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November 4, 2015

Mr. Thorvald A. Nelson
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6380 South Fiddlers Green Circle, Suite 500
Greenwood Village, Colorado 8011

Re: General Electric Rate Application
Docket No. D2015.6.51

Dear Mr. Nelson:

Enclosed please find Montana-Dakota Utilities Co.'s responses to the Montana Large Customer Group's data requests dated October 21, 2015.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tamie A. Aberle', written in a cursive style.

Tamie A. Aberle
Director of Regulatory Affairs

Attachments

cc: Service List

Montana-Dakota Utilities Co.
Docket No. D2015.6.51
Service List

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**MONTANA-DAKOTA UTILITIES CO.
MONTANA LARGE CUSTOMER GROUP
SIXTH DATA REQUEST
DATED OCTOBER 21, 2015
DOCKET NO. D2015.6.51**

LCG-056 RE: Workpapers, Exhibits, Statements

Please provide all publications and credit reports referenced in the direct testimony of Dr. Gaske and Mr. Senger.

Response:

Please see the response to MCC-083 for Dr. Gaske's workpapers. Please also see Response No. LCG-056 Attachments A through C for excerpts of publications and credit reports referenced in Dr. Gaske's testimony. Mr. Senger did not reference publications or credit reports in his direct testimony.

**Response No. LCG-056
Attachment A**

**Response No. LCG-056
Attachment A**

Blue Chip Economic Indicators[®]

Top Analysts' Forecasts of the U.S. Economic Outlook for the Year Ahead
Vol. 40, No.5, May 10, 2015

BLUE CHIP ECONOMIC INDICATORS®

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2015 Real GDP Forecast Shrinks To 2.5%

MAY 2015 Forecast For 2015 SOURCE:	----- Percent Change 2015 From 2014 (Full Year-Over-Prior Year) -----										--- Average For 2015 ---			--- Total Units-2015 ---		---2015---
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
	Real GDP (Chained (2009\$) Index	GDP Price Index	Nominal GDP (Cur.\$) Index	Consumer Price Index	Indust. Prod. (Total)	Dis. Pers. Income (2009\$)	Personal Cons. Exp. (2009\$)	Non-Res. Fix. Inv. (2009\$)	Corp. Profits (Cur.\$)	Treas. Bills 3-mo.	Treas. Notes 10-Year	Unempl. Rate (Civ.)	Housing Starts (Mil.)	Auto&Light Truck Sales (Mil.)	Net Exports (2009\$)	
Naroff Economic Advisors*	3.0 H	1.3	4.3 H	0.5	2.6	4.0	3.3	3.0	4.0	0.3	2.4	5.3	1.16	16.7	-520.0	
Societe Generale	3.0 H	1.1	4.1	0.1	3.2	3.4	3.2	4.8	2.8	0.3	2.3	5.3	1.15	17.0	-521.0	
SOM Economics, Inc.	2.8	0.9	3.8	0.2	3.1	3.5	2.8	5.3	3.0	0.2	2.3	5.3	1.10	17.1	-487.0	
Standard & Poors Corp.*	2.8	1.2	4.0	0.0	2.9	3.2	3.2	4.5	4.9	0.1	2.1	5.3	1.16	16.8	-475.9	
Swiss Re	2.8	1.4 H	4.2	0.1	2.6	3.9	3.1	4.6	4.4	0.2	2.3	5.3	1.14	16.7	-516.4	
Economist Intelligence Unit	2.7	1.1	3.8	0.5	3.5 H	3.0	3.0	6.0	na	0.3	2.4	5.4	1.20	16.8	-488.5	
High Frequency Economics	2.7	1.2	3.9	0.5	2.5	3.7	3.2	3.6	0.0	0.4	2.4	5.2 L	1.13	17.2 H	-523.8	
Inforum - Univ. of Maryland	2.7	0.9	3.7	-0.1	2.8	3.7	3.2	3.8	5.1	0.3	2.3	5.4	1.06	16.9	-502.3	
BMO Capital Markets*	2.6	1.2	3.8	0.2	2.2	3.7	3.2	3.2	2.9	0.1	2.1	5.3	1.12	16.9	-537.0	
Credit Suisse	2.6	1.0	3.6	0.0	2.8	na	3.2	2.3	3.3	na	2.3	5.3	1.05	na	-503.4	
DuPont***	2.6	0.9	3.5	0.2	2.5	4.0	3.2	3.4	-1.0	0.2	2.4	5.4	1.10	17.0	-508.2	
RDQ Economics	2.6	0.8	3.4	0.1	2.7	3.6	3.1	3.8	6.1	0.3	2.3	5.2 L	1.10	17.0	-522.9	
Action Economics	2.5	0.9	3.4	0.2	2.5	3.3	2.9	3.1	1.4	0.5 H	2.7 H	5.4	1.10	16.8	-480.5	
Amherst Pierpont Securities	2.5	1.1	3.6	0.5	2.2	3.4	2.9	3.8	4.0	0.2	2.5	5.3	1.13	16.7	-501.0	
BNP Paribas North America	2.5	na	na	0.4	2.0	4.1 H	3.1	2.3	5.6	na	2.1	5.3	1.10	na	-515.0	
Comerica	2.5	1.0	3.5	0.2	2.8	3.8	2.8	6.1 H	na	0.1	2.1	5.3	1.06	17.0	-492.8	
Daiwa Capital Markets America	2.5	1.0	3.5	0.3	2.4	3.8	3.0	3.6	0.0	0.3	2.1	5.4	1.05	16.7	-535.0	
