

April 20, 2007

Ms. Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol
Pierre, SD 57501-5070

Re: Experimental Conservation Program Tracking Mechanism Rate 90
Docket No. NG07-____

Dear Ms. Van Gerpen:

Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., herewith electronically submits for Commission approval a Conservation Tracking Adjustment (CTA), pursuant to the terms of the Company's Conservation Program Tracking Mechanism Rate 90 tariff, for recovery of gas conservation program expenditures through February 28, 2007.

Montana-Dakota is requesting approval of the following tariff changes, attached hereto, under Section 3 of Montana-Dakota's natural gas tariff to effectuate this change:

- 34th Revised Sheet No. 1
- 3rd Revised Sheet No. 2
- Original Sheet No. 2.1
- 1st Revised Sheet Nos. 7.1, 11.1, 13.1, 17.1 and 31

This is the first Conservation Tracking Adjustment to be implemented under the Company's portfolio of natural gas conservation programs, approved by the Commission in Docket No. NG05-16 on February 1, 2006. The purpose of the programs is to raise customer awareness regarding available energy saving measures and to provide assistance in employing cost effective measures that will reduce heating bills. The Conservation Tracking Adjustments (CTAs) reflect the recovery of expenditures through February 28, 2007. The authorized programs consisted of the following:

1. High Efficiency Natural Gas Furnaces: Qualifying customers receive an incentive of \$150 for replacing their current natural gas furnace rated 80% or less annual fuel utilization efficiency (AFUE) with an ENERGY STAR[®] rated (90% or

greater AFUE) natural gas furnace. 39 customers in South Dakota participated in this program during the test period ending February 28, 2007.

2. Programmable Thermostats: Qualifying customers receive an incentive of \$20 for the purchase and installation of an ENERGY STAR[®] rated programmable thermostat. 42 customers in South Dakota participated in this program during the test period ending February 28, 2007.
3. Conservation Starter Kits: Montana-Dakota has made an Energy Savers booklet, which is published by the US Department of Energy, available to its customers. This booklet provides useful information to the consumer on ways they can save energy in their home. Along with the booklet, Montana-Dakota provides customers with a packet of switch plate and outlet gaskets in order to promote the concept that there are small steps that can be taken to conserve energy in customers' homes.
4. ENERGY STAR[®] Partnership: Montana-Dakota is currently an ENERGY STAR partner and can participate in any of their national campaigns. These national campaigns include the "Change a Light" and "Cool Your World" campaigns and are targeted to educate consumers on energy conservation.

Montana-Dakota hosted several conservation open houses and information regarding conservation measures and programs available has been provided in bill inserts. Total program expenses, including the lost distribution revenue component, to be recovered under the CTA over the next twelve month period equate to \$20,080 for the Black Hills System and \$5,250 for the East River System resulting in a CTA applicable to service under Rates 60, 70 and 72 of \$.004 per dk and a CTA applicable to service under Rates 66 and 76 of \$.007 per dk.

The supporting workpapers for the proposed Black Hills and East River CTAs are provided in Exhibit A. The proposed CTAs will be shown as a separate line item on customers' bills whereby the applicable CTA will be applied to a customer's billed energy use each month effective upon approval by the Commission through April 30, 2008. Any over or under collection of revenue will be reflected in the next adjustment period pursuant to Rate 90.

The CTA was intended to be implemented on May 1 of each year as provided in the currently authorized Rate 90. Montana-Dakota recognizes that given the timing of this filing the first adjustment will not be implemented on that date. However, Montana-Dakota requests Commission approval within 30 days of this filing.

The results of the questionnaire Montana-Dakota was requested by the Commission to administer in order to gain further information regarding the effectiveness of the programs are included as Exhibit B. The results of the survey do not cause the

Company to revise the program offerings at this time.

Included herein is a second set of the affected tariff on which Montana-Dakota has indicated the revisions requested by lining through the existing language which the Company proposes to delete and clearly highlighting the new language proposed.

Attached as Exhibit C is the South Dakota "Report of Tariff Schedule Change" form required pursuant to ARSD 20:10:13:26.

The Company will comply with ARSD 20:10:13:18 by posting the Notice shown in Exhibit D in a conspicuous place in each business office in its affected gas service territory in South Dakota for at least 30 days before the change becomes effective.

