

IDENTIFICATION

Year: 2010

1.	Legal Name of Respondent:	MDU Resources Group, Inc.
2.	Name Under Which Respondent Does Business:	Montana-Dakota Utilities Co.
3.	Date Utility Service First Offered in Montana	1920
4.	Address to send Correspondence Concerning Report:	Montana-Dakota Utilities Co. 400 North Fourth Street Bismarck, ND 58501
5.	Person Responsible for This Report:	Rita A. Mulkern
5a.	Telephone Number:	(701) 222-7854
Control Over Respondent		
1.	If direct control over the respondent was held by another entity at the end of year provide the following:	
1a.	Name and address of the controlling organization or person:	
1b.	Means by which control was held:	
1c.	Percent Ownership:	

SCHEDULE 2

Board of Directors ^{1/}		
Line No.	Name of Director and Address (City, State) (a)	Remuneration (b)
1	Terry D. Hildestad, Bismarck, ND	-
2	Doran N. Schwartz, Bismarck, ND ^{2/}	-
3	Paul K. Sandness, Bismarck, ND	-
4	David L. Goodin, Bismarck, ND	-
5		-
6		-
7		
8	^{1/} Montana-Dakota Utilities Co. is a division of MDU Resources Group, Inc.,	
9	and has no Board of Directors. The affairs of the Company are managed by	
10	a Managing Committee, the members of which are provided herein rather	
11	than the directors of MDU Resources Group, Inc.	
12	^{2/} Vernon Raile retired from the Managing Committee effective February 2, 2010.	
13	Doran N. Schwartz was elected on February 3, 2010.	
14		
15		
16		
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18		

Officers

Year: 2010

Line No.	Title of Officer (a)	Department Supervised (b)	Name (c)
1	President & Chief Executive Officer	Executive	David L. Goodin
2			
3			
4	Executive Vice President	Regulatory, Gas Supply and Business Development	Dennis L. Haider
5			
6			
7	Executive Vice President	Combined Utility Operations Support	Mike J. Gardner
8			
9	Vice President	Electric Supply	Andrea L. Stomberg
10			
11	Vice President	Operations	Jay W. Skabo
12			
13	Vice President	Controller and Chief Accounting Officer	Garret Senger
14			
15			
16	Vice President	Regulatory Affairs	Donald R. Ball ^{1/}
17			
18			
19			
20	1/ Retired on March 31, 2010.		
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CORPORATE STRUCTURE

Year: 2010

	Subsidiary/Company Name	Line of Business	Earnings (000's)	Percent of Total
1	Montana-Dakota Utilities Co./	Electric and Natural Gas Distribution	\$65,852	27.44%
2	Great Plains Natural Gas Co.			
3	(Divisions of MDU Resources			
4	Group, Inc.) Cascade			
5	Natural Gas Corp. and			
6	Intermountain Gas Company			
7				
8	WBI Holdings, Inc.	Pipeline and Energy Services and Natural Gas and Oil Production	108,846	45.36%
9				
10				
11	Knife River Corporation	Construction Materials and Mining	29,609	12.34%
12				
13				
14	MDU Construction Services	Construction Services	17,982	7.49%
15	Group, Inc.			
16				
17	Centennial Energy Resources LLC/	Other	17,685	7.37%
18	Centennial Holdings Capital LLC			
19				
20				
21				
22				
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26				
27				
28				
29				
30				
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32				
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48				
49				
50	TOTAL		\$239,974	100.00%

CORPORATE ALLOCATIONS - ELECTRIC

Year: 2010

	Items Allocated	Classification	Allocation Method	\$ to MT Utility	MT %	\$ to Other
1	Audit Costs	Administrative & General	Various Corporate Overhead Allocation Factors	\$3,363	1.97%	\$167,514
2						
3	Advertising	Administrative & General	Various Corporate Overhead Allocation Factors and/or Actual Costs Incurred	3,282	1.96%	164,510
4						
5						
6	Air Service	Administrative & General	Various Corporate Overhead Allocation Factors, Time Studies, and/or Actual Costs Incurred	1,328	1.49%	88,030
7						
8						
9	Automobile	Administrative & General	Various Corporate Overhead Allocation Factors, Time Studies, and/or Actual Costs Incurred	223	2.00%	10,922
10						
11						
12	Bank Services	Administrative & General	Various Corporate Overhead Allocation Factors and/or Actual Costs Incurred	7,683	1.97%	383,066
13						
14						
15	Computer Rental	Administrative & General	Various Corporate Overhead Allocation Factors, Time Studies, and/or Actual Costs Incurred	148	1.96%	7,391
16						
17						
18	Consultant Fees	Administrative & General	Various Corporate Overhead Allocation Factors and/or Actual Costs Incurred	21,799	2.92%	725,825
19						
20						
21	Contract Services	Administrative & General	Various Corporate Overhead Allocation Factors and/or Actual Costs Incurred	34,878	1.74%	1,964,414
22						
23						
24	Corporate Aircraft	Administrative & General	Various Corporate Overhead Allocation Factors, Time Studies, and/or Actual Costs Incurred	3,348	2.09%	157,226
25						
26						
27	Directors Expenses	Administrative & General	Corporate Overhead Allocation Factor Based on a Combination of Net Plant Investment and Number of Employees	22,592	2.04%	1,085,600
28						
29						
30						
31	Employee Benefits	Administrative & General	Corporate Overhead Allocation Factor Based on Number of Employees	1,314	1.96%	65,616
32						

CORPORATE ALLOCATIONS - ELECTRIC

Year: 2010

	Items Allocated	Classification	Allocation Method	\$ to MT Utility	MT %	\$ to Other
1	Employee Meetings	Administrative & General	Various Corporate Overhead Allocation Factors and/or Actual Costs Incurred	3,025	1.91%	155,097
2						
3						
4	Employee Reimbursable Expenses	Administrative & General	Various Corporate Overhead Allocation Factors, Time Studies, and/or Actual Costs Incurred	2,617	1.67%	154,472
5						
6						
7	Legal Retainers & Fees	Administrative & General	Various Corporate Overhead Allocation Factors and/or Actual Costs Incurred	26,460	1.95%	1,327,831
8						
9						
10	Meal Allowance	Administrative & General	Various Corporate Overhead Allocation Factors, Time Studies, and/or Actual Costs Incurred	40	1.91%	2,049
11						
12						
13	Meals & Entertainment	Administrative & General	Various Corporate Overhead Allocation Factors, Time Studies, and/or Actual Costs Incurred	1,444	1.71%	83,082
14						
15						
16	Moving Expense	Administrative & General	Various Corporate Overhead Allocation Factors and/or Actual Costs Incurred	199	2.48%	7,816
17						
18						
19	Industry Dues & Licenses	Administrative & General	Various Corporate Overhead Allocation Factors, Time Studies, and/or Actual Costs Incurred	2,418	1.82%	130,374
20						
21						
22	Office Expenses	Administrative & General	Various Corporate Overhead Allocation Factors and/or Actual Costs Incurred	1,956	2.44%	78,279
23						
24						
25	Prepaid Insurance	Administrative & General	Various Corporate Overhead Allocation Factors and Allocation Factors Based on Actual Experience	26,432	1.93%	1,344,341
26						
27						
28	Permits and Filing Fees	Administrative & General	Various Corporate Overhead Allocation Factors and/or Actual Costs Incurred	792	2.47%	31,226
29						
30						
31	Postage	Administrative & General	Various Corporate Overhead Allocation Factors and/or Actual Costs Incurred	427	1.98%	21,143
32						

Company Name: Montana-Dakota Utilities Co.

CORPORATE ALLOCATIONS - ELECTRIC

Year: 2010

	Items Allocated	Classification	Allocation Method	\$ to MT Utility	MT %	\$ to Other
1	Payroll	Administrative & General	Various Corporate Overhead Allocation Factors, Time Studies, and/or Actual Costs Incurred	431,078	2.21%	19,118,029
2						
3						
4	Rental	Administrative & General	Various Corporate Overhead Allocation Factors and/or Actual Costs Incurred	273	2.24%	11,927
5						
6						
7	Reference Materials	Administrative & General	Various Corporate Overhead Allocation Factors and/or Actual Costs Incurred	3,908	2.03%	188,624
8						
9						
10	Reimbursements	Administrative & General	Various Corporate Overhead Allocation Factors and/or Actual Costs Incurred	(938)	23.97%	(2,976)
11						
12						
13	Supplemental Insurance	Administrative & General	Various Corporate Overhead Allocation Factors	(21,589)	2.17%	(974,075)
14						
15	Seminars & Meeting Registrations	Administrative & General				
16			Various Corporate Overhead Allocation Factors, Time Studies, and/or Actual Costs Incurred	1,355	1.98%	67,087
17						
18	Software Maintenance	Administrative & General				
19			Various Corporate Overhead Allocation Factors, Time Studies, and/or Actual Costs Incurred	11,263	2.02%	546,016
20						
21	Telephone & Cell Phones	Administrative & General				
22			Various Corporate Overhead Allocation Factors and/or Actual Costs Incurred	3,884	1.63%	234,157
23						
24	Training Material	Administrative & General				
25			Various Corporate Overhead Allocation Factors, Time Studies, and/or Actual Costs Incurred	888	1.98%	43,875
26						
27						
28						
29						
30						
31						
32	TOTAL			\$595,890	2.13%	\$27,388,488

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY - ELECTRIC

Year: 2010

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Utility	(e) % Total Affil. Revs.	(f) Charges to MT Utility	
1	KNIFE RIVER CORPORATION	Expense	Actual Costs Incurred				
2		Materials		\$17,564			
3		Office Expenses		624			
4		Training		64			
5							
6		Capital		Actual Costs Incurred			
7		Materials			2,616		
8		Contract Services			672		
9							
10		Other Transactions/Reimbursements		Actual Costs Incurred			
11		Balance Sheet Acct			614,033		
12							
13							
14							
15		Total Knife River Corporation Operating Revenues for the Year 2010				\$1,445,148,000	
16		Excludes Intersegment Eliminations					
17							
18							
19							
20							
21							
22	TOTAL	Grand Total Affiliate Transactions		\$635,573	0.0440%	\$593	

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY - ELECTRIC

Year: 2010

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Utility	(e) % Total Affil. Revs.	(f) Charges to MT Utility	
1	WBI HOLDINGS, INC.	Expense	Actual Costs Incurred				
2		Contract Services		\$11,192			
3		Damages		3,245			
4		Fuel		36,857			
5							
6		Capital		Actual Costs Incurred			
7		Contract Services			12,886		\$3,191
8		Material			526		130
9							
10		Other Transactions/Reimbursements		Actual Costs Incurred			
11		Auto Clearing			1,225		
12		Balance sheet accounts			1,395,454		
13		Non Utility			35,578		
14							
15							
16							
17							
18		Total WBI Holdings, Inc. Operating Revenues for the Year 2010				\$764,163,000	
19		Excludes Intersegment Eliminations					
20							
21							
22	TOTAL	Grand Total Affiliate Transactions		\$1,496,963	0.1959%	\$3,321	

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY - ELECTRIC

Year: 2010

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Utility	(e) % Total Affil. Revs.	(f) Charges to MT Utility	
1	MDU CONSTRUCTION SERVICES GROUP, INC	Expense	Actual Costs Incurred				
2		Contract Services		\$128,615			
3		Materials		13,386		\$1,650	
4							
5		Capital	Actual Costs Incurred				
6		Contract Services		471,116		40,432	
7		Materials		26,785		3,928	
8							
9		Other Transactions/Reimbursements	Actual Costs Incurred				
10		Miscellaneous		226,620			
11							
12							
13							
14		Total MDU Construction Services Group, Inc Operating Revenues for the Year 2010				\$789,100,000	
15		Excludes Intersegment Eliminations					
16							
17							
18							
19							
20							
21							
22	TOTAL	Grand Total Affiliate Transactions		\$866,522	0.1098%	\$46,010	

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY - ELECTRIC

Year: 2010

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Utility	(e) % Total Affil. Revs.	(f) Charges to MT Utility	
1	CENTENNIAL HOLDINGS CAPITAL, LLC	Expense	* Various Corporate Overhead				
2		Contract Services	Allocation Factors and/or	\$141,030		\$32,299	
3		Corporate Aircraft	Actual Costs Incurred	14,094		3,182	
4		Office Expense		232,642		53,280	
5		Rent		347,959		79,690	
6		Other		4		1	
7							
8		Capital	Actual Costs Incurred				
9		Corporate Aircraft		6,078		820	
10		Materials		1,437,008		331,427	
11							
12		Other Transactions/Reimbursements	Actual Costs Incurred				
13		Resource Charges		386,982			
14		Balance Sheet Accounts		2,582,095			
15		Clearing Accounts		2,842			
16		Non Utility		50			
17							
18							
19			Total Centennial Holdings Capital, LLC Operating Revenues for the Year 2010			\$7,727,000	
20			Grand Total Affiliate Transactions				
21							
22	TOTAL	Grand Total Affiliate Transactions		\$5,150,784	66.6596%	\$500,699	

* Corporate overhead allocation factors are derived from the invested capital balance as a percentage of the total corporate invested capital. Montana-Dakota Utilities Co. cost of service amounts are calculated for the general office complex, the printing department, and the budget and forecast system. The general office complex amounts are payroll and floor space costs for employees that perform services for Corporate. These include A/P, general accounting, fixed asset accounting, and miscellaneous other services. The charges are based on the percentage of system users that are corporate employees. Both the general office complex and amounts for corporate are allocated to affiliated companies based on corporate overhead allocation factors. The printing department amount is allocated to affiliated companies based on the direct printing images processed for them and their percentage of the corporate overhead allocation for the corporate printed image amount.

