

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

<u>Function</u>	<u>Per Books - June 30, 2012</u>			<u>Pro Forma Adjustment</u>	<u>Pro Forma Expense 1/</u>
	<u>Black Hills</u>	<u>East River</u>	<u>South Dakota</u>		
Production	\$62,918	\$8,895	\$71,813	(\$962)	\$70,851
Distribution	1,554,132	441,432	1,995,564	938,672	2,934,236
General	277,611	7,809	285,420	31,688	317,108
Common	79,188	28,238	107,426	13,867	121,293
Common - Intangible	68,435	16,004	84,439	262,196	346,635
CWIP in Service					
Total	<u>\$2,042,284</u>	<u>\$502,378</u>	<u>\$2,544,662</u>	<u>\$1,245,461</u>	<u>\$3,790,123</u>

1/ See Rule 20:10:13:86, Statement J, page 2.
 2/ Included in the above functions.

**MONTANA-DAKOTA UTILITIES CO.
 AVERAGE DEPRECIATION EXPENSE
 GAS UTILITY - SOUTH DAKOTA
 FOR THE TWELVE MONTHS ENDING JUNE 30, 2012
 PRO FORMA ADJUSTMENT NO. 17**

<u>Function</u>	<u>Per Books - June 30, 2012</u>			<u>Pro Forma Expense 1/</u>	<u>Pro Forma Adjustment</u>
	<u>Black Hills</u>	<u>East River</u>	<u>South Dakota</u>		
Production	\$62,918	\$8,895	\$71,813	\$70,851	(\$962)
Distribution	1,554,132	441,432	1,995,564	2,934,236	938,672
General	277,611	7,809	285,420	317,108	31,688
Common	79,188	28,238	107,426	121,293	13,867
Common - Intangible	68,435	16,004	84,439	346,635	262,196
CWIP in Service				2/	2/
Total	<u>\$2,042,284</u>	<u>\$502,378</u>	<u>\$2,544,662</u>	<u>\$3,790,123</u>	<u>\$1,245,461</u>

Pro Forma Adjustment to Accumulated Reserve

\$3,834,662

1/ See Rule 20:10:13:86, Statement J, pages 3 - 4.

2/ Included in the above functions.

MONTANA-DAKOTA UTILITIES CO.
AVERAGE DEPRECIATION EXPENSE
GAS UTILITY - SOUTH DAKOTA
FOR THE TWELVE MONTHS ENDING JUNE 30, 2012
PRO FORMA ADJUSTMENT NO. 17

Acct. No.	Account	Pro Forma Average Plant 1/	Depreciation Rate	Annual Depreciation	Accumulated Reserve
	<u>Production Plant</u>				
333	Field Compressor Station Equip.	\$2,108,573	3.33%	\$70,215	\$70,215
	<u>Distribution Plant</u>				
374.1	Land	\$68,375			
374.2	Rights of Way	114,751	1.39%	\$1,595	\$1,595
375	Structures & Improvements	122,183	2.77%	3,384	3,384
376	Mains	39,318,513	2.97%	1,167,760	1,167,760
378	Meas. & Reg. Equip.-General	517,718	3.14%	16,256	16,256
379	Meas. & Reg. Equip.-City Gate	1,268,390	3.75%	47,565	47,565
380	Services	13,698,222	8.18%	1,120,515	1,120,515
381	Positive Meters	13,868,482	3.53%	489,557	489,557
383	Service Regulators	1,541,173	1.77%	27,279	27,279
385	Ind. Meas. & Reg. Station Eqpt.	63,429	3.31%	2,099	2,099
387.1	Cathodic Protection Equip.	229,586	3.21%	7,370	7,370
387.2	Other Distribution Equip.	92,380	0.99%	915	915
	Total Distribution Plant	\$70,903,202		\$2,884,295	\$2,884,295
	<u>General Plant</u>				
389	Land	\$1,236,328			
390	Structures and Improvements	5,938,636	3.46%	\$205,477	\$205,477
391.1	Furniture and Fixtures	259,204	8.33%	21,592	21,592
391.3	Computer Equip. - PC	162,424	2.74%	4,450	4,450
391.5	Computer Equip. - Other	26,448	20.00%	5,290	5,290
392.1	Trans. Equip., Non-Unitized	128,467	9.67% 2/		12,423
392.2	Trans. Equip., Unitized	2,232,446	0.26% 2/		5,804
393	Stores Equipment	43,328	3.48%	1,508	1,508
394.1	Tools, Shop & Gar. Eq.-Non-Un.	517,282	6.10%	31,554	31,554
394.3	Vehicle Maintenance Equip.	7,627	9.10%	694	694
395	Laboratory Equipment	30,579	6.56%	2,006	2,006
396.1	Power Operated Equip.	173,474	6.02% 2/		10,443
396.2	Work Equipment Trailers	2,192,704	0.23% 2/		5,043
397.1	Radio Comm. Equip.-Fixed	128,966	7.11%	9,169	9,169
397.2	Radio Comm. Equip.-Mobile	113,908	6.74%	7,677	7,677
397.3	General Tele. Comm. Equip.	51,916	10.00%	5,192	5,192
397.8	Network Equipment	71,018	20.00%	14,204	14,204
398	Miscellaneous Equipment	15,173	6.72%	1,020	1,020
	Total General Plant	\$13,329,928		\$309,833	\$343,546
303	Intangible Plant - General	\$150,636	0.00% 3/	\$0	\$0