Fannie Mae	2.5	1.0	3.6	0.4	2.7	3.2	3.2	2.8	-2.4	0.2	2.1	5.3	1.11	16.8	-511.8	
FedEx Corporation	2.5	1.0	3.4	0.3	2.4	3.7	3.0	3.0	4.1	0.2	2.3	5.4	1.07	16.7	-513.8	
General Motors	2.5	1.3	3.9	0.3	2.3	3.5	3.5 H	4.1	1.3	0.1	2.1	5.2 L	1.10	na	-509.6	
Georgia State University*	2.5	0.9	3.5	-0.3 L	2.5	3.5	3.1	3.2	7.3	0.1	2.1	5.5 H	1.11	16.8	-566.8	
Goldman Sachs & Co.**	2.5	0.9	3.3	0.2	2.8	3.1	3.3	2.2 L	na	0.3	2.2	5.4	1.10	na	-529.9	
Moody's Capital Markets*	2.5	1.0	3.5	0.1	2.9	3.4	2.5 L	3.1	1.0	0.1	2.2	5.4	1.13	16.8	-514.0	
National Assn. of Realtors	2.5	1.1	3.6	0.1	2.6	3.6	2.9	4.2	1.3	0.4	2.2	5.4	1.13	16.9	-540.0	
Turning Points (Micrometrics)	2.5	0.9	3.4	-0.1	2.8	3.6	2.9	3.5	6.5	0.0 L	2.0 L	5.4	1.01 L	16.8	-493.8	
UCLA Business Forecasting Proj.*	2.5	1.2	3.8	-0.1	3.1	3.6	3.3	3.6	10.4 H	0.4	2.4	5.4	1.25 H	17.1	-559.1	
Wells Capital Management	2.5	1.1	3.6	0.1	2.8	3.7	3.1	3.6	2.9	0.2	2.1	5.5	1.01 L	16.8	-525.1	
ACT Research	2.4	1.0	3.4	0.0	2.1	3.4	3.0	3.6	na	0.3	2.1	5.4	1.11	16.7	-539.8	
Bank of America Merrill Lynch	2.4	0.8	3.3	0.0	2.3	na	3.3	2.7	na	0.2	2.3	5.3	1.10	17.2 H	-538.9	
Barclays*	2.4	1.1	3.6	0.2	2.3	na	3.1	3.2	na	na	2.0 L	5.3	1.01 L	na	-538.0	
Eaton Corporation	2.4	0.9	3.5	0.6	2.6	2.9 L	2.9	4.6	5.0	0.3	2.4	5.4	1.14	16.7	-465.5 H	
Econoclast	2.4	1.2	3.6	0.3	2.4	3.5	3.0	3.8	3.4	0.3	2.1	5.4	1.11	16.8	-545.0	
MacroFin Analytics	2.4	0.8	3.2	-0.1	3.0	3.6	2.8	3.5	5.0	0.3	2.3	5.5 H	1.10	16.6	-498.0	
Mesirow Financial	2.4	1.0	3.4	0.4	2.3	3.1	3.3	2.3	-3.2 L	0.1	2.2	5.3	1.09	16.8	-525.6	
MUFG Union Bank	2.4	1.3	3.7	0.7 H	3.0	na	3.1	5.7	7.0	0.3	2.4	5.2 L	1.20	16.8	-520.0	
National Assn. of Home Builders	2.4	0.9	3.3	0.1	2.0	3.2	2.9	3.5	na	0.2	2.1	5.5 H	1.05	16.6	-520.0	
Northern Trust Company*	2.4	1.0	3.4	0.1	2.3	3.1	3.2	2.9	na	0.2	2.2	5.4	1.20	16.9	-523.0	
RBS	2.4	1.0	3.5	0.4	2.1	3.7	2.8	3.9	8.0	0.1	2.1	5.3	1.15	16.8	-531.0	
U.S. Chamber of Commerce	2.4	0.7 L	3.1	-0.2	2.8	3.7	3.0	3.5	5.4	0.2	2.3	5.4	1.07	na	-530.2	
Oxford Economics	2.3	1.0	3.4	0.4	2.3	3.2	3.1	3.1	0.1	0.1	2.1	5.3	1.12	16.8	-524.8	
J.P. Morgan Chase	2.3	1.0	3.3	0.1	2.6	3.7	3.1	4.2	2.3	na	2.2	5.3	1.05	16.7	-543.9	
UBS	2.3	1.1	3.4	0.0	2.2	3.4	3.0	2.6	na	0.3	2.1	5.4	1.19	na	-530.9	
Wells Fargo	2.3	1.1	3.4	0.2	2.4	3.8	3.0	3.9	4.8	0.4	2.2	5.4	1.13	17.0	-517.1	
IHS Global Insight	2.2	1.1	3.4	0.0	1.5	3.4	3.0	2.8	3.3	0.2	2.2	5.4	1.08	16.9	-575.8 L	
Nomura Securities	2.2	0.9	3.1	0.4	2.1	3.6	3.2	2.6	na	0.3	2.2	5.4	1.04	16.6	-559.1	
Point72 Asset Management	2.2	0.9	3.2	0.2	2.1	3.5	2.8	2.9	na	0.1	2.2	5.2 L	1.10	16.7	-530.5	
AIG	2.1	0.8	3.3	0.1	1.3 L	3.2	3.1	2.5	-0.5	0.3	2.2	5.4	1.09	16.8	-527.0	
Conference Board*	2.1	1.0	3.0 L	0.0	2.4	3.6	2.9	3.0	2.5	0.1	2.2	5.3	1.09	16.6 L	-545.6	
Morgan Stanley*	1.9 L	1.2	3.1	0.1	2.9	3.3	2.8	2.5	na	0.1	2.2	5.4	1.12	17.0	-564.1	
2015 Consensus: MAY Avg.	2.5	1.0	3.5	0.2	2.5	3.5	3.1	3.5	3.3	0.2	2.2	5.4	1.11	16.8	-522.2	
Top 10 Avg.	2.8	1.3	4.0	0.5	3.0	3.9	3.3	5.0	6.6	0.4	2.4	5.4	1.18	17.1	-488.5	
Bottom 10 Avg.	2.2	0.8	3.2	-0.1	2.0	3.1	2.8	2.5	-0.3	0.1	2.1	5.3	1.04	16.7	-553.9	
April Avg.	2.9	1.1	4.0	0.2	3.1	3.5	3.2	5.0	4.3	0.3	2.3	5.4	1.14	16.8	-493.5	
Historical data: 2011	1.6	2.1	3.7	3.2	3.3	2.5	2.3	7.7	4.0	0.1	2.8	9.0	0.61	12.7	-459.4	
2012	2.3	1.8	4.2	2.1	3.8	3.0	1.8	7.2	11.3	0.1	1.8	8.1	0.78	14.4	-452.5	
2013	2.2	1.5	3.7	1.5	2.9	-0.2	2.4	3.0	4.2	0.1	2.4	7.4	0.92	15.5	-420.4	
2014	2.4	1.5	3.9	1.6	4.1	2.5	2.5	6.3	na	0.0	2.5	6.2	1.00	16.4	-452.6	
Number Of Forecasts Changed From A Month Ago:																
Down	46	30	40	14	40	20	32	45	21	18	15	6	28	13	45	
Same	2	9	6	16	6	8	12	4	14	25	29	41	19	22	3	
Up	1	9	2	19	3	17	5	0	2	2	5	2	2	7	1	
May Median	2.5	1.0	3.5	0.2	2.5	3.5	3.1	3.5	3.3	0.2	2.2	5.4	1.10	16.8	-523.0	
May Diffusion Index	4 %	28 %	10 %	55 %	12 %	47 %	22 %	4 %	24 %	32 %	40 %	46 %	23 %	43 %	5 %	

