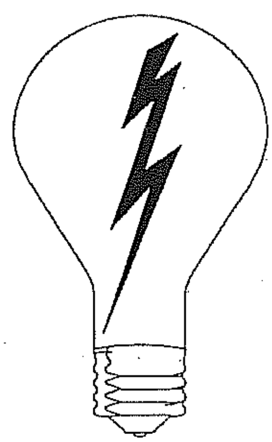
YEAR ENDING 2014

ANNUAL REPORT
OF

MONTANA-DAKOTA UTILITIES CO.

ELECTRIC UTILITY



TO THE
PUBLIC SERVICE COMMISSION
STATE OF MONTANA
1701 PROSPECT AVENUE
P.O. BOX 202601
HELENA, MT 59620-2601

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 1**

IDENTIFICATION

Year: 2014

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:	Tamie A. Aberle
5a.	Telephone Number:	(701) 222-7856

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	David L. Goodin (Chairman), Bismarck, ND	-
2	Doran N. Schwartz, Bismarck, ND	-
3	Paul K. Sandness, Bismarck, ND	-
4	Nicole A. Kivisto, Bismarck, ND 2/	-
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/ Nicole A. Kivisto was elected to the Board on January 9, 2015, replacing	
13	Frank Morehouse.	
14		
15		
16		
17		
18		

Officers Year: 2014

Line No.	Title of Officer (a)	Department Supervised (b)	Name (c)
1	President & Chief	Executive	Nicole A. Kivisto 1/
2	Executive Officer		
3			
4	Executive Vice President	Combined Utility Operations Support	Mike J. Gardner
5			
6	Vice President	Electric Supply	Jay W. Skabo
7			
8	Vice President	Operations	Patrick C. Darras 2/
9			
10	Vice President	Human Resources, Customer Service &	Anne M. Jones
11		Safety	
12			
13	Executive Vice President	Regulatory Affairs and Chief	Garret Senger
14		Accounting Officer	
15			
16	General Counsel and Secretary		Paul K. Sandness
17			
18			
19			
20			
21			
22			
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38	1/ Effective January 9, 2015, Nicole A. Kivisto replaced K. Frank Morehouse as President and Chief Executive		
39	Officer.		
40	2/ Effective January 26, 2015, Patrick Darras replaced Nicole A. Kivisto as Vice President of Operations.		

CORPORATE STRUCTURE

Year: 2014

Subsidiary/Company Name	Line of Business	Earnings (000's)	Percent of Total
Montana-Dakota Utilities Co./ Great Plains Natural Gas Co. (Divisions of MDU Resources Group, Inc.) / Cascade Natural Gas Corp. and Intermountain Gas Company	Electric and Natural Gas Distribution	$67,215	22.59%
WBI Holdings, Inc.	Pipeline and Energy Services and Exploration and Production	119,361	40.11%
Knife River Corporation	Construction Materials and Mining	51,510	17.31%
MDU Construction Services Group, Inc.	Construction Services	54,432	18.29%
Centennial Energy Resources LLC/ Centennial Holdings Capital LLC	Other	10,638	3.58%
Intersegment Eliminations		(5,608)	-1.88%
TOTAL		$297,548	100.00%

Company Name: Montana-Dakota Utilities Co. SCHEDULE 5

CORPORATE ALLOCATIONS - ELECTRIC

Year: 2014

Items Allocated	Classification	Allocation Method	$ to MT Utility	MT %	$ to Other
Audit Costs	Administrative & General	Various Corporate Overhead Allocation Factors	$5,837	1.98%	$289,575
Advertising	Administrative & General	Various Corporate Overhead Allocation Factors and/or Actual Costs Incurred	3,701	1.99%	182,362
Air Service	Administrative & General	Various Corporate Overhead Allocation Factors, Time Studies, and/or Actual Costs Incurred	2,662	1.60%	163,647
Automobile	Administrative & General	Various Corporate Overhead Allocation Factors, Time Studies, and/or Actual Costs Incurred	331	2.00%	16,184
Bank Services	Administrative & General	Various Corporate Overhead Allocation Factors and/or Actual Costs Incurred	4,620	1.97%	230,063
Computer Rental	Administrative & General	Various Corporate Overhead Allocation Factors, Time Studies, and/or Actual Costs Incurred	73	1.96%	3,647
Consultant Fees	Administrative & General	Various Corporate Overhead Allocation Factors and/or Actual Costs Incurred	18,692	2.13%	858,199
Contract Services	Administrative & General	Various Corporate Overhead Allocation Factors and/or Actual Costs Incurred	28,410	1.53%	1,830,105
Corporate Aircraft	Administrative & General	Various Corporate Overhead Allocation Factors, Time Studies, and/or Actual Costs Incurred	1,745	1.98%	86,456
Directors Expenses	Administrative & General	Corporate Overhead Allocation Factor	22,728	1.92%	1,159,716
Employee Benefits	Administrative & General	Various Corporate Overhead Allocation Factors, Time Studies, and/or Actual Costs Incurred	2,802	2.03%	135,302

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 5**

CORPORATE ALLOCATIONS - ELECTRIC

Year: 2014

Items Allocated	Classification	Allocation Method	$ to MT Utility	MT %	$ to Other
Employee Meetings	Administrative & General	Various Corporate Overhead Allocation Factors and/or Actual Costs Incurred	2,864	1.95%	144,295
Employee Reimbursable Expenses	Administrative & General	Various Corporate Overhead Allocation Factors, Time Studies, and/or Actual Costs Incurred	4,424	1.85%	234,436
Legal Retainers & Fees	Administrative & General	Various Corporate Overhead Allocation Factors and/or Actual Costs Incurred	28,099	1.97%	1,395,659
Meal Allowance	Administrative & General	Various Corporate Overhead Allocation Factors, Time Studies, and/or Actual Costs Incurred	(1)	4.00%	(24)
Meals & Entertainment	Administrative & General	Various Corporate Overhead Allocation Factors, Time Studies, and/or Actual Costs Incurred	2,859	1.88%	149,044
Moving Expense	Administrative & General	Various Corporate Overhead Allocation Factors and/or Actual Costs Incurred	196	2.15%	8,925
Industry Dues & Licenses	Administrative & General	Various Corporate Overhead Allocation Factors, Time Studies, and/or Actual Costs Incurred	4,326	1.98%	214,547
Office Expenses	Administrative & General	Various Corporate Overhead Allocation Factors and/or Actual Costs Incurred	2,680	2.23%	117,712
Prepaid Insurance	Administrative & General	Various Corporate Overhead Allocation Factors and Allocation Factors Based on Actual Experience	21,889	11.44%	169,438
Permits and Filing Fees	Administrative & General	Various Corporate Overhead Allocation Factors and/or Actual Costs Incurred	678	1.95%	34,086

Company Name: Montana-Dakota Utilities Co. SCHEDULE 5

CORPORATE ALLOCATIONS - ELECTRIC

Year: 2014

	Items Allocated	Classification	Allocation Method	$ to MT Utility	MT %	$ to Other
1	Postage & Express Mail	Administrative & General	Various Corporate Overhead Allocation Factors and/or	594	1.96%	29,687
2			Actual Costs Incurred			
3						
4	Payroll	Administrative & General	Various Corporate Overhead Allocation Factors, Time	464,432	2.12%	21,440,865
5			Studies, and/or Actual Costs Incurred			
6						
##	Reference Materials	Administrative & General	Various Corporate Overhead Allocation Factors and/or	4,280	2.07%	202,172
##			Actual Costs Incurred			
##						
##	Reimbursements	Administrative & General	Various Corporate Overhead Allocation Factors and/or	(325)	1.97%	(16,147)
##			Actual Costs Incurred			
##						
##	Seminars & Meeting	Administrative & General	Various Corporate Overhead Allocation Factors, Time	2,362	2.11%	109,693
##	Registrations		Studies, and/or Actual Costs Incurred			
##						
##						
##						
##	Software Maintenance	Administrative & General	Various Corporate Overhead Allocation Factors, Time	20,430	2.07%	968,287
##			Studies, and/or Actual Costs Incurred			
##						
##	Telephone & Cell Phones	Administrative & General	Various Corporate Overhead Allocation Factors and/or	6,121	1.67%	361,485
##			Actual Costs Incurred			
##						
##	Training Material	Administrative & General	Various Corporate Overhead Allocation Factors, Time	1,455	2.32%	61,131
##			Studies, and/or Actual Costs Incurred			
##						
##	**TOTAL**			$658,964	2.11%	$30,580,547

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 6**

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY - ELECTRIC Year: 2014

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**	Expense	Actual Costs Incurred			
2	**CORPORATION**					
3		Materials		7,565		1,417
4		Contract Services		2,139		0
5						
6		Capital	Actual Costs Incurred			
7		Contract Services		236,154		0
8		Materials		68,818		9,263
9						
10						
11		Other Transactions/Reimbursements				
12		Balance Sheet Acct		1,469,096		
13		MDU Resources Cost Centers		9,854		
14		Other		638		
15						
16		Total Knife River Corporation Operating Revenues for the Year 2014			$1,765,330,000	
17		Excludes Intersegment Eliminations				
18						
19						
20	**TOTAL**	**Grand Total Affiliate Transactions**		$1,794,264	0.1016%	$10,680

Company Name: Montana-Dakota Utilities Co. SCHEDULE 6

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY - ELECTRIC

Year: 2014

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		$18,470		$4,077
3		Fuel		39,318		10,722
4		Material		150		34
5		Other		137		5
6						
7						
8		Capital	Actual Costs Incurred			
9		Contract Services		50,689		4,312
10		Materials		9,368		0
11		Other		1,487		96
12						
13						
14		Other Transactions/Reimbursements	Actual Costs Incurred			
15		Balance sheet accounts		48,439		
16		Non Utility		3,600		
17		MDU Resources Cost Centers		21,950		
18						
19		Total WBI Operating Revenues for the Year 2014			$763,439,000	
20		Excludes Intersegment Eliminations				
21						
22						
23	**TOTAL**	**Grand Total Affiliate Transactions**		$193,608	0.0254%	$19,246

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY - ELECTRIC

Year: 2014

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**	Expense	Actual Costs Incurred			
2	**SERVICES GROUP, INC.**	Contract Services		$393,700		$4,638
3		Materials		10,514		0
4						
5		Capital	Actual Costs Incurred			
6		Contract Services		9,159,347		416,767
7		Materials		2		0
8						
9						
10		Other Transactions/Reimbursements	Actual Costs Incurred			
11		MDU Resources Cost Centers		0		
12		Balance Sheet Accounts		0		
13						
14						
15		Total MDU Construction Services Group, Inc Operating Revenues for the Year 2014			$1,119,529,000	
16		Excludes Intersegment Eliminations				
17						
18						
19	**TOTAL**	**Grand Total Affiliate Transactions**		$9,563,563	0.8542%	$421,405

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY - ELECTRIC

Year: 2014

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**	Expense	1/ Various Corporate Overhead			
2	**CAPITAL, LLC**	Contract Services	Allocation Factors and/or	$152,410		$30,806
3		Corporate Aircraft	Actual Costs Incurred	66,199		7,824
4		Office Expense		286,814		57,973
5		Other		225,301		45,540
6		Materials		177		48
7						
8		Capital	Actual Costs Incurred			
9		Corporate Aircraft		29,105		5,052
10						
11						
12		Other Transactions/Reimbursements	Actual Costs Incurred			
13		MDU Resources Cost Centers		219,351		
14		Balance Sheet Accounts		3,056,505		
15						
16						
17		Total Centennial Holdings Capital, LLC Operating Revenues for the Year 2014			$9,364,000	
18		Grand Total Affiliate Transactions				
19						
20						
21	**TOTAL**	**Grand Total Affiliate Transactions**		$4,035,862	43.0998%	$147,243

1/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 MDU Resources. These include accounts payable, general accounting, fixed asset accounting, and miscellaneous other services. The charges are based on the percentage of system users that are MDU Resources employees. Both the general office complex and amounts for MDU Resources 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.

Company Name: Montana-Dakota Utilities Co. SCHEDULE 6

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY - ELECTRIC

Year: 2014

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						
3		Contract Services		10,761		2,136
4		Cost of Service		16,100		3,248
5		Office Expenses		657		124
6		Other		5,879		1,160
7						
8						
9		Capital	Actual Costs Incurred			
10		Contract Services		924		18
11		Materials		7,158		
12		Other		46		
13						
14						
15		Other Transactions/Reimbursements	Actual Costs Incurred			
16		Auto Clearing		882		
17		Balance Sheet Accounts		-		
18		Non Utility		1,275		
19						
20						
21		Total MDU Energy Capital Operating Revenues for the Year 2014			$571,282,000	
22		Grand Total Affiliate Transactions				
23						
24	**TOTAL**	**Grand Total Affiliate Transactions**		43,682	0.0076%	6,686

Company Name: Montana-Dakota Utilities Co. SCHEDULE 7

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY

Year: 2014

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	MDU RESOURCES GROUP, INC.				
2	CORPORATION	Corporate Overhead	1/ Various Corporate Overhead Allocation			
3		Audit Costs	Factors, Time Studies and/or Actual	$64,445		
4		Advertising	Costs Incurred	40,468		
5		Air Service		40,050		
6		Automobile		3,861		
7		Bank Services		51,480		
8		Corporate Aircraft		19,501		
9		Consultant Fees		187,862		
10		Contract Services		823,159		
11		Computer Rental		818		
12		Directors Expenses		268,439		
13		Employee Benefits		32,036		
14		Employee Meeting		32,906		
15		Employee Reimbursable Expense		58,863		
16		Express Mail		8		
18		Legal Retainers & Fees		311,133		
19		Moving Allowance		2,690		
20		Meal Allowance		(6)		
21		Cash Donations		16,067		
22		Meals & Entertainment		35,577		
23		Industry Dues & Licenses		48,107		
24		Office Expenses		30,059		
25		Supplemental Insurance		122,094		
26		Permits & Filing Fees		7,831		
27		Postage		6,677		
28		Payroll		5,121,694		
29		Reimbursements		(3,603)		
30		Reference Materials		44,240		
31		Rental		-		
32		Seminars & Meeting Registrations		24,530		
33		Software Maintenance		64,023		
34		Telephone/cell Expenses		137,566		
35		Training		5,640		
36		**Total MDU Resources Group, Inc.**		$7,598,215	0.4526%	

Company Name: Montana-Dakota Utilities Co. SCHEDULE 7

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY

Year: 2014

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	MONTANA-DAKOTA UTILITIES CO.				
2	CORPORATION	Other Direct Charges	Actual Costs Incurred			
3		Contract Services		$332,818		
4		Communications		209,503		
5		Employee Discounts		23,437		
6		Dues, Permits, and Filing Fees		110,212		
7		Legal		3,039		
8		Sponsorship		44,800		
9		Electric Consumption		153,557		
10		Gas Consumption		327,191		$16,492
11		Bank Fees		27,614		
12		Computer/Software Support		948,120		
13		Office Expense		64,160		
14		Cost of Service		520,043		118,900
15		Audit Costs		669,537		
16		Auto		3,997		
17		Travel		31,644		
18		Employee Benefits		65,602		
19		Other				
20						
21		**Total Montana-Dakota Utilities Co.**		$3,535,274	0.2106%	$135,392
22						
23		OTHER TRANSACTIONS/REIMBURSEMENTS	Actual Costs Incurred			
24						
26		Federal & State Tax Liability Payments		$32,574,204		
28		Miscellaneous Reimbursements		(525,168)		
29						
30		**Total Other Transactions/Reimbursements**		$32,049,036	1.9090%	
31						
32		**Grand Total Affiliate Transactions**		$43,182,525	2.5721%	$135,392
33						
34		**Total Knife River Corporation Operating Expenses for 2014-Excludes Intersegment Eliminations**			$1,678,868,000	

KNIFE RIVER CORPORATION

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Company Name: Montana-Dakota Utilities Co. SCHEDULE 7

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY Year: 2014

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 ENERGY, INC.	MDU RESOURCES GROUP, INC.				
2		Corporate Overhead	1/ Various Corporate Overhead			
3		Audit Costs	Allocation Factors, Time	$107,898		
4		Advertising	Studies and/or Actual Costs	$67,713		
5		Air Service	Incurred	$54,360		
6		Automobile		$5,069		
7		Bank Services		$85,802		
8		Corporate Aircraft		$31,929		
9		Consultant Fees		$314,608		
10		Contract Services		$435,917		
11		Computer Rental		$1,361		
12		Directors Expenses		$435,029		
13		Employee Benefits		$48,658		
14		Employee Meeting		$53,923		
15		Employee Reimbursable Expense		$73,418		
16		Express Mail		$2		
18		Legal Retainers & Fees		$520,183		
19		Meal Allowance		$1,214		
20		Cash Donations		($10)		
21		Meals & Entertainment		$27,269		
22		Moving Expense		$51,065		
23		Industry Dues & Licenses		$79,582		
24		Office Expenses		$34,166		
25		Supplemental Insurance		$206,055		
26		Permits & Filing Fees		$12,650		
27		Postage		$11,075		
28		Payroll		$7,164,859		
29		Reimbursements		($6,019)		
30		Reference Materials		$74,005		
31		Rental		$0		
32		Seminars & Meeting Registrations		$38,541		
33		Software Maintenance		$567,849		
34		Telephone/cell Expenses		$87,160		
35		Training		$31,798		
36		**Total MDU Resources Group, Inc.**		$10,617,129	1.8705%	

Company Name: Montana-Dakota Utilities Co. SCHEDULE 7

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY

Year: 2014

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 ENERGY, INC.	MONTANA-DAKOTA UTILITIES CO.				
2		Other Departments	1/ Various Corporate Overhead			
3		Expense	Allocation Factors, Cost of			
4		Payroll	Service Factors, Time	$0		
5		Automobile	Studies and /or Actual Costs	-		
6		Miscellaneous		-		
7						
8		Other Direct Charges	Actual Costs Incurred			
9		Audit Costs		493,553		
10		Auto		5,530		
11		Bank Fees		163,368		
12		Communication Services		29,907		
13		Computer/Software Support		372,747		
14		Contract Services		718,075		
15		Utility/Merchandise Discounts		34,760		
16		Dues, Permits, and Filing Fees		615,677		
17		Misc. Employee Benefits		185,050		
18		Electric Consumption		668,142		$404,625
19		Gas Consumption		52,502		34,979
20		Cost of Service		242,914		55,539
21		Legal Fees		91,531		
22		Office Expense		26,181		
23		Sponsorship		73,400		
24		Training Registration		2,278		
25		Travel		38,512		
26		**Total Montana-Dakota Utilities Co.**		$3,814,127	0.6720%	$495,143
27						
28		OTHER TRANSACTIONS/REIMBURSEMENTS	Actual Costs Incurred			
29		Insurance				
30		Federal & State Tax Liability Payments		($2,294,615)		
31		Miscellaneous Reimbursements		(198,402)		
32		**Total Other Transactions/Reimbursements**		($2,493,017)	-0.4392%	
33						
34		**Grand Total Affiliate Transactions**		$11,938,239	2.1033%	$495,143
35						
36		**Total WBI Energy Operating Expenses for 2014 - Excludes Intersegment Eliminations**			$567,594,000	

WBI Energy, Inc.

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Company Name: Montana-Dakota Utilities Co. SCHEDULE 7

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY

Year: 2014

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	MDU RESOURCES GROUP, INC.				
2	SERVICES GROUP INC	Corporate Overhead	1/ Various Corporate Overhead			
3		Audit Costs	Allocation Factors, Time	$19,547		
4		Advertising	Studies and/or Actual Costs	12,377		
5		Air Service	Incurred	25,989		
6		Automobile		1,585		
7		Bank Services		15,472		
8		Corporate Aircraft		5,953		
9		Consultant Fees		57,368		
10		Contract Services		99,357		
11		Computer Rental		245		
12		Directors Expenses		76,145		
13		Employee Benefits		9,258		
14		Employee Meeting		9,605		
15		Employee Reimbursable Expense		31,556		
16		Express Mail		4		
18		Legal Retainers & Fees		94,102		
19		Moving Allowance		1,973		
20		Meal Allowance		(2)		
21		Cash Donations		5,008		
22		Meals & Entertainment		15,330		
23		Industry Dues & Licenses		14,632		
24		Office Expenses		12,244		
25		Supplemental Insurance		37,633		
26		Permits & Filing Fees		2,312		
27		Postage		1,987		
28		Payroll		1,701,523		
29		Reimbursements		(1,088)		
30		Reference Materials		13,626		
31		Rent		-		
32		Seminars & Meeting Registrations		8,202		
33		Software Maintenance		74,017		
34		Telephone/cell Expenses		44,786		
35		Training Material		4,400		
36		**Total MDU Resources Group, Inc.**		$2,395,146	0.2309%	

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY

Year: 2014

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	Intercompany Settlements	Actual Costs Incurred			
2	SERVICES GROUP INC	Audit Costs		$441,354		
3		Auto		6,586		
4		Bank Fees		64,205		
5		Communication Services		47,116		
6		Computer/Software Support		504,243		
7		Contract Services		100,329		
8		Cost of Service		150,013		$34,298
9		Electric Consumption		5,294		$0
10		Gas Consumption		2,288		$2,288
11		Dues, Permits, and Filing Fees		42,480		
12		Misc Employee Benefits		188,098		
13		Office Expense		12,498		
14		Payroll		924,800		
15		Sponsorship		13,000		
16		Travel		3,794		
17						
18		**Total Montana-Dakota Utilities Co.**		$2,506,098	0.2416%	$36,586
19						
20		OTHER TRANSACTIONS/REIMBURSEMENTS	Actual Costs Incurred			
21		Federal & State Tax Liability Payments		$23,204,919		
22		Miscellaneous Reimbursements		(738,455)		
23						
24		**Total Other Transactions/Reimbursements**		$22,466,464	2.1660%	
25						
26		**Grand Total Affiliate Transactions**		$27,367,708	2.6386%	$36,586
27						
28		**Total MDU Construction Services Group, Inc. Operating Expenses for 2014**			$1,037,220,000	
29		**Excludes Intersegment Eliminations**				

1/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 MDU Resources. These include accounts payable, general accounting, fixed asset accounting, and miscellaneous other services. The charges are based on the percentage of system users that are MDU Resources employees. Both the general office complex and amounts for MDU Resources 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: 2014

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	MONTANA-DAKOTA UTILITIES CO.				
2	RESOURCES INT					
3		Other Direct Charges	Actual costs incurred			
4		Dues, Permits, and Filing Fees		$375		
5		Bank Fees		3,844		
6						
8						
9		Intercompany Settlements	Actual costs incurred			
10		Dues, Permits, and Filing Fees		28,881		
11		**Total Montana-Dakota Utilities Co.**		$33,100	9.1689%	$0
12						
13		OTHER TRANSACTIONS/REIMBURSEMENTS	Actual costs incurred			
14		Federal & State Tax Liability Payments		$96,572		
15		Miscellaneous Reimbursements		-		
16		**Total Other Transactions/Reimbursements**		$96,572		
17						
18		**Grand Total Affiliate Transactions**		$129,672	35.9202%	$0
19						
20		**Total Centennial Energy Resources International Operating Expenses for 2014**			$361,000	
21		**Excludes Intersegment Eliminations**				

Company Name: Montana-Dakota Utilities Co. SCHEDULE 7

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY

Year: 2014

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	MONTANA-DAKOTA UTILITIES CO.				
2	CAPITAL CORP. AND	Direct and Intercompany charges	Actual costs incurred			
3	FUTURESOURCE	Bank Fees		$1,039		
4		Contract Services		18,673		
5		Materials		1,174,605		
6		Office Expense		2,684		
7		Travel		4,985		
8		Electric Consumption		176,148		
9		Gas Consumption		17,326		
10		Payroll		417,819		
11		Insurance		145		
12		Dues, Permits, and Filing Fees		325		
13		Miscellaneous		304		
14						
15						
16		**Total Montana-Dakota Utilities Co.**		$1,814,053	55.4926%	$0
17		OTHER TRANSACTIONS/REIMBURSEMENTS				
18		Miscellaneous Reimbursements		($2,681)		
19		Federal & State Tax Liability Payments		1,702,425		
20		**Total Other Transactions/Reimbursements**		$1,699,744		
21						
22		**Grand Total Affiliate Transactions**		$3,513,797	107.4884%	$0
23						
24		**Total CHCC Operating Expenses for 2014**			$3,269,000	
25		**Excludes Intersegment Eliminations**				

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY

Year: 2014

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 2/	Corporate Overhead	1/ Various Corporate Overhead			
3		Audit Costs	Allocation Factors, Time	$52,733		
4		Advertising	Studies and/or Actual Costs	33,307		
5		Air Service	Incurred	22,724		
6		Automobile		2,817		
7		Bank Services		41,723		
8		Corporate Aircraft		15,632		
9		Consultant Fees		154,370		
10		Contract Services		252,227		
11		Computer Rental		660		
12		Directors Expenses		204,785		
13		Employee Benefits		23,749		
14		Employee Meeting		25,778		
15		Employee Reimbursable Expense		35,568		
16		Express Mail		2		
17		Legal Retainers & Fees		253,831		
18		Meal Allowance		1,528		
19		Cash Donations		(5)		
20		Meals & Entertainment		13,528		
21		Moving Expense		24,661		
22		Industry Dues & Licenses		38,908		
23		Office Expenses		20,551		
24		Supplemental Insurance		101,596		
25		Permits & Filing Fees		6,069		
26		Postage		5,357		
27		Payroll		3,871,949		
28		Reimbursements		(2,935)		
29		Reference Materials		37,337		
30		Rental		-		
31		Seminars & Meeting Registrations		20,209		
32		Software Maintenance		93,058		
33		Telephone/cell Expenses		44,615		
34		Training Material		7,016		
35		**Total MDU Resources Group, Inc.**		$5,403,348	1.0291%	

Company Name: Montana-Dakota Utilities Co. SCHEDULE 7

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY

Year: 2014

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 2/					
3		Executive Departments	1/ Various Corporate Overhead			
4		Automobile	Allocation Factors, Cost of	28		
5		Materials	Service Factors, Time Studies	104		
6		Employee Benefits	and/or Actual Costs Incurred	13,370		
7		Office Expenses		7,787		
8		Payroll		729,771		
9		Travel		44,211		
10		Other		1,699		
11						
12		General & Administrative	1/ Various Corporate Overhead	51		
13		Office Expenses	Allocation Factors, Cost of			
14			Service Factors, Time Studies			
15			and/or Actual Costs Incurred			
16						
17		Other Miscellaneous Departments				
18		Payroll	1/ Various Corporate Overhead	16,838		
19		Travel	Allocation Factors, Cost of	1,725		
20		Office Expenses	Service Factors, Time Studies	263		
21		Employee Benefits	and/or Actual Costs Incurred	13		
22		Automobile		11		
23						
24		Payroll & HR				
25		Employee Benefits	1/ Various Corporate Overhead	$35,713		
26		Payroll	Allocation Factors, Cost of	164,072		
27		Contract Services	Service Factors, Time Studies	748		
28		Travel	and/or Actual Costs Incurred	10,772		
29		Office Expenses		1,492		
31		Automobile		57		
32						
33						
34						
35						

Company Name: Montana-Dakota Utilities Co.

SCHEDULE 7

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY

Year: 2014

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 2/	Other Direct Charges	Actual costs incurred			
3		Audit		3,933		
4		Bank Fees		29,824		
5		Communications		18,847		
6		Computer Equip/Software		41,801		
7		Contract Services		312,651		
8		Employee Benefits		5,509		
9		Filing Fees		53,560		
10		Office Expenses		181		
11		Vehicle Maintenance		29		
12		Travel		11,803		
13						
14		Intercompany Settlements	Actual costs incurred			
15		O&M				
16		Auto		24,794		
17		Contract Services		427,548		
18		Cost of Service		1,364,745		$312,028
19		Employee Benefits		78,817		
20		Marketing		37,577		
21		Material		51,137		
22		Miscellaneous		296,768		
23		Office Expenses		465,578		
24		Payroll		9,411,150		
25		SISP		120,252		
26		Software Maintenance		953,388		
27		Travel		218,817		
28						
29		Other	Actual costs incurred			
30		Audit		$422,318		
31		LTIP		492,442		
32		MII		204,006		
33		Payflex		(29,040)		
34		Miscellaneous		(8,513)		
35						

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY

Year: 2014

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 2/	Capital	Actual costs incurred			
3		Auto		1,696		
4		Contract Services		318,700		
5		Material		275,876		
6		Misc Employee Benefit		1,343		
7		Office Expenses		53,529		
8		Payroll		1,091,229		
9		Travel		67,240		
10		Utility Group Project Allocation		4,748,037		
11		**Total Montana-Dakota Utilities Co.**		$22,596,297	4.3034%	$312,028
12						
13		OTHER TRANSACTIONS/REIMBURSEMENTS				
14		Federal & State Tax Liability Payments		($4,758,417)		
15		Miscellaneous Reimbursements		(234,645)		
16						
17		**Total Other Transactions/Reimbursements**		($4,993,062)	-0.9509%	
18						
19		**Grand Total Affiliate Transactions**		$23,006,583	4.3816%	$312,028
20						
21		**Total MDU Energy Capital Operating Expenses for 2014**			$525,076,000	
22		**Excludes Intersegment Eliminations**				
23						

MDU ENERGY CAPITAL

1/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 MDU Resources. These include accounts payable, general accounting, fixed asset accounting, and miscellaneous other services. The charges are based on the percentage of system users that are MDU Resources employees. Both the general office complex and amounts for MDU Resources 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.