**MONTANA-DAKOTA UTILITIES CO.
 AVERAGE DEPRECIATION EXPENSE
 GAS UTILITY - SOUTH DAKOTA
 FOR THE TWELVE MONTHS ENDING JUNE 30, 2012
 PRO FORMA ADJUSTMENT NO. 17**

Acct. No.	Account	Pro Forma Average Plant 1/	Depreciation Rate	Annual Depreciation	Accumulated Reserve
	<u>Common Plant</u>				
389	Land	\$93,283			
390	Structures and Improvements	1,505,496	2.25%	\$33,874	\$33,874
391.1	Furniture and Fixtures	257,561	7.84%	20,193	20,193
391.3	Computer Equip. - PC	230,155	9.99%	22,992	22,992
391.5	Computer Equip. - Other	11,948	20.00%	2,390	2,390
392.1	Trans. Equip., Non-Unitized	5,205	0.00% 3/		0
392.2	Trans. Equip., Unitized	263,399	4.11% 2/		10,826
392.3	Aircraft	465,345	3.32%	15,449	15,449
393	Stores Equipment	631	3.54%	22	22
394.1	Tools, Shop & Gar. Equip.	14,579	6.96%	1,015	1,015
394.3	Vehicle Maint. Equip.	14,752	5.53%	816	816
394.4	Vehicle Refueling Equip.	1,273	7.05%	90	90
397.1	Radio Comm. Equip.-Fixed	47,136	7.12%	3,356	3,356
397.2	Radio Comm. Equip.-Mobile	18,714	6.67%	1,248	1,248
397.3	General Tele. Comm. Equip.	36,199	10.00%	3,620	3,620
397.5	Supervisory & Tele. Equip.	215	6.70%	14	14
397.8	Network Equipment	42,415	20.00%	8,483	8,483
398	Miscellaneous Equipment	130,780	5.31%	6,944	6,944
	Total Common Plant	<u>\$3,139,086</u>		<u>\$120,506</u>	<u>\$131,332</u>
303	Intangible Plant - Common	\$4,707,688	4/	\$345,263	\$345,263
	<u>CWIP in Service 5/</u>				
	Production	\$19,098	3.33%	\$636	\$636
	Distribution	1,224,042	4.08%	49,941	49,941
	General	304,383	2.39%	7,275	7,275
	Common	20,803	3.79%	787	787
	Intangible - General	290	0.00%	0	0
	Intangible - Common	49,518	2.77%	1,372	1,372
	Total CWIP	<u>\$1,618,134</u>		<u>\$60,011</u>	<u>\$60,011</u>
	Total Gas Plant in Service	<u>\$95,957,247</u>		<u>\$3,790,123</u>	<u>\$3,834,662</u>

1/ See Rule 20:10:13:54, Statement D, pages 7 - 9.

2/ Charged to a clearing account.

3/ Fully amortized/depreciated.

4/ Amortization based on the life of each item.

5/ Composite rates by function.