Please refer all inquiries regarding this filing to:

Ms. Tamie A. Aberle
Pricing & Tariff Manager
Montana-Dakota Utilities Co.
400 North Fourth Street
Bismarck, ND 58501

Also, please send copies of all written inquiries, correspondence and pleadings to:

Mr. David A. Gerdes
May, Adam, Gerdes & Thompson
503 South Pierre Street
P.O. Box 160
Pierre, South Dakota 57501-0160

This filing has been electronically submitted to the Commission in accordance with ARSD 20:10:01:02:05. Montana-Dakota respectfully requests that this filing be accepted as being in full compliance with the filing requirements of this Commission.

Sincerely,



Donald R. Ball
Vice President – Regulatory Affairs

Attachments

cc: D. A. Gerdes



Montana-Dakota Utilities Co.
 A Division of MDU Resources Group, Inc.
 400 N 4th Street
 Bismarck, ND 58501

**State of South Dakota
 Gas Rate Schedule - SDPUC Volume No. 2**

RATE SUMMARY SHEET

Section No. 3
 34th Revised Sheet No. 1
 Canceling 33rd Revised Sheet No. 1

Page 1 of 1

Rate Schedule	Sheet No.	Basic Service Charge	Distribution Delivery Charge	CTA	PGA Items	Total Rate/ Dk
Residential Rate 60	2	\$0.25 per day	\$1.571	\$0.004	\$5.586	\$7.161
Ellsworth Air Force Base Rate 64	5	\$95.00 per month	\$0.062		\$4.389	\$4.451
East River Residential Rate 66	7	\$0.15 per day	\$2.915	\$0.007	\$5.765	\$8.687
Firm General Service Rate 70 Meters rated < 500 cubic feet Meters rated > 500 cubic feet	11	\$0.35 per day \$0.70 per day	\$1.175	\$0.004	\$5.586	\$6.765
Small Interruptible Gas Rate 71	12	\$50.00 per month	(Maximum) \$0.453		\$5.586	(Maximum) \$6.039
Optional Seasonal Gas Service Rate 72 Meters rated < 500 cubic feet Meters rated > 500 cubic feet Winter Gas Usage Summer Gas Usage	13	\$0.35 per day \$0.70 per day	\$1.175 \$1.175	\$0.004 \$0.004	\$5.687 \$4.661	\$6.866 \$5.840
East River Firm General Service Rate 76 Meters rated < 500 cubic feet Meters rated > 500 cubic feet	17	\$0.25 per day \$0.50 per day	\$2.598	\$0.007	\$5.765	\$8.370
Transportation Service Small Interruptible Rate 81 Maximum Minimum Fuel Charge Large Interruptible Rate 82 Maximum Minimum Fuel Charge	22	\$125.00 per month	\$0.453 \$0.131		\$0.062	
Large Interruptible Gas Rate 85	26	\$175.00 per month	(Maximum) \$0.187		\$0.050 \$4.612	(Maximum) \$4.799

Date Filed: April 20, 2007

Effective Date:

Issued By: Donald R. Ball
 Vice President - Regulatory Affairs

Docket No.:



Montana-Dakota Utilities Co.
A Division of MDU Resources Group, Inc.
 400 N 4th Street
 Bismarck, ND 58501

**State of South Dakota
 Gas Rate Schedule – SDPUC Volume No. 2**

Section No. 3
 3rd Revised Sheet No. 2
 Canceling 2nd Revised Sheet No. 2

RESIDENTIAL GAS SERVICE Rate 60

Page 1 of 2

Availability:

In all communities served, except for those communities set forth on Rate 66 or Rate 76, for all domestic uses. See Rate 100, §V.3, for definition of class of service.

Rate:

Basic Service Charge:	\$0.25 per day
Distribution Delivery Charge:	\$1.571 per dk
Cost of Gas:	Determined Monthly – See Rate Summary Sheet for Current Rate

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Cost of Gas:

The cost of gas includes all applicable cost of gas items as defined in Purchased Gas Cost Adjustment Rate 88 or any amendments or alterations thereto. The cost of gas component is subject to change on a monthly basis.

Distribution Delivery Stabilization Mechanism:

Service under this rate schedule is subject to an adjustment for the effects of weather in accordance with the Distribution Delivery Stabilization Mechanism Rate 87 or any amendments or alterations thereto.

Conservation Tracking Adjustment:

Service under this rate schedule is subject to a charge for the Experimental Conservation Program Tracking Mechanism as set forth in Rate 90 or any amendment or alterations thereto.