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

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 7**

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY Year: 2014

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	MONTANA-DAKOTA UTILITIES CO.				
2	HOLDING INC					
3		Other Direct Charges	Actual costs incurred			
4		Audit Costs		$134,399		
5		Dues, Permits, and Filing Fees		150		
6		Contract Services		204,235		
7		Bank Fees		2,685		
8		Miscellaneous		86		
9		**Total Montana-Dakota Utilities Co.**		$341,555		
10						
11		**Grand Total Affiliate Transactions**		$341,555		
12						
13						
14						

Company Name: Montana-Dakota Utilities Co. SCHEDULE 8

MONTANA UTILITY INCOME STATEMENT

Year: 2014

		Account Number & Title	Last Year	This Year	% Change
1	400	Total Operating Revenues	$55,524,393	$58,193,560	4.81%
2					
3		Operating Expenses			
4	401	Operation Expenses	$31,929,541	$34,198,553	7.11%
5	402	Maintenance Expense	4,306,730	3,927,678	-8.80%
6		Total O & M Expenses	36,236,271	38,126,231	5.22%
7					
8	403	Depreciation Expense	6,305,038	6,608,079	4.81%
9	404-405	Amortization of Electric Plant	258,678	290,351	12.24%
10	406	Amort. of Plant Acquisition Adjustments	52,822	2,654	-94.98%
11	407	Amort. of Property Losses, Unrecovered Plant			
12		& Regulatory Study Costs			
13	408.1	Taxes Other Than Income Taxes	3,585,763	4,080,303	13.79%
14	409.1	Income Taxes - Federal	(2,635,389)	(3,537,147)	-34.22%
15		- Other	(61,636)	(527,837)	-756.38%
16	410.1	Provision for Deferred Income Taxes	3,963,402	11,698,194	195.16%
17	411.1	(Less) Provision for Def. Inc. Taxes - Cr.	488,560	5,731,212	1073.08%
18	411.4	Investment Tax Credit Adjustments			
19	411.6	(Less) Gains from Disposition of Utility Plant			
20	411.7	Losses from Disposition of Utility Plant			
21					
22		**Total Utility Operating Expenses**	$48,193,509	$51,009,616	5.84%
23		**NET UTILITY OPERATING INCOME**	$7,330,884	$7,183,944	-2.00%

MONTANA UTILITY REVENUES

SCHEDULE 9

		Account Number & Title	Last Year	This Year	% Change
1		Sales of Electricity			
2					
3	440	Residential	$16,263,640	$16,996,272	4.50%
4	442	Commercial & Industrial - Small	9,813,480	10,257,231	4.52%
5		Commercial & Industrial - Large	24,943,984	26,944,335	8.02%
6	444	Public Street & Highway Lighting	877,894	906,612	3.27%
7	445	Other Sales to Public Authorities	442,532	466,152	5.34%
8	446	Sales to Railroads & Railways			
9	448	Interdepartmental Sales			
10		Net Unbilled Revenue	406,770	(116,163)	-128.56%
11					
12		**Total Sales to Ultimate Consumers**	$52,748,300	$55,454,439	5.13%
13	447	Sales for Resale	225,814	232,170	2.81%
14					
15		**Total Sales of Electricity**	$52,974,114	$55,686,609	5.12%
16	449.1	(Less) Provision for Rate Refunds			
17					
18		**Total Revenue Net of Provision for Refunds**	$52,974,114	$55,686,609	5.12%
19		Other Operating Revenues			
20	450	Forfeited Discounts & Late Payment Revenues			
21	451	Miscellaneous Service Revenues	$37,067	$35,150	-5.17%
22	453	Sales of Water & Water Power			
23	454	Rent From Electric Property	1,193,080	1,187,462	-0.47%
24	455	Interdepartmental Rents			
25	456	Other Electric Revenues	1,320,132	1,284,339	-2.71%
26					
27		**Total Other Operating Revenues**	$2,550,279	$2,506,951	-1.70%
28		**TOTAL OPERATING REVENUES**	$55,524,393	$58,193,560	4.81%

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2014

	Account Number & Title	Last Year	This Year	% Change
1	Power Production Expenses			
2				
3	Steam Power Generation			
4	Operation			
5	500 Operation Supervision & Engineering	$454,394	$453,384	-0.22%
6	501 Fuel	12,574,264	12,501,750	-0.58%
7	502 Steam Expenses	1,077,988	1,065,280	-1.18%
8	503 Steam from Other Sources			
9	504 (Less) Steam Transferred - Cr.			
10	505 Electric Expenses	410,441	403,853	-1.61%
11	506 Miscellaneous Steam Power Expenses	573,916	618,872	7.83%
12	507 Rents	1,827	1,585	-13.25%
13				
14	TOTAL Operation - Steam	15,092,830	15,044,724	-0.32%
15				
16	Maintenance			
17	510 Maintenance Supervision & Engineering	181,261	187,211	3.28%
18	511 Maintenance of Structures	125,572	163,299	30.04%
19	512 Maintenance of Boiler Plant	1,091,006	1,235,578	13.25%
20	513 Maintenance of Electric Plant	422,451	184,433	-56.34%
21	514 Maintenance of Miscellaneous Steam Plant	327,520	347,706	6.16%
22				
23	TOTAL Maintenance - Steam	2,147,810	2,118,227	-1.38%
24	**TOTAL Steam Power Production Expenses**	$17,240,640	$17,162,951	-0.45%
25				
26	Nuclear Power Generation			
27	Operation			
28	517 Operation Supervision & Engineering			
29	518 Nuclear Fuel Expense			
30	519 Coolants & Water			
31	520 Steam Expenses			
32	521 Steam from Other Sources		NOT	
33	522 (Less) Steam Transferred - Cr.		APPLICABLE	
34	523 Electric Expenses			
35	524 Miscellaneous Nuclear Power Expenses			
36	525 Rents			
37				
38	TOTAL Operation - Nuclear			
39				
40	Maintenance			
41	528 Maintenance Supervision & Engineering			
42	529 Maintenance of Structures			
43	530 Maintenance of Reactor Plant Equipment		NOT	
44	531 Maintenance of Electric Plant		APPLICABLE	
45	532 Maintenance of Miscellaneous Nuclear Plant			
46				
47	TOTAL Maintenance - Nuclear			
48	**TOTAL Nuclear Power Production Expenses**			

MONTANA OPERATION & MAINTENANCE EXPENSES

	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		NOT	
16	543	Maint. of Reservoirs, Dams & Waterways		APPLICABLE	
17	544	Maintenance of Electric Plant			
18	545	Maintenance of Miscellaneous Hydro Plant			
19					
20		TOTAL Maintenance - Hydraulic			
21		**TOTAL Hydraulic Power Production Expenses**			
22					
23	Other Power Generation				
24	Operation				
25	546	Operation Supervision & Engineering	$18,172	$12,955	-28.71%
26	547	Fuel	164,639	712,995	333.07%
27	548	Generation Expenses	147,432	93,410	-36.64%
28	549	Miscellaneous Other Power Gen. Expenses	87,969	78,389	-10.89%
29	550	Rents	1,389	61,605	4335.21%
30					
31		TOTAL Operation - Other	419,601	959,354	128.63%
32					
33	Maintenance				
34	551	Maintenance Supervision & Engineering	11,877	12,750	7.35%
35	552	Maintenance of Structures	1,892	2,904	53.49%
36	553	Maintenance of Generating & Electric Plant	153,626	128,657	-16.25%
37	554	Maintenance of Misc. Other Power Gen. Plant	375	3,221	758.93%
38					
39		TOTAL Maintenance - Other	167,770	147,532	-12.06%
40		**TOTAL Other Power Production Expenses**	$587,371	$1,106,886	88.45%
41					
42	Other Power Supply Expenses				
43	555	Purchased Power	$7,781,870	$9,096,906	16.90%
44	556	System Control & Load Dispatching	366,467	295,731	-19.30%
45	557	Other Expenses			
46					
47		TOTAL Other Power Supply Expenses	$8,148,337	$9,392,637	15.27%
48		**TOTAL Power Production Expenses**	$25,976,348	$27,662,475	6.49%

MONTANA OPERATION & MAINTENANCE EXPENSES

	Account Number & Title		Last Year	This Year	% Change
1	Transmission Expenses				
2	Operation				
3	560	Operation Supervision & Engineering	$245,129	$271,197	10.63%
4	561	Load Dispatching	390,984	371,867	-4.89%
5	562	Station Expenses	138,485	105,370	-23.91%
6	563	Overhead Line Expenses	46,701	55,863	19.62%
7	564	Underground Line Expenses			
8	565	Transmission of Electricity by Others	397,933	908,605	128.33%
9	566	Miscellaneous Transmission Expenses	12,233	12,409	1.44%
10	567	Rents	174,765	188,574	7.90%
11	575	Day-Ahead and Real-Time Market Administration	143,897	107,391	-25.37%
12					
13	TOTAL Operation - Transmission		1,550,127	2,021,276	30.39%
14	Maintenance				
15	568	Maintenance Supervision & Engineering	18,421	12,023	-34.73%
16	569	Maintenance of Structures			
17	570	Maintenance of Station Equipment	144,034	173,154	20.22%
18	571	Maintenance of Overhead Lines	362,359	308,214	-14.94%
19	572	Maintenance of Underground Lines			
20	573	Maintenance of Misc. Transmission Plant			
21					
22	TOTAL Maintenance - Transmission		524,814	493,391	-5.99%
23	**TOTAL Transmission Expenses**		$2,074,941	$2,514,667	21.19%
24					
25	Distribution Expenses				
26	Operation				
27	580	Operation Supervision & Engineering	$404,616	$405,547	0.23%
28	581	Load Dispatching			
29	582	Station Expenses	89,975	88,883	-1.21%
30	583	Overhead Line Expenses	184,620	167,140	-9.47%
31	584	Underground Line Expenses	211,694	257,377	21.58%
32	585	Street Lighting & Signal System Expenses	12,892	16,078	24.71%
33	586	Meter Expenses	196,637	180,971	-7.97%
34	587	Customer Installations Expenses	60,990	51,109	-16.20%
35	588	Miscellaneous Distribution Expenses	680,520	648,511	-4.70%
36	589	Rents	28,393	29,460	3.76%
37					
38	TOTAL Operation - Distribution		1,870,337	1,845,076	-1.35%
39	Maintenance				
40	590	Maintenance Supervision & Engineering	88,174	64,026	-27.39%
41	591	Maintenance of Structures			
42	592	Maintenance of Station Equipment	19,676	19,795	0.60%
43	593	Maintenance of Overhead Lines	795,946	525,413	-33.99%
44	594	Maintenance of Underground Lines	172,230	194,264	12.79%
45	595	Maintenance of Line Transformers	38,422	41,730	8.61%
46	596	Maintenance of Street Lighting, Signal Systems	49,254	54,452	10.55%
47	597	Maintenance of Meters	3,114	463	-85.13%
48	598	Maintenance of Miscellaneous Dist. Plant	193,304	169,233	-12.45%
49					
50	TOTAL Maintenance - Distribution		1,360,120	1,069,376	-21.38%
51	**TOTAL Distribution Expenses**		$3,230,457	$2,914,452	-9.78%

MONTANA OPERATION & MAINTENANCE EXPENSES

	Account Number & Title	Last Year	This Year	% Change
1	Customer Accounts Expenses			
2	Operation			
3	901 Supervision	$16,249	$15,727	-3.21%
4	902 Meter Reading Expenses	89,989	85,610	-4.87%
5	903 Customer Records & Collection Expenses	486,095	501,715	3.21%
6	904 Uncollectible Accounts Expenses	135,507	168,337	24.23%
7	905 Miscellaneous Customer Accounts Expenses	46,961	49,994	6.46%
8				
9	TOTAL Customer Accounts Expenses	$774,801	$821,383	6.01%
10				
11	Customer Service & Information Expenses			
12	Operation			
13	907 Supervision	$12,248	$10,616	-13.32%
14	908 Customer Assistance Expenses	11,416	5,544	-51.44%
15	909 Informational & Instructional Adv. Expenses	20,930	27,370	30.77%
16	910 Miscellaneous Customer Service & Info. Exp.	193	0	-100.00%
17				
18	TOTAL Customer Service & Info Expenses	$44,787	$43,530	-2.81%
19				
20	Sales Expenses			
21	Operation			
22	911 Supervision	($70)	$4	105.71%
23	912 Demonstrating & Selling Expenses	7,203	16,021	122.42%
24	913 Advertising Expenses	4,680	10,713	128.91%
25	916 Miscellaneous Sales Expenses	3,339	3,017	-9.64%
26				
27	TOTAL Sales Expenses	$15,152	$29,755	96.38%
28				
29	Administrative & General Expenses			
30	Operation			
31	920 Administrative & General Salaries	$1,035,913	$1,093,178	5.53%
32	921 Office Supplies & Expenses	632,663	705,899	11.58%
33	922 (Less) Administrative Expenses Transferred - Cr.			
34	923 Outside Services Employed	101,275	99,637	-1.62%
35	924 Property Insurance	176,179	169,779	-3.63%
36	925 Injuries & Damages	251,119	288,139	14.74%
37	926 Employee Pensions & Benefits	1,500,258	1,428,345	-4.79%
38	927 Franchise Requirements			
39	928 Regulatory Commission Expenses	128,497	81,128	-36.86%
40	929 (Less) Duplicate Charges - Cr.			
41	930 Miscellaneous General Expenses	111,048	87,067	-21.60%
42	931 Rents	76,617	87,645	14.39%
43				
44	TOTAL Operation - Admin. & General	4,013,569	4,040,817	0.68%
45	Maintenance			
46	935 Maintenance of General Plant	106,216	99,152	-6.65%
47				
48	**TOTAL Administrative & General Expenses**	$4,119,785	$4,139,969	0.49%
49	**TOTAL Operation & Maintenance Expenses**	$36,236,271	$38,126,231	5.22%

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 11**

MONTANA TAXES OTHER THAN INCOME

Year: 2014

	Description of Tax	Last Year	This Year	% Change
1	Payroll Taxes	$486,754	$463,004	-4.88%
2	Secretary of State	316	254	-19.62%
3	Highway Use Tax	553	748	35.26%
4	Montana Consumer Counsel	(71,592)	16,093	122.48%
5	Montana PSC	(8,568)	104,597	1320.79%
6	Montana Electric	55,261	54,191	-1.94%
7	Coal Conversion	261,805	260,522	-0.49%
8	Delaware Franchise	20,849	20,622	-1.09%
9	Property Taxes	2,840,384	3,160,272	11.26%
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50	**TOTAL MT Taxes Other Than Income**	$3,585,762	$4,080,303	13.79%

PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES - ELECTRIC

Year: 2014

Name of Recipient	Nature of Service	Total Company	Montana	% Montana
43TC LLC	Consulting Service	143,850	8,764	6.09%
Accuvant	Software Maintenance - Web Security	367,037	3,917	1.07%
Aevenia Inc.	Contractor Services - Dakota Prairie	1,911,744	774	0.04%
AFPI	Annual Report Preparation	122,079	2,369	1.94%
Agri Industries Inc.	Pipeline Install, Directional Drilling	92,348	81,302	88.04%
Allete Inc.	Thunder Spirit Wind Farm	54,334,000	14,291,183	26.30%
American Gas Association	Industrial Membership	298,955		0.00%
American Power Services Inc.	Contract Services - Heskett Station	84,764	19,011	22.43%
Arvig Construction	Contract Services - Line Install	840,656		0.00%
Automotive Rentals Inc.	Auto Purchases & Services	173,476	1,427	0.82%
Avery Pipeline Services Inc.	Contractor Services - Pipeline Install	153,205	12,836	8.38%
Azco Inc.	Contract Services - Heskett Unit III	3,284,724	736,721	22.43%
B&H Utility Services Inc.	Contractor Services	238,724		0.00%
Benco Equipment Co	Vehicle Maintenance	264,557	298	0.11%
Big Horn Asphalt & More	Contract Services - Soldier Crk Sub & Others	154,996		0.00%
Bismarck Futures LLC	Bismarck Futures Support	100,000	2,001	2.00%
Blue Heron Consulting	Consulting Service	842,665	50,915	6.04%
Border States Electric Supply	Supplier	127,236	95	0.07%
Boyce, Greenfield, Pashby & Welk	Legal Services	190,506	42,090	22.09%
Brink Constructors Inc.	Contract Services - Electric Line Install	1,633,090	366,281	22.43%
Broadridge	Contract Services	133,639	2,593	1.94%
Bullinger Tree Service	Tree Trimming	439,275	6,586	1.50%
CA Contracting Inc.	Contract Services	7,287,782		0.00%
CA Inc	Contract Services	114,603	6,099	5.32%
Cable Communication Services Inc.	Contract/Consulting Services	121,700		0.00%

PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES - ELECTRIC

Year: 2014

Name of Recipient	Nature of Service	Total Company	Montana	% Montana
Central Mechanical Inc.	Contract Services - HVAC Upgrade	693,900		0.00%
Central Trenching Inc	Contract Services - Trenching	630,794		0.00%
CGI Technologies and Solutions, Inc	Consulting Services - PragmaCad	204,986	8,124	3.96%
Chief Construction	Construction services	1,089,604	766	0.07%
Cisco Systems Capital Corp	Software Maintenance	164,132	2,261	1.38%
Coatings Unlimited	Contract Services - Heskett III	83,405	13,434	16.11%
Cohen Tauber Speivack & Wagner PC	Legal Services	392,455	6,930	1.77%
Computer Sites, Inc.	Computer Services - Redundant UPS	94,610	10,393	10.99%
Concentric Energy Advisors, Inc.	Consulting Services	116,035		0.00%
Connecting Point	Computer Services - Software Maint	615,265	8,498	1.38%
Corval Group Inc	Contract Services	1,351,285	303,076	22.43%
Dakota Fence Co	Fencing - Heskett Station	115,911	27,774	23.96%
Dakota Tree Service, Inc.	Tree Trimming	80,003		0.00%
Data Link Corporation	ETS Operations	1,143,143	2,639	0.23%
Deangelo Brothers Inc	Contract Services	121,490	6,632	5.46%
Dell Marketing LP	Software Maintenance	262,732	2,763	1.05%
Deloitte & Touche LLP	Auditing & Consulting Services	2,858,970	29,435	1.03%
Dennys Electric Motor Repair Inc	Line Installation - Boring	204,811		0.00%
Dig It Up Backhoe Service Inc.	Contract Services	250,799	498	0.20%
Duane Morris, LLP	Legal Services	986,062	16,652	1.69%
Edison Electric Institute	Industrial Membership	112,968	17,516	15.51%
Edling Electric Inc	Contractor Services	82,635	129	0.16%
Eide Ford Mercury Lincoln Inc.	Auto Maintenance	113,512	690	0.61%
Electric Company of South Dakota	Contract Services - Line Extensions	564,456		0.00%
Electro-Test and Maintenance, Inc.	Contract Service - Heskett Unit 3 - Tests	130,700	29,314	22.43%

PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES - ELECTRIC

Year: 2014

Name of Recipient	Nature of Service	Total Company	Montana	% Montana
Ernst & Young LLP	Tax Services	292,376	17,266	5.91%
ESRI	Consulting Services	212,712	16,061	7.55%
FERC	Annual Charge	117,616	23,774	20.21%
Fischer Contracting	Construction Services	695,273		0.00%
Five Point Partners, LLC.	Contract Services - CIS System	120,319	7,255	6.03%
Forrester, Gary	Lobbying & Promotion	113,812	2,243	1.97%
Franz Construction Inc.	Contractor Services - Power Plant	163,161	35,445	21.72%
G E Energy Products Inc	Work on Glendive Gas Turbine	136,028	16,775	12.33%
Gagnon, Inc.	Contract Services - Heskett Station	92,954	20,833	22.41%
GL Noble Denton Inc	Software Maintenance	78,530	8,627	10.99%
Govert Powerline Services	Contract Services - Powerline	988,003	5,276	0.53%
Grant Thornton LLP	Consulting Services	191,094	5,099	2.67%
Graycor Blasting Company	Contract Services - Heskett Boiler	261,581	58,669	22.43%
Gustafson & Goudge Inc	Contract Services - Dist Substation	192,400		0.00%
H A Thompson & Sons Inc	Contractor Services	76,608	15,797	20.62%
HDR Engineering Inc	Engineering Services	1,417,346	134,043	9.46%
High Voltage Inc	Contractor Services	2,625,367	639,437	24.36%
Highmark, Inc.	Contractor Services	101,047		0.00%
Houston Engineering Inc	Engineering Services	157,691	35,368	22.43%
Hulsing & Associates Architects, PC	Architect Services	270,836		0.00%
Industrial Contractors, Inc.	Contractor Services	1,125,469	252,379	22.42%
InfraSource	Underground Gas Line Installation	5,290,555	305,204	5.77%
Intermountain Tree Expert Co	Tree Trimming Services	143,537		0.00%
International Business Machines Corp	Computer Rental & Services	119,984	4,940	4.12%
Itron Inc	Contractor Services & Software Maint	329,446	15,696	4.76%

PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES - ELECTRIC Year: 2014

Name of Recipient	Nature of Service	Total Company	Montana	% Montana
J B Construction Inc	Pipeline Services	161,883		0.00%
Jackson Utilities LLC	Gas & Elec Line Install - Directional Boring	1,484,347		0.00%
Jacobsen Tree Experts	Tree Trimming Services	207,914	4,508	2.17%
Jobbers Moving & Storage	Contract Services	86,752	5,422	6.25%
Johnson, Dennis	Active Directors Fees	76,883	1,516	1.97%
K & H Electric Inc.	Contract Services - Gas Line Boring	137,314		0.00%
K & L Gates LLP	Legal Services	184,219	48,454	26.30%
Kadrmas, Lee & Jackson	Engineering Services	1,533,401	294,295	19.19%
Kappel Tree Service LLC	Tree Trimming Services	399,424	101,026	25.29%
Kekst and Company Inc.	Legal Services	76,838	1,538	2.00%
Lignite Energy Council	Membership Dues	123,280	23,006	18.66%
MCM General Contractors Inc	Construction Services	286,174		0.00%
Martin Construction Inc	Contract Services - Substation	113,366		0.00%
Mavo Systems North Dakota LLC	Contractor Services	157,377	32,844	20.87%
McDermott, Will & Emery LLP	Legal Services	77,248	1,536	1.99%
Mertz Lumber & Supply	Contract Services - Ellendale Warehouse	140,589		0.00%
Microsoft Licensing GP	Software Maintenance	1,161,746	25,286	2.18%
Midcontinent ISO	Facility Study Request	478,606	103,495	21.62%
Millcreek Engineering Company	Engineering Services	234,885	23,308	9.92%
Minnesota Department of Commerce	Billable Labor Dockets	97,593		0.00%
National Conductor Constructors	Contract Services - Substations	1,991,815	14,835	0.74%
ND Public Service Commission	Filing Fees	238,200		0.00%
NERC	Contract Services - Quarterly Assessment	158,983	33,605	21.14%
New York Life	Consulting Services	98,200	3,189	3.25%
Northern Improvement Company	Contract Services	165,846	37,197	22.43%

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 12**

PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES - ELECTRIC Year: 2014

Name of Recipient	Nature of Service	Total Company	Montana	% Montana
Northwest Contracting	Contract Services - Heskett Precipitator	596,065	130,623	21.91%
Northwest Tire Inc	Vehicle Maintenance	94,328	348	0.37%
NYSE Market Inc	Financial Services	179,200	3,477	1.94%
One Call Locators LTD	Line Locating Services	2,514,641	58,249	2.32%
Open Systems International Inc	Software Maintenance	215,257	42,635	19.81%
Oracle Corp	Software Maintenance	1,896,318	35,923	1.89%
Ormat Nevada Inc	Install Energy Converter	273,852	51,002	18.62%
Otter Tail Power Co	Contract Services - Powerline, Metretek	406,442	43,370	10.67%
Parkline, Inc	Contract Services - Heskett Gas Turbine	114,764	24,929	21.72%
PCI Skanska Inc	Contract Service - Heskett Unit II	82,221	18,441	22.43%
Pearce, Harry J	Active Director's Fees	151,527	2,987	1.97%
Peterson's Bobcat Service	Contract Service - Landscaping	79,600		0.00%
Phifer Oilfield Construction	Contract Service - Watford City Substation	75,187		0.00%
PNC Capital Markets LLC	Banking Services	236,250		0.00%
Power Engineers, Inc.	Engineering Services	100,736	22,594	22.43%
PowerPlan Inc	Consulting Services - Software	546,149	35,069	6.42%
Prime Power & Communications Inc	Contract Services - Wyoming Sub, Sheridan Transmission	85,737		0.00%
Probst Electric Inc	Contract Services - Dickinson Loop	1,233,467		0.00%
Progressive Maintenance Co	Custodial Services	132,913	17,636	13.27%
Prosource Tech Inc	Contract Services - Environmental	1,164,377	29,366	2.52%
PSC Intermountain	Contract Services - Power Plant	81,106	18,191	22.43%
Pullman Power LLC	Contract Services - Heskett Station	353,435	56,532	15.99%
Q3 Contracting	Construction Services	1,128,968		0.00%
Rhino Contracting	Contractor Services - Gas & Electric	178,591		0.00%
Rocky Mountain Line Systems Inc	Contractor Services	123,898		0.00%

PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES - ELECTRIC

Year: 2014

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1	S E Incorporated	Contract Services - Rebuild Trans Lines	1,058,102	549,111	51.90%
2					
3	Sammons Excavation, Inc	GME Road 7 Loop, Cowley WY	96,111		0.00%
4					
5	Sargent & Lundy LLC	Engineering Services	1,363,398	305,792	22.43%
6					
7	Sega Inc	Engineering Services	912,020	204,554	22.43%
8					
9	Sibley Electric, Inc	Contract Services - Heskett Pipeline	76,099	14,889	19.57%
10					
11	Southern Cross Corp	Construction Services - Gas	325,673		0.00%
12					
13	Spherion Staffing LLC	Temp Service	655,265	37,862	5.78%
14					
15	Standard & Poors	Financial Services	286,689	9,076	3.17%
16					
17	State-Line Contractors Inc	Construction Services	761,554		0.00%
18					
19	Stinson Leonard Street LLP	Legal Services	100,581	7,424	7.38%
20					
21	Strata Inc	Contract Services - Lewis & Clark	84,254	18,897	22.43%
22					
23	Sub-Site Technologies LLC	Contract Services - Mains Replace	313,235		0.00%
24					
25	TCH Construction	Directional Boring - Glendive, MT	133,071	76,431	57.44%
26					
27	Telvent DTN	GIS Sys 10.2 Upgrade	95,298	8,389	8.80%
28					
29	Thomson Reuters (Tax & Acct) Inc	Consulting Services	208,100	6,534	3.14%
30					
31	Timberline Construction Inc	Contractor Services - Transmission Lines	940,818	501,691	53.32%
32					
33	Total Asphalt Repair Inc	Contractor Services	133,429		0.00%
34					
35	TRC Environmental Corporation	Testing Pollution Control Equip -	239,048	53,615	22.43%
36		L&C Station			
37	Treasury Management Services	Banking Services	337,767	34,862	10.32%
38					
39	U S Bank	Banking Services	103,962	11,087	10.66%
40					
41	U S Bankcorp Investments	Banking Services	443,454		0.00%
42					
43	Ulmer Tree Service	Tree Trimming Services	191,694		0.00%
44					
45	Ulteig Engineers Inc	Engineering Services	319,882	185,818	58.09%
46					
47	USIC Locating Services Inc	Line Locating	129,152		0.00%
48					
49	Van Horn Media	Advertising	293,936	13,070	4.45%
50					

PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES - ELECTRIC Year: 2014

Name of Recipient	Nature of Service	Total Company	Montana	% Montana
Ventyx Inc	Software Maintenance	154,241	21,892	14.19%
Vistec Industrial Services Inc	Contract Services - Heskett Station	174,614	39,164	22.43%
Volt Management Corp	Contract Services - Software	165,266	11,484	6.95%
Wald Fencing	Contractor Services	213,047	47,784	22.43%
Wartsila North America Inc	Engineer Services - Lewis & Clark	1,963,883	67,286	3.43%
Weisz & Sons Inc	Contractor Services	238,997	422	0.18%
Wells Fargo Shareowners Services	Stock Transfer Agent	275,895	4,535	1.64%
Western Area Power Administration	Transmission Charge	197,483	42,939	21.74%
Western Union Financial Service	Financial Services	95,439	7,773	8.14%
Workforce Services Inc	Vehicle Maintenance	266,094		0.00%
Xerox Corporation	Copier Leases	137,252	14,964	10.90%
Total Payments for Services		136,636,729	21,386,752	15.65%

