



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

1st Revised Sheet No. 29

Canceling 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 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 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 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 70 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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Director – Regulatory Affairs

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State of North Dakota Gas Rate Schedule

NDPSC Volume 7

3rd Revised Sheet No. 29.1

Canceling 2nd Revised Sheet No. 29.1

DISTRIBUTION DELIVERY STABILIZATION MECHANISM Rate 87

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Definitions:

Heating Degree Days	-	The deviation between the average daily temperatures and 60 degrees Fahrenheit.
Normal Degree Days	-	The heating degree days based on the 30-year average actual degree days.
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. Firm General Service Rate Code 700 = 0.03184 Firm General Service Rate Code 701 = 0.74281 Firm General Service Rate Code 920 = 0.01994 Firm General Service Rate Code 921 = 2.38427
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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