

**MONTANA-DAKOTA UTILITIES CO.
SUMMARY OF ACCUMULATED RESERVE FOR DEPRECIATION
GAS UTILITY - SOUTH DAKOTA
FOR THE TWELVE MONTHS ENDED JUNE 30, 2012**

<u>Function</u>	<u>Balance @ 6/30/11</u>	<u>Balance @ 6/30/12</u>	<u>Average Balance @ 6/30/12</u>	<u>Pro Forma Adjustment 1/</u>	<u>Average Balance @ 6/30/13</u>
Production	\$35,670	\$104,232	\$69,951	\$69,707	\$139,658
Distribution	35,745,818	37,493,279	36,619,548	2,340,849	38,960,397
General	3,872,647	4,072,375	3,972,511	275,274	4,247,785
General Intangible	149,937	150,637	150,287	350	150,637
Common	1,269,132	1,302,907	1,286,020	82,946	1,368,966
Common Intangible	1,964,185	2,153,333	2,058,759	267,891	2,326,650
CWIP in Service	<u> </u>	<u> </u>	<u> </u>	<u>2/</u>	<u>2/</u>
Total	<u>\$43,037,389</u>	<u>\$45,276,763</u>	<u>\$44,157,076</u>	<u>\$3,037,017</u>	<u>\$47,194,093</u>

1/ See Rule 20:10:13:64, Statement E, page 2.

2/ Included in the above functions.

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GAS UTILITY - SOUTH DAKOTA
FOR THE TWELVE MONTHS ENDED JUNE 30, 2012
ADJUSTMENT B**

<u>Function</u>	<u>Balance @ 6/30/11</u>	<u>Balance @ 6/30/12</u>	<u>Average Balance @ 6/30/12</u>	<u>Provision for Depreciation 1/</u>	<u>Pro Forma Balance @ 6/30/13</u>	<u>Average Balance @ 6/30/13</u>	<u>Pro Forma Adjustment</u>
Production	\$35,670	\$104,232	\$69,951	\$70,851	\$175,083	\$139,658	\$69,707
Distribution	35,745,818	37,493,279	36,619,548	2,934,236	40,427,515	38,960,397	2,340,849
General	3,872,647	4,072,375	3,972,511	350,821	4,423,196	4,247,785	275,274
General Intangible	149,937	150,637	150,287	0	150,637	150,637	350
Common	1,269,132	1,302,907	1,286,020	132,119	1,435,026	1,368,966	82,946
Common Intangible	1,964,185	2,153,333	2,058,759	346,635	2,499,968	2,326,650	267,891
CWIP in Service				2/	2/	2/	2/
Total	<u>\$43,037,389</u>	<u>\$45,276,763</u>	<u>\$44,157,076</u>	<u>\$3,834,662</u>	<u>\$49,111,425</u>	<u>\$47,194,093</u>	<u>\$3,037,017</u>

1/ See Rule 20:10:13:86, Statement J, page 2 for the provision for depreciation.

2/ Included in the above functions.

**MONTANA-DAKOTA UTILITIES CO.
SUMMARY OF ACCUMULATED RESERVE FOR DEPRECIATION
GAS UTILITY - SOUTH DAKOTA
FOR THE TWELVE MONTHS ENDED JUNE 30, 2012**

Function	Balance @ 6/30/11			Balance @ 6/30/12			Average Balance @ 6/30/12
	Black Hills	East River	South Dakota	Black Hills	East River	South Dakota	
Production	\$31,297	\$4,373	\$35,670	\$91,184	\$13,048	\$104,232	\$69,951
Distribution	28,622,643	7,123,175	35,745,818	29,922,880	7,570,399	37,493,279	36,619,548
General	3,490,473	382,174	3,872,647	3,713,364	359,011	4,072,375	3,972,511
General Intangible	140,751	9,186	149,937	140,393	10,244	150,637	150,287
Common	870,193	398,939	1,269,132	877,803	425,104	1,302,907	1,286,020
Common Intangible	1,608,038	356,147	1,964,185	1,723,849	429,484	2,153,333	2,058,759
CWIP in Service							
Total	\$34,763,395	\$8,273,994	\$43,037,389	\$36,469,473	\$8,807,290	\$45,276,763	\$44,157,076

MONTANA-DAKOTA UTILITIES CO.
MONTHLY ACCUMULATED PROVISIONS FOR DEPRECIATION BY FUNCTION
GAS UTILITY
FOR THE TWELVE MONTHS ENDED JUNE 30, 2012

<u>Function</u>	<u>June 2011</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>January 2012</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>
Production	\$174,237	\$203,624	\$233,516	\$263,409	\$293,336	\$323,465	\$353,594	\$383,504	\$413,413	\$443,323	\$473,232	\$503,158	\$533,083
Distribution	145,398,805	145,898,168	146,424,855	146,883,517	147,440,791	147,866,275	148,472,946	149,057,466	149,712,479	150,254,983	150,790,010	151,296,602	151,908,465
General	12,813,594	13,169,991	13,419,295	12,990,266	13,105,707	12,883,618	12,207,402	12,145,515	12,163,358	12,202,257	12,152,385	12,133,515	12,915,644
Total	\$158,386,636	\$159,271,781	\$160,077,866	\$160,137,192	\$160,839,834	\$161,073,358	\$161,033,942	\$161,586,485	\$162,289,250	\$162,900,583	\$163,415,627	\$163,933,275	\$165,357,192