POLITICAL ACTION COMMITTEES / POLITICAL CONTRIBUTIONS Year: 2014

	Description	Total Company	Montana	% Montana
1	Contributions to Candidates by PAC	$97,000	$14,320	14.76%
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43	**TOTAL Contributions**	$97,000	$14,320	14.76%

Pension Costs

Year: 2014

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: 12,202,457	Is the Plan Over Funded? No		
5				

	Item	Current Year	Last Year	% Change
6	Item	Current Year	Last Year	% Change
7	**Change in Benefit Obligation**	(000's)	(000's)	
8	Benefit obligation at beginning of year	$230,279	$262,909	-12.41%
9	Service cost	-	-	0.00%
10	Interest cost	10,055	9,240	8.82%
11	Plan participants' contributions	-	-	0.00%
12	Amendments	-	-	0.00%
13	Actuarial (Gain) Loss	45,309	(24,666)	283.69%
14	Curtailment gain	-	-	0.00%
15	Benefits paid	(16,060)	(17,204)	6.65%
16	Benefit obligation at end of year	$269,583	$230,279	17.07%
17	**Change in Plan Assets**			
18	Fair value of plan assets at beginning of year	$190,935	$177,800	7.39%
19	Actual return on plan assets	14,001	20,324	-31.11%
20	Employer contribution	12,202	10,015	21.84%
21	Plan participants' contributions	-	-	0.00%
22	Benefits paid	(16,060)	(17,204)	6.65%
23	Fair value of plan assets at end of year	$201,078	$190,935	5.31%
24	**Funded Status**	($68,505)	($39,344)	-74.12%
25	Unrecognized net actuarial loss	114,805	74,036	55.07%
26	Unrecognized prior service cost	-	-	0.00%
27	Unrecognized net transition obligation	-	-	0.00%
28	Accrued benefit cost	$46,300	$34,692	33.46%
29	**Weighted-Average Assumptions as of Year End**			
30	Discount rate	3.68	4.50	-18.22%
31	Expected return on plan assets	7.00	7.00	0.00%
32	Rate of compensation increase	-	-	0.00%
33	**Components of Net Periodic Benefit Costs**			
34	Service cost	-	-	0.00%
35	Interest cost	10,055	9,240	8.82%
36	Expected return on plan assets	(12,177)	(11,438)	-6.46%
37	Amortization of prior service cost	-	-	0.00%
38	Recognized net actuarial loss	2,716	4,028	-32.57%
39	Curtailment loss	-	-	0.00%
40	Net periodic benefit cost	$594	$1,830	-67.54%
41	**Montana Intrastate Costs:**			
42	Pension costs	$594	$1,830	-67.54%
43	Pension costs capitalized	126	405	-68.89%
44	Accumulated pension asset (liability) at year end	$46,300	$34,692	33.46%
45	**Number of Company Employees:**			
46	Covered by the plan	1,634	1,678	-2.62%
47	Not covered by the plan	716	701	2.14%
48	Active	562	600	-6.33%
49	Retired	964	963	0.10%
50	Deferred vested terminated	108	115	-6.09%

Other Post Employment Benefits (OPEBS) Year: 2014

	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	3.73	4.49	-16.93%
8	Expected return on plan assets	6.00	6.00	0.00%
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	TOTAL COMPANY			
16	**Change in Benefit Obligation**	(000's)	(000's)	
17	Benefit obligation at beginning of year	$43,206	$49,593	-12.88%
18	Service cost	786	906	-13.25%
19	Interest cost	1,862	1,699	9.59%
20	Plan participants' contributions	817	830	-1.57%
21	Amendments	-	-	0.00%
22	Actuarial (Gain) Loss	10,156	(5,998)	269.32%
23	Acquisition	-	-	0.00%
24	Benefits paid	(3,824)	(3,824)	0.00%
25	Benefit obligation at end of year	$53,003	$43,206	22.68%
26	**Change in Plan Assets**			
27	Fair value of plan assets at beginning of year	$48,661	$43,411	12.09%
28	Actual return on plan assets	4,367	7,943	-45.02%
29	Acquisition	-	-	0.00%
30	Employer contribution	103	301	-65.78%
31	Plan participants' contributions	817	830	-1.57%
32	Benefits paid	(3,824)	(3,824)	0.00%
33	Fair value of plan assets at end of year	$50,124	$48,661	3.01%
34	**Funded Status**	($2,879)	$5,455	-152.78%
35	Unrecognized net actuarial loss	-	-	0.00%
36	Unrecognized prior service cost	-	-	0.00%
37	Unrecognized transition obligation	-	-	0.00%
38	Accrued benefit cost	($2,879)	$5,455	-152.78%
39	**Components of Net Periodic Benefit Costs**			
40	Service cost	$786	$906	-13.25%
41	Interest cost	1,862	1,699	9.59%
42	Expected return on plan assets	(2,602)	(2,545)	-2.24%
43	Amortization of prior service cost	(976)	(976)	0.00%
44	Recognized net acturial gain	529	961	-44.95%
45	Transition amount amortization	-	-	0.00%
46	Net periodic benefit cost	($401)	$45	-991.11%
47	**Accumulated Post Retirement Benefit Obligation**			
48	Amount funded through VEBA	$920	$1,131	-18.66%
49	Amount funded through 401(h)			
50	Amount funded through Other ___			
51	TOTAL	$920	$1,131	-18.66%
52	Amount that was tax deductible - VEBA (1)	$103	$301	-65.78%
53	Amount that was tax deductible - 401(h)			
54	Amount that was tax deductible - Other ___			
55	TOTAL	$103	$301	-65.78%

(1) Estimated

Other Post Employment Benefits (OPEBS) Continued

Year: 2014

	Item	Current Year	Last Year	% Change
1	**Number of Company Employees:**			
2	Covered by the plan	1,470	1,527	-3.73%
3	Not covered by the plan	38	35	8.57%
4	Active	721	770	-6.36%
5	Retired	555	568	-2.29%
6	Spouses/dependants covered by the plan	194	189	2.65%
7	**Montana**			
8	**Change in Benefit Obligation**			
9	Benefit obligation at beginning of year			
10	Service cost	NOT APPLICABLE		
11	Interest cost			
12	Plan participants' contributions			
13	Amendments			
14	Actuarial gain			
15	Acquisition			
16	Benefits paid			
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			
21	Acquisition	NOT APPLICABLE		
22	Employer contribution			
23	Plan participants' contributions			
24	Benefits paid			
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			
29	Prepaid (accrued) benefit cost			
30	**Components of Net Periodic Benefit Costs**			
31	Service cost			
32	Interest cost	NOT APPLICABLE		
33	Expected return on plan assets			
34	Amortization of prior service cost			
35	Recognized net actuarial loss			
36	Net periodic benefit cost			
37	**Accumulated Post Retirement Benefit Obligation**			
38	Amount funded through VEBA			
39	Amount funded through 401(h)	NOT APPLICABLE		
40	Amount funded through other ______________			
41	TOTAL			
42	Amount that was tax deductible - VEBA			
43	Amount that was tax deductible - 401(h)			
44	Amount that was tax deductible - Other			
45	TOTAL			
46	**Montana Intrastate Costs:**			
47	Pension costs	NOT APPLICABLE		
48	Pension costs capitalized			
49	Accumulated pension asset (liability) at year end			
50	**Number of Montana Employees:**			
51	Covered by the plan			
52	Not covered by the plan	NOT APPLICABLE		
53	Active			
54	Retired			
55	Spouses/dependants covered by the plan			

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 16**

Year: 2014

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 requested information will be provided after the entry of a protective order which maintains the confidentiality of the information being provided. Montana-Dakota, submitted a Motion for Protective Order on April 21, 2015 in Docket No. N2015.2.17.						
6							
7							
8							
9							
10							

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 17**

Year: 2014

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	David L. Goodin President & CEO	$685,000	$830,915	$2,055,722	$3,571,637	$4,047,413	-12%
2	Doran N. Schwartz Vice President and CFO	$360,000	$163,080	$672,889	$1,195,969	$1,047,274	14%
3	Jeffrey S. Thiede President & CEO of MDU Construction Services Group	$400,000	$730,150	$420,010	$1,550,160	$1,258,350	23%
4	J. Kent Wells President & CEO of Fidelity Exploration & Production Company	$600,000	$369,750	$1,639,540	$2,609,290	$3,524,975	-26%
5	Steven L. Bietz President and CEO of WBI Holdings, Inc.	$380,000	$333,552	$1,051,214	$1,764,766	$963,961	83%

1/ See Schedule 17A 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.

control triggers liability for an excise tax, payment of the excise tax will be made by the individual. The company will not pay the excise tax. We do not consider the potential impact of Section 4999 or 280G when designing our compensation programs.

The compensation committee also considers the accounting and cash flow implications of various forms of executive compensation. In our financial statements, we record salaries and annual incentive compensation as expenses in the amount paid, or to be paid, to the named executive officers. For our equity awards, accounting rules also require that we record an expense in our financial statements. We calculate the accounting expense of equity awards to employees in accordance with Financial Accounting Standards Board generally accepted accounting principles for stock-based compensation.

Stock Ownership Requirements

We instituted stock ownership guidelines on May 5, 1993, which we revised in November 2010 to provide that executives who participate in our Long-Term Performance-Based Incentive Plan are required within five years to own our common stock equal to a multiple of their base salaries. Stock owned through our 401(k) plan or by a spouse is considered in ownership calculations. Unvested performance shares and other unvested equity awards are not considered in ownership calculations. The level of stock ownership compared to the requirements is determined based on the closing sale price of the stock on the last trading day of the year and base salary at December 31 of each year. Each February the compensation committee receives a report on the status of stock holdings by executives. The committee may, in its sole discretion, grant an extension of time to meet the ownership requirements or take such other action as it deems appropriate to enable the executive to achieve compliance with the policy. The table shows the named executive officers' holdings as of December 31, 2014:

Name	Assigned Guideline Multiple of Base Salary	Actual Holdings as a Multiple of Base Salary	Number of Years at Guideline Multiple (#)
David L. Goodin	4X	2.25	2.00 [1]
Doran N. Schwartz	3X	2.79	4.87 [2]
J. Kent Wells	3X	1.09	3.67 [3]
Jeffrey S. Thiede	3X	0.13	1.00 [4]
Steven L. Bietz	3X	4.47	12.33

[1] Participant must meet ownership requirement by January 1, 2018.

[2] Participant must meet ownership requirement by February 17, 2015.

[3] Participant must meet ownership requirement by May 1, 2016.

[4] Participant must meet ownership requirement by January 1, 2019.

The compensation committee may consider the policy and the executive's stock ownership in determining compensation. The committee, however, did not do so with respect to 2014 compensation.

Policy Regarding Hedging Stock Ownership

Our executive compensation policy prohibits Section 16 officers from hedging their ownership of company common stock. Executives may not enter into transactions that allow the executive to benefit from devaluation of our stock or otherwise own stock technically but without the full benefits and risks of such ownership. See the Security Ownership section of the proxy statement for our policy on margin accounts and pledging of our stock.

Compensation Committee Report

The compensation committee has reviewed and discussed the Compensation Discussion and Analysis required by Regulation S-K, Item 402(b), with management. Based on the review and discussions referred to in the preceding sentence, the compensation committee recommended to the board of directors that the Compensation Discussion and Analysis be included in our proxy statement on Schedule 14A.

Thomas Everist, Chairman
Karen B. Fagg
William E. McCracken
Patricia L. Moss

Summary Compensation Table for 2014

Name and Principal Position (a)	Year (b)	Salary ($) (c)	Bonus ($) (d)	Stock Awards ($) (e)[1]	Option Awards ($) (f)	Non-Equity Incentive Plan Compensation ($) (g)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) (h)[2]	All Other Compensation ($) (i)	Total ($) (j)
David L. Goodin	2014	685,000	—	1,385,135	—	830,915	631,901	38,686 [3]	3,571,637
President and CEO	2013	625,000	—	1,241,280	—	1,610,625	532,991	37,517	4,047,413
	2012	—	—	—	—	—	—	—	—
Doran N. Schwartz	2014	360,000	—	363,959	—	163,080	273,974	34,956 [3]	1,195,969
Vice President	2013	345,000	—	342,579	—	296,355	28,459	34,881	1,047,274
and CFO	2012	300,000	—	179,445	—	103,650	100,935	34,224	718,254
J. Kent Wells	2014	600,000	—	1,617,684	—	369,750	—	21,856 [3]	2,609,290
Vice Chairman of the	2013	570,000	—	1,509,419	—	1,425,000	—	20,556	3,524,975
Corporation and CEO of Fidelity Exploration & Production Company	2012	550,000	—	877,331	—	—	—	96,470	1,523,801
Jeffrey S. Thiede	2014	400,000	—	323,529	—	730,150	—	96,481 [3]	1,550,160
President and CEO of	2013	367,068	—	—	—	825,000	—	66,282	1,258,350
MDU Construction Services Group, Inc.	2012	—	—	—	—	—	—	—	—
Steven L. Bietz	2014	380,000	—	461,026	—	333,552	550,417	39,771 [3]	1,764,766
President and CEO of	2013	367,700	—	438,167	—	119,503	—	38,591	963,961
WBI Energy, Inc.	2012	360,500	—	258,765	—	347,973	329,969	37,884	1,335,091

[1] Amounts in this column represent the aggregate grant date fair value of the performance share awards calculated in accordance with Financial Accounting Standards Board generally accepted accounting principles for stock-based compensation in FASB Accounting Standards Codification Topic 718. This column was prepared assuming none of the awards will be forfeited. The amounts were calculated using a Monte Carlo simulation, as described in Note 13 of our audited financial statements in our Annual Report on Form 10-K for the year ended December 31, 2014.

[2] Amounts shown represent the change in the actuarial present value for years ended December 31, 2012, 2013, and 2014 for the named executive officers' accumulated benefits under the pension plan, excess SISP, and SISP, collectively referred to as the "accumulated pension change," plus above-market earnings on deferred annual incentives, if any. The amounts shown are based on accumulated pension change and above-market earnings as of December 31, 2012, 2013, and 2014, as follows:

	Accumulated Pension Change			Above-Market Earnings		
Name	12/31/2012 ($)	12/31/2013 ($)	12/31/14 ($)	12/31/2012 ($)	12/31/2013 ($)	12/31/14 ($)
David L. Goodin	—	532,986	631,901	—	5	—
Doran N. Schwartz	100,935	28,459	273,974	—	—	—
J. Kent Wells	—	—	—	—	—	—
Jeffrey S. Thiede	—	—	—	—	—	—
Steven L. Bietz	329,969	(261,546)	550,417	—	—	—

[3] All Other Compensation is comprised of:

	401(k) ($)[a]	Life Insurance Premium ($)	Matching Charitable Contribution ($)	Nonqualified Defined Contribution Plan ($)	Total ($)
David L. Goodin	37,700	156	830	—	38,686
Doran N. Schwartz	34,500	156	300	—	34,956
J. Kent Wells	20,800	156	900	—	21,856
Jeffrey S. Thiede	20,800	156	525	75,000	96,481
Steven L. Bietz	37,700	156	1,915	—	39,771

[a] Represents company contributions to 401(k) plan, which include matching contributions and contributions made in lieu of pension plan accruals after pension plans were frozen at December 31, 2009.

Grants of Plan-Based Awards in 2014

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units	All Other Option Awards: Number of Securities Underlying Options	Exercise or Base Price of Option Awards	Grant Date Fair Value of Stock and Option Awards
Name (a)	Grant Date (b)	Threshold ($) (c)	Target ($) (d)	Maximum ($) (e)	Threshold (#) (f)	Target (#) (g)	Maximum (#) (h)	(#) (i)	(#) (j)	($/Sh) (k)	($) (l)
David L. Goodin	2/13/2014 [1]	319,655	1,027,500	2,124,767	—	—	—	—	—	—	—
	2/13/2014 [2]	—	—	—	6,735	33,677	67,354	—	—	—	1,385,135
Doran N. Schwartz	2/13/2014 [3]	55,998	180,000	372,222	—	—	—	—	—	—	—
	2/13/2014 [2]	—	—	—	1,770	8,849	17,698	—	—	—	363,959
J. Kent Wells	2/13/2014 [1]	187,500	750,000	1,500,000	—	—	—	—	—	—	—
	2/13/2014 [2]	—	—	—	7,866	39,331	78,662	—	—	—	1,617,684
Jeffrey S. Thiede	2/13/2014 [1]	199,750	340,000	807,500	—	—	—	—	—	—	—
	2/13/2014 [2]	—	—	—	1,573	7,866	15,732	—	—	—	323,529
Steven L. Bietz	2/13/2014 [3]	61,750	247,000	494,000	—	—	—	—	—	—	—
	2/13/2014 [2]	—	—	—	2,242	11,209	22,418	—	—	—	461,026

[1] Annual incentive for 2014 granted pursuant to the MDU Resources Group, Inc. Long-Term Performance-Based Incentive Plan.
[2] Performance shares for the 2014-2016 performance period granted pursuant to the MDU Resources Group, Inc. Long-Term Performance-Based Incentive Plan.
[3] Annual incentive for 2014 granted pursuant to the MDU Resources Group, Inc. Executive Incentive Compensation Plan.

Narrative Discussion Relating to the Summary Compensation Table and Grants of Plan-Based Awards Table

Incentive Awards

Annual Incentive

On February 12, 2014, the compensation committee recommended the 2014 annual incentive award opportunities for our named executive officers and the board approved these opportunities at its meeting on February 13, 2014. These award opportunities are reflected in the Grants of Plan-Based Awards table at grant on February 13, 2014, in columns (c), (d), and (e) and in the Summary Compensation Table as earned with respect to 2014 in column (g).

Executive officers may receive a payment of annual cash incentive awards based upon achievement of annual performance measures with a threshold, target, and maximum level. A target incentive award is established based on a percent of the executive's base salary. Based upon achievement of goals, actual payment may range from 0% to approximately 207% of the target for Messrs. Goodin and Schwartz, from 0% to 200% of the target for Messrs. Wells and Bietz, and from 0% to 237.5% of the target for Mr. Thiede.

In order to be eligible to receive a payment of an annual incentive award under the Long-Term Performance-Based Incentive Plan, Messrs. Goodin, Wells, and Thiede must have remained employed by the company through December 31, 2014, unless the compensation committee determines otherwise. The committee has full discretion to determine the extent to which goals have been achieved, the payment level, whether any final payment will be made, and whether to adjust awards downward based upon individual performance. Unless otherwise determined and established in writing by the compensation committee within 90 days of the beginning of the performance period, the performance goals may not be adjusted if the adjustment would increase the annual incentive award payment. The compensation committee may use negative discretion and adjust any annual incentive award payment downward, using any subjective or objective measures as it shall determine. The application of any reduction, and the methodology used in determining any such reduction, is in the sole discretion of the compensation committee.

With respect to annual incentive awards granted pursuant to the MDU Resources Group, Inc. Executive Incentive Compensation Plan, which includes Messrs. Schwartz and Bietz, participants who retire during the year at age 65 pursuant to their employer's bylaws remain eligible to receive an award. Subject to the compensation committee's discretion, executives who terminate employment for other reasons are not eligible for an award. The compensation committee has full discretion to determine the extent to which goals have been achieved, the payment level, and whether any final payment will be made. Once performance goals are approved by the committee for executive incentive compensation plan awards, the committee generally does not modify the goals. However, if major unforeseen changes in economic and environmental conditions or other significant factors beyond the control of management substantially affected management's ability to achieve the specified performance goals, the committee, in consultation with the chief executive officer, may modify the performance goals. Such goal modifications will only be considered in years of unusually adverse or favorable external conditions.

Annual incentive awards earned for Messrs. Goodin and Schwartz were determined based on achievement of performance goals at the following business segments - (i) pipeline and energy services, (ii) exploration and production, (iii) construction services, (iv) construction materials and contracting, and (v) electric and natural gas distribution - and were calculated as follows:

	Column A Percentage of Annual Incentive Target Achieved	Column B Percentage of Average Invested Capital	Column A x Column B
Pipeline and Energy Services	175.5%	11.1%	19.5%
Exploration and Production	49.3%	26.7%	13.2%
Construction Services	214.8%	6.6%	14.2%
Construction Materials and Contracting	96.3%	19.6%	18.9%
Electric and Natural Gas Distribution	68.9%	36.0%	24.8%
Total (Payout Percentage)			90.6%

Messrs. Wells, Thiede, and Bietz had 2014 award opportunities based 75% on performance goals at their respective segments and 25% on MDU Resources Group, Inc.'s earnings per share.

The 2014 target for the MDU Resources Group 25% award opportunity was established based on consolidated earnings per share, adjusted as described in the footnote to the table below describing Mr. Wells' 75% award opportunity and also adjusted to exclude the effect on earnings at the company level of intersegment eliminations.

The MDU Resources Group 25% award opportunity was as follows:

MDU Resources Group, Inc.'s adjusted consolidated 2014 earnings per share results as a % of target	Corresponding payment of annual incentive target based on adjusted consolidated earnings per share results
Less than 85%	0%
85%	25%
90%	50%
95%	75%
100%	100%
103%	120%
106%	140%
109%	160%
112%	180%
115%	200%

The 75% award opportunity available to Mr. Wells was:

Exploration and Production's 2014 earnings* results as a % of 2014 target	Corresponding payment of annual incentive target based on earnings
Less than 85%	0%
85%	25%
90%	50%
95%	75%
100%	100%
103%	120%
106%	140%
109%	160%
112%	180%
115%	200%

* Earnings is defined as GAAP earnings reported for the exploration and production segment, adjusted to exclude the (i) effect on earnings of any noncash write-downs of oil and natural gas properties due to ceiling test impairment charges and any associated earnings benefit resulting from lower depletion, depreciation, and amortization expenses and (ii) the effect on earnings of any noncash gains and losses that result from (x) ineffectiveness in hedge accounting or (y) derivatives that no longer qualify for hedge accounting treatment.

The 75% award opportunity available to Mr. Thiede was:

Construction Services' 2014 earnings* results as a % of 2014 target	Corresponding payment of annual incentive target based on earnings
Less than 70%	0%
70%	70%
100%	100%
116%	130%
130%	160%
144%	190%
157%	220%
171%	250%

* Earnings is defined as GAAP earnings reported for the construction services segment.

The 75% award opportunity available to Mr. Bietz was:

Pipeline and Energy Services' 2014 return on invested capital results as a % of 2014 target (weighted 37.5%)	Corresponding payment of annual incentive target based on return on invested capital	Pipeline and Energy Services' 2014 earnings per share results as a % of 2014 target (weighted 37.5%)	Corresponding payment of annual incentive target based on earnings per share
Less than 85%	0%	Less than 85%	0%
85%	25%	85%	25%
90%	50%	90%	50%
95%	75%	95%	75%
100%	100%	100%	100%
103%	120%	103%	120%
106%	140%	106%	140%
109%	160%	109%	160%
112%	180%	112%	180%
115%	200%	115%	200%

The pipeline and energy services segment also had five goals relating to the pipeline and energy services segment's safety results, and each goal that was not met would reduce Mr. Bietz's annual incentive award payment by 1%.

For discussion of the specific incentive plan performance targets and results, please see the Compensation Discussion and Analysis.

Long-Term Incentive

On February 12, 2014, the compensation committee recommended long-term incentive grants for the named executive officers in the form of performance shares, and the board approved these grants at its meeting on February 13, 2014. These grants are reflected in columns (f), (g), (h), and (l) of the Grants of Plan-Based Awards table and in column (e) of the Summary Compensation Table.

If the company's 2014-2016 total stockholder return is positive, from 0% to 200% of the target grant will be paid out in February 2017, depending on our 2014-2016 total stockholder return compared to the total three-year stockholder returns of companies in our performance graph peer group. The payout percentage is determined as follows:

The Company's Percentile Rank	Payout Percentage of February 13, 2014 Grant
75th or higher	200%
50th	100%
25th	20%
Less than 25th	0%

Payouts for percentile ranks falling between the intervals will be interpolated. We also will pay dividend equivalents in cash on the number of shares actually earned for the performance period. The dividend equivalents will be paid in 2017 at the same time as the performance share awards are paid.

If the common stock of a company in the peer group ceases to be traded at any time during the 2014-2016 performance period, the company will be deleted from the peer group. Percentile rank will be calculated without regard to the return of the deleted company. If MDU Resources Group, Inc. or a company in the peer group spins off a segment of its business, the shares of the spun-off entity will be treated as a cash dividend that is reinvested in MDU Resources Group, Inc. or the company in the peer group.

If the company's 2014-2016 total stockholder return is negative, the number of shares otherwise earned, if any, for the performance period will be reduced in accordance with the following table:

Total Stockholder Return	Reduction in Award
0% through -5%	50%
-5.01% through -10%	60%
-10.01% through -15%	70%
-15.01% through -20%	80%
-20.01% through -25%	90%
-25.01% or below	100%

Salary and Bonus in Proportion to Total Compensation

The following table shows the proportion of salary and bonus to total compensation:

Name	Salary ($)	Bonus ($)	Total Compensation ($)	Salary and Bonus as a % of Total Compensation
David L. Goodin	685,000	—	3,571,637	19.2%
Doran N. Schwartz	360,000	—	1,195,969	30.1%
J. Kent Wells	600,000	—	2,609,290	23.0%
Jeffrey S. Thiede	400,000	—	1,550,160	25.8%
Steven L. Bietz	380,000	—	1,764,766	21.5%

Outstanding Equity Awards at Fiscal Year-End 2014

	Option Awards					Stock Awards			
Name (a)	Number of Securities Underlying Unexercised Options Exercisable (#) (b)	Number of Securities Underlying Unexercised Options Unexercisable (#) (c)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#) (d)	Option Exercise Price ($) (e)	Option Expiration Date (f)	Number of Shares or Units of Stock That Have Not Vested (#) (g)	Market Value of Shares or Units of Stock That Have Not Vested ($) (h)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) (i)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($) (j)[1]
David L. Goodin	—	—	—	—	—	—	—	51,132 [2]	1,201,602
Doran N. Schwartz	—	—	—	—	—	—	—	14,624 [2]	343,664
J. Kent Wells	—	—	—	—	—	—	—	65,004 [2]	1,527,594
Jeffrey S. Thiede	—	—	—	—	—	—	—	1,573 [2]	36,966
Steven L. Bietz	—	—	—	—	—	—	—	18,852 [2]	443,022

[1] Value based on the number of performance shares reflected in column (i) multiplied by $23.50, the year-end closing price for 2014.

[2] Below is a breakdown by year of the plan awards:

Named Executive Officer	Award	Shares	End of Performance Period
David L. Goodin	2012	1,609	12/31/14
	2013	42,788	12/31/15
	2014	6,735	12/31/16
Doran N. Schwartz	2012	1,045	12/31/14
	2013	11,809	12/31/15
	2014	1,770	12/31/16
J. Kent Wells	2012	5,107	12/31/14
	2013	52,031	12/31/15
	2014	7,866	12/31/16
Jeffery S. Thiede	2012	—	—
	2013	—	—
	2014	1,573	12/31/16
Steven L. Bietz	2012	1,506	12/31/14
	2013	15,104	12/31/15
	2014	2,242	12/31/16

Shares for the 2012 award are shown at the threshold level (10%) based on results for the 2012-2014 performance cycle below threshold.

Shares for the 2013 award are shown at the target level (100%) based on results for the first two years of the 2013-2015 performance cycle below target.

Shares for the 2014 award are shown at the threshold level (20%) based on results for the first year of the 2014-2016 performance cycle below threshold.

Pension Benefits for 2014

Name (a)	Plan Name (b)	Number of Years Credited Service (#) (c)	Present Value of Accumulated Benefit ($) (d)	Payments During Last Fiscal Year ($) (e)
David L. Goodin	MDU Pension Plan	26	1,095,752	—
	SISP I[1,3]	10	232,973	—
	SISP II[2,3]	10	898,811	—
	SISP II 2012 Upgrade[4]	2	69,240	—
	SISP II 2013 Upgrade[4]	1	946,057	—
	SISP Excess[5]	26	34,632	—
Doran N. Schwartz	MDU Pension Plan	4	111,533	—
	SISP II[2,3]	7	516,614	—
	SISP II 2013 Upgrade[4]	1	170,978	—
	SISP II 2014 Upgrade[4]	0	86,338	—
J. Kent Wells[6]	—	—	—	—
Jeffrey S. Thiede[6]	—	—	—	—
Steven L. Bietz	WBI Pension Plan	28	1,339,373	—
	SISP I[1,3]	10	848,779	—
	SISP II[2,3]	10	815,716	—
	SISP Excess[5]	28	109,870	—

[1] Grandfathered under Section 409A.

[2] Not grandfathered under Section 409A.

[3] Years of credited service only affects vesting under SISP I and SISP II. The number of years of credited service in the table reflects the years of vesting service completed in SISP I and SISP II as of December 31, 2014, rather than total years of service with the company. Ten years of vesting service is required to obtain the full benefit under these plans. The present value of accumulated benefits was calculated by assuming the named executive officer would have ten years of vesting service on the assumed benefit commencement date; therefore, no reduction was made to reflect actual vesting levels.