**MONTANA-DAKOTA UTILITIES CO.
 DEPRECIATION EXPENSE ON PLANT ADDITIONS
 GAS UTILITY - SOUTH DAKOTA
 FOR THE TWELVE MONTHS ENDED JUNE 30, 2012**

Acct. No.	Account	Plant Additions Amount	Annual Depreciation Rate	Amount
	<u>Distribution</u>			
376	Mains	\$584,200	2.97%	\$17,351
378	Meas. & Reg. Equip.-General	20,222	3.14%	635
380	Services	138,796	8.18%	11,354
381	Positive Meters	118,966	3.53%	4,199
383	Regulators	15,578	1.77%	276
387.1	Cathodic Protection Equip.	59,008	3.21%	1,894
	Total Distribution	<u>\$936,770</u>		<u>\$35,709</u>
	<u>General</u>			
390	Structures and Improvements	315,125	3.46%	10,903
392.2	Trans. Equip., Unitized	135,204	0.26%	352
394.1	Tools, Shop & Gar. Eq.-Non-Un.	40,523	6.10%	2,472
396.2	Work Equipment Trailers	338,727	0.23%	779
397.1	Communication Equipment	29,558	7.11%	2,102
	Total General	<u>\$859,137</u>		<u>\$16,608</u>
	<u>Common</u>			
390	Structures and Improvements	30,542	2.25%	\$687
391.1	Furniture and Fixtures	92,428	7.84%	7,246
391.3	Computer Equip. - PC	153,487	9.99%	15,333
392.2	Trans. Equip., Unitized	27,793	4.11%	1,142
394.1	Tools, Shop & Gar. Eq.-Non-Un.	3,120	6.96%	217
397.1	Radio Comm. Equip.-Fixed	9,602	7.12%	684
397.3	General Tele. Comm. Equip.	62,059	10.00%	6,206
397.8	Network Equipment	8,157	20.00%	1,631
398	Miscellaneous Equipment	17,283	5.31%	918
	Total Common	<u>\$404,471</u>		<u>\$34,064</u>
303	Intangible Plant - Common	\$3,980,574	1/	\$272,216
	Total	<u><u>\$6,180,952</u></u>		<u><u>\$358,597</u></u>

1/ Amortization based on the life of each item.

**MONTANA-DAKOTA UTILITIES CO.
DEPRECIATION AND AMORTIZATION EXPENSES**

See pages 7 through 11 for Montana-Dakota's depreciation rates as set forth in a study performed by AUS Consultants as of December 31, 2008 for gas and common plant.

**Montana-Dakota Utilities Company
Gas Division**

**Summary of Original Cost of Utility Plant in Service as of December 31, 2008
and Related Annual Depreciation Expense Under Present and Proposed Rates**

