

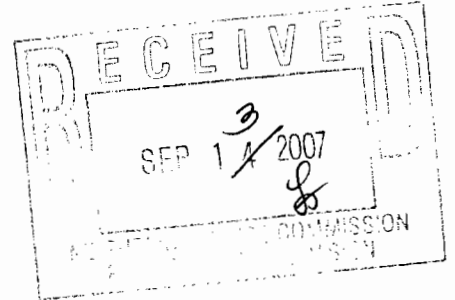


MONTANA-DAKOTA

UTILITIES CO.

A Division of MDU Resources Group, Inc.

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



September 12, 2007

Illona Jeffcoat-Sacco
Executive Secretary
North Dakota Public Service
Commission
State Capitol Building
Bismarck, ND 58505

RE: Boulder Ridge Development –
Transfer of Customers

Dear Ms. Jeffcoat-Sacco:

This letter is to inform the North Dakota Public Service Commission that on September 11, 2007, Montana-Dakota Utilities Co. (Montana-Dakota) sent the attached letter to all customers Montana-Dakota is currently serving in the Boulder Ridge Development in Bismarck. The letter is to advise customers that in the near future Capital Electric Cooperative will be their electric service provider and what they can expect during the transition.

Montana-Dakota is working with Capital Electric and developing a plan to make the physical connections at the premises and to transfer customer information for billing purposes. The goal is to make this transition as smooth as possible for all customers served in this area.

If you have any questions, please contact me or Tamie Aberle.

Donald R. Ball
Vice President-Regulatory Affairs

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Bismarck ND
September 11, 2007

Dear Sir or Madam,

As you may be aware, the North Dakota Public Service Commission and the North Dakota Supreme Court ruled that Capital Electric Cooperative shall provide all electric service to the Boulder Ridge development. Therefore, regrettably, Montana-Dakota Utilities Co. must turn over all our existing customers to Capital Electric. You happen to be one of these customers.

While we are disappointed that we can no longer provide your electric service, we are cooperating fully to assure your transition to Capital Electric is as seamless as possible. Unfortunately, you will notice a few very short power outages, and perhaps some activity on your property, as this process occurs. Capital Electric will be providing you more details in the near future.

You will begin to receive your electric bill from Capital Electric for the period after it starts to provide service, as well as a bill for the final period of electric service from Montana-Dakota, which will be the date our electric meter is removed from your residence. This date, and the final reading from the meter, will be shown on the next utility bill you receive from Montana-Dakota.

We are happy to note that Montana-Dakota will continue to provide your natural gas service. And, as always, we will strive to continue to provide you with excellent service.

If you have any questions, please contact us at 1-800-MDU-FAST.

Sincerely,

MONTANA-DAKOTA UTILITIES CO.

Cc: ND Public Service Commission