

MDU RESOURCES GROUP INC
Form 10-Q
May 08, 2015

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For The Quarterly Period Ended March 31, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period from _____ to _____

Commission file number 1-3480
MDU Resources Group, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation
or organization)

41-0423660
(I.R.S. Employer Identification No.)

1200 West Century Avenue
P.O. Box 5650
Bismarck, North Dakota 58506-5650
(Address of principal executive offices)
(Zip Code)

(701) 530-1000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No .

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No .

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer Accelerated filer

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Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No .

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of May 1, 2015:
194,770,955 shares.

DEFINITIONS

The following abbreviations and acronyms used in this Form 10-Q are defined below:

Abbreviation or Acronym	
2014 Annual Report	Company's Annual Report on Form 10-K for the year ended December 31, 2014
AFUDC	Allowance for funds used during construction
ASC	FASB Accounting Standards Codification
Bbl	Barrel
Bicent	Bicent Power LLC
Big Stone Station	475-MW coal-fired electric generating facility near Big Stone City, South Dakota (22.7 percent ownership)
BLM	Bureau of Land Management
BOE	One barrel of oil equivalent - determined using the ratio of one barrel of crude oil, condensate or natural gas liquids to six Mcf of natural gas
Bombard Mechanical	Bombard Mechanical, LLC, an indirect wholly owned subsidiary of MDU Construction Services
BOPD	Barrels of oil per day
Brazilian Transmission Lines	Company's former investment in companies owning three electric transmission lines
Btu	British thermal unit
California Superior Court	Superior Court of the State of California, County of Los Angeles (South District - Long Beach)
Calumet	Calumet Specialty Products Partners, L.P.
Cascade	Cascade Natural Gas Corporation, an indirect wholly owned subsidiary of MDU Energy Capital
CEM	Colorado Energy Management, LLC, a former direct wholly owned subsidiary of Centennial Resources (sold in the third quarter of 2007)
Centennial	Centennial Energy Holdings, Inc., a direct wholly owned subsidiary of the Company
Centennial Capital	Centennial Holdings Capital LLC, a direct wholly owned subsidiary of Centennial
Centennial Resources	Centennial Energy Resources LLC, a direct wholly owned subsidiary of Centennial
Clean Water Act	Federal Clean Water Act
Colorado State District Court	Colorado Thirteenth Judicial District Court, Yuma County
Company	MDU Resources Group, Inc.
Connolly-Pacific	Connolly-Pacific Co., an indirect wholly owned subsidiary of Knife River
Coyote Creek	Coyote Creek Mining Company, LLC, a subsidiary of The North American Coal Corporation
Coyote Station	427-MW coal-fired electric generating facility near Beulah, North Dakota (25 percent ownership)
Dakota Prairie Refinery	20,000-barrel-per-day diesel topping plant built by Dakota Prairie Refining in southwestern North Dakota
Dakota Prairie Refining	Dakota Prairie Refining, LLC, a limited liability company jointly owned by WBI Energy and Calumet
dk	Decatherm
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act
EBITDA	Earnings before interest, taxes, depreciation, depletion and amortization
EPA	U.S. Environmental Protection Agency
ERISA	Employee Retirement Income Security Act of 1974
Exchange Act	Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board

Fidelity	Fidelity Exploration & Production Company, a direct wholly owned subsidiary of WBI Holdings
FIP	Funding improvement plan
GAAP	Accounting principles generally accepted in the United States of America
GHG	Greenhouse gas
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
JTL	JTL Group, Inc., an indirect wholly owned subsidiary of Knife River
Knife River	Knife River Corporation, a direct wholly owned subsidiary of Centennial
Knife River - Northwest	Knife River Corporation - Northwest, an indirect wholly owned subsidiary of Knife River
kWh	Kilowatt-hour

LWG	Lower Willamette Group
MATS	Mercury and Air Toxics Standards
MBbls	Thousands of barrels
MBOE	Thousands of BOE
Mcf	Thousand cubic feet
MDU Construction Services	MDU Construction Services Group, Inc., a direct wholly owned subsidiary of Centennial
MDU Energy Capital	MDU Energy Capital, LLC, a direct wholly owned subsidiary of the Company
MEPP	Multiemployer pension plan
MISO	Midcontinent Independent System Operator, Inc.
MMBtu	Million Btu
MMcf	Million cubic feet
MMdk	Million decatherms
Montana-Dakota	Montana-Dakota Utilities Co., a public utility division of the Company
Montana DEQ	Montana Department of Environmental Quality
Montana First Judicial District Court	Montana First Judicial District Court, Lewis and Clark County
Montana Seventeenth Judicial District Court	Montana Seventeenth Judicial District Court, Phillips County
MPPAA	Multiemployer Pension Plan Amendments Act of 1980
MTPSC	Montana Public Service Commission
MW	Megawatt
NDPSC	North Dakota Public Service Commission
Nevada State District Court	District Court Clark County, Nevada
NGL	Natural gas liquids
NSPS	New Source Performance Standards
NYMEX	New York Mercantile Exchange
Oil	Includes crude oil and condensate
Omimex	Omimex Canada, Ltd.
OPUC	Oregon Public Utility Commission
Oregon DEQ	Oregon State Department of Environmental Quality
Prairielands	Prairielands Energy Marketing, Inc., an indirect wholly owned subsidiary of WBI Holdings
PRP	Potentially Responsible Party
ROD	Record of Decision
RP	Rehabilitation plan
SEC	U.S. Securities and Exchange Commission
SEC Defined Prices	The average price of oil and natural gas during the applicable 12-month period, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions
Securities Act	Securities Act of 1933, as amended
SourceGas	SourceGas Distribution LLC
VIE	Variable interest entity
WBI Energy	WBI Energy, Inc., an indirect wholly owned subsidiary of WBI Holdings
WBI Energy Midstream	WBI Energy Midstream, LLC, an indirect wholly owned subsidiary of WBI Holdings
WBI Energy Transmission	WBI Energy Transmission, Inc., an indirect wholly owned subsidiary of WBI Holdings
WBI Holdings	WBI Holdings, Inc., a direct wholly owned subsidiary of Centennial
WUTC	Washington Utilities and Transportation Commission

WYPSC

Wyoming Public Service Commission

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INTRODUCTION

The Company is a diversified natural resource company, which was incorporated under the laws of the state of Delaware in 1924. Its principal executive offices are at 1200 West Century Avenue, P.O. Box 5650, Bismarck, North Dakota 58506-5650, telephone (701) 530-1000.

