

2014 Technical Update



South Dakota Electric Operations

Ronald E. White, Ph.D.
 Chairman

November 24, 2014

Mr. Patrick R. Corcoran
 Vice President Government and Regulatory Affairs
 NORTHWESTERN ENERGY
 40 East Broadway Street
 Butte, MT 59701

RE: 2014 Technical Update

Dear Mr. Corcoran:

Foster Associates is pleased to submit our report of the 2014 Technical Update of depreciation rates for electric plant owned and operated by NorthWestern Energy – South Dakota Electric Operations (NorthWestern). The attached report presents the results of our update leading to a recommendation that NorthWestern record depreciation expense using primary account accrual rates that composite to 2.87 percent.

Parameters used in the update were developed in a NorthWestern 2012 Depreciation Rate Study based on December 31, 2011 plant and reserve balances. Age distributions of surviving plant at December 31, 2013 were used in the 2014 update to derive composite service life statistics and theoretical depreciation reserves. Plant balances and recorded depreciation reserves at December 31, 2013 were used in the computation of 2014 depreciation rates and annualized depreciation accruals.

Table 1 below provides a summary of the changes in annual rates and accruals resulting from an application of the parameters estimated in the 2012 study and depreciation rates developed in the 2014 update.

Function	Accrual Rate			2014 Annualized Accrual		
	2012 Study	Update	Difference	2012 Study	Update	Difference
A	B	C	D=C-B	E	F	G=F-E
Steam Production	1.29%	1.55%	0.26%	\$ 2,120,946	\$ 2,556,116	\$ 435,170
Other Production	1.79%	2.39%	0.60%	1,376,360	1,842,654	466,294
Transmission	3.22%	3.22%		4,099,015	4,096,233	(2,782)
Distribution	3.71%	3.69%	-0.02%	7,213,627	7,173,944	(39,683)
General Plant	6.63%	6.24%	-0.39%	965,227	908,642	(56,585)
Total	2.73%	2.87%	0.14%	\$ 15,775,175	\$ 16,577,589	\$ 802,414

Table 1. 2012 Study vs 2014 Update

A continued application of rates developed in the 2012 study would provide annual depreciation expense of \$15,775,175 compared with an annual expense of \$16,577,589 using the rates developed in the 2014 update. The 2014 expense increase is \$802,414. The computed change in annualized accruals includes a reduction of \$837,383 attributable to an amortization of a \$27,426,820 reserve imbalance.

Mr. Patrick R. Corcoran
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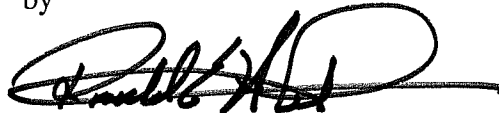
The scope of the update included:

- Collection of plant and reserve data;
- Calculation of service life statistics;
- Computation of average net salvage rates; and
- Development of accrual rates.

The results of our update are presented in the attached report in three sections. The Executive Summary provides an overview of the update and a discussion of the principal findings. The Procedure section describes the steps involved in conducting a technical update and the specific procedures used in this engagement. The report concludes with a Statements section containing a comparative summary of depreciation rates, annualized depreciation accruals, recorded and computed depreciation reserves, and current and updated service life and net salvage statistics.

We wish to express our appreciation for this opportunity to again be of service to you and for the assistance provided to us. Our work could not have been completed without the able assistance of Ms. Kristi Wallman. We would be pleased to discuss the study with you or others at your convenience.

Respectfully submitted,
FOSTER ASSOCIATES, INC.
by

A handwritten signature in black ink, appearing to read 'Ronald E. White', with a long horizontal flourish extending to the right.

Ronald E. White, Ph.D.
Chairman

REW:ml

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EXECUTIVE SUMMARY

INTRODUCTION

This report presents the findings and recommendations developed in a 2014 Technical Update of depreciation rates for utility plant owned and operated by NorthWestern Energy – South Dakota Electric Operations (Company or NorthWestern). The 2014 update was undertaken to provide more current depreciation rates than those developed in a 2012 NorthWestern depreciation rate study.

The purpose of a technical update is to adjust depreciation rates for changes in the variables associated with a remaining life accrual rate. Variables for an account include the age distribution of surviving plant, the recorded depreciation reserve and the average net salvage rate used in the calculation of a theoretical reserve. A technical update retains parameters developed and/or approved in the most recent full depreciation study and adjusts depreciation rates for subsequent changes in plant, reserves and realized net salvage activity.

Parameters for an account include the projection curve, projection life and future net salvage rate. Parameters used in the update were developed in the NorthWestern 2012 Depreciation Rate Study based on December 31, 2011 plant and reserve balances.¹ Age distributions of surviving plant at December 31, 2013 were used in the 2014 update to derive composite service life statistics and theoretical depreciation reserves. Plant balances and recorded depreciation reserves at December 31, 2013 were used in the computation of 2014 depreciation rates and annualized depreciation accruals.

The principal findings from the update are summarized in the Statements section of this report. Statement A provides a comparative summary of annual depreciation rates developed in the 2012 study and corresponding rates developed in the 2014 update. Statement B provides a comparison of annualized 2014 depreciation accruals resulting from an application of the accrual rates contained in Statement A. Statement C provides a comparison of computed, recorded and redistributed depreciation reserves at December 31, 2013 for each rate category. Statement D provides the investment and net salvage components of the redistributed reserves. Statement E provides a summary of the components used to obtain a weighted-average net salvage rate for each plant account. Statement F provides the computation of estimated future net salvage rates for life-span categories. Statement G provides a comparative summary of current and proposed parameters including projection life, projection curve and future net salvage rates. Statement G also contains current and proposed statistics including average service life, average remaining life, and average net salvage rates.

¹ Depreciation rates currently used by NorthWestern for electric and common plant were developed in the 2012 study and implemented during the second quarter of 2013. The 2012 study was provided to the Commission on July 7, 2013 with notification of implementation provided in Info EL03.

SCOPE OF UPDATE

Unlike a full depreciation study in which service life and net salvage parameters are estimated from a blending of quantitative analyses and informed judgment, the current study retains, for the most part, parameters estimated in the 2012 Depreciation Study and updates depreciation rates for changes in the variables.

The principal activities undertaken in preparing the 2014 update included:

- Collection of plant and net salvage data;
- Reconciliation of data to the official records of the Company;
- Computation of average net salvage rates; and
- Development of accrual rates for each rate category.

DEPRECIATION SYSTEM

A depreciation rate is formed by combining the elements of a depreciation system. A depreciation system is composed of a method, a procedure and a technique. A depreciation method (*e.g.*, straight-line) describes the component of the system that determines the acceleration or deceleration of depreciation accruals in relation to either time or use. A depreciation procedure (*e.g.*, vintage group) identifies the level of grouping or sub-grouping of assets within a plant category. The level of grouping specifies the weighting used to obtain composite life statistics for an account. A depreciation technique (*e.g.*, remaining-life) describes the life statistic used in the system.

With the exception of certain general plant categories for which amortization accounting has been approved, NorthWestern is using a depreciation system composed of the straight-line method, vintage group procedure, remaining-life technique. Amortization accounting is used for general plant categories in which the unit cost of plant items is small in relation to the number of units classified in an account or the disposition of property units is difficult to identify. Plant is retired (*i.e.*, credited to plant and charged to the reserve) as each vintage achieves an age equal to the amortization period. Any realized net salvage for amortizable accounts is netted against current-year vintage additions.

The matching and expense recognition principles of accounting provide that the cost of an asset (or group of assets) should be allocated to operations over an estimate of the economic life of the asset in proportion to the consumption of service potential. It is the opinion of Foster Associates that the objectives of depreciation accounting are being achieved using the currently approved vintage-group procedure, which distinguishes service lives among vintages, and the remaining-life technique, which provides cost apportionment over the estimated weighted-average remaining life of a rate category. It is also the opinion of Foster Associates that amortization accounting remains appropriate for the approved amortization categories.

DEPRECIATION RATES

Table 1 below provides a summary of the changes in annual rates and accruals resulting from an application of the parameters estimated in the 2012 study and depreciation rates developed in the 2014 update.

Function	Accrual Rate			2014 Annualized Accrual		
	2012 Study	Update	Difference	2012 Study	Update	Difference
A	B	C	D=C-B	E	F	G=F-E
Steam Production	1.29%	1.55%	0.26%	\$ 2,120,946	\$ 2,556,116	\$ 435,170
Other Production	1.79%	2.39%	0.60%	1,376,360	1,842,654	466,294
Transmission	3.22%	3.22%		4,099,015	4,096,233	(2,782)
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General Plant	6.63%	6.24%	-0.39%	965,227	908,642	(56,585)
Total	2.73%	2.87%	0.14%	\$ 15,775,175	\$ 16,577,589	\$ 802,414

Table 1. 2012 Study vs 2014 Update

The 2014 update produces primary account depreciation rates equivalent to a composite rate of 2.87 percent. The 2012 study produces accrual rates that composite to 2.73 percent. The change in the composite depreciation rate is, therefore, an increase of 0.14 percentage points.

An application of rates developed in the 2012 study would provide annualized depreciation expense of \$15,775,175 compared with an annualized expense of \$16,577,589 using the rates developed in the 2014 update. The 2014 expense increase is \$802,414. The computed change in annualized accruals includes a reduction of \$837,383 attributable to an amortization of a \$27,426,820 reserve imbalance.

TECHNICAL UPDATE PROCEDURE

INTRODUCTION

Unlike a full depreciation study in which projection curves, projection lives and future net salvage rates are estimated from a statistical analysis of recorded retirements and net salvage realized in the past, a technical update generally retains the parameters developed and/or approved in the most recent full depreciation study and adjusts depreciation rates for known and measurable changes in the age distributions of surviving plant, depreciation reserves, and average net salvage rates due to the passage of time. A technical update, therefore, is intended to align depreciation rates with the accounting year the rates will become effective.

