,175</u>	<u>\$223,250</u>	<u>\$3,668,425</u>

1/ See Rule 20:10:13:86, Statement J, page 2.

MONTANA-DAKOTA UTILITIES CO.
AVERAGE DEPRECIATION EXPENSE
GAS UTILITY - SOUTH DAKOTA
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014
PRO FORMA ADJUSTMENT NO. 21

<u>Function</u>	<u>Per books</u>	<u>Pro Forma Expense 1/</u>	<u>Pro Forma Adjustment</u>
Distribution	\$2,635,347	\$2,759,090	\$123,743
General	309,156	324,901	15,745
General Intangible		30,085	30,085
Common	127,509	147,724	20,215
Common - Intangible	<u>373,163</u>	<u>406,625</u>	<u>33,462</u>
Total	<u>\$3,445,175</u>	<u>\$3,668,425</u>	<u>\$223,250</u>
Pro Forma Adjustment to Accumulated Reserve			<u>\$3,717,585</u>

1/ See Rule 20:10:13:86, Statement J, pages 3 - 4.

MONTANA-DAKOTA UTILITIES CO.
AVERAGE DEPRECIATION EXPENSE
GAS UTILITY - SOUTH DAKOTA
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014
PRO FORMA ADJUSTMENT NO. 21

Acct. No.	Account	Pro Forma Average Plant 1/	Depreciation Rate	Annual Depreciation	Accumulated Reserve	Clearing Accounts
<u>Distribution Plant</u>						
374.1	Land	\$76,905				
374.2	Rights of Way	127,139	1.39%	\$1,767	\$1,767	
375	Structures & Improvements	180,003	2.77%	4,986	4,986	
376	Mains	42,733,669	2.25%	961,508	961,508	
378	Meas. & Reg. Equip.-General	881,526	3.14%	27,680	27,680	
379	Meas. & Reg. Equip.-City Gate	1,281,566	3.75%	48,059	48,059	
380	Services	16,848,897	7.17%	1,208,066	1,208,066	
381	Positive Meters	14,857,686	3.10%	460,588	460,588	
383	Service Regulators	1,935,404	1.77%	34,257	34,257	
385	Ind. Meas. & Reg. Station Eqpt.	64,894	3.31%	2,148	2,148	
387.1	Cathodic Protection Equip.	283,993	3.21%	9,116	9,116	
387.2	Other Distribution Equip.	92,379	0.99%	915	915	
	Total Distribution Plant	\$79,364,061		\$2,759,090	\$2,759,090	
<u>General Plant</u>						
389	Land	\$1,236,781				
390	Structures and Improvements	6,171,872	3.46%	\$213,547	\$213,547	
391.1	Furniture and Fixtures	199,169	6.67%	13,285	13,285	
391.3	Computer Equip. - PC	122,022	20.00%	24,404	24,404	
392.1	Trans. Equip., Non-Unitized	118,065	9.67% 2/		11,417	\$11,417
392.2	Trans. Equip., Unitized	2,420,134	0.26% 2/		6,292	6,292
393	Stores Equipment	36,907	2.86%	1,056	1,056	
394.1	Tools, Shop & Gar. Eq.-Non-Un.	671,762	5.56%	37,350	37,350	
395	Laboratory Equipment	19,218	5.00%	961	961	
396.1	Work Equipment Trailers	190,213	6.02% 2/		11,451	11,451
396.2	Power Operated Equip.	2,533,713	0.23% 2/		5,828	5,828
397.1	Radio Comm. Equip.-Fixed	292,302	6.67%	19,497	19,497	
397.2	Radio Comm. Equip.-Mobile	135,062	6.67%	9,009	9,009	
397.3	General Tele. Comm. Equip.	40,389	10.00%	4,039	4,039	
397.8	Network Equipment	5,746	20.00%	1,149	1,149	
398	Miscellaneous Equipment	12,083	5.00%	604	604	
	Total General Plant	\$14,205,438		\$324,901	\$359,889	\$34,988
303	Intangible Plant - General	\$295,447		3/	\$30,085	\$30,085
<u>Common Plant</u>						
389	Land	\$82,212				
390	Structures and Improvements	1,375,913	1.46%	\$20,088	\$20,088	
391.1	Furniture and Fixtures	154,645	6.67%	10,315	10,315	
391.3	Computer Equip. - PC	176,262	20.00%	35,252	35,252	
391.5	Computer Equip. - Other	203,638	20.00%	40,728	40,728	
392.1	Trans. Equip., Non-Unitized	236	4.17% 3/		0	
392.2	Trans. Equip., Unitized	344,826	4.11% 2/		14,172	\$14,172