Montana-Dakota, through the electric and natural gas distribution segments, generates, transmits and distributes electricity and distributes natural gas in Montana, North Dakota, South Dakota and Wyoming. Cascade distributes natural gas in Oregon and Washington. Intermountain distributes natural gas in Idaho. Great Plains distributes natural gas in western Minnesota and southeastern North Dakota. These operations also supply related value-added services.

The Company, through its wholly owned subsidiary, Centennial, owns WBI Holdings (comprised of the pipeline and energy services and the exploration and production segments), Knife River (construction materials and contracting segment), MDU Construction Services (construction services segment), Centennial Resources and Centennial Capital (both reflected in the Other category). For more information on the Company's business segments, see Note 15.

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PART I -- FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

MDU RESOURCES GROUP, INC.
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	Three Months Ended March 31,	
	2015	2014
	(In thousands, except per share amounts)	
Operating revenues:		
Electric, natural gas distribution and pipeline and energy services	\$427,444	\$491,541
Exploration and production, construction materials and contracting, construction services and other	491,066	551,312
Total operating revenues	918,510	1,042,853
Operating expenses:		
Fuel and purchased power	23,819	26,544
Purchased natural gas sold	202,960	244,892
Cost of crude oil	2,270	—
Operation and maintenance:		
Electric, natural gas distribution and pipeline and energy services	79,425	67,284
Exploration and production, construction materials and contracting, construction services and other	440,993	445,951
Depreciation, depletion and amortization	95,507	99,557
Taxes, other than income	47,483	55,721
Write-down of oil and natural gas properties (Note 5)	500,400	—
Total operating expenses	1,392,857	939,949
Operating income (loss)	(474,347	) 102,904
Other income	2,324	2,183
Interest expense	23,149	20,971
Income (loss) before income taxes	(495,172	) 84,116
Income taxes	(185,727	) 27,932
Income (loss) from continuing operations	(309,445	) 56,184
Loss from discontinued operations, net of tax (Note 10)	—	(45
Net income (loss)	(309,445	) 56,139
Net loss attributable to noncontrolling interest	(3,528	) (523
Dividends declared on preferred stocks	171	171
Earnings (loss) on common stock	\$(306,088	) \$56,491
Earnings (loss) per common share - basic:		
Earnings (loss) before discontinued operations	\$(1.57	) \$.30
Discontinued operations, net of tax	—	—
Earnings (loss) per common share - basic	\$(1.57	) \$.30
Earnings (loss) per common share - diluted:		
Earnings (loss) before discontinued operations	\$(1.57	) \$.30
Discontinued operations, net of tax	—	—
Earnings (loss) per common share - diluted	\$(1.57	) \$.30

Dividends declared per common share	\$.1825	\$.1775
Weighted average common shares outstanding - basic	194,479	189,820
Weighted average common shares outstanding - diluted	194,479	190,432

The accompanying notes are an integral part of these consolidated financial statements.

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MDU RESOURCES GROUP, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended March 31,		
	2015	2014	
	(In thousands)		
Net income (loss)	\$ (309,445	) \$ 56,139
Other comprehensive income:			
Reclassification adjustment for loss on derivative instruments included in net income (loss), net of tax of \$60 and \$204 for the three months ended in 2015 and 2014, respectively	99	344	
Amortization of postretirement liability losses included in net periodic benefit cost, net of tax of \$230 and \$168 for the three months ended in 2015 and 2014, respectively	375	275	
Foreign currency translation adjustment:			
Foreign currency translation adjustment recognized during the period, net of tax of \$(68) and \$28 for the three months ended in 2015 and 2014, respectively	(112	) 46
Reclassification adjustment for loss on foreign currency translation adjustment included in net income (loss), net of tax of \$490 and \$0 for the three months ended in 2015 and 2014, respectively	802	—	
Foreign currency translation adjustment	690	46	
Net unrealized gain on available-for-sale investments:			
Net unrealized loss on available-for-sale investments arising during the period, net of tax of \$(11) and \$(19) for the three months ended in 2015 and 2014, respectively	(21) (36)
Reclassification adjustment for loss on available-for-sale investments included in net income (loss), net of tax of \$19 and \$20 for the three months ended in 2015 and 2014, respectively	36	38	
Net unrealized gain on available-for-sale investments	15	2	
Other comprehensive income	1,179	667	
Comprehensive income (loss)	(308,266	) 56,806
Comprehensive loss attributable to noncontrolling interest	(3,528) (523)
Comprehensive income (loss) attributable to common stockholders	\$ (304,738	) \$ 57,329
The accompanying notes are an integral part of these consolidated financial statements.			