*Former winner of annual Lawrence R. Klein Award for Blue Chip Forecast Accuracy. **Denotes two-time winner. ***Denotes three-time winner.

2016 Real GDP Forecast Holds At 2.8%

MAY 2015 Forecast For 2016 SOURCE:	----- Percent Change 2016 From 2015 (Full Year-Over-Prior Year) -----									--- Average For 2016 ---			-- Total Units-2016 --		--2016--
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Real GDP (Chained (2009\$) Index	GDP Price Index	Nominal GDP (Cur.\$) Index	Consumer Price Index	Indust. Prod. (Total)	Dis. Pers. Income (2009\$)	Personal Cons. Exp. (2009\$)	Non-Res. Fix. Inv. (2009\$)	Corp. Profits (Cur.\$)	Treas. Bills 3-mo	Treas. Notes 10-Year	Unempl. Rate (Civ.)	Housing Starts (Mil.)	Auto&Light Truck Sales (Mil.)	Net Exports (2009\$)
DuPont***	3.4 H	1.5	5.0	2.2	3.2	3.6 H	3.0	6.0	6.8	1.6	3.6	5.0	1.25	17.3	-500.4
Naroff Economic Advisors*	3.3	2.7 H	6.0 H	2.5	3.4	3.0	2.9	4.8	5.7	2.0 H	4.2 H	4.9	1.30	17.9	-570.0
Societe Generale	3.2	2.1	5.3	2.1	2.7	2.5	2.7	5.7	-1.7 L	1.4	2.8	4.9	1.29	17.4	-518.0
Turning Points (Micrometrics)	3.2	1.8	5.0	1.6 L	3.5	2.4	2.7	4.8	4.5	0.1 L	2.2 L	5.2	1.10	17.2	-443.3
Daiwa Capital Markets America	3.1	1.9	5.0	1.9	3.8	3.1	3.0	6.5	1.0	1.4	3.0	5.0	1.15	16.9	-601.0
MacroFin Analytics	3.1	1.5	4.6	1.8	4.3 H	2.6	2.9	5.0	4.7	1.9	3.8	5.3	1.10	16.5	-464.3
Swiss Re	3.1	1.7	4.9	1.9	3.0	3.1	2.9	7.2 H	6.0	1.5	3.2	4.8	1.38	16.7	-583.8
UCLA Business Forecasting Proj.*	3.1	2.5	5.6	2.9	4.0	2.7	3.3	6.7	4.3	1.6	3.5	5.0	1.39	17.5	-658.4
Bank of America Merrill Lynch	3.0	1.6	4.6	2.2	3.4	na	3.2	4.5	na	0.9	2.6	4.7	1.30	18.1 H	-576.4
Inforum - Univ. of Maryland	3.0	1.9	5.0	2.2	3.4	2.8	2.8	5.7	5.1	1.6	3.3	5.1	1.25	16.9	-501.1
Mesrow Financial	3.0	1.8	4.9	2.3	2.6	1.6	3.4	4.0	2.2	1.1	3.2	5.0	1.34	16.7	-558.3
National Assn. of Home Builders	3.0	1.7	4.8	2.0	3.8	2.0	2.6	4.9	na	1.1	2.7	5.3	1.34	16.6	-544.0
National Assn. of Realtors	3.0	2.1	5.1	2.1	3.3	2.7	2.7	5.6	1.3	1.8	3.2	5.2	1.39	16.8	-560.0
RBS	3.0	1.7	4.8	2.1	2.4	2.7	3.0	6.0	4.0	1.2	3.0	4.8	1.15	16.8	-548.0
SOM Economics, Inc.	3.0	1.6	4.7	2.3	4.0	2.4	2.5	5.5	5.0	1.2	2.8	4.6	1.23	17.9	-453.0
ACT Research	2.9	2.0	4.9	1.8	2.3	1.5	2.6	5.3	na	1.4	2.6	5.1	1.19	17.1	-570.3
Credit Suisse	2.9	1.6	4.5	1.8	3.9	na	3.1	3.7	2.8	na	2.7	4.7	1.15	na	-533.7
FedEx Corporation	2.9	1.9	4.8	2.3	3.3	2.7	2.8	5.2	4.3	1.5	3.4	5.0	1.30	17.0	-518.5
High Frequency Economics	2.9	2.4	5.4	2.7	3.7	2.8	2.8	5.4	4.5	1.9	3.4	4.5	1.27	17.7	-535.8
MUFG Union Bank	2.9	2.5	5.4	3.4 H	2.9	na	2.9	7.0	7.0	1.3	3.2	4.7	1.40	17.0	-540.0
RDQ Economics	2.9	1.8	4.8	2.1	3.3	2.8	3.0	5.2	3.9	1.8	3.4	4.5	1.20	17.5	-554.6
U.S. Chamber of Commerce	2.9	1.6	4.6	1.8	3.6	2.5	3.0	5.8	3.9	1.1	3.0	5.1	1.25	na	-561.0
Wells Capital Management	2.9	2.3	5.2	2.0	3.4	2.7	2.8	5.1	4.0	1.0	2.6	5.3	1.03 L	16.9	-533.9
Wells Fargo	2.9	2.0	4.9	2.4	3.3	2.8	2.8	5.9	4.2	1.7	2.7	5.0	1.22	17.1	-603.3
Oxford Economics	2.9	2.3	5.3	2.3	3.4	2.5	2.9	4.7	4.3	0.7	2.6	5.0	1.37	17.0	-543.1
Action Economics	2.8	1.9	4.8	2.2	3.0	2.6	1.8 L	3.6	6.4	1.8	3.2	5.0	1.21	17.1	-435.3 H
Amherst Pierpont Securities	2.8	2.3	5.2	3.1	2.8	2.7	2.6	4.6	5.0	1.7	4.0	4.8	1.43 H	16.9	-489.0
BNP Paribas North America	2.8	na	na	2.6	2.6	3.6	3.2	4.3	2.0	na	2.7	4.8	1.30	na	-561.0
Fannie Mae	2.8	1.8	4.7	2.4	3.7	2.5	3.0	4.7	3.0	0.8	2.4	5.0	1.32	16.8	-522.9
General Motors	2.8	1.9	4.7	2.3	2.4	2.6	2.8	3.8	1.3	1.2	3.2	5.0	1.33	na	-524.0
Georgia State University*	2.8	1.6	4.5	2.2	3.4	2.5	3.0	5.8	5.0	1.2	3.0	5.2	1.19	16.9	-651.6
Goldman Sachs & Co.**	2.8	1.4	4.3	2.1	3.5	1.3 L	3.5 H	4.8	na	1.3	2.8	5.0	1.32	na	-644.8
Northern Trust Company*	2.8	2.0	4.8	2.2	3.4	2.8	2.8	4.0	na	1.0	3.3	5.3	1.30	17.1	-533.4
Standard & Poors Corp.*	2.8	2.3	5.2	2.3	3.5	2.5	2.9	5.3	2.7	1.1	2.9	5.0	1.37	17.0	-496.5
UBS	2.8	2.3	5.1	2.5	2.3	1.6	2.9	6.7	na	1.4	2.7	5.1	1.31	na	-603.2
Comerica	2.7	2.0	4.7	2.6	3.7	2.5	2.1	6.3	na	1.3	3.1	4.7	1.13	16.5	-503.4
Eaton Corporation	2.7	1.2 L	3.9 L	1.8	2.9	2.8	2.7	3.5	5.4	1.3	3.0	5.2	1.20	16.8	-455.5
AIG	2.6	1.4	4.5	2.0	2.0 L	1.9	3.2	3.6	1.7	1.3	3.1	5.1	1.30	16.9	-596.2
BMO Capital Markets*	2.6	2.0	4.7	2.2	2.5	2.6	3.1	4.2	4.7	1.0	2.6	4.7	1.31	17.1	-619.0
IHS Global Insight	2.6	2.0	4.6	2.2	2.8	2.4	3.1	5.5	7.2 H	1.2	2.9	5.2	1.27	17.3	-725.5 L
Moody's Capital Markets*	2.6	1.7	4.3	1.8	3.4	2.1	2.7	3.2	2.5	0.8	2.7	5.0	1.29	17.0	-535.0
Morgan Stanley*	2.6	1.9	4.5	1.8	2.0	2.1	2.5	3.8	na	1.0	na	5.0	1.31	17.4	-588.0
Barclays*	2.5	2.1	4.7	2.0	2.5	na	2.8	5.1	na	na	na	5.6 H	1.12	na	-579.0
Econoclast	2.5	2.0	4.5	2.4	2.5	2.5	2.6	4.2	4.5	1.0	2.6	4.9	1.22	16.9	-610.0
Economist Intelligence Unit	2.5	2.1	4.6	2.2	3.2	2.3	2.4	6.2	na	1.4	3.3	5.1	1.25	16.8	-527.0
J P Morgan Chase	2.5	1.8	4.4	2.0	2.7	2.5	2.7	5.6	5.2	na	na	4.7	1.15	16.8	-600.6
Nomura Securities	2.5	1.6	4.0	2.3	2.3	3.0	3.0	4.8	na	1.3	2.8	5.0	1.24	16.8	-640.5
Point72 Asset Management	2.5	1.8	4.3	2.1	3.3	2.4	2.5	2.5 L	na	1.2	3.0	4.4 L	1.20	17.1	-578.6
Conference Board*	2.3 L	1.9	4.2	2.0	2.7	2.6	2.5	3.9	-0.1	0.7	2.7	4.7	1.32	16.4 L	-571.6
2016 Consensus: MAY Avg.	2.8	1.9	4.8	2.2	3.1	2.5	2.8	5.0	3.9	1.3	3.0	5.0	1.26	17.1	-554.4
Top 10 Avg	3.2	2.4	5.4	2.7	3.9	3.1	3.2	6.5	6.0	1.8	3.6	5.3	1.37	17.6	-474.2
Bottom 10 Avg	2.5	1.5	4.3	1.8	2.3	1.9	2.4	3.6	1.3	0.8	2.6	4.6	1.13	16.7	-635.7
April Avg	2.8	1.9	4.8	2.2	3.1	2.6	2.8	5.2	4.0	1.4	3.1	5.0	1.28	17.0	-530.0
Number Of Forecasts Changed From A Month Ago:															
Down	10	15	16	11	19	13	12	18	11	14	14	7	15	8	32
Same	24	25	16	25	18	27	26	11	13	25	24	35	26	24	8
Up	14	7	15	12	11	4	10	19	12	4	7	6	7	8	8
May Median	2.9	1.9	4.8	2.2	3.3	2.6	2.8	5.1	4.3	1.3	3.0	5.0	1.27	17.0	-554.6
May Diffusion Index	54 %	41 %	49 %	51 %	42 %	40 %	48 %	51 %	51 %	38 %	42 %	49 %	42 %	50 %	25 %

*Former winner of annual Lawrence R. Klein Award for Blue Chip Forecast Accuracy. **Denotes two-time winner. ***Denotes three-time winner.

