

August 26, 2004

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Bill Binek  
Public Service Commission  
600 E Boulevard Ave Dept 408  
Bismarck ND 58505-0480

Gentlemen:

Commissioner Wefald asked me to forward the following request to MDU:

Please provide a hypothetical, specific "working example" of the calculation of the DDSM, which is included in Rate 87, by Friday noon, August 27. For example, you could choose a residential customer in Devils Lake, North Dakota for a February 2004 billing cycle. You would need to provide information about the NDD (Normal Degree Days), the ADD (actual degree days for the applicable bill cycle). You could assume the current distribution delivery charge per DK. It would be helpful to provide another example of a residential customer in Dickinson, North Dakota with the same information. Are there zones or something to recognize locational weather differences? In your example, please explain when the DDSM adjustment to the customer's bill would occur.

Also provide a "working example" for a firm business customer on general services rate 70 who uses <500cf.mtr.

In addition, Commissioner Wefald asked that MDU respond to the following questions at the hearing on Tuesday, August 31:

- Please provide information on how the base use in the definition, "Temperature Sensitive Use per Customer" was determined.
- Please explain why in the definition "Actual Degree Days" is "weighted by customers."
- Please explain why a 30-year average was chosen for historical average?
- If this is a "real time tariff", how is this indicated in the tariff?
- In the DDSM calculation, why is ADD in the denominator rather than NDD?
- Why does MDU use 60° F in its definition of heating degree-days rather than 65°, which is used by the National Weather Service?

Mr. Kuntz and Mr. Binek  
Page 2  
August 26, 2004

Thank you for your attention to this request.

Sincerely,

Illona A. Jeffcoat-Sacco  
Executive Secretary

c: Commissioners Clark, Wefald, and Cramer  
Public Utility Division Staff