MDU RESOURCES GROUP, INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	March 31, 2015	March 31, 2014	December 31, 2014
(In thousands, except shares and per share amounts)			
ASSETS			
Current assets:			
Cash and cash equivalents	\$122,241	\$83,700	\$81,855
Receivables, net	564,090	690,761	693,318
Inventories	336,598	301,332	300,811
Deferred income taxes	32,987	29,427	23,806
Commodity derivative instruments	7,127	81	18,335
Prepayments and other current assets	98,503	99,229	76,848
Total current assets	1,161,546	1,204,530	1,194,973
Investments	118,407	113,763	117,920
Property, plant and equipment	9,299,713	9,150,269	9,693,171
Less accumulated depreciation, depletion and amortization	4,233,193	3,954,442	4,166,407
Net property, plant and equipment	5,066,520	5,195,827	5,526,764
Deferred charges and other assets:			
Goodwill	635,204	636,039	635,204
Other intangible assets, net	9,166	12,296	9,840
Other	326,542	246,394	325,277
Total deferred charges and other assets	970,912	894,729	970,321
Total assets	\$7,317,385	\$7,408,849	\$7,809,978
LIABILITIES AND EQUITY			
Current liabilities:			
Short-term borrowings	\$16,100	\$—	\$—
Long-term debt due within one year	409,292	12,227	269,449
Accounts payable	259,881	399,935	382,671
Taxes payable	48,436	61,847	45,631
Dividends payable	35,687	33,980	35,607
Accrued compensation	37,797	40,016	62,775
Commodity derivative instruments	—	12,186	—
Other accrued liabilities	179,672	185,287	172,561
Total current liabilities	986,865	745,478	968,694
Long-term debt	1,780,694	2,093,605	1,825,278
Deferred credits and other liabilities:			
Deferred income taxes	804,757	899,420	952,413
Other liabilities	810,626	720,542	813,809
Total deferred credits and other liabilities	1,615,383	1,619,962	1,766,222
Commitments and contingencies			
Equity:			
Preferred stocks	15,000	15,000	15,000
Common stockholders' equity:			
Common stock			
Authorized - 500,000,000 shares, \$1.00 par value			
Shares issued - 195,191,129 at March 31, 2015,	195,191	191,839	194,755

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191,838,720 at March 31, 2014 and 194,754,812 at December 31, 2014

Other paid-in capital	1,214,867	1,110,221	1,207,188
Retained earnings	1,421,220	1,625,692	1,762,827
Accumulated other comprehensive loss	(40,924	)(37,538	)(42,103)
Treasury stock at cost - 538,921 shares	(3,626	)(3,626	)(3,626)
Total common stockholders' equity	2,786,728	2,886,588	3,119,041
Total stockholders' equity	2,801,728	2,901,588	3,134,041
Noncontrolling interest	132,715	48,216	115,743
Total equity	2,934,443	2,949,804	3,249,784
Total liabilities and equity	\$7,317,385	\$7,408,849	\$7,809,978

The accompanying notes are an integral part of these consolidated financial statements.

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MDU RESOURCES GROUP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31,	
	2015	2014
	(In thousands)	
Operating activities:		
Net income (loss)	\$(309,445)	)\$56,139
Loss from discontinued operations, net of tax	—	(45)
Income (loss) from continuing operations	(309,445)	)56,184
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation, depletion and amortization	95,507	99,557
Deferred income taxes	(160,633)	)35,965
Unrealized loss on commodity derivatives	11,208	6,712
Write-down of oil and natural gas properties	500,400	—
Changes in current assets and liabilities, net of acquisitions:		
Receivables	101,371	25,611
Inventories	(44,408)	) (19,809)
Other current assets	(20,349)	) (22,324)
Accounts payable	(53,334)	) (11,525)
Other current liabilities	(16,119)	) (28,355)
Other noncurrent changes	(9,537)	) (4,987)
Net cash provided by continuing operations	94,661	137,029
Net cash provided by discontinued operations	—	8
Net cash provided by operating activities	94,661	137,037
Investing activities:		
Capital expenditures	(189,463)	) (179,646)
Acquisitions, net of cash acquired	—	(206,304)
Net proceeds from sale or disposition of property and other	26,801	5,179
Investments	2,449	458
Net cash used in continuing operations	(160,213)	) (380,313)
Net cash provided by discontinued operations	—	—
Net cash used in investing activities	(160,213)	) (380,313)
Financing activities:		
Issuance of short-term borrowings	16,100	—
Repayment of short-term borrowings	—	(11,500)
Issuance of long-term debt	149,332	309,501
Repayment of long-term debt	(54,162)	) (58,232)
Proceeds from issuance of common stock	9,864	54,843
Dividends paid	(35,607)	) (33,737)
Excess tax benefit on stock-based compensation	—	4,833
Contribution from noncontrolling interest	20,500	16,000
Net cash provided by continuing operations	106,027	281,708
Net cash provided by discontinued operations	—	—
Net cash provided by financing activities	106,027	281,708

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Effect of exchange rate changes on cash and cash equivalents	(89)43
Increase in cash and cash equivalents	40,386	38,475
Cash and cash equivalents -- beginning of year	81,855	45,225
Cash and cash equivalents -- end of period	\$122,241	\$83,700

The accompanying notes are an integral part of these consolidated financial statements.

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MDU RESOURCES GROUP, INC.
NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS

March 31, 2015 and 2014
(Unaudited)

Note 1 - Basis of presentation

The accompanying consolidated interim financial statements were prepared in conformity with the basis of presentation reflected in the consolidated financial statements included in the Company's 2014 Annual Report, and the standards of accounting measurement set forth in the interim reporting guidance in the ASC and any amendments thereto adopted by the FASB. Interim financial statements do not include all disclosures provided in annual financial statements and, accordingly, these financial statements should be read in conjunction with those appearing in the 2014 Annual Report. The information is unaudited but includes all adjustments that are, in the opinion of management, necessary for a fair presentation of the accompanying consolidated interim financial statements and are of a normal recurring nature. Depreciation, depletion and amortization expense is reported separately on the Consolidated Statements of Income and therefore is excluded from the other line items within operating expenses. Management has also evaluated the impact of events occurring after March 31, 2015, up to the date of issuance of these consolidated interim financial statements.