BASIC DATA SOURCES: ¹Gross Domestic Product (GDP), chained 2009\$, National Income and Product Accounts (NIPA), Bureau of Economic Analysis (BEA); ²GDP Chained Price Index, NIPA, BEA; ³GDP, current dollars, NIPA, BEA; ⁴Consumer Price Index-All Urban Consumers, Bureau of Labor Statistics (BLS); ⁵Total Industrial Production, Federal Reserve Board (FRB); ⁶Disposable Personal Income, 2009\$, NIPA, BEA; ⁷Personal Consumption Expenditures, 2009\$, NIPA, BEA; ⁸Nonresidential Fixed Investment, 2009\$, NIPA, BEA; ⁹Corporate Profits Before Taxes, current dollars, with inventory valuation and capital consumption adjustments, NIPA, BEA; ¹⁰Treasury Bill Rate, 3-month, secondary market, bank discount basis, FRB; ¹¹Treasury note yield, 10-year, constant maturity basis, FRB; ¹²Unemployment Rate, civilian work force, BLS; ¹³Housing Starts, Bureau of Census; ¹⁴Total U.S. Auto and Light Truck Sales (includes imports), BEA; ¹⁵Net Exports of Goods and Services, 2009\$, NIPA, BEA.

**Response No. LCG-056
Attachment B**

**Response No. LCG-056
Attachment B**

Blue Chip Financial Forecasts[®]

**Top Analysts' Forecasts Of U.S. And Foreign Interest Rates, Currency Values
And The Factors That Influence Them**

Vol. 33, No. 12, December 1, 2014

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Law & Business

BLUE CHIP FINANCIAL FORECASTS®

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Long-Range Estimates:

The table below contains results of our semi-annual long-range CONSENSUS survey. There are also Top 10 and bottom 10 averages for each variable. Shown are estimates for the years 2016 through 2020 and averages for the five-year periods 2016-2020 and 2020-2025. Apply these projections cautiously. Few economic, demographic and political forces can be evaluated accurately over such long time spans.

Interest Rates		-----Average For The Year-----					Five-Year Averages	
		2016	2017	2018	2019	2020	2016-2020	2021-2025
1. Federal Funds Rate	CONSENSUS	1.8	2.9	3.6	3.7	3.7	3.1	3.6
	Top 10 Average	2.4	3.7	4.2	4.2	4.2	3.7	4.1
	Bottom 10 Average	1.2	2.3	2.9	3.0	3.0	2.5	2.9
2. Prime Rate	CONSENSUS	4.7	5.8	6.5	6.6	6.6	6.0	6.5
	Top 10 Average	5.4	6.6	7.1	7.2	7.2	6.7	7.1
	Bottom 10 Average	4.2	5.2	5.8	5.9	5.8	5.4	5.6
3. LIBOR, 3-Mo.	CONSENSUS	2.1	3.2	3.7	3.9	3.9	3.3	3.8
	Top 10 Average	2.7	3.9	4.3	4.4	4.4	3.9	4.3
	Bottom 10 Average	1.5	2.5	3.1	3.2	3.3	2.7	3.3
4. Commercial Paper, 1-Mo.	CONSENSUS	1.9	3.0	3.5	3.7	3.7	3.1	3.7
	Top 10 Average	2.4	3.5	4.0	4.2	4.2	3.6	4.2
	Bottom 10 Average	1.5	2.5	3.0	3.1	3.2	2.7	3.2
5. Treasury Bill Yield, 3-Mo.	CONSENSUS	1.8	2.9	3.4	3.6	3.6	3.0	3.5
	Top 10 Average	2.4	3.6	4.0	4.2	4.1	3.7	4.1
	Bottom 10 Average	1.3	2.2	2.9	2.9	2.9	2.4	2.7
6. Treasury Bill Yield, 6-Mo.	CONSENSUS	2.0	3.0	3.6	3.7	4.7	3.4	3.6
	Top 10 Average	2.5	3.8	4.2	4.4	7.4	4.4	4.2
	Bottom 10 Average	1.5	2.4	3.0	3.1	3.1	2.6	2.8
7. Treasury Bill Yield, 1-Yr.	CONSENSUS	2.1	3.2	3.7	3.8	3.8	3.3	3.7
	Top 10 Average	2.8	3.9	4.4	4.5	4.4	4.0	4.3
	Bottom 10 Average	1.6	2.5	3.1	3.1	3.2	2.7	2.9
8. Treasury Note Yield, 2-Yr.	CONSENSUS	2.5	3.4	3.9	4.0	4.0	3.6	4.0
	Top 10 Average	3.3	4.1	4.5	4.7	4.6	4.2	4.5
	Bottom 10 Average	1.9	2.8	3.3	3.3	3.3	2.9	3.2
10. Treasury Note Yield, 5-Yr.	CONSENSUS	3.1	3.8	4.2	4.3	4.3	4.0	4.3
	Top 10 Average	3.8	4.5	4.9	5.1	5.1	4.7	4.9
	Bottom 10 Average	2.6	3.2	3.6	3.5	3.6	3.3	3.6
11. Treasury Note Yield, 10-Yr.	CONSENSUS	3.7	4.3	4.6	4.7	4.7	4.4	4.6
	Top 10 Average	4.4	5.0	5.4	5.6	5.6	5.2	5.4
	Bottom 10 Average	3.2	3.5	3.8	3.8	3.9	3.7	3.9
12. Treasury Bond Yield, 30-Yr.	CONSENSUS	4.3	4.8	5.0	5.1	5.2	4.9	5.1
	Top 10 Average	5.0	5.6	5.9	6.2	6.2	5.8	6.0
	Bottom 10 Average	3.7	4.0	4.2	4.2	4.3	4.1	4.3
13. Corporate Aaa Bond Yield	CONSENSUS	5.1	5.6	6.0	6.1	6.1	5.8	6.1
	Top 10 Average	5.8	6.4	6.8	7.0	7.0	6.6	6.8
	Bottom 10 Average	4.5	4.8	5.1	5.1	5.2	5.0	5.4
13. Corporate Baa Bond Yield	CONSENSUS	6.0	6.5	6.8	6.9	7.0	6.6	7.0
	Top 10 Average	6.7	7.3	7.7	7.9	7.9	7.5	7.7
	Bottom 10 Average	5.4	5.6	5.9	5.9	6.0	5.8	6.2
14. State & Local Bonds Yield	CONSENSUS	4.9	5.2	5.4	5.4	5.4	5.2	5.3
	Top 10 Average	5.5	5.7	6.0	6.1	6.1	5.9	6.0
	Bottom 10 Average	4.3	4.6	4.7	4.7	4.7	4.6	4.7
15. Home Mortgage Rate	CONSENSUS	5.2	5.8	6.2	6.3	6.3	6.0	6.2
	Top 10 Average	5.9	6.5	7.1	7.2	7.2	6.8	7.0
	Bottom 10 Average	4.6	5.1	5.5	5.5	5.5	5.2	5.3
A. FRB - Major Currency Index	CONSENSUS	83.6	83.3	82.7	82.4	82.1	82.8	82.0
	Top 10 Average	86.7	86.7	86.6	86.5	86.6	86.6	86.3
	Bottom 10 Average	80.3	79.8	78.5	77.9	77.3	78.7	77.4
B. Real GDP		-----Year-Over-Year, % Change-----					Five-Year Averages	
	CONSENSUS	2.8	2.8	2.6	2.4	2.4	2.6	2.3
C. GDP Chained Price Index	Top 10 Average	3.2	3.1	2.9	2.8	2.7	2.9	2.6
	Bottom 10 Average	2.6	2.4	2.3	1.8	2.0	2.2	2.0
D. Consumer Price Index	CONSENSUS	2.0	2.2	2.2	2.1	2.1	2.1	2.1
	Top 10 Average	2.3	2.7	2.6	2.5	2.4	2.5	2.5
	Bottom 10 Average	1.7	1.8	1.8	1.8	1.8	1.8	1.8

Response No. LCG-056
Attachment C

Response No. LCG-056
Attachment C

Moody's

INVESTORS SERVICE

RATING METHODOLOGY Regulated Electric and Gas Utilities

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Summary

This rating methodology explains Moody's approach to assessing credit risk for regulated electric and gas utilities globally and is intended to provide general guidance that helps companies, investors, and other interested market participants understand how qualitative and quantitative risk characteristics are likely to affect rating outcomes for companies in the regulated electric and gas utility industry. This document does not include an exhaustive treatment of all factors that are reflected in Moody's ratings but should enable the reader to understand the qualitative considerations and financial information and ratios that are usually most important for ratings in this sector.

