

September 16, 2009

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
Request for Extension of Time & Continuation of Conservation Program
Docket No. NG09-001

Dear Ms. Van Gerpen:

On March 2, 2009, Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., requested to remove the experimental qualifier associated with its Gas Conservation Program. In that filing designated as NG09-001, Montana-Dakota also proposed a set of gas conservation programs to be part of its 2010-2011 portfolio of programs to be offered to customers. On April 1, 2009 Montana-Dakota filed a supplement to the March 2 filing to request a change in the Conservation Tracking Adjustment (CTA) to be effective May 1, 2009. The Commission approved the CTA and a change to the CTA tariff that continued the existing Gas Conservation Program until September 30, 2009.

Montana-Dakota personnel and Commission Staff have been in discussions regarding the Gas Conservation Program as proposed by the Company on March 2. While good progress has been made toward resolution of all issues, Montana-Dakota will not be ready to file a revised Plan to allow sufficient review prior to the Commission's Meeting scheduled for September 22, 2009 which at this time is the last scheduled Commission Meeting in September. Montana-Dakota therefore, requests the Commission approve the attached revised tariff sheet (designated as Section No. 3; 4th Revised Sheet No. 31) extending the current Gas Conservation Program through October 31, 2009.

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.

Montana-Dakota requests waiver of ARSD 20:10:13:18 requiring a 30-day notice to customers.

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. Daniel S. Kuntz
Associate General Counsel
MDU Resources Group, Inc.
P. O. Box 5650
Bismarck, ND 58506-5650

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**

Section No. 3
 4th Revised Sheet No. 31
 Canceling 3rd Revised Sheet No. 31

**CONSERVATION PROGRAM
 TRACKING MECHANISM Rate 90**

Page 1 of 1

Applicability:

This rate schedule represents a Conservation Program Tracking Mechanism and specifies the procedure to be utilized to recover the costs of a portfolio of conservation programs, 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 program shall expire on October 31, 2009 unless otherwise authorized by the Commission.

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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 each May 1 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 applicable to qualifying customers that participated in a conservation program 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	\$.005 per dk
East River	\$.004 per dk

Date Filed: September 16, 2009

Effective Date:

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

Docket No.: NG09-001

Tariff Reflecting Proposed Changes



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

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