Note 2 - Seasonality of operations

Some of the Company's operations are highly seasonal and revenues from, and certain expenses for, such operations may fluctuate significantly among quarterly periods. Accordingly, the interim results for particular businesses, and for the Company as a whole, may not be indicative of results for the full fiscal year.

Note 3 - Accounts receivable and allowance for doubtful accounts

Accounts receivable consist primarily of trade receivables from the sale of goods and services which are recorded at the invoiced amount net of allowance for doubtful accounts, and costs and estimated earnings in excess of billings on uncompleted contracts. The total balance of receivables past due 90 days or more was \$29.3 million, \$22.6 million and \$30.9 million at March 31, 2015 and 2014, and December 31, 2014, 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 March 31, 2015 and 2014, and December 31, 2014, was \$9.4 million, \$10.9 million and \$9.5 million, respectively.

Note 4 - Inventories and natural gas in storage

Inventories, other than natural gas in storage for the Company's regulated operations, are stated at the lower of average cost or market value. Natural gas in storage for the Company's regulated operations is generally carried at average cost, or 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 is included in inventories. Inventories consisted of:

	March 31, 2015	March 31, 2014	December 31, 2014
	(In thousands)		
Aggregates held for resale	\$112,029	\$104,106	\$108,161
Asphalt oil	89,578	66,292	42,135
Materials and supplies	65,599	68,809	65,683
Merchandise for resale	15,688	22,463	24,420
Natural gas in storage (current)	9,303	6,129	19,302

Other	44,401	33,533	41,110
Total	\$336,598	\$301,332	\$300,811

The remainder of natural gas in storage, which largely represents the cost of gas required to maintain pressure levels for normal operating purposes, is included in other assets and was \$49.3 million, \$47.4 million and \$49.3 million at March 31, 2015 and 2014, and December 31, 2014, respectively.

Note 5 - Oil and natural gas properties

The company uses the full-cost method of accounting for its oil and natural gas production activities. Under this method, all costs incurred in the acquisition, exploration and development of oil and natural gas properties are capitalized and amortized on

the units-of-production method based on total proved reserves. Any conveyances of properties, including gains or losses on abandonments of properties, are generally treated as adjustments to the cost of the properties with no gain or loss recognized.

Capitalized costs are subject to a "ceiling test" that limits such costs to the aggregate of the present value of future net cash flows from proved reserves discounted at 10 percent, as mandated under the rules of the SEC, plus the cost of unproved properties not subject to amortization, plus the effects of cash flow hedges, less applicable income taxes. Proved reserves and associated future cash flows are determined based on SEC Defined Prices and exclude cash outflows associated with asset retirement obligations that have been accrued on the balance sheet. If capitalized costs, less accumulated amortization and related deferred income taxes, exceed the full-cost ceiling at the end of any quarter, a permanent noncash write-down is required to be charged to earnings in that quarter regardless of subsequent price changes.

The Company's capitalized cost under the full-cost method of accounting exceeded the full-cost ceiling at March 31, 2015. SEC Defined Prices, adjusted for market differentials, are used to calculate the ceiling test. Accordingly, the Company was required to write down its oil and natural gas producing properties. The noncash write-down amounted to \$500.4 million (\$315.3 million after tax) for the three months ended March 31, 2015.

At March 31, 2014 and December 31, 2014, the Company's full-cost ceiling exceeded the Company's capitalized cost. Various factors, including lower SEC Defined Prices, market differentials, changes in estimates of proved reserve quantities, unsuccessful results of exploration and development efforts or changes in operating and development costs could result in future noncash write-downs of the Company's oil and natural gas properties.

SEC Defined Prices for each quarter for the last 12 months were as follows:

SEC Defined Prices for the 12 months ended	NYMEX Oil Price (per Bbl)	Henry Hub Gas Price (per MMBtu)	Ventura Gas Price (per MMBtu)
March 31, 2015	\$82.72	\$3.87	\$3.96
December 31, 2014	94.99	4.34	7.71
September 30, 2014	99.08	4.24	7.60
June 30, 2014	100.27	4.10	7.47

For purposes of comparison, first-of-the-month prices were as follows:

	NYMEX Oil Price (per Bbl)	Henry Hub Gas Price (per MMBtu)	Ventura Gas Price (per MMBtu)
April 2015	\$50.09	\$2.63	\$2.45
May 2015	59.15	2.57	2.51

Given the current oil and natural gas pricing environment, the Company believes it is likely it will have noncash write-downs of its oil and natural gas properties in future quarters until such time as commodity prices begin to recover.

Note 6 - Earnings (loss) per common share

Basic earnings (loss) per common share were computed by dividing earnings (loss) on common stock by the weighted average number of shares of common stock outstanding during the applicable period. Diluted earnings per common share were computed by dividing earnings on common stock by the total of the weighted average number of shares of common stock outstanding during the applicable period, plus the effect of outstanding performance share awards. Diluted loss per common share for the period ended March 31, 2015, was computed by dividing the loss on common

stock by the weighted average number of shares of common stock outstanding during the period. Due to the loss on common stock for the period ended March 31, 2015, the effect of outstanding performance share awards was excluded from the computation of diluted loss per common share as their effect was antidilutive. In 2014, there were no shares excluded from the calculation of diluted earnings per share. Common stock outstanding includes issued shares less shares held in treasury. Net income (loss) was the same for both the basic and diluted earnings (loss) per share calculations. A reconciliation of the weighted average common shares outstanding used in the basic and diluted earnings (loss) per share calculations was as follows:

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	Three Months Ended March 31,	
	2015	2014
	(In thousands)	
Weighted average common shares outstanding - basic	194,479	189,820
Effect of dilutive performance share awards	—	612
Weighted average common shares outstanding - diluted	194,479	190,432
Shares excluded from the calculation of diluted earnings per share	87	—

Note 7 - Cash flow information

Cash expenditures for interest and income taxes were as follows:

	Three Months Ended March 31,	
	2015	2014
	(In thousands)	
Interest, net of amounts capitalized and AFUDC - borrowed of \$2.6 million and \$2.4 million in 2015 and 2014, respectively	\$23,874	\$20,850
Income taxes paid (refunded), net	\$(1,339)	)\$9,435

Noncash investing transactions were as follows:

	March 31,	
	2015	2014
	(In thousands)	
Property, plant and equipment additions in accounts payable	\$54,134	\$65,736

Note 8 - 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. In April 2015, the FASB tentatively decided to defer the effective date one year and allow entities to early adopt. If these proposals are adopted, the guidance would be effective for the Company on January 1, 2018. 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.