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY - ELECTRIC

Year: 2010

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Utility	(e) % Total Affil. Revs.	(f) Charges to MT Utility
1	MDU ENERGY CAPITAL	Expense	Actual Costs Incurred			
2		Auto		\$19		\$4
3		Contract Services		(33,854)		(7,753)
4		Cost of Service		127,228		29,136
5		Miscellaneous Employee Benefits		15		4
6		Office Expenses		1,106		217
7		Payroll		(15)		(3)
8		Travel		1,177		267
9						
10		Capital	Actual Costs Incurred			
11		Contract Services		577,069		125,607
12		Materials		20,707		4,776
13		Office Expense		963		188
14		Travel		635		146
15						
16		Other Transactions/Reimbursements	Actual Costs Incurred			
17		Resources Cost Centers		449		
18		Auto Clearing		11,433		
19		Job Orders		2,786		
20		Subsidiary Receivables		35,262		
21		Miscellaneous Reimbursements		(45,869)		
22		Non Utility		60,771		
23						
24						
25		Total MDU Energy Capital Operating Revenues for the Year 2010			\$600,594,000	
26		Grand Total Affiliate Transactions				
27						
28	TOTAL	Grand Total Affiliate Transactions		\$759,882	0.1265%	\$152,589

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY

Year: 2010

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Affiliate	(e) % Total Affil. Exp.	(f) Revenues to MT Utility
1	KNIFE RIVER CORPORATION	MDU RESOURCES GROUP, INC.	* Various Corporate Overhead Allocation Factors, Time Studies and/or Actual Costs Incurred			
2		Corporate Overhead				
3		Audit Costs		\$46,387		
4		Advertising		45,505		
5		Air Service		24,222		
6		Automobile		3,317		
7		Bank Services		106,060		
8		Corporate Aircraft		44,349		
9		Consultant Fees		248,826		
10		Contract Services		985,730		
11		Computer Rental		2,047		
12		Directors Expenses		302,546		
13		Employee Benefits		18,159		
14		Employee Meeting		42,726		
15		Employee Reimbursable Expense		46,149		
16		Express Mail		427		
17		Insurance		362,000		
18		Legal Retainers & Fees		367,223		
19		Moving Allowance		2,551		
20		Meal Allowance		565		
21		Cash Donations		14,523		
22		Meals & Entertainment		21,848		
23		Industry Dues & Licenses		36,162		
24		Office Expenses		27,647		
25		Supplemental Insurance		(275,066)		
26		Permits & Filing Fees		8,217		
27		Postage		5,471		
28		Payroll		5,469,429		
29		Reference Materials		52,089		
30		Rental		2,172		
31		Seminars & Meeting Registrations		19,351		
32		Software Maintenance		217,883		
33		Telephone/Cell Expenses		110,100		
34		Training		14,155		
35				Total MDU Resources Group, Inc.		\$8,372,770

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY

Year: 2010

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Affiliate	(e) % Total Affil. Exp.	(f) Revenues to MT Utility
1	KNIFE RIVER CORPORATION	MONTANA-DAKOTA UTILITIES CO.				
2		Office Services	* General Office Complex and Office			
3		Office Expenses	Supplies Cost of Service Allocation	\$190		
4		Postage	Factors	(61)		
5						
6		Other Direct Charges	Actual Costs Incurred			
7		Employee Discounts		40,046		
8		Dues, Permits, and Filing Fees		1,960		
9		Electric Consumption		100,470		
10		Gas Consumption		78,240		44,423
11		Miscellaneous		65,883		
12		Computer/Software Support		705,236		
13		Legal Fees		2,711		
14		Cost of Service		175,953		
15		Audit Costs		613,318		
16		Region Damage Billings		12,798		4,089
17		Employee Reimbursable Exp		31,506		
18		Misc Employee Benefits		11,681		
19		Contract Services		16,800		
20						
21			Total Montana-Dakota Utilities Co.		\$1,856,731	0.3231%
22						
23						
24		OTHER TRANSACTIONS/REIMBURSEMENTS				
25		Federal & State Tax Liability Payments		10,510,620		
26		Miscellaneous Reimbursements		(178,167)		
27						
28		Total Other Transactions/Reimbursements		10,332,453	1.7979%	
29						
30		Grand Total Affiliate Transactions		\$20,561,954	3.5780%	\$48,512
31						
32		Total Knife River Corporation Operating Expenses for 2010-Excludes Intersegment Eliminations			\$574,684,000	
33						

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY

Year: 2010

KNIFE RIVER CORPORATION

* Corporate overhead allocation factors are derived from the invested capital balance as a percentage of the total corporate invested capital. Montana-Dakota Utilities Co. cost of service amounts are calculated for the general office complex, the printing department, and the budget and forecast system. The general office complex amounts are payroll and floor space costs for employees that perform services for Corporate. These include A/P, general accounting, fixed asset accounting, and miscellaneous other services. The charges are based on the percentage of system users that are corporate employees. Both the general office complex and amounts for corporate are allocated to affiliated companies based on corporate overhead allocation factors. The printing department amount is allocated to affiliated companies based on the direct printing images processed for them and their percentage of the corporate overhead allocation for the corporate printed image amount.

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY

Year: 2010

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Affiliate	(e) % Total Affil. Exp.	(f) Revenues to MT Utility
1	WBI HOLDINGS, INC.	MDU RESOURCES GROUP, INC.				
2		Corporate Overhead	* Various Corporate Overhead			
3		Audit Costs	Allocation Factors, Time	\$56,690		
4		Advertising	Studies and/or Actual Costs	55,978		
5		Air Service	Incurred	20,158		
6		Automobile		3,255		
7		Bank Services		129,735		
8		Corporate Aircraft		52,487		
9		Consultant Fees		212,572		
10		Contract Services		431,787		
11		Computer Rental		2,500		
12		Directors Expenses		355,667		
13		Employee Benefits		22,267		
14		Employee Meeting		53,808		
15		Employee Reimbursable Expense		44,223		
16		Express Mail		134		
17		Insurance		465,562		
18		Legal Retainers & Fees		452,218		
19		Meal Allowance		707		
20		Cash Donations		18,037		
21		Meals & Entertainment		28,493		
22		Moving Expense		2,241		
23		Industry Dues & Licenses		43,706		
24		Office Expenses		21,624		
25		Supplemental Insurance		(296,856)		
26		Permits & Filing Fees		10,490		
27		Postage		6,725		
28		Payroll		6,162,795		
29		Reference Materials		62,837		
30		Rental		6,012		
31		Seminars & Meeting Registrations		22,860		
32		Software Maintenance		153,453		
33		Telephone		70,886		
34		Training Material		13,936		
35		Total MDU Resources Group, Inc.		\$8,686,987	0.6285%	

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY

Year: 2010

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Affiliate	(e) % Total Affil. Exp.	(f) Revenues to MT Utility
1	WBI HOLDINGS, INC.	MONTANA-DAKOTA UTILITIES CO.				
2		Other	* Various Corporate Overhead			
3		Expense	Allocation Factors, Cost of			
4		Payroll	Service Factors, Time	\$13		
5		Automobile	Studies and /or Actual Costs	(27)		
6						
7		Office Services	* Various Corporate Overhead			
8		Expense	Allocation Factors			
9		Office Expenses		221		
10		Postage		(15)		
11						
12		Region Operations	* Various Corporate Overhead			
13		Expense	Allocation Factors and/or			
14		Automobile	Actual Costs Incurred	1,961		
15		Contract Services		1		
16		Materials		133		
17		Office Telephone		11		
18		Payroll		7,048		
19		Photocopier		1		
20		Utilities		9		
21		General & Administrative Expenses		1,252		
22						
23		Clearing Accounts	* Various Corporate Overhead			
24		Office Telephone	Time Studies and/or Actual Costs	242		
25			Incurred			
26						
27		Other Direct Charges	Actual Costs Incurred			
28		Utility/Merchandise Discounts		49,914		
29		Audit Costs		412,495		
30		Contract Maintenance Services		963		
31		Radio Maintenance		1,726		
32		Vehicle Maintenance		11,071		
33		Dues, Permits, and Filing Fees		6,370		
34		Misc Employee Benefits		104,713		

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY

Year: 2010

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price		(e) % Total Affil. Exp.	(f) Revenues to MT Utility
1	WBI HOLDINGS, INC.	Computer/Software Support		280,040		
2		Electric Consumption		1,228,175		932,327
3		Gas Consumption		45,437		31,768
4		Cost of Service		244,348		
5		Region Billings		69,854		35,657
6		Legal Fees		6,795		
7		Employee Reimbursable Exp		44,620		
8		Telephone Expense		12,612		
9		Miscellaneous		67,008		
10		BitterCreek Projects		114,364		
11		Total Montana-Dakota Utilities Co.		\$2,711,355	0.1962%	\$999,752
12						
13		OTHER TRANSACTIONS/REIMBURSEMENTS	Actual Costs Incurred			
14		Federal & State Tax Liability Payments		21,624,998		
15		Miscellaneous Reimbursements		(62,879)		
16		Total Other Transactions/Reimbursements		21,562,119	1.5601%	
17						
18		Grand Total Affiliate Transactions		\$32,960,461	2.3848%	\$999,752
19						
20						
21						
22		Total WBI Holdings Operating Expenses for 2010 - Excludes Intersegment Eliminations			\$1,382,103,000	
23						

* Corporate overhead allocation factors are derived from the invested capital balance as a percentage of the total corporate invested capital. Montana-Dakota Utilities Co. cost of service amounts are calculated for the general office complex, the printing department, and the budget and forecast system. The general office complex amounts are payroll and floor space costs for employees that perform services for Corporate. These include A/P, general accounting, fixed asset accounting, and miscellaneous other services. The charges are based on the percentage of system users that are corporate employees. Both the general office complex and amounts for corporate are allocated to affiliated companies based on corporate overhead allocation factors. The printing department amount is allocated to affiliated companies based on the direct printing images processed for them and their percentage of the corporate overhead allocation for the corporate printed image amount.

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY

Year: 2010

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Affiliate	(e) % Total Affil. Exp.	(f) Revenues to MT Utility
1	MDU CONSTRUCTION SERVICES GROUP INC	MDU RESOURCES GROUP, INC.				
2		Corporate Overhead	* Various Corporate Overhead			
3		Audit Costs	Allocation Factors, Time	\$11,111		
4		Advertising	Studies and/or Actual Costs	10,940		
5		Air Service	Incurred	17,239		
6		Automobile		718		
7		Bank Services		25,418		
8		Corporate Aircraft		10,147		
9		Consultant Fees		33,287		
10		Contract Services		67,076		
11		Computer Rental		490		
12		Directors Expenses		70,918		
13		Employee Benefits		4,363		
14		Employee Meeting		10,410		
15		Employee Reimbursable Expense		18,026		
16		Express Mail		362		
17		Insurance		79,645		
18		Legal Retainers & Fees		88,340		
19		Moving Allowance		360		
20		Meal Allowance		137		
21		Cash Donations		3,510		
22		Meals & Entertainment		7,981		
23		Industry Dues & Licenses		8,649		
24		Office Expenses		3,502		
25		Supplemental Insurance		(61,556)		
26		Permits & Filing Fees		2,011		
27		Postage		1,310		
28		Payroll		1,227,522		
29		Reference Materials		12,431		
30		Rent		520		
31		Seminars & Meeting Registrations		4,115		
32		Software Maintenance		22,518		
33		Telephone/Cell Expenses		5,813		
34		Training Material		2,534		
35		Total MDU Resources Group, Inc.		\$1,689,847	0.2236%	

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY

Year: 2010

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Affiliate	(e) % Total Affil. Exp.	(f) Revenues to MT Utility	
1	MDU CONSTRUCTION SERVICES GROUP INC	MONTANA-DAKOTA UTILITIES CO.					
2		Office Services	* Various Corporate Overhead				
3		Office Supplies	Allocation Factors and/or Actual	\$14			
4			Costs Incurred				
5							
6		Other Miscellaneous Departments	* Various Corporate Overhead				
7		Payroll	Allocation Factors and/or Actual	50			
8			Costs Incurred				
9							
10							
11		Intercompany Settlements	Actual Costs Incurred				
12		Legal Fees		4,577			
13		Audit		435,729			
14		Computer/Software Support		63,778			
15		Employee Reimbursable Expense		3,138			
16		Cost of Service		91,427			
17		Misc Employee Benefits		(47,171)			
18		Vehicle Maintenance		223			
19		Dues, Permits, and Filing Fees		22,761			
20		Payroll		2,715,964			
21		Miscellaneous		74,097			
22		Employee Discounts		474			
23		Gas Consumption		2,155		2,155	
24							
25			Total Montana-Dakota Utilities Co.		\$3,367,216	0.4455%	\$2,155
26							

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY

Year: 2010

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Affiliate	(e) % Total Affil. Exp.	(f) Revenues to MT Utility
1	MDU CONSTRUCTION SERVICES GROUP INC	OTHER TRANSACTIONS/REIMBURSEMENTS	Actual Costs Incurred		0.9991%	
2		Federal & State Tax Liability Payments		7,735,354		
3		Miscellaneous Reimbursements		(184,300)		
4						
5		Total Other Transactions/Reimbursements		7,551,054		
6						
7		Grand Total Affiliate Transactions		\$12,608,117		
8						
9		Total MDU Construction Services Group, Inc. Operating Expenses for 2010			\$755,748,000	
10		Excludes Intersegment Eliminations				
11						
12						
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* Corporate overhead allocation factors are derived from the invested capital balance as a percentage of the total corporate invested capital. Montana-Dakota Utilities Co. cost of service amounts are calculated for the general office complex, the printing department, and the budget and forecast system. The general office complex amounts are payroll and floor space costs for employees that perform services for Corporate. These include A/P, general accounting, fixed asset accounting, and miscellaneous other services. The charges are based on the percentage of system users that are corporate employees. Both the general office complex and amounts for corporate are allocated to affiliated companies based on corporate overhead allocation factors. The printing department amount is allocated to affiliated companies based on the direct printing images processed for them and their percentage of the corporate overhead allocation for the corporate printed image amount.

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY

Year: 2010

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Affiliate	(e) % Total Affil. Exp.	(f) Revenues to MT Utility
1	CENTENNIAL ENERGY RESOURCES	MDU RESOURCES GROUP, INC.	* Various Corporate Overhead Allocation Factors, Time Studies and/or Costs Incurred		3.6559%	
2		Corporate Overhead				
3		Payroll				
4						
5		Total MDU Resources Group, Inc.				
6						
7		MONTANA-DAKOTA UTILITIES CO.		Actual costs incurred		
	Other Direct Charges					
12	Audit Costs					
15	Employee Reimbursable Exp					
16	Miscellaneous					
17	Total Montana-Dakota Utilities Co.					
18		Actual costs incurred			1389.9469%	
19	OTHER TRANSACTIONS/REIMBURSEMENTS					
20	Federal & State Tax Liability Payments					
22	Total Other Transactions/Reimbursements					
23				1396.6561%		
24	Grand Total Affiliate Transactions					
25						
26		Total Centennial Energy Resources Operating Expenses for 2010		\$1,110,000		
27		Excludes Intersegment Eliminations				

* Corporate overhead allocation factors are derived from the invested capital balance as a percentage of the total corporate invested capital. Montana-Dakota Utilities Co. cost of service amounts are calculated for the general office complex, the printing department, and the budget and forecast system. The general office complex amounts are payroll and floor space costs for employees that perform services for Corporate. These include A/P, general accounting, fixed asset accounting, and miscellaneous other services. The charges are based on the percentage of system users that are corporate employees. Both the general office complex and amounts for corporate are allocated to affiliated companies based on corporate overhead allocation factors. The printing department amount is allocated to affiliated companies based on the direct printing images processed for them and their percentage of the corporate overhead allocation for the corporate printed image amount.