The NorthWestern update was expanded from a conventional technical update to align parameters for steam production plants with parameters used by the operator of co-owned facilities. The following adjustments are included in the 2014 update:

1. Extended the estimated year of final retirement for the Big Stone plant to 2046 from 2027 as approved by the Minnesota Public Utilities Commission for Otter Tail Power Company.
2. Extended the estimated year of final retirement for the Coyote plant to 2041 from 2032 as approved by the Minnesota Public Utilities Commission for Otter Tail Power Company.
3. Updated future net salvage rates for Big Stone and Coyote to incorporate terminal dismantlement costs estimated in a 2013 demolition study commissioned by Otter Tail Power Company and approved by the Minnesota Public Utilities Commission.
4. Adjusted final net salvage rates for the Neal plant to correspond with future net salvage rates adopted by MidAmerican Energy Company.

SCOPE

The steps involved in preparing a technical update can be grouped into four principal activities:

- Data collection;
- Calculation of service life statistics;
- Computation of average net salvage rates; and
- Development of accrual rates.

The scope of the 2014 update for NorthWestern included a consideration of each of these tasks as described below.

DATA COLLECTION

The database used in the 2014 update was assembled by appending 2012 and 2013 plant and reserve activity to the data base used in conducting the 2012 study. Detailed accounting entries were assigned transaction codes to identify the nature

of the accounting activity. Transaction codes for plant additions, for example, were used to distinguish normal additions from acquisitions, purchases, reimbursements and adjustments. Similar transaction codes were used to distinguish normal retirements from sales, reimbursements, abnormal retirements and adjustments. Transaction codes are also assigned to transfers, gross salvage, cost of removal and other accounting activity reflected in a depreciation study or technical update.

Age distributions at December 31, 2013 were derived by Foster Associates in a forward-flow calculation in which accounting activity was appended to the database used in the 2012 study. The accuracy and completeness of the assembled data base was validated for activity year 2012 and 2013 by comparing the beginning plant balance, additions, retirements, transfers and adjustments, and the ending plant balance derived for each rate category to the official plant records of the Company. Derived age distributions at December 31, 2013 were also reconciled to the continuing property records of NorthWestern. Annual plant activity prior to 2012 was reconciled in the 2012 depreciation rate study.

CALCULATION OF SERVICE LIFE STATISTICS

Composite remaining life and average service life statistics used in the calculation of depreciation rates for a plant category are derived from a tabular arrangement of the age distribution of surviving plant and related statistics. The format of such a table is called a *generation arrangement*.

The age distribution of surviving plant is a column of values showing the dollar amount of investment remaining in service at the beginning of a study year from each of the vintages installed in prior years. The sum of an age distribution is the total plant in service for a plant category. The source of data used to construct an age distribution is a company's Continuing Property Record (CPR) system.

The statistics for each vintage (*i.e.*, average service life and remaining life) contained in a generation arrangement are derived from a mathematical function called a *survivor curve*. The survivor curve most descriptive of the forces of retirement acting upon a plant category is identified from a statistical analysis of past retirement experience tempered with a consideration of how these forces may change in the future. The collection of past retirements used in a statistical analysis can be viewed as a random sample from an unknown parent population. The objective of a life analysis is to estimate the parameters (*i.e.*, mean service life and dispersion characteristics) of the parent population. The mean service life of the population that best describes the timing of past and future retirements is called a *projection life* and the survivor curve selected to describe the forces of retirement acting upon the population is called a *projection curve*. A technical update generally retains the service life parameters estimated in a full depreciation study. The statistics for each vintage, however, are updated to reflect known and measurable

changes in the age distributions of surviving plant.

COMPUTATION OF AVERAGE NET SALVAGE RATES

Estimates of the net salvage rates applicable to future retirements are derived in a full depreciation study from an analysis of gross salvage and cost of removal realized in the past combined with a consideration of future expectations that may dictate a departure from historical indications. Future net salvage rates derived from such an analysis are retained as fixed parameters in a technical update.

The average net salvage rate for an account or plant function is derived from a direct dollar weighting of a) historical retirements with historical (or realized) net salvage rates and b) future retirements (*i.e.*, surviving plant) with the estimated future net salvage rate. Average net salvage rates will change as additional years of retirement and net salvage activity become available and as subsequent plant additions alter the weighting of future net salvage estimates.

The difference between the sum of all plant additions and the current plant balance provides an estimate of historical retirements for a plant category. Average net salvage rates derived in the 2014 update are shown in Statement E.

DEVELOPMENT OF ACCRUAL RATES

The goal or objective of depreciation accounting is cost allocation over the economic life of an asset in proportion to the consumption of service potential. Ideally, the cost of an asset—which represents the cost of obtaining a bundle of service units—should be allocated to future periods of operation in proportion to the amount of service potential expended during an accounting interval. The service potential of an asset is the present value of future net revenue (*i.e.*, revenue less expenses exclusive of depreciation and other non-cash expenses) or cash inflows attributable to the use of that asset alone.

With the exception of certain general plant categories for which amortization accounting has been approved, depreciation rates were developed in the 2012 study using a system composed of the straight-line method, vintage-group procedure, remaining-life technique. The depreciation system recommended and approved in the 2012 study was retained in the 2014 update.

The treatment of amortization accounts in the update was designed to produce 2014 annualized accruals equivalent to applying a rate equal to the reciprocal of an amortization period to plant balances after retirements have been recorded. Accrual rates contained in Statement A have been applied to plant balances containing vintages that will be retired in 2014. Accrual rates equal to the reciprocal of the amortization period will be applied to these categories after plant balances have been reduced by all vintages that have achieved an age equal to the amortization period.

STATEMENTS

INTRODUCTION

This section provides a comparative summary of depreciation rates, annual depreciation accruals, recorded and computed depreciation reserves, and current and proposed service life and net salvage parameters recommended for NorthWestern. The content of these statements is briefly described below.

- Statement A provides a comparative summary of current and updated annual depreciation rates using the vintage group procedure, remaining-life technique.
- Statement B provides a comparison of current and updated annualized 2014 depreciation accruals derived from an application of the depreciation rates contained in Statement A.
- Statement C provides a comparison of recorded, computed and redistributed reserves for each rate category at December 31, 2013.
- Statement D provides a summary of the investment and net salvage components of rebalanced reserves.
- Statement E provides a summary of the components used to obtain weighted average net salvage rates.
- Statement F provides a computation of the estimated future net salvage rate for steam and other production facilities.
- Statement G provides a comparative summary of current and proposed parameters and statistics including projection life, projection curve, average service life, average remaining life, and average and future net salvage rates.

The formulation of remaining-life accrual rates (Statement A) is given by:

$$\text{Accrual Rate} = \frac{1.0 - \text{Reserve Ratio} - \text{Future Net Salvage Rate}}{\text{Remaining Life}}$$

This formulation of the accrual rate is equivalent to

$$\text{Accrual Rate} = \frac{1.0 - \text{Average Net Salvage}}{\text{Average Life}} + \frac{\text{Computed Reserve} - \text{Recorded Reserve}}{\text{Remaining Life}}$$

where Average Net Salvage, Computed Reserve and Recorded Reserve are expressed in percent.

NORTHWESTERN ENERGY - SD ELECTRIC

Statement A

Component Accrual Rates

Current: VG Procedure / RL Technique

Proposed: VG Procedure / RL Technique

Account Description A	Current (at 12/31/2013)			Proposed (at 12/31/2013)		
	Investment B	Net Salvage C	Total D=B+C	Investment E	Net Salvage F	Total G=E+F
STEAM PRODUCTION						
311.00 Structures and Improvements	0.94%	0.08%	1.01%	0.69%	0.06%	0.75%
312.00 Boiler Plant Equipment	1.10%	0.07%	1.17%	1.67%	0.12%	1.79%
314.00 Turbogenerator Units	1.88%	0.17%	2.05%	1.42%	0.11%	1.53%
315.00 Accessory Electric Equipment	1.06%	0.06%	1.13%	1.05%	0.09%	1.14%
316.00 Miscellaneous Power Plant Equipment	1.98%	0.09%	2.06%	1.29%	0.02%	1.31%
Total Steam Production Plant	1.20%	0.09%	1.29%	1.45%	0.11%	1.55%
OTHER PRODUCTION						
341.00 Structures and Improvements	0.93%	0.13%	1.06%	1.96%	0.11%	2.07%
342.00 Fuel Holders and Accessories	1.83%	0.10%	1.93%	2.13%	0.11%	2.24%
343.00 Prime Movers	1.57%	0.35%	1.92%	2.01%	0.40%	2.41%
344.00 Generators	1.57%	0.35%	1.92%	2.21%	0.45%	2.66%
345.00 Accessory Electric Equipment	1.61%	0.08%	1.69%	2.48%	0.12%	2.60%
346.00 Miscellaneous Power Plant Equipment	1.62%	0.30%	1.92%	3.25%	0.21%	3.46%
Total Other Production Plant	1.50%	0.29%	1.79%	2.06%	0.33%	2.39%
TRANSMISSION PLANT						
352.00 Structures and Improvements	1.87%	0.19%	2.06%	1.84%	0.19%	2.03%
353.00 Station Equipment	2.32%	0.21%	2.53%	2.31%	0.22%	2.53%
355.00 Poles and Fixtures	2.11%	2.52%	4.63%	2.12%	2.53%	4.65%
356.00 Overhead Conductors and Devices	2.15%	0.70%	2.85%	2.13%	0.68%	2.81%
357.00 Underground Conduit	2.07%		2.07%	2.08%		2.08%
358.00 Underground Conductors and Devices	2.93%	0.29%	3.22%	2.96%	0.30%	3.26%
Total Transmission Plant	2.22%	1.00%	3.22%	2.22%	1.00%	3.22%
DISTRIBUTION PLANT						
361.00 Structures and Improvements	2.28%	0.12%	2.40%	2.28%	0.11%	2.39%
362.00 Station Equipment	2.38%	0.23%	2.61%	2.36%	0.24%	2.60%
364.00 Poles, Towers and Fixtures	3.03%	2.42%	5.45%	2.99%	2.40%	5.39%
365.00 Overhead Conductors and Devices	2.96%	0.93%	3.89%	2.93%	0.93%	3.86%
366.00 Underground Conduit	2.53%	0.25%	2.78%	2.54%	0.25%	2.79%
367.00 Underground Conductors and Devices	3.08%	0.29%	3.37%	3.05%	0.30%	3.35%
368.00 Line Transformers	2.08%	0.14%	2.22%	2.08%	0.12%	2.20%
369.00 Services	3.11%	1.59%	4.70%	3.12%	1.60%	4.72%
370.00 Meters	4.75%	0.23%	4.98%	4.73%	0.24%	4.97%
371.00 Installations on Customers' Premises	6.92%	0.43%	7.35%	6.98%	0.48%	7.46%
373.10 Street Lighting and Signal Systems	3.43%	1.98%	5.41%	3.42%	1.99%	5.41%
Total Distribution Plant	2.85%	0.87%	3.71%	2.83%	0.87%	3.69%
GENERAL PLANT						
Depreciable (VG Procedure)						
390.10 Structures and Improvements	2.82%	-0.33%	2.49%	2.41%	-0.37%	2.04%
392.20 Transportation Equipment - Hourly/Trailers	6.08%	-0.02%	6.06%	5.98%	-0.04%	5.94%
392.40 Transportation Equipment - Hourly Trucks	6.08%	-0.02%	6.06%	5.61%		5.61%
392.50 Transportation Equipment - Light Trucks	12.38%	-0.19%	12.19%	10.24%	-0.21%	10.03%
396.00 Power Operated Equipment	5.30%	0.25%	5.55%	4.40%	0.19%	4.59%
397.20 Communication Equipment	7.00%	0.01%	7.01%	7.27%	0.02%	7.29%
Total Depreciable	6.45%	-0.06%	6.39%	6.02%	-0.08%	5.95%
Amortizable						
393.00 Stores Equipment	3.12%		3.12%	3.12%		3.12%
394.00 Tools, Shop and Garage Equipment	6.67%		6.67%	6.67%		6.67%
397.00 Communication Equipment - 10 Year	10.00%		10.00%	10.00%		10.00%
Total Amortizable	8.11%		8.11%	8.12%		8.11%
Total General Plant	6.68%	-0.05%	6.63%	6.30%	-0.07%	6.24%
TOTAL UTILITY	2.16%	0.57%	2.73%	2.29%	0.58%	2.87%