This rating methodology replaces¹ the Rating Methodology for Regulated Electric and Gas Utilities published in August 2009. While reflecting many of the same core principles as the 2009 methodology, this updated document provides a more transparent presentation of the rating considerations that are usually most important for companies in this sector and incorporates refinements in our analysis that better reflect credit fundamentals of the industry. No rating changes will result from publication of this rating methodology.

This report includes a detailed rating grid and illustrative examples that compare the mapping of rated public companies against the factors in the grid. The grid is a reference tool that can be used to approximate credit profiles within the regulated electric and gas utility sector in most cases. The grid provides summarized guidance for the factors that are generally most important in assigning ratings to companies in the regulated electric and gas utility industry. However, the grid is a summary that does not include every rating consideration. The weights shown for each factor in the grid represent an approximation of their importance for rating decisions but actual importance may vary substantially. In addition, the illustrative mapping examples in this document use historical results while ratings are based on our forward-looking expectations. As a result, the grid-indicated rating is not expected to match the actual rating of each company.

¹ This update may not be effective in some jurisdictions until certain requirements are met.

Discussion of the Grid Factors

Moody's analysis of electric and gas utilities focuses on four broad factors:

- » Regulatory Framework
- » Ability to Recover Costs and Earn Returns
- » Diversification
- » Financial Strength

There is also a notching factor for holding company structural subordination.

Factor 1: Regulatory Framework (25%)

Why It Matters

For rate-regulated utilities, which typically operate as a monopoly, the regulatory environment and how the utility adapts to that environment are the most important credit considerations. The regulatory environment is comprised of two rating factors - the Regulatory Framework and its corollary factor, the Ability to Recover Costs and Earn Returns. Broadly speaking, the Regulatory Framework is the foundation for how all the decisions that affect utilities are made (including the setting of rates), as well as the predictability and consistency of decision-making provided by that foundation. The Ability to Recover Costs and Earn Returns relates more directly to the actual decisions, including their timeliness and the rate-setting outcomes.

Utility rates⁶ are set in a political/regulatory process rather than a competitive or free-market process; thus, the Regulatory Framework is a key determinant of the success of utility. The Regulatory Framework has many components: the governing body and the utility legislation or decrees it enacts, the manner in which regulators are appointed or elected, the rules and procedures promulgated by those regulators, the judiciary that interprets the laws and rules and that arbitrates disagreements, and the manner in which the utility manages the political and regulatory process. In many cases, utilities have experienced credit stress or default primarily or at least secondarily because of a break-down or obstacle in the Regulatory Framework – for instance, laws that prohibited regulators from including investments in uncompleted power plants or plants not deemed “used and useful” in rates, or a disagreement about rate-making that could not be resolved until after the utility had defaulted on its debts.

How We Assess Legislative and Judicial Underpinnings of the Regulatory Framework for the Grid

For this sub-factor, we consider the scope, clarity, transparency, supportiveness and granularity of utility legislation, decrees, and rules as they apply to the issuer. We also consider the strength of the regulator's authority over rate-making and other regulatory issues affecting the utility, the effectiveness of the judiciary or other independent body in arbitrating disputes in a disinterested manner, and whether the utility's monopoly has meaningful or growing carve-outs. In addition, we look at how well developed the framework is – both how fully fleshed out the rules and regulations are and how well tested it is – the extent to which regulatory or judicial decisions have created a body of precedent that will help determine future rate-making. Since the focus of our scoring is on each issuer, we consider

⁶ In jurisdictions where utility revenues include material government subsidy payments, we consider utility rates to be inclusive of these payments, and we thus evaluate sub-factors 1a, 1b, 2a and 2b in light of both rates and material subsidy payments. For example, we would consider the legal and judicial underpinnings and consistency and predictability of subsidies as well as rates.

**MONTANA-DAKOTA UTILITIES CO.
MONTANA LARGE CUSTOMER GROUP
SIXTH DATA REQUEST
DATED OCTOBER 21, 2015
DOCKET NO. D2015.6.51**

LCG-057 RE: Capital Structure

Referring to page 6 of Mr. Senger's direct testimony, please state when the Company is expecting to receive the projected equity infusion of \$102 million and provide a prospectus if available along with all supporting documents in regards to this capital infusion. Please confirm that the expected equity infusion is included in the Company's proposed capital structure.

Response:

Through September 2015, the Company has received equity proceeds of \$46.9 million and expects to receive another \$43.0 million in December 2015 for a total of \$89.9 million rather than the projected \$102.5 million referenced in Mr. Senger's testimony. \$21.9 million of the equity infusion was received from the sale of MDU Resources stock under an Equity Distribution Agreement with Wells Fargo Securities, LLC. See Response No. LCG-057 Attachment A on the enclosed CD for the prospectus supplement. The remaining \$25.0 million was received through a cash dividend from MDU Resources subsidiary companies.

Yes, the expected equity infusion of \$102.5 million is included in the Company's proposed capital structure.

**MONTANA-DAKOTA UTILITIES CO.
MONTANA LARGE CUSTOMER GROUP
SIXTH DATA REQUEST
DATED OCTOBER 21, 2015
DOCKET NO. D2015.6.51**

LCG-058 RE: Statement F

On page 2 of Statement F, Rule 38.5.146, Mr. Senger derives the common equity balance excluding certain non-utility investments. Please answer the following questions:

- a. Mr. Senger excluded the amount of equity invested in subsidiaries, please explain why he did not exclude the non-utility property (FERC Acct. 121) net of depreciation and amortization, and other investments (FERC Acct 124)**
- b. How will the common equity balance for each year change in those accounts were excluded?**
- c. Please provide a revised page 2 of Statement F, Rule 38.5.146 if the all FERC Accounts (121 net of depreciation and amortization, 12.3.1 and 124) are excluded.**
- d. Please reconcile the 2014 investments in subsidiaries of \$2,590,922,784 and the amount shown on the balance sheet on page 1 Statement A, Rule 38.5. 121 of \$2,590,283,230.**
- e. Please describe in details how was the amount of common equity and investments in subsidiaries as of December 2015 determined.**

Response:

- a. All balance sheet items, including non-utility property Accounts 121 and 124, included in Montana-Dakota's books and records are supported by a common capital structure with a like ratio of short and long term debt, preferred stock and common equity. The other investments noted in Account 124 are related to a non-qualified pension liability in Account 228.3 – Accumulated Provision for Pension and Benefits; therefore, it would be inappropriate to consider Account 124 without considering related offsetting accounts. Lastly, there are certain deferred tax accounts associated with nonutility and pensions which would have to be included in any adjustment to the capital structure.
- b. Because all balance sheet items are supported by a common capital structure, the overall common equity balance would theoretically be reduced along with a proportional reduction in debt and preferred stock. The capital ratios and overall required return would not be impacted.
- c. See response a and b above.

**MONTANA-DAKOTA UTILITIES CO.
MONTANA LARGE CUSTOMER GROUP
SIXTH DATA REQUEST
DATED OCTOBER 21, 2015
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- d. The information shown on Rule 38.5.121, Statement A, page 1 is correct with a balance of \$2,590,283,230. Also note that the total equity, less preferred stock, shown on page 2 is correct at \$3,119,040,893. The schedule showing common equity and investment in subsidiary amounts shown in Statement F was prepared prior to the 2014 final closing entries were completed. While the two statements have different amounts, Montana-Dakota's equity was not impacted as the total equity and the investment in subsidiaries were both adjusted by \$639,554.
- e. The 2015 common equity and investment in subsidiaries for the pro forma 2015 capital structure were determined as follows:

Pro forma equity

Montana-Dakota's beginning balance is based on the most recent actual period, plus earnings and capital (equity) contributions, less common dividends. The Company does not include forecasted earnings, capital contributions or dividends for its subsidiaries in the computation of pro forma equity.