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Date Filed: April 20, 2007

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 Vice President-Regulatory Affairs

Docket No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street

Bismarck, ND 58501

**State of South Dakota
Gas Rate Schedule – SDPUC Volume No. 2**

Section No. 3
Original Sheet No. 2.1

RESIDENTIAL GAS SERVICE Rate 60

Page 2 of 2

General Terms and Conditions:

RULES - The foregoing schedule is subject to Rates 100 through 134 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

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Vice President-Regulatory Affairs

Docket No.:



Montana-Dakota Utilities Co.
A Division of MDU Resources Group, Inc.
400 N 4th Street
Bismarck, ND 58501

**State of South Dakota
Gas Rate Schedule – SDPUC Volume No. 2**

Section No. 3
1st Revised Sheet No. 7.1
Canceling Original Sheet No. 7.1

**EAST RIVER NATURAL GAS SYSTEM
RESIDENTIAL GAS SERVICE Rate 66**

Page 2 of 2

Conservation Tracking Adjustment:

Service under this rate schedule is subject to a charge for the Experimental Conservation Program Tracking Mechanism as set forth in Rate 90 or any amendment or alterations thereto.

General Terms and Conditions:

RULES – The foregoing schedule is subject to Rates 100 through 134, and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

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Montana-Dakota Utilities Co.
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 400 N 4th Street
 Bismarck, ND 58501

**State of South Dakota
 Gas Rate Schedule – SDPUC Volume No. 2**

Section No. 3
 1st Revised Sheet No. 11.1
 Canceling Original Sheet No. 11.1

FIRM GENERAL GAS SERVICE Rate 70

Page 2 of 2

Conservation Tracking Adjustment:

Service under this rate schedule is subject to a charge for the Experimental Conservation Program Tracking Mechanism as set forth in Rate 90 or any amendment or alterations thereto.

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Montana-Dakota Utilities Co.
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 400 N 4th Street
 Bismarck, ND 58501

**State of South Dakota
 Gas Rate Schedule – SDPUC Volume No. 2**

Section No. 3
 1st Revised Sheet No. 13.1
 Canceling Original Sheet No. 13.1

OPTIONAL SEASONAL GENERAL GAS SERVICE Rate 72

Page 2 of 2

Conservation Tracking Adjustment:

Service under this rate schedule is subject to a charge for the Experimental Conservation Program Tracking Mechanism as set forth in Rate 90 or any amendment or alterations thereto.

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General Terms and Conditions:

1. TERM - The customer agrees to contract for service under the Optional Seasonal General Gas Service Rate 72 for a minimum of one year.
2. RULES - The foregoing schedule is subject to Rates 100 through 134 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

Date Filed: April 20, 2007

Effective Date:

Issued By: Donald R. Ball
 Vice President-Regulatory Affairs

Docket No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

**State of South Dakota
Gas Rate Schedule – SDPUC Volume No. 2**

Section No. 3
1st Revised Sheet No. 17.1
Canceling Original Sheet No. 17.1

**EAST RIVER NATURAL GAS SYSTEM
FIRM GENERAL GAS SERVICE Rate 76**

Page 2 of 2

Distribution Delivery Stabilization Mechanism:

Service under this rate schedule is subject to an adjustment for the effects of weather in accordance with the Distribution Delivery Stabilization Mechanism Rate 87, or any amendments or alterations thereto.

Conservation Tracking Adjustment:

Service under this rate schedule is subject to a charge for the Experimental Conservation Program Tracking Mechanism as set forth in Rate 90 or any amendment or alterations thereto.

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General Terms and Conditions:

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Montana-Dakota Utilities Co.
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 400 N 4th Street
 Bismarck, ND 58501

**State of South Dakota
 Gas Rate Schedule – SDPUC Volume No. 2**

Section No. 3
 1st Revised Sheet No. 31
 Canceling Original Sheet No. 31

**EXPERIMENTAL CONSERVATION PROGRAM
 TRACKING MECHANISM Rate 90**

Page 1 of 1

Applicability:

This rate schedule represents an Experimental Conservation Program Tracking Mechanism and specifies the procedure to be utilized to recover the costs of a portfolio of conservation programs consisting of a Customer Conservation Starter Kit Program, a High-Efficiency Furnace Program and a Programmable Thermostat Program, as authorized by the Commission, including the recovery of distribution delivery charge revenues reduced as a result of the conservation programs. Service provided under the Company’s Residential Service Rates 60 and 66 and Firm General Service Rates 70, 72 and 76 shall be subject to this tracking mechanism. This experimental program shall expire on April 30, 2009.

