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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE FILING BY) ORDER APPROVING TARIFF
MONTANA-DAKOTA UTILITIES CO., A) REVISIONS
DIVISION OF MDU RESOURCES GROUP, INC.)
FOR APPROVAL OF NATURAL GAS) NG05-016
CONSERVATION PROGRAMS AND)
CONSERVATION TRACKING ADJUSTMENT)

On November 14, 2005, Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc. (MDU), filed for approval with the Public Utilities Commission (Commission) natural gas conservation programs, including Conservation Starter Kits, On-Line Energy Audits, and certain rebates and incentives for customers purchasing certain high efficiency appliances and devices. The application also requested approval of a cost recovery mechanism designed to recover both program costs and lost distribution revenues resulting from lower consumption due to program implementation. On January 13, 2006, MDU filed for approval with the Commission a revised portfolio of natural gas conservation programs along with the associated conservation tracking adjustment. The revised portfolio included only the Customer Conservation Starter Kits program, the High-Efficiency Furnace Incentive program and the Programmable Thermostats program and a revised cost/benefit analysis of these programs if implemented alone. The revised tariff sheets are as follows:

Section No. 1, 3rd Revised Sheet No. 1, canceling 2nd Revised Sheet No. 1

Section No. 3, Original Sheet No. 31

At its regularly scheduled meeting of January 31, 2006, the Commission considered approval of the revised application. After further discussion between the Commission, MDU and Staff, Staff proposed that if the Commission were to approve MDU's application, that the Commission consider approval on an experimental basis for a period encompassing three heating seasons at which time the plan would expire, unless before that time, MDU filed for and obtained Commission approval to continue the programs. Staff also recommended that a survey be conducted to gather information from customers participating in the programs to provide the Parties further information regarding the effectiveness of the programs.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL Chapter 49-34A. Further, the revisions are just and reasonable and shall be approved on an experimental basis until April 30, 2009. As the Commission's final decision in this matter, it is therefore

ORDERED, that MDU's revised tariff sheets as described above are approved and shall be effective for service rendered on and after the date of this Order and that the programs and adjustment approved herein are effective until April 30, 2009. It is further

ORDERED, that a questionnaire be prepared, with the input of the Commission, and administered by MDU to each participant in the approved programs in order to gather further information regarding the effectiveness of the programs and that the results of such questionnaire be submitted to the Commission annually on or about May 1 of each year.

Dated at Pierre, South Dakota, this 10th day of February, 2006.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.

By:

Heldaine Kalbo

Date:

2/10/06

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Robert K. Sahr

ROBERT K. SAHR, Chairman

Dustin M. Johnson

DUSTIN M. JOHNSON, Commissioner

Gary Hanson

GARY HANSON, Commissioner