Account No.	Description	Original Cost 12/31/08	Present Rates		Proposed Plant Only Rates		Proposed Gross Salv Rates		Proposed COR Rates		Total Proposed Rates		Net Change Depr. Exp.
			Rate %	Annual Accrual	Rate %	Annual Accrual	Rate %	Annual Accrual	Rate %	Annual Accrual	Rate %	Annual Accrual	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
DEPRECIABLE PLANT													
Distribution Plant													
374.20	Rights of Way	322,877.60	0.75%	2,420.08	1.39%	4,485.22	0.00%	0.00	0.00%	0.00	1.39%	4,485.22	2,065.14
375.00	Distr. Meas & Reg Station Structures	609,311.11	2.57%	15,659.30	1.52%	9,261.53	0.18%	1,096.76	1.07%	6,519.63	2.77%	16,877.92	1,218.62
Mains													
376.10	Mains-Steel	41,975,049.45	1.92%	805,920.95	1.77%	742,958.38	0.00%	0.00	1.07%	449,133.03	2.84%	1,192,091.40	386,170.45
376.20	Mains-Plastic	63,935,958.79	1.92%	1,227,570.41	1.99%	1,272,325.58	0.00%	0.00	1.06%	677,721.16	3.05%	1,950,046.74	722,476.33
376.30	Mains-Valves	447,328.09	1.92%	8,588.70	2.29%	10,243.81	0.00%	0.00	1.25%	5,591.60	3.54%	15,835.41	7,246.71
376.40	Mains-Manholes	69,919.29	1.92%	1,342.45	1.83%	1,279.52	0.00%	0.00	1.06%	741.14	2.89%	2,020.67	678.22
376.50	Mains-Bridge & River Crossings	19,818.03	1.92%	380.51	2.06%	408.25	0.00%	0.00	1.07%	212.05	3.13%	620.30	239.79
	Total Mains	108,448,073.65	1.92%	2,043,803.02	1.90%	2,027,215.54	0.00%	0.00	1.06%	1,133,398.98	2.97%	3,160,614.52	1,116,811.50
378.00	Meas & Reg Station Equip-General	2,140,308.63	2.96%	63,353.14	2.22%	47,514.85	0.00%	0.00	0.92%	19,690.84	3.14%	67,205.69	3,852.55
379.00	Meas & Reg Station Equip-City Gate	1,028,821.89	3.54%	36,420.29	2.81%	28,909.90	0.00%	0.00	0.94%	9,670.93	3.75%	38,580.82	2,160.53
Services													
380.10	Services-Steel	7,285,187.87	5.66%	412,341.63	2.48%	180,672.66	0.00%	0.00	7.17%	522,347.97	9.65%	703,020.63	290,679.00
380.20	Services-Plastic	42,690,273.23	5.66%	2,416,269.48	2.50%	1,087,258.83	0.00%	0.00	5.41%	2,309,543.78	7.91%	3,376,800.81	980,531.15
380.30	Farm & Fuel Lines	248,640.18	5.66%	14,073.03	3.34%	8,304.58	0.00%	0.00	7.67%	19,070.70	11.01%	27,375.28	13,302.25
	Total Services	50,224,101.28	5.66%	2,842,684.12	2.50%	1,256,234.07	0.00%	0.00	5.66%	2,850,962.45	8.18%	4,107,196.52	1,284,512.40
381.00	Meters	55,172,050.24	3.19%	1,759,988.40	2.91%	1,605,506.66	0.00%	0.00	0.82%	342,066.71	3.53%	1,947,573.37	187,584.97
383.00	Service Regulators	5,555,207.98	2.59%	143,879.89	2.16%	119,992.49	-0.39%	(21,665.31)	0.00%	0.00	1.77%	98,327.18	(45,552.71)
385.00	Industrial Meas. & Reg. Station Equip	875,376.89	3.04%	26,611.46	2.43%	21,271.66	0.35%	3,063.82	0.53%	4,639.50	3.31%	28,974.98	2,363.52
MISCELLANEOUS EQUIPMENT													
386.10	Misc Property on Customers Premise	1,679.84	5.19%	87.18	2.39%	40.15	0.00%	0.00	0.00%	0.00	2.39%	40.15	(47.03)
386.20	CNG Refueling station	261,860.34	3.70%	9,689.57	0.27%	707.08	0.00%	0.00	0.00%	0.00	0.27%	707.08	(6,982.49)
386.30	CNG Lease/Demo	0.00											
	TOTAL Account 386	263,560.18	3.71%	9,776.75	0.28%	747.23	0.00%	0.00	0.00%	0.00	0.28%	747.23	(9,029.52)

**Montana-Dakota Utilities Company
Gas Division**

**Summary of Original Cost of Utility Plant in Service as of December 31, 2008
and Related Annual Depreciation Expense Under Present and Proposed Rates**

