

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

March 19, 2012

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

Re: Conservation Program Tracking Mechanism Rate 90 and Natural Gas Conservation  
Portfolio 2012 - 2014  
Docket No. NG11-006

Dear Ms. Van Gerpen:

Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc. herewith electronically submits the following tariff sheets effective with service rendered on and after April 1, 2012 in compliance with the South Dakota Public Utilities Commission's decision rendered at its Agenda Meeting held on March 13, 2012:

- 80<sup>th</sup> Revised Sheet No. 1 – Rate Summary Sheet
- 7<sup>th</sup> Revised Sheet No. 31 – Conservation Program Tracking Mechanism Rate 90

The tariff sheets reflect the Conservation Tracking Adjustments (CTA) of \$.018 per dk and \$.049 per dk applicable in the Black Hills and East River rate areas respectively. The rates reflect the amount required to recover the Conservation Program balances after deducting the expenditures budgeted for the furnace tune up program originally part of the conservation portfolio but rejected by the Commission. The worksheets underlying the CTA rates are provided in Attachment A. The Rate Summary Sheet reflects the April 1, 2012 Cost of Gas filed on March 9, 2012 and the updated CTA amounts.

The gas conservation portfolio, excluding the furnace tune up program, continues to provide positive results based on the cost/benefit tests adjusted to exclude the furnace tune up program.

Sincerely,

*/s/ Tamie A. Aberle*

Tamie A. Aberle  
Regulatory Affairs Manager

Attachments

cc: D. Kuntz