Conservation Program Tracker:

An adjustment per dk will be determined for each rate schedule subject to the Conservation Program Tracking Mechanism. Monthly bills beginning with the first billing cycle following May 1, 2006 and each May 1 thereafter, will be adjusted by the application of the Conservation Tracking Adjustment rate indicated below. The rate will reflect the amortization of the conservation program costs including the dk savings associated with each measure implemented in the prior 12 month period. The currently authorized Distribution Delivery Charge will be applied to the dk savings to compute the reduction in Distribution Delivery revenues associated with the conservation programs. The total program costs including the lost distribution revenues will be amortized over projected volumes to be sold over the next 12 month period. Following the initial one-year term, and annually thereafter, the Conservation Program Tracker rate calculation shall include any over or under collection of revenue from the preceding twelve month recovery period.

Conservation Tracking Adjustment:

Black Hills	\$.004 per dk	C
East River	\$.007 per dk	C

Date Filed: April 20, 2007

Effective Date:

Issued By: Donald R. Ball
 Vice President-Regulatory Affairs

Docket No.:

Tariffs Reflecting Proposed Changes



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

**State of South Dakota
Gas Rate Schedule – SDPUC Volume No. 2**

Section No. 3
2nd Revised Sheet No. 2
Canceling 1st Revised Sheet No. 2

RESIDENTIAL GAS SERVICE Rate 60

Page 1 of 1

Availability:

In all communities served, except for those communities set forth on Rate 66 or Rate 76, for all domestic uses. See Rate 100, §V.3, for definition of class of service.

Rate:

Basic Service Charge:	\$0.25 per day
Distribution Delivery Charge:	\$1.571 per dk
Cost of Gas:	Determined Monthly – See Rate Summary Sheet for Current Rate

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Cost of Gas:

The cost of gas includes all applicable cost of gas items as defined in Purchased Gas Cost Adjustment Rate 88 or any amendments or alterations thereto. The cost of gas component is subject to change on a monthly basis.

Distribution Delivery Stabilization Mechanism:

Service under this rate schedule is subject to an adjustment for the effects of weather in accordance with the Distribution Delivery Stabilization Mechanism Rate 87 or any amendments or alterations thereto.

Conservation Tracking Adjustment:

Service under this rate schedule is subject to a charge for the Experimental Conservation Program Tracking Mechanism as set forth in Rate 90 or any amendment or alterations thereto.

Date Filed:

Effective Date:

Issued By: Donald R. Ball
Vice President-Regulatory Affairs

Docket No.:



Montana-Dakota Utilities Co.
A Division of MDU Resources Group, Inc.
400 N 4th Street
Bismarck, ND 58501

**State of South Dakota
Gas Rate Schedule – SDPUC Volume No. 2**

Section No. 3
2nd Revised Sheet No. 2
Canceling 1st Revised Sheet No. 2

RESIDENTIAL GAS SERVICE Rate 60

Page 1 of 1

General Terms and Conditions:

RULES - The foregoing schedule is subject to Rates 100 through 134 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

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Vice President-Regulatory Affairs

Docket No.:



Montana-Dakota Utilities Co.
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Bismarck, ND 58501

**State of South Dakota
Gas Rate Schedule – SDPUC Volume No. 2**

Section No. 3
Original Sheet No. 7.1

**EAST RIVER NATURAL GAS SYSTEM
RESIDENTIAL GAS SERVICE Rate 66**

Page 2 of 2

Conservation Tracking Adjustment:

Service under this rate schedule is subject to a charge for the Experimental Conservation Program Tracking Mechanism as set forth in Rate 90 or any amendment or alterations thereto.

General Terms and Conditions:

RULES – The foregoing schedule is subject to Rates 100 through 134, and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

Date Filed:

Effective Date:

Issued By: Donald R. Ball
Vice President-Regulatory Affairs

Docket No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

**State of South Dakota
Gas Rate Schedule – SDPUC Volume No. 2**

Section No. 3
Original Sheet No. 11.1

FIRM GENERAL GAS SERVICE Rate 70

Page 2 of 2

Conservation Tracking Adjustment:

Service under this rate schedule is subject to a charge for the Experimental Conservation Program Tracking Mechanism as set forth in Rate 90 or any amendment or alterations thereto.