Investment in subsidiaries

The Company's beginning balance is based on the most recent actual balance with no account changes forecasted.

**MONTANA-DAKOTA UTILITIES CO.
MONTANA LARGE CUSTOMER GROUP
SIXTH DATA REQUEST
DATED OCTOBER 21, 2015
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LCG-059 RE: Statement F

Referring to page 6 of Mr. Senger's direct testimony and page 4 of Statement F, Rule 38.5.147, please state whether the projected debt issuance of \$150 million has occurred. If in the affirmative, please provide the prospectus; otherwise please state when the new debt financing is expected to occur. Also, on an electronic spreadsheet with all formulas intact please provide all workpapers and calculations used to determine the expected debt cost of 5.0%.

Response:

Montana-Dakota has issued a portion of the projected debt and has the remaining debt in place. Following is a summary of the debt issues:

- \$87.0 million, ten year, coupon rate of 3.78 percent, issued 10/31/15; and
- \$11.0 million, thirty year, coupon rate of 4.87 percent, issued 10/31/15.

The remaining debt will be issued as follows:

- \$52.0 million, fifteen year, coupon rate of 4.03 percent, issued 12/10/15.

See Attachment A for the summary of the prospectus.

A review of U.S. treasury rates at the time the general rate filing was prepared indicated a range between 2.15 and 2.50 percent plus a credit spread of 150-175 basis points for 10 year debt. Montana-Dakota intended to push durations out further which would add about 100 basis points. Based on this information, 5.0 percent was a good estimate of a blended rate for the issuance and no workpapers were prepared.



MDU RESOURCES GROUP, INC.

**\$150,000,000 Senior Unsecured Notes due 2025, 2030 and 2045
Traditional Private Placement**

September 24, 2015

Dear Investor,

On behalf of MDU Resources Group, Inc. (the “Company”), KeyBanc Capital Markets Inc. (“KeyBanc”) and Mitsubishi UFJ Securities (USA), Inc. (“MUS”) are pleased to confirm the following circles of the Company’s \$150 million of Senior Unsecured Notes due 2025, 2030 and 2045.

The following table provides terms of the offering:

Offering Summary	2025 Bonds	2030 Bonds	2045 Bonds
Size	\$87,000,000	\$52,000,000	\$11,000,000
Maturity	October 30, 2025	December 10, 2030	October 30, 2045
Treasury	2.00% due 8/15/2025	2.00% due 8/15/2025	3.00% due 5/15/2045
Treasury Yield ⁽¹⁾	2.08%	2.08%	2.87%
Credit Spread	+ 170 bps	+ 195 bps	+ 200 bps
Final Coupon	3.78%	4.03%	4.87%
Price	Par	Par	Par
Optional Prepayment	Make whole at T+50 bps anytime prior to 7/30/2025; Callable at par thereafter	Make whole at T+50 bps anytime prior to 9/10/2030; Callable at par thereafter	Make whole at T+50 bps anytime prior to 4/30/2045; Callable at par thereafter
Closing / Funding Date	October 29, 2015	December 10, 2015	October 29, 2015
Interest Payment Dates	October 30 and April 30, beginning April 30, 2016	December 10 and June 10, beginning June 10, 2016	October 30 and April 30, beginning April 30, 2016

(1) Sourced from PX1 on Bloomberg; screenshot shown on page 3

The table below highlights the circles for each investor:

Investors (\$ millions)	2025 Bonds	2030 Bonds	2045 Bonds	Total
TIAA	-	\$50.0	-	\$50.0
CoBank	\$35.0	-	-	\$35.0
HIMCO	\$20.0	-	-	\$20.0
Northwestern Mutual	\$20.0	-	-	\$20.0
Advantus	\$12.0	\$2.0	\$1.0	\$15.0
Genworth	-	-	\$10.0	\$10.0
Total	\$87.0	\$52.0	\$11.0	\$150.0

Note: Highlighted cells indicate lead investor in each tranche

Transaction Details

Investor Counsel: Chapman and Cutler LLP
Amy Olshansky | olshan@chapman.com | (312) 845-3701

Investor Due Diligence: To Be Determined

The following changes will be incorporated into the revised Note Purchase Agreement:

- Section 3 (Closing) – Will change the denomination amount to \$400,000
- Section 10 – Will add a Consolidated Total Leverage Test as follows: Funded Debt to Capitalization will not be greater than 65% (as defined in section 6.9 Consolidated Total Leverage Ratio in the current credit facility)

Please contact one of the KeyBanc or MUS representatives listed below if you have any additional questions or due diligence requests prior to closing. Thanks again for participating in this offering.

Regards,

KeyBanc Capital Markets Inc.

Eamon McDermott Stephanie Acheson Erica Elsasser Alex Giordano
(216) 689-4822 (312) 730-2711 (216) 689-4496 (216) 689-0836

Mitsubishi UFJ Securities (USA), Inc.

Frederick Echeverria Peter Brooks Brian Clionsky
(212) 405-7491 (212) 405-7123 (212) 405-7402

GRAB											
United States		Actions		Settings		Fixed Income Trading					
11:04											
Actives		Bills		Notes		TIPS		Sprds			
Bills					Bonds						
31)	10/22/15	-0.025/-0.035	-0.036	--	49) 2 ¹ / ₂	245	92-07+ /08	2.893	+1-15		
32)	12/24/15	0.005/0.000	0.000	-0.005	50) 3	545	102-17+ /18+	2.870	+1-18+		
33)	03/24/16	0.080/0.075	0.076	-0.010	51) 2 ⁷ / ₈	845 30YR	100-05+ /06	2.866	+1-18+		
34)	09/15/16	0.305/0.300	0.306	-0.020	TIPS						
Notes					52)	0 ¹ / ₈	420	99-17 /99-18+	0.218	+ 02	
35)	0 ⁵ / ₈	717	100-00+ /01	0.608	+ 02	53)	0 ³ / ₈	725	97-28 ³ / ₄ /98-01	0.582	+ 10+
36)	0 ⁵ / ₈	817	99-30+ /30 ³ / ₄	0.645	+ 02	54)	0 ³ / ₄	245	89-01+ /89-06 ³ / ₄	1.186	+1-08 ³ / ₄
37)	0 ⁵ / ₈	917 2YR	99-29 ¹ / ₈ /29 ³ / ₈	0.666	+ 02 ¹ / ₈	Curve Trades					
38)	0 ⁷ / ₈	718	99-27+ /28	0.920	+ 03 ³ / ₄	55)	2yr vs 5yr	74.593/ -75.147	+0.172		
39)	1	818	100-05 ¹ / ₄ /05 ³ / ₄	0.937	+ 04	56)	2yr vs 10yr	141.264/ -141.832	-3.386		
40)	1	918 3YR	100-04+ /04 ³ / ₄	0.949	+ 04	57)	5yr vs 10yr	66.509/ -66.847	-3.555		
41)	1 ⁵ / ₈	720	101-02+ /03	1.391	+ 09	Other Markets					
42)	1 ³ / ₈	820	99-30 /30+	1.385	+ 09+	58)	US Long(CBT)	10:53 d	157-09	+1-21	
43)	1 ³ / ₈	920 5YR	99-25 ³ / ₄ /26	1.414	+ 08 ⁵ / ₈	59)	10yr Fut (CBT)	10:53 d	128-12	+0-13	
44)	1 ⁷ / ₈	822 7YR	100-19+ /20	1.779	+ 13+	60)	5Yr Fut(CBT)	10:53 d	120-11 ¹ / ₄	+0-07+	
45)	WI	7YR	1.805/1.797	-0.063		61)	Dow Jones Ind	11:04	16021.840	-258.050	
46)	2	225	99-11 /11+	2.075	+ 18	62)	S&P 500 Ind	10:48 d	1912.490	-26.270	
47)	2 ¹ / ₈	525	100-11+ /12	2.082	+ 19	63)	NYM WTI Crd	10:54 d	44.700	+0.220	
48)	2	825 10YR	99-08+ /09	2.081	+ 19+	64)	Gold	11:04	1155.090	+24.765	

Australia 61 2 9777 8800 Brazil 5511 2395 9000 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
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 SN 696094 6605-1038-1 24-Sep-15 11:04:00 EDT GMT-4:00

**MONTANA-DAKOTA UTILITIES CO.
MONTANA LARGE CUSTOMER GROUP
SIXTH DATA REQUEST
DATED OCTOBER 21, 2015
DOCKET NO. D2015.6.51**

LCG-060 RE: Credit Reports

Please provide copies of all credit reports published by Standard & Poor's (S&P), Moody's and Fitch Ratings for MDU and all of its affiliates issued over the last 2 years.