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY

Year: 2010

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Affiliate	(e) % Total Affil. Exp.	(f) Revenues to MT Utility
1	CENTENNIAL HOLDINGS CAPITAL CORP. AND FUTURESOURCE	MONTANA-DAKOTA UTILITIES CO.	Actual costs incurred		12.3715%	
2						
3		Other Direct Charges				
4		Computer/Software Support		\$86,661		
5		Employee Reimbursable Exp		30,671		
6		Electric Consumption		150,065		
7		Gas Consumption		14,445		
8		Payroll		423,050		
9		Miscellaneous		7,580		
10		Total Montana-Dakota Utilities Co.				
11						
12		OTHER TRANSACTIONS/REIMBURSEMENTS	Actual costs incurred		-35.7790%	
13	Miscellaneous Reimbursements	(2,493)				
14	Federal & State Tax Liability Payments	(2,058,019)				
15	Total Other Transactions/Reimbursements		(2,060,512)			
16						
17		Grand Total Affiliate Transactions		(\$1,348,040)	-23.4075%	
18						
19		Total CHCC Operating Expenses for 2010			\$5,759,000	
20		Excludes Intersegment Eliminations				
21						
22						
23						

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY

Year: 2010

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Affiliate	(e) % Total Affil. Exp.	(f) Revenues to MT Utility
1	MDU ENERGY	MDU RESOURCES GROUP, INC.				
2	CAPITAL **	Corporate Overhead	* Various Corporate Overhead			
3		Audit Costs	Allocation Factors, Time	\$32,187		
4		Advertising	Studies and/or Actual Costs	31,443		
5		Air Service	Incurred	18,069		
6		Automobile		2,025		
7		Bank Services		73,551		
8		Corporate Aircraft		29,172		
9		Consultant Fees		93,145		
10		Contract Services		263,315		
11		Computer Rental		1,421		
12		Directors Expenses		215,022		
13		Employee Benefits		12,568		
14		Employee Meeting		29,071		
15		Employee Reimbursable Expense		29,200		
16		Express Mail		65		
17		Insurance		271,210		
18		Legal Retainers & Fees		253,571		
19		Meal Allowance		386		
20		Cash Donations		9,973		
21		Meals & Entertainment		15,481		
22		Moving Allowance		1,412		
23		Industry Dues & Licenses		24,335		
24		Office Expenses		13,330		
25		Supplemental Insurance		(205,076)		
26		Permits & Filing Fees		5,512		
27		Postage		3,799		
28		Payroll		3,447,534		
29		Reference Materials		36,725		
30		Rental		1,508		
31		Seminars & Meeting Registrations		12,254		
32		Software Maintenance		81,325		
33		Telephone		23,002		
34		Training Material		7,665		
35		Total MDU Resources Group, Inc.		\$4,834,200	0.8806%	

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY

Year: 2010

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Affiliate	(e) % Total Affil. Exp.	(f) Revenues to MT Utility
1	MDU ENERGY	MONTANA-DAKOTA UTILITIES CO.				
2	CAPITAL **	Communications Department	* Various Corporate Overhead			
3		Automobile	Allocation Factors, Cost of	\$4,968		
4		Air Service	Service Factors, Time Studies	6,498		
5		Payroll	and/or Actual Costs Incurred	1,291,473		
6		Employee Benefits		150		
7		Employee Reimbursable Expense		16,389		
8		Materials		9,419		
9		Meals & Entertainment		8,980		
10		Office Supplies		12,808		
11		Other		1,335		
12		Seminars & Meeting Registrations		6,505		
13		Software		34,169		
14						
15		Customer Service/Development	* Various Corporate Overhead			
16		Air Service	Allocation Factors, Cost of	18,065		
17		Payroll	Service Factors, Time Studies	3,533,362		
18		Contract Services	and/or Actual Costs Incurred	19,626		
19		Custodial Services		20,048		
20		Employee Benefits		18,917		
21		Employee Reimbursable Expense		19,161		
22		Meals & Entertainment		10,864		
23		Office Supplies		17,217		
24		Other		1,629		
25		Postage		171		
26		Rent		12,442		
27		Seminars & Meeting Registrations		1,474		
28		Software		50,521		
29		Telephone		116,514		
30		Utilities		24,709		
31						
32		Information Systems	* Various Corporate Overhead			
33		Automobile	Allocation Factors, Cost of Service	1,312		
34		Air Service	Factors, Time Studies and/or	26,480		
35		Payroll	Actual Costs Incurred	1,767,329		

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY

Year: 2010

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Affiliate	(e) % Total Affil. Exp.	(f) Revenues to MT Utility
1	MDU ENERGY	MONTANA-DAKOTA UTILITIES CO.				
2	CAPITAL **	Computer Rent		16,756		
3		Contract Services		11,590		
4		Employee Reimbursable Expense		22,000		
5		Meals & Entertainment		9,585		
6		Office Supplies		5,929		
7		Other		632		
8		Rent		12,223		
9		Seminars & Meeting Registrations		3,890		
10		Software		68,599		
11						
12		Transportation Department	* Various Corporate Overhead			
13		Automobile	Allocation Factors, Cost of Service	428		
14		Air Service	Factors, Time Studies and/or	1,386		
15		Payroll	Actual Costs Incurred	201,627		
16		Employee Reimbursable Expense		3,416		
17		Meals & Entertainment		801		
18		Other		1,114		
19						
20		Credit and Collections	* Various Corporate Overhead			
21		Automobile	Allocation Factors, Cost of Service	1,032		
22		Air Service	Factors, Time Studies and/or	11,993		
23		Payroll	Actual Costs Incurred	445,898		
24		Contract Services		465		
25		Employee Reimbursable Expense		8,904		
26		Meals & Entertainment		2,555		
27		Office Supplies		1,284		
28		Seminars & Meeting Registrations		1,131		
29		Other		735		
30						
31		Executive Departments	* Various Corporate Overhead			
32		Automobile	Allocation Factors, Cost of Service	845		
33		Air Service	Factors, Time Studies and/or	28,048		
34		Payroll	Actual Costs Incurred	1,177,567		
35		Consulting Services		7,567		

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY

Year: 2010

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Affiliate	(e) % Total Affil. Exp.	(f) Revenues to MT Utility
1	MDU ENERGY	MONTANA-DAKOTA UTILITIES CO.				
2	CAPITAL **	Corporate Aircraft		1,170		
3		Employee Reimbursable Expense		17,525		
4		Meals & Entertainment		10,058		
5		Moving Expense		7,725		
6		Office Supplies		2,160		
7		Seminars & Meeting Registrations		1,392		
8		Other		5,519		
9						
10		Payroll Accounting/Human Resources	* Various Corporate Overhead			
11		Payroll	Allocation Factors, Cost of Service	80,573		
12		Other	Factors, Time Studies and/or	390		
13			Actual Costs Incurred			
14						
15		Field Automation	* Various Corporate Overhead			
16		Automobile	Allocation Factors, Cost of Service	323		
17		Air Service	Factors, Time Studies and/or	2,765		
18		Payroll	Actual Costs Incurred	101,282		
19		Employee Reimbursable Expense		1,929		
20		Meals & Entertainment		458		
21		Office Supplies		2,059		
22		Software		5,983		
23		Other		4		
24						
25		Other Miscellaneous Departments	* Various Corporate Overhead			
26		Payroll	Allocation Factors, Cost of Service	48,019		
27		Other	Factors, Time Studies and/or	(89)		
28			Actual Costs Incurred			
29						
30		OTHER TRANSACTIONS/REIMBURSEMENTS				
31		Other Direct Charges	Actual costs incurred			
32		Misc Employee Benefits		703,280		
33		Audit Costs		381,844		
34		Cost of Service		1,758,526		

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY

Year: 2010

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Affiliate	(e) % Total Affil. Exp.	(f) Revenues to MT Utility
1	MDU ENERGY	MONTANA-DAKOTA UTILITIES CO.				
2	CAPITAL **	Computer/Software Support		639,785		
3		Legal Fees		11,704		
4		Projects		4,655,520		
5		Payroll		266,037		
6		Employee Reimbursable Exp		109,660		
7		Telephone Expense		57,156		
8		Miscellaneous		478,579		
9						
10		INTERCOMPANY SETTLEMENTS				
11		O&M	Actual costs incurred			
12		Auto		740		
13		Vehicle Maintenance		11,144		
14		Miscellaneous		(9,845)		
15		Employee Reimbursable Expense		1,449		
16		Material		206		
17		Telephone Expense		14		
18						
19		Capital	Actual costs incurred			
20		Auto		77		
21		Subcontract		105,200		
22		Permits and Fees		1,408		
23		Employee Reimbursable Expense		2,436		
24		Material		5,894		
25		Miscellaneous		551		
27		Total Montana-Dakota Utilities Co.		\$18,571,145	3.3829%	
28						
29		Federal & State Tax Liability Payments		3,469,120		
30		Miscellaneous Reimbursements		(23,562)		
31		Total Other Transactions/Reimbursements		3,445,558	0.6276%	
32						
33		Grand Total Affiliate Transactions		\$26,850,903	4.8912%	
34						
35		Total MDU Energy Capital Operating Expenses for 2010			\$548,965,000	
36		Excludes Intersegment Eliminations				

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY

Year: 2010

MDU ENERGY CAPITAL

* Corporate overhead allocation factors are derived from the invested capital balance as a percentage of the total corporate invested capital. Montana-Dakota Utilities Co. cost of service amounts are calculated for the general office complex, the printing department, and the budget and forecast system. The general office complex amounts are payroll and floor space costs for employees that perform services for Corporate. These include A/P, general accounting, fixed asset accounting, and miscellaneous other services. The charges are based on the percentage of system users that are corporate employees. Both the general office complex and amounts for corporate are allocated to affiliated companies and amounts for corporate are allocated to affiliated companies based on corporate overhead allocation factors. The printing department amount is allocated to affiliated companies based on the direct printing images processed for them and their percentage of the corporate overhead allocation for the corporate printed image amount.

** MDU Energy Capital is the parent company for Cascade Natural Gas Company and Intermountain Gas Company.

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY

Year: 2010

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Affiliate	(e) % Total Affil. Exp.	(f) Revenues to MT Utility
1	CENTENNIAL ENERGY HOLDING INC	MONTANA-DAKOTA UTILITIES CO.	Actual costs incurred			
2						
3		Other Direct Charges				
4		Audit Costs		\$109,761		
5		Employee Reimbursable Exp		125		
6		Miscellaneous		77,463		
7		Total Montana-Dakota Utilities Co.		\$187,349		
8						
9		Grand Total Affiliate Transactions		\$187,349		
10						
11						
12						
13						

MONTANA UTILITY INCOME STATEMENT

Year: 2010

	Account Number & Title	Last Year	This Year	% Change
1	400 Operating Revenues	\$46,362,568	\$46,721,323	0.77%
2				
3	Operating Expenses			
4	401 Operation Expenses	\$26,853,283	\$26,238,000	-2.29%
5	402 Maintenance Expense	3,627,112	3,682,201	1.52%
6	403 Depreciation Expense	5,203,039	5,327,388	2.39%
7	404-405 Amortization of Electric Plant	324,740	281,109	-13.44%
8	406 Amort. of Plant Acquisition Adjustments	56,807	56,526	-0.49%
9	407 Amort. of Property Losses, Unrecovered Plant & Regulatory Study Costs			
11	408.1 Taxes Other Than Income Taxes	3,079,492	3,333,645	8.25%
12	409.1 Income Taxes - Federal	(1,298,447)	(2,484,727)	-91.36%
13	- Other	(158,094)	(805,175)	-409.30%
14	410.1 Provision for Deferred Income Taxes	2,532,811	3,838,594	51.55%
15	411.1 (Less) Provision for Def. Inc. Taxes - Cr.	403,466	837,688	107.62%
16	411.4 Investment Tax Credit Adjustments			
17	411.6 (Less) Gains from Disposition of Utility Plant			
18	411.7 Losses from Disposition of Utility Plant			
19				
20	TOTAL Utility Operating Expenses	\$40,624,209	\$40,305,249	-0.79%
21	NET UTILITY OPERATING INCOME	\$5,738,359	\$6,416,074	11.81%

MONTANA REVENUES

SCHEDULE 9

	Account Number & Title	Last Year	This Year	% Change
1	Sales of Electricity			
2	440 Residential	\$12,853,138	\$13,364,669	3.98%
3	442 Commercial & Industrial - Small	7,811,028	7,956,486	1.86%
4	Commercial & Industrial - Large	21,430,781	20,579,717	-3.97%
5	444 Public Street & Highway Lighting	788,279	790,290	0.26%
6	445 Other Sales to Public Authorities	384,198	389,026	1.26%
7	446 Sales to Railroads & Railways			
8	448 Interdepartmental Sales			
9	Net Unbilled Revenue	(222,132)	513,299	331.08%
10	TOTAL Sales to Ultimate Consumers	\$43,045,292	\$43,593,487	1.27%
11	447 Sales for Resale	1,325,685	1,172,064	-11.59%
12				
13	TOTAL Sales of Electricity	\$44,370,977	\$44,765,551	0.89%
14	449.1 (Less) Provision for Rate Refunds			
15				
16	TOTAL Revenue Net of Provision for Refunds	\$44,370,977	\$44,765,551	0.89%
17	Other Operating Revenues			
18	450 Forfeited Discounts & Late Payment Revenues			
19	451 Miscellaneous Service Revenues	\$15,949	\$7,141	-55.23%
20	453 Sales of Water & Water Power			
21	454 Rent From Electric Property	934,846	1,133,539	21.25%
22	455 Interdepartmental Rents			
23	456 Other Electric Revenues	1,040,796	815,092	-21.69%
24				
25	TOTAL Other Operating Revenues	\$1,991,591	\$1,955,772	-1.80%
26	Total Electric Operating Revenues	\$46,362,568	\$46,721,323	0.77%

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2010

Account Number & Title		Last Year	This Year	% Change
1	Power Production Expenses			
2				
3	Steam Power Generation			
4	Operation			
5	500 Operation Supervision & Engineering	\$488,190	\$502,123	2.85%
6	501 Fuel	11,289,890	12,087,681	7.07%
7	502 Steam Expenses	938,286	1,033,888	10.19%
8	503 Steam from Other Sources			
9	504 (Less) Steam Transferred - Cr.			
10	505 Electric Expenses	335,134	345,571	3.11%
11	506 Miscellaneous Steam Power Expenses	743,717	599,501	-19.39%
12	507 Rents	166	144	-13.25%
13				
14	TOTAL Operation - Steam	13,795,383	14,568,908	5.61%
15				
16	Maintenance			
17	510 Maintenance Supervision & Engineering	198,427	206,321	3.98%
18	511 Maintenance of Structures	156,209	142,819	-8.57%
19	512 Maintenance of Boiler Plant	1,332,059	1,175,459	-11.76%
20	513 Maintenance of Electric Plant	243,249	248,921	2.33%
21	514 Maintenance of Miscellaneous Steam Plant	267,866	277,585	3.63%
22				
23	TOTAL Maintenance - Steam	2,197,810	2,051,105	-6.68%
24				
25	TOTAL Steam Power Production Expenses	\$15,993,193	\$16,620,013	3.92%
26				
27	Nuclear Power Generation			
28	Operation			
29	517 Operation Supervision & Engineering			
30	518 Nuclear Fuel Expense			
31	519 Coolants & Water			
32	520 Steam Expenses			
33	521 Steam from Other Sources			
34	522 (Less) Steam Transferred - Cr.			
35	523 Electric Expenses			
36	524 Miscellaneous Nuclear Power Expenses			
37	525 Rents			
38				
39	TOTAL Operation - Nuclear		NOT APPLICABLE	
40				
41	Maintenance			
42	528 Maintenance Supervision & Engineering			
43	529 Maintenance of Structures			
44	530 Maintenance of Reactor Plant Equipment			
45	531 Maintenance of Electric Plant			
46	532 Maintenance of Miscellaneous Nuclear Plant			
47				
48	TOTAL Maintenance - Nuclear		NOT APPLICABLE	
49				
50	TOTAL Nuclear Power Production Expenses			

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2010

Account Number & Title		Last Year	This Year	% Change
1	Power Production Expenses -continued			
2	Hydraulic Power Generation			
3	Operation			
4	535 Operation Supervision & Engineering			
5	536 Water for Power			
6	537 Hydraulic Expenses		NOT	
7	538 Electric Expenses		APPLICABLE	
8	539 Miscellaneous Hydraulic Power Gen. Expenses			
9	540 Rents			
10				
11	TOTAL Operation - Hydraulic			
12				
13	Maintenance			
14	541 Maintenance Supervision & Engineering			
15	542 Maintenance of Structures			
16	543 Maint. of Reservoirs, Dams & Waterways			
17	544 Maintenance of Electric Plant			
18	545 Maintenance of Miscellaneous Hydro Plant			
19				
20	TOTAL Maintenance - Hydraulic			
21				
22	TOTAL Hydraulic Power Production Expenses			
23				
24	Other Power Generation			
25	Operation			
26	546 Operation Supervision & Engineering	\$29,474	\$28,508	-3.28%
27	547 Fuel	123,795	308,950	149.57%
28	548 Generation Expenses	74,457	116,750	56.80%
29	549 Miscellaneous Other Power Gen. Expenses	62,996	83,384	32.36%
30	550 Rents	13,116	12,878	-1.81%
31				
32	TOTAL Operation - Other	303,838	550,470	81.17%
33				
34	Maintenance			
35	551 Maintenance Supervision & Engineering	14,971	13,683	-8.60%
36	552 Maintenance of Structures	1,837	7,028	282.58%
37	553 Maintenance of Generating & Electric Plant	50,784	63,591	25.22%
38	554 Maintenance of Misc. Other Power Gen. Plant	641	2	-99.69%
39				
40	TOTAL Maintenance - Other	68,233	84,304	23.55%
41				
42	TOTAL Other Power Production Expenses	\$372,071	\$634,774	70.61%
43				
44	Other Power Supply Expenses			
45	555 Purchased Power	\$4,983,897	\$3,816,099	-23.43%
46	556 System Control & Load Dispatching	277,272	302,125	8.96%
47	557 Other Expenses			
48				
49	TOTAL Other Power Supply Expenses	\$5,261,169	\$4,118,224	-21.72%
50				
51	TOTAL Power Production Expenses	\$21,626,433	\$21,373,011	-1.17%