**MONTANA-DAKOTA UTILITIES CO.
 AVERAGE DEPRECIATION EXPENSE
 GAS UTILITY - SOUTH DAKOTA
 FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014
 PRO FORMA ADJUSTMENT NO. 21**

Acct. No.	Account	Pro Forma Average Plant 1/	Depreciation Rate	Annual Depreciation	Accumulated Reserve	Clearing Accounts
392.3	Aircraft	411,635	4.00%	16,465	16,465	
393	Stores Equipment	351	3.33%	12	12	
394.1	Tools, Shop & Gar. Equip.	9,224	5.56%	513	513	
394.3	Vehicle Maint. Equip.	5,449	5.00%	272	272	
394.4	Vehicle Refueling Equip.	1,018	5.00%	51	51	
397.1	Radio Comm. Equip.-Fixed	110,179	6.67%	7,349	7,349	
397.2	Radio Comm. Equip.-Mobile	31,625	6.67%	2,109	2,109	
397.3	General Tele. Comm. Equip.	38,205	10.00%	3,821	3,821	
397.5	Supervisory & Tele. Equip.	2,538	6.67%	169	169	
397.8	Network Equipment	25,585	20.00%	5,117	5,117	
398	Miscellaneous Equipment	109,263	5.00%	5,463	5,463	
	Total Common Plant	<u>\$3,082,804</u>		<u>\$147,724</u>	<u>\$161,896</u>	<u>\$14,172</u>
303	Intangible Plant - Common	\$6,624,092	4/	\$406,625	\$406,625	
	Total Gas Plant in Service	<u>\$103,571,842</u>		<u>\$3,668,425</u>	<u>\$3,717,585</u>	<u>\$49,160</u>

- 1/ See Rule 20:10:13:54, Statement D, pages 3 - 5.
 2/ Charged to a clearing account.
 3/ Fully amortized/depreciated.
 4/ Amortization based on the life of each item.

**MONTANA-DAKOTA UTILITIES CO.
 DEPRECIATION EXPENSE ON PLANT ADDITIONS
 GAS UTILITY - SOUTH DAKOTA
 FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014**

Acct. No.	Account	Plant Additions Amount	Annual Depreciation	
			Rate	Amount
	<u>Distribution</u>			
376	Mains	\$1,083,752	2.25%	\$24,384
378	Meas. & Reg. Equip.-General	108,975	3.14%	3,422
380	Services	854,154	7.17%	61,243
381	Positive Meters	477,068	3.10%	14,789
383	Regulators	103,463	1.77%	1,831
387.1	Cathodic Protection Equip.	39,221	3.21%	1,259
	Total Distribution	\$2,666,633		\$106,928
	<u>General</u>			
390	Structures and Improvements	44,611	3.46%	1,544
392.2	Trans. Equip., Unitized	629,188	0.26%	1,636
394.1	Tools,Shop&Gar. Eq.-Non-Un.	64,021	5.56%	3,560
396.2	Power Operated Equip.	1,277,465	0.23%	2,938
397.1	Communication Equipment	209,028	6.67%	13,942
	Total General	\$2,224,313		\$23,620
303	Intangible Plant - General	\$300,847		30,085
	<u>Common</u>			
390	Structures and Improvements	36,694	1.46%	\$536
391.1	Furniture and Fixtures	47,034	6.67%	3,137
391.3	Computer Equip. - PC	114,996	20.00%	22,999
391.5	Computer Equip. - Other	11,535	20.00%	2,307
392.2	Trans. Equip., Unitized	114,144	4.11%	4,691
394.1	Tools,Shop&Gar. Eq.-Non-Un.	917	5.56%	51
397.1	Radio Comm. Equip.-Fixed	72,342	6.67%	4,825
397.3	General Tele. Comm. Equip.	22,399	10.00%	2,240
397.8	Network Equipment	4,053	20.00%	811
398	Miscellaneous Equipment	3,089	5.00%	154
	Total Common	\$427,203		\$41,751
303	Intangible Plant - Common	\$398,660	1/	\$33,462
	Total	\$6,017,656		\$235,846

1/ Amortization based on the life of each item.

**MONTANA-DAKOTA UTILITIES CO.
DEPRECIATION AND AMORTIZATION EXPENSES**

See page 7 for Montana-Dakota's depreciation rates for gas and common plant as authorized in Docket No. NG12-008.

