



Montana-Dakota Utilities Co.

400 N 4th Street
Bismarck, ND 58501

**State of South Dakota
Gas Rate Schedule – SDPUC Volume No. 3**

Section No. 3
Original Sheet No. 28

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 period from October 1 through April 30. Service provided under the Company’s Residential Rate 60 and Firm General Service Rate 70 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 Rate 60 and Firm General Service Rate 70 beginning with the first billing cycle starting November 1 through the billing cycle ending May 1. The DDSM adjustment will be applied as a surcharge or credit on all rate schedules to which the DDSM is applicable.

DDSM ADJUSTMENT CALCULATION:

The DDSM Adjustment shall be determined for each customer taking service under Residential Rate 60 or Firm General Service Rate 70. 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, as determined in the most recent general rate case. 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 Schedule 60 or 70
- 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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