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2010

Account Number & Title		Last Year	This Year	% Change
1	Transmission Expenses			
2	Operation			
3	560 Operation Supervision & Engineering	\$338,929	\$352,450	3.99%
4	561 Load Dispatching	339,119	358,812	5.81%
5	562 Station Expenses	146,347	159,993	9.32%
6	563 Overhead Line Expenses	26,238	30,453	16.06%
7	564 Underground Line Expenses			
8	565 Transmission of Electricity by Others	311,952	19,354	-93.80%
9	566 Miscellaneous Transmission Expenses	33,247	31,376	-5.63%
10	567 Rents	174,752	170,461	-2.46%
11	575 Day-Ahead and Real-Time Market Administration	122,669	121,428	-1.01%
12				
13	TOTAL Operation - Transmission	1,493,253	1,244,327	-16.67%
14	Maintenance			
15	568 Maintenance Supervision & Engineering	6,937	12,528	80.60%
16	569 Maintenance of Structures			
17	570 Maintenance of Station Equipment	175,437	99,524	-43.27%
18	571 Maintenance of Overhead Lines	105,458	215,632	104.47%
19	572 Maintenance of Underground Lines			
20	573 Maintenance of Misc. Transmission Plant			
21				
22	TOTAL Maintenance - Transmission	287,832	327,684	13.85%
23				
24	TOTAL Transmission Expenses	\$1,781,085	\$1,572,011	-11.74%
25	Distribution Expenses			
26	Operation			
28	580 Operation Supervision & Engineering	\$196,518	\$224,202	14.09%
29	581 Load Dispatching			
30	582 Station Expenses	80,862	53,127	-34.30%
31	583 Overhead Line Expenses	45,514	115,474	153.71%
32	584 Underground Line Expenses	130,250	144,552	10.98%
33	585 Street Lighting & Signal System Expenses	21,297	6,730	-68.40%
34	586 Meter Expenses	164,924	108,684	-34.10%
35	587 Customer Installations Expenses	92,150	75,240	-18.35%
36	588 Miscellaneous Distribution Expenses	520,644	513,146	-1.44%
37	589 Rents	28,285	28,399	0.40%
38				
39	TOTAL Operation - Distribution	1,280,444	1,269,554	-0.85%
40	Maintenance			
41	590 Maintenance Supervision & Engineering	81,692	106,333	30.16%
42	591 Maintenance of Structures			
43	592 Maintenance of Station Equipment	16,449	14,741	-10.38%
44	593 Maintenance of Overhead Lines	545,262	599,259	9.90%
45	594 Maintenance of Underground Lines	130,334	150,595	15.55%
46	595 Maintenance of Line Transformers	26,430	40,242	52.26%
47	596 Maintenance of Street Lighting, Signal Systems	44,853	48,202	7.47%
48	597 Maintenance of Meters	17,144	16,884	-1.52%
49	598 Maintenance of Miscellaneous Dist. Plant	104,389	122,436	17.29%
50				
51	TOTAL Maintenance - Distribution	966,553	1,098,692	13.67%
52				
53	TOTAL Distribution Expenses	\$2,246,997	\$2,368,246	5.40%

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2010

Account Number & Title		Last Year	This Year	% Change
1	Customer Accounts Expenses			
2	Operation			
3	901 Supervision	\$55,403	\$31,690	-42.80%
4	902 Meter Reading Expenses	163,083	156,143	-4.26%
5	903 Customer Records & Collection Expenses	441,217	390,288	-11.54%
6	904 Uncollectible Accounts Expenses	32,751	48,380	47.72%
7	905 Miscellaneous Customer Accounts Expenses	75,002	29,019	-61.31%
8				
9	TOTAL Customer Accounts Expenses	\$767,456	\$655,520	-14.59%
10	Customer Service & Information Expenses			
11	Operation			
12	907 Supervision	\$15,862	\$10,642	-32.91%
13	908 Customer Assistance Expenses	19,141	(6,614)	-134.55%
14	909 Informational & Instructional Adv. Expenses	4,268	2,690	-36.97%
15	910 Miscellaneous Customer Service & Info. Exp.	3	29	866.67%
16				
17				
18	TOTAL Customer Service & Info Expenses	\$39,274	\$6,747	-82.82%
19	Sales Expenses			
20	Operation			
21	911 Supervision	\$2,468	\$2,532	2.59%
22	912 Demonstrating & Selling Expenses	25,905	14,808	-42.84%
23	913 Advertising Expenses	2,994	1,174	-60.79%
24	916 Miscellaneous Sales Expenses	7,451	6,008	-19.37%
25				
26				
27	TOTAL Sales Expenses	\$38,818	\$24,522	-36.83%
28	Administrative & General Expenses			
29	Operation			
30	920 Administrative & General Salaries	\$1,170,630	\$1,139,919	-2.62%
31	921 Office Supplies & Expenses	616,812	621,285	0.73%
32	922 (Less) Administrative Expenses Transferred - Cr.			
33	923 Outside Services Employed	112,512	182,362	62.08%
34	924 Property Insurance	144,571	168,751	16.73%
35	925 Injuries & Damages	184,724	261,380	41.50%
36	926 Employee Pensions & Benefits	1,354,912	1,073,338	-20.78%
37	927 Franchise Requirements			
38	928 Regulatory Commission Expenses	167,866	173,308	3.24%
39	929 (Less) Duplicate Charges - Cr.			
40	930.1 General Advertising Expenses	8,507	7,664	-9.91%
41	930.2 Miscellaneous General Expenses	55,223	54,865	-0.65%
42	931 Rents	57,891	116,856	101.86%
43				
44				
45	TOTAL Operation - Admin. & General	3,873,648	3,799,728	-1.91%
46	Maintenance			
47	935 Maintenance of General Plant	106,684	120,416	12.87%
48				
49	TOTAL Administrative & General Expenses	\$3,980,332	\$3,920,144	-1.51%
50				
51	TOTAL Operation & Maintenance Expenses	\$30,480,395	\$29,920,201	-1.84%

MONTANA TAXES OTHER THAN INCOME

Year: 2010

	Description of Tax	Last Year	This Year	% Change
1	Payroll Taxes	\$434,508	\$498,617	14.75%
2	Secretary of State	223	386	73.09%
3	Highway Use Tax	479	476	-0.63%
4	Montana Consumer Counsel	29,321	21,707	-25.97%
5	Montana PSC	107,136	133,100	24.23%
6	Montana Electric	53,066	53,740	1.27%
7	Coal Conversion	274,305	276,616	0.84%
8	Delaware Franchise	24,104	25,027	3.83%
9	Property Taxes	2,156,350	2,323,976	7.77%
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50	TOTAL MT Taxes Other Than Income	\$3,079,492	\$3,333,645	8.25%

PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES - ELECTRIC

Year: 2010

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1	Able Field Services	Plant Update & Repair	82,487	2,429	2.94%
2					
3	ACS Construction	Contractor Services	332,906		0.00%
4					
5	Aevenia Inc	Transmission Line Maintenance	842,239	147,191	17.48%
6					
7	AFPI	Annual Report Preparation	124,458	2,282	1.83%
8					
9	Agri Industries	Contractor Serv. - Directional Drilling	154,663	47,847	30.94%
10					
11	American Gas Association	Industrial Membership	266,190		0.00%
12					
13	API Construction Co.	Contractor Serv. - Power Plant	366,811	90,232	24.60%
14					
15	Aquilex HydroChem, Inc.	Contractor Services - Power Plant	111,278	27,559	24.77%
16					
17	Arvig Communications Sys	Gas Line Construction	128,532		0.00%
18					
19	Associated Legal Group, LLC	Legal Services	76,228	21	0.03%
20					
21	Atlantic Insulco Environmental	Contract Services - Environmental	298,515	73,930	24.77%
22					
23	B & B Foundation Service Inc.	Construction Services	547,458	83,909	15.33%
24					
25	Babcock & Wilcox	Contractor Services - Power Plant	872,021	113,309	12.99%
26					
27	Baker, Tilly, Virchow, Krause, LLP	Professional Audit Services	99,041	3,399	3.43%
28					
29	Barr Engineering Company	Engineering Services	158,953	38,722	24.36%
30					
31	Benco Equipment Co.	Vehicle maintenance	235,581	3,728	1.58%
32					
33	Blue Heron Consulting	Consulting Services	1,474,856	126,738	8.59%
34					
35	Broadridge	Contract Services - Shareholder	136,973	2,604	1.90%
36					
37	Bullinger Tree Service	Tree Trimming	497,515	27,334	5.49%
38					
39	Butler Machinery Co	Equipment Maintenance	229,444	27,578	12.02%
40					
41	Butzel Long	Legal Services	76,212	1,457	1.91%
42					
43	Central Trenching	Contractor Services - Trenching	188,898		0.00%
44					
45	Chief Construction	Construction Services	696,633		0.00%
46					
47	Cisco Systems Capital Corp	Software Maintenance	121,222	2,021	1.67%
48					
49	Cohen Tauber Spievack &	Legal Services	76,615	1,562	2.04%
50	Wagner, PC				

PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES - ELECTRIC

Year: 2010

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1	Compucom	Computer Services & Software Maint.	146,526	3,170	2.16%
2					
3	Concentric Energy Advisors, Inc.	Consulting Services	158,607	40,951	25.82%
4					
5	Connecting Point	Computer Services & Software Maint.	414,210	4,629	1.12%
6					
7	Cop Construction Co.	Construction Services - Billings Landfill	1,093,572		0.00%
8					
9	Dell Marketing L.P.	Software Maintenance	418,327	2,439	0.58%
10					
11	Deloitte & Touche LLP	Auditing & Consulting Services	2,172,854	23,205	1.07%
12					
13	Dewey & LeBoeuf	Legal Services	1,067,236	20,591	1.93%
14					
15	DMVW Railroad	Spur Maintenance	99,953	24,754	24.77%
16					
17	Edison Electric Institute	Industrial Membership	93,735	15,129	16.14%
18					
19	Edling Electric Inc	Contractor Services - GO Generator	399,304	31,120	7.79%
20					
21	Engineered Pump Services	Contractor Services - Plant Maintenance	104,820	14,098	13.45%
22					
23	Environmental Plant Services	Contract Services - Environmental	187,925	46,541	24.77%
24					
25	EP2M	Consulting Services	647,878	55,458	8.56%
26					
27	Fischer Contracting	Construction Services - Gas	287,576		0.00%
28					
29	Forrester, Gary	Lobbying and Promotion	98,558	1,945	1.97%
30					
31	Franz Construction, Inc.	Contractor Services - Power Plant	97,374	25,962	26.66%
32					
33	G E Energy Services	Contractor Services - Power Plant	515,569	62,606	12.14%
34					
35	GE International Inc.	Contractor Services	105,025	24,866	23.68%
36					
37	G E International Inc.	Contractor Services	156,918	38,862	24.77%
38					
39	H. A. Thompson & Sons, Inc.	Contractor Services - Mechanical	206,394	28,538	13.83%
40					
41	Hardy Construction	Contractor Services - Billings Landfill	1,787,796	3	0.00%
42					
43	HDR Engineering Inc.	Engineering Services	274,762	68,047	24.77%
44					
45	Highmark, Inc.	Construction Services	2,148,963	346,686	16.13%
46					
47	Impact Mechanical, Inc.	Contractor Services - Power Plant	152,413	37,746	24.77%
48					
49	Industrial Contractors, Inc.	Contractor Services - Power Plant	1,095,141	270,185	24.67%
50					

PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES - ELECTRIC

Year: 2010

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1	Infrasource Construction, LLC	Underground Gas Line Installation	3,269,671		0.00%
2					
3	Intermountain Tree Expert Co	Tree Trimming Service	106,013		0.00%
4					
5	International Business Mach.	Contractor Services - Computer Maint.	219,888	4,205	1.91%
6					
7	ltron Inc.	Contractor Services & Software Maint	144,482	9,256	6.41%
8					
9	Kappel tree Service LLC	Tree Trimming Service	108,540	54,081	49.83%
10					
11	LFG Technologies Develop., LLC	Contractor Services - Billings Landfill	3,274,719		0.00%
12					
13	LRN Corporation	Training Services	75,824	1,802	2.38%
14					
15	M C M General Contractors, Inc.	Construction Services - Gas	511,387		0.00%
16					
17	McDermott, Will & Emery, LLP	Legal Services	106,864	2,738	2.56%
18					
19	Microsoft Licensing GP	Software Maintenance	725,847	13,828	1.91%
20					
21	Midwest ISO	Contractor Services	100,600	23,933	23.79%
22					
23	Missouri River Contracting	Contractor Services - Substations	87,045		0.00%
24					
25	Moody's Investors Service	Financial Services	147,900	6,783	4.59%
26					
27	Moorhead Machinery & Boiler	Contractor Services - Power Plant	1,176,562	291,385	24.77%
28					
29	Morgan, Lewis & Bockius LLP	Legal Services	156,745	2,874	1.83%
30					
31	Nance, Robert L	Defered Director Payments	152,046	2,998	1.97%
32					
33	New York Life	Consulting Services	422,211	1,318	0.31%
34					
35	Northern Natural Gas Line	Construction Services - Gas	270,507		0.00%
36					
37	NYSE Market Inc	Financial Services	188,204	3,578	1.90%
38					
39	Olson, John L	Defered Director Payments	79,866	1,583	1.98%
40					
41	One Call Locators LTD	Line Location Services	920,776	1,346	0.15%
42					
43	Oracle Corp	Software Maintenance	1,475,368	44,570	3.02%
44					
45	Ormat Nevada Inc.	Install Energy Converter	219,382	52,220	23.80%
46					
47	Otis Elevator Company	Elevator Service	78,000	12,944	16.59%
48					
49	Pearce, Harry J	Active Director's Fees	130,000	2,560	1.97%
50					

PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES - ELECTRIC

Year: 2010

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1	Power Generation Service Inc.	Contractor Services - Power Plants	666,645	165,100	24.77%
2					
3	Presort Plus Inc.	Contractor Services - Mail	87,977	14,839	16.87%
4					
5	Progressive Maintenance	Custodial Service	134,497	20,770	15.44%
6					
7	Prosource Technologies Inc.	Contract Services - Environmental	81,174		0.00%
8					
9	PSC Industrial Outsourcing Inc.	Contractor Services - Power Plant	449,213	111,251	24.77%
10					
11	Q3 Contracting	Construction Services	91,210		0.00%
12					
13	R & K Contractors Inc.	Contractor Services - District Office	80,646		0.00%
14					
15	RDO Equipment	Equipment Maintenance	103,829	227	0.22%
16					
17	Rocky Mountain Contractors	Contractor Services	551,349	40,432	7.33%
18					
19	Rocky Mountain Line	Construction Services	385,427		0.00%
20					
21	Sand Creek Corporation	Construction Services - Switching Stat.	126,792		0.00%
22					
23	Southern Cross Corp	Construction Services - Gas	162,416		0.00%
24					
25	Spherion Corporation	Temp Service	95,104	19,389	20.39%
26					
27	Standard & Poor's	Financial Services	140,824	2,304	1.64%
28					
29	State- Line Contractors	Construction Services - Gas	124,128		0.00%
30					
31	Structural Integrity Associates	Contractor Services - Power Plant	144,000	35,663	24.77%
32					
33	T&K Inspection, Inc.	Construction Services	119,822		0.00%
34					
35	Telvent USA, Inc.	Software Development	78,284	8,177	10.45%
36					
37	Terra Engineering & Const, Corp	Construction Services - Billings Landfill	448,062		0.00%
38					
39	Timberline Construction Inc.	Contractor Services - Transmission Lines	1,098,954	4,263	0.39%
40					
41	Total Corrosion Solutions Inc.	Contractor Services	120,338		0.00%
42					
43	Treasury Management Services	Banking Services	272,537	26,119	9.58%
44					
45	Ulmer Tree Services	Tree Trimming Service	201,712		0.00%
46					
47	Ulteig Engineers Inc.	Engineering Services	80,488	17,359	21.57%
48					
49	Van Horn Media	Advertising	127,167	1,063	0.84%
50					

PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES - ELECTRIC

Year: 2010

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1	Van Ness Feldman PC	Legal Services	151,195	32,725	21.64%
2					
3	Ventyx Energy, LLC	Software Maintenance	159,541	22,240	13.94%
4					
5	Virtual Hold Technology, LLC	Software Maintenance	75,744	1,293	1.71%
6					
7	Wanzek Construction	Contractor Services	6,215,930	1,697,372	27.31%
8					
9	Websence, Inc.	Software Maintenance	113,223	3,304	2.92%
10					
11	Weisz & Sons Inc.	Contractor Services	477,259	58,012	12.16%
12					
13	Wells Fargo Shareowners Serv.	Stock Transfer Agent	305,808	6,010	1.97%
14					
15	Wenck	Contractor Service - Billings Landfill	403,700		0.00%
16					
17	Western Union Financial Serv	Financial Services	127,075	8,686	6.84%
18					
19	Workforce Services, Inc.	Vehicle Maintenance	137,410		0.00%
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51	TOTAL Payments for Services		50,415,092	4,841,983	9.60%

POLITICAL ACTION COMMITTEES / POLITICAL CONTRIBUTIONS Year: 2010

	Description	Total Company	Montana	% Montana
1	Contributions to Candidates by PAC	\$80,538	\$4,030	5.00%
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43	TOTAL Contributions	\$80,538	\$4,030	5.00%

Pension Costs

Year: 2010

1	Plan Name MDU Resources Group, Inc. Master Pension Plan Trust			
2	Defined Benefit Plan? Yes		Defined Contribution Plan? No	
3	Actuarial Cost Method? Traditional Unit Credit		IRS Code: 1A	
4	Annual Contribution by Employer: 3,871,657		Is the Plan Over Funded? No	
5				
	Item	Current Year	Last Year	% Change
6	Change in Benefit Obligation	(000's)	(000's)	
7	Benefit obligation at beginning of year	\$209,621	\$213,539	-1.83%
8	Service cost	1,826	5,036	-63.74%
9	Interest cost	11,745	13,169	-10.81%
10	Plan participants' contributions	-	-	0.00%
11	Amendments	-	-	0.00%
12	Actuarial (Gain) Loss	20,971	17,651	18.81%
13	Curtailment gain	-	(24,085)	N/A
14	Benefits paid	(13,892)	(15,689)	11.45%
15	Benefit obligation at end of year	\$230,271	\$209,621	9.85%
16	Change in Plan Assets			
17	Fair value of plan assets at beginning of year	\$152,426	\$134,645	13.21%
18	Actual return on plan assets	22,446	24,853	-9.68%
19	Interplan transfer (1)	-	270	N/A
20	Employer contribution	3,872	8,347	-53.61%
21	Plan participants' contributions	-	-	0.00%
22	Benefits paid	(13,892)	(15,689)	11.45%
23	Fair value of plan assets at end of year	\$164,852	\$152,426	8.15%
24	Funded Status	(\$65,419)	(\$57,195)	-14.38%
25	Unrecognized net actuarial loss	-	-	0.00%
26	Unrecognized prior service cost	-	-	0.00%
27	Unrecognized net transition obligation	-	-	0.00%
28	Accrued benefit cost	(\$65,419)	(\$57,195)	-14.38%
29				
30	Weighted-Average Assumptions as of Year End			
31	Discount rate	5.26	5.75	-8.52%
32	Expected return on plan assets	7.75	8.25	-6.06%
33	Rate of compensation increase	4.00	4.00	0.00%
34				
35	Components of Net Periodic Benefit Costs			
36	Service cost	\$1,826	\$5,036	-63.74%
37	Interest cost	11,745	13,169	-10.81%
38	Expected return on plan assets	(14,414)	(15,429)	6.58%
39	Amortization of prior service cost	265	604	-56.13%
40	Recognized net actuarial gain	573	236	142.80%
41	Curtailment loss	-	1,143	N/A
42	Net periodic benefit cost	(\$5)	\$4,759	-100.11%
43				
44	Montana Intrastate Costs:			
45	Pension costs	(\$5)	\$4,759	-100.11%
46	Pension costs capitalized	137	656	-79.12%
47	Accumulated pension asset (liability) at year end	(\$65,419)	(\$57,195)	-14.38%
48	Number of Company Employees:			
49	Covered by the plan	1,818	1,883	-3.45%
50	Not covered by the plan	436	252	73.02%
51	Active	762	889	-14.29%
52	Retired	964	931	3.54%
53	Deferred vested terminated	92	63	46.03%

(1) The company transferred assets between plans for employees that moved to a different MDU Resources Group, Inc. sponsored plan.

Other Post Employment Benefits (OPEBS)

Year: 2010

	Item	Current Year	Last Year	% Change
1	Regulatory Treatment:			
2	Commission authorized - most recent			
3	Docket number:			
4	Order numbers:			
5	Amount recovered through rates -			
6	Weighted-Average Assumptions as of Year End			
7	Discount rate	5.20	5.75	-9.57%
8	Expected return on plan assets	6.75	7.25	-6.90%
9	Medical cost inflation rate	6.00	6.00	0.00%
10	Actuarial cost method	Projected unit credit	Projected unit credit	
11	Rate of compensation increase	N/A	N/A	
12	List each method used to fund OPEBs (ie: VEBA, 401(h)) and if tax advantaged:			
13	VEBA			
14	Describe any Changes to the Benefit Plan:			
15				
16				
	TOTAL COMPANY			
17	Change in Benefit Obligation	(000's)	(000's)	
18	Benefit obligation at beginning of year	\$44,848	\$50,698	-11.54%
19	Service cost	680	1,106	-38.52%
20	Interest cost	2,412	2,838	-15.01%
21	Plan participants' contributions	1,645	1,526	7.80%
22	Amendments	-	(5,439)	N/A
23	Actuarial (Gain) Loss	667	(1,618)	141.22%
24	Acquisition	-	-	0.00%
25	Benefits paid	(4,705)	(4,263)	-10.37%
26	Benefit obligation at end of year	\$45,547	\$44,848	1.56%
27	Change in Plan Assets			
28	Fair value of plan assets at beginning of year	\$37,973	\$35,466	7.07%
29	Actual return on plan assets	4,079	3,411	19.58%
30	Acquisition	-	-	0.00%
31	Employer contribution	1,191	1,833	-35.02%
32	Plan participants' contributions	1,645	1,526	7.80%
33	Benefits paid	(4,705)	(4,263)	-10.37%
34	Fair value of plan assets at end of year	\$40,183	\$37,973	5.82%
35	Funded Status	(\$5,364)	(\$6,875)	21.98%
36	Unrecognized net actuarial loss	-	-	0.00%
37	Unrecognized prior service cost	-	-	0.00%
38	Unrecognized transition obligation	-	-	0.00%
39	Accrued benefit cost	(\$5,364)	(\$6,875)	21.98%
40	Components of Net Periodic Benefit Costs			
41	Service cost	\$680	\$1,106	-38.52%
42	Interest cost	2,412	2,838	-15.01%
43	Expected return on plan assets	(3,302)	(3,565)	7.38%
44	Amortization of prior service cost	(295)	36	-919.44%
45	Recognized net actuarial gain	-	(198)	N/A
46	Transition amount amortization	1,664	1,678	-0.83%
47	Net periodic benefit cost	\$1,159	\$1,895	-38.84%
48	Accumulated Post Retirement Benefit Obligation			
49	Amount funded through VEBA	\$2,836	\$3,359	-15.57%
50	Amount funded through 401(h)			
51	Amount funded through Other _____			
52	TOTAL	\$2,836	\$3,359	-15.57%
53	Amount that was tax deductible - VEBA	\$1,191 (1)	\$1,833	-35.02%
54	Amount that was tax deductible - 401(h)			
55	Amount that was tax deductible - Other _____			
56	TOTAL	\$1,191	\$1,833	-35.02%

Other Post Employment Benefits (OPEBS) Continued

Year: 2010

	Item	Current Year	Last Year	% Change
1	Number of Company Employees:			
2	Covered by the plan	1,801	1,783	1.01%
3	Not covered by the plan	36	37	-2.70%
4	Active	1,010	1,029	-1.85%
5	Retired	643	607	5.93%
6	Spouses/dependants covered by the plan	148	142	4.23%
7	Montana			
8	Change in Benefit Obligation			
9	Benefit obligation at beginning of year			
10	Service cost	NOT APPLICABLE		
11	Interest cost	NOT APPLICABLE		
12	Plan participants' contributions	NOT APPLICABLE		
13	Amendments	NOT APPLICABLE		
14	Actuarial gain	NOT APPLICABLE		
15	Acquisition	NOT APPLICABLE		
16	Benefits paid	NOT APPLICABLE		
17	Benefit obligation at end of year			
18	Change in Plan Assets			
19	Fair value of plan assets at beginning of year			
20	Actual return on plan assets	NOT APPLICABLE		
21	Acquisition	NOT APPLICABLE		
22	Employer contribution	NOT APPLICABLE		
23	Plan participants' contributions	NOT APPLICABLE		
24	Benefits paid	NOT APPLICABLE		
25	Fair value of plan assets at end of year			
26	Funded Status			
27	Unrecognized net actuarial loss	NOT APPLICABLE		
28	Unrecognized prior service cost	NOT APPLICABLE		
29	Prepaid (accrued) benefit cost	NOT APPLICABLE		
30	Components of Net Periodic Benefit Costs			
31	Service cost	NOT APPLICABLE		
32	Interest cost	NOT APPLICABLE		
33	Expected return on plan assets	NOT APPLICABLE		
34	Amortization of prior service cost	NOT APPLICABLE		
35	Recognized net actuarial loss	NOT APPLICABLE		
36	Net periodic benefit cost			
37	Accumulated Post Retirement Benefit Obligation			
38	Amount funded through VEBA	NOT APPLICABLE		
39	Amount funded through 401(h)	NOT APPLICABLE		
40	Amount funded through other _____	NOT APPLICABLE		
41	TOTAL			
42	Amount that was tax deductible - VEBA	NOT APPLICABLE		
43	Amount that was tax deductible - 401(h)	NOT APPLICABLE		
44	Amount that was tax deductible - Other	NOT APPLICABLE		
45	TOTAL			
46	Montana Intrastate Costs:			
47	Pension costs	NOT APPLICABLE		
48	Pension costs capitalized	NOT APPLICABLE		
49	Accumulated pension asset (liability) at year end			
50	Number of Montana Employees:			
51	Covered by the plan	NOT APPLICABLE		
52	Not covered by the plan	NOT APPLICABLE		
53	Active	NOT APPLICABLE		
54	Retired	NOT APPLICABLE		
55	Spouses/dependants covered by the plan	NOT APPLICABLE		

TOP TEN MONTANA COMPENSATED EMPLOYEES (ASSIGNED OR ALLOCATED)

Line No.	Name/Title	Base Salary	Bonuses	Other	Total Compensation	Total Compensation Last Year	% Increase Total Compensation
1							
2							
3							
4							
5	The Commission has declared, by administrative rule, that some of Montana-Dakota's employees no longer have the right to maintain the privacy of their salary information (ARM 38.2.5031). Montana-Dakota has been advised by its legal counsel that the existence of that administrative rule effectively prohibits it from providing such information to the Commission on a voluntary basis, and that the Commission will need to institute proceedings to compel the disclosure of the requested salary information.						
6							
7							
8							
9							
10							

COMPENSATION OF TOP 5 CORPORATE EMPLOYEES - SEC INFORMATION 1/

Line No.	Name/Title	Base Salary	Bonuses	Other 2/	Total Compensation	Total Compensation Last Year 2/	% Increase Total Compensation
1	Terry D. Hildestad - President & CEO	\$750,000	\$762,750	\$1,348,168	\$2,860,918	\$4,203,004	-32%
2	Vernon A. Raile 3/ Executive Vice President, Treasurer and CFO	57,945	0	101,128	159,073	2,140,718	-93%
3	Doran N. Schwartz Vice President and CFO	252,454	127,053	248,732	628,239	547,492	15%
4	John G. Harp - President & CEO of MDU Construction Services Group, Inc.	450,000	438,750	655,325	1,544,075	2,029,859	-24%
5	Steven L. Bietz President & CEO of WBI Holdings, Inc.	350,000	245,245	571,510	1,166,755	1,597,506	-27%
6	David L. Goodin President and CEO of Combined Utility Group	322,000	320,438	493,467	1,135,905	1,161,262	-2%

1/ See Page 19a for Total Compensation detail.

2/ Amounts represent the aggregate grant date fair value of the performance share awards calculated in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 - Share Based Payment.

3/ Retired effective February 16, 2010.

