



MONTANA-DAKOTA

UTILITIES CO.

A Division of MDU Resources Group, Inc.

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

November 4, 2008

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

Re: Final Tariffs
Docket Nos. NG08-008 and EL08-027

Dear Ms. Van Gerpen:

Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group Inc., herewith electronically files the following tariff sheets reflecting the effective dates pursuant to action taken by the Commission at its October 7, 2008 Agenda Meeting.

Natural Gas Volume 2 Section 3

- 3rd Revised Sheet No. 29
- 3rd Revised Sheet No. 30

Electric Volume 3

- 6th Revised Sheet No. 27

Sincerely,

Tamie A. Aberle
Pricing and Tariff Manager

Attachments



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. 29
Canceling 2nd Revised Sheet No. 29

PURCHASED GAS COST ADJUSTMENT Rate 88

Page 1 of 6

1. Applicability:

This rate schedule constitutes a purchased gas cost adjustment (PGA) provision and specifies the procedure to be utilized to adjust the rates for gas sold under Montana-Dakota's rate schedules, with the exception of Rate 66 and Rate 76, in order to reflect: (a) changes in Montana-Dakota's average cost of gas supply and (b) amortization of the Unrecovered Purchased Gas Cost Account.

2. Effective Date and Limitation on Adjustments:

(a) The effective dates of the PGA shall be service rendered on and after the first day of each month, unless the Commission shall otherwise order. C

(b) Montana-Dakota shall file a PGA to reflect changes in its average cost of gas supply only when the amount of change in such PGA is at least 10 (ten) cents per dk compared to the currently effective adjustment. The adjustment to be effective October 1 shall be filed each year, regardless of the amount of the change.

3. Purchased Gas Cost Adjustment:

(a) The monthly PGA shall reflect changes in Montana-Dakota's cost of gas supply as compared to the cost of gas supply approved in its most recent PGA. The cost of gas supply shall be the sum of all costs incurred in obtaining gas for general system supply. General system supply is defined as gas available for use by all customers served under retail sales rate schedules excluding Rate 66 and Rate 76. The cost of gas supply shall include, but not be limited to, all demand, commodity, storage, gathering, and transportation charges incurred by Montana-Dakota for such gas supply, the overall rate of return on prepaid demand and commodity charges and gas storage balances required to maintain the system gas supply and hedging program gains, losses and transaction costs related to system gas supply.

(b) The PGA shall be computed as follows:

(1) Demand costs shall include all annual gathering, transportation and storage demand charges at current rates.

Date Filed:	August 26, 2008	Effective Date:	Service rendered on and after October 1, 2008
Issued By:	Donald R. Ball Vice President – Regulatory Affairs		
Docket No.:	NG08-008		



Montana-Dakota Utilities Co.

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
3rd Revised Sheet No. 30
Canceling 2nd Revised Sheet No. 30

**EAST RIVER NATURAL GAS SYSTEM
PURCHASED GAS COST ADJUSTMENT Rate 89**

1. Applicability:

This rate schedule constitutes a purchased gas cost adjustment (PGA) provision and specifies the procedure to be utilized to adjust the rates for gas sold under Residential Natural Gas Service Rate 66 (Rate 66) and Firm General Natural Gas Service Rate 76 (Rate 76) in order to reflect: (a) changes in Montana-Dakota's average cost of gas supply and (b) amortization of the Unrecovered Purchased Gas Cost Account.

2. Effective Date and Limitation on Adjustments:

- (a) The effective dates of the PGA shall be service rendered on and after the first day of each month, unless the Commission shall otherwise order.
- (b) Montana-Dakota shall file a PGA to reflect changes in its average cost of gas supply only when the amount of such change in PGA is at least 10 (ten) cents per dk compared to the currently effective adjustment. The adjustment to be effective October 1 shall be filed each year, regardless of the amount of the change.

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3. Purchased Gas Cost Adjustment:

- (a) The monthly PGA shall reflect changes in Montana-Dakota's cost of gas supply for the East River System as compared to the cost of gas supply approved in its most recent PGA. The cost of gas supply shall be the sum of all costs incurred in obtaining gas for delivery at interconnections with South Dakota Intrastate Pipeline (SDIP). The East River System supply is defined as gas available for use by all customers served under Rate 66 and Rate 76. The cost of gas supply shall include, but not be limited to, all demand, commodity, storage, gathering, and transportation charges incurred by Montana-Dakota for such gas supply, the overall rate of return on prepaid demand and commodity charges and gas storage balances required to maintain the East River System gas supply and hedging program gains, losses and transaction costs related to the East River System gas supply.

Date Filed:	August 26, 2008	Effective Date:	Service rendered on and after October 1, 2008
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Docket No.:	NG08-008		

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.

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