Simplifying the Presentation of Debt Issuance Costs In April 2015, the FASB issued guidance on simplifying the presentation of debt issuance costs in the financial statements. This guidance requires entities to present debt issuance costs as a direct deduction to the related debt liability. The amortization of these costs will be reported as interest expense. The guidance will be effective for the Company on January 1, 2016, and is to be applied retrospectively. Early adoption of this guidance is permitted. The guidance will require a reclassification of the debt issuance costs on the Consolidated Balance Sheets, but will not impact the Company's results of operations or cash flows.

Note 9 - Comprehensive income (loss)

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

Three Months Ended March 31, 2015	Net Unrealized Gain (Loss) on Derivative Instruments Qualifying as Hedges (In thousands)	Postretirement Liability Adjustment	Foreign Currency Translation Adjustment	Net Unrealized Gain (Loss) on Available-for-sale Investments	Total Accumulated Other Comprehensive Loss
Balance at beginning of period	\$ (3,071	)\$ (38,218	)\$ (829	)\$ 15	\$ (42,103)
Other comprehensive loss before reclassifications	—	—	(112	)(21	) (133)
Amounts reclassified from accumulated other comprehensive loss	99	375	802	36	1,312
Net current-period other comprehensive income	99	375	690	15	1,179
Balance at end of period	\$ (2,972	)\$ (37,843	)\$ (139	)\$ 30	\$ (40,924)
Three Months Ended March 31, 2014	Net Unrealized Gain (Loss) on Derivative Instruments Qualifying as Hedges (In thousands)	Postretirement Liability Adjustment	Foreign Currency Translation Adjustment	Net Unrealized Gain (Loss) on Available-for-sale Investments	Total Accumulated Other Comprehensive Loss
Balance at beginning of period	\$ (3,765	)\$ (33,807	)\$ (667	)\$ 34	\$ (38,205)
Other comprehensive income (loss) before reclassifications	—	—	46	(36	) 10
Amounts reclassified from accumulated other comprehensive loss	344	275	—	38	657
Net current-period other comprehensive income	344	275	46	2	667
Balance at end of period	\$ (3,421	)\$ (33,532	)\$ (621	)\$ 36	\$ (37,538)

Reclassifications out of accumulated other comprehensive loss were as follows:

	Three Months Ended		Location on Consolidated Statements of Income
	March 31, 2015	March 31, 2014	
	(In thousands)		
Reclassification adjustment for loss on derivative instruments included in net income (loss):			
Commodity derivative instruments	\$—	\$(388)	) Operating revenues
Interest rate derivative instruments	(159)	)(160)	) Interest expense
	(159)	)(548))
	60	204	Income taxes
	(99)	)(344))
Amortization of postretirement liability losses included in net periodic benefit cost	(605)	)(443)	)(a)
	230	168	Income taxes
	(375)	)(275))
Reclassification adjustment for loss on foreign currency translation adjustment included in net income (loss)	(1,292)	)—	Other income
	490	—	Income taxes
	(802))—)
Reclassification adjustment for loss on available-for-sale investments included in net income (loss)	(55)	)(58)	) Other income
	19	20	Income taxes
	(36)	)(38))
Total reclassifications	\$(1,312)	)\$ (657))

(a) Included in net periodic benefit cost (credit). For more information, see Note 16.

Note 10 - Discontinued operations

In 2007, Centennial Resources sold CEM to Bicent. In connection with the sale, Centennial Resources agreed to indemnify Bicent and its affiliates from certain third party claims arising out of or in connection with Centennial Resources' ownership or operation of CEM prior to the sale. In addition, Centennial had previously guaranteed CEM's obligations under a construction contract. The Company incurred legal expenses in the first quarter of 2014, which are reflected in discontinued operations in the consolidated financial statements and accompanying notes at March 31, 2014. Discontinued operations are included in the Other category.

Note 11 - Goodwill and other intangible assets

The changes in the carrying amount of goodwill were as follows:

Three Months Ended March 31, 2015	Balance as of January 1, 2015*	Goodwill Acquired During the Year	Balance as of March 31, 2015*
	(In thousands)		
Natural gas distribution	\$345,736	\$—	\$345,736
Pipeline and energy services	9,737	—	9,737
Construction materials and contracting	176,290	—	176,290
Construction services	103,441	—	103,441

Total	\$635,204	\$—	\$635,204
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* Balance is presented net of accumulated impairment of \$12.3 million at the pipeline and energy services segment, which occurred in prior periods.

Three Months Ended March 31, 2014	Balance as of January 1, 2014*	Goodwill Acquired During the Year	Balance as of March 31, 2014*
	(In thousands)		
Natural gas distribution	\$345,736	\$—	\$345,736
Pipeline and energy services	9,737	—	9,737
Construction materials and contracting	176,290	—	176,290
Construction services	104,276	—	104,276
Total	\$636,039	\$—	\$636,039

* Balance is presented net of accumulated impairment of \$12.3 million at the pipeline and energy services segment, which occurred in prior periods.