NORTHWESTERN ENERGY - SD ELECTRIC

Statement A

Component Accrual Rates

Current: VG Procedure / RL Technique

Proposed: VG Procedure / RL Technique

Account Description A	Current (at 12/31/2013)			Proposed (at 12/31/2013)		
	Investment B	Net Salvage C	Total D=B+C	Investment E	Net Salvage F	Total G=E+F
STEAM PRODUCTION						
<u>Big Stone</u>						
311.00 Structures and Improvements	1.35%	0.14%	1.49%	0.57%	0.06%	0.63%
312.00 Boiler Plant Equipment	2.03%	0.17%	2.20%	1.22%	0.06%	1.28%
314.00 Turbogenerator Units	2.65%	0.27%	2.92%	1.28%	0.12%	1.40%
315.00 Accessory Electric Equipment	1.37%	0.12%	1.49%	0.85%	0.09%	0.94%
316.00 Miscellaneous Power Plant Equipment	2.12%	0.14%	2.26%	1.08%	0.03%	1.11%
Total Big Stone	2.01%	0.18%	2.19%	1.10%	0.07%	1.18%
<u>Coyote</u>						
311.00 Structures and Improvements	0.81%	0.04%	0.85%	0.86%	0.06%	0.92%
312.00 Boiler Plant Equipment	1.08%	0.06%	1.14%	0.98%	0.07%	1.05%
314.00 Turbogenerator Units	1.86%	0.13%	1.99%	1.55%	0.06%	1.61%
315.00 Accessory Electric Equipment	1.49%	0.06%	1.55%	1.20%	0.09%	1.29%
316.00 Miscellaneous Power Plant Equipment	1.91%	0.01%	1.92%	1.72%	-0.01%	1.71%
Total Coyote	1.17%	0.07%	1.24%	1.06%	0.07%	1.13%
<u>Neal</u>						
311.00 Structures and Improvements	0.26%	0.01%	0.27%	0.58%	0.05%	0.63%
312.00 Boiler Plant Equipment	0.39%	0.01%	0.40%	2.43%	0.20%	2.63%
314.00 Turbogenerator Units	0.23%		0.23%	1.58%	0.14%	1.72%
315.00 Accessory Electric Equipment	0.43%	0.01%	0.44%	1.13%	0.10%	1.23%
316.00 Miscellaneous Power Plant Equipment	1.26%	-0.01%	1.25%	1.36%	0.07%	1.43%
Total Neal	0.37%	0.01%	0.38%	2.12%	0.18%	2.30%

NORTHWESTERN ENERGY - SD ELECTRIC

Statement B

Component Accruals

Current: VG Procedure / RL Technique

Proposed: VG Procedure / RL Technique

Account Description A	12/31/13		Current 2014 Annualized Accrual			Proposed 2014 Annualized Accrual			Difference I=H-E
	Investment B		Investment C	Net Salvage D	Total E=C+D	Investment F	Net Salvage G	Total H=F+G	
STEAM PRODUCTION									
311.00 Structures and Improvements	\$ 23,277,242		\$ 217,819	\$ 17,705	\$ 235,524	\$ 160,658	\$ 13,553	\$ 174,211	\$ (61,313)
312.00 Boiler Plant Equipment	103,501,492		1,136,773	77,315	1,214,088	1,726,522	125,706	1,852,228	638,140
314.00 Turbogenerator Units	24,871,248		466,519	42,312	508,831	353,358	27,132	380,490	(128,341)
315.00 Accessory Electric Equipment	10,886,445		115,939	6,992	122,931	113,816	10,189	124,005	1,074
316.00 Miscellaneous Power Plant Equipment	1,917,988		37,883	1,689	39,572	24,750	432	25,182	(14,390)
Total Steam Production Plant	\$ 164,454,415		\$ 1,974,933	\$ 146,013	\$ 2,120,946	\$ 2,379,104	\$ 177,012	\$ 2,556,116	\$ 435,170
OTHER PRODUCTION									
341.00 Structures and Improvements	\$ 10,954,524		\$ 101,877	\$ 14,241	\$ 116,118	\$ 214,709	\$ 12,050	\$ 226,759	\$ 110,641
342.00 Fuel Holders and Accessories	5,234,593		95,793	5,235	101,028	111,497	5,758	117,255	16,227
343.00 Prime Movers	48,439,890		760,506	169,540	930,046	973,642	193,760	1,167,402	237,356
344.00 Generators	8,290,033		130,154	29,015	159,169	183,210	37,305	220,515	61,346
345.00 Accessory Electric Equipment	3,461,141		55,724	2,769	58,493	85,836	4,153	89,989	31,496
346.00 Miscellaneous Power Plant Equipment	599,251		9,708	1,798	11,506	19,476	1,258	20,734	9,228
Total Other Production Plant	\$ 76,979,432		\$ 1,153,762	\$ 222,598	\$ 1,376,360	\$ 1,588,370	\$ 254,284	\$ 1,842,654	\$ 466,294
TRANSMISSION PLANT									
352.00 Structures and Improvements	\$ 3,222,630		\$ 60,263	\$ 6,123	\$ 66,386	\$ 59,296	\$ 6,123	\$ 65,419	\$ (967)
353.00 Station Equipment	57,626,648		1,336,938	121,016	1,457,954	1,331,176	126,779	1,457,955	1
355.00 Poles and Fixtures	37,793,627		797,446	952,399	1,749,845	801,225	956,179	1,757,404	7,559
356.00 Overhead Conductors and Devices	25,933,061		557,561	181,531	739,092	552,374	176,345	728,719	(10,373)
357.00 Underground Conduit	425,140		8,800		8,800	8,843		8,843	43
358.00 Underground Conductors and Devices	2,389,365		70,008	6,929	76,938	70,725	7,168	77,893	955
Total Transmission Plant	\$ 127,390,471		\$ 2,831,016	\$ 1,267,998	\$ 4,099,015	\$ 2,823,639	\$ 1,272,594	\$ 4,096,233	\$ (2,782)
DISTRIBUTION PLANT									
361.00 Structures and Improvements	\$ 733,543		\$ 16,725	\$ 880	\$ 17,605	\$ 16,725	\$ 807	\$ 17,532	\$ (73)
362.00 Station Equipment	28,745,792		684,150	66,115	750,265	678,401	68,990	747,391	(2,874)
364.00 Poles, Towers and Fixtures	34,201,017		1,036,291	827,665	1,863,955	1,022,610	820,824	1,843,434	(20,521)
365.00 Overhead Conductors and Devices	19,766,480		585,088	183,828	768,916	579,158	183,828	762,986	(5,930)
366.00 Underground Conduit	8,655,682		218,989	21,639	240,628	219,854	21,639	241,493	865
367.00 Underground Conductors and Devices	36,364,046		1,120,013	105,456	1,225,468	1,109,103	109,092	1,218,195	(7,273)
368.00 Line Transformers	33,035,337		687,135	46,249	733,384	687,135	39,642	726,777	(6,607)
369.00 Services	17,146,379		533,252	272,627	805,880	534,967	274,342	809,309	3,429
370.00 Meters	8,152,201		387,230	18,750	405,980	385,599	19,565	405,164	(816)
371.00 Installations on Customers' Premises	104,722		7,247	450	7,697	7,310	503	7,813	116
373.10 Street Lighting and Signal Systems	7,280,026		249,705	144,145	393,849	248,977	144,873	393,850	1
Total Distribution Plant	\$ 194,185,225		\$ 5,525,825	\$ 1,687,804	\$ 7,213,627	\$ 5,489,839	\$ 1,684,105	\$ 7,173,944	\$ (39,683)