[4] Benefit level increases granted under SISP II on or after January 1, 2010 require an additional three years of vesting service for the increase. Mr. Goodin received a benefit increase effective January 1, 2012, Messrs. Goodin and Schwartz received benefit level increases effective January 1, 2013, and Mr. Schwartz received a benefit level increase effective January 1, 2014; the present value of their accumulated benefits was calculated assuming that the additional vesting requirements would be met.

[5] The number of years of credited service under the SISP excess reflects the years of credited benefit service in the appropriate pension plan as of December 31, 2009, when the MDU and WBI pension plans were frozen, rather than the years of participation in the SISP excess. We reflect years of credited benefit service in the appropriate pension plan because the SISP excess provides a benefit that is based on benefits that would have been payable under the MDU and WBI pension plans absent Internal Revenue Code limitations.

[6] Messrs. Wells and Thiede are not eligible to participate in the pension plans and do not participate in the SISP.

The amounts shown for the pension plan and SISP excess represent the actuarial present values of the executives' accumulated benefits accrued as of December 31, 2014, calculated using a 3.50%, 3.67%, and 3.76% discount rate for the SISP excess, MDU pension plan, and WBI pension plan, respectively, the 2014 IRS Static Mortality Table for post-retirement mortality, and no recognition of future salary increases or pre-retirement mortality. The assumed retirement age for these benefits was age 60 for Messrs. Goodin, Schwartz, and Bietz. This is the earliest age at which the executives could begin receiving unreduced benefits. The amounts shown for the SISP I and SISP II were determined using a 3.50% discount rate and assume benefits commenced at age 65.

Pension Plan

Messrs. Goodin and Schwartz participate in the MDU Resources Group, Inc. Pension Plan for Non-Bargaining Unit Employees, which we refer to as the MDU pension plan. Mr. Bietz participates in the Williston Basin Interstate Pipeline Company Pension Plan, which we refer to as the WBI pension plan. Pension benefits under the pension plans are based on the participant's average annual salary over the 60 consecutive month period in which the participant received the highest annual salary during the participant's final 10 years of service. For this purpose, only a participant's salary is considered; incentives and other forms of compensation are not included. Benefits are determined by multiplying (1) the participant's years of credited service by (2) the sum of (a) the average annual salary up to the social security integration level times 1.1% and (b) the average annual salary over the social security integration level times 1.45%. The maximum years of service recognized when determining benefits under the pension plans is 35. Pension plan benefits are not reduced for social security benefits.

Both of the pension plans were amended to cease benefit accruals as of December 31, 2009, meaning the normal retirement benefit will not change. The years of credited service in the table reflect the named executive officers' years of credited service as of December 31, 2009.

To receive unreduced retirement benefits under the MDU pension plan and the WBI pension plan, participants must either remain employed until age 60 or elect to defer commencement of benefits until age 60. Participants whose employment terminates between the ages of 55 and 60, with 5 years of service under the MDU pension plan and the WBI pension plan, are eligible for early retirement benefits. Early retirement benefits are determined by reducing the normal retirement benefit by 0.25% per month for each month before age 60. If a participant's employment terminates before age 55, the same reduction applies for each month the termination occurs before age 62, with the reduction capped at 21%.

Benefits for single participants under the pension plans are paid as straight life annuities, and benefits for married participants are paid as actuarially reduced annuities with a survivor benefit for spouses, unless participants choose otherwise. Participants hired before January 1, 2004, who terminate employment before age 55, may elect to receive their benefits in a lump sum. Mr. Goodin would have been eligible for a lump sum if he had retired on December 31, 2014.

The Internal Revenue Code limits the amounts paid under the pension plans and the amount of compensation recognized when determining benefits. In 2009, when the pension plans were frozen, the maximum annual benefit payable under the pension plans was $195,000 and the maximum amount of compensation recognized when determining benefits was $245,000.

Supplemental Income Security Plan

We also offer select key managers and executives benefits under our defined benefit nonqualified retirement plan, which we refer to as the Supplemental Income Security Plan or SISP. Messrs. Goodin, Schwartz, and Bietz participate in the SISP. Benefits under the SISP consist of:

- a supplemental retirement benefit intended to augment the retirement income provided under the pension plans – we refer to this benefit as the regular SISP benefit
- an excess retirement benefit relating to Internal Revenue Code limitations on retirement benefits provided under the pension plans – we refer to this benefit as the SISP excess benefit and
- death benefits – we refer to these benefits as the SISP death benefit.

SISP benefits are forfeited if the participant's employment is terminated for cause.

Regular SISP Benefits and Death Benefits

Regular SISP benefits and death benefits are determined by reference to one of two schedules attached to the SISP – the original schedule or the amended schedule. Our compensation committee, after receiving recommendations from our chief executive officer, determines the level at which participants are placed in the schedules. A participant's placement is generally, but not always, determined by reference to the participant's annual base salary. Benefit levels in the amended schedule, which became effective on January 1, 2010, are 20% lower than the benefit levels in the original schedule. The amended schedule applies to new participants and participants who receive a benefit level increase on or after January 1, 2010. One of the named executive officers, Mr. Schwartz, received a benefit level increase effective January 1, 2014, which requires three years of vesting.

Participants can elect to receive (1) the regular SISP benefit only, (2) the SISP death benefit only, or (3) a combination of both. Regardless of the participant's election, if the participant dies before the regular SISP benefit would commence, only the SISP death benefit is provided. If the participant elects to receive both a regular SISP benefit and a SISP death benefit, each of the benefits is reduced proportionately.

The regular SISP benefits reflected in the table above are based on the assumption that the participant elects to receive only the regular SISP benefit. The present values of the SISP death benefits that would be provided if the named executive officers had died on December 31, 2014, prior to the commencement of regular SISP benefits, are reflected in the table that appears in the section entitled "Potential Payments upon Termination or Change of Control."

Regular SISP benefits that were vested as of December 31, 2004, and were grandfathered under Section 409A of the Internal Revenue Code remain subject to SISP provisions then in effect, which we refer to as SISP I benefits. Regular SISP benefits that are subject to Section 409A of the Internal Revenue Code, which we refer to as SISP II benefits, are governed by amended provisions intended to comply with Section 409A. Participants generally have more discretion with respect to the distributions of their SISP I benefits.

The time and manner in which the regular SISP benefits are paid depend on a variety of factors, including the time and form of benefit elected by the participant and whether the benefits are SISP I or SISP II benefits. Unless the participant elects otherwise, the SISP I benefits are paid over 180 months, with benefits commencing when the participant attains age 65 or, if later, when the participant retires. The SISP II benefits commence when the participant attains age 65 or, if later, when the participant retires, subject to a six-month delay if the participant is subject to the provisions of Section 409A of the Internal Revenue Code that require delayed commencement of these types of retirement benefits. The SISP II benefits are paid over 180 months or, if commencement of payments is delayed for six months, 173 months. If the commencement of benefits is delayed for six months, the first payment includes the payments that would have been paid during the six-month period plus interest equal to one-half of the annual prime interest rate on the participant's last date of employment. If the participant dies after the regular SISP benefits have begun but before receipt of all of the regular SISP benefits, the remaining payments are made to the participant's designated beneficiary.

Rather than receiving their regular SISP I benefits in equal monthly installments over 15 years commencing at age 65, participants can elect a different form and time of commencement of their SISP I benefits. Participants can elect to defer commencement of the regular SISP I benefits. If this is elected, the participant retains the right to receive a monthly SISP death benefit if death occurs prior to the commencement of the regular SISP I benefit.

Participants also can elect to receive their SISP I benefits in one of three actuarially equivalent forms – a life annuity, 100% joint and survivor annuity, or a joint and two-thirds joint and survivor annuity, provided that the cost of providing these actuarial equivalent forms of benefits does not exceed the cost of providing the normal form of benefit. Neither the election to receive an actuarially equivalent benefit nor the administrator's right to pay the regular SISP benefit in the form of an actuarially equivalent lump sum are available with respect to SISP II benefits.

To promote retention, the regular SISP benefits are subject to the following 10-year vesting schedule:

- 0% vesting for less than 3 years of participation
- 20% vesting for 3 years of participation
- 40% vesting for 4 years of participation and
- an additional 10% vesting for each additional year of participation up to 100% vesting for 10 years of participation.

There is an additional vesting requirement on benefit level increases for the regular SISP benefit granted on or after January 1, 2010. The requirement applies only to the increased benefit level. The increased benefit vests after the later of three additional years of participation in the SISP or the end of the regular vesting schedule described above. The additional three-year vesting requirement for benefit level increases is pro-rated for participants who are officers, attain age 65, and, pursuant to the company's bylaws, are required to retire prior to the end of the additional vesting period as follows:

- 33% of the increase vests for participants required to retire at least one year but less than two years after the increase is granted and
- 66% of the increase vests for participants required to retire at least two years but less than three years after the increase is granted.

The benefit level increases of participants who attain age 65 and are required to retire pursuant to the company's bylaws will be further reduced to the extent the participants are not fully vested in their regular SISP benefit under the 10-year vesting schedule described above. The additional vesting period associated with a benefit level increase may be waived by the compensation committee.

SISP death benefits become fully vested if the participant dies while actively employed. Otherwise, the SISP death benefits are subject to the same vesting schedules as the regular SISP benefits.

The SISP also provides that if a participant becomes totally disabled, the participant will continue to receive credit for up to two additional years under the SISP as long as the participant is totally disabled during such time. Since the named executive officers other than Mr. Goodin, in his upgrades, and Mr. Schwartz are fully vested in their SISP benefits, this would not result in any incremental benefit for the named executive officers other than Messrs. Goodin and Schwartz. The present value of these two additional years of service for Messrs. Goodin and Schwartz is reflected in the table in "Potential Payments upon Termination or Change of Control" below.

SISP Excess Benefits

SISP excess benefits are equal to the difference between (1) the monthly retirement benefits that would have been payable to the participant under the pension plans absent the limitations under the Internal Revenue Code and (2) the actual benefits payable to the participant under the pension plans. Participants are only eligible for the SISP excess benefits if (1) the participant is fully vested under the pension plan, (2) the participant's employment terminates prior to age 65, and (3) benefits under the pension plan are reduced due to limitations under the Internal Revenue Code on plan compensation. Effective January 1, 2005, participants who were not then vested in the SISP excess benefits were also required to remain actively employed by the company until age 60. In 2009, the plan was amended to limit eligibility for the SISP excess benefit to current SISP participants (1) who were already vested in the SISP excess benefit or (2) who would become vested in the SISP excess benefits if they remain employed with the company until age 60. The plan was further amended to freeze the SISP excess benefits to a maximum of the benefit level payable based on the participant's years of service and compensation level as of December 31, 2009. Mr. Goodin must remain employed until age 60 to become entitled to his SISP excess benefit. Mr. Bietz would be entitled to the SISP excess benefit if he were to terminate employment prior to age 65. Messrs. Schwartz, Wells, and Thiede are not eligible for this benefit.

Benefits generally commence six months after the participant's employment terminates and continue to age 65 or until the death of the participant, if prior to age 65. If a participant who dies prior to age 65 elected a joint and survivor benefit, the survivor's SISP excess benefit is paid until the date the participant would have attained age 65.

Nonqualified Deferred Compensation for 2014

Name (a)	Executive Contributions in Last FY ($) (b)	Registrant Contributions in Last FY ($) (c)	Aggregate Earnings in Last FY ($) (d)	Aggregate Withdrawals/ Distributions ($) (e)	Aggregate Balance at Last FYI ($) (f)
David L. Goodin	—	—	—	—	—
Doran N. Schwartz	—	—	—	—	—
J. Kent Wells	—	—	—	—	—
Jeffrey S. Thiede	—	75,000	6,089	—	119,840 [1]
Steven L. Bietz	—	—	—	—	—

[1] Includes $75,000 which was awarded to Jeffrey S. Thiede under the Nonqualified Defined Contribution Plan which is reported for 2014 in column (i) of the Summary Compensation Table in this proxy statement.

Deferral of Annual Incentive Compensation

Participants in the executive incentive compensation plans may elect to defer up to 100% of their annual incentive awards. Deferred amounts accrue interest at a rate determined annually by the compensation committee. The interest rate in effect for 2014 was 4.67% or the "Moody's Rate," which is the average of (i) the number that results from adding the daily Moody's U.S. Long-Term Corporate Bond Yield Average for "A" rated companies as of the last day of each month for the 12-month period ending October 31 and dividing by 12 and (ii) the number that results from adding the daily Moody's U.S. Long-Term Corporate Bond Yield Average for "Baa" rated companies as of the last day of each month for the 12-month period ending October 31 and dividing by 12. The deferred amount will be paid in accordance with the participant's election, following termination of employment or beginning in the fifth year following the year the award was granted. The amounts will be paid in accordance with the participant's election in a lump sum or in monthly installments not to exceed 120 months. In the event of a change of control, all amounts become immediately payable.

A change of control is defined as:

- an acquisition during a 12-month period of 30% or more of the total voting power of our stock
- an acquisition of our stock that, together with stock already held by the acquirer, constitutes more than 50% of the total fair market value or total voting power of our stock
- replacement of a majority of the members of our board of directors during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of our board of directors or
- acquisition of our assets having a gross fair market value at least equal to 40% of the total gross fair market value of all of our assets.

Nonqualified Defined Contribution Plan

The company adopted the Nonqualified Defined Contribution Plan, effective January 1, 2012, to provide deferred compensation for a select group of management or highly compensated employees who do not participate in the SISP. The compensation committee determines the amount of employer contributions under the Nonqualified Defined Contribution Plan, which are credited to plan accounts and not funded. After satisfying a four-year vesting requirement for each contribution, the contributions and investment earnings will be distributed to the executive in a lump sum upon separation from service with the company or in annual installments commencing upon the later of (i) separation from service and (ii) age 65. Plan benefits become fully vested if the participant dies while actively employed. Benefits are forfeited if the participant's employment is terminated for cause.

Potential Payments upon Termination or Change of Control

The following tables show the payments and benefits our named executive officers would receive in connection with a variety of employment termination scenarios and upon a change of control. For the named executive officers, the information assumes the terminations and the change of control occurred on December 31, 2014. All of the payments and benefits described below would be provided by the company or its subsidiaries.

The tables exclude compensation and benefits provided under plans or arrangements that do not discriminate in favor of the named executive officers and that are generally available to all salaried employees, such as benefits under our qualified defined benefit pension plan (for employees hired before 2006), accrued vacation pay, continuation of health care benefits, and life insurance benefits. The tables include amounts under the Nonqualified Defined Contribution Plan, but do not include the named executive officers' deferred annual incentive compensation. See the Pension Benefits for 2014 table and the Nonqualified Deferred Compensation for 2014 table, and accompanying narratives, for a description of the named executive officers' accumulated benefits under our qualified defined benefit pension plans, the Nonqualified Defined Contribution Plan, and their deferred annual incentive compensation.

The calculation of the present value of excess SISP benefits our named executive officers would be entitled to upon termination of employment under the SISP was computed based on calculations assuming an age rounded to the nearest whole year of age. Actual payments may differ. The terms of the excess SISP benefit are described following the Pension Benefits for 2014 table.

We provide disability benefits to some of our salaried employees equal to 60% of their base salary, subject to a cap on the amount of base salary taken into account when calculating benefits. For officers, the limit on base salary is $200,000. For other salaried employees, the limit is $100,000. For all salaried employees, disability payments continue until age 65 if disability occurs at or before age 60 and for 5 years if disability occurs between the ages of 60 and 65. Disability benefits are reduced for amounts paid as retirement benefits. The amounts in the tables reflect the present value of the disability benefits attributable to the additional $100,000 of base salary recognized for executives under our disability program, subject to the 60% limitation, after reduction for amounts that would be paid as retirement benefits. As the tables reflect, the reduction for amounts paid as retirement benefits would eliminate disability benefits assuming a termination of employment on December 31, 2014 for Mr. Bietz.

Upon a change of control, share-based awards granted under our Long-Term Performance-Based Incentive Plan vest and non-share-based awards are paid in cash. All performance share awards for Messrs. Goodin, Schwartz, Wells, Thiede, and Bietz and the annual incentives for Messrs. Goodin, Wells, and Thiede, which were awarded under the Long-Term Performance-Based Incentive Plan, would vest at their target levels. For this purpose, the term "change of control" is defined as:

- the acquisition by an individual, entity, or group of 20% or more of our outstanding common stock
- a change in a majority of our board of directors since April 22, 1997, without the approval of a majority of the board members as of April 22, 1997, or whose election was approved by such board members
- consummation of a merger or similar transaction or sale of all or substantially all of our assets, unless our stockholders immediately prior to the transaction beneficially own more than 60% of the outstanding common stock and voting power of the resulting corporation in substantially the same proportions as before the merger, no person owns 20% or more of the resulting corporation's outstanding common stock or voting power except for any such ownership that existed before the merger and at least a majority of the board of the resulting corporation is comprised of our directors or
- stockholder approval of our liquidation or dissolution.

Performance share awards will be forfeited if the participant's employment terminates for any reason before the participant has reached age 55 and completed 10 years of service. Performance shares and related dividend equivalents for those participants whose employment is terminated other than for cause after the participant has reached age 55 and completed 10 years of service will be pro-rated as follows:

- if the termination of employment occurs during the first year of the performance period, the shares are forfeited
- if the termination of employment occurs during the second year of the performance period, the executive receives a pro-rated portion of any performance shares earned based on the number of months employed during the performance period and
- if the termination of employment occurs during the third year of the performance period, the executive receives the full amount of any performance shares earned.

As of December 31, 2014, Messrs. Goodin, Schwartz, Wells, and Thiede had not satisfied this requirement. Accordingly, if a December 31, 2014 termination other than for cause without a change of control is assumed, the named executive officers' 2014-2016 performance share awards would be forfeited; any amounts earned under the 2013-2015 performance share award for Mr. Bietz would be reduced by one-third and such awards for Messrs. Goodin, Schwartz, and Wells would be forfeited; any amounts earned under the 2012-2014 performance share awards for Mr. Bietz would not be reduced and the award for Messrs. Goodin, Schwartz, and Wells would be forfeited. Mr. Thiede had no 2013-2015 or 2012-2014 performance share awards. The number of performance shares earned following a termination depends on actual performance through the full performance period. As actual performance for the 2012-2014 performance share awards has been determined, the amounts for these awards in the event of a termination without a change of control were based on actual performance, which resulted in vesting of 0% of the target award. For the 2013-2015 performance share awards, because we do not know what actual performance through the entire performance period will be, we have assumed target performance will be achieved and, therefore, show two-thirds of the target award. No amounts are shown for the 2014-2016 performance share awards because such awards would be forfeited. Although vesting would only occur after completion of the performance period, the amounts shown in the tables were not reduced to reflect the present value of the performance shares that could vest. Dividend equivalents attributable to earned performance shares would also be paid. Dividend equivalents accrued through December 31, 2014, are included in the amounts shown.

The value of the vesting of performance shares shown in the tables was determined by multiplying the number of performance shares that would vest due to termination or a change of control by the closing price of our stock on December 31, 2014.

The compensation committee may consider providing severance benefits on a case-by-case basis for employment terminations. The compensation committee adopted a checklist of factors in February 2005 to consider when determining whether any such severance benefits should be paid. The tables do not reflect any such severance benefits, as these benefits are made in the discretion of the committee on a case-by-case basis and it is not possible to estimate the severance benefits, if any, that would be paid.

David L. Goodin

Executive Benefits and Payments Upon Termination or Change of Control	Voluntary Termination ($)	Not for Cause Termination ($)	For Cause Termination ($)	Death ($)	Disability ($)	Change of Control (With Termination) ($)	Change of Control (Without Termination) ($)
Compensation:							
Short-term Incentive[1]						1,027,500	1,027,500
2012-2014 Performance Shares						411,560	411,560
2013-2015 Performance Shares						1,065,849	1,065,849
2014-2016 Performance Shares						815,489	815,489
Benefits and Perquisites:							
Regular SISP[2]	1,130,015	1,130,015			2,143,725	1,130,015	
SISP Death Benefits[3]				6,464,614			
Disability Benefits[4]					62,845		
Total	1,130,015	1,130,015		6,464,614	2,206,570	4,450,413	3,320,398

[1] Represents the target 2014 annual incentive, which would be deemed earned upon change of control under the Long-Term Performance-Based Incentive Plan.

[2] Represents the present value of Mr. Goodin's vested regular SISP benefit as of December 31, 2014, which was $12,145 per month for 15 years, commencing at age 65. Present value was determined using a 3.50% discount rate. The terms of the regular SISP benefit are described following the Pension Benefits for 2014 table. The amount payable for a disability reflects a credit for two additional years of vesting, which would result in full vesting of the 2012 and 2013 SISP upgrades.

[3] Represents the present value of 180 monthly payments of $46,080 per month, which would be paid as a SISP death benefit under the SISP. Present value was determined using a 3.50% discount rate. The terms of the SISP death benefit are described following the Pension Benefits for 2014 table.

[4] Represents the present value of the disability benefit after reduction for amounts that would be paid as retirement benefits. Present value was determined using a 3.67% discount rate.

Doran N. Schwartz

Executive Benefits and Payments Upon Termination or Change of Control	Voluntary Termination ($)	Not for Cause Termination ($)	For Cause Termination ($)	Death ($)	Disability ($)	Change of Control (With Termination) ($)	Change of Control (Without Termination) ($)
Compensation:							
2012-2014 Performance Shares						267,235	267,235
2013-2015 Performance Shares						294,162	294,162
2014-2016 Performance Shares						214,279	214,279
Benefits and Perquisites:							
Regular SISP	362,641 [1]	362,641 [1]			466,252 [2]	362,641 [1]	
SISP Death Benefits[3]				3,068,447			
Disability Benefits[4]					786,270		
Total	362,641	362,641		3,068,447	1,252,522	1,138,317	775,676

[1] Represents the present value of Mr. Schwartz's vested regular SISP benefit as of December 31, 2014, which was $5,110 per month for 15 years, commencing at age 65. Present value was determined using a 3.50% discount rate. The terms of the regular SISP benefit are described following the Pension Benefits for 2014 table.

[2] Represents the present value of Mr. Schwartz's vested SISP benefit described in footnote 1, adjusted to reflect the increase in the present value of his regular SISP benefit that would result from an additional two years of vesting under the SISP. As Mr. Schwartz has not yet fully vested in his initially awarded regular SISP benefit, the credit for the additional two years of vesting would not result in a vesting of the 2013 or 2014 SISP upgrades. Present value was determined using a 3.50% discount rate.

[3] Represents the present value of 180 monthly payments of $21,872 per month, which would be paid as a SISP death benefit under the SISP. Present value was determined using a 3.50% discount rate. The terms of the SISP death benefit are described following the Pension Benefits for 2014 table.

[4] Represents the present value of the disability benefit after reduction for amounts that would be paid as retirement benefits. Present value was determined using a 3.67% discount rate.

J. Kent Wells

Executive Benefits and Payments Upon Termination or Change of Control	Voluntary Termination ($)	Not for Cause Termination ($)	For Cause Termination ($)	Death ($)	Disability ($)	Change of Control (With Termination) ($)	Change of Control (Without Termination) ($)
Compensation:							
Short-term Incentive[1]						750,000	750,000
2012-2014 Performance Shares						1,306,549	1,306,549
2013-2015 Performance Shares						1,296,092	1,296,092
2014-2016 Performance Shares						952,400	952,400
Benefits and Perquisites:							
Disability Benefits[2]					365,249		
Total					**365,249**	**4,305,041**	**4,305,041**

1 Represents the target 2014 annual incentive, which would be deemed earned upon change of control under the the Long-Term Performance-Based Incentive Plan.

2 Represents the present value of the disability benefit. Present value was determined using the 3.50% discount rate applied for purposes of the SISP calculations. Though Mr. Wells is not a participant in the SISP, this rate is considered reasonable for purposes of this calculation as it would be applied if Mr. Wells were to become a SISP participant.

Jeffrey S. Thiede

Executive Benefits and Payments Upon Termination or Change of Control	Voluntary Termination ($)	Not for Cause Termination ($)	For Cause Termination ($)	Death ($)	Disability ($)	Change of Control (With Termination) ($)	Change of Control (Without Termination) ($)
Compensation:							
Short-term Incentive[1]						340,000	340,000
2014-2016 Performance Shares						190,475	190,475
Benefits and Perquisites:							
Nonqualified Defined Contribution Plan Death Benefit[2]				119,840			
Disability Benefits[3]					588,944		
Total				**119,840**	**588,944**	**530,475**	**530,475**

1 Represents the target 2014 annual incentive, which would be deemed earned upon change of control under the the Long-Term Performance-Based Incentive Plan.

2 Represents the value of Mr. Thiede's unvested Nonqualified Defined Contribution Plan account at December 31, 2014, which would be paid upon death.

3 Represents the present value of the disability benefit. Present value was determined using the 3.50% discount rate applied for purposes of the SISP calculations. Though Mr. Thiede is not a participant in the SISP, this rate is considered reasonable for purposes of this calculation as it would be applied if Mr. Thiede were to become a SISP participant.

Steven L. Bietz

Executive Benefits and Payments Upon Termination or Change of Control	Voluntary Termination ($)	Not for Cause Termination ($)	For Cause Termination ($)	Death ($)	Disability ($)	Change of Control (With Termination) ($)	Change of Control (Without Termination) ($)
Compensation:							
2012-2014 Performance Shares						385,361	385,361
2013-2015 Performance Shares	250,819	250,819		250,819	250,819	376,241	376,241
2014-2016 Performance Shares						271,426	271,426
Benefits and Perquisites:							
Regular SISP[1]	1,654,958	1,654,958			1,654,958	1,654,958	
Excess SISP[2]	184,896	184,896			184,896	184,896	
SISP Death Benefits[3]				4,520,180			
Total	2,090,673	2,090,673		4,770,999	2,090,673	2,872,882	1,033,028

[1] Represents the present value of Mr. Bietz's vested regular SISP benefit as of December 31, 2014, which was $16,110 per month for 15 years, commencing at age 65. Present value was determined using a 3.50% discount rate. The terms of the regular SISP benefit are described following the Pension Benefits for 2014 table.

[2] Represents the present value of all excess SISP benefits Mr. Bietz would be entitled to upon termination of employment under the SISP. Present value was determined using a 3.50% discount rate. The terms of the excess SISP benefit are described following the Pension Benefits for 2014 table.

[3] Represents the present value of 180 monthly payments of $32,220 per month, which would be paid as a SISP death benefit under the SISP. Present value was determined using a 3.50% discount rate. The terms of the SISP death benefit are described following the Pension Benefits for 2014 table.

Director Compensation for 2014

Name (a)	Fees Earned or Paid in Cash ($) (b)	Stock Awards ($) (c)	Option Awards ($) (d)	Non-Equity Incentive Plan Compensation ($) (e)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) (f)	All Other Compensation ($) (g)[1]	Total ($) (h)
Thomas Everist	70,833	110,000 [2]	—	—	—	156	180,989
Karen B. Fagg	70,833	110,000 [2]	—	—	—	156	180,989
Mark A. Hellerstein	60,833	110,000 [2]	—	—	—	156	170,989
A. Bart Holaday	60,833	110,000 [2]	—	—	—	156	170,989
Dennis W. Johnson	75,833	110,000 [2]	—	—	—	156	185,989
Thomas C. Knudson[3]	18,333	36,667 [4]	—	—	—	52	55,052
William E. McCracken	60,833	110,000 [2]	—	—	—	156	170,989
Patricia L. Moss	60,833	110,000 [2]	—	—	—	156	170,989
Harry J. Pearce	150,833	110,000 [2]	—	—	—	156	260,989
John K. Wilson	60,833 [5]	110,000 [2]	—	—	—	156	170,989

[1] Group life insurance premium.

[2] Reflects the aggregate grant date fair value of 4,340 shares of MDU Resources Group, Inc. stock purchased for our non-employee directors measured in accordance with Financial Accounting Standards Board generally accepted accounting principles for stock based compensation in FASB Accounting Standards Codification Topic 718. The grant date fair value is based on the purchase price of our common stock on the grant date on November 19, 2014, which was $25.342. The $15.72 in cash paid to each director for the fractional shares is included in the amounts reported in column (c) to this table.

[3] Mr. Knudson served on the board until April 22, 2014.

[4] Reflects the aggregate grant date fair value of MDU Resources Group, Inc. stock purchased for our non-employee directors measured in accordance with Financial Accounting Standards Board generally accepted accounting principles for stock based compensation in FASB Accounting Standards Codification Topic 718. The grant date fair value is based on the purchase price of our common stock on the grant date on November 19, 2014, which was $25.342. The stock payment is pro-rated for directors who do not serve the entire calendar year. There were 1,446 shares purchased for Mr. Knudson with $22.14 in cash paid for the fractional share, which cash amount is included in the amount reported in column (c) to this table.

[5] Includes $60,824 that Mr. Wilson received in our common stock in lieu of cash.

The following table shows the cash and stock retainers payable to our non-employee directors.

Base Retainer[1]	$	65,000
Additional Retainers:		
Non-Executive Chairman		90,000
Lead Director, if any		33,000
Audit Committee Chairman		15,000
Compensation Committee Chairman		10,000
Nominating and Governance Committee Chairman		10,000
Annual Stock Grant[2]		110,000

[1] Increased from $55,000 to $65,000 effective June 1, 2014.

