

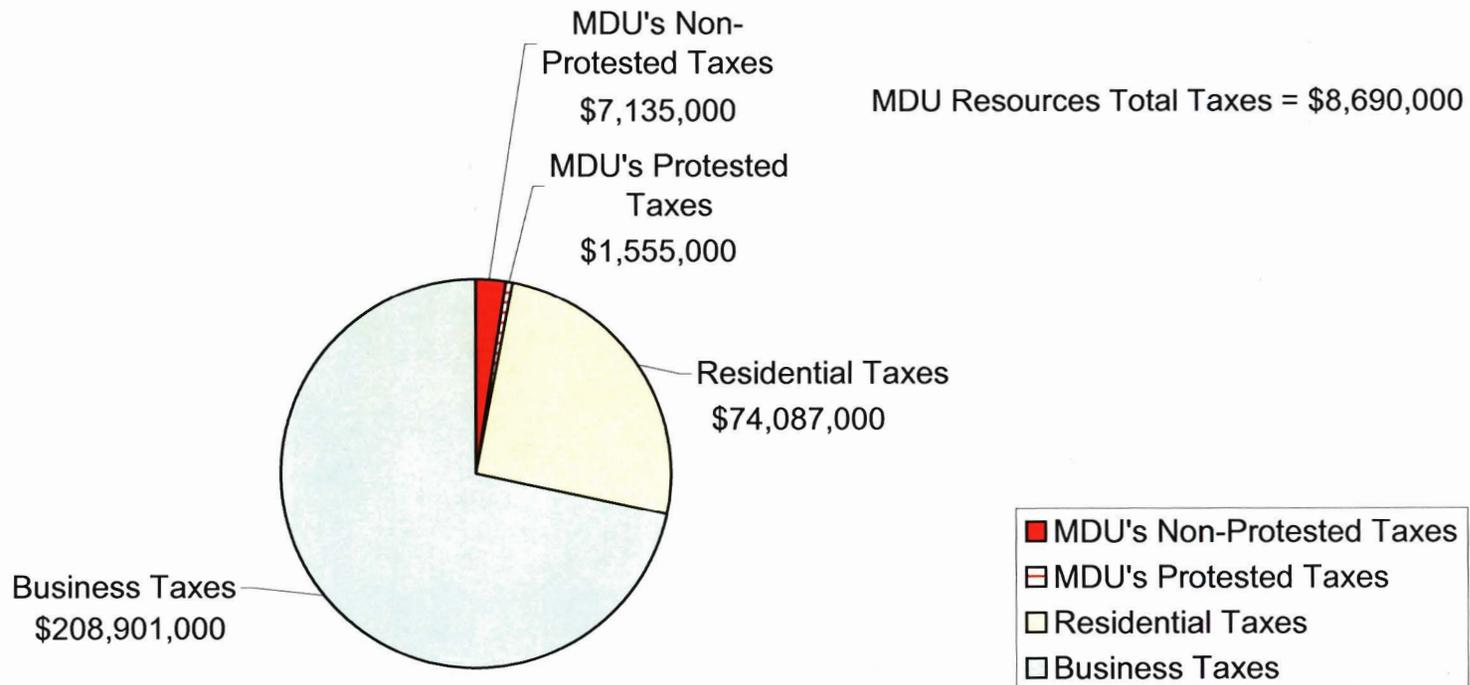


Property Tax Protests: Montana Dakota Utility Resources Group (MDU)

REVENUE & TRANSPORTATION INTERIM COMMITTEE
JUNE 17, 2005 MEETING
EXHIBIT 4

Prepared for Revenue and Transportation
Legislative Interim Committee on June 17, 2005

MDU Resources Protested Taxes in Yellowstone, Powder River, Carbon, Phillips, Custer, Dawson, Roosevelt, Valley, Big Horn, Richland, Rosebud, Stillwater, Treasure, Sheridan, Daniels, Fallon, McCone, Carter, Prairie and Wibaux Counties





Dan Bucks
Director

Montana Department of Revenue



Brian Schweitzer
Governor

Status of Large Property Tax Protests

Montana Dakota Utility Resources Group (MDU)

including their subsidiaries, Montana Dakota Utilities, WBI Interstate Pipeline Company, Bitter Creek Pipeline and Fidelity Exploration & Production

<u>Type of Property</u>	Provide electric and gas services consisting of generation, transmission, and local distribution in Montana and North Dakota primarily.
<u>Counties Affected</u>	Big Horn, Carbon, Carter, Custer, Daniels, Dawson, Fallon, McCone, Phillips, Powder River, Prairie, Richland, Roosevelt, Rosebud, Sheridan, Stillwater, Treasure, Valley, Yellowstone and Wibaux Counties
<u>Litigation Issues</u>	MDU has appealed classification, valuation and equalization issues.
<u>Litigation Status</u>	MDU has appealed its 2004 assessment to the State Tax Appeal Board (STAB). MDU's discovery responses to the department's discovery requests are due on July 8, 2005 (originally due May 26). A hearing is currently scheduled for the week of October 17, 2005, but will likely move to February 2005. MDU's 2003 appeal with the department was settled.
<u>Years Under Appeal</u>	2004 (MDU has requested the department to move its 2005 appeal directly to the STAB)
<u>Total Market Value of MDU Property</u>	\$178 million
<u>Total Tax Dollars Assessed</u>	\$6.74 million in local taxes \$1.95 million in state taxes \$8.69 million total taxes
<u>Protested Tax Dollars</u>	\$1.20 million in local taxes \$0.35 million in state taxes \$1.55 million total taxes