

**Montana-Dakota Utilities Co.**

**Cost of Capital**

<u>Component</u>	<u>Percent</u>	<u>Cost</u>	<u>Weighted Cost</u>
1 Debt	50.000%	5.934%	2.970%
2 Preferred Stock	2.128%	4.585%	0.100%
3 Common equity	47.872%	8.700%	4.160%
4 Total	100.000%		<u>7.230%</u>
Cost of Debt:			
5 Long Term Debt	\$280,481,271	6.845%	5.794%
6 Short Term Debt	50,875,342	0.909%	0.140%
7 Total	<u>\$331,356,613</u>		<u>5.934%</u>

---

Source:

Cost of Debt, Updated Statement G (reflects actual June 30, 2013 data), Page 1 of 7.