**MONTANA-DAKOTA UTILITIES CO.
 DEPRECIATION RATES
 GAS UTILITY - SOUTH DAKOTA
 AUTHORIZED IN DOCKET NG12-008**

Acct. No.	Account	Annual Depreciation Rate
	<u>Distribution Plant</u>	
374.2	Rights of Way	1.39%
375	Structures & Improvements	2.77%
376	Mains	2.25%
378	Meas. & Reg. Equip.-General	3.14%
379	Meas. & Reg. Equip.-City Gate	3.75%
380	Services	7.17%
381	Positive Meters	3.10%
383	Service Regulators	1.77%
385	Ind. Meas. & Reg. Station Eqpt.	3.31%
387.1	Cathodic Protection Equip.	3.21%
387.2	Other Distribution Equip.	0.99%
	<u>General Plant</u>	
390	Structures and Improvements	3.46%
391.1	Furniture and Fixtures	6.67%
391.3	Computer Equip. - PC	20.00%
392.1	Trans. Equip., Non-Unitized	9.67%
392.2	Trans. Equip., Unitized	0.26%
393	Stores Equipment	2.86%
394.1	Tools,Shop&Gar. Eq.-Non-Un.	5.56%
395	Laboratory Equipment	5.00%
396.1	Work Equipment Trailers	6.02%
396.2	Power Operated Equip.	0.23%
397.1	Radio Comm. Equip.-Fixed	6.67%
397.2	Radio Comm. Equip.-Mobile	6.67%
397.3	General Tele. Comm. Equip.	10.00%
397.8	Network Equipment	20.00%
398	Miscellaneous Equipment	5.00%
	<u>Common Plant</u>	
390	Structures and Improvements	1.46%
391.1	Furniture and Fixtures	6.67%
391.3	Computer Equip. - PC	20.00%
391.5	Computer Equip. - Other	20.00%
392.1	Trans. Equip., Non-Unitized	4.17%
392.2	Trans. Equip., Unitized	4.11%
392.3	Aircraft	4.00%
393	Stores Equipment	3.33%
394.1	Tools, Shop & Gar. Equip.	5.56%
394.3	Vehicle Maint. Equip.	5.00%
394.4	Vehicle Refueling Equip.	5.00%
397.1	Radio Comm. Equip.-Fixed	6.67%
397.2	Radio Comm. Equip.-Mobile	6.67%
397.3	General Tele. Comm. Equip.	10.00%
397.5	Supervisory & Tele. Equip.	6.67%
397.8	Network Equipment	20.00%
398	Miscellaneous Equipment	5.00%

**MONTANA-DAKOTA UTILITIES CO.
 RECONCILIATION OF DEPRECIABLE GAS PLANT
 GAS UTILITY - SOUTH DAKOTA
 TWELVE MONTHS ENDING DECEMBER 31, 2014**

	Balance @		Average Balance
	12/31/2013	12/31/2014	
<u>Depreciable Plant</u>			
Distribution	\$75,635,754	\$77,953,839	\$76,794,796
General	7,316,452	7,547,702	7,432,077
General - Amortized	148,578	145,023	146,801
Total Depreciable	<u>\$83,100,784</u>	<u>\$85,646,564</u>	<u>\$84,373,674</u>
<u>Depreciable Plant Charged to a Clearing Account</u>			
Transportation Equipment	\$2,145,196	\$2,223,605	\$2,184,401
Power Operated Equipment	2,299,847	1,894,981	2,097,414
Work Equipment	197,503	190,213	193,858
Total Charged to Clearing	<u>\$4,642,546</u>	<u>\$4,308,799</u>	<u>\$4,475,673</u>
<u>Non-Depreciable Plant</u>			
Distribution	\$76,905	\$76,905	76,905
General	1,236,277	1,236,781	1,236,529
Total Non-Depreciable	<u>\$1,313,182</u>	<u>\$1,313,686</u>	<u>\$1,313,434</u>
<u>Common Plant in Service - Gas</u>			
Depreciable	\$2,782,343	\$2,499,001	\$2,640,672
Charged to Clearing Account	253,521	287,990	270,755
Depreciable - Amortized	6,879,033	6,424,762	6,651,897
Non-Depreciable	88,511	82,212	85,362
Total Common - Gas	<u>\$10,003,408</u>	<u>\$9,293,965</u>	<u>\$9,648,686</u>
Total Gas Plant in Service	<u><u>\$99,059,920</u></u>	<u><u>\$100,563,014</u></u>	<u><u>\$99,811,467</u></u>