

MONTANA-DAKOTA UTILITIES CO.
AVERAGE UTILITY CAPITAL STRUCTURE
2004

	<u>Balance</u>	<u>Capital Ratio</u>	<u>Cost</u>	<u>Required Return</u>
Long Term Debt	\$154,100,000	43.293%	8.624%	3.734%
Short Term Debt	12,405,479	3.485%	4.472%	0.156%
Preferred Stock	16,150,000	4.537%	4.618%	0.210%
Common Equity	173,288,936	48.685%	12.250%	5.964%
Total	<u>\$355,944,415</u>	<u>100.000%</u>		<u>10.064%</u>

**MONTANA-DAKOTA UTILITIES CO.
AVERAGE UTILITY CAPITAL STRUCTURE
PROJECTED 2005**

	<u>Balance</u>	<u>Capital Ratio</u>	<u>Cost</u>	<u>Required Return</u>
Long Term Debt	\$145,850,000	39.133%	8.596%	3.364%
Short Term Debt	23,354,000	6.266%	3.140%	0.197%
Preferred Stock	16,050,000	4.306%	4.614%	0.199%
Common Equity	187,454,197	50.295%	12.250%	6.161%
Total	<u>\$372,708,197</u>	<u>100.000%</u>		<u>9.921%</u>

MONTANA-DAKOTA UTILITIES CO.
AVERAGE LONG-TERM DEBT
2004

	<u>Balance Outstanding</u>	<u>Annual Cost</u>	<u>Adjusted Embedded Cost</u>
<u>First Mortgage Bonds</u>			
Balance at 12/31/03	\$160,850,000	\$13,604,942	8.458%
Amortization of Gain/Loss		268,627	
	<u>160,850,000</u>	<u>13,873,569</u>	
Balance at 12/31/04	145,850,000	12,433,292	8.525%
Amortization of Gain/Loss		174,668	
	<u>145,850,000</u>	<u>12,607,960</u>	
Average Balance	\$153,350,000	\$13,019,117	8.490%
Average Amort. of Gain/Loss		221,648	
	<u>\$153,350,000</u>	<u>\$13,240,765</u>	<u>8.634%</u>
<u>Pollution Control Bonds</u>			
Balance at 12/31/03	\$1,500,000	\$98,340	6.556%
Balance at 12/31/04	0	0	
Average Balance	<u>\$750,000</u>	<u>\$49,170</u>	<u>6.556%</u>
Total Average Long Term Debt	<u>\$154,100,000</u>	<u>\$13,289,935</u>	<u>8.624%</u>

MONTANA-DAKOTA UTILITIES CO.
AVERAGE LONG-TERM DEBT
PROJECTED 2005

	<u>Balance Outstanding</u>	<u>Annual Cost</u>	<u>Adjusted Embedded Cost</u>
<u>First Mortgage Bonds</u>			
Balance at 12/31/04	\$145,850,000	\$12,433,292	8.525%
Amortization of Gain/Loss		174,668	
	<u>145,850,000</u>	<u>12,607,960</u>	
Balance at 12/31/05	145,850,000	12,433,292	8.525%
Amortization of Gain/Loss		34,738	
	<u>145,850,000</u>	<u>12,468,030</u>	
Average Balance	\$145,850,000	\$12,433,292	8.525%
Average Amort. of Gain/Loss		104,703	
	<u>\$145,850,000</u>	<u>\$12,537,995</u>	<u>8.596%</u>
Total Average Long Term Debt	<u>\$145,850,000</u>	<u>\$12,537,995</u>	<u>8.596%</u>