NORTHWESTERN ENERGY - SD ELECTRIC

Statement B

Component Accruals

Current: VG Procedure / RL Technique

Proposed: VG Procedure / RL Technique

Account Description	12/31/13		Current 2014 Annualized Accrual		Proposed 2014 Annualized Accrual		Difference							
	Investment	B	Investment	C	Investment	F		Total	H=F+G	I=H-E				
			Net Salvage	D	Total	E=C+D	Net Salvage	G	Total	H=F+G	Difference			
GENERAL PLANT														
Depreciable (VG Procedure)														
390.10 Structures and Improvements	\$ 1,416,090	\$	\$ 39,934	\$	\$ 35,261	\$	\$ (4,673)	\$	\$ 34,128	\$	\$ (5,240)	\$ 28,888	\$	(6,373)
392.20 Transportation Equipment - Hourly/Trailers	7,021,352		426,898		425,494		(1,404)		419,877		(2,809)	417,068		(8,426)
392.40 Transportation Equipment - Hourly Trucks	1,350,298		82,098		81,828		(270)		75,752			75,752		(6,076)
392.50 Transportation Equipment - Light Trucks	1,455,703		180,216		177,450		(2,766)		149,064		(3,057)	146,007		(31,443)
396.00 Power Operated Equipment	651,237		34,516		36,144		1,628		28,654		1,237	29,891		(6,253)
397.20 Communication Equipment	709,163		49,641		49,712		71		51,556		142	51,698		1,986
Total Depreciable	\$ 12,603,843	\$	\$ 813,303	\$	\$ 805,889	\$	\$ (7,414)	\$	\$ 759,031	\$	\$ (9,727)	\$ 749,304	\$	\$ (56,585)
Amortizable														
393.00 Stores Equipment	\$ 13,035	\$	406	\$	406	\$	-	\$	406	\$	-	406	\$	-
394.00 Tools, Shop and Garage Equipment	1,085,305		72,354		72,354				72,354			72,354		
397.00 Communication Equipment - 10 Year	865,784		86,578		86,578				86,578			86,578		
Total Amortizable	\$ 1,964,124	\$	\$ 159,338	\$	\$ 159,338	\$	\$ -	\$	\$ 159,338	\$	\$ -	\$ 159,338	\$	\$ -
Total General Plant	\$ 14,567,967	\$	\$ 972,641	\$	\$ 965,227	\$	\$ (7,414)	\$	\$ 918,369	\$	\$ (9,727)	\$ 908,642	\$	\$ (56,585)
TOTAL UTILITY	\$ 577,577,510	\$	\$ 12,458,177	\$	\$ 15,775,175	\$	\$ 3,316,999	\$	\$ 13,199,321	\$	\$ 3,378,268	\$ 16,577,589	\$	\$ 802,414
STEAM PRODUCTION														
Big Stone														
311.00 Structures and Improvements	\$ 9,635,053	\$	\$ 130,073	\$	\$ 143,562	\$	\$ 13,489	\$	\$ 54,920	\$	\$ 5,781	\$ 60,701	\$	\$ (82,861)
312.00 Boiler Plant Equipment	33,627,823		682,645		739,812		57,167		410,259		20,177	430,436		(309,376)
314.00 Turbogenerator Units	12,555,669		332,725		366,625		33,900		160,713		15,067	175,780		(190,845)
315.00 Accessory Electric Equipment	4,024,088		55,130		59,959		4,829		34,205		3,622	37,827		(22,132)
316.00 Miscellaneous Power Plant Equipment	1,180,887		25,055		26,688		1,653		12,754		354	13,108		(13,580)
Total Big Stone	\$ 61,023,520	\$	\$ 1,225,608	\$	\$ 1,336,646	\$	\$ 111,038	\$	\$ 672,851	\$	\$ 45,001	\$ 717,852	\$	\$ (618,794)
Coyote														
311.00 Structures and Improvements	\$ 9,504,656	\$	\$ 76,988	\$	\$ 80,790	\$	\$ 3,802	\$	\$ 81,740	\$	\$ 5,703	\$ 87,443	\$	\$ 6,653
312.00 Boiler Plant Equipment	26,321,864		284,276		300,069		15,793		257,954		18,425	276,379		(23,690)
314.00 Turbogenerator Units	6,470,409		120,350		128,762		8,412		100,291		3,882	104,173		(24,589)
315.00 Accessory Electric Equipment	2,952,864		43,998		45,770		1,772		35,434		2,658	38,092		(7,678)
316.00 Miscellaneous Power Plant Equipment	547,728		10,462		10,517		55		9,421		(95)	9,366		(1,151)
Total Coyote	\$ 45,797,521	\$	\$ 536,074	\$	\$ 565,908	\$	\$ 29,834	\$	\$ 484,840	\$	\$ 30,613	\$ 515,453	\$	\$ (50,455)

NORTHWESTERN ENERGY - SD ELECTRIC

Depreciation Reserve Summary
Vintage Group Procedure
December 31, 2013

Statement C

Account Description	Plant Investment		Recorded Reserve		Computed Reserve		Redistributed Reserve	
	A	B	C	D=C/B	E	F=E/B	G	H=G/B
STEAM PRODUCTION								
311.00 Structures and Improvements	\$ 23,277,242		\$ 20,417,731	87.72%	\$ 12,390,069	53.23%	\$ 20,721,800	89.02%
312.00 Boiler Plant Equipment	103,501,492		63,951,588	61.79%	37,770,555	36.49%	63,475,387	61.33%
314.00 Turbogenerator Units	24,871,248		16,394,985	65.92%	9,789,726	39.36%	16,623,742	66.84%
315.00 Accessory Electric Equipment	10,886,445		8,553,840	78.57%	5,037,395	46.27%	8,538,016	78.43%
316.00 Miscellaneous Power Plant Equipment	1,917,988		1,438,766	75.01%	820,771	42.79%	1,397,966	72.89%
Total Steam Production Plant	\$164,454,415		\$110,756,910	67.35%	\$ 65,808,516	40.02%	\$110,756,910	67.35%
OTHER PRODUCTION								
341.00 Structures and Improvements	\$ 10,954,524		\$ 953,967	8.71%	\$ 514,893	4.70%	\$ 678,931	6.20%
342.00 Fuel Holders and Accessories	5,234,593		789,302	15.08%	597,850	11.42%	788,316	15.06%
343.00 Prime Movers	48,439,890		16,361,932	33.78%	12,698,487	26.21%	16,744,045	34.57%
344.00 Generators	8,290,033		79,378	0.96%	108,323	1.31%	142,833	1.72%
345.00 Accessory Electric Equipment	3,461,141		779,451	22.52%	499,080	14.42%	658,079	19.01%
346.00 Miscellaneous Power Plant Equipment	599,251		81,097	13.53%	24,967	4.17%	32,921	5.49%
Total Other Production Plant	\$ 76,979,432		\$ 19,045,126	24.74%	\$ 14,443,600	18.76%	\$ 19,045,126	24.74%
TRANSMISSION PLANT								
352.00 Structures and Improvements	\$ 3,222,630		\$ 833,528	25.86%	\$ 949,213	29.45%	\$ 827,936	25.69%
353.00 Station Equipment	57,626,648		17,406,745	30.21%	18,871,696	32.75%	16,460,532	28.56%
355.00 Poles and Fixtures	37,793,627		24,196,957	64.02%	28,862,701	76.37%	25,175,025	66.61%
356.00 Overhead Conductors and Devices	25,933,061		9,617,096	37.08%	11,298,848	43.57%	9,855,238	38.00%
357.00 Underground Conduit	425,140		107,556	25.30%	101,796	23.94%	88,790	20.88%
358.00 Underground Conductors and Devices	2,389,365		767,170	32.11%	597,926	25.02%	521,531	21.83%
Total Transmission Plant	\$127,390,471		\$ 52,929,051	41.55%	\$ 60,682,180	47.63%	\$ 52,929,051	41.55%
DISTRIBUTION PLANT								
361.00 Structures and Improvements	\$ 733,543		\$ 87,882	11.98%	\$ 114,994	15.68%	\$ 97,865	13.34%
362.00 Station Equipment	28,745,792		9,200,865	32.01%	10,917,930	37.98%	9,291,661	32.32%
364.00 Poles, Towers and Fixtures	34,201,017		23,566,091	68.90%	26,985,547	78.90%	22,965,943	67.15%
365.00 Overhead Conductors and Devices	19,766,480		10,029,055	50.74%	11,738,476	59.39%	9,989,984	50.54%
366.00 Underground Conduit	8,655,682		2,430,679	28.08%	2,930,313	33.85%	2,493,831	28.81%
367.00 Underground Conductors and Devices	36,364,046		10,948,501	30.11%	13,002,572	35.76%	11,065,787	30.43%
368.00 Line Transformers	33,035,337		6,138,801	18.58%	7,600,045	23.01%	6,467,988	19.58%

NORTHWESTERN ENERGY - SD ELECTRIC

Depreciation Reserve Summary
Vintage Group Procedure
December 31, 2013

Statement C

Account Description	Plant Investment		Recorded Reserve		Computed Reserve		Redistributed Reserve	
	A	B	C	D=C/B	E	F=E/B	G	H=G/B
369.00 Services		17,146,379	8,403,571	49.01%	9,961,919	58.10%	8,478,052	49.45%
370.00 Meters		8,152,201	1,896,350	23.26%	2,200,324	26.99%	1,872,577	22.97%
371.00 Installations on Customers' Premises		104,722	(2,484)	-2.37%	11,647	11.12%	9,912	9.47%
373.10 Street Lighting and Signal Systems		7,280,026	4,424,060	60.77%	5,158,088	70.85%	4,389,770	60.30%
Total Distribution Plant		\$194,185,225	\$ 77,123,371	39.72%	\$ 90,621,856	46.67%	\$ 77,123,371	39.72%
GENERAL PLANT								
Depreciable (VG Procedure)								
390.10 Structures and Improvements		\$ 1,416,090	\$ 674,091	47.60%	\$ 852,202	60.18%	\$ 680,276	48.04%
392.20 Transportation Equipment - Hourly/Trailers		7,021,352	1,689,166	24.06%	2,286,307	32.56%	1,825,060	25.99%
392.40 Transportation Equipment - Hourly Trucks		1,350,298	32,375	2.40%	64,514	4.78%	51,499	3.81%
392.50 Transportation Equipment - Light Trucks		1,455,703	509,496	35.00%	667,244	45.84%	532,632	36.59%
396.00 Power Operated Equipment		651,237	273,551	42.00%	218,152	33.50%	174,141	26.74%
397.20 Communication Equipment		709,163	212,862	30.02%	231,360	32.62%	184,685	26.04%
Total Depreciable		\$ 12,603,843	\$ 3,391,540	26.91%	\$ 4,319,780	34.27%	\$ 3,448,293	27.36%
Amortizable								
393.00 Stores Equipment		\$ 13,035	\$ 7,126	54.67%	\$ 12,548	96.26%	\$ 12,548	96.26%
394.00 Tools, Shop and Garage Equipment		1,085,305	316,232	29.14%	338,639	31.20%	338,639	31.20%
397.00 Communication Equipment - 10 Year		865,784	166,845	19.27%	82,263	9.50%	82,263	9.50%
Total Amortizable		\$ 1,964,124	\$ 490,203	24.96%	\$ 433,450	22.07%	\$ 433,450	22.07%
Total General Plant		\$ 14,567,967	\$ 3,881,743	26.65%	\$ 4,753,230	32.63%	\$ 3,881,743	26.65%
TOTAL UTILITY		\$577,577,510	\$263,736,202	45.66%	\$236,309,381	40.91%	\$263,736,202	45.66%