[2] The annual stock grant is a grant of shares equal in value to $110,000.

There are no meeting fees.

In addition to liability insurance, we maintain group life insurance in the amount of $100,000 on each non-employee director for the benefit of each director's beneficiaries during the time each director serves on the board. The annual cost per director is $156.

Directors may defer all or any portion of the annual cash retainer and any other cash compensation paid for service as a director pursuant to the Deferred Compensation Plan for Directors. Deferred amounts are held as phantom stock with dividend accruals and are paid out in cash over a five-year period after the director leaves the board.

Directors are reimbursed for all reasonable travel expenses including spousal expenses in connection with attendance at meetings of the board and its committees. All amounts together with any other perquisites were below the disclosure threshold for 2014.

Our post-retirement income plan for directors was terminated in May 2001 for current and future directors. The net present value of each director's benefit was calculated and converted into phantom stock. Payment is deferred pursuant to the Deferred Compensation Plan for Directors and will be made in cash over a five-year period after the director's retirement from the board.

Our director stock ownership policy contained in our corporate governance guidelines requires each director to own our common stock equal in value to five times the director's annual cash base retainer. Shares acquired through purchases on the open market and participation in our director stock plans will be considered in ownership calculations as will ownership of our common stock by a spouse. A director is allowed five years commencing January 1 of the year following the year of that director's initial election to the board to meet the requirements. The level of common stock ownership is monitored with an annual report made to the compensation committee of the board. For stock ownership, please see "Security Ownership."

Narrative Disclosure of our Compensation Policies and Practices as They Relate to Risk Management

The human resources department has conducted an assessment of the risks arising from our compensation policies and practices for all employees and concluded that none of these risks is reasonably likely to have a material adverse effect on the company. Based on the human resources department's assessment and taking into account information received from the risk identification process, senior management and our management policy committee concluded that risks arising from our compensation policies and practices for all employees are not reasonably likely to have a material adverse effect on the company. After review and discussion with senior management, the compensation committee concurred with this assessment.

As part of its assessment of the risks arising from our compensation policies and practices for all employees, the human resources department identified the principal areas of risk faced by the company that may be affected by our compensation policies and practices for all employees, including any risks resulting from our operating businesses' compensation policies and practices. In assessing the risks arising from our compensation policies and practices, the human resources department identified the following practices designed to prevent excessive risk taking:

Business management and governance practices

- risk management is a specific performance competency included in the annual performance assessment of Section 16 officers
- board oversight on capital expenditure and operating plans that promotes careful consideration of financial assumptions
- limitation on business acquisitions without board approval
- employee integrity training programs and anonymous reporting systems
- quarterly risk assessment and internal control reports at audit committee meetings and
- prohibitions on holding company stock in an account that is subject to a margin call, pledging company stock as collateral for a loan, and hedging of company stock by Section 16 officers and directors.

Executive compensation practices

- active compensation committee review of executive compensation, including comparison of executive compensation to total stockholder return ratio to the ratio for the performance graph peer group (PEER Analysis)
- the initial determination of a position's salary grade to be at or near the 50th percentile of base salaries paid to similar positions at peer group companies and/or relevant industry companies
- consideration of peer group and/or relevant industry practices to establish appropriate compensation target amounts
- a balanced compensation mix of fixed salary and annual or long-term incentives tied to the company's financial performance
- use of interpolation for annual and long-term incentive awards to avoid payout cliffs

- negative discretion to adjust any annual or long-term incentive award payment downward
- use of caps on annual incentive awards (maximum of 250% of target) and long-term incentive stock grant awards (200% target)
- discretionary clawbacks on incentive payments in the event of a financial restatement
- use of performance shares, rather than stock options or stock appreciation rights, as equity component of incentive compensation
- use of performance shares with a relative total stockholder return performance goal and mandatory reduction in award if total stockholder return is negative
- use of three-year performance periods to discourage short-term risk-taking
- substantive incentive goals measured primarily by return on invested capital, earnings, and earnings per share criteria, which encourage balanced performance and are important to stockholders
- use of financial performance metrics that are readily monitored and reviewed
- regular review of the appropriateness of the companies in the performance graph peer group
- stock ownership requirements for executives participating in the MDU Resources Group, Inc. Long-Term Performance-Based Incentive Plan and the board
- mandatory holding periods for 50% of any net after-tax shares earned under long-term incentive awards granted in 2011 and thereafter and
- use of independent consultants in establishing pay targets at least biennially.

BALANCE SHEET

	Account Number & Title		Last Year	This Year	% Change
1		**Assets and Other Debits**			
2					
3	**Utility Plant**				
4	101	Electric Plant in Service	$1,058,520,652	$1,097,515,962	3.68%
5	101.1	Property Under Capital Leases			
6	102	Electric Plant Purchased or Sold			
7	104	Electric Plant Leased to Others			
8	105	Electric Plant Held for Future Use			
9	106	Completed Constr. Not Classified - Electric			
10	107	Construction Work in Progress - Electric	135,575,579	148,914,362	9.84%
11	108	(Less) Accumulated Depreciation	(493,075,562)	(513,486,639)	4.14%
12	111	(Less) Accumulated Amortization	(6,774,890)	(1,403,482)	-79.28%
13	114	Electric Plant Acquisition Adjustments	10,387,643	10,387,642	0.00%
14	115	(Less) Accum. Amort. Electric Plant Acq. Adj.	(10,375,809)	(10,387,642)	0.11%
15	120	Nuclear Fuel (Net)			
16		Other Utility Plant	567,306,000	714,591,791	25.96%
17		Accum. Depr. and Amort. - Other Utl. Plant	(250,744,628)	(255,872,972)	2.05%
18					
19		**Total Utility Plant**	$1,010,818,985	$1,190,259,022	17.75%
20					
21	**Other Property & Investments**				
22	121	Nonutility Property	$15,629,869	$16,086,364	2.92%
23	122	(Less) Accum. Depr. & Amort. of Nonutil. Prop.	(2,901,889)	(3,483,659)	20.05%
24	123	Investments in Associated Companies			
25	123.1	Investments in Subsidiary Companies	2,380,828,521	2,590,283,230	8.80%
26	124	Other Investments	60,687,111	64,445,496	6.19%
27	125	Sinking Funds			
28					
29		**Total Other Property & Investments**	$2,454,243,612	$2,667,331,431	8.68%
30					
31	**Current & Accrued Assets**				
32	131	Cash	$4,718,520	$5,873,534	24.48%
33	132-134	Special Deposits	260,505	14,870	-94.29%
34	135	Working Funds	332,668	246,893	-25.78%
35	136	Temporary Cash Investments			
36	141	Notes Receivable			
37	142	Customer Accounts Receivable	29,796,719	29,467,184	-1.11%
38	143	Other Accounts Receivable	4,403,590	8,855,452	101.10%
39	144	(Less) Accum. Provision for Uncollectible Accts.	(443,629)	(485,245)	9.38%
40	145	Notes Receivable - Associated Companies			
41	146	Accounts Receivable - Associated Companies	31,371,687	32,690,791	4.20%
42	151	Fuel Stock	4,751,688	4,417,908	-7.02%
43	152	Fuel Stock Expenses Undistributed			
44	153	Residuals and Extracted Products			
45	154	Plant Materials and Operating Supplies	19,097,488	19,800,235	3.68%
46	155	Merchandise	75,479	16,232	-78.49%
47	156	Other Material & Supplies			
48	163	Stores Expense Undistributed			
49	164.1	Gas Stored Underground - Current	5,386,681	9,350,117	73.58%
50	165	Prepayments	5,074,231	6,105,991	20.33%
51	166	Advances for Gas Explor., Devl. & Production			
52	171	Interest & Dividends Receivable			
53	172	Rents Receivable			
54	173	Accrued Utility Revenues	49,648,010	47,389,618	-4.55%
55	174	Miscellaneous Current & Accrued Assets			
56					
57		**Total Current & Accrued Assets**	$154,473,637	$163,743,580	6.00%

BALANCE SHEET

	Account Number & Title	Last Year	This Year	% Change
1	**Assets and Other Debits (cont.)**			
2				
3	**Deferred Debits**			
4	181 Unamortized Debt Expense	$1,219,120	$2,019,812	65.68%
5	182.1 Extraordinary Property Losses			
6	182.2 Unrecovered Plant & Regulatory Study Costs	3,698,596	3,350,503	-9.41%
7	182.3 Other Regulatory Assets	83,915,120	121,494,214	44.78%
8	183 Prelim. Electric Survey & Investigation Chrg.	336,423	500,300	48.71%
9	183.1 Prelim. Nat. Gas Survey & Investigation Chrg.	61,412	93,539	52.31%
10	183.2 Other Prelim. Nat. Gas Survey & Invtg. Chrgs.			
11	184 Clearing Accounts	(6,513)	55,122	-946.34%
12	185 Temporary Facilities			
13	186 Miscellaneous Deferred Debits	26,225,949	29,214,803	11.40%
14	187 Deferred Losses from Disposition of Util. Plant			
15	188 Research, Devel. & Demonstration Expend.			
16	189 Unamortized Loss on Reacquired Debt	7,407,081	6,687,570	-9.71%
17	190 Accumulated Deferred Income Taxes	49,133,806	63,779,943	29.81%
18	191 Unrecovered Purchased Gas Costs	8,019,627	10,651,144	32.81%
19	192.1 Unrecovered Incremental Gas Costs			
20	192.2 Unrecovered Incremental Surcharges			
21				
22	**Total Deferred Debits**	$180,010,621	$237,846,950	32.13%
23				
24	**TOTAL ASSETS & OTHER DEBITS**	$3,799,546,855	$4,259,180,983	12.10%
25	**Liabilities and Other Credits**			
26				
27	**Proprietary Capital**			
28	201 Common Stock Issued	$189,868,780	$194,754,812	2.57%
29	202 Common Stock Subscribed			
30	204 Preferred Stock Issued	15,000,000	15,000,000	0.00%
31	205 Preferred Stock Subscribed			
32	207 Premium on Capital Stock	1,061,253,848	1,213,676,764	14.36%
33	211 Miscellaneous Paid-In Capital			
34	213 (Less) Discount on Capital Stock			
35	214 (Less) Capital Stock Expense	(4,257,578)	(6,488,675)	52.40%
36	216 Appropriated Retained Earnings	540,130,502	555,934,822	2.93%
37	216.1 Unappropriated Retained Earnings	1,062,999,041	1,206,892,280	13.54%
38	217 (Less) Reacquired Capital Stock	(3,625,813)	(3,625,813)	0.00%
39	219 Accumulated Other Comprehensive Income	(38,204,576)	(42,103,297)	-10.20%
40				
41	**Total Proprietary Capital**	$2,823,164,204	$3,134,040,893	11.01%
42				
43	**Long Term Debt**			
44	221 Bonds			
45	222 (Less) Reacquired Bonds			
46	223 Advances from Associated Companies			
47	224 Other Long Term Debt 1/	434,705,972	508,273,506	16.92%
48	225 Unamortized Premium on Long Term Debt			
49	226 (Less) Unamort. Discount on Long Term Debt-Dr.			
50				
51	**Total Long Term Debt**	$434,705,972	$508,273,506	16.92%

1/ 2013 Bonds restated as Other Long Term Debt

BALANCE SHEET

Year: 2014

	Account Number & Title		Last Year	This Year	% Change
1	**Total Liabilities and Other Credits (cont.)**				
2					
3	**Other Noncurrent Liabilities**				
4	227	Obligations Under Cap. Leases - Noncurrent			
5	228.1	Accumulated Provision for Property Insurance			
6	228.2	Accumulated Provision for Injuries & Damages	$1,355,445	$3,736,056	175.63%
7	228.3	Accumulated Provision for Pensions & Benefits	51,449,261	54,640,098	6.20%
8	228.4	Accumulated Misc. Operating Provisions			
9	229	Accumulated Provision for Rate Refunds	191,185	450,000	135.37%
10	230	Asset Retirement Obligations	7,142,915	6,509,617	-8.87%
11					
12	**TOTAL Other Noncurrent Liabilities**		$60,138,806	$65,335,771	8.64%
13					
14	**Current & Accrued Liabilities**				
15	231	Notes Payable			
16	232	Accounts Payable	$44,138,862	$46,830,236	6.10%
17	233	Notes Payable to Associated Companies			
18	234	Accounts Payable to Associated Companies	4,839,083	30,863,009	537.79%
19	235	Customer Deposits	1,428,796	1,510,515	5.72%
20	236	Taxes Accrued	12,336,506	(41,641,535)	-437.55%
21	237	Interest Accrued	4,973,368	7,431,466	49.43%
22	238	Dividends Declared	33,737,408	35,606,942	5.54%
23	239	Matured Long Term Debt			
24	240	Matured Interest			
25	241	Tax Collections Payable	1,143,473	1,257,661	9.99%
26	242	Miscellaneous Current & Accrued Liabilities	29,444,730	24,909,601	-15.40%
27	243	Obligations Under Capital Leases - Current			
28					
29	**TOTAL Current & Accrued Liabilities**		$132,042,226	$106,767,895	-19.14%
30					
31	**Deferred Credits**				
32	252	Customer Advances for Construction	$18,726,550	$22,623,499	20.81%
33	253	Other Deferred Credits	62,138,894	96,422,495	55.17%
34	254	Other Regulatory Liabilities	16,286,380	9,005,624	-44.70%
35	255	Accumulated Deferred Investment Tax Credits	767,331	2,411,735	214.30%
36	256	Deferred Gains from Disposition Of Util. Plant			
37	257	Unamortized Gain on Reacquired Debt			
38	281-283	Accumulated Deferred Income Taxes	251,576,492	314,299,565	24.93%
39					
40	**TOTAL Deferred Credits**		$349,495,647	$444,762,918	27.26%
41					
42	**TOTAL LIABILITIES & OTHER CREDITS**		$3,799,546,855	$4,259,180,983	12.10%

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MDU Resources Group, Inc.	(1) X An Original (2) _ A Resubmission	12/31/2014	2014/Q4

Definitions

The following abbreviations and acronyms used in the Notes are defined below:

Abbreviation or Acronym	
AFUDC	Allowance for funds used during construction
ASC	FASB Accounting Standards Codification
BART	Best available retrofit technology
Big Stone Station	475-MW coal-fired electric generating facility near Big Stone City, South Dakota (22.7 percent ownership)
Cascade	Cascade Natural Gas Corporation, an indirect wholly owned subsidiary of MDU Energy Capital
Centennial	Centennial Energy Holdings, Inc., a direct wholly owned subsidiary of the Company
Company	MDU Resources Group, Inc.
Coyote Station	427-MW coal fired electric generating facility near Beulah, North Dakota (25 percent ownership)
EBITDA	Earnings before interest, taxes, depreciation and amortization
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
GAAP	Accounting principles generally accepted in the United States of America
Great Plains	Great Plains Natural Gas Co., a public utility division of the Company
Intermountain	Intermountain Gas Company, an indirect wholly owned subsidiary of MDU Energy Capital
K-Plan	Company's 401(k) Retirement Plan
MDU Energy Capital	MDU Energy Capital, LLC, a direct wholly owned subsidiary of the Company
MNPUC	Minnesota Public Utilities Commission
Montana-Dakota	Montana-Dakota Utilities Co., a public utility division of the Company
MTPSC	Montana Public Service Commission
MW	Megawatt
NDPSC	North Dakota Public Service Commission
SDPUC	South Dakota Public Utilities Commission
Stock Purchase Plan	Company's Dividend Reinvestment and Direct Stock Purchase Plan
Wygen III	100-MW coal-fired electric generating facility near Gillette, Wyoming (25 percent ownership)
WYPSC	Wyoming Public Service Commission

Notes to Financial Statements

Note 1 - Summary of Significant Accounting Policies
Basis of presentation
The Company is a diversified natural resource company, which was incorporated under the laws of the state of Delaware in 1924. Montana-Dakota and Great Plains are public utility divisions of the Company.

Montana-Dakota generates, transmits, and distributes electricity and distributes natural gas in Montana, North Dakota, South Dakota, and Wyoming. Great Plains distributes natural gas in western Minnesota and southeastern North Dakota. These operations also supply related value-added services. The Company provides service to more than 138,000 electric and 286,000 natural gas residential, commercial, industrial and municipal customers in 277 communities and adjacent rural areas as of December 31, 2014.

Montana-Dakota is subject to regulation by the FERC, NDPSC, MTPSC, SDPUC, and WYPSC. Great Plains is subject to regulation by the MNPUC and the NDPSC.

The Company owns two wholly owned subsidiaries, Centennial and MDU Energy Capital, as well as ownership interests in the assets, liabilities and expenses of jointly owned electric generating facilities.

The financial statements were prepared in accordance with the accounting requirements of the FERC set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than GAAP. These requirements differ from GAAP related to the presentation of certain items including, but not limited to, the current portion of long-term debt, deferred income taxes, cost of removal liabilities, and current unrecovered purchased gas costs. As required by the FERC for Form 1 report purposes, the Company reports its subsidiary investments using the equity method rather than consolidating the assets, liabilities, revenues and expenses of the subsidiaries, as required by GAAP. If GAAP were followed, utility plant, other property and investments would increase by $1.8 billion; current and accrued assets would increase by $1.0 billion; deferred debits would increase by $732.5 million; long-term debt would increase by $1.3 billion; other noncurrent liabilities and current and accrued liabilities would increase by $796.6 million; deferred credits would increase by $1.3 billion; and capital would increase by $115.7 million as of December 31, 2014. Furthermore, operating revenues would increase by $4.0 billion and operating expenses, excluding income taxes, would increase by $3.6 billion for the twelve months ended December 31, 2014. In addition, net cash provided by operating activities would increase by $406.8 million; net cash used in investing activities would increase by $611.0 million; net cash provided by financing activities would increase by $239.9 million; the effect of exchange rate changes on cash would decrease by $155,000; and the net change in cash and cash equivalents would be a increase of $35.6 million for the twelve months ended December 31, 2014. Reporting its subsidiary investments using the equity method rather than GAAP has no effect on net income or retained earnings.

The Notes to Financial Statements accompanying this FERC Form No. 1 relate to the nonconsolidated parent company and its two public utility divisions. For information on disclosures of the subsidiary companies, refer to the Company's Form 10-K.

Montana-Dakota and Great Plains are regulated businesses which account for certain income and expense items under the provisions of regulatory accounting, which requires these businesses to defer as regulatory assets or liabilities certain items that would have otherwise been reflected as expense or income, respectively, based on the expected regulatory treatment in future rates. The expected recovery or flowback of these deferred items generally is based on specific ratemaking decisions or precedent for each item. Regulatory assets and liabilities are being amortized consistently with the regulatory treatment established by the FERC and the applicable state public service commissions. See

Note 3 for more information regarding the nature and amounts of these regulatory deferrals.

Management has also evaluated the impact of events occurring after December 31, 2014, up to the date of issuance of these consolidated financial statements.

Cash and cash equivalents
The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Accounts receivable and allowance for doubtful accounts
Accounts receivable consists primarily of trade receivables from the sale of goods and services which are recorded at the invoiced amount. The total balance of receivables past due 90 days or more was $800,000 and $623,000 at December 31, 2014 and 2013, respectively.

The allowance for doubtful accounts is determined through a review of past due balances and other specific account data. Account balances are written off when management determines the amounts to be uncollectible. The Company's allowance for doubtful accounts at December 31, 2014 and 2013 was $485,000 and $444,000, respectively.

Inventories and natural gas in storage
Inventories, other than natural gas in storage, were stated at the lower of average cost or market value. Natural gas in storage is carried at cost using the last-in, first-out method. The portion of the cost of natural gas in storage expected to be used within one year was included in inventories. Inventories at December 31 consisted of:

	2014	2013
	(In thousands)	
Plant materials and operating supplies	$ 19,800	$ 19,097
Gas stored underground-current	9,350	5,387
Fuel stock	4,418	4,752
Merchandise	16	75
Total	$ 33,584	$ 29,311

The remainder of natural gas in storage, which largely represents the cost of gas required to maintain pressure levels for normal operating purposes, was $2.5 million and $1.6 million at December 31, 2014 and 2013, respectively.

Investments
The Company's investments include its investment in subsidiary companies, the cash surrender value of life insurance policies, an insurance contract, and other miscellaneous investments. The Company measures its investment in the insurance contract at fair value with any unrealized gains and losses recorded on the Statement of Income. The Company has not elected the fair value option for its other investments. For more information, see Notes 4 and 11.

Property, plant and equipment
Additions to property, plant and equipment are recorded at cost. When regulated assets are retired, or otherwise disposed of in the ordinary course of business, the original cost of the asset is charged to accumulated depreciation. With respect to the retirement or disposal of all other assets, the resulting gains or losses are recognized as a component of income. The Company is permitted to capitalize AFUDC on regulated construction projects and to include such amounts in rate base when the related facilities are placed in service.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MDU Resources Group, Inc.	(1) X An Original (2) _ A Resubmission	12/31/2014	2014/Q4

NOTES TO FINANCIAL STATEMENTS (Continued)

The amount of AFUDC and interest capitalized for the years ended December 31 was as follows:

	2014	2013
	(In thousands)	
AFUDC - borrowed	$ 2,092	$ 1,937
AFUDC - equity	$ 3,988	$ 3,071

Property, plant and equipment are depreciated on a straight-line basis over the average useful lives of the assets. The Company collects removal costs for plant assets in regulated utility rates. These amounts are included in accumulated provision for depreciation, amortization and depletion.

Property, plant and equipment at December 31 was as follows:

	2014	2013	Weighted Average Depreciable Life in Years
	(Dollars in thousands, where applicable)		
Electric:			
Generation	$ 627,952	$ 570,394	42
Distribution	343,692	308,202	39
Transmission	229,997	196,824	48
Construction in progress	150,445	141,365	-
Other	100,094	94,286	15
Natural gas distribution:			
Distribution	400,223	348,167	41
Construction in progress	11,350	10,219	-
Other	105,117	100,774	13
Less accumulated depreciation, depletion and amortization	781,151	760,971	
Net utility plant	$ 1,187,719	$ 1,009,260	
Nonutility property	$ 16,086	$ 15,630	
Less accumulated depreciation, depletion and amortization	3,484	2,902	
Net nonutility property	$ 12,602	$ 12,728	

Impairment of long-lived assets

The Company reviews the carrying values of its long-lived assets, excluding goodwill, whenever events or changes in circumstances indicate that such carrying values may not be recoverable. The determination of whether an impairment has occurred is based on an estimate of undiscounted future cash flows attributable to the assets, compared to the carrying value of the assets. If impairment has occurred, the amount of the impairment recognized is determined by estimating the fair value of the assets and recording a loss if the carrying value is greater than the fair value. No impairment losses were recorded in 2014 and 2013. Unforeseen events and changes in circumstances could require the recognition of impairment losses at some future date.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of identifiable net tangible and intangible assets acquired in a business combination. Goodwill is required to be tested for impairment annually, which is completed in the fourth quarter, or more frequently if events or changes in circumstances indicate that goodwill may be impaired.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MDU Resources Group, Inc.	(1) X An Original (2) _ A Resubmission	12/31/2014	2014/Q4

NOTES TO FINANCIAL STATEMENTS (Continued)

The goodwill impairment test is a two-step process performed at the reporting unit level. The Company has determined that the reporting units for its goodwill impairment test are its operating segments, or components of an operating segment, that constitute a business for which discrete financial information is available and for which segment management regularly reviews the operating results. The first step of the impairment test involves comparing the fair value of each reporting unit to its carrying value. If the fair value of a reporting unit exceeds its carrying value, the test is complete and no impairment is recorded. If the fair value of a reporting unit is less than its carrying value, step two of the test is performed to determine the amount of impairment loss, if any. The impairment is computed by comparing the implied fair value of the reporting unit's goodwill to the carrying value of that goodwill. If the carrying value is greater than the implied fair value, an impairment loss must be recorded. For the years ended December 31, 2014 and 2013, there were no impairment losses recorded. At December 31, 2014, the fair value of the natural gas distribution reporting unit substantially exceeded its carrying value. For more information on goodwill, see Note 2.

Determining the fair value of a reporting unit requires judgment and the use of significant estimates which include assumptions about the Company's future revenue, profitability and cash flows, amount and timing of estimated capital expenditures, inflation rates, weighted average cost of capital, operational plans, and current and future economic conditions, among others. The fair value of each reporting unit is determined using a weighted combination of income and market approaches. The Company uses a discounted cash flow methodology for its income approach. Under the income approach, the discounted cash flow model determines fair value based on the present value of projected cash flows over a specified period and a residual value related to future cash flows beyond the projection period. Both values are discounted using a rate which reflects the best estimate of the weighted average cost of capital at each reporting unit. The weighted average cost of capital of 5.0 percent, and a long-term growth rate projection of 3.1 percent were utilized in the goodwill impairment test performed in the fourth quarter of 2014. Under the market approach, the Company estimates fair value using multiples derived from comparable sales transactions and enterprise value to EBITDA for comparative peer companies for each respective reporting unit. These multiples are applied to operating data for each reporting unit to arrive at an indication of fair value. In addition, the Company adds a reasonable control premium when calculating the fair value utilizing the peer multiples, which is estimated as the premium that would be received in a sale in an orderly transaction between market participants. The Company believes that the estimates and assumptions used in its impairment assessments are reasonable and based on available market information, but variations in any of the assumptions could result in materially different calculations of fair value and determinations of whether or not an impairment is indicated.

Revenue recognition

Revenue is recognized when the earnings process is complete, as evidenced by an agreement between the customer and the Company, when delivery has occurred or services have been rendered, when the fee is fixed or determinable and when collection is reasonably assured. The Company recognizes utility revenue each month based on the services provided to all utility customers during the month. Accrued utility revenues represent revenues recognized in excess of amounts billed. Accrued utility revenues were $47.4 million and $49.6 million at December 31, 2014 and 2013, respectively. The Company recognizes all other revenues when services are rendered or goods are delivered. The Company presents revenues net of taxes collected from customers at the time of sale to be remitted to governmental authorities, including sales and use taxes.

Asset retirement obligations

The Company records the fair value of a liability for an asset retirement obligation in the period in which it is incurred. When the liability is initially recorded, the Company capitalizes a cost by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value each period, and the capitalized cost is depreciated over the useful life of the related asset. Upon settlement of the liability, the Company either settles the obligation for the recorded amount or incurs a regulatory asset or liability. For more information on asset retirement obligations, see Note 6.

Legal costs
The Company expenses external legal fees as they are incurred.

Natural gas costs recoverable or refundable through rate adjustments
Under the terms of certain orders of the applicable state public service commissions, the Company is deferring natural gas commodity, transportation and storage costs that are greater or less than amounts presently being recovered through its existing rate schedules. Such orders generally provide that these amounts are recoverable or refundable through rate adjustments over a 12 month period. Natural gas costs recoverable or refundable, as applicable, through rate adjustments were $10.7 million and $8.0 million at December 31, 2014 and 2013, respectively, which is included in unrecovered purchased gas costs.

Income taxes
The Company and its subsidiaries file consolidated method federal income tax returns and combined and separate state income tax returns. Federal income taxes paid by the Company, as parent of the consolidated group, are allocated to the individual subsidiaries based on the ratio of the separate company computations of tax. The Company makes a similar allocation for state income taxes paid in connection with combined state filings. The Company provides deferred federal and state income taxes on all temporary differences between the book and tax basis of the Company's assets and liabilities. Taxes recoverable from customers have been recorded as regulatory assets. Taxes refundable to customers and excess deferred income tax balances associated with the Company's rate-regulated activities have been recorded as regulatory liabilities. These regulatory assets and liabilities are expected to be recovered from or refunded to customers in future rates in accordance with applicable regulatory procedures.

The Company uses the deferral method of accounting for investment tax credits and amortizes the credits on regulated electric and natural gas distribution plant over various periods that conform to the ratemaking treatment prescribed by the applicable state public service commissions.

Tax positions taken or expected to be taken in an income tax return are evaluated for recognition using a more-likely-than-not threshold, and those tax positions requiring recognition are measured as the largest amount of tax benefit that is greater than 50 percent likely of being realized upon ultimate settlement with a taxing authority. The Company recognizes interest and penalties accrued related to unrecognized tax benefits in interest and penalties, respectively.

