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**MDU RESOURCES GROUP, INC.**  
**NONCONSOLIDATED INCOME STATEMENT**  
**TWELVE MONTHS ENDING JUNE 30, 2012**

Operating Income

Electric Utility

|                               |                    |
|-------------------------------|--------------------|
| Operating Revenues            | \$226,754,437      |
| Operating Expenses:           |                    |
| Operation Expenses            | 117,213,518        |
| Maintenance Expenses          | 19,526,217         |
| Depreciation Expenses         | 31,966,836         |
| Taxes Other Than Income Taxes | 9,736,058          |
| Income Taxes:                 |                    |
| Federal Taxes on Income       | (4,441,177)        |
| State Taxes on Income         | (507,145)          |
| Deferred Income Taxes         | 14,423,407         |
| Total Electric Expenses       | <u>187,917,714</u> |
| Net Electric Operation        | \$38,836,723       |

Gas Utility

|                               |                    |
|-------------------------------|--------------------|
| Operating Revenues            | \$231,791,263      |
| Operating Expenses:           |                    |
| Operation Expenses            | 197,198,820        |
| Maintenance Expenses          | 3,781,377          |
| Depreciation Expenses         | 11,378,560         |
| Taxes Other Than Income Taxes | 7,009,702          |
| Income Taxes:                 |                    |
| Federal Taxes on Income       | (6,777,744)        |
| State Taxes on Income         | (1,020,491)        |
| Deferred Income Taxes         | 10,194,180         |
| Total Gas Expenses            | <u>221,764,404</u> |
| Net Gas Operation             | \$10,026,859       |

Net Utility Operating Income \$48,863,582

|  |                    |
|--|--------------------|
| Revenues from Merchandising, Jobbing and Contract Work     | \$5,727,531        |
| (Less) Costs and Exp. Of Merch., Jobbing and Contract Work | 4,096,360          |
| Revenues from Nonutility Operations                        | 5,416,569          |
| (Less) Expense from Nonutility Operations                  | 3,636,189          |
| Equity in Earnings of Subsidiary Companies                 | 177,491,369        |
| Interest and Dividend Income                               | 1,730,518          |
| Allowance for Other Funds Used During Construction         | 2,194,847          |
| Miscellaneous Nonoperating Income                          | (46,473)           |
| Gain on Disposition of Property                            | 228,351            |
| Total Other Income   | <u>185,010,163</u> |

|                                 |                |
|---------------------------------|----------------|
| Loss on Disposition of Property | (4,772)        |
| Miscellaneous Income Deductions | 613,758        |
| Total Other Income Deductions   | <u>608,986</u> |

**MDU RESOURCES GROUP, INC.**  
**NONCONSOLIDATED INCOME STATEMENT**  
**TWELVE MONTHS ENDING JUNE 30, 2012**

|  |                             |
|--|-----------------------------|
| Taxes other than Income Taxes                      | 3,645                       |
| Income Taxes - Federal                             | 396,984                     |
| Income Taxes - State                               | 277,502                     |
| Provision for Deferred Income Taxes                | (42,866)                    |
| Investment Tax Credits                             | 80,550                      |
| Total Taxes on Other Income and Deductions         | <u>715,815</u>              |
| <br>   |                             |
| Net Other Income and Deductions                    | \$183,685,362               |
| <br>   |                             |
| Interest On Long-Term Debt                         | 17,784,085                  |
| Amortization of Debt Discount and Expense          | 98,558                      |
| Amortization of Loss on Reacquired Debt            | 719,511                     |
| Other Interest Expense                             | 355,377                     |
| (Less) Allow for Borrowed Funds Used during Const. | 1,294,358                   |
| Net Interest Charges                               | <u>17,663,173</u>           |
| <br>   |                             |
| Net Income   | <u><u>\$214,885,771</u></u> |

**MDU RESOURCES GROUP, INC.**  
**NONCONSOLIDATED INCOME STATEMENT**  
**NINE MONTHS ENDING SEPTEMBER 30, 2012**

Operating Income

Electric Utility

|                               |                    |
|-------------------------------|--------------------|
| Operating Revenues            | \$173,364,339      |
| Operating Expenses:           |                    |
| Operation Expenses            | 89,539,941         |
| Maintenance Expenses          | 14,528,041         |
| Depreciation Expenses         | 24,040,077         |
| Taxes Other Than Income Taxes | 7,881,716          |
| Income Taxes:                 |                    |
| Federal Taxes on Income       | (845,448)          |
| State Taxes on Income         | 239,985            |
| Deferred Income Taxes         | 8,436,016          |
| Total Electric Expenses       | <u>143,820,328</u> |
| Net Electric Operation        | \$29,544,011       |

Gas Utility

|                               |                    |
|-------------------------------|--------------------|
| Operating Revenues            | \$143,819,381      |
| Operating Expenses:           |                    |
| Operation Expenses            | 120,814,489        |
| Maintenance Expenses          | 2,915,542          |
| Depreciation Expenses         | 8,729,461          |
| Taxes Other Than Income Taxes | 5,674,225          |
| Income Taxes:                 |                    |
| Federal Taxes on Income       | (2,306,136)        |
| State Taxes on Income         | (475,413)          |
| Deferred Income Taxes         | 3,379,438          |
| Total Gas Expenses            | <u>138,731,606</u> |
| Net Gas Operation             | \$5,087,775        |

Net Utility Operating Income \$34,631,786

|  |                   |
|--|-------------------|
| Revenues from Merchandising, Jobbing and Contract Work     | \$4,101,864       |
| (Less) Costs and Exp. Of Merch., Jobbing and Contract Work | 2,678,254         |
| Revenues from Nonutility Operations                        | 3,337,399         |
| (Less) Expense from Nonutility Operations                  | 2,047,493         |
| Equity in Earnings of Subsidiary Companies                 | 31,591,919        |
| Interest and Dividend Income                               | 1,486,678         |
| Allowance for Other Funds Used During Construction         | 2,040,253         |
| Miscellaneous Nonoperating Income                          | 15,444            |
| Gain on Disposition of Property                            | 205,804           |
| Total Other Income   | <u>38,053,614</u> |

|                                 |                  |
|---------------------------------|------------------|
| Loss on Disposition of Property | 0                |
| Miscellaneous Income Deductions | (104,218)        |
| Total Other Income Deductions   | <u>(104,218)</u> |

**MDU RESOURCES GROUP, INC.**  
**NONCONSOLIDATED INCOME STATEMENT**  
**NINE MONTHS ENDING SEPTEMBER 30, 2012**

|  |                            |
|--|----------------------------|
| Taxes other than Income Taxes                      | 2,764                      |
| Income Taxes - Federal                             | (953,108)                  |
| Income Taxes - State                               | 836,145                    |
| Provision for Deferred Income Taxes                | (233,956)                  |
| Investment Tax Credits                             | <u>(41,481)</u>            |
| Total Taxes on Other Income and Deductions         | (389,636)                  |
| <br>   |                            |
| Net Other Income and Deductions                    | \$38,547,468               |
| <br>   |                            |
| Interest On Long-Term Debt                         | 13,367,201                 |
| Amortization of Debt Discount and Expense          | 70,369                     |
| Amortization of Loss on Reacquired Debt            | 539,633                    |
| Other Interest Expense                             | 249,634                    |
| (Less) Allow for Borrowed Funds Used during Const. | <u>1,280,718</u>           |
| Net Interest Charges                               | 12,946,119                 |
| <br>   |                            |
| Net Income   | <u><u>\$60,233,135</u></u> |