Year Ended December 31, 2014	Balance as of January 1, 2014*	Goodwill Acquired During the Year/Other	Balance as of December 31, 2014*
	(In thousands)		
Natural gas distribution	\$345,736	\$—	\$345,736
Pipeline and energy services	9,737	—	9,737
Construction materials and contracting	176,290	—	176,290
Construction services	104,276	(835)	) 103,441
Total	\$636,039	\$(835)	)\$635,204

* Balance is presented net of accumulated impairment of \$12.3 million at the pipeline and energy services segment, which occurred in prior periods.

Other amortizable intangible assets were as follows:

	March 31, 2015	March 31, 2014	December 31, 2014
	(In thousands)		
Customer relationships	\$20,975	\$21,310	\$21,310
Accumulated amortization	(15,649)	) (14,230	) (15,556)
	5,326	7,080	5,754
Noncompete agreements	4,409	5,580	5,080
Accumulated amortization	(3,504	) (4,335	) (4,098)
	905	1,245	982
Other	8,300	10,920	10,921
Accumulated amortization	(5,365	) (6,949	) (7,817)
	2,935	3,971	3,104
Total	\$9,166	\$12,296	\$9,840

Amortization expense for amortizable intangible assets for the three months ended March 31, 2015 and 2014, was \$700,000 and \$800,000, respectively. Estimated amortization expense for amortizable intangible assets is \$2.5 million in 2015, \$2.2 million in 2016, \$1.9 million in 2017, \$1.0 million in 2018, \$900,000 in 2019 and \$1.4 million thereafter.

Note 12 - Derivative instruments

The Company's policy allows the use of derivative instruments as part of an overall energy price, foreign currency and interest rate risk management program to efficiently manage and minimize commodity price, foreign currency and interest rate risk. As of March 31, 2015, the Company had no outstanding foreign currency or interest rate hedges.

The fair value of derivative instruments must be estimated as of the end of each reporting period and is recorded on the Consolidated Balance Sheets as an asset or a liability.

Fidelity

At March 31, 2015 and 2014, and December 31, 2014, Fidelity held oil swap and collar agreements with total forward notional volumes of 958,000, 2.7 million and 270,000 Bbl, respectively, and natural gas swap agreements with total forward notional volumes of 2.8 million, 14.7 million and 5.0 million MMBtu, respectively. Fidelity utilizes these derivative instruments to manage a portion of the market risk associated with fluctuations in the price of oil and natural gas on its forecasted sales of oil and natural gas production.

Effective April 1, 2013, Fidelity elected to de-designate all commodity derivative contracts previously designated as cash flow hedges and elected to discontinue hedge accounting prospectively for all of its commodity derivative instruments. When the criteria for hedge accounting is not met or when hedge accounting is not elected, realized gains and losses and unrealized gains and losses are both recorded in operating revenues on the Consolidated Statements of Income. As a result of discontinuing hedge accounting on commodity derivative instruments, gains and losses on the oil and natural gas derivative instruments remain in accumulated other comprehensive income (loss) as of the de-designation date and are reclassified into earnings in future periods as the underlying hedged transactions affect earnings. At April 1, 2013, accumulated other comprehensive income (loss) included \$1.8 million of unrealized gains, representing the mark-to-market value of the Company's commodity derivative instruments that qualified as cash flow hedges as of the balance sheet date, which the Company has subsequently reclassified into earnings.

Prior to April 1, 2013, changes in the fair value attributable to the effective portion of the hedging instruments, net of tax, were recorded in stockholders' equity as a component of accumulated other comprehensive income (loss). To the extent that the hedges were not effective or did not qualify for hedge accounting, the ineffective portion of the changes in fair market value was recorded directly in earnings. Gains and losses on the oil and natural gas derivative instruments were reclassified from accumulated other comprehensive income (loss) into operating revenues on the Consolidated Statements of Income at the date the oil and natural gas quantities were settled.

Certain of Fidelity's derivative instruments contain cross-default provisions that state if Fidelity or any of its affiliates fails to make payment with respect to certain indebtedness, in excess of specified amounts, the counterparties could require early settlement or termination of the derivative instruments in liability positions. Fidelity had no derivative instruments that were in a liability position with credit-risk-related contingent features at March 31, 2015 and December 31, 2014. The aggregate fair value of Fidelity's derivative instruments with credit-risk related contingent features that were in a liability position at March 31, 2014, were \$12.2 million. The aggregate fair value of assets that would have been needed to settle the instruments immediately if the credit-risk-related contingent features were triggered on March 31, 2014, were \$12.2 million.

Centennial

Centennial has historically entered into interest rate derivative instruments to manage a portion of its interest rate exposure on the forecasted issuance of long-term debt. As of March 31, 2015 and 2014, and December 31, 2014, Centennial had no outstanding interest rate swap agreements.

Fidelity and Centennial

The gains and losses on derivative instruments were as follows:

	Three Months Ended March 31,	
	2015	2014
	(In thousands)	
Commodity derivatives designated as cash flow hedges:		
Amount of loss reclassified from accumulated other comprehensive loss into operating revenues (effective portion), net of tax	\$—	\$244

Interest rate derivatives designated as cash flow hedges:

Amount of loss reclassified from accumulated other comprehensive loss into interest expense (effective portion), net of tax	99	100
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Commodity derivatives not designated as hedging instruments:

Amount of loss recognized in operating revenues, before tax	(11,208)(6,712)
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Over the next 12 months net losses of approximately \$400,000 (after tax) are estimated to be reclassified from accumulated other comprehensive income (loss) into earnings, as the hedged transactions affect earnings.