Use of estimates
The preparation of financial statements in conformity with GAAP requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Estimates are used for items such as impairment testing of long-lived assets and goodwill; fair values of acquired assets and liabilities under the acquisition method of accounting; property depreciable lives; tax provisions; uncollectible accounts; environmental and other loss contingencies; accumulated provision for revenues subject to refund; unbilled revenues; actuarially determined benefit costs; asset retirement obligations; and the valuation of stock-based compensation. As additional information becomes available, or actual amounts are determinable, the recorded estimates are revised. Consequently, operating results can be affected by revisions to prior accounting estimates.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) X An Original (2) _ A Resubmission	(Mo, Da, Yr) 12/31/2014	2014/Q4

NOTES TO FINANCIAL STATEMENTS (Continued)

Cash flow information

Cash expenditures for interest and income taxes for the years ended December 31 were as follows:

	2014	2013
	(In thousands)	
Interest, net of amount capitalized	$ 17,398	$ 16,152
Income taxes paid (refunded), net	$ 18,561	$ (11,453)

Noncash investing transactions at December 31 were as follows:

	2014	2013
	(In thousands)	
Property, plant and equipment additions in accounts payable	$ 6,451	$ 7,075

New accounting standards

Revenue from Contracts with Customers In May 2014, the FASB issued guidance on accounting for revenue from contracts with customers. The guidance provides for a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry specific guidance. This guidance will be effective for the Company on January 1, 2017. Entities will have the option of using either a full retrospective or modified retrospective approach to adopting the guidance. Under the modified approach, an entity would recognize the cumulative effect of initially applying the guidance with an adjustment to the opening balance of retained earnings in the period of adoption. In addition, the modified approach will require additional disclosures. The Company is evaluating the effects the adoption of the new revenue guidance will have on its results of operations, financial position, cash flows and disclosures, as well as its method of adoption.

Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income In February 2013, the FASB issued guidance on the reporting of amounts reclassified out of accumulated other comprehensive income. This guidance requires an entity to report the effect of significant reclassifications out of accumulated other comprehensive income on the respective line items in net income if the amount being reclassified is required to be reclassified in its entirety to net income. Entities may present this information either on the face of the statement where net income is presented or in the notes. This guidance was effective for the Company on January 1, 2014, and is to be applied prospectively. The guidance required additional disclosures, however it did not impact the Company's results of operations, financial position or cash flows.

Comprehensive income (loss)

Comprehensive income (loss) is the sum of net income (loss) as reported and other comprehensive income (loss). The Company's other comprehensive loss resulted from postretirement liability adjustments and other comprehensive loss recorded by its subsidiaries.

The postretirement liability adjustment in other comprehensive income was $465,000 and $454,000, net of tax of $(285,000) and $(304,000), for the years ended December 31, 2014 and 2013, respectively.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MDU Resources Group, Inc.	(1) X An Original (2) _ A Resubmission	12/31/2014	2014/Q4

NOTES TO FINANCIAL STATEMENTS (Continued)

The after-tax changes in the components of accumulated other comprehensive loss were as follows:

Twelve Months Ended December 31, 2014		Postretirement Liability Adjustment		Subsidiary Other Comprehensive Loss		Total Accumulated Other Comprehensive Loss
				(In thousands)		
Balance at December 31, 2013	$	(4,459)	$	(33,746)	$	(38,205)
Other comprehensive income (loss) before reclassifications		519		(13,244)		(12,725)
Amounts reclassified from accumulated other comprehensive loss		(54)		1,679		1,625
Amounts reclassified from accumulated other comprehensive loss to a regulatory asset		—		7,202		7,202
Net current-period other comprehensive income (loss)		465		(4,363)		(3,898)
Balance at December 31, 2014	**$**	**(3,994)**	**$**	**(38,109)**	**$**	**(42,103)**

Twelve Months Ended December 31, 2013		Postretirement Liability Adjustment		Subsidiary Other Comprehensive Loss		Total Accumulated Other Comprehensive Loss
				(In thousands)		
Balance at December 31, 2012	$	(4,913)	$	(43,808)	$	(48,721)
Other comprehensive income before reclassifications		348		12,104		12,452
Amounts reclassified from accumulated other comprehensive loss		106		(2,042)		(1,936)
Net current-period other comprehensive income		454		10,062		10,516
Balance at December 31, 2013	$	(4,459)	$	(33,746)	$	(38,205)

Reclassifications out of accumulated other comprehensive loss were as follows:

Twelve Months Ended December 31,		**2014**		2013	Location on Statement of Income
		(In thousands)			
Amortization of postretirement liability losses included in net periodic benefit cost	$	**87**	$	(176)	(a)
		(33)		70	Income taxes
		54		(106)	
Subsidiary reclassifications out of accumulated other comprehensive loss		**(1,679)**		2,042	Equity in earnings of Subsidiary Companies
Total reclassifications	$	**(1,625)**	$	1,936	

(a) Included in net periodic benefit cost (credit). For more information, see Note 11.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MDU Resources Group, Inc.	(1) X An Original (2) _ A Resubmission	12/31/2014	2014/Q4

NOTES TO FINANCIAL STATEMENTS (Continued)

Note 2 - Goodwill and Other Intangible Assets

The carrying amount of goodwill, which is related to the natural gas distribution business, remained unchanged at $4.8 million for the years ended December 31, 2014 and 2013. This amount is included in miscellaneous deferred debits. No impairments have been recorded in any periods.

Note 3 - Regulatory Assets and Liabilities

The following table summarizes the individual components of unamortized regulatory assets and liabilities as of December 31:

	Estimated Recovery Period*	2014	2013
		(In thousands)	
Regulatory assets:			
Pension and postretirement benefits (a)	(f)	$ 103,851	$ 67,130
Taxes recoverable from customers (a)	Over plant lives	12,963	10,902
Unrecovered purchased gas costs	Up to 12 months	10,651	8,020
Unamortized loss on required debt	Up to 12 years	6,688	7,407
Costs related to identifying generation development (a) (e)	Up to 12 years	4,165	4,512
Plant costs (a)	Up to 2 years	3,953	4,333
Other (a) (b) (g)	Largely within 1 year	7,676	6,026
Total regulatory assets		149,947	108,330
Regulatory liabilities:			
Plant removal and decommissioning costs (c)		131,529	110,790
Taxes refundable to customers (d)		6,955	7,802
Accumulated provision for rate refunds		450	191
Pension and postretirement benefits (d)		91	8,017
Other (h)		7,989	2,369
Total regulatory liabilities		147,014	129,169
Net regulatory position		$ 2,933	$ (20,839)

* Estimated recovery period for regulatory assets currently being recovered in rates charged to customers.
(a) Included in other regulatory assets on the Comparative Balance Sheet.
(b) Included in prepayments on the Comparative Balance Sheet.
(c) Included in accumulated provision for depreciation, amortization and depletion and asset retirement obligations on the Comparative Balance Sheet.
(d) Included in other regulatory liabilities on the Comparative Balance Sheet.
(e) Included in unrecovered plant and regulatory study costs on the Comparative Balance Sheet.
(f) Recovered as expense is incurred.
(g) Included in miscellaneous deferred debits on the Comparative Balance Sheet.
(h) Included in miscellaneous deferred debits, accumulated deferred investment tax credits and other regulatory assets on the Comparative Balance Sheet.

The regulatory assets are expected to be recovered in rates charged to customers. A portion of the Company's regulatory assets are not earning a return; however, these regulatory assets are expected to be recovered from customers in future rates. As of December 31, 2014 and 2013, approximately $119.2 million and $92.8 million respectively, of regulatory assets were not earning a rate of return.

If, for any reason, the Company's regulated business ceases to meet the criteria for application of regulatory accounting for all or part of their operations, the regulatory assets and liabilities relating to those portions ceasing to meet such criteria would be removed from the balance sheet and included in the statement of income or accumulated other comprehensive income (loss) in the period in which the discontinuance of regulatory accounting occurs.

Note 4 - Fair Value Measurements

The Company measures its investments in certain fixed-income and equity securities at fair value with changes in fair value recognized in income. The Company anticipates using these investments, which consist of an insurance contract, to satisfy its obligations under its unfunded, nonqualified benefit plan for executive officers and certain key management employees, and invests in these fixed-income and equity securities for the purpose of earning investment returns and capital appreciation. These investments, which totaled $43.9 million and $41.6 million as of December 31, 2014 and 2013, respectively, are classified as Other Investments on the Comparative Balance Sheet. The net unrealized gains on these investments for the years ended December 31, 2014 and 2013, were $2.3 million and $9.0 million, respectively. The change in fair value, which is considered part of the cost of the plan, is classified in Other Income and Deductions as Life Insurance on the Statement of Income.

The fair value of the Company's money market funds approximates cost.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. The ASC establishes a hierarchy for grouping assets and liabilities, based on the significance of inputs.

The estimated fair values of the Company's assets and liabilities measured on a recurring basis are determined using the market approach.

The Company's Level 2 money market funds consist of investments in short-term unsecured promissory notes and the value is based on comparable market transactions taking into consideration the credit quality of the issuer.

The estimated fair value of the Company's Level 2 insurance contract is based on contractual cash surrender values that are determined primarily by investments in managed separate accounts of the insurer. These amounts approximate fair value. The managed separate accounts are valued based on other observable inputs or corroborated market data.

Though the Company believes the methods used to estimate fair value are consistent with those used by other market participants, the use of other methods or assumptions could result in a different estimate of fair value. For the years ended December 31, 2014 and 2013, there were no transfers between Levels 1 and 2.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MDU Resources Group, Inc.	(1) X An Original (2) _ A Resubmission	12/31/2014	2014/Q4

NOTES TO FINANCIAL STATEMENTS (Continued)

The Company's assets and liabilities measured at fair value on a recurring basis were as follows:

	Fair Value Measurements at December 31, 2014, Using			
	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2014
	(In thousands)			
Assets:				
Money market funds	$ —	$ 183	$ —	$ 183
Insurance contract*	—	43,870	—	43,870
Total assets measured at fair value	$ —	$ 44,053	$ —	$ 44,053

* The insurance contract invests approximately 20 percent in common stock of mid-cap companies, 18 percent in common stock of small-cap companies, 29 percent in common stock of large-cap companies, 32 percent in fixed-income investments and 1 percent in cash equivalents.

	Fair Value Measurements at December 31, 2013, Using			
	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2013
	(In thousands)			
Assets:				
Money market funds	$ —	$ 1,110	$ —	$ 1,110
Insurance contract*	—	41,564	—	41,564
Total assets measured at fair value	$ —	$ 42,674	$ —	$ 42,674

* The insurance contract invests approximately 29 percent in common stock of mid-cap companies, 28 percent in common stock of small-cap companies, 28 percent in common stock of large-cap companies and 15 percent in fixed-income investments.

The Company's long-term debt is not measured at fair value on the Comparative Balance Sheet and the fair value is being provided for disclosure purposes only. The fair value was based on discounted future cash flows using current market interest rates. The estimated fair value of the Company's Level 2 long-term debt at December 31 was as follows:

	2014		2013	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(In thousands)			
Long-term debt	$ **508,274**	$ **572,041**	$ 434,706	$ 469,787

The carrying amounts of the Company's remaining financial instruments included in current assets and current liabilities approximate their fair values.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MDU Resources Group, Inc.	(1) X An Original (2) _ A Resubmission	12/31/2014	2014/Q4

NOTES TO FINANCIAL STATEMENTS (Continued)

Note 5 - Debt

Certain debt instruments of the Company, including those discussed later, contain restrictive covenants and provisions. In order to borrow under the respective credit agreement, the Company must be in compliance with the applicable covenants and certain other conditions. In the event the Company does not comply with the applicable covenants and other conditions, alternative sources of funding may need to be pursued.

The following table summarizes the outstanding revolving credit facilities of the Company:

Company	Facility	Facility Limit	Amount Outstanding at December 31, 2014	Amount Outstanding at December 31, 2013	Letters of Credit at December 31, 2014	Expiration Date
			(Dollars in millions)			
MDU Resources Group, Inc.	Commercial paper/Revolving credit agreement (a)	$ 175.0	$ 77.5 (b)	$ 78.9 (b)	$ —	5/8/19

(a) The commercial paper program is supported by a revolving credit agreement with various banks (provisions allow for increased borrowings, at the option of the Company on stated conditions, up to a maximum of $225.0 million). There were no amounts outstanding under the credit agreement.

(b) Amount outstanding under commercial paper program included in other long-term debt on the Comparative Balance Sheet.

The Company's commercial paper program is supported by a revolving credit agreement. While the amount of commercial paper outstanding does not reduce available capacity under the revolving credit agreement, the Company does not issue commercial paper in an aggregate amount exceeding the available capacity under its credit agreement.

The following includes information related to the preceding table.

Long-term debt

MDU Resources Group, Inc. On May 8, 2014, the Company amended the revolving credit agreement to increase the borrowing limit to $175.0 million and extend the termination date to May 8, 2019. The Company's revolving credit agreement supports its commercial paper program. Commercial paper borrowings under this agreement are classified as long-term debt as they are intended to be refinanced on a long-term basis through continued commercial paper borrowings.

The credit agreement contains customary covenants and provisions, including covenants of the Company not to permit, as of the end of any fiscal quarter, (A) the ratio of funded debt to total capitalization (determined on a consolidated basis) to be greater than 65 percent or (B) the ratio of funded debt to capitalization (determined with respect to the Company alone, excluding its subsidiaries) to be greater than 65 percent. Other covenants include limitations on the sale of certain assets and on the making of certain loans and investments.

There are no credit facilities that contain cross-default provisions between the Company and any of its subsidiaries.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MDU Resources Group, Inc.	(1) X An Original (2) _ A Resubmission	12/31/2014	2014/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Long-term Debt Outstanding Long-term debt outstanding at December 31 was as follows:

	2014	2013
	(In thousands)	
Senior Notes at a weighted average rate of 5.66%, due on dates ranging from September 30, 2016 to April 15, 2044	$ 430,000	$ 355,000
Commercial paper at an interest rate of 0.40%, supported by revolving credit agreement	77,500	78,924
Credit agreements at a weighted average rate of 5.64%, due on dates ranging from January 1, 2017 to November 30, 2038	774	782
Total long-term debt	$ 508,274	$ 434,706

The amounts of scheduled long-term debt maturities for the five years and thereafter following December 31, 2014, aggregate $109,000 in 2015; $50.1 million in 2016; $110,000 in 2017; $100.0 million in 2018; $77.5 million in 2019 and $280.4 million thereafter.

Note 6 - Asset Retirement Obligations

The Company records obligations related to the decommissioning of certain electric generating facilities, special handling and disposal of hazardous materials at certain electric generating facilities, natural gas distribution facilities and buildings, and certain other obligations as asset retirement obligations.

A reconciliation of the Company's liability for the years ended December 31 was as follows:

	2014	2013
	(In thousands)	
Balance at beginning of year	$ 7,143	$ 6,789
Liabilities settled	(991)	—
Revisions in estimates	(28)	(17)
Accretion expense	386	371
Balance at end of year	$ 6,510	$ 7,143

The Company believes that largely all expenses related to asset retirement obligations at the Company's regulated operations will be recovered in rates over time and, accordingly, defers such expenses as regulatory assets.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) X An Original (2) _ A Resubmission	(Mo, Da, Yr) 12/31/2014	2014/Q4

NOTES TO FINANCIAL STATEMENTS (Continued)

Note 7 - Preferred Stocks
Preferred stocks at December 31 were as follows:

	2014	2013
	(In thousands, except shares and per share amounts)	
Authorized:		
Preferred -		
500,000 shares, cumulative, par value $100, issuable in series		
Preferred stock A -		
1,000,000 shares, cumulative, without par value, issuable in series (none outstanding)		
Preference -		
500,000 shares, cumulative, without par value, issuable in series (none outstanding)		
Outstanding:		
4.50% Series - 100,000 shares	$ 10,000	$ 10,000
4.70% Series - 50,000 shares	5,000	5,000
Total preferred stocks	$ 15,000	$ 15,000

For the years 2014 and 2013, dividends declared on the 4.50% Series and 4.70% Series preferred stocks were $4.50 and $4.70 per share, respectively. The 4.50% Series and 4.70% Series preferred stocks outstanding are subject to redemption, in whole or in part, at the option of the Company with certain limitations on 30 days notice on any quarterly dividend date at a redemption price, plus accrued dividends, of $105 per share and $102 per share, respectively.

In the event of a voluntary or involuntary liquidation, all preferred stock series holders are entitled to $100 per share, plus accrued dividends.

The affirmative vote of two-thirds of a series of the Company's outstanding preferred stock is necessary for amendments to the Company's charter or bylaws that adversely affect that series; creation of or increase in the amount of authorized stock ranking senior to that series (or an affirmative majority vote where the authorization relates to a new class of stock that ranks on parity with such series); a voluntary liquidation or sale of substantially all of the Company's assets; a merger or consolidation, with certain exceptions; or the partial retirement of that series of preferred stock when all dividends on that series of preferred stock have not been paid. The consent of the holders of a particular series is not required for such corporate actions if the equivalent vote of all outstanding series of preferred stock voting together has consented to the given action and no particular series is affected differently than any other series.

Subject to the foregoing, the holders of common stock exclusively possess all voting power. However, if cumulative dividends on preferred stock are in arrears, in whole or in part, for one year, the holders of preferred stock would obtain the right to one vote per share until all dividends in arrears have been paid and current dividends have been declared and set aside.

Note 8 - Common Stock
For the years 2014 and 2013, dividends declared on common stock were $.7150 and $.6950 per common share, respectively.

The Company's Stock Purchase Plan provides interested investors the opportunity to make optional cash investments and to reinvest all or a percentage of their cash dividends in shares of the Company's common stock. The K-Plan is partially funded with the Company's

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MDU Resources Group, Inc.	(1) X An Original (2) _ A Resubmission	12/31/2014	2014/Q4

NOTES TO FINANCIAL STATEMENTS (Continued)

common stock. From January 2014 to December 2014, the Stock Purchase Plan and K-Plan, with respect to Company stock, were funded with shares of authorized but unissued common stock. From January 2013 through December 2013, purchases of shares of common stock on the open market were used to fund the Stock Purchase Plan and K-Plan. At December 31, 2014, there were 14.9 million shares of common stock reserved for original issuance under the Stock Purchase Plan and K-Plan.

The Company depends on earnings from its divisions and dividends from its subsidiaries to pay dividends on common stock. The declaration and payment of dividends is at the sole discretion of the board of directors, subject to limitations imposed by the Company's credit agreements, federal and state laws, and applicable regulatory limitations. In addition, the Company and Centennial are generally restricted to paying dividends out of capital accounts or net assets. The following discusses the most restrictive limitations.

Pursuant to a covenant under a credit agreement, Centennial may only make distributions to the Company in an amount up to 100 percent of Centennial's consolidated net income after taxes, excluding noncash write-downs, for the immediately preceding fiscal year. Intermountain and Cascade have regulatory limitations on the amount of dividends each can pay. Based on these limitations, approximately $2.3 billion of the net assets of the Company's subsidiaries were restricted from being used to transfer funds to the Company at December 31, 2014. In addition, the Company's credit agreement also contains restrictions on dividend payments. The most restrictive limitation requires the Company not to permit the ratio of funded debt to capitalization (determined with respect to the Company alone, excluding its subsidiaries) to be greater than 65 percent. Based on this limitation, approximately $259 million of the Company's (excluding its subsidiaries) net assets, which represents common stockholders' equity including retained earnings, would be restricted from use for dividend payments at December 31, 2014. In addition, state regulatory commissions may require the Company to maintain certain capitalization ratios. These requirements are not expected to affect the Company's ability to pay dividends in the near term.

Note 9 - Stock-Based Compensation

The Company has several stock-based compensation plans under which it is currently authorized to grant restricted stock and stock. As of December 31, 2014, there are 5.6 million remaining shares available to grant under these plans. The Company generally issues new shares of common stock to satisfy restricted stock, stock and performance share awards.

Total stock-based compensation expense (after tax), excluding the amount recognized by the Company's subsidiaries, was $717,000 and $629,000 in 2014 and 2013, respectively.

As of December 31, 2014, total remaining unrecognized compensation expense, excluding the amount to be recognized by the Company's subsidiaries, related to stock-based compensation was approximately $1.3 million (before income taxes) which will be amortized over a weighted average period of 1.6 years.

Stock awards

Nonemployee directors may receive shares of common stock instead of cash in payment for directors' fees under the nonemployee director stock compensation plan. There were 43,088 shares with a fair value of $1.1 million and 36,713 shares with a fair value of $1.1 million issued under this plan during the years ended December 31, 2014 and 2013, respectively.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MDU Resources Group, Inc.	(1) X An Original (2) _ A Resubmission	12/31/2014	2014/Q4

NOTES TO FINANCIAL STATEMENTS (Continued)

Performance share awards
Since 2003, key employees of the Company and its subsidiaries have been awarded performance share awards each year. Entitlement to performance shares is based on the Company's total shareholder return over designated performance periods as measured against a selected peer group.

Target grants of performance shares outstanding at December 31, 2014, were as follows:

Grant Date	Performance Period	Target Grant of Shares
February 2012	2012-2014	251,196
March 2013	2013-2015	240,419
February 2014	2014-2016	196,840

Participants may earn from zero to 200 percent of the target grant of shares based on the Company's total shareholder return relative to that of the selected peer group. Compensation expense is based on the grant-date fair value as determined by Monte Carlo simulation. The blended volatility term structure ranges are comprised of 50 percent historical volatility and 50 percent implied volatility. Risk-free interest rates were based on U.S. Treasury security rates in effect as of the grant date. Assumptions used for grants of performance shares issued in 2014 and 2013 were:

	2014	2013
Grant-date fair value	$ 41.13	$ 29.01
Blended volatility range	18.94 % - 20.43 %	16.10% - 19.39%
Risk-free interest rate range	.03 % - .74 %	.09% - .40%
Discounted dividends per share	$ 2.15	$ 2.12

The fair value of the performance shares that vested during the year ended December 31, 2014 was $16.6 million. There were no performance shares that vested in 2013.

A summary of the status of the performance share awards for the year ended December 31, 2014, was as follows:

	Number of Shares	Weighted Average Grant-Date Fair Value
Nonvested at beginning of period	749,991	$ 21.99
Granted	196,840	41.13
Additional performance shares earned	236,699	19.99
Vested	(491,213)	19.99
Forfeited	(3,862)	29.01
Nonvested at end of period	688,455	$ 28.16

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MDU Resources Group, Inc.	(1) X An Original (2) _ A Resubmission	12/31/2014	2014/Q4

NOTES TO FINANCIAL STATEMENTS (Continued)

Note 10 - Income Taxes

Income before income taxes for the years ended December 31, 2014 and 2013, respectively was $65,012 and $61,704.

Income tax expense (benefit) for the years ended December 31 was as follows:

	2014	2013
	(In thousands)	
Current:		
Federal*	$ (24,811)	$ (12,057)
State	(4,859)	(690)
	(29,670)	(12,747)
Deferred:		
Income taxes:		
Federal	41,207	24,572
State	3,676	1,801
Investment tax credit - net	1,644	(47)
	46,527	26,326
Total income tax expense	$ 16,857	$ 13,579

*Includes $(95) related to the change in uncertain tax benefits for the year ended December 31, 2014. There was no change in uncertain tax benefits for the year ended December 31, 2013.

Components of deferred tax assets and deferred tax liabilities at December 31 were as follows:

	2014	2013
	(In thousands)	
Deferred tax assets:		
Accrued pension costs	$ 38,914	$ 26,146
Compensation-related	11,119	12,675
Customer advances	8,597	7,116
Other	3,357	3,974
Total deferred tax assets	61,987	49,911
Deferred tax liabilities:		
Depreciation and basis differences on property, plant and equipment	309,343	256,026
Other	545	3,125
Total deferred tax liabilities	309,888	259,151
Net regulatory matters deferred tax asset (liability)	(2,619)	6,797
Net deferred income tax liability	$ (250,520)	$ (202,443)

As of December 31, 2014 and 2013, no valuation allowance has been recorded associated with the previously identified deferred tax assets.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MDU Resources Group, Inc.	(1) X An Original (2) _ A Resubmission	12/31/2014	2014/Q4

NOTES TO FINANCIAL STATEMENTS (Continued)

The following table reconciles the change in the net deferred income tax liability from December 31, 2013, to December 31, 2014, to deferred income tax expense:

		2014
		(In thousands)
Change in net deferred income tax liability from the preceding table	$	48,077
Deferred taxes associated with other comprehensive loss		(285)
Other		(1,265)
Deferred income tax expense for the period	$	46,527

Total income tax expense (benefit) differs from the amount computed by applying the statutory federal income tax rate to income (loss) before taxes. The reasons for this difference were as follows:

Years ended December 31,		2014			2013	
		Amount	%		Amount	%
		(Dollars in thousands)				
Computed tax at federal statutory rate	$	22,754	35.0	$	21,596	35.0
Increases (reductions) resulting from:						
Federal renewable energy credit		(3,587)	(5.5)		(3,404)	(5.5)
AFUDC equity		(1,396)	(2.1)		(1,075)	(1.7)
Deductible K-Plan dividends		(1,091)	(1.7)		(866)	(1.4)
Nonqualified benefit plan		(1,013)	(1.6)		(3,504)	(5.7)
Resolution of tax matters and uncertain tax positions		(42)	(0.1)		—	—
Amortization and deferral of investment tax credit		(575)	(0.9)		(47)	(0.1)
State income taxes, net of federal income tax benefit		2,162	3.3		1,491	2.4
Other		(355)	(0.5)		(612)	(1.0)
Total income tax expense	$	16,857	25.9	$	13,579	22.0

The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction and various state and local jurisdictions. The Company is no longer subject to U.S. federal or state and local income tax examinations by tax authorities for years ending prior to 2007. The Company and the Internal Revenue Service have agreed to a settlement for the 2007 through 2009 tax years.

A reconciliation of the unrecognized tax benefits (excluding interest) for the years ended December 31 was as follows:

		2014		2013
		(In thousands)		
Balance at beginning of year	$	95	$	95
Additions for tax positions of prior years		—		—
Settlements		(95)		—
Balance at end of year	$	—	$	95

The amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate at December 31, 2013 was $116,000, including approximately $21,000 for the payment of interest and penalties.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) X An Original (2) _ A Resubmission	(Mo, Da, Yr) 12/31/2014	2014/Q4

NOTES TO FINANCIAL STATEMENTS (Continued)

For the years ended December 31, 2014 and 2013, the Company recognized approximately $70,000 and $8,000, respectively, in interest expense. Penalties were not material in 2014 and 2013. The Company recognized interest income of approximately $108,000 and $102,000 for the years ended December 31, 2014 and 2013, respectively. The Company had accrued assets of approximately $667,000 and $526,000 at December 31, 2014 and 2013, respectively, for the receipt of interest income.

Note 11 - Employee Benefit Plans
Pension and other postretirement benefit plans
The Company has noncontributory defined benefit pension plans and other postretirement benefit plans for certain eligible employees. The Company uses a measurement date of December 31 for all of its pension and postretirement benefit plans. Other postretirement plans presented here include certain of the Company's subsidiaries.

Defined pension plan benefits to all nonunion and certain union employees hired after December 31, 2005, were discontinued. In 2010, all benefit and service accruals for nonunion and certain union plans were frozen. Effective June 30, 2011, all benefit and service accruals for an additional union plan were frozen. These employees will be eligible to receive additional defined contribution plan benefits.

Effective January 1, 2010, eligibility to receive retiree medical benefits was modified at certain of the Company's businesses. Employees who had attained age 55 with 10 years of continuous service by December 31, 2010, will be provided the current retiree medical insurance benefits or can elect the new benefit, if desired, regardless of when they retire. All other current employees must meet the new eligibility criteria of age 60 and 10 years of continuous service at the time they retire. These employees will be eligible for a specified company funded Retiree Reimbursement Account. Employees hired after December 31, 2009, will not be eligible for retiree medical benefits.

In 2012, the Company modified health care coverage for certain retirees. Effective January 1, 2013, post-65 coverage was replaced by a fixed-dollar subsidy for retirees and spouses to be used to purchase individual insurance through an exchange.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MDU Resources Group, Inc.	(1) X An Original (2) _ A Resubmission	(Mo, Da, Yr) 12/31/2014	2014/Q4

NOTES TO FINANCIAL STATEMENTS (Continued)

Changes in benefit obligation and plan assets for the years ended December 31, 2014 and 2013, and amounts recognized in the Comparative Balance Sheet at December 31, 2014 and 2013, were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2014	2013	**2014**	2013
	(In thousands)			
Change in benefit obligation:				
Benefit obligation at beginning of year	$ **230,279**	$ 262,910	$ **43,206**	$ 49,593
Service cost	**—**	—	**787**	906
Interest cost	**10,056**	9,240	**1,862**	1,700
Plan participants' contributions	**—**	—	**817**	830
Actuarial (gain) loss	**45,308**	(24,667)	**10,155**	(5,998)
Benefits paid	**(16,060)**	(17,204)	**(3,824)**	(3,825)
Benefit obligation at end of year	**269,583**	230,279	**53,003**	43,206
Change in net plan assets:				
Fair value of plan assets at beginning of year	**190,935**	177,801	**48,661**	43,411
Actual gain on plan assets	**14,001**	20,324	**4,367**	7,944
Employer contribution	**12,202**	10,014	**103**	301
Plan participants' contributions	**—**	—	**817**	830
Benefits paid	**(16,060)**	(17,204)	**(3,824)**	(3,825)
Fair value of net plan assets at end of year	**201,078**	190,935	**50,124**	48,661
Funded status – (under) over	$ **(68,505)**	$ (39,344)	$ **(2,879)**	$ 5,455
Amounts recognized in the Comparative Balance Sheet at December 31:				
Other deferred debits (credits)	$ **(68,505)**	$ (39,344)	$ **(2,879)**	$ 5,455
Net amount recognized	$ **(68,505)**	$ (39,344)	$ **(2,879)**	$ 5,455
Amounts recognized in accumulated other comprehensive (income) loss/regulatory assets (liabilities) consist of:				
Actuarial loss	$ **114,805**	$ 74,036	$ **14,638**	$ 6,776
Prior service credit	**—**	—	**(11,156)**	(12,132)
Total	$ **114,805**	$ 74,036	$ **3,482**	$ (5,356)

Employer contributions and benefits paid in the preceding table include only those amounts contributed directly to, or paid directly from, plan assets. The above table includes amounts related to regulated operations, which are recorded as regulatory assets (liabilities) and are expected to be reflected in rates charged to customers over time. For more information on regulatory assets (liabilities), see Note 3.