NORTHWESTERN ENERGY - SD ELECTRIC

Depreciation Reserve Summary
Vintage Group Procedure
December 31, 2013

Statement C

Account Description A	Plant Investment B		Recorded Reserve C		Computed Reserve E		Redistributed Reserve G		
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	
		D=C/B		F=E/B		H=G/B			
STEAM PRODUCTION									
Big Stone									
311.00 Structures and Improvements	\$ 9,635,053	87.11%	\$ 8,392,668	52.35%	\$ 5,044,234	92.14%	\$ 8,877,492	92.14%	
312.00 Boiler Plant Equipment	33,627,823	73.39%	24,679,684	40.92%	13,762,071	72.02%	24,220,263	72.02%	
314.00 Turbogenerator Units	12,555,669	69.34%	8,706,707	38.77%	4,867,324	68.23%	8,566,143	68.23%	
315.00 Accessory Electric Equipment	4,024,088	79.56%	3,201,365	46.92%	1,888,105	82.58%	3,322,929	82.58%	
316.00 Miscellaneous Power Plant Equipment	1,180,887	77.96%	920,607	43.99%	519,454	77.42%	914,202	77.42%	
Total Big Stone	\$ 61,023,520	75.22%	\$ 45,901,030	42.74%	\$ 26,081,188	75.22%	\$ 45,901,030	75.22%	
Coyote									
311.00 Structures and Improvements	\$ 9,504,656	84.69%	\$ 8,049,536	54.03%	\$ 5,135,736	84.31%	\$ 8,013,516	84.31%	
312.00 Boiler Plant Equipment	26,321,864	82.03%	21,593,027	51.82%	13,638,788	80.85%	21,281,207	80.85%	
314.00 Turbogenerator Units	6,470,409	59.39%	3,842,496	42.39%	2,743,059	66.15%	4,280,116	66.15%	
315.00 Accessory Electric Equipment	2,952,864	76.47%	2,258,064	47.70%	1,408,447	74.42%	2,197,663	74.42%	
316.00 Miscellaneous Power Plant Equipment	547,728	68.79%	376,796	40.65%	222,654	63.43%	347,417	63.43%	
Total Coyote	\$ 45,797,521	78.87%	\$ 36,119,920	50.55%	\$ 23,148,684	78.87%	\$ 36,119,920	78.87%	
Neal									
311.00 Structures and Improvements	\$ 4,137,533	96.08%	\$ 3,975,527	53.42%	\$ 2,210,099	92.59%	\$ 3,830,791	92.59%	
312.00 Boiler Plant Equipment	43,551,805	40.59%	17,678,877	23.81%	10,369,695	41.27%	17,973,916	41.27%	
314.00 Turbogenerator Units	5,845,170	65.79%	3,845,782	37.28%	2,179,343	64.63%	3,777,482	64.63%	
315.00 Accessory Electric Equipment	3,909,493	79.15%	3,094,411	44.53%	1,740,843	77.18%	3,017,424	77.18%	
316.00 Miscellaneous Power Plant Equipment	189,373	74.65%	141,363	41.54%	78,663	72.00%	136,347	72.00%	
Total Neal	\$ 57,633,374	49.86%	\$ 28,735,961	28.77%	\$ 16,578,644	49.86%	\$ 28,735,961	49.86%	

NORTHWESTERN ENERGY - SD ELECTRIC

Depreciation Reserve Components
 Redistributed Reserve
 December 31, 2013

Statement D

Account Description	Plant Investment		Investment Reserve		Net Salvage Reserve		Total Reserve	
	A	B	C	D=C/B	E	F=E/B	G=C+E	H=G/B
STEAM PRODUCTION								
311.00 Structures and Improvements	\$ 23,277,242	\$ 18,797,861	\$ 1,923,939	80.76%	\$ 1,923,939	8.27%	\$ 20,721,800	89.02%
312.00 Boiler Plant Equipment	103,501,492	56,726,145	6,749,242	54.81%	6,749,242	6.52%	63,475,387	61.33%
314.00 Turbogenerator Units	24,871,248	14,862,447	1,761,295	59.76%	1,761,295	7.08%	16,623,742	66.84%
315.00 Accessory Electric Equipment	10,886,445	7,751,683	786,334	71.20%	786,334	7.22%	8,538,016	78.43%
316.00 Miscellaneous Power Plant Equipment	1,917,988	1,206,988	190,977	62.93%	190,977	9.96%	1,397,966	72.89%
Total Steam Production Plant	\$ 164,454,415	\$ 99,345,124	\$ 11,411,786	60.41%	\$ 11,411,786	6.94%	\$ 110,756,910	67.35%
OTHER PRODUCTION								
341.00 Structures and Improvements	\$ 10,954,524	\$ 685,911	\$ (6,980)	6.26%	\$ (6,980)	-0.06%	\$ 678,931	6.20%
342.00 Fuel Holders and Accessories	5,234,593	750,778	37,539	14.34%	37,539	0.72%	788,316	15.06%
343.00 Prime Movers	48,439,890	13,994,935	2,749,110	28.89%	2,749,110	5.68%	16,744,045	34.57%
344.00 Generators	8,290,033	119,028	23,806	1.44%	23,806	0.29%	142,833	1.72%
345.00 Accessory Electric Equipment	3,461,141	622,989	35,090	18.00%	35,090	1.01%	658,079	19.01%
346.00 Miscellaneous Power Plant Equipment	599,251	39,221	(6,299)	6.54%	(6,299)	-1.05%	32,921	5.49%
Total Other Production Plant	\$ 76,979,432	\$ 16,212,861	\$ 2,832,265	21.06%	\$ 2,832,265	3.68%	\$ 19,045,126	24.74%
TRANSMISSION PLANT								
352.00 Structures and Improvements	\$ 3,222,630	\$ 752,669	\$ 75,267	23.36%	\$ 75,267	2.34%	\$ 827,936	25.69%
353.00 Station Equipment	57,626,648	14,738,046	1,722,486	25.58%	1,722,486	2.99%	16,460,532	28.56%
355.00 Poles and Fixtures	37,793,627	11,354,788	13,820,237	30.04%	13,820,237	36.57%	25,175,025	66.61%
356.00 Overhead Conductors and Devices	25,933,061	7,842,397	2,012,841	30.24%	2,012,841	7.76%	9,855,238	38.00%
357.00 Underground Conduit	425,140	89,071	(282)	20.95%	(282)	-0.07%	88,790	20.88%
358.00 Underground Conductors and Devices	2,389,365	472,655	48,877	19.78%	48,877	2.05%	521,531	21.83%
Total Transmission Plant	\$ 127,390,471	\$ 35,249,626	\$ 17,679,426	27.67%	\$ 17,679,426	13.88%	\$ 52,929,051	41.55%
DISTRIBUTION PLANT								
361.00 Structures and Improvements	\$ 733,543	\$ 93,205	\$ 4,660	12.71%	\$ 4,660	0.64%	\$ 97,865	13.34%
362.00 Station Equipment	28,745,792	8,461,512	830,149	29.44%	830,149	2.89%	9,291,661	32.32%
364.00 Poles, Towers and Fixtures	34,201,017	12,749,770	10,216,173	37.28%	10,216,173	29.87%	22,965,943	67.15%
365.00 Overhead Conductors and Devices	19,766,480	7,836,665	2,153,318	39.65%	2,153,318	10.89%	9,989,984	50.54%
366.00 Underground Conduit	8,655,682	2,267,120	226,712	26.19%	226,712	2.62%	2,493,831	28.81%
367.00 Underground Conductors and Devices	36,364,046	10,021,760	1,044,027	27.56%	1,044,027	2.87%	11,065,787	30.43%
368.00 Line Transformers	33,035,337	6,448,865	19,123	19.52%	19,123	0.06%	6,467,988	19.58%

NORTHWESTERN ENERGY - SD ELECTRIC

Depreciation Reserve Components
 Redistributed Reserve
 December 31, 2013

Statement D

Account Description	Plant Investment		Investment Reserve		Net Salvage Reserve		Total Reserve	
	A	B	C	D=C/B	E	F=E/B	G=C+E	H=G/B
369.00 Services		17,146,379	5,728,852	33.41%	2,749,200	16.03%	8,478,052	49.45%
370.00 Meters		8,152,201	1,788,311	21.94%	84,266	1.03%	1,872,577	22.97%
371.00 Installations on Customers' Premises		104,722	11,148	10.65%	(1,236)	-1.18%	9,912	9.47%
373.10 Street Lighting and Signal Systems		7,280,026	2,693,260	37.00%	1,696,511	23.30%	4,389,770	60.30%
Total Distribution Plant		\$ 194,185,225	\$ 58,100,467	29.92%	\$ 19,022,903	9.80%	\$ 77,123,371	39.72%
GENERAL PLANT								
Depreciable (VG Procedure)								
390.10 Structures and Improvements	\$	1,416,090	\$ 462,003	32.63%	\$ 218,273	15.41%	\$ 680,276	48.04%
392.20 Transportation Equipment - Hourly/Trailers		7,021,352	1,790,733	25.50%	34,327	0.49%	1,825,060	25.99%
392.40 Transportation Equipment - Hourly Trucks		1,350,298	51,499	3.81%			51,499	3.81%
392.50 Transportation Equipment - Light Trucks		1,455,703	513,834	35.30%	18,798	1.29%	532,632	36.59%
396.00 Power Operated Equipment		651,237	162,101	24.89%	12,040	1.85%	174,141	26.74%
397.20 Communication Equipment		709,163	185,826	26.20%	(1,141)	-0.16%	184,685	26.04%
Total Depreciable		\$ 12,603,843	\$ 3,165,996	25.12%	\$ 282,297	2.24%	\$ 3,448,293	27.36%
Amortizable								
393.00 Stores Equipment	\$	13,035	\$ 12,548	96.26%	\$ -		\$ 12,548	96.26%
394.00 Tools, Shop and Garage Equipment		1,085,305	338,639	31.20%			338,639	31.20%
397.00 Communication Equipment - 10 Year		865,784	82,263	9.50%			82,263	9.50%
Total Amortizable		\$ 1,964,124	\$ 433,450	22.07%	\$ -		\$ 433,450	22.07%
Total General Plant		\$ 14,567,967	\$ 3,599,446	24.71%	\$ 282,297	1.94%	\$ 3,881,743	26.65%
TOTAL UTILITY		\$ 577,577,510	\$ 212,507,525	36.79%	\$ 51,228,677	8.87%	\$ 263,736,202	45.66%