BALANCE SHEET

Year: 2010

	Account Number & Title	Last Year	This Year	% Change
1	Assets and Other Debits			
2	Utility Plant			
3	101 Electric Plant in Service	\$777,621,714	\$940,549,718	20.95%
4	101.1 Property Under Capital Leases			
5	102 Electric Plant Purchased or Sold			
6	104 Electric Plant Leased to Others			
7	105 Electric Plant Held for Future Use			
8	106 Completed Constr. Not Classified - Electric			
9	107 Construction Work in Progress - Electric	103,058,636	20,897,466	-79.72%
10	108 (Less) Accumulated Depreciation	(419,780,203)	(438,372,147)	4.43%
11	111 (Less) Accumulated Amortization	(5,139,599)	(5,618,885)	9.33%
12	114 Electric Plant Acquisition Adjustments	10,387,642	10,387,642	0.00%
13	115 (Less) Accum. Amort. Electric Plant Acq. Adj.	(9,462,839)	(9,691,080)	2.41%
14	120 Nuclear Fuel (Net)			
15	Other Utility Plant	385,933,227	415,684,337	7.71%
16	Accum. Depr. and Amort. - Other Utl. Plant	(211,783,684)	(220,060,340)	3.91%
17	TOTAL Utility Plant	\$630,834,894	\$713,776,711	13.15%
18	Other Property & Investments			
19	121 Nonutility Property	\$4,065,076	\$4,168,474	2.54%
20	122 (Less) Accum. Depr. & Amort. of Nonutil. Prop.	(1,207,227)	(1,311,967)	8.68%
21	123 Investments in Associated Companies			
22	123.1 Investments in Subsidiary Companies	2,240,332,380	2,336,133,125	4.28%
23	124 Other Investments	41,701,031	48,037,819	15.20%
24	125 Sinking Funds			
25	TOTAL Other Property & Investments	\$2,284,891,260	\$2,387,027,451	4.47%
26	Current & Accrued Assets			
27	131 Cash	\$5,039,802	\$6,238,148	23.78%
28	132-134 Special Deposits	1,200	1,200	0.00%
29	135 Working Funds	63,569	36,865	-42.01%
30	136 Temporary Cash Investments	25,000,000	0	-100.00%
31	141 Notes Receivable			
32	142 Customer Accounts Receivable	26,120,425	29,395,116	12.54%
33	143 Other Accounts Receivable	3,182,572	4,363,648	37.11%
34	144 (Less) Accum. Provision for Uncollectible Accts.	(233,779)	(231,003)	-1.19%
35	145 Notes Receivable - Associated Companies			
36	146 Accounts Receivable - Associated Companies	33,121,406	27,836,855	-15.96%
37	151 Fuel Stock	4,613,409	5,029,867	9.03%
38	152 Fuel Stock Expenses Undistributed			
39	153 Residuals and Extracted Products			
40	154 Plant Materials and Operating Supplies	9,812,475	10,139,125	3.33%
41	155 Merchandise	974,586	876,220	-10.09%
42	156 Other Material & Supplies			
43	163 Stores Expense Undistributed	(1,699)	(639)	62.39%
44	164.1 Gas Stored Underground - Current	17,640,699	18,538,439	5.09%
45	165 Prepayments	4,950,903	4,438,120	-10.36%
46	166 Advances for Gas Explor., Devl. & Production			
47	171 Interest & Dividends Receivable	139	0	-100.00%
48	172 Rents Receivable			
49	173 Accrued Utility Revenues	35,878,909	37,326,027	4.03%
50	174 Miscellaneous Current & Accrued Assets			
51	TOTAL Current & Accrued Assets	\$166,164,616	\$143,987,988	-13.35%

BALANCE SHEET

Year: 2010

	Account Number & Title	Last Year	This Year	% Change
1	Assets and Other Debits (cont.)			
2				
3	Deferred Debits			
4				
5	181 Unamortized Debt Expense	\$1,217,947	\$1,126,622	-7.50%
6	182.1 Extraordinary Property Losses			
7	182.2 Unrecovered Plant & Regulatory Study Costs	0	7,564,400	100.00%
8	182.3 Other Regulatory Assets	80,661,452	86,467,267	7.20%
9	183 Prelim. Electric Survey & Investigation Chrg.	283,502	321,479	13.40%
10	183.1 Prelim. Nat. Gas Survey & Investigation Chrg.			
11	183.2 Other Prelim. Nat. Gas Survey & Invtg. Chrgs.			
12	184 Clearing Accounts	(232,048)	109,955	-147.38%
13	185 Temporary Facilities			
14	186 Miscellaneous Deferred Debits	22,623,810	25,010,265	10.55%
15	187 Deferred Losses from Disposition of Util. Plant			
16	188 Research, Devel. & Demonstration Expend.			
17	189 Unamortized Loss on Reacquired Debt	10,285,123	9,565,612	-7.00%
18	190 Accumulated Deferred Income Taxes	55,095,783	59,053,683	7.18%
19	191 Unrecovered Purchased Gas Costs	(9,339,438)	2,110,509	-122.60%
20	192.1 Unrecovered Incremental Gas Costs			
21	192.2 Unrecovered Incremental Surcharges			
22	TOTAL Deferred Debits	\$160,596,131	\$191,329,792	19.14%
23				
24	TOTAL ASSETS & OTHER DEBITS	\$3,242,486,901	\$3,436,121,942	5.97%
	Account Number & Title	Last Year	This Year	% Change
25	Liabilities and Other Credits			
26				
27	Proprietary Capital			
28				
29	201 Common Stock Issued	\$188,389,265	\$188,901,379	0.27%
30	202 Common Stock Subscribed			
31	204 Preferred Stock Issued	15,000,000	15,000,000	0.00%
32	205 Preferred Stock Subscribed			
33	207 Premium on Capital Stock	1,019,788,138	1,030,458,868	1.05%
34	211 Miscellaneous Paid-In Capital			
35	213 (Less) Discount on Capital Stock			
36	214 (Less) Capital Stock Expense	(4,110,305)	(4,110,305)	0.00%
37	216 Appropriated Retained Earnings	472,482,478	492,507,658	4.24%
38	216.1 Unappropriated Retained Earnings	904,556,156	1,004,931,088	11.10%
39	217 (Less) Reacquired Capital Stock	(3,625,813)	(3,625,813)	0.00%
40	219 Accumulated Other Comprehensive Income	(20,832,825)	(31,261,155)	-50.06%
41	TOTAL Proprietary Capital	\$2,571,647,094	\$2,692,801,720	4.71%
42				
43	Long Term Debt			
44				
45	221 Bonds	\$280,000,000	\$280,000,000	0.00%
46	222 (Less) Reacquired Bonds			
47	223 Advances from Associated Companies			
48	224 Other Long Term Debt	1,102,591	995,927	-9.67%
49	225 Unamortized Premium on Long Term Debt			
50	226 (Less) Unamort. Discount on Long Term Debt-Dr.			
51	TOTAL Long Term Debt	\$281,102,591	\$280,995,927	-0.04%

BALANCE SHEET

Year: 2010

	Account Number & Title	Last Year	This Year	% Change
1				
2	Total Liabilities and Other Credits (cont.)			
3				
4	Other Noncurrent Liabilities			
5				
6	227 Obligations Under Cap. Leases - Noncurrent			
7	228.1 Accumulated Provision for Property Insurance			
8	228.2 Accumulated Provision for Injuries & Damages	\$1,486,612	\$936,497	-37.00%
9	228.3 Accumulated Provision for Pensions & Benefits	54,313,944	54,957,735	1.19%
10	228.4 Accumulated Misc. Operating Provisions			
11	229 Accumulated Provision for Rate Refunds			
12	230 Asset Retirement Obligations	3,302,103	6,314,471	91.23%
13	TOTAL Other Noncurrent Liabilities	\$59,102,659	\$62,208,703	5.26%
14				
15	Current & Accrued Liabilities			
16				
17	231 Notes Payable	\$0	\$20,000,000	100.00%
18	232 Accounts Payable	30,573,900	34,271,793	12.09%
19	233 Notes Payable to Associated Companies			
20	234 Accounts Payable to Associated Companies	5,802,650	9,445,305	62.78%
21	235 Customer Deposits	2,239,734	2,019,003	-9.86%
22	236 Taxes Accrued	14,803,275	5,133,221	-65.32%
23	237 Interest Accrued	5,058,554	4,928,786	-2.57%
24	238 Dividends Declared	29,748,761	30,772,550	3.44%
25	239 Matured Long Term Debt			
26	240 Matured Interest			
27	241 Tax Collections Payable	1,986,880	1,963,158	-1.19%
28	242 Miscellaneous Current & Accrued Liabilities	24,937,206	23,267,497	-6.70%
29	243 Obligations Under Capital Leases - Current			
30	TOTAL Current & Accrued Liabilities	\$115,150,960	\$131,801,313	14.46%
31				
32	Deferred Credits			
33				
34	252 Customer Advances for Construction	\$5,924,550	\$7,133,209	20.40%
35	253 Other Deferred Credits	81,150,481	88,934,756	9.59%
36	254 Other Regulatory Liabilities	8,593,585	8,088,640	-5.88%
37	255 Accumulated Deferred Investment Tax Credits	162,069	797,879	392.31%
38	256 Deferred Gains from Disposition Of Util. Plant			
39	257 Unamortized Gain on Reacquired Debt			
40	281-283 Accumulated Deferred Income Taxes	119,652,912	163,359,795	36.53%
41	TOTAL Deferred Credits	\$215,483,597	\$268,314,279	24.52%
42				
43	TOTAL LIABILITIES & OTHER CREDITS	\$3,242,486,901	\$3,436,121,942	5.97%

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 2010

	Account Number & Title	Last Year	This Year	% Change
1				
2	Intangible Plant			
3				
4	301 Organization			
5	302 Franchises & Consents			
6	303 Miscellaneous Intangible Plant	\$4,667,865	\$4,889,240	4.74%
7				
8	TOTAL Intangible Plant	\$4,667,865	\$4,889,240	4.74%
9				
10	Production Plant			
11				
12	Steam Production			
13				
14	310 Land & Land Rights	\$256,951	\$252,286	-1.82%
15	311 Structures & Improvements	12,801,999	12,677,153	-0.98%
16	312 Boiler Plant Equipment	41,575,388	42,095,922	1.25%
17	313 Engines & Engine Driven Generators			
18	314 Turbogenerator Units	11,794,485	11,973,523	1.52%
19	315 Accessory Electric Equipment	3,763,820	3,833,860	1.86%
20	316 Miscellaneous Power Plant Equipment	4,016,611	4,160,848	3.59%
21				
22	TOTAL Steam Production Plant	\$74,209,254	\$74,993,592	1.06%
23				
24	Nuclear Production			
25				
26	320 Land & Land Rights			
27	321 Structures & Improvements			
28	322 Reactor Plant Equipment		NOT	
29	323 Turbogenerator Units		APPLICABLE	
30	324 Accessory Electric Equipment			
31	325 Miscellaneous Power Plant Equipment			
32				
33	TOTAL Nuclear Production Plant			
34				
35	Hydraulic Production			
36				
37	330 Land & Land Rights			
38	331 Structures & Improvements			
39	332 Reservoirs, Dams & Waterways		NOT	
40	333 Water Wheels, Turbines & Generators		APPLICABLE	
41	334 Accessory Electric Equipment			
42	335 Miscellaneous Power Plant Equipment			
43	336 Roads, Railroads & Bridges			
44				
45	TOTAL Hydraulic Production Plant			

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 2010

	Account Number & Title	Last Year	This Year	% Change
1				
2	Production Plant (cont.)			
3				
4	Other Production			
5				
6	340 Land & Land Rights	\$16,782	\$16,477	-1.82%
7	341 Structures & Improvements	202,022	198,414	-1.79%
8	342 Fuel Holders, Producers & Accessories	627,686	633,222	0.88%
9	343 Prime Movers			
10	344 Generators	20,302,431	40,440,939	99.19%
11	345 Accessory Electric Equipment	253,396	271,001	6.95%
12	346 Miscellaneous Power Plant Equipment	33,554	34,374	2.44%
13				
14	TOTAL Other Production Plant	\$21,435,871	\$41,594,427	94.04%
15				
16	TOTAL Production Plant	\$95,645,125	\$116,588,019	21.90%
17				
18	Transmission Plant			
19				
20	350 Land & Land Rights	\$688,795	\$682,393	-0.93%
21	352 Structures & Improvements	451	443	-1.77%
22	353 Station Equipment	18,926,972	19,572,341	3.41%
23	354 Towers & Fixtures	1,194,315	1,174,224	-1.68%
24	355 Poles & Fixtures	7,082,007	7,134,857	0.75%
25	356 Overhead Conductors & Devices	5,946,296	5,934,917	-0.19%
26	357 Underground Conduit	296,583	299,199	0.88%
27	358 Underground Conductors & Devices	582,385	571,485	-1.87%
28	359 Roads & Trails			
29				
30	TOTAL Transmission Plant	\$34,717,804	\$35,369,859	1.88%
31				
32	Distribution Plant			
33				
34	360 Land & Land Rights	\$266,555	\$266,705	0.06%
35	361 Structures & Improvements			
36	362 Station Equipment	6,418,608	6,886,982	7.30%
37	363 Storage Battery Equipment			
38	364 Poles, Towers & Fixtures	6,555,859	6,752,360	3.00%
39	365 Overhead Conductors & Devices	5,004,648	5,141,868	2.74%
40	366 Underground Conduit	12,967	12,967	0.00%
41	367 Underground Conductors & Devices	6,559,017	6,873,772	4.80%
42	368 Line Transformers	8,699,997	8,999,714	3.45%
43	369 Services	4,270,032	4,360,652	2.12%
44	370 Meters	2,838,192	2,962,292	4.37%
45	371 Installations on Customers' Premises	735,888	748,810	1.76%
46	372 Leased Property on Customers' Premises			
47	373 Street Lighting & Signal Systems	1,674,737	1,678,831	0.24%
48				
49	TOTAL Distribution Plant	\$43,036,500	\$44,684,953	3.83%

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 2010

	Account Number & Title	Last Year	This Year	% Change
1				
2	General Plant			
3				
4	389 Land & Land Rights	\$2,066	\$2,064	-0.10%
5	390 Structures & Improvements	121,060	120,970	-0.07%
6	391 Office Furniture & Equipment	203,241	141,928	-30.17%
7	392 Transportation Equipment	1,171,433	1,285,260	9.72%
8	393 Stores Equipment	7,904	7,904	0.00%
9	394 Tools, Shop & Garage Equipment	481,608	520,419	8.06%
10	395 Laboratory Equipment	211,039	210,897	-0.07%
11	396 Power Operated Equipment	2,164,233	2,085,426	-3.64%
12	397 Communication Equipment	364,091	561,238	54.15%
13	398 Miscellaneous Equipment	7,749	6,523	-15.82%
14	399 Other Tangible Property			
15				
16	TOTAL General Plant	\$4,734,424	\$4,942,629	4.40%
17				
18	Common Plant			
19				
20	389 Land & Land Rights	\$201,139	\$219,127	8.94%
21	390 Structures & Improvements	3,444,359	3,888,825	12.90%
22	391 Office Furniture & Equipment	917,445	752,322	-18.00%
23	392 Transportation Equipment	1,081,207	1,288,620	19.18%
24	393 Stores Equipment	13,095	13,138	0.33%
25	394 Tools, Shop & Garage Equipment	226,692	178,355	-21.32%
26	395 Laboratory Equipment			
27	396 Power Operated Equipment	11,856	11,665	-1.61%
28	397 Communication Equipment	427,210	406,855	-4.76%
29	398 Miscellaneous Equipment	115,949	129,541	11.72%
30	399 Other Tangible Property			
31				
32	TOTAL Common Plant	\$6,438,952	\$6,888,448	6.98%
33				
34				
35	TOTAL Electric Plant in Service	\$189,240,670	\$213,363,148	12.75%

MONTANA DEPRECIATION SUMMARY

Year: 2010

	Functional Plant Classification	Plant Cost	Accumulated Depreciation		Current Avg. Rate
			Last Year Bal.	This Year Bal.	
1					
2	Steam Production 1/	\$78,548,810	\$60,598,019	\$61,384,877	2.91%
3	Nuclear Production				
4	Hydraulic Production				
5	Other Production	41,594,427	3,930,158	5,306,905	3.17%
6	Transmission	35,369,859	18,360,920	18,634,226	1.38%
7	Distribution	44,684,953	23,183,932	23,886,998	2.18%
8	General	6,443,693	3,451,855	3,547,772	3.28%
9	Common	10,276,624	5,605,654	5,942,044	3.74%
10	TOTAL	\$216,918,366	\$115,130,538	\$118,702,822	2.61%

MONTANA MATERIALS & SUPPLIES (ASSIGNED & ALLOCATED)

SCHEDULE 21

	Account	Last Year Bal.	This Year Bal.	%Change
1				
2	151 Fuel Stock	\$1,315,422	\$1,446,379	9.96%
3	152 Fuel Stock Expenses Undistributed			
4	153 Residuals			
5	154 Plant Materials & Operating Supplies:			
6	Assigned to Construction (Estimated)			
7	Assigned to Operations & Maintenance			
8	Production Plant (Estimated)	586,719	588,069	0.23%
9	Transmission Plant (Estimated)	318,370	426,758	34.04%
10	Distribution Plant (Estimated)	686,414	660,207	-3.82%
11	Assigned to Other			
12	155 Merchandise			
13	156 Other Materials & Supplies			
14	157 Nuclear Materials Held for Sale			
15	163 Stores Expense Undistributed			
16				
17	TOTAL Materials & Supplies	\$2,906,925	\$3,121,413	7.38%