**MONTANA-DAKOTA UTILITIES CO.
LONG-TERM DEBT CAPITAL
DECEMBER 31, 2004**

Description	Date of Issuance	Date of Maturity	Interest Rate	Principal Amount of Issue	Gross Proceeds	Underwriters' Commission		Loss on Reacquisition Redemption and Issuance Expense	
						Amount	% Gross Proceeds	Amount	% Gross Proceeds
First Mortgage Bonds:									
Secured Medium-term Notes, Series A:									
8.25%	04/01/92	04/01/07	8.250%	\$30,000,000	\$30,000,000	\$225,000	0.750%	\$3,663,204	12.211%
8.6%	04/01/92	04/01/12	8.600%	35,000,000	34,911,100	306,250	0.877%	5,698,318	16.322%
6.71%	09/30/97	10/01/09	6.710%	15,000,000	15,000,000	93,750	0.625%	1,417,846	9.452%
5.83%	09/18/98	10/01/08	5.830%	15,000,000	15,000,000	93,750	0.625%	92,336	0.616%
5.98% - Senior Note	12/15/03	12/15/33	5.980%	30,000,000	30,000,000	262,500	0.875%	280,668	0.936%
Pollution Control Refunding Revenue Bonds:									
Mercer County 6.65%	06/01/92	06/01/22	6.650%	15,000,000	15,000,000	0	0.000%	938,724	6.258%
Richland County 6.65%	06/01/92	06/01/22	6.650%	3,250,000	3,250,000	0	0.000%	186,323	5.733%
Morton County 6.65%	06/01/92	06/01/22	6.650%	2,600,000	2,600,000	0	0.000%	179,014	6.885%
				<u>\$145,850,000</u>	<u>\$145,761,100</u>	<u>\$981,250</u>		<u>\$12,456,433</u>	
Description	Net Proceeds		Cost of Money 1/	Principal Outstanding	Annual Cost	Embedded Cost			
	Amount	Per Unit							
First Mortgage Bonds:									
Secured Medium-term Notes, Series A:									
8.25%	\$26,111,796	87.039%	10.177%	\$30,000,000	\$3,053,100				
8.6%	28,906,532	82.590%	11.020%	35,000,000	3,857,000				
6.71%	13,488,404	89.923%	8.195%	15,000,000	1,229,250				
5.83%	14,813,914	98.759%	6.086%	15,000,000	912,900				
5.98% - Senior Note	29,456,832	98.189%	6.205%	30,000,000	1,861,500				
Pollution Control Refunding Revenue Bonds:									
Mercer County 6.65%	14,061,276	93.742%	7.288%	15,000,000	1,093,200				
Richland County 6.65%	3,063,677	94.267%	7.243%	3,250,000	235,398				
Morton County 6.65%	2,420,986	93.115%	7.344%	2,600,000	190,944				
Total First Mortgage Bonds	<u>132,323,417</u>			<u>145,850,000</u>	<u>12,433,292</u>	<u>8.525%</u>			
Total Long-Term Debt Capital	<u>\$132,323,417</u>			<u>\$145,850,000</u>	<u>\$12,433,292</u>	<u>8.525%</u>			

1/ Yield to maturity based upon the life, net proceeds, semiannual compounding of stated interest rate, and amortization of indenture revision costs.

**MONTANA-DAKOTA UTILITIES CO.
LONG-TERM DEBT CAPITAL
DECEMBER 31, 2005**

Description	Date of Issuance	Date of Maturity	Interest Rate	Principal Amount of Issue	Gross Proceeds	Underwriters' Commission		Loss on Reacquirement Redemption and Issuance Expense	
						Amount	% Gross Proceeds	Amount	% Gross Proceeds
First Mortgage Bonds:									
Secured Medium-term Notes, Series A:									
8.25%	04/01/92	04/01/07	8.250%	\$30,000,000	\$30,000,000	\$225,000	0.750%	\$3,663,204	12.211%
8.6%	04/01/92	04/01/12	8.600%	35,000,000	34,911,100	306,250	0.877%	5,698,318	16.322%
6.71%	09/30/97	10/01/09	6.710%	15,000,000	15,000,000	93,750	0.625%	1,417,846	9.452%
5.83%	09/18/98	10/01/08	5.830%	15,000,000	15,000,000	93,750	0.625%	92,336	0.616%
5.98% - Senior Note	12/15/03	12/15/33	5.980%	30,000,000	30,000,000	262,500	0.875%	280,668	0.936%
Pollution Control Refunding Revenue Bonds:									
Mercer County 6.65%	06/01/92	06/01/22	6.650%	15,000,000	15,000,000	0	0.000%	938,724	6.258%
Richland County 6.65%	06/01/92	06/01/22	6.650%	3,250,000	3,250,000	0	0.000%	186,323	5.733%
Morton County 6.65%	06/01/92	06/01/22	6.650%	2,600,000	2,600,000	0	0.000%	179,014	6.885%
				<u>\$145,850,000</u>	<u>\$145,761,100</u>	<u>\$981,250</u>			<u>\$12,456,433</u>