Unrecognized pension actuarial losses in excess of 10 percent of the greater of the projected benefit obligation or the market-related value of assets are amortized on a straight-line basis over the expected average remaining service lives of active participants for non-frozen plans and over the average life expectancy of plan participants for frozen plans. The market-related value of assets is determined using a five-year average of assets.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MDU Resources Group, Inc.	(1) X An Original (2) _ A Resubmission	12/31/2014	2014/Q4

NOTES TO FINANCIAL STATEMENTS (Continued)

The pension plans all have accumulated benefit obligations in excess of plan assets. The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for these plans at December 31 were as follows:

	2014	2013
	(In thousands)	
Projected benefit obligation	$ 269,583	$ 230,279
Accumulated benefit obligation	$ 269,583	$ 230,279
Fair value of plan assets	$ 201,078	$ 190,935

Components of net periodic benefit cost for the Company's pension and other postretirement benefit plans for the years ended December 31 were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2014	2013	2014	2013
		(In thousands)		
Components of net periodic benefit cost (credit):				
Service cost	$ —	$ —	$ 787	$ 906
Interest cost	10,056	9,240	1,862	1,700
Expected return on assets	(12,177)	(11,438)	(2,603)	(2,546)
Amortization of prior service credit	—	—	(976)	(976)
Recognized net actuarial loss	2,716	4,028	529	961
Net periodic benefit cost (credit)	595	1,830	(401)	45
Other changes in plan assets and benefit obligations recognized in accumulated other comprehensive (income) loss/regulatory assets (liabilities):				
Net (gain) loss	43,485	(33,553)	8,391	(11,396)
Amortization of actuarial loss	(2,716)	(4,028)	(529)	(961)
Amortization of prior service credit	—	—	976	976
Total recognized in accumulated other comprehensive (income) loss/regulatory assets (liabilities)	40,769	(37,581)	8,838	(11,381)
Total recognized in net periodic benefit cost and accumulated other comprehensive (income) loss/regulatory assets (liabilities)	$ 41,364	$ (35,751)	$ 8,437	$ (11,336)

The estimated net loss for the defined benefit pension plans that will be amortized from accumulated other comprehensive loss or regulatory asset(liability), as applicable, into net periodic benefit cost in 2015 is $4.0 million. The estimated net loss and prior service credit for the other postretirement benefit plans that will be amortized from accumulated other comprehensive loss or regulatory asset(liability), as applicable, into net periodic benefit cost in 2015 are $1.4 million and $1.2 million, respectively. Prior service cost is amortized on a straight line basis over the average remaining service period of active participants.

Weighted average assumptions used to determine benefit obligations at December 31 were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2014	2013	2014	2013
Discount rate	3.68 %	4.50%	3.73 %	4.49%
Expected return on plan assets	7.00 %	7.00%	6.00 %	6.00%

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MDU Resources Group, Inc.	(1) X An Original (2) _ A Resubmission	12/31/2014	2014/Q4

NOTES TO FINANCIAL STATEMENTS (Continued)

Weighted average assumptions used to determine net periodic benefit cost for the years ended December 31 were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2014	2013	**2014**	2013
Discount rate	**4.51 %**	3.62%	**4.49%**	3.65%
Expected return on plan assets	**7.00 %**	7.00%	**6.00%**	6.00%

The expected rate of return on pension plan assets is based on a targeted asset allocation range determined by the funded ratio of the plan. As of December 31, 2014, the expected rate of return on pension plan assets is based on the targeted asset allocation range of 40 percent to 50 percent equity securities and 50 percent to 60 percent fixed-income securities and the expected rate of return from these asset categories. The expected rate of return on other postretirement plan assets is based on the targeted asset allocation range of 65 percent to 75 percent equity securities and 25 percent to 35 percent fixed-income securities and the expected rate of return from these asset categories. The expected return on plan assets for other postretirement benefits reflects insurance-related investment costs.

Health care rate assumptions for the Company's other postretirement benefit plans as of December 31 were as follows:

	2014	2013
Health care trend rate assumed for next year	**4.0 %**	6.0 %
Health care cost trend rate - ultimate	**6.0 %**	6.0 %
Year in which ultimate trend rate achieved	**1999**	1999

The Company's other postretirement benefit plans include health care and life insurance benefits for certain retirees. The plans underlying these benefits may require contributions by the retiree depending on such retiree's age and years of service at retirement or the date of retirement. The accounting for the health care plans anticipates future cost-sharing changes that are consistent with the Company's expressed intent to generally increase retiree contributions each year by the excess of the expected health care cost trend rate over six percent.

Assumed health care cost trend rates may have a significant effect on the amounts reported for the health care plans. A one percentage point change in the assumed health care cost trend rates would have had the following effects at December 31, 2014:

	1 Percentage Point Increase	1 Percentage Point Decrease
	(In thousands)	
Effect on total of service and interest cost components	$ 55	$ (49)
Effect on postretirement benefit obligation	$ 1,263	$ (1,125)

The Company's pension assets are managed by 15 outside investment managers. The Company's other postretirement assets are managed by one outside investment manager. The Company's investment policy with respect to pension and other postretirement assets is to make investments solely in the interest of the participants and beneficiaries of the plans and for the exclusive purpose of providing benefits accrued and defraying the reasonable expenses of administration. The Company strives to maintain investment diversification to assist in minimizing the risk of large losses. The Company's policy guidelines allow for investment of funds in cash equivalents, fixed-income securities and equity securities. The guidelines prohibit investment in commodities and futures contracts, equity private placement, employer securities, leveraged or derivative securities, options, direct real estate investments, precious metals, venture capital and limited partnerships. The guidelines also prohibit short selling and margin transactions. The Company's practice is to periodically review and rebalance asset categories based on its targeted asset allocation percentage policy.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. The ASC establishes a hierarchy for grouping assets and liabilities, based on the significance of inputs.

The estimated fair values of the Company's pension plans' assets are determined using the market approach.

The carrying value of the pension plans' Level 2 cash equivalents approximates fair value and is determined using observable inputs in active markets or the net asset value of shares held at year end, which is determined using other observable inputs including pricing from outside sources. Units of this fund can be redeemed on a daily basis at their net asset value and have no redemption restrictions. The assets are invested in high quality, short-term instruments of domestic and foreign issuers. There are no unfunded commitments related to this fund.

The estimated fair value of the pension plans' Level 1 equity securities is based on the closing price reported on the active market on which the individual securities are traded.

The estimated fair value of the pension plans' Level 1 and Level 2 collective and mutual funds are based on the net asset value of shares held at year end, based on either published market quotations on active markets or other known sources including pricing from outside sources. Units of these funds can be redeemed on a daily basis at their net asset value and have no redemption restrictions. There are no unfunded commitments related to these funds.

The estimated fair value of the pension plans' Level 2 corporate and municipal bonds is determined using other observable inputs, including benchmark yields, reported trades, broker/dealer quotes, bids, offers, future cash flows and other reference data.

The estimated fair value of the pension plans' Level 1 U.S. Government securities are valued based on quoted prices on an active market.

The estimated fair value of the pension plans' Level 2 U.S. Government securities are valued mainly using other observable inputs, including benchmark yields, reported trades, broker/dealer quotes, bids, offers, to be announced prices, future cash flows and other reference data. Some of these securities are valued using pricing from outside sources.

Though the Company believes the methods used to estimate fair value are consistent with those used by other market participants, the use of other methods or assumptions could result in a different estimate of fair value. For the years ended December 31, 2014 and 2013, there were no transfers between Levels 1 and 2.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MDU Resources Group, Inc.	(1) X An Original (2) _ A Resubmission	12/31/2014	2014/Q4

NOTES TO FINANCIAL STATEMENTS (Continued)

The fair value of the Company's pension plans' assets (excluding cash) by class were as follows:

	Fair Value Measurements at December 31, 2014, Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2014
		(In thousands)		
Assets:				
Cash equivalents	$ —	$ 3,195	$ —	$ 3,195
Equity securities:				
U.S. companies	22,174	—	—	22,174
International companies	2,945	—	—	2,945
Collective and mutual funds *	75,130	43,947	—	119,077
Corporate bonds	—	33,746	—	33,746
Municipal bonds	—	5,936	—	5,936
U.S. Government securities	8,512	3,887	—	12,399
Total assets measured at fair value	$ 108,761	$ 90,711	$ —	$ 199,472

*Collective and mutual funds invest approximately 13 percent in common stock of large-cap U.S. companies, 13 percent in U.S. Government securities, 23 percent in corporate bonds, 33 percent in common stock of international companies and 18 percent in other investments.

	Fair Value Measurements at December 31, 2013, Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2013
		(In thousands)		
Assets:				
Cash equivalents	$ 1,454	$ 5,364	$ —	$ 6,818
Equity securities:				
U.S. companies	35,696	—	—	35,696
International companies	22,488	—	—	22,488
Collective and mutual funds *	66,296	24,225	—	90,521
Corporate bonds	—	24,360	—	24,360
Municipal bonds	—	4,311	—	4,311
U.S. Government securities	4,269	2,472	—	6,741
Total assets measured at fair value	$ 130,203	$ 60,732	$ —	$ 190,935

*Collective and mutual funds invest approximately 11 percent in common stock of mid-cap U.S. companies, 19 percent in common stock of large-cap U.S. companies, 12 percent in U.S. Government securities, 27 percent in corporate bonds, 13 percent in common stock of international companies and 18 percent in other investments.

The estimated fair values of the Company's other postretirement benefit plans' assets are determined using the market approach.

The estimated fair value of the other postretirement benefit plans' Level 2 cash equivalents is valued at the net asset value of shares held at year end, based on published market quotations on active markets, or using other known sources including pricing from outside sources. Units of this fund can be redeemed on a daily basis at their net asset value and have no redemption restrictions. The assets are invested in high-quality, short-term money market instruments that consist of municipal obligations.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MDU Resources Group, Inc.	(1) X An Original (2) _ A Resubmission	12/31/2014	2014/Q4

NOTES TO FINANCIAL STATEMENTS (Continued)

There are no unfunded commitments related to this fund.

The estimated fair value of the other postretirement benefit plans' Level 1 equity securities is based on the closing price reported on the active market on which the individual securities are traded.

The estimated fair value of the other postretirement benefit plans' Level 2 insurance contract is based on contractual cash surrender values that are determined primarily by investments in managed separate accounts of the insurer. These amounts approximate fair value. The managed separate accounts are valued based on other observable inputs or corroborated market data.

Though the Company believes the methods used to estimate fair value are consistent with those used by other market participants, the use of other methods or assumptions could result in a different estimate of fair value. For the years ended December 31, 2014 and 2013, there were no transfers between Levels 1 and 2.

The fair value of the Company's other postretirement benefit plans' assets (excluding cash) by asset class were as follows:

	Fair Value Measurements at December 31, 2014, Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2014
	(In thousands)			
Assets:				
Cash equivalents	$ —	$ 1,178	$ —	$ 1,178
Equity securities:				
U.S. companies	1,054	—	—	1,054
Insurance contract*	—	47,892	—	47,892
Total assets measured at fair value	$ 1,054	$ 49,070	$ —	$ 50,124

* The insurance contract invests approximately 54 percent in common stock of large-cap U.S. companies, 11 percent in U.S. Government securities, 10 percent in mortgage-backed securities, 10 percent in corporate bonds and 15 percent in other investments.

	Fair Value Measurements at December 31, 2013, Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2013
	(In thousands)			
Assets:				
Cash equivalents	$ 444	$ 756	$ —	$ 1,200
Equity securities:				
U.S. companies	1,060	—	—	1,060
Insurance contract*	—	46,401	—	46,401
Total assets measured at fair value	$ 1,504	$ 47,157	$ —	$ 48,661

* The insurance contract invests approximately 55 percent in common stock of large-cap U.S. companies, 12 percent in U.S. Government securities, 8 percent in mortgage-backed securities, 8 percent in common stock of mid-cap U.S. companies, 9 percent in corporate bonds, and 8 percent in other investments.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MDU Resources Group, Inc.	(1) X An Original (2) _ A Resubmission	12/31/2014	2014/Q4

NOTES TO FINANCIAL STATEMENTS (Continued)

The Company expects to contribute approximately $2.2 million to its defined benefit pension plans in 2015. The Company does not expect to contribute to its postretirement benefit plans in 2015.

The following benefit payments, which reflect future service, as appropriate, and expected Medicare Part D subsidies are as follows:

Years	Pension Benefits	Other Postretirement Benefits	Expected Medicare Part D Subsidy
		(In thousands)	
2015	$ 14,152	$ 2,768	$ 173
2016	14,280	2,755	169
2017	14,476	2,794	164
2018	14,708	2,842	159
2019	14,949	2,850	154
2020 – 2024	77,548	14,304	664

Nonqualified benefit plans

In addition to the qualified plan defined pension benefits reflected in the table at the beginning of this note, the Company also has unfunded, nonqualified benefit plans for executive officers and certain key management employees that generally provide for defined benefit payments at age 65 following the employee's retirement or to their beneficiaries upon death for a 15-year period. The Company's net periodic benefit cost for these plans was $3.7 million and $4.1 million in 2014 and 2013, respectively. The total projected benefit obligation for these plans was $66.5 million and $61.9 million at December 31, 2014 and 2013, respectively. The accumulated benefit obligation for these plans was $61.6 million and $57.2 million at December 31, 2014 and 2013, respectively. A weighted average discount rate of 3.50 percent and 4.32 percent at December 31, 2014 and 2013, respectively, and a rate of compensation increase of 4.00 percent and 4.00 percent at December 31, 2014 and 2013, respectively, were used to determine benefit obligations. A discount rate of 4.32 percent and 3.45 percent for the years ended December 31, 2014 and 2013, respectively, and a rate of compensation increase of 4.00 percent and 3.00 percent for the years ended December 31, 2014 and 2013, respectively, were used to determine net periodic benefit cost.

The amount of benefit payments for the unfunded, nonqualified benefit plans are expected to aggregate $3.8 million in 2015; $3.6 million in 2016; $3.8 million in 2017; $4.0 million in 2018, $4.2 million in 2019 and $22.0 million for the years 2020 through 2024.

In 2012, the Company established a nonqualified defined contribution plan for certain key management employees. Expenses incurred under this plan for 2014 and 2013 were $17,000 and $5,000, respectively.

The Company had investments of $62.1 million and $60.4 million at December 31, 2014 and 2013, respectively, consisting of equity securities of $36.6 million and $35.6 million, respectively, life insurance carried on plan participants (payable upon the employee's death) of $18.6 million and $17.8 million, respectively, and other investments of $6.8 million and $7.0 million, respectively. The Company anticipates using these investments to satisfy obligations under these plans.

Defined contribution plans

The Company sponsors various defined contribution plans for eligible employees, and costs incurred under these plans were $10.5 million in 2014 and $11.1 million in 2013.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MDU Resources Group, Inc.	(1) X An Original (2) _ A Resubmission	12/31/2014	2014/Q4

NOTES TO FINANCIAL STATEMENTS (Continued)

Note 12 - Jointly Owned Facilities

The financial statements include the Company's ownership interests in the assets, liabilities and expenses of the Big Stone Station, Coyote Station and Wygen III. Each owner of the stations is responsible for financing its investment in the jointly owned facilities.

The Company's share of the stations' operating expenses was reflected in the appropriate categories of operating expenses (fuel, operation and maintenance, and taxes, other than income) in the Statement of Income.

At December 31, the Company's share of the cost of utility plant in service and related accumulated depreciation for the stations was as follows:

	2014	2013
	(In thousands)	
Big Stone Station:		
Utility plant in service	$ 64,283	$ 63,890
Less accumulated depreciation	43,043	41,323
	$ 21,240	$ 22,567
Coyote Station:		
Utility plant in service	$ 138,810	$ 138,261
Less accumulated depreciation	94,443	89,528
	$ 44,367	$ 48,733
Wygen III:		
Utility plant in service	$ 65,597	$ 64,332
Less accumulated depreciation	5,928	4,639
	$ 59,669	$ 59,693

Note 13 - Regulatory Matters and Revenues Subject to Refund

On August 11, 2014, Montana-Dakota filed an application with the MTPSC for a natural gas rate increase. Montana-Dakota requested a total increase of approximately $3.0 million annually or approximately 3.6 percent above current rates. The requested increase includes the costs associated with the increased investment in facilities, including ongoing investment in new and replacement distribution facilities, depreciation and taxes associated with the increased investment as well as an increase in Montana-Dakota's operation and maintenance expenses. On February 3, 2015, the MTPSC approved an interim increase of $2.0 million or approximately 2.3 percent, subject to refund, to be effective with service rendered on and after February 6, 2015. A Stipulation Agreement covering all issues in the rate case was reached between the Company and the Montana Consumer Counsel and submitted to the MTPSC on March 18, 2015. If approved, the Stipulation will result in an annual increase in revenues of $2.5 million or approximately 2.99 percent. This is an increase of approximately $514,000 over the interim increase authorized in February of 2015. An amended Stipulation reflecting minor changes in rate design was submitted on March 25, 2015. A decision is pending with the MTPSC.

On October 3, 2014, Montana-Dakota filed an application with the WYPSC for a natural gas rate increase. Montana-Dakota requested a total increase of approximately $788,000 annually or approximately 4.1 percent above current rates. The requested increase includes the costs associated with the increased investment in facilities, including ongoing investment in new and replacement distribution facilities and the associated operation and maintenance expenses, depreciation and taxes associated with the increase in investment. The WYPSC has scheduled a hearing for this matter on May 19, 2015.

On November 14, 2014, Montana-Dakota filed an application with the NDPSC for approval to implement the rate adjustment associated with the electric generation resource recovery rider approved by the NDPSC on August 20, 2014. On January 7, 2015, the NDPSC approved the rate adjustments of $5.3 million annually to be effective with service rendered on and after January 9, 2015.

On December 22, 2014, Montana-Dakota filed an application for advance determination of prudence and a certificate of public convenience and necessity with the NDPSC for the Thunder Spirit Wind project. This project will provide energy, capacity and renewable energy credits to Montana-Dakota's electric customers in North Dakota, Montana and South Dakota. The NDPSC has scheduled a hearing for this matter on May 14, 2015.

On February 6, 2015, Montana-Dakota filed an application with the NDPSC for a natural gas rate increase. Montana-Dakota requested a total increase of approximately $4.3 million annually or approximately 3.4 percent above current rates. The requested increase includes the costs associated with the increased investment in facilities, including ongoing investment in new and replacement distribution facilities, depreciation and taxes associated with the increased investment as well as an increase in Montana-Dakota's operation and maintenance expenses. Montana-Dakota requested an interim increase of $4.3 million or 3.4 percent, subject to refund. On March 11, 2015 the Commission issued an Order approving interim rates to increase annual revenues by $4.3 million to be effective with service rendered on an after April 7, 2015. The NDPSC also scheduled public input sessions to be held at six locations in Montana-Dakota's North Dakota service territory on April 13-14, 2015. A technical hearing has been scheduled for July 20-21, 2015.

Note 14 - Commitments and Contingencies

Claims and Litigation

The Company is party to claims and lawsuits arising out of its business. The Company accrues a liability for those contingencies when the incurrence of a loss is probable and the amount can be reasonably estimated. If a range of amounts can be reasonably estimated and no amount within the range is a better estimate than any other amount, then the minimum of the range is accrued. The Company does not accrue liabilities when the likelihood that the liability has been incurred is probable but the amount cannot be reasonably estimated or when the liability is believed to be only reasonably possible or remote. For contingencies where an unfavorable outcome is probable or reasonably possible and which are material, the Company discloses the nature of the contingency and, in some circumstances, an estimate of the possible loss. The Company had accrued liabilities of $3.7 million and $1.4 million for contingencies related to litigation as of December 31, 2014 and 2013, respectively.

Operating leases

The Company leases certain equipment, facilities and land under operating lease agreements. The amounts of annual minimum lease payments due under these leases as of December 31, 2014, were $3.9 million in 2015, $3.7 million in 2016, $2.7 million in 2017, $1.9 million in 2018, $1.0 million in 2019 and $19.8 million thereafter. Rent expense was $4.2 million and $3.3 million for the years ended December 31, 2014 and 2013, respectively.

Purchase commitments

The Company has entered into various commitments, largely natural gas and coal supply, purchased power, and natural gas transportation and storage contracts, some of which are subject to variability in volume and price, and a purchase agreement of electric wind generation. These commitments range from one to 10 years. The commitments under these contracts as of December 31, 2014, were $294.2 million in 2015, $77.9 million in 2016, $37.3 million in 2017, $15.9 million in 2018, $12.5 million in 2019 and $55.2 million thereafter. These commitments were not reflected in the Company's financial statements. Amounts purchased under various commitments for the years ended December 31, 2014 and 2013, were $344.7 million and $305.9 million, respectively.

Company Name: **Montana-Dakota Utilities Co.** **SCHEDULE 19**

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED) Year: 2014

	Account Number & Title		Last Year	This Year	% Change
1					
2		**Intangible Plant**			
4	301	Organization			
5	302	Franchises & Consents			
6	303	Miscellaneous Intangible Plant	$6,866,423	$4,879,903	-28.93%
7					
8		**Total Intangible Plant**	$6,866,423	$4,879,903	-28.93%
9					
10		**Production Plant**			
12	**Steam Production**				
14	310	Land & Land Rights	$235,751	$228,478	-3.09%
15	311	Structures & Improvements	15,811,839	15,662,396	-0.95%
16	312	Boiler Plant Equipment	41,786,584	40,902,746	-2.12%
17	313	Engines & Engine Driven Generators			
18	314	Turbogenerator Units	12,723,936	12,330,675	-3.09%
19	315	Accessory Electric Equipment	3,722,452	3,624,153	-2.64%
20	316	Miscellaneous Power Plant Equipment	3,954,962	3,945,484	-0.24%
21					
22		**Total Steam Production Plant**	$78,235,524	$76,693,932	-1.97%
23					
24	**Nuclear Production**				
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**				
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**			

Company Name: Montana-Dakota Utilities Co.

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 2014

	Account Number & Title		Last Year	This Year	% Change
1					
2		**Production Plant (cont.)**			
4	**Other Production**				
6	340	Land & Land Rights	$15,398	$14,923	-3.08%
7	341	Structures & Improvements	1,833,498	1,770,781	-3.42%
8	342	Fuel Holders, Producers & Accessories	629,579	610,510	-3.03%
9	343	Prime Movers			
10	344	Generators	33,104,620	43,697,607	32.00%
11	345	Accessory Electric Equipment	4,232,581	4,061,922	-4.03%
12	346	Miscellaneous Power Plant Equipment	68,849	301,101	337.34%
13					
14		**Total Other Production Plant**	$39,884,525	$50,456,844	26.51%
15					
16		**Total Production Plant**	$118,120,049	$127,150,776	7.65%
17					
18		**Transmission Plant**			
20	350	Land & Land Rights	$749,085	$710,516	-5.15%
21	352	Structures & Improvements	414	401	-3.14%
22	353	Station Equipment	19,947,924	21,171,104	6.13%
23	354	Towers & Fixtures	1,097,537	1,063,806	-3.07%
24	355	Poles & Fixtures	8,570,152	10,423,536	21.63%
25	356	Overhead Conductors & Devices	6,591,662	6,937,752	5.25%
26	357	Underground Conduit	279,590	272,041	-2.70%
27	358	Underground Conductors & Devices	534,030	517,555	-3.09%
28	359	Roads & Trails			
29					
30		**Total Transmission Plant**	$37,770,394	$41,096,711	8.81%
31					
32		**Distribution Plant**			
34	360	Land & Land Rights	$276,027	$276,027	0.00%
35	361	Structures & Improvements			
36	362	Station Equipment	8,271,913	9,212,156	11.37%
37	363	Storage Battery Equipment			
38	364	Poles, Towers & Fixtures	7,521,432	8,021,462	6.65%
39	365	Overhead Conductors & Devices	5,767,465	6,027,749	4.51%
40	366	Underground Conduit	12,967	12,967	0.00%
41	367	Underground Conductors & Devices	9,370,611	10,175,304	8.59%
42	368	Line Transformers	11,277,304	12,011,543	6.51%
43	369	Services	5,270,486	5,585,736	5.98%
44	370	Meters	3,303,743	3,158,959	-4.38%
45	371	Installations on Customers' Premises	920,724	959,551	4.22%
46	372	Leased Property on Customers' Premises			
47	373	Street Lighting & Signal Systems	1,730,902	1,920,305	10.94%
48					
49		**Total Distribution Plant**	$53,723,574	$57,361,759	6.77%

Company Name: Montana-Dakota Utilities Co.

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 2014

	Account Number & Title		Last Year	This Year	% Change
1					
2		**General Plant**			
4	389	Land & Land Rights	$2,057	$2,054	-0.15%
5	390	Structures & Improvements	135,830	135,830	0.00%
6	391	Office Furniture & Equipment	103,607	116,541	12.48%
7	392	Transportation Equipment	1,362,737	1,594,458	17.00%
8	393	Stores Equipment			
9	394	Tools, Shop & Garage Equipment	694,018	774,753	11.63%
10	395	Laboratory Equipment	27,361	27,099	-0.96%
11	396	Power Operated Equipment	2,597,852	3,196,452	23.04%
12	397	Communication Equipment	591,444	596,036	0.78%
13	398	Miscellaneous Equipment	11,919	11,222	-5.85%
14	399	Other Tangible Property			
15					
16		**Total General Plant**	$5,526,825	$6,454,445	16.78%
17					
18		**Common Plant**			
20	389	Land & Land Rights	$156,632	$152,071	-2.91%
21	390	Structures & Improvements	3,721,814	3,587,482	-3.61%
22	391	Office Furniture & Equipment	795,981	673,898	-15.34%
23	392	Transportation Equipment	1,342,629	1,452,257	8.17%
24	393	Stores Equipment	10,886	32,676	200.17%
25	394	Tools, Shop & Garage Equipment	97,162	77,558	-20.18%
26	395	Laboratory Equipment			
27	396	Power Operated Equipment			
28	397	Communication Equipment	400,818	401,982	0.29%
29	398	Miscellaneous Equipment	150,764	133,923	-11.17%
30	399	Other Tangible Property			
31					
32		**Total Common Plant**	$6,676,686	$6,511,847	-2.47%
34					
35		**Total Electric Plant in Service**	$228,683,951	$243,455,441	6.46%

MONTANA DEPRECIATION SUMMARY

Year: 2014

	Functional Plant Classification	Plant Cost	Accumulated Depreciation Last Year Bal.	Accumulated Depreciation This Year Bal.	Current Avg. Rate
1					
2	Steam Production 1/	$79,332,572	$61,679,188	$62,250,856	3.35%
3	Nuclear Production				
4	Hydraulic Production				
5	Other Production	50,456,844	9,366,846	10,853,147	3.57%
6	Transmission	41,096,711	19,714,839	19,979,921	1.32%
7	Distribution	57,361,759	25,437,481	25,631,237	2.12%
8	General	7,153,047	3,890,018	2,923,451	2.95%
9	Common	10,693,149	5,542,604	4,883,196	4.41%
10	**Total**	$246,094,082	$125,630,976	$126,521,808	2.80%

MONTANA MATERIALS & SUPPLIES (ASSIGNED & ALLOCATED)

SCHEDULE 21

	Account	Last Year Bal.	This Year Bal.	%Change
1				
2	151 Fuel Stock	$1,328,152	$1,188,630	-10.50%
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)	599,172	579,444	-3.29%
9	Transmission Plant (Estimated)	724,156	1,119,515	54.60%
10	Distribution Plant (Estimated)	1,077,266	1,813,167	68.31%
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	**Total Materials & Supplies**	$3,728,746	$4,700,756	26.07%

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	Actual at Year End				
11					
12	Common Equity		52.268%	10.250%	5.357%
13	Preferred Stock		1.513%	4.581%	0.069%
14	Long Term Debt		42.552%	6.092%	2.592%
15	Short Term Debt		3.667%	1.213%	0.044%
16	**TOTAL**		100.000%		8.062%

1/ Includes deferred AFUDC, depreciation and interest on Coyote and acquisition adjustment.