NORTHWESTERN ENERGY - SD ELECTRIC

Depreciation Reserve Components
 Redistributed Reserve
 December 31, 2013

Statement D

Account Description	Plant Investment		Investment Reserve		Net Salvage Reserve		Total Reserve	
	A	B	C	D=C/B	E	F=E/B	G=C+E	H=G/B
	Amount	Amount	Amount	Ratio	Amount	Ratio	Amount	Ratio
STEAM PRODUCTION								
Big Stone								
311.00 Structures and Improvements	\$ 9,635,053		\$ 7,932,440	82.33%	\$ 945,052	9.81%	\$ 8,877,492	92.14%
312.00 Boiler Plant Equipment	33,627,823		20,840,842	61.97%	3,379,421	10.05%	24,220,263	72.02%
314.00 Turbogenerator Units	12,555,669		7,571,074	60.30%	995,069	7.93%	8,566,143	68.23%
315.00 Accessory Electric Equipment	4,024,088		2,961,151	73.59%	361,779	8.99%	3,322,929	82.58%
316.00 Miscellaneous Power Plant Equipment	1,180,887		785,330	66.50%	128,871	10.91%	914,202	77.42%
Total Big Stone	\$ 61,023,520		\$ 40,090,837	65.70%	\$ 5,810,192	9.52%	\$ 45,901,030	75.22%
Coyote								
311.00 Structures and Improvements	\$ 9,504,656		\$ 7,344,593	77.27%	\$ 668,923	7.04%	\$ 8,013,516	84.31%
312.00 Boiler Plant Equipment	26,321,864		19,458,631	73.93%	1,822,576	6.92%	21,281,207	80.85%
314.00 Turbogenerator Units	6,470,409		3,816,228	58.98%	463,888	7.17%	4,280,116	66.15%
315.00 Accessory Electric Equipment	2,952,864		2,014,613	68.23%	183,050	6.20%	2,197,663	74.42%
316.00 Miscellaneous Power Plant Equipment	547,728		298,107	54.43%	49,310	9.00%	347,417	63.43%
Total Coyote	\$ 45,797,521		\$ 32,932,172	71.91%	\$ 3,187,748	6.96%	\$ 36,119,920	78.87%
Neal								
311.00 Structures and Improvements	\$ 4,137,533		\$ 3,520,829	85.09%	\$ 309,963	7.49%	\$ 3,830,791	92.59%
312.00 Boiler Plant Equipment	43,551,805		16,426,671	37.72%	1,547,245	3.55%	17,973,916	41.27%
314.00 Turbogenerator Units	5,845,170		3,475,144	59.45%	302,338	5.17%	3,777,482	64.63%
315.00 Accessory Electric Equipment	3,909,493		2,775,919	71.00%	241,505	6.18%	3,017,424	77.18%
316.00 Miscellaneous Power Plant Equipment	189,373		123,551	65.24%	12,796	6.76%	136,347	72.00%
Total Neal	\$ 57,633,374		\$ 26,322,115	45.67%	\$ 2,413,846	4.19%	\$ 28,735,961	49.86%

NORTHWESTERN ENERGY - SD ELECTRIC

Average Net Salvage

Statement E

Account Description A	Plant Investments C		Survivors D=B-C		Salvage Rate E		Realized G=E*C		Net Salvage H=F*D		Total I=G+H	Average Rate J=I/B
	Additions B	Retirements C			Realized E	Future F	Realized G=E*C	Future H=F*D				
STEAM PRODUCTION												
311.00 Structures and Improvements	\$ 23,930,261	\$ 653,019	\$ 23,277,242		-1.3%	-10.0%	\$ (8,489)	\$ (2,323,807)	\$ (2,332,296)	(2,332,296)		-9.7%
312.00 Boiler Plant Equipment	112,514,629	9,013,137	103,501,492		2.6%	-9.7%	234,342	(10,047,092)	(9,812,751)	(9,812,751)		-8.7%
314.00 Turbogenerator Units	27,479,910	2,608,662	24,871,248		0.6%	-10.3%	15,652	(2,553,024)	(2,537,372)	(2,537,372)		-9.2%
315.00 Accessory Electric Equipment	11,256,046	369,601	10,886,445		-3.4%	-9.8%	(12,566)	(1,071,867)	(1,084,434)	(1,084,434)		-9.6%
316.00 Miscellaneous Power Plant Equipment	2,393,265	475,277	1,917,988		5.6%	-10.6%	26,616	(203,472)	(176,857)	(176,857)		-7.4%
Total Steam Production Plant	\$ 177,574,111	\$ 13,119,696	\$ 164,454,415		1.9%	-9.9%	\$ 255,553	\$ (16,199,263)	\$ (15,943,710)	(15,943,710)		-9.0%
OTHER PRODUCTION												
341.00 Structures and Improvements	\$ 11,605,084	\$ 650,560	\$ 10,954,524		-10.4%	-5.0%	\$ (67,658)	\$ (547,726)	\$ (615,384)	(615,384)		-5.3%
342.00 Fuel Holders and Accessories	5,365,347	130,754	5,234,593		-4.9%	-5.0%	(6,407)	(261,730)	(268,137)	(268,137)		-5.0%
343.00 Prime Movers	52,685,086	4,245,196	48,439,890		-21.5%	-20.0%	(912,717)	(9,687,978)	(10,600,895)	(10,600,895)		-20.1%
344.00 Generators	8,290,033		8,290,033			-20.0%		(1,658,007)	(1,658,007)	(1,658,007)		-20.0%
345.00 Accessory Electric Equipment	3,997,643	536,502	3,461,141		-4.4%	-5.0%	(23,606)	(173,057)	(196,663)	(196,663)		-4.9%
346.00 Miscellaneous Power Plant Equipment	699,867	100,616	599,251		-12.9%	-5.0%	(12,979)	(29,963)	(42,942)	(42,942)		-6.1%
Total Other Production Plant	\$ 82,643,060	\$ 5,663,628	\$ 76,979,432		-18.1%	-16.1%	\$ (1,023,368)	\$ (12,358,460)	\$ (13,381,828)	(13,381,828)		-16.2%
TRANSMISSION PLANT												
352.00 Structures and Improvements	\$ 3,224,411	\$ 1,781	\$ 3,222,630			-10.0%	\$ -	\$ (322,263)	\$ (322,263)	(322,263)		-10.0%
353.00 Station Equipment	63,526,803	5,900,155	57,626,648		-2.5%	-10.0%	(147,504)	(5,762,665)	(5,910,169)	(5,910,169)		-9.3%
355.00 Poles and Fixtures	40,201,014	2,407,387	37,793,627		-105.2%	-120.0%	(2,532,571)	(45,352,352)	(47,884,924)	(47,884,924)		-119.1%
356.00 Overhead Conductors and Devices	28,221,049	2,287,988	25,933,061		-58.2%	-30.0%	(1,331,609)	(7,779,918)	(9,111,527)	(9,111,527)		-32.3%
357.00 Underground Conduit	435,092	9,952	425,140		-4.1%		(408)		(408)	(408)		-0.1%
358.00 Underground Conductors and Devices	2,407,693	18,328	2,389,365		-1.4%	-10.0%	(257)	(238,937)	(239,193)	(239,193)		-9.9%
Total Transmission Plant	\$ 138,016,062	\$ 10,625,591	\$ 127,390,471		-37.8%	-46.7%	\$ (4,012,349)	\$ (59,456,135)	\$ (63,468,484)	(63,468,484)		-46.0%
DISTRIBUTION PLANT												
361.00 Structures and Improvements	\$ 733,543	\$ -	\$ 733,543			-5.0%	\$ -	\$ (36,677)	\$ (36,677)	(36,677)		-5.0%
362.00 Station Equipment	30,908,786	2,162,994	28,745,792		-11.9%	-10.0%	(257,396)	(2,874,579)	(3,131,975)	(3,131,975)		-10.1%
364.00 Poles, Towers and Fixtures	39,539,822	5,338,805	34,201,017		-79.3%	-80.0%	(4,233,672)	(27,360,814)	(31,594,486)	(31,594,486)		-79.9%
365.00 Overhead Conductors and Devices	26,564,282	6,797,802	19,766,480		-38.5%	-30.0%	(2,617,154)	(5,929,944)	(8,547,098)	(8,547,098)		-32.2%
366.00 Underground Conduit	9,257,685	602,003	8,655,682		-10.3%	-10.0%	(62,006)	(865,568)	(927,575)	(927,575)		-10.0%
367.00 Underground Conductors and Devices	43,276,592	6,912,546	36,364,046		-8.9%	-10.0%	(615,217)	(3,636,405)	(4,251,621)	(4,251,621)		-9.8%
368.00 Line Transformers	37,026,608	3,991,271	33,035,337		-17.9%	-5.0%	(714,438)	(1,651,767)	(2,366,204)	(2,366,204)		-6.4%
369.00 Services	19,205,138	2,058,759	17,146,379		-62.2%	-50.0%	(1,280,548)	(8,573,190)	(9,853,738)	(9,853,738)		-51.3%
370.00 Meters	11,278,021	3,125,820	8,152,201		-5.4%		(168,794)	(407,610)	(576,404)	(576,404)		-5.1%
371.00 Installations on Customers' Premises	2,125,185	2,020,463	104,722		-7.4%	-5.0%	(149,514)	(5,236)	(154,750)	(154,750)		-7.3%
373.10 Street Lighting and Signal Systems	8,176,496	896,470	7,280,026		-39.2%	-60.0%	(351,416)	(4,368,016)	(4,719,432)	(4,719,432)		-57.7%
Total Distribution Plant	\$ 228,092,158	\$ 33,906,933	\$ 194,185,225		-30.8%	-28.7%	\$ (10,450,156)	\$ (55,709,805)	\$ (66,159,961)	(66,159,961)		-29.0%