Account No. (a)	Description (b)	Original Cost 12/31/08 (c)	Present Rates		Proposed Plant Only Rates		Proposed Gross Salv Rates		Proposed COR Rates		Total Proposed Rates		Net Change Depr. Exp. (n)
			Rate % (d)	Annual Accrual (e)	Rate % (f)	Annual Accrual (g)	Rate % (h)	Annual Accrual (i)	Rate % (j)	Annual Accrual (k)	Rate % (l)	Annual Accrual (m)	
OTHER EQUIPMENT													
387.10	Cathodic Protection Equipment	1,737,817.71	5.75%	99,924.52	3.21%	55,783.95	0.00%	0.00	0.00%	0.00	3.21%	55,783.95	(44,140.57)
387.20	Other Distribution Equipment	588,025.51	1.42%	8,349.98	0.99%	5,821.45	0.00%	0.00	0.00%	0.00	0.99%	5,821.45	(2,528.51)
TOTAL Account 387		2,325,843.22	4.66%	108,274.48	2.85%	61,605.40	0.00%	0.00	0.00%	0.00	2.85%	61,605.40	(46,669.08)
TOTAL Distribution Plant		224,965,332.67	3.14%	7,052,870.93	2.30%	5,182,744.55	-0.01%	(17,504.73)	1.94%	4,366,949.04	4.24%	9,532,188.85	2,479,317.92
General Plant													
390.00	General Structures	5,835,295.28	3.73%	217,656.51	3.09%	180,310.62	-0.04%	(2,334.12)	0.41%	23,924.71	3.46%	201,901.22	(15,755.29)
OFFICE FURNITURE & EQUIPMENT													
391.10	Office Furniture & Equipment	415,881.93	4.97%	20,668.34	6.59%	27,412.62	0.00%	0.00	0.00%	0.00	6.59%	27,412.62	6,744.28
391.30	Computer Equipment - PC	828,118.21	26.02%	215,476.36	11.28%	93,383.50	0.00%	0.00	0.00%	0.00	11.28%	93,383.50	(122,092.86)
391.50	Other Computer Equipment	53,896.84	0.00%	0.00	4.97%	2,667.08	0.00%	0.00	0.00%	0.00	4.97%	2,667.08	2,667.08
TOTAL Account 391		1,297,876.98	18.20%	236,144.70	9.51%	123,463.20	0.00%	0.00	0.00%	0.00	9.51%	123,463.20	(112,681.50)
TRANSPORTATION EQUIPMENT													
392.10	Transportation Equipment (Trailers)	397,059.69	4.36%	17,311.80	12.35%	49,036.87	-2.68%	(10,641.20)	0.00%	0.00	9.67%	38,395.67	21,083.87
392.20	Trans Equipment (Cars & Trucks)	8,775,094.21	21.13%	1,854,177.41	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	(1,854,177.41)
TOTAL Account 392		9,172,153.90	20.40%	1,871,489.21	0.53%	49,036.87	-0.12%	(10,641.20)	0.00%	0.00	0.42%	38,395.67	(1,833,093.54)
393.00	Stores Equipment	148,282.28	2.49%	3,692.23	2.44%	3,613.53	0.00%	0.00	0.00%	0.00	2.44%	3,613.53	(78.70)
TOOLS, SHOP & GARAGE EQ.													
394.10	Tools, Shop & Garage Equip. (Non-Unitized)	2,515,638.89	6.62%	166,535.29	5.65%	142,108.78	0.00%	0.00	0.00%	0.00	5.65%	142,108.78	(24,426.51)
394.30	Vehicle Maintenance Equipment	37,100.02	5.78%	2,144.38	7.12%	2,640.27	0.00%	0.00	0.00%	0.00	7.12%	2,640.27	495.89
394.40	Vehicle Refueling Equipment	26,852.90	4.72%	1,267.46	10.32%	2,772.05	0.00%	0.00	0.00%	0.00	10.32%	2,772.05	1,504.59
TOTAL Account 394		2,579,591.81	6.59%	169,947.13	5.72%	147,521.10	0.00%	0.00	0.00%	0.00	5.72%	147,521.10	(22,426.03)
395.00	Laboratory Equipment	172,283.97	7.67%	13,214.18	6.95%	11,980.02	0.00%	0.00	0.00%	0.00	6.95%	11,980.02	(1,234.16)

Montana-Dakota Utilities Company
Gas Division

Summary of Original Cost of Utility Plant in Service as of December 31, 2008
and Related Annual Depreciation Expense Under Present and Proposed Rates