Description	Net Proceeds		Cost of Money 1/	Principal Outstanding	Annual Cost	Embedded Cost
	Amount	Per Unit				
First Mortgage Bonds:						
Secured Medium-term Notes, Series A:						
8.25%	\$26,111,796	87.039%	10.177%	\$30,000,000	\$3,053,100	
8.6%	28,906,532	82.590%	11.020%	35,000,000	3,857,000	
6.71%	13,488,404	89.923%	8.195%	15,000,000	1,229,250	
5.83%	14,813,914	98.759%	6.086%	15,000,000	912,900	
5.98% - Senior Note	29,456,832	98.189%	6.205%	30,000,000	1,861,500	
Pollution Control Refunding Revenue Bonds:						
Mercer County 6.65%	14,061,276	93.742%	7.288%	15,000,000	1,093,200	
Richland County 6.65%	3,063,677	94.267%	7.243%	3,250,000	235,398	
Morton County 6.65%	2,420,986	93.115%	7.344%	2,600,000	190,944	
Total First Mortgage Bonds	<u>132,323,417</u>			<u>145,850,000</u>	<u>12,433,292</u>	<u>8.525%</u>
Total Long-Term Debt Capital	<u>\$132,323,417</u>			<u>\$145,850,000</u>	<u>\$12,433,292</u>	<u>8.525%</u>

1/ Yield to maturity based upon the life, net proceeds, semiannual compounding of stated interest rate, and amortization of indenture revision costs.

MONTANA-DAKOTA UTILITIES CO.
AMORTIZATION OF LOSS ON REACQUIRED DEBT
2004

		<u>Projected Average Amortization</u>
<u>Acct. 1890 - Unamortized Loss</u>		
9 1/8% due 05-15-06	1/04 - 12/04	\$268,627
9 1/8% due 05-15-06	1/05 - 12/05	174,668
Average at 12/31/04		<u><u>\$221,648</u></u>

**MONTANA-DAKOTA UTILITIES CO.
AMORTIZATION OF LOSS ON REACQUIRED DEBT
PROJECTED 2005**

		<u>Projected Average Amortization</u>
<u>Acct. 1890 - Unamortized Loss</u>		
9 1/8% due 05-15-06	1/05 - 12/05	\$174,668
9 1/8% due 05-15-06	1/06 - 12/06	34,738
Average at 12/31/05		<u><u>\$104,703</u></u>

MONTANA-DAKOTA UTILITIES CO.
CAPITAL STRUCTURE - SHORT-TERM DEBT
2004

	<u>Balance Outstanding</u>	<u>Annual Cost</u>	<u>Average Cost</u>
Average Balance 1/	\$12,405,479	\$214,281	1.727%
Amortization of Fees 2/		340,543	
	<u>\$12,405,479</u>	<u>\$554,824</u>	<u>4.472%</u>

1/ Average daily balance for 2004.

2/ Negotiation and commitment fees.

**MONTANA-DAKOTA UTILITIES CO.
CAPITAL STRUCTURE - SHORT-TERM DEBT
PROJECTED 2005**

	<u>Balance Outstanding</u>	<u>Annual Cost</u>	<u>Average Cost</u>
Average Balance 1/	\$23,354,000	\$452,000	1.935%
Amortization of Fees 2/		281,293	
	<u>\$23,354,000</u>	<u>\$733,293</u>	<u>3.140%</u>

1/ Twelve month average balance for 2005.

2/ Negotiation and commitment fees.