NORTHWESTERN ENERGY - SD ELECTRIC

Average Net Salvage

Statement E

Account Description A	Plant Investment		Salvage Rate		Net Salvage		Average Rate J=I/B
	Additions B	Retirements C	Realized E	Future F	Realized G=E*C	Future H=F*D	
			Survivors D=B-C				
GENERAL PLANT							
Depreciable (VG Procedure)							
390.10 Structures and Improvements	\$ 2,169,707	\$ 753,617	\$ 1,416,090	79.2%	\$ 596,865	\$ (70,805)	\$ 526,060 24.2%
392.20 Transportation Equipment - Hourly Trailers	10,068,875	3,047,523	7,021,352	3.1%	94,473		94,473 0.9%
392.40 Transportation Equipment - Hourly Trucks	1,350,298		1,350,298				
392.50 Transportation Equipment - Light Trucks	4,140,489	2,684,786	1,455,703	4.4%	118,131	(32,562)	118,131 2.9%
396.00 Power Operated Equipment	959,903	308,666	651,237	-1.6%	(4,939)		(37,501) -3.9%
397.20 Communication Equipment	1,220,188	511,025	709,163	-0.8%	(4,088)		(4,088) -0.3%
Total Depreciable	\$ 19,909,460	\$ 7,305,617	\$ 12,603,843	11.0%	\$ 800,442	\$ (103,366)	\$ 697,075 3.5%
Amortizable							
393.00 Stores Equipment	\$ 271,389	\$ 258,354	\$ 13,035		\$ -	\$ -	\$ -
394.00 Tools, Shop and Garage Equipment	1,682,984	597,679	1,085,305				
397.00 Communication Equipment - 10 Year	1,016,702	150,918	865,784				
Total Amortizable	\$ 2,971,075	\$ 1,006,951	\$ 1,964,124		\$ -	\$ -	\$ -
Total General Plant	\$ 22,880,535	\$ 8,312,568	\$ 14,567,967	9.6%	\$ 800,442	\$ (103,366)	\$ 697,075 3.0%
TOTAL UTILITY	\$ 649,205,926	\$ 71,628,416	\$ 577,577,510	-20.5%	\$ (14,685,431)	\$ (143,827,029)	\$ (158,256,907) -24.4%
STEAM PRODUCTION							
Big Stone							
311.00 Structures and Improvements	\$ 9,705,106	\$ 70,053	\$ 9,635,053	-1.3%	(911)	(1,136,936)	(1,137,847) -11.7%
312.00 Boiler Plant Equipment	40,439,526	6,811,703	33,627,823	2.6%	177,104	(3,968,083)	(3,790,979) -9.4%
314.00 Turbogenerator Units	13,290,462	734,793	12,555,669	0.6%	4,409	(1,481,569)	(1,477,160) -11.1%
315.00 Accessory Electric Equipment	4,190,785	166,697	4,024,088	-3.4%	(5,668)	(474,842)	(480,510) -11.5%
316.00 Miscellaneous Power Plant Equipment	1,411,969	231,082	1,180,887	5.6%	12,941	(139,345)	(126,404) -9.0%
Total Big Stone	\$ 69,037,848	\$ 8,014,328	\$ 61,023,520	2.3%	\$ 187,875	\$ (7,200,775)	\$ (7,012,900) -10.2%
Coyote							
311.00 Structures and Improvements	\$ 10,030,687	\$ 526,031	\$ 9,504,656	-1.3%	(6,838)	(826,905)	(833,743) -8.3%
312.00 Boiler Plant Equipment	27,918,419	1,596,555	26,321,864	2.6%	41,510	(2,290,002)	(2,248,492) -8.1%
314.00 Turbogenerator Units	8,332,022	1,861,613	6,470,409	0.6%	11,170	(562,926)	(551,756) -6.6%
315.00 Accessory Electric Equipment	3,158,390	205,526	2,952,864	-3.4%	(6,988)	(256,899)	(263,887) -8.4%
316.00 Miscellaneous Power Plant Equipment	778,264	230,536	547,728	5.6%	12,910	(47,652)	(34,742) -4.5%
Total Coyote	\$ 50,217,782	\$ 4,420,261	\$ 45,797,521	1.2%	\$ 51,764	\$ (3,984,384)	\$ (3,932,620) -7.8%

NORTHWESTERN ENERGY - SD ELECTRIC

Average Net Salvage

Statement E

Account Description A	Plant Investment		Salvage Rate		Net Salvage		Average Rate J=I/B
	Additions B	Retirements C	Survivors D=B-C	Realized E	Future F	Realized G=E*C	
							Total I=G+H
Neal							
311.00 Structures and Improvements	\$ 4,194,468	\$ 56,935	\$ 4,137,533	-1.3%	-8.7%	\$ (740)	\$ (360,706)
312.00 Boiler Plant Equipment	44,156,684	604,879	43,551,805	2.6%	-8.7%	15,727	(3,773,280)
314.00 Turbogenerator Units	5,857,426	12,256	5,845,170	0.6%	-8.7%	74	(508,456)
315.00 Accessory Electric Equipment	3,906,871	(2,622)	3,909,493	-3.4%	-8.7%	89	(340,037)
316.00 Miscellaneous Power Plant Equipment	203,032	13,659	189,373	5.6%	-8.7%	765	(16,475)
Total Neal	\$ 58,318,481	\$ 685,107	\$ 57,633,374	2.3%	-8.7%	\$ 15,914	\$ (4,998,189)

NORTHWESTERN ENERGY - SD ELECTRIC

Statement F

Future Net Salvage
Steam Production

Account Description	12/31/13		Future Retirements		Net Salvage Rate		Future Net Salvage		Future Rate	
	Plant Investment	B	C		E		F			J=I/B
			Interim	Final	Interim	Final	Interim	Final		
			D=B-C			G=C-E		H=D-F	I=G+H	
STEAM PRODUCTION										
Big Stone										
311.00 Structures and Improvements	\$ 9,635,053	\$ 836,964	\$ 8,798,089	-5.0%	-12.5%	\$ (41,848)	\$ (1,097,473)	\$ (1,139,321)	-11.8%	
312.00 Boiler Plant Equipment	33,627,823	2,861,970	30,765,853	-5.0%	-12.5%	(143,099)	(3,837,731)	(3,980,829)	-11.8%	
314.00 Turbogenerator Units	12,555,669	1,062,051	11,493,618	-5.0%	-12.5%	(53,103)	(1,433,713)	(1,486,816)	-11.8%	
315.00 Accessory Electric Equipment	4,024,088	347,370	3,676,718	-5.0%	-12.5%	(17,369)	(458,634)	(476,002)	-11.8%	
316.00 Miscellaneous Power Plant Equipment	1,180,887	100,945	1,079,942	-5.0%	-12.5%	(5,047)	(134,712)	(139,759)	-11.8%	
Total Big Stone	\$ 61,023,520	\$ 5,209,301	\$ 55,814,219	-5.0%	-12.5%	\$ (260,465)	\$ (6,962,263)	\$ (7,222,728)	-11.8%	
Coyote										
311.00 Structures and Improvements	\$ 9,504,656	\$ 693,470	\$ 8,811,186	-5.0%	-9.0%	\$ (34,674)	\$ (791,622)	\$ (826,296)	-8.7%	
312.00 Boiler Plant Equipment	26,321,864	1,912,329	24,409,535	-5.0%	-9.0%	(95,616)	(2,193,022)	(2,288,639)	-8.7%	
314.00 Turbogenerator Units	6,470,409	461,525	6,008,884	-5.0%	-9.0%	(23,076)	(539,855)	(562,931)	-8.7%	
315.00 Accessory Electric Equipment	2,952,864	213,238	2,739,626	-5.0%	-9.0%	(10,662)	(246,136)	(256,798)	-8.7%	
316.00 Miscellaneous Power Plant Equipment	547,728	38,971	508,757	-5.0%	-9.0%	(1,949)	(45,708)	(47,657)	-8.7%	
Total Coyote	\$ 45,797,521	\$ 3,319,533	\$ 42,477,988	-5.0%	-9.0%	\$ (165,977)	\$ (3,816,344)	\$ (3,982,320)	-8.7%	
Neal										
311.00 Structures and Improvements	\$ 4,137,533	\$ 289,794	\$ 3,847,739	-5.0%	-9.0%	\$ (14,490)	\$ (346,297)	\$ (360,786)	-8.7%	
312.00 Boiler Plant Equipment	43,551,805	2,924,185	40,627,620	-5.0%	-9.0%	(146,209)	(3,656,486)	(3,802,695)	-8.7%	
314.00 Turbogenerator Units	5,845,170	400,181	5,444,989	-5.0%	-9.0%	(20,009)	(490,049)	(510,058)	-8.7%	
315.00 Accessory Electric Equipment	3,909,493	270,183	3,639,310	-5.0%	-9.0%	(13,509)	(327,538)	(341,047)	-8.7%	
316.00 Miscellaneous Power Plant Equipment	189,373	12,864	176,509	-5.0%	-9.0%	(643)	(15,886)	(16,529)	-8.7%	
Total Neal	\$ 57,633,374	\$ 3,897,206	\$ 53,736,168	-5.0%	-9.0%	\$ (194,860)	\$ (4,836,255)	\$ (5,031,115)	-8.7%	