Account No. (a)	Description (b)	Original Cost 12/31/08 (c)	Present Rates		Proposed Plant Only Rates		Proposed Gross Salv Rates		Proposed COR Rates		Total Proposed Rates		Net Change Depr. Exp. (n)
			Rate % (d)	Annual Accrual (e)	Rate % (f)	Annual Accrual (g)	Rate % (h)	Annual Accrual (i)	Rate % (j)	Annual Accrual (k)	Rate % (l)	Annual Accrual (m)	
POWER OPERATED EQUIPMENT													
396.10	Work Equipment (Trailers)	530,575.86	5.76%	30,561.17	10.19%	54,085.68	-4.17%	(22,125.01)	0.00%	0.00	6.02%	31,940.67	1,379.50
396.20	Power Operated Equipment	6,142,234.08	0.00%	0.00	31.72%	1,948,316.65	-30.77%	(1,889,965.43)	0.00%	0.00	0.95%	58,351.22	58,351.22
	TOTAL Account 396	6,672,809.94	0.46%	30,561.17	30.01%	2,002,382.33	-28.65%	(1,912,090.44)	0.00%	0.00	1.35%	90,291.89	59,730.72
COMMUNICATION EQUIPMENT													
397.10	Radio Communication Equip. (Fixed)	226,847.00	7.37%	16,718.62	6.07%	13,763.90	0.00%	0.00	0.00%	0.00	6.07%	13,763.90	(2,954.72)
397.20	Radio Communication Equip. (Mobile)	488,875.34	7.34%	34,415.45	4.06%	19,052.43	0.00%	0.00	0.00%	0.00	4.08%	19,052.43	(15,363.02)
397.30	General Telephone Communication Equip.	58,947.69	9.88%	5,628.43	10.69%	6,089.15	0.00%	0.00	0.00%	0.00	10.69%	6,089.15	482.72
397.80	Network Equipment	172,148.81	26.28%	45,205.75	17.68%	30,435.15	0.00%	0.00	0.00%	0.00	17.68%	30,435.15	(14,770.60)
	TOTAL Account 397	924,816.84	11.03%	101,968.25	7.50%	69,340.63	0.00%	0.00	0.00%	0.00	7.50%	69,340.63	(32,625.62)
398.00	Miscellaneous Equipment	56,850.20	1.27%	722.00	9.43%	5,361.40	0.00%	0.00	0.00%	0.00	9.43%	5,361.40	4,639.40
	Sub-Total (General Plant) Amortization	5,179,502.08		525,686.49	6.98%	361,279.88	0.00%	0.00	0.00%	0.00	6.98%	361,279.88	(164,406.61)
	TOTAL General Plant	26,659,761.20	9.65%	2,645,393.38	9.65%	2,593,009.70	-7.17%	(1,925,065.76)	0.09%	23,924.71	2.58%	691,868.66	(1,953,524.72)
	TOTAL Depreciable Plant	251,825,093.87	3.85%	9,698,264.31	3.09%	7,775,754.25	-0.77%	(1,942,570.49)	1.74%	4,390,873.75	4.06%	10,224,057.51	525,793.20
NON-DEPRECIABLE PLANT													
374.1	Land (Distribution)	138,261.79											
389	Land & Land Rights (General)	1,328,891.91											
	Total Land	1,467,153.70											
INTANGIBLE PLANT													
303	Miscellaneous Intangible Plant	3,949,065.10											
	Total Intangible Plant	3,949,065.10											
	TOTAL Non-Depreciable Plant	5,416,218.80											
	TOTAL Plant in Service	257,241,312.67											

Table 1

Montana-Dakota Utilities Company
Common Plant

Summary of Original Cost of Utility Plant in Service as of December 31, 2008
and Related Annual Depreciation Expense Under Present and Proposed Rates