MONTANA-DAKOTA UTILITIES CO.
AVERAGE PREFERRED STOCK
2004

<u>Description</u>	<u>Balance Outstanding</u>	<u>Annual Cost</u>	<u>Adjusted Embedded Cost</u>
Balance at 12/31/03	\$16,200,000	\$748,420	4.620%
Redemptions: 5.1% Series	(100,000)	(5,285)	
Balance at 12/31/04	<u>\$16,100,000</u>	<u>\$743,135</u>	<u>4.616%</u>
Average Preferred Stock	<u>\$16,150,000</u>	<u>\$745,778</u>	<u>4.618%</u>

**MONTANA-DAKOTA UTILITIES CO.
 AVERAGE PREFERRED STOCK
 PROJECTED 2005**

<u>Description</u>	<u>Balance Outstanding</u>	<u>Annual Cost</u>	<u>Adjusted Embedded Cost</u>
Balance at 12/31/04	\$16,100,000	\$743,135	4.616%
Redemptions: 5.1% Series	(100,000)	(5,285)	
Balance at 12/31/05	<u>\$16,000,000</u>	<u>\$737,850</u>	<u>4.612%</u>
Average Preferred Stock	<u>\$16,050,000</u>	<u>\$740,493</u>	<u>4.614%</u>

**MONTANA-DAKOTA UTILITIES CO.
PREFERRED STOCK CAPITAL
DECEMBER 31, 2004**

<u>Description</u>	<u>Date of Issuance</u>	<u>Call (Redemption) Price</u>	<u>Dividend Rate</u>	<u>Par Value of Issue</u>	<u>Gross Proceeds (000's)</u>	<u>Underwriters' Commission</u>		<u>Issuance Expense</u>	
						<u>Amount</u>	<u>% Gross Proceeds</u>	<u>Amount</u>	<u>% Gross Proceeds</u>
4.5% Series	01/01/51	\$105	4.5%	\$100	\$10,000				
4.7% Series	12/07/55	102	4.7%	100	5,000				
5.1% Series	05/23/61	100/102	5.1%	100	5,000	\$25,000	0.50%	\$27,452	0.549%

<u>Description</u>	<u>Net Proceeds</u>		<u>Cost of Money 1/ 2/</u>	<u>Principal Outstanding</u>	<u>December 31, 2004</u>		<u>Method of Offering</u>
	<u>Amount (000's)</u>	<u>Per Unit</u>			<u>Annual Cost</u>	<u>Embedded Cost</u>	
4.5% Series	\$10,000	100.000%	4.500%	\$10,000,000	\$450,000		Public
4.7% Series	5,000	100.000%	4.700%	5,000,000	235,000		Public
5.1% Series	4,948	98.951%	5.285%	1,100,000	58,135		Private
Total				<u>\$16,100,000</u>	<u>\$743,135</u>	<u>4.616%</u>	

1/ Yield to maturity based upon the life, net proceeds, and quarterly compounding of the stated dividend rate of each issue.

2/ 4.5% Series and 4.7% Series issue expense fully recovered.

MONTANA-DAKOTA UTILITIES CO.
AVERAGE UTILITY COMMON EQUITY
2004

<u>Description</u>	<u>Amount</u>
Common Equity - 12/31/03	\$1,439,261,641
Unappropriated Retained Earnings of Subsidiaries	528,082,638
Additional Equity of Subsidiaries (Centennial)	<u>750,767,525</u>
Utility Common Equity - 12/31/03	<u>\$160,411,478</u>
Common Equity - 12/31/04	\$1,666,012,802
Unappropriated Retained Earnings of Subsidiaries	655,292,625
Additional Equity of Subsidiaries	824,553,783
Utility Common Equity - 12/31/04	<u>\$186,166,394</u>
Average Common Utility Equity - 12/31/04	<u>\$173,288,936</u>

**MONTANA-DAKOTA UTILITIES CO.
AVERAGE UTILITY COMMON EQUITY
PROJECTED 2005**

<u>Description</u>	<u>Amount</u>
Common Equity - 12/31/04	\$186,166,394
Common Equity Infusion	
Projected Equity Earnings	15,988,000
Less: Utility Dividends	<u>(13,412,394)</u>
Utility Common Equity - 12/31/05	<u>\$188,742,000</u>
Average Common Utility Equity - 12/31/05	<u>\$187,454,197</u>