MONTANA REGULATORY CAPITAL STRUCTURE & COSTS

SCHEDULE 22

	Commission Accepted - Most Recent	% Cap. Str.	% Cost Rate	Weighted Cost
1	Docket Number 2007.7.79			
2	Order Number 6846f			
3				
4	Common Equity	50.67%	10.25%	5.19%
5	Preferred Stock	3.58%	4.61%	0.17%
6	Long Term Debt	38.18%	7.22%	2.76%
7	Short Term Debt	7.57%	6.11%	0.46%
8	TOTAL	100.00%		8.58%
9				
10	<u>Actual at Year End</u>			
11				
12	Common Equity	53.246%	10.250%	5.458%
13	Preferred Stock	2.415%	4.590%	0.111%
14	Long Term Debt	43.713%	6.845%	2.992%
15	Short Term Debt	0.626%	5.427%	0.034%
16	TOTAL	100.000%		8.595%

STATEMENT OF CASH FLOWS

Year: 2010

	Description	Last Year	This Year	% Change
1	Increase/(decrease) in Cash & Cash Equivalents:			
2				
3	Cash Flows from Operating Activities:			
4	Net Income	(\$123,274,095)	\$240,659,282	295.22%
5	Depreciation	35,082,590	37,619,293	7.23%
6	Amortization	(319,003)	810,836	354.18%
7	Deferred Income Taxes - Net	8,387,646	39,748,983	373.90%
8	Investment Tax Credit Adjustments - Net	(199,265)	635,810	419.08%
9	Change in Operating Receivables - Net	(3,724,383)	826,147	122.18%
10	Change in Materials, Supplies & Inventories - Net	(8,443,567)	(1,543,542)	81.72%
11	Change in Operating Payables & Accrued Liabilities - Net	13,052,368	(3,349,647)	-125.66%
12	Change in Other Regulatory Assets	7,104,393	(13,370,215)	-288.20%
13	Change in Other Regulatory Liabilities	200,390	2,507,423	1151.27%
14	Allowance for Other Funds Used During Construction (AFUDC)	(5,557,565)	(4,268,299)	23.20%
15	Change in Other Assets & Liabilities - Net	45,568,156	(9,039,509)	-119.84%
16	Less Undistributed Earnings from Subsidiary Companies	255,489,860	(100,425,856)	-139.31%
17	Other Operating Activities (explained on attached page)			
18	Net Cash Provided by/(Used in) Operating Activities	\$223,367,525	\$190,810,706	-14.58%
19				
20	Cash Inflows/Outflows From Investment Activities:			
21	Construction/Acquisition of Property, Plant and Equipment			
22	(net of AFUDC & Capital Lease Related Acquisitions)	(\$125,809,740)	(\$111,818,428)	11.12%
23	Acquisition of Other Noncurrent Assets	(6,588,982)	(6,336,788)	3.83%
24	Proceeds from Disposal of Noncurrent Assets			
25	Investments In and Advances to Affiliates			
26	Contributions and Advances from Affiliates	22,915,660	(1,636,385)	-107.14%
27	Disposition of Investments in and Advances to Affiliates			
28	Other Investing Activities: Depreciation & RWIP on Nonutility Plant	136,225	172,190	26.40%
29	Net Cash Provided by/(Used in) Investing Activities	(\$109,346,837)	(\$119,619,411)	-9.39%
30				
31	Cash Flows from Financing Activities:			
32	Proceeds from Issuance of:			
33	Long-Term Debt	\$27,493,724	\$0	-100.00%
34	Preferred Stock			
35	Common Stock	65,207,454	4,970,954	-92.38%
36	Other:	264,363	375,227	41.94%
37	Net Increase in Short-Term Debt	0	20,000,000	100.00%
38	Other: Commercial Paper			
39	Payment for Retirement of:			
40	Long-Term Debt	(5,600,000)	(106,664)	98.10%
41	Preferred Stock			
42	Common Stock			
43	Other: Adjustment to Retained Earnings	(384,084)	(78,140)	79.66%
44	Net Decrease in Short-Term Debt			
45	Dividends on Preferred Stock	(685,004)	(685,004)	0.00%
46	Dividends on Common Stock	(115,447,274)	(119,496,026)	-3.51%
47	Other Financing Activities (related to IGC acquisition)	(57,000,000)	0	100.00%
48	Net Cash Provided by (Used in) Financing Activities	(\$86,150,821)	(\$95,019,653)	-10.29%
49				
50	Net Increase/(Decrease) in Cash and Cash Equivalents	\$27,869,867	(\$23,828,358)	-185.50%
51	Cash and Cash Equivalents at Beginning of Year	\$2,233,504	\$30,103,371	1247.81%
52	Cash and Cash Equivalents at End of Year	\$30,103,371	\$6,275,013	-79.16%

LONG TERM DEBT

Year: 2010

	Description	Issue Date Mo./Yr.	Maturity Date Mo./Yr.	Principal Amount	Net Proceeds	Outstanding Per Balance Sheet	Yield to Maturity	Annual Net Cost Inc. Prem/Disc.	Total Cost % 1/
1	6.61% Senior Notes	09/09	09/16	\$25,000,000	\$24,423,218	\$25,000,000	6.61%	\$1,778,500	7.11%
2	6.66% Senior Notes	10/09	09/16	25,000,000	24,423,218	25,000,000	6.66%	1,791,500	7.17%
3	5.98% Senior Notes	12/03	12/33	30,000,000	29,456,832	30,000,000	5.98%	1,861,500	6.21%
4	6.33 % Senior Notes	08/06	08/26	100,000,000	89,123,930	100,000,000	6.33%	7,514,000	7.51%
5	6.04 % Senior Notes	09/08	09/18	100,000,000	99,637,568	100,000,000	6.04%	6,181,000	6.18%
6									
7									
8									
9									
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22									
23									
24									
25									
26	TOTAL			\$280,000,000	\$267,064,766	\$280,000,000		\$19,126,500	6.83%

1/ Includes interest expense, bond discount expense, debt issuance expense and loss on bond reacquisition and redemption.

PREFERRED STOCK

Year: 2010

	Series	Issue Date Mo./Yr.	Shares Issued	Par Value	Call Price 1/	Net Proceeds	Cost of Money	Principal Outstanding	Annual Cost	Embed. Cost %
1	4.50 % Cumulative	01/51	100,000	\$100	\$105	\$10,000,000	4.50%	\$10,000,000	\$450,000	4.50%
2	4.70 % Cumulative	12/55	50,000	100	102	5,000,000	4.70%	5,000,000	235,000	4.70%
3	5.10 % Cumulative 2/	05/61	50,000	100	102	4,947,548	5.29%	500,000	30,600	5.29%
4										
5										
6										
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28										
29										
30										
31										
32	TOTAL					\$19,947,548		\$15,500,000	\$715,600	4.62%

1/ Plus accrued dividends.

2/ Mandatory annual redemption of \$100,000.

COMMON STOCK

Year: 2010

		Avg. Number of Shares Outstanding 1/	Book Value Per Share	Earnings Per Share 2/	Dividends Per Share	Retention Ratio	Market Price		Price/ Earnings Ratio 3/
							High	Low	
1	January								
2									
3	February								
4									
5	March	188,096,018	\$13.78	\$0.22	\$0.1575	28.41%	\$24.15	\$19.54	15.4
6									
7	April								
8									
9	May								
10									
11	June	188,131,401	13.89	0.26	0.1575	39.42%	22.90	17.11	13.3
12									
13	July								
14									
15	August								
16									
17	September	188,185,016	14.07	0.32	0.1575	50.78%	20.48	17.61	16.8
18									
19	October								
20									
21	November								
22									
23	December	188,315,691	14.22	0.47	0.1625	65.43%	21.27	19.52	16.0
24									
25									
26									
27									
28									
29									
30	TOTAL Year End	188,362,458	\$14.22	\$1.27	\$0.6350	50.00%			16.0

1/ Basic shares

2/ Basic earnings per share.

3/ Calculated on 12 months ended using closing stock price.

MONTANA EARNED RATE OF RETURN

Year: 2010

	Description	Last Year 5/	This Year	% Change
	Rate Base			
1				
2	101 Plant in Service 1/	\$190,391,756	\$214,345,783	12.58%
3	108 (Less) Accumulated Depreciation 2/	112,744,420	116,302,748	3.16%
4				
5	NET Plant in Service	\$77,647,336	\$98,043,035	26.27%
6				
7	CWIP in Service Pending Reclassification	\$946,953	\$809,867	-14.48%
8				
9	Additions			
10	151 Fuel Stocks	\$1,315,422	\$1,446,379	9.96%
11	154, 156 Materials & Supplies	1,591,503	1,675,034	5.25%
12	165 Prepayments	38,327	40,315	5.19%
13	189 Unamortized Loss on Debt 5/	1,637,343	1,522,801	-7.00%
14				
15	TOTAL Additions	\$4,582,595	\$4,684,529	2.22%
16				
17	Deductions			
18	190 Accumulated Deferred Income Taxes 6/	\$13,522,016	\$18,161,212	34.31%
19	252 Customer Advances for Construction	476,099	492,450	3.43%
20	255 Accumulated Def. Investment Tax Credits	16,298	3,476	-78.67%
21	Other Deductions			
22				
23	TOTAL Deductions	\$14,014,413	\$18,657,138	33.13%
24	TOTAL Rate Base	\$69,162,471	\$84,880,293	22.73%
25				
26	Net Earnings	\$5,738,359	\$6,416,074	11.81%
27				
28	Rate of Return on Average Rate Base	8.67%	8.33%	-3.92%
29				
30	Rate of Return on Average Equity	10.47%	9.75%	-6.88%
31				
32	Major Normalizing Adjustments & Commission			
33	<u>Ratemaking adjustments to Utility Operations 3/</u>			
34				
35	<u>Adjustment to Operating Revenues</u>			
36	Late Payment Revenues	\$14,768	\$15,348	3.93%
37	Gain from Disposition of Property 4/	3,406	3,345	-1.78%
38				
39	<u>Adjustment to Operating Expenses</u>			
40	Elimination of Promotional & Institutional Advertising	(6,971)	(5,357)	23.15%
41	Elimination of Supplemental Insurance	96,473	146,420	51.77%
42	Elimination of 401K Tax Deduction	152,183	151,424	-0.50%
43				
44	Total Adjustments to Operating Income	(\$223,511)	(\$273,794)	22.50%
45				
46				
47	Adjusted Rate of Return on Average Rate Base	8.34%	7.97%	-4.44%
48				
49	Adjusted Rate of Return on Average Equity	9.83%	9.08%	-7.63%

1/ Excludes Acquisition Adjustment of \$2,620,153 for 2009 and \$2,572,583 for 2010.

2/ Excludes Acquisition Adjustment of \$2,386,118 for 2009 and \$2,400,074 for 2010.

3/ Updated amounts, net of taxes.

4/ Amortized over 5 years.

5/ Adjusted to reflect Unamortized Loss on Debt not reported on 2009 Annual Report.

6/ Adjusted to reflect tax effect of Unamortized Loss on Debt not reported on 2009 Annual Report.

MONTANA COMPOSITE STATISTICS

Year: 2010

	Description	Amount
1		
2	Plant (Intrastate Only) (000 Omitted)	
3		
4	101 Plant in Service	\$210,327
5	107 Construction Work in Progress	1,051
6	114 Plant Acquisition Adjustments	
7	105 Plant Held for Future Use	
8	154, 156 Materials & Supplies	1,675
9	(Less):	
10	108, 111 Depreciation & Amortization Reserves	116,303
11	252 Contributions in Aid of Construction	492
12		
13	NET BOOK COSTS	\$96,258
14		
15	Revenues & Expenses (000 Omitted)	
16		
17	400 Operating Revenues	\$46,721
18		
19	403 - 407 Depreciation & Amortization Expenses	\$5,665
20	Federal & State Income Taxes	1,386
21	Other Taxes	3,334
22	Other Operating Expenses	29,920
23	TOTAL Operating Expenses	\$40,305
24		
25	Net Operating Income	\$6,416
26		
27	Other Income	762
28	Other Deductions	2,567
29		
30	NET INCOME	\$4,611
31		
32	Customers (Intrastate Only)	
33		
34	Year End Average:	
35	Residential	18,458
36	Small General	5,388
37	Large General	262
38	Other	192
39		
40	TOTAL NUMBER OF CUSTOMERS	24,300
41		
42	Other Statistics (Intrastate Only)	
43		
44	Average Annual Residential Use (Kwh))	9,081
45	Average Annual Residential Cost per (Kwh) (Cents) * 1/	\$0.080
46	* Avg annual cost = [(cost per Kwh x annual use) + (mo. svc chrg x 12)]/annual use	
47	Average Residential Monthly Bill	\$60.54
48	Gross Plant per Customer	\$8,655

1/ Reflects average revenue for 2010.

MONTANA CUSTOMER INFORMATION

Year: 2010

	City/Town	Population (Includes Rural) 1/	Residential Customers	Commercial Customers	Industrial & Other Customers	Total Customers
1	Antelope	51	52	18	2	72
2	Bainville	208	109	43	7	159
3	Baker	1,741	966	353	15	1,334
4	Brockton	255	102	24	3	129
5	Carlyle	Not Available	2	5		7
6	Culbertson	714	349	144	4	497
7	Fallon	164	178	107	1	286
8	Fairview	840	395	98	3	496
9	Flaxville	71	54	25	3	82
10	Forsyth	1,777	1,030	284	11	1,325
11	Froid	185	138	49	4	191
12	Glendive	4,935	3,282	805	36	4,123
13	Homestead	Not Available	16	9	1	26
14	Ismay	19	23	17	1	41
15	Medicine Lake	225	165	53	4	222
16	Miles City	8,410	4,527	1,039	43	5,609
17	Outlook	47	49	38	12	99
18	Plentywood	1,734	943	264	6	1,213
19	Plevna	162	92	30	3	125
20	Poplar	810	878	174	14	1,066
21	Poplar Oil Field	Not Available		5	10	15
22	Redstone	Not Available	16	19	1	36
23	Reserve	23	25	14	3	42
24	Rosebud	111	69	61	3	133
25	Savage	Not Available	133	32	2	167
26	Scobey	1,017	591	178	3	772
27	Sidney	5,191	2,357	488	25	2,870
28	Terry	605	355	107	10	472
29	Whitetail	Not Available	26	24	1	51
30	Wibaux	589	294	99	8	401
31	Wolf Point	2,621	1,470	343	11	1,824
32	Kinsey	Not Available	111	54	2	167
33	MT Oil Fields	Not Available	8	69	77	154
35	TOTAL Montana Customers	32,505	18,805	5,072	329	24,206

1/ 2010 Census.

MONTANA EMPLOYEE COUNTS 1/

Year: 2010

	Department	Year Beginning	Year End	Average
1	Electric	17	20	19
2	Gas	40(1)	40	40(1)
3	Accounting	8	8	8
4	Management	5	5	5
5	Service	36	31	34
6	Communications/Substation/Training	2	1	2
7	Power Production	31	32	32
8				
9				
10				
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36				
37				
38				
39				
40				
41				
42				
43				
44	TOTAL Montana Employees	139(1)	137(0)	138(1)

1/ Parentheses denotes part-time.