Account No. (a)	Description (b)	Original Cost 12/31/08 (c)	Present Rates		Proposed Plant Only Rates		Proposed Gross Salv Rates		Proposed COR Rates		Total Proposed Rates		Net Change Depr. Exp. (j)
			Rate % (d)	Annual Accrual (e)	Rate % (f)	Annual Accrual (g)	Rate % (h)	Annual Accrual (i)	Rate % (k)	Annual Accrual (l)			
DEPRECIABLE PLANT													
General Plant													
390.0	General Structures	26,865,571.47	2.93%	787,161.24	2.51%	674,325.84	0.07%	18,805.90	-0.33%	(88,656.39)	2.25%	604,475.36	(182,685.86)
OFFICE FURNITURE & EQUIPMENT													
391.1	Office Furniture & Equipment	3,072,248.50	4.95%	152,076.30	6.75%	207,227.63	0.00%	0.00	0.00%	0.00	6.75%	207,227.63	55,151.33
391.2	Computer Equipment - Honeywell	0.00	1.52%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00
391.3	Computer Equipment - PC	2,188,689.65	23.29%	505,087.82	7.28%	157,939.09	0.00%	0.00	0.00%	0.00	7.28%	157,939.09	(347,148.73)
391.4	Computer Equipment - Prime/Sun	7,552.14	26.51%	2,002.07	0.68%	51.47	0.00%	0.00	0.00%	0.00	0.68%	51.47	(1,950.60)
391.5	Computer Equipment - Other	1,049,321.00	0.48%	4,826.88	18.40%	193,100.24	0.00%	0.00	0.00%	0.00	18.40%	193,100.24	188,273.36
TOTAL Account 391		6,297,811.29	10.54%	683,993.07	8.87%	558,318.43	0.00%	0.00	0.00%	0.00	8.87%	558,318.43	(105,674.64)
TRANSPORTATION EQUIPMENT													
392.1	Transportation Equipment (Trailers)	113,814.30	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00 (1)	0.00%	0.00	0.00
392.2	Transportation Equipment (Cars & Trucks)	5,326,632.43	13.33%	710,040.10	9.14%	486,854.20	-4.44%	(236,502.48)	0.00%	0.00	4.70%	250,351.72	(459,688.38)
TOTAL Account 392		5,440,246.73	13.05%	710,040.10	8.95%	486,854.20	-4.35%	(236,502.48)	0.00%	0.00	4.60%	250,351.72	(459,688.38)
393.0	Stores Equipment	45,012.16	2.80%	1,260.34	3.32%	1,494.05	0.00%	0.00	0.00%	0.00	3.32%	1,494.05	233.71
TOOLS, SHOP & GARAGE EQ.													
394.1	Tools, Shop & Garage Equip. (Non-Unitized)	412,820.47	6.11%	25,223.33	6.71%	27,719.23	0.00%	0.00	0.00%	0.00	6.71%	27,719.23	2,495.90
394.3	Vehicle Maintenance Equipment	179,785.84	4.75%	8,539.83	5.33%	9,591.43	0.00%	0.00	0.00%	0.00	5.33%	9,591.43	1,051.60
394.4	Vehicle Refueling Equipment	612,112.44	4.38%	26,810.52	3.28%	20,101.35	0.00%	0.00	0.00%	0.00	3.28%	20,101.35	(8,709.17)
TOTAL Account 394		1,204,718.75	5.03%	60,573.68	4.77%	57,412.01	0.00%	0.00	0.00%	0.00	4.77%	57,412.01	(3,161.67)
396.2	Power Operated Equipment	53,432.48	2.69%	1,437.33	18.22%	9,735.40	-10.64%	(5,685.22)	0.00%	0.00	7.58%	4,050.18	2,612.85
COMMUNICATION EQUIPMENT													
397.1	Radio Communication Equip. (Fixed)	379,772.93	4.99%	18,950.67	4.70%	17,844.86	0.00%	0.00	0.00%	0.00	4.70%	17,844.86	(1,105.81)
397.2	Radio Communication Equip. (Mobile)	612,124.91	4.08%	24,974.70	4.13%	25,251.65	0.00%	0.00	0.00%	0.00	4.13%	25,251.65	276.95
397.3	General Telephone Communication Equip.	496,688.56	8.72%	43,311.24	7.78%	38,662.59	0.00%	0.00	0.00%	0.00	7.78%	38,662.59	(4,648.65)
397.5	Supervisory & Telemetering Equip.	41,918.98	0.35%	146.72	4.24%	1,777.12	0.00%	0.00	0.00%	0.00	4.24%	1,777.12	1,630.40
397.8	Network Equipment	424,430.36	17.95%	76,185.25	18.95%	80,428.99	0.00%	0.00	0.00%	0.00	18.95%	80,428.99	4,243.74
TOTAL Account 397		1,954,935.74	8.37%	163,568.58	8.39%	163,965.21	0.00%	0.00	0.00%	0.00	8.39%	163,965.21	396.63

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 Statement J
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**Montana-Dakota Utilities Company
Common Plant**