MDU Resources Group Inc.
Equity (Common Stock) Issuance - 2000- 2004

Period	Acquisition			Equity Draw Down			Employee Stock Exercise			Shares Outstanding
	Shares	Dollars	Flotation Costs (1)	Shares	Dollars	Flotation Costs	Shares	Dollars	Flotation Costs	
Beginning Balance										85,916,872
Jan-00	27,378	\$363,157	5,000							85,944,250
Feb-00										85,944,250
Mar-00										85,944,250
Apr-00	1,899,056	25,190,114	5,000							87,843,306
May-00	4,239,130	56,230,152	5,000							92,082,436
Jun-00	197,186	2,615,577	5,000							92,279,622
Jul-00	1,805,784	23,952,909	5,000	332,667	\$4,753,939	118,848	(2)			94,418,073
Aug-00	845,728	11,218,207	5,000	364,233	5,445,825	136,146	(2)			95,628,034
Sep-00				1,071,567	17,078,277	426,957	(2)			96,699,601
Oct-00	15,640	207,464	5,000	296,429	5,454,667	136,367	(2)			97,011,670
Nov-00				369,798	6,899,491	172,487	(2)			97,381,468
Dec-00	124,752	1,654,779	5,000	395,130	7,616,272	190,407	(2)			97,901,350
Jan-01	252,603	3,350,665	5,000							98,153,953
Feb-01				793,181	14,999,974	374,999	(2)			98,947,134
Mar-01	144,489	1,916,581	5,000	537,643	10,000,000	250,000	(2)	32,721	\$693,249	99,661,987
Apr-01	2,477,229	32,859,324	5,000					93,378	2,356,861	102,232,594
May-01								31,650	804,332	102,264,244
Jun-01	140,625	1,865,327	5,000					4,950	112,827	102,409,819
Jul-01								4,500	91,350	102,414,319
Aug-01								5,325	106,145	102,419,644
Sep-01				1,658,030	25,000,000	625,000	(2)	1,800	30,648	104,079,474
Oct-01								1,026	17,018	104,080,500
Nov-01								1,350	22,347	104,081,850
Dec-01	88,224	1,170,252	5,000	853,597	15,000,000	375,000	(2)	1,605	22,275	105,025,276
Jan-02								1,470	20,301	105,026,746
Feb-02	141,378	2,365,217	5,000					2,925	40,394	105,171,049
Mar-02	752,367	13,192,858	5,000					1,841	25,424	105,925,257
Apr-02	700,001	12,759,864	5,000					4,826	66,647	106,630,084
May-02	133,742	2,364,071	5,000					1,575	21,751	106,765,401
Jun-02	731,050	11,121,768	5,000					675	9,322	107,497,126
Jul-02								600	8,286	107,497,726
Aug-02	23,243	550,776	5,000					465	6,422	107,521,434
Sep-02								660	9,115	107,522,094

**MDU Resources Group Inc.
Equity (Common Stock) Issuance - 2000- 2004**

Period	Acquisition			Equity Draw Down			Employee Stock Exercise			Shares Outstanding
	Shares	Dollars	Flotation Costs (1)	Shares	Dollars	Flotation Costs	Shares	Dollars	Flotation Costs	
Oct-02	345,307	4,807,716	5,000				450	6,215		107,867,851
Nov-02				3,150,000	48,888,000	1,222,200 (2)	450	6,215		111,018,301
Dec-02	(469)			405,000	6,285,600	157,140 (2)	225	3,107		111,423,057
Jan-03							25	345		111,423,082
Feb-03							677	9,349		111,423,759
Mar-03	80,836	1,125,487	5,000				1,037	14,321		111,505,632
Apr-03	200,994	3,348,547	5,000				1,575	21,751		111,708,201
May-03							3,525	48,680		111,711,726
Jun-03							7,150	98,742		111,718,876
Jul-03	1,851,536	35,218,293	5,000				3,825	52,823		113,574,237
Aug-03							1,350	18,644		113,575,587
Sep-03							7,725	106,682		113,583,312
Oct-03							11,057	152,697		113,594,369
Nov-03							1,068	14,749		113,595,437
Dec-03	118,570	2,265,101	5,000				2,625	36,251		113,716,632
Jan-04							2,250	31,073		113,718,882
Feb-04	973,895	19,547,821	5,000	2,300,000	51,812,100	136,180 (3)	131,925	2,605,379		117,124,702
Mar-04	(1,174)	-					27,921	542,269		117,151,449
Apr-04							15,740	308,354		117,167,189
May-04	663,768	13,063,416	5,000				23,592	456,135		117,854,549
Jun-04	(43,710)	(1,025,653)	5,000				18,825	369,152		117,829,664
Jul-04							22,514	417,557		117,852,178
Aug-04	26,235	513,111	5,000				463,716	9,187,018		118,342,129
Sep-04							53,734	1,011,882		118,395,863
Oct-04							60,850	1,175,925		118,456,713
Nov-04							117,625	2,300,591		118,574,338
Dec-04	(43,803)	-					55,530	1,119,159		118,586,065
Totals	18,911,590	\$283,812,900	140,000	12,527,275	\$219,234,145	4,321,731	1,230,328	\$24,579,777	-	