The location and fair value of the gross amount of the Company's derivative instruments on the Consolidated Balance Sheets were as follows:

Asset Derivatives	Location on Consolidated Balance Sheets	Fair Value at March 31, 2015	Fair Value at March 31, 2014	Fair Value at December 31, 2014
(In thousands)				
Not designated as hedges:				
Commodity derivatives	Commodity derivative instruments	\$7,127	\$81	\$18,335
	Other assets - noncurrent	—	249	—
Total asset derivatives		\$7,127	\$330	\$18,335
Liability Derivatives	Location on Consolidated Balance Sheets	Fair Value at March 31, 2015	Fair Value at March 31, 2014	Fair Value at December 31, 2014
(In thousands)				
Not designated as hedges:				
Commodity derivatives	Commodity derivative instruments	\$—	\$12,186	\$—
Total liability derivatives		\$—	\$12,186	\$—

All of the Company's commodity derivative instruments at March 31, 2015 and 2014, and December 31, 2014, were subject to legally enforceable master netting agreements. However, the Company's policy is to not offset fair value amounts for derivative instruments and, as a result, the Company's derivative assets and liabilities are presented gross on the Consolidated Balance Sheets. The gross derivative assets and liabilities (excluding settlement receivables and payables that may be subject to the same master netting agreements) presented on the Consolidated Balance Sheets and the amount eligible for offset under the master netting agreements is presented in the following table:

March 31, 2015	Gross Amounts	Gross Amounts Not	Net
	Recognized on the Consolidated Balance Sheets	Offset on the Consolidated Balance Sheets	
(In thousands)			
Assets:			
Commodity derivatives	\$7,127	\$—	\$7,127
Total assets	\$7,127	\$—	\$7,127
March 31, 2014	Gross Amounts	Gross Amounts Not	Net
	Recognized on the Consolidated Balance Sheets	Offset on the Consolidated Balance Sheets	
(In thousands)			
Assets:			
Commodity derivatives	\$330	\$(330))\$—
Total assets	\$330	\$(330))\$—
Liabilities:			
Commodity derivatives	\$12,186	\$(330)	)\$11,856
Total liabilities	\$12,186	\$(330)	)\$11,856
December 31, 2014	Gross Amounts	Gross Amounts Not	Net
	Recognized on the Consolidated Balance	Offset on the Consolidated Balance	

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	Sheets (In thousands)	Sheets	
Assets:			
Commodity derivatives	\$ 18,335	\$—	\$ 18,335
Total assets	\$ 18,335	\$—	\$ 18,335

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Note 13 - 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 plans 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 \$67.8 million, \$63.3 million and \$65.8 million, at March 31, 2015 and 2014, and December 31, 2014, respectively, are classified as Investments on the Consolidated Balance Sheets. The net unrealized gains on these investments were \$2.0 million and \$900,000 for the three months ended March 31, 2015 and 2014, respectively. The change in fair value, which is considered part of the cost of the plan, is classified in operation and maintenance expense on the Consolidated Statements of Income.

The Company did not elect the fair value option, which records gains and losses in income, for its available-for-sale securities, which include mortgage-backed securities and U.S. Treasury securities. These available-for-sale securities are recorded at fair value and are classified as Investments on the Consolidated Balance Sheets. Unrealized gains or losses are recorded in accumulated other comprehensive income (loss). Details of available-for-sale securities were as follows:

March 31, 2015	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(In thousands)			
Mortgage-backed securities	\$7,792	\$58	\$(18)	)\$7,832
U.S. Treasury securities	2,337	9	(4)	)2,342
Total	\$10,129	\$67	\$(22)	)\$10,174
March 31, 2014	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(In thousands)			
Mortgage-backed securities	\$7,943	\$63	\$(17)	)\$7,989
U.S. Treasury securities	2,069	9	—	)2,078
Total	\$10,012	\$72	\$(17)	)\$10,067
December 31, 2014	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(In thousands)			
Mortgage-backed securities	\$6,594	\$60	\$(18)	)\$6,636
U.S. Treasury securities	3,574	—	(19)	)3,555
Total	\$10,168	\$60	\$(37)	)\$10,191

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 mortgage-backed securities and U.S. Treasury securities are based on comparable market transactions, other observable inputs or other sources, including pricing from outside sources.

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.

The estimated fair value of the Company's Level 2 commodity derivative instruments is based upon futures prices, volatility and time to maturity, among other things. Counterparty statements are utilized to determine the value of the commodity derivative instruments and are reviewed and corroborated using various methodologies and significant observable inputs. The Company's and the counterparties' nonperformance risk is also evaluated.

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 three months ended March 31, 2015 and 2014, there were no transfers between Levels 1 and 2.

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

	Fair Value Measurements at March 31, 2015, Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at March 31, 2015
	(In thousands)			
Assets:				
Money market funds	\$—	\$16,945	\$—	\$16,945
Insurance contract*	—	67,797	—	67,797
Available-for-sale securities:				
Mortgage-backed securities	—	7,832	—	7,832
U.S. Treasury securities	—	2,342	—	2,342
Commodity derivative instruments	—	7,127	—	7,127
Total assets measured at fair value	\$—	\$102,043	\$—	\$102,043

* The insurance contract invests approximately 20 percent in common stock of mid-cap companies, 18 percent in common stock of small-cap companies, 28 percent in common stock of large-cap companies, 32 percent in fixed-income investments, 1 percent in target date investments and 1 percent in cash equivalents.

	Fair Value Measurements at March 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 March 31, 2014
	(In thousands)			
Assets:				
Money market funds	\$—	\$20,267	\$—	\$20,267
Insurance contract*	—	63,269	—	63,269
Available-for-sale securities:				
Mortgage-backed securities	—	7,989	—	7,989
U.S. Treasury securities	—	2,078	—	2,078
Commodity derivative instruments	—	330	—	330
Total assets measured at fair value	\$—	\$93,933	\$—	\$93,933
Liabilities:				
Commodity derivative instruments	\$—	\$12,186	\$—	\$12,186
Total liabilities measured at fair value	\$—	\$12,186	\$—	\$12,186

* The insurance contract invests approximately 29 percent in common stock of mid-cap companies, 27 percent in common stock of small-cap companies, 28 percent in common stock of large-cap companies and 16 percent in fixed-income investments.