STATEMENT OF CASH FLOWS

Year: 2014

	Description	Last Year	This Year	% Change
1	Increase/(decrease) in Cash & Cash Equivalents:			
2				
3	**Cash Flows from Operating Activities:**			
4	Net Income	$278,932,594	$298,233,207	6.92%
5	Depreciation	46,494,481	50,868,964	9.41%
6	Amortization	907,752	959,546	5.71%
7	Deferred Income Taxes - Net	26,373,104	44,882,940	70.18%
8	Investment Tax Credit Adjustments - Net	(46,505)	1,644,404	3635.97%
9	Change in Operating Receivables - Net	(34,739,156)	(4,803,307)	86.17%
10	Change in Materials, Supplies & Inventories - Net	12,157,212	(5,254,186)	-143.22%
11	Change in Operating Payables & Accrued Liabilities - Net	10,683,423	(27,251,210)	-355.08%
12	Change in Other Regulatory Assets	415,753	624,366	50.18%
13	Change in Other Regulatory Liabilities	585,554	1,817,778	210.44%
14	Allowance for Other Funds Used During Construction (AFUDC)	(3,071,017)	(3,987,830)	-29.85%
15	Change in Other Assets & Liabilities - Net	(4,961,481)	(4,884,624)	1.55%
16	Less Undistributed Earnings from Subsidiary Companies	(126,450,415)	(143,867,156)	-13.77%
17	Other Operating Activities (explained on attached page)			
18	**Net Cash Provided by/(Used in) Operating Activities**	$207,281,299	$208,982,892	0.82%
19				
20	**Cash Inflows/Outflows From Investment Activities:**			
21	Construction/Acquisition of Property, Plant and Equipment			
22	(net of AFUDC & Capital Lease Related Acquisitions)	($209,636,993)	($223,054,981)	-6.40%
23	Acquisition of Other Noncurrent Assets	612,311	(794,083)	-229.69%
24	Proceeds from Disposal of Noncurrent Assets			
25	Investments In and Advances to Affiliates			
26	Contributions and Advances from Affiliates	8,983,924	(69,951,142)	-878.63%
27	Disposition of Investments in and Advances to Affiliates			
28	Other Investing Activities: Depreciation & RWIP on Nonutility Plant	226,482	581,770	156.87%
29	**Net Cash Provided by/(Used in) Investing Activities**	($199,814,276)	($293,218,436)	-46.75%
30				
31	**Cash Flows from Financing Activities:**			
32	Proceeds from Issuance of:			
33	Long-Term Debt	$77,924,000	$147,535,274	
34	Preferred Stock			
35	Common Stock	14,554,486	150,060,230	931.02%
36	Other:			
37	Net Increase in Short-Term Debt			
38	Other: Excess Tax Beneit on Stock-Based Compensation	0	3,325,550	
39	Other: Tax Withholding on Stock-Based Compensation	0	(3,895,855)	
40	Payment for Retirement of:			
41	Long-Term Debt	(85,480)	(75,008,465)	-87649.73%
42	Preferred Stock			
43	Common Stock			
44	Other: Adjustment to Retained Earnings			
45	Net Decrease in Short-Term Debt			
46	Dividends on Preferred Stock	(685,003)	(685,003)	0.00%
47	Dividends on Common Stock	(97,719,376)	(136,026,948)	-39.20%
48	Other Financing Activities (related to IGC acquisition)			
49	**Net Cash Provided by (Used in) Financing Activities**	($6,011,373)	$85,304,783	1519.06%
50				
51	**Net Increase/(Decrease) in Cash and Cash Equivalents**	$1,455,650	$1,069,239	-26.55%
52	**Cash and Cash Equivalents at Beginning of Year**	$3,595,538	$5,051,188	40.48%
53	**Cash and Cash Equivalents at End of Year**	$5,051,188	$6,120,427	21.17%

LONG TERM DEBT Year: 2014

	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	$24,414,405	$25,000,000	6.61%	$1,780,000	7.12%
2	6.66% Senior Notes	10/09	09/16	25,000,000	$24,414,405	25,000,000	6.66%	1,793,000	7.17%
3	5.98% Senior Notes	12/03	12/33	30,000,000	29,375,535	30,000,000	5.98%	1,863,000	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	5.18% Senior Notes	04/14	04/44	50,000,000	49,760,822	50,000,000	5.18%	2,640,000	5.28%
7	4.24% Senior Notes	07/14	07/24	60,000,000	59,710,087	60,000,000	4.24%	2,607,600	4.35%
8	4.34% Senior Notes	07/14	07/26	40,000,000	39,804,309	40,000,000	4.34%	1,776,000	4.44%
9	Minot Air Force Base Payable					464,906	6.00%	27,894	6.00%
10	Amortization of Loss on Reaquired Debt							43,469	
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
26	**TOTAL**			$430,000,000	$416,241,061	$430,464,906		$26,225,963	6.09%

1/ Yield to maturity based upon the life, net proceeds and semiannual compunding of stated interest rate.

PREFERRED STOCK

Year: 2014

	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	5.28%	308,600	16,310	5.28%
4										
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30										
31										
32	**TOTAL**					$19,947,548		$15,308,600	$701,310	4.58%

1/ Plus accrued dividends

2/ Per GAAP, classified as long-term debt

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 26**

COMMON STOCK

Year: 2014

		Avg. Number of Shares Outstanding 1/	Book Value Per Share	Earnings Per Share 2/	Dividends Per Share	Retention Ratio	Market Price High	Market Price Low	Price/ Earnings Ratio 3/
1	January								
2									
3	February								
4									
5	March	189,820,402	$15.34	$0.30	$0.1775	40.83%	$35.10	$29.62	23.3
6									
7	April								
8									
9	May								
10									
11	June	192,059,721	15.75	0.28	0.1775	36.61%	36.05	32.45	23.4
12									
13	July								
14									
15	August								
16									
17	September	193,949,058	16.20	0.53	0.1775	66.51%	35.41	27.35	17.5
18									
19	October								
20									
21	November								
22									
23	December	194,136,087	16.66	0.43	0.1825	57.56%	28.51	21.33	15.2
24									
30	TOTAL Year End	194,136,087	$16.66	$1.54	$0.7150	53.57%			

1/ Basic shares
2/ Basic earnings per share.
3/ Calculated on 12 months ended using closing stock price.

Company Name: Montana-Dakota Utilities Co. SCHEDULE 27

MONTANA EARNED RATE OF RETURN Year: 2014

	Description	Last Year	This Year	% Change
	Rate Base			
1				
2	101 Plant in Service 1/	$229,161,232	$243,764,270	6.37%
3	108 (Less) Accumulated Depreciation 2/	123,229,738	124,191,996	0.78%
4				
5	**Net Plant in Service**	$105,931,494	$119,572,274	12.88%
6				
7	Additions			
8	151 Fuel Stocks	$1,328,152	$1,188,630	-10.50%
9	154, 156 Materials & Supplies	2,400,594	3,512,126	46.30%
10	165 Prepayments	38,535	42,333	9.86%
11	189 Unamortized Loss on Debt	948,172	838,100	-11.61%
12	254 Other Regulatory Liability	(130,208)	(113,224)	13.04%
	Provision for Pension & Benefits 5/	2,871,320	3,893,229	35.59%
	Provision for Injuries & Damages 5/	(39,807)	61,559	254.64%
13				
14	**Total Additions**	$7,416,758	$9,422,753	27.05%
15	Deductions			
16	282 Accumulated Deferred Income Taxes	$29,333,826	$33,376,846	13.78%
17	252 Customer Advances for Construction	1,270,254	1,365,004	7.46%
18	255 Accumulated Def. Investment Tax Credits	0	0	0.00%
19	Other Deductions			
	DIT Related to Pension 5/	1,389,715	1,573,157	13.20%
	DIT Related to Injuries & Damages 5/	(15,127)	23,393	254.64%
20				
21	**Total Deductions**	$31,978,668	$36,338,400	13.63%
22	**Total Rate Base**	$81,369,584	$92,656,627	13.87%
23				
24	**Net Earnings**	$7,330,884	$7,183,944	-2.00%
25				
26	**Rate of Return on Average Rate Base**	9.24%	8.26%	-10.61%
27				
28	**Rate of Return on Average Equity**	13.14%	10.89%	-17.12%
29	Major Normalizing Adjustments & Commission			
30	Ratemaking Adjustments to Utility Operations			
31	Adjustments to Operating Revenues 3/			
32	Gain from Disposition of Property 4/	14,801	14,697	-0.70%
33				
34	Adjustments to Operating Expenses 3/			
35	Elimination of Promotional & Institutional Advertising	(5,792)	(10,407)	-79.68%
36				
37	Other Adjustments to Federal & State Income Taxes			
38	Federal & State Out of Period & Closing/Filing	484,104	(111,226)	-122.98%
39	Deferred Federal & State Out of Period & Closing/Filing	(285,838)	53,906	118.86%
40	Total Adjustments to Operating Income	($177,673)	$82,424	-146.39%
41				
42	**Adjusted Rate of Return on Average Rate Base**	9.02%	8.35%	-7.43%
43				
44	**Adjusted Rate of Return on Average Equity**	12.70%	11.06%	-12.91%

1/ Excludes Acquisition Adjustment of $2,403,977 for 2013 and $2,329,813 for 2014.
2/ Excludes Acquisition Adjustment of $2,401,238 for 2013 and $2,329,813 for 2014.
3/ Updated amounts, net of taxes.
4/ Amortized over 5 years.
5/ 2013 restated to reflect Provisions for Pensions & Benefits and Injuries & Damages.

MONTANA COMPOSITE STATISTICS

Year: 2014

		Description	Amount
1			
2		Plant (Intrastate Only) (000 Omitted)	
3			
4	101	Plant in Service	$229,943
5	107	Construction Work in Progress	7,433
6	114	Plant Acquisition Adjustments	
7	105	Plant Held for Future Use	
8	154, 156	Materials & Supplies	3,512
9		(Less):	
10	108, 111	Depreciation & Amortization Reserves	124,192
11	252	Contributions in Aid of Construction	1,365
12			
13		**NET BOOK COSTS**	$115,331
14			
15		Revenues & Expenses (000 Omitted)	
16			
17	400	Operating Revenues	$58,194
18			
19	403 - 407	Depreciation & Amortization Expenses	$6,901
20		Federal & State Income Taxes	1,902
21		Other Taxes	4,080
22		Other Operating Expenses	38,127
23		Total Operating Expenses	$51,010
24			
25		Net Operating Income	$7,184
26			
27		Other Income	1,519
28		Other Deductions	2,234
29			
30		**NET INCOME**	$6,469
31			
32		Customers (Intrastate Only)	
33			
34		Year End Average:	
35		Residential	19,660
36		Small General	5,515
37		Large General	249
38		Other	138
39			
40		**TOTAL NUMBER OF CUSTOMERS**	25,562
41			
42		Other Statistics (Intrastate Only)	
43			
44		Average Annual Residential Use (Kwh))	9,931
45		Average Annual Residential Cost per (Kwh) (Cents) * 1/	$0.088
46		* Avg annual cost = [(cost per Kwh x annual use) +	
47		(mo. svc chrg x 12)]/annual use	
48		Average Residential Monthly Bill	$72.83
49		Gross Plant per Customer	$8,996

1/ Reflects average revenue for 2014.

MONTANA CUSTOMER INFORMATION Year: 2014

	City/Town	Population (Includes Rural) 1/	Residential Customers	Commercial Customers	Industrial & Other Customers	Total Customers
1	Antelope	51	75	16	2	93
2	Bainville	208	160	48	4	212
3	Baker	1,741	1,005	354	21	1,380
4	Brockton	255	105	22	1	128
5	Carlyle	Not Available	2	5		7
6	Culbertson	714	410	159	5	574
7	Fallon	164	196	119		315
8	Fairview	840	433	109	4	546
9	Flaxville	71	59	27	2	88
10	Forsyth	1,777	1,025	288	12	1,325
11	Froid	185	152	53	2	207
12	Glendive	4,935	3,511	849	52	4,412
13	Homestead	Not Available	23	10	1	34
14	Ismay	19	25	19		44
15	Kinsey	Not Available	112	78		190
16	Medicine Lake	225	189	58	2	249
17	Miles City	8,410	4,623	1,079	55	5,757
18	Outlook	47	54	42	9	105
19	Plentywood	1,734	1,006	260	5	1,271
20	Plevna	162	100	30	2	132
21	Poplar	810	903	172	13	1,088
22	Poplar Oil Field	Not Available		7	7	14
23	Redstone	Not Available	17	21		38
24	Reserve	23	25	12	2	39
25	Rosebud	111	69	63	3	135
26	Savage	Not Available	145	33	2	180
27	Scobey	1,017	597	172	4	773
28	Sidney	5,191	2,906	540	32	3,478
29	Terry	605	358	113	6	477
30	Whitetail	Not Available	27	23		50
31	Wibaux	589	309	116	10	435
32	Wolf Point	2,621	1,485	319	17	1,821
33	MT Oil Fields	Not Available	8	67	75	150
34	**TOTAL Montana Customers**	32,505	20,114	5,283	350	25,747

1/ 2010 Census.

MONTANA EMPLOYEE COUNTS 1/

Year: 2014

	Department	Year Beginning	Year End	Average
1	Electric	23	25	24
2	Gas	37	39	38
3	Accounting	2	3	3
4	Management	3	3	3
5	Service	38	37	37
6	Training	1	1	1
7	Power Production	33	33	33
8				
9				
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43				
44	**TOTAL Montana Employees**	137	141	139

Company Name: Montana-Dakota Utilities Co. SCHEDULE 31

MONTANA CONSTRUCTION BUDGET (ASSIGNED & ALLOCATED) Year: 2014

	Project Description	Total Company	Total Montana	
1	**Projects>$1,000,000**			
2				
3	**Common-General**			
4	Construct District Office in Williston, ND	$1,131,529	$0	
5				
6	**Common-Intangible**			
7	Replace Customer Information System	2,355,549	522,906	1/
8				
9	**Total Common**	$3,487,078	$522,906	
10				
11	**Electric-Steam Production**			
12	Install Technology for Air Quality Control-Big Stone	24,560,614	6,228,705	1/
13	Mercury and Air Toxics (MATS) Compliance Project - Lewis & Clark	14,328,806	3,213,764	1/
14	Purchase bed ash and limestone equipment-Heskett	3,543,272	794,710	1/
15	Replace lower boiler wall-Coyote	1,316,348	295,240	1/
16	Install overfire air nitrogen oxide control-Coyote	1,029,442	230,890	1/
17				
18	**Electric-Other Production**			
19	Acquire Thunder Spirit Wind Farm in SW ND	139,390,979	36,663,268	1/
20	Install 2 RICE units - Lewis & Clark	39,919,055	8,953,323	1/
21				
22	**Electric-Transmission**			
23	Construct 345KV line-Big Stone to Ellendale, ND	10,630,636	0	
24	Extend 60KV line-Little Muddy Substation to Williston, ND	3,968,311	0	
25	Install 115KV line loop-Kenmare to Lignite, ND	3,444,091	0	
26	Install second transformer in junction substation-Baker, MT	2,137,999	761,445	1/
27	Construct 34.5KV line from WAPA sub to NW Watford City, ND	1,181,960	0	
28	Rebuild 60KV transmission line-Glendive to Baker, MT	1,088,397	1,088,397	2/
29				
30	**Total Electric**	$246,539,910	$58,229,742	
31				
32	**Gas-Distribution**			
33	Install main loop line extension phase 2-Williston, ND	2,249,419	0	
34	Install main extension along Hwy 85 bypass-Watford City, ND	1,651,833	0	
35	Install mains, services, reg station Northstar development-Minot, ND	1,060,260	0	
36				
37	**Total Gas**	$4,961,512	$0	
38	**Total Projects >$1,000,000**	$254,988,500	$58,752,648	

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 31**

MONTANA CONSTRUCTION BUDGET (ASSIGNED & ALLOCATED) **Year: 2014**

	Project Description	Total Company	Total Montana	
1	**Other Projects<$1,000,000**			
2				
3	**Electric**			
4	Production	10,456,932	2,313,546	1/
5	Integrated Transmission	4,225,688	905,631	1/
6	Direct Transmission	7,416,906	505,268	2/
7	Distribution	39,150,402	5,596,322	3/
8	General	3,910,645	773,057	3/
9	Intangible	1,021,592	198,281	1/
10	Common:			
11	General Office	4,308,963	836,049	1/
12	Other Direct	1,122,776	286,516	2/
13				
14	**Total Other Electric**	$71,613,904	$11,414,670	
15				
16	**Gas**			
17	Distribution	23,550,461	5,977,683	3/
18	General	4,386,038	1,020,672	3/
19	Intangible	595,612	156,134	1/
20	Common:			
21	General Office	3,058,502	806,841	1/
22	Other Direct	601,344	258,983	2/
23				
24	**Total Other Gas**	32,191,957	8,220,313	
25	**Total Other Projects <$1,000,000**	$103,805,861	$19,634,983	
26				
27	**Total Projects**	$358,794,361	$78,387,631	

1/ Allocated to Montana.
2/ Directly assigned to Montana.
3/ Combination of allocated and directly assigned to Montana.

Company Name: Montana-Dakota Utilities Co. SCHEDULE 32

TOTAL INTEGRATED SYSTEM & MONTANA PEAK AND ENERGY

Year: 2014

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.	5	2000	582.1	318,658	10
2	Feb.	5	2000	538.4	297,956	72
3	Mar.	1	2000	537.8	284,361	304
4	Apr.	1	900	451.8	246,880	2,235
5	May	29	1600	470.8	241,439	10,766
6	Jun.	26	1700	447.4	230,477	1,475
7	Jul.	31	1800	515.2	268,028	687
8	Aug.	19	1800	533.0	259,981	2,676
9	Sep.	26	1700	503.1	222,736	2,993
10	Oct.	31	900	427.7	257,637	1,411
11	Nov.	30	1900	534.0	306,932	215
12	Dec.	30	2000	530.0	302,863	0
13	TOTAL				3,237,948	22,844

Montana

		Peak Day of Month	Peak Hour	Peak Day Volumes Megawatts	Total Monthly Volumes Energy (Mwh)	Non-Requirements Sales For Resale (Mwh)
14	Jan.	5	2000	114.5		
15	Feb.	5	2000	109.4		
16	Mar.	1	2000	121.5		
17	Apr.	1	900	98.8		
18	May	29	1600	90.9		
19	Jun.	26	1700	102.0		
20	Jul.	31	1800	140.4	Not Available	Not Available
21	Aug.	19	1800	131.9		
22	Sep.	26	1700	121.2		
23	Oct.	31	900	85.9		
24	Nov.	30	1900	130.1		
25	Dec.	30	2000	128.1		
26	TOTAL					

TOTAL SYSTEM SOURCES & DISPOSITION OF ENERGY

SCHEDULE 33

	Sources	Megawatthours	Disposition	Megawatthours
1	Generation (Net of Station Use)			
2	Steam	2,302,170	Sales to Ultimate Consumers	
3	Nuclear		(Include Interdepartmental)	3,308,358
4	Hydro - Conventional			
5	Hydro - Pumped Storage		Requirements Sales	
6	Other	217,768	for Resale	
7	(Less) Energy for Pumping			
8	**NET Generation**	2,519,938	Non-Requirements Sales	
9	Purchases	993,508	for Resale	22,844
10	Power Exchanges			
11	Received	30,664	Energy Furnished	
12	Delivered	41,289	Without Charge	
13	**NET Exchanges**	(10,625)		
14	Transmission Wheeling for Other		Energy Used Within	
15	Received	1,660,746	Electric Utility	
16	Delivered	1,595,042		
17	**NET Transmission Wheeling**	65,704	Total Energy Losses	199,158
18	Transmission by Others Losses	(38,165)		
19	**TOTAL**	3,530,360	**TOTAL**	3,530,360

Montana-Dakota's annual peak occurred during HE2000 January 5, 2014. All generation units were available for operation during the peak hour. The following units were online and providing energy.

Big Stone	43.7
Cedar Hills	12.7
Coyote	106.8
Diamond Willow	22.3
Glendive Turbine	0.0
Glen Ullin Ormat	2.8
Heskett #1	8.4
Heskett #2	64.9
Lewis & Clark	39.3
Miles City Turbine	0.0

Montana-Dakota also purchased 273.438 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.

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 34**

SOURCES OF ELECTRIC SUPPLY - INTEGRATED SYSTEM

Year: 2014

	Type	Plant Name	Location	Annual Peak (MW)	Annual Energy (Mwh)
1	Combustion Turbine	Miles City Turbine	Miles City, MT	24.10	365.3
2	Thermal	Lewis & Clark Station	Sidney, MT	53.37	290,193.3
3	Combustion Turbine	Glendive Turbine	Glendive, MT	76.56	1,911.0
4	Thermal	Heskett Station	Mandan, ND	105.50	547,307.9
5	Thermal	Big Stone Station 1/	Milbank, SD	108.29	576,956.9
6	Thermal	Coyote Station 1/	Beulah, ND	107.76	682,333.0
7	Wind	Diamond Willow	Baker, MT	30.20	96,534.0
8	Heat Recovery	Glen Ullin Ormat Sub	Glen Ullin, ND	6.40	31,440.4
9	Wind	Cedar Hills	Rhame, ND	20.10	59,420.2
10	Combustion Turbine	Heskett Station	Mandan, ND	94.00	28,057.0
11					
12					
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40					
41	**Total**			626.28	2,314,519.0

1/ Reflects Montana-Dakota Utilities share.

Company Name: Montana-Dakota Utilities Co. SCHEDULE 34A

Outage Start Date/Time	Outage End Date/Time	Brief Description of Primary Cause 1/
		Big Stone Plant
01/08/2014 21:59	01/10/2014 02:25	Primary Superheat Tube Leak
02/04/2014 21:57	02/06/2014 02:32	Take Blank Out of ID Fan Discharge Duct
02/26/2014 00:59	02/26/2014 14:46	"A" and "B" BFP Safety Valve
05/15/2014 15:10	05/25/2014 16:38	Spring Outage
05/28/2014 19:14	05/30/2014 03:50	Outage to Replace "C" BCP
08/06/2014 09:02	08/08/2014 00:24	Reheat Tube Leak
09/29/2014 11:16	09/29/2014 21:44	Fix Steam Leak on Drain Line
10/20/2014 08:11	10/21/2014 19:57	Reheat Outlet Tube Leak
11/06/2014 19:46	11/09/2014 00:55	Boiler Circ Pump Failure
12/16/2014 13:16	12/16/2014 14:46	Trip Due to Loss of FDF A Control Oil Pressure
		Coyote Station
02/22/2014 03:24	02/23/2014 16:37	Screen tube leak
03/13/2014 21:37	03/17/2014 00:00	Wash outage
03/17/2014 00:00	03/17/2014 08:00	Extended Wash outage
04/11/2014 12:32	04/14/2014 05:24	Boiler Tube Leak
04/24/2014 19:34	04/25/2014 01:46	Unit Trip
05/29/2014 21:51	06/06/2014 02:00	Wash Outage
06/06/2014 02:00	06/07/2014 08:35	Extended Wash Outage
06/07/2014 17:36	06/11/2014 18:48	Boiler Tube Leaks
07/06/2014 22:06	07/09/2014 08:27	Unit Trip, 345 kV Power Line lightning strike
07/18/2014 16:19	07/20/2014 03:38	Screen tube leak
08/29/2014 09:32	08/31/2014 23:39	GR Fan Vibration Problems
09/04/2014 21:57	09/07/2014 17:00	Wash Outage
09/07/2014 17:00	09/09/2014 12:48	Wash Outage Extension
10/20/2014 21:24	10/22/2014 01:24	#6 Cyclone Tube Leak
12/04/2014 04:48	12/04/2014 22:00	Boiler Feed Pump Fire
12/04/2014 22:00	12/08/2014 00:00	Wash Outage
12/08/2014 00:00	12/22/2014 21:29	"A" Boiler Feed Pump Fire
		Lewis & Clark Station
02/20/2014 05:33	02/20/2014 12:54	Scrubber disc cleaning
03/28/2014 23:54	04/01/2014 00:00	Scheduled Spring Maintenance and Cleaning Outage
04/01/2014 00:00	04/15/2014 11:37	Scheduled Spring Maintenance and Cleaning Outage
05/30/2014 21:28	06/06/2014 09:13	Number two valve leaking and taken out of service to repair the valve.
07/31/2014 12:48	08/03/2014 13:39	Leak in crossover between low-temp superheater and high-temp superheater
10/03/2014 21:24	10/23/2014 10:49	Scheduled Fall Maintenance and cleaning outage
12/23/2014 03:13	12/23/2014 15:00	Scrubber Disc Cleaning
12/30/2014 17:41	12/31/2014 02:28	Leak on steam jet air ejector

Outage Start Date/Time	Outage End Date/Time	Brief Description of Primary Cause 1/
		Heskett Unit 1
02/09/2014 22:17	02/13/2014 11:06	Grate Repairs
02/13/2014 15:03	02/13/2014 17:43	Losing Condenser Vacuum, swapped air ejectors, vacuum improved, air ejector problem
04/20/2014 04:18	05/30/2014 01:43	Maintenance Outage
06/06/2014 22:59	06/07/2014 05:39	Repair a line leak on closed cooling water system.
08/29/2014 10:20	08/29/2014 19:04	The superheater spray water control valve leaking through at low loads
10/10/2014 23:50	10/18/2014 05:57	Maintenance Outage
12/19/2014 22:00	12/22/2014 03:22	Clean Screen Tubes and Secondary Superheater
		Heskett Unit II
03/14/2014 21:51	03/18/2014 02:00	Cleaning Outage
03/18/2014 02:00	03/21/2014 12:31	Cleaning took longer than expected.
06/06/2014 21:51	06/18/2014 02:00	Maintenance Outage
06/18/2014 02:00	06/19/2014 04:58	Oil cooling pump circuit problem
08/15/2014 16:58	08/21/2014 05:27	Bad coal/lots of clay/ inbed loosing bed temperature permissives/agglomeration
09/12/2014 20:43	09/24/2014 00:33	Maintenance Outage
12/12/2014 21:27	12/16/2014 20:45	Boiler Cleaning Outage

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

Company Name: **Montana-Dakota Utilities Co.** **SCHEDULE 35**

MONTANA CONSERVATION & DEMAND SIDE MANAGEMENT PROGRAMS

Year: 2014

	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	$15,382	$12,772	20.44%	N/A	149 MWh	N/A
3	(As Detailed on Schedule 35B)						
4							
5							
6							
7							
8							
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30							
31							
32	**TOTAL**	$15,382	$12,772	20.44%	N/A	149 MWh	N/A

ELECTRIC UNIVERSAL SYSTEM BENEFITS PROGRAMS

Year: 2014

	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	$14,962	$0	$14,962		2014
3	Air Conditioning Efficiency	361	0	361		2014
4	Residential Lighting	59	0	59		2014
5	Potential Study Implementation	21,193	0	21,193		2014
6						
7	Market Transformation					
8						
9						
10						
11						
12	Renewable Resources					
13						
14						
15						
16						
17	Research & Development					
18						
19						
20						
21						
22	Low Income					
23	Discounts	$258,908	$0	$258,908		2014
24						
25	Bill Assistance		125,000	125,000		2014
26						
27	Weatherization		152,000	152,000		2014
28						
29	Furnace Safety		50,000	50,000		2014
30						
31	Education	8,345	0	8,345		2014
32						
33	Energy Audits		10,000	10,000		2014
34	Large Customer Self Directed					
35		$270,002	$0	$270,002		
36						
37						
38						
39						
40	Total	$573,830	$337,000	$910,830	144.5 MWh	2014
41	Number of customers that received low income rate discounts			(Average)	1,278	
42	Average monthly bill discount amount ($/mo)				$16.88	
43	Average LIEAP-eligible household income				N/A	
44	Number of customers that received weatherization assistance				N/A	
45	Expected average annual bill savings from weatherization				N/A	
46	Number of residential audits performed				N/A	

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 35B**

MONTANA CONSERVATION & DEMAND SIDE MANAGEMENT PROGRAMS

Year: 2014

	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	$14,962	$0	$14,962	147 MWh	2014
3	Residential Lighting	59	0	59	1 MWh	2014
4	Air Conditioning Efficiency	361	0	361	1 MWh	2014
5						
6						
7						
8	Demand Response					
9						
10						
11						
12						
13						
14						
15	Market Transformation					
16						
17						
18						
19						
20						
21						
22	Research & Development					
23						
24						
25						
26						
27						
28						
29	Low Income					
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32						
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35	Other					
36						
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41						
42						
43						
44						
45						
46	Total	$15,382	$0	$15,382	149 MWh	2014

MONTANA CONSUMPTION AND REVENUES

Year: 2014

	Sales of Electricity	Operating Revenues Current Year	Operating Revenues Previous Year	MegaWatt Hours Sold Current Year	MegaWatt Hours Sold Previous Year	Avg. No. of Customers Current Year	Avg. No. of Customers Previous Year
1	Residential	$16,996,272	$16,263,640	195,241	189,449	19,660	19,285
2	Small General	10,257,231	9,813,480	131,355	127,198	5,515	5,580
3	Large General	26,944,335	24,943,984	460,509	442,744	249	265
4	Lighting	906,612	877,894	10,136	10,006	38	77
5	Municipal Pumping	466,152	442,532	7,341	7,201	100	101
6	Sales to Other Utilities			Not Applicable	Not Applicable	Not Applicable	Not Applicable
7							
8							
9							
10							
11							
12							
13	**TOTAL**	$55,570,602	$52,341,530	804,582	776,598	25,562	25,308