- (1) Estimated Legal & Administrative costs of \$5,000 per transaction.
(2) Underwriters discount estimated at 2.5 percent of market based on negotiated average price at draw-down.
(3) Underwriters discount of \$1,823,900 is not included in the proceeds or the flotation costs.

**MDU RESOURCES GROUP, INC.
STOCK DIVIDENDS, STOCK SPLITS OR
CHANGES IN PAR OR STATED VALUE
FOR THE FIVE-YEAR PERIOD ENDING DECEMBER 31, 2004**

On October 29, 2003, MDU Resources Group, Inc. issued 37,862,129 additional shares of Common Stock, Par value \$1.00, in connection with a three-for-two Common Stock split to be effected in the form of a fifty percent stock dividend.

MDU RESOURCES GROUP, INC.
COMMON STOCK DATA
FOR THE FIVE YEARS ENDED DECEMBER 31, 2004

Year Ended December 31:	Avg. Number of Shares Outstanding (000's) 2/	Annual Diluted Earnings (per share) 2/	Annual Dividends (per share) 2/	Dividend/ Earnings Ratio	Average Market Price 1/	Price/ Earnings Ratio	Dividend/ Price Ratio
2000	92,085	1.20	0.5733	48%	16.02	13.4	3.6%
2001	101,803	1.52	0.6000	39%	20.17	13.3	3.0%
2002	106,863	1.38	0.6266	45%	17.59	12.7	3.6%
2003	112,460	1.55	0.6600	43%	20.91	13.5	3.2%
2004	117,411	1.76	0.7000	40%	26.66	15.1	2.6%
Twelve Months:							
January 2004	112,725	1.56	0.6600	42%	24.01	15.4	2.7%
February	113,044	1.58	0.6700	42%	23.53	14.9	2.8%
March	113,550	1.57	0.6700	43%	23.16	14.8	2.9%
April	113,996	1.57	0.6700	43%	23.10	14.7	2.9%
May	114,515	1.60	0.6800	43%	22.51	14.1	3.0%
June	115,058	1.68	0.6800	40%	23.60	14.0	2.9%
July	115,496	1.68	0.6800	40%	24.14	14.4	2.8%
August	115,858	1.68	0.6900	41%	24.69	14.7	2.8%
September	116,347	1.71	0.6900	40%	25.72	15.0	2.7%
October	116,782	1.71	0.6900	40%	26.13	15.3	2.6%
November	117,190	1.72	0.7000	41%	26.63	15.5	2.6%
December	117,411	1.76	0.7000	40%	26.66	15.1	2.6%

1/ The average market price is based on monthly high and low for the year.

2/ Common stock amounts reflect the Company's three-for-two common stock split effective October 29, 2003.

**MONTANA-DAKOTA UTILITIES CO.
REACQUISITION OF BONDS OR PREFERRED STOCK
FOR THE FIVE-YEAR PERIOD ENDING DECEMBER 31, 2004**

First Mortgage Bonds

There were no reacquisitions of bonds during the period ending December 31, 2004.

Preferred Stock

	<u>Principle Amount</u>	<u>Reacquisition Cost</u>	<u>Gain or Loss</u>
5.1% Preferred Stock	\$500,000	\$500,000	\$0