	Fair Value Measurements at December 31, 2014, Using			Balance at December 31, 2014
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
(In thousands)				
Assets:				
Money market funds	\$—	\$18,473	\$—	\$18,473
Insurance contract*	—	65,831	—	65,831
Available-for-sale securities:				
Mortgage-backed securities	—	6,636	—	6,636
U.S. Treasury securities	—	3,555	—	3,555
Commodity derivative instruments	—	18,335	—	18,335
Total assets measured at fair value	\$—	\$112,830	\$—	\$112,830

* 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.

The Company's long-term debt is not measured at fair value on the Consolidated Balance Sheets 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 was as follows:

	Carrying Amount	Fair Value
(In thousands)		
Long-term debt at March 31, 2015	\$2,189,986	\$2,340,681
Long-term debt at March 31, 2014	\$2,105,832	\$2,186,839
Long-term debt at December 31, 2014	\$2,094,727	\$2,239,445

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

Note 14 - Equity

A summary of the changes in equity was as follows:

Three Months Ended March 31, 2015	Total Stockholders' Equity (In thousands)	Noncontrolling Interest	Total Equity
Balance at December 31, 2014	\$3,134,041	\$115,743	\$3,249,784
Net loss	(305,917)	(3,528)	(309,445)
Other comprehensive income	1,179	—	1,179
Dividends declared on preferred stocks	(171)	—	(171)
Dividends declared on common stock	(35,515)	—	(35,515)
Stock-based compensation	(121)	—	(121)
Net tax deficit on stock-based compensation	(1,632)	—	(1,632)
Issuance of common stock	9,864	—	9,864
Contribution from noncontrolling interest	—	20,500	20,500
Balance at March 31, 2015	\$2,801,728	\$132,715	\$2,934,443

Three Months Ended March 31, 2014	Total Stockholders' Equity (In thousands)	Noncontrolling Interest	Total Equity
Balance at December 31, 2013	\$2,823,164	\$32,738	\$2,855,902
Net income (loss)	56,662	(523)	) 56,139
Other comprehensive income	667	—	667
Dividends declared on preferred stocks	(171)	)—	(171)
Dividends declared on common stock	(33,809)	)—	(33,809)
Stock-based compensation	1,336	—	1,336
Issuance of common stock upon vesting of performance shares, net of shares used for tax withholdings	(5,564)	)—	(5,564)
Excess tax benefit on stock-based compensation	4,729	—	4,729
Issuance of common stock	54,574	—	54,574
Contribution from noncontrolling interest	—	16,001	16,001
Balance at March 31, 2014	\$2,901,588	\$48,216	\$2,949,804

Note 15 - Business segment data

The Company's reportable segments are those that are based on the Company's method of internal reporting, which generally segregates the strategic business units due to differences in products, services and regulation. The internal reporting of these operating segments is defined based on the reporting and review process used by the Company's chief executive officer. The vast majority of the Company's operations are located within the United States.

The electric segment generates, transmits and distributes electricity in Montana, North Dakota, South Dakota and Wyoming. The natural gas distribution segment distributes natural gas in those states as well as in Idaho, Minnesota, Oregon and Washington. These operations also supply related value-added services.

The pipeline and energy services segment provides natural gas transportation, underground storage, processing and gathering services, as well as oil gathering, through regulated and nonregulated pipeline systems and processing facilities primarily in the Rocky Mountain and northern Great Plains regions of the United States. This segment recently commenced operations of Dakota Prairie Refinery in conjunction with Calumet to refine crude oil. The facility has begun producing diesel fuel and is expected to begin sales of diesel during May 2015. This segment also provides cathodic protection and other energy-related services.

The exploration and production segment is engaged in oil and natural gas development and production activities in the Rocky Mountain and Mid-Continent/Gulf States regions of the United States. The Company intends to market its exploration and production business in the future. The plan to market this business has been delayed due to low oil prices.

The construction materials and contracting segment mines aggregates and markets crushed stone, sand, gravel and related construction materials, including ready-mixed concrete, cement, asphalt, liquid asphalt and other value-added products. It also performs integrated contracting services. This segment operates in the central, southern and western United States and Alaska and Hawaii.

The construction services segment provides utility construction services specializing in constructing and maintaining electric and communications lines, gas pipelines, fire suppression systems, and external lighting and traffic signalization. This segment also provides utility excavation and inside electrical and mechanical services, and manufactures and distributes transmission line construction equipment and supplies.

The Other category includes the activities of Centennial Capital, which insures various types of risks as a captive insurer for certain of the Company's subsidiaries. The function of the captive insurer is to fund the deductible layers of the insured companies' general liability, automobile liability and pollution liability coverages. Centennial Capital also owns certain real and personal property. The Other category also included Centennial Resources' investment in the Brazilian Transmission Lines.

The information below follows the same accounting policies as described in Note 1 of the Company's Notes to Consolidated Financial Statements in the 2014 Annual Report. Information on the Company's businesses was as follows:

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Three Months Ended March 31, 2015	External Operating Revenues	Inter- segment Operating Revenues	Earnings (Loss) on Common Stock
	(In thousands)		
Electric	\$ 71,776	\$ —	\$ 8,328
Natural gas distribution	330,573	—	21,450
Pipeline and energy services	25,095	21,341	4,018
	427,444	21,341	33,796
Exploration and production	49,710	5,226	(328,904)
Construction materials and contracting	205,658	948	(14,635)
Construction services	235,403	11,695	4,760
Other	295	1,772	(255)
	491,066	19,641	(339,034)
Intersegment eliminations	—	(40,982	)(850)
Total	\$ 918,510	\$ —	\$ (306,088)
Three Months Ended March 31, 2014	External Operating Revenues	Inter-	