General Terms and Conditions:

RULES - The foregoing schedule is subject to Rates 100 through 134 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

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A Division of MDU Resources Group, Inc.

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Bismarck, ND 58501

**State of South Dakota
Gas Rate Schedule – SDPUC Volume No. 2**

Section No. 3
Original Sheet No. 17.1

**EAST RIVER NATURAL GAS SYSTEM
FIRM GENERAL GAS SERVICE Rate 76**

Page 2 of 2

Distribution Delivery Stabilization Mechanism:

Service under this rate schedule is subject to an adjustment for the effects of weather in accordance with the Distribution Delivery Stabilization Mechanism Rate 87, or any amendments or alterations thereto.

Conservation Tracking Adjustment:

Service under this rate schedule is subject to a charge for the Experimental Conservation Program Tracking Mechanism as set forth in Rate 90 or any amendment or alterations thereto.

General Terms and Conditions:

RULES – The foregoing schedule is subject to Rates 100 through 134, and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

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A Division of MDU Resources Group, Inc.
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Bismarck, ND 58501

**State of South Dakota
Gas Rate Schedule – SDPUC Volume No. 2**

Section No. 3
Original Sheet No. 13.1

OPTIONAL SEASONAL GENERAL GAS SERVICE Rate 72

Page 2 of 2

Conservation Tracking Adjustment:

Service under this rate schedule is subject to a charge for the Experimental Conservation Program Tracking Mechanism as set forth in Rate 90 or any amendment or alterations thereto.

General Terms and Conditions:

1. TERM - The customer agrees to contract for service under the Optional Seasonal General Gas Service Rate 72 for a minimum of one year.
2. RULES - The foregoing schedule is subject to Rates 100 through 134 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

Date Filed:

Effective Date:

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Vice President-Regulatory Affairs

Docket No.:



**State of South Dakota
 Gas Rate Schedule – SDPUC Volume No. 2**

Section No. 3
 Original Sheet No. 31

**EXPERIMENTAL CONSERVATION PROGRAM
 TRACKING MECHANISM Rate 90**

Page 1 of 1

Applicability:

This rate schedule represents an Experimental Conservation Program Tracking Mechanism and specifies the procedure to be utilized to recover the costs of a portfolio of conservation programs consisting of a Customer Conservation Starter Kit Program, a High-Efficiency Furnace Program and a Programmable Thermostat Program, as authorized by the Commission, including the recovery of distribution delivery charge revenues reduced as a result of the conservation programs. Service provided under the Company's Residential Service Rates 60 and 66 and Firm General Service Rates 70, 72 and 76 shall be subject to this tracking mechanism. This experimental program shall expire on April 30, 2009.

Conservation Program Tracker:

An adjustment per dk will be determined for each rate schedule subject to the Conservation Program Tracking Mechanism. Monthly bills beginning with the first billing cycle following May 1, 2006 and each May 1 thereafter, will be adjusted by the application of the Conservation Tracking Adjustment rate indicated below. The rate will reflect the amortization of the conservation program costs including the dk savings associated with each measure implemented in the prior 12 month period. The currently authorized Distribution Delivery Charge will be applied to the dk savings to compute the reduction in Distribution Delivery revenues associated with the conservation programs. The total program costs including the lost distribution revenues will be amortized over projected volumes to be sold over the next 12 month period. Following the initial one-year term, and annually thereafter, the Conservation Program Tracker rate calculation shall include any over or under collection of revenue from the preceding twelve month recovery period.

Conservation Tracking Adjustment:

Black Hills	<u>\$.004</u> \$0.000 per dk
East River	<u>\$.007</u> \$0.000 per dk

Date Filed:

Effective Date:

Issued By: Donald R. Ball
 Vice President-Regulatory Affairs

Docket No.:

**Montana-Dakota Utilities Co.
Gas Utility - South Dakota
Gas Conservation Tracking Adjustment
Effective May 2007**

Black Hills System - Rates 60, 70 & 72

	<u>Units</u>	<u>Cost</u>	<u>Dk Savings 1/</u>	<u>Distribution Margin 2/</u>	<u>Total Cost</u>
Conservation Program Costs:					
High Efficiency Furnace Rebate @ \$150.00 per Replacement	35	\$5,250	382	\$600	\$5,850
Programmable Thermostats Rebates @ \$20.00 per Unit	33	660	129	203	863
Conservation Kits & Booklets		7,249			7,249
Conservation Open House Expenses & Customer Education		6,120			6,120
		<u>\$19,279</u>	<u>511</u>	<u>\$803</u>	<u>\$20,082</u>
Projected Firm Sales 3/					5,690,935
Conservation Tracking Adjustment per dk effective 5/1/07					<u>\$0.004</u>

