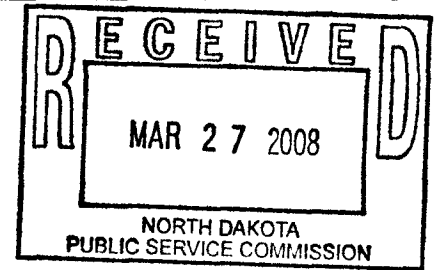


400 North Fourth Street
Bismarck, ND 58501
(701) 222-7900

March 26, 2008

Executive Secretary
North Dakota Public Service
Commission
State Capitol Building
Bismarck, ND 58505



Re: Cost of Gas (COG) Rate 88

Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc. (Montana-Dakota) herewith submits an original and 7 copies of its request for a deviation from Section 2(a) of its Rate 88 tariff, pursuant to North Dakota Rules Chapter 69-09-01-30 9. Section 2(a) of its Rate 88 tariff specifies that the cost of gas be implemented with bills rendered effective on the first date of each month. Montana-Dakota is proposing to implement its COG adjustment on a service rendered basis for bills submitted to customers in April, May and June.

Montana-Dakota is currently in the process of implementing its Automated Meter Reading (AMR) system and is rerouting some meter read cycles to most efficiently use the AMR system. As a result, during the implementation period, affected customers may receive bills that are longer or shorter than the normal cycle of approximately 30 days.

Montana-Dakota proposes to implement the cost of gas adjustment for the months of April, May and June on a service rendered basis in order to avoid potential effects on customers due to the longer or shorter billing cycles. Implementing the COG changes on a service rendered basis is in the same manner as the way rate changes in a general rate case are typically implemented.

As a result, for example, customers' usage prior to April 1, 2008 will be billed at the rate established in March and usage on and after April 1, 2008 will be billed at the rate established effective April 1, 2008. In the absence of the proposed deviation, a customer that is billed for 30 days of consumption at the end of March and billed at the March rate may receive a bill for 35 days consumption at the beginning of April, with all consumption billed at the April rate. In this example, a customer may be adversely affected due to the increase in the cost of gas in April.

Montana-Dakota respectfully requests that this filing be accepted as being in full compliance with the filing requirements of this Commission.

Please acknowledge receipt by stamping or initialing the duplicate copy of this letter attached hereto and returning the same in the enclosed self-addressed stamped envelope.

Sincerely,



Rita A. Mulkern
Regulatory Analysis Manager