

MDU RESOURCES GROUP, INC.
NONCONSOLIDATED INCOME STATEMENT
TWELVE MONTHS ENDING DECEMBER 31, 2004

Operating Income

Electric Utility

| | |
|-------------------------------|---------------|
| Operating Revenues | \$178,802,715 |
| Operating Expenses: | |
| Operation Expenses | 110,843,869 |
| Maintenance Expenses | 12,813,399 |
| Depreciation Expenses | 20,198,636 |
| Taxes Other Than Income Taxes | 8,171,178 |
| Income Taxes: | |
| Federal Taxes on Income | 6,432,739 |
| State Taxes on Income | 1,230,368 |
| Deferred Income Taxes | (1,469,998) |
| Total Electric Expenses | 158,220,191 |
| Net Electric Operation | \$20,582,524 |

Gas Utility

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|-------------------------------|---------------|
| Operating Revenues | \$316,120,652 |
| Operating Expenses: | |
| Operation Expenses | 296,581,152 |
| Maintenance Expenses | 2,845,293 |
| Depreciation Expenses | 9,330,809 |
| Taxes Other Than Income Taxes | 5,544,031 |
| Income Taxes: | |
| Federal Taxes on Income | (3,221,369) |
| State Taxes on Income | (496,149) |
| Deferred Income Taxes | 1,261,115 |
| Total Gas Expenses | 311,844,882 |
| Net Gas Operation | \$4,275,770 |

Net Utility Operating Income \$24,858,294

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|--|--------------|
| Revenues from Merchandising, Jobbing and Contract Work | \$12,205,779 |
| (Less) Costs and Exp. Of Merch., Jobbing and Contract Work | 12,738,365 |
| Revenues from Nonutility Operations | 1,453,575 |
| (Less) Expense from Nonutility Operations | 777,716 |
| Equity in Earnings of Subsidiary Companies | 191,408,704 |
| Interest and Dividend Income | 3,148,740 |
| Allowance for Other Funds Used During Construction | 27,248 |
| Miscellaneous Nonoperating Income | 548 |
| Gain on Disposition of Property | 348,939 |
| Total Other Income | 195,077,452 |

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|---------------------------------|-----------|
| Loss on Disposition of Property | 13,217 |
| Miscellaneous Income Deductions | 2,747,583 |
| Total Other Income Deductions | 2,760,800 |

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|--|-----------------------------|
| Taxes other than Income Taxes | 16,771 |
| Income Taxes - Federal | 635,673 |
| Income Taxes - State | 670,582 |
| Provision for Deferred Income Taxes | (4,031,416) |
| Investment Tax Credits | (592,197) |
| Total Taxes on Other Income and Deductions | <u>(3,300,587)</u> |
| Net Other Income and Deductions | \$195,617,239 |
| Interest On Long-Term Debt | 11,911,549 |
| Amortization of Debt Discount and Expense | 152,742 |
| Amortization of Loss on Reacquired Debt | 987,461 |
| Other Interest Expense | 594,879 |
| (Less) Allow for Borrowed Funds Used during Const. | 237,705 |
| Net Interest Charges | <u>13,408,926</u> |
| Net Income | <u><u>\$207,066,607</u></u> |