East River System - Rates 66 & 76

	<u>Units</u>	<u>Cost</u>	<u>Dk Savings1/</u>	<u>Distribution Margin 2/</u>	<u>Total Cost</u>
Conservation Program Costs:					
High Efficiency Furnace Rebate @ \$150.00 per Replacement	4	\$600	43	\$125	\$725
Programmable Thermostats Rebates @ \$20.00 per Unit	9	180	35	102	282
Conservation Kits & Booklets		971			971
Conservation Open House Expenses & Customer Education		3,271			3,271
		<u>\$5,022</u>	<u>78</u>	<u>\$227</u>	<u>\$5,249</u>
Projected Firm Sales 3/					742,231
Conservation Tracking Adjustment per dk effective 5/1/07					<u>\$0.007</u>

1/ Exhibit A, Page 2.

2/ Distribution Margin:

Black Hills System \$1,571

East River System \$2,915

3/ Exhibit A, Page 3. South Dakota projected firm sales for May 2007 through April 2008.

**Montana-Dakota Utilities Co.
Gas Utility - South Dakota
Gas Conservation Tracking Adjustment
Calculated Dk Savings**

Rebates Issued February 1, 2006 through February 28, 2007

Black Hills System

High Efficiency Furnace	Furnace Rating				Total
	90%	91%	92%	94%	
Efficiency Rating of New Furnace	90%	91%	92%	94%	
Less Base Efficiency	78%	78%	78%	78%	
	12%	13%	14%	16%	
Base Average Use (in Dk)	77.0	77.0	77.0	77.0	
	9.2	10.0	10.8	12.3	
Number of customers	1	3	26	5	35
Total Dk Saved	9.2	30.0	280.8	61.5	381.5

Programmable Thermostats

Customer Rebates	33
Dk savings per customer	3.9
Total Dk Saved	128.7

East River System

High Efficiency Furnace	Furnace Rating				Total
	90%	91%	92%	94%	
Efficiency Rating of New Furnace	90%	91%	92%	94%	
Less Base Efficiency	78%	78%	78%	78%	
	12%	13%	14%	16%	
Base Average Use (in Dk)	77.0	77.0	77.0	77.0	
	9.2	10.0	10.8	12.3	
Number of customers	0	0	4	0	4
Total Dk Saved	0.0	0.0	43.2	0.0	43.2

Programmable Thermostats

Customer Rebates	9
Dk savings per customer	3.9
Total Dk Saved	35.1

**Montana-Dakota Utilities Co.
Gas Utility - South Dakota
Projected Firm Sales
May 2007 through April 2008**

	<u>Black Hills System</u>			<u>East River System</u>		
	<u>Residential</u>	Firm <u>General</u>	<u>Total</u>	<u>Residential</u>	Firm <u>General</u>	<u>Total</u>
May 2007	146,950	162,320	309,270	9,190	15,330	24,520
June	76,580	111,000	187,580	3,170	9,620	12,790
July	65,360	95,590	160,950	2,630	9,250	11,880
August	66,230	99,660	165,890	2,890	9,480	12,370
September	108,320	123,150	231,470	5,910	11,820	17,730
October	228,600	209,817	438,417	19,604	24,053	43,657
November	411,260	324,580	735,840	44,990	46,520	91,510
December	546,460	419,820	966,280	65,710	64,910	130,620
January 2008	578,590	441,910	1,020,500	73,050	72,430	145,480
February	476,970	380,820	857,790	58,560	58,920	117,480
March	406,920	335,700	742,620	45,360	47,660	93,020
April	265,740	233,930	499,670	24,030	28,380	52,410
Total	<u>3,377,980</u>	<u>2,938,297</u>	<u>6,316,277</u>	<u>355,094</u>	<u>398,373</u>	<u>753,467</u>
Less: Firm Contract 1/		625,342	625,342		11,236	11,236
Total SD	<u><u>3,377,980</u></u>	<u><u>2,312,955</u></u>	<u><u>5,690,935</u></u>	<u><u>355,094</u></u>	<u><u>387,137</u></u>	<u><u>742,231</u></u>

1/ Per books volumes for firm contract sales for the twelve months ended 2/28/07.