NORTHWESTERN ENERGY - SD ELECTRIC

Current and Proposed Parameters
Vintage Group Procedure

Statement G

Account Description A	Current Parameters						Proposed Parameters					
	B P-Life/ AYFR	C Curve Shape	D BG ASL	E Rem. Life	F Avg. Sal.	G Fut. Sal.	H P-Life/ AYFR	I Curve Shape	J VG ASL	K Rem. Life	L Avg. Sal.	M Fut. Sal.
STEAM PRODUCTION												
311.00 Structures and Improvements			44.90	18.87	-8.0	-8.2			54.31	28.07	-9.7	-10.0
312.00 Boiler Plant Equipment			39.78	19.05	-7.3	-7.6			40.52	27.29	-8.7	-9.7
314.00 Turbogenerator Units			32.97	17.77	-8.4	-8.3			43.86	28.42	-9.2	-10.3
315.00 Accessory Electric Equipment			42.50	20.22	-5.8	-5.9			47.70	27.65	-9.6	-9.8
316.00 Miscellaneous Power Plant Equipment			33.94	17.52	-6.1	-7.9			46.00	29.01	-7.4	-10.6
Total Steam Production Plant									43.05	27.59	-9.0	-9.9
OTHER PRODUCTION												
341.00 Structures and Improvements	50.00	R3	51.92	23.29	-7.8	-5.0	50.00	R3	50.12	47.74	-5.3	-5.0
342.00 Fuel Holders and Accessories	45.00	R4	45.42	32.33	-5.3	-5.0	45.00	R4	45.14	40.23	-5.0	-5.0
343.00 Prime Movers	45.00	R3	45.64	27.23	-21.0	-20.0	45.00	R3	45.32	35.39	-20.1	-20.0
344.00 Generators	45.00	R3	45.64	27.23	-21.0	-20.0	45.00	R3	45.00	44.51	-20.0	-20.0
345.00 Accessory Electric Equipment	38.00	R3	39.51	21.10	-5.1	-5.0	38.00	R3	38.24	33.02	-4.9	-5.0
346.00 Miscellaneous Power Plant Equipment	30.00	R0.5	35.16	17.36	-10.4	-5.0	30.00	R0.5	30.22	28.72	-6.1	-5.0
Total Other Production Plant									45.34	38.10	-16.2	-16.1
TRANSMISSION PLANT												
352.00 Structures and Improvements	55.00	R3	57.98	32.84	-10.0	-10.0	55.00	R3	56.84	41.62	-10.0	-10.0
353.00 Station Equipment	45.00	R2	45.67	29.99	-9.1	-10.0	45.00	R2	45.53	32.18	-9.3	-10.0
355.00 Poles and Fixtures	50.00	S2	50.32	32.59	-119.2	-120.0	50.00	S2	50.37	33.02	-119.1	-120.0
356.00 Overhead Conductors and Devices	50.00	S3	50.07	29.59	-32.6	-30.0	50.00	S3	50.10	32.73	-32.3	-30.0
357.00 Underground Conduit	50.00	S3	50.00	38.86	-0.1	-0.1	50.00	S3	50.00	37.99	-0.1	-0.1
358.00 Underground Conductors and Devices	35.00	R4	35.00	28.72	-9.9	-10.0	35.00	R4	35.01	27.07	-9.9	-10.0
Total Transmission Plant									47.76	32.61	-46.0	-46.7

NORTHWESTERN ENERGY - SD ELECTRIC

Current and Proposed Parameters
Vintage Group Procedure

Statement G

Account Description A	Current Parameters						Proposed Parameters					
	B P-Life/ AYFR	C Curve Shape	D BG ASL	E Rem. Life	F Avg. Sal.	G Fut. Sal.	H P-Life/ AYFR	I Curve Shape	J VG ASL	K Rem. Life	L Avg. Sal.	M Fut. Sal.
DISTRIBUTION PLANT												
361.00 Structures and Improvements	45.00	R4	45.00	38.43	-5.0	-5.0	45.00	R4	45.01	38.29	-5.0	-5.0
362.00 Station Equipment	45.00	S1	45.60	30.08	-9.9	-10.0	45.00	S1	45.71	29.90	-10.1	-10.0
364.00 Poles, Towers and Fixtures	37.00	R4	37.25	20.66	-79.6	-80.0	37.00	R4	37.28	20.95	-79.9	-80.0
365.00 Overhead Conductors and Devices	38.00	R4	38.44	20.68	-31.7	-30.0	38.00	R4	38.51	20.57	-32.2	-30.0
366.00 Underground Conduit	42.00	R5	41.96	30.45	-10.0	-10.0	42.00	R5	41.98	29.06	-10.0	-10.0
367.00 Underground Conductors and Devices	35.00	R4	35.10	23.48	-9.4	-10.0	35.00	R4	35.08	23.72	-9.8	-10.0
368.00 Line Transformers	50.00	L1.5	50.32	38.62	-6.7	-5.0	50.00	L1.5	50.31	38.77	-6.4	-5.0
369.00 Services	35.00	S3	35.09	22.35	-51.3	-50.0	35.00	S3	35.10	21.32	-51.3	-50.0
370.00 Meters	22.00	L0.5	22.15	16.75	-4.9	-5.0	22.00	L0.5	22.23	16.50	-5.1	-5.0
371.00 Installations on Customers' Premises	15.00	L0.5	14.81	12.86	-6.6	-5.0	15.00	L0.5	14.63	12.80	-7.3	-5.0
373.10 Street Lighting and Signal Systems	32.00	R4	32.49	18.96	-56.7	-60.0	32.00	R4	32.62	18.44	-57.7	-60.0
Total Distribution Plant									38.37	24.88	-29.0	-28.7
GENERAL PLANT												
Depreciable (VG Procedure)												
390.10 Structures and Improvements	45.00	S3	47.71	23.38	28.6	-5.0	45.00	S3	47.32	27.98	24.2	-5.0
392.20 Transportation Equipment - Hourly/Trailers	18.00	L1.5	18.27	13.71	0.5		18.00	L1.5	18.31	12.46	0.9	
392.40 Transportation Equipment - Hourly Trucks	18.00	L1.5	18.27	13.71	0.5		18.00	L1.5	18.00	17.14		
392.50 Transportation Equipment - Light Trucks	10.00	S2	11.54	5.03	3.2		10.00	S2	11.33	6.32	2.9	
396.00 Power Operated Equipment	25.00	R4	24.71	12.78	-4.7	-5.0	25.00	R4	24.79	17.06	-3.9	-5.0
397.20 Communication Equipment	15.00	S3	15.04	12.98	-0.3		15.00	S3	15.11	10.15	-0.3	
Total Depreciable									18.26	12.52	3.5	-0.8
Amortizable												
393.00 Stores Equipment	20.00	SQ	20.00	1.56			20.00	SQ	20.00	1.00		
394.00 Tools, Shop and Garage Equipment	15.00	SQ	15.00	10.73			15.00	SQ	15.00	10.32		
397.00 Communication Equipment - 10 Year	10.00	SQ	10.00	2.71			10.00	SQ	10.00	9.05		
Total Amortizable									12.31	9.59		
Total General Plant									17.15	11.97	3.0	-0.7
TOTAL UTILITY									40.98	27.89	-24.4	-24.9

NORTHWESTERN ENERGY - SD ELECTRIC

Current and Proposed Parameters
Vintage Group Procedure

Statement G

Account Description A	Current Parameters						Proposed Parameters					
	P-Life/ AYFR B	Curve Shape C	BG ASL D	Rem. Life E	Avg. Sal. F	Fut. Sal. G	P-Life/ AYFR H	Curve Shape I	VG ASL J	Rem. Life K	Avg. Sal. L	Fut. Sal. M
STEAM PRODUCTION												
Big Stone												
311.00 Structures and Improvements	2027	200-SC	40.94	15.18	-9.9	-9.9	2046	200-SC	58.38	31.07	-11.7	-11.8
312.00 Boiler Plant Equipment	2027	200-SC	33.58	15.18	-9.1	-9.9	2046	200-SC	48.02	31.11	-9.4	-11.8
314.00 Turbogenerator Units	2027	200-SC	28.79	15.19	-9.9	-9.9	2046	200-SC	47.34	31.12	-11.1	-11.8
315.00 Accessory Electric Equipment	2027	200-SC	40.72	15.18	-9.0	-9.1	2046	200-SC	53.43	31.09	-11.5	-11.8
316.00 Miscellaneous Power Plant Equipment	2027	200-SC	32.73	15.18	-7.6	-9.1	2046	200-SC	49.99	31.10	-9.0	-11.8
Total Big Stone									49.63	31.11	-10.2	-11.8
Coyote												
311.00 Structures and Improvements	2032	200-SC	46.96	19.93	-8.7	-9.1	2041	200-SC	52.46	26.48	-8.3	-8.7
312.00 Boiler Plant Equipment	2032	200-SC	43.12	19.94	-8.7	-9.0	2041	200-SC	50.34	26.49	-8.1	-8.7
314.00 Turbogenerator Units	2032	200-SC	35.06	19.95	-9.1	-9.0	2041	200-SC	42.62	26.51	-6.6	-8.7
315.00 Accessory Electric Equipment	2032	200-SC	38.53	19.95	-7.6	-8.0	2041	200-SC	47.09	26.50	-8.4	-8.7
316.00 Miscellaneous Power Plant Equipment	2032	200-SC	34.63	19.95	-5.1	-8.0	2041	200-SC	40.71	26.51	-4.5	-8.7
Total Coyote									49.14	26.49	-7.8	-8.7
Neal												
311.00 Structures and Improvements	2040	200-SC	51.74	27.41	-1.9	-1.9	2040	200-SC	50.21	25.56	-8.6	-8.7
312.00 Boiler Plant Equipment	2040	200-SC	50.10	27.42	-1.9	-1.9	2040	200-SC	32.72	25.60	-8.5	-8.7
314.00 Turbogenerator Units	2040	200-SC	52.19	27.41	-1.9	-1.9	2040	200-SC	38.95	25.59	-8.7	-8.7
315.00 Accessory Electric Equipment	2040	200-SC	49.54	27.42	-0.4	-0.4	2040	200-SC	43.33	25.58	-8.7	-8.7
316.00 Miscellaneous Power Plant Equipment	2040	200-SC	41.06	27.45	-0.1	-0.4	2040	200-SC	41.02	25.58	-7.7	-8.7
Total Neal									34.75	25.60	-8.6	-8.7