



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7
Original Sheet No. 29

DISTRIBUTION DELIVERY STABILIZATION MECHANISM Rate 87

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Applicability:

This rate schedule represents a Distribution Delivery Stabilization Mechanism (DDSM) and specifies the procedure to be utilized to correct for the over/under collection of distribution delivery charge revenues due to weather fluctuations during the billing period from November 1 through May 1. Service provided under the Company's Residential Rates 60 and 90 and Firm General Service Rates 70 and 92 shall be subject to decreases or increases under the DDSM.

Distribution Delivery Stabilization Mechanism:

A DDSM will be determined for each customer taking service under Residential Service Rates 60 and 90 and Firm General Service Rates 70 and 92 beginning with the first billing cycle starting November 1 through the billing cycle ending May 1. The DDSM adjustment will be applied on a real-time basis as a surcharge or credit on all rate schedules to which the DDSM is applicable to the customers' bills issued each month during the weather adjustment period of November 1 through May 1.

DDSM Adjustment Calculation:

The DDSM Adjustment shall be determined for each customer taking service under Residential Rates 60 or 90 or Firm General Services Rate 70 or 92. In order to calculate the respective DDSM adjustment, the ratio of the normal HDDs as compared to the actual HDDs will be determined and multiplied by the temperature sensitive consumption per customer per HDD. The resulting product shall be multiplied by the applicable Distribution Delivery Charge rate per dk.

$$DDSM_i = R_i (DDF_i ((NDD-ADD)/ADD))$$

Where:

DDSM _i	=	Distribution Delivery Stabilization Adjustment
i	=	Customer served under Rate Schedules 60, 70, 90 or 92
R _i	=	Applicable Distribution Delivery Charge per dk
DDF _i	=	Temperature sensitive use per customer
NDD	=	Normal degree days for the applicable bill cycle
ADD	=	Actual heating degree days for the applicable bill cycle

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Assistant Vice President -
Regulatory Affairs

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Definitions:

Heating Degree Days	-	The difference between the average of the daily high and low temperatures subtracted from 60 degrees Fahrenheit.
Normal Degree Days	-	The heating degree days based on the 30-year average for the period 1970-2000.
Temperature Sensitive Use per Customer	-	Customer's actual use less the base use per customer per day, denoted below, multiplied by days in the billing period. Residential Rate Code 60 = .06106 Residential Rate Code 90 = .03177 Firm General Service Rate Code 700 = .08313 Firm General Service Rate Code 701 = .87387 Firm General Service Rate Code 920 = .08139 Firm General Service Rate Code 921 = .73984
Actual Degree Days	-	The actual degree days reported by the National Weather Service Stations for applicable service areas in North Dakota.

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