**Montana-Dakota Utilities Co.
South Dakota - Natural Gas
Demand-Side Management Survey
March 2007**

- 1) If you purchased an ENERGY STAR rated furnace, what is the age of the furnace that was replaced?

1 - 5 yrs old	3.57%
6 - 10 yrs old	10.71%
11 - 15 yrs old	0.00%
16 - 20 yrs old	14.29%
21 - 30 yrs old	28.57%
31 - 40 yrs old	25.00%
More than 40 yrs old	14.29%
Don't know	3.57%

- 2) Did the incentive offer influence your decision to purchase an ENERGY STAR rated programmable thermostat and/or furnace?

Yes	31.82%
No	61.36%
No Answer	6.82%

- 3) Did the current price of natural gas influence your decision to purchase an ENERGY STAR rated programmable thermostat and/or furnace?

Yes	75.00%
No	20.45%
No Answer	4.55%

- 4) On average over the winter heating season, how many hours per week do you intend to set back your programmable thermostat?

0 - 5 hours	0.00%
6 - 10 hours	14.29%
11 - 15 hours	7.14%
16 - 20 hours	7.14%
21 - 25 hours	7.14%
26 - 30 hours	14.29%
More than 30 hours	50.00%

**Montana-Dakota Utilities Co.
South Dakota - Natural Gas
Demand-Side Management Survey
March 2007**

- 5) At what temperature change (the difference from the high and low setting) do you intend to program your thermostat?

0 Degrees	0.00%
1 - 3 Degrees	13.79%
4 - 5 Degrees	31.04%
6 - 8 Degrees	20.69%
9 - 10 Degrees	24.14%
More than 10 Degrees	10.34%

- 6) What is your total household income level?

Less than \$25,000/year	22.73%
\$25,001 - \$50,000/year	25.00%
\$50,001 - \$75,000/year	25.00%
\$75,001 - \$100,000/year	11.36%
More than \$100,000/year	9.09%
No Answer	6.82%

Report of Tariff Schedule Change

NAME OF UTILITY: Montana-Dakota Utilities Co.
 ADDRESS: 400 North Fourth Street
 Bismarck, ND 58501

Section No.	Class of Service	New Sheet No.
3	Rate Summary Sheet	34th Revised Sheet No. 1
3	Residential Gas Service Rate 60	3rd Revised Sheet No. 2
3	Residential Gas Service Rate 60	Original Sheet No. 2.1
3	East River Natural Gas System Residential Gas Service Rate 66	1st Revised Sheet No. 7.1
3	Firm General Gas Service Rate 70	1st Revised Sheet No. 11.1
3	East River Natural Gas System Firm General Gas Service Rate 76	1st Revised Sheet No. 17.1
3	Optional Seasonal General Gas Service Rate 72	1st Revised Sheet No. 13.1
3	Experimental Conservation Program Tracking Mechanism Rate 90	1st Revised Sheet No. 31

Change: Conservation Tracking Adjustment
 (State part of tariff schedule affected by change, such as: Applicability, availability, rates, etc.)

Reason for Change Reflect updated Conservation Program Costs

Present Rates
 Proposed Rates
 Approximate annual reduction in revenue N/A
 Approximate annual increase in revenue N/A

Points Affected	Estimated Number of Customers Whose Cost of Service will be:					
	Reduced		Increased		Unchanged	
	# of Customers	Amount in \$	# of Customers	Amount in \$	# of Customers	Amount in \$
All	N/A	N/A	51,406	25,330	N/A	N/A

Include Statement of Facts, expert opinions, documents and exhibits supporting the change requested.

Received: _____

Montana-Dakota Utilities Co.
 (Reporting Utility)

By: _____
 Executive Director
 South Dakota
 Public Utilities Commission

By: Donald R. Ball
 Vice President- Regulatory Affairs
 (Name and Title)

**On April 20, 2007 Montana-Dakota Utilities Co., a
Division of MDU Resources Group, Inc.,
filed with the South Dakota Public Utilities
Commission revised Rate 90 which affects
Montana-Dakota Utilities Co.'s residential and
firm general gas customers in South Dakota.
The revised rate and South Dakota rules and
regulations are available in this office for
inspection. Please inquire at cashier's desk.**