



400 North Fourth Street
Bismarck, ND 58501
(701) 222-7900

September 5, 2008

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

Re: Fuel Clause – Electric Rate 58
Docket No. EL08-_____

Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., herewith requests approval to revise its Fuel Clause Rate 58 tariff (FCA tariff). Montana-Dakota submits this Letter of Transmittal along with Exhibit A in support of this request.

The last paragraph of the FCA tariff Rate 58 states that the effective date of the monthly FCA is to be bills rendered on and after the first date of each month. Montana-Dakota herewith requests Commission approval to change the effective date of the FCA tariff from bills rendered to a service rendered basis.

Montana-Dakota is in the process of integrating its Automated Meter Reading (AMR) system. During the integration process, Montana-Dakota is rerouting some meter read cycles to take advantage of the efficiencies and flexibility that AMR offers. The Company also expects to reroute meter read cycles in the future, using knowledge gained through experience with the AMR system, to gain further efficiencies. To avoid potential effects on customers, both now and in the future, Montana-Dakota proposes to implement its FCA on a service rendered basis. An additional advantage of a service rendered FCA is that it will provide for an equitable sharing of costs among all customers, regardless of their meter read cycle.

The Company requests approval of 6th Revised Sheet No. 27 of its Fuel Clause – Electric Rate 58 tariff, as provided in Exhibit A. Also included is a copy of the affected tariff on which Montana-Dakota has indicated the revision requested by lining through the existing language, which the Company proposes to delete, and underlining the new proposed language.

Please refer all inquiries regarding this filing to:

Ms. Rita A. Mulkern
Regulatory Analysis 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. Daniel S. Kuntz
Associate General Counsel
MDU Resources Group, Inc.
P.O. Box 5650
Bismarck, ND 58506-5650

Montana-Dakota respectfully requests that this filing be accepted as being in full compliance with the filing requirements of this Commission.

Sincerely,

Handwritten signature of Donald R. Ball in black ink.

Donald R. Ball
Vice President – Regulatory Affairs

Attachments

cc: D. Gerdes
D. Kuntz

Exhibit A

FUEL CLAUSE Rate 58

There shall be added to or deducted from the net monthly bill computed according to the applicable schedule .0009¢ (nine ten-thousandths of one cent) per kilowatt-hour for each .001¢ increase above or decrease below the base fuel cost per kilowatt-hour. The base fuel cost shall be 1.4704¢ per Kwh.

The fuel cost shall be the sum of the following for the most recent three month period as herein defined.

1. The cost of fossil and other fuels, including but not limited to tire derived fuel (TDF) and refuse derived fuel (RDF) consumed in the Company's own generating stations and the Company's share of fuel consumed in jointly owned generating stations as recorded in Account 151.
2. The net energy cost of energy purchases as recorded in Account 555 exclusive of capacity or demand charges including but not limited to:
 - a. Energy that is purchased on an economic dispatch basis;
 - b. Energy purchased from a renewable energy source, including but not limited to hydropower, wood, windpower, and biomass;
 - c. Energy related costs associated with the Midwest ISO Energy Market.
3. The actual indentifiable fossil and other fuel costs associated with energy purchased for reasons other than identified in (2) above, less;
4. The cost of fossil and other fuel recovered through intersystem sales, including the fuel costs and/or renewable energy costs related to economy energy sales and other energy sold on an economic dispatch basis.

The kilowatt-hour sales shall be all kilowatt hours sold excluding intersystem sales for the most recent three month period as herein defined.

This adjustment shall be made monthly and shall be based on the average fuel cost per kilowatt-hour for the most recent three month period for which actual cost data is available. The Company shall file with the Commission prior to making an adjustment, a monthly statement, under oath, setting forth the fuel cost per kilowatt-hour for the most recent three month period, as set forth above. Any adjustment in rates occasioned thereby shall be effective with service rendered on and after the first day of each month, unless the Commission shall otherwise order.

(C)

Date Filed: September 5, 2008 **Effective Date:** _____

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

Docket No.: _____

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