Response:

Objection. This request seeks production of third party works, the reproduction of which may be prohibited by federal copyright laws. Furthermore, pursuant to the terms of use agreements Montana-Dakota agreed to, Montana-Dakota is prohibited from reproducing or distributing the requested information without the third parties' express written permission. Montana-Dakota has requested, but not received, permission to distribute copies of the requested materials to the parties or Commission in this case. If permission is granted, Montana-Dakota will supplement and distribute in accordance with the conditions contained in the provider's written permission.

Additionally, MDU and its affiliates are not rated by Moody's, so there are no responsive materials for Moody's.

**MONTANA-DAKOTA UTILITIES CO.
MONTANA LARGE CUSTOMER GROUP
SIXTH DATA REQUEST
DATED OCTOBER 21, 2015
DOCKET NO. D2015.6.51**

LCG-061 RE: Credit Reports

Please provide complete copies of all credit reports issued by Standard & Poor's, Moody's and Fitch Ratings that discuss the current electric utility industry.

Response:

Please see Response No. LCG-060. The Company does not have any additional credit reports that discuss the current electric utility industry.

**MONTANA-DAKOTA UTILITIES CO.
MONTANA LARGE CUSTOMER GROUP
SIXTH DATA REQUEST
DATED OCTOBER 21, 2015
DOCKET NO. D2015.6.51**

LCG-062 RE: Credit Reports

Please provide the most recent senior secured, unsecured and corporate credit rating of MDU assigned by S&P, Moody's and Fitch. Also, please provide MDU's S&P business and financial risk profiles.

Response:

Please see Response No. LCG-060.

**MONTANA-DAKOTA UTILITIES CO.
MONTANA LARGE CUSTOMER GROUP
SIXTH DATA REQUEST
DATED OCTOBER 21, 2015
DOCKET NO. D2015.6.51**

LCG-063 RE: Presentations

Please provide copies of all correspondence, presentations and all other materials that MDU and its parent provided to credit and equity analysts over the last two years.

Response:

The material responsive to this request is confidential. Montana-Dakota will provide this information on a confidential basis upon entry of a protective order by the Commission. A motion for protective order was filed November 4, 2015.

**MONTANA-DAKOTA UTILITIES CO.
MONTANA LARGE CUSTOMER GROUP
SIXTH DATA REQUEST
DATED OCTOBER 21, 2015
DOCKET NO. D2015.6.51**

LCG-064 RE: Capital Structure

On an electronic spreadsheet with all formulas intact, please provide the monthly average balances for construction work in progress and short-term debt for the most recent 13-month period.

Response:

Please see LCG-064 Attachment A, Capital Structure on the enclosed CD.

**MONTANA-DAKOTA UTILITIES CO.
MONTANA LARGE CUSTOMER GROUP
SIXTH DATA REQUEST
DATED OCTOBER 21, 2015
DOCKET NO. D2015.6.51**

LCG-065 RE: Capital Structure

Please provide the amount of capitalized interest paid during the test year related to construction projects.

Response:

Montana-Dakota accrues allowance for funds used during construction (AFUDC) for both debt and equity financing using the FERC prescribed formula. AFUDC debt is similar to capitalized interest paid. During 2014, Montana-Dakota accrued AFUDC debt of \$1,903,975 of which \$590,319 is directly assigned to Montana electric operations.

**MONTANA-DAKOTA UTILITIES CO.
MONTANA LARGE CUSTOMER GROUP
SIXTH DATA REQUEST
DATED OCTOBER 21, 2015
DOCKET NO. D2015.6.51**

LCG-066 RE: Capital Structure

Please state whether MDU has any off-balance sheet debt such as purchased power agreements and operating leases. If in the affirmative provide the amount of each off-balance sheet debt item and estimate the related imputed interest and amortization expense associated with these off balance sheet debt equivalents.

Response:

The Company has certain contractual obligations and commitments that are not reflected on the balance sheet in accordance with generally accepted accounting principles (GAAP) such as operating leases and purchase commitments of various types, including purchased power agreements. See Attachment A for Note 14 – Commitments and Contingencies from the Company's 2014 FERC Form 1.

The operating leases and purchase commitments, other than the purchase agreement for the electric wind generation assets, will largely be reflected in operating expenses related to the underlying commitment as those purchases are made or services are received in the future. These are not debt instruments and will not incur interest or amortization expense.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MDU Resources Group, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	12/31/2014	2014/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

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 and 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.

**MONTANA-DAKOTA UTILITIES CO.
MONTANA LARGE CUSTOMER GROUP
SIXTH DATA REQUEST
DATED OCTOBER 21, 2015
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LCG-067 RE: Capital Structure

On an electronic spreadsheet with all formulas intact, please provide the 5-year projected and 5-year historical capital structure, capital expenditures and capital funding.

Response:

The projected capital expenditures are provided in the Excel file labeled LCG-067 Capital Expenditures. The capital funding, both equity and debt, are included in the projected periods to maintain a 50 percent common equity component in the projected capital structure.

The five year historical capital structure, capital expenditures and capital funding are provided in the Excel file labeled LCG-067 Historical Information.

**MONTANA-DAKOTA UTILITIES CO.
MONTANA LARGE CUSTOMER GROUP
SIXTH DATA REQUEST
DATED OCTOBER 21, 2015
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LCG-068 RE: Capital Structure

Please provide a detailed explanation of MDU's dividend payment and debt financing plans through the test period.

Response:

Montana-Dakota's common dividend is targeted at 65 percent of the prior year's earnings. See LCG-059 for discussion regarding the Company's debt financing plans through the test period.

**MONTANA-DAKOTA UTILITIES CO.
MONTANA LARGE CUSTOMER GROUP
SIXTH DATA REQUEST
DATED OCTOBER 21, 2015
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LCG-069 RE: Capital Structure

Do any of MDU's outstanding long-term debt issues have call provisions? If the answer is "yes," please provide a list of the callable issues with the following: a) outstanding balance, b) issuance date, c) maturity date, d) coupon payment percent, e) annual interest expense, and f) call price (as a percent of par).

Response:

None of the outstanding long-term debt issuances of MDU Resources Group, Inc. have call provisions. These issuances consist of private placement note purchase agreements. The only options for early retirement of these notes would require punitive make-whole provisions which are required to be paid at the time of retirement.

**MONTANA-DAKOTA UTILITIES CO.
MONTANA LARGE CUSTOMER GROUP
SIXTH DATA REQUEST
DATED OCTOBER 21, 2015
DOCKET NO. D2015.6.51**

LCG-070 RE: Capital Structure

Has MDU performed any debt refinancing feasibility studies on its outstanding debt issues? If the answer is “yes,” please provide the following:

- a. A detailed description of the results from the study.**
- b. A detailed description of the conclusion(s) made by MDU based on the results of the study.**
- c. All debt refinancing feasibility studies in an electronic spreadsheet with all formulas intact.**

Response:

- a-c. The Company has not performed any formal debt refinancing feasibility studies regarding outstanding long-term debt. Early retirement of existing long-term debt agreements can result in significant make-whole penalties which are required to be paid at the time of retirement. Therefore, the Company has focused on avenues other than refinancing of existing notes to manage interest rate exposure, take advantage of lower rates, and avoid punitive make whole charges.

