

**MONTANA-DAKOTA UTILITIES CO.
COMPOSITE DEPRECIATION RATES
GAS UTILITY - SOUTH DAKOTA
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014**

	<u>Average Plant</u>	<u>Annual Depreciation</u>	<u>%</u>
Distribution	\$76,871,702	\$2,654,576	3.45%
General	13,144,278	302,440	2.30%
General Intangible	146,801	0	1/
Common	2,996,789	138,401	4.62%
Common Intangible	6,651,897	373,163	1/
Total Plant	<u>\$99,811,467</u>	<u>\$3,468,580</u>	

1/ Amortized. See workpaper Intangible Plant Amortization Rates for detail.

MONTANA-DAKOTA UTILITIES CO.
AVERAGE DEPRECIATION EXPENSE ON PER BOOKS PLANT
GAS UTILITY - SOUTH DAKOTA
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014

Acct. No.	Account	Per Books Average Plant	Annual Depreciation Rate	Amount	Clearing Accounts	2014 Per Books
	<u>Distribution Plant</u>					
374.1	Land	\$76,905				
374.2	Rights of Way	125,715	1.39%	\$1,747		\$1,728
375	Structures & Improvements	180,926	2.77%	5,012		5,007
376	Mains	41,732,078	2.25%	938,972		932,471
378	Meas. & Reg. Equip.-General	813,913	3.14%	25,557		25,331
379	Meas. & Reg. Equip.-City Gate	1,284,217	3.75%	48,158		48,112
380	Services	15,927,242	7.17%	1,141,983		1,133,502
381	Positive Meters	14,506,614	3.10%	449,705		445,947
383	Service Regulators	1,803,135	1.77%	31,915		31,731
385	Ind. Meas. & Reg. Station Eqpt.	64,195	3.31%	2,125		2,116
387.1	Cathodic Protection Equip.	264,382	3.21%	8,487		8,487
387.2	Other Distribution Equip.	92,380	0.99%	915		915
	Total Distribution Plant	\$76,871,702		\$2,654,576		\$2,635,347
	<u>General Plant</u>					
389	Land	\$1,236,529				
390	Structures and Improvements	6,141,776	3.46%	\$212,505		\$212,429
391.1	Furniture and Fixtures	200,164	6.67%	13,351		13,241
391.3	Computer Equip. - PC	78,974	20.00%	15,795		18,658
392.1	Trans. Equip., Non-Unitized	123,189	9.67% 1/		\$11,912	
392.2	Trans. Equip., Unitized	2,061,212	0.26% 1/		5,359	
393	Stores Equipment	40,117	2.86%	1,147		1,116
394.1	Tools, Shop & Gar. Eq.-Non-Un.	610,603	5.56%	33,950		33,511
395	Laboratory Equipment	24,809	5.00%	1,240		5,431
396.1	Work Equipment Trailers	193,858	6.02% 1/		11,670	
396.2	Power Operated Equip.	2,097,414	0.23% 1/		4,824	
397.1	Radio Comm. Equip.-Fixed	140,829	6.67%	9,393		9,826
397.2	Radio Comm. Equip.-Mobile	133,676	6.67%	8,916		8,932
397.3	General Tele. Comm. Equip.	40,389	10.00%	4,039		4,039
397.8	Network Equipment	7,116	20.00%	1,423		1,104
398	Miscellaneous Equipment	13,623	5.00%	681		869
	Total General Plant	\$13,144,278		\$302,440	\$33,765	\$309,156
303	Intangible Plant - General	146,801	2/	\$0		\$0
	<u>Common Plant</u>					
389	Land	85,362				
390	Structures and Improvements	1,407,600	1.46%	\$20,551		\$19,806
391.1	Furniture and Fixtures	167,758	6.67%	11,189		9,798
391.3	Computer Equip. - PC	137,303	20.00%	27,461		24,480
391.5	Computer Equip. - Other	202,794	20.00%	40,559		38,367
392.1	Trans. Equip., Non-Unitized	246	4.17% 1/			
392.2	Trans. Equip., Unitized	270,510	4.11% 1/		\$11,118	
392.3	Aircraft	428,653	4.00%	17,146		16,627

MONTANA-DAKOTA UTILITIES CO.
AVERAGE DEPRECIATION EXPENSE ON PER BOOKS PLANT
GAS UTILITY - SOUTH DAKOTA
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014

Acct. No.	Account	Per Books Average Plant	Annual Depreciation Rate	Amount	Clearing Accounts	2014 Per Books
393	Stores Equipment	364	3.33%	12		12
394.1	Tools, Shop & Gar. Equip.	10,744	5.56%	597		523
394.3	Vehicle Maint. Equip.	5,674	5.00%	284		272
394.4	Vehicle Refueling Equip.	1,060	5.00%	53		51
397.1	Radio Comm. Equip.-Fixed	76,516	6.67%	5,104		3,995
397.2	Radio Comm. Equip.-Mobile	26,401	6.67%	1,761		1,506
397.3	General Tele. Comm. Equip.	33,462	10.00%	3,346		2,991
397.5	Supervisory & Tele. Equip.	2,050	6.67%	137		132
397.8	Network Equipment	21,245	20.00%	4,249		3,479
398	Miscellaneous Equipment	119,047	5.00%	5,952		5,470
	Total Common Plant	<u>\$2,996,789</u>		<u>\$138,401</u>	<u>\$11,118</u>	<u>\$127,509</u>
303	Intangible Plant - Common	6,651,897	2/	\$373,163		\$373,163
	Total Gas Plant in Service	<u>\$99,811,467</u>		<u>\$3,468,580</u>	<u>\$44,883</u>	<u>\$3,445,175</u>

1/ Charged to a clearing account.

2/ Amortized. See worksheet Intangible Plant Amortization Rates for detail.

**MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - SOUTH DAKOTA
INTANGIBLE PLANT AMORTIZATION RATES
GENERAL AND COMMON
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014**

	Per Books Average Plant	Amortization
General Intangible	\$146,801	\$0
General Intangible Additions	300,847	30,085
	<u>\$447,648</u>	<u>\$30,085</u>
Common Intangible	6,651,897	373,163
Common Intangible Additions	398,660	33,462
Total Common Intangible	<u>\$7,050,557</u>	<u>\$406,625</u>

<u>Intangible Plant additions</u>		Expected	
	Amount	Life	Amortization
<u>General Intangible</u>			
100558 Purchase GMS software	298,272	10	\$29,827
307080 Develop large volume cust. web	2,575	10	258
	<u>300,847</u>		<u>\$30,085</u>
<u>Common Intangible</u>			
100256 Replace mobile workforce software	\$22,858	13	\$1,758
101673 Replace customer information sys	233,407	13	17,954
200902 Upgrade Endpoint Link Pro	9,203	10	920
301563 GIS data conversion	100,950	10	10,095
302625 Upgrade ECM software	8,455	10	846
307224 Purchase additional CC&B license	17,001	13	1,308
307421 Implement PowerPlan CPI Tax	2,554	10	255
307530 Purchase CC&B migration manag	4,232	13	326
	<u>\$398,660</u>		<u>\$33,462</u>