

**MONTANA-DAKOTA UTILITIES, CO.
GAS PLANT DEPRECIATION EXPENSE
PERIOD ENDING DECEMBER 31, 2008**

<u>No.</u>	<u>Account Description</u>	<u>Balance 12/31/2008</u> (a)	<u>%</u> (b)	<u>Net Salvage \$</u> (c)	<u>Reserve 12/31/2008</u> (d)	<u>Net Depreciable</u> (e)	<u>Remaining Life</u> (f)	<u>Depreciation Accrual</u> (g)	<u>Rate</u> (h)
376.1	Mains - Steel	\$41,975,049	-30%	\$ (12,592,514.84)	\$36,466,143	\$18,101,421	36.90	\$490,553	1.17%
376.2	Mains - Plastic	\$63,935,959	-30%	\$ (19,180,787.64)	\$30,608,794	\$52,507,952	47.45	\$1,106,595	1.73%
376.3	Mains - Valves	\$447,328	-30%	\$ (134,198.43)	\$257,220	\$324,306	26.16	\$12,397	2.77%
376.4	Mains - Manholes	\$69,919	-30%	\$ (20,975.79)	\$55,146	\$35,749	39.39	\$908	1.30%
376.5	Mains - Bridge/River Cx	\$19,818	-30%	\$ (5,945.41)	\$6,023	\$19,741	51.95	\$380	1.92%
Total 376		\$106,448,074		\$ (31,934,422.10)	\$67,393,326	\$70,989,169		\$1,610,833	1.51%
380.1	Services - Steel	\$7,285,188	-175%	\$ (12,749,078.77)	\$12,429,968	\$7,604,299	13.43	\$566,217	7.77%
380.2	Services - Plastic	\$42,690,273	-175%	\$ (74,707,978.15)	\$30,149,319	\$87,248,932	29.00	\$3,008,584	7.05%
380.3	Farm/Fuel Lines	\$248,640	-175%	\$ (435,120.32)	\$256,290	\$427,470	17.96	\$23,801	9.57%
Total 380		\$50,224,101		\$ (87,892,177.24)	\$42,835,578	\$95,280,701		\$3,598,602	7.17%
381	Meters	\$55,172,050	-5%	\$ (2,758,602.51)	\$16,541,851	\$41,388,802	24.19	\$1,710,988	3.10%
Others	Remaining Accounts	\$39,980,869	14%	\$ 5,574,093.50	\$20,321,636	\$14,085,139	13.76	\$1,023,825	
Total		\$251,825,094		\$ (117,011,108.35)	\$147,092,391	\$221,743,811		\$7,944,249	
	MDU Request							\$10,224,058	
	Staff Adjustment							\$ (2,279,808.16)	

SOURCES AND REFERENCES

- Columns (a & d) : MDU Exhibit No.____(EMR-1) pages 2-1 through 2-4.
- Columns (b & f) : See Mr. Pous' testimony for adjustments.
- Column (c) : Column (b) times Columun (a).
- Column (e) : Column (a) less Columun (c) less Column (d).
- Column (g) : Column (e) divided by Columun (f).
- Column (h) : Column (g) divided by Columun (a).

**MONTANA-DAKOTA UTILITIES, CO.
COMMON PLANT DEPRECIATION EXPENSE
PERIOD ENDING DECEMBER 31, 2008**

<u>No.</u>	<u>Account Description</u>	<u>Balance</u>	<u>Net Salvage</u>		<u>Reserve</u>	<u>Net</u>	<u>Remaining</u>	<u>Depreciation</u>	
		<u>12/31/2008</u>	<u>%</u>	<u>\$</u>	<u>12/31/2008</u>	<u>Depreciable</u>	<u>Life</u>	<u>Accrual</u>	<u>Rate</u>
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
390	Structures & Improvement:	\$26,865,571	20%	\$5,373,114	\$11,607,449	\$9,885,009	42.34	\$233,467	0.87%
Other	Depreciable Plant	<u>\$15,928,889</u>	7%	<u>\$1,114,766</u>	<u>\$10,589,575</u>	<u>\$4,224,548</u>	3.32	<u>\$1,273,021</u>	7.99%
Total	Depreciable Plant MDU Request	\$42,794,460		\$6,487,880	\$22,197,024	\$14,109,557		\$1,506,488 <u>\$1,877,496</u>	
	Staff Adjustment							\$ (371,007.99)	

SOURCES AND REFERENCES

- Columns (a & d) : MDU Exhibit No.____(EMR-2) pages 2-1 through 2-4.
- Columns (b & f) : See Mr. Pous' testimony for adjustments.
- Column (c) : Column (b) times Columun (a).
- Column (e) : Column (a) less Columun (c) less Column (d).
- Column (g) : Column (e) divided by Columun (f).
- Column (h) : Column (g) divided by Columun (a).