As noted in the direct testimony of Mr. Senger, since 2006, the Company has refinanced essentially all of its long-term debt and has lowered its embedded weighted average debt cost from 8.713 percent at December 31, 2005 to a 5.949 percent at December 31, 2015.

The Company has been careful not to speculate on interest rate movements, but rather focus on achieving a competitive rate at the time of issuance and adjusting the tenor of the debt to take advantage of low yields at various parts of the yield curve.

**MONTANA-DAKOTA UTILITIES CO.
MONTANA LARGE CUSTOMER GROUP
SEVENTH DATA REQUEST
DATED OCTOBER 21, 2015
DOCKET NO. D2015.6.51**

LCG-071 RE: Statement M

Please refer to Statement M, pages 6 through 38:

- a. Please explain why the “current rates” for each rate schedule reflect MDU’s proposed Base Fuel and Purchased Power Charge rather than the actual current Base Fuel and Purchased Power Charge. Please provide any workpapers that reconcile the current and proposed Fuel and Purchased Power Charges and revenues in Excel format with all formulas intact.**
- b. For each rate schedule, please provide a version of the Pro Forma @ Current Rates section of pages 6 through 21 that derives the Pro Forma base fuel revenues at current rates using the actual current base Fuel and Purchased Power Charge in place in 2015, in Excel format with all formulas intact.**
- c. For each rate schedule, please provide a separate itemization of each Rate 58 rate in place during 2015, the Pro Forma kWh corresponding to each Rate 58 rate in place, and the resulting Rate 58 revenues, in Excel format with all formulas intact.**

Response:

- a. The base fuel and purchased power rate used in Statement M, pages 6 through 38 correctly reflects the base level of pro forma fuel the Company will incur and its customers will pay according to the generation mix modeled in PLEXOS for the test year. The current actual fuel and purchased power rate does not reflect the generation resources, specifically the power that will be produced by the Thunder Spirit Wind Facility, that will be available for dispatch by year end 2015. Workpapers reconciling the current actual and the pro forma fuel are not available.
- b. Please see LCG-071a.
- c. Please see Response No. LCG-071 Attachment A for the monthly Fuel and Purchased Power Cost Adjustments for 2015.

Please see Response No. MCC-007 Attachment A for the actual monthly Kwh sales by rate schedule for the twelve months ended December 31, 2014 and January through August 2015. Please see Response No. MCC-001 Attachment A for the monthly Kwh sales for the pro forma adjustment made to the Large General Service Rate 30.

**Montana-Dakota Utilities Co.
Electric Utility - Montana
2015 Fuel and Purchased Power Cost Adjustment**

	January	February	March	April	May	June	July	August	September	October
Primary										
Base Fuel	\$0.02057	\$0.02057	\$0.02057	\$0.02057	\$0.02057	\$0.02057	\$0.02057	\$0.02057	\$0.02057	\$0.02057
F&PCA	0.00476	0.00442	0.00434	0.00551	0.00341	0.00230	0.00199	0.00134	0.00366	0.00531
Total	0.02533	0.02499	0.02491	0.02608	0.02398	0.02287	0.02256	0.02191	0.02423	0.02588
Secondary										
Base Fuel	\$0.02084	\$0.02084	\$0.02084	\$0.02084	\$0.02084	\$0.02084	\$0.02084	\$0.02084	\$0.02084	\$0.02084
F&PCA	0.00562	0.00544	0.00545	0.00660	0.00431	0.00320	0.00242	0.00176	0.00417	0.00574
Total	0.02646	0.02628	0.02629	0.02744	0.02515	0.02404	0.02326	0.02260	0.02501	0.02658
Rate 35										
Base Fuel	\$0.02032	\$0.02032	\$0.02032	\$0.02032	\$0.02032	\$0.02032	\$0.02032	\$0.02032	\$0.02032	\$0.02032
F&PCA	0.00783	0.00783	0.00783	0.00783	0.00783	0.00783	0.00783	0.00783	0.00783	0.00783
Total	0.02815	0.02815	0.02815	0.02815	0.02815	0.02815	0.02815	0.02815	0.02815	0.02815

**MONTANA-DAKOTA UTILITIES CO.
MONTANA LARGE CUSTOMER GROUP
SEVENTH DATA REQUEST
DATED OCTOBER 21, 2015
DOCKET NO. D2015.6.51**

LCG-072 RE: Base Fuel and Purchased Power Charge

Please provide all workpapers in Excel format with formulas intact that derive the proposed Base Fuel and Purchased Power Charge for each rate schedule, demonstrating how the proposed charge for each schedule relates to the average Pro Forma Base Cost of Fuel of \$0.02517 per kWh from Statement G, page 5, using service voltage loss factors.

Response:

Please see Response No. LCG-072 Attachment A on the enclosed CD.

**MONTANA-DAKOTA UTILITIES CO.
MONTANA LARGE CUSTOMER GROUP
SEVENTH DATA REQUEST
DATED OCTOBER 21, 2015
DOCKET NO. D2015.6.51**

LCG-073 RE: Reagent Expense

Please refer to MDU's Response to LCG-025. Please identify MDU's pro forma reagent expense by generation facility using the same operating assumptions used in preparing MDU's Response to LCG-025 (i.e., using 2014 pro-forma loads as described in MDU's Response to LCG-022 and the exact in-service dates for new generation facilities provided in the MDU's Response to LCG-023).

Response:

Montana-Dakota's Response to LCG-025 reflects 2014 pro forma activity. The in-service dates reflected in Response LCG-023 are late 2015. Reagent expenses associated with operating assumptions used to prepare Response LCG-025 would remain very similar to the reagent expenses shown on Statement G, Page 17, Adjustment No. 16, Per Books amounts.

**MONTANA-DAKOTA UTILITIES CO.
MONTANA LARGE CUSTOMER GROUP
SEVENTH DATA REQUEST
DATED OCTOBER 21, 2015
DOCKET NO. D2015.6.51**

LCG-074 RE: Reagent Expense

Please refer to LCG-055. Please identify MDU's pro forma reagent expense by generation facility using the same operating assumptions used in preparing MDU's Response to LCG-055 (i.e., using 2015 projected loads consistent with Attachment A to MDU's Response to Data Request PSC-022 and the exact in-service dates for new generation facilities provided in the MDU's Response to LCG-023).

Response:

Please see Response No. LCG-033.

**MONTANA-DAKOTA UTILITIES CO.
MONTANA LARGE CUSTOMER GROUP
SEVENTH DATA REQUEST
DATED OCTOBER 21, 2015
DOCKET NO. D2015.6.51**

LCG-075 RE: Environmental Cost Recovery Rider

Please refer to Exhibit TAA-3. Please explain why the charge for the proposed Environmental Cost Recovery Rider - Rate 98 is designed a kWh charge for demand-billed customers? Wouldn't a demand charge be more appropriate given the nature of the costs that MDU proposes to recover through Rate 98? If MDU disagrees, please explain the basis for the disagreement.

Response:

Montana-Dakota proposed to simply collect costs on a per Kwh basis but agree that cost recovery as a demand charge may be more appropriate for demand metered customers.

**MONTANA-DAKOTA UTILITIES CO.
MONTANA LARGE CUSTOMER GROUP
SEVENTH DATA REQUEST
DATED OCTOBER 21, 2015
DOCKET NO. D2015.6.51**

LCG-076 RE: Transmission Cost Recovery Rider

Please refer to Exhibit TAA-4. Please explain why the charge for the proposed Transmission Cost Recovery Rider - Rate 99 is designed a kWh charge for demand-billed customers? Wouldn't a demand charge be more appropriate given the nature of the costs that MDU proposes to recover through Rate 99? If MDU disagrees, please explain the basis for the disagreement.

Response:

Montana-Dakota proposed to simply collect costs on a per Kwh basis but agree that cost recovery as a demand charge may be more appropriate for demand metered customers.