**Summary of Original Cost of Utility Plant in Service as of December 31, 2008
and Related Annual Depreciation Expense Under Present and Proposed Rates**

Account No. (a)	Description (b)	Original Cost 12/31/08 (c)	Present Rates		Proposed Rates						Net Change Depr. Exp. (i)		
			Rate % (d)	Annual Accrual (e)	Proposed Plant Only Rates		Proposed Gross Salv Rates		Proposed COR Rates			Total Proposed Rates	
			Rate % (d)	Annual Accrual (e)	Rate % (f)	Annual Accrual (g)	Rate % (h)	Annual Accrual (i)	Rate % (j)	Annual Accrual (k)	Rate % (l)	Annual Accrual (m)	
398.0	Miscellaneous Equipment	932,731.72	2.41%	22,478.83	4.01%	37,429.17	0.00%	0.00	0.00%	0.00	4.01%	37,429.17	14,950.34
	Sub-Total (General Plant) Amortization	10,438,209.66	8.74%	911,874.60	7.84%	818,818.87	0.00%	0.00	0.00%	0.00	7.84%	818,818.87	(93,255.83)
	TOTAL General Plant	42,794,480.34	5.63%	2,410,513.17	4.65%	1,989,534.31	-0.52%	(223,381.80)	-0.21%	(88,658.39)	3.92%	1,677,496.13	(733,017.04)
	TOTAL Depreciable Plant	42,794,480.34	5.63%	2,410,513.17	4.65%	1,989,534.31	-0.52%	(223,381.80)	-0.21%	(88,658.39)	3.92%	1,677,496.13	(733,017.04)
	Amortizable Plant												
392.3	Aircraft Equipment	2,937,920.42											
	TOTAL Amortizable Plant	2,937,920.42											
	NON-DEPRECIABLE PLANT												
389.0	Land & Land Rights (General)	2,778,248.40											
	Total Land	2,778,248.40											
	INTANGIBLE PLANT												
303.0	Miscellaneous Intangible Plant	22,784,037.44											
	Total Intangible Plant	22,784,037.44											
	TOTAL Non-Depreciable Plant	25,562,285.84											
	TOTAL Plant in Service	71,294,868.60											
	(1) Account Fully Depreciated. No further current depreciation accrual.												

**MONTANA-DAKOTA UTILITIES CO.
 RECONCILIATION OF DEPRECIABLE GAS PLANT
 GAS UTILITY - SOUTH DAKOTA
 TWELVE MONTHS ENDING JUNE 30, 2012**

	<u>Average Balance @ 6/30/2012</u>		<u>Total South Dakota</u>
	<u>Black Hills</u>	<u>East River</u>	
<u>Depreciable Plant</u>			
Production	\$1,873,378	\$264,859	\$2,138,237
Distribution	52,698,504	14,604,870	67,303,374
General	7,103,305	143,888	7,247,193
General - Amortized	140,571	9,715	150,286
	<u>\$61,815,758</u>	<u>\$15,023,332</u>	<u>\$76,839,090</u>
<u>Depreciable Plant Charged to a Clearing Account</u>			
Transportation Equipment	\$2,004,102	\$274,260	\$2,278,362
Power Operated Equipment	149,219	15,376	164,595
Work Equipment	1,822,575	231,307	2,053,882
	<u>\$3,975,896</u>	<u>\$520,943</u>	<u>\$4,496,839</u>
<u>Non-Depreciable Plant</u>			
Distribution	\$51,690	\$16,686	68,376
General	1,149,446	43,437	1,192,883
	<u>\$1,201,136</u>	<u>\$60,123</u>	<u>\$1,261,259</u>
<u>Common Plant in Service - Gas</u>			
Depreciable	\$1,902,921	\$641,967	\$2,544,888
Charged to Clearing Account	84,740	152,150	236,890
Depreciable - Amortized	2,136,247	503,221	2,639,468
Non-Depreciable	69,145	21,824	90,969
	<u>\$4,193,053</u>	<u>\$1,319,162</u>	<u>\$5,512,215</u>
Total Gas Plant in Service	<u><u>\$71,185,843</u></u>	<u><u>\$16,923,560</u></u>	<u><u>\$88,109,403</u></u>