MONTANA CONSTRUCTION BUDGET (ASSIGNED & ALLOCATED)

Year: 2010

	Project Description	Total Company	Total Montana	
1	<u>Projects>\$1,000,000</u>			
2	<u>Common-Intangible</u>			
3	Replace Customer Information System	3,248,061	857,006	1/
4	Replace Mobile Workforce Software	1,153,694	295,305	1/
5	<u>Electric-Steam Production</u>			
6	Replace Boiler Radiant Superheater at Big Stone	1,264,836	313,257	1/
7	<u>Electric-Other Production</u>			
8	Install 75MW Combustion Turbine in ND	4,431,915	1,097,657	1/
9	<u>Electric-Transmission</u>			
10	Construct Switching Station in Northeast Bismarck	1,542,879	0	
11	Construct Merricourt Windfarm Substation	4,037,143	729,441	1/
12	Upgrade Ellendale Station for Merricourt Windfarm	2,185,083	394,806	1/
13	Rebuild Transmission Line from Glendive to Baker, MT	1,522,954	1,522,954	2/
14	Install 115KV Tap in NE Bismarck	2,119,148	0	
15	Install 115KV oilfield line tap - Glendive to Baker, MT	1,357,850	336,282	1/
16	Construct 230KV Substation for Merricourt Windfarm	13,899,873	3,444,095	1/
17	<u>Electric-General</u>			
18	Replace/Upgrade EMS Software	3,457,746	797,482	1/
19	<u>Electric-Intangible</u>			
20	Demand Response - AC Cycling	1,459,690	336,657	1/
21	<u>Gas-Distribution</u>			
22	Install Main on Elk Vale-Rapid City	1,838,109	0	1/
23	<u>Other Projects<\$1,000,000</u>			
24	<u>Electric</u>			
25	Production	12,426,262	3,023,398	1/
26	Integrated Transmission	2,748,042	577,029	1/
27	Direct Transmission	1,187,043	202,053	2/
28	Distribution	13,704,208	2,784,482	2/
29	General	3,466,300	803,384	1/
30	Intangible	14,173	3,269	1/
31	Common:			
32	General Office	2,557,151	593,683	1/
33	Other Direct	934,814	176,963	2/
34	Total Electric	37,037,993	8,164,261	
35	<u>Gas</u>			
36	Distribution	15,362,920	5,091,168	1/
37	General	2,326,424	792,129	2/
38	Common:			
39	General Office	1,467,290	444,141	1/
40	Other Direct	449,589	154,487	2/
41	Total Gas	19,606,223	6,481,925	
42	TOTAL	\$100,163,197	\$24,771,128	

1/ Allocated to Montana.

2/ Directly assigned to Montana.

TOTAL INTEGRATED SYSTEM & MONTANA PEAK AND ENERGY

Year: 2010

Integrated System

		Peak Day of Month	Peak Hour	Peak Day Volumes Megawatts	Total Monthly Volumes Energy (Mwh)	Non-Requirements Sales For Resale (Mwh)
1	Jan.	7	1900	442.5	269,773	10,593
2	Feb.	8	900	415.2	252,731	10,100
3	Mar.	1	900	373.3	229,955	9,082
4	Apr.	12	1200	333.1	198,828	6,369
5	May	28	1800	361.1	193,198	1,063
6	Jun.	30	1800	484.9	202,852	147
7	Jul.	26	1800	490.8	246,407	529
8	Aug.	9	1700	502.5	244,162	2,707
9	Sep.	28	1800	348.6	181,201	10,553
10	Oct.	26	2000	365.7	216,502	3,889
11	Nov.	29	1900	429.7	245,886	2,144
12	Dec.	30	1900	446.0	270,900	1,145
13	TOTAL				2,752,395	58,321

Montana

		Peak Day of Month	Peak Hour	Peak Day Volumes Megawatts	Total Monthly Volumes Energy (Mwh)	Non-Requirements Sales For Resale (Mwh)
14	Jan.	7	1900	111.3	Not Available	Not Available
15	Feb.	8	900	98.6		
16	Mar.	1	900	95.4		
17	Apr.	12	1200	82.1		
18	May	28	1800	76.8		
19	Jun.	30	1800	106.9		
20	Jul.	26	1800	115.8		
21	Aug.	9	1700	116.2		
22	Sep.	28	1800	93.1		
23	Oct.	26	2000	91.6		
24	Nov.	29	1900	104.4		
25	Dec.	30	1900	109.3		
26	TOTAL					

TOTAL SYSTEM Sources & Disposition of Energy

SCHEDULE 33

	Sources	Megawatthours	Disposition	Megawatthours
1	Generation (Net of Station Use)			
2	Steam	2,328,659	Sales to Ultimate Consumers (Include Interdepartmental)	2,785,710
3	Nuclear			
4	Hydro - Conventional			
5	Hydro - Pumped Storage		Requirements Sales for Resale	
6	Other	143,629		
7	(Less) Energy for Pumping			
8	NET Generation	2,472,288	Non-Requirements Sales for Resale	58,321
9	Purchases	541,898		
10	Power Exchanges			
11	Received	40,787	Energy Furnished Without Charge	
12	Delivered	61,529		
13	NET Exchanges	(20,742)		
14	Transmission Wheeling for Other		Energy Used Within Electric Utility	
15	Received	1,495,815		
16	Delivered	1,406,360		
17	NET Transmission Wheeling	89,455	Total Energy Losses	197,758
18	Transmission by Others Losses	(41,110)		
19	TOTAL	3,041,789	TOTAL	3,041,789

Montana-Dakota's annual peak occurred during HE1700 August 9, 2010. All generation units were available for operation during the peak hour. The following units were on line and providing energy.

Big Stone	108.0
Cedar Hills	3.5
Coyote	107.0
Diamond Willow	2.5
Glendive Turbine	8.0
Glen Ullin Ormat	3.7
Heskett #1	12.8
Heskett #2	65.7
Lewis & Clark	35.9

Montana-Dakota also purchased 174.51 Mw from MISO to meet the peak demand. The remaining demand was purchased from Western Area Power Administration through Balancing Authority services and was paid back in-kind the following month.

SOURCES OF ELECTRIC SUPPLY

Year: 2010

	Type	Plant Name	Location	Annual Peak (MW)	Annual Energy (Mwh)
1	Combustion Turbine	Williston Plant	Williston, ND	8.50	(5.2)
2	Combustion Turbine	Miles City Turbine	Miles City, MT	21.40	1,021.5
3	Thermal	Lewis & Clark Station	Sidney, MT	53.42	315,372.0
4	Combustion Turbine	Glendive Turbine	Glendive, MT	79.82	6,979.3
5	Thermal	Heskett Station	Mandan, ND	102.37	468,761.2
6	Thermal	Big Stone Station	Milbank, SD	107.98	642,541.6
7				(MDU SHARE)	
8	Thermal	Coyote Station	Beulah, ND	106.83	752,049.4
9				(MDU SHARE)	
10	Wind	Diamond Willow	Baker, MT	28.52	67,898.9
11	Heat Recovery	Glen Ullin Ormat Sub	Glen Ullin, ND	6.40	37,246.1
12	Wind	Cedar Hills	Rhame, ND	19.95	30,487.9
13					
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42					
43	Total			535.19	2,322,352.7

<u>Outage Start Date/Time</u>	<u>Outage End Date/Time</u>	<u>Brief Description of Primary Cause 1/</u>
<u>Big Stone Plant: Unit #1</u>		
04/09/2010 19:56	04/11/2010 01:52	Tube leak repair
05/12/2010 21:27	05/26/2010 11:34	Off line for annual boiler wash
06/02/2010 23:58	06/04/2010 03:42	Repair safety valves
06/19/2010 00:05	06/20/2010 01:40	Fix slop line inside condition
08/06/2010 23:58	08/09/2010 00:39	Boiler tube leak
12/13/2010 09:57	12/13/2010 11:37	B boiler feed pump control oil issue
12/30/2010 11:34	01/01/2011 00:00	Primary superheat tube leak repair
<u>Coyote Station: Unit #1</u>		
03/11/2010 22:04	03/15/2010 05:37	Scheduled wash outage
05/07/2010 01:07	05/07/2010 05:58	Fault on the Center to Jamestown 345 line
05/07/2010 11:50	05/07/2010 13:15	Fault on the Center to Jamestown 345 line
06/02/2010 02:17	06/03/2010 23:00	Primary superheat tube leak
06/03/2010 23:00	06/11/2010 11:15	Scheduled spring outage
06/11/2010 13:53	06/11/2010 17:13	Operator error of voltage regulator
06/21/2010 19:25	06/23/2010 04:51	Secondary superheater tube leak
07/27/2010 06:08	07/28/2010 09:02	Primary superheater boiler tube leak
07/30/2010 21:27	08/01/2010 03:53	Primary superheater tube leak
08/13/2010 06:03	08/14/2010 15:29	Primary superheater tube leak
08/19/2010 18:00	08/22/2010 01:14	Roof tube leak
09/01/2010 19:04	09/03/2010 16:42	Primary superheater tube leak
09/04/2010 19:33	09/06/2010 00:14	Secondary superheater tube leak
09/23/2010 22:09	09/27/2010 06:37	Scheduled boiler wash outage
10/20/2010 13:30	10/20/2010 15:38	345 line to Center relay trip
10/30/2010 15:49	11/01/2010 00:00	"A" BFP work
11/01/2010 00:00	11/03/2010 08:24	"A" BFP work
12/09/2010 22:02	12/13/2010 06:40	Scheduled wash outage
12/15/2010 09:48	12/15/2010 11:26	BFP overspeed/low drum level
<u>Lewis & Clark Station: Unit #1</u>		
03/06/2010 05:35	03/06/2010 15:40	Scrubber disk cleaning
04/24/2010 00:17	05/08/2010 10:20	Planned spring outage
08/25/2010 05:14	08/25/2010 15:42	Scrubber disk cleaning
08/27/2010 23:50	08/31/2010 08:51	Air ejector steam valve failure
10/02/2010 00:17	10/02/2010 01:29	MFT (loss of gas flame) going from coal-gas
10/02/2010 01:52	10/09/2010 08:39	Planned fall outage
<u>R.M. Heskett Station: Unit #1</u>		
03/01/2010 00:01	03/05/2010 09:12	Grate repair
03/05/2010 14:34	03/05/2010 16:41	Exciter PT fuse blew
05/25/2010 22:48	05/30/2010 08:29	Superheater tube leaks
08/13/2010 23:30	10/15/2010 17:21	Major turbine overhaul
10/15/2010 19:41	10/21/2010 17:24	Governor synchronizing motor failure
10/21/2010 23:24	10/22/2010 13:39	Erratic control signals with unknown origin
10/22/2010 20:30	10/23/2010 11:21	Troubleshooting erratic control signals
10/26/2010 00:32	10/26/2010 14:50	Remove turbine stop valve fine screen
11/08/2010 20:01	11/11/2010 20:32	Correct wiring terminations for generator CTs

1/ Outages longer than 1 hour, other than reserve shutdowns for economic dispatch.

Outage Start Date/Time	Outage End Date/Time	Brief Description of Primary Cause 1/
<u>R.M. Heskett Station: Unit #2</u>		
01/02/2010 22:02	01/10/2010 05:09	In-bed superheater tube leaks
01/10/2010 05:09	01/12/2010 09:51	Bed enclosure tube leaks
05/07/2010 23:37	05/18/2010 08:00	Scheduled maintenance outage
05/18/2010 08:00	07/28/2010 16:19	Sec. superheater inlet piping & header work
08/07/2010 23:53	08/09/2010 01:29	Remove turbine stop valve fine screen
08/09/2010 02:50	08/09/2010 05:26	Bunker flow problems (wet coal)
10/10/2010 15:49	10/13/2010 20:40	Weld crack on main steam line header vent

1/ Outages longer than 1 hour, other than reserve shutdowns for economic dispatch.

MONTANA CONSERVATION & DEMAND SIDE MANAGEMENT PROGRAMS

Year: 2010

	Program Description	Current Year Expenditures	Last Year Expenditures	% Change	Planned Savings (MW & MWH)	Achieved Savings (MW & MWH)	Difference (MW & MWH)
1							
2	MT Conservation & DSM Program	\$8,913	\$14,670	-39.24%	N/A	89.0 MWh	N/A
3	(As Detailed on Schedule 35B)						
4							
5							
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30							
31							
32	TOTAL	\$8,913	\$14,670	-39.24%	N/A	89.0 MWh	N/A

ELECTRIC UNIVERSAL SYSTEM BENEFITS PROGRAMS

Year: 2010

	Program Description	Actual Current Year Expenditures	Contracted or Committed Current Year Expenditures	Total Current Year Expenditures	Expected savings (MW and MWh)	Most recent program evaluation
1	Local Conservation					
2	Commercial Lighting	\$8,523	\$0	\$8,523	88.0 MWh	2010
3	Energy Star Refrig/Freezers	40	0	40	0.3 MWh	2010
4	Residential Air Conditioning	350	0	350	0.7 MWh	2010
5						
6						
7	Market Transformation					
8						
9						
10						
11						
12						
13	Renewable Resources					
14						
15						
16						
17						
18						
19	Research & Development					
20						
21						
22						
23						
24						
25	Low Income					
26	Discounts	\$259,247	\$0	\$259,247		2010
27						
28	Bill Assistance	45,000	0	45,000		2010
29						
30	Conservation	137,000	0	137,000		2010
31						
32	Furnace Safety	75,000	0	75,000		2010
33						
34	Education	4,194	0	4,194		2010
35	Large Customer Self Directed					
36		\$46,775	\$0	\$46,775		
37						
38						
39						
40						
41	Total	\$576,129	\$0	\$576,129	89.0 MWh	2010
42	Number of customers that received low income rate discounts	(Average)			1,520	
43	Average monthly bill discount amount (\$/mo)				\$14.21	
44	Average LIEAP-eligible household income				N/A	
45	Number of customers that received weatherization assistance				N/A	
46	Expected average annual bill savings from weatherization				N/A	
47	Number of residential audits performed				N/A	

MONTANA CONSERVATION & DEMAND SIDE MANAGEMENT PROGRAMS Year: 2010

	Program Description	Actual Current Year Expenditures	Contracted or Committed Current Year Expenditures	Total Current Year Expenditures	Expected savings (MW and MWh)	Most recent program evaluation
1	Local Conservation					
2	Commercial Lighting	\$8,523	\$0	\$8,523	88.0 MWh	2010
3		40	0	40	0.3 MWh	2010
4		350	0	350	0.7 MWh	2010
5						
6						
7						
8	Demand Response					
9						
10						
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15	Market Transformation					
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18						
19						
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21						
22	Research & Development					
23						
24						
25						
26						
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28						
29	Low Income					
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35	Other					
36						
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42						
43						
44						
45						
46	Total	\$8,913	\$0	\$8,913	89.0 MWh	2010

MONTANA CONSUMPTION AND REVENUES

Year: 2010

	Sales of Electricity	Operating Revenues		MegaWatt Hours Sold		Avg. No. of Customers	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	Residential	\$13,365,135	\$12,853,138	167,616	163,854	18,458	18,390
2	Small General	7,956,486	7,811,028	110,960	111,692	5,388	5,296
3	Large General	20,579,717	21,430,781	416,097	407,686	262	254
4	Lighting	790,290	788,279	9,863	10,013	87	81
5	Municipal Pumping	389,026	384,198	6,974	7,149	105	105
6	Sales to Other Utilities	430,201	650,909	Not Applicable	Not Applicable	Not Applicable	Not Applicable
7							
8							
9							
10							
11							
12							
13	TOTAL	\$43,510,855	\$43,918,333	711,510	700,394	24,300	24,126